

IN THE UNITED STATES DISTRICT COURT
IN THE WESTERN DISTRICT OF NORTH CAROLINA
CIVIL ACTION NO. 5:25-CV-00195

KYLE BUSCH, INDIVIDUALLY AND
AS TRUSTEE FOR THE SAMANTHA
LYNN BUSCH IRREVOCABLE LIFE
INSURANCE TRUST; AND
SAMANTHA BUSCH, INDIVIDUALLY
AND AS TRUSTEE FOR THE KYLE T.
BUSCH IRREVOCABLE LIFE
INSURANCE TRUST,

Plaintiffs,

v.

PACIFIC LIFE INSURANCE COMPANY,
RODNEY A. SMITH, AND RED RIVER
LLC,

Defendants.

**ANSWER OF DEFENDANTS,
RODNEY A. SMITH AND RED RIVER
LLC TO AMENDED COMPLAINT**

ANSWER

NOW COME the Defendants, Rodney A. Smith and Red River LLC (hereinafter referred to as “Answering Defendants”), by and through undersigned counsel and hereby respond to the allegations of the Plaintiffs' Amended Complaint as follows:

The introduction of Plaintiffs' Amended Complaint fails to state any allegations to which a response is required. To the extent a response is required, the allegations are denied as to Answering Defendants.

1. It is admitted that at all relevant times Mr. Smith acted as an authorized producer for Pacific Life Insurance Company and provided multiple policy illustrations and projections for the benefit of Plaintiffs. Except as admitted, denied as to Answering Defendants.

2. It is admitted Mr. Smith represented that the policies could be fully funded and

self-sustaining after a specified number of annual premium payments. Except as admitted, denied as to Answering Defendants.

3. It is admitted Mr. Smith presented for the benefit of Plaintiffs options to purchase policies funded with Plaintiffs' own assets and that such policies had costs and risks. Except as admitted, denied as to Answering Defendants.

4. Paragraph 4 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

5. Paragraph 5 of Plaintiffs' Amended Complaint contains allegations that do not relate to Answering Defendants. In the event they are related to the Answering Defendants, they are denied.

6. Paragraph 6 of Plaintiffs' Amended Complaint contains allegations that do not relate to Answering Defendants. In the event they are related to the Answering Defendants, they are denied.

7. Paragraph 7 of Plaintiffs' Amended Complaint contains allegations that do not relate to Answering Defendants. In the event they are related to the Answering Defendants, they are denied.

8. Answering Defendants are without sufficient information to respond to the allegations contained in paragraph 8 of Plaintiffs' Amended Complaint. Therefore, the allegations are denied as to Answering Defendant.

9. Paragraph 9 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

10. Paragraph 10 of Plaintiffs' Amended Complaint is admitted upon information and belief.

11. Paragraph 11 of Plaintiffs' Amended Complaint is admitted upon information and belief.

12. Paragraph 12 of Plaintiffs' Amended Complaint is admitted upon information and belief.

13. Paragraph 13 of Plaintiffs' Amended Complaint is admitted upon information and belief.

14. Paragraph 14 of Plaintiffs' Amended Complaint is admitted.

15. Red River is a Nevada limited liability company with its principal place of business in Las Vegas, Clark County, Nevada, conducts business in North Carolina, and during all relevant times, was conducting business in North Carolina. It is further admitted that Mr. Smith used Red River to conduct his insurance business and to receive commissions and compensation from the sale of the Pacific Life Indexed Universal Life policies at issue. Except as admitted, denied as to Answering Defendants.

16. Answering Defendants are without sufficient information to respond to the allegations contained in paragraph 16 of Plaintiffs' Amended Complaint. Therefore, the allegations are denied as to Answering Defendant.

17. Paragraph 17 of Plaintiffs' Amended Complaint is admitted.

18. Paragraph 18 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is admitted this action was timely removed. Except as admitted, denied as to Answering Defendants.

19. Paragraph 19 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is admitted the dispute exists between citizens of different states and Plaintiffs have alleged an amount in

controversy in excess of \$75,000. Except as admitted, denied as to Answering Defendants.

20. Paragraph 20 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is admitted Answering Defendants conducted business in the Western District of North Carolina and utilized the U.S. Mail and internet to offer products to Plaintiffs. Except as admitted, denied as to Answering Defendants.

21. Paragraph 21 of Plaintiffs' Amended Complaint is admitted.

22. Paragraph 22 of Plaintiffs' Amended Complaint is admitted.

23. It is admitted that Pacific Life provided Mr. Smith with training materials, marketing portals, and online access to carrier-generated documents. Except as admitted, denied as to Answering Defendants.

24. Paragraph 24 of Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is admitted that Smith was acting in the course and scope of his work with Pacific Life. Except as admitted, denied as to Answering Defendants.

25. Paragraph 25 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

26. Paragraph 26 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

27. Paragraph 27 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

28. Paragraph 28 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

29. Paragraph 29 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

30. Paragraph 30 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

31. Paragraph 31 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

32. Paragraph 32 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

33. Paragraph 33 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

34. Paragraph 34 of Plaintiffs' Amended Complaint contains allegations that do not relate to Answering Defendants. In the event they are related to the Answering Defendants, they are denied.

35. Paragraph 35 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

36. Paragraph 36 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

37. Paragraph 37 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

38. Paragraph 38 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

39. It is admitted that in the Fall of 2023, Mr. Busch received a notice from Pacific Life. Except as admitted denied as to Answering Defendants.

40. Paragraph 40 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

41. Paragraph 41 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

42. It is admitted Mr. Smith had a Zoom meeting with Kyle Busch. Except as admitted, denied as to Answering Defendants.

43. It is admitted that Plaintiffs paid a total of \$10,400,000 in premiums. Except as admitted, denied as to Answering Defendants.

44. It is admitted Red River received in excess of a million dollars in commissions and overrides in connections with the policies at issue. Except as admitted, denied as to Answering Defendants.

45. It is admitted that Pacific Life employees, including Noah Jacobs, Time Breland and Barbara Trost supported Mr. Smith's sales efforts. Except as admitted, denied as to Answering Defendants.

46. Paragraph 46 of Plaintiffs' Amended Complaint is admitted, upon information and belief.

47. Paragraph 47 of Plaintiffs' Amended Complaint is admitted.

48. Paragraph 48 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as to Answering Defendants.

49. Paragraph 49 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. Additionally, Answering Defendants are without sufficient information to respond to the allegations contained in paragraph 49 of Plaintiffs'

Amended Complaint. Therefore, the allegations are denied as to Answering Defendant.

50. It is admitted Mr. Smith held himself out as a wealth management and insurance specialist and presented Pacific Life illustrations to address Plaintiffs' financial objectives. Except as admitted, denied as to Answering Defendants.

51. It is admitted Mr. Smith made recommendations as to annual premium payments. Except as admitted, denied as to Answering Defendants.

52. Paragraph 52 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

53. Paragraph 53 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as to Answering Defendants.

54. It is admitted the Indexed Universal Life products, include multiple proprietary indices, participation rates, multipliers, caps, thresholds, and riders such as the "Enhanced Performance Factor," each of which affect performance. Answering Defendants are without sufficient information to respond to the remaining allegations contained in paragraph 54 of Plaintiffs' Amended Complaint. Therefore, the allegations are denied as to Answering Defendant.

55. The internal communications referenced in paragraph 55 of Plaintiffs' Amended Complaint speak for themselves. To the extent any of the allegations contained in paragraph 55 are contrary to those internal communications, they are denied as to Answering Defendants. Except as admitted, denied as to Answering Defendants.

56. The illustrations referenced in paragraph 56 of the Plaintiffs' Amended Complaint speak for themselves. To the extent any allegations about the illustrations contained in

paragraph 56 are contrary to those illustrations, they are denied. Except as admitted, denied as to Answering Defendants.

57. Paragraph 57 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

58. Paragraph 58 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

59. It is admitted Mr. Smith directly communicated with Noah Jacobs and Time Breland and that Pacific Life employees provided instructions, illustrations, policy design and funding guidance. The remaining allegations of Paragraph 59 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. Additionally, Answering Defendants are without sufficient information to respond to the remaining allegations contained in paragraph 59 of Plaintiffs' Amended Complaint. Therefore, the remaining allegations are denied as to Answering Defendant.

60. Paragraph 60 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

61. The referenced email speaks for itself. To the extent any of the allegations contained in paragraph 61 of Plaintiffs' Amended Complaint are contrary to that email, they are denied as to Answering Defendants. Except as admitted, denied as to Answering Defendants.

62. Paragraph 62 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

63. Paragraph 63 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

64. Answering Defendants are without sufficient information to respond to the allegations contained in paragraph 50 of Plaintiffs' Amended Complaint. Therefore, the allegations are denied as to Answering Defendant.

65. Paragraph 65 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as to Answering Defendants.

66. Paragraph 66 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as to Answering Defendants.

67. It is admitted Plaintiffs agreed to purchase life insurance policies from Pacific Life. Except as admitted, denied as to Answering Defendants.

68. It is admitted that Plaintiffs purchased two life insurance policies in 2018 which speak for themselves. It is further admitted Plaintiffs purchased an additional two life insurance policies in 2022 which speak for themselves. Except as admitted, denied as to Answering Defendants.

69. It is admitted that one of the life insurance policy was later exchanged into a different life insurance policy. Except as admitted, denied as to Answering Defendants.

70. The allegations contained in paragraph 70 of Plaintiffs' Amended Complaint, including all of its subparts, are denied as to Answering Defendants.

71. Paragraph 71 of Plaintiffs' Amended Complaint is denied as to Answering

Defendants.

72. It is denied that Mr. Smith directed the policies to be owed by the Irrevocable Life Insurance Trusts. Answering Defendants are without sufficient information to respond to the remaining allegations contained in paragraph 72 of Plaintiffs' Amended Complaint. Therefore, the allegations are denied as to Answering Defendant.

73. Paragraph 73 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

74. Paragraph 74 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as to Answering Defendants.

75. The referenced policies speak for themselves. To the extent any of the allegations contained in paragraph 75 of Plaintiffs' Amended Complaint are contrary to those policies, they are denied as to Answering Defendants. Except as admitted, denied as to Answering Defendants.

76. It is admitted the policies were set to an increasing death benefit for the first year and a switch did not occur. Except as admitted, denied as to Answering Defendants.

77. The referenced policies speak for themselves. To the extent any of the allegations contained in paragraph 77 of Plaintiffs' Amended Complaint are contrary to those policies, they are denied as to Answering Defendants. Except as admitted, denied as to Answering Defendants.

78. The referenced policies speak for themselves. To the extent any of the allegations contained in paragraph 78 of Plaintiffs' Amended Complaint are contrary to those policies, they are denied as to Answering Defendants. Except as admitted, denied as to Answering

Defendants.

79. The referenced illustrations speak for themselves. To the extent any of the allegations contained in paragraph 79 of Plaintiffs' Amended Complaint are contrary to those illustrations, they are denied as to Answering Defendants. Except as admitted, denied as to Answering Defendants.

80. It is admitted the design of the subject policies were developed and implemented by Pacific Life and its employees. Except as admitted, denied as to Answering Defendants.

81. It is admitted Mr. Smith directly communicated with Pacific Life employees who provided instructions, illustrations, policy design and funding guidance used in Plaintiffs' policies. Except as admitted, denied as to Answering Defendants.

82. The referenced internal communications speak for themselves. To the extent any of the allegations contained in paragraph 82 of Plaintiffs' Amended Complaint are contrary to those communications, they are denied as to Answering Defendants. Except as admitted, denied as to Answering Defendants.

83. Answering Defendants are without sufficient information to respond to the allegations contained in paragraph 83 of Plaintiffs' Amended Complaint. Therefore, the allegations are denied as to Answering Defendant.

84. Paragraph 84 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

85. Paragraph 85 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

86. It is admitted Plaintiffs purchased the two life insurance policies in 2018 and the two life insurance policies in 2020. Except as admitted, denied as to Answering Defendants.

87. Paragraph 87 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

88. Paragraph 88 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

89. Answering Defendants object to responding to this paragraph as it includes immaterial, impertinent and scandalous allegations subject to being stricken pursuant to Rule 12(f) of the Federal Rules of Procedure.

90. Answering Defendants object to responding to this paragraph as it includes immaterial, impertinent and scandalous allegations subject to being stricken pursuant to Rule 12(f) of the Federal Rules of Procedure.

91. Answering Defendants object to responding to this paragraph as it includes immaterial, impertinent and scandalous allegations subject to being stricken pursuant to Rule 12(f) of the Federal Rules of Procedure.

92. Answering Defendants object to responding to this paragraph as it includes immaterial, impertinent and scandalous allegations subject to being stricken pursuant to Rule 12(f) of the Federal Rules of Procedure.

93. It is admitted that in 2022, Plaintiffs replaced an existing Pacific Life policy with a new one. Except as admitted, denied as to Answering Defendants.

94. Paragraph 94 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

95. Paragraph 95 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

96. Paragraph 96 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

97. The referenced illustration speaks for itself. To the extent any of the allegations contained in paragraph 97 of Plaintiffs' Amended Complaint are contrary to that illustration, they are denied as to Answering Defendants. Except as admitted, denied as to Answering Defendants.

98. The referenced illustration speaks for itself. To the extent any of the allegations contained in paragraph 98 of Plaintiffs' Amended Complaint are contrary to that illustration, they are denied as to Answering Defendants. Except as admitted, denied as to Answering Defendants.

99. The referenced illustration speaks for itself. To the extent any of the allegations contained in paragraph 99 of Plaintiffs' Amended Complaint are contrary to that illustration, they are denied as to Answering Defendants. Except as admitted, denied as to Answering Defendants.

100. The referenced illustration speaks for itself. To the extent any of the allegations contained in paragraph 100 of Plaintiffs' Amended Complaint are contrary to that illustration, they are denied as to Answering Defendants. Except as admitted, denied as to Answering Defendants.

101. Paragraph 101 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

102. The referenced illustrated coverages section speaks for itself. To the extent any of

the allegations contained in paragraph 102 of Plaintiffs' Amended Complaint are contrary to that section, they are denied as to Answering Defendants. Except as admitted, denied as to Answering Defendants.

103. Paragraph 103 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

104. The referenced application and new business submission information speaks for itself. To the extent any of the allegations contained in paragraph 104 of Plaintiffs' Amended Complaint are contrary to that submission, they are denied as to Answering Defendants. Except as admitted, denied as to Answering Defendants.

105. It is admitted the initial 1035 exchange amount consisted of remaining money from the 2018 policy. Except as admitted, denied as to Answering Defendants.

106. The referenced policy and illustration speak for themselves. To the extent any of the allegations contained in paragraph 106 of Plaintiffs' Amended Complaint are contrary to the policy or illustration, they are denied as to Answering Defendants. Except as admitted, denied as to Answering Defendants.

107. Paragraph 107 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

108. Paragraph 108 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

109. Paragraph 109 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

110. The referenced policy speaks for itself. To the extent any of the allegations contained in paragraph 110 of Plaintiffs' Amended Complaint are contrary to that policy, they are denied as to Answering Defendants. Except as admitted, denied as to Answering Defendants.

111. Paragraph 111 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

112. Paragraph 112 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

113. Paragraph 113 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

114. It is admitted Smith was not a rogue agent exploiting any products. Except as admitted, denied as to Answering Defendants.

115. Paragraph 115 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

116. Paragraph 116 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

117. Paragraph 117 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

118. It is admitted Smith worked with Pacific Life employees on life insurance policies

for clients in multiple states, some of which utilized similar policy features as selected by Plaintiffs. Except as admitted, denied as to Answering Defendants.

119. It is admitted Smith has worked with other clients on a 1035 exchange, some of which utilized similar policy features as selected by Plaintiffs. Except as admitted, denied as to Answering Defendants.

120. Paragraph 120 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

121. Paragraph 121 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as to Answering Defendants.

122. Paragraph 122 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

123. The referenced illustration and records speak for themselves. To the extent any of the allegations contained in paragraph 123 of Plaintiffs' Amended Complaint are contrary to the illustration or records, they are denied as to Answering Defendants. Except as admitted, denied as to Answering Defendants.

124. Answering Defendants are without sufficient information to respond to the allegations contained in paragraph 124 of Plaintiffs' Amended Complaint. Therefore, the allegations are denied as to Answering Defendant.

125. The referenced emails records speak for themselves. To the extent any of the allegations contained in paragraph 125 of Plaintiffs' Amended Complaint are contrary to the

emails, they are denied as to Answering Defendants. Except as admitted, denied as to Answering Defendants.

126. The referenced email speaks for itself. To the extent allegations contained in paragraph 126 of Plaintiffs' Amended Complaint are contrary to that email, they are denied. Except as admitted, denied as to Answering Defendants.

127. The referenced email speaks for itself. To the extent allegations contained in paragraph 127 of Plaintiffs' Amended Complaint are contrary to that email, they are denied. Except as admitted, denied as to Answering Defendants.

128. Paragraph 128 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

129. Paragraph 129 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

130. Paragraph 130 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

131. Paragraph 131 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

132. Paragraph 132 of Plaintiffs' Amended Complaint is admitted as to Answering Defendants.

133. Paragraph 133 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

134. Paragraph 134 of Plaintiffs' Amended Complaint fails to state any allegations

related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

135. Paragraph 135 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

136. Paragraph 136 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

137. Paragraph 137 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

138. Paragraph 138 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

139. The referenced email speaks for itself. To the extent allegations contained in paragraph 139 of Plaintiffs' Amended Complaint are contrary to that email, they are denied. Except as admitted, denied as to Answering Defendants.

140. Paragraph 140 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

141. Answering Defendants are without sufficient information to respond to the allegations contained in paragraph 141 of Plaintiffs' Amended Complaint. Therefore, the allegations are denied as to Answering Defendant.

142. Answering Defendants are without sufficient information to respond to the allegations contained in paragraph 142 of Plaintiffs' Amended Complaint. Therefore, the allegations are denied as to Answering Defendant.

143. Paragraph 1437 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

144. Paragraph 144 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

145. It is admitted Mr. Smith held himself out as a wealth management and insurance specialist and offered Plaintiffs products that aligned with the objectives of Plaintiffs. Except as admitted, denied as to Answering Defendants.

146. Paragraph 146 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

147. Paragraph 147 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

148. Paragraph 148 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

149. Paragraph 149 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

150. Paragraph 150 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

151. Paragraph 151 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

152. Paragraph 152 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

153. Paragraph 153 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

154. Paragraph 154 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

155. Paragraph 155 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

156. Answering Defendants reallege and incorporate by reference the preceding responses of this Answer as if fully set forth herein.

157. Paragraph 157 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

158. Paragraph 158 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

159. Paragraph 159 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

160. Paragraph 160 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as to Answering Defendants.

161. Paragraph 161 of the Plaintiffs' Amended Complaint, including all subparts, seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as to Answering Defendants.

162. Paragraph 162 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as to Answering Defendants.

163. Paragraph 163 of Plaintiffs' Amended Complaint, including all subparts, is denied as to Answering Defendants.

164. It is admitted that Red River was the entity that received compensation for the Pacific Life policies at issue. Except as admitted, denied as to Answering Defendants.

165. Paragraph 165 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as to Answering Defendants.

166. Paragraph 166 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

167. Paragraph 167 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

168. Paragraph 168 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

169. Paragraph 169 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

170. Paragraph 170 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

171. Paragraph 171 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

172. Answering Defendants reallege and incorporate by reference the preceding responses of this Answer as if fully set forth herein.

173. Paragraph 173 of Plaintiffs' Amended Complaint is admitted upon information and belief.

174. Paragraph 174 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as to Answering Defendants.

175. Paragraph 175 of the Plaintiffs' Amended Complaint seeks to state a legal

conclusion to which no response is required. To the extent a response is required, it is denied as to Answering Defendants.

176. Paragraph 176 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as to Answering Defendants.

177. Paragraph 177 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

178. It is admitted Pacific Life appointed Mr. Smith as an authorized producer for the solicitation, illustration and sale of its Indexed Universal Life Products. Except as admitted, denied as to Answering Defendants.

179. It is admitted Pacific Life granted Mr. Smith authority to solicit applications, present policy illustration, and procure issuance of Pacific Life policies. Except as admitted, denied as to Answering Defendants.

180. Paragraph 180 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as to Answering Defendants.

181. It is admitted Mr. Smith was a duly appointed producer of Pacific Life, authorized to solicit, illustrate, submit, and implement the sale of Pacific Life Indexed Universal Life policies and acted within the course and scope of his authority. Except as admitted, denied as to Answering Defendants.

182. Paragraph 182 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as

to Answering Defendants.

183. It is admitted Answering Defendants were provided with proprietary illustration software, branding information, guidelines, marketing information in documents and online access to documents used in the sales process. Except as admitted, denied as to Answering Defendants.

184. Paragraph 184 of Plaintiffs' Amended Complaint is admitted upon information belief.

185. Answering Defendants are without sufficient information to respond to the allegations contained in paragraph 185 of Plaintiffs' Amended Complaint. Therefore, the allegations are denied as to Answering Defendant.

186. Paragraph 186 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

187. Paragraph 187 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as to Answering Defendants.

188. Paragraph 188 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as to Answering Defendants.

189. Paragraph 189 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

190. Paragraph 190 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering

Defendants, they are denied.

191. Paragraph 191 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as to Answering Defendants.

192. The referenced internal marketing materials and employee communications speak for themselves. To the extent any allegations contained in paragraph 192 of Plaintiffs' Amended Complaint are contrary to those internal marketing materials and employee communications, they are denied. Except as admitted, denied as to Answering Defendants.

193. The referenced email communications speak for themselves. To the extent any allegations contained in paragraph 193 of Plaintiffs' Amended Complaint are contrary to those email communications, they are denied. Except as admitted, denied as to Answering Defendants.

194. The referenced email communications speak for themselves. To the extent any allegations contained in paragraph 194 of Plaintiffs' Amended Complaint are contrary to those email communications, they are denied. Except as admitted, denied as to Answering Defendants.

195. The referenced email communications speak for themselves. To the extent any allegations contained in paragraph 195 of Plaintiffs' Amended Complaint are contrary to those email communications, they are denied. Except as admitted, denied as to Answering Defendants.

196. Paragraph 196 of Plaintiffs' Amended Complaint, including all subparts, fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

197. Paragraph 197 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

198. Paragraph 198 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as to Answering Defendants.

199. It is admitted Moving Defendants acted within their authority and sold the subject policies using approved materials, software and illustrations. The remaining allegations of paragraph 199 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are remaining allegations related to Answering Defendants, they are denied.

200. Paragraph 200 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

201. Paragraph 201 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

202. Paragraph 202 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

203. Paragraph 203 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

204. Answering Defendants reallege and incorporate by reference the preceding responses of this Answer as if fully set forth herein.

205. Paragraph 205 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as to Answering Defendants.

206. Paragraph 206 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

207. Paragraph 207 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

208. Paragraph 208 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

209. Paragraph 209 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

210. Paragraph 210 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

211. Paragraph 211 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

212. Paragraph 212 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

213. Paragraph 213 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

214. Paragraph 214 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

215. Paragraph 215 of Plaintiffs' Amended Complaint, including all subparts, is denied as to Answering Defendants.

216. Paragraph 216 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

217. Paragraph 217 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

218. Paragraph 218 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

219. Paragraph 219 of Plaintiffs' Amended Complaint is denied as to Answering Defendants.

220. Answering Defendants reallege and incorporate by reference the preceding responses of this Answer as if fully set forth herein.

221. It is admitted Answering Defendants are experts in wealth management and insurance and that Mr. Smith worked with Pacific Life employees. Except as admitted, denied as to Answering Defendants.

222. Paragraph 222 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as to Answering Defendants.

223. Answering Defendants are without sufficient information to respond to the allegations contained in paragraph 223 of Plaintiffs' Amended Complaint. Therefore, the allegations are denied as to Answering Defendant.

224. Paragraph 224 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as

to Answering Defendants.

225. Paragraph 225 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as to Answering Defendants.

226. Paragraph 226 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as to Answering Defendants.

227. Paragraph 227 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as to Answering Defendants.

228. Paragraph 228 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

229. Paragraph 229 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as to Answering Defendants.

230. Paragraph 230 of the Plaintiffs' Amended Complaint, including all subparts, seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as to Answering Defendants.

231. Paragraph 231 of the Plaintiffs' Amended Complaint, including all subparts, is denied as to Answering Defendants.

232. Paragraph 232 of the Plaintiffs' Amended Complaint is denied as to Answering Defendants.

233. Paragraph 233 of the Plaintiffs' Amended Complaint is denied as to Answering Defendants.

234. Paragraph 234 of the Plaintiffs' Amended Complaint is denied as to Answering Defendants.

235. Paragraph 235 of the Plaintiffs' Amended Complaint, including all subparts, is denied as to Answering Defendants.

236. Paragraph 236 of the Plaintiffs' Amended Complaint is denied as to Answering Defendants.

237. Paragraph 237 of the Plaintiffs' Amended Complaint is denied as to Answering Defendants.

238. Answering Defendants reallege and incorporate by reference the preceding responses of this Answer as if fully set forth herein.

239. It is admitted Answering Defendants were in the business of marketing and selling life insurance products and held themselves as possessing superior knowledge as to those products. Except as admitted, denied as to Answering Defendants.

240. Paragraph 240 of the Plaintiffs' Amended Complaint is denied as to Answering Defendants.

241. Paragraph 241 of the Plaintiffs' Amended Complaint is denied as to Answering Defendants.

242. Paragraph 242 of the Plaintiffs' Amended Complaint is denied as to Answering Defendants.

243. It is admitted Answering Defendants relied in part on Pacific Life's materials. Except as admitted, denied as to Answering Defendants.

244. Paragraph 244 of the Plaintiffs' Amended Complaint, including all subparts, is denied as to Answering Defendants.

245. Answering Defendants are without sufficient information to respond to the allegations contained in paragraph 245 of Plaintiffs' Amended Complaint. Therefore, the allegations are denied as to Answering Defendant.

246. Paragraph 246 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as to Answering Defendants.

247. Paragraph 247 of Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

248. It is admitted Mr. Smith acted with the knowledge and approval of Pacific Life and that he utilized assistance from Pacific Life employees. Except as admitted, denied.

249. It is admitted Moving Defendants acted within the course and scope of their authority and that Mr. Smith was appointed as a produced by Pacific Life, used Pacific Life's name, illustration software, marketing materials and worked with Pacific Life employees. Except as admitted, denied.

250. Paragraph 250 Plaintiffs' Amended Complaint fails to state any allegations related to Answering Defendants. To the extent there are allegations related to Answering Defendants, they are denied.

251. Paragraph 251 of the Plaintiffs' Amended Complaint seeks to state a legal conclusion to which no response is required. To the extent a response is required, it is denied as to Answering Defendants.

252. Paragraph 252 of the Plaintiffs' Amended Complaint is denied as to Answering Defendants.

253. Paragraph 253 of the Plaintiffs' Amended Complaint is denied as to Answering Defendants.

254. Paragraph 254 of the Plaintiffs' Amended Complaint is denied as to Answering Defendants.

255. Paragraph 255 of the Plaintiffs' Amended Complaint is denied as to Answering Defendants.

**FIRST AFFIRMATIVE DEFENSE
(Assumption of Risk)**

Answering Defendants allege all of the risks and dangers, if any, existing at the time and place of Plaintiffs' alleged damages were apparent, and were either known by the Plaintiffs or should have been known by the Plaintiffs. Furthermore, Plaintiffs were perfectly competent to judge the appropriateness of the circumstances and conditions alleged to be existing at the time and place of the alleged incidents, therefore, by their actions, Plaintiffs freely and voluntarily exposed themselves to the alleged risks, thereby assuming the risk of being damaged in the manner alleged in the Amended Complaint. Therefore, Answering Defendants are not liable to Plaintiffs for any sum whatsoever. The Plaintiffs assumed the risk of damages by voluntarily and unreasonably proceeding to encounter risks which they knew existed or they discovered or they should have known existed or should have discovered in the exercise of reasonable care, and such assumption of risk is pleaded and barred by any recovery of the Plaintiffs as to Answering Defendants.

**SECOND AFFIRMATIVE DEFENSE
(Contributory Negligence)**

If it be determined that Answering Defendants were in any way negligent or otherwise liable to the Plaintiffs, and that such negligence or other liability on the part of Answering Defendants were a proximate cause or the proximate cause of the Plaintiffs' damages, if any, all of which has been and is once again denied, it is alleged that the Plaintiffs were negligent in failing to discover the risks of the insurance products they purchased, in failing to timely pay the premiums of the insurance products they purchased and in prematurely cashing out the insurance products they purchased; that such negligence on the part of the Plaintiffs was a proximate cause of their damages, if any; that such negligence on the part of the Plaintiffs is contributory and is pled in complete bar of any purported right of the Plaintiffs to recover anything of Answering Defendants by way of this action.

**THIRD AFFIRMATIVE DEFENSE
(Failure to Mitigate)**

Plaintiff failed to mitigate their damages, and such failure to mitigate their damages is pled as a bar to their recovery in this matter.

**FOURTH AFFIRMATIVE DEFENSE
(Intervening and Superseding)**

If it be determined that Answering Defendants were in any way negligent or otherwise liable to the Plaintiff, and that the negligence or other liability on the part of Answering Defendants were a proximate cause of Plaintiff's damages, if any, all of which has been and is once again denied, then it is alleged that the negligence of third parties over whom Answering Defendants had no duty or ability to supervise and control, was the true proximate cause of the Plaintiff's damages, if any; that such negligence is intervening and superseding negligence and is pled in complete bar of any purported right of the Plaintiff to recover anything of Answering Defendants by way of this action.

**FIFTH AFFIRMATIVE DEFENSE
(Lack of Proximate Cause)**

As an additional defense and without waiving any other defenses available to them, these Answering Defendants assert that Plaintiff's alleged damages were not proximately caused by any alleged action or inaction by Answering Defendants. Answering Defendants plead this lack of proximate cause as a bar to any recovery by Plaintiff.

**SIXTH AFFIRMATIVE DEFENSE
(No Legal Duty)**

Answering Defendants neither owed nor breached any legal duty to the Plaintiff.

**SEVENTH AFFIRMATIVE DEFENSE
(Setoff/Credit)**

To the extent the Plaintiff has received payments from any source for any of the alleged damages which are the subject matter of this action, then it is alleged and prayed that Answering Defendants, as to any judgment rendered against Answering Defendants in this action, be given a set off or credit for such amounts paid to or for the benefit of the Plaintiff.

**EIGHTH AFFIRMATIVE DEFENSE
(Statute of Limitations)**

The Plaintiff's Amended Complaint is time barred by applicable statute of limitations.

**NINTH AFFIRMATIVE DEFENSE
(Unclean Hands)**

The Doctrine of Unclean Hands is pled as a bar to the Plaintiff's claims.

**TENTH AFFIRMATIVE DEFENSE
(Waiver, Estoppel and Laches)**

Plaintiff's claims against Answering Defendants are barred by the equitable doctrines of waiver, estoppel, and laches.

**ELEVENTH AFFIRMATIVE DEFENSE
(Reservation of Defenses)**

Answering Defendants reserve the right to assert any additional and further defenses as may be revealed by additional information received or uncovered through the discovery process.

WHEREFORE, Answering Defendants respectfully pray that the Court order as follows:

1. That the Amended Complaint of the Plaintiffs be dismissed;
2. That, in the alternative, the Plaintiffs have and recover nothing of Answering Defendants by way of this action;
3. That all issues of fact be tried by a jury;
4. That the cost of this action, including Answering Defendants' reasonable attorneys' fees, be taxed against the Plaintiffs; and;
5. That Answering Defendants have and recover any other and further relief that the Court may deem just and proper.

This the 27th day of January, 2026.

/s/ Jeffrey B. Kuykendal
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document was served upon all counsel of record by electronic mail addressed as follows:

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This the 27th day of January, 2026.

/s/ Jeffrey B. Kuykendal
JEFFREY B. KUYKENDAL