

Honorable Julie Spector
Noted for Hearing: Friday August 24, 2018, at 9 A.M.
With Oral Argument

**STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT**

STATE OF WASHINGTON,

Plaintiff,

v.

ROY BRONSIN HAUETER *et. al.*,
Defendants.

NO. 17-2-33035-3 SEA

MOTION FOR PRELIMINARY
INJUNCTION

I. INTRODUCTION & PRAYER FOR RELIEF

The Haueter family has run several nonprofit and related for-profit ventures for years. Claiming to be “local” and soliciting donations for “immediate need,” the Haueters deceived consumers in Washington and the Northwest into donating about \$4,894,000 (App. at 36-77) over the past decade. App. at 1014-27. The family facilitated its deception by operating four nonprofit corporations (App. at 29-36) and six for-profit entities (App. at 86-110), regularly changing officers and registered agents, using at least 15 business names, and renting numerous post office boxes throughout the region. After the State filed this suit, it appeared the enterprise had ceased operations. It is now clear it did not even slow down.

1 The State of Washington moves for an order preliminarily enjoining Defendants and
2 anyone acting on behalf of Defendants from

- 3 1. Soliciting charitable contributions;
- 4 2. Amending and/or dissolving any existing business entity;
- 5 3. Forming new charitable or business entities; and
- 6 4. Selling, transferring, or otherwise divesting property until final judgment is

7 rendered in this case.

8 II. ISSUES

- 9 **A. Does the State of Washington Have a Clear Legal and Equitable Right Such That**
- 10 **It Is Likely to Prevail in Its Case Against Defendants?**
- 11 **B. Do the Defendants' Actions Create a Well-Founded Fear of Immediate Invasion**
- 12 **of the State's Rights?**
- 13 **C. If Not Prevented, Would the Defendants' Actions Result In Actual and Substantial**
- 14 **Injury to the State and Its Interests?**

15 III. FACTS

16 A. Defendants

17 1. The Haueter Family

18 The non-entity defendants are family members with Roy Bronsin Haueter (Roy)¹ as the
19 patriarch. Roy is married to Billie and they have six sons and daughters including Tracee,
20 Brandon, and Mindee. App. at 129-34. The individual defendants are or were registered agents
21 or governors of the entities. *See generally* App. at 25-107. Some of Roy's in-laws have been
22 recruited as well. *Id.* Nancy – married to Brandon – (App. at 133) and Benjamin Graver – married
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26 ¹ For clarity, the State refers to individual Haueter family member by their first names.

1 to Mindee – (App. at 133-4) serve as directors. All of the entity defendant are controlled by
2 members of the Haueter family.

3
4 **2. Business Entities**

5 The entity defendants include nonprofit corporations that are (or were) registered as
6 charitable organizations and for-profit entities.

7 *Nonprofit Corporations/Charitable Organizations:*

- 8 a. **Search and Rescue Charities** (aka Holiday Relief Fund and Northwest
9 Bloodhounds Search and Rescue) (SRC);
10
11 b. **Children’s Hunger Relief Aid** (pka Children’s Hospital Emergency Network
12 and Cancer Exam Network) (aka Back to School Helping Hands) (CHRA);
13
14 c. **Children’s Safety Society** (pka Children’s Safety Bureau) (aka Children’s
15 Hunger Emergency [Fund], Back to School Children’s Relief, Poverty Children’s
16 Shopping Spree, Holiday Relief Meal Fund, MAKE A BIRTHDAY WISH,
17 Public Safety Clinic, Needy Children’s Shopping Spree, and Operation Summer
18 Camp) (CSS); and
19
20 d. **Emergency Relief Network** (pka Emergency Relief Services) (aka Back to
School Helping Hands) (ERN)

21 None of the non-profit entities maintains an office. Instead, they list fictitious addresses on their
22 Secretary of State filings. App. at 29-36. They primarily use 9449 Park Avenue South, Tacoma
23 (Park Avenue), which is the location of a call center operated by Turnkey Leasing, but not the
24 charities’ offices. (App. at 29-36). They have also used P.O. Boxes in Tacoma and Spokane
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1 (App. at 55). Roy is/was the executive director of all of the charities and is responsible for their
2 operations. App. at 25-8.²

3 *For-Profit Defendants:*

4 **a. Haueter Enterprises, LLC (aka Turnkey Leasing); Turnkey Leasing,**
5 **LLC**

6 Brandon and Nancy's business, Haueter Enterprises, manages and operates the Park
7 Avenue call center for the charities. App. at 82-5, *see generally* 595-7. They are the only
8 governors and "Mr. Haueter" is its registered agent. App. at 83-5. The couple formed Turnkey
9 Leasing, LLC, (one of Haueter Enterprises's dbas) on December 26, 2017, to provide the same
10 services. App. at 101-3.

11 **b. Family Entertainment Corporation (aka Universal Publishing**
12 **Company); Universal Publishing, LLC**

13 Roy Haueter is Family Entertainment. He is the only shareholder, governor, and
14 employee. App. at 86-91. Family Entertainment's only clients are the four nonprofit defendants.
15 According to Roy, it publishes magazines relevant to the nonprofits' missions out of Roy's
16 home. App. at 90-1, 736, 777-780.

17 Universal Publishing, LLC, is a new limited liability company created by Brandon and
18 Nancy on December 22, 2017. App. at 104-6. Brandon intends to use Universal Publishing to
19 take over Family Entertainment's portion of the business. App. at 629-30.

20 **c. Colonial Park Homes, LLC;**

21 Colonial Park Homes, LLC, is a shell company. Roy formed Colonial Park Homes in
22 2011 during his personal bankruptcy proceedings. App. at 94-5, App. at 878-953. During that
23
24

25 ² Roy was appointed executive director of Children's Hunger Relief Aid in 2010, Childrens (sic) Safety
26 Bureau in 2003, Emergency Relief Services in 2011, and Search and Rescue Charities in 2008 by the
organizations' initial governors.

1 time, Roy transferred real property into the LLC because it benefited him “from a tax
2 standpoint.” App. 147-9. In 2015, Colonial Park held only a single property but previously held
3 as many as 30 properties. App. at 149, 154.

4 **d. Country Cabins and Mobile Park, LLC;**

5 Roy Haueter also owns Country Cabins and Mobile Park, LLC, a mobile home park near
6 Cashmere, Washington. App. at 166. On the property are several small studio-style cabins, nine
7 mobile homes, and some camper-style trailers. App. at 167-8.

9 **3. A Growing Concern**

10 Previously, Roy and Brandon operated a commercial fundraiser called A Growing
11 Concern (aka Community Services). Roy and his wife, Billee, incorporated the business in 2000.
12 App. at 108-109. During its nine years of operation, A Growing Concern raised more than \$4
13 million through charitable solicitations and the Haueter nonprofits were its primary clients. App.
14 at 954-1007. In 2011, the Secretary of State administratively dissolved the corporation because
15 it failed to file its annual report. App. at 110. After this dissolution, Brandon retained the office
16 and call-center equipment.
17

18 **B. Pre-Lawsuit**

19 The Haueters and their various business entities have engaged in the same activities for
20 years. The charities use telemarketers to solicit contributions from potential donors from
21 Northwest states. App. at 1008-1013. The specific charity and fundraising campaign depends on
22 the time of year. App. at 317-321. For example, ESS’s Back to School Helping Hands campaign
23 solicits during the summer months and CSB’s Holiday Relief Fund solicits in the fall. App. at
24 641.
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1 If a potential donor agrees to donate, a pledge kit is sent that includes an invoice. App. at
2 611, 626. The invoices are misleading. For example, multiple invoices claim that the donation
3 will go to feed people “in *our* community” or will benefit local children in extreme need. App.
4 at 1014-5. Often the word “local” is emphasized by using capital letters. App. at 1017-9. The
5 nonprofits also represent urgent help is needed. App. at 1004-1027. In order to bolster the “local”
6 claim, the charities use P.O. Boxes or commercial mail drops in the donor’s region as the return
7 address. *Id.* The donations are forwarded to a P.O. Box in Tacoma and picked up and processed
8 by a member of the Haueter family. App. at 651. Sometimes, the charity’s return address fails to
9 indicate it is a P.O. Box. App. at 1014-5, 1019, 1026-7.

11 Some of the charities’ solicitations contain misrepresentations. CHRA claims to provide
12 “food vouchers” through the Needy Children’s Shopping Spree. App. at 1015-6. There is no
13 evidence food vouchers were ever distributed. The Cancer Exam Network’s mailers (now
14 CHRA) represented it provided funding for research and medical exams. App. at 1016-7. In
15 reality, the charity made few, small donations to cancer research and nothing toward
16 examinations. App. at 623-4. Similarly, the Children’s Hospital Emergency Fund distributed
17 pledge kits claiming to help needy families during medical emergencies, but never provided
18 assistance. App. at 611-4; 1025.

21 The charitable organizations’ names are also confusing. Search and Rescue Charities
22 claimed its purpose was to help fund search and rescue efforts App. at 69. But its fundraiser is
23 for an event that claims to help buy school supplies. App. at 1017-8. More recently, Emergency
24 Relief Network runs the back-to-school fundraiser. App. at 1037-8. CSS solicits/solicited for its
25 Needy Children’s Shopping Spree, which has nothing to do with children’s safety. App. at 1019.

1 Despite the name, Children’s Hospital Emergency Fund has nothing to do with the actual
2 Children’s Hospital. App. at 1025.

3 All charities’ primary activities are “Shopping Sprees.” App. at 246-254. Generally,
4 needy families are identified and invited to a Walmart near them where members of the Haueter
5 family give them gift cards that can be used to purchase items from the store. *Id.* It is unclear
6 how often these events occur, how many families benefit from them, and what percentage of the
7 charitable contributions are used to buy gift cards.

9 The charities also claim to conduct education campaigns and provide informative
10 magazines related to their missions. App. at 220, 325, 871-877. Though Roy has no formal
11 training or experience dealing with disaster preparedness, cancer screening, wilderness safety,
12 writing, design, and/or publishing he is responsible for magazine publication. App. at 751-4. Roy
13 says he mails or hand-delivers the magazines to hospital and doctors’ waiting rooms by the
14 thousands. App. at 745-6. In reality, Family Entertainment has “published” just one magazine
15 for each charity and makes photocopies at Costco as needed. App. at 740, 771, 769. The
16 magazines’ content is comprised primarily of information Roy copied directly from Internet
17 sources (a process Roy calls “research”). App. at 754. For the most part, the magazines appear
18 amateurish with poor design and heavy use of generic clip art. App. at 754, 781-877. Moreover,
19 the Attorney General’s investigation has yet to locate a single hospital that recalls receiving
20 magazines from the charities. App. at 1049-51; 1085-6.

23 Although they are separate entities on paper, the charities are hardly distinct. For one,
24 the charities share the same governors: Roy Haueter, Billee Haueter, and Tracee Richardson.
25 Since 2011, Roy has been the executive director of each charity, which allows him to manage
26

1 all of the finances and campaigns. App. at 25-8. Second, the charities all use the same call center,
2 same employees, and same donor databases. App. at 679-86. The charities share the shopping-
3 spree model and use similar language during their various campaigns. *Id.*

4 Furthermore, the charities and for-profits work in tandem to benefit the Haueter family.

5
6 First, Roy, as Family Entertainment Corporation, creates the campaign for each charity. App. at
7 624. Then, as Turnkey Leasing, Brandon assigns employees a region to call and provides them
8 with the script. App. at 611-2. In addition to managing the call center, Brandon processes payroll
9 and orders supplies for the charities. App. at 708-9. Turnkey Leasing uses the same equipment
10 – including the office furniture – and location Brandon used when he ran A Growing Concern.
11 App. at 606-7. When a solicitation is successful, the donor’s information is logged in Brandon’s
12 database and forwarded to Roy’s daughter-in-law. App. at 625-6. She prints out and mails the
13 pledge kits to potential donors with instructions to mail donations to charity-rented mail boxes
14 in the donor’s region. App. at 626. Periodically Roy’s daughter, Mindee, instructs the mailbox
15 managers to forward the mail to a different box.³ She then processes the mail, logs the donation,
16 and makes the deposits into the charity’s account.
17

18 Each entity involved is paid by the charity that receives the donation. Roy/Family
19 Entertainment receives 20 percent of the charities’ gross receipts. App. at 534. Turnkey Leasing
20 is paid \$5,600 per month for its fundraising. App. at 777-80. All of the call center employees are
21 hourly or commission-based employees paid by the charities on whose behalf they solicit
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26 ³ Mindee testified in a recent deposition that this was her responsibility but the transcript is not yet available. Brandon and Roy have both testified that Family Entertainment is responsible for the mail.

1 donations. App. at 608. The charities pay Mindee under-the-table. App. at 625. None of the
2 individuals involved are volunteers.

3 **C. Post-Filing**

4 After the State sued, the Hauter Family appeared to have shut down its operations. None
5 of the four charities renewed their charitable organization registration for 2017 and, in early
6 January 2018, the Secretary of State administratively closed them. App. at 1031-4. Shortly
7 thereafter, CHRA and SRC voluntarily dissolved. App. at 78-81.

8 But appearances are deceiving.

9
10 On December 6, 2017, Mindee and Brandon's in-laws filed a new charitable organization
11 registration for Children's Safety Bureau using the information from the original CSS. App. at
12 45, 55. All references to "Haueter" were removed and Mindee took over as registered agent.
13 App. at 31. Then, in January 2018, the non-profit corporation Children's Safety Bureau changed
14 its name to Children's Safety Society and denoted four dbas: Children's Hunger Emergency
15 Fund, Back to School Children's Relief, Poverty Children's Shopping Spree, and Holiday Relief
16 Meal Fund. App. at 1035-6.

17
18 Like CSS, Emergency Relief Services (the nonprofit corporation) changed its name in
19 December 2017. App. at 1037-8. Now known as Emergency Relief Network, it lists three dbas:
20 Rescue Equipment Drive, Back to School Children's Fund, and Children in Need Shopping
21 Spree. *Id.* Mindee and her husband are governors and "Emergency Relief Services" is its
22 registered agent. *Id.* Around the same time, Mindee filed a Charitable Organization Registration
23 form for a new entity with a new registration number using Emergency Relief Service's financial
24 reporting from 2016. *Id.*
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26

1 The call center is active with calls being made for the remaining charities. App. at 690.
2 In February 2018, the State and the Secretary of State received complaints from two Washington
3 residents who were called by “Children’s Hunger Emergency Fund,” which is one of the dbas
4 for CSS. App. at 1028-30. Both said they received follow-up pledge solicitations. App. at 1014-
5
6 5. Like past Haueter-family solicitations, Children’s Hunger Emergency Fund claims to need
7 “immediate help” and that funds will go to “local hungry children.” *Id.*

8 According to Brandon, solicitation calls are ongoing from the Park Avenue call center at
9 the direction of Roy. App. at 690. He testified Children’s Hunger Emergency Fund solicited
10 charitable donations between January and March 2018 and ERN began soliciting donations in
11 summer 2018. App. at 691.

12 Despite “paper” changes, Roy remains the leader of the enterprise. He is the only signer
13 on the checking accounts owned by the various charities and Family Entertainment. App. at 714-
14 5. He remains the shopping sprees’ organizer. App. at 726. He creates the content and scripts for
15 solicitations, mailers, and pledge kits for all charities. App. at 524, 683-4. Essentially, the
16 operation described remains unchanged except there are now only two charities that each pay
17 half of the year’s expenses instead of four charities that each pay a quarter.
18

19 *Haueter Property*

20 Since State filed its lawsuit, it appears that the Defendants may be divesting property in
21 advance of a possible judgment. For example, the State recently learned Roy and Billee Haueter
22 placed their Leavenworth home on the market and purchased a new home in Coeur d’Alene,
23 Idaho. App. at 1041-8, 1085-1104. On May 30, 2018, Brandon and Nancy Haueter sold an
24 investment property in Puyallup. App. at 1040. In January, 2017 – after Roy was aware of the
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1 Attorney General’s investigation – Roy quit claimed ownership of the Park Avenue call center
2 to Colonial Park Home, which remains the taxpayer today. App. at 1088. Additionally, Roy and
3 Billee recently filed multiple quit-claim deeds on properties related to Colonial Park Home. App.
4 at 1088.

5
6 **IV. ARGUMENT**

7 To obtain a preliminary injunction a party must show “(1) a clear legal and equitable
8 right, (2) a well-grounded fear of immediate invasion of that right, and (3) that the acts
9 complained of are either resulting in or will result in actual and substantial injury to him.” *Tyler*
10 *Pipe Indus., Inc. v. Dep’t of Revenue*, 96 Wn.2d 785, 792 638 P.2d 1213 (1982); *see also* RCW
11 7.40.020. In deciding whether an injunction lies, the trial court has significant discretion which
12 should “be exercised according to the circumstances of each case.” *Washington Fed’n of State*
13 *Employees, Council 28, AFL-CIO v. State*, 99 Wn.2d 878, 887, 665 P.2d 1337 (1983).

14
15 **A. The State is Likely to Prevail on the Merits**

16 To establish it has a clear legal and equitable right, “the moving party must show that it
17 is likely to prevail on the merits” at trial. *San Juan County v. No New Gas Tax*, 160 Wn.2d 141,
18 154 157 P.3d 831 (2007). Here, in its amended complaint, the State alleges claims that the
19 defendants violated various aspects of the Charitable Solicitations Act, Consumer Protection
20 Act, Nonprofit Corporations Act, and Charitable Trust Act. The State is likely to prevail on each
21 of its claims.
22

23 **1. The Haueter Enterprise Violated Multiple Requirements of the Charitable**
24 **Solicitations Act and Consumer Protection Act**

25 The State alleges multiple violations of the Charitable Solicitations Act that are likely to
26 succeed on their merits. *Inter alia*, the charities’ deceptive solicitations violate the act. RCW

1 19.09.100(15). For example, CHRA’s various iterations have claimed to give out food vouchers,
2 provide funding for research and examinations, and give assistance to needy families who have
3 experienced medical emergencies. However, CHRA did not actually provide the funding. The
4 charities use of the term “local” coupled with the deceptive uses of P.O. Boxes in their
5 solicitations mislead, or was likely to mislead, donors into believing the charity was local.
6 Representations indicating a need for “immediate assistance” mislead donors into believing
7 contributions would assist those with urgent need when, instead, the money was – at best – used
8 to help kids buy toys and clothes at Walmart. Moreover, the names of the charities are
9 misleading. Children’s Safety Society operates a holiday shopping event, which has nothing to
10 do with children’s safety. Emergency Relief Network provides no emergency or disaster relief
11 as its name implies. Rather, ERN claims to help needy students get school supplies. Children’s
12 Hospital Relief Aid was not associated with the actual Children’s Hospital and Search and
13 Rescue Charities were not actually associated with the Search and Rescue teams throughout the
14 Northwest.

17 In addition to the false, misleading, and deceptive statements, defendants Brandon and
18 Turnkey Leasing have violated the Charitable Solicitations Act by failing to register as a
19 commercial fundraiser. A “commercial fundraiser” is “any entity that, for compensation or other
20 consideration directly or indirectly solicits or receives contributions within this state for or on
21 behalf of any charitable organization...” RCW 19.09.020(5). Commercial fundraisers are
22 required to register with the Secretary of State. RCW 19.09.065.

24 Turnkey Leasing fits the statutory definition of a commercial fundraiser because it
25 receives compensation of \$5,600 per month and runs a call center that directly solicits on behalf
26

1 of the nonprofit defendants. The Haueters have attempted to draw distinctions that avoid the
2 registration requirement (like having the employees paid directly by the charities) but these are
3 merely paper distinctions. Brandon manages the property, processes payroll, purchases supplies,
4 and directs employees. All of the call center employees are the same, including the manager. In
5 fact, Turnkey Leasing's activities match Brandon's testimonial description of what commercial
6 fundraisers do almost exactly. App. at 645-6. As a commercial fundraiser, Turnkey Leasing is
7 required to register with the Secretary of State and comply with the act.
8

9 **2. As Charitable Trust Trustees the Haueters Have Breached Their Duties.**

10 By operation of law the nonprofit defendants are trustees of a charitable trust because
11 they were formed to hold "assets subject to limitations permitting their use only for charitable,
12 religious, eleemosynary, benevolent, educational, or similar purposes." RCW 11.110.020.
13 Trustees of a charitable trust owe substantially the same duties to the trust as trustees of a private
14 trust. *State v. Taylor*, 58 Wn.2d 252, 257, 362 P.2d 247 (1961). Those duties include good faith,
15 loyalty, care, skill, and diligence. *See generally Id.*; *Cook v. Brateng*, 158 Wn. App. 777, 785,
16 262 P.3d 1228 (2010). Trustees owe charitable trusts the additional duty to "keep and render
17 clear and accurate accounts..." *Taylor*, 58 Wn.2d at 257-8. Especially in the case of closely-held
18 nonprofit corporations, member, governors, directors, and officers of a corporate trustee are
19 responsible for the duties owed as trustees. *Taylor*, 58 Wn.2d at 257-8 (*citing* Restatement
20 (Second) Trusts § 379, cmt b).
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23 The Haueters and Tracee Richardson breached their duties to the nonprofit corporations,
24 which, themselves, owe duties to a charitable trust. First, Roy breached his duty of loyalty by
25 self-dealing between his publishing company and the charities. Second, Roy's contracting and
26

1 employment of his son, daughter, and daughter-in-law without any oversight or conflict of
2 interest screening violate his duty of care and good faith. Furthermore, the blending of accounts
3 and strange accounting practices exhibited by the operators of the charities breached the trustees'
4 duties of care and skill. Finally, the governors/officers of the charities who allowed Roy to
5 operate without supervision violated their duties of diligence. As a result, the State is likely to
6 succeed on its claim under the Charitable Trust Act.
7

8 **3. Violations of the Nonprofit Corporation Act are Significant.**

9 The State has petitioned this Court for an order dissolving the nonprofit corporations on
10 the basis that they have and will continue to exceed or abuse the authority conferred upon them
11 by law. RCW 24.03.250. The Nonprofit Corporation Act allows the Court to dissolve a nonprofit
12 corporation if it finds that "the directors or those in control... have acted, are acting, or will act
13 in a manner that is illegal, oppressive, or fraudulent" or if the assets are being misapplied or
14 wasted. RCW 24.03.266(1)(b)(d). Here, the State's evidence shows waste, misapplication of
15 assets, and illegal and fraudulent activity through the variety of misrepresentations, self-dealing,
16 and conflicts-of-interest outlined above. This court has a substantial basis upon which it could
17 involuntarily dissolve all of the nonprofit corporations.
18

19 Additionally problematic: two of the nonprofits failed to distribute assets after dissolving
20 in the manner required by RCW 24.03.225. SRC and CHRA dissolved voluntarily on January
21 23, 2018. However, as recently as April, 2018, CHRA held approximately \$23,000 and SRC
22 held \$41,000 in their bank accounts. App. at 1083-5.
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1 **B. Fear that Defendants Will Continue Violating the Law is Well Founded.**

2 The Legislature recognized the Attorney General's role in supervising charitable
3 organizations. For example, "the purpose of [the Charitable Trust Act] is to facilitate public
4 supervision over the administration of public charitable trusts and similar relationships..." RCW
5 11.110.010. In enacting these provisions, the Legislature recognized the importance of
6 preventing the misuse of charitable funds and providing for consequences in the event they are
7 mishandled.
8

9 Here, the evidence shows that Defendants have violated the Charitable Solicitations Act,
10 which is a per se violation of the Consumer Protection Act, the Charitable Trust Act, and the
11 Charitable Solicitation Act for many years and that the violations have continued following the
12 filing of this action. It is reasonable to believe Defendants will continue to violate state law s and
13 attempt to obscure their violations as evidenced by the regularly-shifting names, dbas, and
14 aliases; filing for new charitable organization registration; changing the registered agents and
15 governors for the corporate entities; and including incomplete or deceptive information on their
16 Secretary of State filings.⁴ Moreover, removing Roy's name from all of the nonprofit's filings
17 but retaining him as the executive director is another way Defendants try to obscure their
18 violations. There is a well-founded fear that Defendants will continue making false claims,
19 soliciting for their sham charities, and using the Secretary of State's filing process to hide it.
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22 Additionally, Defendants have engaged in a pattern of transferring and/or reorganizing
23 their assets. Nonprofits that the State believed had ceased operations were instead reformed just
24 weeks after this lawsuit was filed. Bank accounts that existed during the course of the Attorney
25

26 ⁴ Such as using "Mr. Haueter" and Emergency Relief Services as registered agents, including a PO Box as a physical address, and bringing in family members without the Haueter name to register as governors.

1 General's investigation have been closed, only to be reopened elsewhere in the names of the
2 "new" charities. App. at 519-20. Defendants have sold, listed for sale, or transferred real
3 property. The Defendants' actions create a well-founded fear that assets will be obscured,
4 depleted, or otherwise divested without court action. As such, the State requests this Court
5 maintain the status quo until this matter is resolved.
6

7 **C. Without an Injunction the Public Faces Continued Injury.**

8 The charities and for-profit entities continue to operate the same scheme they operated
9 when the State filed this action. An injunction would prevent both continued waste of the
10 charitable assets and continued deceptive and misleading charitable solicitations during this
11 litigation. Furthermore, an injunction that prevents the future sale or divestment of assets protects
12 a potential monetary judgment against Defendants. This court should use its equitable authority
13 to prohibit the sale or divestment of assets until this case is resolved.
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V. CONCLUSION

The State respectfully requests the Court preliminarily enjoin the charity defendants from continuing to solicit charitable contributions; the individual defendants from amending and/or dissolving any existing business entities and from forming additional ones; and all defendants from selling, transferring, or otherwise divesting property until final judgment is rendered in this case.

DATED this 16ⁿ day of August, 2018.

ROBERT W. FERGUSON
Attorney General



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I certify that this memorandum contains 4130 words,
in compliance with the Local Civil Rules.

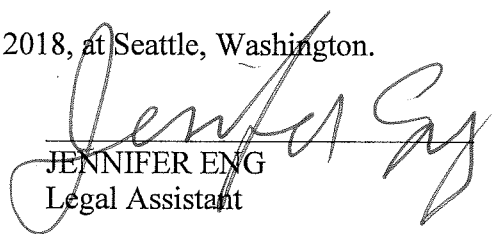
CERTIFICATE OF SERVICE

I certify that I served a copy of the foregoing on the following parties via the following methods:

Kevin T. Steinacker Steinacker Law PLLC 615 E. Pioneer, Ste. 212 Puyallup, WA 98372 Tel.: (253) 242-3558 Email: kevin@steinackerlaw.com	<input type="checkbox"/> Legal Messenger <input checked="" type="checkbox"/> First-Class Mail, Postage Prepaid <input type="checkbox"/> Certified Mail, Receipt Requested <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> King County E-Service <input type="checkbox"/> Email
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I certify, under penalty of perjury under the laws of the State of Washington, that the foregoing is true and correct.

DATED this 16th day of August, 2018, at Seattle, Washington.



JENNIFER ENG
 Legal Assistant