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STATE OF WASHINGTON
CLALLAM COUNTY SUPERIOR COURT

STATE OF WASHINGTON, Plaintiff, v. STEPHEN C. MARKWELL and OLYMPIC ANIMAL SANCTUARY, Defendants.	NO. 14 2 00666 0 COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

Plaintiff, State of Washington, by and through its attorneys, Robert W. Ferguson, Attorney General, and Sarah A. Shifley, Assistant Attorney General, brings this action against the Defendants named below. The State alleges the following on information and belief:

I. PLAINTIFF

1.1 The Plaintiff is the State of Washington.

1.2 The Attorney General is authorized to commence this action pursuant to RCW 19.09.340, RCW 19.86.080, and RCW 19.86.140.

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II. DEFENDANTS

2.1 Defendant, Olympic Animal Sanctuary ("OAS"), is a 501(c)(3) tax-exempt non-profit organization that operated a kennel for dogs in Forks, Washington. The OAS kennel was located at 1021 Russell Road, Forks, Washington, 98331.

2.2 Defendant, Stephen C. Markwell, is the founder and Executive Director of OAS. As such, Mr. Markwell directed, controlled, formulated, and carried out the acts, practices, and activities that are the subject of this complaint. Mr. Markwell resides at 1021 Russell Road, Forks, Washington, 98331.

III. JURISDICTION AND VENUE

3.1 The State files this complaint and institutes these proceedings under the provisions of the Consumer Protection Act, RCW 19.86, and the Charitable Solicitations Act, RCW 19.09.

3.2 The Defendants engaged in the conduct set forth in this complaint in Clallam County and elsewhere in the state of Washington.

3.3 Venue is proper in Clallam County pursuant to RCW 4.12.020 and .025.

IV. FACTS

4.1 Sometime prior to November, 2007, Defendant, Stephen C. Markwell, founded Olympic Animal Sanctuary ("OAS") to operate a kennel for dogs.

4.2 The OAS kennel was located in a warehouse at 1021 Russell Road, Forks, Washington, 98331. The property is owned by Ms. Markwell's mother, Diane Hawkins. Ms.

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Hawkins was also listed as a board member and treasurer of OAS, although she lives in California.

4.3 In November, 2007, Mr. Markwell obtained 501(c)(3) tax exempt status for OAS from the Internal Revenue Service.

4.4 Mr. Markwell did not register OAS with the Washington Secretary of State as required by the Charitable Solicitations Act, RCW 19.09. Nevertheless, Mr. Markwell began soliciting charitable contributions for OAS through various means, including in-person requests for money, direct mail, and on a Facebook page.

4.5 Defendants also solicited charitable contributions for OAS through a website, http://olympicanimalsanctuary.org/.

4.6 Defendants did not disclose on this website that OAS's registration was on file with the Secretary of State. Defendants also did not disclose on the website that a potential donor could obtain additional financial and other information regarding OAS from the Secretary of State.

4.7 Defendants also solicited contributions by mass-distributed emails. Mr. Markwell wrote and personally signed the email solicitations.

4.8 Defendants did not disclose in mass-distributed email solicitations that OAS's registration was on file with the Secretary of State. Defendants also did not disclose that the potential donor could obtain additional financial and other information regarding OAS at a published number or website for the Secretary of State.

4.9 Despite not being registered, Defendants solicited no less than $93,576 in charitable contributions during 2009.

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4.10 Despite not being registered, Defendants solicited no less than $115,386 in charitable contributions during 2010.

4.11 Despite not being registered, Defendants solicited no less than $151,220 in charitable contributions during 2011.

4.12 Defendants also solicited charitable contributions in 2012 and 2013. However, it is not known how much Defendants solicited in these years as Mr. Markwell has failed to provide this information to the State.

4.13 Defendants did not file an initial registration with the Secretary of State until April 24, 2013, and only did so after being contacted by the Secretary of State.

4.14 In the years during which Defendants solicited, Defendants did not file annual solicitation reports with the Secretary of State as required by RCW 19.09.075.

4.15 In December, 2013, the Attorney General sought records of OAS's program expenses since January 1, 2012 through a civil investigative demand pursuant to RCW 19.86.110. In response, Mr. Markwell stated that records of program expenses were not available.

4.16 In or around December, 2013, Mr. Markwell ceased operating OAS, although he continues to reside at its former location.

V. FIRST CAUSE OF ACTION
(Soliciting Donations without Registration)

5.1 Plaintiff realleges Paragraphs 1.1 through 4.16 as if set forth in full.

5.2 Defendants did not register with the Secretary of State until April, 2013.

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5.3 Despite not being registered, Defendants solicited no less than $93,576 in charitable contributions during 2009.

5.4 Despite not being registered, Defendants solicited no less than $115,386 in charitable contributions during 2010.

5.5 Despite not being registered, Defendants solicited no less than $151,220 in charitable contributions during 2011.

5.6 Despite not being registered, Defendants continued to solicit charitable contributions in 2012 and the first quarter of 2013.

5.7 The conduct described above violates the Charitable Solicitations Act, RCW 19.09.065(1). Pursuant to RCW 19.09.340, violations of the Charitable Solicitations Act are per se violations of the Consumer Protection Act, RCW 19.86.

VI. SECOND CAUSE OF ACTION
(Failure to File Annual Solicitation Reports)

6.1 Plaintiff realleges Paragraphs 1.1 through 5.7 as if set forth in full.

6.2 In the years during which Defendants solicited, Defendants did not file annual solicitation reports with the Secretary of State.

6.3 The Conduct described above violates the Charitable Solicitations Act, RCW 19.09.065(1) and .075. Pursuant to RCW 19.09.340, violations of the Charitable Solicitations Act are per se violations of the Consumer Protection Act, RCW 19.86.

VII. THIRD CAUSE OF ACTION
(Failure to Make Required Disclosures in Website Solicitations)

7.1 Plaintiff realleges Paragraphs 1.1 through 6.3 as if set forth in full.

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7.2 Defendants solicited contributions through a website, but did not disclose anywhere on the website that OAS's registration was on file with the Secretary of State as required by RCW 19.09.100(4)(b), or that that a potential donor could obtain additional financial and other information regarding OAS at a published number or website for the Secretary of State as required by RCW 19.09.100(4)(c).

7.3 The conduct described above violates the Charitable Solicitations Act, RCW 19.09.100(4)(b) and (c). Pursuant to RCW 19.09.340, violations of the Charitable Solicitations Act are per se violations of the Consumer Protection Act, RCW 19.86.

IX.FOURTH CAUSE OF ACTION
(Failure to Make Required Disclosures in Email Solicitations)

8.1 Plaintiff realleges 1.1 through 7.3 as if set forth in full.

8.2 Throughout 2013, Defendants sent or caused to be sent by mass-distribution email soliciting donations to OAS.

8.3 Defendants did not disclose in mass-distributed emails that OAS's registration was on file with the Secretary of State as required by RCW 19.09.100(4)(b).

8.4 Defendants did not disclose in mass-distributed emails that the potential donor could obtain additional financial and other information regarding OAS at a published number or website for the Secretary of State has required by RCW 19.09.100(4)(c).

8.5 The Conduct described above violates the Charitable Solicitations Act, RCW 19.09.100(4)(b) and (c). Pursuant to RCW 19.09.340, violations of the Charitable Solicitations Act are per se violations of the Consumer Protection Act, RCW 19.86.

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VIII. FIFTH CAUSE OF ACTION
(Failure to Maintain Books and Records)

9.1 Defendant realleges Paragraphs 1.1 through 8.5 as if set forth in full.

9.2 Defendants failed to maintain books and records containing documentation of program expenses for at least the last three years.

9.3 The conduct described above violates the Charitable Solicitations Act, RCW 19.09.200(1). Violations of the Charitable Solicitations Act, RCW 19.09, are per se violations of the Washington Consumer Protection Act, RCW 19.86.

IX. PRAYER FOR RELIEF

WHEREFORE, Plaintiff, State of Washington, prays for relief as follows:

10.1 That the Court adjudge and decree that Defendants have engaged in the conduct complained of herein.

10.2 That the Court adjudge and decree that the conduct complained of violates the Charitable Solicitations Act, RCW 19.09, and therefore violates the Consumer Protection Act, RCW 19.86, per se.

10.3 That the Court issue a permanent injunction enjoining and restraining Defendants, and their representatives, successors, assigns, officers, agents, servants, employees, and all other persons acting or claiming to act for, on behalf of, or in active concert or participation with Defendants, from continuing or engaging in the unlawful conduct complained of herein.

10.4 That the Court assess civil penalties, pursuant to RCW 19.86.140, of up to two thousand dollars ($2,000) per violation against Defendants for each and every violation of RCW 19.86.020 caused by the conduct complained of herein.

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10.5 That the Court make such orders pursuant to RCW 19.86.080 as it deems appropriate to provide for restitution to consumers of money or property acquired by Defendants as a result of the conduct complained of herein.

10.6 That the Court make such orders pursuant to RCW 19.86.080 to provide that the plaintiff, State of Washington, have and recover from Defendants the costs of this action, including reasonable attorneys' fees.

10.7 For such other relief as the Court may deem just and proper.

DATED this 24th day of July, 2014.

ROBERT W. FERGUSON
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