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**STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT**

STATE OF WASHINGTON,

Plaintiff,

v.

BROWN PAPER TICKETS, LLC,

Defendant.

NO.

COMPLAINT FOR INJUNCTIVE AND
OTHER RELIEF UNDER THE
CONSUMER PROTECTION ACT,
RCW 19.86

The Plaintiff, State of Washington, by and through its attorneys Robert W. Ferguson, Attorney General, and Craig Rader and Marc Worthy, Assistant Attorneys General, brings this action against corporate defendant Brown Paper Tickets, LLC (“Brown Paper Tickets” or “Defendant”). The State alleges that Brown Paper Tickets engaged in unfair or deceptive acts or practices in violation of the Consumer Protection Act, RCW 19.86, by failing to remit payments owed to event organizers for completed events and failing to refund amounts paid by consumers for cancelled events.

I. INTRODUCTION

1.1 Seattle-based Brown Paper Tickets specializes in ticketing services for small and mid-size venues and community organizations nationwide, acting as an intermediary between event organizers and ticket buyers.

1.2 Beginning in early 2020, the COVID-19 pandemic and consequent restrictions on public gatherings resulted in the cancellations of many live events. Brown Paper Tickets has

1 failed to remit payment to event organizers for events that took place and has failed to provide
2 refunds to ticket buyers who purchased tickets for cancelled or rescheduled events. From
3 March 19, 2020, through September 30, 2020, the Attorney General received 583 consumer
4 complaints against Brown Paper Tickets from both event organizers and ticket buyers.

5 **II. PARTIES**

6 2.1 The Plaintiff is the State of Washington. The Attorney General is authorized to
7 commence this action pursuant to RCW 19.86.080 and RCW19.86.140.

8 2.2 Defendant Brown Paper Tickets, LLC, is a privately held Washington limited
9 liability company headquartered at 220 Nickerson Street, Seattle, Washington, 98109. Brown
10 Paper Tickets is owned by William Jordan and Stephan Butcher. Brown Paper Tickets provides
11 event ticketing services to event organizers nationwide and sells tickets to those events to ticket
12 buyers through its website.

13 **III. JURISDICTION AND VENUE**

14 3.1 The State files this Complaint and institutes these proceedings under the
15 provisions of the Consumer Protection Act, RCW 19.86.

16 3.2 Defendant has engaged in the conduct set forth in this Complaint in King County
17 and elsewhere in the State of Washington.

18 3.3 Venue is proper in King County pursuant to RCW 4.12.020 and 4.12.025, and
19 Court Rule 82 because Brown Paper Tickets, LLC is headquartered and transacts business in King
20 County.

21 3.4 The Attorney General has authority to commence this action as conferred by
22 RCW 19.86.080 and RCW 19.86.140.

23 **IV. NATURE OF TRADE OR COMMERCE**

24 4.1 Defendant, at all times relevant to this action, has been engaged in trade or
25 commerce within the meaning of RCW 19.86.010(2), by selling ticketing services to event
26 organizers and by selling tickets to ticket buyers.

1 occurs as planned, the event organizer can expect to receive \$20 per ticket and Brown Paper
2 Tickets can expect to retain \$1.99 per ticket.

3 5.8 When an event concludes, the Seller Terms obligate Brown Paper Tickets to remit
4 payment to the event organizer for the total amount collected, less the additional fees it retains.

5 5.9 Brown Paper Tickets' Seller Terms state that, "Generally, Brown Paper Tickets
6 will mail a check/cheque payment, via USPS in the U.S. or Canada, to Event Organizer within
7 ten (10) business days after the event end date." The Seller Terms further state: "If Event
8 Organizer has not received the check twelve (12) days after the check has been issued, Brown
9 Paper Tickets will issue a replacement check upon Event Organizer request[.]" The Seller Terms
10 therefore provide event organizers with an expectation of prompt payment for completed events.

11 5.10 Brown Paper Tickets conducts business with ticket buyers pursuant to its standard
12 Buyer Terms of Usage, Conditions, and Policies (Buyer Terms), which is available on its website
13 (<https://www.brownpapertickets.com/buyer-terms.html>) and has been in effect since April 7,
14 2019.

15 5.11 If an event is cancelled or rescheduled, the Buyer Terms provide that Brown
16 Paper Tickets will give full refunds to ticket buyers.

17 5.12 Despite collecting more money from ticket buyers than owed to event organizers,
18 in March 2020 Defendant began to fail to pay event organizers for completed events, in violation
19 of the Seller Terms described above.

20 5.13 As of September 2020, six months after Defendant began failing to pay event
21 organizers for completed events, many are still waiting for payment, despite making repeated
22 inquiries to Brown Paper Tickets.

23 5.14 Also beginning in March 2020, many events were cancelled or rescheduled
24 events due to the COVID-19 pandemic.

25 5.15 Brown Paper Tickets, however, has failed to provide refunds to ticket buyers for
26 those cancelled or rescheduled events, in violation of the Buyer Terms described above.

1 5.16 Upon information and belief, Brown Paper Tickets has failed to provide refunds
2 to ticket buyers despite retaining the funds collected from ticket buyers.

3 5.17 Upon information and belief, there could be as many as 80,000 ticket buyers who
4 claim they are entitled to refund from Brown Paper Tickets.

5 5.18 As of September 2020, six months after Defendant began failing to refund ticket
6 buyers for cancelled events, many are still waiting for payment, despite making repeated
7 inquiries to Brown Paper Tickets.

8 5.19 Brown Paper Tickets has acknowledged its outstanding liabilities in
9 communications with event organizers and ticket buyers, its representations to the Attorney
10 General's Office in response to consumer complaints, and in a statement on its website
11 (<https://www.covid-recovery.brownpapertickets.org/>).

12 5.20 The Attorney General has received 583 complaints from event organizers and
13 ticket buyers who have been unable to obtain ticket revenues or ticket refunds from Brown Paper
14 Tickets.

15 5.21 For example, a youth arts organization in Bellingham, Washington staged two
16 performances in February and March 2020 for which it used Defendant's ticketing services and
17 earned in excess of \$3,000 in ticket sales, excluding Brown Paper Tickets' service charges.
18 Despite having collected payments from ticket buyers exceeding the amount owed, on
19 information and belief, Brown Paper Tickets has failed to pay the youth arts organization its
20 earned revenue.

21 5.22 As some event organizers have developed remote events in response to the
22 COVID-19 pandemic, Brown Paper Tickets has continued to collect funds from ticket buyers
23 without paying ticket revenues owed to event organizers. For example, a café and community
24 event space in Renton, Washington held three remote "dinner and a show" fundraiser events in
25 May and June 2020, utilizing Defendant's ticketing services. The café arranged for ticket buyers
26 to pick up a take-out dinner at the café, to eat at home while watching the show remotely. Despite

1 collecting funds from ticket buyers, Brown Paper Tickets has failed to pay approximately \$2,000
2 it owes the café.

3 5.23 Some event organizers have complained to the Attorney General on behalf of
4 ticket buyers who have not received refunds from Brown Paper Tickets for cancelled events.
5 Skamania County Community Events and Recreation in Stevenson, Washington used Brown
6 Paper Tickets to collect camping fees for an outdoor festival to be held in late March 2020.
7 Brown Paper Tickets collected nearly \$7,000 from 93 ticket buyers. Upon information and
8 belief, Brown Paper Tickets has failed to provide refunds to ticket buyers.

9 5.24 A resident of Seattle paid Brown Paper Tickets approximately \$300 for his son
10 to attend a summer camp. When the camp organizer cancelled the camp due to COVID-19, the
11 parent was unable to obtain a refund despite repeated requests to Brown Paper Tickets. Brown
12 Paper Tickets never paid the camp organizer for the event, while retaining the funds owed to the
13 parent.

14 5.25 Numerous other event organizers and ticket buyers, both in Washington state and
15 nationwide, have not received payments owed to them by Brown Paper Tickets.

16 5.26 Upon information and belief, Brown Paper Tickets owes event organizers
17 approximately \$6,000,000 and ticket buyers \$760,000.

18 5.27 Brown Paper Tickets continues to accept listings for events from event organizers
19 and continues to sell tickets to ticket buyers.

20 **VI. FIRST CAUSE OF ACTION**
21 **(DECEPTIVE ACTS AGAINST EVENT ORGANIZERS IN VIOLATION OF THE**
22 **CONSUMER PROTECTION ACT, RCW 19.86.020)**

23 6.1 Plaintiff re-alleges Paragraphs 1.1 through 5.27 and incorporates them as if fully
24 set forth herein.

25 6.2 Defendant engages in “trade” or “commerce” within the meaning of the
26 Consumer Protection Act, RCW 19.86.010(2), by advertising, marketing, and soliciting business
nationwide from its headquarters in Seattle and providing ticketing services to event organizers.

1 6.3 In its terms and conditions, Defendant represents to event organizers that they can
2 expect payment within 10 days after the end of the event. However, Brown Paper Tickets has
3 failed to remit payment to some event organizers for months. Defendants' representation in its
4 terms and conditions has the capacity to deceive event organizers that Brown Paper Tickets will
5 remit payment promptly.

6 6.4 Defendant's deceptive acts and practices towards event organizers have impacted
7 the public interest and are likely to continue without relief from this Court.

8 6.5 Based on the above deceptive acts and practices, Plaintiff is entitled to relief
9 under the Consumer Protection Act including injunctive relief and restitution pursuant to
10 RCW 19.86.080, civil penalties pursuant to RCW 19.86.140 of up to two thousand dollars
11 (\$2,000) per violation for each and every violation of RCW 19.86.020, and reimbursement of
12 the costs of this action, including reasonable attorneys' fees, pursuant to RCW 19.86.080.

13 **VII. SECOND CAUSE OF ACTION**
14 **(UNFAIR ACTS AGAINST EVENT ORGANIZERS IN VIOLATION OF THE**
 CONSUMER PROTECTION ACT, RCW 19.86.020)

15 7.1 Plaintiff re-alleges Paragraphs 1.1 through 6.5 and incorporates them as if set fully
16 herein.

17 7.2 Defendant engages in "trade" or "commerce" within the meaning of the Consumer
18 Protection Act, RCW 19.86.010(2), by advertising, marketing, and soliciting business nationwide
19 from its headquarters in Seattle and providing event ticketing services to event organizers.

20 7.3 Defendant's failure to remit payments from ticket buyers to event organizers is
21 unfair within the meaning of RCW 19.86.020.

22 7.4 Defendant's unfair conduct towards event organizers has impacted the public
23 interest and is likely to continue without relief from this Court.

24 7.5 Based on the above unfair acts and practices, Plaintiff is entitled to relief under the
25 Consumer Protection Act including injunctive relief and restitution pursuant to RCW 19.86.080,
26 civil penalties pursuant to RCW 19.86.140 of up to two thousand dollars (\$2,000) per violation for

1 each and every violation of RCW 19.86.020, and reimbursement of the costs of this action,
2 including reasonable attorneys' fees, pursuant to RCW 19.86.080.

3 **VIII. THIRD CAUSE OF ACTION**
4 **(DECEPTIVE ACTS AGAINST TICKET BUYERS IN VIOLATION OF THE**
5 **CONSUMER PROTECTION ACT, RCW 19.86.020)**

6 8.1 Plaintiff re-alleges Paragraphs 1.1 through 7.5 and incorporates them as if set fully
7 herein.

8 8.2 Defendant engages in "trade" or "commerce" within the meaning of the Consumer
9 Protection Act, RCW 19.86.010(2), by advertising, marketing, and soliciting business nationwide
10 from its headquarters in Seattle and selling tickets to ticket buyers through its website.

11 8.3 In its terms and conditions available to ticket buyers on its website, Defendant
12 represents that event organizers have the discretion to refuse to issue refunds to ticket purchasers
13 for cancelled events. This representation has the capacity to deceive ticket buyers that Brown Paper
14 Tickets will refund their ticket purchasers if event organizers have agreed to refunds.

15 8.4 Defendant engaged in deceptive acts or practices within the meaning of
16 RCW 19.86.020 by accepting payments from ticket buyers on behalf of event organizers and then
17 failing to issue refunds to those ticket buyers when the ticketed events were cancelled or
18 rescheduled, and where the event organizer has exercised its discretion to provide refunds to ticket
19 buyers.

20 8.5 Defendant's deceptive acts or practices towards ticket buyers have impacted the
21 public interest and are likely to continue without relief from this Court.

22 8.6 Based on the above deceptive acts and practices, Plaintiff is entitled to relief under
23 the Consumer Protection Act including injunctive relief and restitution pursuant to RCW 19.86.080,
24 civil penalties pursuant to RCW 19.86.140 of up to two thousand dollars (\$2,000) per violation for
25 each and every violation of RCW 19.86.020, and reimbursement of the costs of this action,
26 including reasonable attorneys' fees, pursuant to RCW 19.86.080.

1 **IX. FOURTH CAUSE OF ACTION**
2 **(UNFAIR ACTS AGAINST TICKET BUYERS IN VIOLATION OF THE CONSUMER**
3 **PROTECTION ACT, RCW 19.86.020)**

4 9.1 Plaintiff re-alleges Paragraphs 1.1 through 8.6 and incorporates them as if set fully
5 herein.

6 9.2 Defendant engages in “trade” or “commerce” within the meaning of the Consumer
7 Protection Act, RCW 19.86.010(2), by advertising, marketing, and soliciting business nationwide
8 from its headquarters in Seattle and selling tickets to ticket buyers through its website.

9 9.3 Defendant engaged in unfair acts or practices within the meaning of RCW 19.86.020
10 by accepting payments from ticket buyers on behalf of event organizers and then failing to issue
11 refunds to those ticket buyers when the ticketed events were cancelled or rescheduled.

12 9.4 Defendant’s unfair conduct towards ticket buyers has impacted the public interest
13 and is likely to continue without relief from this Court.

14 9.5 Based on the above unfair acts and practices, Plaintiff is entitled to relief under the
15 CPA including injunctive relief and restitution pursuant to RCW 19.86.080, civil penalties pursuant
16 to RCW 19.86.140 of up to two thousand dollars (\$2,000) per violation for each and every violation
17 of RCW 19.86.020, and reimbursement of the costs of this action, including reasonable attorneys’
18 fees, pursuant to RCW 19.86.080.

19 **X. PRAYER FOR RELIEF**

20 Wherefore, the State prays for the following relief:

21 10.1 That the Court adjudge and decree that the Defendant has engaged in the conduct
22 complained of herein.

23 10.2 That the Court adjudge and decree that the conduct complained of constitutes
24 unfair or deceptive acts or practices and is unlawful in violation of the Consumer Protection Act,
25 RCW 19.86.

26 10.3 That the Court issue a permanent injunction pursuant to the Consumer Protection
Act, RCW 19.86.080, enjoining and restraining Defendant and its representatives, successors,

1 assigns, offices, agents, servants, employees, and all other persons acting or claiming to act for,
2 on behalf of, or in concert or participation with Defendant, from continuing or resuming the
3 unlawful conduct complained of herein.

4 10.4 That the Court assess civil penalties, pursuant to RCW 19.86.140, of up to two
5 thousand dollars (\$2,000) per violation against Defendant for each and every violation of
6 RCW 19.86.020 caused by the conduct complained of herein.

7 10.5 That the Court make such orders pursuant to RCW 19.86.080 as it deems
8 appropriate to provide for restitution to consumers of money or property unlawfully acquired by
9 Defendant as a result of the conduct complained of herein.

10 10.6 That the Court make such orders pursuant to RCW 19.86.080 to provide that the
11 Plaintiff, State of Washington, have and recover from Defendant the costs of this action,
12 including reasonable attorney's fees.

13 10.7 For such other relief as the Court may deem just and proper.

14 DATED this 30th day of September, 2020.

15 ROBERT W. FERGUSON
16 Attorney General

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