

1 1.8 Defendant Brown Paper Tickets, LLC (Defendant), having been served with the
2 Summons and Complaint or having waived service; and Washington, appearing by and through
3 its attorneys, Robert Ferguson, Attorney General, and Craig Rader and Marc Worthy, Assistant
4 Attorneys General; and Defendant, appearing by and through its attorneys Darwin Roberts and
5 Christopher Huck, Goldfarb & Huck Roth Riojas, PLLC; and

6 1.9 Washington and Defendant having agreed on a basis for the settlement of the
7 matters alleged in the Complaint and to the entry of this Consent Decree against Defendant
8 without the need for trial or adjudication of any issue of law or fact; and

9 1.10 Defendant Brown Paper Tickets, by entering into this Consent Decree, stating
10 that it does not admit the allegations of the Complaint other than those solely as necessary to
11 establish the jurisdiction of this Court; and Plaintiff acknowledging that Brown Paper Tickets
12 has fully cooperated in efforts to resolve this matter, and that Brown Paper Tickets has been
13 making payments to some Event Organizers and providing refunds to some Ticket Buyers,
14 including any and all Brown Paper Tickets service fees, prior to entry of this Consent
15 Decree; and

16 1.11 Washington and Defendant having agreed this Consent Decree does not
17 constitute evidence or an admission regarding the existence or non-existence of any issue, fact,
18 or violation of any law alleged by Washington; and

19 1.12 Defendant recognizing and stating this Consent Decree is entered into voluntarily
20 and that no promises, representations, or threats have been made by the Attorney General's
21 Office or any member, officer, agent, or representative thereof to induce it to enter into this
22 Consent Decree, except for the promises and representations provided herein; and

23 1.13 Defendant waiving any right it may have to appeal from this Consent Decree or
24 to otherwise contest the validity of this Consent Decree; and

25 1.14 Defendant further agreeing this Court shall retain jurisdiction of this action and
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1 jurisdiction over Defendant for the purpose of implementing and enforcing the terms and
2 conditions of this Consent Decree and for all other purposes related to this matter; and

3 The Court, finding no just reason for delay:

4 NOW, THEREFORE, it is hereby ORDERED, ADJUDGED, AND DECREED as
5 follows:

6 II. GENERAL

7 2.1 This Court has jurisdiction of the subject matter of this action and of the parties.

8 2.2 This Consent Decree or the fact of its entry does not constitute evidence or an
9 admission by any party regarding the existence or non-existence of any issue, fact, or violation
10 of any law alleged by Washington. To the contrary, Defendant has denied and continues to deny
11 any and all wrongdoing of any kind whatsoever and retains, and does not waive, any and all
12 defenses Defendant may have with respect to such matters.

13 2.3 The Parties acknowledge this Consent Decree is signed during the COVID-19
14 pandemic, which has caused significant disruption to the arts and entertainment industry.

15 2.4 Brown Paper Tickets pledges that it will not dissolve as a corporate entity or
16 undertake any reorganization, or enter into any contract or agreement with a non-party to this
17 Consent Decree, that would impair its ability to completely fulfill the terms of this Consent
18 Decree to the satisfaction of the Attorney General of Washington. Such dissolution or
19 reorganization, or entry into such contract or agreement, shall be considered a material breach
20 of this Consent Decree. If Brown Paper Tickets anticipates, at any point prior to completion of
21 its obligations under this Consent Decree, that it may undergo any such dissolution or
22 reorganization, or enter into such contract or agreement, it shall immediately notify the Attorney
23 General's Office. Washington, in its sole discretion, may treat such anticipated dissolution,
24 reorganization, contract, or agreement, as a material breach of this Consent Decree.

25 2.5 This Consent Decree fully and finally resolves and forever discharges and releases
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1 all claims and causes of action under the CPA that the State of Washington has filed or may in
2 the future file against Defendant arising out of or relating to the facts and matters specifically
3 described in the Complaint, except that Defendant's material failure to comply with this Consent
4 Decree shall permit the Attorney General of Washington to take such further action against
5 Defendant as provided for herein.

6 **III. CONSUMER PAYMENTS**

7 3.1 Brown Paper Tickets represents that it has prepared a framework that will
8 facilitate access to additional funding allowing it to undertake the following obligations:

9 3.2 Payments to Event Organizers: Brown Paper Tickets will complete all payments
10 due to Event Organizers for completed events. Additionally, Brown Paper Tickets will continue
11 to waive all cancellation fees for Event Organizers, for all cancelled events that were originally
12 scheduled to take place between March 1, 2020 and November 1, 2020.

13 3.3 Refunds to Ticket Buyers: Brown Paper Tickets will issue full refunds, including
14 service fees, to all Ticket Buyers who purchased tickets through Brown Paper Tickets and whose
15 event was canceled, unless such Ticket Buyers direct Brown Paper Tickets to donate their refund
16 to an Event Organizer or otherwise elect not to receive a refund.

17 3.4 Timing of Payments: Brown Paper Tickets will pay all Event Organizers and
18 Ticket Buyers (collectively, "Consumers") as funding is available and as promptly as possible.
19 Defendant warrants payments to all Consumers will be substantially complete (greater than 95%
20 of Consumers paid) within seven months of the execution of this consent decree, and that 100%
21 of Consumers will receive payment within a reasonable time period thereafter. Failure to meet
22 these payment obligations shall be considered a material breach of this Consent Decree and
23 entitle the Attorney General to any remedies detailed below, at its sole discretion.

24 3.5 If Brown Paper Tickets anticipates, at any point, that it will not be able to
25 complete payments to Consumers as set forth in paragraph 3.4, including within the time limits
26 specified therein, Brown Paper Tickets shall immediately notify the Attorney General's Office

1 of such anticipatory failure, and explain the circumstances causing the delay. Such anticipatory
2 failure shall be considered a material breach of this Consent Decree, subject only to the election
3 of Washington, in its sole discretion, to extend the period for completing Consumer payments.
4 The Attorney General, without waiting for such notification, may also request assurances from
5 Company at any time that Company does not anticipate such failure to complete payments, and
6 Company shall respond to any such request within five (5) business days. Company's failure to
7 respond to such request within the time provided, or failure to provide adequate assurances, as
8 determined by Washington's sole discretion, shall be considered a breach of this Consent Decree,
9 subject only to the election of Washington, in its sole discretion, to extend the period for
10 completing Consumer payments. Prior to the Attorney General's Office declaring a material
11 breach of the Consent Decree under this paragraph 3.5, Brown Paper Tickets shall be notified of
12 such determination by the Attorney General's Office, and shall have five (5) business days to
13 take appropriate steps to investigate and attempt to remedy such asserted breach, such five (5)
14 day period to be in addition to any previous five (5) day period provided for in this paragraph.

15 3.6 Order of Payments: Brown Paper Tickets shall prioritize payments and refunds
16 as set forth in this paragraph 3.6. Brown Paper Tickets shall, to the greatest extent possible,
17 prioritize making payments to Event Organizers whose events were completed before making
18 payments to Event Organizers and issuing refunds to Ticket Buyers for cancelled events.

19 (a) Completed Events: For completed events, Brown Paper Tickets shall
20 prioritize payments to Event Organizers whose principal place of business is in the State of
21 Washington, with the sole exception of previously identified pre-existing judgments or payment
22 agreements entered into by Brown Paper Tickets prior to the date of execution of this Consent
23 Decree.

24 (b) Cancelled Events: For cancelled events, Brown Paper Tickets shall, to the
25 greatest extent possible, prioritize payments to Washington Event Organizers and refunds to
26 Ticket Buyers for events organized by Washington Event Organizers.

1 Brown Paper Tickets agrees that it shall not deviate from the Order of Payments set forth in this
2 paragraph 3.6 without first obtaining the consent of the Attorney General's Office, which consent
3 shall not be unreasonably withheld.

4 3.7 Progress Reports: Every thirty (30) days after the execution of the Consent
5 Decree, Defendant will report to the Attorney General's Office:

6 (a) For Ticket Buyers:

- 7 i. number of refunds paid in the last thirty (30) days;
- 8 ii. aggregate total dollar amount of refunds paid in the last thirty
9 (30) days;
- 10 iii. Estimated number of refunds remaining to be processed;
- 11 iv. Approximate dollar amount of refunds remaining to be
12 processed.

13 (b) For Event Organizers:

- 14 i. number of payments made in the last thirty (30) days;
- 15 ii. aggregate total dollar amount of payments made in the last thirty
16 (30) days;
- 17 iii. Estimated number of payments remaining to be processed;
- 18 iv. Approximate dollar amount of payments remaining to be
19 processed.

20 Any failure, by Defendant, to provide progress reports, as set forth in this paragraph 3.7, shall
21 be considered a breach of this Consent Decree, subject only to the election of Washington, in
22 its sole discretion, to extend the period for providing such reports.

23 3.8 Brown Paper Tickets shall provide the Attorney General with information the
24 Attorney General deems necessary to ensure compliance with the terms of this Consent
25 Decree. Information provided to the Attorney General shall be subject to the protective order
26 entered in this matter and Brown Paper Tickets shall provide the requested information no later

1 than Feb. 26, 2021, and thereafter within five (5) business days after a subsequent request by the
2 Attorney General.

3 **IV. MONETARY PAYMENT**

4 4.1 Pursuant to RCW 19.86.080, Washington shall recover and Defendant shall pay
5 Washington the amount of **\$70,000.00** for costs and reasonable attorney's fees incurred by
6 Washington in pursuing this matter, for monitoring and potential enforcement of this Consent
7 Decree, for future enforcement of RCW 19.86, or for any lawful purpose in the discharge of the
8 Attorney General's duties at the sole discretion of the Attorney General.

9 4.2 The payment referenced in paragraphs 4.1 shall be made in total no later than six
10 months following the entry of this Consent Decree or upon substantial completion of payment
11 to the consumers, or as agreed by the parties, by valid check payable to "State of Washington
12 Attorney General's Office," delivered to the Office of the Attorney General, Attention: Margaret
13 Farmer, Litigation Support Manager, 800 Fifth Ave., Suite 2000, Seattle, WA 98104.

14 4.3 Defendant's failure to timely make payments as required by this Consent Decree
15 by the date of entry of this Consent Decree, without written agreement by Washington, shall be
16 a material breach of this Consent Decree.

17 4.4 Defendant's failure to pay attorneys' fees and costs to Washington as required
18 by this Consent Decree shall be a material breach of the Consent Decree.

19 **V. ENFORCEMENT**

20 5.1 Defendant shall be in full compliance with all requirements and obligations this
21 Consent Decree imposes on Defendant by the date of entry of this Consent Decree, except as
22 otherwise indicated herein.

23 5.2 Defendant agrees that in the case of a material breach of any part of Section III
24 of this Consent Decree, or any other material breach of this Consent Decree that may impair
25 Defendant's ability to comply with Section III, as determined by Washington in its sole
26 discretion, the Plaintiff shall be entitled to a judgment in the amount of all outstanding amounts

1 owed to Consumers. The amount of the judgment shall be presumptively equal to the total
2 outstanding amount remaining as of the most recent Progress Report submitted under section
3 3.7, above, subject to modification by proof by either party that the amount owed to consumers
4 at the time of breach is greater or lesser than such amount. If, at the time of such material breach
5 as described in this paragraph 5.2, Brown Paper Tickets has not submitted any Progress Report
6 under paragraph 3.7, the amount of the judgment shall be presumptively equal to nine million
7 dollars (\$9,000,0000), subject to modification as set forth in this paragraph 5.2.

8 5.3 If Defendant violates a material condition of this Consent Decree, Washington
9 may seek the imposition of additional conditions, civil penalties of up to \$25,000 per violation
10 pursuant to RCW 19.86.140, restitution, injunctive relief, attorney's fees, costs, and such other
11 remedies as the Court may deem appropriate at an evidentiary hearing in which Defendant has
12 an opportunity to be heard, if the Court finds by a preponderance of the evidence that Defendant
13 has violated a material condition of this Consent Decree. In any successful action to enforce this
14 Consent Decree against Defendant, Defendant shall bear Washington's reasonable costs,
15 including reasonable attorneys' fees.

16 5.4 Jurisdiction is retained by this Court for the purpose of enabling any party to this
17 Consent Decree to apply to the Court, to the extent permitted herein, for enforcement of
18 compliance with this Consent Decree, to punish violations thereof, or otherwise address the
19 provisions of this Consent Decree.

20 5.5 Nothing in this Consent Decree shall grant any third-party beneficiary or other
21 rights to any person who is not a party to this Consent Decree.

22 5.6 Nothing in this Consent Decree shall be construed to limit or bar any other
23 governmental entity or person from pursuing other available remedies against Defendant or any
24 other person. However, nothing in this agreement shall prevent the Defendant from reporting
25 payments made under this Consent Decree to establish the amount paid to consumers in other
26 litigation.

1 5.7 Under no circumstances shall this Consent Decree, or the name of the State of
2 Washington, this Court, the Office of the Attorney General, the Consumer Protection Division,
3 or any of their employees or representatives be used by Defendant or any of its respective
4 owners, members, directors, successors, assigns, transferees, officers, agents, servants,
5 employees, representatives, and all other persons or entities in active concert or participation
6 with Defendant, in connection with any selling, advertising, or promotion of products or services,
7 or as an endorsement or approval of Defendant's acts, practices, or conduct of business.

8 5.8 Washington shall be permitted, upon advance written notice of five (5) business
9 days to Defendant, to access, inspect, and/or copy business records or documents in possession,
10 custody, or under control of Defendant to monitor compliance with this Consent Decree;
11 provided that the inspection and copying shall avoid unreasonable disruption of Defendant's
12 business activities.

13 5.9 Washington shall not disclose any information described in this Paragraph 5.9
14 (Confidential Information) unless such disclosure is required by law. In the event that
15 Washington receives a request under the Public Records Act, subpoena, or other demand for
16 production that seeks the disclosure of Confidential Information, Washington shall notify
17 Defendant as soon as practicable and in no event more than ten (10) calendar days after receiving
18 such request. Defendants shall be allowed a reasonable time, not less than ten (10) calendar days,
19 from the receipt of such notice to seek a protective order relating to the Confidential Information
20 or to otherwise resolve any disputes relating to the production of the Confidential Information
21 before Washington discloses any Confidential Information. Nothing in this Consent Decree shall
22 affect State of Washington's compliance with the Public Records Act, RCW 42.56.

23 5.10 To monitor compliance with this Consent Decree, Washington shall be permitted
24 to serve interrogatories pursuant to the provisions of CR 26 and CR 33 and to question Defendant
25 or any officer, director, agent, or employee of Defendant by deposition pursuant to the provisions
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1 of CR 26 and CR 30 provided that Washington attempts in good faith to schedule the deposition
2 at a time convenient for the deponent and his or her legal counsel.

3 5.11 This Consent Decree in no way limits Washington from conducting any lawful
4 non-public investigation to monitor Defendant's compliance with this Consent Decree or to
5 investigate other alleged violations of the CPA, which may include but, is not limited to,
6 interviewing customers or former employees of Defendant.

7 5.12 This Consent Decree shall be binding upon and inure to the benefit of Defendant's
8 successors and assigns. Defendant and its successors and assigns shall notify the Attorney
9 General's Office at least thirty (30) days prior to any change-in-control of Defendant that would
10 change the identity of the corporate entity responsible for compliance obligations arising under
11 this Consent Decree; including, but not limited to, dissolution, assignment, sale, merger, or other
12 action that would result in the emergence of a successor corporation; the creation or dissolution
13 of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this order; the
14 proposed filing of a bankruptcy petition; or a change in the corporate name or address. Provided,
15 however, that with respect to any proposed change in the corporation about which Defendant
16 and its successors and assigns learn less than thirty (30) days prior to the date such action is to
17 take place, Defendant and its successors and assigns shall notify the Attorney General's Office
18 as soon as is practicable after obtaining such knowledge. Nothing in this paragraph 5.12 shall be
19 interpreted to alter or limit, in any way, Defendant's obligations under paragraph 2.4.

20 5.13 Any notice or other communication required or permitted under this Consent
21 Decree shall be in writing and delivered to the following persons or any person subsequently
22 designated by the parties:

23 For Plaintiff:
24 Office of the Attorney General
25 Consumer Protection Division
26 Attention: Craig Rader, AAG
800 Fifth Avenue, Suite 2000
Seattle, WA 98104-3188

For Defendant:
Goldfarb & Huck Roth Riojas, PLLC
Attention:
Darwin Roberts and Christopher Huck
925 Fourth Avenue, Suite 3950
Seattle, WA 98104

1 The Clerk of the Court is ordered to immediately enter the foregoing Judgment and
2 Consent Decree.

3 DONE IN OPEN COURT this ____ day of March, 2021.
4

5 _____
6 THE HONORABLE MARY ROBERTS

7 Presented by:

Notice of Presentment Waived and
Approved as to Form by:

8
9 ROBERT W. FERGUSON
Attorney General

GOLDFARB & HUCK ROTH RIOJAS,
PLLC

10
11 *s/ Marc Worthy*
12 CRAIG RADER, WSBA #50300
13 MARC WORTHY, WSBA #29750
Assistant Attorneys General
Attorneys for Plaintiff State of Washington
14 800 Fifth Avenue, Suite 2000
Seattle, WA 98104

/s/ Darwin P. Roberts
CHRISTOPHER M. HUCK, WSBA #34104
DARWIN P. ROBERTS, WSBA #32539
Attorneys for Defendant
925 Fourth Avenue, Suite 3950
Seattle, WA 98104