

STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT

STATE OF WASHINGTON,

Plaintiff,

v.

CA CERTIFICATE SERVICE LLC d/b/a
WA CERTIFICATE SERVICE, a Florida
limited liability company; JAMES L.
BEARD, individually; CORPORATE
COMPLIANCE SERVICE LLC, a Florida
limited liability company; DEAN G.
MARSHLACK, individually and as part of
the marital community comprised of DEAN
G. MARSHLACK and AMANDA M.
MARSHLACK; CENTURION GROUP
INVESTMENTS LLC, a Florida limited
liability company; CHAD M. DAVIS a/k/a
CHAD MERK, individually; MERK
ENTERPRISES, LLC, a Florida limited
liability company; JOSHUA T. STRAWN,
individually; ERRL HOLDINGS, LLC, a
Florida limited liability company,

Defendants.

STATE OF WASHINGTON,

Plaintiff,

v.

LABOR POSTER COMPLIANCE, LLC, a
Wyoming limited liability company; JAMES
L. BEARD, individually; CHAD M. DAVIS
a/k/a CHAD MERK, individually; JOSHUA
T. STRAWN, individually; and SEAN D.
WILSON, individually,

Defendants.

NO. 22-2-03865-9 SEA

ORDER GRANTING STATE'S
MOTION FOR PARTIAL
SUMMARY JUDGMENT AGAINST
LABOR POSTER COMPLIANCE,
LLC, JAMES L. BEARD, CHAD M.
DAVIS, and JOSHUA T. STRAWN

1 THIS MATTER came before the Court on the State's Motion for Partial Summary
2 Judgment against Labor Poster Compliance, LLC, James L. Beard, Chad M. Davis a/k/a Chad
3 Merk, and Joshua T. Strawn (collectively, "Defendants"). The Court considered the following
4 material:

- 5 A. State of Washington's Motion for Partial Summary Judgment ("Motion");
- 6 B. Declaration of Shidon B. Aflatooni and the attached exhibits;
- 7 C. Declaration of Eric M. Peters and the attached exhibits;
- 8 D. Declaration of Jacob Barber;
- 9 E. Declaration of Joshua Fishkin;
- 10 F. Declaration of Ben Lathwell and the attached exhibits;
- 11 G. Declaration of Laura Lieb;
- 12 H. Declaration of Denis Sullivan and the attached exhibits;
- 13 I. Declaration of Douglas Wohlman;
- 14 J. Defendants' response and attached exhibits, if any;
- 15 K. State's reply, if any.

16 The Court, being familiar with the records and files herein, and being otherwise fully
17 advised, having found there exist no issues of material fact, hereby enters the following Findings of
18 Fact, Conclusions of Law, and Order.

19 **I. FINDINGS OF FACT**

- 20 1. Plaintiff is the State of Washington.
- 21 2. Defendant Labor Poster Compliance, LLC ("LPC"), is a Wyoming limited liability
22 company whose principal place of business is at 109 E 17th St., Suite 470, Cheyenne, WY 82001.
23 LPC is currently registered to conduct business in Washington.
- 24 3. Defendants James L. Beard ("Beard"), Chad M. Davis a/k/a Chad Merk ("Davis"),
25 and Joshua T. Strawn ("Strawn") are individuals residing in Florida and own LPC.
- 26 4. Defendants mass mailed solicitations, mainly to Washington small business owners,

1 for the purchase of a “State & Federal All-In-One Labor Law Poster” at a cost of \$79.25, and starting
2 around February 2022, \$85.25.

3 5. Defendants mailed their solicitations to Washington business owners shortly after
4 registration with the Washington Secretary of State (“SOS”).

5 6. Washington business owners can obtain all required labor law posters for free
6 directly from state and federal agencies, and Washington business owners are not required to
7 purchase Defendants’ poster.

8 7. Davis, along with LPC’s fourth owner, Sean Wilson, started LPC after receiving
9 similar solicitations for labor law posters.

10 8. Beard is the identified owner on all official documents, including state registrations.

11 9. All four owners—Beard, Davis, Strawn, and Wilson—approved the solicitations.

12 10. Beard, and at times Davis, approved the solicitations for mailing to Washington
13 business owners.

14 11. All four owners—Beard, Davis, Strawn, and Wilson—approved LPC’s labor law
15 poster.

16 12. The Washington Department of Labor and Industries warns about the types of
17 solicitations made by LPC, stating “Some companies offer merged combinations of state and
18 federal required posters. Their advertisements sometimes leverage an official look and imply
19 penalties for not buying their posters. We do not solicit the purchase of our free posters.”

20 13. LPC has received up to 20 complaints from state agencies, including the
21 Washington Attorney General’s Office.

22 14. Prior to and during the time Defendants mailed the LPC solicitations into
23 Washington, Davis, Strawn, and Beard were engaged in similar mail solicitation schemes in other
24 states, which were subject to regulatory actions, from 2015 through 2022.

25 15. In the order granting the State’s Motion for Preliminary Injunction against LPC, this
26 Court (J. McDonald) found that “[f]or years, Beard and Davis have operated businesses that mail

1 solicitations and/or postcards similar to the LPC solicitations, and of which have been the subject
2 of multiple legal actions, settlements, and scam alerts by state agencies.” *State v. Labor Poster*
3 *Compliance*, Dkt. 21, Section I.16.

4 II. CONCLUSIONS OF LAW

5 1. The Court has jurisdiction over Defendants and the subject matter at issue in
6 this case.

7 2. Venue is proper in King County pursuant to RCW 4.12.020 and 4.12.025, and
8 Court Rule 82 because the cause of action arose, in part, in King County and Defendants
9 transacted business in King County.

10 3. Summary judgment is proper where no issue of material fact exists and the
11 moving party is entitled to judgment as a matter of law. CR 56(c); *Western Telepage, Inc. v. City*
12 *of Tacoma*, 140 Wn.2d 599, 607, 998 P.2d 884 (2000).

13 4. The Court of Appeals has twice affirmed the entry of summary judgment in
14 similar actions brought by the State against companies and their owners involved in the mailing
15 of solicitations similar to Defendants’ solicitations. *State v. Mandatory Poster Agency*, 199 Wn.
16 App. 506, 398 P.3d 1271 (2017), *rev. denied*, 189 Wn.2d 1021, 404 P.3d 496 (2017); *State v. LA*
17 *Investors, LLC*, 2 Wn. App. 2d 524, 410 P.3d 1183 (2018), *rev. denied*, 190 Wn.2d 1023, 418
18 P.3d 796 (2018).

19 5. There is no dispute of material fact that the LPC solicitations are deceptive and
20 violate the CPA, that Beard, Davis, and Strawn, are personally liable, and that the State is entitled
21 to civil penalties, restitution, including prejudgment interest, injunctive relief, and its fees and
22 costs.

23 6. The CPA broadly prohibits “unfair or deceptive acts or practices in the conduct
24 of any trade or commerce.” RCW 19.86.020.

25 7. To prevail under the CPA, the State must prove: (1) an unfair or deceptive act or
26 practice, (2) in trade or commerce, (3) that affects the public interest. *State v. Kaiser*,

1 161 Wn. App. 705, 719, 254 P.3d 850 (2011); *Mandatory Poster Agency*, 199 Wn. App. at 518.
2 The State is not required to prove causation, injury, intent to deceive, or actual deception. *LA*
3 *Investors, LLC*, 2 Wn. App. at 538; *Mandatory Poster Agency*, 199 Wn. App. at 518; *Kaiser*,
4 161 Wn. App. at 719.

5 **A. Unfair or Deceptive Act or Practice**

6 8. Whether a particular act or practice is “unfair or deceptive” is a question of law.
7 *Panag*, 166 Wn.2d at 47. An act or practice is deceptive if it has the capacity to deceive a
8 substantial portion of the public. *See Hangman Ridge Training Stable, Inc. v. Safeco Title Ins.*
9 *Co.*, 105 Wn.2d 778, 785 (1986). “A communication can be accurate and truthful, yet still be
10 deceptive if the ‘net impression it conveys’ is deceptive.” *LA Investors*, 2 Wn. App.2d at 524
11 (quoting *Panag*, 166 Wn.2d at 50).

12 9. In relevant part this case is indistinguishable from *LA Investors* and *Mandatory*
13 *Poster*. There, the trial courts there affirmed in holding as a matter of law that the defendant-
14 solicitors sent out mailers that created a “net impression” to the reasonable consumer that the
15 mailers mimicked a government bill, despite disclaimers, and therefore had the capacity to
16 deceive reasonable consumers in violation of the CPA. *LA Investors*, 2 Wn. App.2d at 542-545;
17 *Mandatory Poster Agency*, 199 Wn. App. at 523-525.

18 10. In *Mandatory Poster*, defendant solicitor mailed 79,354 solicitations to
19 Washington consumers, in an envelope with a “a stylized eagle symbol” that also contained the
20 language “IMPORTANT” in bold above “Annual Minutes Requirement Statement,” “TIME
21 SENSITIVE,” and “If addressed name is incorrect, please forward document to an authorized
22 employee representative Immediately,” and featured a notation “THIS IS NOT A
23 GOVERNMENT DOCUMENT” located just below the return address. 199 Wn. App. at 515.
24 “Inside the envelope was a form entitled ‘ANNUAL MINUTES RECORDS FORM,’ addressed
25 to the recipient’s business, which contained a key code, bar code, response date, and the
26 recipient’s date of incorporation.” *Id.* The first instruction on the form stated: “IMPORTANT!

1 FOLLOW INSTRUCTIONS EXACTLY WHEN COMPLETING THIS FORM. PLEASE
2 PRINT,” along with selected citations to the Washington Business Corporations Act near the top
3 of the page. *Id.* The form also had a disclaimer, surrounded by other text and located one-third
4 of the way down from the top, which read: “CORPORATE RECORDS SERVICE IS NOT A
5 GOVERNMENT AGENCY AND DOES NOT HAVE OR CONTRACT WITH ANY
6 GOVERNMENT AGENCY TO PROVIDE THIS SERVICE.” *Id.* at 515-516. On the second
7 page the instructions directed recipients to review the accuracy of the corporate name and
8 address, and to then complete seven steps to fill out the form, along with an admonishment that
9 “[m]aintaining records is important to the existence of all corporations.” *Id.* In response to the
10 mailing, 2,901 Washington consumers out of the 79,354 solicitations sent out submitted a
11 completed form with the \$125 fee. *Id.* at 516.

12 11. On these undisputed facts, *Mandatory Poster Agency* concluded there was a CPA
13 violation:

14 The mass mailings are likely to mislead a reasonable consumer because the
15 undisputed format, images, and content do mimic government-related forms
16 and create the net impression that the recipient is obligated to return the form
17 and pay \$125 to CRS. CRS contends its solicitations were not deceptive because
18 they accurately stated Washington corporate law requirements. . . . Consumers
are likely misled by the net impression that CRS is associated with the
government and that consumers are required to return the completed form with
a fee.”

19 199 Wn. App. at 523. *Mandatory Poster Agency* also rejected the defense of the document as
20 non-deceptive premised on the claim that the mailer contained accurate information and
21 disclaimers:

22 Here, the disclaimer “THIS IS NOT A GOVERNMENT DOCUMENT” is just
23 underneath the return address on the envelope and is overshadowed by a large
24 all caps and bold “IMPORTANT” notation on the face of the envelope just
25 above “Annual Minutes Requirement Statement.” The all-caps disclaimer in the
instructions, that CRS is not a government agency and does not have a contract
with a government agency is one-third down the page surrounded by unrelated
instructions. Considering the format and placement, the disclaimers do not cure
the potential for deception.

26 *Id.* at 523-524.

1 12. In *LA Investors*, defendant-solicitors, under the name “Local County Records,”
2 sent out to Washingtonian who had recently purchased or refinanced homes 256,998 mailers
3 over a 4-year period that contained an offer to sell a copy of the property deed for a fee \$89.00.
4 2 Wn. App.2d at 528. The mailer touted its product as “the only document that identifies [you]
5 as the property owner of [your home] by a recently recorded transferred title on the property,”
6 and featured a “property profile” that provided contained “property address, owner's name,
7 comparable values, and legal description or parcel identification number, property history,
8 neighborhood demographics, public and private schools report.” *Id.* (alteration in original) The
9 mailer also featured on the first page a disclaimer, and beneath the disclaimer, a detachable
10 coupon that indicated a “PROPERTY ID NO.,” a reference to the \$89 “SERVICE FEE,” a
11 “PLEASE RESPOND BY” date, and “CHECK NO.” *Id.* at 529-530. The disclaimer read:

12 Local Records Office is not affiliated with any State or the United States or the
13 County Records. Local Records Office is an analysis and retrieval firm that uses
14 multiple resources that provide supporting values, deeds, and evidence that is used
to execute a property reports [sic] and deliver a requested deed.

15 Local Records Office is not affiliated with the county in which your deed is filed
16 in, nor affiliated with any government agencies. This offer serves as a soliciting for
services and not to be interpreted as bill due.

17 *Id.* at 529. The envelope featured a similar disclaimer that read: “This service to obtain a copy
18 of your deed or other record of title is not associated with any governmental agency. You can
19 obtain a copy of your deed or other record of title from the county recorder in the county where
20 your property is located.” *Id.* at 528.

21 13. Like *Mandatory Poster Agency*, *LA Investors* also found a CPA violation as a
22 matter of law on summary judgment, on undisputed facts, “because [t]he mailer could have been
23 reasonably mistaken for a bill.” 2 Wn. App.2d at 542. The appellate court rejected any curative
24 effect in the disclaimers: “Here, the disclaimer ‘THIS IS NOT A GOVERNMENT
25 DOCUMENT’ on the mailing envelope was overshadowed by a boxed and bolded ‘WARNING’
26 notation regarding mail fraud. . . . It was also overshadowed by the language ‘IMPORTANT

1 PROPERTY INFORMATION’ and ‘RESPOND PROMPTLY’ located next to it, near the center
2 of the envelope.” *Id.* at 544. The appellate court similarly rejected the effectiveness of the
3 disclaimer in the mailer itself. *Id.*

4 14. Here, during the period of December 2021 to March 2022, Defendants identified
5 Washington business owners based on their public filings with the Secretary of State and mailed
6 out over 25,000 solicitations in mailings to them that resembled government correspondence in
7 several ways. First, the company name “Labor Poster Compliance,” along with title of the
8 document, in all capital letters, “LABOR LAW COMPLIANCE NOTICE”, inherently connoted
9 that purchase of the labor poster was mandatory. This impression that compliance was
10 mandatory was reinforced by the warning below the notice, in smaller print, that “Failure to
11 comply with posting regulations” could subject the owner to fines. The notice elaborated on the
12 federal posting requirements in a full paragraph in the body of the mailer. These warnings,
13 punctuated with citations to federal law, further conveyed that any non-complying business
14 owner risked violating federal law.

15 15. Like the correspondence in *Mandatory Poster Agency*, the Request form featured
16 references to the business owner’s information; a “Key Code”; and barcodes that were not
17 functional until March 21, 2022 and were included “just for show” according to one Defendant.

18 16. Similar to *LA Investors* and *Mandatory Poster Agency*, the notice form indicated
19 twice, in a discrete box on the form in enlarged font, a specific “Please Respond By” date, which
20 mimicked a deadline that consumers had to meet lest they run afoul of the posting requirements.

21 17. Like *LA Investors* and *Mandatory Poster Agency*, this Court finds that LPC’s
22 disclaimers do not cure the effect that consumers must pay \$79.25 to obtain mandatory poster
23 from LPC to gain compliance with federal law. First, the disclaimer that “Labor Poster
24 Compliance is a Non-Government of copyright compliance posters . . . ” is at the bottom of the
25 page, in the smallest print on the mailer. Next, the similar disclaimer on the reverse side of the
26 mailer is also at the bottom of the page; as in *LA Investors*, it was “overshadowed” by various

1 information about the poster contents, and that the offered “Poster includes the following
2 REQUIRED notices,” with a list of federal and state notice requirements. Right next to the
3 Disclaimer, in bold, the notice states “Penalties and risk of non-compliance,” again citing
4 potential fines “in excess of \$7,000” and stating further that “Tolling the statute of limitations
5 for failing to post can cause an employer to spend up to \$250,000 in legal fees to defend that
6 otherwise would never exist.” This ominous warning also “overshadows” any disclaimer.
7 Finally, unlike LA Investors, the LPC notices did not even inform the recipient that the same or
8 similar poster could be obtained directly from the Department of Labor for free, which further
9 weakened the effect of any disclaimer. LPC’s disclaimers were similar in content and form to
10 those in *LA Investors* and *Mandatory Poster Agency* that were found inadequate. The Court
11 likewise rejects the effectiveness of LPC’s disclaimers here.

12 18. The Court finds that CSAS’s mailers had the capacity to deceive a substantial
13 portion of the public. *See LA Investors*, 2 Wn. App.2d at 530; *Mandatory Poster Agency*, 199
14 Wn. App. at 516.

15 19. The LPC solicitations violate the CPA because they create the deceptive net
16 impression that they are a mandatory bill or invoice sent by or on behalf of a government agency.

17 **B. Trade or Commerce**

18 20. The CPA broadly defines “trade” and “commerce” to include “the sale of assets
19 or services, and any commerce directly or indirectly affecting the people of the state of
20 Washington.” RCW 19.86.010(2).

21 21. Defendants are engaged in trade or commerce within the meaning of
22 RCW 19.86.020 because they solicit the sale of, and sold, a service—purchase of free labor
23 posters—to Washington business owners.

24 **C. Affecting the Public Interest**

25 22. In determining whether unfair or deceptive conduct affects the public interest,
26 and where the acts complained of involve “essentially a consumer transaction,” five factors are

1 relevant: (1) Were the alleged acts committed in the course of defendant's business; (2) Are the
2 acts part of a pattern or generalized course of conduct; (3) Were repeated acts committed prior
3 to the act involving plaintiff?; (4) Is there a real and substantial potential for repetition of
4 defendant's conduct after the act involving plaintiff; and (5) If the act complained of involved a
5 single transaction, were many consumers affected or likely to be affected by it? *Stephens v. Omni*
6 *Ins. Co.*, 138 Wn. App. 151, 177, 159 P.3d 10, 24 (2007), *aff'd sub nom. Panag*, 166 Wn.2d 27,
7 204 P.3d 885 (2009) (quoting *Hangman Ridge Training Stables, Inc. v. Safeco Title Ins. Co.*,
8 105 Wn.2d 778, 790, 719 P.2d 531, 538 (1986)). No one factor is dispositive, nor is it necessary
9 that all be present. *Id.*

10 23. Defendants' conduct affects the public interest within the meaning of
11 RCW 19.86.020 because: (1) the deceptive LPC solicitations were created, approved, and
12 disseminated into Washington in the course of Defendants' business; (2) the LPC solicitations
13 were part of a generalized course of conduct to solicit and obtain payment from Washington
14 business owners; and (3) Defendants mailed their solicitations to over 25,000 small businesses
15 across Washington and hundreds of small business owners were deceived by Defendants'
16 solicitations.

17 **D. Personal Liability**

18 24. Liability is not limited to corporations and other business entities, but also
19 encompasses "natural persons," RCW 19.86.010(1), and the Attorney General may bring suit
20 against "any person" to enforce the CPA, RCW 19.86.080.

21 25. Individuals, including corporate officers, are personally liable for conduct that
22 violates the CPA if they "participate[d] in" or "with knowledge approve[d] of" the practice that
23 violates the CPA. *See, e.g., State v. Ralph Williams' N.W. Chrysler Plymouth, Inc.*, 87 Wn.2d
24 298, 322, 553 P.2d 423 (1976).

1 26. Defendants do not contest the State's claim that they can be found personally
2 liable on these undisputed Beard, Davis, and Strawn are each personally liable for LPC's CPA
3 violations because they all participated in or with knowledge approved of the wrongful conduct.

4 **E. Civil Penalties**

5 27. The CPA mandates that "[e]very person who violates RCW 19.86.020 shall
6 forfeit and pay a civil penalty of not more than \$7,500 for each violation." RCW 19.86.140.

7 28. Penalties are imposed for "each violation," rather than for each consumer
8 subjected to violations of the CPA. *See Ralph Williams N.W. Chrysler Plymouth, Inc.*, 87 Wn.2d
9 at 317. *See also LA Investors*, 2 Wn. App. at 547 (civil penalty for every deceptive solicitation
10 **mailed**, regardless of whether a consumer responded to or otherwise read the solicitation).

11 29. In determining the amount of each penalty, the Court may consider the following
12 five, non-exclusive factors: (1) whether defendants acted in good faith, (2) injury to the public,
13 (3) defendant's ability to pay, (4) desire to eliminate any benefits derived by the defendants from
14 the violation at issue, and (5) necessity of vindicating the authority of the law enforcement
15 agency. *LA Investors*, 2 Wn. App.2d at 546 (citing *United States v. Reader's Digest Association,*
16 *Inc.*, 662 F.2d 955, 967 (3rd Cir. 1981)).

17 30. Here, several of these factors weigh in favor of a substantial penalty.

18 31. Defendants acted in bad faith. Defendants' conduct is part of a pattern or practice
19 of similar conduct, carried out for years, by the owners of LPC. The owners persisted in this
20 conduct despite knowing from other similar regulatory actions, and from receipt of numerous
21 consumer complaints, that their solicitations were unlawful and that they were harming small
22 business owners. Indeed, LPC's entire business model is based upon deceiving small business
23 owners.

24 32. Defendants' long-standing, willful disregard of the law, and commitment to
25 operating scam businesses that victimize small business owners also implicates several other
26

1 factors, including injury to the public, eliminating benefits derived from their unlawful activity,
2 and vindicating the authority of law enforcement.

3 33. The Court is also mindful that the penalties imposed should be sufficiently large
4 to deter future violations. *See State v. Living Essentials, LLC*, 8 Wn. App. 2d 1, 36, 436 P.3d 857
5 (2019) (affirming trial court's imposition of penalties under RCW 19.86.140 on basis that
6 "penalties should be large enough to deter future violations and to ensure that defendants do not
7 profit from the deceptive advertising.").

8 34. In their written opposition to summary judgment, Defendants focused only on
9 liability under the CPA, but did not respond to Plaintiff's claim for civil penalties. At oral
10 argument, the Court queried the defense whether, assuming the Court found liability, Defendants
11 contested the sum of civil penalties Plaintiff was seeking. The defense counsel indicated that
12 Defendants did not contest the figure. The Court followed up, confirming with defense counsel
13 whether Defendants agreed with the manner in which Plaintiff proposed that the Court exercise
14 its discretion in reaching the amount of civil penalties requested, and again the defense indicated
15 it did not oppose Plaintiff's position.

16 35. Taking into account these factors, and Defendants' non-opposition, the Court will
17 impose a penalty of \$100 per violation for each solicitation distributed by Defendants.

18 36. Between December 2, 2021, and March 28, 2022, LPC mailed 25,779
19 solicitations to Washington business owners. The Court orders a civil penalty of \$100 for each
20 solicitation, totaling \$2,577,900 (25,779 x \$100).

21 37. The total civil penalties of \$2,577,900 is ordered against LPC, Beard, Davis, and
22 Strawn.

23 **F. Restitution and Prejudgment Interest**

24 38. The CPA provides that "[t]he court may make such additional orders or
25 judgments as may be necessary to restore to any person in interest any moneys ... which may
26

1 have been acquired by means of any act herein prohibited or declared to be unlawful.” RCW
2 19.86.080(2).

3 39. The Court’s broad, equitable power to direct restitution exists to make consumers
4 whole. *See e.g., Mandatory Poster Agency*, 199 Wn. App. at 517; *LA Investors*, 2 Wn. App. 2d
5 at 536.

6 40. “An award of prejudgment interest is appropriate where a party retains funds
7 rightly belonging to another party and thereby denies the party the use value of the money.”
8 *Arzola v. Name Intelligence, Inc.*, 188 Wn. App. 588, 595, 355 P.3d 286 (2015). “A prevailing
9 party is entitled to prejudgment interest, provided the damages are liquidated.” *Id.*

10 41. The amount LPC obtained from business owners is readily ascertainable and
11 liquidated. At least 403 Washington business owners mailed payments to Defendants in response
12 to the LPC solicitations. Using the median of the two amounts charged by LPC, \$79.25 and
13 \$85.25, the total payments sent by Washington business owners is \$33,146.75. Prejudgment
14 interest in the amount of 12% per annum from the date of purchase through the date of judgment
15 is, therefore, appropriate. *See Pub. Util. Dist. No. 2 of Pac. Cnty. v. Comcast of Washington IV,*
16 *Inc.*, 184 Wn. App. 24, 81, 336 P.3d 65, 94 (2014).

17 42. The Court, therefore, orders Defendants:

- 18 a. Within ten (10) days of this Order to provide the State with all necessary
19 information that identifies: (1) each Washington business owner who sent
20 payment and of which LPC processed and did not refund, (2) the amount
21 each Washington business owner paid, (3) the date of payment, and (4)
22 Washington business owner contact information.
- 23 b. Within thirty (30) days of receipt of the information identified in II.F.31.a,
24 the State shall submit briefing that identifies: (1) the total restitution owed
25 to Washington business owners, including calculation of prejudgment
26 interest, (2) and a proposed method for distributing and administering

1 restitution payments. Such briefing may include a request that: (1)
2 Defendants place the amounts specified above in a trust account to be used
3 by a third party claims administrator as part of locating and paying refunds
4 to Washington business owners, and (2) that any and all fees associated
5 with (a) contracting with a third party claims administrator, and/or (b)
6 locating and refunding consumers, shall be the sole responsibility of
7 Defendants. The Court shall determine the method to administer the
8 restitution payments without oral argument unless requested of the parties
9 by the Court.

10 **G. Injunctive Relief**

11 43. The CPA empowers the Attorney General to bring an action “against any person
12 to restrain and prevent the doing of any act herein prohibited or declared to be unlawful.”
13 19.86.080(1).

14 44. An injunction is inappropriate only when “it is *absolutely clear* that behavior will
15 not reoccur.” *Braam ex rel. Braam v. State*, 150 Wn.2d 689, 709, 81 P.3d 851, 862 (2003) citing
16 *Ralph Williams' N.W. Chrysler Plymouth, Inc.*, 87 Wn.2d at 312.

17 45. Defendants have repeatedly shown that prior similar regulatory actions and
18 complaints do not stop their deceptive conduct, and only stopped mailing unlawful solicitations
19 into Washington after being sued by the State in this action.

20 46. A permanent injunction against Defendants is therefore appropriate.

21 47. The Court, therefore, orders that LPC, Beard, Davis, and Strawn, and their
22 officers, agents, representatives, employees, and other persons in active concert or participation
23 with them are hereby permanently RESTRAINED and ENJOINED from engaging in the
24 following conduct in Washington:

- 25 a. Mailing solicitations that create the deceptive net impression that they are
26 a bill or invoice a consumer must pay;

King County Superior Court
Judicial Electronic Signature Page

Case Number: 22-2-03865-9
Case Title: STATE OF WASHINGTON VS CA CERTIFICATE SERVICE DBA
ET AL
Document Title: ORDER RE ON PARTIAL SUMMARY JUDGMENT

Signed By: David Whedbee
Date: October 31, 2022



Judge: David Whedbee

This document is signed in accordance with the provisions in GR 30.

Certificate Hash: 4A79FC7FE3435E4EC7925F60A46017F6402F4C24
Certificate effective date: 9/12/2019 12:21:51 PM
Certificate expiry date: 9/12/2024 12:21:51 PM
Certificate Issued by: C=US, E=kcscefiling@kingcounty.gov, OU=KCDJA,
O=KCDJA, CN="David Whedbee:
dhYRF5RJ6RGNd0+3jC1lQQ=="