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**STATE OF WASHINGTON  
KING COUNTY SUPERIOR COURT**

STATE OF WASHINGTON,  
  
Plaintiff,

NO. 18-2-12432-8 SEA  
CONSENT DECREE

v.

[CLERK'S ACTION REQUIRED]

REAL ESTATE INVESTMENT NETWORK,  
LLC, an Oregon limited liability company;  
KERRY HEMMINGSEN, individually and on  
behalf of his marital community; DANIEL  
STACK, individually and on behalf of his marital  
community; and WILLIAM GASTINEAU,  
individually and on behalf of his marital  
community,

Defendants.

**JUDGMENT SUMMARY**

Judgment Creditor:	State of Washington
Judgment Debtors:	Real Estate Investment Network LLC, Kerry Hemmingsen, Daniel Stack, William Gastineau
Judgment Amount:	<b>\$85,000.00</b> (of which <b>\$27,500.00</b> is suspended upon compliance with the terms of the Consent Decree)
Civil Penalty:	<b>\$35,000.00</b> ( <b>\$27,500.00</b> suspended upon compliance with the terms of the Consent Decree)
Costs and Fees:	<b>\$50,000.00</b>
Post Judgment Interest rate:	12% per annum

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2 Attorney for Judgment Creditor: Heidi Anderson  
3 Mina Shahin  
4 Assistant Attorneys General  
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6 Attorney for Judgment Debtors: David A. Weibel

6 I. INTRODUCTION

7 1.1 Plaintiff, State of Washington commenced this action on May 17, 2018 pursuant  
8 to the Consumer Protection Act, 19.86 RCW.

9 1.2 Defendants, Real Estate Investment Network LLC, Kerry Hemmingsen, Daniel  
10 Stack, and William Gastineau, (collectively, "Defendants") were served with copies of the  
11 Summons and Complaint via an Acceptance of Service signed by their attorney of record and  
12 filed in this matter on June 8, 2018.

13 1.3 Plaintiff appears by and through its attorneys, Robert Ferguson, Attorney  
14 General, and Heidi Anderson and Mina Shahin, Assistant Attorneys General.

15 1.4 Defendants appear by and through their attorney, David A. Weibel.

16 1.5 Plaintiff and Defendants agree on a basis for the settlement of all matters alleged  
17 in the Complaint not previously ruled upon by the Court, and to the entry of this Consent Decree  
18 against Defendants without the need for trial or adjudication of any remaining issues of law or  
19 fact.

20 1.6 Defendants recognize and state that this Consent Decree is entered into  
21 voluntarily and that no promises or threats have been made by the Attorney General's Office or  
22 any member, officer, agent or representative thereof to induce them to enter into this Consent  
23 Decree, except as provided herein.

24 1.7 Defendants waive any right they may have to appeal from this Consent Decree.  
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1 1.8 Defendants further agree that they will not oppose the entry of this Consent  
2 Decree on the grounds the Consent Decree fails to comply with Rule 65(d) of the Rules of Civil  
3 Procedure and hereby waives any objections based thereon.

4 1.9 Defendants further agree that this Court shall retain jurisdiction of this action for  
5 the purpose of implementing and enforcing the terms and conditions of the Consent Decree and  
6 for all other purposes.

7 1.10 This Court has jurisdiction of the subject matter of this action and of the parties.  
8 Plaintiff's Complaint in this matter states claims upon which relief may be granted under the  
9 provisions of the Consumer Protection Act, 19.86 RCW.

10 **The Court finding no just reason for delay;**

11 **NOW, THEREFORE, it is hereby ORDERED, ADJUDGED, AND DECREED as**  
12 **follows:**

13 **II. INJUNCTIONS**

14 2.1 Application of Injunctions. The injunctive provisions of this Consent Decree  
15 shall apply to Defendants and Defendants' successors, assigns, officers, agents, servants,  
16 employees, representatives, and all other persons or entities in active concert or participation  
17 with Defendants in the business of seeking to acquire rights to surplus funds subsequent to or  
18 resulting from the foreclosure of real property ("Surplus Funds").

19 2.2 Notice. Defendants shall immediately inform all successors, assigns, transferees,  
20 officers, agents, servants, employees, representatives, attorneys, and all other persons or entities  
21 in active concert or participation with Defendants in the business of seeking to acquire rights to  
22 Surplus Funds, or with the corporations named as Defendants in the Complaint, of the terms and  
23 conditions of this Consent Decree.

24 2.3 Injunctions. Defendants and all successors, assigns, transferees, officers, agents,  
25 servants, employees, representatives, attorneys, and all other persons or entities in active concert  
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1 or participation with Defendants in the business of seeking to acquire rights to Surplus Funds  
2 are hereby permanently enjoined and restrained from directly or indirectly engaging in the  
3 following acts or practices:

- 4 a. Engaging in the business of seeking to acquire rights to Surplus Funds;  
5 b. Making misrepresentations or material omissions to consumers regarding  
6 Surplus Funds, including without limitation the amount of Surplus Funds  
7 available, the process to obtain Surplus Funds, fees and costs associated  
8 with recovering Surplus Funds, and the amount of time it takes to recover  
9 Surplus Funds;  
10 c. Seeking or entering into contracts with consumer homeowners of recently  
11 foreclosed property for more than five percent (5%) of recovered Surplus  
12 Funds, plus reasonable costs in an amount not to exceed \$225;  
13 d. Seeking or entering into contracts with consumers relating to the recovery  
14 of Surplus Funds without disclosing all information known by Defendants  
15 at the time regarding the consumer's foreclosed property;  
16 e. Retaining, other than in trust, Surplus Funds in excess of five percent (5%)  
17 of the total amount recovered;  
18 f. Sending unconsented business text messages, as prohibited under RCW  
19 19.190.060;  
20 g. Engaging in acts or practices that violate the CPA in the solicitation of or  
21 transactions with consumers; and  
22 h. Engaging in any other acts or practices that violate the CPA.

23 Furthermore, Defendants will dissolve Real Estate Investment Network LLC and, within 180  
24 days of the entry of this Consent Decree, Defendants shall provide an accounting detailing the  
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1 final disposition of all matters relating to Defendants' acquisition or disbursement of Surplus  
2 Funds prior to such dissolution.

### 3 **III. CIVIL PENALTIES**

4 4.1 Pursuant to RCW 19.86.140, a civil penalty of Thirty-Five Thousand US Dollars  
5 (\$35,000.00) is imposed against Defendants. However, a portion of this civil penalty, in the  
6 amount of Twenty-Seven Thousand Five Hundred US Dollars (\$27,500.00) shall be suspended  
7 upon Defendants' compliance with the terms of this Decree. In the event that the Court finds  
8 that Defendants are in material breach of any provision of this Consent Decree, the suspended  
9 civil penalties referenced shall automatically be unsuspended and assessed against Defendants  
10 in an amount deemed proper by the Court. Defendants Real Estate Investment Network LLC,  
11 Kerry Hemmingsen, Daniel Stack, and William Gastineau are jointly and severally liable for the  
12 civil penalties referenced herein.

### 13 **IV. ATTORNEYS' COSTS AND FEES**

14 5.1 Pursuant to RCW 19.86.080, Plaintiff shall recover and Defendants shall pay the  
15 costs and reasonable attorneys' fees incurred by the Plaintiff in pursuing this matter in the amount  
16 of Fifty Thousand US Dollars (\$50,000.00). Defendants Real Estate Investment Network LLC,  
17 Kerry Hemmingsen, Daniel Stack, and William Gastineau are jointly and severally liable for the  
18 costs and fees referenced herein.

### 19 **V. ENFORCEMENT**

20 6.1 In the event that the Court finds Defendants to be in violation of any of the  
21 injunctions contained in this Consent Decree, Defendants shall be subject to a civil penalty of up to  
22 \$25,000.00 pursuant to RCW 19.86.140, as determined by the Court.

23 6.2 This Consent Decree is entered pursuant to RCW 19.86.080. Jurisdiction is retained  
24 for the purpose of enabling any party to this Consent Decree with or without the prior consent of  
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1 the other party to apply to the Court at any time for enforcement of compliance with this Consent  
2 Decree, to punish violations thereof, or to modify or clarify this Consent Decree.

3           6.3   Representatives of the Office of the Attorney General shall be permitted to access,  
4 inspect and/or copy all business records or documents under control of Defendants in order to  
5 monitor compliance with this Consent Decree within fourteen (14) days of written request to  
6 Defendants, provided that the inspection and copying shall be done in such a way as to minimize  
7 disruption of Defendants' business activities. Failure to comply with this section will subject  
8 Defendants to a minimum civil penalty of \$2,000.00 per day, for each day, beyond fourteen (14)  
9 days after the written request that the Attorney General is prevented by Defendants from accessing  
10 all records as provided by this paragraph.

11           6.4   Representatives of the Office of the Attorney General may be permitted to question  
12 Defendants or any officer, director, agent, or employee of any corporation affiliated with  
13 Defendants in the form of a deposition, pursuant to the provisions and notice requirements of CR 30  
14 in order to monitor compliance with this Consent Decree.

15           6.5   Nothing in this Consent Decree shall be construed as to limit or bar any other  
16 governmental entity or consumer from pursuing other available remedies against Defendants.

17           6.6   Under no circumstances shall this Consent Decree or the name of the State of  
18 Washington, the Office of the Attorney General, Consumer Protection Division, or any of their  
19 employees or representatives be used by Defendants in connection with any selling, advertising, or  
20 promotion of products or services, or as an endorsement or approval of Defendants' acts, practices  
21 or conduct of business.

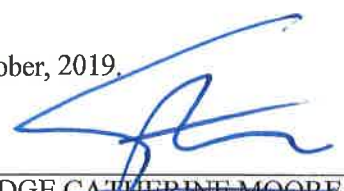
22   **VI.   DISMISSAL AND WAIVER OF CLAIMS**

23           7.1   Upon entry of this Consent Decree, all claims in this matter, not otherwise addressed  
24 by this Consent Decree are dismissed.

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DONE IN OPEN COURT this 15 day of October, 2019.



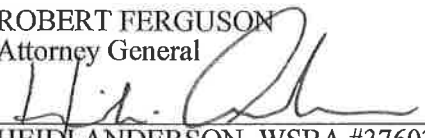
JUDGE CATHERINE MOORE

**Steven G. Rosen**

Presented by:

Approved for Entry, Notice of Presentation  
Waived:

ROBERT FERGUSON  
Attorney General



HEIDI ANDERSON, WSBA #37603  
MINA SHAHIN, WSBA #46661  
Assistant Attorney General  
Attorneys for the State of Washington



DAVID A. WEIBEL, WSBA #24031  
Attorney for Defendants