

FILED

2015 SEP 15 AM 11:09

SONYA KRASKI
COUNTY CLERK
SNOHOMISH CO. WASH

**CERTIFIED
COPY**

**STATE OF WASHINGTON
SNOHOMISH COUNTY SUPERIOR COURT**

STATE OF WASHINGTON,

NO. 15-2-04345-3

Plaintiff,

CONSENT DECREE

v.

**PETER G. COOK and CAROLYN Y.
COOK,**

Defendants.

I. JUDGMENT SUMMARY

- 1.1 Judgment Creditor: State of Washington
- 1.2 Judgment Debtors: Peter G. Cook and Carolyn Y. Cook, jointly and severally.
- 1.3 Principal Judgment Amount:
 - a. Civil Penalties: \$75,000 (suspended)
 - b. Restitution: \$10,000
 - c. Costs and Attorneys' Fees: \$25,000 (suspended)
 - d. Total Judgment: \$10,000 plus
\$100,000 (suspended)
- 1.4 Post Judgment Interest Rate: 12% per annum
- 1.5 Attorneys for Judgment Creditor: Jeffrey G. Rupert
Assistant Attorney General

CONSENT DECREE

ORIGINAL

ATTORNEY GENERAL OF WASHINGTON
Consumer Protection Division
800 Fifth Avenue, Suite 2000
Seattle, WA 98104-3188
(206) 464-7745

Ex parte

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

1 regarding the existence or non-existence of any issue, fact, or violation of any law alleged by
2 Plaintiff; and

3 1.14 Defendants recognize and state that this Consent Decree is entered into
4 voluntarily and that no promises or threats have been made by the Attorney General's Office or
5 any member, officer, agent or representative thereof to induce them to enter into this Consent
6 Decree, except as provided herein; and

7
8 1.15 Defendants waive any right they may have to appeal from this Consent Decree; and

9 1.16 Defendants further agree that they will not oppose the entry of this Consent Decree
10 on the grounds the Consent Decree fails to comply with Rule 65(d) of the Rules of Civil
11 Procedure, and hereby waive any objections based thereon; and

12 1.17 Defendants further agree that this Court shall retain jurisdiction of this action for
13 the purpose of implementing and enforcing the terms and conditions of the Consent Decree and
14 for all other purposes associated therewith; and

15
16 The Court finding no just reason for delay,

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

18 **II. GENERAL**

19 2.1 Jurisdiction. This Court has jurisdiction over the subject matter of this action
20 and over the parties. Plaintiff's Complaint in this matter states claims upon which relief may
21 be granted under the Consumer Protection Act, Chapter 19.86 RCW.

22 2.2 Defendants. For purposes of this Consent Decree the term "Defendants," where
23 not otherwise specified, shall mean Peter G. Cook and Carolyn Y. Cook, individually and on
24 behalf of their marital community.
25
26

1 2.3 Definitions. For the purposes of this Consent Decree, the following definitions
2 apply:

3 a. Consulting Services: "CONSULTING SERVICES" shall mean advising, assisting,
4 consulting with, representing, and/or receiving compensation from an individual,
5 the individual's guardian, the individual's child, the individual's representative, or
6 the individual's heir in any way related to the following activities:

7
8 i. Any actions related to any federal, state, or local needs-based government
9 benefits, including but not limited to the state and federal programs
10 commonly known as Medicaid, Community Options Program Entry
11 System (COPES), Veterans' Benefit-Related Services (RCW 19.335),
12 and/or Veterans Administration Aid and Attendance.

13
14 ii. Any actions related to preserving assets for the individual, a spouse,
15 child, or heir while obtaining any federal, state, or local needs-based
16 government benefits, including but not limited to programs commonly
17 referred to as Medicaid, COPES, Veterans' Benefit-Related Services
18 (RCW 19.335), and/or Veterans Administration Aid and Attendance.

19 iii. Any actions related to a will, trust, estate planning, estate distribution,
20 estate distribution documents, estate plan, investment, investment plan,
21 security, reverse mortgage, variable annuity, or probate.

22
23 iv. Any actions related to the selection, preparation, modification, content,
24 attributes, or deficiencies of a will, trust, estate distribution document,
25 estate plan, investment, investment plan, security, reverse mortgage,
26

1 variable annuity, or probate.

2 v. Agreeing to prepare or gather the information necessary for the
3 preparation or content of a will, trust, estate distribution document,
4 estate plan, investment, investment plan, security, reverse mortgage,
5 variable annuity, or probate.
6

7 Notwithstanding the foregoing or any other provision of this Decree,
8 “CONSULTING SERVICES” does not include services provided by Peter G.
9 Cook as an independent contractor to licensed adult family homes for
10 reassessment of residents’ care under WAC 388-76-10350 in compliance with
11 federal and state laws, rules, and regulations and whereby Peter G. Cook will
12 have no contact with any adult family home resident. In addition,
13 notwithstanding the foregoing or any other provision of this Decree, the term
14 “CONSULTING SERVICES” does not include the sale of insurance by Carolyn
15 Y. Cook in compliance with federal and state law, rules, regulations, licensing
16 requirements, and the authority of the Office of the Insurance Commissioner.
17

18 b. Covered Conduct. “COVERED CONDUCT” shall mean all violations of the
19 Consumer Protection Act, RCW 19.86, alleged in the Complaint for Injunctive
20 and Other Relief related to the Medicaid, COPES, and VA Aid and Attendance
21 consulting and planning services that Defendants provided to Washington
22 consumers pursuant to Service Agreements with consumers; PROVIDED that the
23 term “COVERED CONDUCT” does not include any sale, attempted sale,
24 unlicensed sale or attempted unlicensed sale, suitability determinations or
25
26

1 recommendations of a product, or advertising of insurance by Defendants
2 Peter G. Cook and Carolyn Y. Cook.

3 **III. DEFENDANTS' FINANCIAL REPRESENTATIONS**

4 3.1 Defendants have presented financial disclosures and related documents to
5 Plaintiff evidencing that Defendants have very limited financial assets, income, and negative
6 equity in their home.

7
8 3.2 Plaintiff's agreement to suspend civil penalties and attorneys' costs and fees
9 referenced in Section VI is expressly premised upon the truthfulness, accuracy, and
10 completeness of Defendants' financial disclosure and related documents provided to Plaintiff
11 as part of settlement negotiations.

12 3.3 The suspension of civil penalties and attorneys' costs and fees will be lifted as
13 to Defendants if, upon motion by Plaintiff, the Court finds that Defendants failed to disclose
14 any material asset, materially misstated the value of any asset or their current income(s), or
15 made any other material misstatement or omission as part of completing the aforementioned
16 financial disclosure.
17

18
19 **IV. INJUNCTIONS**

20 4.1 Application of Injunctions. The injunctive provisions of this Consent Decree shall
21 apply to Defendants and any entity owned or controlled in whole or in part by Defendants other
22 than publicly traded corporations. The injunctive provisions of this Consent Decree shall also
23 apply to Defendants' successors, assigns, officers, agents, servants, employees, representatives, and
24 all other persons or entities in active concert or participation with Defendants.

25 4.2 Notice. Within five (5) business days of entry of this Consent Decree,
26 Defendants shall inform and give actual notice to all successors, assigns, transferees, officers,

1 agents, servants, employees, representatives, attorneys, and all other persons or entities in
2 active concert or participation with Defendants, including but not limited to any affiliate
3 marketers and third parties authorized to provide customer services for, market, promote,
4 advertise, offer for sale, and/or sell any of Defendants' products or services as well as all
5 entities owned or controlled by Defendants other than publicly traded companies of the terms
6 and conditions of this Consent Decree.

7 4.3 Injunctions. Defendants and their successors, assigns, transferees, officers, agents,
8 servants, employees, representatives, all other persons or entities in active concert or participation
9 with Defendants, and all entities owned or controlled by Defendants other than publicly traded
10 companies are hereby permanently enjoined and restrained from the following acts or omissions:

- 11 a. Providing or engaging in any CONSULTING SERVICES;
- 12 b. Receiving compensation from any person or entity in exchange for assisting that
13 person or entity in providing or engaging in any CONSULTING SERVICES;
- 14 c. Advertising, promoting, or representing that any Defendant can provide
15 CONSULTING SERVICES;
- 16 d. Conducting any presentation, seminar, workshop, or other public gathering
17 regarding or related to any CONSULTING SERVICES.
- 18 e. Misrepresenting that an attorney will review an action or recommended plan or
19 action when no attorney review is contemplated or will occur.
- 20 f. Failing to disclosure to consumers any fee splitting arrangement between any
21 Defendant and any non-Defendant related to the consumer transaction prior to
22 the consummation of the consumer transaction.
- 23 g. Engaging in acts or practices that violate the CPA in the solicitation of or
24 transactions with Washington consumers;
- 25 h. Engaging in any other acts or practices that violate the CPA.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

V. RESTITUTION

5.1 Pursuant to RCW 19.86.080, Defendants shall provide refunds to consumers as follows. Defendant shall jointly and severally pay to the State of Washington \$10,000 (the "Fund") for distribution to consumers who purchased Medicaid, COPES, and/or Veterans Administration Aid and Attendance consulting services from Defendants. Payment under this provision shall be paid by Defendants to the State of Washington by bank cashier's check payable to the Attorney General - State of Washington prior to the entry of this Consent Decree

5.2 Defendants have provided the State two spreadsheets listing the names of their 454 Medicaid, COPES, and/or Veterans Administration Aid and Attendance consulting services clients (the "List"). Defendants represent that the List is a complete and accurate list of all of their clients for Medicaid, COPES, and/or Veterans Administration Aid and Attendance consulting services from 2004 to present. The List includes Defendants last known addresses for many of their former clients, but addresses for some clients are missing and others addresses may no longer be correct. Defendants will assist the State in attempting to locate those on the List, which may include providing additional identifying or file information for those on the List to the State, providing additional addresses or contact information for those on the List to the State, and/or providing additional information related to a person's representative or estate for those on the List to the State

5.3 The State, in its sole discretion, shall administer the restitution process, including but not limited to preparing the claims form, mailing the notices, setting deadlines for the return of claims forms, determining the validity of claims forms, and determining the apportionment of the Fund to those that return a valid claims form. The claims form must be substantially similar to Exhibit A. The State will mail claims forms to those clients on the List. If mailed claims forms are returned as undeliverable, the State will take reasonable efforts to locate a current address for those on the List.

1 The State in its sole discretion will determine whether a claims form that is returned is valid. The
2 State will set a deadline for the return of claims form. If the State does not receive a valid claims
3 form by the designated deadline date, potential claimants will not be eligible for restitution. The
4 State will distribute the Fund pro rata to those claimants that have returned a valid claims form by the
5 deadline set by the State. The apportionment of the Fund among the affected consumers shall be
6 solely within the Attorney General's discretion. In the event that a consumer returning a valid claims
7 form cannot be located or otherwise relinquishes his/her claim, his/her portion of restitution shall be
8 retained by the Attorney General's Office to be used for elder education and outreach programs, or
9 any other lawful purpose. Upon conclusion of the restitution process, the State shall disclose to
10 Defendants copies of all claims forms received and identify all claimants to whom restitution was
11 paid and the amounts paid.
12

13
14 5.4 The List includes some entries where the client is identified as a person acting on
15 behalf of another person that was applying for Medicaid, COPES, and/or Veterans Administration
16 Aid and Attendance. In those situations, either person identified as the client may submit a claims
17 form, but they must certify that any amounts received will be used for the benefit of person that
18 applied for Medicaid, COPES, and/or Veterans Administration Aid and Attendance. In the event that
19 multiple claims forms are received from one client entry on the List, the State in its sole discretion
20 shall determine how to apportion that share of the Fund.
21

22 5.5 The List may include some persons that are deceased. A deceased person's legal
23 representative may submit a claims form.
24
25
26

1 5.6 Defendants shall fully cooperate with the State in the restitution process as set forth in
2 Paragraph 5.2 for a minimum of six months from entry of this Decree. Defendants shall in no way
3 oppose or obstruct the restitution process.

4 **VI. SUSPENDED CIVIL PENALTIES, ATTORNEYS FEES, AND COSTS**

5 6.1 Pursuant to RCW 19.86.140, a civil penalty of \$75,000 shall be imposed against
6 Defendants, jointly and severally. However, \$75,000 of this civil penalty shall be suspended
7 upon Defendants' compliance with the terms of this Consent Decree.

8 6.2 Pursuant to RCW 19.86.080, Defendants shall pay the costs and reasonable
9 attorneys' fees incurred by Plaintiff in pursuing this matter in the amount of \$25,000, jointly
10 and severally. However, \$25,000 of this costs and attorney's fees shall be suspended upon
11 Defendants' compliance with the terms of this Consent Decree.

12 6.3 In the event that the Court finds that any Defendant is in material breach of any
13 provision of this Consent Decree, the suspended civil penalties in Paragraph 5.1 and the costs
14 and attorney's fees in Paragraph 5.2 shall automatically be unsuspended and assessed against
15 Defendants, jointly and severally. Further, the State shall not be precluded from seeking other
16 relief in accordance with law and appropriate to remedy such violation. In addition, pursuant
17 to RCW 19.86.140, violations of the injunctive provisions of this Consent Decree may result in
18 court imposed civil penalties of up to \$25,000 and also may constitute evidence of violations of
19 RCW 19.86.020 subjecting Defendants to injunctions, restitution, civil penalties of up to
20 \$2,000 per violation and costs including reasonable attorneys' fees.

21 6.4 In any successful action to enforce any part of this Consent Decree, Defendants
22 shall pay the Attorney General its reasonable attorneys' fees and costs, as provided by
23 RCW 19.86.080.

1 **VII. ENFORCEMENT**

2 7.1 Violation of any of the injunctions contained in this Consent Decree, as determined
3 by the Court, shall subject Defendants to a civil penalty pursuant to RCW 19.86.140 and also may
4 constitute evidence of violations of RCW 19.86.020 subjecting Defendants to injunctions, restitution,
5 civil penalties of up to \$2,000 per violation and costs including reasonable attorneys' fees.

6 7.2 This Consent Decree is entered pursuant to RCW 19.86.080. Jurisdiction is
7 retained for the purpose of enabling any party to this Consent Decree with or without the prior
8 consent of the other party to apply to the Court at any time for enforcement of compliance with
9 this Consent Decree, to punish violations thereof, or to modify or clarify this Consent Decree.

10 7.3 Representatives of the Office of the Attorney General shall be permitted to access,
11 inspect, and/or copy relevant and discoverable business records or documents under control of
12 Defendants in order to monitor compliance with this Consent Decree within fourteen (14) days of
13 written request to Defendants, provided that the inspection and copying shall be done in such a
14 way as to avoid disruption of Defendants' business activities.

15 7.4 Representatives of the Office of the Attorney General may be permitted to
16 question Defendants or any officer, director, agent, employee, or independent contractor of any
17 corporation or entity affiliated with Defendants, in deposition, pursuant to the provisions and
18 notice requirements of CR 30, in order to monitor compliance with this Consent Decree.

19 7.5 Under no circumstances shall this Consent Decree or the name of the State of
20 Washington, the Office of the Attorney General, Consumer Protection Division, or any of their
21 employees or representatives be used by Defendants in connection with any selling, advertising,
22 or promotion of products or services, or as an endorsement or approval of Defendants' acts,
23 practices, or conduct of business.

24 **VIII. DISMISSAL AND WAIVER OF CLAIMS**

25 8.1 This Consent Decree resolves with prejudice all issues raised by the Attorney
26 General pertaining to the COVERED CONDUCT. All claims against Defendants related to the
CONSENT DECREE

1 COVERED CONDUCT are released. No other claims against Defendants are released, including
2 but not limited to the following claims, which are specifically reserved and are not released:

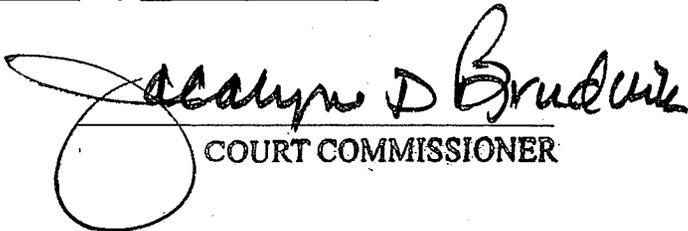
3 (i) any civil or administrative liability directly or indirectly related to the sale,
4 attempted sale, unlicensed sale or attempted unlicensed sale, suitability
5 determinations or recommendations of a product, or advertising of
6 insurance, including but not limited to any discipline, fine, penalty, or
7 licensing decision by the Office of the Insurance Commissioner;

8 (ii) any civil or administrative liability that Defendants have or may have to the
9 State Medicaid program or any other medical or long-term care program for
10 eligible beneficiaries that is paid for by the State under any statute,
11 regulation or rule not expressly covered by this release, including but not
12 limited to, any and all of the following claims brought under:

- 13 1. State (RCW 74.66) or federal False Claims Act
- 14 violations;
- 15 2. RCW 74.09;
- 16 3. Common law fraud;
- 17 4. Breach of contract;
- 18 5. Administrative overpayments

19 (iii) any liability to the State for claims submitted to any and all payors and
20 insurers under the State's Medicaid Managed Care program;

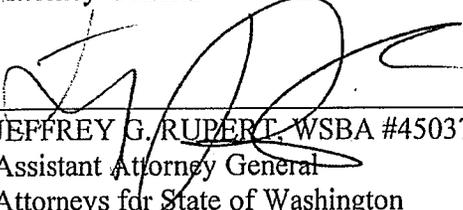
21 DONE IN OPEN COURT this _____ day ^{SEP 14 2016} _____, 2016.

22
23 
24 COURT COMMISSIONER
25
26

Agreed:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

ROBERT W. FERGUSON
Attorney General


JEFFREY G. RUPERT, WSBA #45037
Assistant Attorney General
Attorneys for State of Washington

CARNEY BADLEY SPELLMAN, P.S.


TIMOTHY PARKER, WSBA #8797
JASON W. ANDERSON, WSBA #30512
Attorneys for Defendants

EXHIBIT A



Bob Ferguson
ATTORNEY GENERAL OF WASHINGTON

Consumer Protection Division
800 Fifth Avenue • Suite 2000 • MS TB 14 • Seattle WA 98104-3188
(206) 464-7745

[DATE]

RE: *State of Washington v. Peter G. Cook and Carolyn Y. Cook*
Snohomish County Superior Court, Case No. 15-2-04345-3

Dear :

On [DATE], the Consumer Protection Division of the Washington Attorney General's Office (AGO) entered into a Consent Decree with Peter G. Cook and Carolyn Y. Cook. As part of the Consent Decree the Court ordered Peter G. Cook and Carolyn Y. Cook to pay \$10,000 in restitution to be distributed to consumers the AGO alleged were subject to unfair or deceptive practices by the Cooks in their business of providing consumers Medicaid and/or Veteran's Administration Aid and Attendance consulting services. In entering into the Consent Decree and paying restitution, the Cooks admitted no wrongdoing or violations of any laws.

Peter G. Cook and Carolyn Y. Cook provided your name and address to the AGO and indicated that they previously provided Medicaid and/or Veteran's Administration Aid and Attendance consulting services to you or a person on whose behalf you were acting.

Do you believe that you or a person on whose behalf you are acting was subject to unfair or deceptive practices by Peter G. Cook or Carolyn Y. Cook? If your answer is "yes", please complete and return this claims form by [DEADLINE DATE].

A deceased person's legal representative may submit a claims form.

For background information on *State of Washington v. Peter G. Cook and Carolyn Y. Cook* lawsuit, the State's complaint, the Cook's Answer, and the Consent Decree can be found at this website: [WEBSITE ADDRESS]

If the State does not receive a valid claims form by the designated deadline date, potential claimants will not be eligible for restitution. The State will distribute the \$10,000 pro rata to

ATTORNEY GENERAL OF WASHINGTON

[DATE]
Page 2

those claimants that have returned a valid claims form by the deadline set by the State. The apportionment of the \$10,000 among the affected consumers shall be solely within the Attorney General's discretion. More information on the claims process can be found in the Consent Decree.

If you would like to claim restitution that may be owed to you, please provide the following information:

1. Your name: _____

- a. If you are filing a claim as a representative of another living person, please (i) identify that person, (ii) describe your authority to act on behalf of that person, and (iii) if a guardianship or adult protective order has been ordered by a court for this living person, please attach it.

i. Name of living person on whose behalf you are filing a claim:

ii. Describe your authority to act on behalf of that person:

iii. If a guardianship or adult protective order has been ordered by a court for this living person, please attach it.

- b. If you are filing a claim as a representative of a deceased person, please (i) identify that person, (ii) specify their date of death, and (iii) provide proof that you are the legal representative of the deceased person's estate.

i. Name of deceased person on whose behalf you are filing a claim:

ii. Date of death:

iii. Attach proof that you are the legal representative of the deceased person's estate.

ATTORNEY GENERAL OF WASHINGTON

[DATE]

Page 3

3. Your current Mailing Address: _____

4. Your Daytime Phone Number: _____

5. Your E-mail address (optional): _____

You may provide the information requested above by U.S. Mail or by email:

By U.S. Mail: fill in the blanks above and send this letter by U.S. Mail to:

Margaret Farmer
Office of the Attorney General/CP
800 5th Ave, Ste 2000, TB-14
Seattle WA 98104-3188

By e-mail: Send the information requested in this letter to e-mail to margaretf@atg.wa.gov.

All information must be complete and legible to avoid delays in the distribution of checks. **All claims must be received at our office by [DATE].**

If mailed claims forms are returned as undeliverable, the State will take reasonable efforts to locate a current address and to mail a new claims form. **Once this has occurred and the deadline has passed**, the AGO will distribute checks in approximately 6-8 weeks.

If you have questions regarding the restitution program, please contact Margaret Farmer at the telephone number or e-mail address listed below. If you have questions regarding the settlement between the *State of Washington v. Peter G. Cook and Carolyn Y Cook*, please contact Assistant Attorney General Jeff Rupert at (206) 464-6293 or by e-mail at JeffreyR2@atg.wa.gov.

Sincerely,

MARGARET FARMER
Paralegal
(206) 389-2521
margaretf@atg.wa.gov

