

**STATE OF WASHINGTON
PIERCE COUNTY SUPERIOR COURT**

STATE OF WASHINGTON,

Plaintiff,

v.

VETERANS INDEPENDENT
ENTERPRISES OF WASHINGTON, a
Washington public benefit corporation (aka
VETERANS WORKSHOP); ROSEMARY
HIBBLER (aka ROSEMARY PARGOUD,
ROSEMARY SMITH, AND ROSEMARY
BARNES); DONALD J. HUTT; and
GARY PETERSON,

Defendants.

NO. 19-2-12198-5

STIPULATED JUDGMENT
AGAINST DEFENDANT
ROSEMARY HIBBLER ONLY

[CLERK'S ACTION REQUIRED]

JUDGMENT SUMMARY

Judgment Creditor:	State of Washington
Judgment Debtors:	Rosemary Hibbler
Principal Judgment Amount:	\$N/A
Post Judgment Interest Rate:	N/A
Attorneys for Judgment Creditor:	Joshua Studor Lynda Atkins

1 Heidi Anderson
2 Assistant Attorneys General

3 Attorneys for Judgment Debtors:

John Safarli (for Hibbler)

4 **I. INTRODUCTION**

5 1.1 Plaintiff, State of Washington (the State), commenced this action on November
6 18, 2019, pursuant to the Charitable Trust Act (RCW 11.110); the Nonprofit Corporation Act
7 (RCW 24.03); the Consumer Protection Act (RCW 19.86); and the Charitable Solicitations Act
8 (RCW 19.09).
9

10 1.2 Defendant Veterans Independent Enterprises of Washington (VIEW) is a
11 nonprofit corporation incorporated under the laws of Washington State and is based in Pierce
12 County. Defendant VIEW is not a party to this Stipulated Judgment.

13 1.3 Defendant Donald J. Hutt (Hutt) was a director of VIEW during the period
14 relevant to this lawsuit and resides in Pierce County. Defendant Hutt is not a party to this
15 Stipulated Judgment.
16

17 1.4 Defendant Gary Peterson (Peterson) was a director of VIEW during the period
18 relevant to this lawsuit and resides in Pierce County. Defendant Peterson is not a party to this
19 Stipulated Judgment.

20 1.5 Defendant Rosemary Hibbler (Hibbler) was an employee of VIEW during the
21 period relevant to this lawsuit and resided in Pierce County as of the filing of this lawsuit.
22

23 1.6 Plaintiff appears by and through its attorneys, Robert Ferguson, Attorney
24 General, and Joshua Studor, Lynda Atkins, and Heidi Anderson, Assistant Attorneys General.

25 1.7 Defendant Hibbler appears through counsel, Francis Floyd, John Safarli, and
26 Sean Moore.

1 **II. PARTIES' INTENT TO COMPROMISE**

2 2.1 Hibbler has agreed to resolve all claims alleged in the Complaint against and by
3 her and not previously ruled upon by the Court, and to the entry of this Stipulated Judgment
4 without the need for trial or adjudication of any remaining issues of law or fact.

5 2.2 Hibbler recognizes that this Stipulated Judgment is entered into voluntarily and
6 that no promises or threats have been made by the Attorney General's Office or any member,
7 officer, agent, or representative thereof to induce her to enter into this Stipulated Judgment,
8 except as provided herein.

9 2.3 Hibbler further acknowledges that she is represented by, and had the opportunity
10 to consult with, independent legal counsel regarding the negotiation and execution of this
11 Stipulated Judgment.

12 2.4 Hibbler waives any right she may have to appeal or otherwise contest the validity
13 or contents of this Stipulated Judgment.

14 2.5 Hibbler further agrees that she will not oppose the entry of this Stipulated
15 Judgment on the grounds that it fails to comply with Rule 65(d) or the Rules of Civil Procedure,
16 and hereby waive any objections based thereon.

17 2.6 Hibbler and Plaintiff further agree that this Court shall retain jurisdiction of this
18 action for the purpose of implementing and enforcing the terms and conditions of this Stipulated
19 Judgment and for all other purposes.

20 2.7 Hibbler does not admit the truth of the Findings of Fact and Conclusions of Law
21 contained herein but agrees that sufficient evidence exists to support each Finding and
22 Conclusion.

1 **III. FINDINGS OF FACT**

2 3.1 VIEW incorporated in 1988 as a Washington Nonprofit Corporation and became
3 a Public Benefit Corporation in 1990. VIEW's stated purpose is to assist homeless and otherwise
4 needy veterans of the U.S. Armed Forces by providing low-rent housing, temporary
5 employment, and job training. VIEW is located, and does business, in Pierce County.
6

7 3.2 In June 2013, Hibbler began volunteering for VIEW as a grant writer. After a few
8 months, VIEW paying her to provide bookkeeping services. In August 2015, VIEW hired her to
9 manage VIEW's day-to-day operations. Hibbler's job duties included bookkeeping, marketing,
10 compliance management, and other miscellaneous tasks.

11 3.3 VIEW's financial condition deteriorated dramatically between 2014 and
12 November 2019. In November 2019, this Court appointed a general receiver over VIEW based,
13 in part, on VIEW's precarious financial condition.
14

15 3.4 In the three years preceding the commencement of this lawsuit, several state and
16 local government agencies investigated VIEW and Hibbler. In 2015 the Consumer Protection
17 Division issued a civil investigative demand to VIEW requesting information related to its
18 charitable solicitations. The Washington Department of Labor and Industries (LNI) investigated
19 reports of wage theft; the Washington Department of Revenue and the Internal Revenue Service
20 investigated VIEW for unpaid taxes; the Washington Department of Commerce investigated
21 violations of VIEW's contract with Commerce; and the Fife Police Department investigated
22 allegations that Hibbler had forged signatures of VIEW's check.
23

24 3.5 In June 2018, Pierce County Prosecutor Mark Lindquist referred a criminal
25 investigation of Hibbler and VIEW to Attorney General Bob Ferguson and his Criminal Justice
26

1 Division (CRJ). Prosecutor Lindquist granted concurrent investigative and prosecutorial
2 authority to CRJ.

3 3.6 CRJ investigators conducted interviews of Hibbler, the other defendants, and
4 several potential witnesses including some of VIEW's current and former employees. As a part
5 of CRJ's investigation, investigators served two search warrants, received records from casinos
6 known to be frequented by Hibbler, and reviewed the prior investigation into alleged forgery.
7

8 3.7 In 2018, a group of current and former employees sued VIEW for unpaid wages.
9 In June 2019, Hutt and Peterson were deposed as a part of discovery in that lawsuit. The attorney
10 conducting the depositions confronted Hutt and Peterson with evidence that Hibbler withdrew
11 thousands of dollars in cash out of VIEW checking accounts, made purchases at area casinos
12 using VIEW's debit card, transferred funds from VIEW's checking account into her personal
13 account, and used VIEW funds to pay her personal bills (*e.g.*, rent, utilities, fuel, etc.).
14

15 3.8 In the summer of 2019, local TV news reporter Susannah Frame aired multiple
16 reports delineating evidence that Hibbler had mismanaged and misappropriated VIEW funds.
17 Hutt and Peterson were aware of Frame's investigation.

18 3.9 In the fall of 2019, CRJ referred its investigation into VIEW and Hibbler to the
19 Attorney General's Consumer Protection Division, which comprehensively reviewed the prior
20 investigations and initiated this lawsuit.
21

22 3.10 During her employment with VIEW, Hibbler received approximately \$5,000 per
23 month in compensation.

24 3.11 During her employment with VIEW, Hibbler received more than \$850,000 from
25 VIEW bank accounts either through direct bank transfers, direct deposits, and/or checks.
26

1 3.12 During her employment with VIEW, Hibbler misappropriated approximately
2 \$192,314 by using a debit card to withdraw (a) funds from VIEW's corporate bank account(s)
3 to purchase gambling credits at Pierce County casinos and (b) cash from ATMs located in
4 casinos. During the time Hibbler was responsible for managing VIEW's accounts, she withdrew
5 an additional \$83,937 in cash from ATMs, without providing accounting or other records
6 indicating how such funds were utilized for VIEW's benefit or operation.
7

8 3.13 During the period for which Hibbler was responsible for managing VIEW's
9 accounts, VIEW incurred approximately \$28,629 in overdraft, nonsufficient funds, wire transfer,
10 and other bank fees.
11

12 3.14 Hibbler also used VIEW funds to pay personal expenses, including Hibbler's
13 rent, utilities, fuel, and groceries.
14

15 3.15 From July 2015 to November 2019, Hibbler did not create or otherwise maintain
16 an operating budget for VIEW, conduct an audit of VIEW's books, or keep corporate financial
17 records such that VIEW could produce reliable accounting. She did not provide accounting for
18 cash expenditures.
19

20 3.16 At Hibbler's direction VIEW obtained several loans purportedly secured by deeds
21 of trust against VIEW's real property assets. At the time such loans were entered into, VIEW's
22 board of directors was improperly constituted and failed to meet quorum under VIEW's Bylaws.
23 As a result of Hibbler's financial mismanagement, VIEW incurred secured debt exceeding \$1
24 million.
25

26 3.17 On July 29, 2019, Peterson executed, on behalf of VIEW, a promissory note in
the amount of \$200,000.00 payable to Hibbler (the "Hibbler Note"). The Hibbler Note is

1 purportedly secured by that certain real property commonly known as 4320 N. 27th S., Tacoma,
2 WA 98407; 3406 S. Thompson, Tacoma, WA 98408; 1924 M St., Tacoma, WA 98405; and
3 3019-3021 N. 8th Street, Tacoma, WA 98406, pursuant to that certain Deed of Trust recorded
4 with the Pierce County Auditor on July 29, 2029 as Recording No. 201907290748 (the “Hibbler
5 DOT”). Hibbler did not provide sufficient value or consideration to VIEW to substantiate the
6 Hibbler Note or Hibbler DOT.
7

8 3.18 Under Hibbler’s management, VIEW’s real property suffered neglect and
9 deferred maintenance. By the time of the Receiver’s appointment, VIEW-operated transitional
10 housing had unrepaired roof damage, severe water damage, damage to interior walls, and mold
11 growing throughout the residences. The Receiver has incurred expenses in the amount of \$3,854
12 to remedy these issues.
13

14 IV. CONCLUSIONS OF LAW

15 4.1 This Court has jurisdiction of the subject matter of this action and of the parties.
16 Plaintiff’s Complaint in this matter states claims upon which relief may be granted under the
17 Provisions of the Charitable Trust Act (RCW 11.110); the Nonprofit Corporation Act (RCW
18 24.03); the Consumer Protection Act (RCW 19.86); and the Charitable Solicitations Act (RCW
19 19.09).
20

21 4.2 The Attorney General has authority bring this action under RCW 11.110.120,
22 RCW 24.03.040, RCW 19.86.080, and RCW19.09.340.

23 4.3 Venue is proper in Pierce County pursuant to RCW 4.12.020 and RCW 4.12.025.

24 4.4 Any and all violations of the Charitable Solicitations Act (RCW 19.09) constitute
25 per se violations of the Consumer Protection Act (RCW 19.86). RCW 19.09.340.
26

1 Judgment, “charitable organization” only refers to those organizations required to register with
2 the Washington Secretary of State pursuant to RCW 19.09.065.

3 4 **VI. INJUNCTIONS**

5 6.1. Hibbler is hereby permanently enjoined and restrained from directly or indirectly
6 engaging in any act that violates any provision of the Charitable Solicitations Act, RCW 19.09;
7 the Consumer Protection Act, RCW 19.86; the Nonprofit Corporations act, RCW 24.03; and the
8 Charitable Trust Act, RCW 11.110.

9 6.2. Hibbler is further permanently enjoined and restrained from engaging, whether
10 directly or indirectly, in any of the following activities:

- 11 a. Soliciting contributions to any charitable organization that is located in
12 the territorial borders of Washington State or otherwise engages in
13 charitable activities in Washington State;
- 14 b. Serving as a director, officer, or manager of any charitable organization
15 required to register under the Charitable Solicitations Act, RCW 19.09;
- 16 c. Holding a fiduciary or accounting role with any charitable organization
17 required to register under the Charitable Solicitations Act, RCW 19.09;
- 18 d. Operating, owning, founding, or otherwise controlling a commercial
19 fund-raiser that does business in Washington State;
- 20 e. Acting as a fund-raising consultant to any charitable organization in
21 Washington State, which shall include advising any charitable
22 organization or commercial fund-raiser on the content of solicitations,
23
24
25
26

1 scripts, or marketing materials used by the charitable organization or
2 commercial fund-raiser; and

3 f. Acting as trustee of a charitable trust, as defined by RCW 11.110.020.

4 6.3. Hibbler is further permanently enjoined and restrained from accepting
5 employment with any entity in the State of Washington that involves managing or handling any
6 other persons' money or property.

7
8 **VII. JUDICIAL REMOVAL OF CORPORATE OFFICER(S)**

9 7.1 In accordance with RCW 24.03.1031, Hibbler is hereby immediately removed
10 as director of VIEW.

11 **VIII. ENFORCEMENT**

12 8.1 Hibbler must comply with all requirements and obligations of this Stipulated
13 Judgment by the date of its entry by this Court, except as expressly provided herein.

14 8.2 If Hibbler violates any material condition of this Stipulated Judgment, the State
15 may seek the imposition of additional conditions, civil penalties of up to \$25,000 per violation
16 pursuant to RCW 19.86.140, restitution, injunctive relief, attorney's fees, costs, and such other
17 remedies as the Court may deem appropriate.

18 8.3 Nothing in this Partial Stipulated Judgment shall be construed as to limit or bar
19 any other governmental entity or consumer from pursuing other available remedies against
20 Hibbler.
21 Hibbler.

22 8.4 Nothing in this Partial Stipulated Judgment grants any third-party beneficiary or
23 other rights to any person who is not a party to it.
24

1 8.5 Under no circumstances shall this Stipulated Judgment or the name of the State
2 of Washington, the Office of the Attorney General, Consumer Protection Division, or any of
3 their employees or representatives be used by Hibbler in connection with any selling, advertising,
4 or promotion of products or services, or as an endorsement or approval of the Hibbler's acts,
5 practices or conduct of business.
6

7 **IX. DISMISSAL AND WAIVER OF CLAIMS**

8 9.1 This Stipulated Judgment resolves and adjudicates all of the State's claims
9 against Hibbler and Hibbler's counterclaims against the State.

10 9.2 Except as expressly reserved herein, Plaintiff's claims against Hibbler are hereby
11 dismissed with prejudice upon entry of this Stipulated Judgment.

12 9.3 Hibbler's counterclaim alleging violations of WLAD is dismissed with prejudice
13 upon entry of this Stipulated Judgment.

14 9.4 Hibbler also specifically and expressly waives any right to appeal from, or
15 otherwise challenge the validity of, this Stipulated Judgment.
16

17 **X. OTHER**

18 10.1 This Stipulated Judgment may not be used as evidence by any person or agency
19 in any criminal prosecution, however, nothing in this Stipulated Judgment prohibits any person
20 or agency having proper authority from investigating and/or prosecuting Hibbler for violations
21 of criminal law.
22

23 10.2 As a part of this stipulated judgment, Hibbler agrees that the Hibbler Note and
24 Hibbler DOT are invalid and void for lack of consideration. Hibbler disavows any and all rights
25 she may have had as to the Hibbler Note and Hibbler DOT.
26

1 ENTERED this _____ day of _____, 2020.
2

3 _____
4 THE HONORABLE PHILLIP K. SORENSEN

5 Presented by:

Stipulated and Approved for Entry by:

6 ROBERT W. FERGUSON
Attorney General

FLOYD PFLUEGER & RINGER, PS

7 /s/ Joshua Studor

s/ John A. Safarli

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