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JAN 15 2009

THOMAS R. FALLQUIST
SPOKANE COUNTY

**IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF SPOKANE**

STATE OF WASHINGTON,

Plaintiff,

v.

ANTHONY NAPIER, individually, and
on behalf of the marital community
comprised of ANTHONY NAPIER and
ALICIA NAPIER, husband and wife;
ALICIA NAPIER, individually, and on
behalf of the marital community
comprised of ANTHONY NAPIER and
ALICIA NAPIER, husband and wife;
and PRINCIPLE DIRECT
INVESTMENTS, LLC, a Nevada
limited liability corporation,

Defendants.

NO. 09-2-00156-6

AMENDED CIVIL COMPLAINT

COMES NOW, plaintiff State of Washington, by and through its attorneys Robert M. McKenna, Attorney General, and Jack G. Zurlini, Jr., Assistant Attorney General, and brings this action against defendants named herein and alleges as follows:

1. JURISDICTION

1.1. This complaint is filed and these proceedings are instituted under the provisions of RCW 19.86, the Unfair Business Practices—Consumer Protection Act.

1.2. The Attorney General is authorized to commence this action pursuant to RCW 19.86.080.

1 1.3. Jurisdiction over the defendants is vested in this court pursuant to RCW
2 19.86.160, RCW 19.86.140, and RCW 4.28.185 because defendants engaged in conduct
3 violating RCW 19.86 and such conduct impacted consumers and businesses in the state of
4 Washington. Jurisdiction over the subject matter of this complaint is conferred by the above-
5 referenced statutes.

6 1.4. The violations alleged herein have been and are being committed in whole or in
7 part in Spokane County, State of Washington, and other counties in the State of Washington by
8 the named defendants. Venue is properly set in this court pursuant to RCW 19.86.140 in that,
9 among other relief, Washington seeks enforcement of the judgment and decree entered on
10 July 26, 2002, in Spokane County Superior Court, case number 97-2-00768-7, against the
11 named defendants. A true and correct copy of the judgment and decree is attached as
12 Exhibit A.

13 2. DEFENDANTS

14 2.1. Defendant Anthony Napier is an individual who resides in Whitman County,
15 Washington, and is married to defendant Alicia Napier. All acts done by either of them after
16 the date of their marriage were done both for their individual benefit and for the benefit of their
17 marital community.

18 2.2. Defendant Alicia Napier is an individual who resides in Whitman County,
19 Washington, and is married to defendant Anthony Napier. All acts done by either of them after
20 the date of their marriage were done both for their individual benefit and for the benefit of their
21 marital community.

22 2.3. Defendant Principle Direct Investments, LLC, (PDI) is a Nevada limited
23 liability company. On July 29, 2008, Anthony Napier caused PDI to file a Voluntary Petition
24 under Chapter 7 of the Bankruptcy Code in United States Bankruptcy Court, Eastern District
25 of Washington, case number 08-02992-PCW7. In that case, Judge Patricia C. Williams
26 entered an order December 30, 2008, that granted relief from the automatic stay of 11 U.S.C.

1 § 362(a) to allow Washington to include PDI as a nominal defendant in this lawsuit on the
2 condition that Washington seek no affirmative relief from PDI.

3 2.4. For purposes of this complaint and unless otherwise specified, the term
4 “defendants” shall refer to all defendants named herein and when used in conjunction with
5 allegations of wrongful conduct shall mean that each defendant committed such act or is
6 legally accountable for such act or both.

7 2.5. At all times referenced herein, defendants and each of them acted in concert or
8 participated with each other for their mutual benefit.

9 **3. NATURE OF TRADE OR COMMERCE**

10 3.1. At all times relevant to this lawsuit, defendants have been engaged in a
11 for-profit business that involved the purchase, sale, and investment in real property located in
12 Washington State and elsewhere, and as part of their business obtained financing and
13 investments secured by real property located in Washington State and elsewhere. Defendants
14 therefore were engaged in trade or commerce within the state of Washington, in competition
15 with others engaged in similar business activities in Washington, for purposes of applying the
16 Consumer Protection Act, Chapter 19.86 RCW.

17 **4. FACTS**

18 4.1. In or about 1995, defendant Anthony Napier was involved in an equity-
19 skimming scheme. A criminal investigation of the scheme resulted in Napier being found
20 guilty, in September 1998, of the criminal offenses of equity skimming, first degree theft, and
21 third degree theft, in Spokane County Superior Court case number 97-1-00421-8. Napier
22 was sentenced to 12 months in jail, was ordered to pay restitution, and was ordered not to
23 work in the fields of real estate or finance.

24 4.2. In early 1997 and based on the same equity-skimming scheme that resulted in
25 Anthony Napier’s criminal convictions, the Washington State Attorney General’s Office,
26 Consumer Protection Division, filed a civil lawsuit, Spokane County Superior Court case

1 number 97-2-00768-7, against several defendants, including Anthony Napier, his company
2 "No Money Down Homes, Inc.", and the marital community comprised of Anthony and
3 Alicia Napier. The lawsuit alleged violations of the Consumer Protection Act, RCW
4 19.86.020, including *per se* violations based on acts of equity skimming as defined in RCW
5 61.34. In April 2001, the court issued a letter opinion granting summary judgment to
6 Washington on its equity skimming cause of action against Napier, his marital community,
7 and his company. Anthony and Alicia Napier subsequently filed a Chapter 7 bankruptcy
8 petition in July 2001, and served a Notice of Stay pursuant to 11 U.S.C. §362 on
9 Washington.

10 4.3. After the bankruptcy court granted Washington's motion for relief from
11 automatic stay, the Spokane County Superior Court entered a civil judgment and decree
12 against Anthony Napier, the marital community comprised of Anthony and Alicia Napier,
13 and against Napier's company No Money Down Homes, Inc., in July 2002. The Judgment
14 and Decree permanently enjoined Anthony Napier, his company, and all persons acting or
15 claiming to act for, on behalf of, or in concert with them against engaging in certain acts,
16 including but not limited to equity skimming and any other unfair or deceptive act or practice
17 in connection with the purchase, sale, or leasing of real property, or in connection with the
18 borrowing of money or credit secured by real property in Washington.

19 4.4. Approximately two years after the civil Judgment and Decree was entered
20 against him, Anthony Napier formed a new company, defendant PDI, in September 2004.
21 PDI is a real estate investment and real estate holding company. Anthony Napier was at all
22 relevant times its sole owner, manager, and member, and as such personally formulated,
23 controlled, directed, and participated in the policies, practices, and activities of PDI.

24 4.5. Among other acts, Anthony Napier caused PDI to enter a joint venture
25 agreement with his wife Alicia, as a married woman dealing in her separate estate, in
26 approximately January 2006. The purpose of the joint venture was for Alicia and PDI to

1 purchase residential properties for profit. The joint venture agreement provided, among other
2 things, that Alicia was to contribute loan funds to purchase property and PDI was to
3 contribute management services and "a maximization of value." In addition, all properties
4 acquired by the joint venture, whether real or personal property, were to be taken in the name
5 of Alicia Napier as trustee for the parties to the joint venture. And the agreement provided
6 for Alicia Napier and PDI to split net profits 50-50, but for only PDI to be responsible for
7 losses.

8 4.6. Defendants' business plan included attracting investors who would agree to
9 loan money for the purchase of specific residential commercial real properties. Defendants
10 would then sign a promissory note payable to investors at an agreed percent interest, payable
11 in monthly installments based on interest only with all principle and interest due in full at a
12 later time. And defendants would purportedly make the balloon payment on the notes using
13 funds from the sale, refinancing, or rental income of the properties. This plan included
14 having Alicia Napier, acting within the joint venture agreement with PDI, obtaining title to
15 investment properties of PDI, applying for and obtaining loans on the properties, and using
16 the loan funds to pay back investors whose cash had been used to purchase the PDI
17 investment properties in the first instance.

18 4.7. The properties defendants targeted to purchase included homes being sold by
19 their owners. Defendants would offer to purchase these homes by having the homeowner
20 keep some or all of his current mortgages in place or having the homeowner hold some or all
21 of the equity in his home for a period of time. During that period, defendants would lease the
22 home either to the former owners or other tenants and collect rent payments. When
23 purchasing the property, defendants would promise to cover 100% of the homeowner's
24 mortgage payments, property taxes, or insurance, or perform maintenance and repairs on the
25 property during that time period. After the time period had passed, defendants' plan was to
26

1 assume or pay off the homeowner's mortgage and keep the property as an income property,
2 or sell the home and pay off the mortgage, and pay the homeowner the equity amount due.

3 4.8. But defendants did not operate their business fairly or non-deceptively.
4 Instead, defendants engaged in numerous unfair or deceptive acts or practices in connection
5 with the operation of their business, including but not limited to the following acts and
6 practices.

7 4.8.1. **Investor Information Packet** Defendants designed an
8 information packet that was to be used to attract investors. The packet contained
9 numerous material misrepresentations about their business, including but not limited
10 to the following:

11 a. Misrepresenting that PDI had been successfully investing in
12 real estate ventures for several years. On the contrary, PDI had no such
13 success rate.

14 b. Misrepresenting that PDI had a large marketing campaign in
15 place that provided them with a large source of deals. On the contrary, no
16 such marketing campaign existed.

17 c. Misrepresenting that investors would be fully secured by
18 recorded first mortgages. On the contrary, they were not.

19 d. Misrepresenting that investors would receive 13% or 15%
20 annual returns on their investments. On the contrary, they did not.

21 4.8.2. **Fractional Investor Owner Program** Defendants marketed a
22 Fractional Investor Owner Program (F.I.O.P.), by which individual investors agreed
23 to form a limited liability company (LLC) in which there would be ten
24 investor/members who each would initially invest up to \$2,500 and then invest an
25 additional minimum amount of \$100 per month for 36 months. According to the
26 paperwork associated with the program, defendants had the right to exercise practical

1 and actual control over the managerial decisions related to the F.I.O.P., but the
2 investors did not. Defendants represented to F.I.O.P. investors that PDI would use
3 their investment funds to purchase properties. Each property purchased would
4 involve only one LLC. And at the time the properties were sold, any profit would be
5 shared on a pro-rata basis. But among other unfair or deceptive acts and practices
6 relating to F.I.O.P., defendants' marketing and selling of the F.I.O.P. amounted to the
7 unlawful marketing and selling of securities because, among other reasons, they were
8 not properly registered to do so as required by RCW 21.20, the Securities Act of
9 Washington.

10 4.8.3. **Deceptive Advertising** Defendants ran deceptive advertisements
11 in a number of newspapers sold in Washington, Oregon and Idaho. For example,
12 they ran the following classified advertisement in the Oregonian in December 2007:
13 "Looking for real estate investment partner; \$25,000 down payment with 30% **PLUS**
14 **RETURN!** Call 503-452-0208." The advertisement was deceptive because the
15 "30% plus return" representation was false. Defendants ran similar deceptive
16 advertisements in the Idaho Press-Tribune and Moscow-Pullman Daily News. In
17 addition, defendants advertised to rent homes they did not own. For example, they
18 owned no residential property in Everett, Washington, when they ran this
19 advertisement in the Seattle Times in October 2007: "**Everett-Rent to own** no credit
20 check, 3br, 2ba, 2 car garage, 2 payments & closing costs moves you in.
21 206-264-0137."

22 4.8.4. **Renting Properties in Foreclosure** Defendants rented homes that
23 were in foreclosure to tenants from whom they collected rents and security deposits
24 after misrepresenting that the foreclosures had been stopped or otherwise delayed, or
25 after failing to disclose to them that there were pending foreclosure actions. Contrary
26

1 to defendants' misrepresentations, the foreclosures continued and tenants lost rents
2 and deposits as a result.

3 4.8.5. **Failing to Deposit Security Deposits in Trust Accounts** Defendants
4 obtained security deposits from tenants of their rental properties and failed to deposit
5 them in trust accounts as required by RCW 59.18.270. Instead, the security deposits
6 were deposited elsewhere, for example, in PDI's general account. As a result, tenants
7 lost their security deposits. In fact, PDI's bankruptcy petition states that PDI held no
8 property for another person at section 14 of the Petition that Anthony Napier signed
9 under penalty of perjury. In addition, Napier identified no such trust account in
10 Schedule B of PDI's Petition, which is where any such trust account should have
11 been identified.

12 4.8.6. **Failing To Invest And Secure Funds As Represented** Defendants
13 represented to certain investors that their investment funds would be used to purchase
14 real property investments and be secured by a deed of trust on the property. And
15 based upon these representations, investors gave investment funds to defendants. But
16 those representations were false. On the contrary, defendants did not use all the
17 investment funds to purchase investment properties and did not properly secure the
18 investment funds with deeds of trust on the investment properties. For example, one
19 person invested \$300,000 for the purchase of three duplex residences in Nampa,
20 Idaho, located at 1104 and 1106, 1108 and 1110, and 1112 and 1114 S. Maple Street
21 (Nampa Properties.) Instead of using all of the \$300,000 to purchase the properties,
22 defendants paid only about \$60,000 of the investment money toward the purchase of
23 the Nampa Properties. And defendants have failed to account for approximately
24 \$240,000 of the investment money that did not go towards the purchase of the Nampa
25 Properties.
26

1 4.8.7. **Using Company Funds For Personal Expenses** Defendants used
2 funds of PDI for Anthony and Alicia Napier's personal expenses and did not repay
3 the company. For example, Anthony Napier bought Alicia a dozen roses each month
4 using company funds. As a result of these and other personal expenditures,
5 defendants did not fulfill the monetary obligations of the company and substantially
6 reduced the assets of PDI and its ability to repay its obligations to investors and
7 creditors.

8 4.8.8. **Transferring Properties to Alicia Napier For No Consideration**
9 Defendants failed to disclose the joint venture agreement between PDI and Alicia
10 Napier to its investors and creditors. In addition, defendants failed to disclose to
11 investors and creditors that PDI executed quitclaim deeds in favor of Alicia Napier as
12 her sole and separate property on a number of properties in which PDI had a
13 purported ownership interest. Those properties include but are not limited to:
14 205/207 SW Church Street, Pullman, WA; 333 NW Harrison, Pullman, WA;
15 730/732 NW Ritchie, Pullman, WA; 505 SW Walnut, Pullman, WA; 203 E. 1st
16 Street, Endicott, WA; and 1009 S. Lake Street, Colfax, WA. As a result of
17 transferring company assets to Alicia Napier for no consideration, defendants
18 substantially reduced the assets of PDI and its ability to repay its obligations to
19 investors and creditors.

20 4.8.9. **Misrepresenting PDI's Business** In 2005, defendants contacted
21 Community Action Center (CAC) in Pullman, Washington, and spoke with its Home
22 Ownership Program Coordinator Betty Thompson. CAC administers a number of
23 grant-funded programs, some of which are designed to help individuals purchase or
24 lease residences. Defendants represented to Thompson that they would like to help
25 first-time homeowners and wanted to help people own homes. Defendants also
26 represented to Thompson that they were real estate investors who had a lot of people

1 backing them, had access to many investors, and had previously helped people stay in
2 their homes. Defendants also represented that they could put together housing
3 developments. But defendants' representations were false. On the contrary,
4 defendants contacted CAC to locate distressed properties they could strip equity from.
5 Defendants checked in with Thompson from time to time to see if there were any
6 homeowners who needed help. As a result of defendants' misrepresentations, in or
7 about December 2006, Thompson contacted defendants and notified them of two sets
8 of homeowners who needed help - - Ron and Ann Knoerr, and Jerry and Cheryl Best.
9 Defendants contacted the Knoerrs and the Bests and instead of helping them keep
10 their homes, defendants committed equity skimming against the Knoerrs and the
11 Bests as set out in the following sections.

12 4.8.10. **Equity Skimming** Defendants engaged in equity skimming, as
13 defined by RCW 61.34.020, with respect to a number of properties, including but not
14 limited to: 510 S. James Street, Colfax, WA; 203 East 1st Street, Endicott, WA; and
15 122 East Moore Street, Malden, WA. An act of equity skimming may occur in a
16 number of ways. One such way equity skimming may occur is when:

- 17 a. a person purchases a home by representing that he will pay for
18 the home by agreeing to make payments on the existing mortgages on the
19 home or by representing that such obligations will be assumed;
- 20 b. the person fails to make payments on the mortgages within two
21 years after the purchase; and
- 22 c. the person diverts value from the home by either taking rents
23 from the home for his own benefit, obtaining anything of value from the sale
24 or lease with option to purchase the home for his own benefit, or removing or
25 obtaining appliances, fixtures, or furnishings from the home for his own
26 benefit without replacing them.

1 4.8.10.(i). Equity Skimming with respect to 510 S.
2 James Street, Colfax, WA

3 a. On or about December 13, 2006, defendants purchased
4 510 S. James Street, Colfax, WA, from its owners Torry and Amy
5 Shepherd. Defendants agreed to purchase the Shepherd's home for
6 \$154,000 by agreeing to make payments on, pay off, or assume the
7 existing mortgage of \$116,000 the Shepherds owed on the property, by
8 the Shepherds crediting defendants \$38,000 of the purchase price to
9 purportedly pay for repairs to the home and to offset closing costs paid
10 by defendants, and by defendants receiving a new loan of \$25,000
11 from one of their investors. In addition, the Shepherds took no cash at
12 closing and agreed to pay any remaining escrow balance held by their
13 lender to defendants when the mortgage was paid off.

14 b. The Shepherds moved out of their home and defendants
15 rented it out to tenants. And contrary to the purchase agreement,
16 defendants did not make payments on, assume, or pay off the existing
17 mortgage and did not make the promised repairs. Instead, defendants
18 failed to make payments on the Shepherd's mortgage less than two
19 years after the sale.

20 c. Defendants took \$20,133.67 cash at the closing of the
21 purchase, gained up to \$38,000 of equity in the home based on the
22 sellers' credit of that amount, and defendants collected rent payments
23 from tenants living at the property, all for their own benefit.
24

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26 //

1 4.8.10.(ii). Equity Skimming with respect to 203 East 1st Street,

2 Endicott, WA:

3 a. On or about December 22, 2006, defendants purchased
4 203 1st Street, Endicott, WA, from its owners Ron and Ann Knoerr.
5 Defendants purchased the Knoerrs' home for \$69,000 by agreeing to
6 make payments on, pay off, or assume the existing mortgages of
7 \$16,000 and \$33,000 and the Knoerrs crediting defendants \$20,000 of
8 the purchase price to purportedly pay for repairs to the home. In
9 addition, the Knoerrs took no cash at closing and agreed to pay any
10 remaining escrow balance held by their lender to defendants when the
11 mortgage was paid off.

12 b. The Knoerrs moved out of their home and defendants
13 rented it out to tenants. And contrary to the purchase agreement,
14 defendants did not make payments on, assume, or pay off the existing
15 mortgage and did not make the promised repairs. Instead, defendants
16 failed to make payments on the Knoerrs' mortgage less than two years
17 after the sale.

18 c. In addition, defendants gained up to \$20,000 of equity
19 in the home because they never made the repairs that the \$20,000
20 purchase price credit was to be used for. Defendants also collected
21 rent payments from tenants living at the property for their own benefit.
22 And Anthony Napier caused PDI to quitclaim the deed to the home to
23 Alicia as her separate property in May 2007.

24
25 //

26 //

1 4.8.10.(iii). Equity Skimming with respect to 122 East Moore
2 Street, Malden

3 a. On or about February 2, 2007, defendants purchased
4 122 East Moore Street, Malden, WA, from its owners Jerry and Cheryl
5 Best. Defendants purchased the Bests' home for \$82,906.03 by
6 agreeing to make payments on, pay off, or assume the existing
7 mortgage of \$32,906.03 the Bests owed on the property, by paying all
8 closing costs, and by prepaying one year of homeowner's insurance at
9 time of closing. In addition, the Bests credited defendants \$50,000 of
10 the purchase price to purportedly pay for repairs to the home and to
11 offset closing costs paid by defendants. Defendants also received a
12 new loan of \$49,800 from one of their investors to help fund the
13 purchase of the property. The Bests took no cash at closing and agreed
14 to pay any remaining escrow balance held by their lender to
15 defendants when the mortgage was paid off. The Bests also had the
16 right to rent their former home from defendants on a month to month
17 lease for \$650 per month. In addition, Anthony Napier orally
18 promised the Bests that they could stay in their home and would not
19 have to pay rent until they became qualified under a housing program
20 and once they were qualified, they would then pay only \$50 rent per
21 month.

22 b. Defendants evicted the Bests from their home in July
23 2008 for nonpayment of rent. And contrary to the purchase
24 agreement, defendants did not make payments on, assume, or pay off
25 the existing mortgage and did not make the promised repairs. Instead,
26

1 defendants failed to make payments on the Bests' mortgage less than
2 two years after the sale.

3 c. In addition, defendants took \$44,446.87 cash at the
4 time they purchased the Bests' home and gained up to \$50,000 of
5 equity in the home based on the sellers' credit of that amount, all for
6 their own benefit.

7
8 **5. CAUSES OF ACTION**

9 **FIRST CAUSE OF ACTION—VIOLATION OF JUDGMENT AND DECREE**

10 **(Against All Defendants)**

11 5.1. Plaintiff realleges paragraphs 1.1 through 4.8.10.(iii) and incorporates them
12 herein by this reference.

13 5.2. In the context of conducting their business, defendants violated the Judgment
14 and Decree by:

15 a. engaging in unfair or deceptive acts or practices in connection with the
16 purchase, sale, or leasing of real property, or the borrowing of money or credit
17 secured by real property in Washington; and

18 b. engaging in "equity skimming" as that term is defined or described
19 under the laws of the State of Washington.

20
21 **SECOND CAUSE OF ACTION—PER SE VIOLATION OF RCW 19.86.020**

22 **(Against All Defendants)**

23 5.3. Plaintiff realleges paragraphs 1.1 through 5.2 (b) and incorporates them herein
24 by this reference.

25 5.4. In the context of conducting their business, defendants engaged in "equity
26 skimming" or a "pattern of equity skimming" as those terms are defined by RCW 61.34.020.

1 5.5. Engaging in equity skimming or a pattern of equity skimming is a *per se*
2 violation of RCW 19.86.020 pursuant to RCW 61.34.040.
3

4 **THIRD CAUSE OF ACTION—VIOLATION OF RCW 19.86.020**

5 **(Against All Defendants)**

6 5.6. Plaintiff realleges paragraphs 1.1 through 5.5 and incorporates them herein by
7 this reference.

8 5.7. In the context of conducting their business, defendants engaged in the conduct
9 alleged herein. Such conduct constitutes unfair or deceptive acts or practices in trade or
10 commerce, and/or unfair methods of competition in violation of RCW 19.86.020.
11

12 **6. PRAYER FOR RELIEF**

13 WHEREFORE, Plaintiff State of Washington prays for relief as follows:

14 6.1. That the Court adjudge and decree that defendants have engaged in the conduct
15 complained of herein.

16 6.2. That the Court adjudge and decree that the conduct complained of in paragraphs
17 1.1 through 5.7 constitutes violations of the Judgment and Decree entered in Spokane County
18 Superior Court case number 97-2-00768-7.

19 6.3. That the Court assess civil penalties pursuant to RCW 19.86.140 of up to
20 \$25,000 against Anthony Napier and against Alicia Napier each for violation of the Judgment
21 and Decree entered in Spokane County Superior Court case number 97-2-00768-7 caused by
22 the conduct complained of herein.

23 6.4. That the Court adjudge and decree that the conduct complained of in paragraphs
24 1.1 through 5.7 constitutes unfair or deceptive acts and practices and unfair methods of
25 competition in violation of the Consumer Protection Act, Chapter 19.86 RCW.
26

1 6.5. That the Court assess civil penalties pursuant to RCW 19.86.140 of up to \$2,000
2 per violation against Anthony Napier and against Alicia Napier each for each and every
3 violation of RCW 19.86.020 caused by the conduct complained of herein.

4 6.6. That the Court adjudge and decree that the conduct complained of in paragraphs
5 1.1 through 5.7 constitutes "equity skimming" or a "pattern of equity skimming" as those terms
6 are defined by RCW 61.34.020, and are *per se* violations of RCW 19.86.020 pursuant to
7 RCW 61.34.040.

8 6.7. That the Court issue a permanent injunction pursuant to RCW 19.86.080
9 enjoining and restraining defendants, and their members, directors, representatives, successors,
10 assigns, officers, agents, servants, employees, and all other persons acting or claiming to act
11 for, on behalf of, or in active concert or participation with defendants, from continuing or
12 engaging in the unlawful conduct complained of herein.

13 6.8. That the Court make such orders pursuant to RCW 19.86.080 as it deems
14 appropriate against Anthony Napier and Alicia Napier to provide for restitution to consumers
15 of money or property acquired by defendants as a result of the conduct complained of herein.

16 6.9. That the Court make such orders pursuant to RCW 19.86.080 to provide that
17 plaintiff State of Washington have and recover from Anthony Napier and Alicia Napier the
18 costs of this action, including reasonable attorneys' fees.

19 6.10. That the Court make such other orders that it deems just and proper.

20 DATED this 15th day of January, 2009.

21 ROBERT M. MCKENNA
22 Attorney General

23 _____
24 JACK G. ZURLINE, JR, WSBA #30621
25 Assistant Attorney General
26 Attorneys for Plaintiff
 State of Washington

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FILED
JUL 26 2002
THOMAS R. FALLOQUIST
SPOKANE COUNTY CLERK

**IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF SPOKANE**

STATE OF WASHINGTON,

Plaintiff,

NO. 97-2-00768-7

v.

JUDGMENT AND DECREE AS TO
DEFENDANTS NO MONEY DOWN
HOMES, INC., TONY NAPIER,
INDIVIDUALLY, AND THE
MARITAL COMMUNITY
COMPRISED OF TONY NAPIER
AND ALICIA NAPIER

NO MONEY DOWN HOMES, INC., a
Washington for-profit corporation;
TONY NAPIER, individually, and on
behalf of the marital community
comprised of TONY NAPIER AND
ALICIA NAPIER, husband and wife;
INLAND ACCEPTANCE, L.P., a
Washington limited partnership; GLEN
EKSTROM, individually, and on behalf
of the marital community comprised of
GLEN EKSTROM AND JOCELYN
EKSTROM, husband and wife; and
DR. JULIAN BINDLER, individually,
and on behalf of the marital community
comprised of DR. JULIAN BINDLER
and RUTH C. BINDLER; husband and
wife,

Defendants.

02905231-2

JUDGMENT AS TO DEFENDANTS NO
MONEY DOWN HOMES, INC., TONY
NAPIER, INDIVIDUALLY, AND THE
MARITAL COMMUNITY COMPRISED
OF TONY NAPIER AND ALICIA
NAPIER

ATTORNEY GENERAL OF WASHINGTON
West 1116 Riverside Avenue
Spokane, WA 99201-1194
(509) 456-3123

JUDGMENT SUMMARY

1. **Judgment Creditor:** State of Washington
2. **Judgment Debtors:** No Money Down Homes, Inc., Tony Napier, individually, and the marital community comprised of Tony Napier and Alicia Napier
3. **Principal Judgment:** \$ 8,000.00
 - a. **Civil Penalties:** \$ 8,000.00
5. **Total Judgment:** \$ 8,000.00
6. **Post Judgment Interest Rate:** 12% per annum
7. **Attorney for Judgment Creditor:** Owen F. Clarke, Jr.
Assistant Attorney General
8. **Attorney for Judgment Debtors:** William Edelblute

The above cause having come on regularly for hearing on the Plaintiff State of Washington's Motion for Partial Summary Judgment, Owen F. Clarke, Jr., Senior Assistant Attorney General, appearing for the Plaintiff, and William J. Edelblute appearing for Defendants No Money Down Homes, Inc, Tony Napier, individually, and the marital community comprised of Tony Napier and Alicia Napier, husband and wife, (Defendants), and

The Court having entered an Order granting Plaintiff's Motion for Partial Summary Judgment, and

The Court being fully advised in the premises, now, therefore,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

1. Pursuant to RCW 19.86.080, the Court hereby permanently enjoins the Defendants and their assigns, successors, agents, representatives, transferees, servants, subsidiaries, affiliates, employees and all other persons acting or

JUDGMENT AS TO DEFENDANTS NO MONEY DOWN HOMES, INC., TONY NAPIER, INDIVIDUALLY, AND THE MARITAL COMMUNITY COMPRISED OF TONY NAPIER AND ALICIA NAPIER

1 claiming to act for, or on behalf of, or in concert with them, against engaging in
2 any of the following acts in the State of Washington:

3 (a) "Equity skimming" as that term is now or hereafter defined or
4 described under the laws of the State of Washington.

5 (b) Borrowing money secured by a mortgage, deed of trust, or real
6 estate contract in real property upon which there is located or will be
7 located a structure or structures designed principally for the occupancy
8 of from one to four families: (1) which is owned by another from whom
9 Defendants are purchasing such property, and (2) in which one or both
10 of the following criteria are met:

11 (i) the annual percentage rate of interest at consummation of the
12 loan will exceed by more than 10 percentage points the yield on
13 Treasury securities having comparable periods of maturity on the 15th
14 day of the month immediately preceding the month in which the
15 application for the loan is received by the broker, funder, or lender, or

16 (ii) the total points and fees payable by borrower at or before the
17 loan closing will exceed the greater of 8% of the total loan amount or
18 \$400.

19 (c) Engaging in any unfair or deceptive acts or practices in
20 connection with the purchase, sale, or leasing of real property, or the
21 borrowing of money or credit secured by real property in Washington.

22 2. Pursuant to RCW 19.86.140, the Court assesses and orders Defendants to pay
23 civil penalties of *one thousand dollars* ^{\$1,000} ~~EIGHT THOUSAND DOLLARS (\$8,000)~~ for four (4) violations of the
24 Equity Skimming Act, to wit: (i) the Wright transaction regarding the 10404 E. 8th property;

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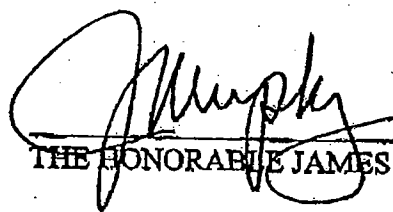
ATTORNEY GENERAL OF WASHINGTON
West 1116 Riverside Avenue
Spokane, WA 99201-1194
(509) 456-3123

1 (ii) the Mize transaction regarding the 5009 South Morrill Lane property; (iii) the Harris
2 transaction regarding the 4916 North Calvin Road property; and (iv) the Re transaction
3 regarding the 1627 Libby Street (Clarkston) property. The civil penalties shall be paid to the
4 State of Washington through the Attorney General's Office.

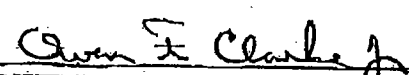
5 3. Defendants; Counterclaim is dismissed.

6 4. This proceeding is in all other respects dismissed with prejudice as to the
7 Defendants, and this Judgment and Decree is entered pursuant to RCW 19.86.080 and
8 RCW 19.86.140.

9 DATED this 26th day of July 2002.

10
11 
12 THE HONORABLE JAMES M. MURPHY

13 Presented by:
14 CHRISTINE O. GREGOIRE
15 Attorney General

16 
17 OWEN F. CLARKE, JR., WSBA #6779
18 Senior Assistant Attorney General
19 Attorneys for Plaintiff

20 Copy received; Notice of Presentation Waived:

21
22 WILLIAM EDELBLUTE, WSBA #13808
23 Attorney for Napier Defendants

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