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7 **STATE OF WASHINGTON**
KING COUNTY SUPERIOR COURT

8 STATE OF WASHINGTON,

NO.

9 Plaintiff,

COMPLAINT

10 v.

11 EMFA LLC dba EM FINE ART;
12 ROLAND CRANE; AMANDA
13 CRANE

Defendants.

14
15 The Plaintiff, State of Washington, by and through its attorneys Robert W. Ferguson,
16 Attorney General, and Leilani Fisher, Assistant Attorney General, brings this action against the
17 Defendants named above. The State alleges the following on information and belief:

18 **I. PARTIES**

19 1.1 The Plaintiff is the State of Washington.

20 1.2 EMFA LLC dba EM Fine Art ("EMFA") is a Washington LLC with its
21 principal place of business in King County, Washington.

22 1.3 Roland Crane is a managing member of EMFA who, at relevant times, resided
23 in King County and controlled the policies, procedures, and practices of EMFA.

24 1.4 Amanda Crane is a managing member of EMFA who, at relevant times, resided

1 in King County and controlled the policies, procedures, and practices of EMFA.

2 **II. JURISDICTION & VENUE**

3 2.1 The State files this complaint and institutes these proceedings under the
4 provisions of the Consumer Protection Act, RCW 19.86.

5 2.2 The Attorney General is authorized to commence this action pursuant to
6 RCW 19.86.080 and RCW 19.86.140.

7 2.3 The Defendant has engaged in the conduct set forth in this complaint in King
8 County and elsewhere in the state of Washington

9 2.4 Venue is proper in King County pursuant to RCW 4.12.020 and 4.12.025.

10 **III. NATURE OF TRADE OR COMMERCE**

11 3.1 Defendants were, at all relevant times, engaged in trade or commerce within the
12 meaning of RCW 19.86.010 and RCW 19.86.020 because they provided commercial services
13 to consumers and competed with others engaged in similar business.

14 **IV. FACTS**

15 4.1 EMFA is a Washington LLC that rented out to consumers a venue space known
16 as the EM Fine Art Gallery (“the Gallery”), 410 Dexter Ave N, Seattle WA 98109, for
17 weddings and other events. EMFA required consumers to provide down payments, months in
18 advance, in exchange for a Gallery reservation.

19 4.2 Roland Crane and Amanda Crane (“the Cranes”) are the sole members of
20 EMFA. At all times, the Cranes participated in and knowingly approved of all of EMFA’s
21 conduct.

22 4.3 ARE-Seattle No. 16, LLC (“ARE”) is the owner of the Gallery. From June 23,
23 2011 until May 21, 2014, ARE leased the Gallery to EMFA for commercial purposes but
24 reserved the right to terminate the lease upon giving 30 days’ notice.

4.4 On November 20, 2013, the Seattle Department of Planning and Development
 (“DPD”) issued its first Notice of Land Use Violation concerning the Gallery and ordered

1 EMFA to “discontinue the maintenance of art studio, art gallery, and banquet facility known as
2 EM Fine Art or obtain a permit and approval.” The notice explained that the Gallery violated
3 Seattle land use codes and that corrective action must be taken by December 20, 2013. EMFA
4 received the notice on or before November 22, 2013.

5 4.5 On April 14, 2014, DPD threatened to take legal action against ARE because
6 the Gallery continued to violate Seattle land use codes. ARE, in turn, issued a lease termination
7 notice to EMFA on April 18, 2014 stating that EMFA must vacate the Gallery and deliver
8 possession of it to ARE on or before May 21, 2014. On May 21, 2014, EMFA’s lease was
9 terminated and EMFA lost all rights to use or occupy the Gallery.

10 4.6 EMFA thus knew by at least April 18, 2014 that its Gallery lease would
11 terminate and on May 21, 2014 and that EMFA would be required to vacate the Gallery.

12 4.7 Despite this knowledge, between April 18, 2014 and June 6, 2014, EMFA
13 continued selling Gallery reservations to new customers. For example, EMFA entered a
14 Private Party Event Agreement and accepted a \$750 down payment in May, 2014, to hold a
15 wedding rehearsal dinner at the Gallery in August, 2014.

16 4.8 EMFA also continued soliciting payment after April 18, 2014 from existing
17 customers. On May 12, 2014, for example, Roland Crane sent the following message to a
18 consumer who had previously provided a down payment and whose wedding at the Gallery
19 was scheduled for July, 2014: “your second payment of \$1,314.00 is due. If I don’t hear from
20 you we’ll just charge the card we have on file...or we are happy to pick up a check at your
21 convenience.” The consumer provided EMFA a check in response.

22 4.9 Additionally, EMFA knew and acknowledged to ARE by at least March 14,
23 2014, that – for reasons unrelated to the lease problems described above – it would be unable
24 to host events at the Gallery in 2015.

4.10 Despite such knowledge, EMFA continued selling 2015 Gallery reservations
and accepting deposits from consumers.

1 4.11 After its lease was terminated on May 21, 2014, EMFA was unable to provide
2 venue space to dozens of consumers who had already paid for Gallery reservations.

3 4.12 In an attempt to explain why EMFA could not fulfill reservations, the Cranes
4 sent two mass emails to customers in June, 2014. The first falsely claimed that an electrical fire
5 had destroyed the Gallery. Although no electrical fire actually occurred, the Cranes told
6 consumers in the email that the fire was a “force majeure” and that “under ‘force majeure’ we
7 do not have any obligation to make any payments to you.”

8 4.13 The Cranes’ second mass email explained that EMFA’s lease had been
9 terminated but falsely claimed that EMFA had been permitted to occupy the Gallery until at
10 least June 2, 2014.

11 4.14 Defendants insisted in their correspondence with their customers that they were
12 not obligated to return consumers’ down payments and have refused to provide refunds to
13 consumers. At least \$50,000 has not been returned to consumers.

14 **V. FIRST CAUSE OF ACTION - VIOLATION OF RCW 19.86.020**

15 **(Unfair or Deceptive Failure to Deliver or Perform)**

16 5.1 Plaintiff realleges Paragraphs 1.1 through 6.5 and incorporates them herein as if
17 set forth in full.

18 5.2 In their course of business, Defendants routinely failed to provide the event space
19 sold to consumers.

20 5.3 Defendants’ failure to deliver is an unfair and/or deceptive act or practice in
21 violation of RCW 19.86.020 that occurred in trade or commerce and that affected the public
22 interest.

23 **VI. SECOND CAUSE OF ACTION - VIOLATION OF RCW 19.86.020**

24 **(Unfair or Deceptive Failure to Refund)**

6.1 Plaintiff realleges Paragraphs 1.1 through and incorporates them herein as if set
forth in full.

1 6.2 Defendants systematically failed to timely, fully, and adequately provide refunds
2 to consumers and, instead, converted those refunds.

3 6.3 Defendants' failure to refund and conversion of refunds is an unfair and/or
4 deceptive act or practice in violation of RCW 19.86.020 that occurred in trade or commerce and
5 that affected the public interest.

6 **VII. THIRD CAUSE OF ACTION - VIOLATION OF RCW 19.86.020**

7 **(Unfair or Deceptive Misrepresentations)**

8 7.1 Plaintiff realleges Paragraphs 1.1 through 7.7 and incorporates them herein as if
9 set forth in full.

10 7.2 Defendants in their course of business sold venue reservations that they knew or
11 should have known at the time of the sales they could not fulfill. In so doing, Defendants
12 misrepresented their ability to perform.

13 7.3 Defendants' misrepresentations are unfair and/or deceptive acts or practices in
14 violation of RCW 19.86.020 that occurred in trade or commerce and that affected the public
15 interest.

16 **VIII. FOURTH CAUSE OF ACTION - VIOLATION OF RCW 19.86.020**

17 **(Unfair or Deceptive Misrepresentations)**

18 8.1 Plaintiff realleges Paragraphs 1.1 through 7.7 and incorporates them herein as if
19 set forth in full.

20 8.2 Defendants in their course of business misrepresented to consumers the facts and
21 circumstances concerning Defendants' inability to perform or to provide refunds.

22 8.3 Defendants' misrepresentations are unfair and/or deceptive acts or practices in
23 violation of RCW 19.86.020 that occurred in trade or commerce and that affected the public
24 interest.

1 **IX. PRAYER FOR RELIEF**

2 Wherefore, the State prays that this Court grant the following relief:

3 9.1 Declare that Defendants' acts described herein are unfair or deceptive acts or
4 practices in trade or commerce, affecting the public interest, that violate the Consumer Protection
5 Act, RCW 19.86;

6 9.2 Permanently enjoin Defendants from engaging in the acts described herein;

7 9.3 Assess civil penalties of up to \$2,000 for each and every violation of
8 Washington's Consumer Protection Act, pursuant to RCW 19.86.140

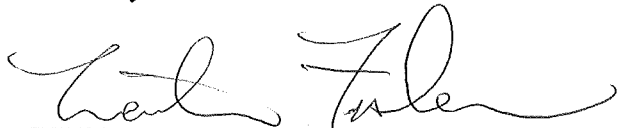
9 9.4 Award damages and any other relief, pursuant to RCW 19.86.080(2), necessary to
10 restore to any person moneys or other property that Defendants may have acquired through acts
11 prohibited by the Consumer Protection Act;

12 9.5 Award the State's reasonable costs and attorney's fees incurred in bringing this
13 action, pursuant to RCW 19.86.080; and,

14 9.6 Provide any other relief that the Court determines is just and equitable.

15 DATED this 11th day of February, 2015.

16
17 ROBERT W. FERGUSON
18 Attorney General

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20 LEILANI N. FISHER, WSBA #48233
21 Assistant Attorney General
22 Attorney for Plaintiff, State of Washington
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