HONORABLE JEAN RIETSCHEL DATE OF HEARING: AUGUST 27, 2015 WITHOUT ORAL ARGUMENT

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON IN AND FOR THE COUNTY OF KING

	IN AND FOR THE COUNTY OF KING		
10	GARY WOOLEVER		Case No.: 13-2-03663-1 SEA
11	Plaintif	f	
12	Timitell	••	HIDOMENIT
13	VS.		JUDGMENT
14	ANDREW MORRISO "JANE DOE" 1-50,	ON; "JOHN DOE" AND	(CLERK'S ACTION REQUIRED)
15			
16	Defend	ants.	
17	JUDGMENT SUMMARY		
18	1. Judgme	ent Creditor(s): G	ARY WOOLEVER
19	2. Judgme	nt Debtor(s): Al	NDREW W. MORRISON
20	3. Principa	al Judgment Amount:	\$ 971,441.86
21			
22	4. Interest	to Date of Judgment:	\$ 0
23	5. Attorne	v Fees	\$ *reserved
24	19-91 topic (9-10) (19-00)		
25	6. Costs S	ervice of Process	\$ *reserved
26	7. Other R	ecovery Amounts:	\$ *reserved
27	PAGE 1		DANIELSON LAW OFFICE, P.S.
28	2		1001 4 TH AVENUE, SUITE 3200 SEATTLE, WA 98154 206-652-4550

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON IN AND FOR THE COUNTY OF KING

GARY WOOLEVER Case No.: 13-2-03663-1 SEA Woolever, FINDINGS OF FACT AND CONCLUSIONS OF LAW ANDREW MORRISON; "JOHN DOE" AND "JANE DOE" 1-50, (CLERK'S ACTION REQUIRED) Defendant.

THIS MATTER came on for hearing on the date set forth below upon the plaintiff's Motion for Default Judgment. The Court previously entered an Order of Default striking the defendant's Answer and Affirmative Defenses. The Court read and considered the files and records herein and the Declarations of Gary Woolever. The Court hereby enters the following Findings of Fact:

I. FINDINGS OF FACT

1.1 In 2009, the plaintiff Gary Woolever (Hereinafter "Woolever" or "plaintiff") was interested in diversifying his retirement investment. Woolever was introduced to Andrew PAGE 1

DANIELSON LAW OFFICE, P.S. 1001 4TH AVENUE, SUITE 3200 SEATTLE, WA 98154 206-652-4550

26 27

2

3

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

Morrison (Hereinafter "Morrison" or "defendant") who represented himself to Woolever as a successful entrepreneur, real estate expert, hedge fund investor and business manager.

Morrison falsely represented that he was a specialist in real estate investments, residential rehab, private and commercial loans and trustee sales. Morrison represented that he had been involved in approximately 900 Million dollars in real estate transactions.

- 1.2 Morrison offered to accept and invest Woolever's retirement funds. Under the terms of the investment strategy business formulated by Morrison, Woolever would provide the capital and the Morrison would provide the expertise and knowledge to buy, sell and rehabilitate real estate.
- 1.3 It was expressly agreed by Morrison that all of the Woolever's funds would only be used to purchase and rehabilitate real estate and that all investments had to be approved by Woolever before expenditure. The parties agreed that the profits from any real estate purchases and sales would be used first to repay the Woolever and the balance of any profits would be split between the parties. Morrison agreed to provide an accounting for all sums expended and received.
- 1.4 Morrison represented to Woolever that the best means to accomplish
 Woolever's investment goals was for Morrison to form two companies, Finish Touch
 Investments, Inc. and Path Investments Group, LLC. Per the scheme and instruction of
 Morrison, Woolever's funds were to be deposited into the bank accounts, per the instructions
 of Morrison, which bank accounts were controlled by Morrison.

PAGE 2

DANIELSON LAW OFFICE, P.S. 1001 4TH AVENUE, SUITE 3200 SEATTLE, WA 98154 206-652-4550

1.5 Morrison represented to Woolever that he would have access to the bank accounts for Path and Finish Touch. Despite this promise, Woolever was never granted access to the bank accounts or information concerning expenditure from the bank accounts.

At all times material to the representations and statements made by Morrison, he maintained dual residences in Arizona and Washington. Morrison conducted business in Arizona and Washington. Path Investments maintained a business address in Kirkland, Washington.

- 1.6 From December 19, 2009 through June of 2010, Woolever deposited a total of\$425,000.00 into bank accounts under the exclusive control of the Morrison.
- 1.7 The bulk of the funds wired into the bank accounts went from Woolever.
 Additional funds were deposited into the bank accounts by other investors who believed they were investing in the buying and selling of real estate.
- 1.8 After the funds were deposited into the bank accounts, the Morrison repeatedly advised the Woolever that his investments were doing better than expected and that the Woolever had earned a 50% profit or better. Morrison repeatedly promised to provide an accounting to Woolever, yet failed and refused to do so.
- 1.9 After the litigation was commenced it was learned that Morrison has never held a real estate license, a securities license or a contractor's license. The companies formed by Morrison, Finish Touch Investments and Path Investments were never maintained as corporations or as a limited liability company. Morrison failed to keep corporate books or records or records to account for or show the business operations of Path Investments or Finish Touch Investments.

PAGE 3

DANIELSON LAW OFFICE, P.S. 1001 4TH AVENUE, SUITE 3200 SEATTLE, WA 98154 206-652-4550

- 1.10 Morrison operated Finish Touch Investments and Path Investments as his alter ego illegally converting the Woolever funds, and other investor funds, for Morrison personal use and pleasure.
- 1.11 By accepting funds from Woolever and other investors, Morrison had a fiduciary duty to hold, manage and account for the use of the Woolever funds and other investor funds.
- 1.12 Morrison breached his fiduciary duty through the misuse of Woolever funds and the funds of other investors.
- 1.13 Morrison personally agreed to repay the Woolever his investment funds. To evidence his personal promise to pay the Woolever, the Morrison Morrison executed a promissory note and had his signature notarized.
- 1.14 Morrison failed and refused to pay the promissory notes and is default of his obligation per the terms of the promissory note.
- 1.15 Morrison unilaterally changed the name of the obligor on the first promissory note. This change was not authorized by Woolever and the change made by Morrison did not relieve him of his obligation per the terms of the promissory note. Morrison is personally liable to Woolever pursuant to the terms of the promissory notes above mentioned.
- 1.16 Morrison is engaged in a pattern of fraud, misrepresentation, and conversion in trade and commerce for the purposes of securing funds from investors, such as from the plaintiff Woolever.
- 1.17 Morrison created Finish Touch Investments, Inc. and Path Investments Group,
 LLC. yet failed to secure needed business licenses and permits and fails to pay taxes. The
 PAGE 4

1001 4TH AVENUE, SUITE 3200 SEATTLE, WA 98154 206-652-4550 defendant Morrison operated Finish Touch Investments and Path Investments Group as his alter ego. Morrison is personally liable for the debts and obligations of Finish Touch Investments, Inc. and Path Investments Group, LLC.

- 1.18 As a result of the breach of the Morrison's promise of payment, the Woolever has been damaged in the sum of \$489,181.28 with interest thereon at 12% per annum dating from January 9, 2012.
- 1.19 The acts of the Morrison in securing funds under false pretenses constitutes fraud and misrepresentation.
- 1.20 The acts of Morrison in taking funds from Woolever and using the funds for his personal lifestyle constitutes defalcation and a breach of Morrison's fiduciary duty to Woolever.
- 1.21 The acts of the Morrison constitute conversion thereby causing the Woolever to suffer damages in the sum of \$425,000.00.
- 1.22 The acts of the Morrison in soliciting investments from Woolever and the public at large took place in trade and commence. The statements and actions of Morrison were unfair and deceptive and resulted in the Woolever suffering damages in excess of \$489,000.00
- 1.23 The acts of Morrison complained of are in violation of the Washington Consumer Protection Act, RCW 19.86.
- 1.24 The acts of Morrison in taking funds in three or more transactions from Woolever in sums greater than \$20,000.00 and taking funds from other investors, and using

PAGE 5

DANIELSON LAW OFFICE, P.S. 1001 4TH AVENUE, SUITE 3200 SEATTLE, WA 98154 206-652-4550

the money for his personal benefit constitutes felony theft in violation of RCW 9A.56 and money laundering in violation of 9A.83.

1.25 Morrison used funds secured from a pattern of criminal profiteering for the operation of a business in violation of RCW 9A.82.080.

Having entered the foregoing Findings of Fact, the Court hereby enters the following Conclusions of Law.

II. CONCLUSIONS OF LAW.

- 2.1 The Findings of Fact are hereby reincorporated into the Conclusions of Law.
- 2.2 The acts of the defendant Morrison constitute breach of contract. That in accordance with the Promissory Note, the plaintiff Woolever is entitled to a judgment against Morrison in the sum of \$489,181.29, with interest thereon at the statutory rate of 12% per annum dating from January 9, 2012.
- 2.3 In accordance with the Promissory Note, paragraph 11, the plaintiff Woolever is entitled the award of his attorneys' fees for being forced to maintain his action.
- 2.3 The defendant Morrison had a fiduciary duty to the plaintiff Woolever to hold, manage and account for the plaintiff's funds and investments. Morrison breached his fiduciary duty to the plaintiff. The acts of the defendant Morrison constitute fraud, defalcation and a breach of the fiduciary duty.
- 2.4 The defendant Morrison acted outside the scope of his authority when supposedly conducting business on behalf of Finish Touch Investments and/or Path

 PAGE 6

 DANIELSON LAW OFFICE, P.S.

1001 4TH AVENUE, SUITE 3200 SEATTLE, WA 98154 206-652-4550 Investments. The defendant Morrison is personally liable for his actions outside of his authority in the principal sum of \$425,000.00 with interest thereon at the statutory rate of 12% per annum darting from January 9, 2012. That this judgment sum is included in the Judgment entered by this Court.

- Finish Touch Investments and Path Investments have not been operated as 2.5 business entities separate and distinct from the defendant Morrison. All actions of the defendant Morrison supposedly on behalf of either Path Investments or Finish Touch Investments are the acts and liability of the defendant Morrison in his personal capacity.
- 2.6 The acts of the defendant Morrison are in violation of the Washington Consumer Protection Act, RCW 19.86. The plaintiff is entitled to judgment for his actual damages, civil damages of \$25,000.00, costs and attorneys' fees.
- 2.7 The acts of the defendant Morrison are in violation of the Washington Criminal Profiteering Act, 9A.82. The plaintiff is entitled to a judgment for his actual damages, civil damages of \$250,000.00 and his plaintiff's costs and attorneys' fees.
- 2.8 That in accordance with Promissory Note, RCW 19.86.090 and RCW 9A.82.100, the plaintiff is entitled to the award of his attorney's fees to be awarded at a later date.

Done this 27th day of August, 2015.

PAGE 7

DANIELSON LAW OFFICE, P.S. 1001 4TH AVENUE, SUITE 3200 SEATTLE, WA 98154 206-652-4550

27

23

24

25

26

Presented by: DANIELSON LAW OFFICE, P.S.

/S/ Bruce O. Danielson

Bruce O. Danielson, WSBA #14018 Attorney for the Woolever

PAGE 8

DANIELSON LAW OFFICE, P.S. 1001 4TH AVENUE, SUITE 3200 SEATTLE, WA 98154 206-652-4550