1	The Honorable Elizabeth Martin							
2	Noted for Consideration: October 30, 2020, 9:00am With Oral Argument							
3	DEPT 16 IN OPEN COURT							
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	OCT 3 0 2020							
5	PIERCE COUNTY, Clerk							
6	By CEDITY							
7	DEPOT							
8	STATE OF WASHINGTON PIERCE COUNTY SUPERIOR COURT							
9	STATE OF	WASHINGTON,	NO. 18-2-09903-5					
10		Plaintiff,	DEFAULT JUDGMENT					
11	v.		[PROPOSED]					
12	FALLEN HERO BRACELETS, a							
13	Washington nonprofit corporation; THE BENJAMIN FOUNDATION, a							
14	Washington nonprofit corporation also d/b/a							
15	THE ROBERTS RIDGE FOUNDATION and THE CRAIG NOBLE FOUNDATION;							
16	MIDNIGHT COAL COMPANY, LLC, a Washington limited liability company, also							
	d/b/a 3CHARLIE.COM AND KOPFJAGER ARMS; and MICHAEL							
17	ALEXANDER FRIEDMANN and JANE							
18	DOE FRIEDMANN, individually and as part of their marital community,							
19	Defendants.							
20								
21	I. JUDGMENT SUMMARY							
22	1.1	Judgment Creditor	State of Washington					
23	1.2	Judgment Debtors	Fallen Hero Bracelets;					
24			The Benjamin Foundation; The Midnight Coal Company;					
			Michael Alexander Friedmann;					
25	1.3	Principal Judgment Amount	\$995,121.88					
26	1.0		ψ220g1#1000					

NOW, THEREFORE, The Court enters the following Findings of Fact and Conclusions of Law and hereby ORDERS AND DECREED as follows:

#### II. FINDINGS OF FACT

## A. Defendants

- 2.1 Defendant Fallen Hero Bracelets (FHB) was, at all times material to this action, a Washington State nonprofit corporation with a principal place of business in Tacoma, Washington. FHB incorporated on September 28, 2015, and voluntarily dissolved by action of the corporation on November 21, 2018. Fallen Hero Bracelets has done business as 3Charlie.com.
- 2.2 Defendant The Benjamin Foundation was, at all times material to this action, a Washington State nonprofit corporation based in Tacoma, Washington, and was voluntarily dissolved by action of the corporation on November 26, 2018. The Benjamin Foundation has done business as The Roberts Ridge Foundation and the Craig Noble Foundation.
- 2.3 Defendant Midnight Coal Company, LLC, was, at all times material to this action a limited liability company organized under the laws of Washington State. Midnight Coal Company, LLC, has done business as 3Charlie.com and Kopfjager Arms.
- 2.4 Defendant Michael Alexander Friedmann was, at times material to this action, the only founder/incorporator, director, and officer for Fallen Hero Bracelets, The Benjamin Foundation, and the Midnight Coal Company, LLC (collectively the Entity Defendants). Friedmann is unmarried and resides in Tacoma, Washington. Friedmann controlled all aspects of the Entity Defendants' activities. Friedmann is not a veteran or active-duty service member of any of the United States armed forces and is not a part of any pararescue organization.

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Friedmann has never held a position in law enforcement. Friedmann is not a lawyer and is not licensed to practice law in this or any other state.

- 2.5 Defendant Jane Doe Friedmann has not been identified.
- 2.6 Collectively Defendants maintained e-commerce websites which offered for sale various items (hats, t-shirts, bracelets, and other items) related to or referencing members of the armed forces and/or law enforcement who had died in the line of duty. These websites include(d) fallenherobracelets.com; thebenjaminfoundation.us; and 3charlie.com. Defendants also maintained a website known as wallofshame.us, which Friedmann used to post vulgar posts about customers who complained about Defendants' activities. Defendants offered these items for sale world-wide but their principal place of business was in Pierce County, Washington.
- 2.7 The term "Defendants" refers collectively to all defendants as well as their officers, agents, servants, employees, and representatives.

# B. Plaintiff

3.1 Plaintiff is the State of Washington,

#### C. Violations of the Consumer Protection Act

4.1 Websites managed by Defendants offered various items for sale and told consumers their purchase would be processed and shipped in "7 to 14" days. Multiple claims on the websites indicated a "100% Customer Satisfaction Guarantee." These and other representations made on the websites created a net impression that a purchaser could expect their purchased item would be delivered to them in a reasonable period of time and that the customer would have some recourse if they were unsatisfied by the product.

- 4.2 On a regular basis during the period relevant to this litigation, Defendants did not process and ship purchase items on a timely basis, with many purchases taking months to arrive. In some instances, customers never received their purchases. In other instances, customers received their purchases only after they complained.
- 4.3 Defendants regularly refused to provide refunds when requested by consumers and frequently argued with consumers who complained about their purchases.
- 4.4 At times, frustrated consumers attempted to cancel their orders but Defendants refused to honor the requests. In other instances, consumers attempted to obtain refunds through their credit card company, bank, or other payment processor.
- 4.5 Defendants, through Friedmann, frequently engaged in harassing, threatening, and abusive conduct against customers who complained. In some instances, Defendants referred a false "debt" to collections agencies seeking a great deal more than the original purchase price. In other instances Defendants filed lawsuits against disgruntled consumers seeking as much \$5,000 in damages.
- 4.6 In at least two instances Defendants advertised and sold products on their websites representing the items were genuine, but the products he actually shipped were counterfeit.
- 4.7 Defendants' websites included draconian terms of service applicable to every purchase. The terms included limiting customers' rights to complain, provide negative reviews, and dispute transactions with their banks or payment processors.

4.8 Defendants benefited from their acts and practices, having received \$504,017.32 as a result of their conduct. Defendants' practices specifically harmed at least 51 individuals in the amount of \$13,068.38.

#### D. Violations of the Charitable Solicitations Act

- 5.1 During the period of time relevant to this litigation, Defendants promoted their products for sale by asserting a portion of the sales price would be used to benefit as many as 40 different charitable organizations.
- 5.2 Defendants did not donate any of their proceeds to charitable organizations and did not use proceeds for Defendants' stated charitable purposes.
- 5.3 During the period of time relevant to this litigation, Defendants represented to the public that they assisted families going through divorce and separation.
- 5.4 Defendants never provided services to families going through divorce or separation.
- 5.5 During the period of time relevant to this litigation, Defendants claimed they provided trained service dogs to veterans.
  - 5.6 Defendants never provided trained service dogs to veterans.
- 5.7 No one involved with the Entity Defendants, including Michael Friedmann, was associated or affiliated with service members who fought in the battle of Roberts Ridge (also known as the Battle for Takur Ghar).
- 5.8 No one involved with the Entity Defendants, including Michael Friedmann, was associated or affiliated with the Chris Kyle Memorial Benefit; the United States Air Force Pararescue division; the Brian Bill Foundation; or any other veterans' charity.

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- 5.9 During the period of time relevant to this litigation, Defendants claimed Fallen Hero Bracelets was a pararescue organization.
  - 5.10 Fallen Hero Bracelets was never a pararescue organization.
- 5.11 While soliciting for charitable contributions, Fallen Hero Bracelets used the name and logo (or emblem) of a fictitious accrediting organization called the "Business Bureau of America." (BBA) Friedmann claimed he received an A+ rating from the BBA.
- 5.12 While soliciting for charitable contributions, Friedmann claimed to have received an A+ rating from the Better Business Bureau and that he had significant positive sales feedback.
  - 5.13 In reality, Defendants had an F rating from the Better Business Bureau.
- 5.14 While soliciting for charitable contributions, Defendants' website claimed to have a 7 to 14 day processing and shipping period when, in fact, the products took much longer to arrive, if they arrived at all. Additionally, Defendants' claimed to have a 100% customer satisfaction guarantee but they did not honor the purported guarantee.
- 5.15 While soliciting charitable contributions from the public in this state, Defendants failed to clearly and conspicuously disclose the published toll-free number and website of the Office of the Secretary of State and the city of Defendants' principal place of business at the point of the solicitation.
- 5.16 Defendants were not registered with the Secretary of State as charitable organizations prior to soliciting charitable contributions from the public.
- 5.17 Defendants engaged in the described acts from at least FHB's incorporation on September 28, 2015, and continued until at least its dissolution date on November 1, 2018, which was a total of 1,131 days.

The described act or practice constitutes a violation of the CPA 19.86.020. The Court finds that Defendants failed to provide refunds upon request at least 17 times during the relevant period.

- 6.10 The abusive use of collection agencies to collect false debt is an unfair practice in trade and commerce. FoF, ¶4.5. The described act or practice constitutes a violation of the CPA 19.86.020. The Court finds that Defendants referred 19 consumers to collection agencies.
- 6.11 Defendant's use of frivolous lawsuits alleging that his customers owed him damages was an unfair act or practice in trade and commerce. FoF, ¶4.5. The described act or practice constitutes a violation of the CPA 19.86.020. The Court finds that Defendants filed lawsuits against five consumers.
- 6.12 Defendants use of threatening and abusive conduct and language against customers who complained was an unfair at or practice in trade and commerce. FoF, ¶4.5. The described act or practice constitutes a violation of the CPA 19.86.020. The Court finds that Defendants used threatening and abusive conduct or language against at least 16 consumers.
- 6.13 Defendant's sale of counterfeit products is an unfair and deceptive act or practice in trade or commerce. FoF, ¶4.6. The described act or practice constitutes a violation of the CPA 19.86.020. The Court finds that Defendants sold counterfeit products at least twice.
- 6.14 The terms of service contained on Defendants' websites that limited customers' rights to complain, provide negative reviews, and dispute transactions with their banks or payment processors are unfair and deceptive acts or practices in trade or commerce. FoF ¶4.7. The terms of services were included on Defendants' websites during all 1,131 days of FHB's existence.

- 6.15 The Court finds 1,240 distinct violations of the CPA 19.86.020 stemming from the practices outlined in  $\P6.8-6.14$ .
- 6.16 During the 1,131 days of FHB's existence, Defendants' websites contained claims and images that, taken together, created the deceptive net impression that either Friedmann or other individuals involved with the Entity Defendants were veterans of the armed services. These deceptive claims were made in conjunction with Defendants' solicitations for charitable contributions and, thus, constituted violations of the CSA RCW 19.09.100(15).
- 6.17 Defendants' websites contained claims and images that, taken together, created the deceptive net impression that it used contributions to provide service dogs to veterans. FoF, ¶¶5.5-5.6. These deceptive claims were made in conjunction with Defendants' solicitations for charitable contributions and, thus, constituted violations of the CSA RCW 19.09.100(15).
- 6.18 Defendants' websites contained claims and images that, taken together, created the deceptive net impression that they used charitable funds to assist families going through divorce or separation. FoF, ¶¶5.3-5.4. These deceptive claims were made in conjunction with Defendants' solicitations for charitable contributions and, thus, constituted violations of the CSA RCW 19.09.100(15).
- 6.19 During the period of time relevant to this litigation, Defendants' websites contained claims and images that, taken together, created the deceptive net impression that they were associated or affiliated with service members who fought in the battle of Roberts Ridge (also known as the Battle of Takur Ghar). FoF, ¶5.7-5.8. These deceptive claims were made in conjunction with Defendants' solicitations for charitable contributions and, thus, constituted violations of the CSA RCW 19.09.100(15).

- 6.20 During the period of time relevant to this litigation, Defendants' websites contained claims and images that, taken together, created the deceptive net impression that they were associated or affiliated with the Chris Kyle Memorial Benefit, the United States Air Force Pararescue Division; the Brian Bill Foundation; and other organizations set up in memory of service members who died in the line of duty. FoF, ¶¶5.7-5.8. These deceptive claims were made in conjunction with Defendants' solicitations for charitable contributions and, thus, constituted violations of the CSA RCW 19.09.100(15).
- 6.21 During the period of time relevant to this litigation, Defendants' websites contained claims and images that, taken together, created the deceptive net impression that Fallen Hero Bracelets was a pararescue organization. FoF, ¶¶5.9-5.10. These deceptive claims were made in conjunction with Defendants' solicitations for charitable contributions and, thus, constituted violations of the CSA RCW 19.09.100(15).
- 6.22 Defendants' use of the Business Bureau of America and the torch logo created the deceptive net impression that Fallen Hero Bracelets was accredited by a legitimate business rating organization and was deceptively similar to the Better Business Bureau name and logo. FoF, ¶5.11. These deceptive claims were made in conjunction with Defendants' solicitations for charitable contributions and, thus, constituted violations of the CSA RCW 19.09.100(15).
- 6.23 Claims and images on Defendants' websites created the deceptive net impression that Fallen Hero Bracelets had a positive accreditation from the Better Business Bureau and, generally, had a positive customer service history. FoF, ¶5.12-5.13. These deceptive claims were made in conjunction with Defendants' solicitations for charitable contributions and, thus, constituted violations of the CSA RCW 19.09.100(15).

- 6.24 Claims and images on Defendants' websites created the deceptive net impression that Fallen Hero Bracelets had a 7 to 14-day processing and delivery window and a satisfaction guarantee. FoF, ¶5.14. These deceptive claims were made in conjunction with Defendants' solicitations for charitable contributions and, thus, constituted violations of the CSA RCW 19.09.100(15).
- 6.25 Defendants' failures to clearly and conspicuously disclose the published toll-free number and website of the Office of the Secretary of State and the city of Defendants' principal place of business at the point of the solicitation are each violations of the CSA RCW 19.09.100(1), (4). FoF, ¶5.15.
- 6.26 Defendants were required to register with the Office of the Secretary of State prior to soliciting charitable contributions from the public. FoF, ¶5.16; RCW 19.09.065. Defendants' failure to register is a violation of the CSA.
- 6.27 While conducting charitable solicitations from the public, Fallen Hero Bracelets and Michael Friedmann failed to fully and fairly disclose the name of the entity soliciting the charitable contribution, which is a violation of the CSA RCW 19.09.100(15). FoF, ¶5.15.
- 6.28 Each of the violations of the CSA was present on Defendants' websites since at least September 28, 2015, until at least November 1, 2018, or a total of 1,131 days. The Court concludes that the Defendants violated the CSA at least 15 times per day for 1,131 days for a total of 16,965 violations.
- 6.29 Pursuant to RCW 19.09.340, violations of the Charitable Solicitations Act are *per se* violations of the Consumer Protection Act RCW 19.86, *et. seq.*

- 6.30 Plaintiff is entitled to a decree ordering Defendants to pay the amounts set forth herein.
- 6.31 Plaintiff is entitled to a decree enjoining Defendants from the acts and practices described herein.
  - 6.32 Plaintiff is the prevailing party under RCW 19.86.
- 6.33 Considering the "lodestar" factors as outlined in *Bowers v. Transamerica Title*Ins. Co., 100 Wn.2d 581, 675 P.2d 193 (1983) Plaintiff's costs and fees of \$168,954.88 detailed in the Declaration of Joshua Studor, Exhibit 1, are reasonable given the number of hours reasonably expended by Plaintiff's counsel and supporting litigation staff, the usual billing rate, and the quality of work performed.

The Court having made the forgoing Findings of Fact and Conclusions of Law, and in accordance therewith, the Court enters the following:

# IV. JUDGMENT AND DECREE

7.1 IT IS ORDERED that Defendants are adjudged to be in default in this action, and that such judgment shall enter pursuant to CR 55.

## IT IS FURTHER ORDERED.

- 7.2 The Court enters this judgment in accordance with the Findings of Fact and Conclusions of Law made herein.
- 7.3 Definitions of the following terms are adopted from RCW 19.09.020: "charitable organization," "charitable purpose," and "solicitation."
- 7.4 Defendants and all successors, assigns, transferees, agents, servants, employees, representatives, and all other persons in active concert or participating with Defendants are

hereby enjoyed and permanently restrained from directly or indirectly engaging in any of the following conduct:

- a. Participating in or directing anyone else to participate in any of the conduct described as violations above. *See* ¶4.1-5.16;
- b. Soliciting contributions for any charitable organization;
- c. Serving as a member, director, officer, or manager of any charitable organization;
- d. Holding a fiduciary or accounting role with any charitable organization or nonprofit corporation incorporated under the Washington Nonprofit Corporations Act, RCW 24.03;
- e. Acting as a trustee of a charitable trust as defined by RCW 11.110.020.
- f. Registering new business entities, including nonprofit corporations, with the Washington Secretary of State;
- g. Registering, managing, owning, or otherwise controlling any web domain used to sell or offer for sale any product related to the United State military or military service, veterans of the United States armed forces, and police and other first responders (e.g. firefighters, emergency medical technicians, etc.); and Registering, managing, owning, or otherwise controlling any web domain with a commercial or charitable purpose;
- h. Making misleading statements of material fact or omissions of material facts in Washington or to Washington consumers in connection with the offer, sale, or lease of any product or service;

- i. Violating any provision of the Consumer Protection Act, RCW 19.86; or
- j. Violating any provision of the Charitable Solicitations Act, RCW 19.09.
- 7.5 Defendants and all successors, assigns, transferees, agents, servants, employees, representatives, and all other persons in active concert or participating with Defendants are, pursuant to RCW 19.09.100(13) expressly prohibited from soliciting for charitable contributions as all Defendants are subject to a permanent injunction and judgment under RCW 19.86.080 and 19.86.090, involving violations of RCW 19.86.020;
- 7.6 **Civil Penalty**: Pursuant to RCW 19.86.140, Defendants, jointly and severally, are ordered to pay civil penalties in the amount of three hundred twenty two thousand one hundred fifty dollars (\$322,150), an amount certain, resulting from the following violations of RCW 19.86.020 and RCW 19.09.100:

Act or Practice	Penalty Per Violation	Number of Violations	Total Penalty
Abusive Use of a Collections Agency	\$2,000	19	\$38,000
Abusive Use of Lawsuits	\$2,000	5	\$10,000
Threatening and Abusive Conduct or	\$2,000	16	\$32,000
Language			
Sale of Counterfeit Products	\$50	2	\$100
Use of Unfair and Unreasonable Terms of	\$50	1,131	\$56,550
Service			
Misrepresenting that Proceeds Would	\$10	1,131	\$11,310
Benefit 40 Charitable Organizations			
Misrepresenting Veteran Status	\$10	1,131	\$11,310
Misrepresenting that Defendants Provided	\$10	1,131	\$11,310
Support to Families Going Through Divorce			
Misrepresenting Defendants' Relationship	\$10	1,131	\$11,310
to the Battle of Roberts Ridge			
Misrepresenting Defendants' Association	\$10	1,131	\$11,310
With Other Charitable Organizations			
Misrepresenting that Defendants are a	\$10	1,131	\$11,310
Pararescue Organization			
Misrepresenting that Defendants Provide	\$10	1,131	\$11,310
Service Dogs to Veterans			

Use of Mark Deceptively Similar to BBB	\$10	1,131	\$11,310
Logo			
Misrepresenting BBB Rating	\$10	1,131	\$11,310
Misrepresenting Order Processing Times	\$10	1,131	\$11,310
False Claims About Guarantees	\$10	1,131	\$11,310
Failure to Disclose OSOS Phone Number	\$10	1,131	\$11,310
and Website			
Failure to Disclose Defendant's Principal	\$10	1,131	\$11,310
Place of Business			
Failure to Register with OSOS	\$10	1,131	\$11,310
Failure to Disclose True Name of Solicitor	\$10	1,131	\$11,310

The civil penalty is due and payable immediately and any unpaid amounts are subject a postjudgment interest rate of 12% per annum.

- Restitution: Pursuant to RCW 19.86.080(2), Defendants, jointly and severally, are ordered to pay \$504,017 in restitution to be paid to the Plaintiff and distributed as follows: First \$13,111.38 shall be paid to victims identified by name in the Declaration of Bau Vang dated September 4, 2020. The remaining \$490,905.62 shall be paid to Plaintiff and must be used by Plaintiff to benefit Washington nonprofits and/or charitable organizations that serve families of military service members and law enforcement who died in the line of duty. In the event that any amount designated as restitution is rejected by an eligible consumer or remains otherwise unpaid as provided by this Judgment, such monies shall be converted to the *cy pres* and distributed by the Plaintiff as described above.
- 7.8 **Attorney Costs and Fees:** Pursuant to RCW 19.86.080, Defendants, jointly and severally, are ordered to pay Plaintiff, State of Washington, costs for this action, including reasonable attorneys' fees, in the amount certain of \$168,954.88 *See* Declaration of Joshua Studor, Exhibit 1.
  - 7.9 All payments made to satisfy this Default Judgment shall be in the form of a valid

check paid to the order of the "Attorney General – State of Washington." Payments shall be sent to the Office of the Attorney General, Attention: Margaret Farmer, Litigation Support Manager, 800 Fifth Avenue, Suite 2000, Seattle, Washington 98104-3188.

- Nothing in this Default Judgment shall be construed as to limit or bar any other government entity or any consumer in pursuit of other remedies against Defendants.
- Representatives of the Office of the Attorney General shall be permitted, upon reasonable notice to Defendants, to access and inspect all business records or documents under the control of Defendants to monitor compliance with the terms of this Default Judgment.
- Pursuant to RCW 19.86.140, any violation of the terms of this Judgment shall form the basis for further enforcement proceedings, including, but not limited to, contempt of Court proceedings and forfeiture of the civil penalty of up to \$25,000 for violations committed after the date of the Default Judgment.
- The violation of any of the injunctive terms of this Default Judgment shall constitute a violation of RCW 19.86.020.

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1	7.14 Jurisdiction is retained for the purpose of enabling Plaintiff to apply to the court			
2	for further restitution and for the enforcement of compliance with the terms of this Default			
3	Judgment.			
4	ENTERED this 30 day of October, 2020.			
5	Dention late			
6	THE HONORABLE ELIZABETH MARTIN			
7	Presented by:			
8	ROBERT W. FERGUSON			
9	Attorney General			
10	s/Joshua Studor JOSHUA STUDOR, WSBA #47183			
11	Assistant Attorney General Attorneys for Plaintiff State of Washington			
12	Attorneys for Plaintiff State of Washington			
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