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CASE NUMBER: 14-2-13149-6 SEA

HONORABLE JUDGE JEAN RIETSCHEL

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AND FOR THE COUNTY OF KING

CAUSE NO.: 14-2-13149-6 SEA

JESSICA WUBBELS,

Plaintiff,

v.

WINDERMERE REAL ESTATE/
BELLEVUE COMMONS, INC., a

Washington State corporation; KENNY
PLEASANT, individually and his marital
community; and, SEAN STEWART and
MARGARET STEWART, husband and
wife,

Defendants.

PLAINTIFF'S REPLY TO DEFENDANTS
STEWARTS' COUNTERCLAIM REGARDING
PROMISSORY NOTE AND CROSS CLAIM
AGAINST DEFENDANTS WINDERMERE AND
PLEASANT FOR INDEMNITY

COMES NOW the Plaintiff and for REPLY to the counterclaim alleged by Defendants Stewarts and cross claim against defendants Windermere and Pleasant, admits, denies, and alleges as follows:

SUPERIOR COURT OF WASHINGTON IN

I. REPLY TO COUNTERCLAIM [PROMISSORY NOTE]

1.1. In reply to paragraph 3.1, admit and state that Wubbels would not have proceeded with the purchase transaction if the Notice of Violation (NOV) dated March 21, 2012 had been disclosed to purchaser. Both Sean Stewart and the dual agent Kenny Pleasant owed a duty to disclose the NOV to Wubbels and failed to do so.

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- 1.2. In reply to paragraph 3.2, state that on or about April 12, 2013, Stewart delivered \$16,000 to Wubbels to be used as purported "buyer funds" in order to close the purchase transaction. State that the so-called loan was initiated and directed by Kenny Pleasant, in order to cause Wubbels to proceed with closing of the sale, for the financial benefit of Pleasant and Stewart. Further state that the "loan" was a sham transaction whereby the \$16,000 delivered by Stewart prior to closing was re-delivered to him at closing in the form of sale proceeds. Except as stated, the remaining allegations are denied.
- 1.3. In reply to paragraph 3.3, admit that a correct copy of the document entitled "Promissory Note" is attached.
- 1.4. In reply to paragraph 3.4, state that the Promissory Note was fraudulently procured and admit that five "payments" were made. Deny the remaining allegations.
- 1.5. In reply to paragraph 3.5, deny and state that the 'loan" was fraudulently procured.
- 1.6. In reply to paragraph 4.1, no further pleading is required.
- 1.7. In reply to paragraph 4.2, deny.

II. AFFIRMATIVE DEFENSES

- 2.1. For affirmative defenses to the counterclaim, Plaintiff alleges:
 - a. Fraud and misrepresentation,
 - b. Failure of consideration, and
 - c. Sham transaction concocted by defendant Pleasant and Stewart.

III. <u>CROSS-CLAIM AGAINST DEFENDANTS WINDERMERE AND PLEASANT FOR IDEMNITY</u>

3.1. The so-called loan was initiated and directed by Kenny Pleasant in order to cause Wubbels to proceed with closing of the Purchase and Sale Agreement

(PSA) with defendant Stewart which, unknown to Wubbels, was the subject of a NOV from the City of Seattle. As described below, Wubbels would not have sold her existing house and would not have purchased the Stewart house if the NOV had been disclosed to her.

3.2. Kenny Pleasant was the dual agent for the sale of Wubbels existing house on Lafayette street in Seattle and the purchase of the subject Stewart house on Mead street. The Lafayette PSA is dated March 12, 2012 and the Mead PSA is dated March 13. Due to mortgage financing and payoffs, the two PSA's had to close at the same time. The NOV was issued by the City on March 21. Pleasant received the NOV on the same day but never disclosed it to Wubbels. On March 23, the purchasers under the Lafayette PSA advised Pleasant that they were dissatisfied with the house condition and, on March 30, requested a price reduction of \$20,000. If Wubbels had known about the NOV, she would not have consented to any price reduction and the Lafayette PSA would likely have terminated. Instead, while keeping Wubbels in the dark as to the NOV, Pleasant convinced her to accept a \$9000 reduction on the Lafayette PSA. On April 6, Pleasant obtained Wubbels signature on an Amendment reducing the Lafayette house price from \$319,000 to \$309,000. Hence, Pleasant maneuvered Wubbels into a position where she was required to sell her house and move out without any knowledge that Stewart house was defective due to the NOV. During this same time frame, Wubbels learned that she did not have sufficient funds to purchase the Stewart house. In order to cause Wubbels to close on the Stewart house, Pleasant made a plan with the seller for him to deliver \$16,000 to Wubbels which would be re-delivered to Stewart at closing as "buyer funds." If the NOV had been disclosed to Wubbels she would have terminated the Mead PSA.

- By initiating and directing the "loan", Kenny Pleasant violated statutory and common law duties of an agent and broker owed to Wubbels.
- 3.3. To the extent that Wubbels is liable to Stewart for any amount or cost under the Promissory Note, Pleasant and Windermere are liable to plaintiff for indemnity in the same amount together with the amount of Wubbels attorney fees and costs incurred in the defense of the Stewart counterclaim.

IV. REQUEST FOR RELIEF

- 4.1. That Stewarts' counterclaim be dismissed with prejudice;
- 4.2. That Plaintiff have judgment against Defendants Windermere and Pleasant for indemnity in the amount of all costs of defense regarding the Stewart promissory note claim and, in the event of any judgment or set-off in favor of Stewart on such claim, for judgment against Windermere and Pleasant in the same amount; and,
- 4.3. For such further relief as is just and equitable.
 DATED this 8th day of August, 2014.

THE LAW OFFICES OF LANCE C. DAHL

By: Lance C. Dahl, WSBA #: 7608

Attorney for Plaintiff

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Kevin P. Sullivan, WSBA #: 11987 Mina Shahin, WSBA #: 46661

Attorneys for Plaintiff