1			
2			
3			
4			
5			
6			
7 8	IN THE SUPERIOR COURT FOR THE STATE OF WASHINGTON IN AND FOR BENTON COUNTY		
9	STATE OF WASHINGTON,	No. 13-2	2-00871-5
10	Plaintiff,	(Consoli	dated with No. 13-2-00953-3)
11	v.	. –	SOLL AND FREED'S
12 13	ARLENE'S FLOWERS, INC., d/b/a ARLENE'S FLOWERS AND GIFTS; and BARRONELLE STUTZMAN,	OPPOSITION TO DEFENDANTS' MOTION FOR PARTIAL SUMMARY JUDGMENT ON PLAINTIFFS' CLAIMS AGAINST BARRONELLE STUTZMAN	
14 15	Defendants.		R PERSONAL CAPACITY
15	ROBERT INGERSOLL AND CURT FREED,		
17	Plaintiffs,		
18	V.		
19	ARLENE'S FLOWERS, INC., D/B/A ARLENE'S FLOWERS AND GIFTS; AND BARRONELLE STUTZMAN,		
20 21	Defendants.		
22			
23	I. INTRODUCTION		
24	Defendant Barronelle Stutzman, owner and president of Defendant Arlene's Flowers,		
25	refused to sell Plaintiffs Robert Ingersoll and Curt Freed flowers for their wedding because Robert		
26	and Curt are gay. She now contends she cannot be held personally liable for that decision unless		
	Plaintiffs' Opposition to Defendants' Motion for Summary Judgment on Plaintiffs' Claims Again Barronelle Stutzman in Her Personal Capacity	st	HILLIS CLARK MARTIN & PETERSON P.S. 1221 Second Avenue, Suite 500 Seattle, Washington 98101 Telephone: (206) 623-1745 Facsimile: (206) 623-7789

the Arlene's Flowers corporate veil is pierced. A veil piercing analysis is not necessary. Ms. Stutzman has direct, personal, statutory liability under both the Washington Law Against Discrimination and Washington's Consumer Protection Act. The Court should therefore deny Defendants' motion for partial summary judgment as to Ms. Stutzman's personal liability.

Because Ms. Stutzman is directly and personally liable for her decision not to sell flowers for Robert and Curt's wedding, Plaintiffs agree that Ms. Stutzman cannot also be liable under the alternative theory that she aided and abetted discrimination. Robert Ingersoll and Curt Freed agree to dismiss their aiding and abetting claim.

II. STATEMENT OF FACTS

On February 28, 2013, Robert Ingersoll, a longtime Arlene's Flowers customer, drove to Arlene's to speak with someone about ordering flowers for his upcoming wedding. Decl. of Robert Ingersoll in Supp. of Opp'n to Defs.' Mot. for Partial Summ. J. on CPA Claim by Ingersoll and Freed ("Ingersoll Decl.") (Dkt. No. 82) ¶ 6. Robert spoke with Janell Becker, an Arlene's employee. *Id.* He told Ms. Becker he was getting married to Curt and that he wanted Arlene's to do the flowers. *Id.* Ms. Becker told Robert he would have to come back and speak with Arlene's Flowers' owner, Barronelle Stutzman. *Id.*

The next day, on March 1, 2013, Robert returned to Arlene's during his lunch hour and spoke with Ms. Stutzman. *Id.* ¶¶ 7-8. Robert had ordered flowers from Ms. Stutzman many times over the years. *Id.* ¶ 7; Decl. of Barronelle Stutzman in Supp. of Mot. for Partial Summ. J. on Personal Capacity Claims ("Stutzman Decl.") ¶¶ 7-9. Ms. Stutzman took Robert's hand and said she could not sell Curt and Robert flowers for their wedding because of her relationship with Jesus Christ. Ingersoll Decl. ¶ 8. Robert left Arlene's Flowers and returned to work in shock and empty handed. *Id.* ¶¶ 8-9.

Plaintiffs' Opposition to Defendants' Motion for Partial Summary Judgment on Plaintiffs' Claims Against Barronelle Stutzman in Her Personal Capacity - 2

The decision to refuse service was Ms. Stutzman's. She is the owner and president of Arlene's Flowers, Inc., and she establishes its policies. Stutzman Decl. ¶¶ 4-5; Decl. of A. Berry in Supp. of Mot. for Partial Summ. J. on Personal Capacity Claims Ex. A ("Stutzman Dep.") at 77:6-13. Having been warned by Ms. Becker that Robert would be asking Arlene's to provide flowers for his wedding to his same-sex partner, Ms. Stutzman consulted with her husband and concluded she could not provide flowers to the wedding because of their "biblical belief that marriage is between a man and a woman." Stutzman Dep. at 76:2-78:10. No one else participated in the decision, and Arlene's Flowers had no existing policy relating to weddings for same-sex couples. *Id.* at 44:10-45-2; 79:2-7. Indeed, Ms. Stutzman's personal religious beliefs were the only reason for her decision to refuse service: "The reason I could not create floral arrangements for Robert's wedding ceremony to Curt Freed was because of my biblical belief that marriage is a union of a man and a woman."¹ Stutzman Decl. ¶ 16.

III. AUTHORITY

Summary judgment is appropriate only if the moving party is entitled to judgment as a matter of law. CR 56(c). Here, Defendants argue that Ms. Stutzman cannot, as a matter of law, be held personally liable for her discrimination unless Plaintiffs can pierce the Arlene's Flowers corporate veil. This is not a case in which a veil piercing analysis is necessary or

Plaintiffs' Opposition to Defendants' Motion for Partial Summary Judgment on Plaintiffs' Claims Against Barronelle Stutzman in Her Personal Capacity - 3

¹ Although not relevant to the issues in this motion, Ms. Stutzman makes a point of claiming she declined to "participate" in the "event" of Robert and Curt's wedding, but that she "did not decline because of Robert and Curt's sexual orientation." *E.g.*, Defs.' Mot. for Partial Summ. J. on Pls.' Claims Against Barronelle Stutzman In Her Personal Capacity ("Defs.' Mot.") at 8; Stutzman Decl. ¶ 16. Presumably, Ms. Stutzman is suggesting that she objects only to the marriage of two men, regardless of whether those men are straight or gay, and that she would happily provide flowers to a gay man's wedding as long as he marries a woman. This attempted distinction is insulting and meritless. Such attempts to distinguish a protected status, such as sexual orientation, from conduct closely related with that status, such as marriage to a same-sex partner, have been roundly rejected. *E.g.*, *Elane Photography*, *LLC v. Willock*, 309 P.3d 53, 61-62 (N.M. 2013) (rejecting a similar argument in a case involving a wedding photographer who refused to photograph a wedding for a same-sex couple, and citing U.S. Supreme Court cases in support).

appropriate. Plaintiffs Ingersoll and Freed assert claims against Ms. Stutzman under the Washington Law Against Discrimination (WLAD) and Consumer Protection Act (CPA). Both statutes authorize direct personal liability for individuals, such as Ms. Stutzman, who violate those statutes.²

A. The WLAD Explicitly Imposes Personal Liability on Individuals such as Barronelle Stutzman

Plaintiffs do not need to pierce the corporate veil to reach Barronelle Stutzman personally

because Ms. Stutzman has direct statutory liability under the WLAD. The WLAD makes it

unlawful "for any *person or the person's agent or employee* to commit an act which directly or

indirectly results in any distinction, restriction, or discrimination" prohibited by the WLAD,

2 || including discrimination in public accommodation on the basis of sexual orientation.

RCW 49.60.215 (emphasis added); accord RCW 49.60.030. The WLAD broadly defines "person"

to include, among other things, individuals, corporate entities, and business owners and

employees:

"Person" includes one or more *individuals*, partnerships, associations, organizations, corporations, cooperatives, legal representatives, trustees and receivers, or any group of persons; *it includes any owner, lessee, proprietor, manager, agent, or employee*, whether one or more natural persons; and further includes any political or civil subdivisions of the state and any agency or instrumentality of the state or of any political or civil subdivision thereof.

Plaintiffs' Opposition to Defendants' Motion for Partial Summary Judgment on Plaintiffs' Claims Against Barronelle Stutzman in Her Personal Capacity - 4

 ² Defendants are ironically correct when they argue that "this case is nothing like those in which State courts have disregarded the corporate form and allowed plaintiffs to hold corporate officers personally liable." Defs.' Mot. at 9. This case involves claims against Ms. Stutzman based on direct statutory liability. This case is *not* a veil piercing case, and plaintiffs' cases are completely inapposite. *E.g., Annechino v. Worthy*, 175 Wn.2d 630, 290 P.3d 126 (2012) (tort case involving questions of fiduciary duties owed by bank officers); *Meisel v. M&N Modern Hydraulic Press Co.*, 97 Wn.2d 403, 645 P.2d 689 (1982) (veil piercing case involving product liability claim); *Truckweld Equip. Co., Inc. v. Olson*, 26 Wn. App. 638, 618 P.2d 1017 (1980) (veil piercing case involving breach of contract claim); *Block v. Olympic Health Spa, Inc.*, 24 Wn. App. 938, 604 P.2d 1317 (1979)

⁽same).

RCW 49.60.040(19) (emphasis added).³ Barronelle Stutzman, the owner of Arlene's Flowers, is thus a "person" subject to the WLAD, and the plain language of the WLAD reaches an individual (whether an owner, manager, agent, or employee) who violated the WLAD while on the job.

The Washington Supreme Court has confirmed that the WLAD reaches an individual's acts of on-the-job discrimination, even if the individual's employer is also liable for the discrimination. In *Brown v. Scott Paper Worldwide Co.*, employees sued their corporate employers, and their individual supervisors, for sex and age discrimination under the WLAD. 143 Wn.2d 349, 354-57, 20 P.3d 921 (2001). The supervisors claimed they could not be sued individually under the WLAD because the WLAD prohibits discrimination only by an "employer." *Id.* at 357 (citing RCW 49.60.180). The Supreme Court disagreed. The WLAD defines "employer" to include "any *person* acting in the interest of an employer, directly or indirectly," and the Court interpreted that definition to authorize liability for "both the individual supervisor who discriminates and the employer for whom he or she works." *Id.* at 357-60 (citing RCW 49.60.040) (emphasis added).

In reaching that conclusion, the Court was mindful that the WLAD "mandates liberal construction in order to accomplish the broad purpose[] of the law," which is to "eliminate all forms of discrimination." *Id.* at 357, 359-60 (citing RCW 49.60.010-020). The Court therefore "view[s] with caution any construction that would narrow the coverage of the law," and held that "enabling employees to sue individual supervisors who have discriminated against them is consistent with the broad public policy to eliminate all discrimination in employment."

Id. at 357, 361-62.

Plaintiffs' Opposition to Defendants' Motion for Partial Summary Judgment on Plaintiffs' Claims Against Barronelle Stutzman in Her Personal Capacity - 5

³ The list following the word "Person" in RCW 49.60.040(19) is exemplary only, not exclusive, because the definition uses the word "includes." *E.g., Brown v. Scott Paper Worldwide Co.*, 143 Wn.2d 349, 359, 20 P.3d 921 (2001) ("the word 'includes' . . . is a term of enlargement;" by contrast, "the word 'means' . . . is a term of limitation"). The definition of "person" is very broad and, like the rest of the WLAD, must be construed

liberally. RCW 49.60.020.

Here, as in *Brown*, individual liability is consistent not only with the legislative intent underlying the WLAD, but, most importantly, with the plain text of the WLAD. The WLAD holds every person accountable for unlawful acts of discrimination in public accommodation, and explicitly includes (and certainly does not *exclude*) acts of discrimination undertaken by a person while on the job. *Accord, e.g., Marquis v. City of Spokane*, 130 Wn.2d 97, 103, 922 P.2d 43 (1996) (requiring the City of Spokane and individual city employees to stand trial for sex discrimination under the WLAD); *Lewis v. Doll*, 53 Wn. App. 203, 204, 765 P.2d 1341 (1989) (owner of 7-11 store sued individually, and held liable, under the WLAD for racial discrimination). Ms. Stutzman's decision to refuse service to Robert and Curt thus subjects her to liability under the WLAD.

Ms. Stutzman is Personally Liable Under the CPA for her Discriminatory Acts

Ms. Stutzman also has direct, statutory liability under the CPA. First, as the Court has previously observed, the WLAD explicitly makes a violation of the WLAD a violation of the CPA where injury is caused by the WLAD violation. Second, regardless of its connection to the WLAD, the CPA reaches individuals who participate in prohibited conduct, whether on the job or otherwise.

1. Ms. Stutzman is personally liable under the CPA because she is personally liable under the WLAD.

Under the WLAD, "any unfair practice prohibited by [the WLAD] committed in the course of trade or commerce as defined in the Consumer Protection Act, chapter 19.86 RCW, is, for the purpose of applying that chapter, a matter affecting the public interest, is not reasonable in relation to the development and preservation of business, and is an unfair or deceptive act in trade or commerce." RCW 49.60.030(3). Thus, an unfair practice under the WLAD, occurring in trade or

Plaintiffs' Opposition to Defendants' Motion for Partial Summary Judgment on Plaintiffs' Claims Against Barronelle Stutzman in Her Personal Capacity - 6

commerce, satisfies every element of a CPA claim where the unfair practice results in injury (as will inevitably be the case). *E.g., Panag v. Farmers Ins. Co. of Wash.*, 166 Wn.2d 27, 37, 204 P.3d 885 (2009) (listing elements of CPA claim, including (1) an unfair or deceptive act or practice (2) occurring in trade or commerce and (3) affecting the public interest). Because Ms. Stutzman is individually liable for her discriminatory act under the WLAD, she is individually liable for the injuries caused by that act under the CPA. RCW 49.60.030(3).

2. CPA liability extends to individuals who participate in prohibited conduct.

Ms. Stutzman is also individually liable under the CPA because the CPA applies to an individual's on-the-job conduct. In Washington, "[i]f a corporate officer participates in the wrongful conduct, or with knowledge approves of the conduct, then the officer, as well as the corporation, is liable for the penalties." *State v. Ralph Williams' North West Chrysler Plymouth, Inc.*, 87 Wn.2d 298, 322, 553 P.2d 423 (1976). This source of liability is unrelated to liability resulting from corporate veil piercing. *Id.* Indeed, a corporate employee may not be liable under theories of corporate veil piercing but, on the same facts, be personally liable for her violations of the CPA.

For example, in *State v. Ralph Williams*, a car dealership violated the CPA by engaging in deceptive sales practices. 87 Wn.2d at 305-09. On appeal, the dealership's owner, Ralph Williams, claimed he could not be liable for the dealership's CPA violation because the trial court had correctly denied the plaintiff's request to pierce the corporate veil. *Id.* at 321-22. In affirming Williams' personal liability, the Supreme Court explained that veil piercing was unnecessary, and that Williams was "independently liable for his role in formulating and supervising the dealership's unlawful activities." *Id.* at 322.

Plaintiffs' Opposition to Defendants' Motion for Partial Summary Judgment on Plaintiffs' Claims Against Barronelle Stutzman in Her Personal Capacity - 7

Similarly, in *Grayson v. Nordic Construction Co.*, the president and majority stockholder of Nordic Construction Company, Arnold Bergstrom, claimed he could not be held personally liable for the company's CPA violation because, under the facts of that case, it was inappropriate to pierce the corporate veil. 92 Wn.2d 548, 552, 599 P.2d 1271 (1979). The Supreme Court agreed that it was inappropriate to pierce the corporate veil in that case, but "nonetheless [found] that personal liability was properly imposed on Bergstrom under the rule enunciated in [*State v. Ralph Williams*]." *Id.* at 553-54. The Court held Bergstrom was "personally liable as a corporate officer who participated in a violation of the Consumer Protection Act." *Id.* at 554.

Ms. Stutzman cites both *Ralph Williams* and *Grayson* in her motion papers, but misleadingly suggests that both cases are veil piercing cases that depended on the existence of "fraud, deception, or theft," or another intentional violation of the law, to impose personal liability. Defs.' Mot. at 5-7. Neither case relied on a veil piercing analysis to impose personal liability, and neither depended on the existence of fraud, deception, or theft, or an intentional violation of the law. Indeed, the rule stated in both cases is the same, and is more than broad enough to require personal liability for Ms. Stutzman here: "If a corporate officer participates in wrongful conduct or with knowledge approves of the conduct, then the officer, as well as the corporation, is liable for the penalties." *Grayson*, 92 Wn.2d at 554; *Ralph Williams*, 87 Wn. 2d at 322.

Here, as in *Ralph Williams* and *Grayson*, Ms. Stutzman had a direct, personal role in the CPA violation at issue. She is therefore personally liable for the CPA violation, and her motion for partial summary judgment should be denied.

C.

Neither the WLAD nor the CPA Requires that Ms. Stutzman Knowingly Violated the Law or Acted with Discriminatory Intent

Throughout their brief, Defendants suggest Ms. Stutzman cannot be liable for her conduct

Plaintiffs' Opposition to Defendants' Motion for Partial Summary Judgment on Plaintiffs' Claims Against Barronelle Stutzman in Her Personal Capacity - 8

because she allegedly did not "knowingly" engage in unlawful discrimination, or "intentionally discriminate[] against anyone." Defs.' Mot. at 8-9. Because Ms. Stutzman intentionally refused to provide flowers for their wedding, Plaintiffs contend that Ms. Stutzman did intentionally discriminate against them. Nonetheless, for purposes of this motion, Ms. Stutzman's intent is irrelevant.

The WLAD does not limit liability to people who intentionally violate its provisions. Nothing in the statute imposes such a limitation, *see* RCW 49.60.010 *et seq.*, and Washington courts have explicitly rejected efforts by defendants to avoid WLAD liability on the basis that no discrimination was intended, *e.g.*, *Negron v. Snoqualmie Valley Hosp.*, 86 Wn. App. 579, 588-89, 936 P.2d 55 (1997) (intentional discrimination not necessary for award of emotional distress damages under WLAD); *Lewis*, 53 Wn. App. at 210 ("Nor is the fact that [defendant] did not intend a discriminatory effect relevant.").

The CPA similarly applies regardless of whether the person violating its provisions did so knowingly or intentionally. Again, nothing in the CPA limits liability in that way, *see* RCW 19.86.010 *et seq.*, and Washington courts have found that the CPA "does not require a finding of an intent to deceive or defraud," and that "good faith on the part of the [violator] is immaterial," *Wine v. Theodoratus*, 19 Wn. App. 700, 706, 577 P.2d 612 (1978); *Fisher v. World-Wide Trophy Outfitters*, 15 Wn. App. 742, 748, 551 P.2d 1398 (1976). *Accord Grayson*, 92 Wn.2d at 552 (construction company owner liable for his role in his company's CPA violation even though the trial court "found no intentional wrongdoing on [his] part").

Ms. Stutzman is liable for her violations of the WLAD and CPA regardless of her intent or her understanding of the law at the time she refused to sell flowers for Robert and Curt's wedding.

Plaintiffs' Opposition to Defendants' Motion for Partial Summary Judgment on Plaintiffs' Claims Against Barronelle Stutzman in Her Personal Capacity - 9

D. Plaintiffs Agree to Dismiss Their Aiding and Abetting Claim

As noted above, the facts of this case support direct personal liability for Ms. Stutzman rather than aiding and abetting liability. Plaintiffs agree to dismiss their aiding and abetting claim against Ms. Stutzman.

IV. CONCLUSION

A person who violates the WLAD or CPA does not escape liability simply because he or she was working on behalf of a corporation when committing the violation. Both the WLAD and CPA hold individuals, such as Barronelle Stutzman, personally liable for violations of those statutes. A veil piercing analysis is unnecessary. Because Ms. Stutzman has direct, personal, statutory liability for her decision to refuse service to Robert and Curt, her motion for partial summary judgment should be denied.

DATED this 12th day of November, 2013.

HILLIS CLARK MARTIN & PETERSON P.S.

By

Michael R. Scott, WSBA #12822 Amit D. Ranade, WSBA #34878 Jake Ewart, WSBA #38655

AMERICAN CIVIL LIBERTIES UNION OF WASHINGTON FOUNDATION Sarah A. Dunne, WSBA #34869 Margaret Chen, WSBA #46156

AMERICAN CIVIL LIBERTIES UNION FOUNDATION Elizabeth Gill (Admitted *pro hac vice*) ACLU Foundation LGBT & AIDS Project Attorneys for Plaintiffs Robert Ingersoll and Curt Freed

ND: 99994.022 4846-3423-8486v1

Plaintiffs' Opposition to Defendants' Motion for Partial Summary Judgment on Plaintiffs' Claims Against Barronelle Stutzman in Her Personal Capacity - 10