70526-1

70526-1

NO. 70526-1

COURT OF APPEALS, DIVISION I
OF THE STATE OF WASHINGTON

SHANGHAI COMMERCIAL BANK LIMITED, a banking corporation organized and existing under the Laws of Hong Kong Special Administrative Region, the People's Republic of China,

Respondent,

v.

KUNG DA CHANG and "JANE DOE" CHANG, husband and wife, and the marital community comprised thereof,

Appellants.

RESPONDENT SHANGHAI COMMERCIAL BANK LIMITED'S RESPONSE BRIEF

Stellman Keehnel, WSBA No. 9309
Katherine Heaton, WSBA No. 44075
Stephen Hsieh, WSBA No. 45413
701 Fifth Avenue, Suite 7000
Seattle, Washington 98104-7044
Tel: 206.839.4800
Fax: 206.839.4801
E-mail: stellman.keehnel@dlaiper.com
E-mail: katherine.heaton@dlapiper.com
E-mail: stephen.hsieh@dlapiper.com

Attorneys for Respondent

TABLE OF CONTENTS

Page

I. INTRODUCTION 1

II. STATEMENT OF THE CASE 3

A. Factual History 3

B. Procedural History 8

III. ARGUMENT 9

A. Standard of Review 9

B. KD Chang's New Legal Arguments Are Not Issues of Material Fact, Nor Are They Persuasive 9

1. There Was No Request for Security for Costs and No Order for Security for Costs in the Hong Kong Judgment Being Enforced in Washington 10

2. KD Chang's Assertion that "Any Ruling in One Matter Should Be Considered by the Court to Be a Ruling in the Other Matter" Is Devoid of Merit 13

3. The Fourteenth Amendment Is Not Implicated Because Recognition of the Hong Kong Judgment Is Not a State Action 15

C. The Trial Court Did Not Err in Holding That the Security-for-Costs Procedure Satisfies Due Process 16

1. Washington Has an Almost Identical Security-for-Costs Procedure Which Fully Complies with Requirements of Due Process 17

2. Security-for-Costs Statutes Are Uniformly Upheld By Courts Across the United States 21

3. The Hong Kong Security-for-Costs Procedure Does Not Implicate the Right of Access to the Courts Because It Requires Hong Kong Courts to Consider the Possibility that a Claim Will Be Stifled 24

TABLE OF CONTENTS
(continued)

Page

4. There Was No Unconstitutional Deprivation of Property 27

5. The Hong Kong Judgment Is Not Repugnant to the Public Policy of the United States or Washington State 28

6. The Security-for-Costs Procedure Does Not Violate the Right to Travel 30

7. There Is No Doubt About the Integrity of the Hong Kong Court 30

D. KD Chang Has Not Raised Any Genuine Issues of Material Fact 32

IV. CONCLUSION 34

TABLE OF AUTHORITIES

Page(s)

CASES

Byrne v. Cooper,
11 Wn. App. 549, 523 P.2d 1216 (1974) 12, 33

Carlisle v. Columbia Irr. Dist.,
168 Wn.2d 555, 229 P.3d 761 (2010) 27

Chong v. Superior Court,
58 Cal. App. 4th 1032 (1997) 23, 24, 26, 30

Howell v. Spokane & Inland Empire Blood Bank,
117 Wn.2d 619, 818 P.2d 1056 (1991) 9, 14

Kennebec, Inc. v. Bank of the W.,
88 Wn.2d 718, 565 P.2d 812 (1977) 16

Kwongyuen Hangkee Co., Ltd. v. Starr Fireworks, Inc.,
634 N.W.2d 95 (S.D. 2001) 29

Lugar v. Edmondson Oil Co., Inc.,
457 U.S. 922, 102 S. Ct. 2744 (1982) 16

Lunding v. New York Tax Appeals Tribunal,
522 U.S. 287, 118 S. Ct. 766 (1998) 20

Mercier v. Sheraton Int'l, Inc.,
981 F.2d 1345, 1353 (1st Cir. 1992) 21

Nai–Chao v. Boeing Co.,
555 F. Supp. 9, 16 (N.D. Cal. 1982) 22

Naoko Ohno v. Yuko Yasuma,
723 F.3d 984 (9th Cir. 2013) 16

Overseas Partners, Inc. v. PROGEN Musavirlik ve Yonetim Hizmetleri, Ltd. Sikerti,
15 F. Supp. 2d 47, 55 (D.C.Cir. 1998) 22

Rains v. State,
98 Wn. App. 127, 989 P.2d 558 (1999) 29

Richardson v. Pac. Power & Light Co.,
11 Wn.2d 288, 118 P.2d 985 (1941) 28

State v. Meyer,
26 Wn. App. 119, 613 P.2d 132 (1980) 29

Teck Metals Ltd. v. Certain Underwriters at Lloyd's, London,
No. CV-05-411-LRS, 2009 WL 4716037 (E.D. Wash. Dec. 8, 2009) 14

Tjontveit v. Den Norske Bank ASA,
997 F. Supp. 799 (S.D. Tex. 1998) 21

Tonga Air Services, Ltd. v. Fowler,
118 Wn.2d 718, 826 P.2d 204 (1992) 28

Verdon v. AIG Life Ins. Co.,
118 Wn. App. 449, 76 P.3d 283 (2003) 9

White Coral Corp. v. Geyser Giant Clam Farms, LLC,
145 Wn. App. 862, 189 P.3d 205 (2008) 17, 19

Wien Air Alaska Inc. v. Brandt,
273 F.3d 1095 (5th Cir. Sept. 5, 2001) 22

STATUTES

RCW 4.84.210 ..... 5, 17

RCW 6.40A.030(3) 16

RCW 6.40A.050 8

RCW 6.40A.900 23

OTHER AUTHORITIES

§4473 Foreign Judgments, 18B Fed. Prac. & Proc. Juris. § 4473 (2d ed.) 15

I. INTRODUCTION

Before the Court is the legal issue of whether a judgment rendered by a Hong Kong court meets the requirements for recognition under Washington's Uniform Foreign-Country Money Judgments Recognition Act (the "Uniform Act"). Though appellant Kung Da Chang ("KD Chang") seeks to reverse the trial court's grant of summary judgment in favor of respondent Shanghai Commercial Bank Limited ("SCB") by arguing that there are issues of material fact, KD Chang raises no legitimate *factual* issues—only legal arguments that challenge the judgment rendered against him in the Hong Kong court. These arguments fail. Not only is it inappropriate to now seek relitigation of the underlying merits of the Hong Kong case in Washington, doing so would exceed the call of the Uniform Act, and, indeed, exceed the jurisdictional limits of Washington courts.

The Uniform Act requires only that the judgment sought to be recognized has been obtained in compliance with due process, a *legal* analysis that is removed from delving into the *facts* of the underlying judgment. KD Chang's taking issue with the *factual* findings of the Hong Kong trial court does not create an issue of material fact that can justify reversing the King County Superior Court's grant of summary judgment in favor of SCB. And, as appropriately found by the trial court, the Hong

Kong judgment at issue fully complies with the requirements of due process because: (1) **the relevant security-for-costs procedure has nothing to do with the judgment that SCB seeks to recognize in Washington**; and (2) said procedure is mirrored by a nearly identical Washington costs procedure. No American court has *ever* taken issue with *any* aspect of Hong Kong's due process protections, as evidenced by the unanimous federal and state court decisions recognizing the adequacy of Hong Kong forums and the legitimacy of Hong Kong judgments.

In light of these realities, KD Chang has expanded the scope of his accusations of unconstitutional judicial behavior to now contend that the *Washington trial court* acted unconstitutionally by following the Uniform Act and recognizing the Hong Kong judgment. These accusations are misplaced.

This simple debt collection case does not raise constitutional issues because the at-issue foreign judgment did not flow from a case in which KD Chang was required to post security for costs. Even if the at-issue foreign judgment had arisen from a proceeding which KD Chang was required to post security for costs (which plainly is not the case), KD Chang raises no undecided unconstitutional issues. As federal and state courts around the United States have held, the English Rule of "loser pays," combined with the English tradition of requiring an out-of-

jurisdiction claimant to post security, does not conflict with U.S. due process.

KD Chang's arguments are without merit for the reasons discussed below.

II. STATEMENT OF THE CASE

A. Factual History

As a threshold matter, the only facts relevant to this case are those related to the actual process of litigating the Hong Kong proceeding that took place in 2009. The *underlying facts* that are the subject of the Hong Kong proceeding are *not* relevant because in recognizing a foreign judgment, Washington courts are not tasked with re-litigating and reconsidering the factual merits of the underlying judgment. Moreover, many of the purported "facts" KD Chang seeks to introduce consist of nothing more than unsubstantiated accusations of fraud and wrongdoing—accusations that were fully litigated and rejected by the courts in Hong Kong. Opening Brief of Appellant Kung-Da Chang ("Br.") at 2–6. SCB will summarize only the facts that are actually relevant to a Washington court's determination of whether to recognize a foreign country money judgment.

In 2009, three separate lawsuits were filed in Hong Kong between the Chang family and SCB. High Court Action No. 806/2009 ("HCA

806") resulted in the Hong Kong judgment for which SCB obtained recognition in the King County Superior Court. HCA 806 was simply a claim to collect an unpaid loan.[1] KD Chang obtained this loan from SCB for the purpose of repaying certain indebtedness he owed to another bank—the Bank of East Asia, Limited ("BEA")—in connection with certain securities trades he had undertaken through BEA.[2] SCB is not affiliated with BEA.[3] All of the alleged losses KD Chang claims to have suffered were from investment products bought from BEA, not from SCB.[4] No investment products were purchased after the Changs transferred their investments to SCB in March 2008.[5]

In addition to HCA 806, two related proceedings were litigated between the Chang family and SCB. Action No. 805/2009 ("HCA 805") was filed by SCB to enforce a defaulted debt obligation against Grant Chang and Ching-Ho Chang, neither of whom is a party to this litigation.[6] In Action No. 1996/2009 ("HCA 1996"), KD Chang and his father Clark Chang were the plaintiffs, claiming fraud and violations of securities laws

---

[1] Declaration of Donny Siu Keung Chiu in Support of Petitioner's Motion for Summary Judgment ("Chiu Dec.") ¶ 3. CP 28.
[2] Chiu Dec. ¶ 6. CP 29.
[3] *Id.*
[4] *Id.*
[5] *Id.*
[6] Chiu Dec. ¶ 2. CP 28.

against SCB and BEA in connection with the debts the Changs had incurred that were the subject of HCA 805 and 806.[7]

Hong Kong courts, like most British-based legal systems, require losing plaintiffs to pay winning defendants' attorneys' fees. Consequently, in response to the plaintiff Changs' claims in HCA 1996, and pursuant to the Hong Kong Rules of the High Court Order 23, defendant SCB applied for security for costs in that proceeding.[8] **No such application was made in HCA 806, the lawsuit that resulted in the judgment that is the subject of this litigation.**[9] In HCA 805, the other bank—BEA—applied for security for costs in response to the Changs' counterclaims.[10]

The Hong Kong rules of civil procedure allow a defendant in any action to petition the court to order a nonresident plaintiff to post security for the possible costs of the litigation.[11] Such a bond prevents nonresident plaintiffs from avoiding payment of the winning defendant's attorneys' fees in the event of a post-trial adverse award of costs against plaintiffs. This security-for-costs mechanism in Hong Kong is almost identical to the Washington procedure under RCW 4.84.210. Furthermore, the order for

---

[7] Chiu Dec. ¶ 9, Ex. D. CP 30, 117.
[8] Chiu Dec. ¶ 12. CP 31.
[9] *Id.*
[10] Chiu Dec. Ex. I at 6–7. CP 251.
[11] *See* Hong Kong Rules of the High Court, Cap. 4A o.23, r. 1(1); Chiu Dec. ¶ 11, Ex. H. CP 31, 246.

such security for costs may be appealed—an option that KD Chang chose not to pursue.[12] The failure to post security for costs results only in dismissal of the subject claims, and not, as KD Chang asserts, imprisonment.[13] Because the Changs advanced identical arguments in their claims in HCA 1996 and their counterclaims in HCA 805, the two petitions for costs were heard together.[14] The Honorable Justice Poon granted oral argument for all parties over two days: February 17, 2011 and May 3, 2011.[15] On May 17, 2011, he issued a 15-page opinion detailing his analysis of the relevant factors, granting security for costs against the Changs in favor of SCB and BEA in HCA 1996, and granting security for costs against the Changs in favor of BEA for the counterclaims in HCA 805. *Id.* **Security for costs was neither sought nor awarded in HCA 806, the lawsuit that resulted in the Hong Kong judgment that was recognized by the King County Superior Court and that is the sole subject of this appeal.**

Rather than post security and pursue their claims in HCA 1996 and 805, the Changs decided to entirely abandon them. On June 1, 2011, the

---

[12] Chiu Dec. ¶ 14. CP 32.
[13] *See* Hong Kong Rules of the High Court, Cap. 4A, o.2, r. 1(2) (stating that the effect of non-compliance with court rules is that the court may, on terms it believes are just, "set aside either wholly or in part the proceedings in which the failure occurred"); Chiu Dec. ¶ 15, Ex. M. CP 32-33, 284.
[14] Chiu Dec. ¶ 8, Ex. C. CP 29, 46.
[15] Chiu Dec., Ex. I at 2. CP 249.

Hong Kong court held another hearing in which it issued an "unless order," requiring payment of the previously-ordered security for costs by June 15, 2011.[16] This order expressly warned KD Chang that if he did not pay the security for costs, his claims in HCA 1996 would be dismissed.[17] This "unless order" had no effect on the counterclaims KD Chang asserted in HCA 806, because SCB had not sought security for costs in HCA 806.[18] June 15 passed without security being posted by KD Chang. Accordingly, on June 21, 2011, the Hong Kong court entered a third order dismissing KD Chang's claims in HCA 1996.[19] **Again, this had no effect on the then-pending HCA 806, and in particular had no effect on KD Chang's ability to defend that action or pursue counterclaims asserted in that action.**[20]

Nonetheless, the Changs opted not to appear at trial for HCA 806.[21] After considering all of the evidence, the Hong Kong Court entered judgment in HCA 806 against KD Chang.[22] This was not a default judgment. The Changs had vigorously defended against SCB's claims through responsive pleadings and a series of witness statements (verified

---

[16] Chiu Dec. ¶ 13, Ex. J. CP 31-32, 265
[17] *Id.*
[18] *Id.*
[19] Chiu Dec. ¶ 13, Ex. F. CP 31-32, 211
[20] *Id.*
[21] Chiu Dec. ¶ 10. CP 30-31
[22] *Id.*

by statements of truth), and had also presented counterclaims.[23] The judgment was based on the pleadings and lengthy witness statements submitted by **both** parties, which witness statements are the principal form of testimony in a Hong Kong proceeding.[24]

B. Procedural History

On June 20, 2012, pursuant to RCW 6.40A.050, SCB filed a petition seeking recognition of the Hong Kong judgment rendered in HCA 806. On December 12, 2014, KD Chang filed his Amended Response, Affirmative Defenses, and Counterclaims. On May 10, 2013, SCB moved for summary judgment.[25] On May 20, 2013, KD Chang filed his response to SCB's motion for summary judgment.[26] In support of this response, KD Chang's attorney filed a declaration that includes (1) unsubstantiated hearsay; and (2) unqualified "expert" testimony on the laws of Hong Kong.[27] In SCB's reply brief—as required by King County rules—SCB moved to strike these statements.[28] On June 6, 2013, the trial court granted SCB's motion for summary judgment as well as most of its

---

[23] Chiu Dec. ¶ 8. CP 29-30.
[24] Chiu Dec. ¶ 10. CP 30-31.
[25] CP 1.
[26] CP 401.
[27] Declaration of Frank Homsher in Support of Respondents' Response to Petitioner's Motion for Summary Judgment. CP 430.
[28] CP 1466.

motion to strike.[29] On July 31, 2013, SCB moved for the entry of partial final judgment based on the trial court's order granting summary judgment. On August 9, 2013, the trial court granted the motion and entered final judgment against KD Chang. On November 15, 2013, KD Chang filed his Opening Brief of Appellant Kung-Da Chang with this Court.

III. ARGUMENT

A. Standard of Review

The Court reviews summary judgment decisions *de novo*. *Verdon v. AIG Life Ins. Co.*, 118 Wn. App. 449, 452, 76 P.3d 283, 285 (2003). "If a party fails to support assignments of error with legal arguments, they will not be considered on appeal." *Howell v. Spokane & Inland Empire Blood Bank*, 117 Wn.2d 619, 624, 818 P.2d 1056, 1058 (1991).

B. KD Chang's New Legal Arguments Are Not Issues of Material Fact, Nor Are They Persuasive

As a threshold matter, KD Chang has characterized several novel but defective legal arguments as "issues of material fact" when they are, in reality, neither facts, nor material. Br. at 16–19. Pursuant to the Rules of Appellate Procedure ("RAP") 2.5, "[t]he appellate court may refuse to review any claim of error which was not raised in the trial court" (excepting issues of trial court jurisdiction, failure to establish facts upon

[29] Order Granting Petitioner's Motion for Summary Judgment at 1:20–25. CP 1481.

which relief can be granted, and manifest error affecting a constitutional right). KD Chang does not argue that these limited exceptions apply, yet he improperly raises certain issues for the first time on appeal. KD Chang's arguments fail for the reasons below.

1. There Was No Request for Security for Costs and No Order for Security for Costs in the Hong Kong Judgment Being Enforced in Washington

It is undisputed that no request for security for costs was made and no security for costs was ordered against KD Chang in HCA 806, the lawsuit that produced the judgment that is the subject of the instant case.[30] Throughout the King County Superior Court proceedings, KD Chang consistently omitted the fact that *three* parallel proceedings took place in Hong Kong. In the instant appeal before this Court, KD Chang finally acknowledges the existence of multiple Hong Kong actions. As explained in detail above, the subject of the instant case is HCA 806, in which *no security for costs was sought or ordered.* Security for costs was ordered in parallel proceedings HCA 1996 and 805, but neither of those cases is before this Court and neither of HCA 1996 or HCA 805 was the basis for the judgment that SCB sought recognition of in King County Superior Court.

---

[30] Chiu Dec., Ex. I at 2. CP 249.

KD Chang now argues that the security for costs ordered against him in the parallel proceeding HCA 1996 somehow "effectively prevented" him "from continuing to assert its [sic] counterclaims in HCA 806." Br. at 16. To be clear, KD Chang is asserting that the security for costs ordered in *one* case prevented him from asserting his counterclaims in *another* case.

This proposition is entirely unsupported by any evidence in the record. KD Chang acknowledges as much, for he is forced now to seek "judicial notice" of his outside-the-record assertion. KD Chang's attempt to introduce, on appeal, such outside-the-record speculation, through what he claims is "judicial notice," must be rejected.[31] Specifically, KD Chang asserts:

> This Court can take judicial notice that had KD Chang and his father continued to assert their counterclaims in HCA 806, then the pretrial procedures, trial, and post-trial matters would have taken far beyond June 2011 to complete. SCB would have obtained a USD $9 Million [sic] against KD and his father long before the trial was complete and could then use the draconian judgment creditor mechanisms, including incarceration, available in Hong Kong against KD and Clark Chang as they continued to pursue HCA 806.

[31] This is not the first time KD Chang has attempted to introduce outside-the-record opinion testimony. At the hearing on SCB's motion for summary judgment, KD Chang invited the trial court to take judicial notice of, among other things, a Wikipedia article, which invitation was properly declined by the trial court. Verbatim Report of the Proceedings ("RP") at 35:16–36:3.

Br. at 17. To the contrary, this Court cannot take "judicial notice" of such unsubstantiated and speculative opinion testimony, which was not introduced in the King County Superior Court, much less by a qualified expert on Hong Kong civil procedure. *See Byrne v. Cooper*, 11 Wn. App. 549, 553, 523 P.2d 1216, 1219 (1974) (foreign law must be proved by a qualified expert affidavit). KD Chang has not submitted any evidence to show that pretrial procedures, trial, and post-trial matters would have taken far beyond June 2011 to complete. Nor is there any evidence that had trial in HCA 806 taken a long time to complete, SCB would have used "draconian judgment creditor mechanisms" against KD Chang. The actual facts are that SCB never even applied for a security-for-costs order in HCA 806. The statement at page 17 of Appellant's Brief, described above, was not before the King County Superior Court, is not properly before this Court, and should accordingly be disregarded.

Moreover, even if by some stretch of imagination, a security-for-costs order in one proceeding were hypothetically capable of influencing the ability to continue the *counterclaims* in another proceeding, KD Chang does not assert—because it would not be true—that it influenced his ability to *defend against SCB's claims, which claims led to the judgment that is the subject of this case*. KD Chang's ability to pursue his counterclaims in Hong Kong is entirely immaterial to the instant case,

which relates to *SCB's* claims against KD Chang and the resulting judgment—not the other way around.

Because KD Chang has failed to properly present any admissible facts that support his assertion that the security for costs ordered in HCA 1996 has any bearing on the judgment that is the subject of this litigation, his contention in this regard should be rejected.

2. KD Chang's Assertion that "Any Ruling in One Matter Should Be Considered by the Court to Be a Ruling in the Other Matter" Is Devoid of Merit

Without any factual support, and without any legal authority whatsoever, KD Chang makes the wild assertion that because SCB's claims in HCA 806 are the same as its counterclaims in HCA 1996, and because KD Chang's claims in HCA 1996 are the same as his counterclaims in HCA 806, "any ruling in one matter should be considered by the Court to be a ruling in the other matter." Br. at 18. This *ipse dixit* is as unsupported by the record as it is by the law. First, it bears repeating that SCB never sought an order for security for costs in HCA 806, and no such order was entered.

Second, the record is devoid of any such opinion by a qualified expert on Hong Kong law. The declaration of a Hong Kong attorney

submitted by KD Chang in support of his opposition to SCB's motion for summary judgment does *not* make such an assertion.[32]

Third, proceedings with similar or identical claims regularly proceed simultaneously at both the state and federal levels. *Teck Metals Ltd. v. Certain Underwriters at Lloyd's, London*, No. CV-05-411-LRS, 2009 WL 4716037, *3 (E.D. Wash. Dec. 8, 2009) ("parallel proceedings on the same in personam claim should ordinarily be allowed to proceed simultaneously, at least until a judgment...") (quoting *Laker Airways Ltd. v. Sabena, Belgian World Airlines*, 731 F.2d 909, 926–27 (D.C. Cir. 1984)). The Court should reject this argument for being bereft of any legal or factual support. *Howell*, 117 Wn.2d at 624, 818 P.2d at 1058.

It is important to be clear that the question is not whether a U.S. court would "consider" a "ruling in one matter...to be a ruling in the other matter." Br. At 18. The question is whether the Hong Kong court in HCA 806 actually *de facto* or *de jure* enforced a (non-existent) order for security for costs in HCA 806. KD Chang points neither to facts nor law to support his confused assertion regarding whether this Court or the King County Superior Court "should have" done what the Hong Kong court did not do—"consider" a "ruling in one matter...to be a ruling in the other matter."

---

[32] *See* Declaration of Pamela Mak ¶¶ 12–20. CP 365-366.

3. The Fourteenth Amendment Is Not Implicated Because Recognition of the Hong Kong Judgment Is Not a State Action

KD Chang asserts that the "recognition of a foreign judgment constitutes state action and thereby implicates the Fourteenth Amendment of the U.S. Constitution." Br. at 21. To the contrary, recognizing and enforcing a foreign judgment is distinct from rendering that judgment, and *does not* constitute state action. The Ninth Circuit Court of Appeals very recently opined on the *exact same argument* in a remarkably similar case, where a judgment debtor sought to avoid recognition of a Japanese money judgment by arguing that recognition of the judgment under California's Uniform Foreign-Country Money Judgments Recognition Act (which is the same Uniform Act adopted by Washington[33]) constituted "state action" that violated the First Amendment. The Ninth Circuit succinctly held:

> Recognizing and enforcing a foreign-country money judgment is distinct from rendering that judgment in the first instance. The district court, in giving effect to the judgment issued in Japan, has not participated in the action the Church claims is unconstitutional—namely, judging the truth or falsity of the Church's religious teachings or imposing liability for the consequences of religious expression. In the absence of such participation, we conclude the district court's recognition and enforcement of the Japanese damages award in this case does not transform the underlying foreign court's ruling into domestic "state action" subject to constitutional scrutiny.

---

[33] As of 2013, the Uniform Act "has been adopted in 28 states, the District of Columbia, and the Virgin Islands." § 4473 Foreign Judgments, 18B Fed. Prac. & Proc. Juris. § 4473 (2d ed.).

Naoko Ohno v. Yuko Yasuma, 723 F.3d 984, 993 (9th Cir. 2013).

In short, the assertion that recognition of the at-issue Hong Kong judgment constitutes "state action" is without merit and directly contrary to established jurisprudence.[34] Without state action, KD Chang does not have a viable Fourteenth Amendment claim. *Kennebec, Inc. v. Bank of the W.*, 88 Wn.2d 718, 726, 565 P.2d 812, 816 (1977). Accordingly, KD Chang's argument with regard to the constitutionality of the King County Superior Court's act of recognition of the Hong Kong judgment must fail.

C. The Trial Court Did Not Err in Holding That the Security-for-Costs Procedure Satisfies Due Process

Most of KD Chang's brief rehashes the same arguments he presented to the King County Superior Court—namely that the Hong Kong security-for-costs procedure does not comport with due process and that accordingly recognition of the Hong Kong judgment under RCW 6.40A.030(3) is inappropriate. To be perfectly clear, the security-for-costs procedure had no bearing on HCA 806, the subject of this litigation, because SCB never sought a security for costs in HCA 806, and no security-for-costs order was entered in HCA 806. Thus, the constitutionality of such a procedure is not relevant to this appeal. But to

---

[34] KD Chang cites *Lugar v. Edmondson Oil Co., Inc.*, 457 U.S. 922, 924, 102 S. Ct. 2744, 2747 (1982), which stands *only* for the general proposition that state action is required for a Fourteenth Amendment violation, not for the specific idea that recognition of a foreign judgment constitutes state action.

the extent that the Court intends to consider KD Chang's constitutional arguments, they lack merit for the reasons below.

1. Washington Has an Almost Identical Security-for-Costs Procedure Which Fully Complies with Requirements of Due Process

The security-for-costs procedure under Hong Kong law is virtually identical to a procedure that exists under Washington law.[35] RCW 4.84.210 provides:

> When a plaintiff in an action ... resides out of the country ... as to all causes of action sued upon, security for the costs and charges which may be awarded against such plaintiff may be required by the defendant ... not exceeding the sum of two hundred dollars. A new or ***additional bond may be ordered*** by the court or judge, upon proof that the original bond is insufficient security ....

(emphasis added). The "additional bond" clause permits a court to require security in whatever amount the court deems adequate, including for attorneys' fees. *See, e.g., White Coral Corp. v. Geyser Giant Clam Farms, LLC*, 145 Wn. App. 862, 867–69, 189 P.3d 205, 207 (2008) (affirming trial court's dismissal of action upon failure of foreign plaintiff to post $125,000 security for costs for defendant's prospective attorneys' fees).[36]

---

[35] KD Chang acknowledges this fact. Br. at 26 ("Washington has a security for costs statute similar to the Hong Kong rule.").

[36] In his response to SCB's motion for summary judgment, KD Chang boldly declared that RCW 4.84.210 is "ripe for challenge." KD Chang reiterates this statement in his opening brief. Br. at 32. But when presented with the opportunity, KD Chang has not challenged the constitutionality of RCW 4.84.210.

Just as in Washington, Hong Kong Rules of the High Court Order 23 rule 1(1) provides that, upon application of the defendant, if the court finds "that the plaintiff is ordinarily resident out of the jurisdiction ... then if, having regard to all the circumstances of the case, the Court thinks it just to do so, it may order the plaintiff to give such security for the defendant's costs of the action or other proceedings as it thinks just."[37]

The virtually identical nature of Washington's and Hong Kong's procedures is manifest, as are the policy justifications behind them. While a resident plaintiff may have its property attached or wages garnished upon failure to pay an adverse award of costs, a nonresident plaintiff typically has no property in the jurisdiction. Absent posting security for costs, such a nonresident plaintiff who seeks to avail itself of the forum may not readily pay an adverse award of attorneys' fees. This forces a prevailing defendant (who has already been burdened with defending the litigation) to first determine where the foreign plaintiff has assets, and then file a separate lawsuit in that location solely for the purpose of obtaining recognition of a post-trial award for costs. Aside from generating needless litigation, this also creates the possibility that an award for costs will be partially or completely negated by additional attorneys' fees incurred in obtaining recognition of the initial award for costs. Thus, by requiring

[37] Chiu Dec. ¶ 11, Ex. H. CP 31, 246.

foreign plaintiffs to put their assets at stake, the security-for-costs procedure secures enforcement of a prospective award of attorneys' fees, discourages forum shoppers from initiating spurious litigation in the forum court, and puts foreign plaintiffs on the same footing as resident plaintiffs.

This is not a bar to due process for nonresidents. Indeed, under this reasoning, Washington courts have upheld security-for-costs orders requiring nonresident plaintiffs to post security for prospective attorneys' fees thousands of multiples of the $200 statutory minimum, and Washington courts upheld the dismissal of foreign plaintiffs' claims when these plaintiffs fail to post such ordered security. *See, e.g., White Coral Corp. v. Geyser Giant Clam Farms, LLC*, 145 Wn. App. 862, 867–69 (2008) (affirming trial court's dismissal of action upon failure of foreign plaintiff to post $125,000 security for costs for defendants' prospective attorneys' fees).

Hong Kong courts similarly recognize that security for costs from nonresident plaintiffs safeguards against abuse of the judicial system. The Hong Kong court required security for costs in HCA 1996 and 805 precisely because the plaintiffs/counterclaimants Changs in those cases did not own fixed property or reside in Hong Kong.[38] Such security was entirely reasonable because, as KD Chang concedes, in the absence of

[38] Chiu Dec. ¶ 12, Ex. I at 7. CP 31, 254.

reciprocal enforcement of judgments of Hong Kong and the US, enforcement of any costs order against the Changs will most likely be costly and time consuming.

KD Chang's misguided Privileges and Immunities Clause argument is thus summarily disposed of. Br. at 29–32. Contrary to KD Chang's bald assertion, classifications based on residency are entirely distinct, and not in any way "akin to," classifications based upon nationality and alienage which require strict scrutiny. Br. at 31. Rather, "when confronted with a challenge under the Privileges and Immunities Clause to a law distinguishing between residents and nonresidents, a State may defend its position by demonstrating that (i) there is a substantial reason for the difference in treatment; and (ii) the discrimination practiced against nonresidents bears a substantial relationship to the State's objective." *Lunding v. New York Tax Appeals Tribunal*, 522 U.S. 287, 298, 118 S. Ct. 766, 774 (1998). As established in detail above, both of these requirements are satisfied because the security-for-costs procedure is designed to prevent nonresidents from avoiding payment of a judgment against them for attorneys' fees and discourage frivolous litigation.

2. Security-for-Costs Statutes Are Uniformly Upheld By Courts Across the United States

KD Chang argues that security-for-costs statutes are "archaic and unnecessary." Br. at 26. In support of this assertion, KD Chang provides no legal citations, but rather a page and a half of footnote-sized text from a law firm associate's law review article. Br. at 27–28. And the associate does not even claim that requiring security for costs is inappropriate—much less unconstitutional! KD Chang's argument directly contradicts multiple federal court decisions that have explicitly held that a security-for-costs procedure comports with modern notions of due process.

Specifically, when considering the suitability of a foreign forum, which inquiry turns on the same considerations of adequate due process as the recognition of a foreign judgment, federal courts regularly hold that "the imposition of a bond to secure the payment of attorneys' fees and court costs does not make [a foreign country] an inadequate forum." *Tjontveit v. Den Norske Bank ASA*, 997 F. Supp. 799, 807 (S.D. Tex. 1998).

For example, in *Mercier v. Sheraton Int'l, Inc.*, the First Circuit found no due process issue arising from a cost-bond procedure, imposed on foreign plaintiffs, holding: "we perceive no abuse of discretion in the district court ruling that the burden presented by the 'cost bond'

requirement did not rise to a level which would render the Turkish forum 'so clearly inadequate or unsatisfactory that [it effectively offered] no remedy at all.'" 981 F.2d 1345, 1353 (1st Cir. 1992), *cert. denied*, 508 U.S. 912 (1993); *see also Overseas Partners, Inc. v. PROGEN Musavirlik ve Yonetim Hizmetleri, Ltd. Sikerti*, 15 F. Supp. 2d 47, 55 (D.C.Cir. 1998) (requirement that foreign plaintiffs deposit cost bond of ten percent of the amount at issue did not render Turkey an inadequate forum).

Federal courts generally do not find due process issues where a foreign country imposes significant deposits to pursue claims. The court in *Nai–Chao v. Boeing Co.* examined a requirement for depositing one percent of the total amount of the claims: "The next argument advanced by plaintiffs is that Taiwan is not an adequate forum because the Chinese courts require payment of a filing fee amounting to one percent of the claim, and an additional fee of one-half percent is required for each appeal. The Court does not find this argument persuasive." 555 F. Supp. 9, 16 (N.D. Cal. 1982), *aff'd sub nom. Cheng v. Boeing Co.*, 708 F.2d 1406 (9th Cir. 1983), *cert. denied*, 464 U.S. 1017 (1983); *see also Wien Air Alaska Inc. v. Brandt*, 273 F.3d 1095 (5th Cir. Sept. 5, 2001) (Germany was an adequate forum, despite a filing fee of one percent of the total

recovery sought). In short, American courts have long recognized that a security-for-costs procedure does not violate due process.[39]

Finally, consideration must be given to the decisions of the courts of other states that have adopted the Uniform Act, because the Uniform Act requires that Washington courts follow the lead of other states' courts: "In applying and construing this [Uniform Foreign-Country Money Judgments Recognition Act], consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it." RCW 6.40A.900. Of course, Washington courts should not sacrifice state constitutional protections for the sake of uniformity. But when the protections of other states that have adopted the Uniform Recognition Act are equal to those of Washington, and those states have explicitly recognized judgments rendered by Hong Kong courts, then Washington courts are required by the Uniform Act to do likewise. Such is the case here.

In *Chong v. Superior Court*, 58 Cal. App. 4th 1032 (1997), the losing party in a Hong Kong lawsuit, like KD Chang here, attempted to

---

[39] KD Chang argues (without citation) that "[w]ith the adoption of foreign judgment recognition statutes, though, foreign judgments became readily transferrable amongst jurisdictions, making security for costs obsolete and unnecessary." Br. at 29. But the instant litigation is a case in point as to how difficult it is for a foreign judgment creditor to enforce a debt in another jurisdiction. The recognition process is slow, cumbersome, and expensive. The judgment debtor may, as KD Chang has here, oppose the recognition and then appeal the decision upon losing.

evade recognition of the judgment under California's Uniform Foreign-Country Money Judgments Recognition Act. In striking similarity, the losing party made the same attempt that KD Chang made in King County Superior Court to blur the lines between the courts of Hong Kong and the courts of China (an argument he has abandoned on appeal). The California Court of Appeals struck down the misguided effort, holding that "[t]he impartiality of the Chinese courts in general is not at issue, and as discussed above, the assumption that Hong Kong courts will not be impartial is unsupported. HBZ can enforce a judgment rendered by a Hong Kong court." *Id.* at 1038–39. Because Washington and California do not substantially differ in the due process afforded by their respective constitutions, Washington's Uniform Act requires "uniformity of the law," and thus mandates that this Court follow the California court in enforcing the Hong Kong judgment.

3. The Hong Kong Security-for-Costs Procedure Does Not Implicate the Right of Access to the Courts Because It Requires Hong Kong Courts to Consider the Possibility that a Claim Will Be Stifled

Pursuant to settled Hong Kong jurisprudence, the Hong Kong court imposed security for costs in HCA 1996 and 805 after explicitly considering whether such a requirement would stifle the Changs' claims

and counterclaims.[40] The Hong Kong court arrived at the amount of the security only after a two-day hearing resulting in a fifteen-page judicial opinion.[41] As required by Hong Kong case law, among the factors that the Hong Kong court considered were (1) the likelihood of the claimant's prospect of success in his claims; (2) who is the "real attacker" in the action; (3) whether the claimant's claim will be stifled; and (4) whether the claimant has assets that are readily assessable to meet an adverse costs order.[42] The Hong Kong court explicitly rejected the Changs' claim that posting security could potentially stifle their claims, holding that the Changs' contention of not having the financial means to post the security "does not sit well with the fact that they had already spent more than HK$4 million [approximately USD $515,000] on the litigation and apparently have no difficulty in continuing with them"[43] and that "apart from bare assertions, none of the Changs has adduced any satisfactory proof, such as bank statements, to make good their claim."[44] Moreover the court found that such a claim of stifling should be rejected because it was not "consistent with Changs' allegation that there are pension funds

---

[40] Chiu Dec., Ex. I at 9. CP 256.
[41] Chiu Dec. ¶ 12, Ex. I. CP 31, 248-263.
[42] Chiu Dec., Ex. I at 9. CP 256.
[43] The Hong Kong court ordered the Changs to pay HKD $3 million [approximately USD $387,000] to secure SCB's potential costs—which is HKD $1 million less than what the Changs had already spent on the litigation. Chiu Dec., Ex. I at 15. CP 262.
[44] Chiu Dec., Ex. I at 12–13. CP 259-260.

sitting in the US that may be used to meet any costs order."[45] The King County Superior Court found the same discrepancy in KD Chang's narrative, noting:

> [O]ne of the main concerns that I have in this case when I look at this is that Mr. Chang had the opportunity to present these arguments to the Hong Kong court. He could have come in there and said, these are our assets, these are my assets, and it's not fair, you will stifle, because they do consider that when they determine awarding costs. They do consider it and the judge addressed it and, basically, he said, I didn't get any information from Mr. Chang that I could use other than his thing, it wouldn't be fair, I wouldn't be able to proceed. And he had the opportunity to present that evidence in Hong Kong. Had they not listened to it, it might be different, but the fact is that he had the opportunity to address that issue there and he chose, for whatever reason, not to even give them the information. And then to come here and say that awarding the costs was because it meant I couldn't proceed with my case when he did not even give them the necessary facts for the court to determine, that cannot be a basis for finding that that – that the decision of the court violated his due process.

RP at 59:20–60:14. The Hong Kong court thus made a *factual* finding that KD Chang's claims would not be stifled and found, as a matter of law and fact, that his due process rights were not violated. These findings were based, in part, on KD Chang's refusal to provide evidence to the Hong Kong court that he had insufficient assets to post security for costs. As the King County Superior Court recognized, it was *not* as if he presented such evidence and the Hong Kong court declined to consider it. *Id.*

---

[45] *Id.* at 13. CP 260.

In short, the Hong Kong procedure explicitly requires its courts to consider whether an individual's right of access to the courts will be stifled by a security for costs and thus fully satisfies due process in that regard. And because these considerations were made in this case—as evidenced by the Hong Kong court's lengthy written opinion—KD Chang's claim that due process was not observed must fail.[46]

4. There Was No Unconstitutional Deprivation of Property

A deprivation of property as a result of government action is only unconstitutional if it occurs without due process of law. *Carlisle v. Columbia Irr. Dist.*, 168 Wn.2d 555, 568, 229 P.3d 761, 767 (2010). Whether the Hong Kong security-for-costs procedure comports with due process is discussed above, and KD Chang's property-deprivation argument is merely a rehash of his due process argument. Br. at 32–36. For all the reasons explained in this brief, the Hong Kong security-for-costs procedure fully comports with due process, and thus even if a "cause of action" constitutes "property" that can be deprived, such a loss is not unconstitutional—once again putting aside the dispositive, undisputed fact that no security-for-costs order was sought in HCA 806, the source of the at-issue judgment.

---

[46] Chiu Dec., Ex. I at 9. CP 256.

5. The Hong Kong Judgment Is Not Repugnant to the Public Policy of the United States or Washington State

That KD Chang lost on the merits of his case in Hong Kong is not grounds to find that the judgment is contrary to public policy. To be sure, the Hong Kong legal system differs from the American system. But Washington courts have explicitly held that such differences do not contravene public policy as long as basic standards of fairness are observed:

> *Untersteiner v. Untersteiner*, 32 Wn. App. 859, 863 n. 3, 650 P.2d 256 (1982) declares that the public policy of the state of Washington is not violated simply because there is a difference between the laws of a foreign state and this state. The laws and legal systems of different nations reflect historic and cultural diversity of their people. These laws and systems are designed to meet the needs of those people. Accordingly, differences of systems and of issues addressed by laws rationally exist between nations. The inquiry of this court in applying the Uniform Foreign Money-Judgments Recognition Act is to ensure that before a foreign judgment may be enforced in this state, the judgment needs to have been arrived at in the application of basic standards of fairness. That inquiry includes whether due process was honored; whether the parties were given the right to be heard and to be represented; and where a court imposes a discretionary ruling, whether that ruling was reasoned or arbitrary.

Tonga Air Services, Ltd. v. Fowler, 118 Wn.2d 718, 736, 826 P.2d 204 (1992). "The public policy of a state is to be found in its constitution, its statutes, and the settled rules laid down by its courts." *Richardson v. Pac. Power & Light Co.*, 11 Wn.2d 288, 300-01, 118 P.2d 985, 99 (1941).

These settled rules include the doctrine of comity. "The doctrine of comity directs that we give full effect to foreign judgments, except in extraordinary cases." *State v. Meyer*, 26 Wn. App. 119, 127, 989 P.2d 558, 562 (1980); *Rains v. State*, 98 Wn. App. 127, 134, 613 P.2d 132, 137 (1999).[47]

The final judgment in HCA 806 could not be any more ordinary: an investor took out a loan to gamble on a risky investment vehicle that did not pan out, and subsequently defaulted on the loan. The Hong Kong court, despite KD Chang's refusal to appear personally for trial, read and considered *all* the witness statements delivered by both parties far in advance of the trial date[48]—the same evidence that would have been presented if KD Chang had appeared. Far from violating public policy, recognition of the Hong Kong judgment is encouraged by Washington policies of judicial comity. KD Chang can present no arguments—legal or otherwise—that suggest the final judgment in HCA 806 is anything other than a properly adjudicated judgment on the merits that warrants recognition under Washington law.

---

[47] Other state courts have recognized the enforceability of Hong Kong judgments solely under the doctrine of comity. *Kwongyuen Hangkee Co., Ltd. v. Starr Fireworks, Inc.*, 634 N.W.2d 95, 98 (S.D. 2001) (enforcing judgment from a Hong Kong court because respondent "offers no substantive evidence to show that Hong Kong's system of law fails to provide for the impartial administration of justice").

[48] *See, e.g.,* Chiu Dec., Exs. G, N. CP 215, 287.

6. The Security-for-Costs Procedure Does Not Violate the Right to Travel

KD Chang acknowledges that "no prohibition order was issued in this case," yet argues that it could have hypothetically been sought and thus his right to travel was somehow violated. Br. at 39. To the extent this warrants a response, SCB reasserts that the failure to post security for costs results only in dismissal of the subject claims, and not, as KD Chang asserts, imprisonment.[49] In any event, KD Chang points to nothing in the record—for there is nothing—that hints at either bank taking any step (or even considering taking any step) toward a hypothetical prohibition order.

7. There Is No Doubt About the Integrity of the Hong Kong Court

On appeal, KD Chang has abandoned his assertion that the Hong Kong legal system is defective as a whole[50] and instead argues that "the focus is on the specific court rendering the judgment and the proceedings leading up to the judgment." Br. at 40. KD Chang's assertion that the Hong Kong court awarded security for costs ***because*** "the banks'

---

[49] *See* Hong Kong Rules of the High Court, Cap. 4A, o.2, r. 1(2) (stating that the effect of non-compliance with court rules is that the court may, on terms it thinks just, "set aside either wholly or in part the proceedings in which the failure occurred"); Chiu Dec. ¶ 15, Ex. M. CP 32-33, 284.

[50] That argument directly conflicted with the fact that the sole U.S. court that has considered whether to enforce a judgment from Hong Kong under the Uniform Act has found Hong Kong's courts to be impartial and to provide adequate due process. *See Chong v. Superior Court*, 58 Cal. App. 4th 1032, 1038–39 (1997) (enforcing judgment from a Hong Kong court because respondent's argument that the Hong Kong courts are not impartial is unsupported). No state has refused to enforce a Hong Kong judgment under the Uniform Foreign-Country Money Judgment Act.

reputation is at stake" is based on an egregious mischaracterization of the court's order granting security for costs. When read in its entirety, the court's order granting security for costs in HCA 1996 and 805 reveals that the snippet KD Chang quotes is from the court's explanation as to the ***quantum*** of the security for costs, not the reason for ordering the security.[51] The Hong Kong court was stating the obvious: "[g]iven the enormous size of the claims and counterclaims and the fact that the banks' reputation is at stake, heavy involvement of experienced counsel is inevitable" and thus high litigation fees should be expected.[52] The court showed no favoritism to SCB.

KD Chang also fails to point to any evidence that remotely suggests the Hong Kong proceeding was not a full adjudication that he lost on the merits. While KD Chang has made it abundantly clear that he disagrees with the outcome of HCA 806, neither his disagreement nor his unsubstantiated allegations of favoritism call into question the integrity of the Hong Kong court that rendered the decision in HCA 806. SCB reiterates that it was KD Chang who borrowed large amounts of money from SCB, it was KD Chang who refused to provide the requested evidence to the Hong Kong court to support his claim that he was purportedly unable to post security for costs, and it was KD Chang who

[51] Chiu Dec., Ex. I at 13:N–14:I. CP 260-261.
[52] *Id.* at 14:C–E. CP 261.

chose not to appear at trial. In short, KD Chang's attempt to shift responsibility for his actions by impugning the integrity of the Hong Kong court cannot be sustained.

D. KD Chang Has Not Raised Any Genuine Issues of Material Fact

KD Chang has not raised any genuine issues of material fact. The supposed "material facts" that KD Chang mentions are, in reality, issues of law. First, KD Chang argues that there is a genuine issue of fact as to whether the amount of the security for costs was too high. Specifically, he alleges that because it was based on overly-inflated bills, it would have required KD Chang to borrow money from relatives, and thus it stifled his claims. But the issue of whether the security for costs was too high is an issue of law, not an issue of fact. The King County Superior Court properly considered this issue and determined that because KD Chang had the opportunity to present his arguments concerning the amount of the security to the Hong Kong Court, but failed to present any actual evidence supporting his conclusory assertion that the amount ordered would stifle his claims, the amount of the security for costs ordered by the Hong Kong Court did not violate KD Chang's due process. RP at 59:20–60:14.

Second, KD Chang argues that there is a genuine issue of fact as to whether the security for costs was improperly ordered because of the

Hong Kong court's concern about the banks' reputations. As discussed in Section C.7 above, this argument is based on a gross mischaracterization of the Hong Kong court's security-for-costs order. When read in its entirety, the Court's order reveals that the Court was not concerned about the banks' reputation, it was merely remarking that high litigation fees should be expected because of the "enormous size of the claims and counterclaims and the fact that the banks' reputation is at stake."[53]

Finally, as discussed in Section B.1 above, this Court should deny KD Chang's request for judicial notice of the "fact" that had KD Chang continued to pursue his counterclaims in HCA 806, SCB could have had KD Chang imprisoned. Whether Hong Kong's rules of civil procedure would have allowed SCB to seek an order requesting KD Chang to be imprisoned for failing to pay the security for costs ordered in HCA 1996 is an issue of foreign law, which must be presented by a qualified expert on Hong Kong civil procedure. *See Byrne*, 11 Wn. App. at 553, 523 P.2d at 1219 (foreign law must be proved by a qualified expert affidavit). KD Chang presented no such expert testimony to the King County Superior Court. Nor did he present any evidence that the proceedings would have taken "far beyond June 2011 to complete" or that SCB would have used

[53] Chiu Dec., Ex. G. CP 261.

the "draconian judgment creditor mechanisms" against KD Chang. Br. at 17.

In sum, KD Chang has not raised a single issue of material fact to defeat the King County Superior Court's summary judgment ruling.

IV. CONCLUSION

At its core, the instant case concerns the recognition of a simple money judgment from a jurisdiction that has produced judgments uniformly recognized and enforced by U.S. courts. Though KD Chang has attempted to couch his dissatisfaction with the Hong Kong judgment in terms of broad constitutional challenges, the case before this Court remains a straightforward application of the Uniform Foreign-Country Money Judgments Act. Nothing supports the fanciful suggestion that the entry of an order to post security for costs in *other* lawsuits somehow created an obligation to post security for costs in HCA 806, the sole lawsuit that is the source of the judgment recognized and enforced by the King County Superior Court.

For the foregoing reasons, respondent Shanghai Commercial Bank Limited respectfully requests that the Court uphold the King County Superior Court's decision to grant SCB's motion for summary judgment.

Dated this 16th day of December, 2013.

Stephen Hsieh, WSBA # 45413

CERTIFICATE OF SERVICE

I hereby certify under penalty of perjury under the laws of the State of Washington that on December 16, 2013, I caused a true and correct copy of the foregoing **RESPONDENT SHANGHAI COMMERCIAL BANK LIMITED'S RESPONSE BRIEF** to be served on the following in the manner indicated:

John J. Tollefsen, WSBA No. 13214 Frank S. Homsher, WSBA No. 26935 Chris Rosfjord, WSBA No. 37668 Tollefsen Law PLLC 2122 164th Street SW, Suite 300 Lynnwood, WA 98087-7812 Tel: 425.673.0300 Fax: 425.673.0300 Email: john@tollefsenlaw.com Email: frank@tollefsenlaw.com Email: chris@tollefsenlaw.com Attorneys for Appellants	☑ Via Hand Delivery ☑ Via U.S. Mail ☐ Via Facsimile

Patsy Howson

Patsy Howson

WEST\245360538.1