1 The Honorable Suzanne R. Parisien Noted for Hearing: 9/20/2024 at 9:30 am 2 With Oral Argument 3 4 5 6 7 IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON 8 IN AND FOR KING COUNTY 9 UNITED FEDERATION OF CHURCHES, 10 LLC (dba "THE SATANIC TEMPLE") No. 23-2-06120-9 SEA 11 Plaintiff/Counterclaim **DEFENDANTS' REPLY IN** 12 Defendant, SUPPORT OF MOTION FOR **SUMMARY JUDGMENT** 13 v. 14 DAVID ALAN JOHNSON (AKA "ADJ"), LEAH FISHBAUGH, MICKEY MEEHAN, 15 and NATHAN SULLIVAN, 16 Defendants/ Counterclaimants 17 18 19 Defendants incorporate their Opposition to UFC's Motion for Partial Summary 20 Judgment (Sub. No. 43). 21 UFC's Claims Are Time Barred. 22 1. When UFC Voluntarily Dismissed the Federal Action, It Lost the Benefit of 28 U.S.C. § 1367(d). 23 UFC agrees that its claims accrued in March of 2020 and are subject to a three-year 24 statute of limitations. UFC's original complaint in this Court was filed on April 5, 2023, more 25 than three years after the claims accrued. UFC does not dispute that it voluntarily dismissed 26 the federal case after the Ninth Circuit remanded it. Response at 6.



UFC argues that the tolling analysis in *Artis v. District of Columbia*, 583 U.S. 71 (2018), governs. However, *Artis* applies when a plaintiff's case is <u>not</u> voluntarily dismissed. *Holt v. County of Orange*, 91 F.4th 1013, 1020 (9th Cir. 2024), clarified that if a plaintiff voluntarily dismisses its federal case, Section 1367(d)'s tolling does not apply. UFC could have proceeded with the jurisdictional discovery in federal court and, if it had succeeded in establishing the required jurisdictional amount, its state law claims would have proceeded there under diversity jurisdiction. Pursuant to *Holt*, because UFC voluntarily dismissed the federal action while its state law claims were once again in play, the tolling provision in 28 U.S.C. § 1367(d) does not apply and UFC's voluntary dismissal "leaves the situation the same as if the [federal] suit had never been brought in the first place." *Id.* Accordingly, UFC's claims are time barred. <sup>1</sup>

# 2. UFC's Replevin and Breach of Fiduciary Duty Claims Are Independently Time Barred.

UFC's replevin and breach of fiduciary duty claims were not part of the federal case and were never subject to 28 U.S.C. §1367(d). UFC asserts that these claims arose from the same case or controversy as its other claims. Response at 13 n.1. Whether these claims could have been brought in the federal case is irrelevant. Section 1367(d) does not apply to unasserted claims, even if they arise from the same case or controversy. *In re Vertrue Mktg. & Sales Pracs. Litig.*, 712 F. Supp. 2d 703, 721 (N.D. Ohio 2010), *aff'd sub nom. In re Vertrue Inc. Mktg. & Sales Pracs. Litig.*, 719 F.3d 474 (6th Cir. 2013) ("[O]nly those state law claims actually asserted in *Sanford* [the prior federal action] are subject to statutory tolling."). UFC's replevin and fiduciary duty claims are time barred.

<sup>&</sup>lt;sup>1</sup>Defendants' counsel's May 2023 letter noting that 28 U.S.C. § 1367(d) may apply to the tortious interference claims does not change the analysis. It was sent prior to UFC's success in November of 2023 in reviving a state law claims and UFC's voluntary dismissal of the federal case in January of 2024.



# B. UFC'S Tortious Interference, Conversion, Trespass and Replevin Claims Fail.

### 1. UFC Has No Standing.

In addition to being time barred, UFC's claims fail because UFC has not established that UFC, versus the non-party Washington Chapter, had interests in the Facebook Pages. Defendants' Motion for Summary Judgment ("Motion"), 18-19. For example, for its tortious interference claim, UFC alleges that the relationship at issue was the Chapter's relationship with Facebook (not UFC's). However, a principal organization, such as a parent corporation, does not have standing to sue for tortious inference of its subsidiary's relationship with a third party. Motion, 19-20. UFC does not dispute this established principle. Instead, UFC tries to sidestep its lack of standing by contradicting its own clear admissions that its chapters are autonomous. Its prior admissions control. *See* Complaint, Sub. No. 15, ¶12 (describing Washington Chapter as "largely autonomous"); Roller Decl. ¶3, Ex. 2 (8-10) (UFC's own "Chapter Handbook" states that Chapters are "self-organized, volunteer-led groups" that are "autonomous entities"). But even if UFC controls the chapters, which it does not, a principal organization lacks standing to sue for a subsidiary's alleged relationship.

UFC also points to affiliation agreements with individuals for its alleged ownership of the Chapter's Facebook accounts. Response at 19-20. But the affiliation agreements do not grant UFC ownership. *See* Sub No. 43, 17-18. Moreover, UFC does not dispute that it had no affiliation agreement with the Washington Chapter in March of 2020. Response at 14-15. Although UFC points to prior affiliation agreements with several individuals, its claims are based on allegations that Defendants took the *Chapter's* Facebook pages (not *individuals'* pages) and the relationship upon which UFC bases its tortious interference claims was the Chapter's relationship with Facebook in March of 2020. Complaint ¶59. UFC lacks standing to sue.

#### 2. The Interests in the Memes Page Were Relinquished.

### a. The Chapter Had Authority to Relinquish the Memes Page.

To the extent UFC is deemed to stand in the shoes of the Washington Chapter, its interests relating to the Memes Page were unequivocally relinquished by the Chapter's leaders pursuant to their direct or apparent authority. First, UFC does not dispute that the Chapter's two leaders expressly, publicly, and unequivocally relinquished all interest in the Memes Page and told Defendants it was theirs to use "free and clear." Second, although UFC questions the Media Liaison's authority to relinquish the Memes Page, it does not address or dispute that the Chapterhead, "Siri Sanguine," also participated in the relinquishment and that she had clear authority to make decisions on behalf of the Chapter. Third, Case's individual affiliation agreement, to which UFC points as a limitation on his authority, does no such thing. See Sub. No. 43, 17-18. To the extent his affiliation agreement is deemed to have created a contractual right as between Case and UFC regarding UFC's access to a social media page, UFC's claim for breaching that provision would be against Case, not Defendants.

### b. Alternatively, Estoppel Bars UFC's Claims.

Alternatively, to the extent UFC is deemed to stand in the Washington Chapter's shoes, this is a textbook case for estoppel. UFC's request for additional discovery relating to Defendants' state of mind is a red herring. Whether the Defendants believed the Memes Page was originally "stolen" before the Chapter relinquished it, or whether Defendants had clean hands prior to the relinquishment, are irrelevant. There is no dispute that the Chapter's leaders were fully aware of Defendant Powell's conduct when they relinquished all interests in the Memes Page. How Defendants subjectively viewed Powell's conduct before relinquishment means nothing. The only relevant inquiry is whether Defendants reasonably relied on the Chapter's subsequent express relinquishment. Defendants' declarations establish that they did and reasonable minds could not disagree that it was appropriate to rely on the unequivocal, public statements by the Chapter's leaders that the Memes Page was Defendants



to use "free and clear." Motion at 24-25.<sup>2</sup>

Finally, UFC argues that it revoked relinquishment of the Memes Page. This is beside the point. The Washington Chapter never revoked its express relinquishment or sought the return of the Memes Page. While UFC may have a dispute with the Washington Chapter (or "Sanguine" or Case) as to the Chapter's decision to relinquish the Memes Page, that the Chapter did relinquish its interests and has never revoked that relinquishment is not in dispute.

#### 3. UFC Has Not Shown Actual Damages for its Tortious Interference Claim.

In addition to failing for the reasons set forth above, UFC's tortious interference claim fails because UFC has not shown the required actual damages that were proximately caused by the alleged interference. *Pleas v. City of Seattle*, 112 Wn.2d 794, 803-04 (1989); *Sunland Invs. v. Graham*, 54 Wn. App. 361, 364 (1989). First, UFC fails to articulate how UFC, versus the non-party Washington Chapter, has been damaged. Response at 22-23. Second, UFC has not identified any actual damages (*e.g.*, lost profits) suffered by either UFC or the Chapter that were proximately caused by the alleged interference. Instead, UFC articulates only equitable, restitution damages such as disgorgement of Defendants' alleged profits or the value to Defendants in using the pages.<sup>3</sup> Response at 23-24. However, Defendants' alleged profits do nothing to cure UFC's fundamental failure to allege its own actual damages.<sup>4</sup> *Life Designs Ranch, Inc. v. Sommer*, 191 Wn. App. 320, 338 (2015) (dismissing tortious

<sup>&</sup>lt;sup>4</sup> UFC's contention that Defendants have failed to meet their discovery obligations is disingenuous. UFC did not issue any discovery requests in this case until July 31, 2024, with the responses due August 31, 2024. Defendants timely submitted their objections and responses on August 30 and are gathering and producing responsive documents.



<sup>&</sup>lt;sup>2</sup> To the extent UFC is seeking a CR 56(f) extension, it has failed to submit the required CR 56(f) declaration.

<sup>&</sup>lt;sup>3</sup> UFC's assertion that it is entitled to punitive damages is meritless. Washington has a strong public policy against punitive damages, *Dailey v. N. Coast Life Ins. Co.*, 129 Wn. 2d 572, 574 (1996), and Washington law applies to this case, which involves alleged conduct in Washington, by and about a Washington Chapter and Washington Defendants.

interference claim for failure to show actual damages).

### C. UFC Fails to Allege a Fiduciary Relationship Between UFC and Defendants.

To state a claim for breach of fiduciary duty, UFC must establish that it had a fiduciary relationship with Defendants. *Micro Enhancement Int'l, Inc. v. Coopers & Lybrand, LLP*, 110 Wn. App. 412, 433-34 (2002). UFC offers no evidence of any relationship with Defendants, who were members of the autonomous Washington Chapter. All UFC offers is the vague, conclusory statement that "TST's agents operated TST's social media pages 'as' and 'for' TST." Response at 16. Conclusory statements cannot defeat summary judgment. *Hamblin v. Castillo Garcia*, 23 Wn. App. 2d 814, 831 1091 (2022). UFC also offers unsupported speculation that Defendants must have had awareness of UFC's "status as the ultimate principal" because Defendants admitted that their volunteer roles with the Chapter involved helping with "TST's social media." Response at 16. However, Defendants understood that they were only volunteering with the local Washington Chapter (which at times they sometimes referred to as "TST"). Johnson Reply Decl., ¶¶3-4; Sullivan Reply Decl., ¶¶3-4; Powell Reply Decl., ¶¶3-4; Fishbaugh Decl., ¶¶3-4.

#### D. UFC Does Not Contest Dismissal of the Documents Claims.

UFC does not dispute Defendants' arguments seeking dismissal of the conversion and trespass claims relating to documents allegedly in Sullivan's possession. These claims must be dismissed.

# E. Defendants Are Entitled to Declaratory Judgment.

Contrary to UFC's assertion that Defendants seek relief for an affirmative defense, Defendants have asserted a counterclaim for declaratory judgment, seeking a declaration of their right to use the Memes Page. RCW 7.24.010 specifically allows such a determination, to which the undisputed facts show Defendants are entitled.



1	CONCLUSION			
2	The Court should dismiss UFC's claims and grant Defendants' request for declaratory			
3	relief.			
4		1 1.740		
5		I certify this memorandum contains 1,749 words in compliance with the Local Rules.		
6	DATED: September 16, 2024.	ARETE LAW GROUP PLLC		
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1	CERTIFICATE OF SERVICE			
2	I hereby certify that on this date I caused true and correct copies of the foregoing			
3	document to be served upon the following, at the addresses stated below, via the method of			
4	service indicated.			
5				
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