

Honorable John P. Erlick
Department 51

IN THE SUPERIOR COURT FOR THE STATE OF WASHINGTON
IN AND FOR KING COUNTY

JOHN RUEBEL, TOBI GOLDMAN, and
KEVIN VAN NESS, individually and on
behalf of all others similarly situated,

Plaintiffs,

v.

OLYMPIC RACQUET AND HEALTH
CLUB, INC., a Washington corporation;
SEWANEE INC., a Washington corporation;
JAMES RIGGLE, aka JAMES RIGOLE, and
DEBERA RIGGLE, aka DEBERA RIGOLE,
individually and on behalf of their marital
community; JOHN LOWRANCE, aka JOHN
LAWRANCE, individually and on behalf of
the marital community of JOHN
LOWRANCE and JANE DOE LOWRANCE;
and ADELE MARUO, aka ADELE MARVO,
individually and on behalf of the marital
community of ADELE MARUO and JOHN
DOE MARUO,

Defendants.

NO. 11-2-42207-1 SEA

**CLASS ACTION COMPLAINT FOR
INJUNCTIVE RELIEF**

Plaintiffs John Ruebel, Tobi Goldman, and Kevin Van Ness (“Plaintiffs”), by and
through their attorneys, bring this action on their own behalf and on behalf of all other similarly
situated individuals and allege as follows:

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I. INTRODUCTION

1.1 Nature of Action. Plaintiffs bring this action against Defendants Olympic Racquet and Health Club, Inc., Sewanee Inc., James Riggle, Debera Riggle, John Lowrance and Adele Maruo (collectively “Defendants”) for engaging in a systematic scheme of unfair and/or deceptive acts and practices in relation to Washington residents who own lifetime memberships in Olympic Athletic Club, located in Seattle, Washington, or who owned such memberships as of November 15, 2011. As alleged in this complaint, Defendants are refusing to honor lifetime memberships in Olympic Athletic Club.

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II. JURISDICTION AND VENUE

10 2.1 This Court has jurisdiction over all causes of action asserted herein under RCW
11 2.08.010.

12 2.2 The Court has jurisdiction over Defendants pursuant to RCW 4.28.185 because
13 Defendants transacted business in the State of Washington.

14 2.3 Venue is proper in this Court pursuant to RCW 4.12.025(1) because at least one of
15 the Defendants resides in King County, Washington and because the actions giving rise to this
16 Complaint occurred, at least in part, in King County, Washington.

17 2.4 This action is timely filed within the limits prescribed by all statutes of limitations
18 and repose.

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III. PARTIES

20 3.1 Plaintiff John Ruebel is a resident of Bellevue, King County, Washington. On or
21 about March 5, 1981, Plaintiff Ruebel purchased a lifetime membership in Olympic Athletic
22 Club from Olympic Racquet and Health Club, Inc., for which he paid substantial consideration.
23 Plaintiff Ruebel regularly uses the facilities and services of Olympic Athletic Club.

24 3.2 Plaintiff Tobi Goldman is a resident of Seattle, King County, Washington. In
25 1994 or 1995, after previously buying a single monthly dues-paying membership with Olympic
26 Athletic Club, Plaintiff Goldman purchased a lifetime membership in Olympic Athletic Club
from Marta Huebner, for which she paid substantial consideration to Ms. Huebner and a

1 transfer fee to Olympic Racquet and Health Club. Ms. Goldman regularly uses the facilities
2 and services of Olympic Athletic Club.

3 3.3 Plaintiff Kevin Van Ness is a resident of Mukilteo, Snohomish County,
4 Washington. In approximately 1979, Plaintiff Van Ness's grandmother purchased a Lifetime
5 Single Silver membership in Olympic Athletic Club from Olympic Racquet and Health Club,
6 Inc., for which she paid substantial consideration. In 1996, Plaintiff Van Ness's grandmother
7 transferred her membership to Plaintiff Van Ness as a gift. Mr. Van Ness regularly uses the
8 facilities and services of Olympic Athletic Club.

9 3.4 Defendant Olympic Racquet and Health Club, Inc. ("ORHC") is a Washington
10 corporation with its principal place of business in Seattle, King County, Washington.
11 Defendant ORHC was incorporated on or about May 12, 1978. From 1979 through
12 approximately August 2011, Defendant ORHC owned and operated Olympic Athletic Club.
13 On information and belief, Defendant ORHC has been stripped of assets and left without funds
14 by those controlling it in order to avoid actual or potential liability, including liability to
15 Plaintiffs and proposed Class members for lifetime memberships. The corporate form should
16 be disregarded and personal liability attached to Defendant James Riggle and Defendant
17 Debera Riggle.

18 3.5 Defendant Sewanee Inc. ("Sewanee") is a Washington corporation with its
19 principal place of business in Seattle, King County, Washington. Defendant Sewanee was
20 incorporated on or about May 26, 2011. From approximately August 2011 to the present,
21 Defendant Sewanee has owned and operated Olympic Athletic Club.

22 3.6 Defendant James Riggle, aka James Rigole, is a married individual. On
23 information and belief, Defendant James Riggle recently relocated his residence from
24 Woodinville, King County, Washington to Scottsdale, Arizona. On information and belief, at
25 all times relevant to the acts alleged herein, Defendant James Riggle was President, Chairman,
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1 and an owner of Defendant ORHC. As to all acts alleged herein, Defendant James Riggle acted
2 on his own behalf and on behalf of his marital community.

3 3.7 Defendant Debera Riggle, aka Debera Rigole, is a married individual. On
4 information and belief, Defendant Debera Riggle recently relocated her residence from
5 Woodinville, King County, Washington to Scottsdale, Arizona. On information and belief, at
6 all times relevant to the acts alleged herein, Defendant Debera Riggle was Vice President,
7 Secretary, Treasurer, and an owner of Defendant ORHC. As to all acts alleged herein,
8 Defendant Debera Riggle acted on her own behalf and on behalf of her marital community.

9 3.8 Defendant John Lowrance, aka John Lawrance, is believed to be a married
10 individual. On information and belief, Defendant Lawrance is a resident of Seattle, King
11 County, Washington. On information and belief, at all times relevant to the acts alleged herein,
12 Defendant Lowrance was President of Defendant Sewanee. As to all acts alleged herein,
13 Defendant Lowrance acted on his own behalf and on behalf of his marital community.

14 3.9 Defendant Adele Maruo, aka Adele Marvo, is believed to be a married individual.
15 On information and belief, Defendant Marvo is a resident of Seattle, King County, Washington.
16 On information and belief, at all times relevant to the acts alleged herein, Defendant Marvo was
17 Treasurer of Defendant Sewanee. As to all acts alleged herein, Defendant Marvo acted on her
18 own behalf and on behalf of her marital community.

19 3.10 Each Defendant committed the acts alleged in this complaint either personally or
20 through such Defendant's officers, directors, agents, employees, or representatives while
21 actively engaged in the management, direction, or control, of the transactions giving rise to this
22 complaint.

23 **IV. GENERAL FACTUAL ALLEGATIONS**

24 4.1 Olympic Athletic Club is a membership-only health and athletic club located in
25 the Ballard neighborhood of Seattle, King County, Washington. It opened for business in 1979
26 and, as its website explains, "ha[s] grown to be one of the premier health clubs in Seattle."

1 4.2 Defendants James Riggle and Debera Riggle, through Defendant ORHC, were the
2 original owners and operators of Olympic Athletic Club.

3 4.3 From its founding to the present, Olympic Athletic Club has offered monthly
4 memberships, with members paying dues each month after paying a one-time initiation fee. Up
5 until approximately 1987, Olympic Athletic Club also offered lifetime memberships. These
6 lifetime memberships were touted as having “No Dues Ever” and as being “Sellable, Willable,
7 and Transferable.” Individuals, couples, and families who purchased lifetime memberships
8 paid a one-time fee in exchange for the privileges of perpetual membership, until such
9 members sold, willed, or transferred their membership. On information and belief,
10 approximately 1,000 such lifetime memberships were sold.

11 4.4 When owners of lifetime memberships transferred their memberships to other
12 individuals, couples and families, Olympic Athletic Club approved of and received monies for
13 such transfers.

14 4.5 In May 2011, Defendant Sewanee was formed. According to the Washington
15 Secretary of State’s website, as of December 6, 2011, the “Governing Persons” of Sewanee are
16 “John Lawrance,” “James Rigole,” “Debera Rigole” and “Adele Marvo.”

17 4.6 On information and belief, in approximately August 2011, Defendant Sewanee
18 purchased or took over the business and operations of Olympic Athletic Club.

19 4.7 On information and belief, the purchase or takeover of Olympic Athletic Club by
20 Defendant Sewanee was a de facto merger or consolidation of the previous business with the
21 new business.

22 4.8 Defendant Sewanee, the purported purchaser of Olympic Athletic Club, is a mere
23 continuation of the seller, Defendant ORHC, in that Defendant James Riggle and Defendant
24 Debera Riggle, officers of Defendant ORHC, are, on information and belief, officers of
25 Defendant Sewanee, under the names “James Rigole” and “Debera Rigole.” Thus, there is a
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1 common identity between officers of the selling and purchasing companies and a continuity of
2 individuals in control of the business.

3 4.9 According to the Washington Secretary of State's website, as of December 6,
4 2011, Defendant ORHC and Defendant Sewanee share the same registered agent, Gloria
5 Villanueva. Ms. Villanueva is also the registered agent for several other Washington business
6 entities of which Defendant James Riggle, on information and belief, is an officer, member
7 and/or owner, including Ballard Property Holding Company LLC; Debera Property LLC; JD
8 Ballard Property LLC; James R. Property LLC; Jamie Property LLC; Nicole Property LLC;
9 and Tristan Property LLC.

10 4.10 On information and belief, the transfer of Olympic Athletic Club from Defendant
11 ORHC to Defendant Sewanee took place in part for the intent and purpose of escaping liability,
12 including liability for the contracts to maintain lifetime memberships for Plaintiffs and Class
13 members.

14 4.11 For the reasons alleged in herein, Defendant Sewanee and its owners and officers
15 are liable for the debts and other liabilities of Defendant ORHC and its owners and officers,
16 including the obligation to maintain the lifetime memberships of Plaintiffs and Class members.

17 4.12 In late November 2011, Plaintiffs and other lifetime members of Olympic Athletic
18 Club received a letter from Mark Durall, Olympic Athletic Club's General Manager, dated
19 November 15, 2011 (the "Letter").

20 4.13 The Letter stated that Defendant ORHC "has been sold and the new Owner, as
21 part of the purchase, did not agree to service non-dues paying memberships." The Letter
22 further stated that "an agreement was made to offer all existing non-dues paying members a
23 membership equal in value to the price they originally paid for their membership, provided they
24 furnish original membership documentation to verify the amount paid and sign a new
25 membership by December 31, 2011" and that if "non-dues paying members" did not sign a new
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1 membership agreement, their membership privileges “will be terminated on December 31,
2 2011.”

3 4.14 The effect of the Letter is to terminate lifetime memberships in Olympic Athletic
4 Club, for which lifetime members paid substantial consideration.

5 V. CLASS ACTION ALLEGATIONS

6 5.1 Class Definition. Pursuant to Civil Rule 23(b)(2), Plaintiffs bring this case as a
7 class action on behalf of the Class defined as follows:

8 All persons who own lifetime memberships with Olympic
9 Athletic Club in Seattle, Washington or who owned such
memberships as of November 15, 2011.

10 5.2 Exclusions from Class. Excluded from the Class are Defendants, any entity in
11 which Defendants have a controlling interest or which has a controlling interest in Defendants,
12 and Defendants’ legal representatives, assignees, and successors. Also excluded are the judge
13 to whom this case is assigned and any member of the judge’s immediate family.

14 5.3 Numerosity. Plaintiffs believe there are at least 1,000 members of the Class. The
15 members of the Class are so numerous that joinder of all members is impracticable. Moreover,
16 the disposition of the claims of the Class in a single action will provide substantial benefits to
17 all parties and the Court.

18 5.4 Commonality. There are numerous questions of law and fact common to
19 Plaintiffs and members of the Class. These questions include, but are not limited to, the
20 following:

21 a. Whether Defendants have engaged in a common practice of refusing to
22 honor lifetime memberships in Olympic Athletic Club;

23 b. Whether Defendants’ common practice of refusing to honor lifetime
24 memberships in Olympic Athletic Club constitutes an unfair and/or deceptive act or practice;

25 c. Whether Defendants’ common practice of refusing to honor lifetime
26 memberships in Olympic Athletic Club occurs in trade or commerce;

1 d. Whether Defendants' unfair and/or deceptive common practice of
2 refusing to honor lifetime memberships in Olympic Athletic Club has an impact on the public
3 interest because it had injured and has the capacity to injure other persons;

4 e. Whether Defendants' unfair and/or deceptive common practice of
5 refusing to honor lifetime memberships in Olympic Athletic Club is continuing in nature and
6 represents an ongoing threat of injury to Plaintiffs and members of the Class;

7 f. Whether, absent the issuance of injunctive and equitable relief, Plaintiffs
8 and members of the Class will suffer continuing, immediate and irreparable injury;

9 g. Whether Plaintiffs and members of the Class lack a complete, speedy,
10 and adequate remedy at law with respect to Defendants' continuing unfair and/or deceptive
11 conduct;

12 h. Whether final injunctive relief is necessary to prevent further injury to
13 Plaintiffs and members of the Class; and

14 i. Whether Defendant Sewanee and its owners and officers are liable for
15 the debts and other liabilities of Defendant ORHC and its owners and officers, including the
16 obligation to maintain the lifetime memberships of Plaintiffs and Class members.

17 5.5 Typicality. The claims of the representative Plaintiffs are typical of the claims of
18 the Class. Plaintiffs' claims, like the claims of the members of the Class, arise out of the same
19 common practices of conduct by Defendants and are based on the same legal and remedial
20 theories.

21 5.6 Adequacy. Plaintiffs will fairly and adequately protect the interests of the Class.
22 Plaintiffs have retained competent and capable attorneys who are experienced trial lawyers with
23 significant experience in complex and class action litigation. Plaintiffs and their counsel are
24 committed to prosecuting this action vigorously on behalf of the Class and have the financial
25 resources to do so. Neither Plaintiffs nor their counsel have interests that are contrary to or that
26 conflict with those of the proposed Class.

1 DATED this 9th day of December, 2011.

2 TERRELL MARSHALL DAUDT & WILLIE PLLC

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