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5 IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON

6 FOR THE COUNTY OF CLARK

7 CATHRYN CHUDY, EMMY)
WINTERBURN, AND KATHRYN) Case No. 06-2-03426-4
8 EDGECOMB, on behalf of Columbia)
Community Credit Union, and CATHRYN) PLAINTIFFS' COMPLAINT FOR
9 CHUDY, EMMY WINTERBURN, AND) DECLARATORY JUDGMENT AND
10 KATHRYN EDGECOMB, as individuals,) INJUNCTIVE RELIEF
)

11 Plaintiffs,)

12 v.)

13 DUANE BEQUETTE, STEVE STRAUB,)
JOHN CHEEK, MARK AIL, ROBERT)
14 BYRD, AND PARKER CANN,)

15 Defendants.)
16

17 Plaintiffs allege as follows:

18 1.

19 Columbia Community Credit Union (hereinafter "CCCU") is a Washington cooperative
20 society organized as a credit union under the Washington State Credit Union Act (Chapter 31.12 of
21 the Revised Code of Washington) and authorized to provide services to member-owners.
22

23 2.

24 Plaintiffs Cathryn Chudy, Kathryn Edgecomb, and Emmy Winterburn (collectively "Plaintiff
25 Directors") are presently directors of the CCCU Board of Directors, having been so elected by the
26 member-owners: Emmy Winterburn, elected September 15, 2005, and re-elected June 29, 2005, and

1 Cathryn Chudy and Kathryn Edgecomb, both elected June 29, 2005.

2 3.

3 Defendants Duane Bequette, Steve Straub, John Cheek, Mark Ail, and Robert Byrd
4 (collectively "Defendant Directors") are presently directors of the CCCU Board of Directors. All
5 have held those positions during occurrences of conduct complained of herein.
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7 4.

8 Parker Cann is the Chief Executive Officer of CCCU, and is named as a Defendant in his
9 capacity as CEO of CCCU.
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11 5.

12 Jurisdiction is proper in this court pursuant to RCW 2.08.010 and RCW 7.24.010.

13 6.

14 Venue is proper in this court under RCW 4.12.025, for some or all the individual Defendants
15 reside in Clark County, Washington, all named Defendants are members or employees of CCCU,
16 which has its principal place of business in Clark County, Washington, and the conduct complained
17 of herein occurred in Clark County, Washington.
18

19 7.

20 Defendants control the records of CCCU. They have engaged in a pattern and practice of
21 denying Plaintiff Directors access to examine and copy corporate records to which Plaintiffs are
22 entitled by law to examine and copy due to their positions as Directors.
23

24 8.

25 Defendant Directors have engaged in the practice of excluding Plaintiff Directors from Board
26 of Directors (hereinafter "Board") meetings and committee meetings, despite their objections, while

1 Defendant Directors have been allowed to remain at the meetings. Defendant Directors discuss and
2 decide significant corporate matters at meetings from which Plaintiff Directors are excluded.

3 9.

4 At the Board meetings that Plaintiff Directors have been allowed to attend, notwithstanding
5 Plaintiff Directors' requests for accurate minutes, Defendant Directors have engaged in a pattern and
6 practice of preparing and approving minutes that record the positions of the majority and omit the
7 positions expressed by the minority on matters brought before the Board.
8

9 10.

10 Defendants' actions of denying Plaintiff Directors access to records, excluding Plaintiff
11 Directors from meetings, and prohibiting Plaintiff Directors from registering their objections in
12 Board meeting minutes have prevented Plaintiff Directors from exercising the duties and powers
13 set forth in RCW 31.12.255.
14

15 11.

16 Defendants have prevented Plaintiff Directors from fulfilling their fiduciary obligations as
17 Directors, pursuant to RCW 31.12.267, by denying them access to information necessary to
18 discharge their duties and denying them their other rights as Directors.
19

20 12.

21 If not enjoined, Defendants will continue to deny Plaintiff Directors access to corporate
22 records, will continue to exclude Plaintiff Directors from meetings concerning CCCU, and will
23 continue to prohibit Plaintiff Directors from registering their objections in Board and committee
24 meetings minutes.
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2 Plaintiff Directors are entitled to indemnification, from CCCU, for their expenses, including
3 attorney fees, relating to this action, which arise from the fact that they are directors, pursuant to
4 CCCU's Articles of Incorporation.
5

6 14.

7 Plaintiff Directors have no adequate remedy at law.

8 WHEREFORE, Plaintiff Directors pray for a judgment as follows:


- 9 (1) Declaring that Plaintiff Directors have a right to examine and copy all corporate
10 records;
11 (2) Declaring that Plaintiff Directors are entitled to attend all Board and committee
12 meetings in their entirety;
13 (3) Declaring that Plaintiff Directors are entitled to register in the meeting minutes their
14 objections on any matter presented to the Board or committee;
15 (4) Declaring that corporate minutes of meetings of the Board and its committees must
16 reasonably reflect the views of all Directors expressed at the meeting;
17 (5) Enjoining Defendants from denying Plaintiff Directors access to examine and copy
18 all corporate records;
19 (6) Enjoining Defendants from preventing Plaintiff Directors from attending all Board
20 and committee meetings in their entirety;
21 (7) Enjoining Defendants from prohibiting Plaintiff Directors from registering in the
22 meeting minutes, their objections on any matter presented to the Board or committee;
23 (8) Enjoining Defendants from preventing corporate minutes of meetings of the Board
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1 and its committees from reasonably reflecting the views of all Directors expressed
2 at the meeting; and

- 3 (9) Ordering Defendants to cause CCCU to indemnify Plaintiff Directors against their
4 expenses, including attorney fees, arising from this action.
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7 DATED this 3rd day of July, 2006.

8 REEVES, KAHN & HENNESSY

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11 Peggy Hennessy, WSBA #17886
12 Of Attorneys for Plaintiffs
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