

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

**STATE OF WASHINGTON  
KING COUNTY SUPERIOR COURT**

STATE OF WASHINGTON,

NO.

Plaintiff,

COMPLAINT FOR INJUNCTIVE  
AND OTHER RELIEF UNDER THE  
CONSUMER PROTECTION ACT

v.

NORTHWEST TERRITORIAL MINT,  
a Washington Limited Liability  
Company; and BERNARD ROSS  
HANSEN, also known as ROSS B.  
HANSEN, as Member, President, Chief  
Executive Officer and Owner of  
Northwest Territorial Mint,

Defendants.

COMES NOW, Plaintiff, State of Washington, by and through its attorneys Robert M. McKenna, Attorney General and Paula Selis, Senior Counsel, and brings this action against Defendants named herein. The State alleges the following on information and belief:

**I. JURISDICTION AND VENUE**

1.1 This Complaint is filed and these proceedings are instituted under the provisions of the Unfair Business Practices—Consumer Protection Act, Chapter 19.86 RCW.

1.2 The violations alleged in this Complaint have been committed in whole or in part in King County, in the State of Washington, by Defendants named herein.

1 1.3 Authority of the Attorney General to commence this action is conferred by  
2 RCW 19.86.080 and RCW 19.86.140.

3  
4 **II. DEFENDANTS**

5 2.1 Defendant Northwest Territorial Mint is a Washington limited liability  
6 company. Its principal place of business is located at 1307 W. Valley Highway N., Suite 101,  
7 Auburn, Washington 98001. Defendant Northwest Territorial Mint is and has at all times  
8 relevant to this action been engaged in the minting, marketing and sale of coins,  
9 commemorative medallions, bullion, knives and other precious metal items through its Web  
10 site <http://www.nwtmint.com> and from its store located at its principal place of business.

11  
12 2.2 Defendant Bernard Ross Hansen, also known as Ross B. Hansen, is and has at  
13 all times relevant to this action been the Member, President, Chief Executive Officer and  
14 owner of Defendant Northwest Territorial Mint. As the Member, President, Chief Executive  
15 Officer and owner of Defendant Northwest Territorial Mint, Defendant Hansen has control  
16 over Northwest Territorial Mint's policies, practices, and activities. Defendant Hansen resides  
17 in the State of Washington.

18 **III. NATURE OF TRADE OR COMMERCE**

19 3.1 Defendants mint and sell coins, bullion, medallions and other precious metal  
20 objects through their website, <http://www.nwtmint.com> . Defendants also make direct sales to  
21 consumers at their display room located in Auburn, Washington.

22 3.2 Defendants sell their products to consumers across the country and the world.  
23 Consumers who see the products on Defendants' website either order the products directly  
24 online or contact them by telephone to place orders. The prices for defendants' products range  
25 from a few dollars for smaller items such as lapel pins, to hundreds of thousands of dollars for  
26

1 large purchases of precious metals such as gold bullion. Many consumers who purchase from  
2 Defendants buy multiples of items, such as several gold or silver coins. Often consumers buy  
3 precious metals from Defendants for investment purposes. Defendants also design and mint  
4 custom items, such as commemorative coins, medallions and medals.

5 3.3 Defendants have solicited, advertised, and sold products in King County,  
6 Washington and are in competition with others in the State of Washington engaged in similar  
7 business.

#### 8 **IV. FIRST CAUSE OF ACTION—MISPRESENTATION OF DELIVERY DATE**

9 4.1 Plaintiff realleges Paragraphs 1.1 through 3.3 and incorporates them as if set  
10 forth fully herein.

11 4.2 In the course of selling coins and other precious metal bullion products to  
12 consumers, Defendants represent that the consumers' orders will be shipped within a specified  
13 period of time. At various points, Defendants have represented various shipping time frames.  
14 At one point, Defendants represented that consumers' orders would ship "approximately 10  
15 days" after receipt of payment by check. <http://www.nwtmint.com/cart/catalog.html>, January  
16 9, 2005. More recently, Defendants have represented that their policy is to ship "promptly,"  
17 but if there are delays, the items will be shipped within thirty days of receiving notification that  
18 consumers' checks has cleared. <http://www.nwtmint.com/buyingbullion.php>, November 5,  
19 2007. Additionally, they state on their website that "(S)ales of gold, silver, palladium and  
20 platinum are delivered promptly ..." <http://www.nwtmintbullion.com/>, January 15, 2008.

21 4.3 In many cases, Defendants have failed to ship items ordered within the  
22 represented time frame. Consumers have invested thousands of dollars for precious metal  
23 bullion products, and waited months for their orders to arrive.

24 4.4 In one representative example, a consumer paid \$125,540.00 for a shipment of  
25 two hundred gold coins. More than two months after purchase, he still had not received the  
26

1 coins, despite the fact that his check cleared within three days of purchase. In another  
2 example, a consumer paid \$1,378.00 for a shipment of silver bullion. After waiting  
3 approximately two months, he finally contacted Defendants and was told that the bullion  
4 would ship by the end of the month. More than four months after the original date of purchase,  
5 the bullion had still not been shipped. Other consumers have had similar experiences. As of  
6 the date of this Complaint, the Attorney General's Office, the Better Business Bureau and the  
7 Federal Trade Commission have received a total of 82 consumer complaints detailing  
8 Defendants' delays in delivery, with an average purchase price of \$14,774.26 per consumer.

9           4.5     When consumers contact Defendants to inquire about the status of their orders  
10 and are successful in reaching them, Defendants often represent that the orders will be shipped  
11 by a date certain or within a specified time frame. For example, consumers have been told  
12 their items would be shipped "tomorrow" or by "the following Monday." In many instances,  
13 despite Defendants' assurances, the items are not shipped as represented.

14           4.6     The conduct described above constitutes unfair or deceptive acts or practices in  
15 trade or commerce, and unfair methods of competition in violation of RCW 19.86.020.

## 16           **V.     SECOND CAUSE OF ACTION—UNFAIR REFUND POLICY**

17           5.1     Plaintiff realleges Paragraphs 1.1 through 4.6 and incorporates them as if set  
18 forth fully herein.

19           5.2     Many consumers who purchase from Defendants do so as an investment in  
20 bullion. They purchase the bullion based on its market value on the date of purchase, with an  
21 eye toward making a profit on the sale of the bullion at a later time. Like other investments,  
22 the price of bullion fluctuates according to market values. Accordingly, Defendants, who  
23 represent themselves as a dealer who both buys and sells bullion, buy and sell at different  
24 prices at different times. They base the purchase price on the market value at the time of sale.  
25  
26





