Hon. M. Trickey
Trial Date: March 17, 2014

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

DANIEL CHARLES IRISH, Plaintiff, vs. NOVEL INCORPORATED, RECURRENCE, INCORPORATED, BRAYDEN WILLIAM BLAINE OLSON and JANE DOE OLSON and the marital community thereof. Defendants	Case No.: 12-2-36154-1 SEA DEFENDANT OLSON'S ANSWER

Defendant Olson answers as follows:

I. PARTIES

1.1 Admit Defendant Olson's place of residence. Deny the rest.

1.2 Admit.

1.3 Admit.

II. JURISDICTION AND VENUE

2.1 Admit that actions occurred in King County.

2.2 Admit.

2.3 Admit.

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III. FACTS

3.1 Deny, Novel Inc. was not incorporated until 2010. Admit Olson, and subsequently Irish, served as Novel, Inc. CEO.

3.2 Deny Olson dominated and controlled Novel.

3.3 Deny Olson used the company as his personal piggy-bank and paid himself with funds without the authorization of the Board and before he paid employees. The remainder of this paragraph contains legal conclusions, therefore, no response is needed. To the extent a response is needed, deny.

3.4 Deny, Novel hired Holiday Financial, Inc. which assigned Irish to Novel in February 2012.

3.5 Admit loan and Olson wrote checks. The exhibits speak for themselves regarding if and why the checks were returned. Additionally, with regards to all averments of checks cashed with insufficient funds, Olson and Irish executed a $25,000 promissory note which would have prevented any returned checks. Although executed, Irish never transferred the funds, causing in whole or in part, any returned checks.

3.6 Admit Olson crashed Irish's BMW. Deny Olson drove the car for personal use, he drove it at Irish's encouragement with Irish present in the car. Admit Olson said he would repay for damage caused. Olson is without sufficient information to admit or deny that Irish leased the vehicle, was legally responsible for the vehicle, and incurred the amount of damages allegedly caused, therefore, he denies the same.

3.7 Admit Olson wrote the check. Deny Olson is personally liable to Irish for the check made out to DKG. The statement that "Plaintiff remains personally liable for that debt," contains a legal conclusion; therefore, no response is needed. To the extent a

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response is needed, deny. The exhibits speak for themselves regarding if and why the checks were returned.

3.8 Admit, Irish was aware that Olson did not have the funds and the parties had agreed that Olson was to repay the checks when able. Admit that Exhibit G is Olson's April 30, 2012 bank statement, which Irish had possessed a copy.

3.9 Deny, Novel, through Olson, asked Plaintiff to loan money. Admit the loan was limited to "general corporate purposes, including expenses." Admit Irish subscribed to the debt offering a total of $25,000. Deny that Olson stated that "financing was in the bag" and that it was about to be "wrapped up." Deny that Olson stated he had secured financing for Novel through April 30, 2012 on the conference call. Deny Olson knew those representations were false. Olson is without sufficient information to admit or deny that the assurances, which he asserts were not given, induced Irish to loan Novel money, therefore, deny.

3.10 Admit.

3.11 Admit Olson issued two $4,500 checks to himself in March 2012. Admit those payments were not contemporaneously disclosed to Irish, Irish was not CEO at the time and the payments were permitted under Novel's governing structure.

3.12 Deny there was no corporate purpose to the two $4,500 payments to Olson. Admit the Novel Board did not authorize the payments, which had a corporate purpose. Deny Olson favored himself over other employees and creditors at the time of payments. Deny Novel owed outstanding wages to employees other than Olson at the time of payment. The remaining parts of this paragraph contain a legal conclusion; therefore, no response is needed. To the extent a response is needed, deny.

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3.13 Deny, Olson did not request the payment, rather Irish offered the payment. Admit that Irish paid the amount.

3.14 Admit. The exhibits speak for themselves regarding if and why the checks were returned.

3.15 Admit. The exhibits speak for themselves regarding if and why the checks were returned.

3.16 Admit. The exhibits speak for themselves regarding if and why the checks were returned.

3.17 Admit. The exhibits speak for themselves regarding if and why the checks were returned.

3.18 Deny, Olson resigned from Board in late April 2012. He was terminated on May 1, 2012, after Irish, then Novel CEO, did not pay wages.

3.19 Deny. Additionally, Exhibit P does not even refer to Recurrence, let alone state that it is a "spin off."

3.20 Deny the purpose of incorporating Recurrence was to avoid the financial obligations of Novel.

3.21 Deny Recurrence and Novel shared the same principal owners and had a continuity of Novel management other than Olson. Admit Novel ceased operation prior to Recurrence's inception. The remaining parts of this paragraph contain a legal conclusion; therefore, no response is needed. To the extent a response is needed, deny.

3.22 Admit Irish loaned that amount, deny it was loaned for rent. The exhibits speak for themselves regarding if and why the checks were returned.

3.23 Deny.

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IV. CAUSES OF ACTION

First Cause of Action (Breach of Contract)

4.1 Defendant relies on responses above.

4.2 Admit Olson borrowed the money. To the extent the complaint asserts the agreement was enforceable or breached, that contains a legal conclusion; therefore, no response is needed. To the extent a response is needed, deny.

4.3 Admit parties entered into an agreement that was not subsequently paid. Deny Olson has refused to repay Irish. To the extent the complaint asserts the agreement was enforceable or breached, that contains a legal conclusion; therefore, no response is needed. To the extent a response is needed, deny.

4.4 Admit Olson promised to pay the funds. To the extent the complaint asserts the agreement was enforceable or breached, that contains a legal conclusion; therefore, no response is needed. To the extent a response is needed, deny. The exhibits speak for themselves regarding if and why the checks were returned.

4.5 Admit Olson borrowed the funds. To the extent the complaint asserts the agreement was enforceable or breached, that contains a legal conclusion; therefore, no response is needed. To the extent a response is needed, deny. The exhibits speak for themselves regarding if and why the checks were returned.

4.6 Admit Olson borrowed the funds. To the extent the complaint asserts the agreement was enforceable or breached, that contains a legal conclusion; therefore, no response is needed. To the extent a response is needed, deny. The exhibits speak for themselves regarding if and why the checks were returned.

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4.7 Admit Olson borrowed the funds. To the extent the complaint asserts the agreement was enforceable or breached, that contains a legal conclusion; therefore, no response is needed. To the extent a response is needed, deny. The exhibits speak for themselves regarding if and why the checks were returned.

4.8 Admit Olson borrowed the funds. To the extent the complaint asserts the agreement was enforceable or breached, that contains a legal conclusion; therefore, no response is needed. To the extent a response is needed, deny. The exhibits speak for themselves regarding if and why the checks were returned.

4.9 Admit Olson borrowed the funds. Deny Olson has refused to repay. To the extent the complaint asserts the agreement was enforceable or breached, that contains a legal conclusion; therefore, no response is needed. To the extent a response is needed, deny.

4.10 This averment is addressed at Novel not Olson, therefore, no response is needed. To the extent a response is needed, deny. To the extent the complaint asserts the agreement was enforceable or breached, that contains a legal conclusion; therefore, no response is needed. To the extent a response is needed, deny.

4.11 This paragraph contains legal conclusions or averments to which Olson has insufficient knowledge; therefore, no response is needed. To the extent a response is needed, deny. Deny Olson misapplied loan proceeds for personal purposes. Deny Olson paid himself from the loan proceeds in breach of the terms of the contract between Novel and Irish. Deny Olson intentionally created Recurrence, Inc. to evade debt owed by Novel to Irish.

4.12 This paragraph contains legal conclusions; therefore, no response is needed. To the extent a response is needed, deny. Deny Recurrence is principally owned by the same

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parties as Novel. Admit Novel ceased operation prior to Recurrence's inception. Deny continuity of management between Novel and Recurrence, except for Olson.

4.13 This paragraph contains legal conclusions; therefore, no response is needed. To the extent a response is needed, deny.

4.14 This paragraph contains legal conclusions; therefore, no response is needed. To the extent a response is needed, deny.

4.15 This paragraph contains legal conclusions; therefore, no response is needed. To the extent a response is needed, deny.

Second Cause of Action (Consumer Protection Act Violation)

5.1 Defendant relies on responses above.

5.2 Deny.

5.3 This paragraph contains legal conclusions; therefore, no response is needed. To the extent a response is needed, deny.

5.4 This paragraph contains legal conclusions; therefore, no response is needed. To the extent a response is needed, deny.

5.5 This paragraph contains legal conclusions; therefore, no response is needed. To the extent a response is needed, deny.

5.6 This paragraph contains legal conclusions or averments to which Olson has insufficient knowledge; therefore, no response is needed. To the extent a response is needed, deny. Deny Olson misapplied loan proceeds for personal purposes. Deny Olson paid himself from the loan proceeds in breach of the terms of the contract between Novel and Irish. Deny Olson intentionally created Recurrence, Inc. to evade debt owed by Novel to Irish.

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5.7 This paragraph contains legal conclusions; therefore, no response is needed. To the extent a response is needed, deny.

Third Cause of Action (Account Stated)

6.1 Defendant relies on responses above.

6.2 Admit, although Olson is potentially not liable on the BMW crash he admits he promised to pay that amount.

6.3 Admit.

6.4 This paragraph contains legal conclusions or averments to which Olson has insufficient knowledge; therefore, no response is needed. To the extent a response is needed, deny. Deny Olson misapplied loan proceeds for personal purposes. Deny Olson paid himself from the loan proceeds in breach of the terms of the contract between Novel and Irish. Deny Olson intentionally created Recurrence, Inc. to evade debt owed by Novel to Irish.

6.5 This paragraph contains legal conclusions; therefore, no response is needed. To the extent a response is needed, deny. Deny Recurrence is principally owned by the same parties as Novel. Admit Novel ceased operation prior to Recurrence's inception. Deny continuity of management between Novel and Recurrence, except for Olson.

6.6 This paragraph contains legal conclusions; therefore, no response is needed. To the extent a response is needed, deny.

6.7 This paragraph contains legal conclusions; therefore, no response is needed. To the extent a response is needed, deny.

Fourth Cause of Action (Intentional Misrepresentation or Fraud)

7.1 Defendant relies on responses above.

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7.2 Admit Olson borrowed or promised to pay $8,846.44 personally. Deny that Olson borrowed $25,000 on behalf of Novel for any reason other than Novel business purposes.

7.3 Admit Olson wrote the checks. Deny that Olson wrote each and every check "on accounts that he knew would be returned for sufficient funds," because the parties had agreed that Olson would make payments as funds became available.

7.4 Deny.

7.5 Deny that Olson did not intend to repay the loans. Admit that Olson has not repaid the loans or promised payments.

7.6 Deny Olson intended to have Irish act on his representations that he would be repaid pursuant to their agreements and that the post-dated checks would secure the loans. Olson is without sufficient information to admit or deny that Irish would not have loaned money without knowing that checks would secure the loans, therefore, deny.

7.7 This paragraph contains legal conclusions; therefore, no response is needed. To the extent a response is needed, deny.

7.8 This paragraph contains legal conclusions; therefore, no response is needed. To the extent a response is needed, deny.

Fifth Cause of Action (Quantum Meruit)

8.1 Defendant relies on responses above.

8.2 Admit, clarifying that Novel requested and used loans for business purposes.

8.3 Admit Olson knew that Irish expected to be paid back. Admit Novel knew that Irish expected to have the loan repaid. Deny Olson has refused to repay and that Olson's loans are worth in excess of $33,846.44. Irish controls Novel and therefore would have

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knowledge regarding Novel's refusal to repay its loan. To the extent an answer is needed, deny.

8.4 Deny Olson refused repayment. Olson has insufficient knowledge to determine whether Novel refused repayment, and therefore, denies the same. Irish controls Novel and therefore would have knowledge regarding Novel's refusal to repay its loan.

8.5 This paragraph contains legal conclusions or averments to which Olson has insufficient knowledge; therefore, no response is needed. To the extent a response is needed, deny. Deny Olson misapplied loan proceeds for personal purposes. Deny Olson paid himself from the loan proceeds in breach of the terms of the contract between Novel and Irish. Deny Olson intentionally created Recurrence, Inc. to evade debt owed by Novel to Irish.

8.6 This paragraph contains legal conclusions; therefore, no response is needed. To the extent a response is needed, deny. Deny Recurrence is principally owned by the same parties as Novel. Admit Novel ceased operation prior to Recurrence's inception. Deny continuity of management between Novel and Recurrence, except for Olson.

8.7 This paragraph contains legal conclusions; therefore, no response is needed. To the extent a response is needed, deny.

Sixth Cause of Action (Unjust Enrichment)

9.1 Defendant relies on responses above.

9.2 This paragraph contains legal conclusions; therefore, no response is needed. To the extent a response is needed, deny. Admit Olson knowingly accepted the benefit of Irish's loans to him personally. Deny that Irish's loans totaled $8,846.44 because that figure includes money Brayden promised to pay Irish after crashing his car- it was not a

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loan. Admit Novel knowingly accepted the benefit of Irish's loan. Deny Olson retained the benefits of Novel's loan.

9.3 This paragraph contains legal conclusions; therefore, no response is needed. To the extent a response is needed, deny.

9.4 This paragraph contains legal conclusions; therefore, no response is needed. To the extent a response is needed, deny.

Seventh Cause of Action (Dishonored Checks)

10.1 Defendant relies on responses above.

10.2 Admit drafted checks were not paid, clarifying that one check was not addressed to Irish. Whether the checks were dishonored is a legal conclusion. To the extent an answer is necessary, deny.

10.3 Admit Irish has requested Olson pay the amount of the dishonored checks. Deny Olson has refused to repay.

10.4 This paragraph contains legal conclusions; therefore, no response is needed. To the extent a response is needed, deny.

Eighth Cause of Action (Fraudulent Transfer)

11.1 Defendant relies on responses above.

11.2 This paragraph contains legal conclusions; therefore, no response is needed. To the extent a response is needed, deny.

11.3 This paragraph contains legal conclusions; therefore, no response is needed. To the extent a response is needed, deny. Deny that Olson reasonably should have known that Novel would incur debts beyond its ability to pay as they became due.

11.4 This paragraph contains legal conclusions; therefore, no response is needed. To the extent a response is needed, deny.

11.5 This paragraph contains legal conclusions; therefore, no response is needed. To the extent a response is needed, deny. Deny Olson concealed the transfer from Irish.

11.6 Deny, Novel was current on its debts at the time of transfer and only became insolvent after Irish became its CEO.

11.7 This paragraph contains legal conclusions; therefore, no response is needed. To the extent a response is needed, deny.

V. AFFIRMATIVE DEFENSES

1. Defendant Olson incorporates the above admissions, denials, allegations, and objections as an affirmative defense;
2. Offset for any monies paid now or in the future;
3. Investigation and discovery may reveal that Irish's damages, if any, were proximately caused by his own negligence or comparative fault;
4. Investigation and discovery may reveal that Irish's damages, if any, were proximately caused by individuals or entities outside of Olson's control and responsibility;
5. Irish failed to plead fraud with particularity under CR 9(b) because future promises of payment do not constitute representations of existing fact;
6. Plaintiff has failed to mitigate damages;
7. Accord and satisfaction;
8. Novation;
9. Unclean hands;
10. Estoppel;
11. Olson reserves the right to amend his answers and affirmative defenses to conform to such facts as may be revealed in discovery or otherwise, and to assert counterclaims or cross-claims

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IV. PRAYER FOR RELIEF

Defendant seeks the following relief:

1. Dismissal of Plaintiff's claims with prejudice, and
2. Any further relief as the court may deem just and equitable.

Dated this 25th day of January, 2013

ROCKE | LAW Group, PLLC

Mark Symington

Aaron V. Rocke, WSBA #31525
D. James Davis, WSBA #43141
Mark Symington, WSBA #45013
Attorney for Defendant Olson

DECLARATION OF SERVICE

I sent a copy of the foregoing Answer to the following in the manner indicated:

Via Personal Service:

Seth Rosenberg
Rosenberg Law Group, PLLC
1700 Seventh Avenue, 21^{st} Floor
Seattle, WA 98101

on today's date.

I declare under penalty of perjury under the laws of the state of Washington that the foregoing is true and correct to the best of my belief.

SIGNED and DATED this 25^{th} day of January, 2013 in Seattle, Washington.

Jessica Williams

Jessica Williams, Legal Assistant

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January 25, 2013

Hon. Michael Trickey
King County Superior Court
516 Third Avenue, Room C-203
Seattle, WA 98104

RE: *Daniel Charles Irish v. Novel, Inc., et al.*
KCSC Case No.:12-2-36154-1

Dear Judge Trickey:

Attached, please find a confirmation of filing of the answer to the complaint in the above-named case. This therefore renders the motion for default moot under CR 55(a)(2).

Thank you for your courtesies.

Sincerely,

D. James Davis

Enclosure

Cc: Seth Rosenberg, Attorney for Plaintiff

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