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DEFENDANTS' MOTION FOR PARTIAL SUMMARY JUDGMENT - 1 of 10

GEOFF TATE and SUSAN TATE, a

Plaintiffs,

**EDDIE JACKSON** and **TERESA** 

GOLDEN-JACKSON, a married couple;

MICHAEL WILTON and KERRIE LYNN

WILTON, a married couple; TRI-RYCHE,

MERCHANDISING, INC., a Washington corporation; and MELODISC, LTD., a

Defendants.

TO: CLERK OF THE COURT; and

TO: PLAINTIFFS AND THEIR COUNSEL OF RECORD

SCOTT ROCKENFIELD and MISTY

**ROCKENFIELD**, a married couple;

**CORPORATION**, a Washington corporation; **QUEENSRYCHE** 

Washington corporation,

married couple,

VS.

THE HONORABLE CAROL SCHAPIRA
HEARING DATE: October 19, 2012 Rate 1 Color Color

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CASE NUMBER: 12-2-21829-3 SEA

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SUPERIOR COURT OF WASHINGTON FOR KING COUNTY

DEFENDANTS' MOTION FOR PARTIAL SUMMARY JUDGMENT

No. 12-2-21829-3 SEA

OSINSKI LAW OFFICES, P.L.L.C. 535 Dock St. Suite 108, Tacoma, Washington 98402 TEL (253) 383-4433 | FAX (253) 572-2223 | tto@osinskilaw.com

COMES NOW Defendants EDDIE JACKSON and TERESA GOLDENJACKSON, SCOTT ROCKENFIELD and MISTY ROCKENFIELD, and MICHAEL
WILTON and KERRIE LYNN WILTON, by and through their attorney of record,
Thomas T. Osinski, Jr., of Osinski Law Offices, P.L.L.C., and submit the following Motion
for Partial Summary Judgment.

### INTRODUCTION

Plaintiff Geoff Tate, along with his wife, have brought suit against his former bandmates, Defendants Eddie Jackson, Scott Rockenfield and Michael Wilton, and the corporations they do business through, under various theories designed to dissolve the corporations and award assets of the corporations to the Plaintiffs.

There are several undisputed facts amongst the parties that render most of Plaintiffs' claims and current actions untenable, and, thus, they should be dismissed and restrained respectively. Namely, Plaintiff Geoff Tate admits that he engaged in a workplace assault against his bandmates. Defendants Jackson, Rockenfield and Wilton all readily admit that Mr. Tate still owns his twenty-five percent stake in the Queensryche corporations, and all parties agree that TriRyche Corporation controls the band name, Queensryche, and its related marks. Thus, Mr. Tate's firing is justified, his claims based on loss of his twenty-five percent stake in the corporations are moot, and unless and until Plaintiffs are successful in their suit, the Defendants control TriRyche Corporation and have given no grant of authority to Geoff Tate to use the Queensryche name, marks, or related media assets. In order to narrow the claims and factual contentions for discovery, trial, and current misuse of corporate property, Defendants bring this Motion for Partial Summary Judgment.

## I. RELIEF REQUESTED

Defendants request that Plaintiffs' Claims for Declaratory Judgment,
Shareholder Oppression, Breach of Fiduciary Duty, Dissolution of the Queensryche
Corporations, Breach of Contract, Corporate Waste, Derivative Suit, and Permanent
Injunction all be dismissed for mootness due to the admission that Mr. Tate still owns his
twenty-five percent stake, and that his firing as lead singer was justified because he
engaged in a workplace assault on his bandmates. Furthermore, Defendants ask the
Court to declare that Geoff Tate has no right to the Queensryche band name, marks, and
media assets since he has no grant of authority from the TriRyche Corporation that owns
them, unless and until he is able to succeed on his claims to dissolve the Queensryche
Corporations, and to enter a permanent injunction to the same.

#### II. STATEMENT OF FACTS

It is undisputed that on April 14, 2012, Plaintiff Geoff Tate assaulted

Defendants Scott Rockenfield, and Michael Wilton backstage just before a performance at Sao Paulo, Brazil. See <u>Declaration of Counsel</u> Ex. 7 (*Plaintiffs' Reply to Counterclaim* at ¶ 14); <u>Declaration of Counsel</u> Ex. 2 and 3 (*Declarations of Geoff Tate in Support of Motion for Preliminary Injunction* at p. 9, ¶ 31 (Ex. 2) and p. 5, ¶ 15 (Ex. 3). The fact of this workplace assault is undisputed.¹

In a duly noticed meeting on June 2, 2012, Eddie Jackson, Scott Rockenfield and Michael Wilton voted to replace Geoff Tate with a new lead singer. See <u>Declaration of Counsel</u> Ex. 7 (*Plaintiffs' Reply to Counterclaim*, ¶ 21. The Defendants fully admit that

<sup>1</sup> Although the fact of the assault is undisputed that Mr. Tate assaulted Mr. Rockenfield and Mr. Wilton, it is of note

that the intensity of that assault has been more fully admitted by Mr. Tate as these proceedings have progressed. Starting with "attempts to hit" and "shoves" and eventually progressing to "hitting" and "slapping" in later

documents.

Geoff Tate still owns his twenty-five percent stake in the three Queensryche corporations. See <u>Declaration of Counsel</u> Ex. 6 (*Defendants' Answer and Counterclaim*, p. 6, ¶¶ 98, 105). Thus, the fact of Mr. Tate's ownership is also not disputed.

Both parties agree the Queensryche name and associated marks belong to TriRyche Corporation, one of the three Queensryche entities named in this suit. See <a href="Declaration of Counsel">Declaration of Counsel</a> Ex. 4 (*Plaintiffs' Motion for Preliminary Injunction* at 4); <a href="Declaration of Counsel">Declaration of Counsel</a> Ex. 2 (*Declaration of Geoff Tate in Support of Preliminary Injunction* at 6–7, ¶ 22). It is also indisputable that all the business power of the corporation resides in the directors, and that power is exercised by majority rule. See <a href="Declaration of Counsel">Declaration of Counsel</a> Ex. 1 (*Articles and Bylaws of TriRyche Corporation*). Both parties also admit that the 1994 Shareholders Agreement is expired. See <a href="Declaration of Counsel">Declaration of Counsel</a> Ex. 5 (*Complaint* at 7, ¶ 66). Neither Geoff Tate nor any other individual member for that matter has been granted the right to use the Queensryche name, marks, and associated media by TriRyche, only the band as a whole which now consists of the Defendants. See <a href="Declaration of Scott Rockenfield">Declaration of Scott Rockenfield</a>. Thus, Geoff Tate has no grant of authority from TriRyche to use the Queensryche name in any capacity whatsoever.

## III. ISSUES PRESENTED

- 1. Should Plaintiffs' claims that seek Mr. Tate's twenty-five percent stake in the corporations be dismissed as moot since Defendants admit Mr. Tate still owns his twenty-five percent stake? Yes.
- 2. Should Plaintiffs' claims that rely on Mr. Tate's wrongful firing as lead singer be dismissed because Mr. Tate's admitted workplace assault is a proper legal justification for his termination? Yes.
- 3. Does Mr. Tate have any grant of authority to use the Queensryche Name and marks? No.

4. If Mr. Tate has no grant of authority to use the Queensryche name and marks, should the Court declare the same and enjoin any use by Mr. Tate? Yes.

## IV. EVIDENCE RELIED UPON

This Motion relies on true and correct copies of documents attached to the Declaration of Counsel, the Declaration of Scott Rockenfield, and the pleadings and filings in this case.

#### V. LEGAL AUTHORITIES

Under CR 56(b), "A party against whom a claim, counterclaim, or cross claim is asserted or a declaratory judgment is sought may move with or without supporting affidavits for a summary judgment in his favor as to all or any part thereof."

The moving party bears the burden of demonstrating there is no dispute as to a "material fact," and all reasonable inferences must be resolved against him. As a corollary to this proposition, the trial court must consider all evidence and reasonable inferences in a light most favorable to the nonmoving party. Simons v. Tri-State Const. Co., 33 Wash.App. 315, 655 P.2d 703 (1982). Here, as will be demonstrated below, Summary Judgment is warranted because this Motion relies on undisputed facts either admitted by both parties or irrefutable by Plaintiffs.

# A. GEOFF TATE RETAINS HIS TWENTY-FIVE PERCENT STAKE IN THE QUEENSRYCHE CORPORATIONS

Plaintiffs' claims of Declaratory Judgment, and possibly Breaches of Contract and Fiduciary Duty, rely on the Defendants wrongfully taking Mr. Tate's twenty-five stake in the Queensryche Corporations. However, the Defendants have readily admitted that Mr. Tate still owns his twenty-five percent stake. Issues are moot when the Court can no longer provide effective relief. See <u>Pers. Restraint of Mattson</u>, 166 Wash.2d 730, 736 (2009); <u>Cross</u>, 99 Wash.2d 373, 376-377 (1983). That is exactly the case here, as the

DEFENDANTS' MOTION FOR PARTIAL SUMMARY JUDGMENT - 6 of 10

Court cannot grant Mr. Tate what he already has. Thus, to any extent they rely on seeking return/control of Mr. Tate's twenty-five percent ownership stake, the claims above should be dismissed.

# B. DUE TO THE ASSAULT, GEOFF TATE'S FIRING WAS JUSTIFIED

Plaintiffs' claims for Shareholder Oppression, Dissolution, Breach of Contract, Waste, Derivative Suit, Breach of Fiduciary Duty, and Permanent Injunction all rely on the Court finding that Mr. Tate's firing as lead singer was wrongful. See <a href="Declaration of Counsel">Declaration of Counsel</a> Ex. 5 (*Complaint*, claims 2-7,9). Mr. Tate fully admits he engaged in a workplace assault on Defendants Rockenfield and Wilton. Therefore, Defendants argue for the purposes of this Motion only that Mr. Tate's firing was fully justified based on his assault on his fellow bandmates alone.<sup>2</sup>

Geoff Tate assaulted his fellow bandmates and was fired as lead singer. He claims this termination was wrongful and thus the basis for several of his claims. See <a href="Declaration of Counsel">Declaration of Counsel</a> Ex. 5 (*Complaint*, claims 2-7, 9). However, even if his firing did justify any of his claims at first blush, once overreaching conduct has been demonstrated, the burden shifts to the majority shareholders to show there were legitimate business justifications for the conduct. See <a href="Scott v Trans-Sys.">Scott v Trans-Sys.</a>, Inc., 148

Wash.2d 701, 707 (2003). Under the business judgment rule, corporate management is immunized from liability in a corporate transaction where (1) the decision to undertake the transaction is within the power of the corporation and the authority of management, and (2) there is a reasonable basis to indicate that the transaction was made in good faith. See <a href="id">id</a>. A court must consider a plaintiff's claims for judicial

<sup>2</sup> Defendant bandmates expressly reserve the right to argue alternative theories against any of these claims if they survive this motion.

dissolution "against the backdrop of established deference to corporate governance." See <u>id</u>.<sup>3</sup>

RCW 23B.14.300 does not define the term "oppressive," nor does the MBCA. Washington courts have adopted two tests for oppressive conduct. See Scott, 148 Wash.2d at 711. The "reasonable expectations" test defines oppression as a violation by the majority of the reasonable expectations of the minority. See id. "Reasonable expectations are those spoken and unspoken understandings on which the founders of a venture rely when commencing the venture." Id. Under the reasonable expectations test, the complaining shareholder has the burden of proof, by a preponderance of the evidence, to establish the requisite jurisdictional facts and the equitable grounds for dissolution. See id.

Geoff Tate claims he had a reasonable expectation to remain in Queensryche forever, and, thus, is being oppressed by his bandmates' actions. See <u>Declaration of Counsel Ex. 2</u> (*Plaintiffs' Motion for Preliminary Injunction* at p. 8). However this fails to address the fact that he engaged in a fully admitted assault on his bandmates at the Sao Palo, Brazil performance. Thus, although many other reasons for his firing as lead singer can be raised, for the purposes of this Motion only the Defendants rely on Mr. Tate's assault as fully reasonable grounds for terminating him as lead singer.

In <u>Robblee</u>, the minority shareholder tried to show that the majority shareholder acted oppressively with evidence that, after a fight between the them, the majority shareholder fired the minority shareholder, tried to have him removed as an officer and director, and changed the organization of the corporation in order to take

DEFENDANTS' MOTION FOR PARTIAL SUMMARY JUDGMENT - 7 of 10

<sup>&</sup>lt;sup>3</sup> Defendants readily admit *Scott* is a shareholder oppression case, but the business judgment rule has broad application to all corporate governance and, thus, all the claims based on Mr. Tate's firing at issue here.

over the minority shareholder's functions. See <u>Robblee</u>, 68 Wash. App. at 75. As affirmed by <u>Scott</u>, the Court found that there was no oppression because there were legitimate and reasonable explanations for the conduct the minority shareholder characterized as oppressive. See <u>id</u> at 75-77. Here, as in <u>Robblee</u>, there is a legitimate business reason for Geoff Tate's removal, and that is the undisputed assault. Court deference to such legitimate concerns is the rule. It is fundamental in the law of corporations that the majority of its stockholders shall control the policy of the corporation, and regulate and govern the lawful exercise of its business and courts of equity will not undertake to control the policy or business methods of a corporation, although it may be seen that a wiser policy might be adopted and the business more successful if other methods were pursued. See <u>Scott</u>, 148 Wn.2d at 709 ("Courts are reluctant to interfere with the internal management of corporations and generally refuse to substitute their judgment for that of the directors.").

Thus, to the extent that Mr. Tate's claims rely on his firing being wrongful, the legitimate business concerns of firing someone who assaults his fellow corporate officers in the workplace controls. This is not only true for Shareholder Oppression, but for any of the Plaintiffs' claims which rely on Mr. Tate's termination for the wrongful conduct triggering the claim. As such, Mr. Tate's claims for Dissolution (based on alleged wrongful termination and taking of his ownership), Breach of Contract (for wrongfully "expelling" Mr. Tate), Waste (for damage to the corporations caused by Mr. Tate's removal), Derivative Suit (against the corporate directors for harming the corporations by removing Mr. Tate), Breach of Fiduciary Duty (firing Mr. Tate or taking his stock breached that duty), and Permanent Injunction (to give back the stock, reinstate Mr. Tate, and give him control of corporate assets) should all be dismissed on the grounds of the assault alone, or the assault combined with the

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admission that Mr. Tate still owns his 25% stake. If the termination due to the workplace assault is allowed under the business judgment rule, as the Defendants argue it is, and Mr. Tate still has his stock as established above, then Plaintiffs have nothing upon which to base these claims.<sup>5</sup>

# C. MR. TATE HAS NO AUTHORITY TO USE THE QUEENSRYCHE NAME

All parties agree the Queensryche name, marks, and associated media belong to the TriRyche Corporation. All parties also agree the 1994 Shareholders Agreement has expired. Therefore, it is the articles and bylaws that control. Under the bylaws of TriRyche, only a majority of directors is a quorum, and a majority of those present voting in the affirmative is enough to conduct business. See <u>Declaration of Counsel</u> Ex. 1 (*Bylaws of TriRyche Corp.*, ¶ 2.4). Therefore, all control of TriRyche is vested in the majority and not the minority. See <u>id</u>.

Geoff Tate has no grant of authority from the TriRyche Corporation to use the Queensryche name, marks, or associated media assets. See <u>Declaration of Scott Rockenfield</u>. As such, the Defendants ask the Court to declare that Geoff Tate has no right to use the Queensryche name, marks and associated media assets, and to permanently enjoin the same.

## VI. CONCLUSION

Almost all of Plaintiffs' claims rely on Mr. Tate being denied his twenty-five percent stake in the Queensryche Corporations, or his alleged wrongful termination as lead singer of Queensryche. As set forth above, Defendants all concede that Mr. Tate still owns his twenty-five percent stake in the Queensryche Corporations. It is also

<sup>&</sup>lt;sup>5</sup> Plaintiffs would still have their claim for slander and libel because it is the sole claim which cannot be challenged until after some discovery. As such, the Defendants have reserved that issue for later resolution, as well as their extensive counterclaims.

1	uncontested that Mr. Tate engaged in a workplace assault on Scott Rockenfield and
2	Michael Wilton. The Defendants offer that for the purposes of this Motion only, that
3	assault is complete grounds for Mr. Tate's termination under the business judgment rule,
4	thus defeating the remainder of Plaintiffs' claims except Defamation. Therefore, all of
5	Plaintiffs' claims, save Defamation, should be dismissed.
6	Moreover, regardless of whether or not the Court dismisses Mr. Tate's claims
7	for the reasons stated above, Mr. Tate has no grant of authority to use the Queensryche
8	name and marks as long as they are still controlled by the TriRyche Corporation, as all
9	parties admit they currently are. Only Plaintiffs succeeding in their claims to have the
10	TriRyche and other Queensryche corporations dissolved, and the name and related
11	assets awarded to Mr. Tate can change that fact. Plaintiffs have had not achieved that
12	outcome as of yet, nor is it guaranteed they will. Therefore, the Court should declare that
13	Mr. Tate has no grant of authority to use the Queensryche Name, Marks, and associated
14	Media and enjoin any use of the same by him.
15	A proposed order accompanies this Motion.
16	SIGNED this 21st day of September, 2012.
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18	OSINSKI LAW OFFICES P.L.L.C.
19	The Them
20	Marine
21	Thomas T. Osinski, Jr., Esq. WSBA #34154
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