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

CHLOE GUILLOT; LAUR LUGOS; REENA
SIDHU; RAE PEREZ; ISABEL BARTOSH;
ERIK OLSEN; NIKKA DELLOSA; KRISTI
HOLT; LYNETTE BIKOS; PATRICK
MCDONALD; WILLIAM PURCELL;
ALEXANDER BOOKER; CLARA O'BRIEN;
JILL HEINEY-SMITH; SARAH
BASSINGTHWAIGHTE; CARLIE CURLEE;
and OUR COMMUNITY PROTEST, LLC,

Plaintiffs,

v.

MATTHEW WHITEHEAD, MARK MASON,
PETE MENJARES, DEAN KATO, MICHAEL
MCKEE, AND MIKE QUINN (MEMBERS OF
THE BOARD OF TRUSTEES OF SEATTLE
PACIFIC UNIVERSITY),

Defendants.

Case No.

COMPLAINT

(BREACH OF FIDUCIARY DUTY;
AIDING AND ABETTING BREACHES
OF FIDUCIARY DUTY; NEGLIGENT
MISREPRESENTATION; INTENTIONAL
INTERFERENCE WITH CONTRACTUAL
RELATIONSHIPS; FRAUD)

JURY TRIAL DEMANDED

STATEMENT OF THE CASE

1. This case is about six men who act as if they, and the educational institution they are charged to protect, are above the law.

2. They are powerful men who use their positions, as trustees of Seattle Pacific University ("SPU"), to advance the interests of a religious denomination at the expense of the students, alumni, staff, and faculty of the university.

COMPLAINT (BREACH OF FIDUCIARY DUTY; AIDING AND ABETTING
BREACHES OF FIDUCIARY DUTY; NEGLIGENT MISREPRESENTATION;
INTENTIONAL INTERFERENCE WITH CONTRACTUAL RELATIONSHIPS;
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1 3. Plaintiffs do not doubt the sincerity of Defendants’ religious beliefs and
2 denominational allegiances. This case is not about whether Defendants’ religious beliefs are right
3 or wrong. This case is about accountability.

4 4. Defendants, trustees of an ecumenical and inclusive educational institution, must
5 be held accountable for placing their personal religious beliefs above their fiduciary duties to SPU
6 and its people.

7 5. Rather than protecting this community, Defendants inflicted trauma on their fellow
8 trustees and the entire campus. Defendants chose this path in order to defend a discriminatory
9 hiring policy that undermined, and has torn apart, the heart and soul of SPU.

10 6. This hiring policy, loathed by the SPU community, prohibits the employment of
11 otherwise qualified LGBTQ+ people at SPU if an LGBTQ+ applicant or employee is married to,
12 or in relationship with, someone of the same sex.

13 7. These men brush aside the severe and widespread harm they continue to inflict on
14 the most vulnerable students and employees of the university, namely, the BIPOC and LGBTQ+
15 students and employees.

16 8. These men abandoned their duties of care and loyalty to SPU and its people, and
17 their duty of obedience to SPU’s governing documents and state law.

18 9. This group of six men formed a rogue board, within the SPU Board of Trustees
19 (“BOT”), who seized power from the loyal members of the BOT.

20 10. The rogue board’s power has been achieved through the silencing and exclusion of
21 the loyal members of the BOT.

22 11. The loyal trustees, who worked to advance the interests of SPU and its community,
23 include former Chair Cedric Davis (resigned), current Vice Chair Dr. Deborah Wilds, former
24 trustee Kevin Johnson (declined reelection after end of initial term), current trustee Joshua Canada,
25 former trustee Denise Martinez (resigned), and former trustee Tina Chang (resigned).

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2018 156th Avenue NE, Suite 100
Bellevue, WA 98007
425.748.5055

1 12. The group of loyal members of the BOT includes all the Black trustees then in
2 office.

3 13. As one queer, Black staff member told the BOT shortly before resigning from their
4 position this year, the rogue board, in upholding homophobia, are also “upholding a system of
5 whiteness.”

6 14. Indeed, all the Black trustees, including the Chair of the BOT, would have voted
7 against the rogue board and, along with their allies on the board, would have ended SPU’s illegal,
8 discriminatory employment policy.

9 15. However, the rogue board turned the board vote into a farce, resulting in the
10 resignation of half of the board, including several Black trustees and other trustees of color, like
11 Denise Martinez and Tina Chang.

12 16. Some trustees reported feeling deceived and tricked by the rogue board.

13 17. In fact, the rogue board rigged the May 2022 BOT vote on SPU’s discriminatory
14 hiring policy for the express purpose of subverting the actual will of the BOT.

15 18. The rogue board members derive power from their associations with extremist and
16 supremacist organizations that working together, knowingly or unknowingly, perpetuate a form of
17 white Christian supremacy that harms SPU’s LGBTQ+ students and employees and BIPOC
18 students (now the majority of the student population) and employees.

19 19. These extremist organizations are external to the university and include Alliance
20 Defending Freedom, designated an anti-LGBTQ+ hate group by the Southern Poverty Law Center.

21 20. The rogue board coordinates with these powerful external organizations to conceal
22 its secretive deliberations and wrongful conduct from the SPU community, the public, the
23 Washington State Office of the Attorney General, accrediting bodies, and judicial oversight.

24 21. The rogue board also derives power from its ability to control the highly valuable
25 assets of both the university and its foundation.

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1 22. These men treat the university and its assets like a personal weapon and war chest
2 to fight the sectarian battles of the Free Methodist Church USA (FMC).

3 23. These powerful men know that their tuition-paying students, their underpaid and
4 overworked faculty and staff, their alumni, and their community and business partners in Seattle,
5 such as local school districts, hospital systems, the Seattle Storm, and major employers like
6 Microsoft and Amazon, overwhelmingly oppose efforts to exclude LGBTQ+ people from
7 community life.

8 24. SPU, until recently, made significant strides toward becoming known as an
9 inclusive, ecumenical, academically rigorous, and social-justice oriented Christian institution of
10 higher education.

11 25. But SPU has now been co-opted by powerful men attempting to reverse course by
12 morphing SPU into an exclusionary institution that places sectarianism above inclusivity and
13 Christian hospitality.

14 26. These powerful men are so sure of their ability to execute a campus coup that some
15 of them openly proclaim that they do not care whether their conduct destroys the university. They
16 intend to continue down their ideologically driven path of destruction, even if their conduct causes
17 the university to implode financially and structurally.

18 27. The university is now financially and structurally imploding. The university faces
19 a major budget deficit. Its enrollment is in decline. Faculty, staff, high level administrators,
20 community and business partners, and even fellow trustees, are leaving or being pushed out in
21 droves.

22 28. If the university fully implodes, its remaining assets (worth hundreds of millions of
23 dollars), will become the property of the FMC, the sectarian organization to which these powerful
24 men have pledged their primary allegiance. The FMC is a denomination with a small domestic
25 constituency and is openly hostile to the LGBTQ+ community.

1 29. The FMC provides little to no direct financial support to the university.

2 30. The FMC does not own the university.

3 31. While there is a voluntary, informal affiliation between SPU and the FMC,
4 stemming from the historical ties between the two entities, the governing documents of the
5 university do not permit the FMC to control the university.

6 32. The university does not exist to serve or train the members of FMC churches or
7 their ministers.

8 33. Indeed, the vast majority of the university's students, alumni, faculty, and staff are
9 not, and have never been, members of the FMC, and strongly reject the FMC's sectarian,
10 homophobic policies.

11 34. And yet, these powerful men, instruments of the FMC, are now unimpeded in
12 executing their planned takeover of the university and its assets. They accomplished this takeover
13 by breaking the law, deceiving the community, and recklessly throwing the community into
14 extreme distress.

15 35. Despite numerous valiant efforts, no one has been able to stop these men from
16 destroying SPU. For several years, the students, alumni, faculty, staff, as well as the other trustees
17 of SPU, have spent thousands of hours attempting to educate, reason with, and persuade these men
18 to do what it is in the best interest of the university, rather than what is in the best interests of the
19 FMC.

20 36. The loyal members of the BOT, as well as Plaintiffs and numerous other SPU
21 faculty, staff, and students, invested significant and uncompensated emotional and intellectual
22 labor to propose solutions to this crisis that would allow SPU to affirm its affiliation with the FMC,
23 as well as SPU's Mission and Faith Statements, while also removing SPU's discriminatory hiring
24 policy.

1 37. Much of this uncompensated labor was undertaken, at the request of Defendants,
2 by BIPOC members of the SPU BOT, by Plaintiffs, and by BIPOC students, staff, and faculty.

3 38. But Defendants refused to put in their own labor, analyze the facts, or listen to the
4 cries of the campus. Instead, these men repeatedly ignored and dismissed BIPOC trustees and their
5 allies' efforts and solutions.

6 39. The students, alumni, faculty, and staff of SPU, and particularly those who are
7 BIPOC and/or LGBTQ+, now come to this Court to ensure the survival of their university, their
8 jobs, their reputations, and their physical and mental safety and health.

9 40. Without Court intervention, Defendants will soon: (a) force the majority of SPU's
10 remaining faculty, staff, and administrators to leave (and even higher percentages of those who are
11 BIPOC and/or LGBTQ+), (b) deplete the Seattle Pacific Foundation's assets (i.e. deplete SPU's
12 endowment), (c) cause SPU to default on its massive debt obligations, and (d) continue to facilitate
13 the misappropriation of SPU's properties and other valuable assets.

14 41. The human cost to the reckless behavior of these men will be immense and felt by
15 tens of thousands of Seattleites and Washingtonians.

16 42. The reputational, dignitary and financial harms will be severe and beyond what
17 SPU can sustain.

18 43. The end result of the perilous process being orchestrated by these men will be no
19 less than the death of SPU.

20 44. While these men are powerful, they are not above the law. They are fiduciaries, not
21 dictators. They are trustees, not tyrants. They must be held to account for their illegal and reckless
22 conduct. They must be restrained from inflicting further harm on vulnerable people who call this
23 state, and this community, their home.

1 **PARTIES**

2 45. Plaintiff Chloe Guillot is a graduate student at SPU and completed their
3 undergraduate studies at SPU. Guillot resided in Seattle, Washington at all times relevant to this
4 Complaint.

5 46. Plaintiff Isabel Bartosh is a student at SPU. Bartosh resided in Seattle, Washington
6 at all times relevant to this Complaint.

7 47. Plaintiff Reena Sidhu is a student at SPU. Sidhu resided in Seattle, Washington at
8 all times relevant to this Complaint.

9 48. Plaintiff Laur Lugos is a student at SPU and is the former student body president
10 of SPU. Lugos resided in Seattle, Washington at all times relevant to this Complaint.

11 49. Plaintiff Rae Perez is a student at SPU. Perez resided in Seattle, Washington at all
12 times relevant to this Complaint.

13 50. Plaintiff Erik Olsen is a former student at SPU. Olsen resided in Washington at all
14 times relevant to this Complaint.

15 51. Plaintiff Lynette Bikos is the Associate Dean for Research, School of Psychology,
16 Family, and Community at SPU. Bikos is also Chair and Professor of Clinical Psychology at SPU.
17 Bikos resided in Washington at all times relevant to this Complaint.

18 52. Plaintiff Patrick McDonald is Professor of Philosophy at SPU. McDonald resided
19 in Washington at all times relevant to this Complaint.

20 53. Plaintiff Jill Heiney-Smith is the Director of Graduate Teacher Education at SPU.
21 Heiney-Smith is also Assistant Professor of Teacher Education at SPU. Heiney-Smith resided in
22 Washington at all times relevant to this Complaint.

23 54. Plaintiff William Purcell is Chair of Communication and Journalism at SPU.
24 Purcell is also Professor of Communication at SPU. Purcell resided in Washington at all times
25 relevant to this Complaint.

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1 55. Plaintiff Sara Bassingthwaighte is Interim Director of Instrumental Music.
2 Bassingthwaighte is also Adjunct Instructor of Flute at SPU. Bassingthwaighte resided in
3 Washington at all times relevant to this Complaint.

4 56. Plaintiff Alexander Booker is Minister of Worship and Community Life at SPU.
5 Booker is also a graduate student at SPU. Booker resided in Washington at all times relevant to
6 this Complaint.

7 57. Plaintiff Carlie Curlee is Assistant Director of Student Financial Services
8 Counseling at SPU. Curlee resided in Washington at all times relevant to this Complaint.

9 58. Plaintiff Kristi Holt is a Chemistry Lab Coordinator and Adjunct Instructor in the
10 Chemistry Department at SPU. Holt is a graduate of SPU. Holt resided in Washington at all times
11 relevant to this Complaint.

12 59. Plaintiff Nikka Dellosa is the Office Administrator at the Student Counseling
13 Center at SPU. Dellosa is a graduate of SPU. Dellosa resided in Washington at all times relevant
14 to this Complaint.

15 60. Plaintiff Clara O'Brien is employed as a Graduate Career Advisor for the Center
16 for Career and Calling and is a current graduate student in the Clinical Psychology PhD Program
17 at SPU. O'Brien resided in Washington at all times relevant to this Complaint.

18 61. Multiple Plaintiffs are part of the LGBTQ+ community and several LGBTQ+
19 Plaintiffs fear loss of employment because of their sexual orientation and/or gender identity.

20 62. Our Community Protest, LLC ("OCP") is a limited liability company organized
21 under the laws of the State of Washington. OCP represents the interests of the vast majority of
22 SPU students, staff, and faculty who recognize that the BOT's conduct harms them and SPU and
23 that the discriminatory hiring policy is not in the best interests of SPU or SPU's people.

1 71. This Court has personal jurisdiction over Defendants, as they reside and/or
2 regularly do business within the state of Washington, and the acts hereinto referred primarily
3 occurred within the State of Washington and/or affected commerce and civil rights in the State of
4 Washington.

5 **SPU is Independent, Ecumenical & Primarily Publicly Funded**

6 72. SPU is a private, ecumenical Christian university located in the Queen Anne
7 neighborhood of Seattle, Washington.

8 73. SPU is incorporated under the Washington Nonprofit Corporation Act, RCW
9 24.03A (WNCA), and its primary purpose is higher education.

10 74. SPU is not a religious corporation as defined by the WNCA because it is not
11 organized primarily for religious purposes and is primarily engaged in the exchange of goods or
12 services (educational, housing, food, etc.) for consideration (tuition, fees, etc.).

13 75. SPU is accredited by the Northwest Commission on Colleges & Universities
14 (“NWCCU”). To be eligible for accreditation from the NWCCU, SPU’s purpose must be “to serve
15 the educational interests of its students” and its principal programs must “lead to recognized
16 degrees.”

17 76. NWCCU’s accreditation standards require that, “Even when supported by or
18 affiliated with social, political, corporate, or religious organizations, the institution has education
19 as its primary purpose and operates as an academic institution with appropriate autonomy.”

20 77. While SPU is associated with the FMC, SPU’s governing BOT is entrusted with
21 full control of the institution and is charged with assuring that the NWCCU standards and
22 eligibility requirements are met.

23 78. In 2016, SPU told its accreditor that it “follows careful and nondiscriminatory
24 policies and practices in recruitment, selection, and employment. It takes care to apply legal and
25 ethical principles and guidelines in its employment practices.”

1 79. SPU's accreditation will be reviewed again by NWCCU in 2023.

2 80. Defendants' refusal to abide by shared governance requirements, failure to adhere
3 to conflict-of-interest policies, maintenance of an illegal, discriminatory hiring policy despite
4 SPU's purported commitments to non-discrimination, and lack of independence from the FMC,
5 place SPU's accreditation in serious jeopardy.

6 81. SPU trains students for careers in many diverse areas, including healthcare, social
7 services, arts, mathematics, education, and religious ministries. SPU offers over sixty distinct
8 bachelor's degrees, twenty-four master's and post-master's programs, and five doctoral programs,
9 including a bachelor's degree in Social Justice and Cultural Studies and a Doctorate in Clinical
10 Psychology.

11 82. Many SPU graduates join companies and organizations in Seattle, throughout the
12 Pacific Northwest, and beyond, and greatly impact the economy and culture of Seattle and the
13 entire state of Washington.

14 83. SPU is primarily financed by public funding from state, federal and local
15 governments, including:

16 a. \$30,000,000+ in annual revenue from the federal government through grants and
17 student loans;

18 b. \$20,000,000+ in annual revenue from Washington State through grants and
19 scholarships, including those received through the Washington College Grant program, which is
20 administered by a cabinet-level state agency called the Washington Student Achievement Council
21 (WSAC).

22 c. \$400,000,000+ in tax-exempt bond financings given to SPU over the past twenty
23 years, including \$90,000,000 in 2020, through the state agency called the Washington Higher
24 Education Facilities Authority (WHEFA). SPU uses this funding to finance construction, real
25 estate acquisition and the refinancing of existing debt obligations.

1 84. As a recipient of hundreds of millions of dollars in taxpayer and government-
2 assisted funding, SPU pledged to multiple state and federal government agencies that it would not
3 discriminate based on sexual orientation in the administration of its academic programs, including
4 pledges to comply with the Washington State Law Against Discrimination (WLAD) and Title IX
5 of the Civil Rights Act of 1964.

6 85. SPU is subject to RCW 49.60.030 and is a place of public accommodation within
7 the meaning of RCW 49.60.040.

8 86. Over the past 20 years, SPU has purchased numerous Queen Anne district
9 properties adjacent to its main campus.

10 87. SPU also owns valuable property and a camp on Whidbey Island.

11 88. SPU operates housing and food service businesses in addition to its educational
12 offerings.

13 89. The land and buildings owned by SPU and its foundation are valued in excess of
14 five hundred million dollars (\$500,000,000).

15 90. SPU is neither operated nor maintained by a bona fide religious or sectarian
16 institution.

17 91. SPU was founded by Protestants in 1891, many of whom were members of the Free
18 Methodist Church.

19 92. The original vision of the institution was to train missionaries for overseas service.
20 Id. College-level courses for freshmen entered the curriculum in 1910, and the school's name
21 became Seattle Seminary and College in 1913. Id. Two years later, the BOT changed the name to
22 Seattle Pacific College. Id.

23 93. By 1936 SPU's four-year liberal arts program became fully accredited by the
24 Northwest Association of Schools and Colleges, and on June 5, 1977, by a vote of the BOT, the
25 College officially became "Seattle Pacific University. Id.

1 94. Today, SPU is an independent, non-sectarian private institution of Christian higher
2 education.

3 95. SPU is merely, and voluntarily, “affiliated with The Free Methodist Church
4 U.S.A.”

5 96. SPU represents itself as a “genuinely ecumenical” university.

6 97. SPU boasts that its students, faculty, and staff come from more than 50 different
7 denominations.

8 98. SPU employs some faculty who are Muslim and Buddhist.

9 99. Many of the faculty and staff of SPU come from LGBTQ+ affirming
10 denominations.

11 100. SPU employs University Ministries Staff but they are not required to be FMC. One
12 of those employees is a Plaintiff in this case.

13 101. Each year, SPU files a Nonprofit Corporation Annual Report as required under
14 RCW 24.01A and RCW 23.95.255. In those filings, SPU describes the “type of business” that they
15 conduct in the State of Washington as “higher education.”

16 **Defendants' Conduct Harms LGBTQ+ and BIPOC Students and Employees at SPU**

17 102. SPU is a university in crisis, stemming from the abusive leadership of entrenched
18 interests who usurped control of the BOT to place it in service of sectarian-motivated LGBTQ+
19 discrimination.

20 103. At SPU, like at many other institutions throughout the U.S., there is a growing
21 awareness of the immense harm that centuries of invidious discrimination inflicted and continues
22 to inflict on the LGBTQ+ community.

23 104. Until the end of the 20th century, society’s institutions largely failed to
24 acknowledge the harms they perpetrated, and history books excluded LGBTQ+ histories of
25

1 persecution and exclusion. But this discrimination is not merely historical, it continues today, and
2 as a result, many individuals in the LGBTQ+ community continue to suffer.

3 105. Educational institutions are not innocent or immune to promulgating this
4 persecution. Both public and private universities in the United States subjected generations of
5 LGBTQ+ students and employees to legal discrimination in education, and, to this day, students
6 and employees on many campuses throughout the U.S. remain forced to hide, suppress, or deny
7 their sexual orientation and gender identity.

8 106. For many, education is the bridge to earning a livelihood in our society, but
9 discrimination in education has historically placed—and continues to place—BIPOC and
10 LGBTQ+ students and employees at an immense social, educational, and economic disadvantage
11 as compared to their peers.

12 107. Adopting and implementing campus policies which treat LGBTQ+ identities as
13 mere personal preferences that should be subdued, suppressed, or ignored while the sexual
14 orientation and gender identity of heterosexual, cisgender individuals is openly expressed and
15 celebrated, invalidates and dehumanizes an immutable and core aspect of a university’s LGBTQ+
16 students’ and employees’ lives.

17 108. This form of invidious discrimination remains, in some people and institutions, so
18 deeply and firmly embedded in their cultural and social fabric that it can become invisible to them
19 even when BIPOC and LGBTQ+ students and employees can so clearly see it.

20 109. At SPU, its homophobic employment policy continues to perpetuate these harms,
21 to both employees and students, and has resulted in SPU being designated by the national
22 LGBTQ+ organization, Campus Pride, as one of the “absolute worst, most unsafe campuses for
23 LGBTQ youth.”

1 **Brief History of the Campus Movement for LGBTQ+ Equality at SPU**

2 110. SPU has not been a sectarian institution for at least fifty years. However, beginning
3 in the 1990s, SPU’s leadership quietly positioned SPU as religiously opposed to LGBTQ+
4 equality.

5 111. This positioning arose in 1990 out of a controversy over an SPU course on human
6 sexuality.

7 112. In 1993, SPU President Curtis Martin commissioned a presidential Statement on
8 Human Sexuality which stated: “[w]e believe it is in the context of the covenant of marriage
9 between a man and a woman that the full expression of sexuality is to be experienced and
10 celebrated.”

11 113. The Statement on Human Sexuality is a relatively recent addition to the SPU
12 community and did not exist for most of its history.

13 114. This Statement of Human Sexuality was created as a presidential action but was
14 never fully agreed upon by the administration or faculty.

15 115. The Statement on Human Sexuality has never been ratified by the BOT, senior
16 administration, faculty, or staff, and “it was never presented for approval to any governing body.”

17 116. The BOT is not bound to this Statement of Human Sexuality, either through its
18 Bylaws, or its Articles of Incorporation.

19 117. While the Bylaws create a specific duty for trustees to “ensure the fulfillment” of
20 SPU’s mission, there is no analogous duty created for trustees towards SPU’s Statement on Human
21 Sexuality.

22 118. Neither SPU’s Mission statement nor its Statement of Faith require that SPU deny
23 employment to LGBTQ+ applicants, or otherwise discriminate against either students or
24 employees on the basis of sex, sexual orientation, gender identity, or gender expression.

1 119. In 2005, SPU’s statement on Human Sexuality was changed to more clearly target
2 and invalidate same-sex relationships, stating: “we believe it is in the context of the covenant of
3 marriage between a man and a woman that the full expression of sexuality is to be experienced
4 and celebrated and that such a commitment is part of God’s plan for human flourishing. Within
5 the teaching of our religious tradition, we affirm that sexual experience is intended between a man
6 and a woman.”

7 120. For several decades, and ending in 2014, SPU had required LGBTQ+ students to
8 hide, suppress, or deny their sexual orientation/gender identity/gender expression as a condition of
9 attendance, as SPU’s statement for lifestyle expectations for human behavior banned students from
10 “homosexual sexual activities.”

11 121. On April 11, 2007, the LGBTQ+ equality organization, Soulforce, visited SPU’s
12 campus as part of a “Equality Ride” to promote “freedom for lesbian, gay, bisexual, and
13 transgender people from religious and political oppression through the practice of relentless
14 nonviolent resistance.”

15 122. In preparation for Soulforce’s arrival to SPU’s campus, then President Philip Eaton
16 increased the prominence of SPU’s Statement on Human Sexuality by making it available online.
17 This had previously only been accessible as a hard copy in the Office of Student Life and Office
18 of Human Resources.

19 123. In May of 2007 SPU students self-organized a “Gay/Straight Alliance” group with
20 the stated purpose of providing a safe “haven” for “gay” students and educating the SPU
21 community on issues of Human Sexuality. They were told they could not have gay in the club
22 name, so they adopted the name Haven. The proposed group applied to the student governing
23 body, the Associated Students of Seattle Pacific (“ASSP”) for club status and ASSP approved the
24 application. However, the SPU Administration overruled the ASSP decision, and refused to grant
25

1 Haven club status unless they agreed to include affirmations of the Student Lifestyle Expectations
2 and the SPU Statement on Human Sexuality in their founding documents.

3 124. In 2008 Haven rewrote the proposed club constitution to affirm the “Lifestyle
4 Expectations” but not the “Statement on Human Sexuality.” The Administration again denied
5 Haven’s application, leading hundreds of students and thirty-three tenured faculty to sign petitions
6 asking the administration to reconsider.

7 125. Although the SPU administration continued to deny Haven official club status,
8 Haven continued to operate from 2008-2009 as an unofficial group, meeting weekly on campus
9 with implicit permission to reserve a room.

10 126. In August of 2009, SPU administrators barred Haven from their campus, refusing
11 to allow them to reserve rooms for meetings. For the fall quarter, Haven met off campus. Refusing
12 to be erased, Haven leaders informed the administration that they would return to campus, and in
13 January 2010, Haven met in a campus student lounge with 70-80 student, staff, and faculty
14 supporters.

15 127. In January of 2011, the SPU administration attempted to dissolve Haven, and the
16 Vice President of Academic Affairs informed Haven that “Haven no longer exists.” In protest,
17 over a hundred faculty members wrote a letter of support for Haven.

18 128. Less than a month later, in February of 2011, SPU’s Vice President for Academic
19 Affairs informed Haven that they would be recognized by the University and given rights to
20 schedule and advertise meetings on campus. However, they would still not qualify as an officially
21 funded student club.

22 129. In 2013, as the result of the relentless efforts and support of students, staff, and
23 faculty, Haven was granted official status as a university-funded student club.

24 130. President Dan Martin requested that the BOT grant Haven club status. He was the
25 administrator ultimately responsible for listening to the students and authorizing the club.

1 131. Progress continued but homosexuality remained punishable under SPU’s student
2 handbook. However, after years of LGBTQ+ students and allies struggling and advocating for
3 their rights, in December of 2018, in response to a request from ASSP’s Student Senate, SPU
4 eliminated the discriminatory language from its student code of conduct that had barred
5 “homosexual sexual activities.”

6 132. Although SPU made strides towards ending official LGBTQ+ discrimination
7 against its students, SPU’s discrimination against LGBTQ+ staff and faculty continued—and
8 continues to this day—culminating in SPU’s current crisis.

9 **SPU Must Be Exclusively Controlled by its Board of Trustees, not by the FMC**

10 133. Although SPU voluntarily affiliates with the FMC, SPU is controlled exclusively
11 by its BOT. Per its Articles, “The responsibility for the governance and control of Seattle Pacific
12 University rests exclusively with the Board of Trustees.”

13 134. Prior to 2016, SPU’s governing documents required that a majority of the trustees
14 belong to the FMC.

15 135. However, at all times relevant to this complaint, only one-third of trustees must
16 belong to an FMC church.

17 136. However, all trustees’ duties flow toward SPU, not towards the FMC. This is true
18 even for the FMC affiliated trustees.

19 137. Indeed, SPU reported to its accreditor that “an independent Board of Trustees
20 governs the University. While the institution is affiliated with the FMC and while one-third of the
21 members of the Board are members of the FMC, they are independent voting members” and must
22 act “independently in regards to all [of SPU’s] finances and other resources.”

23 138. Additionally, “There is no requirement that the designated FMC members of the
24 trustees vote similarly on any action, including changes to the governing documents, and thus the
25 independence of the trustees is maintained.”

1 139. As independent voting members, trustees who are members of the FMC are
2 forbidden from voting at the direction of the FMC and are required to vote against the interests of
3 the FMC if their fiduciary duties to SPU require them to do so.

4 140. If trustees who are members of the FMC are morally or religiously unable to vote
5 against the interests of the FMC when necessary to protect the interests of SPU, they are incapable
6 of acting independently and cannot serve as trustees of SPU.

7 141. The University's president must also be a member of the FMC.

8 142. However, as is the case with the current Interim President, Defendant Menjares, the
9 President can temporarily convert to the FMC to become eligible for the position, and the \$600,000
10 annual compensation that comes with it.

11 143. Like the trustees who are members of the FMC, the President of SPU, though an
12 FMC member, must act in the best interests of SPU, even when that requires the President to act
13 against the best interests of the FMC.

14 144. However, as demonstrated in this Complaint, Defendants, in their roles as trustees
15 and/or Interim President, engaged in repeated conduct that placed the interests of the FMC above,
16 and against, the interests of SPU, causing crises at SPU and severe harm to Plaintiffs, SPU, and
17 the SPU community.

18 145. As noted above, the BOT is responsible for the governance of SPU. Their primary
19 functions "include policymaking and oversight of the University's mission and resources." To this
20 end, the Board is given explicit power to (1) [a]pprove SPU's mission and ensure its fulfillment,
21 (2) [a]pprove and support the strategic direction and vision of SPU, and (3) "[a]pprove policies
22 regarding appointment, promotion, tenure, dismissal, and other employment procedures for faculty
23 members."

24 146. The BOT has the power to change SPU's illegal, discriminatory hiring policy, even
25 if the FMC does not want it to do so.

1 147. SPU has long described its mission as one of “a Christian university fully
2 committed to engaging the culture and changing the world by graduating people of competence
3 and character, becoming people of wisdom, and modelling grace-filled community.”

4 148. There is no mention of the FMC in SPU’s mission statement.

5 149. Trustees must “[b]e in full sympathy and accord with the University’s Statement of
6 Faith and the Christian commitments and emphasis of the University,” and “be committed to the
7 educational mission of Seattle Pacific University.”

8 150. Trustees are not required to be in full sympathy with SPU’s Statement of Human
9 Sexuality or discriminatory employment policy.

10 151. SPU’s governing documents require a simple majority vote of the BOT for most
11 BOT actions, including changes to employment policies.

12 152. However, the Articles of Incorporation require the approval of “at least three-
13 fourths vote of a majority of trustees in order to (1) make any substantive change to the
14 University’s statement of faith, (2) make any substantive change to the University’s mission
15 statement, or (3) modification by the University of its affiliation with the FMC.

16 153. The three-fourths vote requirement is only triggered when the university modifies
17 its affiliation with the FMC, but not when the FMC threatens modification of its affiliation because
18 it does not like a BOT vote on an employment hiring policy.

19 154. Consequently, if the BOT voted to disaffiliate from the FMC, that would require
20 three-quarters of the BOT to vote in favor of disaffiliation. However, if the BOT voted to remove
21 its discriminatory hiring policy, with no vote on affiliation with the FMC, then only a simple
22 majority vote is required.

23 155. The BOT emphasized this distinction in 2018 when it changed the “modification of
24 affiliation” language from its prior wording, which required a three-fourths vote for “modification
25

1 of the status of the University as a member institution as defined in the Book of Discipline of the
2 FMC,” to “modification by the University of its affiliation with the FMC.”

3 156. Modification “of” affiliation might allow an interpretation of SPU’s governance
4 documents whereby FMC truly controls SPU because it can make any of the BOT’s decision-
5 making subject to threats of disaffiliation. Whereas, the current language, addressing modification
6 “by” the University, limits the 75% trigger to only those cases where the BOT itself votes to modify
7 its affiliation.

8 157. The current “modification by the University” language in SPU’s governing
9 documents protects the BOT’s independence from interference by the FMC.

10 158. Consequently, at all times relevant to this Complaint, if the BOT votes to change
11 an employment policy, that vote would pass with a simple majority vote, regardless of whether the
12 FMC threatens disaffiliation in an attempt to influence the independent decision-making of the
13 SPU BOT.

14 **Defendants Mislead the BOT**

15 159. Shortly before the BOT vote on the hiring policy in May of 2022, a greater than
16 50% majority of the BOT planned to vote to remove SPU’s illegal and discriminatory hiring policy
17 and to do so without voting to change the university’s affiliation with the FMC.

18 160. However, the BOT majority for this vote, while sufficient to change the hiring
19 policy, was less than the 75% super-majority vote that would be required for the university to
20 modify its affiliation with the FMC.

21 161. If a simple majority of the BOT had voted to remove the discriminatory hiring
22 policy, while also voting to retain SPU’s affiliation with the FMC, the FMC could then have
23 determined whether it wanted to maintain its affiliation with SPU.

24 162. However, the FMC, Defendant Whitehead, and one or more of the other members
25 of the rouge board devised a plan to deceive and intimidate the other BOT members into believing

1 that if they voted to remove the illegal hiring policy, they would automatically be voting to
2 disaffiliate from the FMC, and that such a vote would require a 75% majority.

3 163. Defendant Whitehead and other rogue board members' statements about the voting
4 requirements were knowingly false, misleading, and/or communicated with a reckless disregard
5 for the truth, and were spoken with the intent of preserving SPU's discriminatory hiring policy at
6 all costs.

7 164. Defendant Whitehead and other members of the rogue board had no right to subvert
8 the independence and true intent of the BOT in order to advance the interests of the FMC.

9 165. Sadly, the rogue board used falsehoods, misrepresentations, coercion, intimidation,
10 and threats to silence or force out BIPOC trustees and their allies, and to ultimately, and illegally,
11 seize control of the BOT to ensure that the interests of the FMC prevailed over the interests of SPU
12 and the true will of the BOT.

13 166. As one former trustee explained, some FMC-affiliated Defendants made threats
14 against the non-FMC trustees.

15 167. This former trustee explained that the FMC-affiliated trustees were "so far gone it
16 is not even funny."

17 168. This former trustee stated that some of the FMC-affiliated trustees were willing to
18 drive the university into the ground instead of changing the discriminatory hiring policy.

19 169. In addition to being members of the SPU BOT, Defendants Whitehead and Mason
20 are also members of the Board of Administration of the FMC ("BOA")
21 (<https://fmcusa.org/leaders/boa>). The BOA is responsible for policy, procedural, financial, and
22 legal issues that arise during the interim between General Conference sessions of the FMC.

23 170. As of July 2019, Defendant Whitehead also serves as the Lead Bishop for the FMC.

24 171. Defendants Whitehead and Mason acted as dual agents of SPU and the FMC in
25 breaching their fiduciary duties to SPU and Plaintiffs.

26 COMPLAINT (BREACH OF FIDUCIARY DUTY; AIDING AND ABETTING
BREACHES OF FIDUCIARY DUTY; NEGLIGENT MISREPRESENTATION;
INTENTIONAL INTERFERENCE WITH CONTRACTUAL RELATIONSHIPS;
FRAUD) JURY TRIAL DEMANDED- 22

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1 **Seattle Pacific University Faces an Unprecedented, Existential Crisis**

2 172. SPU’s crisis is centered around the BOT's failure to abide by principles of shared
3 governance and the rogue board’s elevation of the interests of the FMC above the interests of
4 SPU.

5 173. This has been demonstrated in part by the implementation and perpetuation of
6 SPU’s discriminatory hiring policy, which illegally targets members of the LGBTQ+ community
7 and eliminates them from consideration for positions as either full-time staff or faculty within SPU.

8 174. Defendants’ conduct defies SPU’s own bylaws, which state that “[t]he University
9 does not unlawfully discriminate against any person on the basis of...sex...”

10 175. However, contrary to its stated policy against discrimination on the basis of sex,
11 SPU requires some of its employees to abide by certain “lifestyle expectations” which explicitly
12 discriminate in a targeted manner against members of the LGBTQ+ community on the basis of
13 sex.

14 176. This policy is described under “Employee Lifestyle Expectations” in Section 1.9 of
15 SPU’s employment handbook, which states that employees are “expected to refrain from sexually
16 immoral behavior that is inconsistent with Biblical standards, including cohabitation and
17 extramarital sexual activity.” Because SPU implements this policy with an understanding that
18 same-sex marriages are “sexually immoral behavior,” this policy effectively denies employment
19 to LGBTQ+ people in same-sex marriages and other LGBTQ+ applicants.

20 177. SPU’s governing documents have not delegated the authority to determine
21 employee lifestyle or human sexuality standards to the FMC or any other external organization.

22 178. The discriminatory employment policy does not apply to all employees, as it
23 excludes part-time employees, including student workers, and adjunct professors from compliance
24 with the policy.

1 179. SPU previously concealed this employment policy from the public, potential job
2 applicants, SPU's accreditor, and governmental regulators.

3 180. SPU recently made this employment policy publicly available in order to avoid
4 adverse action by its accrediting agencies.

5 181. SPU uses the Employee Lifestyle Expectations to discriminate against
6 Washingtonians who have exercised, or are suspected by SPU of intending to exercise, their
7 constitutional right to same-sex marriage and/or who are in dating or sexual relationships with
8 same-sex partners. In effect, SPU's policy and practices restrict full-time employment
9 opportunities to only those LGBTQ+ Washingtonians who remain celibate or are involved in a
10 heterosexual marriage between a cisgender man and a cisgender woman.

11 182. On June 19th, 2020, adjunct nursing professor Jeaux Rinedahl applied for a
12 permanent nursing faculty position with SPU. After Rinedahl submitted his application, SPU's
13 Assistant Dean of Nursing told Rinedahl that he would not be considered for the position because
14 he was not heterosexual and/or was in a same-sex marriage.

15 183. The application of this discriminatory policy toward Rinedahl outraged many of the
16 faculty, staff, student body, and alumni of SPU, who felt that this act inflicted deep harm on the
17 LGBTQ+ community, violated the stated mission of SPU, risked the financial and institutional
18 long-term well-being of SPU, and threatened to destroy the affirming environment that the faculty
19 and student body had made immense efforts to cultivate.

20 184. Many of the staff and faculty felt deceived, as SPU had not adequately disclosed,
21 or even made efforts to adequately disclose, the discriminatory policy to many staff and faculty
22 prior to hiring them.

23 185. Indeed, only about half of the faculty were aware of the discriminatory policy prior
24 to the policy becoming publicly known in January 2021 through the publicity surrounding the
25 Rinedahl lawsuit.

26 COMPLAINT (BREACH OF FIDUCIARY DUTY; AIDING AND ABETTING
BREACHES OF FIDUCIARY DUTY; NEGLIGENT MISREPRESENTATION;
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1 186. Under Defendants' leadership, SPU intentionally hid its discriminatory hiring
2 policy from government regulators, community and business partners, and potential job applicants.

3 187. Rather than being transparent about the hiring policy, Defendants' wrongful
4 conduct caused SPU to informally pre-screen and peremptorily reject LGBTQ+ job applicants and
5 others who might not comply with the covert, discriminatory employment policy.

6 188. On January 11, 2021, Rinedahl filed a lawsuit against SPU for sexual orientation
7 discrimination in King County, Washington in Cause No. 21-2-00450-1 SEA.

8 189. For many faculty, staff, and students at SPU, this was the first time they learned
9 that their university operated according to a covert, now fully revealed, discriminatory hiring
10 policy.

11 190. Faculty, staff, students, and alumni immediately began to act to change the policy
12 by circulating petitions, holding demonstrations, engaging in internal campus dialogue and
13 dialogue with the BOT and passing a resolution in the student senate denouncing the policy and
14 requesting its rescission.

15 191. Surveys in late January 2021 showed that 75% of faculty and 68% of staff desired
16 SPU to eliminate the policy.

17 192. In the aftermath of the disclosure of the discriminatory policy and Rinedahl's
18 lawsuit, numerous SPU students, staff, and faculty made Defendants aware of the severe harms
19 the hiring policy inflicted on the SPU community and SPU as an institution.

20 193. LGBTQ+ students have reported feeling vulnerable to sex-based discrimination in
21 classes and harassment and discriminatory treatment from peers.

22 194. LGBTQ+ students have reported hesitancy to utilize SPU-employed campus health
23 providers for fear of discriminatory treatment.

24 195. Moreover, in large part because of the discriminatory policy, SPU is hemorrhaging
25 long-term faculty and staff, enrollment is suffering a dramatic decline, and donors and donations

1 are drying up, resulting in SPU being poised to run a budget deficit of more than \$10,000,000 for
2 2022-2023.

3 **Defendants Knew or Should Have Known that the Employment Policy Was Illegal**

4 196. On March 4, 2021, the Supreme Court of Washington, in Woods v. Seattle’s Union
5 Gospel Mission, held that the religious exemption to Washington State’s Law Against
6 Discrimination does not insulate a nonprofit religious organization’s employment practices from
7 liability unless its employees are ministers.

8 197. Consequently, employers like SPU are generally prohibited from discriminating
9 based on sexual orientation and may only discriminate against the subset of their employees who
10 are ministers, which, in SPU’s case, is a very small subset of its 800 employees.

11 198. On March 30, 2021, SPU President Dan Martin, who had long advocated for the
12 BOT to change its illegal hiring policy, resigned. A spokesperson for his subsequent employer
13 attested that President Martin’s departure was motivated, at least in part, by Defendants’ adherence
14 to the discriminatory policy, stating that: “at SPU, a portion of the Board of Trustees were
15 unwilling to adopt a policy to be more inclusive,” and that President Martin had left after “repeated
16 efforts to achieve change....”

17 199. On December 17, 2021, in a transcribed court ruling from the Superior Court of
18 Washington in Rinedahl’s sexual orientation employment discrimination case against SPU, the
19 court stated, “I am bound to follow the law as interpreted by the Washington Supreme Court.
20 Woods v[.] Seattle Union Gospel Mission is the most recent expression by our state supreme court
21 regarding the Washington law against discrimination and how it is applied to religious
22 institution[s], and that decision makes it clear that the court must consider whether the religious
23 exemption in the Washington law against discrimination is unconstitutional as applied to non[-
24]ministerial positions.”

1 200. In answering the question of whether SPU’s discriminatory employment policies
2 are subject to WLAD as applied to the plaintiff, a nursing professor, the Court stated “that teaching
3 in the nursing department is not a ministerial activity and teaching on the secular subject of nursing,
4 based on all the evidence that has come before me, at SPU, that those teachers, whether adjunct or
5 regular faculty, that they are not ministers, and as a result, the ministerial exception does not apply
6 and plaintiff’s claims...under the Washington law against discrimination can go forward.”

7 201. On January 5, 2022, the Court entered a written order confirming its oral order in
8 the Rinedahl case.

9 202. Two months later, on March 21, 2022, in the Washington State Supreme Court case
10 involving Seattle’s Union Gospel Mission, the United States Supreme Court denied the religious
11 organization’s petition for certiorari seeking to reverse the Washington State Supreme Court’s
12 ruling in Woods v. Seattle’s Union Gospel Mission. The religious organization’s appeal could go
13 no further. Consequently, non-ministerial employees of religious organizations in Washington
14 remained subject to Washington’s law against sexual orientation discrimination.

15 203. Consequently, as of March 21, 2022, it was the clear, settled law of the State of
16 Washington that SPU could not discriminate against its employees on the basis of their sexual
17 orientation unless those employees were ministers.

18 204. SPU employs 800 faculty and staff, including hundreds of plainly non-ministerial
19 positions, such as painters, plumbers, IT project managers, Title IX officers, food service
20 technicians, HR benefits specialists, biology lab coordinators, systems analysts, payroll
21 supervisors, security officers, facilities coordinators, accountants, and transportation and delivery
22 workers.

23 205. The vast majority of SPU’s staff and faculty are not ministers, do not purport to be
24 ministers, are not held out to the public as ministers, and do not engage in ministerial activities as
25 part of their employment at SPU.

1 206. Seattle has one of the highest per capita LGBTQ+ populations in the country.
2 Approximately 13% of Seattleites identify as LGBTQ+.

3 207. These Washington residents are entitled to equal employment opportunities at
4 institutions like SPU, at least with respect to non-ministerial positions.

5 208. Consequently, at the time the Defendants voted to uphold the discriminatory hiring
6 policy in May of 2022, Defendants knew or should have known that SPU's hiring policy was
7 illegal under state law.

8 209. At this time, Defendants also knew, or should have known, that SPU's
9 discriminatory employment policy had been used to illegally harm job applicants, at least one of
10 which had sued SPU.

11 210. Moreover, Defendants either knew or should have known that the discriminatory
12 hiring policy would likely continue to harm job applicants and employees, and result in further
13 employment discrimination litigation against SPU and investigations from state and federal
14 authorities.

15 211. Despite knowing the law and having recently lost in a Washington State court on
16 this very issue, Defendants nevertheless voted to continue illegally discriminating against
17 LGBTQ+ employees and job applicants on a massive scale.

18 212. Over the past five years, dozens of LGBTQ+ employees and job applicants have
19 been terminated, pushed out, denied job offers or otherwise discriminated against because of their
20 sexual orientation, gender identity, or gender expression. Hundreds more LGBTQ+
21 Washingtonians have been intentionally discouraged from applying for jobs at SPU over this same
22 period.

23 213. On June 8, 2022, based on the plainly illegal nature of SPU's discriminatory hiring
24 policy, as well as requests from of hundreds of Washingtonians to investigate the rogue board's
25

1 illegal actions, the Washington State Attorney General (“AG”) started a formal inquiry into
2 potential civil rights violations at SPU.

3 214. The AG requested documentation from SPU regarding its hiring policies and
4 practices.

5 215. SPU refused to comply.

6 216. On July 27, 2022, SPU, at the direction of Defendants, peremptorily sued the AG
7 in federal court in an effort to stop the AG’s inquiry and to conceal Defendants’ illegal conduct.

8 217. That action is Seattle Pacific University v. Ferguson, No. 3:22-cv-05540-RJB.

9 218. On September 2, 2022, SPU filed a First Amended Complaint in that action.

10 219. The last time a university went to such great lengths to subvert anti-discrimination
11 requirements was in the 1980s when Bob Jones University, in Bob Jones University v. United
12 States (1983), went all the way to the Supreme Court to seek immunity from non-discrimination
13 requirements because it believed that racial discrimination, in the form of campus bans on
14 interracial marriage and dating, was required by the institutions’ sincerely held religious beliefs in
15 the separation of the races.

16 220. Bob Jones University lost that case.

17 221. Here, had the rogue board not wrongfully seized power from the loyal trustees, SPU
18 would not have been investigated by the Washington State AG.

19 222. Had the rogue board not wrongfully seized power from the loyal trustees,
20 Defendants would not have wasted SPU’s resources suing the Washington State AG.

21 223. Through Defendants’ baseless lawsuit, filed to prevent basic information gathering
22 by the AG in response to numerous complaints of civil rights violations, Defendants have yet again
23 acted as if they are above the law.

1 224. Defendants’ pattern of defying SPU’s governing documents and subverting the will
2 of the community, as described above and below, came to light in 2021 and lead to an initial vote
3 of the BOT in April 2021.

4 **Background: In April 2021, BOT Votes to Retain Discriminatory Hiring Policy &**
5 **Faculty Overwhelmingly Vote “No Confidence” in Board**

6 225. In spite of the overwhelming repudiation of the discriminatory hiring policy by the
7 faculty, staff, and student body, on April 12, 2021, SPU’s Board of Trustees announced that they
8 had voted to maintain the discriminatory policy.

9 226. The BOT voted to maintain the discriminatory hiring policy because of the FMC.

10 227. In response, on April 13, 2021, over 500 individuals affiliated with SPU signed a
11 letter of intent stating that they would cease any donations to SPU if the school determined to
12 maintain its discriminatory hiring policies.

13 228. On April 16, 2021, hundreds of SPU students, staff, and faculty held a candlelight
14 vigil in protest of SPU’s discriminatory policy.

15 229. On April 19, 2021, the Faculty Senate of SPU approved a vote of no confidence in
16 the SPU BOT, stating that “The Board’s decision to maintain SPU’s discriminatory hiring policy
17 related to human sexuality, as well as its manner of delivering that decision, have regrettably
18 compelled the faculty of SPU to pass a vote of no confidence in the SPU Board of Trustees.”

19 230. This vote of no confidence was achieved with votes from 90% of SPU’s faculty,
20 with 72% in favor of the no-confidence vote, and 22% against, while 6% abstained.

21 231. On April 25, 2021, students held another protest ahead of the BOT’s upcoming
22 emergency meeting.

23 232. On Monday April 26, 2021, the BOT met for an emergency meeting. After this
24 meeting the BOT’s spokesperson relayed that “the board is not changing the University’s
25

1 employment policy related to human sexuality.” The BOT refused to provide an explanation for
2 their maintenance of the discriminatory policy, citing the ongoing litigation involving Rinedahl.

3 233. In response, the ASSP (Associated Students of Seattle Pacific) sent a letter to the
4 BOT meant to be “complementary to the Faculty Statement of No Confidence in the Trustees’
5 decision.”

6 234. In May of 2021, the Faculty Senate created a “Faculty LGBTQIA+ Task Force” to
7 pursue the steps of engagement with the BOT that they had laid out in their vote of no confidence.

8 235. On May 13, 2021, trustee Gary Ames died suddenly. Gary and his wife Barbara
9 had donated nearly \$8,000,000 dollars to SPU and were committed to bringing more
10 underrepresented cultural and ethnic communities to SPU as students and leaders of the university.
11 SPU created the Ames Scholarship and the Ames Leadership Program at SPU in his honor.

12 236. Gary Ames would often say that one day an Ames Scholar should become an SPU
13 Board of Trustees member. Gary Ames was able to see that realized when Dr. Denise Martinez
14 and Kevin Johnson joined the BOT.

15 237. On June 28, 2021, the BOT appointed Dr. Pete C. Menjares to serve as Interim
16 President of SPU to replace President Dan Martin, the outgoing President whom the rogue board
17 had pushed out because he would not do the FMC’s bidding.

18 238. Menjares is a Senior Fellow with the Council for Christian Colleges & Universities
19 (CCCU). The CCCU is an industry group that lobbies the federal government to allow religious
20 colleges to receive taxpayer money while openly discriminating against LGBTQ+ students and
21 employees.

22 239. The CCCU works regularly with anti-LGBTQ+ hate groups like Alliance
23 Defending Freedom and the Family Research Council.

24 240. On June 30, 2021, trustee and former BOT Chair, Dennis Weibling, resigned from
25 the BOT before completing his term.

1 241. Weibling was LGBTQ+ affirming and wanted to remove SPU’s discriminatory
2 hiring policy.

3 242. On September 7, 2021, the BOT hired Venture International, consultants with
4 expertise in crisis management and higher education governance. After extensive interviews and
5 document reviews, the consultants identified “six critical issues” that the community needed to
6 work together on: Accreditation, Financial Sustainability, LGBTQIA+ issues, the Presidential
7 Search, Shared Governance, and Strategic Planning.

8 243. Venture presented their findings first to the BOT, and then to the faculty and staff
9 in November and December of 2021.

10 244. As of November 2021, SPU was beginning to feel the effects of staff shortages, and
11 dissatisfaction with the BOT’s April decision was cited as a notable reason for staff departures.

12 245. On November 22, 2021, purportedly in order “to provide continuity during this
13 interim leadership period,” the BOT voted to grant one-year term extensions to three trustees
14 whose terms would otherwise have expired. Those members were Leslie Vander Griend, Mike
15 Quinn, and Becky Gilliam.

16 246. A new trustee, Jason Garcia, filled a BOT vacancy.

17 247. Garcia serves as an elder in the FMC.

18 248. This purported justification for the one-year extensions was misleading. The true
19 reason for the extension, at least in part, was to allow Defendants to control the BOT by prolonging
20 the membership of trustees whom they believed they could control, pressure, and/or manipulate
21 into committing, aiding and/or abetting their illegal and dishonest acts.

22 249. Had the BOT not extended the terms for these three trustees, the BOT would have
23 voted to remove the illegal, discriminatory hiring policy and would have fulfilled its pledge to
24 operate according to principles of shared governance and non-discrimination.

1 **Reconciliation Attempted, but Quickly Abandoned by Defendants**

2 250. On November 23, 2021, the BOT apologized to the SPU community for the events
3 of the previous spring, authorized the creation of a workgroup to “engage in discussions around
4 LGBTQIA+ issues,” and declared a commitment to “improving shared governance,” and “moving
5 forward systematically, using good data, and being student-centered.”

6 251. These statements from the BOT were known by Defendants to be false and/or
7 misleading, given that Defendants did not intend to improve shared governance or center students
8 concerns if that meant that the BOT would need to remove SPU’s discriminatory hiring policy.

9 252. Nevertheless, the BOT, administration, and faculty began to work together to
10 compose several “work groups” modeled on shared governance principles, to address LGBTQ+
11 issues, financial sustainability, and shared governance. Each group consisted of representatives
12 from the BOT, administration, faculty, and staff.

13 253. On December 1, 2021, the Venture consultants met with SPU faculty. The Venture
14 consultants acknowledged that the BOT did not trust each other and that there was mistrust
15 between the BOT and the faculty.

16 254. Venture established some principles for BOT practices and behavior including
17 “Champion justice, equity and inclusion” and “Focus on what matters most to long-term stability.”

18 255. In reporting back on campus surveys that Venture conducted, Venture told the
19 faculty that “Everyone agreed that the Board sucks at dealing with conflict.”

20 256. Venture also reported that the SPU community rated SPU lowest on the following:
21 (1) board functioning effectively; (2) conflict managed effectively; and (3) FMC understands the
22 culture, policies, and doctrines of SPU.

23 257. Venture concluded that “the roles and responsibilities of the board have not been
24 completely understood or lived out in the last 7 years.”

25 258. Venture concluded that the BOT “does not understand shared governance.”

1 259. Venture reported that, in selecting Interim President Menjares, “there is lots of real
2 and understandable cynicism that the board selected one of their own.”

3 260. On January 11, 2022, the formation of an official LGBTQIA+ Work Group was
4 announced. It consisted of four faculty members, four BOT members, and four staff/senior
5 leadership. In light of the creation of this new work group, the faculty led LGBTQ+ task force,
6 which had been formed on May 6, 2021, suspended its engagement with the BOT.

7 261. The LGBTQIA+ Work Group’s charge included answering “...what options might
8 create a shared direction regarding sexual conduct expectations and employment policy
9 (specifically with respect to LGBTQIA+ individuals) within a Free Methodist Christian context,
10 and how do these potential options align with SPU’s mission and Statement of Faith.”

11 262. At the BOT meeting on February 24, 2022, the BOT, members of the Faculty
12 Council, senior leadership, and the deans participated in a shared governance workshop led by
13 consultant Andy Westmoreland of Venture International. The goals for the session were “to
14 continue to build trust between the parties, and to foster a renewed understanding of - and
15 appreciation for - shared governance.”

16 263. SPU, in a document created for this meeting, stated that one of the reasons for
17 shared governance at a university is that it “tempers tyranny,” including “tyranny of the board.”

18 264. The document also noted that shared governance “is a touchstone for institutional
19 accreditation” and that shared governance is “the norm within most of higher education.”

20 265. On March 1, 2022, Tina Chang, trustee and Vice Chair of the BOT, resigned before
21 completing her term.

22 266. Chang believed that removing the discriminatory hiring policy was in the best
23 interests of SPU.

1 267. On April 22, 2022, after months of extensive research, interviews, and dialogue,
2 the LGBTQIA+ Work Group gave a confidential presentation of their analysis and
3 recommendation to the BOT.

4 268. That recommendation found that it was in the best interests of SPU to eliminate the
5 discriminatory hiring policy, and that SPU had several viable options to do so without violating
6 either its Articles of Incorporation or its Bylaws, and without rescinding its voluntary affiliation
7 with the FMC.

8 **Defendants Place Interests of FMC above Interests of SPU**

9 269. In their own self-interest, and in the best interest of the FMC, rogue SPU trustees
10 attempted to tie the hands of the BOT as a whole, and improperly shared confidential information
11 with the FMC BOA.

12 270. In their role as members of the FMC BOA, these trustees crafted, proposed, and/or
13 approved a policy to prevent SPU’s best interests from being achieved, and, in alliance with a
14 complicit legal team, subsequently pressured and convinced other trustees that they had no option
15 other than to leave the discriminatory policy in place.

16 271. After the confidential meeting on April 22, 2022, and before the BOT met again to
17 vote on a resolution in May of 2022, “two members of the SPU Board of Trustees presented a
18 targeted resolution to the Free Methodist Church USA Board of Administration, which declared
19 that any Free Methodist educational institution ‘that alters their hiring policy to permit the hiring
20 of individuals living a lifestyle inconsistent with the FMC Book of Discipline’s teachings on sexual
21 purity will be considered to have disaffiliated with the denomination and will not be considered
22 for any level of affiliation as long as this hiring policy is in place.’”

23 272. The purpose of this resolution was to attempt to trigger the 75% majority vote
24 requirement for disaffiliation with the FMC and to prevent the BOT from removing the
25

1 discriminatory hiring policy by a simple majority vote, as the BOT would have done had
2 Defendants not engaged in their wrongful conduct.

3 273. On May 4, 2022, after more than a year of litigation and only days before the BOT
4 vote on whether to remove the illegal, discriminatory hiring policy, Defendant Menjares
5 announced that SPU had reached a settlement with Rinedahl.

6 274. On May 2, 2022, two days prior to Menjares' announcement of the settlement, SPU
7 and Rinedahl filed, as a condition of settlement, a request to the Court to vacate the court's
8 summary judgment order that had determined, as a matter of law and court order, that SPU was
9 currently operating under an illegal employment policy.

10 275. In the May 2, 2022, filing, the parties requested that the Court's January 5, 2022
11 summary judgment order be vacated and "not have preclusive effect against Defendant Seattle
12 Pacific University (SPU) in any future litigation."

13 276. According to court records, SPU reached a confidential settlement with Rinedahl
14 that was "conditioned on entry of the relief sought by the parties in this motion[.]"

15 277. Indeed, the rogue board was so desperate to settle the lawsuit with Rinedahl, and
16 come out from under the court order that had declared SPU's employment policy to be illegal, that
17 prior to the May 2022 board vote, SPU told the Court that the settlement agreement with Rinedahl
18 would only be consummated "if, and only if" the Court vacated its order (emphasis in original).

19 278. Despite having lost in front of the Washington State court trial judge, and despite
20 the Washington Supreme Court ruling contrary to its position, SPU continued to insist, in its
21 motion to vacate and circumvent the court's binding order, that it was above the law.

22 279. SPU made this extraordinary and desperate ask because it knew that, because of the
23 court's order in the Rinedahl case, SPU would likely be found to be violating the law in future
24 similar cases because of the doctrine of collateral estoppel which, SPU freely admitted would put
25

1 “SPU at risk of the Summary Judgment Order being used against it in future litigation by other
2 plaintiffs even if this case is settled.”

3 280. Essentially, Defendants planned to buy a way out of complying with the law. Such
4 a purchase almost certainly came at a steep price in the form of a settlement payment to plaintiff
5 Rinedahl and his attorneys.

6 281. On information and belief, SPU paid Rinedahl an inflated settlement in order to
7 subvert a court order requiring SPU to comply with state anti-discrimination law.

8 282. On information and belief, this settlement was in excess of what SPU would have
9 otherwise paid Rinedahl because it included payment for the reversal of the judge’s order.

10 283. On May 5, 2022, one day after the settlement with Rinedahl, the FMC BOA, which
11 included Defendants Whitehead and Mason, passed the “automatic disaffiliation” resolution
12 proposed by Whitehead and another rogue board member in an attempt to prevent SPU’s BOT
13 from voting to remove the discriminatory hiring policy by simple majority vote.

14 284. Defendant Whitehead stated in an SPU town hall that he and the other rogue board
15 member recused themselves from the SPU BOT’s May 2022 vote on the discriminatory hiring
16 policy, noting that “because of the potential conflict of interest that was referenced, the other board
17 member and myself recused ourselves from the vote that happened two weeks ago.”

18 285. However, this recusal did not immunize Defendants from their wrongful conduct
19 and was part of their overall plot, guided by Whitehead and the law firm of Ellis Li & McKinstry
20 (ELM”), to subvert the intent of the majority of the BOT and to preserve SPU’s illegal and
21 discriminatory hiring policy, even though the policy was known, or should have been known, by
22 Defendants to be illegal and harmful to the university, including its people and its finances, and
23 that the continued application of the policy risked the solvency and continued existence of the
24 university.

1 286. Defendant Whitehead, throughout 2021 and 2022, was wrongfully serving as a
2 trustee of SPU, as he repeatedly placed himself in a conflict-of-interest position between his duties
3 to FMC and his duties to SPU, a conflict which was not absolved by recusal from a single vote
4 after he had already orchestrated a takeover of the BOT and usurped the BOT's independence.

5 287. Indeed, the BOT's independence has been in question ever since the April 2021
6 vote to retain the discriminatory employment policy despite overwhelming opposition from all
7 parts of the SPU community.

8 288. The Venture consultants reported in December 2021 that "over the last several
9 months, there have been questions in terms of the influence of the Free Methodist church over the
10 Board - accreditors will be asking whether there is undue influence there."

11 289. Moreover, Whitehead's board service greatly exceeded the duration permitted by
12 SPU's governing documents. Under SPU's Bylaws, a trustee's term is generally for three years
13 and can be renewed for "up to three consecutive terms."

14 290. Trustees who "have served three consecutive terms are eligible to serve again as a
15 Trustee twelve (12) months after the end of the Trustee's last term on the board." Id. A Trustee's
16 term of office may exceed three consecutive terms under two circumstances: (1) if they are serving
17 as Chair, they may continue to serve one additional year to allow the University to "search for an
18 appropriate successor or to provide continuity or transition overlap" or (2) if "the Board determines
19 it is in the University's best interest to have the Trustee continue for up to one additional year to
20 allow the University to search for an appropriate successor or to provide continuity, transition
21 overlap, or other service set by the board."

22 291. Whitehead, however, has served on the SPU BOT for the past twenty-seven years.

23 292. On information and belief, Defendant Whitehead's conduct in April and May of
24 2022 was not the first time that he had used his position on the FMC BOA to attempt to pressure
25 the BOT from changing the discriminatory policy. Even prior to this rule change by the FMC

1 BOA, Defendant Whitehead had engaged in a manipulative and deceptive pressure campaign
2 against the BOT and SPU administration, falsely telling them that any deviation from the
3 discriminatory policy would require a three-fourths vote of the BOT because the FMC would
4 automatically disaffiliate if the BOT voted to remove the discriminatory hiring policy.

5 293. Interim President Pete Menjares stated in August of 2021 that “the University’s
6 Board of Trustees ha[d] been told by the Bishops of the Free Methodist Church – USA that if the
7 University changes its employment policies to permit the hiring of employees in same-sex
8 marriages, the Free Methodist Church will be compelled to end its 130-year affiliation with the
9 university.” This was reasserted by Defendant Whitehead at a public Town Hall where he stated:
10 “...prior to the board decision a year ago, February, denominational leadership, the Free Methodist
11 bishops, uh, communicated directly with the SPU board to say, if the board changes its hiring
12 policy, it will bring about disaffiliation with the denomination.”

13 294. Whitehead, Menjares, and other Defendants pressured, and misled, members of the
14 BOT into believing, inaccurately, that they could no longer vote to end the discriminatory
15 employment policy without also voting to disaffiliate from the FMC.

16 295. On May 19, 2022, the remaining trustees met and voted whether to retain SPU’s
17 discriminatory hiring policy.

18 296. Trustee Denise Martinez resigned from the BOT partway through the board
19 meeting.

20 297. The rogue board, now controlling a majority of the remaining trustees, voted to
21 retain the discriminatory hiring policy.

22 298. Certain members of the BOT wrongfully used their positions as trustees to exercise
23 control over SPU in order to align SPU with their own personal belief systems, and to achieve
24 what was in the best interests of the FMC. They, in turn, manipulated other trustees to act in the
25 best interests of the FMC, as opposed to the best interests of SPU as an institution.

1 299. Defendant Whitehead utilized his dual positions within the FMC, and as a trustee
2 of SPU, to bind SPU to a policy that he knew or should have known was damaging, illegal, and
3 counter to the interests of SPU.

4 300. ELM, a law firm long associated with Alliance Defending Freedom, the extremist
5 and Southern Poverty Law Center-designated anti-LGBTQ+ hate group, advised Defendants
6 throughout this process.

7 301. ELM assisted in the process of the illegal board takeover by Defendant Whitehead
8 and other Defendants.

9 302. The day after the BOT vote, on May 20, 2022, Trustee Kevin Johnson, a trustee
10 who had been recruited as part of SPU's purported commitment to diversity and inclusion, declined
11 to stand for re-election after ending his three-year term, publicly stating, "...I do not agree with the
12 Board's decision to uphold the University's policies surrounding hiring, especially in regard to
13 members of the LGBTQIA+ community. I wholeheartedly stand for equality in all forms, and will
14 always push for a community of love and inclusion."

15 303. In response to the BOT vote, on May 23, 2022, SPU students began what would
16 become a thirty-nine (39) day sit-in outside of the office of the Interim President of the University,
17 to protest the policy and demand reconsideration from the BOT.

18 304. Despite the more than two-hundred hours that SPU students protested in front of
19 his office, Interim President Menjares maintains that the board's decision to retain the
20 discriminatory policy is in the best interests of students, and refuses to acknowledge the policy's
21 negative impact both on enrollment and alumni giving, in spite of a growing body of data to the
22 contrary.

23 305. On May 25, 2022, Interim President Menjares announced that Trustees Chang,
24 Martinez, and Johnson, all people of color who had been recruited to the SPU board in recognition
25 of the university's purported commitment to diversity and inclusion, had resigned. Menjares

1 further announced that the two white, male trustees who had been recused from the earlier vote,
2 had been re-elected.

3 306. On May 26, 2022, Board Chair Cedric Davis resigned from the board. He had one
4 year remaining in his term of service. Chairman Davis is a trustee who had also been recruited to
5 the BOT in furtherance of the university's purported commitment to diversity and inclusion.

6 307. The BOT's votes in 2021 and 2022 have caused a marked decline in SPU's
7 enrollment. In a June 2, 2022, email, Luke Davis, the former Assistant Director of Freshman
8 Recruitment at SPU, announced his resignation from SPU because of the BOT's conduct.

9 308. In his resignation email, Davis stated that the BOT's conduct in 2021 had led to the
10 university's lowest confirmed student group in four years.

11 309. The entering class of undergraduates for the 2021-2022 year was the smallest
12 number in more than 20 years. The yield rate was the lowest in more than 20 years. Only 14% of
13 admitted applicants chose to attend SPU.

14 310. Two-thirds (2/3) of SPU's graduate programs did not meet enrollment goals for the
15 2021-2022 academic year.

16 311. When it comes to enrollment, SPU's competitors "are leap-frogging" SPU,
17 according to SPU's own consultants.

18 312. On June 15, 2022, several SPU graduates handed SPU Interim President Menjares
19 pride flags upon receiving their diplomas on stage. A video of the moment went viral, putting a
20 national spotlight on the students' protest. (See <https://www.nbcnews.com/pop-culture/viral/tiktok-pride-graduation-seattle-pacific-university-rcna33551>).

22 313. On June 4, 2022, the SPU Faculty Council raised "serious questions about the
23 BOT's duty of care" citing trustees' statements in a town hall on May 26, 2022, wherein the
24 Faculty Council alleged that the BOT (1) had provided vague answers as to how maintaining the
25 discriminatory hiring policy was in line with SPU's Mission, (2) had admitted that the board had

26 COMPLAINT (BREACH OF FIDUCIARY DUTY; AIDING AND ABETTING
BREACHES OF FIDUCIARY DUTY; NEGLIGENT MISREPRESENTATION;
INTENTIONAL INTERFERENCE WITH CONTRACTUAL RELATIONSHIPS;
FRAUD) JURY TRIAL DEMANDED- 41

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1 voted to maintain the conduct policy “despite having no articulated strategic vision for the
2 University,” and (3) had failed to articulate what “financial and generative support the Free
3 Methodist Church would provide to SPU as a result of requiring us to maintain the policy under
4 threat of disaffiliation.”

5 314. On August 1, 2022, trustees Jason Garcia, and Mike McKee resigned, becoming
6 the sixth and seventh trustees to resign from the 14-person BOT since March of 2021.

7 315. The BOT is now operating out of compliance with its own governing documents as
8 it has fewer trustees than it is required to maintain.

9 316. The Defendants’ insistence on maintaining this deeply discriminatory hiring policy
10 has not only damaged the lives of LGBTQ+ individuals who have applied or been discouraged
11 from applying for employment with SPU, but has undermined efforts toward shared governance,
12 and created a hostile and antagonistic atmosphere on campus.

13 317. Staff and faculty are fearful that the BOT may eliminate their jobs or retaliate
14 against them because of their own beliefs, sexual orientation, gender identity, or gender expression.
15 Many are outraged and dismayed that the BOT would choose to act in such a discriminatory
16 manner, against the best interests of the University, and the intended beneficiaries of the
17 university’s operations, namely, its people.

18 318. SPU’s employees’ concerns about being targeted for job loss are reasonable, as
19 SPU recently communicated to faculty that it intends to reduce faculty headcount by over 20% in
20 the near future.

21 319. Most faculty, staff, students, and alumni believe that SPU’s now co-opted BOT has
22 flagrantly ceased to act in the best interests of the University or their own best interests as
23 beneficiaries of the university’s operations, in violation of Defendants’ fiduciary duties of care,
24 loyalty, and obedience to the law and governing documents of SPU.

1 320. Faculty, students and staff are deeply concerned, as this discriminatory policy
2 threatens student, staff, and faculty safety and the wellbeing of SPU. Defendants' conduct, and the
3 preservation of the discriminatory hiring policy, threaten loss of admissions, staff and faculty,
4 community support, financial donors, and accreditation.

5 **The Trustees' Decision is Harming Students, Staff, and Faculty**

6 321. SPU's students, staff, and faculty are greatly harmed by Defendants' conduct and
7 the maintenance of SPU's discriminatory hiring policy.

8 322. Twenty-four percent (24%) of students, staff, and faculty on SPU's campus identify
9 as LGBTQ+ and more than sixty-eight percent (68%) of non-binary and/ or transgender
10 respondents reported sometimes, often, or very often hearing negative remarks about gender or
11 gender identity.

12 323. Students have reported being hesitant and apprehensive to utilize SPU's health and
13 counseling resources, because they are uncertain what their provider's stance on sexual
14 orientation/gender identity/gender expression might be.

15 324. Students report discomfort and insecurity because they have to determine whether
16 their professors are safe before they feel secure that their sexual orientation/gender identity/gender
17 expression will not result in either overt or covert academic discrimination in the course.

18 325. The discriminatory hiring policy also denies LGBTQ+ students of representation,
19 deprives them of important mentorship and networking opportunities, and dehumanizes them.

20 326. LGBTQ+ students know that while SPU will take their tuition money, they will not
21 be welcome to teach or work on campus after graduation.

22 327. BIPOC and LGBTQ+ students frequently indicate preferring to meet with a
23 counselor of color, or a counselor who is LGBTQ+, yet LGBTQ+ advisors and counselors are
24 pushed from SPU because of the hiring policy.

1 328. There is an important safety component to having LGBTQ+ staff and faculty that
2 students can turn to. As one Plaintiff reports, “If I encountered harassment or bullying, I wouldn’t
3 feel safe approaching many of the staff at SPU, because I don’t think they would take it seriously
4 or understand the experiences I go through, or have a good enough context for that.”

5 329. Students describe the importance of role models in college, for their careers and
6 personal lives, relaying that many do not understand that your sexuality/gender identity is
7 completely intertwined with who you are.

8 330. The discriminatory hiring policy prohibits students from having queer mentors in
9 their fields, and in their personal and professional lives, in addition to the community, support, and
10 security that having queer professors provides.

11 331. The maintenance of the policy sends a message to students that their university does
12 not see their existence as valid.

13 332. As one student Plaintiff explains, “SPU has erased queer leadership. That erasure
14 means we are erased.”

15 333. Several LGBTQ+ students report that SPU engaged in deceptive and misleading
16 recruiting practices to entice them to attend SPU.

17 334. Prior to attending SPU, several LGBTQ+ students were careful to ask SPU
18 representatives about SPU’s position on LGBTQ+ rights. SPU’s answers made it seem like the
19 school was an affirming place to attend.

20 335. Recruiters presented SPU as diverse and very inclusive and open minded to people
21 of all worldviews and diverse backgrounds.

22 336. Recruiters implied SPU was LGBTQ+ affirming, saying for example that the
23 Queen Anne neighborhood—where SPU is located— is an LGBTQ+ inclusive district of Seattle,
24 where LGBTQ+ people are welcome.

1 **Enrollment Declines**

2 337. As a result of the discriminatory hiring policy, SPU is facing a precipitous decline
3 in enrollment, which will further exacerbate SPU’s financial situation. Potential students, in
4 emails, phone calls, and texts to the admissions office, are citing to the discriminatory policy as
5 the central reason why they will not be attending SPU.

6 338. Applications from Washington State—SPU’s key state for recruitment—are down
7 dramatically. The admissions teams are stuck with a policy that they cannot defend and fault the
8 BOT and administration for failing to even provide them with talking points or elucidate a positive
9 vision for how SPU moves forward.

10 339. SPU is losing crucial community partnerships because of the discriminatory policy.
11 Recruiters have backed out of recruiting at SPU. SPU has been disinvited from college fairs and
12 other new-student recruiting events.

13 340. Moreover, SPU’s premier partner in recruiting international students terminated
14 their relationship with SPU and now actively discourages international students from attending
15 SPU.

16 341. As with most universities, international recruitments are an integral part of ensuring
17 financial sustainability for SPU.

18 342. As SPU’s own consultants informed the BOT in December 2021, “Unless
19 enrollment trends are changed soon or expenditures sharply curtailed, SPU’s financial health will
20 be in jeopardy within two years” and that it is dangerously close to being under “serious threat.”

21 **SPU is Losing Critical Staff and Faculty**

22 343. It is not just admissions that is suffering, SPU is hemorrhaging key staff and faculty.
23 Many departments are struggling to retain or hire new faculty now that the discriminatory policy
24 is public knowledge. Staff shortages are impacting work product, and “require current employees
25 to increase their workload.”

1 344. Increases in resignations and decreases in job applicants are directly linked to
2 concerns regarding the hiring policies.

3 345. For example, in SPU’s School of Clinical Psychology, the department has faced
4 extreme difficulty hiring vacant positions that were vacated because of the discriminatory hiring
5 policy. Moreover, an ideal candidate for the department declined an employment offer because of
6 the hiring policy.

7 346. All graduate nursing faculty have resigned, leaving insufficient faculty to operate
8 the program.

9 347. The enrollment department reported losing three “seasoned and talented staff
10 members in the past six months... predicated on the current hiring policy at [SPU].”

11 348. Since approximately April of 2021, the following people have resigned, at least in
12 substantial part, because of the rogue board’s breaches of fiduciary duty and/or the situations they
13 have been placed in because of the rogue board’s breaches of fiduciary duty:

14 d. Seven (7) out of fourteen (14) trustees resigned or declined to renew their
15 terms.

16 e. President Dan Martin resigned.

17 f. Vice Provost of Inclusive Excellence, who oversaw SPU’s diversity &
18 inclusion efforts, as well as Title IX compliance, resigned.

19 g. Vice President for Enrollment Management & Marketing resigned.

20 h. Vice President for Finance and Administration resigned.

21 i. Human Resources Director resigned.

22 j. Director of Health Services resigned.

23 k. Director of University Services resigned.

24 l. Assistant Vice President for Financial Affairs resigned.

25 m. Assistant Director of Freshman Recruitment resigned.

1 349. Faculty are voicing concern over departures of faculty of color, reporting
2 experiences of tokenism and isolation, being overburdened, with formal and informal service, the
3 emotional labor of addressing microaggressions, and the slow progress in creating a campus
4 climate that tangibly embraces diversity and inclusion.

5 350. Employee departures have a direct financial cost to the University as departments
6 must devote time and attention to hiring and onboarding. Departures also have an indirect cost to
7 the SPU community as employee morale is diminished, institutional knowledge is lost, and social
8 connections, service delivery, and institutional governance are disrupted.

9 351. The hostile environment caused by the discriminatory hiring policy is dangerous
10 for LGBTQ+ part-time staff and faculty, who endure the constant reminder that they can never
11 advance at SPU, and for LGBTQ+ full-time staff and tenured faculty, who know that to have an
12 open relationship will jeopardize their careers, health insurance, and financial wellbeing.

13 352. Staff report that the policy is not enforced neutrally, as individuals in hetero-
14 presenting relationships are violating premarital/extramarital policies, but those policies are not
15 being enforced like the LGBTQ+ policies are enforced.

16 353. Staff and faculty report that the policy is taking a massive toll on their mental health
17 and express concern about their safety and wellbeing. LGBTQ+ staff and faculty are being denied
18 the privileges and treatment afforded their cisgender/heterosexual colleagues.

19 354. The discriminatory hiring policy, and its impacts on campus have made it extremely
20 difficult to focus on key tasks such as updating curriculum and engaging in new research. For
21 nearly two years this has added a major time commitment, energy, and psychological demand on
22 students, faculty, and staff.

23 355. SPU's donor base is shrinking dramatically, donors are demanding to know if the
24 Board is changing the hiring policy, and the school's donor liaisons have cited clarity around
25 SPU's hiring policy as a necessity to develop a successful fundraising strategy.

1 356. Unrestricted giving to SPU is at its lowest in 7 years, total donors and total gifts
2 “continue to lag significantly.”

3 357. Defendants have placed SPU and its people in a precarious situation. This
4 discriminatory policy was never, and still is not, in the best interest of SPU, either from the
5 standpoint of the community or from a standpoint of the long-term financial and academic
6 wellbeing of SPU.

7 358. On information and belief, having completed their purge of the BOT and several
8 high-level administrators who were committed to overturning SPU’s discriminatory hiring policy,
9 the rogue board now intends to require all full-time faculty and staff to pledge their agreement
10 with SPU’s illegal, discriminatory hiring policy. SPU faculty were not previously required to sign
11 such a pledge. Such a mandatory pledge would result in the resignation and/or termination of the
12 majority of SPU’s remaining faculty and staff.

13 359. Moreover, Defendants’ continued acts of purging SPU of LGBTQ+ employees and
14 their allies would spark hundreds of employment discrimination and breach of contract lawsuits,
15 as well as new state and federal inquiries from the Washington State Attorney General’s Office
16 and the U.S. Department of Justice, further damaging SPU’s finances and reputation.

17 360. Tragically, Defendants have prioritized their own beliefs and values, and their
18 allegiance to external groups, over the mission, vision, and wellbeing of SPU, and the safety and
19 psychological well-being of SPU’s students, faculty, and staff.

20 361. Consequently, Defendants must be removed from their positions as trustees and
21 Defendant Menjares must be removed from his position as Interim President.

22 362. The Court should appoint a Receiver to oversee a new election of replacement
23 trustees and the appointment of a new Interim President, consistent with SPU’s governing
24 documents and Washington law.

1 **DEMAND ON WASHINGTON STATE ATTORNEY GENERAL**

2 363. Plaintiffs made a formal demand on the Washington State Office of the Attorney
3 General on Wednesday, September 7, 2022, calling on the AG’s office to use its powers to regulate
4 nonprofit educational institutions by taking legal action against Defendants for their breaches of
5 fiduciary duties and related conduct.

6 364. Plaintiffs request legal action from the AG’s office that is different to, but
7 complementary of, the AG’s investigation into SPU’s potential violation of the Washington Law
8 Against Discrimination that is currently being conducted by the AG’s Civil Rights Division.

9 365. As of the date of filing, the AG’s office has acknowledged receipt of Plaintiffs’
10 request but has not taken a position on Plaintiffs’ request.

11 366. Per RCW 24.03A.944(3), Plaintiffs will serve the AG’s office with notice of the
12 commencement of these proceedings.

13 **FIRST CAUSE OF ACTION**

14 **BREACH OF FIDUCIARY DUTY**

15 **(As to All Defendants)**

16 367. Plaintiffs incorporate by reference each of the allegations in all prior paragraphs in
17 this Complaint as though fully set forth therein.

18 368. Defendants owed fiduciary duties to SPU by virtue of their roles as trustees of SPU.

19 369. Defendants owed fiduciary duties to Plaintiffs by virtue of their roles as trustees of
20 SPU.

21 370. Defendants breached their fiduciary duties to SPU and Plaintiffs through numerous
22 actions, including the following:

- 23 a. Providing confidential information to the FMC for the express purpose of
24 undermining the will of the BOT and subverting the impending vote of the BOT to
25 remove the discriminatory hiring policy;

26 COMPLAINT (BREACH OF FIDUCIARY DUTY; AIDING AND ABETTING
BREACHES OF FIDUCIARY DUTY; NEGLIGENT MISREPRESENTATION;
INTENTIONAL INTERFERENCE WITH CONTRACTUAL RELATIONSHIPS;
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1 b. Voting to maintain an illegal hiring policy that Defendants knew, or
2 reasonably should have known, was illegal and/or exposed SPU to significant risk
3 of litigation, governmental investigation and adverse action from accreditation
4 agencies;

5 c. Threatening fellow trustees to convince them to resign or be silent regarding
6 Defendants' breaches;

7 d. Causing the resignation of trustees, faculty and staff who were loyal to SPU
8 and highly valued by the SPU community;

9 e. Misleading and/or making knowingly false representations to Plaintiffs and
10 others in the SPU community regarding Defendants' intentions concerning shared
11 governance and centering student concerns;

12 f. Filing a baseless lawsuit against the Washington State Attorney General.

13 371. Defendants' breaches of fiduciary duties proximately caused injuries to SPU and
14 Plaintiffs, including the following:

15 a. Plaintiffs' mental anguish, dignitary harm, and emotional distress;

16 b. Plaintiffs' loss of productivity and uncompensated labor;

17 c. Reputational harm to Plaintiffs and SPU;

18 d. Loss of future job prospects to Plaintiffs;

19 e. Loss of valuable employees in Plaintiffs' departments, which harms
20 Plaintiffs and SPU;

21 f. Loss of enrollment at SPU;

22 g. Economic losses to SPU in the form of wasted consultant fees and attorney
23 fees;

24 h. Economic losses to SPU in the form of an inflated settlement payment to
25 Rinedahl.

1 372. Defendants' conduct should not be shielded by the business judgment rule as
2 Defendants engaged in a pattern of dishonest conduct and failed to exercise proper care, skill, and
3 diligence in carrying out their fiduciary duties as trustees of SPU.

4 373. To remedy Defendants' breaches of fiduciary duty, the Court should remove
5 Defendants from their trustee and/or officer positions at SPU.

6 374. Plaintiffs further request that the Court appoint a receiver to oversee an election of
7 replacement trustees.

8 375. Plaintiffs further request that the Court appoint a receiver to oversee the
9 appointment of a new Interim President of SPU.

10 376. Plaintiffs further request that the Court order an accounting of SPU's assets and
11 liabilities.

12 377. Plaintiffs further request economic damages, to be paid to SPU and held in trust for
13 those harmed by Defendants' conduct.

14 **SECOND CAUSE OF ACTION**

15 **AIDING AND ABETTING BREACHES OF FIDUCIARY DUTY**

16 **(As to All Defendants)**

17 378. Plaintiffs incorporate by reference each of the allegations in all prior paragraphs in
18 this Complaint as though fully set forth herein.

19 379. Defendants knew that the conduct of other Defendants constituted breaches of
20 Defendants' fiduciary duties.

21 380. Defendants gave substantial assistance or encouragement for the other Defendants
22 to breach their fiduciary duties.

23 381. Defendants' conduct was a substantial factor in causing harm to Plaintiffs.

24 382. The Court should order the same remedies against Defendants as described in the
25 First Cause of Action.

26 COMPLAINT (BREACH OF FIDUCIARY DUTY; AIDING AND ABETTING
BREACHES OF FIDUCIARY DUTY; NEGLIGENT MISREPRESENTATION;
INTENTIONAL INTERFERENCE WITH CONTRACTUAL RELATIONSHIPS;
FRAUD) JURY TRIAL DEMANDED- 51

1 **THIRD CAUSE OF ACTION**

2 **INTENTIONAL INTERFERENCE WITH CONTRACTUAL RELATIONS**

3 **(As to All Defendants)**

4 383. Plaintiffs incorporate by reference each of the allegations in all prior paragraphs in
5 this Complaint as though fully set forth herein.

6 384. Student Plaintiffs have valid explicit and/or implied contractual relationships with
7 SPU as they pay tuition and/or other consideration in exchange for educational and other services
8 from SPU.

9 385. Staff and Faculty Plaintiffs have valid explicit and/or implied contractual
10 relationships with SPU as they receive compensation from SPU in exchange for their pedagogical,
11 professional, and other services.

12 386. Defendants have knowledge of the contractual relationships between Plaintiffs and
13 SPU.

14 387. Defendants intentionally interfered with Plaintiffs' contractual relationships,
15 thereby inducing or causing breaches of those contractual relationships, by, among other things as
16 described in this Complaint:

- 17 a. Concealing the discriminatory hiring policy from them;
- 18 b. Misrepresenting Defendants' intent concerning shared governance and
19 centering student concerns;
- 20 c. Wrongfully preventing the BOT from voting to remove the discriminatory
21 employment policy.

22 388. Defendants' intentional interference with Student Plaintiffs' contractual
23 relationships with SPU has resulted in damage to Student Plaintiffs, including the diminished value
24 of SPU's educational services purchased by Plaintiffs and the diminished value of Plaintiffs'
25 degrees.

26 COMPLAINT (BREACH OF FIDUCIARY DUTY; AIDING AND ABETTING
BREACHES OF FIDUCIARY DUTY; NEGLIGENT MISREPRESENTATION;
INTENTIONAL INTERFERENCE WITH CONTRACTUAL RELATIONSHIPS;
FRAUD) JURY TRIAL DEMANDED- 52

1 389. Defendants' intentional interference with Staff and Faculty Plaintiffs' contractual
2 relationships with SPU has resulted in damage to Staff and Faculty Plaintiffs, including:

- 3 a. Lost, uncompensated time covering the workload of vacant positions;
4 b. Reduced salaries through lack of raises;
5 c. Diminished capacity for research.

6 **FOURTH CAUSE OF ACTION**

7 **FRAUD**

8 **(As to Whitehead and Menjares)**

9 390. Plaintiffs incorporate by reference each of the allegations in all prior paragraphs in
10 this Complaint as though fully set forth herein.

11 391. Defendants made several representations of existing facts to Plaintiffs as described
12 in the Complaint

13 392. Defendants' representations were material to Plaintiffs.

14 393. Defendants' representations were false.

15 394. Defendants knew of the falsity of their representations.

16 395. Defendants intended that Plaintiffs act upon Defendants' representations

17 396. Plaintiffs were ignorant of the falsity of Defendants' representations.

18 397. Plaintiffs relied on the truth of Defendants' representations.

19 398. Plaintiffs had a right to rely upon Defendants' representations.

20 399. Defendants' false representations damaged Plaintiffs.

21 **FIFTH CAUSE OF ACTION**

22 **NEGLIGENT MISREPRESENTATION**

23 **(As to Defendants Whitehead and Menjares)**

24 **Count 1 – Affirmative Misstatement**

25
26 COMPLAINT (BREACH OF FIDUCIARY DUTY; AIDING AND ABETTING
BREACHES OF FIDUCIARY DUTY; NEGLIGENT MISREPRESENTATION;
INTENTIONAL INTERFERENCE WITH CONTRACTUAL RELATIONSHIPS;
FRAUD) JURY TRIAL DEMANDED- 53

1 400. Plaintiffs incorporate by reference each of the allegations in all prior paragraphs in
2 this Complaint as though fully set forth herein.

3 401. Defendants' supplied information for the guidance of Plaintiffs in their business
4 transactions that was false.

5 402. Defendants knew or should have known that the information they supplied was
6 false.

7 403. Defendants were negligent in obtaining or communicating the false information.

8 404. Plaintiffs relied on the false information.

9 405. Plaintiffs' reliance on Defendants' false information was reasonable.

10 406. Defendants' false information proximately caused the Plaintiffs damages.

11 **Count 2 – Failure to Disclose**

12 407. Defendants had a duty to disclose the following information to Plaintiffs:

13 a. That SPU maintained a discriminatory hiring policy;

14 b. That SPU's discriminatory hiring policy was determined by a state judge to
15 be illegal under the Washington Law Against Discrimination;

16 c. That SPU's concept of diversity and inclusion does not include sexual
17 orientation, gender identity and/or gender expression;

18 d. That SPU students would be deprived of LGBTQ+ mentors, teachers,
19 counselors, and role models;

20 e. That SPU staff and faculty would be forbidden from hiring the best
21 candidates for open positions;

22 f. That Defendants never intended to allow the BOT to change SPU's
23 discriminatory employment policy;

24 g. That Defendants pledged their allegiance to the FMC and each other above
25 their fiduciary duties to SPU;

1 h. That Defendants intended to operate SPU as a sectarian institution of the
2 FMC.

3 408. Defendants failed to disclose this information to Plaintiffs.

4 409. Defendants were negligent in failing to disclose this information to Plaintiffs.

5 410. The disclosure of this information would have caused Plaintiffs to act differently
6 by, among other things: Declining to spend hundreds of hours preparing documents, conducting
7 interviews, and engaging in numerous other uncompensated activities, at the invitation of
8 Defendants, that Defendants intended to ignore.

9 411. Plaintiffs were damaged by Defendants' failures to disclose the information.

10
11 **REQUEST FOR RELIEF**

12 WHEREFORE, Plaintiff respectfully requests relief and judgment against Defendants as
13 follows:

14 A. A declaration that Defendants breached their duties of loyalty, care and obedience
15 to SPU and to Plaintiffs;

16 B. Removal of Defendants from their BOT and officer positions (other than Defendant
17 McKee, who already resigned);

18 C. Appointment of a Receiver to oversee an election of replacement trustees and
19 appointment of a new Interim President;

20 D. An accounting of SPU's finances, real estate holdings, and other assets;

21 E. Economic damages, in an amount to be determined at trial, to be paid to SPU and
22 held in trust for those harmed by Defendants' conduct;

23 F. Reasonable attorney's fees and costs under Washington law;

24 G. Further and additional relief that the court deems just and equitable.

1 Dated this 11th of September, 2022.

2 SNELL & WILMER L.L.P.

3
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