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

In Re the Marriage of:)	
)	NO. 98-3-00338-7 KNT
REBECCA KOSAGE)	
)	REPLY DECLARATION OF
Petitioner,)	WILLIAM DEAN KOSAGE
)	
and)	
)	
WILLIAM DEAN KOSAGE)	
)	
Respondent.)	

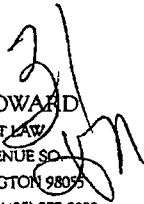
William Dean Kosage declares as follows:

The petitioner and I have been arguing about the best way to run the Amway business in which we have both worked and how to pay our obligations and continue to make the business grow. Ironically, when the petitioner had control of the business, which was given to her under temporary orders entered in March of this year, she continually stated that there was no money left after she paid all of our bills. Now that I am asking the court to allow me to control the finances and pay her money for her expenses she is claiming that there is in excess of \$8,000.00 a month after expenses.

The petitioner is not consistent in her information to the court. She shows in exhibit A, income and expenses and the split she gave to each of us. Unfortunately, she did not actually pay the car payment, the cell phone bills, or some of the utilities, even

REPLY DECLARATION OF
DEAN KOSAGE
Page 1

ORIGINAL


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1 I presented to her a month and a half ago, even though they were
2 listed and she did not account for other funds which came into the
3 business. She is claiming now, that there is significant money
4 coming in each month but when she ran the business there was only
5 enough for \$600.00 to be divided between the two of us. She does
6 not explain to the court why she did not pay bills when she
7 controlled the business, why she wrote large NSF checks to Amway, or
8 how she spent funds.

9 I have listed all of the bills because I am now able to get the
10 monthly statements. My spreadsheet includes the phone numbers which
11 can be used to verify the amounts. The list shows how old the
12 arrearages are. I do not think that the court wants to wade through
13 all of the underlying statements for these debts. The petitioner
14 can satisfy herself as to the correctness by using the phone numbers
15 which I have provided to her. The car payments and the cell phones
16 go back practically to the time of our separation and the petitioner
17 knows this very well.

18 The petitioner violated the temporary restraining order by
19 transferring all of our business accounts to new bank accounts which
20 excluded my name. She signed my name to deposit checks which we
21 received.

22 After two months of not receiving more than \$300.00 a month
23 from which I was suppose to pay my rent, utilities, food and other
24 personal expenses, I withdrew \$3,000.00 from our business account.
25 The petitioner covered this withdrawal by forging my name to mutual

REPLY DECLARATION OF
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Page 2

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1 funds account and with drawing \$10,000.00. She had the \$10,000.00
2 to cover the \$3,000.00 I withdrew.

3 Kosage Enterprises, which is our business, receives funds from
4 several sources. In the past, one of the sources of income was the
5 fees I received for speaking. While the divorce is pending I am not
6 considered an appropriate speaker for Amway motivational meetings
7 and that income has stopped all together.

8 We receive a small margin of profit from Amway products which
9 we buy and then resell to our downline accounts. There are business
10 expenses associated with that operation so that the net weekly
11 income is about \$300.00. The monthly bonus checks from Amway are
12 about \$8,000.00 or \$9,000.00 a month. From this, we pay our
13 downline distributors a commission. As the petitioner well knows the
14 last check we received was for approximately \$9,000.00 and over
15 \$4000.00 of that was owed in commissions. Therefore, the net is
16 more likely to be \$5,000.00 to \$6,000.00 a month. From this money
17 we pay phone, travel, all of the secretarial help, and other typical
18 business expenses like copying, paper, postage.

19 I am still able to hold small meetings where I counsel people
20 on how to build an Amway business. I charge \$6.00 a person and may
21 have 200 or 300 people show up. However, from this amount I have to
22 pay usually around \$500.00 for the meeting room, around \$150.00 a
23 night for the hotel room and then the flying or other travel expense
24 to get there plus the food and other expenses. These efforts help
25 grow the business but they do not net much in the way of income.

REPLY DECLARATION OF
DEAN KOSAGE
Page 3

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1 I have calculated support based on monthly net income to me of
2 \$4500.00 with imputed income to the petitioner net child support is
3 \$412.43. I am willing to pay \$500.00 in child support, as I have
4 been the last three months.

5 We were married less than four years when we separated. At the
6 time I met the petitioner she was working as a waitress. My Amway
7 business was at the same level, with the same number of franchises
8 that it is today. The business is larger than it was four years ago
9 and the petitioner has worked hard in the business. I have replaced
10 her work with a secretary who is paid \$8.00 an hour. However, the
11 business existed before I ever met her and it is not structurally
12 any different than it was then. It has not gone to a new Amway
13 level. I am willing to pay the petitioner \$1,000.00 in maintenance
14 pending a final settlement.

15 Considering that this is a short term marriage, the petitioner
16 has taken on very large overhead for herself with expensive rent and
17 car. It is not realistic for her to expect she will be able to
18 sustain this standard of living.

19 The petitioner is correct that we have worked with sponsors and
20 people from Amway to try and reach a final settlement. Two of the
21 proposals which we made were rejected by Amway's legal department.

22 Our agreement about how we would split money has been
23 constantly changing as I have had to cope with bills which the
24 petitioner stopped paying when she took over the business back in
25 February/March. She has presented NSF checks to Amway and to our

REPLY DECLARATION OF
DEAN KOSAGE
Page 4

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distributors which put our business on a cash only basis.

1 The petitioner and I agree that we have to have some way to
2 deal with the checks that are coming from Amway. Because there have
3 been delays in the past and our downline distributors have not been
4 paid timely, we have agreed that our upline sponsor will take the
5 check, make sure that the distributors are paid and we then need to
6 divide the balance.

7 The petitioner's proposal still neglects to take into
8 consideration all of the debt which has been accumulated during our
9 separation. This includes five new credit cards, in my name only,
10 to which the petitioner forged my signature. These balances have
11 now been sent to collections. I can not ignore this until December
12 when we receive the annual bonus. As the petitioner knows, we have
13 IRS taxes from previous years which also has to be paid from the
14 bonus money. The petitioner's other proposal neglects to account
15 for the amount of money that actually is available. There is not
16 enough income to her \$3,800.00 each month.

17 Petitioner has had over six months since we separated to begin
18 to focus on what she intends to do after the marriage. In all of
19 the proposals which have been floated there was never sufficient
20 Amway income to support her, even with the child support. The
21 petitioner has to have some practical plan for supporting herself
22 while she builds an Amway business, if that is what she proposes to
23 do. She can not look to this business.

24
25 REPLY DECLARATION OF
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 Page 5

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I declare under penalty of perjury under the laws of Washington
that the foregoing is true and correct.

DATED this 6 day of oct, 1998.

William Dean Kosage
WILLIAM DEAN KOSAGE
Renton, Washington

REPLY DECLARATION OF
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Page 6

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