

UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF
WASHINGTON

WATM LLC d/b/a Stevens & Associates/Stevens Management
Associates v. Payment Alliance International, Inc. v. Richard S.
Townley, an individual

WATM LLC d/b/a Stevens & Associates/Stevens Management Associates v. Payment Alliance International, Inc.
v. Richard S. Townley, Case No. 2:24-cv-00405-JHC · No. 2:24-cv-00405-JHC · Decided January 8, 2026

SUMMARY

The United States District Court for the Western District of Washington resolves the parties’ cross-motions for summary judgment in a dispute concerning the withholding of processing fees generated by scrip ATMs. The court grants WATM LLC and Richard Townley’s motion, grants in part and denies in part Payment Alliance International’s motion, dismissing PAI’s unjust enrichment claim and WATM’s accounting claim while allowing WATM’s unjust enrichment and conversion claims to proceed. The excerpt concludes during the discussion of PAI’s fraud counterclaim.

CASE DETAILS

COURT	United States District Court for the Western District of Washington
WRITING FOR THE COURT	John H. Chun
JURISDICTION	United States District Court for the Western District of Washington
DECIDED	January 8, 2026
DOCKET	2:24-cv-00405-JHC
DISPOSITION	other
PROCEDURAL POSTURE	Cross-motions for summary judgment in an action involving WATM's claims for conversion, unjust enrichment, and an accounting, and Payment Alliance International's counterclaims for unjust enrichment and common-law fraud.
STANDARD OF REVIEW	Summary judgment is appropriate when there is no genuine dispute as to any material fact and the moving party is entitled to judgment as a matter of law. The court views the evidence in the light most favorable to the nonmoving party and draws all reasonable inferences in that party's favor.

PRECEDENTIAL VALUE

Unknown; federal district court order with no reporter citation or stated precedential designation.

TOPICS

summary judgment

unjust enrichment

conversion

fraud

accounting

PRACTICE AREAS

commercial litigation

contracts

torts

civil procedure

remedies

QUESTIONS PRESENTED

1. Whether PAI was entitled to summary judgment on its unjust-enrichment counterclaim based on the services, fees, and alleged business risk associated with WATM's scrip-terminal transactions.
2. Whether PAI was entitled to summary judgment against WATM's unjust-enrichment claim because WATM allegedly was a third-party beneficiary of the ISR Agreement.
3. Whether factual disputes concerning WATM's knowledge of and obligation to comply with the ISR Agreement's scrip-terminal prohibition precluded summary judgment on WATM's conversion claim.
4. Whether WATM could compel an accounting absent evidence of a fiduciary relationship with PAI.
5. Whether PAI's fraud counterclaim failed for lack of evidence of actual damages, and whether Townley could be held personally liable.

HOLDINGS

1. PAI could not establish unjust enrichment because it failed to show that WATM received a benefit at PAI's expense or that PAI provided WATM a compensable benefit by exposing it to legal or business risk.
2. PAI was not entitled to summary judgment on WATM's unjust-enrichment claim merely because WATM might be a third-party beneficiary of the ISR Agreement.
3. Summary judgment was improper on WATM's conversion claim because disputed facts existed concerning whether WATM was bound by the scrip-terminal prohibition and whether PAI's retention of the fees was wrongful.
4. WATM could not compel an accounting because it failed to establish a fiduciary relationship with PAI.
5. PAI's fraud claim failed because PAI presented no evidence of actual damages; unmaterialized legal or business risk was insufficient on this record to satisfy the damages element.

KEY QUOTATIONS

“Unjust enrichment is the method of recovery for the value of the benefit retained absent any contractual relationship because notions of fairness and justice require it.” (Discussion § III.B.1)

“Whether money has been wrongfully received or retained is a question of fact” (Discussion § III.C)

“For the reasons above, the Court GRANTS WATM and Townley’s motion for summary judgment and DISMISSES PAI’s unjust enrichment and common law fraud claims with prejudice.” (Conclusion)

FACTUAL BACKGROUND

PAI processed debit, credit, and ATM transactions for WATM through a contractual network involving NYC ATM and Phazari, although WATM had no direct contract with PAI. WATM operated scrip terminals that generated vouchers rather than dispensing cash, and PAI's agreement with NYC ATM prohibited activation of such terminals. Beginning in December 2022, PAI withheld approximately \$1.897 million in surcharge and interchange fees associated with WATM's terminals after investigating the terminals' compliance with network rules. PAI had earned a profit on WATM's transactions, and no Visa or sponsoring-bank fine had materialized.

PROCEDURAL HISTORY

WATM sued Payment Alliance International for conversion and unjust enrichment and sought an accounting after PAI withheld approximately \$1.897 million in fees associated with WATM's scrip ATMs. PAI counterclaimed for unjust enrichment and later amended its counterclaim to assert common-law fraud against WATM and Richard Townley. The court granted WATM and Townley's motion for summary judgment, granted PAI's motion in part, and denied it in part.

DISPOSITION

other

CASES CITED

- Celotex Corp. v. Catrett, 477 U.S. 317, 322–23 (1986)
- Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 250 (1986)
- Reeves v. Sanderson Plumbing Prods., 530 U.S. 133, 150–51 (2000)
- Keenan v. Allan, 91 F.3d 1275, 1279 (9th Cir. 1996)
- Young v. Young, 164 Wash. 2d 477, 484, 191 P.3d 1258 (Wash. 2008)
- BOFI Fed. Bank v. Advance Funding LLC, 2015 WL 5008860, at *2 (W.D. Wash. Aug. 20, 2015)
- Farwest Steel Corp. v. Mainline Metal Works, Inc., 48 Wash. App. 719, 731–32, 741 P.2d 58 (1987)
- Bort v. Parker, 110 Wash. App. 561, 579–80, 42 P.3d 980 (2002)
- Kersteter v. Concrete Sch. Dist., 2022 WL 766218, at *5 (Wash. Ct. App. Mar. 14, 2022)
- Key Dev. Inv., LLC v. Port of Tacoma, 173 Wash. App. 1, 27–31, 292 P.3d 833 (2013)
- Krefting v. Kaye-Smith Enters., Inc., 2023 WL 4846850, at *6–7 (W.D. Wash. July 28, 2023)
- Hold Sec. LLC v. Microsoft Corp., 705 F. Supp. 3d 1231, 1244 (W.D. Wash. 2023)
- Hurlbut v. Crines, 14 Wash. App. 660, 671, 472 P.3d 263 (2020)
- Lonsdale v. Chesterfield, 19 Wash. App. 27, 30, 573 P.2d 822 (Wash. Ct. App.), rev'd, aff'd on other grounds, 91 Wash. 3d 189, 588 P.3d 217 (1978)
- Burton v. Spokane, 16 Wash. App. 769, 773, 482 P.3d 968 (Wash. Ct. App. 2021)

- *Judkins v. Sadler-MacNeil*, 61 Wash. 2d 1, 3, 376 P.2d 837 (1962)
- *Repin v. State*, 198 Wash. App. 243, 271, 392 P.3d 1174 (2017)
- *Coto Settlement v. Eisenberg*, 593 F.3d 1031, 1039 (9th Cir. 2010)
- *Public Utility Dist. No. 1 of Lewis County v. Wash. Pub. Power Supply Sys.*, 104 Wash. 2d 353, 378, 705 P.2d 1195 (1985)
- *Taie v. Ten Bridges LLC*, 704 F. Supp. 3d 1147, 1156 (W.D. Wash. 2023)
- *Davenport v. Wash. Educ. Ass'n*, 147 Wash. App. 704, 722, 197 P.3d 686, 695 (2008)
- *Brown ex rel. Richards v. Brown*, 157 Wash. App. 803, 818, 820, 239 P.3d 602 (2010)
- *Vaughn v. Montague*, 924 F. Supp. 2d 1256, 1268 (W.D. Wash. 2013)
- *State v. Taylor*, 58 Wash. 2d 252, 262 (1961)
- *Liebergesell v. Evans*, 93 Wash. 2d 881, 889–90, 362 P.2d 247 (1980)
- *Pope v. Univ. of Wash.*, 121 Wash. 2d 479, 492, 852 P.2d 1055 (1993)
- *Alexander v. Sanford*, 181 Wash. App. 135, 173, 325 P.3d 341 (2014)
- *Adams v. King County*, 164 Wash. 2d 640, 662, 192 P.3d 891 (2008)
- *Stiley v. Block*, 130 Wash. 2d 486, 505, 925 P.2d 194 (1996)
- *Dent v. Nat'l Football League*, 902 F.3d 1109, 1124 (9th Cir. 2018)
- *Guy Mitchell & Betty J. Mitchell Fam. Tr. v. Artists Rts. Enf't Corp.*, 2013 WL 890478, at *7 (E.D. Wash. Mar. 8, 2013)
- *Brewer v. Lake Easton Homeowners Ass'n*, 2 Wash. App. 2d 770, 780–81, 413 P.3d 16 (2018)
- *Gazija v. Nicholas Jerns Co.*, 86 Wash. 2d 215, 219, 543 P.2d 338 (1975)
- *Walston v. Boeing Co.*, 173 Wash. App. 271, 287, 294 P.3d 759 (2013), *aff'd*, 181 Wash. 2d 391, 334 P.3d 519 (2014)
- *Cockrum v. C.H. Murphy/Clark-Ullman, Inc.*, 4 Wash. 3d 873, 891, 569 P.3d 287 (2025)
- *Ortiz v. Perkins & Co.*, 2022 WL 16637993, at *4 (N.D. Cal. Nov. 2, 2022)
- *Inteum Co., LLC v. Nat'l Univ. of Singapore*, 371 F. Supp. 3d 864, 884 (W.D. Wash. 2019)
- *JB Carter Enters., LLC v. Elavon, Inc.*, 854 Fed. Appx. 144, 148 (9th Cir. 2021)

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