

STATE OF WASHINGTON  
KING COUNTY SUPERIOR COURT

IN RE: FRANCHISE NO POACHING  
PROVISIONS

NO. 19-2-20771-0 SEA

(MIO SUSHI INTERNATIONAL, INC.)

MIO SUSHI INTERNATIONAL,  
INC. ASSURANCE OF  
DISCONTINUANCE

The State of Washington, by and through its attorneys, Robert W. Ferguson, Attorney General, and Rahul Rao, Assistant Attorney General, files this Assurance of Discontinuance (AOD) under RCW 19.86.100.

I. PARTIES

1.1 In July 2019, the Attorney General initiated an investigation into MIO SUSHI INTERNATIONAL, INC. relating to its hiring practices.

1.2 MIO SUSHI INTERNATIONAL, INC. is an Oregon corporation with its principal office or place of business in the State of Oregon. MIO SUSHI INTERNATIONAL, INC. is in the business of franchising a system for the operation of sushi and Asian fusion food restaurants.

1.3 For the purposes of this AOD, MIO SUSHI INTERNATIONAL, INC. includes its directors, officers, managers, agents acting within the scope of their agency, and employees as well as its successor and assigns, controlled subsidiaries, divisions, groups, affiliates, partnerships, and joint ventures.

1 **II. INVESTIGATION**

2 2.1 MIO SUSHI INTERNATIONAL, INC. has three outlets in Washington. All of  
3 these outlets are owned and operated by franchisees.

4 2.2 For years, MIO SUSHI INTERNATIONAL, INC. has included language in its  
5 franchise agreements that restricted a franchisee's ability to solicit or hire workers from another  
6 Mio Sushi outlet ("no-poaching provision"). Specifically, the standard MIO SUSHI  
7 INTERNATIONAL, INC. franchise agreement stated that a franchisee "will assure that  
8 [franchisee] and [franchisee's] Related Parties and employees, during the term of this Agreement  
9 and for a period of 2 years after expiration or termination of this Agreement do not: ...employ  
10 or seek to employ any person we employ or any other person who is at that time operating or  
11 employed by or at any of our franchises or otherwise directly or indirectly induce these persons  
12 to leave their employment." A no-poaching provision restricted franchisees from hiring both  
13 employees from a competing franchisee and from MIO SUSHI INTERNATIONAL, INC.'s  
14 corporate-owned outlets.

15 2.3 The Attorney General asserts that the foregoing conduct constitutes a contract,  
16 combination, or conspiracy in restraint of trade in violation of the Consumer Protection Act,  
17 RCW 19.86.030.

18 2.4 MIO SUSHI INTERNATIONAL, INC. expressly denies the conduct described  
19 above constitutes a contract, combination, or conspiracy in restraint of trade in violation of the  
20 Consumer Protection Act, RCW 19.86.030, or any other law, and expressly denies it has engaged  
21 in conduct that constitutes a contract, combination, or conspiracy in restraint of trade. MIO  
22 SUSHI INTERNATIONAL, INC. enters into this AOD to avoid protracted and expensive  
23 litigation. Pursuant to RCW 19.86.100, neither this AOD nor its terms shall be construed as an  
24 admission of law, fact, liability, misconduct, or wrongdoing on the part of MIO SUSHI  
25 INTERNATIONAL, INC.  
26





1 State of Washington and the Antitrust Division of the Attorney General's Office shall not file suit  
2 or take any further investigative or enforcement action with respect to the acts set forth above that  
3 occurred before the date of entry of this AOD.

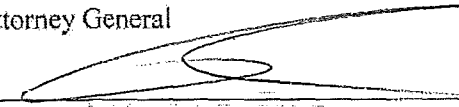
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APPROVED ON this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

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JUDGE/COURT COMISSIONER

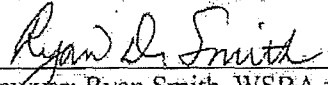
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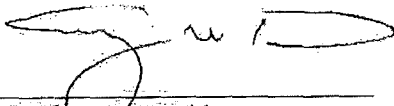
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Agreed to and approved for entry by:  
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Sung In Kim, its President