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**IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF SNOHOMISH**

STATE OF WASHINGTON,

Plaintiff,

v.

ELECTROIMPACT, INC., a Washington
Corporation,

Defendant.

NO.

17-2-02704-31

CONSENT DECREE

I. INTRODUCTION

1.1 The State of Washington, by and through its attorneys, Robert W. Ferguson, Attorney General, and Marsha J. Chien, Assistant Attorney General, filed this action against Defendant Electroimpact, Inc. ("Electroimpact") to enforce the Washington Law Against Discrimination, RCW 49.60.030(1), RCW 49.60 ("WLAD") and the Consumer Protection Act ("CPA"), RCW 19.86.020.

1.2 Electroimpact is a for-profit business located at 4413 Chenault Beach Rd., Mukilteo, Washington 98275-5048 that engages in the design and manufacturing of aerospace tooling and automation. Electroimpact employs eight or more persons and is an "employer" for purposes of RCW 49.60.040(11).

ORIGINAL

1 1.3 The State alleges Electroimpact discriminates against job applicants and
2 employees on the basis of creed, national origin, and marital status. In addition, the State
3 alleges Electroimpact engaged in retaliation in violation of RCW 49.60.210.

4 1.4 Specifically, the State alleges that Electroimpact violated the WLAD,
5 RCW 49.60.030(1), RCW 49.60.180, and the CPA, RCW 19.86.020 by:

6 1.4.1 Refusing to hire Muslim applicants based on their religion and/or
7 national origin;

8 1.4.2 Subjecting employees to a hostile work environment; and

9 1.4.3 Discriminating against employees based on marital status.

10 1.5 The State further alleges that Electroimpact violated RCW 49.60.210 and
11 RCW 19.86.020 by retaliating against employees who opposed Electroimpact's discriminatory
12 practices and its hostile work environment.

13 1.6 Electroimpact expressly denies that it engaged in any unlawful, actionable, or
14 prohibited conduct.

15 1.7 The parties advise this Court that they wish to avoid the expense, delay, and
16 uncertainties of litigation, and therefore agree to settle this action by this Consent Decree. The
17 parties agree that this Consent Decree does not constitute evidence or an admission regarding
18 the existence or non-existence of any issue, fact, or violation of any law alleged by the
19 Plaintiff. Further, the parties have voluntarily agreed that this Consent Decree does not
20 constitute a waiver or collaterally estop any argument of law or fact in any subsequent
21 proceeding that is unrelated to this Consent Decree.

22 1.8 The parties agree that this Court has jurisdiction over the subject matter of the
23 claims alleged and the parties to this lawsuit.

24 **NOW, THEREFORE, it is hereby ORDERED, ADJUDGED, and**
25 **DECREED:**

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II. INJUNCTIONS

2.1 The injunctive provisions of this Consent Decree shall apply to Electroimpact and its successors, assigns, transferees, officers, agents, servants, employees, representatives, and all other persons in active concert or participation with Electroimpact. None of the injunctive provisions shall be considered an admission of a violation for any purpose.

2.2 Electroimpact shall be enjoined and restrained from engaging in the following acts or practices:

2.2.1 Refusing to hire qualified job applicants based on creed and/or national origin;

2.2.2 Engaging in or being a party to any action, policy, or practice that is intended to or is known to them to have the effect of harassing any employee on the basis of religion and/or national origin;

2.2.3 Facilitating or tolerating the existence of a work environment that is hostile to employees based on religion and/or national origin;

2.2.4 Discriminating against employees in terms or conditions of employment because of marital status;

2.2.5 Providing a gift of money to employees based on a change in marital status; and

2.2.6 Retaliating against any employee because he or she has opposed an unfair practice.

2.3 For the duration of the Consent Decree, Dr. Peter Zieve will not participate in evaluating individual candidates for employment in non-management positions at Electroimpact, in selecting individual candidates for employment in non-management level positions at Electroimpact, or in receiving and responding to internal complaints regarding discrimination.

1 **III. NON-DISCRIMINATION AND ANTI-RETALIATION POLICY**

2 **3.1** Within thirty (30) days of entry of this Consent Decree, Electroimpact shall
3 revise its Employee Handbook to designate a person or persons other than Dr. Zieve as the
4 person or persons designated to accept, investigate, review, and respond to employee
5 complaints regarding discrimination and/or harassment because of race, color, religion, sex,
6 sexual orientation, gender identity, national origin, age, marital status, genetic information,
7 disability, or veteran status. The policies will specify the means by which workers may make a
8 complaint of discrimination, harassment, or other unwelcome conduct.

9 **3.2** Electroimpact shall specifically change its "Harassment" policy to reflect that
10 Electroimpact prohibits harassment based on any of the protected classes listed in
11 RCW 49.60.180, including religion, national origin, and marital status.

12 **3.3** Within thirty (30) calendar days of entry of this Consent Decree, Electroimpact
13 shall provide each employee a copy of or hyperlink leading to a digital copy of the updated
14 employee handbook and shall notify all current employees about this Consent Decree. Notice
15 must be done by posting or distributing **Exhibit A** to all current employees. Electroimpact
16 shall provide a copy or hyperlink leading to a digital copy of the revised employee handbook to
17 all new employees, officers, directors, or managers at the time they commence employment.

18 **3.4** No later than sixty (60) calendar days after entry of this Consent Decree,
19 Electroimpact shall certify to the Attorney General that the employee handbook and **Exhibit A**
20 have been properly distributed as set forth in section 3.3.

21 **3.5** If Electroimpact intends to revise its EEO or Harassment policies at any time
22 during the duration of this Consent Decree, Electroimpact shall provide the Attorney General a
23 copy of the proposed revisions prior to the revised policy being adopted and distributed to
24 employees.

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1 **IV. OUTREACH GOALS**

2 **4.1** Each year during the term of this Consent Decree, Electroimpact shall make
3 reasonably diligent, good faith efforts to increase the number of minority applicants hired at
4 Electroimpact in Washington State. Such efforts shall include advertising every internship and
5 full-time employment opportunity available to minority engineering organizations, hosting two
6 events with minority student associations at Electroimpact's facilities on a semi-annual basis,
7 and conducting at least two recruitment events with minority engineering organizations on a
8 semi-annual basis. Such organizations include the Muslim Students Association, Society of
9 Asian Scientists and Engineers, American Indian Science and Engineering Society, the
10 National Society of Black Engineers, and Society of Hispanic Professional Engineers.

11 **4.2** Nothing in this provision requires or otherwise permits Electroimpact to inquire
12 into an applicant's race, national origin, or religion as a condition of employment. Applicants
13 may self-identify their demographic information on a voluntary basis, consistent with federal
14 and state law. Nothing herein shall require Electroimpact to sponsor employees who are
15 nationals of other countries.

16 **4.3** For the duration of the Consent Decree, Electroimpact shall report the following
17 information to the Attorney General's office on a semi-annual basis: (a) all job postings
18 advertised to minority engineering organizations during the relevant period, including the name
19 of the organization to whom the job postings were advertised; (b) information regarding all
20 applicants received based on a job posting to a minority engineering organization during the
21 relevant period, including the applicant's name and contact information; (c) all recruitment
22 events with minority engineering organizations conducted during the relevant period, (d) the
23 names, locations, dates of offer or hire, and job titles of minority or Muslim employees, or
24 those believed to be minorities or Muslim, during the relevant period, to the extent known by
25 Electroimpact; (e) the name, race and national origin of applicants who were offered a position
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1 at Electroimpact during the relevant period, to the extent known; and (e) the name, race and
2 national origin of applicants who were not offered a position at Electroimpact during the
3 relevant period, to the extent known. The first semi-annual report shall be due six (6) months
4 after entry of this Consent Decree. Subsequent semi-annual report shall be due six (6) months
5 thereafter.

6 V. TRAINING

7 5.1 During the duration of this Consent Decree, Electroimpact shall provide annual
8 trainings, which training may be either in-person or online, to all its principals, directors,
9 managers, executives, officers, and employees who participate in the recruiting and hiring
10 process, regarding their obligations under the WLAD. The first training shall take place within
11 ninety (90) days of entry of this Consent Decree.

12 5.2 The trainings identified in section 5.1 shall be conducted by an independent,
13 qualified third party, approved of in advance by the Attorney General's Office. The purpose of the
14 training will be to educate employees on the definition of discrimination, including unlawful
15 harassment under the WLAD, examples of conduct which constitute such discrimination or
16 harassment, appropriate responses to complaints of discrimination or unlawful harassment, and
17 the rights and responsibilities of employees and management. Electroimpact shall obtain
18 certifications of attendance for each of the annual trainings.

19 5.3 No later than seven (7) calendar days after each annual training, Electroimpact
20 shall certify to the Attorney General in writing that the required training was conducted and that
21 the required personnel attended. Every certification of attendance shall include (a) the date,
22 location and duration of the training, (b) a copy of the registry of attendance, which shall include
23 each attendee's name, and position title, and (c) copies of any and all pamphlets, brochures,
24 outlines or other written materials provided or displayed during the training, to the extent such
25 materials are available to Electroimpact.
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1 **VI. REPORTING AND RECORD KEEPING**

2 **6.1** Electroimpact shall furnish to the State the following written reports semi-annually
3 during the period in which this Consent Decree is effective. The first semi-annual report shall be
4 due six (6) months after entry of this Consent Decree. Subsequent semi-annual report shall be due
5 six (6) months thereafter. Each semi-annual report shall include a summary of all complaints
6 made against Electroimpact or its agents in the previous six (6) month period, if any, about or
7 otherwise opposing discrimination or harassment because of religion, national origin, or marital
8 status.

9 **6.2** The semi-annual report shall include for each complaint submitted: (a) the name,
10 address, and telephone number of the complainant, (b) the date of the complaint or report, (c) the
11 job title of the complainant, (d) a written description of what was alleged in the complaint or
12 report of discrimination, harassment, or retaliation; (e) a written description of the resolution or
13 outcome of the complaint or report of discrimination harassment or retaliation, including a
14 description of what actions, if any, Electroimpact took; (f) the current employment status of the
15 employee making the complaint; and (g) if the complaint or report was made in written form, a
16 copy thereof.

17 **6.3** Upon reasonable notice to counsel for Electroimpact, the Attorney General shall
18 be further permitted to interview Electroimpact and its personnel to monitor compliance with this
19 Consent Decree, to propound written discovery on Electroimpact, and to monitor and enforce this
20 Consent Decree through any other lawful means. For purposes of allowing the State to monitor
21 compliance with the Consent Decree, Electroimpact shall require all personnel within its employ
22 whom the State requests to interview to cooperate reasonably and be interviewed. The Attorney
23 General shall be responsible for all costs of making copies requested.

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VII. PAYMENT

7.1 Pursuant to RCW 49.60.030(2) and RCW 19.86.080, Electroimpact shall transfer \$485,000 to the Attorney General. This payment will be used as a Settlement Fund. Failure to pay these funds within fourteen (14) days of entry of the Consent Decree shall be a material breach of this Consent Decree.

7.2 The Attorney General shall use the Settlement Fund for restitution, damages, recovery of its fees and costs in investigating this matter, future monitoring and enforcement of this Consent Decree, future enforcement of RCW 49.60, and a cy pres fund to remediate the impacts of discrimination, or for any lawful purpose in the discharge of the Attorney General's duties at the sole discretion of the Attorney General.

7.3 Payment to individuals from the Settlement Fund shall be limited to individuals who, within one (1) year of entry of the Consent Decree: (a) certify, under oath, that they believe they experienced discrimination, harassment, or retaliation under the WLAD, and (b) execute a release of any claim they have or believe they have against Electroimpact relating to any allegation of discrimination, harassment or retaliation under the WLAD. All claimants shall be identified and paid within eighteen months of entry of the Consent Decree. The Attorney General will make reasonable efforts to locate individuals who may be entitled to payment for restitution and/or damages from the Settlement Fund.

7.4 The payment shall be made by a valid check, made payable to the "Attorney General -- State of Washington", and shall be delivered to the Office of the Attorney General, Attention: Marsha Chien, Civil Rights Unit, 800 Fifth Avenue, Suite 2000, Seattle, Washington 98104-3188.

1 **VIII. ENTRY AND DURATION**

2 **8.1** This Consent Decree shall be in effect for a period of forty-two (42) months
3 from the date of its entry. The Court shall retain jurisdiction for the duration of this Consent
4 Decree to enforce its terms, after which time the case shall be dismissed with prejudice.

5 **8.2** The Attorney General may move the Court to extend the duration of the
6 Consent Decree in the event of noncompliance whether intentional or not, with any of its
7 terms, or if it believes the interests of justice so require.

8 **8.3** Violation of any of the terms of this Consent Decree shall constitute a violation
9 of an injunction for which civil penalties of up to \$25,000 per violation may be sought by the
10 Attorney General pursuant to RCW 19.86.140, in addition to such other remedies as may be
11 provided by law, including the imposition by the Court of injunctions, restitution, civil
12 penalties, and costs, including reasonable attorneys' fees.

13 **IX. ADDITIONAL PROVISIONS**

14 **9.1** Electroimpact acknowledges and agrees that no other promises, representations,
15 or agreements of any nature have been made or entered into by the parties. The parties further
16 acknowledge that this Consent Decree constitutes a single and entire agreement that is not
17 severable or divisible, except that if any provisions herein are found to be legally insufficient or
18 unenforceable, the remaining provisions shall continue in full force and effect.

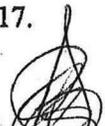
19 **9.2** Under no circumstances shall this Consent Decree or the name of the State of
20 Washington or the Office of the Attorney General or any of its employees or representatives be
21 used by Electroimpact or by its principals, officers, directors, agents, managers, employees, or
22 representatives in conjunction with any business activity of Electroimpact.

23 **9.3** This Consent Decree shall be binding upon and inure to the benefit of
24 Electroimpact's successors and assigns for its duration. Electroimpact and its successors and
25 assigns shall notify the State at least thirty (30) days prior to any change-in-control of
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1 Electroimpact that would change the identity of the corporate entity responsible for compliance
2 obligations arising under this Consent Decree, including but not limited to dissolution,
3 assignment, sale, merger, or other action that would result in the emergence of a successor
4 corporation; or the creation or dissolution of a subsidiary, parent, or affiliate that engages in
5 any acts or practices subject to this order.

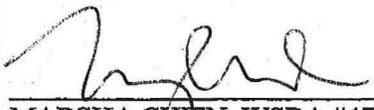
6 9.4 Nothing in this Consent Decree shall be construed to limit or bar any other
7 governmental entity or person from pursuing other available remedies against Electroimpact or
8 any other person except to the extent such person has signed a release of claims.

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10 Approved on this 23rd day of March, 2017.



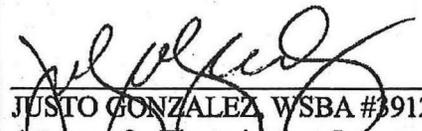
JUDGE COURT COMMISSIONER

13 Approved for entry and presented by:
14 ROBERT W. FERGUSON
15 Attorney General

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17 MARSHA CHIEN, WSBA #47020
18 Assistant Attorney General

19 Approved for entry, notice of presentation waived:
20 STOKES LAWRENCE, P.S.

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22 JUSTO GONZALEZ, WSBA #39127
23 Attorney for Electroimpact, Inc.
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EXHIBIT A
NONDISCRIMINATION POLICY

This Notice is being posted pursuant to a Consent Decree entered by the Snohomish County Superior Court in *State of Washington v. Electroimpact, Inc.*, resolving a lawsuit filed by the State of Washington against Electroimpact, Inc. ("Electroimpact").

In this lawsuit, the State of Washington alleged that Electroimpact violated the Washington Law Against Discrimination ("WLAD") and the Consumer Protect Act ("CPA") by refusing to hire Muslim applicants, engaging in religious and/or national origin harassment, discriminating against employees based on marital status and retaliating against those who opposed its unfair practices.

Although Electroimpact denies these allegations, to resolve this case, the State of Washington and Electroimpact have entered into a Consent Decree providing, among other things, that:

1. Electroimpact is prohibited from discriminating against and/or harassing employees on the basis of religion, national origin, or marital status;
2. Electroimpact will create a settlement fund for any employee who was discriminated against on the basis of religion, national origin, and/or marital status;
3. Electroimpact is prohibited from retaliating against anyone for opposing unfair practices under the WLAD, filing a charge of discrimination under the WLAD, participating in any enforcement action under the WLAD; or asserting any rights under the Consent Decree; and
4. Electroimpact will provide training to employees about WLAD's requirements.