

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

RECEIVED
In King County Superior Court Clerk's Office

FEB 15 2019

Cashier Section
Superior Court Clerk

STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT

IN RE: FRANCHISE NO POACHING
PROVISIONS

(WESTSIDE PIZZA
INTERNATIONAL, INC.)

NO.

19-2-04317-2 SEA

WESTSIDE PIZZA
INTERNATIONAL, INC.
ASSURANCE OF
DISCONTINUANCE

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

I. PARTIES

1.1 In January 2018, the Attorney General initiated an investigation into Westside Pizza International, Inc. ("Westside") relating to its hiring practices.

1.2 Westside is a Washington corporation with its principal office or place of business in Westside. Westside is in the business of owning, operating and franchising the opportunity to own and operate pizza restaurants.

1.3 For the purposes of this AOD, Westside 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 Westside has 21 stores in Washington. Twenty of these stores are owned and
3 operated by franchisees and one is owned and operated by Westside.

4 2.2 For years, Westside has included language in its franchise agreements that
5 restricted a franchisee's ability to solicit or hire workers from another Westside ("no-poaching
6 provision"). Specifically, the standard Westside franchise agreement stated that a franchisee:

7 Employees: Neither Franchisee nor its owners, managers, employees or agents
8 may, during the term of this Agreement, during any renewal, successor or extended
9 term, or for two years thereafter, directly or indirectly employ any person who is
10 employed by WPI, by any entity controlled by WPI or by any other of its
11 franchisees, nor may Franchisee or its owners induce or attempt to induce any of
12 these people to leave their employment without WPI's prior written consent and
13 the consent of their employers. WPI will not induce or attempt to induce
14 Franchisee's employees to leave their employment with Franchisee and become
15 employed by WPI or its subsidiaries or affiliates without Franchisee's consent,
16 while Franchisee is in compliance with this Agreement.

17 A no-poaching provision restricted franchisees from hiring both employees from a competing
18 franchisee and from Westside's corporate-owned stores.

19 2.3 The Attorney General asserts that the foregoing conduct constitutes a contract,
20 combination, or conspiracy in restraint of trade in violation of the Consumer Protection Act,
21 RCW 19.86.030.

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

1 APPROVED ON this _____ day of _____, 2019.

2
3
4 JUDGE/COURT COMMISSIONER

5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

1 Presented by:

2 ROBERT W. FERGUSON
3 Attorney General

4 

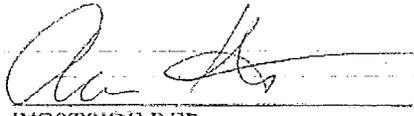
5 RAHUL RAO, WSBA No. 53375
6 Assistant Attorney General
7 Antitrust Division
8 Office of the Attorney General
9 800 Fifth Avenue, Suite 2000
10 Seattle, WA 98104
11 (206) 442-4499
12 rahulr@atg.wa.gov

13 *Attorney for State of Washington*

14 Agreed to and approved for entry by:
15 WESTSIDE PIZZA INTERNATIONAL, INC.

16 
17 KARA K. MARTIN

18 The Franchise & Business Law Group, LLC
19 57 West 200 South, Suite 350
20 Salt Lake City, UT 84101
21 kmartin@fbglaw.com
22 (801) 575-5000


WESTSIDE REP

23 

24 DAN J. OATES, WSBA No. 39334
25 Miller Nash Graham & Dunn, LLP
26 2801 Alaskan Way, Suite 300
Seattle, WA 98121
dan.oates@millerdash.com
(206) 777-7537

Attorneys for Westside Pizza International, Inc.