

Order approved and electronically signed July 14 2022 2:45 PM

July 14 2022 2:45 PM

Pierce County Clerk

**STATE OF WASHINGTON
PIERCE COUNTY SUPERIOR COURT**

STATE OF WASHINGTON,

NO. 22-2-07592-4

Plaintiff,

CONSENT DECREE

v.

TRADESMEN INTERNATIONAL, LLC,

Defendant.

I. INTRODUCTION

1.1. The State of Washington (State), by and through its attorneys, Robert W. Ferguson, Attorney General, and Alfredo González Benítez, Assistant Attorney General, filed this action against Tradesmen International, LLC (Tradesmen) to enforce the Washington Consumer Protection Act (CPA), including its prohibitions against unfair or deceptive acts or practices in the conduct of any trade or commerce, RCW 19.86.020-.030, and Washington's law prohibiting noncompetition covenants, RCW 49.62.020, .050.

1.2. Defendant Tradesmen is a for-profit construction and specialty labor staffing company that recruits and sources workers ("Tradesmen workers"), who are then assigned to Tradesmen's clients or "host employers" for the provision of labor services to those host employers. Tradesmen conducts business at various locations throughout the State of Washington, including in Pierce County, Washington where Tradesmen maintains an office in

1 the city of Fife.

2 1.3. Tradesmen engages in trade or commerce within the meaning of
3 RCW 19.86.010(2).

4 1.4. The State alleges that Tradesmen violated the CPA, RCW 19.86.020, by

5 1.4.1. Engaging in unfair or deceptive practices in the course of operating as a
6 staffing company in trade or commerce, particularly by entering into
7 service agreements with its host employers that contain noncompetition
8 provisions that restrict the mobility of Tradesmen workers placed with its
9 host employers, without informing Tradesmen workers of the existence
10 of this restriction.

11 1.4.2. Misrepresenting or omitting material information to prospective workers
12 regarding employment mobility restrictions imposed upon workers
13 earning less than or equal to the annualized salary set out in
14 RCW 49.62.020(1)(b), .040.

15 1.5. The State alleges that Tradesmen violated Washington law prohibiting
16 noncompetition covenants, RCW 49.62.020, .050, by entering into service agreements with its
17 host employers that contain a noncompetition provision that restricts the job mobility of
18 Tradesmen workers who earn less than or equal to the annualized salary set out in
19 RCW 49.62.020(1)(b), .040.

20 1.6. Tradesmen agrees that it will not oppose entry of this Consent Decree on the
21 ground that it fails to comply with Rule 65(d) of the Superior Court Civil Rules and hereby
22 waives any objection based thereon.

23 1.7. Tradesmen waives any right it may have to appeal from this Consent Decree.

24 1.8. The Parties now resolve the allegations made by the Attorney General's Office
25 without the need for additional investigation or litigation.
26

1 **NOW, THEREFORE, it is hereby ORDERED, ADJUDGED, and DECREED as follows:**

2 **II. INJUNCTIONS**

3 2.1. The injunctive provisions of this Consent Decree shall apply to Tradesmen and
4 its successors, assigns, transferees, officers, agents, servants, employees, representatives,
5 affiliated entities, and all other persons in active concert or participation with Tradesmen.
6 Affiliated entities are defined as partnerships, limited liability companies, companies, or trusts
7 directly or indirectly controlled by Tradesmen or its shareholders.

8 2.2. Tradesmen shall immediately inform all successors, assigns, transferees, officers,
9 directors, affiliated entities, and all other persons in active concert or participation with
10 Tradesmen of the terms and conditions of this Consent Decree.

11 2.3. Tradesmen shall be enjoined and restrained from engaging in the following acts
12 or practices in the State of Washington:

13 2.3.1. Entering into noncompetition covenants that restrict the job mobility of
14 Tradesmen workers who earn less than or equal to the salary set out in
15 RCW 49.62.020(1)(b), .040; and

16 2.3.2. Entering into noncompetition covenants that restrict the job mobility of
17 Tradesmen workers whose earnings exceed the salary set out in
18 RCW 49.62.020(1)(b), .040, without fairly and accurately disclosing the
19 terms to its prospective workers no later than the time of the acceptance
20 of any offer of employment (or, if the noncompetition covenant is entered
21 into after commencing employment, no later than the time of acceptance
22 of any offer of independent consideration).

23 2.4. Tradesmen shall, within thirty (30) days of entry of this Consent Decree:

24 2.4.1. Eliminate any provision of any form contract(s) or agreement(s) that is
25 used in the State of Washington that prohibits prospective host employers
26 from hiring any Washington-based Tradesmen workers who earn less

1 than or equal to the salary set out in RCW 49.62.020(1)(b), .040;

2 2.4.2. Provide written notice to current Tradesmen workers who work in the
3 State of Washington and who earn less than or equal to the salary required
4 by RCW 49.62.020(1)(b), .040, as well as current host employers that host
5 such workers, that the noncompetition provision of its current Service
6 Agreement is void and unenforceable as it relates to Tradesmen workers
7 who work in the State of Washington. This notice should be provided via
8 email (if known) and letter mailed to such current Tradesmen workers and
9 host employers, and by publication in a conspicuous place where
10 Tradesmen habitually posts announcements; and

11 2.4.3. Provide written notice, via email (if known) and letter, to former
12 Tradesmen workers—who were employed at Tradesmen and worked in
13 the State of Washington on or after January 1, 2020, and earned less than
14 or equal to the salary set out in RCW 49.62.020(1)(b), .040, at the time of
15 their employment with Tradesmen—who continue to be the subject of a
16 contract term that imposes an employment mobility restriction, that the
17 noncompetition provision of Tradesmen’s agreements are void and
18 unenforceable as they relate to Tradesmen workers who were employed
19 at Tradesmen and worked in the State of Washington on or after
20 January 1, 2020.

21 2.4.4. Provide written notice to current Tradesmen workers in the State of
22 Washington of rights to job mobility under state law as provided by
23 RCW 49.62.

24 **III. RECORD KEEPING AND REPORTING**

25 3.1 For a period of three (3) years following the entry of this Consent Decree,
26 Tradesmen shall preserve all records related to its obligations under this Consent Decree in a

1 centralized location, including all documents, whether in paper or electronic form, that relate to
2 the following:

3 3.1.1 Any covenant that affects the terms or conditions of employment,
4 including employment mobility of those Tradesmen workers in the State
5 of Washington who earn less than or equal to the salary set out in RCW
6 49.62.020(1)(b), .040, whether those agreements are entered directly with
7 Tradesmen workers, host employers, or with a third party.

8 3.1.2 Offers of employment made to, or hiring of, Tradesmen workers in the
9 State of Washington, who earn less than or equal to the salary set out in
10 RCW 49.62.020(1)(b), .040 by any Tradesmen host employer, to the
11 extent that Tradesmen is made aware of any such offer or acceptance of
12 employment. Tradesmen shall instruct its client managers to undertake
13 reasonable efforts to document any such offers of employment or hirings.

14 3.1.3 Records of any notice of intent to hire, notice of an offer of employment
15 made to, or notice of acceptance of employment by, any Tradesmen
16 worker in the State of Washington, who earns less than or equal to the
17 salary set out in RCW 49.62.020(1)(b), .040, with regard to a Tradesmen
18 host employer.

19 3.2 For a period of three (3) years following entry of this Consent Decree, Tradesmen
20 shall provide the State with:

21 3.2.1 Biannual compliance reports, on the six-month and yearly anniversaries
22 each year of the entry of this Consent Decree, which shall identify and
23 describe any and all changes to Tradesmen's policies that impact the
24 ability of Tradesmen workers in the State of Washington to find
25 employment with a Tradesmen host employer or other third party.
26

1 3.3 To assure compliance with the terms of this Consent Decree, representatives of
2 the State shall be permitted to inspect and copy all records maintained by Tradesmen, consistent
3 with Tradesmen’s obligations under this Consent Decree, interview or depose Tradesmen and
4 its officers, managers, employees, and/or agents (Tradesmen may have a representative and/or
5 legal counsel present during any interview or deposition), to propound written discovery on
6 Tradesmen, and to enforce this Consent Decree through any other lawful means.

7 3.4 Tradesmen shall notify the State at least thirty (30) days prior to any change in
8 control of Tradesmen that would change the identity of the corporate entity responsible for
9 compliance obligations arising under this Consent Decree, including but not limited to
10 dissolution, assignment, sale, merger, or other action that would result in the emergence of a
11 successor corporation; or the creation or dissolution of a subsidiary, parent, or affiliate that
12 engages in any acts or practices subject to this order.

13 **IV. PAYMENT**

14 4.1. Within fourteen (14) days of entry of this Consent Decree, Tradesmen agrees to
15 pay \$287,100.00 to the Attorney General. This money shall be referred to as the “Settlement
16 Fund,” and will be used for restitution, equitable relief, recovery of fees and costs, enforcement
17 of this Consent Decree, or any lawful purpose in the sole discretion of the Attorney General.

18 4.2. The payment shall be made by wire transfer, which shall be initiated within
19 fourteen (14) days of entry of this Consent Decree and made to the “Attorney General—State of
20 Washington.” The Office of the Attorney General will provide instructions to Tradesmen to
21 complete the wire transfer.

22 **V. DURATION AND ENFORCEMENT**

23 5.1. This Consent Decree shall be in effect for a period of three (3) years from the date
24 of its entry. The Court shall retain jurisdiction for the duration of this Consent Decree to enforce
25 its terms.
26

Case: STATE OF WASHINGTON VS. LLC TRADESMEN INTERNATIONAL
Cause Number: 22-2-07592-4
Filing ID: 57092027
Signed: July 14 2022 02:45 PM

This order has been reviewed, approved, and electronically signed.



Barbara H McInville, Pierce County Commissioners