

**STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT**

STATE OF WASHINGTON,

NO. 26-2-34738-7

Plaintiff,

CONSENT DECREE

v.

SEATTLE ACADEMY LLC, BELLEVUE
CHILDCARE LLC, BOTHELL ACADEMY
LLC, GREENWOOD ACADEMY LLC,
KENMORE ACADEMY LLC, MILL
CREEK ACADEMY LLC, REDKIRK
ACADEMY LLC, d/b/a Academies,

Defendants.

I. INTRODUCTION

1.1 The State of Washington (the State), by and through its attorneys, Attorney General Nicholas W. Brown and Worker Rights Unit Chief Marsha Chien, filed this action against Defendants Seattle Academy LLC, Bellevue Childcare LLC, Bothell Academy LLC, Greenwood Academy LLC, Kenmore Academy LLC, Mill Creek Academy LLC, and Redkirk Academy LLC, hereinafter referred to as “Academies,” to enforce Washington’s non-compete law, RCW 49.62.

1.2 Academies is a related group of seven franchises, all of which are registered and doing business in Washington. Each are “employers” within the meaning of RCW 49.62.010(2).

1.3 Academies are 7 childcare centers located in Washington across King and Snohomish counties.

1.4 The State alleges Academies violated RCW 49.62.070 and RCW 49.44.211 by maintaining a policy or practice of unlawfully prohibiting employees who earn less than twice the applicable state minimum wage from having an additional job and having a non-disparagement clause without expressly outlining the exceptions in RCW 49.44.211.

1.5 Academies expressly deny the State's allegations and deny that they violated RCW 49.62.070 or otherwise engaged in unlawful or wrongful conduct. The Academies maintain that their policies permitted lawful outside employment and did not violate RCW 49.44.211. Without admitting any fact, law, liability, misconduct, or wrongdoing, the Academies enter into this Consent Decree solely to resolve disputed claims, avoid the burden, expense and uncertainty of continued litigation, and provide additional clarity to employees regarding outside employment.

1.6 The State and Academies (the Parties) agree that this Court has jurisdiction over the subject matter of the claims alleged and the parties to this lawsuit.

1.7 The Parties agree on a basis for settlement of the State's allegations and to the entry of this Consent Decree without the need for trial and adjudication of any issue of law or fact.

1.8 Academies agree that it will not oppose entry of this Consent Decree on the ground that it fails to comply with Rule 65(d) of the Superior Court Civil Rules, and hereby waives any objection based thereon.

1.9 The Parties waive any right they may have to appeal from this Consent Decree.

II. INJUNCTIONS

2.1 The injunctive provisions of this Consent Decree shall apply to Academies and its successors, assigns, transferees, officers, agents, servants, employees, representatives, and all other persons in active concert or participation with Academies.

2.2 Not later than 30 days after the entry of this Consent Decree, Academies shall:

2.2.1 Revise its Employee Handbook to provide that an employee earning less than twice the minimum wage is not required to obtain prior permission to provide outside childcare services to a currently enrolled family or disenrolled family of the Academies, but must provide advance notice to the employee's Academy Director or Direct Manager if providing childcare services to a currently enrolled family.

2.2.2 Notify all of its employees in a staff newsletter of the policy clarification.

2.2.3 Provide each employee with a revised Employee Handbook and a notice explaining the clarified moonlighting policy and employee's rights under RCW 49.62.070.

2.3 Unless RCW 49.62.010 is amended or revised to allow it, Academies shall be enjoined and restrained from requiring its employees that earn less than twice the minimum wage to obtain permission from the Academy Director or Direct Manager prior to working for a currently enrolled or disenrolled family of the Academies.

III. MOONLIGHTING POLICY

3.1 At minimum, Academies' revisions to the Employee Handbook pursuant to 2.2.1 must:

3.1.1 Revise Sections 4.2 and 4.3.8 of the April 2026 version of the Employee Handbook.

3.1.2 State that it is the policy of Academies to comply with RCW 49.62.070 by only requiring employees that earn less than twice the minimum wage to provide notice of when they are working for currently enrolled families of Academies.

3.1.3 State that any employee may report violations of Washington's non-compete law by contacting the Office of the Washington State Attorney General, Worker Rights Unit.

3.2 The revisions described in this section shall be provided to the State for review no later than 10 days after entry of this Consent Decree. The State will review the proposed

1 policy and advise Academies of any edits no later than 10 days after receipt of the proposed
2 policy.

3 3.3 Not later than 30 days after the entry of this Consent Decree, Academies shall
4 publish its revised Employee Handbook so that it is accessible to all employees and ensure that
5 it remains posted and accessible for the duration of this Consent Decree.

6 3.4 Not later than 30 days after the entry of this Consent Decree, Academies shall
7 notify all of its employees of the clarified moonlighting policy by providing each employee
8 with a revised Employee Handbook and a copy of this Consent Decree.

9 3.5 For the duration of this Consent Decree, if Academies modify the moonlighting
10 policy required by this section, Academies shall submit proposed modifications to the State for
11 its review no later than 30 days before adoption of the modified policy. Within 14 days of receipt
12 the State will review the proposed modifications and advise Academies of any edits.

13 IV. TRAINING 14

15 4.1 Not later than 30 days after Academies distribute the revised
16 Employee Handbook described in Section III above to its employees, Academies shall provide
17 in-person or virtual interactive training to all its human resources employees, Direct Managers,
18 Academy Directors, and Company Leadership in Washington, about the State's non-compete
19 law. Specifically, the training shall include, at a minimum, an overview of Washington's law
20 prohibiting restrictions on additional employment, RCW 49.62.070.

21 4.2 Academies shall identify the name of the trainer and all training materials used to
22 the State no later than 30 days before the training. Within 10 days of receipt, the State will review
23 the proposed materials and advise Academies of any edits.

24 4.3 The cost of the training shall be borne by Academies.

25 4.4 For the duration of this Consent Decree, if Academies modify the training
26 required by this section, Academies shall submit proposed modifications to the State no later

1 than 30 days before conducting the modified training. Within 10 days of receipt the State will
2 review the proposed modifications and advise Academies of any edits.

3 4 **V. RECORD KEEPING AND REPORTING**

5 5.1 Effective immediately and for the duration of this Consent Decree, Academies
6 shall preserve records that relate to its obligations under this Consent Decree, including
7 documents, whether in paper or electronic form, that relate to its moonlighting policy. In
8 addition, Academies shall maintain records related to each notice it receives from an employee
9 that earns less than twice the minimum wage that they are working for a currently enrolled
10 Academies family, whether submitted in writing or made orally, and the result of that notice.

11 5.2 To assure compliance with the terms of this Consent Decree, the State shall be
12 permitted to inspect and copy all records maintained by Academies consistent with their
13 obligations under this Consent Decree, interview or depose Academies and their officers,
14 supervisors, managers, employees and/or agents, to propound written discovery on Academies,
15 and to enforce this Consent Decree through any other lawful means.

16 5.3 Academies shall notify the State within 30 days regarding any change in control
17 of Academies that would change the identity of the corporate entities responsible for compliance
18 obligations arising under this Consent Decree, including but not limited to dissolution,
19 assignment, sale, merger, or other action that would result in the emergence of a successor
20 corporation; or the creation or dissolution of a subsidiary, parent, or affiliate that engages in any
21 acts or practices subject to this order.

22 **VI. PAYMENT**

23
24 6.1 Academies agrees to pay \$252,500 as a settlement to resolve the disputed claims
25 asserted by the State. This payment shall be referred to as the "Settlement Fund" and will be
26 used to compensate impacted employees.

1 6.2 For the Settlement Fund, Academies must issue each employee a settlement
2 payment in accordance with a list to be provided by the Office of the Attorney General within
3 10 days of entry of this Consent Decree. Academies shall issue the settlement payments either
4 by check or electronic payment within 30 days of entry of this Consent Decree. Following the
5 issuance of such settlement payments, Academies shall provide the State with a summary of the
6 settlement payments made, including the employees' names and settlement check or electronic
7 settlement payment dates.

8 6.3 If unable to distribute all settlement payments after 120 days of entry of the
9 Consent Decree, Academies shall identify the employees who have not claimed their settlement
10 payment.

11 6.3.1 If 40 or fewer employee settlement payments remain unclaimed or
12 unsuccessful, then Academies shall remit a single check to the Office of the Attorney General
13 for the total amount of outstanding settlement payments. Academies will provide the State with
14 the list of workers who have unclaimed settlement payments, which shall include the most
15 current contact information known by Academies, including name, phone number, email
16 address, and mailing address. The Office of the Attorney General will hold these settlement
17 funds for further distribution or any lawful purpose in the discharge of the Attorney General's
18 duties at the sole discretion of the Attorney General.

19 6.3.2 If more than 40 settlement payments remain unclaimed, Academies shall
20 contract with a third-party Settlement Claims Administrator to distribute the remaining
21 settlement payments. If the Settlement Claims Administrator is unable to distribute all of the
22 settlement payments after 180 days of entry of the Consent Decree, Academies shall remit a
23 single check to the Office of the Attorney General for the total amount of outstanding settlement
24 payments to use for any lawful purpose in the discharge of the Attorney General's duties at the
25 sole discretion of the Attorney General.
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6.4 In addition, Academies agrees to pay \$10,000 to the Office of the Attorney General for recovery of fees and costs incurred by counsel for the State in prosecuting this action, future monitoring and enforcement of this Consent Decree, and any lawful purpose in the discharge of the Attorney General's duties at the sole discretion of the Attorney General.

6.5 For the State’s fees and costs, Academies must remit to the Office of the Attorney General, 7141 Cleanwater Dr. SW, Olympia WA 98501, a settlement check payable to the “Washington State Attorney General’s Office,” within 30 days of entry of this Consent Decree.

VII. ENTRY AND DURATION

7.1 This Consent Decree shall be in effect for a period of two years from the date of its entry. The Court shall retain jurisdiction for the duration of this Consent Decree to enforce its terms.

7.2 The State may move the Court to enforce the Consent Decree or to extend its duration in the event of noncompliance with any of its terms; or if it believes the interests of justice so require. Academies shall have an opportunity to respond to, including the presentation of evidence, any such motion per KCLR 7 or such other briefing schedule to which the Parties may agree.

7.3 Violation of any of the terms of this Consent Decree shall constitute a violation of an injunction for which the State may seek remedies provided by law, including the imposition by the Court of injunctions, restitution, civil penalties, and costs, including reasonable attorneys' fees.

VIII. ADDITIONAL PROVISIONS

8.1 Academies acknowledge and agree that no other promises, representations, or agreements of any nature have been made or entered into by the Parties. The Parties further acknowledge that this Consent Decree constitutes a single and entire agreement that is not

1 severable or divisible, except that if any provisions herein are found to be legally insufficient or
2 unenforceable, the remaining provisions shall continue in full force and effect.

3 8.2 This Consent Decree resolves all claims and issues asserted or that could have
4 been asserted by the State under RCW 49.62.070 and RCW 49.44.211 arising from the conduct
5 occurring on or before the date of entry of this Consent Decree and concludes the
6 State's investigation concerning such conduct. Except for enforcement of the express terms of
7 this Consent Decree, the State shall not initiate or pursue further investigative or enforcement
8 action under RCW 49.62.070 and RCW 49.44.211 concerning such pre-entry conduct.

9 8.3 Nothing in this Consent Decree shall be construed to limit or bar any other
10 governmental entity or person from pursuing other available remedies against Academies or any
11 other person.

12 8.4 Nothing in this Consent Decree shall be construed to limit the Academies' rights
13 under RCW 49.62.070(2), including their ability to maintain and enforce lawful policies
14 addressing safety, reasonable scheduling expectations, confidentiality, an employee's duty of
15 loyalty, conflicts of interest, and professional boundaries. The Academies may require advance
16 notice of outside childcare services provided to a currently enrolled family and may take
17 reasonable, non-retaliatory steps to address an actual conflict of interest, including reassignment
18 of a child or employee, provided such measures are otherwise consistent with applicable law.

19 8.5 The parties agree that, as of the date of the entry of this Consent Decree, litigation
20 is not "reasonably foreseeable" concerning the matters described above. To the extent that either
21 party previously implemented a litigation hold to preserve documents, electronically stored
22 information (ESI), or things related to the matters described above, the party is no longer required
23 to maintain such litigation hold. Nothing in this paragraph relieves either party of any other
24 obligations imposed by this Consent Decree.

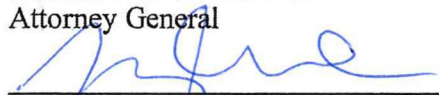
1 8.6 All communications related to this Consent Decree shall be directed to:
2 Worker Rights Unit, Office of the Washington State Attorney General, 800 Fifth Avenue, Suite
3 2000, Seattle, WA 98104-3188.

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5 IT IS HEREBY ORDERED this _____ day of October 2026.

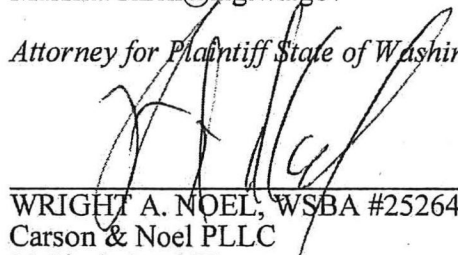
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8 THE HONORABLE SUZANNE PARISIEN
9 King County Superior Court Judge

10 Presented by:

11 NICHOLAS W. BROWN
12 Attorney General

13 
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15 Worker Rights Unit Chief
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Attorney for Defendants Academies

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Attorney for Defendants Academies

DATED this 23rd day of October 2026, at Seattle, Washington.

CONSENT DECREE
NO. 26-2-34738-7