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8 UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
9 AT SEATTLE

10 BARRETT BUSINESS SERVICES, INC.,

11 Plaintiff,

12 vs.

13 CAROLINE MOODY, an individual,

14 Defendant.

Case No.: 3:24-cv-5183

COMPLAINT

JURY TRIAL DEMAND

15 BBSI Barrett Business Services, Inc. ("BBSI" or "Plaintiff"), by and through its counsel
16 submits this Complaint against Defendant Caroline Moody ("Moody" or "Defendant") and in
17 support states as follows:
18

19 **INTRODUCTION**

20 1. This action is brought to remedy Defendant's unlawful conduct in breaching her
21 contractual obligations to BBSI, misappropriating BBSI's confidential information and trade
22 secrets, and unfairly and unlawfully competing with BBSI.

23 2. As detailed below, Defendant is a former employee of BBSI who, while
24 employed with BBSI, took BBSI's proprietary and confidential information and trade secrets in
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1 anticipation of her resignation from BBSI and subsequent acceptance of offer of an employment
2 from Engage PEO, (“Engage”) a direct competitor of BBSI.

3 3. In doing so, BBSI breached her contractual obligations to BBSI and violated state
4 and federal trade secret laws, as well as her duties to her former employer.

5 4. This Complaint is filed to prevent and/or remedy the harm to BBSI resulting from
6 Defendant’s misappropriation of BBSI’s confidential information and trade secret information,
7 as well as Defendant’s violation of her valid and enforceable contractual obligation to refrain
8 from misusing or divulging confidential information. Injunctive relief is necessary in this case
9 to prevent further disclosure of confidential information and trade secrets and to prevent further
10 irreparable harm to BBSI’s business.

11
12 **THE PARTIES**

13 5. Plaintiff BBSI is, and at all relevant times was, a corporation organized and
14 existing under the laws of the State of Maryland, with its corporate office in Vancouver,
15 Washington.

16 6. Upon information and belief, Defendant Moody is an individual who resides in
17 and is a citizen of Edmond, Oklahoma.

18
19 **JURISDICTION AND VENUE**

20 7. This Court has original jurisdiction over this matter pursuant to 28 U.S.C. §
21 1332(a), as the amount in controversy, inclusive of attorneys’ fees, exceeds \$75,000 and BBSI
22 is a citizen of a different state than Defendant.

23 8. This Court also has original jurisdiction over this action pursuant to 18 U.S.C. §
24 1836(c) because BBSI has also brought a claim under the Defend Trade Secrets Act and this
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1 Court may maintain supplemental jurisdiction over the remaining state law claims pursuant to
2 28 U.S.C. § 1367.

3 9. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(a) because
4 all or a substantial part of the events or omissions giving rise to BBSI's claims arose within the
5 geographic area encompassed by the Western District of Washington.
6

7 10. This Court has *in personam* jurisdiction over Defendant because she agreed to be
8 bound by the laws of the State of Washington. *See* Exhibit A.

9 **FACTS**

10 11. BBSI is a leading human resources management company that contracts with
11 small and medium-sized businesses to provide comprehensive human resources management
12 solutions, including temporary staffing and professional employer organization services.
13

14 12. In the course of its business, BBSI creates and maintains a repository of unique,
15 personal and proprietary information related to its employees and the services they provide
16 including but not limited to client or prospective client names and contact, pricing information,
17 and client or prospective client employee census data.

18 13. BBSI also expends considerable resources to (a) identify and solicit potential
19 employees, customers and referral sources; (b) maintain and deepen its relationship with existing
20 employees, customers, and referral sources; (c) market its own brand and foster client and
21 referral source goodwill; (d) develop and refine client pricing information; and (e) develop
22 training materials and protocols for its employees to efficiently and accurately perform their job
23 duties. The aforementioned information is valuable, confidential, and proprietary to BBSI, and
24 is not generally known in the public domain and/or not otherwise readily ascertainable through
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1 proper means. The information has significant economic value to BBSI and would be of
2 significant economic value to competitors in the industry.

3 14. BBSI's confidential information is of such a special, unique, extraordinary and/or
4 intellectual character that it has an enormous value. Accordingly, if a direct competitor was to
5 obtain this confidential information, it would be in an excellent position to unlawfully reap the
6 benefits of BBSI's confidential and/or trade secret knowledge regarding BBSI's employees,
7 clients, referral sources, and business strategies. Thus, such actions would most certainly result
8 in irreparable harm to BBSI.

9
10 15. BBSI has many long-standing relationships with numerous clients, employees,
11 and referral sources, and has expended substantial time, money and effort in developing and
12 maintaining such relationships. BBSI depends heavily on new, repeat, and renewal business
13 from its existing clients and referral sources in order to sustain its profitability.

14
15 16. To protect its legitimate business interests with respect to BBSI's confidential
16 information and trade secrets, and the investment BBSI makes in its employees, BBSI limits
17 access to its confidential information and trade secrets in a variety of ways. For example, BBSI:
18 (a) utilizes password protections to safeguard its computer systems and data; (b) designates only
19 certain employees with access to its databases; (c) provides security monitoring of internal
20 databases to identify suspicious activity or security breaches; (d) adheres to industry privacy
21 standards and regulations to ensure protection of confidential information; (e) provides regular
22 security updates and patches to address any known vulnerabilities; (f) provides regular employee
23 training on information security practices; (g) requires employees with access to confidential
24 information to sign restrictive covenants, which include confidentiality and non-solicitation
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1 clauses as a condition of employment; (h) implements policies prohibiting the disclosure of
2 confidential information; (i) utilizes two-factor authentication; (j) utilizes single single-on
3 protection (SSO) to ensure employee access is granted or revoked using a single identity; and
4 (k) terminates or severely restricts access to its electronic databases immediately upon an
5 employee's departure from the company.
6

7 17. This confidential information and/or trade secrets and/or goodwill were obtained
8 and developed in BBSI's normal course of business.

9 18. BBSI derives independent economic value from the aforementioned confidential
10 information and trade secrets, as BBSI's competitors do not have access by reasonable and
11 proper means to this information, which provides BBSI a competitive advantage in convincing
12 its clients to enter into and maintain service contracts with BBSI.
13

14 **DEFENDANT'S EMPLOYMENT WITH BBSI**

15 19. Defendant began working for BBSI as a Market Development Manager in
16 Edmon, Oklahoma on September 15, 2022.

17 20. In connection with her employment with BBSI, Defendant was provided with
18 and had access to BBSI's confidential, proprietary, and trade secret information.

19 21. At the time Defendant accepted employment with BBSI, she was presented with
20 and agreed to the terms of certain restrictive covenants intended to protect BBSI's customer and
21 referral partner relationships, pricing and financial information, goodwill, and confidential
22 information. Specifically, Defendant signed the Employee Confidentiality and Non-Solicitation
23 Agreement on September 15, 2022 (the "Agreement") attached hereto as Exhibit A.
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1 22. In the Agreement Defendant agreed, in relevant part:

2 a. Employee agrees that during the course of Employee’s employment with [BBSI]
3 and for a period of two (2) years immediately following Employee’s separation from
4 employment with [BBSI], irrespective of the reason for the separation of
5 employment, Employee will not for Employee, or on behalf of any person, firm,
6 partnership, corporation, or other entity directly or indirectly, solicit the business of,
7 or perform any work or services for, any person or entity that is a customer of [BBSI],
8 whether or not Employee had personal contact with such person and entity, with
9 respect to products or services which compete in whole or in part with the services
10 of [BBSI]

11 b. Employee acknowledges that during the course of Employee’s employment with
12 [BBSI], Employee will acquire and develop confidential and proprietary information
13 of [BBSI], including without limitation trade secrets, technical and non-technical
14 business knowledge, business methods, plans, systems, customer lists and customer
15 relations, cost and pricing information, and other information relating to the business
16 of [BBSI] that is not known to the general public, Employee agrees that during the
17 course of Employee’s employment with [BBSI] and thereafter, Employee shall not
18 disclose to third parties any Trade Secrets of [BBSI] nor use any Trade Secrets for
19 any purpose other than to further [BBSI’s] business interest.

20 23. Additionally, upon hire, Defendant received the BBSI Code of Business Conduct
21 and signed the acknowledgment on September 15, 2022, in which she agreed that she would
22 protect BBSI’s confidential and proprietary information and that of BBSI’s customers and
23 vendors, specifically that:

24 Each employee has the duty to respect and protect the confidentiality of all
25 [proprietary information], whether belonging to BBSI or others with which BBSI
26 does business, and not to use that information for personal advantage.

See BBSI Code of Business Conduct and Acknowledgement attached hereto as Exhibit
B.

24. By agreeing to the policies referenced in Paragraph 23, Defendant also agreed (i)
to “protect BBSI’s confidential and proprietary information and that of our customers and
vendors;” (ii) to “protect and only use for proper purposes all company assets;” (iii) to “comply
with laws, rules and regulations and all internal policies and procedures;” (iv) not to use or copy
“confidential information of a third party;” (v) not to “store copies of confidential documents

1 and files on insecure devices, local hard drive or open file shares/folders;” (vi) not to “use
2 confidential information to advance a personal agenda;” and (vii) not to “share confidential
3 information via email externally.”

4 25. Moreover, BBSI’s employee handbook, by which Defendant agreed to abide, set
5 forth BBSI’s policies governing employees’ access to BBSI’s trade secrets and other
6 confidential and proprietary information.
7

8 26. In addition to maintaining the policies set forth above and requiring employees
9 to acknowledge receipt of the code of conduct, at all relevant times BBSI maintained, and
10 continues to maintain, rigorous information technology security protocols, including requiring
11 usernames and passwords for employees, and allowing various levels of access to sensitive
12 information depending upon an employee’s position.
13

14 27. Defendant resigned her employment with BBSI on or about February 16, 2024
15 and began employment with Engage, a direct competitor of BBSI.

16 28. Subsequent to her departure from BBSI, BBSI learned that on the days leading
17 up to her departure from BBIS, Defendant sent BBSI’s confidential and proprietary information
18 to her personal email account including, but not limited to , customer insurance information
19 including pricing, internal BBSI benefit discovery information, personally identifiable
20 information regarding customer or prospective health plan participants and workers
21 compensation loss runs.
22

23 29. Specifically, between February 13, 2024, and February 15, 2024, Defendant sent
24 at least seven emails, each of which attached confidential BBSI documents, from her work email
25 account to her personal email account.
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1 30. The attachments referenced in Paragraph 29 include, but are not limited to, client
2 or prospective client names and contact, cost information, and client or prospective client
3 employee census data.

4 31. Certain of this information was taken by Defendant on February 15, 2024, the
5 day before she gave BBSI notice of resignation, and included photographs Defendant took of
6 paper files.

7 32. Other information that Defendant took was specifically identified to Defendant
8 and BBSI by a BBSI prospect as its confidential and proprietary information and Defendant was
9 directed by that prospect to treat it as such.

10 33. BBSI does not permit its employees to use their personal email account for BBSI
11 business.

12 34. The documents Defendant sent to her personal email account are not available to
13 members of the public generally and would be valuable for BBSI's competitors to have because
14 the documents provide client or prospective client contact and business information.

15 35. BBSI never authorized, directed, or permitted Defendant to send emails with
16 confidential BBSI materials to her personal email account.

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19 **CAUSES OF ACTION**

20 **COUNT I – VIOLATION OF THE FEDERAL TRADE SECRET ACT**

21 36. BBSI restates and realleges paragraphs 1 through 35 as if fully stated herein.

22 37. BBSI has maintained and developed a significant amount of trade secret
23 information regarding its employees, clients and prospective clients, and referral sources, and
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1 BBSI requires its employees, including Defendant to maintain such information in BBSI's
2 secure internal, electronic databases.

3 38. The proprietary, confidential and trade secret information specifically includes,
4 but is not limited to, BBSI's business and employee information, such as personal contact
5 information, training materials, customer lists, customer contact information, referral sources,
6 referral source contact information, pricing, and other information regarding the processes and
7 methods used by BBSI to conduct its business. BBSI owns and developed each of these trade
8 secrets and confidential information.
9

10 39. Such confidential, trade secret and proprietary information is not known outside
11 of BBSI's business, is only known by employees and others involved in BBSI's business and is
12 subject to measures to guard the secrecy of the information. The information has been developed
13 with a substantial amount of effort and investment and cannot readily be acquired or duplicated
14 by others. The information is valuable to BBSI's competitors. Defendant used and distributed
15 this confidential and proprietary information in breach of an agreement, confidence and/or or
16 duty.
17

18 40. BBSI likewise protected this information through the use of confidentiality
19 agreements, an individualized and unique password protection system, security monitoring,
20 regular security updates and training, and controlled, limited access to its internal electronic
21 systems, among other means.
22

23 41. Defendant has improperly obtained documents containing BBSI's employee and
24 client contact information.
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1 42. Upon information and belief, Defendant has and continues to utilize this stolen
2 information to further the business interests of Engage and/or improperly compete with BBSI.

3 43. BBSI’s trade secret information contains compilations and other information not
4 generally known, or reasonably ascertainable by proper means by Defendant or her new
5 employer Engage, and constitutes a “trade secret” pursuant to 18 U.S.C. § 1839(3).
6

7 44. Defendant has used BBSI’s trade secret information and/or continues to use
8 BBSI’s trade secret information to unfairly compete with BBSI for the purpose of obtaining
9 BBSI’s clients and/or employees.

10 45. Defendant seeks actual, consequential, compensatory and punitive damages in
11 addition to attorney fees and costs.

12 WHEREFORE, pursuant to 18 U.S.C. § 1836(b)(3), BBSI requests this Court grant a
13 preliminary and/or permanent injunction to prevent further misappropriation of BBSI’s trade
14 secret information and require its return to BBSI, damages for the actual loss caused by the
15 misappropriation of BBSI’s trade secret information and damages for unjust enrichment caused
16 by the misappropriation of BBSI’s trade secret information or, in the alternative, a reasonable
17 royalty for the misappropriator’s unauthorized disclosure or use of the trade secret, and pursuant
18 to 18 U.S.C. § 1836(b)(3)(D), BBSI requests this Court award BBSI its reasonable attorney’s
19 fees as its confidential information was willfully and maliciously misappropriated by Defendant,
20 and any and all such further relief that the interests of justice require.
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23 **COUNT II – BREACH OF WASHINGTON TRADE SECRETS ACT**

24 **(RCW 19.108.010(4))**

25 46. BBSI restates and realleges paragraphs 1 through 45 as if fully stated herein.
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1 47. BBSI has put significant time and resources into developing its clientele,
2 contacts, and business plans.

3 48. BBSI holds many trade secrets to which Defendant has access including, but not
4 limited to, information regarding BBSI's customers/clients, referral sources, pricing, methods,
5 strategies, and techniques, all of which are proprietary and confidential trade secrets and would
6 not be generally known to or readily ascertainable by the general public.

7
8 49. BBSI has taken measures to prevent unauthorized disclosure or use of its trade
9 secret information.

10 50. As a direct and proximate result of Defendant's conduct, BBSI has suffered and
11 continues to suffer irreparable injury.

12 WHEREFORE, BBSI requests this Court grant a preliminary and/or permanent
13 injunction to prevent further misappropriation of BBSI's trade secret information, return of the
14 misappropriated information to BBSI, damages for the actual loss caused by the
15 misappropriation of BBSI's trade secret information and damages for unjust enrichment caused
16 by the misappropriation of BBSI's trade secret information or, in the alternative, and BBSI
17 requests this Court award BBSI its reasonable attorney's fees as its confidential information
18 was willfully and maliciously misappropriated by Defendant, and any and all such further relief
19 that the interests of justice require.
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22 **COUNT III – BREACH OF CONTRACT**

23 51. BBSI restates and realleges paragraphs 1 through 50 as if fully stated herein.

24 52. Defendant's Agreement with BBSI prohibits her from, among other things, (i)
25 soliciting, servicing, or contacting customers of BBSI on behalf of any competing service for
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1 two (2) years after the cessation of her employment; (ii) using or disclosing to any third party
2 BBSI's confidential or trade secret information; (iii) assisting any person or entity in performing
3 any activity that the Agreement prohibits Defendant herself from performing.

4 53. Defendant received consideration for the Agreement to execute and abide by the
5 Agreement because among other things, she was permitted to retain her job and to receive access
6 to confidential information.

7
8 54. Upon information and belief, Defendant has breached her obligations to BBSI
9 under the Agreement by, among other things: (i) using and/or disclosing to a third party BBSI's
10 confidential or trade secret information; (ii) assisting person(s) or entities in performing
11 activities that the Agreement prohibits Defendant herself from performing; (iii) accessing
12 confidential employee information when she did not have a legitimate and specific business need
13 to do so; (iv) retaining written or tangible material containing confidential client and employee
14 information; and (v) failing to account for and delete from her personal electronic devices and
15 accounts confidential employee and client information that would be impracticable to return to
16 BBSI.

17
18 55. BBSI performed all of its obligations to Defendant under the Agreement.

19 56. Defendant's actions and omissions constitute a material breach of her obligations
20 under the Agreement.

21
22 57. The aforesaid breaches by Defendant has caused BBSI irreparable harm and
23 damages and will continue to do so unless immediately restrained from continued breach of the
24 Agreement.

1 WHEREFORE, BBSI demands judgment in its favor and against Defendant and further
2 demands compensatory and actual damages, injunctive relief to prevent further breaches by
3 Defendant; and for costs of suit; and any and all such further relief that the interests of justice
4 require.

5 **COUNT IV – BREACH OF IMPLIED DUTY OF GOOD FAITH AND FAIR DEALING**

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7 58. BBSI incorporates paragraph 1 through 35 by reference as if set forth in full.

8 59. Defendant entered into the Agreement on September 15, 2022.

9 60. Implicit in the Agreement is a covenant of good faith and fair dealing that
10 obligates each party to conduct itself in a way that each party may obtain the full benefit of
11 performance.

12 61. Based on the foregoing, Defendant violated the implied covenant of good faith
13 and fair dealing that existed in the Agreement.

14 62. The aforesaid breaches by Defendant has caused BBSI irreparable harm and
15 damages and will continue to do so unless immediately restrained from continued breach of the
16 Agreement.

17
18 WHEREFORE, BBSI demands judgment in its favor and against Defendant and further
19 demands compensatory and actual damages, injunctive relief to prevent further breaches by
20 Defendant; and for costs of suit; and any and all such further relief that the interests of justice
21 require.

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23 **COUNT V – BREACH OF DUTY OF LOYALTY**

24 63. BBSI incorporates paragraph 1 through 35 by reference as if set forth in full.
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1 64. As an employee of BBSI, Defendant owed BBSI a duty of undivided loyalty in
2 the performance of her duties.

3 65. Based on the foregoing, Defendant breached this duty of loyalty by engaging in
4 conduct while still employed by BBSI that violated the Agreement and BBSI's policies.

5 66. Defendant's acts were willful and of such wanton and malicious character as to
6 justify an award of punitive damages.

7 67. The aforesaid breaches by Defendant has caused BBSI irreparable harm and
8 damages and will continue to do so unless immediately restrained from continued breach of the
9 Agreement.

10 WHEREFORE, BBSI demands judgment in its favor and against Defendant and further
11 demands compensatory and actual damages, injunctive relief to prevent further breaches by
12 Defendant; and for costs of suit; and any and all such further relief that the interests of justice
13 require.

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16 **COUNT VI - REPLEVIN**

17 68. BBSI incorporates paragraph 1 through 35 by reference as if set forth in full.

18 69. BBSI holds a proprietary interest in its confidential documents, in its tangible
19 documents that are not confidential, and in the documents and other tangible materials that it
20 makes available to its employees for work purposes only.

21 70. Defendant has diverted and now possesses BBSI documents and materials
22 because she sent the same to her personal email account, an account that BBSI cannot access.

23 71. Defendant had no justification to divert BBSI's documents and materials to her
24 own personal email account, and, in doing so, has deprived BBSI of its property.

1 72. BBSI was damaged by Defendant's wrongful deprivation of its property.

2 WHEREFORE, BBSI demands judgment in its favor and against Defendant and further
3 requests this Court enter an order for seizure of property that Defendant wrongfully stole from
4 BBSI and, in the event possession cannot be obtained, an Order against Defendant for the
5 damages caused for the detention, or the taking and withholding of BBSI's property; for costs
6 of suit; and for any and all such further relief that the interests of justice require.
7

8 **COUNT VII - INJUNCTION**

9 73. BBSI incorporates the preceding paragraphs by reference as if set forth in full.

10 74. By her conduct prior to the end of her employment with BBSI, Defendant has
11 demonstrated that she failed to comply with her legal obligations to protect, secure, and refrain
12 from distributing confidential BBSI documents and other property belonging to BBSI or its
13 customers or prospective customers, and that she has wrongfully distributed BBSI property to
14 her personal email account, from which she could further distribute such documents without
15 detection by BBSI.
16

17 75. BBSI is entitled to injunctive relief requiring Defendant to (a) return and/or
18 destroy any and all such property that she sent to her personal email account or otherwise
19 retained; (b) submit her devices and personal email account to a forensic examination that can
20 determine to what extent Defendant distributed BBSI documents and property and where such
21 property was stored or retained; (c) ensure Defendant, and by extension Engage, does not realize
22 any profit or compensation as a result of her wrongful access, use, retention, and/or distribution
23 of BBSI documents or property; and (d) for such additional relief as necessary to ensure BBSI
24 is no longer harmed by Defendant's actions and omissions.
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1 76. Defendant will not suffer any harm if an injunction is granted.

2 77. The injunction should not terminate unless and until further Order of the Court
3 so provides.

4 78. Administration and enforcement of the injunction would require little, if any,
5 Court supervision.

6 WHEREFORE, BBSI demands judgment in its favor against Caroline Moody and further
7 demands an Injunction Order against Defendant and for any and all such further relief that the
8 interest of justice require.

9
10 **PRAYER FOR RELIEF**

11 WHEREFORE, Plaintiff BBSI respectfully requests that the Court enter judgment in its
12 favor against Defendant Caroline Moody and further order the following:

13 1. Entering a money judgment for BBSI and against Defendant for damages
14 reasonably believed to exceed \$75,000;

15 2. Entering injunctive relief for BBSI and against Defendant;

16 3. Awarding BBSI its reasonable attorney's fees, costs, and disbursements incurred
17 herein as may be allowed by law and/or by the Agreement; and

18 4. For such other and further relief as the Court deems just and equitable.

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1 DATED this 4th day of March, 2024.

2 COZEN O'CONNOR

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COMPLAINT - 17

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