



# XAVIER BECERRA

## *Attorney General*

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# Attorney General Becerra Announces Multistate Settlements Targeting “No-Poach” Policies that Harm Workers

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**SACRAMENTO** – California Attorney General Xavier Becerra today announced that the State of California, as part of a multistate effort, has entered into agreements with four major fast food companies that prohibit those franchise corporations from continuing to employ “no-poach” policies. Many of these anticompetitive no-poach provisions required franchise operators to contractually agree to not hire or solicit the employees of another franchise operator. As a consequence, employees, many of whom are low-wage workers, may be unable to seek better pay and benefits by going to work for a competing franchise. Workers are often unaware of these provisions in the contracts. As a result of today’s settlements, Arby’s, Dunkin’, Five Guys, and Little Caesars will no longer include no-poach provisions in any of their franchise agreements in the United States.

“Our economy thrives when everyone is doing well,” **said Attorney General Becerra.** “No-poach agreements attempt to prevent competition and limit economic opportunity for hard-working Californians. The agreements announced today are an important step forward to protect our workers and our economy.”

“No-poach” provisions are routinely included in franchise agreements for many fast food dining outlets. These provisions are also known as “no-solicitation,” “no-hire,” or “no-switching” agreements. Agreements that contain these provisions ultimately restrict a franchisee’s ability to recruit or hire employees from one franchise to another. They also diminish an employee’s ability to seek new work and earn higher wages.

Last year, Attorney General Becerra joined multiple states in a review of franchise no-poach policies that harm workers, and today’s action is a result of that initiative. Participating in the settlements are: California, Massachusetts, Illinois, Iowa, Maryland, Minnesota, New Jersey, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Vermont, and the District of Columbia.

These settlements build on Attorney General Becerra’s efforts to protect the rights of workers throughout the State of California. In January, the California Department of Justice joined a multistate comment letter opposing a National Labor Relations Board proposal that would diminish protections for millions of workers. Last year, Attorney General Becerra filed an amicus brief supporting the rights of truck drivers to receive reimbursement for certain expenses incurred in relation to their employment. Attorney General Becerra also co-led a coalition of 17 Attorneys General opposing a Trump Administration rule to allow employers to pocket the tips of certain employees that threatened up to \$5.8 billion of workers’ earned tips. In November 2017, Attorney General Becerra filed a lawsuit against One Source, a janitorial subcontracting company based in Orange County, to protect janitorial workers in retail establishments across California from wage theft.

Copies of the agreements can be found [here](#).

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