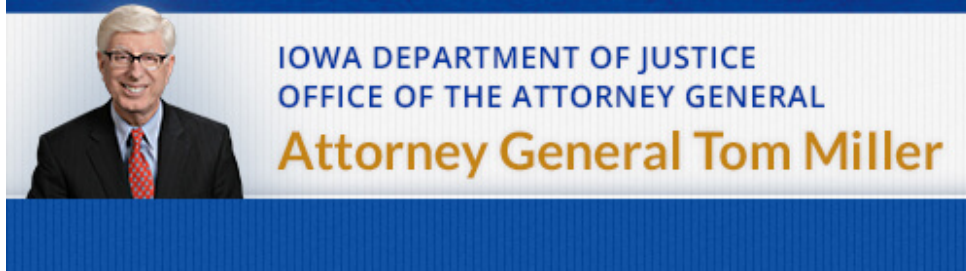


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March 12, 2019

Four fast-food chains to end use of 'no-poach' agreements

AGs' agreement with Dunkin', Arby's, Five Guys, and Little Caesars will drop provisions that harm workers

DES MOINES — Four national fast food franchisors will cease using “no-poach” agreements in a multistate settlement with a coalition of 14 attorneys general, including Iowa Attorney General Tom Miller. The agreements restrict the right of fast-food workers to move from one franchise to another within the same restaurant chain.

The agreements with [Dunkin'](#), [Arby's](#), [Five Guys](#), and [Little Caesars](#) settle an investigation announced by the states in July 2018 over concerns that no-poach agreements hurt low-wage workers by limiting their ability to secure better paying jobs. The no-poach provisions are often contained in agreements between corporate headquarters and franchisees and are not disclosed to employees.

“This practice gives franchise locations less incentive to give raises to employees and reduces competition for workers,” Miller said. “This drags down wages for millions of Americans.”

Under the terms of the settlements, the franchisors have agreed to stop including no-poach provisions in any of their franchise agreements and to stop enforcing any franchise agreements already in place. The franchisors have also agreed to amend existing franchise agreements to remove no-poach provisions and to ask their franchisees to post notices in all locations to inform employees of the settlement. Finally, the franchisors will notify the attorneys general if one of their franchisees tries to restrict any employee from moving to another location under an existing no-poach provision.

The attorneys general began their investigation last July by sending letters to Arby's, Burger King, Dunkin' Brands, Five Guys Burgers and Fries, Little Caesars, Panera Bread, Popeyes Louisiana Kitchen and Wendy's requesting documents, including copies of franchise agreements and communications related to no-poach provisions. The attorneys general alleged that no-poach

provisions make it difficult for workers to improve their earning potential by moving from one job to another or seeking a higher-paying job at another franchise location, and that many workers are unaware they are subject to these no-poach provisions.

Since the investigation began, Wendy's provided confirmation that it never used no-poach provisions in their contracts with franchisees. Investigations into Burger King, Popeyes, and Panera continue.

The coalition comprises state attorneys general from California, District of Columbia, Iowa, Illinois, Maryland, Massachusetts, Minnesota, North Carolina, New Jersey, New York, Oregon, Pennsylvania, Rhode Island, and Vermont.

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