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**Office of The Attorney General**

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## Attorney General Grewal: Four Major Fast Food Companies Agree to Stop Using No-Poach Agreements that Restrict Worker Mobility

- [Arby's Agreement \(Executed\)](#)
- [Dunkin Brands Agreement \(Executed\)](#)
- [Five Guys Agreement \(Executed\)](#)
- [Little Caesar Settlement Agreement \(Executed\)](#)

**TRENTON** – Attorney General Gurbir S. Grewal announced today that New Jersey has entered into multistate agreements with four major fast-food companies, with each company agreeing to stop using no-poach contracts. No-poach contracts restrict the ability of workers to move from one franchise to another within the same chain.

The four companies agreeing to stop locking their workers into no-poach contracts are: Arby's, Little Caesar Enterprises, Five Guys Burgers and Fries and Dunkin' Brands.

Today's agreements result from a multistate investigation launched in July 2018 over concerns that no-poach agreements were harming low-wage workers by limiting their ability to secure better paying jobs. A July 2017 study had found that 80 percent of fast food restaurants use no-poach provisions to bind their employees.

"Convincing four major fast food companies to stop restricting their employees' job options matters, not just for these workers, but for New Jersey's economy," said Attorney General Grewal. "No-poach contracts can restrict a worker's future prospects, limiting his or her career mobility and earning potential. I am glad that Arby's, Little Caesar, Five Guys and Dunkin' now recognize the unfairness of no-poach agreements and will stop using them, and I am proud of the multistate investigation that led to their change of heart. We urge other fast-food companies to follow their example."

"No-poach agreements commonly used in the fast-food industry unfairly bind workers to one employer by blocking them from seeking better-paying, more attractive jobs with competitors," added New Jersey Labor Commissioner Robert Asaro-Angelo, "Today's agreement is a victory for workers' rights and a big step toward ending this exploitive practice."

Under the settlements announced today, the four participating 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 participating Attorneys General if one of their franchisees

tries to restrict any employee from moving to another location under an existing no-poach provision.

New Jersey, Massachusetts and the other participating states began their investigation last July by sending letters to eight national fast-food franchisors: Arby's, Burger King, Dunkin' Brands, Five Guys Burgers and Fries, Little Caesars, Panera Bread, Popeyes Louisiana Kitchen and Wendy's. In those letters, Attorney General Grewal and the other Attorneys General expressed concern about "the potentially harmful impacts" of imposing no-poach requirements on fast-food workers.

Among other concerns, the multi-state letters alleged that no-poach provisions make it difficult for workers to improve their earning potential by moving from an existing job at one franchise location to a more challenging and/or higher-paying position at another franchise location. The letters also noted that many fast-food workers aren't even aware they they're subject to these no-poach provisions.

Since the investigation began, Wendy's announced that it will no longer use no-poach provisions in their contracts with franchisees. Investigations into Burger King, Popeyes, and Panera continue.

In addition to New Jersey and Massachusetts, today's coalition includes the Attorneys General of California, the District of Columbia, Iowa, Illinois, Maryland, Minnesota, North Carolina, New York, Oregon, Pennsylvania, Rhode Island, and Vermont.

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