

## Attorney General Letitia James Joins Multistate Settlement To Cease Fast Food Usage Of No-Poach Agreements

*Dunkin', Arby's, Five Guys, and Little Caesars will Drop Provisions that Limit Recruitment and Hiring of Fast Food Workers*

NEW YORK— In a multistate settlement with a coalition of 14 attorneys general, four national fast food franchisors will cease using “no-poach” agreements, which 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.

“Whether you’re making pizzas or making cars, everyone has the right to seek better opportunities. No-poach agreements are inherently unfair, and restrict the ability of low wage fast food workers to obtain higher-paying jobs,” said **Attorney General Letitia James**. “My office will continue to work with other state attorneys general to ensure the workers at other national chains are not unnecessarily barred from opportunities for career and financial growth.”

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 announced that it will no longer use no-poach provisions in their contracts with franchisees. Investigations into Burger King, Popeyes, and Panera continue.

Today's coalition is led by Massachusetts Attorney General Maura Healey, and includes 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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