

ATTORNEY GENERAL JOSH STEIN REACHES SETTLEMENT WITH FAST FOOD CHAINS TO PROTECT EMPLOYEES

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(RALEIGH) Attorney General Josh Stein today announced a multistate settlement with four national fast food chains—Dunkin', Arby's, Five Guys, and Little Caesars—over an investigation into no-poach agreements that restrict the ability of fast food workers to move from one restaurant chain franchise to another. No-poach agreements hurt low-wage workers by limiting their ability to secure better-paying jobs. As a result of today's settlement, the four fast food chains will cease using them.

"I'm taking this action to stand up for fast food employees, who deserve to earn the full value of their work," said Attorney General Josh Stein. "No-poach agreements unfairly depress wages. I'm pleased to announce today's settlement, and I will continue to work to stamp them out."

Under the settlement, the four chains will:

- Stop including no-poach provisions in any of their franchise agreements.
- Stop enforcing any franchise agreements with these provisions already in place.
- Amend existing franchise agreements to remove no-poach provisions.
- Ask their franchisees to post notices in all locations to inform employees of the settlement.
- 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.

A coalition of 14 attorneys general, including Attorney General Stein, began their investigation in July 2018 into Arby's, Burger King, Dunkin' Brands, Five Guys Burgers and Fries, Little Caesars, Panera Bread, Popeyes Louisiana Kitchen, and Wendy's. The attorneys general alleged that no-poach provisions, which many employees are unaware exist, make it difficult for them to improve their earning potential by moving from one job to another or seeking a higher-paying job at another franchise location.

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

Attorney General Stein is joined in today's settlement by the Attorneys General of California, District of Columbia, Iowa, Illinois, Maryland, Massachusetts, Minnesota, New Jersey, New York, Oregon, Pennsylvania, Rhode Island, and Vermont.

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