



OAG Home

OAG Services from A - Z

Servicios en Español

OAG Contact

News Release

OAG Home

Gurbir S. Grewal  
 Attorney General



AG's Executive Leadership Team

AG's Message | Ask the AG

Contact OAG | About OAG

OAG News | OAG FAQs

OAG Library | Employment

OAG Grants | Proposed Rules

OAG History | Services A-Z

Statutes / Regulations / Rules

Agencies / Programs / Units

**Other News Pages**

Governor's Office

Otras Noticias en Español (OAG)

Civil Rights (Division of)

Consumer Affairs (Division of)

Criminal Justice (Division of)

Election Law Enforcement Comm.

Gaming Enforcement (Div. of)

Highway Traffic Safety (Division of)

Insurance Fraud Prosecutor (Office of)

Juvenile Justice Commission

State Police (Division of NJ)

Law (Division of)

**For Immediate Release:**  
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**Office of The Attorney General**  
 - Gurbir S. Grewal, *Attorney General*

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## AG Grewal Seeks Records from Eight Fast Food Companies About Use of Employee Non-Compete Agreements

**TRENTON** – Acting to promote fairness and economic security for New Jersey workers, Attorney General Gurbir S. Grewal today called on eight major fast food franchisors to provide information regarding their use of employee non-competes or “no poach” agreements that can restrict the ability of workers to obtain a better-paying job with another franchise.

In a letter sent today, Attorney General Grewal joined the Attorneys General for Massachusetts and other states in asking for documents and information from Burger King, Dunkin’ Donuts, Five Guys Burgers and Fries, Little Caesars, Wendy’s, Arby’s, Popeyes Louisiana Chicken and Panera Bread about their use of such provisions.

A July 2017 study that surveyed 156 franchise agreements found that 80 percent of fast food restaurants used no-poach provisions.

“In the fast food industry, no-poach agreements can limit a worker’s future job prospects and restrict his or her earning potential, which is not only unfair to the worker but can harm the state’s economy,” said Attorney General Grewal. “We promise our workers that if they work hard, they will qualify for new opportunities, earn higher wages and improve their quality of life. Through this letter, we’re trying to learn whether some of the biggest players in the fast food industry have contracts that undermine that promise.”

Labor Commissioner Robert Asaro-Angelo said, “Workers who live in a Democracy should be free to change jobs. Non-poaching agreements, which are becoming more common, can block workers from being considered for jobs that pay better, move them up the ladder, or are located closer to home – the traditional reasons people look for a new job. These agreements can exploit low-wage workers who are most in need of job protections.”

Today’s letter advises that New Jersey and the other participating states “have reason to believe” these fast food franchisors may be using no-poach agreements, and expresses concern about the “potentially harmful impacts” of imposing such requirements on workers.

Not only do such provisions restrict job mobility, the letter notes, but they also “deprive other franchisees of the opportunity to benefit from the skills of workers ... that they otherwise wish to hire.”

“When taken in the aggregate and replicated across our states,” the letter asserts, “the economic consequences of these restrictions may be significant.”

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[News Index Page](#) | [top](#)

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Departmental: [OAG Home](#) | [Contact OAG](#) | [About OAG](#) | [OAG News](#) | [OAG FAQs](#)

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