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PRESS RELEASE

Three Fast Food Chains Agree to End Use of No-Poach Agreements

AG Healey Leads Multistate Agreements with Burger King, Popeyes, and Tim Hortons to Drop Provisions that Limit Recruitment and Hiring of Fast Food Workers

FOR IMMEDIATE RELEASE:

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The Attorney General's Fair Labor Division

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BOSTON — In a multistate settlement led by Attorney General Maura Healey, three 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.

2018

The agreements with the chains Burger King, Popeyes, and Tim Hortons, which are owned by Restaurant Brands International, are the result of an investigation into national fast food franchises announced <u>July</u>

(/news/ag-healey-leads-multistate-investigation-of-worker-no-poach-agreements-at-national-fast-food) over concerns that no-poach agreements hurt low-wage workers by limiting their ability to secure better paying jobs.

"No-poach agreements are unfair, have led to persistent low wages, and are anticompetitive in nature," said AG Healey. "These settlements will reduce barriers and empower workers to secure better-paying and higher-skill jobs."

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 such provisions 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.

The attorneys general began their investigation in July 2018 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.

In March 2019 (/news/four-fast-food-chains-to-end-use-of-no-poach-agreements), the attorneys general announced they had reached settlements with Dunkin', Arby's, Five Guys, Little Caesars and Panera in which the restaurants agreed to cease using no-poach provisions in their franchise agreements. These franchisors have since reported that all franchisees in the settling states amended their franchise agreements to

remove the no-poach provisions. In the coming months, states will be visiting stores to ensure notices to employees are properly posted.

Wendy's provided confirmation that it never used no-poach provisions in their contracts with franchisees.

Workers who believe that their rights have been violated in their workplace are encouraged to file a complaint at www.mass.gov/ago/fairlabor (/ago/fairlabor). For information about the state's wage and hour laws, workers may call the Office's Fair Labor Hotline at (617) 727-3465 or go to the Attorney General's Workplace Rights website www.mass.gov/ago/fairlabor (/ago/fairlabor) for materials in multiple languages.

Today's coalition included 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.

This matter is being handled by Division Chief Cyndi Mark and Assistant Attorney General Meryum Khan of AG Healey's Fair Labor Division.

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Office of the Attorney General

Attorney General Maura Healey is the chief lawyer and law enforcement officer of the Commonwealth of Massachusetts.



The Attorney General's Fair Labor Division

The Attorney General's Fair Labor Division protects workers from exploitation and sets a level playing field for employers. We enforce wage and hour, public construction, and child labor laws.

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