

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

COMMISSIONERS: **Andrew N. Ferguson, Chairman**
 Mark R. Meador

In the Matter of

Adamas Amenity Services LLC,
a limited liability company,

Adamas Building Services LLC,
a limited liability company,

Adamas Concierge LLC,
a limited liability company,

Adamas Parking Services LLC,
a limited liability company, and

Adamas Security LLC,
a limited liability company.

DECISION AND ORDER
Docket No. C-4830

DECISION

The Federal Trade Commission initiated an investigation of certain acts and practices of Adamas Amenity Services LLC, Adamas Building Services LLC, Adamas Concierge LLC, Adamas Parking Services LLC, and Adamas Security LLC (“Respondents”). The Commission’s Bureau of Competition prepared and furnished to Respondents the Draft Complaint, which it proposed to present to the Commission for its consideration. If issued by the Commission, the Draft Complaint would charge Respondents with violations of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45. Respondents and the Bureau of Competition executed an Agreement Containing Consent Order (“Consent Agreement”) containing (1) an admission by Respondents of all the jurisdictional facts set forth in the Draft Complaint, (2) a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by Respondents that the law has been violated as alleged in the Draft Complaint, or that the facts as alleged in the Draft Complaint, other than jurisdictional facts, are true, (3) waivers and other provisions as required by the Commission’s Rules, and (4) a proposed Decision and Order.

The Commission considered the matter and determined that it had reason to believe that Respondents have violated the said Act, and that a complaint should issue stating its charges in that respect. The Commission accepted the Consent Agreement and placed it on the public record for a period of 30 days for the receipt and consideration of public comments; at the same

time, it issued and served its Complaint. The Commission duly considered any comments received from interested persons pursuant to Commission Rule 2.34, 16 C.F.R. § 2.34. Now, in further conformity with the procedure described in Rule 2.34, the Commission makes the following jurisdictional findings:

1. Adamas Amenity Services LLC is a limited liability company organized, existing, and doing business under, and by virtue of, the laws of the State of New Jersey, with its executive offices and principal place of business at 75 Orient Way # 303, Rutherford, NJ 07070.
2. Adamas Building Services LLC is a limited liability company organized, existing, and doing business under, and by virtue of, the laws of the State of New Jersey, with its executive offices and principal place of business at 75 Orient Way # 303, Rutherford, NJ 07070.
3. Adamas Concierge LLC is a limited liability company organized, existing, and doing business under, and by virtue of, the laws of the State of New Jersey, with its executive offices and principal place of business at 75 Orient Way # 303, Rutherford, NJ 07070.
4. Adamas Parking Services LLC is a limited liability company organized, existing, and doing business under, and by virtue of, the laws of the State of New Jersey, with its executive offices and principal place of business at 75 Orient Way # 303, Rutherford, NJ 07070.
5. Adamas Security LLC is a limited liability company organized, existing, and doing business under, and by virtue of, the laws of the State of New Jersey, with its executive offices and principal place of business at 75 Orient Way # 303, Rutherford, NJ 07070.
6. The Commission has jurisdiction of the subject matter of this proceeding and over Adamas, and the proceeding is in the public interest.

ORDER

I. Definitions

IT IS HEREBY ORDERED that, as used in this Order, the following definitions shall apply:

- A. “Adamas Amenity” means Adamas Amenity Services LLC, its directors, officers, employees, agents, representatives, successors, and assigns; the joint ventures, subsidiaries, partnerships, divisions, groups, and affiliates controlled by Adamas Amenity Services LLC, and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.
- B. “Adamas Building” means Adamas Building Services LLC, its directors, officers, employees, agents, representatives, successors, and assigns; the joint ventures, subsidiaries, partnerships, divisions, groups, and affiliates controlled by Adamas Building

Services LLC, and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.

- C. “Adamas Concierge” means Adamas Concierge LLC, its directors, officers, employees, agents, representatives, successors, and assigns; the joint ventures, subsidiaries, partnerships, divisions, groups, and affiliates controlled by Adamas Concierge LLC, and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.
- D. “Adamas Parking” means Adamas Parking Services LLC, its directors, officers, employees, agents, representatives, successors, and assigns; the joint ventures, subsidiaries, partnerships, divisions, groups, and affiliates controlled by Adamas Parking Services LLC, and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.
- E. “Adamas Security” means Adamas Security LLC, its directors, officers, employees, agents, representatives, successors, and assigns; the joint ventures, subsidiaries, partnerships, divisions, groups, and affiliates controlled by Adamas Security LLC, and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.
- F. “Respondent” means Adamas Amenity, Adamas Building, Adamas Concierge, Adamas Parking, or Adamas Security.
- G. “Respondents” mean Adamas Amenity, Adamas Building, Adamas Concierge, Adamas Parking, and Adamas Security, collectively.
- H. “Adamas Employee” means a Person who provides building services and is employed by, has been employed in the previous six months by, or is in the process of being employed by Respondents in the United States, whether directly or through any corporation, company, business, partnership, subsidiary, division, agent, servant, employee, trade name, or other device.
- I. “Agreement” means any agreement, contract, understanding, or provision or term thereof, whether express or implied, written, or unwritten.
- J. “Commission” means the Federal Trade Commission.
- K. “Customer” means any Person, including building owners and building management companies, with whom a Respondent has or had an Agreement for the provision of building services.
- L. “No-Hire Agreement” means an Agreement between a Respondent and a Customer that restricts, imposes conditions on or otherwise limits the Customer’s or any other Person’s ability to solicit, recruit, or hire an employee, directly or indirectly, either during such employee’s employment by a Respondent or for any period of time after the conclusion

of such employee's employment with a Respondent, including by imposing fees or damages in connection with such conduct.

- M. "Person" means both natural and artificial persons, including corporations, partnerships, and unincorporated entities.

II. Injunction

IT IS FURTHER ORDERED that any Respondent, in connection with its activities in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44, shall cease and desist from, directly or indirectly, entering or attempting to enter into, maintaining or attempting to maintain, enforcing or attempting to enforce, or threatening to enforce a No-Hire Agreement, or communicating to any prospective or current Customer or any other Person that any employee is or may be subject to a No-Hire Agreement.

III. Notice to Customers and Adamas Employees

IT IS FURTHER ORDERED that Respondents shall:

- A. No later than 30 days from the date this Order is issued, deliver to each Customer that is subject to a No-Hire Agreement or has been subject to a No-Hire Agreement in the last 3 years from the date this Order is issued a letter in the form of Appendix A. Respondents shall deliver said letter to each Customer:
1. By U.S. Mail, return receipt requested; or
 2. Via email transmittal with proof of a read-receipt; or
 3. Hand delivered with proof of delivery.
- B. No later than 30 days from the date this Order is issued, deliver to each Adamas Employee that is subject to a No-Hire Agreement a letter in the form of Appendix B. Respondents shall deliver said letter to each Employee by name:
1. By U.S. Mail, return receipt requested; or
 2. Via email transmittal with proof of a read-receipt; or
 3. Hand delivered with proof of delivery.
- C. No later than 30 days from the date this Order is issued, and continuing for the duration of this Order, post clear and conspicuous notice: (1) in the documentation, electronic or otherwise, provided to each new Adamas Employee upon hire; and (2) in any shared employee space such as a break room, including posting on any union bulletin board in any Adamas Employee space that states:

"IMPORTANT: Your employment with Adamas in this position is not and will not be subject to a No-Hire Agreement. This means that:

- You may seek or accept a job with the building owner directly.

- You may seek or accept a job with any company, including our competitors, that replace us at your building site.”
- D. Provide notice pursuant to Paragraphs III.A and III.B in English and Spanish.

IV. Compliance Obligations

IT IS FURTHER ORDERED that Respondents shall:

- A. Immediately cease enforcing all existing No-Hire Agreements, and not require any Person who is party to an existing No-Hire Agreement to pay any fees or penalties relating to a No-Hire Agreement.
- B. No later than 30 days after the date on which this Order is issued, provide a copy of this Order and the Complaint to Respondents’ directors, officers, and employees with responsibility for hiring or recruitment of Adamas Employees or negotiating Customer contracts in the United States.
- C. For a period of 10 years from the date this Order is issued, provide a copy of this Order and the Complaint to any Person who becomes a director, officer, or employee of Respondents with responsibility for hiring or recruitment of Adamas Employees or negotiating Customer contracts in the United States, and provide such copies within 30 days of the commencement of such Person’s employment or term as a director or officer.
- D. Require each Person to whom a copy of this Order is furnished pursuant to Paragraphs IV.B and IV.C above to sign and submit to Respondents within 30 days of the receipt thereof a statement that (1) represents that the undersigned has read the Order, and (2) acknowledges that the undersigned has been advised and understands that non-compliance with the Order may subject Respondents to penalties for violation of the Order.
- E. For a period of 5 years after taking each action obligated by Paragraphs IV.A-D of this Order, retain documents and records sufficient to record Respondents’ compliance with said obligations.

V. Compliance Reports

IT IS FURTHER ORDERED that Respondents shall file verified written reports (“Compliance Reports”) in accordance with the following:

- A. Respondents shall submit:
 - 1. Interim Compliance Reports 30 days after the date this Order is issued, and then 150 days thereafter for the first year;
 - 2. Annual Compliance Reports one year after the date this Order is issued, and

annually for the next 9 years on the anniversary of that date; and

3. Additional Compliance Reports as the Commission or its staff may request.
- B. Each Compliance Report shall contain sufficient information and documentation to enable the Commission to determine independently whether each Respondent is in compliance with this Order. Conclusory statements that Respondents have complied with their obligations under the Order are insufficient. Respondents shall include in their reports, among other information or documentation that may be necessary to demonstrate compliance, (1) a full description of the measures each Respondent has implemented and plans to implement to comply with each paragraph of this Order, including a list of all persons who received the notice required by Paragraphs III.A and III.B of this Order, together with proof of service of the notice (which service may be satisfied by sending the notice via email, as described in Paragraphs III.A and III.B) and (2) upon the Commission's request, a copy of any Customer agreement that any Respondent enters or implements after execution of the Consent Agreement.
 - C. For a period of 5 years after filing a Compliance Report, Respondents shall retain all material written communications with each party identified in each Compliance Report as required by Paragraph V.B and all non-privileged internal memoranda, reports, and recommendations concerning fulfilling Respondents' obligations under this Order during the period covered by such Compliance Report. Respondents shall provide copies of these documents to Commission staff upon request.
 - D. Respondents shall verify each Compliance Report in the manner set forth in 28 U.S.C. § 1746 by the Chief Executive Officer or another officer or employee specifically authorized to perform this function. Respondents shall file its Compliance Reports with the Secretary of the Commission at ElectronicFilings@ftc.gov and the Compliance Division at bccompliance@ftc.gov; as required by Commission Rule 2.41(a), 16 C.F.R. § 2.41(a).

VI. Change in Respondents

IT IS FURTHER ORDERED that Respondents shall notify the Commission at least 30 days prior to:

- A. The dissolution of Adamas Amenity Services LLC, Adamas Building Services LLC, Adamas Concierge LLC, Adamas Parking Services LLC, Adamas Security LLC;
- B. The acquisition, merger, or consolidation of Adamas Amenity Services LLC, Adamas Building Services LLC, Adamas Concierge LLC, Adamas Parking Services LLC, Adamas Security LLC; or
- C. Any other change in each Respondent, including assignment and the creation, sale, or dissolution of subsidiaries, if such change might affect compliance obligations arising out of this Order.

VII. Access

IT IS FURTHER ORDERED that, for the purpose of determining or securing compliance with this Order, and subject to any legally recognized privilege, and upon written request and upon 5 days' notice to Respondents that Respondents shall, without restraint or interference, permit any duly authorized representative of the Commission:

- A. Access, during business office hours of Respondents and in the presence of counsel, to all facilities and access to inspect and copy all books, ledgers, accounts, correspondence, memoranda and all other records and documents in the possession, or under the control, of Respondents related to compliance with this Order, which copying services shall be provided by Respondents at their expense; and
- B. To interview directors, officers, or employees of Respondents, who may have counsel present, regarding such matters.

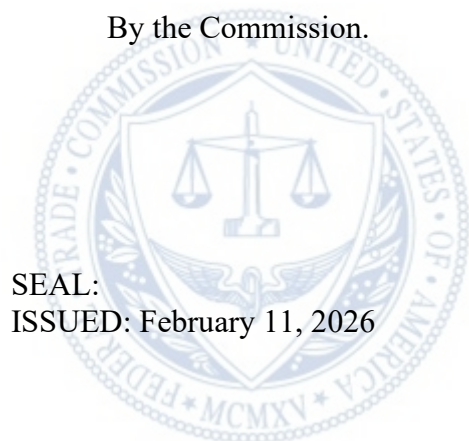
VIII. Purpose

IT IS FURTHER ORDERED that the purpose of this Order is to remedy the harm to competition the Commission alleged in its Complaint and to prevent each Respondent from entering into, attempting to enter into, maintaining or attempting to maintain, enforcing or attempting to enforce, or threatening to enforce a No-Hire Agreement.

IX. Term

IT IS FURTHER ORDERED that this Order shall terminate 10 years from the date it is issued.

By the Commission.



April J. Tabor
Secretary

APPENDIX A

[Letter to Customer]

[Adamas letterhead]

[Name and email address of Customer]

VIA U.S. MAIL, EMAIL, or HAND DELIVERED

Re: No-Hire Agreements in Contracts with Adamas Amenity Services LLC, Adamas Building Services LLC, Adamas Concierge LLC, Adamas Parking Services LLC, Adamas Security LLC

Dear [name of Customer]:

You are receiving this letter because you are an existing customer of Adamas or have been a customer of Adamas in the last three years, and may be affected by a Consent Order that we have entered into with the United States Federal Trade Commission (“Commission”).

We at times in the past included no-hire language in our contracts that may have limited our customers from directly or indirectly soliciting or hiring Adamas employees during or after their employment with Adamas. As of [X], all no-hire agreements in our customer contracts are null and void. You and any other building services contractor you may hire are no longer subject to the restrictions or penalties related to the no-hire agreements in our contracts.

The Commission has been investigating the use of no-hire agreements in the building services industry. As part of this investigation, Adamas agreed to enter into a consent agreement with the Commission. The Commission has alleged that Adamas’ use of no-hire agreements in its contracts with its customers restricts job mobility, harms competition, and is unlawful.

How the FTC Order Affects You

The FTC Order requires us to:

1. Agree not to enforce all no-hire agreements in contracts with current or former customers;
2. Stop including no-hire agreements in our future contracts; and
7. Notify Customers that are currently subject to a no-hire agreement or that had been subject to a no-hire agreement in the last 3 years of the foregoing.

Where To Get More Information

To learn more about this case, please read the FTC Order or visit [URL that goes to the ftc.gov

press release]. This letter summarizes the main points of the matter, but the only official source of information is the FTC Order. The FTC Order reflects an agreement between the FTC and Adamas that voluntarily settles the FTC's allegations. The FTC Order does not constitute an admission by Adamas that it has violated the law or that any of the facts alleged by the FTC regarding Adamas' conduct are true.

If you have concerns about whether Adamas is complying with its obligations under the Order—or questions about how the Order applies to you or your colleagues—contact [X] counsel for Adamas at [phone number], [email address], or FTC representative, Victoria Lippincott, at (202) 326-2983, vlippincott@ftc.gov.

Sincerely,

[name and title]

APPENDIX B

[Letter to Employee]

[Adamas letterhead]

[Name and email address of Employee]

VIA U.S. MAIL, EMAIL, or HAND DELIVERED

Re: Your Ability to Seek Employment with other Companies

Dear [name of Employee]:

You are receiving this letter because you are an employee who may be affected by a Consent Order that we have entered into with the Federal Trade Commission (“Commission”).

As you may know, Adamas included no-hire agreements in our customer contracts that did not allow our customers—the owners of the buildings where you work—or another company that may win the customer’s business from Adamas (our competitors) to solicit or hire Adamas employees during their employment with Adamas. As of [X], Adamas either rescinded all no-hire agreements in our customer contracts or will no longer enforce the no-hire agreements in our customers contracts.

The Commission has been investigating the use of no-hire agreements in the building services industry. As part of this investigation, Adamas voluntarily entered into a settlement agreement with the Commission. The Commission has alleged that Adamas’ use of no-hire agreements with its customers restricts job mobility, harms competition, and is unlawful. Any no-hire agreement that may have affected your employment is now null and void.

How the FTC Order Affects You

The FTC Order requires us to:

1. Agree not to enforce no-hire agreements in contracts with current or former customers;
2. Not include no-hire agreements in our future contracts; and
3. Release current customers from the no-hire agreements that Adamas has in place so that you may work directly for our customers or for anyone else in the building services industry.

Where To Get More Information

To learn more about this case, please read the attached FTC Order or visit [URL that goes to the [ftc.gov](https://www.ftc.gov) press release]. This letter summarizes the main points of the matter, but the only official

source of information is the FTC Order. The FTC Order reflects an agreement between the FTC and Adamas that voluntarily settles the FTC's allegations. The FTC Order does not constitute an admission by Adamas that it has violated the law or that any of the facts alleged by the FTC regarding Adamas' conduct are true.

If you have concerns about whether Adamas is complying with its obligations under the Order—or questions about how the Order applies to you or your colleagues—contact [X], Adamas' counsel, at [phone number], [email address], or the FTC representative, Victoria Lippincott, at (202) 326-2983, vlippincott@ftc.gov.

Sincerely,

[name and title]