

Recent Developments on Sufficient Consideration for Employee Non-Compete Agreements

A blog posting by **Sheppard, Mullin, Richter & Hampton** discusses the varying state laws regarding sufficient consideration for non-compete agreements signed at both the outset and during employment as well as other recent attacks on non-competes and restrictive covenants generally.

“Like other contracts, non-compete and restrictive covenant agreements must be supported by adequate and sufficient consideration at the time of execution. However, what constitutes adequate consideration for a restrictive covenant, especially a non-compete provision, varies from state to state,” write **Mikela Sutrina** and **Kevin Cloutier**.

Although some states will consider continued employment at the outset of the employment relationship sufficient consideration for an at-will non-compete, some states – for example, North Carolina, Montana, South Carolina, Oregon, Texas, Washington, and Wyoming – have expressly held that continued employment is insufficient consideration to support a non-compete entered into midstream of employment, the authors explain.

Read the article.