NY Attorney General Sends a Message: Re-Think Non-Compete Agreements



Image by NY Photographic

Barbara E. Hoey and **Dustin E. Stark** of **Kelley Drye**'s Labor and Employment group have a warning for New York employers – your non-compete agreements may be under attack.

In **an article** published on the firm's Labor Day blog, the authors wrote that the office of the state's attorney general recently reached settlements with two companies that require each to stop requiring incoming employees to sign non-compete agreements.

"The settlements clearly send a signal that the New York AG is critical of employers who require low-level employees to sign non-competes as a condition of employment. These agreements were never favored by New York courts, and this may be the time to re-think the broad use of such contracts," according to the report.

"The take-away here is that if your company requires that all (or a large number of) employees sign non-compete agreements, you should re-examine this process. For one, a non-compete signed by a 'low-level' employee may not be enforceable anyway. Second, you do not want to wind up to be the next subject of an AG investigation," they write.

Read the article.