

Preserve Confidential Information – Secure Customer & Employee Relationships – Safeguard Goodwill Service

Believe it or not, the Federal Trade Commission ("FTC") has issued a proposed rule that would ban all noncompetition agreements and put other restrictive employment covenants at risk, including non-solicitation of customers, non-hire of employees, and confidential/proprietary business information covenants (details <u>here</u>). Now the federal government is joining the sea change against non-competition agreements that we have seen in state laws and the courts. Your organization's legitimate business interests are at risk and the stakes are high. No worries, we will help your organization preserve confidential information, secure customer relationships and safeguard good will with our easy-to-use solution.

How Our Service Works:

- Your team will forward all existing restrictive employment covenants to our team for assessment: noncompetition covenants; non-solicitation of customers covenants; non-solicitation/non-hire of employees covenants; and confidential/proprietary information protection covenants. Those covenants can be found in employment agreements, in personnel policies, employee handbooks and in offer letters just to name a few.
- We will then schedule and hold a telephone conference with your team to review the new Administrative Agency (FTC) regulation/law, assess your organization's protectable business interests and define your goals and priorities in order to determine which restrictive employment covenants will be maintained moving forward in compliance with the new Rule.
- We will then review your current restrictive employment covenants and prepare redlined edits identifying our recommended changes and amendments to achieve compliance with the new Rule and ensure protection of your business interests. The redlined documents that we send back to your team will include our legal opinion that each complies with the new Rule and are designed to maximize the protection of your confidential/proprietary information, customer relationships and good will.
- Your team will have peace of mind knowing that all permissible steps have been taken to protect your business interests.

There are four types of restrictive employment covenants that are designed to protect legitimate business interests:

- 1) *Non-competition* A commitment from an employee not to compete during and for a period of time after employment ends;
- 2) *Non-solicitation of customers* A commitment from an employee not to solicit current customers/clients of a business/organization while employed and for a period of time after employment ends;
- 3) *Non-solicitation of employees* A commitment from an employee not to recruit or hire away the coworkers that they work with while employed and for a defined period after employment ends by a former employer; and
- 4) *Confidentiality covenants* A commitment by an employee to protect defined confidential information while employed and after the employment relationship ends.

Please contact us for more information on this service. We can help.

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