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UPDATE

FTC BAN ON NON-COMPETE AGREEMENTS INVALIDATED

A federal court has halted the implementation of a Federal Trade Commission rule that would have largely banned the enforcement of non-compete agreements between employers and employees. That rule would have gone into effect on September 4.

For now, there is no reason for employers to change their policies or their agreements with employees. However, the court's decision will almost certainly be the subject of additional judicial scrutiny and other agencies are also considering ways to limit non-compete provisions.

As a result, employers should keep abreast of developments and have contingency plans regarding potential future rule-making or judicial decisions on this subject.

Contacting Pavia & Harcourt LLP

Questions regarding matters discussed in this publication should be directed to Adam Mitzner at amitzner@pavialaw.com.

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