



June 8, 2016

MADIGAN SUES JIMMY JOHN'S FOR IMPOSING UNLAWFUL NON-COMPETE AGREEMENTS ON SANDWICH MAKERS AND DELIVERY DRIVERS***Attorney General Files Suit Against Jimmy John's Corporate Entities for Unfair Labor Practice***

Chicago — Attorney General Lisa Madigan filed a lawsuit today against Jimmy John's two corporate entities – Jimmy John's Enterprises LLC and Jimmy John's Franchise LLC – for imposing highly restrictive non-compete agreements on its employees, including low-wage sandwich shop employees and delivery drivers whose primary job tasks are to take food orders and make and deliver sandwiches. Between its franchise and corporate-owned locations, Jimmy John's operates nearly 300 sandwich shops in Illinois.

"Preventing employees from seeking employment with a competitor is unfair to Illinois workers and bad for Illinois businesses," Madigan said. "By locking low-wage workers into their jobs and prohibiting them from seeking better paying jobs elsewhere, the companies have no reason to increase their wages or benefits."

Madigan's suit alleges the companies required all employees to sign a non-compete agreement, which the company claims is covered by copyright, as a condition of employment. The agreement restricts employees during their employment and for two years afterward from working in any other business that earns more than 10 percent of its revenue from selling "submarine, hero-type, deli-style, pita, and/or wrapped or rolled sandwiches." Under the terms of the non-compete agreement, this work restriction applies to any sandwich business located within three miles of any Jimmy John's Sandwich Shop in the country. A later and nearly identical version of the non-compete agreement, also purportedly covered by copyright, modified the geographic limitation to two miles around any Jimmy John's Sandwich Shop in the country.

Madigan's lawsuit alleges the agreement is illegal and unenforceable under Illinois law. A copy of the complaint can be found [here](#).

Under Illinois law, non-compete agreements must be premised on a legitimate business interest and narrowly tailored in terms of time, activity and place. Madigan's office has been investigating Jimmy John's use of non-compete agreements for low-wage sandwich shop employees. Jimmy John's two corporate entities initially stated they had ceased using non-competition agreements in April 2015, but later amended their response and revealed the change in corporate policy was not implemented or communicated to corporate-owned sandwich shops, employees or franchisees. Madigan is seeking a declaratory judgment that the agreements are unenforceable, void and rescinded. Madigan's office also is investigating other companies that have unlawfully imposed similarly restrictive non-compete agreements.

The lawsuit is being handled by Madigan's Workplace Rights Bureau, and Assistant Attorneys General Jane Flanagan, Anna Crane and John Wolfsmith. The mission of the Workplace Rights Bureau is to protect and advance the employment rights of Illinois residents, particularly low and moderate-income and immigrant residents.

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