

**UNITED STATES OF AMERICA  
BEFORE THE FEDERAL TRADE COMMISSION**

**COMMISSIONERS:**

**Lina, M. Khan, Chair  
Rebecca Kelly Slaughter  
Alvaro M. Bedoya  
Melissa Holyoak  
Andrew Ferguson**

In the Matter of

**Planned Building Services, Inc.,**  
a corporation,

**Planned Lifestyle Services, Inc.,**  
a corporation,

**Planned Security Services, Inc.,**  
a corporation, and

**Planned Technologies Services, Inc.,**  
a corporation.

**DECISION AND ORDER  
Docket No. C-[XXXX]**

**DECISION**

The Federal Trade Commission initiated an investigation of certain acts and practices of Planned Building Services, Inc., Planned Lifestyle Services Inc., Planned Security Services, Inc., and Planned Technologies Services, Inc. (individually or collectively, “Planned” or “Respondents”). The Commission’s Bureau of Competition prepared and furnished to Respondents the Draft Complaint, which it proposed to present to the Commission for its consideration. If issued by the Commission, the Draft Complaint would charge Respondents with violations of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45 (the “Act”). Respondents and the Bureau of Competition executed an Agreement Containing Consent Order (“Consent Agreement”) containing (1) an admission by Respondents of all the jurisdictional facts set forth in the Draft Complaint, (2) a statement that the signing of said Consent Agreement is for settlement purposes only and does not constitute an admission by Respondents that the law has been violated as alleged in the Draft Complaint, or that the facts as alleged in the Draft Complaint, other than jurisdictional facts, are true, (3) waivers and other provisions as required by the Commission’s rules, and (4) a proposed Decision and Order.

The Commission considered the matter and determined that it had reason to believe that Respondents have violated the Act, and that a Complaint should issue stating its charges in that respect. The Commission accepted the Consent Agreement and placed it on the public record for

a period of 30 days for the receipt and consideration of public comments; at the same time, it issued and served its Complaint. The Commission duly considered any comments received from interested persons pursuant to Commission Rule 2.34, 16 C.F.R. § 2.34. Now, in further conformity with the procedure described in Commission Rule 2.34, the Commission makes the following jurisdictional findings:

1. Respondent Planned Building Services, Inc. is a corporation organized, existing, and doing business under, and by virtue of, the laws of New Jersey, with its executive offices and principal place of business at 150 Smith Road, Parsippany, New Jersey 07054.
2. Respondent Planned Lifestyle Services, Inc. is a corporation organized, existing, and doing business under, and by virtue of, the laws of New Jersey, with its executive offices and principal place of business at 150 Smith Road, Parsippany, New Jersey 07054.
3. Respondent Planned Security Services, Inc. is a corporation organized, existing, and doing business under, and by virtue of, the laws of New Jersey, with its executive offices and principal place of business at 150 Smith Road, Parsippany, New Jersey 07054.
4. Respondent Planned Technologies Services, Inc. is a corporation organized, existing, and doing business under, and by virtue of, the laws of New Jersey, with its executive offices and principal place of business at 150 Smith Road, Parsippany, New Jersey 07054.
5. The Commission has jurisdiction of the subject matter of this proceeding and over Respondents, and the proceeding is in the public interest.

## **ORDER**

### **I. Definitions**

**IT IS HEREBY ORDERED** that, as used in this Order, the following definitions shall apply:

- A. “Planned Building Services” means Planned Building Services, Inc., its directors, officers, employees, agents, representatives, successors, and assigns; and the joint ventures, subsidiaries, partnerships, divisions, groups, and affiliates controlled by Planned Building Services, Inc., and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.
- B. “Planned Lifestyle Services” means Planned Lifestyles Services, Inc., its directors, officers, employees, agents, representatives, successors, and assigns; and the joint ventures, subsidiaries, partnerships, divisions, groups, and affiliates controlled by Planned Lifestyle Services, Inc., and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.
- C. “Planned Security Services” means Planned Security Services, Inc., its directors, officers,

employees, agents, representatives, successors, and assigns; and the joint ventures, subsidiaries, partnerships, divisions, groups, and affiliates controlled by Planned Security Services, Inc., and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.

- D. “Planned Technologies Services” means Planned Technologies Services, Inc., its directors, officers, employees, agents, representatives, successors, and assigns; and the joint ventures, subsidiaries, partnerships, divisions, groups, and affiliates controlled by Planned Technologies Services, Inc., and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.
- E. “Agreement” means any agreement, contract, understanding, or provision or term thereof, whether express or implied, written, or unwritten.
- F. “Commission” means the Federal Trade Commission.
- G. “Customer” means any Person, including building owners and building management companies, with whom Planned has or had an Agreement for the provision of building services performed by a Relevant Planned Employee.
- H. “No-Hire Agreement” means an Agreement between a Respondent and a Customer that restricts, imposes conditions on or otherwise limits the Customer’s or any other Person’s ability to solicit, recruit, or hire a Relevant Planned Employee, directly or indirectly, either during such Relevant Planned Employee’s employment by a Respondent or for any period of time after the conclusion of such Relevant Planned Employee’s employment with a Respondent, including by imposing fees or damages in connection with such conduct.
- I. “Person” means both natural and artificial persons, including corporations, partnerships, and unincorporated entities.
- J. “Planned” or “Respondents” means Planned Building Services, Planned Lifestyle Services, Planned Security Services, and Planned Technologies Services.
- K. “Relevant Planned Employee” means a Person who provides building services and is subject to a No-Hire Agreement in the United States as of the date Respondents sign the Agreement Containing Consent Order, whether directly or through any corporation, company, business, partnership, subsidiary, division, agent, servant, employee, trade name, or other device.

## **II. Injunction**

**IT IS FURTHER ORDERED** that Respondents, in connection with their activities in or affecting commerce, as “commerce” is defined in Section 4 of the Federal Trade Commission

Act, 15 U.S.C. § 44, shall cease and desist from, directly or indirectly, entering into, maintaining or enforcing a No-Hire Agreement, or communicating to any prospective or current Customer or any other Person that any employee is subject to a No-Hire Agreement.

### **III. Notice to Customers and Relevant Planned Employees**

**IT IS FURTHER ORDERED** that Respondents shall:

- A. No later than 30 days from the date this Order is issued, deliver to each Customer that is subject to a No-Hire Agreement or has been subject to a No-Hire Agreement in the last 3 years from the date this Order is issued a letter in the form of Appendix A. Respondents shall deliver said letter to each Customer:
  1. By U.S. Mail, return receipt requested; or
  2. Via email transmittal with a proof of a read-receipt; or
  3. Hand delivered with proof of delivery.
  
- B. No later than 30 days from the date this Order is issued, deliver to each Relevant Planned Employee a letter in the form of Appendix B. Respondents shall deliver said letter to each Relevant Planned Employee:
  1. By U.S. Mail, return receipt requested, in envelopes addressed to the employee by name; or
  2. Via email transmittal with a proof of a read-receipt; or
  3. Hand delivered with proof of delivery.
  
- C. No later than 30 days from the date this Order is issued, and continuing for the duration of this Order, post clear and conspicuous notice: (1) in documents, electronic or otherwise, provided to each new employee upon hire; and (2) in any shared employee space used by Respondents or current Customers in the ordinary course of business to post legally-required notices or other notices to employees, that states:

“IMPORTANT: Your employment with Planned in this position is not and will not be subject to a No-Hire Agreement. This means that:

  - You may seek or accept a job with the building owner directly.
  - You may seek or accept a job with any company, including our competitors, that replace us at your building site.
  
- D. Provide notice pursuant to Paragraph III.B and III.C in English and Spanish.

#### **IV. Compliance Obligations**

**IT IS FURTHER ORDERED** that Respondents shall:

- A. Immediately cease enforcing all existing No-Hire Agreements, and not require any Person who is party to an existing No-Hire Agreement to pay any fees or penalties relating to a No-Hire Agreement.
- B. No later than 30 days after the date on which this Order is issued, provide a copy of this Order and the Complaint to Respondents' directors, officers, and employees with responsibility for hiring or recruitment of employees or negotiating Customer contracts in the United States.
- C. For a period of 10 years from the date this Order is issued, provide a copy of this Order and the Complaint to any Person who becomes a director, officer, or employee of Respondents with responsibility for hiring or recruitment of employees or negotiating Customer contracts in the United States, and provide such copies within 30 days of the commencement of such Person's employment or term as a director or officer.
- D. Require each Person to whom a copy of this Order is furnished pursuant to Paragraphs IV.B and IV.C to sign and submit to Respondents within 30 days of the receipt thereof a statement that (1) represents that the undersigned has read the Order, and (2) acknowledges that the undersigned has been advised and understands that non-compliance with the Order may subject Respondents to penalties for violation of the Order.
- E. For a period of 5 years after taking each action required by Paragraphs IV.A-D of this Order, Respondents shall retain documents and records sufficient to record Respondents' compliance with said obligations.

#### **V. Compliance Reports**

**IT IS FURTHER ORDERED** that Respondents shall file verified written reports ("Compliance Reports") in accordance with the following:

- A. Respondents shall submit:
  - 1. Interim Compliance Reports 30 days after the date this Order is issued, and then one report 6 months after the date the Order is issued;
  - 2. Annual Compliance Reports one year after the date this Order is issued, and annually for the next 9 years on the anniversary of that date; and
  - 3. Additional Compliance Reports as the Commission or its staff may request.
- B. Each Compliance Report shall contain sufficient information and documentation to

enable the Commission to determine independently whether Respondents are in compliance with this Order. Conclusory statements that Respondents have complied with their obligations under the Order are insufficient. Respondents shall include in their reports, among other information or documentation that may be necessary to demonstrate compliance, (1) a full description of the measures Respondents have implemented and plan to implement to comply with each paragraph of this Order, including a list of all Persons who received the notice required by Paragraphs III.A and III.B of this Order, together with proof of service of the notice (which service may be satisfied by sending the notice via email, as described in Paragraphs III.A and III.B) and (2) upon the Commission's request, a copy of any Customer agreement that Respondents enter or implement after execution of the Consent Agreement.

- C. For a period of 5 years after filing a Compliance Report, Respondents shall retain all material written communications with each party identified in each Compliance Report as required by Paragraph V.B and all non-privileged internal memoranda, reports, and recommendations concerning fulfilling Respondents' obligations under this Order during the period covered by such Compliance Report. Respondents shall provide copies of these documents to Commission staff upon request.
- D. Respondents shall verify each Compliance Report in the manner set forth in 28 U.S.C. §1746 by the Chief Executive Officer or another officer or employee specifically authorized to perform this function. Respondents shall file their Compliance Reports with the Secretary of the Commission at [ElectronicFilings@ftc.gov](mailto:ElectronicFilings@ftc.gov) and the Compliance Division at [bccompliance@ftc.gov](mailto:bccompliance@ftc.gov); as required by Commission Rule 2.41(a), 16 C.F.R. §2.41(a).

## **VI. Change in Respondents**

**IT IS FURTHER ORDERED** that Respondents shall notify the Commission at least 30 days prior to:

- A. The dissolution of Planned Building Service, Inc., Planned Lifestyle Services Inc., Planned Security Services, Inc., or Planned Technologies Services, Inc.;
- B. The acquisition, merger, or consolidation of Planned Building Service, Inc., Planned Lifestyle Services Inc., Planned Security Services, Inc., or Planned Technologies Services, Inc.; or
- C. Any other change in Respondents, including assignment and the creation, sale, or dissolution of subsidiaries, if such change might affect compliance obligations arising out of this Order.

## **VII. Access**

**IT IS FURTHER ORDERED** that, for the purpose of determining or securing compliance with this Order, and subject to any legally recognized privilege, and upon written

request and upon 5 days' notice to Respondents, that Respondents shall, without restraint or interference, permit any duly authorized representative of the Commission:

- A. Access, during business office hours of Respondents and in the presence of counsel, to all facilities and access to inspect and copy all books, ledgers, accounts, correspondence, memoranda and all other records and documents in the possession, or under the control, of Respondents related to compliance with this Order, which copying services shall be provided by Respondents at their expense; and
- B. To interview directors, officers, or employees of Respondents, who may have counsel present, regarding such matters.

**VIII. Purpose**

**IT IS FURTHER ORDERED** that the purpose of this Order is to remedy the harm to competition the Commission alleged in its Complaint and to prevent Respondents from entering into, maintaining, or enforcing a No-Hire Agreement.

**IX. Term**

**IT IS FURTHER ORDERED** that this Order shall terminate 10 years from the date it is issued.

By the Commission

April J. Tabor  
Secretary

SEAL:

ISSUED:

## APPENDIX A

[Letter to Customer]

[Respondent Planned letterhead]

Dear Customer:

VIA U.S. MAIL, EMAIL, or HAND DELIVERED

Re: No-Hire Agreements in Contracts with Planned Companies.

Dear Customer:

You are receiving this letter because you are an existing customer of Planned Building Services, Inc., Planned Lifestyle Services, Inc., Planned Security Services, Inc., or Planned Technologies Services, Inc., d/b/a Planned Companies, or have been a customer of Planned Companies in the last three years, and may be affected by a Consent Order that we have entered into with the United States Federal Trade Commission (“Commission”).

We sometimes included no-hire agreements in our contracts that restricted our customers from directly or indirectly soliciting or hiring Relevant Planned Employees during or after their employment with Planned without paying a penalty. As of \_\_\_\_\_, all no-hire agreements in our customer contracts are null and void, and you, and any subsequent building services contractor you may hire are no longer subject to the restrictions or penalties related to the no-hire agreements in our contracts.

The Commission has been investigating the use of no-hire agreements in the building services industry. As part of this investigation, Planned entered into a settlement agreement with the Commission. The Commission has alleged that Planned’s use of no-hire agreements in its contracts with its customers restricts job mobility, harms competition, and is unlawful.

### **How the FTC Order Affects You**

The FTC Order requires us to:

1. Cease enforcing all no-hire agreements in our customer contracts;
2. Stop including no-hire agreements in our customer contracts; and
3. Notify Customers that are currently subject to a no-hire agreement or that had been subject to a no-hire agreement in the last 3 years of the foregoing.

### **Where To Get More Information**

To learn more about this case, please read the attached FTC Order or visit [URL that goes to the

ftc.gov press release]. This letter summarizes the main points of the matter, but the only official source of information is the FTC Order. The FTC Order reflects an agreement between the FTC and Planned that settles the FTC's allegations. It does not constitute an admission by Planned that it has violated the law or that any of the facts alleged by the FTC regarding Planned's conduct are true.

If you have concerns about whether Planned is complying with its obligations under the Order – or questions about how the Order applies to you or your colleagues – contact [ ] counsel for Planned at [phone number], [email address], or the following FTC representatives: Victoria Lippincott, (202) 326-2983, vlippincott@ftc.gov, or Jacqueline Mendel, (202) 326-2603, jmendel@ftc.gov.

Sincerely,

[name and title]

## **APPENDIX B**

**[Letter to Employee]**

**[Respondent Planned letterhead]**

Current or Former Planned Employee:

VIA U.S. MAIL, EMAIL, or HAND DELIVERED

Re: Your Ability to Seek Employment with other Companies

Dear Employee:

You are receiving this letter because you are an employee affected by a Consent Order that we have entered into with the Federal Trade Commission (“Commission”).

As you may know, Planned included no-hire agreements in our customer contracts that did not allow our customers (the owners of the buildings where you work) to solicit or hire you during your employment with Planned, or for up to 6 months after your employment with Planned has ended, without the customer having to pay a penalty. As of \_\_\_\_\_, we have either canceled all no-hire agreements in our customer contracts or will no longer enforce the no-hire agreements.

The Commission has been investigating the use of no-hire agreements in the building services industry. As part of this investigation, Planned entered into a settlement agreement with the Commission. The Commission has alleged that Planned’s use of no-hire agreements with its customers restricts job mobility, harms competition, and is unlawful. A no-hire agreement that may have affected your employment is now null and void.

### **How the FTC Order Affects You**

The FTC Order requires us to:

1. Cease enforcement of no-hire agreements in our customer contracts;
2. Stop including no-hire agreements in our customer contracts; and
3. Release Planned’s Customers from the no-hire agreements that Planned currently has the ability to enforce so that Customers or any building servicing company succeeding Planned at any property may hire Planned employees without the customer incurring a penalty.

### **Where To Get More Information**

To learn more about this case, please read the attached FTC Order or visit [URL that goes to the ftc.gov press release]. This letter summarizes the main points of the matter, but the only official source of information is the FTC Order. The FTC Order reflects an agreement between the FTC and Planned that settles the FTC's allegations. It does not constitute an admission by Planned that it has violated the law or that any of the facts alleged by the FTC regarding Planned's conduct are true.

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Sincerely,

[name and title]