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Rep. William Brownsberger Room 276 Rep. Lori Ehrlich Room 472 State House Boston, MA 02133

Re: MELA Endorses House No. 4604, An Act to Prohibit Restrictive Employment Covenants

Dear Rep. Brownsberger and Rep. Ehrlich:

The Massachusetts Employment Lawyers Association is please to endorse H4607, to limit the use and enforcement of non-competition agreements. Non-competition agreements have a devastating effect on employees and their families, and they have been over-used. The present law has stifled ordinary competition in the marketplace and has precluded innovation.

The bill would reduce the most abusive types of covenants by limiting them to a one year restriction, and preventing their imposition on employees earning less than \$75,000. Adequate consideration would be required, as would be clear notice of the limitations imposed. Finally, employers would be required to pay attorneys fees, to the extent that they sought to improperly prevent people from earning a living.

The burden would be placed on employers to word their agreements narrowly to protect only their legitimate business interests.

To be sure, non-competition agreements arising from the sale of a business are valid, and justified instruments, and these agreements are not precluded by H4607. Likewise, current State and Federal laws prohibit the improper use of trade secrets, confidential information, and intellectual property; these justified

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and necessary protections are undiminished by this bill. Finally, current law permitting the use of reasonable non-disclosure and non-solicitation contracts would not be disturbed.

However, the status quo on non-compete law is unacceptable, as workers are being unnecessarily chilled out of the job market, in during this rough economy. Their skills and qualifications are being wasted, and ambitious and productive workers are moving to California, which refuses to recognize such agreements. In the long run, this legislation is good for workers and good for business.

Thank you for supporting this bill, and for the open process in which this legislation was prepared. Feel free to contact me with any questions.

Sincerely,

Robert S. Mantell

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