



Employee Non-Compete a New Requirement in Business Acquisition

Published May 2, 2012

When Is Your Continued Employment Contingent Upon Signing a Non-Compete Agreement?

Halifax Media Group recently bought a chain of newspapers known as the New York Times Regional Media Group. With the business acquisition came the requirement of Regional Media Group employees to sign a non-compete agreement. It seemed like a logical business decision. While The New York Times Co. and Halifax Media Holdings, LLC were busy striking the deal, it brought some sleepless nights for quite a few New York Times media employees. Two days after Christmas the New York Times Co. informed its employees that the New York Times Regional Media Group (“NYTRMG”) was being sold to Halifax Media Group (“Halifax”), owner of the Daytona Beach News-Journal. **The Good News:** Current employees would have the option of continued employment with Halifax. **The Bad News:** Continued employment with Halifax was conditional on NYTRMG employees signing a non-compete agreement. The agreement would prohibit an employee whose employment with Halifax was terminated, voluntarily or non-voluntarily, to become employed with a competing media company for two years. This applies to any media company working in print, on the air, or online that works in a market that Halifax serves or plans to serve. Essentially, even if an employee was fired from Halifax, the non-compete agreement would prevent journalists and employees from working for any media enterprise in that city. However, the sixteen newspapers being sold to Halifax are located in the states of Alabama, California, Florida, Louisiana, North Carolina, and South Carolina, all of which have varying laws regarding the validity and enforcement of non-competition agreements. These differences in laws immediately raised questions about the applicability and effectiveness of the non-compete agreement to all newspaper employees. After receiving serious pushback and dissension from employees, Halifax reconsidered its position and announced that the non-compete agreement will not apply to existing New York Times Regional employees. So, as existing NYTRG employees were assured that their continued employment with Halifax was not contingent upon the execution of a hefty non-compete agreement, they could now get some post-holiday rest. The employees who may seek employment with Halifax in the future, however, may find

themselves counting sheep. For more information on non-compete agreements and their state requirements contact [Burr Forman](#) for more insights on the enforceability of non-compete clauses.

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