## Analysis of Agreement Containing Consent Order to Aid Public Comment

In the Matter of Planned Companies, File No. 241-0029

## I. Introduction

The Federal Trade Commission ("Commission") has accepted for public comment, subject to final approval, an Agreement Containing Consent Order ("Consent Agreement") with Planned Building Services, Inc., Planned Lifestyle Services Inc., Planned Security Services, Inc., and Planned Technologies Services, Inc. (collectively and separately, "Planned" or "Respondents"). The proposed Decision and Order ("Order"), included in the Consent Agreement an *Hirb* ject to final Commission approval, is designed to re (e)m. The term No ore companies that restricts, to solicit, recruit, or hire another ctly or indirectly, including by r that otherwise inhibits

nts have engaged in unfair methods ended, 15 U.S.C. § 45, by entering lire Agreements constitute n 1 of the Sherman Act, 15 U.S.C. Section 5 of the FTC Act. Hire Agreements constitutes an harm competition, consumers, and ction 5.

ervices.

ord for 30 days in order to receive this period will become part of view the Consent Agreement and draw from the Consent Agreement

, Planned Lifestyle Services Inc. l Technologies Services, Inc. lanned Companies Holdings, Inc., ervice Corporation, a publicly agement companies in North residential and commercial

buildings; PLS provides doorperson and concierge services at residential buildings; PSS provides security guard services at residential and commercial buildings; and PTS provides technology related services. Respondents are headquartered in New Jersey and employ more than 3,000 building services workers, primarily in the Northeast and Mid-Atlantic, but also in the metro regions of Boston, the District of Columbia, Atlanta, San Francisco, and Florida. The complaint focuses on Respondents' conduct in New York and New Jersey.

## III. The Complaint

The complaint alleges that Respondents sell building services to building owners and property management companies, primarily consisting of the labor of janitors, security guards, maintenance workers, and concierge desk workers who are directly employed by Respondents. These employees perform their work at residential and commercial buildings in various states, but predominantly in New York City and Northern New Jersey.

The complaint also alleges that Respondents and their building owner and property manager customers are direct competitors in labor markets for building services workers. These include the markets for workers to perform concierge, security, janitorial, maintenance, and related services.

As alleged in the complaint, Respondents use standard-form agreements with their customers that include No-Hire Agreements. The No-Hire Agreements restrict the ability of Respondents' customers to (1) directly hire workers employed by Respondents and (2) indirectly hire workers employed by Respondents through a competing building services contractor after the competitor wins the customers' business away from Respondents. These restrictions apply during the term of Respondents' cond[d)21 Tces t 3 (i)-1 (n)1 (s t)-1 una(lo)i 4Tnpondtd[d)21 4Tteg(R)2 ( (r)-2

## PRIVILEGED & CONFIDENTIAL; DELIBERATIVE PROCESS MATERIALS

conditions. Employees may suffer further hardship