

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

**COMMISSIONERS:**

**Lina M. Khan, Chair  
Rebecca Kelly Slaughter  
Christine S. Wilson  
Alvaro M. Bedoya**

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In the Matter of

**Docket No. C-XXXX**

**COMPLAINT**

Pursuant to the provisions of the Federal Trade Commission Act, as amended, 15 U.S.C. § 41, et seq., and by virtue of the authority vested in it by said Act, the Federal Trade Commission (“Commission”), having reason to believe that Prudential Security, Inc. (“Prudential Security”), a corporation; Prudential Command Inc. (“Prudential Command”), a corporation; Greg Wier, individually and as an officer and co-owner of Prudential Security, Inc. and Prudential Command Inc.; and Matthew Keywell, individually and as an officer and co-owner of Prudential Security, Inc. and Prudential Command Inc., hereinafter sometimes referred to as “Prudential” or “Respondents,” have violated the provisions of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues this Complaint stating its charges in that respect as follows:

## **NATURE OF THE CASE**

1. This action addresses the unfair use of post-employment covenants not to compete by Prudential Security, Inc. and Prudential Command Inc., affiliated security guard companies, and Greg Wier and Matthew Keywell, the sole co-owners and officers of these companies. The term post-employment covenants not to compete (or “Non-Compete Agreements”), as used in this complaint, refers to contract terms that, following the conclusion of a worker’s employment with one employer, restrict the worker’s freedom to accept employment with competing businesses, to form a competing business, or otherwise to compete with the employer. Such agreements tend to be coercive and exploitative.
  
2. Respondents’ imposition of Non-Compete Agreements took advantage of the unequal bargaining power between Respondents and their employees, particularly low-wage security guard employees. Respondents’ use of Non-Compete Agreements harmed

## **JURISDICTION**

7. At all times relevant herein, Prudential Security and Prudential Command have been, and are now, corporations, as “corporation” is defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44.
8. At all times relevant herein, Greg Wier and Matthew Keywell have been the sole owners and officers of Prudential Security and Prudential Command.
9. Respondents have engaged in commerce and activities affecting commerce in the United States, as the term “commerce” is defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44.

## **RESPONDENTS’ NON-COMPETE AGREEMENTS**

10. Prior to August 2022, Respondents provided security guard services across several states. Respondents hired security guards as employees who were then assigned to work at their clients’ facilities. Respondents maintained offices in Michigan, Pennsylvania, South Carolina, Tennessee, and Wisconsin.
11. Prior to August 2022, Respondents required all of their security guard employees to sign Non-Compete Agreements as a condition of employment. These employees made up the vast majority of Respondents’ workforce.
12. Respondents’ Non-Compete Agreements require that, for two years following the conclusion of an employee’s employment with Respondent, the employee may not “[a]ccept employment with or be employed by” a competing business “within a one hundred (100) mile radius” of the employee’s primary jobsite with Respondents. Respondents’ Non-Compete Agreements also contain other terms restricting their employees’ post-employment activities that prevent them from joining or forming a competing firm. These restrictions include, but are not limited to, requiring that former employees may not “[a]ssist, aid or in any manner whatsoever help any firm, corporation, partnership or other business to compete with” Respondents.
13. Respondents’ Non-Compete Agreements contain a “liquidated damages” clause, which requires that the employee pay Respondents \$100,000 as a penalty for any conduct that contravenes Respondents’ Non-Compete Agreement.
14. Respondents’ security guard employees typically earned hourly wages at or only slightly above minimum wage. Respondents did not offer their security guard employees any additional compensation in exchange for signing Non-Compete Agreements.
15. Respondents did not permit their security guard employees to negotiate the terms of their Non-Compete Agreements, and such employees were required to accept Respondents’ standard terms as a condition of employment with Respondents. Respondents’ security



22. In 2019, a Michigan state court held that Respondents' Non-Compete Agreements with their security guard employees were unreasonable and unenforceable under state law. Nevertheless, Respondents continued to require all of their security guard employees to sign identical Non-Compete Agreements.

### **EFFECTS OF THE CHALLENGED CONDUCT**

23. Respondents' use of Non-Compete Agreements has harmed employees.
24. Respondents' employees, particularly their security guard employees, had significantly less bargaining power than Respondents. Largely because of this unequal bargaining power, Respondents were able to impose onerous Non-Compete Agreements on their employees.
25. Respondents' use of Non-Compete Agreements limited their employees' ability to work for other firms in the security guard industry. Respondents repeatedly blocked their employees from accepting alternative employment. This interference with competition forced employees to accept significantly lower wages and less favorable working conditions.
26. Any possible legitimate objectives of Respondents' conduct as alleged herein could have been achieved through significantly less restrictive means, including, for example, by entering confidentiality agreements that prohibited disclosure of any confidential information.

### **UNFAIR METHOD OF COMPETITION**

27. The allegations in all of the paragraphs above are re-alleged and incorporated by reference as though fully set forth herein.
28. Respondents' use of Non-Compete Agreements is a "method of competition" within the meaning of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45.
29. Respondents' use of Non

**WHEREFORE, THE PREMISES CONSIDERED,** the Federal Trade Commission on this [insert] day of [insert month], 2022, issues its complaint against Respondents.

By the Commission.

April Tabor  
Secretary

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