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PRACTICAL LEGAL TIPS



Georgia Non competes: Do the Risks Outweigh the Benefits?

The most recent Atlanta Business Chronicle included an article that SunTrust was relieving certain of its corporate officers from their non compete agreements. The article further discussed the most important aspect of non competes when you hire a chief executive officer or a salesperson in Georgia. In our state, non competes are very difficult to enforce, more importantly, a bad non compete also results in a court throwing out a perfectly enforceable non solicitation provision. What SunTrust and other companies are appreciating is that relationship driven businesses are usually better off leaving out a non compete rather than risk losing an enforceable non solicitation clause if a court finds a non compete

unenforceable.

Remember restrictive covenants come in four basic types:

- 1) Non competes: Don't open up down the street and compete with my business;
- 2) Non solicitation of customers: Don't solicit my clients and customers;
- 3) Non solicitation of employees: Don't solicit my employees;
- 4) Confidential information and trade secrets: Don't disclose my salary list or don't disclose my proprietary software.

As always, your trusted legal resource for practical advice.

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