

1 ROB BONTA
Attorney General of California
2 SATOSHI YANAI
Senior Assistant Attorney General
3 DAVID LEIMBACH
Supervising Deputy Attorney General
4 MANA BARARI (SBN 275328)
Deputy Attorney General
5 600 West Broadway, Suite 1800
San Diego, CA 92101
6 P.O. Box 85266
San Diego, CA 92186-5266
7 Telephone: (619) 738-9024
Fax: (619) 645-2012
8 E-mail: Mana.Barari@doj.ca.gov

[EXEMPT FROM FILING FEES PURSUANT
TO GOVERNMENT CODE SECTION 6103]

9 *Attorneys for the People of the State of California*

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 COUNTY OF SAN DIEGO

12
13 **THE PEOPLE OF THE STATE OF
14 CALIFORNIA,**

15 Plaintiff,

16 v.

17 **PACKERS SANITATION SERVICES, INC.,
18 LTD., dba FORTREX; PACKERS
SANITATION SERVICES, LTD., LLC, a
19 California corporation; and DOES 1 through
20 20, inclusive,**

21 Defendants.

Case No.

Unlimited Civil

**COMPLAINT FOR PERMANENT
INJUNCTION, RESTITUTION, CIVIL
PENALTIES, AND OTHER EQUITABLE
RELIEF**

(BUS. & PROF. CODE, §§ 17200 et seq.,
16600)

22
23 Plaintiff, the People of the State of California (“Plaintiff” or the “People”), by and through
24 Rob Bonta, Attorney General of the State of California (“Attorney General”) bring this action
25 against Packers Sanitation Services, Inc. LTD., dba Fortrex; Packers Sanitation Services, Ltd.,
26 LLC, (collectively “PSSI”); and DOES 1 through 20, and allege as follows:
27
28

INTRODUCTION

1. The People bring this civil enforcement action against PSSI for placing impermissible constraints on employee mobility in violation of the California Unfair Competition Law (Bus. & Prof. Code, § 17200 et seq.).

2. This case concerns no-poach agreements, whereby arrangements are made between companies to refrain from hiring each other's employees.

3. The California Attorney General has recognized that no-poach agreements can violate California law and negatively impact workers by limiting job opportunities and career growth; restricting wage increases and competitive job offers; and creating a stagnant labor market where workers are less likely to find better employment conditions.

4. PSSI is a cleaning and sanitation company that provides contract work at food processing and meat packing establishments in California and throughout the United States.

5. Since at least September 2019 (“Relevant Period”), PSSI violated Business and Professions Code section 16600 by entering into contracts for cleaning and sanitation services with customers in California that restrained PSSI’s employees from engaging in a lawful profession by prohibiting their employment by customers for a period of time, typically during the term of the service contract and up to one year following its termination. These terms effectively deterred PSSI’s customers from hiring PSSI’s present and former employees, therefore unlawfully limiting their mobility under California law.

PARTIES

6. Plaintiff is the People of the State of California. The People bring this action by and through Rob Bonta, the Attorney General of the State of California and the chief law officer of the state. (Cal. Const., art. V, 13.)

7. Defendant Packers Sanitation Services, Inc. LTD., doing business as Fortrex as of January 2025, is a limited liability company organized under the laws of the State of Ohio with its principal office located in Wisconsin. Packers Sanitation Services, Ltd., LLC, also doing business as Fortrex as of January 2025, is a California limited liability corporation.

8. PSSI offers cleaning and sanitation services nationwide, formerly under the PSSI brand and currently under Fortrex, and is a leading provider of such services. At all relevant times, PSSI has transacted business in the County of San Diego and elsewhere in the State of California.

JURISDICTION AND VENUE

9. This court has original jurisdiction over this action pursuant to California Constitution article VI, section 10.

10. This Court has jurisdiction over Defendants because by offering, selling, and providing services in California, entering into agreements with California customers for cleaning services rendered in California, and hiring California workers, Defendants purposefully availed itself of the California market so as to render the exercise of jurisdiction over Defendants by the California courts consistent with traditional notions of fair play and substantial justice.

11. Venue is proper here because the violations of law alleged in this Complaint occurred in the County of San Diego and elsewhere throughout California.

TOLLING OF STATUTE OF LIMITATIONS AND RELATED DEFENSES

12. Pursuant to a valid agreement, the People and PSSI tolled all time limits and time-related defenses, either in law or in equity, including but not limited to statutes of limitation, statutes of repose, and the doctrine of laches, relating to claims that the People might bring against PSSI pertaining to PSSI's policies and business practices concerning its contractual relationship with its food processing and meat packing industry customers and clients in California.

13. Pursuant to these agreements, such claims were tolled from September 1, 2023 through January 31, 2025.

FACTUAL ALLEGATIONS

14. California Business and Professions Code section 16600 (“Section 16600”) provides that “[e]xcept as provided in this chapter, every contract by which anyone is restrained from engaging in a lawful profession, trade, or business of any kind is to that extent void.”

1 15. During the Relevant Period, PSSI provided cleaning and janitorial services in
2 California pursuant to approximately 24 contracts with meatpacking and food processing
3 companies, including well-known names such as Foster Farms, Harris Ranch, Gate Gourmet, and
4 Pilgrim's Pride.

5 16. PSSI employed approximately 6,000 employees in California who worked pursuant
6 to contracts between PSSI and its customers during the Relevant Period.

7 17. In order to provide services, PSSI entered into a services agreement with its
8 customers, often called a Sanitation Services Agreement. Most often, this contract reflected a
9 standard agreement from PSSI defining the scope of services, the term of the agreement,
10 compensation details, and other relevant contractual terms.

11 18. Of the 24 operative agreements for sanitation services in California during the
12 Relevant Period, 22 of them contained provisions barring PSSI's customers from hiring PSSI
13 employees for a period of time, typically during the term of the service contract and some time
14 period following its termination of the contract (hereafter the "No Hire Provision"). The most
15 common version of the provision provided that PSSI's customer "will not directly or indirectly
16 solicit, employ or retain in any capacity, or directly or indirectly offer to employ [sic] or retain in
17 any capacity, any personnel of PSSI who are working or have worked at [customer's] site
18 pursuant to this Agreement."

19 19. Some service contracts contained modifications to the standard No Hire Provision.
20 Upon information and belief, such modifications reflected the results of standard contract
21 negotiations or requests from PSSI's customers.

22 20. Two contracts between PSSI and California customers that did not contain the No
23 Hire Provision were contracts supplied directly by customers of PSSI.

24 21. The No Hire Provision barred PSSI's customers from hiring PSSI's employees,
25 thereby restraining PSSI's employees from engaging in a lawful profession, without breaching the
26 services agreement with PSSI, and thus rendering themselves liable for breach of contract and
27 associated remedies.
28

1 22. Upon information and belief, the effect of pervasive No Hire Provisions in PSSI's
2 service contracts had the effect of artificially lowering employee compensation, reducing
3 incentives for PSSI and its customers to improve working conditions, and depressing wages that
4 could have otherwise been earned if employees retained unfettered mobility.

5 **FIRST CAUSE OF ACTION**
6 **VIOLATIONS OF BUSINESS AND PROFESSIONS CODE SECTION 17200**
7 **Unfair Competition Law**

8 23. The People re-allege and incorporate by reference each of the paragraphs above as
9 though fully set forth in this cause of action.

10 24. PSSI has engaged in acts or practices that are unlawful, unfair, or fraudulent and
11 which constitute unfair competition within the meaning of section 17200 of the Business and
12 Professions Code. These acts or practices include, but are not limited to, the following:

- 13 a. Entering into service agreements for contract work in California which include
14 provisions barring PSSI's customers from hiring PSSI employees for a period of
15 time, thus restraining employee mobility in violation of Business and Professions
16 Code section 16600.

17 **PRAYER FOR RELIEF**

18 WHEREFORE, the People pray for the following relief:

19 1. That PSSI, its successors, agents, representatives, assigns and all persons who act in
20 concert with PSSI, jointly and severally, be permanently enjoined from engaging in unfair
21 competition as defined in Business and Professions Code section 17200, including, but not
22 limited to, the acts and practiced alleged in this Complaint, under the authority of Business and
23 Professions Code section 17203;

24 2. That the Court enter all orders or judgments as may be necessary to restore to any
25 person in interest any money or property that PSSI may have acquired by violations of Business
26 and Professions Code section 17200, as may be proved at trial;

1 3. That pursuant to Business and Professions Code section 17206, PSSI be assessed a
2 civil penalty in an amount up to \$2,500 for each violation of Business and Professions Code
3 section 17200 et seq., as proven at trial;

4 4. That the People recover its costs of suit, including all costs of investigation; and

5 5. Such other and further relief as the court deems appropriate and just.

6
7
8 Dated: April 30, 2025

Respectfully submitted,

9 ROB BONTA
10 Attorney General of California
11 SATOSHI YANAI
12 Senior Assistant Attorney General
13 DAVID LEIMBACH
14 Supervising Deputy Attorney General

15 /s/ Mana Barari
16 MANA BARARI
17 Deputy Attorney General
18 *Attorneys for the People of the State of*
19 *California*
20
21
22
23
24
25
26
27
28