**Cease and desist letter enforcing employment contract (restrictive covenants)**

# \* Add/delete information in brackets as appropriate

[name of ex-employee]

[ex-employee's address]

[date]

Dear [first name of employee],

**Breach of Restrictive Covenants notice**

[name of your business] has reason to believe that you have breached restrictive covenants that remain legally applicable to you even after your employment with us terminated on [insert date].

This is a serious matter. We would be grateful for your immediate attention to the contents of this letter so that we are able to determine the appropriate course of action, that we will need to take if our beliefs are confirmed.

You will see that this letter follows a very formal structure. This is necessary in light of the gravity of restrictive covenant breaches and [name of your business]’s need to ensure that our legal rights to protect our business are clearly understood.

**Your employment with [name of your business]**

You were employed by [name of your business] from [insert date], most recently as [specify job description/role], under the terms of a contract of employment dated date.

You [recently resigned] [were dismissed] from this position. The last date of your employment was [insert date].

**Your Obligations**

During your [specify period of time e.g. 2 year] employment with [name of your business], you enjoyed a [close] business relationship with a [large] number of our [key] customers. You were also entrusted with, and had access to, a significant amount of confidential information belonging to name of your business.

You’ll know from your [name of your business] contract that you agreed to various contractual obligations, some of which survive even following termination of your engagement. You remain bound by these various ongoing obligations, including the restrictions at [specify page/clause(s)] of your [name of your business] contract.

Amongst other things, these enduring contractual provisions prevent the unauthorised disclosure or use of information which [name of your business] has entrusted to you.

Additionally, these provisions also prevent you from:

* [insert further details] at clause [specify] of your [name of business] contract;
* etc

For convenience, we [enclose/attach] a further copy of your [name of your business] employment contract so that you have the document immediately to hand. In particular, please read carefully the precise wording of [specify relevant page/clause(s)] in the enclosed copy.

Alongside these specifically worded obligations in the contact, you have also been subject to various duties that are legally implied into your engagement, including the duties of fidelity (loyalty), acting in good faith, maintaining honesty and loyal service and the mutual obligation of behaving in a manner that upholds trust and confidence.

**Breach of your Obligations**

[name of your business] has evidence suggesting that, in breach of your legal obligations, you have [insert details of alleged breaches e.g. joining a competitor, which is in breach of cluse xx of your contract].

[We enclose/attach a copy of that evidence for your reference].

I’ve said already that this matter is of the gravest concern for [name of your business]. You have not been released, and will not be released, from the ongoing terms of your [name of your business] contract.

If this evidence is found to confirm one or more breaches of restrictive covenant by you, it means, among other things, that legally, any amounts that you have earned in relation to contracts that you have improperly entered into are held by you on what’s called a ‘constructive trust’ for [name of your business] and we are entitled to claim them. This is regardless of whether you have spent those funds.

I must point out that our investigations are ongoing. It is possible that we will come into possession of more evidence. We also reserve the right to identify further breaches.

**Next Steps**

Given everything set out above, please immediately provide us with a signed written statement confirming that you will cease and desist from acting in breach of your obligations and that you will comply with all your contractual obligations to us moving forward.

This statement should be addressed to [me/specify person], on behalf of [name of your business] at [our usual address/specify address] by no later than date. If you are in any doubt as to your obligations, you may wish to seek legal advice.

I must emphasise that, in the event you fail to comply with what has been set out above and you continue to act in breach of any of your obligations to us, we fully and expressly reserve the right to take appropriate legal action against you [and/or your new employer] as necessary. This action may include making an immediate application to a court for appropriate court orders, such as an application for an injunction to force you to comply, if necessary, as well as compensation for any losses that name of your business suffers, the costs of which will be borne by you.

We very much hope that involving the courts will not be necessary and that you will comply with your obligations accordingly. Please ensure you send us your written statement immediately.

Yours sincerely,

Authorised signatory

Name

Title

On behalf of [name of your business]

**Annex**

Your [name of your business] employment contract

[See attached/enclosed]