

Noncompete ruling favors Nev. casino worker

By Daniel Rothberg, Las Vegas Sun

In 2012, after several years working as an executive casino host for the Atlantis Casino Resort Spa in Reno and at Harrah's before that, Sumona Islam took a job with the Grand Sierra Resort three miles away. One problem: Islam had signed a noncompete agreement preventing her from taking the job.

Not long after Islam defected to the Grand Sierra, Atlantis sued. Its lawyers alleged a violation of the agreement and said Islam had copied and altered the casino's proprietary customer information. The case went to trial and was appealed to the Supreme Court of Nevada, which ruled last month that the noncompete was unreasonable, a ruling that could have broad implications for businesses in Nevada.

The court's order in late July, which has flown largely under the radar, represents a "paradigm shift," argued Howard Cole, a Lewis Roca Rothgerber Christie partner who has drafted several noncompetes.

In question before the court was whether Atlantis could enforce a noncompete agreement prohibiting Islam from employment at a gaming business within 150 miles of Atlantis for more than one year after working at the casino. In a narrow 4-3 ruling, the court found the clause "overbroad." Favoring employee interests, the court majority refused to modify the contract and said the entire agreement was invalid.

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