

FRANCHISE & DISTRIBUTION

Husch Blackwell's franchise business lawyers advise clients on the design, implementation, financing, and maintenance of domestic and international franchise and distribution systems. Our guidance includes expansion strategies; acquisitions and divestitures; trademark registration and licensing; labor and employment; contracts and agreements; regulatory compliance; and territory terminations, renewals, and transfers.

When disagreements arise, our franchise law team first seeks to resolve disputes at less expense through informal negotiations or mediation, though we are always prepared to go to court if necessary. On behalf of franchise clients, our experienced team has litigated fraud and misrepresentation claims, enforcement of restrictive covenants, vicarious liability claims, enforcement of operating standards, and advertising/marketing fund claims.

Representative Experience

Represented franchisor of children's hair salons in nonjury trial against franchisee that closed store with more than three years remaining in the franchise agreement. Obtained judgment for unpaid royalties and advertising fees, plus attorneys' fees.

Represented franchisor of tanning salons in several lawsuits against franchisees' claims of breach of contract, fraud, and



"They know our company well, they provide us with well-matched resources and they are very responsive."

— Client Feedback,
Chambers USA —

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misrepresentation. Obtained judgment for franchisor on all claims, as well as on its counterclaims against franchisees, awarding ownership of franchisees' stores and attorneys' fees.

Represented temporary labor franchisor against franchisee that breached franchise agreement by operating a separate business placing temporary computer consultants with clients. Obtained jury verdict for all unpaid royalties, plus attorneys' fees.

Obtained summary judgment for franchisor against claim that franchisor misappropriated money from the national advertising fund and received excessive supplier rebates on franchisees' purchases.

Obtained dismissal of franchisee's lawsuit against franchisor of home cleaning service in lawsuit alleging fraud and misrepresentation in sale of franchise.

Represented franchisor against claim that franchise license agreement violated the Iowa Business Opportunity Promotions Act. Obtained summary judgment for franchisor against franchisee for all unpaid royalties.

Obtained summary judgment for franchisor sued under state human rights act by individual who claimed that franchisee refused to deliver food to him because of his race.

Represented client in the development of a Chick-fil-A restaurant. The property required consents of major big box retailers, lenders, and the requirements of Chick-fil-A corporate.

Represented a franchisor client in a contractual/tort lawsuit against a franchisee for contract and tort claims.

Represented a venture capital fund in the negotiation of a complex ground lease in Wichita, Kansas with a national fast food restaurant.

Represented client in the sale of its franchise fitness business. The selling shareholders of the client were doing a rollover into equity of the purchaser as part of the sale. The Husch Blackwell team negotiated the terms of the sale and rollover, including earnout and clawback provisions.