

HUSCH BLACKWELL

Franchise & Distribution

Our Franchise & Distribution Practice Group focuses on the design, implementation, financing and maintenance of franchise and distribution systems. We represent domestic and international business clients in all stages of franchise development and maintenance. We also assist clients in the formation and operation of buying and marketing groups. We also provide support in related practice areas, such as Intellectual Property, Labor & Employment, Litigation, Real Estate, Securities, Mergers & Acquisitions, Tax and Antitrust.

Expertise

We provide proactive counseling to franchise and distribution clients. Our services are primarily designed to address the needs of sophisticated franchisors and manufacturers with established distribution systems. We advise our clients on the structure, implementation and maintenance of their national and international franchise and distribution systems. We design policies and procedures to allow franchisors and suppliers to maintain system compliance and positive relationships with their franchisees and distributors. We also assist franchisors and suppliers with solutions to relationship issues with their franchisees, developers, distributors and dealers.

Transactional Franchise & Distribution Law

We prepare all contracts governing the various relationships in franchise and distribution systems. We prepare Franchise Disclosure Documents and assist our clients in federal and state regulatory compliance. We advise clients regarding all relationship issues in franchise and distribution systems.

We frequently assist businesses in finding alternatives to franchising and consider various exemptions and exclusions available under federal and state franchise laws. We also provide assistance in disclosure and regulatory compliance issues of state business opportunity laws that may apply to distribution systems.

Our group assists prospective franchisees with their due diligence consideration of franchise opportunities, including review of a franchisor's Franchise Disclosure Document and investigation of numerous legal and business aspects of the franchisor, such as corporate status, registration status in various states, ownership of intellectual property and circumstances surrounding termination of other franchisees. We also have extensive experience in negotiating franchise, dealership and distribution agreements.

Franchise & Distribution Litigation

We represent both franchisors and franchisees in various types of litigation including matters involving the franchisor/franchisee and supplier/distributor relationships, regulatory compliance, application of specific industry statutes and intellectual property. We frequently represent clients who are involved in alternative dispute resolution proceedings.

The scope of our franchising and distribution services includes:

- Structuring franchise and distribution systems;
- Designing and preparing franchise agreements, area development agreements, master franchise agreements and cooperative advertising agreements;
- Preparing Franchise Disclosure Documents in compliance with the Amended FTC Rule;
- Designing and managing regulatory compliance programs, including state franchise registrations and renewals;
- Providing proactive counsel on development, maintenance and relationship matters;
- Assisting clients with relationship issues, including operations enforcement, terminations, renewals, and assignments;
- Representing clients in mediation, arbitration and litigation proceedings;
- Conducting compliance audits;

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- Conducting due diligence investigations of franchise systems in connection with acquisitions;
- Representing clients in the acquisition or sale of franchise systems and franchise unit operations;
- Assisting franchise and distribution clients in raising expansion capital through public and private equity and debt offerings;
- Advising clients of recent developments in the law with respect to franchising, distribution, antitrust, tax and intellectual property issues;
- Advising clients involved in international franchising and distribution on matters including trademark licensing, foreign tax, joint ventures, master franchising, direct franchising and distributor terminations; and
- Guiding buying and marketing groups through the formation process, negotiating and documenting its relationships with its members and suppliers, developing and protecting its intellectual property assets such as trademarks and copyrighted material, and developing and maintaining an antitrust compliance program.