



Guiding You Through the Legal Maze.SM

**I WISH I HAD HIRED A FRANCHISE LAWYER
WHEN I BOUGHT THE FRANCHISE**

**© 2015 Keith J. Kanouse
Kanouse & Walker, P.A.
One Boca Place, Suite 324 Atrium
2255 Glades Road
Boca Raton, Florida 33431
Telephone: (561) 451-8090
Fax: (561) 451-8089
E-mail: Keith@Kanouse.com**

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I WISHED I HAD HIRED A FRANCHISE LAWYER WHEN I BOUGHT THE FRANCHISE

In over 30 years of representing buyers and sellers of franchises, I have nearly seen it all. I feel like an emergency room physician when I meet a client who bought a franchise and has lost hundreds of thousands of dollars in a failed or failing business. The franchisor is threatening termination and a suit for lost profits against them personally, there are in breach of their lease and their lease guaranty, and their SBA loan secured by their home is in default.

As part of my analysis of their rights and obligations, 2 of my initial questions are: “Where you represented by an attorney? (There may be a claim for malpractice.) And, did you hire an accountant to help you set of the business and prepare a financial forecast? More often than not the answer to both questions is no.

The usual reasons for failing to retain a franchise attorney and an accountant are:

1. I didn’t want to spend the money – being penny wise and thousands of dollars foolish.
2. The franchisor’s sale representative said that it is not necessary and a waste of money as the franchisor will not negotiate the terms of the franchise agreement and we are trustworthy people.
3. I know what do by myself. But, buying a franchise is a complex investment. It’s not like buying a car.

I am sure the entire readership of BlueMauMau would appreciate if readers share by posting their bad experiences, why they did not hire a lawyer or an accountant and what they would do now if they could go back and do it all over again.

Keith J. Kanouse, Esq.