

Best Practices for Handling Default & Termination (for Established Franchisors)

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Triage

- Categories
 - Monetary, operational or both?
- How serious?
- Persistent?
- Recurring?

Investigation

- Identify problems early
- Understand cause(s) of default
- What methods to use?

Intervention

- Identify possible solution(s) – if any
- Active involvement
- Clear benchmarks

Communication

- No surprises
- No threats -- just the facts
- Nothing personal

Teamwork

- When should the lawyers get involved?
- Who will need to testify?
- Who else should be involved?

Legal Diligence

- Agreement provisions
- State relationship laws
- Post-term issues
 - Lease
 - Non-competes
 - Financing
 - De-identifying

Litigation

- Doing the calculus
 - Franchisor claims
 - Franchisee claims
 - Next best result

Public Relations

- What impact on System?
- Communicating with System?
 - Who communicates?
 - To whom?
 - What's the message?



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Comments & Questions