



952-896-3341 *direct*
952-842-1702 *fax*
cmodell@larkinhoffman.com

Areas of Law
Franchising and Distribution
Mergers, Acquisitions &
Divestitures
Business Organizations
Sports

Bar Admissions
Minnesota, 1977
U.S. Federal Court

Education
University of Florida College of Law
Gainesville, FL; 1977
J.D. *High Honors, Order of the Coif*

University of Florida Law Review
Managing Editor, 1975 - 1977

University of Florida
Gainesville, FL; 1974
B.S., Broadcasting

Charles S. Modell

Charles S. Modell has represented franchisors throughout the country in most every imaginable scenario over the course of his 40-year legal career. He counsels franchisors in every stage of their development, including the decision to franchise, preparation and registration of franchise documents, management of franchise relationships, franchise growth strategies, negotiation of supplier and joint venture agreements, and termination of franchise relationships. He also represents private equity companies and existing franchisors in buying and selling franchise companies.

Representative Experience:

Before he went to law school, Chuck managed a franchised quick service restaurant, and was vice president of a sales organization. He also served for 10 years on Larkin Hoffman's board of directors, and four years as the firm's chief financial officer. These experiences give Chuck an understanding of the business issues inherent in franchising and in operating a business that most lawyers do not have.

Chuck has been an active participant in the franchise law community for nearly four decades, and was the first franchise lawyer in the Midwest to be awarded the designation of Certified Franchise Executive by the Institute of Franchise Executives. He has held multiple leadership positions within franchise industry organizations. He currently serves as a member of the North American Securities Administrators Association Franchise Project Group, which advises state and federal regulators on franchise law issues and trains state franchise examiners.

Start-up Franchisors

- Structured franchise offerings, including preparation of disclosure documents and franchise agreements, for numerous start-up systems throughout the U.S., including full service restaurants, quick service restaurants, retail stores, direct mail businesses, home inspection services, convenience stores, hotels, tanning salons, weight loss clinics, and vending machine companies.

Mature and Expanding Franchise Systems

- Structuring a new program for franchisees.** Assisted a franchisor in structuring a new program that required participation by all franchisees, overcoming challenges from franchisees, including litigation. Devised a strategy that led to acceptance of the program,

- dismissal of the litigation, and a \$5 million annual income stream to our client.
- **Franchise royalty program.** Restructured a company's franchise royalty program to address fundamental changes in the industry and assisted franchisor in developing a strategy for acceptance by existing franchisees.
- **Franchise restructuring and refinancing.** Developed and implemented a \$10 million restructure for a Minnesota-based franchise company, involving the sale of several company-owned stores, and refinancing of existing debt to reduce the client's monthly debt service obligations by 50 percent.
- **Financial performance representations.** Drafted creative financial performance representations for a number of clients to highlight their strengths vis-à-vis their major competitors.
- **Restructuring in multiple markets.** Assisted a Canadian-based franchise company in restructuring its restaurants in several U.S. markets, resulting in the closing of multiple locations, and transfer of others to stronger operators. Drafted legal documents, but also compiled talking points for executives, that resulted in a complete restructure of multiple markets without any adversarial proceedings.
- **Converting franchise agreements to plain English.** Rewrote franchise agreements for several franchisors to convert them to plain English, reducing their length by as much as 50 percent.

Mergers and Acquisitions

- **Sale to private equity company.** Negotiated the sale to a private equity company of a significant minority equity investment in a prominent international franchisor, allowing the current owners to monetize a significant portion of their investment, while maintaining majority control of the board of directors.
- **Due diligence for major international private equity firm.** Conducted franchise due diligence for a major international private equity firm seeking to acquire an international franchise system, and assisted the client's New York counsel in drafting purchase agreement representations that tied to the target company's franchise program.
- **Identified purchaser.** Identified private equity purchaser for client's franchise and distribution system, and negotiated and closed the sale transaction.
- **Creating value.** A California-based client called on a Friday, asking Chuck to evaluate offers of \$18 million cash, and \$21.5 million of cash and notes for the sale of its business. By the following week, he had negotiated a \$27 million cash offer from one of the proposed purchasers. He then assisted the client in all phases of the sale.

Mediation

- Retained as an independent mediator and successfully mediated the purchase by a franchisor of a multi-unit franchisee based in Florida.
- Represented a franchisor in mediation of a litigation dispute that resulted in the franchisee exiting the system and making a substantial payment to the franchisor.
- Represented a majority shareholder in mediating a buyout of the minority shareholder, and obtaining a noncompete provision that supplemented the existing confidentiality provisions between the parties.

Expert Witness

Chuck has been sought out as an expert witness in franchise cases, addressing not only legal issues but also the custom and practice of franchisors.

- **Proper handling of advertising funds.** Retained by a major international franchise system as an expert witness in federal court, testifying as to the proper handling of advertising funds, resulting in a decision for the franchisor.
- **Proper disclosure under FTC franchise rule.** Retained by franchisor to provide expert testimony in a Florida arbitration on the issue of proper disclosure under the Federal Trade Commission Franchise Rule, resulting in an arbitration award in favor of the franchisor.
- **Supplier rebates and disclosure of rebates.** Retained by a Florida-based franchisor to provide expert testimony on the issue of supplier rebates and disclosure of rebates in a New York City arbitration, resulting in a favorable settlement for the franchisor.