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Areas of Law

Franchise and Distribution
Mergers and Acquisitions
Corporate and Finance
Hospitality

Bar Admissions

Minnesota, 1977
U.S. Federal Court

Education

University of Florida College of Law,
Gainesville, FL, 1977 J.D.

- Managing Editor, *University Law Review*, 1975-1977
- Honors: *High Honors*,
Order of the Coif

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

Certifications

Designated Certified Franchise Executive
by the Institute of Certified Franchise
Executives, 2002

Certified Commercial Arbitrator, American
Arbitration Association, 2000

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.

In addition to representing his own clients, Chuck has been retained by a number of franchise companies involved in state and federal litigation, and arbitrations, to testify as an expert witness on franchise issues. He has also served as an independent arbitrator, and a mediator, in franchise disputes.

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 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. Chuck 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. In 2017, he was recognized by the American Bar Association with the Forum on Franchising's Lewis G. Rudnick Award, the highest and most prestigious award a franchise attorney can receive, recognizing his experience, professionalism and leadership in franchising.

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.

- **Financial performance representations.** Retained by a Washington-based franchisor, and a California-based franchisor, in separate matters, to provide expert testimony on the sufficiency of financial performance representations included in Item 19 of the Franchise Disclosure Documents provided to franchisees by those franchisors.

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- **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 of fees under FTC Franchise Rule.** Retained by franchisor to provide expert testimony in a Florida arbitration on the issue of proper disclosure of fees 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.

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, which 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

- **Franchise due diligence for the acquisition of competitor.** Conducted franchise due diligence on behalf of an existing franchisor client for the \$1.9 billion acquisition of a competitor's franchise system with operations in 48 states and several foreign countries.
- **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.

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- **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

- **Mediation of multi-unit franchise purchase.** Retained as an independent mediator and successfully mediated the purchase by a franchisor of a multi-unit franchisee based in Florida.
- **Mediation of litigation dispute.** 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.
- **Majority shareholder buyout mediation.** Represented a majority shareholder in mediating a buyout of the minority shareholder, and obtaining a non-compete provision that supplemented the existing confidentiality provisions between the parties.
- **Mediation with independent franchisee association.** Retained as an independent mediator and successfully mediated the resolution of a lawsuit between a franchisor and its independent franchisee association. The resolution was particularly complex because it involved separate agreements with franchisees who had left the system, and those who remain in the system.
- **Mediation as to the existence of a franchise relationship.** Retained as an independent mediator and resolved a dispute between a licensor and licensee when the license agreement was terminated and the licensee claimed the wrongful termination of a franchise relationship.

Arbitration

- Chuck served as a certified commercial arbitrator for the American Arbitration Association for over 30 years. The cases he arbitrated included disputes between franchisors and franchisees, franchisors and former franchisees, manufacturers and dealers, and disputes involving trademark licenses. They include cases in which Chuck was the sole arbitrator as well as three-arbitrator panels, including arbitrations scheduled in New Orleans, Minneapolis, New York City and Miami.
- In addition to his AAA experience, Chuck has been on the roster of arbitrators for the United States Soccer Federation for more than 20 years, and has arbitrated cases involving soccer associations in Florida, Ohio, Minnesota, Iowa and California.