

Contact**Houston**

1200 Smith Street, Suite 1400
Houston, Texas 77002-4310
Tel: 713.658.1818
Fax: 713.658.2553

Atlanta

191 Peachtree Street, N.E.,
Forty-Sixth Floor
Atlanta, Georgia 30303
Tel: 404.659.1410
Fax: 404.659.1852

Philadelphia

300 Conshohocken State Road
Suite 570
West Conshohocken, PA 19428
Tel: 610.772.2300
Fax: 610.772.2305

San Antonio

112 East Pecan Street, Suite
1450
San Antonio, Texas 78205
Tel: 210.253.8383
Fax: 210.253.8384

Ambiguous Franchise Agreement Sinks Franchisor

Daily Report

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In an article published on Oct. 26, 2015, Scott M. Ratchick discusses a recent case in which the Eleventh Circuit affirmed a judgement entered in favor of a group of franchisees who sued for breach of contract when the franchisor charged them royalties and fees that the parties negotiated specifically to exclude from their franchise agreements. The court ultimately ruled in favor of the franchisees due to poorly written, ambiguous contract language that left the case to be decided by proof of intent at the time the contract was signed. There are several takeaways from this victory. Ratchick explains, This is a textbook case in how important it is to conduct negotiations in writing, and how demonstrated exchanges of correspondence between the parties that clearly supported the plaintiffs understanding of what both parties believed they were signing was the key to success. Ratchick, along with Scott Augustine and Jill Johnson, represented the franchisees in *Coyote Portable Storage v. PODS Enterprises*. For the full article, subscribers may [click here](#).