The GPMemorandum

TO: **OUR FRANCHISE AND DISTRIBUTION CLIENTS AND FRIENDS**

FROM: **GRAY PLANT MOOTY'S FRANCHISE AND DISTRIBUTION PRACTICE GROUP**

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Below are summaries of recent legal developments of interest to franchisors. At the end of this issue, we also have included a summary of recent investigations into the anti-poaching practices of franchisors in the quick service restaurant industry and an analysis of a new consumer privacy statute enacted in California.

STATE FRANCHISE LAWS

INDIANA FEDERAL COURT GRANTS DISMISSAL OF ALLEGATIONS OF FRAUD, FRANCHISE ACT VIOLATIONS, AND PRACTICES ACT VIOLATIONS

A federal court in Indiana has granted a franchisor's motion to dismiss five of the six claims brought against it by a franchisee*. Gre-Ter Enters. v. Mgmt. Recruiters Int'l, Inc*., 2018 WL 3145572 (S.D. Ind. June 26, 2018). Gray Plant Mooty represents the franchisor in this case. In 1998 and again in 2005, the franchisee, Gre-Ter, entered into franchise agreements with Management Recruiters International ("MRI"), a franchisor of recruiting and contract-staffing businesses. In 2017, Gre-Ter brought suit against MRI, alleging violations of the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act and breach of contract relating to territory exclusivity, the misuse of advertising funds, and the failure to make accounting records available.

In considering MRI's motion to dismiss, the court concluded that Gre-Ter had not adequately pled that MRI failed to register or disclose its system in violation of

Section 3 or Section 9 of the Franchise Act. Gre-Ter's complaint was inadequately supported by facts, the court determined, because MRI never failed to provide disclosure statements to Gre-Ter when Gre-Ter was a prospective franchisee, and Gre-Ter failed to provide support for its assertion that MRI had failed to register its business in Indiana. The court further found that there was no private right of action with regard to these claims. Moreover, Gre-Ter, although alleging fraud, failed to identify any false or misleading statement made by MRI that would support a fraud claim. Accordingly, the court dismissed these claims.

As to the Practices Act allegations, Gre-Ter alleged that MRI's franchise agreements allowed it to make substantial modifications to the agreements without the franchisee's consent. The court found this allegation unfounded because the franchise agreements only allowed for written modifications that were agreed to by the parties. Next, Gre-Ter argued that it was treated in a discriminatory fashion because MRI had failed to adhere to the parties' territorial exclusivity agreement. The court found that this claim was merely a recasting of Gre-Ter's breach of contract claim and that Gre-Ter had failed to allege how it had been treated differently from other franchisees. Similarly, the court found that Gre-Ter had not articulated how MRI's alleged failure to comply with the franchise agreement was unreasonable and therefore more than a simple breach of contract claim. Thus, the court dismissed the Practices Act claims as well.

The court determined that only the breach of contract claim would remain. Specifically, the court found that Gre-Ter had adequately alleged that MRI had impermissibly allowed one or more franchisees to operate within Gre-Ter's territory in violation of the franchise agreement. The court made clear, however, that Gre-Ter's breach of contract allegations relating to alleged violations by MRI of its disclosure document (concerning the use of advertising funds and making certain accounting records available) could not proceed, because the disclosure document was not an independent contract or agreement between the parties.

FEDERAL COURT FINDS WASHINGTON'S FRANCHISEE BILL OF RIGHTS PROVIDES FRANCHISEES RECOURSE ONLY UNDER THE CONSUMER PROTECTION ACT

The United States District Court for the Western District of Washington held that a franchisee does not have a direct cause of action against a franchisor for violations of the Washington Franchise Investment Protection Act (FIPA), unless the claim is in connection with the offering or sale of a franchise. *Money Mailer, LLC. v. Brewer*, 2018 WL 3156901 (W.D. Wash. June 28, 2018). Brewer, a franchisee of Money Mailer, brought an action alleging that the franchisor was charging unreasonable fees in violation of FIPA and the Washington Consumer Protection Act (CPA). During discovery, Brewer learned that Money Mailer had been charging its franchisees for printing services at more than twice what the services had cost Money Mailer.

The court determined that Money Mailer's practice of doubling the fees to its franchisees was a clear violation of a provision under FIPA's "bill of rights" that prohibits a franchisor from selling products or services to franchisees at more than a "fair and reasonable price." However, because FIPA explicitly provides for damages only in connection with misconduct that arises in the course of offering or selling a franchise, Brewer did not have a remedy under FIPA. The court explained that Brewer's recourse would arise under the CPA instead, because FIPA provides that a violation of the bill of rights constitutes an unfair or deceptive act for purposes of the CPA.

TERMINATIONS

TERMINATION UPHELD UNDER PLAIN LANGUAGE OF FRANCHISE AGREEMENTS

A federal court in Illinois recently granted a franchisor's motion for summary judgment, finding that it properly terminated the defendant's six franchise agreements. *Sears Home Appliances Showrooms, LLC v. Appliance Alliance, LLC*, 2018 WL 3208514 (N.D. Ill. June 29, 2018). The franchisor, Sears Home Appliances Showrooms, terminated the agreements after the franchisee, Appliance Alliance, failed to meet several of its obligations, including paying rent and payroll on a timely basis, providing requested financial reports, and observing designated store hours. Sears ultimately brought a motion for summary judgment to enforce the termination, arguing that termination was proper because it had acted in accordance with the plain language of the franchise agreements.

The court agreed that the franchise agreements contained several provisions entitling Sears to terminate Appliance Alliance's franchise rights. Specifically, the franchise agreements permitted termination if the franchisee failed to perform a term, condition, or other obligation in a loan agreement or a lease, or if the franchisee failed to pay obligations as they became due. It was undisputed that Appliance Alliance fell behind on rent and payroll payments, and failed to cure those defaults within the required time periods. While Appliance Alliance argued that termination was unjustified because of prior material breaches by Sears, including forced competition with other Sears-branded entities, failing to pay commissions due to Appliance Alliance, shifting costs of promotional offers onto Appliance Alliance, and altering the required hours of operation, the court found that Appliance Alliance had failed to present any evidence of such breaches. Because of the undisputed evidence demonstrating grounds to terminate the franchise agreements, along with Appliance Alliance's lack of evidence showing any prior material breach by Sears, the court granted summary judgment in favor of Sears.

ILLINOIS FEDERAL COURT ENFORCES ONE-YEAR CONTRACTUAL LIMITATIONS PERIOD

In another case from the Northern District of Illinois involving Sears Home Appliances Showrooms, the court dismissed counterclaims brought by a group of franchisees on the grounds that the claims were barred by a one-year contractual limitations provision in their franchise agreements. *Sears Home Appliance Showrooms, LLC v. Charlotte Outlet Store, LLC*, 2018 WL 3068459 (N.D. Ill. June 21, 2018). The franchisees made a cursory argument that the limitations provision in their agreements was unenforceable as a matter of law because it shortened the 10-year statutory limitations period that would otherwise apply. But the court rejected that argument, finding that Illinois law allows parties to replace a statutory limitations period with a shorter contractual limitations period. The franchisees also argued that Sears should have been equitably estopped from raising the contractual limitations provision because it allegedly promised the franchisees that it would fix the inventory problems that were the subject of their counterclaims. But the court rejected that argument too, because (1) the alleged promise was made by a party other than Sears; and (2) pre-suit negotiations by themselves are insufficient to support the application of equitable estoppel. The court did, however, grant the franchisees leave to file a motion to amend their counterclaims.

FRANCHISEE FAILS TO STATE CLAIM FOR CONSTRUCTIVE TERMINATION

The U.S. District Court for the Eastern District of Pennsylvania has dismissed a constructive termination claim against a franchisor because the franchisee was still operating the franchise location. *Takiedine v. 7-Eleven, Inc.*, 2018 WL 3141461 (E.D. Pa. June 27, 2018). The court held that when alleging constructive termination in violation of the duty of good faith and fair dealing, the franchise relationship must actually terminate. In this case, the franchisee alleged that the franchisor tried to force the franchisee out of the relationship through defamatory comments and economic strain. However, according to the court, the franchisor's allegedly hostile conduct did not amount to constructive termination absent an actual termination, and since the franchise relationship had not yet ceased, there was no breach of the duty of good faith and fair dealing. The court emphasized that it would not attempt to decipher whether a franchisor's actions were meant to push a franchisee out, or simply were an uncompromising but lawful business decision. The franchisee's complaint was dismissed with leave to amend a separate breach of contract claim.

ANTITRUST

COURT ALLOWS FORMER EMPLOYEE'S ANTITRUST CLAIM CHALLENGING "NO-HIRE" CLAUSE IN McDONALD'S FRANCHISE AGREEMENT TO PROCEED

A federal district court in Illinois recently denied McDonald's motion to dismiss a claim that the anti-raiding provision in its franchise agreement violated Section 1 of the Sherman Act. *Deslandes v. McDonald's USA, LLC*, 2018 WL 3105955 (N.D. Ill. June 25, 2018). Until 2017, McDonald's included a provision in its franchise agreement that prohibited franchisees from hiring workers who were at the time, or had been within the past six months, employed at another McDonald's restaurant. McDonald's also applied the policy to its own restaurants. The plaintiff was denied employment under the policy at one of McDonald's own restaurants because the McDonald's franchisee for whom she was working refused to release her. She then sued McDonald's for violation of the Sherman Act claiming that its "no hire" provision allowed it to lower its employment costs by restricting competition in the market for labor.

Although the court conceded that the arrangement had "vertical elements," *i.e.*, it was imposed on franchisees by their franchisor and affected only intrabrand employment, the court said it viewed the provision as a horizontal restraint because it affected employment prospects not only at restaurants run by McDonald's franchisees but at those run by McDonald's itself as well. The court then assessed the provision under a "quick look" approach, which it described, quoting Seventh Circuit precedent in another context, as being used when "an observer with even a rudimentary understanding of economics could conclude that the arrangements in question would have an anti-competitive effect on customers and markets, but there are nonetheless reasons to examine the potential procompetitive justifications." The court then found that "[e]ven a person with a rudimentary understanding of economics would understand that if competitors agree not to hire each other's employees, wages for employees will stagnate."

Although the court seemed to accept that a "no-hire" clause could address a franchisor's concerns about its and its franchisees training and then losing employees, it gave little weight to that concern because the restraint was not limited to employees who had been trained at McDonald's Hamburger University, and the same end, in the court's view, could be accomplished by paying higher wages or entering into fixed-term employment contracts with all workers.

The court therefore found that the plaintiff had stated a claim for violation of Section 1 of the Sherman Act. However, the court did not explain how the wage stagnation for low-skilled employees about which it was concerned was likely to affect any relevant market of employees given that any person wishing to leave employment at a McDonald's restaurant could apply for a job at the myriad of quick service restaurants that are likely to be operating under other brands in the immediate area.

PRELIMINARY INJUNCTIONS

COURT GRANTS FRANCHISOR'S MOTION FOR PRELIMINARY INJUNCTION AGAINST FRANCHISEE OPERATING COMPETING ICE CREAM SHOP

An Ohio federal court granted a franchisor's motion to preliminarily enjoin a franchisee from operating a competing business or suggesting any affiliation with the franchisor in *Handel's Enterprises, Inc. v. Schulenburg*, 2018 WL 3077756 (N.D. Ohio June 22, 2018). In 2015, Handel's Enterprises, an ice cream shop franchisor, and Schulenburg entered into a franchise agreement granting Schulenburg a franchise in Encinitas, California, and the option to open a second location in San Diego. The agreement contained a covenant not to compete with Handel's during the term of the agreement or for two years afterwards. Schulenburg later took steps to open the San Diego location, but Handel's ultimately did not approve the location he selected. Nevertheless, Schulenburg signed a lease for the location and refused to pay a franchise fee to Handel's or produce a copy of the lease. Handel's then filed suit in federal court in Ohio for breach of contract and a host of related claims and moved for a preliminary injunction. At the hearing on the motion, Schulenburg and his co-defendants conceded that they had opened a competing ice cream shop at the San Diego location.

In granting Handel's motion, the court found each of the Sixth Circuit's preliminary injunction factors to favor Handel's. First, it found that Handel's was likely to succeed on its misappropriation of trade secrets claim because of the precautions it took to protect its confidential information. The court also found that Handel's was likely to succeed on its claim for violation of the franchise agreement's noncompete provision because the covenant was based on the legitimate business interest of protecting Handel's confidential information, and it was neither overbroad nor injurious to the public. Second, the court concluded that Handel's was likely to suffer irreparable harm in the form of market confusion, unfair competition, and damage to franchisee relationships if the injunction were not granted. Third, the court discounted as self-inflicted any harm Schulenburg might suffer if the injunction were granted. Finally, the court found the public interest in enforcing contracts and fair competition to support granting the injunction. Schulenburg has appealed the district court's decision.

Schulenburg also moved to dismiss the suit for lack of subject matter jurisdiction and improper venue, or, in the alternative, to stay or transfer the suit. The court found subject matter jurisdiction to lie on the basis of both federal question jurisdiction and diversity between the parties, and found venue properly denied based on the franchise agreement's forum selection clause and Schulenburg's business activities in Ohio.

NEW MEXICO FEDERAL COURT DENIES FRANCHISEES' REQUEST FOR A TEMPORARY RESTRAINING ORDER

A federal court in New Mexico recently denied a request for a temporary restraining order made by franchisees of the Wyndham hotel chain that would have reinstated their terminated franchise agreement. *Presidential Hospitality, LLC v. Wyndham Hotel Grp.*, LLC, 2018 WL 2604831 (D.N.M. June 2, 2018). After the franchisees repeatedly defaulted on their obligation to pay royalties, Wyndham terminated their franchise agreement and cut off their access to the Wyndham central reservation system. The franchisees then filed a motion for a temporary restraining order (TRO) to reinstate the franchise agreement.

In considering the requested TRO, the court applied the standard four-part test and concluded that the franchisees had failed to prove that they were likely to suffer irreparable harm in the absence of injunctive relief. The franchisees' loss of revenue standing alone did not constitute irreparable harm because that loss could be compensated by money damages. From the evidence presented, the court was unable to conclude that the revenue loss was so severe as to cause the business to be "certain" to fail, notwithstanding an alleged 90 percent drop in revenue. The court suggested certain remedial steps (highway billboards, dropping prices, and internet advertising) that the franchisees could take to ameliorate the loss of reservations through the Wyndham system. Furthermore, the court declared that the harm to the franchisees' goodwill did not amount to irreparable injury because businesses can "regain or exceed prior expectations of patronage." The court also found that the franchisees were unlikely to succeed on the merits of their claims because the franchisees' repeated monetary defaults were undisputed and Wyndham's pre-litigation attempts to resolve the issues between the parties did not amount to waiver. Accordingly, the requested TRO was denied notwithstanding the court's finding that Wyndham would suffer little if any harm from reinstatement of the franchise agreement and that the public could benefit from issuance of an injunction due to potential avoidance of layoffs of the franchisees' employees.

ATTORNEYS' FEES

FRANCHISEE CANNOT RECOVER ATTORNEYS' FEES AFTER FRANCHISOR'S VOLUNTARY DISMISSAL

The U.S. District Court for the Western District of Texas has denied a franchisee's motion for attorneys' fees after the franchisor voluntarily dismissed its claims without prejudice. *Stockade Cos., LLC v. Kelly Rest. Grp., LLC*, 2018 WL 3018177 (W.D. Tex. June 15, 2018). Stockade entered into multiple franchise agreements with Kelly Restaurant Group ("KRG") for KRG to develop various franchised Stockade restaurant concepts. When KRG continued to operate the restaurants following the termination of the franchise agreements, Stockade sued KRG for trademark infringement, breach of KRG's noncompetition covenant, and misappropriation of trade secrets. After the court preliminarily enjoined KRG from using Stockade's marks, KRG rebranded the restaurants. Stockade again sought to enjoin KRG from operating the rebranded restaurants, but the court declined to grant an injunction. Subsequently, KRG filed a motion to dismiss Stockade's claims, and Stockade responded by voluntarily dismissing the lawsuit without prejudice. KRG then filed a motion to recover its attorneys' fees and costs.

KRG argued that it was the prevailing party under Federal Rule of Civil Procedure 54(d)(2) and was therefore entitled to recover its attorneys' fees under the franchise agreements, the Texas Uniform Trade Secrets Act, and Federal Rule of Civil Procedure 41(d). However, the court held that KRG could not be the prevailing party for purposes of Rule 54 because Stockade had dismissed its claims without prejudice, which did not alter the legal relationship between the parties. As further evidence that KRG had not prevailed, the court observed that Stockade did not dismiss its claims in order to avoid an unfavorable judgment on the merits. Rather, Stockade sought to pursue those claims in arbitration, purportedly because it found it more sensible to do so. The court also noted that Stockade had partially succeeded by obtaining a preliminary injunction regarding KRG's post-termination use of its trademarks. Finally, the court determined that even if KRG had met the threshold requirement that it was the prevailing party under Rule 54, it still would not be entitled to attorneys' fees under the franchise agreements and the specific statutes and rules it was relying on.

CHOICE OF VENUE

FEDERAL COURT UPHOLDS CLAUSE SELECTING SOUTH CAROLINA VENUE

A South Carolina federal court has denied a franchisee's motion to dismiss for improper venue, as well as the franchisee's alternative motion to transfer venue, based on a forum selection clause in the parties' franchise agreement. *ARCpoint Fin. Grp., LLC v. Blue Eyed Bull Inv. Corp. (BEBIC)*, 2018 WL 2971205 (D.S.C. June 13, 2018). In denying franchisee BEBIC's motion to dismiss for improper venue, the court held that franchisor ARCpoint had made a prima facie showing that venue was proper because a substantial part of the events giving rise to its claims occurred within the court's jurisdiction.

The court then considered BEBIC's alternative motion to transfer the case from the District of South Carolina to the District of Kansas. As a threshold matter, the court found that the contractual forum selection clause was mandatory, as opposed to permissive, and that it was therefore entitled to a presumption of enforceability. The court further held that the clause was in fact enforceable because its application would not be unreasonable under the circumstances. Having determined validity, the court then applied a balancing test to determine whether to transfer venue but emphasized that under the U.S. Supreme Court's decision in *Atlantic Marine Constr. Co. v. U.S. Dist. Court for the W. Dist. of Texas*, 571 U.S. 49 (2013), a valid forum selection clause should be given controlling weight in "all but the most exceptional cases." The court ultimately denied BEBIC's motion to transfer venue, holding that BEBIC had not made the requisite showing that the interests of convenience and justice favored the proposed transfer.

PRACTICE OF FRANCHISE LAW

U.S. SUPREME COURT EXPANDS SALES TAX NEXUS

On June 21, 2018, the U.S. Supreme Court eliminated the physical presence requirement for sales tax collection. In a 5-4 decision in *South Dakota v. Wayfair, Inc.*, 138 S. Ct. 2080 (2018), the Court overruled its prior decision in *Quill Corp. v. North Dakota*, 504 U.S. 298 (1992), in which the Court had ruled that a state could require an out-of-state seller to collect sales tax on sales into the state only if that seller has a physical presence in the state. The Court was reviewing South Dakota's economic nexus statute that imposes a sales tax obligation on out-of-state sellers with at least $100,000 or more in sales or at least 200 sales into the state during a year. In light of this decision, states can now assess sales taxes on out-of-state sellers of products, and it is very likely that other states imposing a sales tax will also adopt this economic nexus standard tied to meeting certain minimum thresholds of sales in the state.

What does this mean for franchisors? Overall, this decision may not have a significant impact on franchisors who do not engage in e-commerce. But there are a few takeaways:

- Franchise or royalty fees for the use of trademarks typically would be an intangible, and therefore not generally subject to sales tax. If the franchise or royalty fees include, or relate to the provision of, taxable property or services, however, a state may assert that these fees are subject to sales tax. South Dakota, which is one of a handful of states that charge sales tax on most business services, subjects a royalty fee to sales tax if *any* taxable service or property is included. New York, in a 2016 advisory opinion, stated that such fees were not taxable where they include only limited property, such as operations manuals.
- The sales tax treatment of other fees, such as marketing, installation, and IT support fees, will vary from state to state.
- The sale to franchisees of inventory to be resold by the franchisee typically would be exempt from sales tax as a sale for resale although the seller should obtain an exemption certificate from the franchisee.
- Franchisors should evaluate their sales tax collection policies in light of this new nexus standard, focusing in particular on the states with more significant sales activity.

It is important to note that this case dealt only with the nexus requirement for the collection of sales and use taxes. Many states already apply an economic nexus standard, rather than a physical presence standard, in determining whether an out-of-state business is subject to income tax in the state.

NEW INVESTIGATIONS OF FRANCHISORS' ANTI-POACHING PRACTICES ANNOUNCED

On July 9, 2018, in a coordinated action, attorneys general of California, the District of Columbia, Illinois, Maryland, Massachusetts, Minnesota, New Jersey, New York, Oregon, Pennsylvania, and Rhode Island announced that they were seeking information about the anti-poaching practices of eight QSR chains. Companies receiving requests for information include Arby's, Burger King, Dunkin' Donuts, Five Guys Burgers and Fries, Little Caesar, Panera, Popeyes Louisiana Kitchen, and Wendy's. In her press release announcing the probe, Massachusetts Attorney General Maura Healey claimed, "No-poach agreements unfairly limit the freedom of fast-food and other low-wage workers to seek promotions and earn a better living." According to Healey, about 80 percent of fast-food workers are constricted by no-poaching clauses. GPM is representing several franchisors in these inquiries.

On the same day, the Internal Franchise Association's VP of Government Relations and Public Policy, Suzanne Beall, reported that U.S. Senator Corey Booker's staff had told her that he plans to send letters to all 90 franchisors identified in the September 28, 2017, working paper published by Professors Alan Krueger and Orley Ashenfelter, which first claimed that anti-poaching clauses in franchise agreements may be depressing wages of franchisees' employees. Their paper, "Theory and Evidence on Employer Collusion in the Franchise Sector," identified 90 franchisors with 500 or more franchisees across 21 industry sectors that allegedly used anti-poaching language in their franchise agreements. The IFA also has sent a letter to the chairmen and ranking members of the Congressional Committees with jurisdiction over anti-poaching and noncompete legislation that was introduced this spring, offering to work with the Committees to develop targeted solutions to provide employees with needed protections, without injuring the franchising sector.

The coordinated action follows on the heels of an investigation launched by the Washington State Attorney General in March 2018. That investigation is believed to be limited to QSR franchisors.

CALIFORNIA BRINGS GDPR TO THE USA

U.S.-based franchisors and other American businesses were just getting used to compliance with the European Union's General Data Protection Regulation (GDPR) when, on June 28, 2018, California Governor Jerry Brown signed into law the 2018 California Consumer Privacy Act (CCPA). In its current form, the CCPA applies to any business that collects personal information from California residents and (1) has annual gross revenues of $25 million or more; (2) buys, receives, sells, or shares the personal information of at least 50,000 California residents, households, or devices annually; or (3) derives a minimum of 50 percent of its annual revenue from selling California residents' personal information.

The law was passed quickly with little debate after a consumer privacy organization agreed to withdraw a much broader privacy initiative that would have appeared on the November ballot. It does not go into effect until January 1, 2020 and will likely go through several rounds of revisions as efforts are made to clarify the legislation. It is similar to the GDPR in the notification and access rights it gives to consumers and may become the de facto national standard for how businesses use personal information to market their products and services.

Here is a glimpse into some of the key provisions of the current version of the CCPA:

Disclosures and Right to Opt-Out. Consumers must be able to opt out of the sale of their personal information, and businesses are required to notify consumers of this right. The opt-out notification must list the categories of information collected about consumers in the past 12 months and identify whether the business sells or discloses personal information.

No Discrimination. A business cannot discriminate against a consumer because the consumer asserts any rights under the CCPA, including exercising their right to opt-out of the sale of their personal information.

Right to Deletion. With certain exceptions, California residents will have the right to have any personal information collected by a business deleted upon request.

Enforcement by Attorney General and Limited Private Right of Action. The CCPA is enforceable by the California Attorney General and authorizes a civil penalty of up to $7,500 per violation. California residents have a private right of action under the CCPA only when unencrypted information is accessed during a data breach.

While the CCPA does not become effective until January 1, 2020, and likely will be amended, its passage and the recent implementation of the GDPR are indicative of a major shift in consumer expectations. Franchisors should take action in advance of the effective date, including:

- Determining if and how the CCPA may apply to their businesses and individual franchisees.
- Performing data mapping as necessary to inventory the personal information collected on California residents, households, and devices.
- Implementing internal policies and procedures for handling data access requests.
- Updating privacy policies with new disclosures regarding data access and deletion.
- Preparing incident response plans and teams as necessary to handle data breach notification requirements.
- Informing franchisees of the CCPA and the need to comply if the CCPA applies to their business.
- Determining the extent to which franchisors will provide further guidance to franchisees through updated privacy policies and other directives.

Along with the attorneys indicated on the next page, Michael R. Cohen, a principal in the Intellectual Property, Technology & Privacy practice group, David C. Bahls, a principal in the Corporate & Business practice group, and summer associates Kristin Stock, Madeline Davis, Matthew Frame, Abby Swanson Garney, Maria de Sam Lazaro, Adithya Sharma, Cindy Shi, Meaghan Hunt, Ben Podobinski, and Katherine Morrison contributed to this issue.

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