

**BLOGS**  
Damages

## Court Declines to Award Prospective Damages

In *Meineke Car Care Centers, Inc. v. L.A.C. 1603 LLC, et al.*, 2008 WL 1840779 (W.D.N.C. April 23, 2008), the federal court in the Western District of North Carolina declined to grant franchisor Meineke lost prospective fees due to the early termination of the franchise. Meineke originally terminated the franchise for failure to pay fees, then sued the former franchisee to recover unpaid fees and lost prospective fees for three years. Meineke was awarded over \$100,000 for past-dues fees, but did not fare as well on the claim for prospective fees.

The court held that Meineke's claim that it would take three years to re-franchise the location, thus entitling it to three years of prospective fees, was too speculative. In addition, the court determined that the plain language of the franchise agreement did not contemplate Meineke's recovery of prospective fees in the event of early termination. It further held that any claim for loss profits stemming from the defendants' breach and subsequent termination were not contemplated by the language in franchise agreement and were too speculative.