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BLOGS
Damages

Northern District of Illinois Grants Attorneys' Fees Against Franchisee and Pro Se Guarantor in Termination Case

In *7-Eleven, Inc. v. Spear*, 2013 U.S. Dist. LEXIS 59392 (N.D. Ill. Apr. 25, 2013), the convenience store franchisor had previously prevailed in an action against a franchisee to enforce the termination of the franchise agreement. Because it had prevailed in the underlying matter, 7-Eleven was entitled to an award of its reasonable attorneys' fees incurred in enforcing the franchise agreement. Having previously parted ways with her attorney, the franchisee's primary owner and personal guarantor of the franchise agreement defended against 7-Eleven's motion for fees on a pro se basis. (The franchisee entity was unrepresented on the motion, as corporations in federal court must be represented, if at all, by licensed counsel.) In her submissions, the guarantor did not dispute the validity of the personal guaranty and did not dispute that the fees requested had been incurred by 7-Eleven. Nor did she challenge the reasonableness of the fees charged by 7-Eleven's lawyers, except to argue that 7-Eleven should not have needed to incur extensive legal fees when litigating against an unrepresented opponent. The court disagreed with this reasoning. The franchisee had parted ways with her counsel in the midst of the litigation, and then declined to avail itself of multiple opportunities provided by the judge and magistrate to secure new counsel. Acting pro se, the guarantor then missed court hearings or was permitted to reschedule them in order to attempt to secure new counsel. All of this, the court found, delayed the proceedings and actually increased the amount of fees that 7-Eleven was required to incur. Noting that the fee-shifting provision and the personal guaranty were enforceable under Illinois law, the court entered an award for attorneys' fees, in the amount requested.

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