



BLOGS
Contracts

Ohio Federal Court Denies Franchisor’s Motion for Summary Judgment on Area Representatives’ Claims in Renewal Dispute

A federal court in Ohio recently denied in part a franchisor’s motion for summary judgment related to a dispute over the renewal of two area representative agreements. *KAM Dev., LLC v. Marco’s Franchising, LLC*, 2023 WL 3251216 (N.D. Ohio May 4, 2023).

A federal court in Ohio recently denied in part a franchisor’s motion for summary judgment related to a dispute over the renewal of two area representative agreements. *KAM Dev., LLC v. Marco’s Franchising, LLC*, 2023 WL 3251216 (N.D. Ohio May 4, 2023). Marco’s Franchising entered into two area representative agreements with KAM Development. Eventually, a dispute arose over whether KAM was in compliance with its development obligations under the agreements and, as a result, whether KAM had the right to renew the agreements. Marco’s alleged that KAM defaulted by failing to meet its development obligations, while KAM claimed that the development obligations were amended in a subsequent letter between the parties and that it was in full compliance with the amended obligations. KAM ultimately filed suit seeking, among other things, a declaratory judgment that it was not in default of the agreements and, thus, had the right to renew them.

Marco’s filed a motion for summary judgment on several issues, including that KAM’s development obligations were not amended. The court denied summary judgment on that issue, holding that there was a genuine dispute of material fact regarding whether the Agreements and the development obligations therein were modified by the parties. Specifically, the court held that there were fact issues regarding whether there was a meeting of the minds on the amendment, and whether the parties had the authority to enter into the amendment. The court granted summary judgment, however, in favor of Marco’s on a separate issue regarding certain credits under the area representative agreements.

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