

Franchise Counsel for Mergers & Acquisitions



LATHROP GPM FRANCHISE & DISTRIBUTION PRACTICE

- ▶ One of the largest franchise practices in the U.S. • Chambers-ranked • 25+ lawyers in the group
- ▶ U.S., international, and regional clients • Over 75 industry sectors
- ▶ We represent franchisors and master franchisees, from start-ups to mature, multiple-brand franchisors
- ▶ Franchise and distribution practice includes:
 - Compliance, FDDs & Registration
 - International Development
 - Litigation & Dispute Resolution
 - Underreporting & Franchise Audits
 - Employment & Joint Employer Issues
 - Structuring to Avoid the “Unintended” Franchise
 - Franchise Mergers & Acquisitions
 - IP, Internet & E-Commerce
 - Data Privacy & Security in Franchising
 - Bankruptcy & Creditors’ Rights
 - Franchise Finance
 - Insurance Recovery

FRANCHISE M&A PRACTICE

Lathrop GPM’s Franchise M&A Team represents:

- ▶ PE firms in acquiring franchise brands
- ▶ PE firms in acquiring multi-unit franchised portfolios
- ▶ Franchisors in strategic mergers with other franchise brands
- ▶ Investment banks evaluating franchise acquisitions and sales
- ▶ Franchisors and multi-unit operators in exits to financial sponsors
- ▶ PE firms in evaluating potential franchise and distribution risks in various transactions

We understand the complexity of M&A deals with franchise-specific issues, including:

- Franchise law compliance
- Franchise agreements
- Operations
- Advertising
- Joint employer and vicarious liability
- Franchisee lease addenda / lease audits
- Vendor relationships
- Intellectual property
- Tax and antitrust
- Insurance
- International franchise risks and expansion

Our approach to Franchise M&A projects:

- ▶ Respect and promote M&A deal counsel's relationship with client
- ▶ Understand the need for speed
- ▶ Team approach
 - Consistent availability of counsel well-versed in deal specifics
 - Staffing at various fee levels
 - Deep bench of franchise attorneys with issue-specific knowledge

Typical Franchise M&A workstreams include:

- ▶ Franchise due diligence and evaluation of key issues
- ▶ Purchase Agreement – specialized franchise reps & warranties, covenants, and indemnity
- ▶ Management calls
- ▶ Diligence memos and reports, from high-level red flags, to detailed analyses and recommendations
- ▶ R&W Insurers and Lenders – address franchise issues and insurance exclusions
- ▶ Pre- and post-closing franchise compliance advice and transaction regulatory work

REPRESENTATIVE EXPERIENCE

- ▶ Long-time client in sale of world's largest home care franchise company to strategic buyer (M&A deal counsel and special franchise counsel)
- ▶ PE fund buyer in acquisition of multi-brand franchisor of home franchise services with 12 brands and licenses with over 1,000 franchisees (special franchise counsel)
- ▶ PE buyer in acquisition of leading Mexican fast casual brand (special franchise counsel)
- ▶ Buyers and sellers in over 25 franchise multi-unit deals in the fitness space with 700+ locations transferred (M&A deal counsel and special franchise counsel)
- ▶ Founding family in the sale of leading franchised plumbing and electric business to a private holding company (M&A deal counsel and special franchise counsel)
- ▶ PE investment firm in the acquisition of medspa company operating and franchising businesses focused on anti-aging solutions (M&A deal counsel and special franchise counsel)
- ▶ High growth operator of leading franchised deli brand in 6+ add-on multi-unit deals acquisitions and ultimate sale of portfolio to PE buyer (M&A deal counsel and special franchise counsel)



For more information, contact

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