

Edible Arrangements to defend itself against lawsuit

By: Jeffery Kurz | Posted: Wednesday, September 29, 2010 6:57 pm

WALLINGFORD – The fresh-fruit delivery franchise Edible Arrangements will vigorously defend itself against charges that it has altered its business arrangement with its franchisees, the company said Wednesday.

The EA Independent Franchise Association, which represents 170 Edible Arrangement franchises across the United States, filed a lawsuit in federal court last week, charging that over the past few years the company has violated its contractual obligations and general principles of fairness.

The suit argues “that Edible Arrangements has systematically over the years made changes that are to the detriment of the franchisees and for the real benefit of the franchise owner,” said Justin M. Klein, a New Jersey-based attorney representing the franchise association.

Edible Arrangements responded with a prepared statement disputing the association’s “characterization of the facts and conclusions.”

“The company plans to defend the complaint vigorously and is very confident its strategies to build and evolve the Edible Arrangements’ system are expressly allowed and have been undertaken in good faith,” said the statement.

Edible Arrangements, which has its corporate headquarters on Barnes Road, has franchises in 11 countries, having announced plans to open new stores in India in August. The company has more than 970 locations and has a goal of reaching 1,000 by the end of the year.

The company was founded by Tariq Farid and members of his family, who ran a flower delivery business in East Haven in 1999. Customer service operations, training and administration for Edible Arrangements is now run from the Wallingford headquarters.

Klein said Wednesday that he’ll argue that the company’s alteration of its business arrangement with franchisees violates the Connecticut Unfair Trade Practice Act.

Changes Edible Arrangements has made, said Klein, include requiring franchisees to change vendors, even when a franchise has a long-standing relationship with a local vendor.

The company also now requires franchisees to share customer lists, and takes an 80 percent share of online revenue. Individual franchisees used to get 100 percent, said Klein.

Klein said Edible Arrangements has also embarked on what he called “virtual encroachment,” by setting up an online service called Dippedfruit.com that takes clients away from franchisees.

Sherri Vertorano, a franchisee in North Carolina who is a member of the franchisee association, said last week that the changes are making it difficult to run a profitable store.

Klein said he hopes that the suit will go to court some time in 2011.