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business

Quiznos fires 8 franchisees

The Denver-based company's action in several states follows the publication online of a store owner's suicide note.

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Quiznos has terminated the contracts of eight franchise owners affiliated with a group that publicized a suicide note left by a California franchisee who recently shot himself.

The Long Beach, Calif., franchise owner killed himself in a Quiznos bathroom after a long-running legal dispute with the Denver-based chain. In a two-page suicide note, Bhupinder "Bob" Baber angrily accused Quiznos of mistreating franchise owners like him, contributing to a rapid decline in his physical and mental health.

"Quiznos has killed me. Destroyed my life. Destroyed my family life for the past seven years," Baber said in the note.

The Toasted Subs Franchisee Association, a group of Quiznos franchisees that is highly critical of the Denver chain's business practices, posted the note online. The group said the note was found on his body.

Baber shot himself in a Whittier, Calif., Quiznos on Nov. 27 after walking in and asking to speak to the owner. He died later that night.

In the note, posted on the association's website, Baber called for intense scrutiny of the company. After the letter was posted, eight of the association's board members received termination notices.

The company, which responded only by written statement, accused the franchisees of seeking to exploit Baber's death.

"We ... continue to be deeply saddened by Mr. Baber's death," Quiznos said in its statement. "We find it deplorable and utterly reprehensible that the TSFA has chosen to exploit this tragic situation to further their ongoing and continuing efforts to damage the Quiznos brand and, consequently, all of their fellow franchisees in the Quiznos system."

Justin Klein, an attorney representing the association, said the group believes Quiznos is trying to discourage franchisees from speaking out.

The terminated franchisees were located in several states, including Michigan, Minnesota, Montana and Texas. None were in Colorado.

Some were told to cease operations immediately, while others were given a period of time in which to "cure" the situation, Klein said.

Quiznos has been dogged by franchisee complaints. In addition to individual lawsuits, the company has been named in proposed class-action lawsuits in Wisconsin and Canada.

The Wisconsin lawsuit alleges that the company sets franchisees up for failure by forcing them to buy food and supplies at inflated prices while setting retail prices so low that franchisees can't profit. It also claims that Quiznos omits or misrepresents key facts about its business operations when selling franchises.

Quiznos has said the Wisconsin lawsuit is without merit and that it will defend itself vigorously.

The company has successfully defended itself against lawsuits by franchisees claiming that it builds new locations too close to existing ones and that it takes franchise fees without providing adequate locations within the allotted time frames.

Baber had sued Quiznos for allowing new stores to open too close to his two locations. He later alleged that the company tried to terminate his leases as a form of retaliation for filing the suit and for trying to organize a franchisee group.

Chris Bray, president of the Toasted Subs Franchisee Association, said the group's membership includes "several hundred franchisees" representing as much of 10 percent of the company's franchisees. Bray received an order dated Dec. 8 indicating that his two franchises in Texas were being terminated.

Bob Purvin, chairman of the American Association of Franchisees and Dealers, said it was the first time he has seen a franchiser terminate multiple franchisees for publicly criticizing it.

Purvin, whose association represents franchisees in their dealings with franchisers, said Quiznos has emerged as a significant concern for the group because of its apparent lack of willingness to engage with its franchisee associations.