



17 Quiznos franchisees claim fraud, sue company

**By Janet Forgivee, Rocky Mountain News
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Seventeen New Jersey Quiznos franchisees sued the Denver-based company this week, claiming fraud.

In their complaint filed in New Jersey Superior Court, the franchisees say they paid their franchise fees to the company but were never given site approval to open shops.

"Quiznos has engaged in a deceptive practice that includes taking money from people by making them believe they are making a safe investment, when, in fact, this just isn't true," said Justin Klein, attorney for the franchisees.

It's not unusual, the complaint says, for Quiznos to sell the same area to multiple franchisees.

"We are aware of the claim filed today by a few of our franchisees," said Quiznos' spokeswoman Stacie Lange. ". . . we value positive relationships with our franchise owners. We believe this claim has no merit, and we plan to respond accordingly."

Franchisees who pay an average \$25,000 franchise fee and sign an agreement with the company must open a restaurant within 12 months of signing or they're in default, the complaint said. But to open a location the franchisee must have company approval of the site.

In 2003 and 2004, the complaint said, Quiznos sold 234 trade areas in New Jersey but has not opened a single restaurant in any of them.

Franchisees have sued the chain before. Last month, a federal judge in Denver threw out claims by Arizona franchisees that the company cut their profits by allowing too many stores to open too close together.

In that case, U.S. District Judge Robert Blackburn let stand a separate claim by franchisee C.K.H. LLC that Quiznos forced it to contribute to local and national advertising efforts but seldom used the funds for advertising.

Quiznos facts

- There are more than 2,500 Quiznos restaurants in 15 countries, including the United States, Puerto Rico and Guam.
- A new Quiznos opens, on average, every 16 hours somewhere in the world.

Source: Quiznos.com forgiveej@RockyMountainNews.com or 303-892-5191