

**Hiring an Attorney**

**Why Choose One?**

Franchise agreements are written by the franchisor’s legal counsel. This makes them designed to benefit their interests as well as the overall franchise system’s well-being. This agreement, not the FDD, will ultimately define your relationship with the franchisor.

You are really not able to make many changes to the agreement. This is due to federal and state franchise law, which requires that material changes to the franchise agreement be disclosed to future franchisees. This means that a franchisor would then have to spend money on legal fees to amend their FDD and amend any state registrations, which costs them a great deal of money and lost opportunities. However, an experienced franchise attorney knows the types of modifications to the agreement that can be made through an addendum. If you are not sure what specific wording means or what can be changed, a franchise attorney can step in and help at this juncture.

A good franchise attorney knows what to expect in these documents. They will tell you about any conditions that they see that seem unusual. They can also see if something is missing or not flushed out. Any agreement that you sign should be both complete and accurate, and a good franchise attorney can help you navigate this with the franchisor.

**How Do You Select One?**

First and foremost, you want to ensure that your attorney has experience in reviewing franchise agreements and is well educated on the nuances of franchise law, potential challenges and documentations. Ask the attorney you are considering if they have reviewed these agreements in the past. If so, ask them how many and how often these reviews are a part of their practice. An individual with years of recent experience is critical. This ensures that their knowledge is not out of date and is robust. You also want to ask them what industries that they have a better grasp on. All franchise agreements have similar line items, but they will also vary by industry. A franchise attorney is an attorney who typically specializes in franchise law and agreements.

**What Do They Do?**

A franchise attorney can help you simply review the FDD and agreements that the franchisor presents and advise you on it. They can also help you set up a legal structure that your company occupies. They are even potentially an ally in negotiating minor addendums to the agreement or obtaining letters of interpretation of wording underneath an agreement. You can decide how much in the weeds you want your franchise attorney to be involved; however, they should not be expected to give you advice on the financial or market aspects of the business. You should already have a critical understanding of these nuances before approaching an attorney.

Ultimately, you only approach an attorney if you have vetted all other aspects of the business thoroughly. After talking with your lawyer, you should be ready to open your franchise. If you are not ready to do so, you are talking to your franchise attorney too soon in your franchise search. In our book, the Franchise MBA, the final step that we suggest that a candidate take on the journey to owning a franchise, is professional review of the legal and financial aspects of buying a franchise.

**What should I expect to spend?**

This cost will vary based on what you ask your attorney to do. Most attorneys have hourly rates, or rates for a standard task. Make sure you ask your attorney for details on their fees before you hire them.