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LAW FIRM BUSINESS

## Franchise Player

Based on early success with El Pollo Loco, Barry Kurtz is a pioneer of business franchise law, which is now a certified specialty supported by the State Bar

By Ryne Hodkowski  
Daily Journal Staff Writer

Several years ago, Barry Kurtz and his wife decided to take the scenic route from a Studio City restaurant to their home in Encino. Their idea was to drive the roughly 14-mile stretch of Ventura Boulevard and count how many businesses Kurtz had represented.

Engrossed in the activity, the couple ended up driving past their destination and into Topanga Canyon and by that point had counted more than 50 clients. In the five years since he last did this, Kurtz estimated that his number of clients on the boulevard alone has eclipsed 80.

Lawyers with the 16-year-old Woodland Hills firm, Kurtz Law Group APC say they've achieved their success by specializing solely in franchise and transactional law. The firm's focus is so narrow it has to refer clients to other lawyers in litigation, bankruptcy and other areas it doesn't handle, but it's satisfied to remain small while cultivating referrals.

"I learned the hard way that the more employees and partners you have, the tougher your life," Kurtz said.

On the other hand, the three-lawyer firm's specificity has helped it gain clientele that includes some of the best known franchises in the country.

Kurtz became a franchise attorney in 1980 after doing transactional work for seven years. He made the switch after a corporate client who owned two barbecue restaurants asked if Kurtz knew how to do franchise work. Thinking it was no different than any other contract he had completed in the past, Kurtz said he did. However, he realized he needed an audited financial statement to register the client for a franchise and hired an accountant to do an audit. As luck would have it, the CPA's wife was a

bookkeeper for El Pollo Loco, which then was a single restaurant. When the restaurant was looking for a franchise attorney a couple of years later, the woman quickly recommended Kurtz.

"During the time I represented El Pollo Loco, there was a swarm of people around all the time because it was the first chicken concept of its kind," Kurtz said. "There were restaurant chains, investment bankers, all kinds of people around. So I got to meet a lot of these people at that time."

El Pollo Loco eventually was purchased by Denny's, which had its own in-house attorneys. Kurtz lost the chicken chain as a client but had already established himself as a franchise attorney. After serving as chief operating officer and general counsel for Conroy's Flowers, Kurtz opened the Kurtz Law Group in 1996.

Over the years, Kurtz would go on to represent Krispy Kreme, Wahoo's Fish Taco, Fatburger and Baja Fresh, to name a few.

Kurtz used the universal bond of eating to help market himself to other attorneys. He found that when he introduced himself simply as a business transactional lawyer in networking meetings, other attorneys rarely would be interested. Bringing up food, however, provoked a different reaction.

"I found that as I went through it, I started to talk about franchising, and people started talking about their favorite restaurant," Kurtz said. "Talking about that generated some interest and excitement. I saw that and stuck with it, and now I'm completely branded as a franchise lawyer."

Despite having only three lawyers, the firm counts among its clients franchisers and franchisees across the U.S. Its nationwide coverage has required forging an expertise in federal and states' laws.

"A franchiser could be in California,



Barry Kurtz of Kurtz Law Group APC

Juliane Backmann / Special to Daily Journal

the franchisee lives in New York, and the business is going to be in Maryland. All three states' laws would apply, as well as federal law. That's what makes it interesting."

Since the firm limits itself to franchise and transactions issues, it maintains close ties with firms that have litigation, bankruptcy and intellectual property capabilities. While Kurtz said he often sends work he can't handle to Woodland Hills-based Ezra Brutzkus Gubner LLP, and vice versa, he said he enjoys staying independent.

"In terms of lawyers who do just transactional work for franchisers and franchisees, it's a small group. Everybody knows everybody, it's small-townish."

In 2009, the California State Bar made franchise law a certified specialty. Kurtz said he was one of the first 20 attorneys to be grandfathered in and certified.

That doesn't mean he hasn't had to adapt to changes in the law or industry. Kurtz said franchising was once limited mainly to restaurants but that with the economic downturn, more service businesses are looking to be franchised.

"That's more popular nowadays, because you don't have to have a building, and you can [start a business] for six figures or even lower," Kurtz said. "So we had to take out standard form documents that were for brick and mortar franchising and ... redraft them

and re think them to deal with the Internet."

Kurtz relies mainly on referrals to gain business while maintaining existing clients. He said the firm's unique practice helps draw work.

"Some big firms do franchise law, but they're generally populated by litigators. You can't sell anything or do much in franchise law without an offering prospectus, which I can do."

"Even among lawyers, it's now a recognized specialty, he added. "Not in the legal sense of the word, but in terms of getting work referred."

Kurtz has had to take the lows with the highs when it comes to his field — one he admits is far from burgeoning.

"The good news is I'm a franchise lawyer and I can do anything for a company's franchise needs," Kurtz said. "The not-so-good news is that all the transactional work we used to do for non franchise clients has slowed down because not everybody thinks of me when they have may have a purchase transaction for a business that isn't a franchise."

However, Kurtz remains optimistic about the firm's future.

"I get to work with a variety of people, and it's been very fulfilling to see change and growth that in some ways has occurred on my back," he said. "I'm writing 10- and 20-year contracts that [franchisers are] signing with their franchisees, and they're still in business."



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