



Judge reinstates portion of Wis. lawsuit against Quiznos

Associated Press 04.18.08, 4:34 PM ET

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DENVER - A federal judge in Wisconsin has reinstated two claims in a lawsuit accusing national sandwich chain Quiznos of racketeering and fraud, saying he made a mistake when he dismissed them as a matter of law.

In a ruling handed down Wednesday, U.S. District Judge William Griesbach said arguments and evidence from the franchisees and the company should be weighed before he issues a decision or the case is settled at trial. He said franchisees could file an amended complaint.

Twelve franchise operators alleged they were forced to buy supplies at higher prices from Quiznos or its approved vendors with the profits funneled back to the corporation as kickbacks. They also contended the company set retail prices too low to enable them to make a profit.

Quiznos has denied the allegations.

In a November ruling, Griesbach said the claims were "fatally undermined" by detailed company disclosures of policies and agreements each plaintiff signed before becoming a franchisee.

Griesbach said this week that ruling was in error because he improperly relied on specific cases of law. "Upon closer examination, none of them support that conclusion," he said.

He did not reinstate a third claim alleging antitrust violations.

On Friday, attorney Justin Klein, who represents franchisees in Wisconsin, Illinois and Colorado, said, "I'm glad the franchisees are going to have the opportunity to prove their claims."

Quiznos Chief Legal Officer Richard Emmett said, "When the court reviews the facts, it will determine we acted appropriately and the claims brought against us lack any merit," he said.

Quiznos settled a similar lawsuit, one was dismissed voluntarily in Michigan and a third was dismissed in Illinois. Two lawsuits remain pending in federal court in Colorado.

The privately held Denver-based company has about 5,200 restaurants.

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