

Chief Counsel to Face Quiznos Litigation with Personal Interest

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DENVER – Quiznos announced Patrick E. Meyers as its new general counsel yesterday, after the unexpected departure of Rich Emmett in May. In a press release Meyers stated, “Quiznos is a strong, dynamic company and I am excited to be more fully engaged with the brand and its direction.”

The newly appointed chief counsel is no stranger to the controversial toasted sub sandwich chain. Meyers has had a long history with Quiznos and owners Rick Schaden and his father Dick, and is even reported to be one of the company’s founders. After pursuing his legal career in private practice in the early 1990s, Meyers served as a director of the franchisor for nine years, and then took over as general counsel and the officer responsible for finance, planning and support.

But his connections do not end there. As general counsel, Meyers will not only be defending Quiznos and its officers in litigation filed by franchisees, he will also be defending himself. Last September Meyers was named as a defendant in an amended national class action lawsuit brought by a vast number of Quiznos franchisees nationwide.

In the latest complaint, franchisee plaintiffs assert that in addition to naming Quiznos’ web of affiliated entities and the individuals who operate and control the entire system, they were adding former president Steven Shaffer and general counsel Patrick E. Meyers. The amendment claims they both had a long history with Quiznos and participated in a prolonged deceptive business scheme to induce unwitting prospects to purchase and operate Quiznos sandwich shops and pay franchise-related fees. They depict it as Quiznos’ way to exploit its control and power “in order to extract exorbitant and unjustifiable payments from franchisees.”

Not only is Meyers named in the class action, his [Cervantes Capital](#) firm is as well. Meyers owns stock and/or membership units in one or more of the Cervantes Capital companies and is the sole director of The Cervantes Holding Company, according to the litigation. Attorney Justin Klein representing the franchisees stated that Cervantes is akin to the head of a snake, explaining it is the Schadens’ personal company that owns all of the Quiznos entities, all named in the lawsuit.

It also claims that in May 2003, Meyers testified under oath that 40% of Quiznos units were not breaking even. It adds, “Despite historic knowledge of the financial ‘house of cards’ on which the franchise system is based, defendants have knowingly continued to sell franchises to unwitting consumers over the past

eight years on the contrived promise that Quiznos offers its franchisees a turnkey operation and 'proven business system.'

According to Quiznos' press release, Meyers was a partner and chief legal officer of [Consumer Capital Partners](#), one of the Quiznos' investors. CEO Rick Schaden announced, "Pat brings an exceptional wealth of knowledge and talent to this role, as he understands the intricacies of the legal system with specific regard to the QSR industry and Quiznos as a company. We are pleased to have Pat, his breadth of experience and his full-time focus and attention back at Quiznos."

Meyers responded by saying, "I look forward to working closely with Rick and his team to promote a positive customer experience, further elevate the brand's solid reputation and continue to increase our franchise owners' profitability."