

METRO DETROIT EDITION | VOL. 2 NO. 5

# ATTORNEY AT LAW

MAGAZINE®



**Features:**

**Jay Welford and  
David Steinberg  
Attorneys of the Month**



where the experts are™





Row 1, from left: Derek D. McLeod, Jyotsna Balakrishnan, David L. Steinberg  
Row 2, from left: Jeremy D. Bisdorf, Brian Witus, Jay L. Welford

## BUILDING A FRANCHISE

TWO JAFFE ATTORNEYS APPLY THEIR DIVERSE EXPERIENCES AT THE HELM OF NEW FRANCHISING LAW PRACTICE GROUP

Jay Welford and David Steinberg took very different professional paths to get to their current positions as the leaders of Jaffe Raitt Heuer & Weiss, P.C.'s new Franchising Law Practice Group.

When Jaffe CEO Bill Sider announced the formalization of the practice back in February, he praised Welford and Steinberg's experience and expertise. "Jay and David are extremely talented attorneys," said Sider. "While they share many core strengths, it is the combination of their well-regarded and successful careers, and those of the other attorneys supporting this practice within the firm, that make this new group so dynamic."

Welford, is a corporate business attorney and firm partner who has been with Jaffe for more than three decades. He has built a sophisticated corporate practice and provides general corporate and litigation counsel to a wide range of clients. Welford's experience includes multiple industry sectors and practices, and he has developed specific areas of expertise in franchising law and franchise systems. While this complex and sophisticated area of the law has emerged as a growing area of practice for Welford, his approach to franchise

issues remains rooted in the broader context of general corporate law.

Steinberg, who established an of counsel relationship with Jaffe in 2012, has focused nearly exclusively on franchise law throughout his career. A nationally recognized leader, he specializes in the development of start-up franchise systems and distributorships, licensing, registration, litigation and arbitration of franchise disputes. He has represented numerous national franchisors and franchisees throughout North America, and has also served as general counsel to a publicly held franchise company. From 2010 to 2012, he has been recognized by DBusiness magazine as a "Top Lawyer" in the franchise field.

### PRACTICE MAKES PERFECT

Jaffe's Franchise Practice Group is comprised of a dozen attorneys, including Welford and Steinberg. This multidisciplinary group offers a total business solution for both franchisors and franchisees.

"This is in clear contrast to the handful of other Michigan firms who promote an ability to provide franchise law services,"

says Steinberg. “We are not just one or two lawyers doing some part-time franchise work on the side. This is a fully staffed and dedicated franchising law practice.”

That practice represents both existing Jaffe corporate clients and new clients with franchising law needs in what Welford describes as, “the complete development of franchise systems, including the creation of franchise disclosure documentation, the securing of intellectual property rights, compliance with federal and state franchise regulations, adherence to state franchise registration laws and advertising compliance.”

Welford and Steinberg are perhaps most excited about the group’s potential to add value for clients by combining their franchise offerings with Jaffe’s depth of legal resources. As Welford explains, “In addition to a full slate of franchise law services, Jaffe is uniquely positioned to provide additional expertise in corporate formation, real estate acquisition and leasing, employee benefit plan development, employment agreement negotiation, and tax planning and reporting.” The legal and logistical synergies should not only save clients both time and money, but also promise to deliver a more comprehensive and coordinated scope of service.

## A NATURAL PROGRESSION

Throughout its history, Jaffe has been actively engaged in the growing area of franchising, supporting franchisors and franchisees with their business and corporate law needs. The popularity of this business model was refueled by the recent stabilization of our economy and is an attractive option for business owners looking to expand. Currently, the franchise industry accounts for 40 percent of all retail sales.

“We have been deliberate,” says Sider, explaining that Jaffe has been “strategically building its franchising law team over the last several years, integrating new talent with experienced legal professionals with established franchise law credentials.”

With highly developed practice areas dedicated to assisting business owners, the resulting mix of legal talent encompasses a range of specialties within the field of franchise law. This team of specialists have the unique ability to launch a franchise business and provide the strategic legal counsel required for a thriving business.

The complexity of franchise law not only requires the complete synchronicity of multiple practice areas, but also requires in-depth knowledge of multiple state and federal laws. “In the United States, 16 states regulate the offer and sale of franchises, while another 24 regulate the offer and sale of a business opportunity,” said Welford. “Each of these governing bodies have their own set of legal requirements and guidelines. It could be intimidating for any franchisor looking to build a national brand, but that’s what we are here for, to help guide our clients through the process.”

Franchising is no longer just about serving fast food to the masses. The team has experience in multiple industry sectors,

including assisted living, education, fitness, hotel, insurance, printing and tax services.

With decades of experience and knowledge, Steinberg, Welford and team help their clients establish highly complex franchise systems and provide clarity for the variety of intricacies that are associated with this area of law. Bringing together the multiple practice groups into one unit allows for a franchisor to experience a seamless process, no matter the industry or state.

## A PERFECT FIT

When Welford and Steinberg were chosen to oversee the launch of the practice group, it was with an understanding of—and in fact an appreciation for—the differing skillsets that both attorneys would bring to the table.

While both Welford and Steinberg earned bachelor’s degrees from the University of Michigan, their paths would subsequently diverge. Welford went on to receive his law degree from Wayne State University, while Steinberg graduated from the University of Detroit School of Law before continuing on to Georgetown University Law School, where he would earn a master’s degree in international trade regulation.

While Welford was developing an early professional focus on bankruptcy and insolvency—he is also the practice group chair of Jaffe’s Insolvency and Reorganization practice—Steinberg was beginning a legal career that would ultimately help him develop extensive experience with virtually every aspect of franchise law.

His professional highlights include becoming the first general counsel of Inacomp Computer Centers at the age of 30, serving of counsel for ten years with Bloomfield Hills, Mich. firm Hertz Schram and nine years as partner with Thav, Gross P.C. in Bingham Farms, Mich. In addition to his work as in-house counsel to a franchise company, he has been an equity owner in a franchise system, both of which served as a “working education” as to the operational challenges of running a successful franchise system.

At Jaffe, Welford was becoming increasingly involved with



J. Welford



D. Steinberg

Jaffe's franchise-related work. Seeing an opportunity with what he characterized as a "mixed" experience while outsourcing certain aspects of the front-end franchise work, Welford developed and expanded his franchise expertise. A recent experience launching his wife's franchise business further fed his passion for this area of the law.

Because Welford's exposure to franchise work comes from both a legal and a business perspective, his value is enhanced by a nuanced and detailed knowledge of how to evaluate a business, determine if it is "franchisable" and identify the best way to market it and maximize its potential.

"I was passionate about this work, but I also recognized that if the firm really wanted to become the best franchise law practice in Michigan we needed to go out and find a guy like David Steinberg. Bringing him into the fold was really the final last step in the process."

Steinberg's arrival in 2012 signified an important milestone: the culmination of the organic growth in Jaffe's franchise-related legal services into a well-rounded and dynamic Franchising Law Practice Group. For his part, Steinberg is appreciative of the natural synergy between a robust practice and the extensive legal resources at an established firm like Jaffe.

"The value of having Jaffe behind you is enormous," says Steinberg. "The firm provides a wealth of expertise in virtually every area of the law. There is a tremendous team atmosphere here. We can provide a continuity of service that has tremendous benefits for our clients."

## A UNIQUE SERVICE PROFILE

That "continuity of service" is a big part of the group's value proposition, according to Welford.

"If we are representing a franchisee who is starting a business, they are almost certain to need help with related business disciplines—we are available to assist them with banking concerns or provide legal guidance for issue relating to employee relations, for example. And when we are representing a franchisor, they frequently have to deal with many similar issues as they experience growing pains: setting up a business office, writing employment agreements, designing and implementing a benefit plan, etc."

Having all of those capabilities in house is an obvious asset for the firm. But according to Welford it goes well beyond mere convenience—it's about service. Jaffe's service model emphasizes personal attention: legal counsel that is as much about education as it is about guidance.

In fact, with Jaffe's service-based approach navigating their entrepreneurial clients through the myriad of franchise complexities, Steinberg and the team will educate prospective and current business owners on the essentials required to develop a successful franchise system.

"At the heart of it all, franchising is about licensing and protecting your intellectual property: your name, your brand, your professional goodwill, or your trade secrets—this not something that you ever want to take lightly," he cautions. A general business lawyer is simply not likely to be fully conversant with the details of specific franchise law, something that is particularly important in Michigan—one of 16 states to have a franchise investment law on the books.

Welford and Steinberg are also proud of the fact that Jaffe's Franchising Law Practice Group represents both franchisees and franchisors, giving it a detailed understanding of all sides of key legal issues that enables them to better represent their clients.

"The best franchise systems are those who communicate clearly and work closely with their franchisors for mutual success," says Welford. "And the most successful franchisors have a similarly positive and productive relationships with their brands." And, according to Steinberg, that is bottom line for the co-chairs of Jaffe's newest practice group: "If Jay, myself and our team can help our clients build those successful franchise systems and professional relationships, we're doing our job."

## JAFFE'S FRANCHISING SERVICES

Jaffe's Franchising Law Practice Group represents clients in the complete development of franchise systems, including the creation of franchise disclosure documentation, the securing of intellectual property rights, compliance with federal and state franchise regulations, adherence to state franchise registration laws and advertising compliance.

### TEAM AND SPECIALTIES

- David L. Steinberg, Co- Practice Group Leader  
Franchise System Creations
- Jay L. Welford, Co-Practice Group Leader  
Franchise System Creation
- Joel M. Alam  
Franchise System Creation and Development
- Jyotsna Balakrishnan  
Corporate Structuring
- Jeremy D. Bisdorf  
Intellectual Property Right Protection
- Mark L. Kowalsky  
Franchise Litigation and Arbitration
- Derek D. McLeod  
Franchise Litigation and Arbitration
- Jennifer M. Oertel  
Corporate Structuring
- Brian Witus  
Franchise Litigation and Arbitration