

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND  
(NORTHERN DIVISION)**

**WW, LLC, \***  
**RICHARD WELSHANS, \***  
**DEBORAH WILLIAMS \***  
**3536 Saratoga Avenue \***  
**Annapolis, Maryland 21403 \***

**Plaintiffs \***

**Civil Action No. 09-524**

**v. \***

**PEAR, SPERLING, EGGAN & \***  
**DANIELS, P.C. \***  
**Domino's Farms \***  
**24 Frank Lloyd Wright Drive \***  
**Ann Arbor, Michigan 48105 \***

**JURY TRIAL DEMANDED**

**SERVE ON: \***  
**Paul R. Fransway, Shareholder \***  
**Domino's Farms \***  
**4 Frank Lloyd Wright Drive \***  
**Ann Arbor, Michigan 48105 \***

**and \***

**PAUL R. FRANSWAY \***  
**Domino's Farms \***  
**24 Frank Lloyd Wright Drive \***  
**Ann Arbor, Michigan 48105 \***

**Defendants \***

**\* \* \* \* \***

**COMPLAINT**

Plaintiffs, WW, LLC (“WW”), Richard Welshans (“Welshans”) and Deborah Williams, (“Williams”), by their attorneys, Harry M. Rifkin and the Franchise and Business Law Group, sue Pear, Sperling, Eggan & Daniels, P.C. and Paul R. Fransway and declare and allege as follows:

1. WW, LLC is a Maryland Limited Liability Company with its principal place of business located in Anne Arundel County.

2. Richard Welshans is a citizen of the State of Maryland residing in Annapolis, Maryland in Anne Arundel County and is a member of WW, LLC.

3. Deborah Williams is a citizen of the State of Maryland residing in Annapolis, Maryland in Anne Arundel County and is a member of WW, LLC.

4. Pear, Sperling, Eggan & Daniels, P.C., is a Michigan law firm which prepared and registered the Franchise Offering Circular for The Coffee Beanery, Ltd. in the State of Maryland.

5. Paul R. Fransway is an attorney and shareholder of Pear, Sperling, Eggan & Daniels, P.C., and was the lead attorney at Pear, Sperling, Eggan & Daniels, P.C., who prepared and registered the Franchise Offering Circular for The Coffee Beanery, Ltd. in the State of Maryland. Fransway directed the preparation of the Franchise Offering Circular for The Coffee Beanery, Ltd. and decided what should be included in the Franchise Offering Circular.

6. This court has jurisdiction pursuant to 28 U.S.C.A. Section 1332.

7. On or about June 11, 2003, The Coffee Beanery, Ltd., delivered to Welshans and Williams a Franchise Offering Circular for the State of Maryland in the State of Maryland. This offering circular was drafted by Defendants, although Plaintiffs did not know it at the time.

8. The Franchise Offering Circular for the State of Maryland delivered to Plaintiffs was in violation of the Maryland Franchise Registration and Disclosure Law in numerous ways, including, *inter alia*, the failure of The Coffee Beanery to disclose that Kevin Shaw

had a felony conviction for grand larceny, the differences between the mall traditional retail coffee store and the cafes, the identity of the cafes, mall stores, kiosks, and other concepts, the mandatory Gift Card Program, the Pepsi Contract and the mandatory DMX Remote Eyes and Music Program.

9. Defendants knew that the Franchise Offering Circular for the State of Maryland was in violation of the Maryland Franchise Registration and Disclosure Law by failing to disclose required information as set forth above.

10. When Defendants prepared the Franchise Offering Circular for the State of Maryland in 2002, they deleted much required information that had been included in the previously filed Franchise Offering Circulars because the inclusion of that information made it more difficult to sell Coffee Beanery Café and Coffee Beanery franchises.

11. Plaintiffs relied to their detriment on the Franchise Offering Circular being complete and accurate in making their decision to buy a Coffee Beanery Café franchise.

12. At an arbitration hearing held in February, 2007, JoAnne Shaw, President of the Coffee Beanery, Ltd., testified that Defendants prepared the Franchise Offering Circular provided to Plaintiffs and that Defendants advised The Coffee Beanery, Ltd. on what information to include and what information to exclude from the Franchise Offering Circular and that The Coffee Beanery, Ltd. relied on the advise provided by its counsel, Defendants herein, in preparing and registering the Franchise Offering Circular.

13. On September 12, 2006, the State of Maryland and The Coffee Beanery, Ltd. entered into a consent decree in which The Coffee Beanery, Ltd., admitted that the Maryland Franchise Offering Circular omitted material facts as set forth above herein.

14. The American Arbitration Association entered an award in favor of The Coffee Beanery, Ltd. and against Plaintiffs herein. After filing a motion to vacate the arbitration award in the United States District Court for the Eastern District of Michigan, and after filing an appeal to the United States Court of Appeals for the Sixth Circuit, the Sixth Circuit entered an Order vacating the arbitration award for manifest disregard of the law and ordered the parties to try their claims in court. The Court denied the Petition for Rehearing and Suggestion for Rehearing En Banc on February 9, 2009.

15. The mandate from the United States Court of Appeals for the Sixth Circuit issued on March 2, 2009.

**COUNT ONE**  
**(Negligent Misrepresentation)**

16. Plaintiffs incorporate by reference the allegations in paragraphs 1 through 14 above as if fully set forth herein.

17. Defendants owed a duty of care to Plaintiffs and to all others to whom the Maryland Franchise Offering Circular for The Coffee Beanery, Ltd. was distributed as the Maryland Franchise Offering Circular was registered and provided to potential franchisees of its client, The Coffee Beanery, Ltd.

18. Defendants breached their duty of care to Plaintiffs by preparing and registering an Offering Circular which omitted material facts and which misstated other facts.

19. Defendants' failure to disclose material required information and the misstatements of fact in the Maryland Franchise Offering Circular was the proximate cause of Plaintiffs' injury.

20. Plaintiffs reasonably relied on the Maryland Franchise Offering Circular in deciding to purchase a Coffee Beanery Café franchise.

21. Defendants' failure to disclose material required information in the Maryland Franchise Offering Circular was not in accordance with the standard of care required of attorneys preparing and registering Franchise Offering Circulars in the State of Maryland.

22. Plaintiffs lost in excess of \$1,500,000 in owning and operating their Coffee Beanery Café franchise in Annapolis, Maryland.

WHEREFORE, Plaintiffs seek compensatory damages from Defendants Pear, Sperling, Eggan and Daniels, P.C., and Paul R. Fransway, jointly and severally, for negligent misrepresentation in the amount of One Million Five Hundred Thousand Dollars (\$1,500,000) along with interest and costs of suit and such other relief as this Court deems necessary and proper.

**COUNT TWO**  
**(Fraudulent Inducement)**

23. Plaintiffs incorporate by reference the allegations in paragraphs 1 through 14 above as if fully set forth herein.

24. Defendants owed a duty of care to Plaintiffs and to all others to whom the Maryland Franchise Offering Circular for The Coffee Beanery, Ltd. was distributed as the Maryland Franchise Offering Circular was registered and provided to potential franchisees of its client, The Coffee Beanery, Ltd.

25. Defendants intentionally omitted material facts and intentionally included false statements of material fact in the Maryland Franchise Offering Circular for the purpose of inducing Plaintiffs and other potential franchisees to buy Coffee Beanery franchises.

26. In the alternative, Defendants omitted material facts and included false statements of material fact in the Maryland Franchise Offering Circular with reckless disregard as to their truth or falsity, knowing that the Maryland Franchise Offering Circular would be

used to induce Plaintiffs and other potential franchisees to buy Coffee Beanery franchises.

27. Defendants breached their duty of care to Plaintiffs by preparing and registering an Offering Circular which intentionally omitted material facts and which misstated other facts.

28. Defendants' failure to disclose material required information and the misstatements of fact in the Maryland Franchise Offering Circular was the proximate cause of Plaintiffs' injury.

29. Plaintiffs reasonably relied on the Maryland Franchise Offering Circular in deciding to purchase a Coffee Beanery Café franchise.

30. Defendants' failure to disclose material required information and their inclusion of false statements of fact in the Maryland Franchise Offering Circular was not in accordance with the standard of care required of attorneys preparing and registering Franchise Offering Circulars in the State of Maryland.

31. Plaintiffs lost in excess of \$1,500,000 in owning and operating their Coffee Beanery Café franchise in Annapolis, Maryland.

WHEREFORE, Plaintiffs seek compensatory damages from Defendants Pear, Sperling, Eggan and Daniels, P.C., and Paul R. Fransway, jointly and severally, for negligent misrepresentation in the amount of One Million Five Hundred Thousand Dollars (\$1,500,000) along with interest and costs of suit and such other relief as this Court deems necessary and proper.

/s/

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Harry M. Rifkin, Federal Bar No. 01333  
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**JURY TRIAL DEMAND**

Plaintiffs demand a trial by jury on all issues triable by jury.

/s/

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Harry M. Rifkin