

TEAM EFFORT

Two attorneys lead franchise practice group

By TOM KIRVAN
Legal News

As a corporate business attorney, Jay Welford has specialized for years in the art of the turnaround, helping steer troubled companies back into the black, while also assisting healthy companies through their various stages of growth.

Now, in his 30th year with Jaffe, Raitt, Heuer, & Weiss in Southfield, Welford has assumed legal responsibilities for the firm where the clients are cast in an altogether different business light.

In January, Jaffe CEO Bill Sider announced the creation of the firm's Franchising Law Practice Group, headed by Welford and David Steinberg, who has joined Jaffe as Of Counsel.

"We have been providing business counsel and growth support to franchisors and franchisees for many years," said Sider. "This announcement is really the formalization of a group of specialized attorneys in our office that have been highly active in this industry for more than 30 years."

Welford and Steinberg are among nine attorneys in the group, which "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," according to Sider.

The pair followed two very different career paths in developing their expertise in franchise law, according to Sider.

"With Jay's real world corporate experience and David's career of over 30 years in this area of the law, it was a natural fit for the firm to formalize the practice group," Sider said.

A 1979 graduate of the University of Michigan, Welford joined Jaffe straight out of law school at Wayne State with a passion for business law, but much to his surprise he quickly became immersed in bankruptcy matters for the firm, assisting on a particular case of note in 1982. It involved the Chapter 11 proceedings of the DeLorean Motor Co. founded by former General Motors executive John DeLorean, whose fall from grace hit a new depth that year when he was arrested on charges of smuggling cocaine to raise money for his struggling company.

That high profile case served to whet Welford's appetite for a career in the field, which periodically has involved clients involved in franchise operations.



Attorneys David Steinberg (left) and Jay Welford are guiding the new Franchising Law Practice Group at Jaffe, Raitt, Heuer, & Weiss in Southfield.

Photo by Robert Chase

"Because of that, I've known just enough about franchise law to be dangerous," Welford said with a smile.

Over the past year, he has gained an even greater appreciation for its nuances through personal experience. But more on that later.

Steinberg, who also earned his bachelor's degree from U-M, is recognized as "a leader in the field of franchise law, representing numerous national franchisors and franchisees throughout North America," according to Jaffe CEO Sider. He obtained his law degree in 1980 from the University of Detroit, where he served as article and book review editor of the Law Review.

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—JAY WELFORD

After receiving a master's degree in international trade regulation from Georgetown University Law School in 1982, Steinberg returned to Michigan, joining a Bloomfield Hills firm that specialized in franchise law.

In 1985, Steinberg joined Inacomp Computer Centers, a company founded by technology pioneer Rick Inatome.

"I was the company's first general counsel, at the age of 30, and the only lawyer on the executive staff," said Steinberg.

Steinberg served in a variety of roles with the company, which at one time had some 50 corporate outlets and upward of 320 franchise operations before it merged with Val-

Com, Inc. in 1991. In 1987, Steinberg joined a franchise law firm in California, where Inacomp remained his client.

"It was a very challenging and interesting job, what with the growth of the company, but personally it came at a high cost for me as I was spending a minimum of 3 hours a day in the car, commuting to work," Steinberg said. "It became a real grind."

Upon his return to Michigan, Steinberg served Of Counsel with the Bloomfield Hills firm of Hertz Schram, spending 10 years there and 9 years as a partner at Thav Gross. Eventually, Steinberg caught the entrepreneurial itch from his clients and former his own franchise law practice. Last fall, he joined Jaffe in an Of Counsel capacity, teaming with Welford to lead the Franchising Law Practice Group.

"The value of being associated with a firm like Jaffe is that it offers a wealth of expertise in so many areas that touch upon franchise law," said Steinberg, who was named Metro Detroit's "Franchise Lawyer of the Year" in 2010 by DBusiness Magazine. "There is a tremendous team atmosphere here, with the IP people, the litigation experts, and those involved with the tax and real estate groups. We can provide a continuity of service that has tremendous benefits for our clients."

Long active in community affairs, Steinberg currently serves on the board of the Foundation for Walled Lake Schools and the University of Michigan Student Board of Publications. His 23-year-old daughter, Stephanie, was an editor for The Michigan Daily while a student at U-M, and currently is an assistant editor at U.S. News & World Report in addition to freelance writing for The New York Times. He and his wife, Joyce, a special education teacher, also have a 14-year-old daughter, Lindsay.

Welford, a product of Birmingham (See FRANCHISE, Page 2)

Although we often start with the Geneva Convention of the mid-19th century, most religions and cultures have in their texts and stories notions of the law of armed conflict," he said. "In the books common to the three Abrahamic religions, concepts of mercy for women and children and even environmental protection — spare the fruit trees after you've occupied a territory — are present."

Waters believes that one of the root causes of friendly relations

American army who was captured by the British and treated in accordance with the laws of prisoner of war status. I'm convinced that one of the reasons that there then was — and still is — a period of peace is because there was compliance with the law of armed conflict on both sides."

As recently as the Falklands War in 1982, adherence to the laws of war has made for a more "civilized" conflict and a quicker return to peace.

international affairs and countries have made the Laws of Armed Conflict seem naïve or even quaint.

"There's currently a lot of soul searching among academics who ask, 'Are the laws of war obsolete?' said Waters. "What are some of these new threats? One is that there are new actors on the battlefield. New non-state actors and armed groups. Private military companies. Asymmetric warfare. If you can't beat a conventional

lower questions that some people believe.

"Although we have new techniques of warfare like drone warfare or cyber warfare, the rules automatically apply to these new techniques of war," he said. "Drones don't actually raise new questions. Whether you're using a drone or a biplane or a zeppelin to drop a bomb, the critical distinction is to distinguish between civilians and military personnel. That remains the core principle. So technology changes, but the rules — particularly the rule of distinction — does not change."

FRANCHISE: Group gaining momentum

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Groves High School, has been a frequent lecturer on corporate topics for organizations that include the Commercial Law League of America, the American Bankruptcy Institute, and the National Business Institute. He has testified on Capitol Hill, presented seminars at conferences and universities, and written widely for various journals and professional publications.

"Our Franchise Practice Group is already experiencing momentum, and having someone with the breadth of David's experience helping lead the way will only add to its strength," said Welford, who is serving his second two-year term as president of ALS of Michigan, an organization dedicated to raising funds for victims of "Lou Gehrig's disease."

Welford and his wife, Robin, have been gaining first-hand experience in the intricacies of franchise law. Robin and her partner, Suzie Meklir, have been involved in a hair renewal business for the past three

years with plans to franchise the operation, according to Welford.

"I have been living the process not only from the legal side, but also from the entrepreneurial side," said Welford, who has two daughters, Rachel, a law student, and Mindy, an online editor for Random House.

The Renew Hair and Skin Center, based in Bingham Farms, offers customers Low Level Laser Therapy (LLLT) to promote hair growth. The concept was pioneered in Europe, he indicated. LLLT was used experimentally on mice for wound management, and it was learned that it accelerated hair growth, he said. They are now rolling out the technology nationally under the franchised name "LLLiTe Center for Hair Advancement."

"They have very high hopes for the business, which is why they are working to franchise the operation," Welford said. "The framework is being put in place to give it the chance to really grow, which is the whole point of any franchise opportunity."

NETWORK: IT system helped

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between the two counties is Macomb County's Director of IT Sandy Jurek. Before joining Macomb County, Jurek was a 10-year contractor with Oakland County's IT Department. Her familiarity with both counties accounts in part for the success of the operation.

Oakland County is expected to host Macomb County IT for two to four weeks or longer while Macomb works to restore computer and network operations on a permanent basis.