



United States Senate

February 3, 2019

The Honorable Joseph J. Simons
Chairman
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

Dear Chairman Simons,

I write to ask that the Federal Trade Commission investigate potentially unfair and deceptive practices by BurgerIM, a franchisor with more than 150 locations in California.

BurgerIM experienced dramatic growth from 2017-2019, only to abruptly announce in December 2019 that it may file for bankruptcy. According to a recent investigative report by *Restaurant Business*, the company's financial problems were the result of poor management, which has left many people in California and other states having signed franchise agreements and paid franchise fees but unable to open their locations. Many of the locations that have opened are struggling, and all would face severe consequences if BurgerIM files for bankruptcy. In addition, a number of franchisees report that they were the victim of false or misleading sales tactics, including offers by BurgerIM to refund franchise fees, on which BurgerIM has failed to follow through.

The California Department of Business Oversight is investigating at least 13 formal complaints against BurgerIM for making untrue material statements or omitting necessary material facts to prospective franchisees. I ask that the FTC also review these and any other complaints to assess whether BurgerIM has violated any laws or Commission rules.

I appreciate your attention to this matter. Please do not hesitate to have your staff contact Justin Schardin in my office at Justin_Schardin@feinstein.senate.gov if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Dianne Feinstein".

Dianne Feinstein
United States Senator

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