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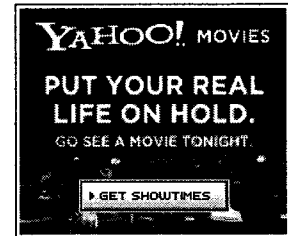
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Source: Marks & Klein

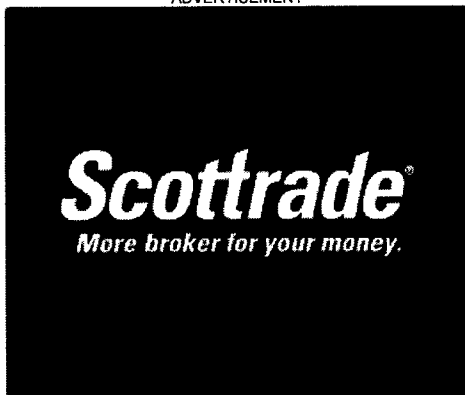
## Sweet Media Portrayals Mask the Sour Truth about Troubled Ricky's Franchise, Former Store Owners Say

Thursday September 18, 9:30 am ET

--Three additional franchisees join lawsuit against company--

RED BANK, N.J., Sept. 18 /PRNewswire/ -- With its quirky name, candy-filled stores and green dragon mascot, Ricky's Candy, Cones and Chaos has attracted considerable media attention in recent months, including a spread in *Retail Merchandiser* magazine and a favorable profile on the New England TV show "Phantom Gourmet." Richard C. Barber, founder of the Princeton, N.J.-based chain, routinely portrays Ricky's as a successful and rapidly expanding franchise with, he claims, 12 existing stores and plans for 30 more.

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However, according to a complaint filed by Red Bank-based Marks & Klein, LLP on behalf of seven failed or failing Ricky's franchisees in New Jersey, Massachusetts and Virginia, there's a sour side to the chain's sugary fantasyland.

Ricky's stores are billed as a combination candy, ice cream, gift basket and birthday party business with a "Willy Wonka"-like atmosphere. "In an effort to persuade would-be franchisees to buy into this promising-sounding concept, however, Barber repeatedly made false and misleading statements designed to make the franchise model appear more successful than it actually was," charged David Paris, the Marks & Klein attorney who is representing the

Plaintiffs in the ongoing lawsuit.

According to the complaint, each of the Plaintiffs "relied on various material misrepresentations made by Defendant Barber and other agents and employees of the Ricky's franchise system, in reaching their decisions to purchase their respective Ricky's franchises."

Those "material misrepresentations," the complaint continued, included "egregiously overstated earnings projections, egregiously understated construction and operating costs, and misrepresentations regarding ongoing operational support."

"As a result, including their start-up costs, each of these Plaintiffs lost hundreds of thousands of dollars on Barber's flawed concept," said Paris.

The lawsuit (Docket No.: MON-L-1546-08) names Barber, his holding companies and several of his agents and employees as defendants. It was filed in July in the Superior Court of New Jersey, Law Division, Monmouth County, on behalf of four owners. Three additional franchisees joined the suit in late August. The suit's Plaintiffs signed franchise agreements for locations in **Brick, Boonton, Denville, Marlboro and Wall, N.J.; North Andover, Mass.;** and **Fredericksburg, Va.**

Among the Plaintiffs' locations, the Denville and North Andover stores have already closed; Boonton re-branded; Brick, Marlboro and Fredericksburg are expected to close soon; and the Wall location never opened, Paris related. He added that despite recent public statements by Barber that 12 locations are currently in operation, the company's website actually lists six operating stores.

According to the complaint and statements by the Plaintiffs, Barber, in his pitch to would-be franchisees, greatly overstated the sales of existing Ricky's stores as well as the scale and scope

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of the chain's expansion. The suit and former franchisees also allege that the company knowingly under-estimated the cost to build and operate Ricky's stores per the mandatory specifications of the chain's franchise model, and failed to make good on its promises to provide franchisees with adequate advertising support and/or price-competitive candy, ice cream and other products and services.

Once the Plaintiffs paid their respective franchise fees and began trying to open and operate their stores, they realized few if any of the claims made by Barber and his associates were true, Paris said.

"Barber told the franchisees, for example, that their stores would gross at least \$50,000 per month," said Paris. "He contended that his company-owned Princeton store was doing \$750,000 to \$1 million in annual sales when he knew full well its volume was nowhere near that."

Paris went on to note that several of the Plaintiffs "have suffered devastating financial losses as a result of buying into the Ricky's franchise model." Among them is Denise Ballentine Holwill, who owned and operated the Denville, N.J., Ricky's store before it went bankrupt in December 2007. "I lost over \$800,000," she said. "I also filed for personal bankruptcy because the landlords are after me for past rent. My home is up for pre-foreclosure."

Plaintiffs Neil Gillen and his wife Cheryl have lost a total more than \$900,000 on their North Andover, Mass. store as a result of their reliance on Barber's misrepresentations, the suit alleged.

David Goldstein, another Plaintiff, became interested in Barber's concept after walking into a Ricky's store in his hometown of Morristown, N.J. "I was told the store was doing very well," he recalled. "Yet, it ultimately wound up closing down." Goldstein, who eventually opened a Ricky's in Boonton, N.J., said he has lost approximately \$650,000 on his failed venture, which was later de-branded

Plaintiffs in the lawsuit fear other would-be franchisees, deceived by sanguine press about the chain, will pay Barber a \$25,000 or \$30,000 franchise fee and then lose their life's savings trying to open and operate a Ricky's store. "The public has to be made aware of this deceit," Ballentine said.

Ricky's franchisees seeking information about or participating in the lawsuit should contact David Paris at Marks & Klein, (732)-747-7100.

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Source: Marks & Klein

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