

Atlanta celebrity chef/restaurateur Kevin Rathbun: Ex-partners seek more than they should receive in buyout

Atlanta celebrity chef and restaurateur Kevin Rathbun says his former partners are seeking more in exiting their profitable restaurants than they are entitled to receive.

Rathbun on March 16 answered the complaint filed in Fulton County Superior Court by Cliff Bramble and Kirk Parks, who owned minority interests in some of his Atlanta restaurants and helped operate them as well.

"Bramble and Parks, who have profited handsomely based on Rathbun's talent and business acumen, file this lawsuit in an attempt to obtain a price for their membership interests to which they are otherwise not entitled. The relevant operating agreements set forth the purchase price, and this Court should enter declaratory judgment in favor of Rathbun," according to the answer and counterclaim filed in Fulton Superior Court, a copy of which was provided to Atlanta Business Chronicle by Rathbun's attorney **Alexa Ross**.

The document continued, "Until this lawsuit is concluded, Rathbun's ability to manage and operate his companies remains impaired."

In their complaint filed Feb. 13 also in Fulton County Superior Court, Bramble and Parks contend their decision to leave management roles in some of Rathbun's restaurants did not trigger a buyout of their ownership. They ask the court to block Rathbun from exercising any purchase option to buy their respective ownership interests in Kevin Rathbun Steak LLC (KRS), Krog Bar LLC, SteakBar LLC and 154 Krog Street LLC.

In the answer and counterclaim, Rathbun offers four general defenses to the complaint, beginning with the plaintiffs' failure "to state a claim upon which relief can be granted." A fifth defense countered 69 individual plaintiff allegations, the majority with Rathbun denials.

[Read the full document here.](#)

Rathbun also filed a partial motion to dismiss and brief in support regarding the plaintiffs' effort to recoup their attorney fees. [Read that partial motion and brief here.](#)

Bramble, Parks, and Rathbun own varying portions of each of the companies, which operate successful restaurants in and around Atlanta, according to the complaint. Since 2009, Bramble and Parks, in addition to being members in the companies, were also employed and paid a salary by KRS, it said.

Parks in December 2016, and Bramble in December 2017, resigned their employment with KRS, according to their complaint.

In January 2018, Rathbun notified Bramble and Parks that, as a result of their resignations, he intended to purchase their membership interests in KRS, Krog Bar, and SteakBar under termination provisions contained in each of the companies' operating agreements, according to the document.

Rathbun's attorney sent a second letter and attached executed checks to buy out Bramble and Parks' shares in KRS, Krog Bar and SteakBar, the complaint said. The check amounts were "significantly below the fair market value of these entities," it said.

Bramble was issued a check for \$513,312 and Parks one for \$193,941 "which purported to represent Bramble's and Parks' capital account balances and their share of the 2017 profits generated by those entities," the complaint said.

Rathbun "also executed what Rathbun claimed to be assignments of interests on behalf of Bramble and Parks indicating that Bramble and Parks had transferred their shares in KRS, Krog Bar, and SteakBar to Rathbun," it said.

"Rathbun had no right under the Companies' operating agreements to purchase Bramble and Parks' shares in the Companies. Alternatively, Rathbun violated the procedures set forth in each operating agreement for purchasing another members' shares.

Bramble and Parks are represented by Samuel Lyddan and David Marmins at Arnall Golden Gregory LLP, which provided a copy of the complaint to Atlanta Business Chronicle.

A lawyer for Rathbun, who helped draft the restaurant operating agreements, said that any event that resulted in a termination of employment of an active partner - whether voluntary or involuntary - would result in a capital buyout by either Rathbun or the company.

"We have followed the exact formula outlined at the time they came together and formed the companies that operate these restaurants," said George Menden, founding partner of MendenFreiman LLP. "It appears now they are unhappy with the agreements established at outset of their partnership.