

A Dickey's restaurant stands May 21 where the chain started, in Dallas, Texas. Dickey's is the world's largest barbecue chain, with about 300 locations. **JONATHAN ZIZZO/THE NEW YORK TIMES**

Dreams gone up in smoke

They bet their future on barbecue-chain entrepreneurship. Many lost everything after signing on

By Brett Anderson | The New York Times

Wendy Williams was building her future. After years of moving around, the Army veteran and registered nurse had settled in a small town in the Florida Panhandle.

"I found my forever home," she said. "I painted it Euphoric Lilac."

Williams had a good job as a sales representative for a medical device company but wanted to be her own boss. Her dream of financial independence began where it has for countless Americans: an online search for a restaurant franchise to buy.

She was drawn to the patriotic, family-centered brand story of Dickey's Barbecue Pit, the world's largest barbecue chain, with about 300 locations. In 2018, she signed a contract to open two locations and attended Barbecue University, the company's training program in Dallas.

"I got a 25% discount for being a veteran," she said. "I felt so proud."

Williams remained upbeat even after the startup costs for the restaurants she opened in Florida turned out to be more than twice the $250,000 she said Dickey's sales representatives told her she'd need. Revenues also fell short of projections provided by the company, she said.

"I used my retirement," she said. "I used my house, I used my rental house, I used my van, my Tahoe — I used it all as collateral." Williams claimed more than $1.5 million in losses in her Chapter 7 bankruptcy filing in 2023; the bank foreclosed on her forever home last fall.

"I believed in Dickey's," she said. "I was lied to."

Williams is one of 37 current and former Dickey's franchisees who told The New York Times that they were enticed to purchase franchises based on misleading financial information provided by the company, often putting them underwater on their restaurants before they even opened.

Their stories mirror similar accounts from people alleging misrepresentations and deception going back more than a decade, surfaced in complaints and comments filed with the Federal Trade Commission, in lawsuits and in news articles.

With promises of profit and growth, Dickey's targeted would-be small-business owners, including immigrants and — despite the company's patriotic brand story — military veterans. It routinely sold franchises to people who had no restaurant experience and lacked the funds to weather losses.

Each of those 37 people, including those who have filed lawsuits, said they experienced life-altering economic hardship after partnering with Dickey's. Several even lost their homes.

"Far too many of our fellow franchisees have lost everything they had," an association of Dickey's owners wrote in 2023 public comments to the trade commission.

The owners' economic woes were compounded, they told the commission, by corporate requirements that prevented them from earning a profit, including a bewildering array of fees and paying above-market rates to vendors affiliated with the parent company. Owners also claimed that corporate managers pressured them to keep money-losing restaurants open and harassed them for speaking publicly against the company.

Dickey's denied the allegations in written responses to questions from the Times, in which it described the owners who criticized the company as part of "a group that is intent on the destruction of Dickey's system including its franchisees."

"The vast majority of our owner-operators are successful and profitable," Laura Dickey, CEO of Dickey's Barbecue Restaurants, said in an interview. She said that while she empathized with owners who've lost money, "their feelings are not facts."

The first Dickey's was opened in Dallas in 1941 by Travis Dickey, a World War I veteran, and his wife, Miss Ollie, with a menu that included brisket, pit hams and bottled milk. The family business grew into a small local chain after Travis Dickey's death in 1967, when his sons, Roland and T.D., took over the business.

Roland Dickey Jr., a grandson of the founder who is married to Laura Dickey, became the company's president in 2006 and, 10 years later, CEO of the restaurant's parent company, Dickey's Capital Group.

He took advantage of the rising enthusiasm for Texas-style barbecue to expand the company from 20 locations to more than 550, according to the company's website, making Dickey's the world's largest barbecue chain and one of the fastest-growing restaurant franchises.

Dickey's growth was fueled by partnering with owners who often had little to no restaurant experience but were attracted to the promise of a high return for purportedly low startup costs.

Franchisees told the Times that Dickey's sales representatives have also aggressively sold failing locations to new owners, often multiple times. The tactic, they said, reduces the number of closings reported in public filings and enables fees to continue flowing to the parent company.

Robert Faust, a regional business manager for Dickey's until he left in 2019, said the company's leadership was preoccupied with expansion, not interested in addressing the problems that come with rapid growth, and quick to blame owners when the company struggled.

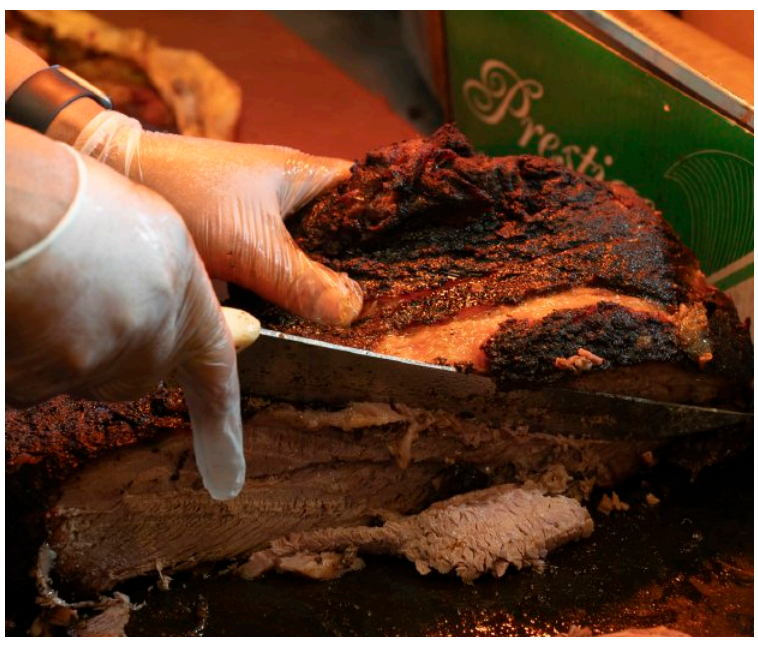
"There's no vetting process," he said. "If you can write the check, you get the store."



Side-dish cups wait at Dickey's Barbecue Pit in Lancaster, Calif. **GABRIELLA ANGOTTI-JONES/THE NEW YORK TIMES**



Daniel Unsworth of Kent, Ohio, says he had a "nightmare experience" as a Dickey's franchisee. **ANGELO MERENDINO/THE NEW YORK TIMES**



Smoked brisket is sliced at Dickey's in Lancaster, Calif. The chain specializes in Texas-style barbecue. **GABRIELLA ANGOTTI-JONES/THE NEW YORK TIMES**

Faust is one of six former management-level corporate employees who told the Times that they left Dickey's in part because they were uncomfortable with its business practices.

Dickey's franchisees formed the Pit Owners Association in 2017 to advocate on their own behalf with the parent company. Two years later, the group released a survey, conducted by an outside research firm, showing that 58% of Dickey's owners reported their restaurants as unprofitable. About 85% said they would not invest in Dickey's again.

Gwen Bassett and her husband, Rene, both military veterans, struggled to make ends meet after draining their retirement savings in 2019 to open a Dickey's that she said cost nearly $300,000 more than the company projected.

Bassett said the company ordered an audit on her Dickey's in Napa, California, in 2022, shortly after she joined the Pit Owners Association. It was around the same time association members were planning to close temporarily in protest of what they perceived as the company's refusal to respond to their complaints — a protest that was shelved, but not before Bassett posted about it to a private Facebook page where owners shared stories that countered Dickey's aura of success.

The Facebook page was shut down in August 2023 by Daniel Unsworth, a Dickey's franchisee who had taken over its administration, after he received a letter from a Dickey's attorney informing him that he was violating his franchise agreement.

But former franchisees continue to post about Dickey's in a new private Facebook group, Bbq Into Bankruptcy. It is one of the forums Unsworth has used to publicize what he says was his "nightmare experience" as a Dickey's franchisee in Ohio.

Unsworth and Jeremy and Nicole Kolbach, former Dickey's franchisees in Idaho, filed a lawsuit last year against Dickey's and Luminate Bank, which provided loans backed by the Small Business Administration to the owners. The lawsuit alleges that Dickey's provided "false information with respect to costs and revenues" and the bank knew that information was false when they approved the loans.

Luminate denied the lawsuit's allegations in a court filing. In April, the court denied the bank's motion to dismiss the case but granted Dickey's motion to stay the lawsuit pending mediation or, if necessary, arbitration as the company's contracts with its franchisees require.

Unsworth recently testified in an arbitration case filed by Maria and Demetrius Gibson, former Dickey's owners in Illinois who accused the company of providing false startup costs and revenue projections. Last month, the arbitrator disciplined Dickey's for repeatedly failing to make officers, including Roland Dickey, available for depositions.

Chris Bruno is seeking to reclaim the roughly $1 million he said he lost operating a Dickey's in New Jersey that closed in 2023 after a year. Dickey's said the claims made in Bruno's lawsuit, as well as those in the lawsuits filed by Unsworth and the Gibsons, are "baseless."

Bruno said he has stopped payments on his SBA-backed loan to Luminate in part so he can afford to take legal action against Dickey's. "I'd rather go broke fighting to get back what's mine."