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SALES TAX & COMPLIANCE

Colorado Department of Revenue Seizes Headquarters of Boston Market Over Unpaid Sales and Payroll Taxes

McDonald's purchased Boston Market in May 2000, eventually selling it to Sun Capital Partners, a private equity firm in 2007, which in turn sold the company to the Rohan Group during the pandemic.

May. 24, 2023



By Aldo Svaldi – The Denver Post (via TNS)

Not much time may be left for Boston Market fans who want to get a fix of chicken carver sandwiches, rotisserie ribs or mashed potatoes at the once-popular fast-casual chain that has been based in Golden for nearly three decades.

Boston Market is down to three locations in Colorado — Westminster, Aurora and Colorado Springs — and its owner, Engage Brands, has let a big stack of bills pile up from its landlords, vendors, employees and even the state of Colorado.

On May 16, the Colorado Department of Revenue posted big notices on the doors of the company’s headquarters and its three remaining restaurants announcing an asset seizure to recoup \$328,592.34 in unpaid sales and payroll taxes. The unpaid taxes had been accumulating for over a year.

“After exhausting all other options, distraint warrants were issued on May 16. When a distraint warrant is issued, the Department of Revenue posts signs on the business premises, changes the locks and seizes business assets until the state receives due back taxes — in this case wage withholding and sales tax,” Derek Kuhn, a tax supervisor with the department, wrote in an email.

Kuhn said the department prefers to work with businesses to resolve their obligations so operations aren't impacted. But with Boston Market, the state was left with no other choice. The seizures, however, did result in Boston Market resolving its obligations with the state, allowing the restaurants to reopen last weekend.

Engage Brands is part of the Rohan Group of Companies owned by Philadelphia-area developer Jay Pandya, who operated several Pizza Hut and Checkers & Rally's franchise locations before buying two well-known restaurant chains outright.

In April 2020, Pandya purchased Boston Market, which was down to 300 locations from a peak of 1,200, for an undisclosed amount from [Sun Capital Partners](#). Later that year, he also acquired Dallas-based Corner Bakery Cafe. Pandya also made headlines in 2017 with his plans to invest [\\$2.4 billion to create a U.S.-based cricket league](#), but a court in 2020 blocked that effort.

The pandemic was hard on restaurants in general, and Boston Market put an even greater focus on carry-out and catering, according to trade magazines. But things appear to have taken a turn for the worse under the new ownership group, which has allowed unpaid obligations to accumulate.

On May 4, [Judge Meegan Miloud in Golden ordered Boston Market to pay \\$590,000](#) in overdue back rent and fees to Tebo Properties of Boulder for its headquarters lease. It was a default judgment because Boston Market ignored Tebo's lawsuit filed back in January.

Jansen Tidmore, president and CEO of the Jeffco Economic Development Corp., said the parking lot of the Boston Market headquarters emptied out during the pandemic, which wasn't uncommon given the shift to remote work. But from his perch in offices across the street, he could see that activity never returned.

"It has been radio silence from them on our end," Tidmore said of Boston Market under its new ownership group. In its heyday, Boston Market was an engaged participant in the county's business community.

After learning of the default judgment on the lease, Tidmore said he went across the street to walk around the headquarters, which is in a prime location at 14103 Denver West Parkway. It is close to the National Renewable Energy Laboratory, which on Monday received an [additional \\$150 million from the federal government to modernize its labs](#), as well as Glo Park, a [proposed industrial campus for clean energy technology](#).

“You never want to lose jobs or have a company go out, but we will be optimistic when the building gets back on the market,” he said.

Boston Market got its start as Boston Chicken in 1985 in Newton, a suburb of Boston, and built its brand on rotisserie chickens. The company moved its headquarters to Golden in 1994 and rebranded as Boston Market in 1995 to reflect a broader menu offering, including meatloaf and eventually ribs. That same year it launched Einstein Bros. Bagels, which eventually spun off.

By 1998, the restaurant chain filed for bankruptcy protection after taking on too much debt to fuel its rapid expansion.

But over the years, Boston Market has also struggled with the growing popularity of rotisserie chickens that it helped generate. Rotisserie chickens are widely available, with many grocery stores carrying them and club warehouses like Sam’s and Costco selling them for around \$5.

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In late February, [Rohan sought bankruptcy protection for the Corner Bakery Cafe](#) after creditors tried to take control of it.

Boston Market did not respond to interview requests.

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