

---

Business

# Former CEO sues Intelligentsia Coffee for \$15 million

By **Kim Janssen** · **Contact Reporter**

Chicago Tribune

---

SHARE THIS



Intelligentsia is known for fair trade coffee. But its former CEO says HE was exploited.

---

NOVEMBER 19, 2015, 3:50 PM

**I**t built a hip niche coffee brand by promising to ensure that the farmers who grow its coffee beans are fairly paid.

But in an ironic twist, Chicago-based Intelligentsia Coffee is being sued by its former CEO, who accuses it of cheating him out of \$15 million.

Robert Buono says that's the cut he's entitled to of the reported \$100 million majority stake that Peet's Coffee & Tea plans to take in Intelligentsia.

When he took over as co-CEO in 2010, he found a company in "disarray," Buono says in a lawsuit filed Thursday in Cook County Circuit Court. But he made the tough decisions necessary to turn Intelligentsia around, boosting its profits by 61 percent by the time he left in 2014, he adds.

*Article continues below* ↓

Co-founders Doug Zell and Emily Mange couldn't afford to pay him what he was worth as a co-CEO, so they instead promised him a cut of future profits, his lawsuit alleges. His contract entitled him to either be paid that 15 percent cut or to be bought out if the firm was sold, he says.

Intelligentsia did not immediately return calls seeking comment.

But Buono's attorney, P. Andrew Fleming of law firm Novack and Macey, said Buono has never been paid his share of profits, even though he "did an outstanding job turning the company around" and has a contract that entitles him to be paid.

"He made this firm very attractive to potential acquirers," Fleming said.

Buono, a lawyer himself, helped Zell and Mange with legal work when they formed Intelligentsia in 1995, the lawsuit says. When he was invited to become co-CEO in 2010, he found a company with no online wholesale ordering, no good sales data, supplier data or marketing plans for different market segments, and with underperforming employees, the suit says.

Zell and Mange's divorce was contributing to problems at the top of the firm, the suit says.

Buono had an "immediate, positive and lasting impact," it says. But "several of Rob's decisions, while generally beneficial to the company, were unpopular with Doug and Emily and contributed to the company's current wrongful conduct against Rob," according to the suit, which accuses Zell, Mange and Intelligentsia of violating the Illinois Wage Payment and Collection Act and of breach of contract.

Though the terms of the planned sale to Peet's, announced last month, were not disclosed, it was reported to be worth \$100 million, the suit says. Zell, Mange and co-owner Geoff Watts will retain a minority stake in the company and continue to be involved in running the business, Zell told employees in an open letter Oct. 30.

Intelligentsia has six Chicago locations — in the Loop, Millennium Park, Logan Square, Lakeview, Old Town and Wicker Park — and has also opened three shops in Los Angeles and one in New York. The deal with Peet's allows it to better distribute its coffee beans to high-end grocery stores and to continue a slow expansion in California and New York, it said last month.

[kjanssen@tribpub.com](mailto:kjanssen@tribpub.com)

Twitter [@kimjnews](https://twitter.com/kimjnews)

---

Copyright © 2015, Chicago Tribune

**This article is related to:** [Business](#)

**BE THE FIRST TO COMMENT**

---

Content Continues Below



