

213<sup>TH</sup> NEW JERSEY LEGISLATURE  
ASSEMBLY TRANSPORTATION COMMITTEE  
HON. JOHN S. WISNIEWSKI

# TESTIMONY

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ED KASHOUTY

Exxon Lessee and Divestiture Victim  
Member United Dealers of New Jersey

A-3726

An Act concerning motor fuel franchises.  
SUPPORT

March 12, 2009

COMMITTEE ROOM 11  
TRENTON, NJ 08625

**Testimony of Ed Kashouty**  
**A-3726—Support**

Chairman Wisniewski, Vice-Chair Stender, and honorable members of the committee, my name is Ed Kashouty, and I am a franchised lessee dealer of Exxon gasoline asking you to support A-3726, the First Right of Refusal Act. Without this legislation, I know for a fact that my future is at stake. I know this because I have already felt the pain of divestiture, and do not want to lose anymore of my investments in my other gas stations.

In 2003, I purchased an Exxon franchise in Princeton, NJ for \$164,000. In 2004, a major distributor from Pennsylvania bulk purchased more than 50 Exxon locations in Southern New Jersey. After investing an additional \$190,000 in my property, I had to hand in my keys to my new franchisor and leave behind \$354,000 in investments. This was my blood, sweat, and tears that went into the business, and the bad policies of a new owner stole my dreams. Today, there is no gasoline station at that location, competition in that area has been lost, and my employees had to find new jobs in what was already the start of an unsettling time economically.

I am asking you to pass A-3726 so that franchisees can have a chance to control their own destinies. I am asking you to pass A-3726 so that I and others like me can be assured that our stations and our investments will not be stolen from us either directly or indirectly through bad policies. I do not see why there are people in this room against giving franchisees the first right of refusal. We are not asking for a discount. We are not even asking for the investments that we have made to be calculated into a purchase agreement. We are simply asking to have a chance. To have a chance at success and to know that if ever our doors do close that it was not because someone else drove us out. 1/3 of the stations in Southern New Jersey were either given up like mine, or sold at a phenomenal loss. No one wants to deal with a distributor that cannot afford the new purchase they have made and who passes off the costs to the retail dealer and the motoring public. While, I am sure that there are others in this room that care about their future, I came here today because I know about the past. A-3726 is a good piece of legislation, and it deserves to be moved out of this committee.

Thank You.