

Chairman Holvey, Vice-Chair Bonham & Members of the Committee:

My name is Luis Perez and I am the owner of the Corvallis, OR Elmer's Restaurant and employ 30 Oregon residents in my business.

Established in 1960, right here in Oregon, Elmer's is truly a family owned and operated labor of love. Franchising began in 1966 and continues to grow to this day. We continue to honor the values of the Elmer's family by delivering seasonally fresh entrees and premium, made-from-scratch favorites served with care in a warm, inviting family atmosphere. As a group of locally-owned restaurants, we take pride in our local communities, source Northwest fresh ingredients, and are proud to have the most wonderful, loyal guests.

When I chose to become an Elmer's franchisee, I read and understood the agreement I was signing. I know what the terms and conditions are, and I understand my obligations as a franchisee as well as the obligations of the Elmer's brand. I also know my agreement is between Elmer's and me and do not see a benefit to the state of Oregon becoming a party to that agreement or dictating the terms of that agreement.

Through my business, we aim to enable provide a great service to all our guests and their families in Corvallis and one that leaves them wanting to return to my restaurant or one owned by a fellow franchisee. Through the franchising business model, I was able to take a reputable company, Elmer's, and operate a successful business providing a spectacular product to Oregonians of all ages.

I understand and value what it means to uphold standards. In franchising, brand standards are the pillar of any system and this legislation will make it more difficult to ensure those standards are enforced. Eroding the ability of franchise brands to enforce brand standards only damages my business and does the exact opposite of what this bill is entitled.

With the relative strength and success of franchise businesses in Oregon, I was disheartened to hear that HB 2946 is being considered by our State Legislature. This bill would add risk to franchising in the state by inexplicably attempting to change a business model that has effectively been supporting job creation and small business owners like me.

HB 2946 places the basic tenets of the franchise business model at risk by adding ambiguity into franchise contracts, incentivizing litigation, and damaging brand equity. This bill is a solution in search of a problem that doesn't exist and is being promulgated for reasons other than that of the interest of the franchise community.

I urge you to consider the impact this could have on the locally owned and operated businesses that play by the rules and serve Oregon residents who count on our services.

Please consider the importance of franchise small businesses, strengthening new businesses and creating jobs within Oregon and vote NO on HB 2946.

Thank you,

Luis Perez