



## Local Oil Express included in breach of franchise suit

*Action is frivolous, attorney says in response*

**By Pucky Zimmerman**

Oil Express National Inc. of Hinsdale said last week it has filed suit against various franchises for breaches of their franchise license agreement.

Attorneys for the franchisees term the action "ludicrous and frivolous."

Included in the suit are the Naperville Oil Express on Ogden Avenue and the Wheaton Oil Express on Main Street, according to Dan Barnas, president of the company.

The breaches include nonpayment of fees and royalties, he said. The franchise stores have been terminated as Oil Express locations. Although the stores remain in operation, the national company has obtained an injunction to get the signs removed from the sites, Barnas said.

Additionally, a suit has been filed against a Miami attorney who

is representing the terminated franchisees, the company said.

Robert Zarco, attorney for the local Oil Express franchises, said, "Our position is that the lawsuit is ludicrous and frivolous." The suit was filed because the franchisees sent a demand letter to Oil Express National requiring that it live up to its agreement. Under the franchise arrangement, Oil Express National agreed to provide the franchisees with certain services, but has failed to perform, Zarco said. The intent of the demand letter was to get Oil Express to perform pursuant to the terms of the contract but Oil Express refused.

"The franchisees attempt was to settle this amicably," Zarco said.

Additionally, he said a suit has been filed in Cook County against Oil Express National on behalf of a Rand Road Oil Express store. The suit says the franchiser has failed to provide substantially all of the

services and to perform the obligations which are imposed upon it under the agreement.

As for the suit against the franchisees' attorney, Zarco said the Miami lawyers intend to pursue malicious prosecution charges against Oil Express National.

Because of the nonpayment of fees and the lawsuit costs, Oil Express National is restructuring to maintain financial strength, Barnas said. The company headquarters will be closed, but Barnas said it hopes to reopen at another location in Hinsdale.

Oil Express National's store and the stores of the company officials remain strong, the company said in a news release.

Zarco said that by suing the franchises, Oil Express National is trying to "drum up a storm. I am shocked that they would make this public," he said.