



Former Snap-on Tool Dealer Awarded \$314,000 Damages - 'Snap-on Wives Club' Expanded -

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PRINCETON, N.J., Jul 19, 2004 /PRNewswire via COMTEX/ -- In a significant victory for franchisee rights, the American Arbitration Association has awarded Brian Casey, a former Snap-on dealer in Middletown, N.J., \$314,608 in damages against Snap-on Tools of Kenosha, WI. (SNA). The arbitrator, based here, rejected a \$241,000 claim against Mr. Casey initially lodged by Snap-on Tools.

"This is good news for Brian and for all other Snap-on dealers, whether they have been hurt in multiple or single franchises," said Gerald A. Marks, the Red Bank, N.J. attorney for the former dealer. "It sends a message to Snap-on that its 'More Feet on the Street' policy, which placed too many dealers too close together, and its '2nd Franchise/2nd van program,' which encouraged dealers to take on multiple franchises -- even when Snap-on knew they wouldn't succeed -- was ill conceived and a financial disaster. This is just the tip of a tidal wave of activity that is being brought against Snap-on, both in arbitration hearings and in court."

"Business as usual for Snap-on may have hit a brick wall. The AAA decision affirms what we've known all along about the company -- that they cavalierly inflict grave emotional and financial damage on their franchisees," said Susan P. Kezios, President of the American Franchise Association (AFA). "According to Snap-on's own records, over 500 franchisees/dealers were terminated and went out of business. What does that tell you about the people who sold them the franchises in the first place?"

In 1998, Mr. Casey used money from his wife's \$40,000 inheritance to become a Snap-on Tools franchised dealer. Under the franchise agreement, franchisees buy a specialized van from Snap-on, and then buy the company's tools, which are sold to auto mechanics and other businesses out of the van. Mr. Casey claimed that Snap-on managers urged him to continue to buy tools even when his sales fell short of target volumes, and extended his credit well beyond the pre-set limit of \$15,000.

"Even as his bill continued to grow, Brian was pressured into buying a more tools," explained Mr. Marks. "Snap-on kept telling him 'not to worry about the bill,' since their representatives claimed he was 'on track' to sell a half-million dollars in tools during the year."

In 1998, Mr. Casey was Snap-on's 'Rookie Dealer of the Year' in 1998 and in 1999 he led the chain's Greater New York Area Branch in sales. But in early 2000 he was sold a second franchise in violation of Federal Trade Commission Regulations and Snap-on's own lending policies, which Mr. Marks says led to the failure of both franchise routes and causing the Caseys to lose their \$40,000 investment.

"The decision of the AAA vindicates my client and our claim of wrongdoing on the part of Snap-on," asserted Mr. Marks. "Additionally, amended complaints have just been filed this week in New Jersey Superior Court in connection with lawsuits that were earlier filed against Snap-on Tools, Inc. on behalf of wives of former New Jersey and New York Snap-on franchised tool dealers."

In the suits, his clients allege they were harmed by the company's "false, fraudulent and misleading representations" that not only led to the collapse of their husbands' franchises, but also resulted in the loss of the wives' own money and family savings.

In those actions against the Edison, N.J.-based Greater New York branch of Snap-on, the plaintiffs include Nancy Casey, wife of Brian Casey; Maritza Franco, Scotch Plains, N.J., wife of former dealer Francisco Franco; and Abby Goldwasser, wife of former Staten Island, N.Y. dealer Jeff Goldwasser.

Mr. Marks said more than a dozen women have joined WASO (Wives Against Snap-on), a nationwide organization that is seeking to unite the spouses of all former Snap-on dealers who have been financially and emotionally damaged by the company. WASO has established a web site, <http://www.snap-onfranchisefraud.com>, which tells each of their stories.

"The web site provides contact information for other Snap-on spouses across the nation who wish to join the lawsuits," said Mr. Marks. "It also provides detailed information to former dealers regarding their rights against Snap-on."