

April 10, 2008

The Honorable Deval Patrick
Governor of the Commonwealth of Massachusetts
State House, Room 360
Boston, MA 02133

RE: Opposition to S.1059

Dear Governor Patrick:

On behalf of the International Franchise Association, I am writing to express opposition to S.1059, An Act to Clarify the Law Protecting Employee Compensation. I thank you for returning the bill with an amendment and now ask that you veto this harmful legislation.

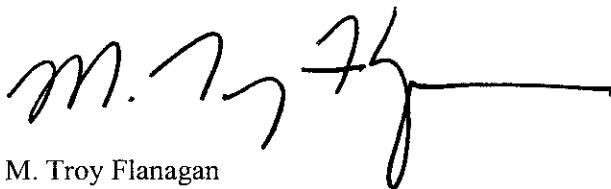
By way of background, IFA is the largest and oldest franchising trade group, representing more than 85 industries, including more than 10,000 franchisees, 1,200 franchisors and 470 supplier members nationwide. According to a 2008 PricewaterhouseCoopers study, Massachusetts has more than 15,000 franchise establishments, employing 199,000 workers and generating an economic output of \$18.5 billion.

Currently an employee who proves a violation of the Wage Act is entitled to recover his/her unpaid wages plus interest and attorney's fees. In addition, depending on the facts of the case, the court has discretion to award treble damages. Mandating treble damages for a Wage Act violation on top of these other remedies for companies that have acted in good faith would be unfair and unnecessary.

Treble damages are a significant penalty and are only appropriate where an employer's conduct is willful and outrageous. This bill seeks to penalize companies that have done nothing outrageous and have not acted with an evil motive; and have not acted with reckless indifference to its employees' rights. This bill is anti-business and sends the wrong message to companies who are hiring Massachusetts residents and contributing to the economy.

I sincerely ask that you consider the damage this proposal will do to companies throughout the Commonwealth and veto this harmful legislation. Please feel free to contact me should you have any questions.

Sincerely,



M. Troy Flanagan

Director of Government Relations