



EXHIBIT 4  
DATE 2/11/2015  
HB 435

February 10, 2015

Honorable Tom Berry  
Chairman  
House Business and Labor Committee  
Montana State Capitol  
1301 E 6<sup>th</sup> Ave  
Helena MT 59601

Dear Chairman Berry:

I submit this testimony in favor of House Bill 435. This bill will help protect more than 300 Montana jobs at nearly 70 individual small businesses that provide more than \$4,000,000.00 in wages for those workers.

While the florists in Montana enjoy competition, we do like it to be fair competition with our friends in the industry as we all try to provide a great product for a fair price to our customers.

However, Montana florists are losing customers from unfair and false advertising in phone books, newspapers, other printed publications as well as in search engines on the internet. These out-of-state businesses list local telephone numbers in phone books, or possibly a toll-free number, but never their location. If you call them using these numbers, they even answer with their name, and the name of the town from which you are calling.

On the internet, they have pages that provide maps of the city you searched for florists, along with descriptions of schools, hospitals and funeral homes that are located in that town.

In the Billings Dex Directory Yellow Pages, there are 14 listings under "Florists – Retail". Only six have addresses listed along with their phone numbers. These are the businesses that are truly located in Billings. There are two listings with local Billings numbers that have no addresses. We have called them in the past, and they have answered the call saying "Billings Florist" or "Billings Montana Florist". After some rather intense questioning we found they were located in California, but without this interrogation, a caller would think they were located in Billings.

gainans.com

I also performed a "Google Search" for "Helena MT florist". The first three listings were:

Avas Helena, MT Florist – AvasFlowers.com  
FTD Flowers for \$19.99 – Need FTD Flowers in Hours?  
Flower Shop Helena Mt – JusfFlowers.com

Clicking on any of these brings up their web sites and a toll-free number. The AvasFlowers site lists the Hospitals, Funeral Homes, Assisted Living facilities along with some Schools and Colleges in Helena. It appears that they are located in Helena and know everything about the city. Their shop and offices are in Mahwah, New Jersey.

JustFlowers is located in Los Angeles, CA.

Only in the fine print hidden deep within the web site does it tell the consumer the order will be delivered by a local Helena florist, not Avas or JustFlowers.

The greatest benefit of HB 435 is it will provide information for the consumer to enable them to decide to deal with a local business. What the consumer may not realize is that dealing with the local florist will save them money and provide their intended recipient with better value for their purchase.

If a Billings consumer calls us and would like a \$50.00 bouquet delivered, we would charge him or her \$50.00 and add a \$6.95 delivery fee. The recipient would receive a bouquet with that \$50.00 value. The total cost is \$56.95.

If the same consumer calls JustFlowers in California, they would take the \$50.00 order, and add a \$16.98 service fee for a total of \$66.98. They then send the order to us or another Billings florist via one of the florist "wire services" such as FTD or Teleflora. We receive the order for \$50.00, and then first deduct our delivery charge of \$6.95 and deliver a bouquet worth \$43.05. The consumer pays \$66.98 but gets an arrangement worth \$43.05.

In addition, we (the local florist) are reimbursed only \$36.50 for that wire order from JustFlowers, as we must pay the wire service a 7% fee for the order, and give JustFlowers a 20% commission for getting us the order.

In the end, the local florist receives \$36.50 for giving \$50.00 of value to the consumer if they call the out-of-state florist. At the same time that out-of-state entity receives \$16.98 for taking an order and providing no added value to the consumer.

The net result is both the Montana consumer and the Montana business receive less value as the consumer is fooled into dealing with a business posing as a local company.

If the committee wishes, we believe the consumer protection features in the bill could be expanded to other industries. Given the City of Billings experience with the May 18, 2014 hailstorm, the first one that comes to mind is the roofing industry. This past summer, Billings was overwhelmed with pickups with out-of-state license plates, but local telephone numbers painted on the sides of those trucks. When those roofs start to leak, who is the consumer going to call?

Thank you for the opportunity to present this testimony to the Montana Legislature and the Business and Labor committee. Please do not hesitate to contact me if you need any clarification on our position.

Sincerely,

A handwritten signature in cursive script that reads "D. Curtis Starr, Jr.".

D. Curtis Starr, Jr.  
Chief Financial Officer