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## BLOGS

Petroleum Marketing Practices Act

# Court Rejects Claim Under PMPA Because Plaintiff Not a Franchisee

In *R+C+G Station v. Urbietta Oil, Inc.*, 2012 U.S. Dist. LEXIS 79033 (S.D. Fla. June 7, 2012), a Florida federal court held that the plaintiff was not a franchisee under the Petroleum Marketing Practices Act (PMPA). R+C+G Station (RCG), former operator of a Valero gasoline service station and convenience store, executed a three-year agreement with Urbietta Oil, Inc. Without notice, Urbietta terminated the parties' agreement and closed the location operated by RCG. RCG sued for violations of the PMPA, which limits the circumstances in which franchisors may terminate a service-station franchise or fail to renew a franchise relationship. Urbietta filed a motion to dismiss, alleging that RCG was not a franchisee under the PMPA.

The court had previously held that RCG was not a franchisee, noting that the parties' agreement expressly disclaimed the existence of a PMPA franchise relationship. RCG argued that, notwithstanding the disclaimer classifying it as an independent contractor and constructive retailer of petroleum products, it was actually a franchisee. The court disagreed, noting that the cases on which RCG relied required that an entity actually purchase gasoline from the franchisor. RCG did not purchase gasoline from the defendant or bear any relevant economic risk, but was merely responsible for receiving the fuel and acting as cashier. The court deemed those activities insufficient to qualify as a PMPA franchisee, and therefore dismissed the plaintiff's claim.