

Exclusivity agreement locks vendor out of the State Fair

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Michelle Hutchek has been making the rounds of fairs since opening her truck-bed lining company in June. She was looking forward to hawking her product at the grandest of them all — the Indiana State Fair.

But Hutchek was shocked to learn before festivities began last week that she would not be permitted to participate, even though she reserved an exhibit booth with a \$100 deposit.

The issue was that the Indiana State Fair Commission had granted a dealer for a San Diego, Calif., company, Rhino Linings U.S.A., exclusive rights to exhibit truck-bed linings at the fair.

The contracts, worth \$31,500 over three years, barred any other companies from showing truck-bed linings from 1997 through 1999. The agreement also excludes participation by rivals such as Hutchek's Millennium Linings and Accessories, a dealer for Santa Ana, Calif.-based Line-X, which has a Westside store at 1731 Country Club Road.

"It's really very upsetting," Hutchek said. "What it boils down

to is that they're blocking free enterprise. They're not giving people a choice."

Lucrative exclusive contracts help keep admission charges low for visitors and are an important source of revenue, said Bill Stinson, executive director of the Indiana State Fair Commission, the body that administers the fair.

Last year, sponsorship and exhibition deals brought in \$500,000 of the fair's total revenue of \$5.6 million. This year, they're expected to generate \$600,000.

Although Rhino's corporate office is based out of state, it has a significant presence here with 10 locally owned sales outlets from Kokomo to Bloomington.

Marty Harriman of Indianapolis owns five of them, including an Indianapolis store at 3616 N. Shadeland Ave.

Harriman said he negotiated the exclusivity agreement to ward off copycats.

"When I got into the business, I saw that there were imitators trying to ride our coattails to success," he said. "When I saw that starting to happen, I started trying to get exclusive agreements where I could."

Harriman added that the strategy wasn't aimed at anyone in par-

ticular; it was just a business decision.

Hutchek bristles at being labeled an imitator. Although both companies sell a sprayed-on solution that protects truck beds from rust and wear, the chemicals used and the method of application are different, she said.

Rhino has been in Indianapolis for 11 years. Harriman bought the Indianapolis store in 1994 and has since added four more.

Line-X has five Indiana dealerships. Only one of them, Millennium, is owned by Hutchek. She went into business this summer.

Stinson, of the State Fair Commission, said he was sorry for Millennium's plight and offered to let the company show truck accessories, but not linings.

Millennium politely declined. Accessories are such a small portion of the company's sales that it would not be worth the expense, Hutchek said.

She tried to get around the agreement by leaving fliers on the windshields of vehicles parked at or near the fair, but Rhino is trying to put a stop to that, too.

Both sides have retained lawyers, and the issue might ultimately be resolved in court.