

# Department of Justice

## Office of the Attorney General

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### News Release

#### **For Immediate Release**

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Flynn's Oil Company, Exeter New Hampshire

Attorney General Michael A. Delaney announced that Flynn's Oil Company, LLC has agreed to repay customers for prepaid heating oil that Flynn's Oil failed to deliver or reimburse. The agreement reached with the State resolves the Petition for Injunctive Relief that the State had previously filed against Flynn's Oil.

Flynn's Oil Company sold home heating oil and entered into prepaid contracts with consumers. Flynn's subsequently failed to deliver all of the contracted amounts of oil and failed to refund consumers the money they had prepaid. Consumers were forced to find other oil companies and to pay again for oil they had already paid Flynn's to deliver.

New Hampshire law requires oil dealers who negotiate pre-paid contracts to obtain either a futures contract letter of credit, or surety bond to ensure oil delivery. In Rockingham County Superior Court today, Flynn's Oil Company, LLC pled guilty to a felony charge of a violation of the Consumer Protection Act for failing to do so. It was sentenced to a \$100,000 fine, all of which was suspended conditioned on Flynn's paying full restitution in compliance with the agreement in the equity case.

Pursuant to the agreement, Hilton Family Oil will purchase Flynn's Oil and operate its own business at the Flynn's Oil location in Exeter. The total amount of the proceeds of the sale will be paid to the State for the benefit of consumers. Assuming the sale of Flynn's Oil is finalized in the next few weeks, the State will receive approximately \$36,000 from that sale and equitably distribute those funds to consumers who prepaid for their oil and who are owed money. In addition, depending upon the total number of gallons of oil that Hilton Family Oil sells over the next three years, Hilton will pay to the State, in monthly payments, additional funds, which will be distributed to consumers. Further, Flynn's Oil expects to sell its real estate on Portsmouth Avenue that includes its car wash and then enter into a lease agreement with the new owners to continue operating that car wash. Flynn's will pay to the State 50% of the net revenues from the car wash per year until it has repaid in full the entire amount of money owed to consumers. Finally, Michael P. Flynn and John W. Flynn, III have given personal guarantees to the State that obligates them to pay the entire amount of money owed to consumers, if the provisions of the agreement fail to result in the full amount of refunds due to consumers.

Attorney General Delaney said, "The agreement the State entered into with Flynn's Oil Company, LLC anticipates that consumers who prepaid Flynn's for heating oil which they did not receive will be made whole. It will take some time for Flynn's Oil to make total restitution but we believe this agreement is the

best resolution to ensure full recovery over time." "This office will continue to aggressively pursue those oil companies who do not live up to their obligations to consumers under the law. This should serve a fair warning to other oil companies that they must comply with the surety requirements of RSA 339:79 if they choose to engage in the business of entering into prepaid contracts for heating oil," Delaney added.

Anyone who wishes to read the agreement and other related documents may log onto [www.doj.nh.gov/consumer](http://www.doj.nh.gov/consumer) and click on "Flynn's Oil Co. Updates" located on the right hand side of the screen.

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