



February 5th, 2025

Senate Judiciary Committee

State Capital

Bismarck, ND 58505

SB 2384 – Recommendation of Do Not Pass

Dear Chairwoman Larson and Committee Members

Good day, my name is Joe Hoffert, an owner/partner of Western Distributing Company. Western Distributing Company has been a licensed Distributor working with Charities in North Dakota since 1992. We presently have 21 Full Time employees working around the State of North Dakota, with employees located in Bismarck, Minot, Fargo, Valley City and Minto.

I had previously sent an email stating my reasons to oppose SB 2384 and I would also like to submit written testimony to the committee.

The idea that allowing the manufacturers to market directly to the licensed organizations in North Dakota being beneficial to the organizations is fictional at best. Presently the manufacturers have a set Manufacturer Suggested Retail Price which is given to the distributors in the state. If they are presently providing an MSRP for Electronic Pull Tabs, why would they make an adjustment to the MSRP if they were allowed to market directly? With sixteen licensed distributors in the State of North Dakota there is certainly enough competition to provide aggressive pricing to the charities. If large out of state manufacturers are allowed to market direct, they will push out the distributors and smaller manufacturers and dictate the pricing to licensed organizations. Distributors have already been subjected to other gaming equipment increases due to inflation and have absorbed those cost increases due to competition. Without distributor competition these manufacturers can control the pricing and use inflation as a reason to continue pushing the pricing higher. If these manufacturers are using inflation as a reason to increase pricing on other gaming equipment, what is to stop them from doing the same thing with Electronic Pull Tabs?

We, along with the other distributors in the State of North Dakota have made a significant investment in our companies to provide the best services and products to the licensed organizations. We have sales and service people throughout the state along with vehicles and



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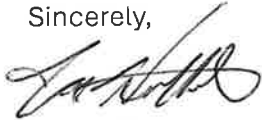
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equipment to provide prompt service. If this bill were allowed to pass their livelihoods would be threatened and our investments significantly impacted.

In conclusion, please vote "DO NOT PASS" on SB 2384 to protect North Dakota businesses, jobs and charitable organizations.

Thank You for your time and consideration.

Sincerely,



Joe Hoffert

Western Distributing Company

