

# AVANTI

January/February 2012

THE VOICE OF 7-ELEVEN FRANCHISEES

Uniting The Franchisee  
Community

The Move To Facilities  
Maintenance

Visit the National Coalition  
Website, [www.ncasef.com](http://www.ncasef.com)



## Supersizing 7-Eleven Evolution Of The Franchisee

A Leap Of Faith  
Multiple Store Criteria  
Employee Garnishments  
BCP Versus Traditional Stores  
A Facebook Page For Your Store  
Advertising Fee—SEI's Property  
NCASEF: Good ROI For Vendors?  
What's Up With OTP?  
Move Over Bubba



2012 NCASEF Convention  
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Mountain Berry Blast\*

flavored by POWERADE

• Save \$1 with Coke Zero  
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\*NOT A SPORTS DRINK

FOD: 2/20/12

UIN#: 443481

SLIN#: 130694

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# NESTLÉ PURE LIFE COULD HAVE YOU PACKING FOR HAWAII

INCREASE YOUR SINGLE-SERVE SALES OF NESTLÉ PURE LIFE® AND YOU COULD WIN!



National Coalition of Associations of 7-Eleven Franchisees

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The top 7-Eleven store with the highest % increase\*\* in dollar sales over the base months in the previous year for all Nestlé Pure Life® Purified Water single-serve items\* from October 2011-April 2012 wins

## WIN AN ELECTRONIC TABLET

The top three 7-Eleven runner-up stores (2<sup>nd</sup>-4<sup>th</sup>), with the highest % increase\*\* in dollar sales over the base months in the previous year for all Nestlé Pure Life® single-serve items\* from October 2011-April 2012 wins

## WIN A \$300 GIFT CARD

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### 7-ELEVEN NESTLÉ PURE LIFE® SALES INCENTIVE PROGRAM ABBREVIATED TERMS AND CONDITIONS:

THIS PROGRAM IS NOT OPEN TO THE GENERAL PUBLIC. Program only open to 7-Eleven Franchise-Owned Stores in the 50 United States and the District of Columbia who purchased a minimum of 10 cases per month of Nestlé Pure Life® single-serve SKUs (20 oz., 700 mL and 1-Liter bottles) for the time period October 2010 through April 2011 ("Base Months"). Void where prohibited. Store eligibility and sales of single-serve SKUs will be determined by Sponsor in its sole discretion based on data pulled from 7-Exchange. Prize will be awarded to the 7-Eleven franchise owner of each winning store who must be at least 18 years of age at the time of prize award. Odds of winning a prize depend on the number of stores eligible to receive a prize and the sales of Nestlé Pure Life® single-serve SKUs during October 1, 2011 through April 30, 2012. Look for full Terms and Conditions in your program materials or visit [www.hawaii-salesincentive.com](http://www.hawaii-salesincentive.com). SPONSOR: Nestlé Waters North America Inc., 900 Long Ridge Road, Stamford, CT 06902.

\*Single-serve items include Nestlé Pure Life®

20 oz., 700 mL and 1-Liter

\*\*Increase determined from 7-Exchange for 10/1/10-4/30/11

NNW7665



Good Food, Good Life



20 oz.  
Non Dep. SLIN# 0243346  
Deposit SLIN# 0243348

700 mL  
Non Dep. SLIN# 0242240  
Deposit SLIN# 0242241

1-Liter  
Non Dep. SLIN# 0240441  
Deposit SLIN# 0242249

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# 2/\$2.22

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Mix or Match

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March 1 – March 31, 2012



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SLIN 210703

SLIN 210303

SLIN 210491

SLIN 210704

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- Eye-catching, bold graphics.

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Green Thunder.....220984



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Display MiO in three locations in your store, and have belVita products & Crackerfuls products in stock. Execute these three incentives by March 31, 2012, and you'll receive \$20 in Kraft Rewards!

1



Have MiO  
in Three  
Different  
Locations

MiO Energy  
Green Thunder  
UPC# 43000-00063  
McLane# 602094

0 44000 00063 9

MiO Energy  
Black Cherry  
UPC# 43000-00067  
McLane# 602086

0 44000 00067 7


0 44000 02837 4

Ritz Big  
Stuff Crackerfuls  
Colossal Cheddar  
UPC# 44000-02837  
McLane# 227892

Have  
Crackerfuls  
Plan-O-  
Grammed  
& In Stock

2

Have  
belVita  
Plan-O-  
Grammed  
& In Stock

3

belVita Golden Oat  
UPC# 44000-02821 • McLane# 228189

belVita Blueberry  
UPC# 44000-02828 • McLane# 228270



0 44000 02821 3



0 44000 02828 2

Retailer is responsible for executing all initiatives listed above. If this is accomplished, retailer will receive Kraft Rewards. Initiatives will change quarterly. Q1 Initiatives must be completed by March 31, 2012 in order to receive rewards.



# The POWER<sub>of</sub> ONE.

When it comes to driving traffic to your store, singles are one SKU to focus on. They're not only the most profitable beer SKU<sup>1</sup>, but their share is also growing<sup>2</sup>. And when it comes to leveraging profitable beer brands and innovative tools, you can count on one beer brewer—MillerCoors.

## Drive Your Singles Business With MillerCoors

- Right single SKUs
- Right expertise
- Right tools

<sup>1</sup>C-Store Channel Margin Analysis.

<sup>2</sup>Nielsen Total U.S. Convenience YTD through 9/11/10.

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 10  
CALORIES



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VARIETY-PACK SALES  
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**+40%**<sup>1</sup>

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REPRESENT

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OF TOTAL IMPORT  
DOLLARS AT 7-ELEVEN<sup>2</sup>

DOS EQUIS SURGED

**+45%**

AT RETAIL IN 2011<sup>2</sup>

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1. Nielsen Grocery & Drug, 52 weeks ending 8/13/11  
2. IRI, 7-Exchange, 2011 calendar year

## AVANTI

THE VOICE OF 7-ELEVEN FRANCHISEES  
JANUARY/FEBRUARY 2012

Visit the National  
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2012 NCASEF Convention :  
Honolulu, Hawaii!  
July 8-12

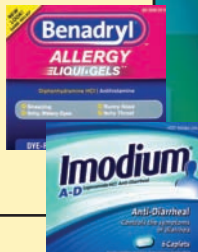
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### Chicago FOA Warns Of Online Lottery Sales Dangers

The 7-Eleven FOAC is sounding the alarm on the Illinois Lottery's decision to sell tickets online. FOA president Joe Rossi explained to news station CBS Chicago that the move could force 7-Eleven owners to lay off 7,000 employees statewide unless the Illinois Lottery protects them from the competition the online sales will bring come April.

Rossi said lottery sales generate about 30 percent of the business at 7-Eleven stores because lottery buyers purchase an average of \$5 in goods on top of their tickets, and these sales will be lost with online ticket sales. He recommends that the state Lottery require players to fill up a Lottery credit card at 7-Eleven—leaving the storeowners with their present 5 percent cut of the business—rather than allowing players to gamble without limit on their credit cards online at home.

Illinois decided to move into lottery sales after a U.S. Department of Justice's December 2011 ruling removed obstacles for state lotteries to offer online lottery tickets.

### Maryland To Begin Online Lottery Sales Next Year

The Maryland State Lottery Agency hopes to have more people playing and make more money when it takes ticket sales online in 2013, reported MarylandReporter.com. According to its fiscal 2013 budget, the Lottery expects to generate \$2.2 million in additional revenue

through tickets for games and drawings that may be purchased online. The Lottery director told the news site that web sales shouldn't hurt the current brick and mortar lottery retailers because 85 percent of the people who currently play the lottery are happy with the way they purchase the tickets. Additionally, he said online lottery sales will be targeted to a new segment of customers—those that are computer savvy and don't normally buy tickets. The theory is that these new customers will also eventually play in a brick and mortar store.

### 7-Eleven Makes 'Top 20 Franchises For The Buck'

7-Eleven is ranked no. 2 on Forbes Magazine's Top 20 Franchises For The Buck list. The only c-store chain on the list, 7-Eleven ranked higher than fast food chains McDonald's (no. 6) and Burger King (no. 14), and even beat out Dunkin' Donuts (no. 13). Snap-on, the stores-on-

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C-store owners all over the country are concerned about online lottery sales.

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## AVANTI

The Voice of 7-Eleven Franchisees  
January/February 2012

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# Stock Up For The Mars Chocolate 2 for \$3.<sup>33</sup> King Size Promotion March 1st – April 30th

OFFER ANY TWO KING SIZE AT 2/\$3.<sup>33</sup>



M&M PLAIN SHARING SIZE SLIN 140028  
M&M PEANUT SHARING SIZE SLIN 140027  
M&M PEANUT BUTTER SHARING SIZE SLIN 140538



3 MUSKETEERS 2 TO GO SLIN 140914



MILKY WAY 2 TO GO SLIN 140026



TWIX PEANUT BUTTER 4 TO GO SLIN 140493  
TWIX CARAMEL 4 TO GO SLIN 140037



MILKY WAY SIMPLY CARAMEL 2 TO GO SLIN 140868.



M&M ALMOND SHARING SIZE SLIN 141765  
M&M PRETZEL SHARING SIZE SLIN 140416



M&M MINIS MEGA TUBES SLIN 140983



SNICKERS 2 TO GO SLIN 140501  
SNICKERS ALMOND 2 TO GO SLIN 140519



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## NCASEF 2012 Legislative Priorities

The National Coalition has developed a list of legislative priorities for 2012, many of which will have a direct impact on you and your businesses. These priorities—having to do with alcohol, tobacco, plastic bags, lotteries, additional age-restricted products and other items touching your bottom line—will be researched, monitored and, as needed, acted on by the National Coalition and our public affairs partners.

Alcohol, online lottery sales and cigarette taxes will dominate the 2012 legislative priority list for the National Coalition and FOAs. However, we can expect other issues to crop up as legislators introduce bills throughout the year. Here are some of the more pressing issues.

### Alcohol

A number of states are looking to allow Sunday sales of beer, wine and spirits, trying to catch up with the rest of the country. Legislators in Indiana and Connecticut are leading the way, and there is a good possibility of success. In Arizona there will be a ballot initiative to increase taxes on alcohol, and in Colorado the perennial issue of allowing convenience stores to sell full-strength beer is up in the air. We will continue to monitor Utah and Virginia for signs of movement on alcohol issues.

### Beer, Wine and Spirits

- Arizona—Looking to put a new tax on all alcohol, but must

collect 172,000+ signatures by July 5 to go on the ballot.

- Colorado—The issue of 3.2 beer being sold in convenience stores is likely not going anywhere this year according to press reports, but we're waiting on news from the SEI lobbyist.

**"Alcohol, online lottery sales and cigarette taxes will dominate NCASEF's 2012 legislative priority list."**

- Connecticut—The issue is Sunday alcohol sales and the governor will actively support this.

- Indiana—Same as Connecticut.

- Pennsylvania, Utah and Virginia—Alcohol sales are limited to state stores and there are no plans to challenge this for the time being.

### Online Lottery Sales

As a result of the recent Department of Justice ruling that now permits online gaming, we are seeing a significant number of states rushing to embrace the online sales of lottery tickets, with Illinois being first out of the proverbial gate.

Other states are following, convinced that revenue from online lottery sales will help fill budget holes. What legislators in these states fail to understand is that lottery customers often purchase additional items in-store along with their lottery tickets, and those additional purchases generate local sales tax revenue. They also don't understand some of the other ramifications of reduced in-store lottery sales, such as less need for employees (higher local unemployment) and less payroll taxes generated.

The National Coalition plans to bring these consequences to the attention of legislators who are looking to fast-track online sales of lottery tickets. In addition, legislators and governors in New York, New Jersey, Connecticut, Rhode Island, Maine, Massachusetts and Maryland have all announced that they will actively look into this potential revenue stream as 2012 progresses.

### Cigarette Taxes

California leads the way in efforts to increase cigarette taxes this year, with a \$1.00 per pack tax hike being proposed in a referendum in June. The tobacco companies will take a leading role in pushing back on this new tax increase, and FOAs and franchisees will be actively recruited to engage at a grassroots level in opposing this. Other states—including Massachusetts, Illinois, Missouri, New York, and Texas—are also considering tax increases on cigarettes and other tobacco products.

While these are some of the big issues we are working on, as always, other issues are on the radar screen of the National Coalition, including plastic bag bans, sugary drink taxes, gas taxes and other age-restricted products. The National Coalition will continue to monitor all these issues, report on them, and where we can, engage FOAs and franchisees in grassroots advocacy. ■

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# PUMP UP YOUR SALES

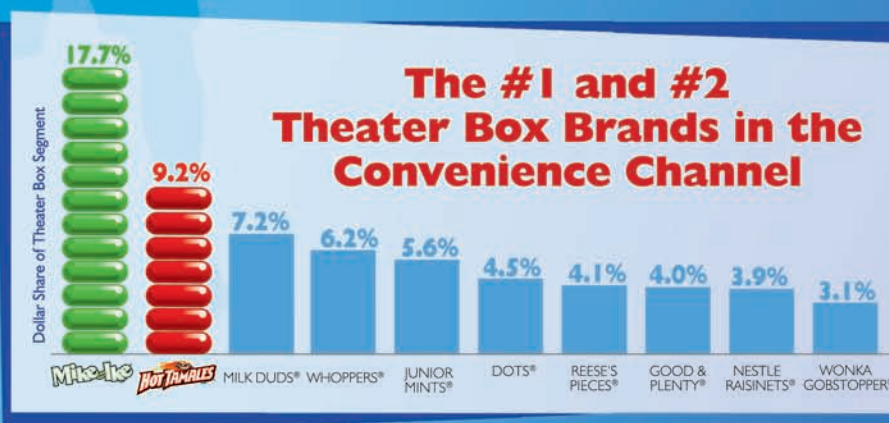
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**air**

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**STRAWBERRY & WATERMELON**

**PINK LEMONADE & ORANGE**

**BLUE RASPBERRY & CHERRY**

**PERFETTI**

**van Melle**

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SLIN/UIN# 0142689/562561

Contact your local representative or customer service at 1.800.283.5988

Visit the National Coalition Website, [www.ncasef.com](http://www.ncasef.com)

## Member News

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### The Franchisee Role In The Legislative Process

In our representative democracy, your voice is vital. As laws and regulations are proposed by our elected representatives (and sometimes our unelected ones, as well), we need your active and engaged voice. As a franchisee and business owner, you will often be the first to hear about proposed legislation that will impact you positively or negatively. Because you are involved with your community, you will often get news about legislation as it comes up at the city, county, or even the state level. Let us know! While we have our own resources and are constantly monitoring them, you are our "boots on the ground" so to speak, our "first responders."

As we develop a strategy for addressing these proposed laws and regulations, we need you to be actively involved. Involvement comes in a great variety of ways—from meeting and personally staying in touch with your elected representatives at all levels, to generating letters or making phone calls to them in support of or against a particular issue. Your involvement can mean everything from contacting our friends in the media to get quoted in the local newspaper, to submitting letters to the editor or opinion editorial pieces in support of our position.

Finally, involvement can take the form of attending hearings and meetings at the city, county and state levels, or it can be "grassroots" advocacy—which often means teaming up with like-minded individuals, businesses and associations to challenge or support a particular piece of legislation or regulation.

### Legislation Affecting the Convenience Store Industry

#### Online Lottery Ticket Sales

- New York—Governor Andrew Cuomo wants to move forward.
- New Jersey—Governor Chris Christie wants to make NJ an "epicenter" of online gaming.
- Illinois—The state is aggressively moving ahead with plans to introduce online sales as soon as March; NCASEF and SEI are currently implementing a strategy to slow this down.
- Connecticut—No plans to do anything over the next 60-90 days, but watching now; two Native American tribes want to move forward.
- Rhode Island—Lottery officials are exploring the issue.
- Maine—Legislators are exploring the issue.
- Maryland—Legislators looking to start by July 1; Governor Martin O'Malley supports this.
- Massachusetts—Steve Grossman, state treasurer, is forming a task force to explore the issue.
- Michigan and Washington, D.C.—Lawmakers are stepping back (good news!).

#### Plastic Bags

- Los Angeles—Put proposed plastic bag ban on hold.
- Washington State—Rep. Fitzgibbon will introduce statewide ban, \$0.50 fee on paper bags.
- Tucson—May be proposed soon and placed on city council agenda.
- California—Municipalities and cities throughout the state are considering various options.

#### Tobacco

- California—Proposing a \$1 per pack tax on June 5 ballot. NCASEF will work to get FOAs and stores involved in a grass-roots campaign to oppose this.
- Increases of \$1 or more per pack are being considered in Illinois, Maryland, Missouri, New York and Texas.
- Massachusetts—The governor will introduce a measure to increase the tax by \$0.50 per pack.
- Rhode Island—Will be banning flavored tobacco products and 2-pack sales.

#### Sugary/Energy Drink Tax and Cough Syrup

- Following possible taxes on sugary/energy drinks in Philadelphia, New York and San Francisco, as well as the issue of putting cough syrup on the list of age-restricted products in California.
- Massachusetts—The governor plans on taxing candy and soda at 6.25 percent.

#### Gas Taxes

- Virginia—The Assembly has introduced House Bill 802, which adds a \$0.50 tax at the pump

wheels that sell tools to professional mechanics, took the no. 1 spot.

To make it onto the Forbes list, companies were judged on five variables: average initial investment (franchise fees plus equipment costs); total locations (the more the better); closure rate (the number of closings in the last three reported fiscal years divided by the total number of existing locations); growth in the number of U.S. outlets in the last three years; and

the number of training hours as a percentage of startup cost (the more support from the home office, the better). Overall footprint and survival rates carried the most weight.

According to the magazine, the average initial investment for a 7-Eleven store is \$393,800, the company has 6,142 U.S. stores as of December 31, 2010 with 90 closures in the last three fiscal years, and offers 304 hours of training.

### NCASEF Teams With SEI & Vendors To Support Hire Heroes

For the second consecutive year, the National Coalition has joined with SEI and their top suppliers to raise awareness and funds for Hire Heroes USA through an in-store promotion running



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Coming soon to your candy aisle

# FREE Fill on 1<sup>st</sup> Order!

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The Hershey Company



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Member News

CONTINUED FROM PAGE 19



## How To Set Up A Successful Facebook Page For Your Store

BY RAVINDER WARAICH

Vice President, Columbia Pacific FOA

There are various ways to create a Facebook page for your 7-Eleven store. I am going to show you the technique we used for my store, which has proven to be very successful for us. The most important thing before you create any account is to come up with a local brand name for your store that you can then use to set up various social media accounts. For example, since my store is next to Portland State University we wanted to include the college in our brand name, so we came up with the names "7ElevenPSU" and "711PSU". Here are the next steps you can follow to create your social media presence using a Facebook page.

- Create a separate email account with your brand name. You can open your free email account using Yahoo, Hotmail, Gmail, or any other service. We used Gmail and our account is 711PSU@gmail.com.
- Create your Facebook account using your new store email address. This will be your regular account for your Facebook. We used 711PSU as our user name for the regular Facebook account.
- Next, create a Business or Brand Page. Log into your Facebook account and click on the "Pages" button on the left-hand side of your home screen. You'll see an option to "Create a Page." Facebook provides six different classifications for creating a page. Choose the "Local Business or Place" option, and then "Convenience Store."

### A Testament To Facebook

Our customer, Hillary Paasch, posted the following:



"Good work! Just wanted to tell you that, after seeing my Facebook posting, I had several campus colleagues come up to me to ask if I knew the person in charge of the 7-Eleven. When I told them I did, they spent the next several minutes talking about all of the great work and fun promotions you have been doing for students and how wonderful they think it is. One of them said they rarely went to that location until they came to Party in the Plaza, friended the store on Facebook and saw the wonderful support and sponsorships for the good of students.

"Just wanted to pass along the positive feedback and let you know that people on campus are noticing the amazing work you've been doing! I hope the event today was a big success for you! It was nice to catch up for a few minutes, too!"

- Facebook will then ask you to invite your friends. Uncheck the option to "Share This Page On My Wall" and "Like This Page." You don't want this popping up in news feeds until you're done building the foundation of your online image. Next, you will be prompted to fill in basic information.
- Click "Edit Info" and add information about your store. You'll want to add your hours of operation. You should also add a description that will share more in-depth information about your business. Be sure to add an email address, and spend time adding pictures of the store to the photos tab. Remember that everything you fill out on your page can be updated or changed at any time by logging in and clicking the "Edit Page" button.
- The next step is to manage the permission for your page. This is where you can decide which users on Facebook can see your page, and what they can see on your page. This is also where you can specify words or phrases that you want to block from appearing on your page, which adds another level of security to the content on your page and helps with the moderating process and spammers.
- Start inviting friends and family members to like your page. You need at least 25 Likes to claim your brand name.

Ravinder Waraich can be reached at [waraich\\_ravinder@yahoo.com](mailto:waraich_ravinder@yahoo.com) or 503-248-1023. ■

Check us out on the web to get some ideas:

Fan Page: <http://www.facebook.com/7ElevenPSU>

Send us a Friend request: [www.facebook.com/711PSU](http://www.facebook.com/711PSU)





## Member News

CONTINUED FROM PAGE 19

from May 1 to June 30, 2012. Hire Heroes provides job placement and transition assistance to injured veterans of Operation Iraqi Freedom and Operation Enduring Freedom.

Customers will be able to show their support of Hire Heroes by purchasing specially marked products during the promotion at participating 7-Eleven stores. A special display with participating products will be featured prominently in stores. A portion from the sale of each item will be donated to Hire Heroes.

Companies that have signed on include Nestlé Waters, Nestlé Professional, Anheuser-Busch InBev, MillerCoors, E. & J. Gallo Winery, Dr Pepper-Snappe Group, Tropicana Products Inc, Mars, Inc., Kellogg's, Kraft Foods Inc., BIC, Perfetti Van Melle, Pepsi, and Hershey's. To encourage participation, many of the products are being offered at special prices during the two-month campaign. Last year the program raised \$240,000 in support of Hire Heroes.

### Exxon Mobil

SEI has completed the purchase of 51 Exxon Mobil sites in Dallas/Fort Worth.

support and assistance to the franchisee community at large. By focusing its efforts on government affairs at the state and federal levels, franchisee education and training, executive leadership development and collective buying opportunities, the CFA cultivates the similar goals of evolving franchisee associations to create strength and unity among all franchisees.

### 7-Eleven Completes Transaction With ExxonMobil

SEI on January 20 completed a transaction with Exxon-Mobil to acquire retail interests in 51 North Texas sites, all in the greater Dallas/Fort Worth area, including two unused parcels of land. SEI said the majority of locations will be re-branded as 7-Eleven stores and the stations will retain the Exxon gasoline brand, allowing consumers to continue to purchase the same ExxonMobil fuels and use their ExxonMobil credit cards and Speedpass devices.

"This acquisition fits well with our aggressive growth strategy," said Robbie Radant, 7-Eleven's new vice president of mergers and acquisitions. "We met our goal of opening 650 stores in 2011, and with this acquisition 2012 is off to a great start."

SEI said it will start remodeling and rebranding the locations soon, with the bulk of the work anticipated to be completed by the end of 2012. Currently, SEI operates and franchises 340 stores in Texas, with 220 in greater DFW. The company has added 12 7-Eleven stores in North Texas since the start of 2011, of which 10 were in the DFW area.

continued on page 25

## Bits & Pieces

**Kellogg Company** announced it has entered into an agreement to acquire Procter & Gamble's Pringles business for \$2.695 billion. • Florida legislatures are expected to approve **Governor Rick Scott's request for vending machines that sell lottery tickets** like Powerball, Lotto and other games now available only through counter sales, reported the *Palm Beach Post*. **The 350 new machines will garner the state an extra \$21 million a year for schools**, state economists estimate. • Cash is the most regularly used payment option among consumers — **79 percent report that they make several cash purchases a week**, according to research firm Javelin Strategy & Research. • Candy maker **Mars Inc. said it will stop making chocolate products that exceed 250 calories** by the end of next year, which means king-sized versions of the company's chocolate bars will disappear from candy aisles. • France recently approved a **new tax on sugary drinks that aims to fight obesity** while giving a boost to state coffers, reported France24.com. The tax — one euro cent per can of drink — is expected to bring in 120 million euros (\$156 million) in state revenues. • **Oklahoma lawmakers are seeking to raise**

continued on page 28

### Play The Name Game!

Look carefully at each page in this issue. Somewhere in this magazine a line is hidden that contains the words \$Name Game Winner + person's name + city\$. If you find this line, and if it contains your name, call AVANTI's Offices at 215 750-0178 before the next magazine is published, and win this issue's total. Uncollected money is automatically added to the next issue's total. NCASEF Members only. This issue's total: \$100.



### NCASEF Joins Coalition of Franchisee Associations

The National Coalition of Associations of 7-Eleven Franchisees recently joined the Coalition of Franchisee Associations (CFA). The CFA, founded in 2007, brings together some of the largest and most reputable independent franchisee associations to form an organization with a mission "to leverage the collective strengths of franchisee associations for the benefit of the franchisee community." With headquarters in Washington, D.C., the CFA is committed to providing vital



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CONTINUED FROM PAGE 22

## SEI Completes Acquisition of 55 Sam's Mart Stores

7-Eleven, Inc. has commenced closing on the acquisition of 55 Sam's Mart stores in North and South Car-

olina from Sam's Mart LLC. Terms of the deal were not disclosed. The deal



marks the return of 7-Eleven to the Greater Charlotte area, where it had operated stores from 1964 until 1988. The company's plan is to convert the 55 Sam's Mart locations to 7-Eleven

*continued on page 26*



Brochures will be mailed in March.  
Register online at [www.ncasef.com](http://www.ncasef.com)  
after March 15.

## 2012 NCASEF Convention July 8-12



**Hilton Hawaiian Village, Waikiki Beach  
Resort, Honolulu, Hawaii!**  
Trade Show Dates: July 11-12

### *Here's a glimpse of some of the activities planned for this year's event:*

- Poolside Opening Night Reception at the Hilton Hawaiian Village's oceanfront Super Pool with live Hawaiian music and great food!
- Seminars with NCASEF officers and SEI upper management!
- The Joe Saraceno Charity Golf Tournament at the scenic Mamala Golf Course in Hickam Air Force Base, with majestic views of the Pacific Ocean!
- A night at The Magic of Polynesia show!
- A 7-Eleven Day celebration complete with birthday cake and fireworks show!
- An eruption of merchandise and deals at the two-day trade show in the Hawaii Convention Center!

This year's show is looking to be our best yet, so take a much needed and well earned break from your store and join us in paradise!

Relax on the beautiful island of Oahu while taking in seminars and presentations that will help you grow your business. With lush tropical gardens, waterfalls, exotic wildlife, a lagoon, and numerous swimming pools and waterslides, the Hilton Hawaiian Village Waikiki Beach Resort offers luxurious accommodations and plenty of exciting activities to keep everyone in your family happy and entertained while you explore new ways to expand your business.

Take surfing lessons, get the latest news on the 7-Eleven system, go dolphin watching, participate in Q&A sessions with NCASEF officers and SEI management, eat great Hawaiian and international cuisine, see the latest and best merchandise from our vendor community at the two-day trade show, and much more, all in a five-day business vacation you will not soon forget!





## Member News

CONTINUED FROM PAGE 25

branded stores by the end of 2012. SEI said it will first re-brand and re-model two sites to serve as store training location where store personnel will learn 7-Eleven systems and processes that support the daily ordering of products. Several more former Sam's Mart stores are planned for rebranding and renovation starting in March. This acquisition is part of SEI's accelerated growth plan under which 7-Eleven opened some 650 stores in the U.S. and Canada in 2011. SEI said it is committed to growing

**SEI's acquisition of 55 Sam's Mart Stores in North and South Carolina marks a return to the area.**

in the Charlotte area and is looking for new locations nearby.

### NY Seeks Minimum Wage Hike

New York Assembly Speaker Sheldon Silver recently introduced a bill to raise the state's minimum wage from \$7.25 to \$8.50 an hour, a 17 percent increase, reported the *New York Times*. The bill also calls for the minimum wage to be adjusted each year for inflation. Silver's action follows similar steps by lawmakers across the

country—Delaware recently passed a minimum wage increase, and raises are being considered in California, Connecticut, Hawaii, Illinois, Maryland, Massachusetts, Missouri and New Jersey.

### USE Highlights Food Service Offerings

SEI showed off its latest food service offerings at the recent University of 7-Eleven, held in Dallas on January 30, 2012, reported the *Dallas Business Journal*. Around 2,600 operations and

*continued on page 28*

## Workers' Compensation, Excess Property, Excess Liability From Aon Risk Services

Aon, one of the leading Insurance Brokers in the World, has the resources to provide a high level of service to the 7-Eleven Franchise community.

### Aon Provides:

- Nationwide Workers' Compensation Program
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- Excess General Liability providing an additional limit above the \$500,000 provided by your Contractual Indemnification



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## Member News

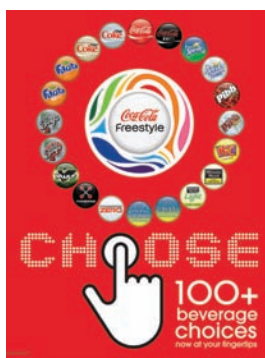
CONTINUED FROM PAGE 26

SEI merchandising employees, as well as invited franchisees and licensees, participated in the event at the Dallas Convention Center, sampling new food products and learning about the direction of the company. According to the article, as it expands its hot and fresh food offerings, SEI is seeking a fresh crop of foodies to help it think and act more like a restaurateur. As such, SEI recently hired Kelly Buckley—a 20-year plus veteran of the restaurant industry—as vice president of fresh food innovation. New products on the horizon include beef and chicken empanadas, fresh fruit, beef tacos and salads.



### 7-Eleven Tests Coke's New Freestyle Fountain

7-Eleven is among several c-store chains testing out Coca-Cola's new Freestyle fountain, according to CSNews Online. The machine offers more than 120 Coca-Cola sparkling and still beverages in a single unit. The Coca-Cola Freestyle fountain requires about the same amount of space as a typical six- or eight-valve fountain, but because of its microdosing technology, it's able to offer far more options than a traditional fountain. The unit also has an interactive touch-screen on the front, allowing customers to choose from a variety of waters, sports



drinks, lemonades and sparkling beverages. Some brands included in the Freestyle fountain—such as Caffeine-Free Diet Coke with Lime, Fanta Peach and Minute Maid Light Orange Lemonade—have never before been offered in the United States.

### Beer Sales Rise 2 Percent in 2011

The Beer Institute has released new data that show retail beer sales rose more than 2 percent in 2011, highlighting beer's continued strength within the alcohol beverage sector. The growth in retail revenue, especially from restaurants and convenience stores, puts total retail sales at more than \$98 billion last year. According to market research company Nielsen, the increase in sales revenue can be attributed to the high-end beer business. The sale of imports, crafts and above-premium beers sold off-premises was up nearly 3 percent. The total on-premise retail dollar sales increased more than 3 percent to exceed \$55 billion in 2011. Off-premise retail sales also saw an uptick last year, growing slightly less than 1 percent to more than \$43 billion.

### Beverages Top Gas Customers' In-Store Purchases

Beverage purchases drive gas customers inside the store more than any other item, but new preferences are emerging, with consumers saying that more foodservice, more healthy options and more local involvement could all increase their

continued on page 30

### Bits & Pieces...continued from page 22

the smoking age in the state from 18 to 21 years old over the next three years, reported Oklahoma news station News On 6. • A new report by the health policy journal *Health Affairs* claims that a penny-per-ounce tax on soft drinks and other sugary beverages could prevent 2.4 million cases of diabetes, 95,000 coronary heart events, 8,000 strokes, and 26,000 premature deaths over a ten-year period, while avoiding more than \$17 billion in medical costs. • Lawmakers in the city of Prichard, Alabama are considering banning beer and wine sales at c-stores after residents complained the stores selling alcoholic beverages attract too many criminal elements, reported the *Press-Register*. • Casey's General Stores Inc. recently turned 150 more of its stores into 24-hour operations. The company said it decided to add more 24-hour stores after it generated increased revenue from the 80 locations it started running around the clock in early 2011. • A recent study by the USDA estimates the price gap between eating at home and dining out will continue to narrow in 2012. Grocery prices are expected to rise 3 percent to 4 percent, while menu prices will likely go up 2 percent to 3 percent. • Monster Energy manufacturer Hansen Natural Corp. recently announced that it has changed its corporate name to Monster Beverage Corp. • Veterans advocates in South Florida are pushing for county ordinances that would require gas stations with two or more attendants to post stickers on their pumps showing the store's telephone number, so disabled motorists unable to reach the pump can call clerks inside and request fueling assistance, according to the *Sun Sentinel*. • Dunkin' Brands said it has plans to more than double its current number of Dunkin' Donuts restaurants in the U.S. over the next 20 years. The company presently has 7,000 locations. • Starbucks has raised its prices by an average of 1 percent in its Northeast and Sunbelt locations, reported Reuters. The company cited the increasing cost

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#5 in ice cream novelty sales\*

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**MARS**  
chocolate  
north america

\*Source: IRI Total US Convenience 52wks ending 6/12/11





spending at convenience stores, according to findings released from the new 2012 NACS Consumer Fuels Report.

While nearly half (48 percent) of gas purchasers said they never go inside the store, for those who do, beverages (coffee in the morning, cold drinks the rest of the day) are a big lure, with one in four consumers (25 percent) saying they regularly purchase drinks. A higher percentage said they purchase drinks in the morning (33 percent), indicating that coffee is a solid traffic-driver for in-store sales. Also, younger consumers (ages 18 to 24) are much more likely to buy drinks: 43 percent of younger customers said they buy drinks inside the store, compared to only 19 percent of those age 50 and older.

## 7-Eleven Steps Up Manhattan Expansion

SEI plans to open 14 stores in Manhattan this year, then up the pace to 20 a year for the next five, reported *Crain's New York Business*. The company has already signed 15 leases to kick off this expansion effort. In coming months new stores will open in neighborhoods including midtown, Greenwich Village, Chelsea and the Upper East Side. The company is also eying the Financial District. "Between the number of folks living in Manhattan, coupled with the worker population, there's significant demand and opportunity," SEI Vice President of Real Estate Dan Porter told the newspaper. Senior Vice President for Development Sean Duffy noted that the stores now open in Manhattan are all performing well, due largely to fresh food sales of lunch items like salads, sandwiches and hotdogs.

## Tobacco Excise Tax Update

Listed here are the states so far considering changes and/or increases to their cigarette and Other Tobacco Products (OTP) excise taxes in 2012.

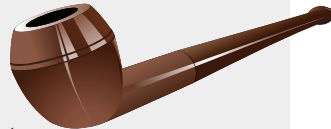
### CIGARETTE EXCISE TAX INCREASES

- Alabama—H 9—Would raise the state excise tax by \$1 per pack of cigarettes to \$1.425. No effective date given.
- California—Proposition 29—On the June ballot; would raise the cigarette tax by \$1 to \$1.87.
- Florida—S 1842—Calls for a \$1 excise tax increase from \$1.339 to \$2.339. Would be effective July 1, 2012.
- Indiana—H 1144—Calls for a 4¢ per pack increase each year from 2013 through 2020. Would be effective July 1, 2012.
- Minnesota—H 1908—Would repeal the excise tax and replace it with the general sales tax. Would be effective upon approval of the amendment.
- Missouri—S 638—Would raise the tax 26¢, effective August 28, 2012.
- Nebraska—L 436 (Carryover from 2011)—Would add \$1.35 to the state cigarette excise tax. Effective date to be determined.
- New Jersey—A 1076—Would tax little cigars the same as cigarettes at \$2.70 per pack. Effective date to be determined.
- Virginia—H 160—Would add \$1.15 to the state excise tax and bring it to \$1.45 per pack. Would be effective July 1, 2012.
- Washington—S 6166—Would increase the tax by \$1 to \$4.025 per pack of smokes. Would be effective July 1, 2012.

### OTP EXCISE TAX INCREASES

- Florida—S 1598—Would tax Roll Your Own (RYO) cigarettes at 82¢ per ounce. Would be effective July 1, 2012.

- Hawaii—H 1902—Would make the following changes to OTP tax rates, effective July 1, 2012: Cigars \$3.20 per 5 pack; Single-dose 16¢ per unit for packages of 20 units; Loose smokeless \$3.20 per 1.2 oz; RYO/smoking \$3.20 per 0.65 oz;
- Hawaii—S 2819—Would tax e-cigarettes at 70 percent manufacturer's price (MP) effective July 1, 2012.
- Maryland—S 152—Would raise the OTP tax from 15 percent to 55 percent MP effective July 1, 2012
- Massachusetts—S 1417 (2011 carry over)—Would make the following changes: Smoking: 90 percent MP; Cigars 80 percent MP; Moist snuff 20 percent MP. Effective date to be announced.
- Missouri—H 1478—RYO 25 percent MP; OTP 15 percent MP.
- Nebraska—L 436 (Carry over from 2011)—Would raise excise tax from 20 percent MP to 45 percent MP, excluding snuff. Would be effective upon approval.
- New Mexico—H 133—Calls for an increase from 25 percent MP to 32 percent. Would be effective July 1, 2012
- New York—S 6259—Would lower the cigar excise tax from 75 percent to 50 percent MP, and change the OTP tax to \$4.53 per ounce. Effective July 1, 2012 (OTP, June 1, 2012 (cigars).
- Virginia—H 160—Would hike the OTP tax from 10 percent MP to 40 percent MP effective July 1, 2012.



## C-Store Count Grows

The U.S. convenience store count increased to a record 148,126 stores as of December 31, 2011, a 1.2 percent

increase (1,785 stores) from the year prior, according to the latest NACS/Nielsen Convenience Industry Store Count. The report further re-

continued on page 32

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veals that motor fuels sales continue to be important to convenience store operations. Overall, 81.7 percent of convenience stores (120,950) sell motor fuels, a 3.1 percent increase (3,653 stores) over last year. The convenience retailing industry also continues to be dominated by single-store operators, accounting for 62.9 per-

cent of stores (93,209 stores total). The growth of one-store operations again outpaced the overall growth in store count.

Texas (14,766 stores) once again was the state with the most convenience stores, followed by California (10,763 stores) and Florida (9,510

*continued on page 64*

## State Cigarette Excise Tax Rates & Rankings

The chart below lists the cigarette excise tax of each state as of January 1, 2012. States are also ranked from highest excise tax to the lowest.

Presently, the states with the highest excise taxes are New York (\$4.35), Rhode Island (\$3.46) and Connecticut (\$3.40). The states with the lowest tax rates are Missouri (\$0.17), Virginia (\$0.30), Louisiana (\$0.36), and Georgia (\$0.37). The highest combined state-local tax rate is \$5.85 in New York City, with Chicago second at \$3.66 per pack.

State	Tax	Rank	Montana	\$1.70	16th
Alabama	\$0.42	47th	Nebraska	\$0.64	38th
Alaska	\$2.00	11th	Nevada	\$0.80	35th
Arizona	\$2.00	11th	New Hampshire	\$1.68	18th
Arkansas	\$1.15	29th	New Jersey	\$2.70	7th
California	\$0.87	33rd	New Mexico	\$1.66	19th
Colorado	\$0.84	34th	New York	\$4.35	1st
Connecticut	\$3.40	3rd	North Carolina	\$0.45	45th
Delaware	\$1.60	20th	North Dakota	\$0.44	46th
Washington, D.C.*	\$2.86	6th	Ohio	\$1.25	27th
Florida	\$1.33	26th	Oklahoma	\$1.03	30th
Georgia	\$0.37	48th	Oregon	\$1.18	28th
Hawaii	\$3.20	4th	Pennsylvania	\$1.60	20th
Idaho	\$0.57	42nd	Rhode Island	\$3.46	2nd
Illinois	\$0.98	32nd	South Carolina	\$0.57	42nd
Indiana	\$0.99	31st	South Dakota	\$1.53	23rd
Iowa	\$1.36	25th	Tennessee	\$0.62	39th
Kansas	\$0.79	36th	Texas	\$1.41	24th
Kentucky	\$0.60	40th	Utah	\$1.70	16th
Louisiana	\$0.36	49th	Vermont	\$2.62	8th
Maine	\$2.00	11th	Virginia	\$0.30	50th
Maryland	\$2.00	11th	Washington	\$3.02	5th
Massachusetts	\$2.51	10th	West Virginia	\$0.55	44th
Michigan	\$2.00	11th	Wisconsin	\$2.52	9th
Minnesota**	\$1.60	20th	Wyoming	\$0.60	40th
Mississippi	\$0.68	37th	(*Includes in lieu cigarette tax of \$0.35)		
Missouri	\$0.17	51st	(**Includes in lieu cigarette tax of \$0.37)		

## Bits&Pieces...continued from page 28

of such staples as coffee, milk and gas for its decision to hike prices. • **Sandwich chain Quiznos plans to open 80 to 100 new domestic units this year**, along with another 80 locations in convenience stores and other non-traditional locations, reported *Nation's Restaurant News*. • More employers are **refusing to hire smokers** as a way to promote health and reduce insurance premiums, says *USA Today*.

• The number of **health clinics inside retail stores jumped 11.2 percent to 1,355 in 2011** after slow growth in 2010 and 2009, reported the *New York Times*. New entrants from the supermarket industry like Safeway are expanding the retail clinics rapidly. • **Orlando tops QSR Magazine's list of the nation's top metro areas poised for quick-service growth**. It's followed by Seattle; Portland, Oregon; Riverside, California; Austin, Texas; and Las Vegas. • Subway announced it plans to open 2,500 outlets worldwide by the end of 2012. **The sandwich chain opened 2,400 restaurants across the globe in 2011**, including 1,100 locations in the U.S. and Canada. • **Ferrero U.S.A. announced that it has entered into a new national broker relationship with Advantage Sales and Marketing** in its ongoing effort to enhance its distribution and execution in grocery and convenience retail outlets. • More than **3.5 billion coupons for Consumer Packaged Goods were redeemed in the U.S. in 2011**—a 6.1 percent increase over 2010, according to a report by Inmar. • **Anheuser-Busch president Dave Peacock recently resigned** and was replaced by the company's North America zone president Luiz Edmond, reported *Advertising Age*. • **Burger King is testing delivery** in 16 restaurants in the Washington, D.C. area, reported the *Chicago Tribune*. Customers can order online or over the phone, and orders will include a **\$2 delivery fee**. The fast food chain already has successful delivery programs around the world. • **The average American household**

*continued on page 36*

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**SKINNY COW Candy Singles C-Top**  
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# From the National Office

## UNITING THE FRANCHISEE COMMUNITY

By Bruce Maples, Chairman  
National Coalition of Associations of 7-Eleven Franchisees



**W**e've said it many times before in the 37-year history of the National Coalition: "Franchisees working together can accomplish more than any number of franchisees working independently." Bringing franchisees together through the work of the National Coalition and local FOAs is my number one goal for 2012. It's time that we reemphasize franchisees working together, and apply this way of thinking to our FOA organizations in 2012.

When we look back on the last several years, and look forward to 2012, we can celebrate our accomplishments, but we also have to acknowledge that franchisees we will continue to face challenges—from the economy, from competition and from changes to our own 7-Eleven system. I have always thought that the most important role a franchisee organization can play is to "represent the interests of its members." Franchisee organizations have always existed for this purpose, and no matter how large the group gets, this is our most important mission.

In 2006, the National Coalition consisted of 24 Franchise Owner's Associations (FOAs) representing approximately 60 per-

cent of 7-Eleven stores, and we have grown to 39 FOAs, representing 86 percent of 7-Eleven stores, in 2011. 7-Eleven currently has around 5,267 franchised stores, added 641 in 2011, and expects to add an additional 750 stores through acquisitions, the Business Conversion Program (BCP) and organic growth in 2012.

Over the past two years, while representing franchisees as Chairman of the National Coalition, I have learned that the franchisee organization has a different mission in regard to the company: "to provide honest, open feedback from the franchisee community in order that the company can adjust and improve the system."

Over the past two years, by "working with our franchisor to solve problems," we have:

**"As our system grows, so does the need for local FOAs and franchisees across the country to unite, support each other and contribute to the feedback on both national and local levels."**

- seen two new franchise agreements that have not had significant changes;
- eliminated the CDC flat fee so we can see "real" cost of goods;
- made significant changes to the CDC model to get franchisees more involved in the vendor and product selection process;
- made changes to the BT model that

helped form the hybrid-model now being deployed in Texas and Florida; and

- increased our legislative activities on national and local levels.

Growth of the National Coalition and the 7-Eleven system is something we can all celebrate, because it offers opportunities to franchisees who want to grow in the system. It also brings with it the problems of growth.



Encroachment, Business Transformation, CDCs, low volume stores, gasoline policy changes and franchisee profitability are all issues that we need to continue to address with 7-Eleven in 2012. An economy that continues to face challenges, rising gasoline prices, product merchandising, and competition from outside our channel are all issues we need to address together.

As our system grows, so does the need for local FOAs and franchisees across the country to unite, support each other and contribute to the feedback on both national and local levels. Obtaining profitable growth for franchisees is a commitment and an obligation that the National Coalition and each local FOA shares, but it

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is only by working together and sharing information that we can remove obstacles, spread the word on opportunities, and make a difference. We have a tremendous amount of work to do, but when franchisees make decisions together for the good of the system, those decisions become much easier to make.

**“When franchisees make decisions together for the good of the system, those decisions become much easier to make.”**

I believe the National Coalition is in a better position today to deal with the challenges ahead. While progress on some issues is not where we would like it to be (renewal fee, gas commission, credit card fees, low volume stores), I urge all franchisees to get involved by bringing your issues

and your ideas to your local FOA. I urge FOA leaders to work together and be active in representing the franchisees in your area. Meet with local SEI management to help franchisees with problems, stay abreast of the issues in your area, and most importantly, communicate with your members on a regular basis.

The 7-Eleven system is growing, becoming more powerful, harder to manage, and it is changing faster than ever before. We need to stay united, voice our concerns, and share our knowledge to get the most out of the franchise business system. ■

**Bits & Pieces...**...continued from page 32

spent about \$4,155 in gasoline in 2011, reported the Associated Press. The amount represents 8.4 percent of what the median family takes in, the highest proportion since 1981. • **CITGO has had its co-branded credit card canceled by Citi**, reported *CSP Daily News*. Lately, banks have been terminating refiner co-branded card programs because they regard them as unprofitable. • **The Coca-Cola Company recently announced multi-million dollar partnership agreements** with three leading biotechnology companies to accelerate development of next-generation PlantBottle packaging made 100 percent from plant-based materials. • A group of retailers has filed a **lawsuit in California to stop the sale of their Mobil stations** to convenience store chain Circle K, *CSP Daily News* reported.

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18288 eBen & Jerry's Homemade, Inc. 2011 Cows: eWoody Jackson 1997



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## Business Issues

### THE MOVE TO FACILITIES MAINTENANCE (FM)

By Jivtesh Gill, Executive Vice Chairman

National Coalition of Associations of 7-Eleven Franchisees



A

any company that utilizes a lot of equipment, good maintenance support as back-up is critical. Until 2010, maintenance in our 7-Eleven stores was managed internally through 7-Eleven, using national and local contractors. Early in 2010 we moved to Facilities Maintenance (FM), a big corporation that provides maintenance management services to similar large companies, such as McDonald's and Exxon.

In January 2010, the transition to FM took place for what were then the Chesapeake and Florida Divisions. In March 2010, franchisees and corporate stores in the rest of the country transitioned, and by May 2010, Canada was added as well. By the summer of 2010, FM was handling all 7-Eleven maintenance. It was a huge transition.

Like any other big transition, some things went smoothly and some things did not. The call center and dispatch were fine, but the learning curve for FM was large and things did not always go as expected. The biggest issues franchisees experienced were contractor response times and repair times—especially on revenue-generating equipment. We had problems with parts not being available and delays receiving authorization to replace a part. P1 and

P2 response times were a lot longer than they used to be, and P3 calls were being closed without resolution. Preventive Maintenance (PM) schedules were not being performed, calls were being miscoded (resulting in erroneous billing), and a large number of the non-contract repair charges were excessive, resulting in an escalating number of disputes and requests for credit.

By the end of 2010 franchisees were up in arms and National Coalition leadership got involved. FM management committed, attended three straight Board meetings, and listened diligently to franchisees' questions and comments. About a year later we are still not where we want to be, but things are improving as FM is starting to learn how we operate.

One of the most important things FM has done is automate dispute resolution through development of [www.FM24-7.com](http://www.FM24-7.com). If you receive a charge you don't feel is legitimate, you can go online, register, and file a dispute. Within ten days you should receive an email notification of the dispute resolution. If you do not agree with the resolution, reply with your comments and

the case will be escalated by FM. The entire process, including credit due, should not exceed 30 days. FM management has said the objective is 15

days, but according to feedback from franchisees at the last meeting, we still have work to do because we are not receiving credit back fast enough. The major benefit of the website portal is that we can track our own cases, but so far, only about 10 percent of stores have signed up.

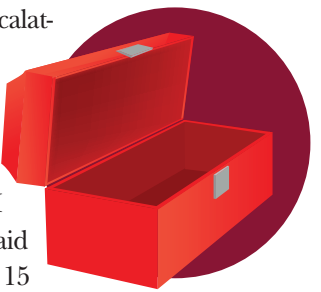
Even with this system, franchisees need more clarification about what is covered under the maintenance contract and what is not. On the 7-Connect homepage under Online System Support Guide (OLSSG), you can find a list of equipment that is 7-Eleven's responsibility and the responsibility of the franchisee, but the list is neither clear nor complete. FM has committed to updating this list and putting it on their website.

FM tells us that revenue-generating equipment uptime has improved dramatically, to over 99.5 percent national-

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**“One of the most important things FM has done is automate dispute resolution through development of [www.FM24-7.com](http://www.FM24-7.com).”**

**“The major benefit of the system is that we can track our own cases.”**



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ly, and that response times on P1 and P2 calls have improved. FM says they are committed to more accountability and transparency on the service provider side, mainly through the use of the website portal, including more detail on the actual repair, the technician's assessment at the store, the billing at FM and details of the repairs performed.

Now a store can log onto the portal and find out information about PMs and the age of their equipment. You can view open or closed cases, and check invoices and expense history. You can view active contracts or report an issue. It has the FM contact list and a link to your FSR. It has a quick checklist to use before calling to avoid nuisance calls. It has information about your disputes. For sure, through the portal you can have a

greater awareness of what's in your store.

Each time a store is visited by a service provider regarding any piece of equipment and the ticket is closed, a satisfaction survey is generated automatically. We can either accept or reject the survey. These surveys are a great tool for franchisees to share their experience with the service provider, yet only 25-30 percent of those emails generate a response. This is a tool I encourage folks to utilize.

7-Eleven needs to come up with a gas PM/maintenance program. FM

told me at the end of 2010 they would have something in place, and here we are in 2012 and we're still waiting. It continues to be a big issue.

I would like to encourage everyone to utilize his or her FSR, your go-to person at FM. Seek that person out on the www.FM24-7.com portal. You can go to them with questions or if you are confused about a charge. Overall, the most important thing about Maintenance is not to get frustrated. Do not hesitate to escalate an issue if you are not satisfied with your service or a dispute resolution, because now we can take it to the next level. There is a process in place. ■

**"If you receive a charge you don't feel is legitimate, you can go online, register, and file a dispute."**

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<b>CIGAR WRAPS - MELON</b> 1 CARTON-25 TWO PACKS SLIN 321444 - UIN 555102 7 84762 07205 4	<b>CIGAR WRAPS - PEACH</b> 1 CARTON-25 TWO PACKS SLIN 321443 - UIN 555201 7 84762 07203 0	<b>CIGAR WRAPS - GRAPE</b> 1 CARTON-25 TWO PACKS SLIN 321442 - UIN 555383 7 84762 07200 9	<b>CIGAR WRAPS - STRAWBERRY</b> 1 CARTON-25 TWO PACKS SLIN 321477 - UIN 74120 7 84762 07207 8	<b>ZIG-ZAG CIGAR BLEND TOBACCO</b> 1 CARTON-6 POUCHES SLIN 320238 - UIN 555631 7 84762 07175 0

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<b>XTRA WIDES - STRAWBERRY</b> 1 CARTON-25 TWO PACKS SLIN 321287 - UIN 680876 7 84762 07877 3	<b>XTRA WIDES - BLUEBERRY</b> 1 CARTON-25 TWO PACKS SLIN 321292 - UIN 680884 7 84762 07817 9



## Legal Issues

### THE MULTIPLE STORE CRITERIA

By Arnold J. Hauptman, Esq.

National Coalition of Associations of 7-Eleven Franchisees



It may sometimes appear that the road to obtaining additional stores by existing franchisees is built upon shifting sands with no clear and consistent policy established by SEI for guidance. Undoubtedly, given the number of inquiries that I receive regarding this issue, a great deal of confusion, disappointment, and even resentment is prevalent in the franchisee community.

In fact, however, SEI has established a "Multiple Policy and Procedure" to determine if an applicant is deserving of additional stores. The most recent policy became effective on September 1, 2011, but is subject to change at any time. In fact, I am advised that a test of a new franchisee selection process will be incorporated into the multiple policy during the first or second quarter of 2012, but I cannot tell you at this time if those changes will significantly impact the multiple criteria.

Before, I let you know some of the essential requirements to obtain a multiple, it is important for you to know that the criteria is policy and was unilaterally established by SEI. Don't look through your store agreement for any reference to the multiple store criteria—you won't find it. Moreover, the criteria does not amend any provision of the store agreement and, to a large extent, there is an element of subjectivity by SEI per-

sonnel who can either grant or deny an application for a multiple.

Since the granting of a multiple is not guaranteed under the store agreement, SEI can make whatever rules it deems appropriate and can even waive one or more requirements for a particular franchisee-applicant without being obligated to waive the same or similar requirement for a different applicant.

So, what are the essential elements of the 7-Eleven multiple store criteria?

1. First, the requesting franchisee seeking a multiple "must have successfully, continuously, and profitably operated" his or her current store(s) for at least six months. Before additional stores are subsequently granted, all stores must be operating to the satisfaction of the market/zone leadership.

2. The requesting franchisee must actively participate in the weekly sales planning or other appropriate meetings, and embrace the 7-Eleven Business System. The question is, what does "embrace" mean? The term can be subject to varying interpretation by different SEI managers.

3. A thorough business plan must be prepared and submitted detailing the franchisee's qualifications and

plan to increase sales and gross profit and properly control both the current store(s) owned and requested store(s). The plan must also show how the applicant is utilizing and successfully executing the current 7-Eleven Business System. Again—this can be a subjective criteria.

4. Franchisee must be operating under a 2004 or later agreement for each currently operated store. This should not be a problem for the vast majority of franchisees.

5. Net worth must be at or above required minimum for each current store owned by the franchisee for the previous 12 months. As to this criteria, I have often counseled franchisees to have a substantial cushion in their net worth accounts to make certain that the account does not unintentionally fall below minimum. As you can see, the consequences can be greater than just receiving an LON or curable breach.

6. Each store that the applicant owns must have met the 85 Percent Recommended Vendor Purchase requirement for the previous 12 months. Here again, the failure to maintain the 85 percent requirement can result in more than just increasing the 7-Eleven charge by 2 percent.

7. The applicant must disclose all

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"The multiple criteria is policy unilaterally established by SEI. Don't look through your store agreement for any reference—you won't find it."

ARNOLD J. HAUPTMAN  
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businesses that he or she is invested in and must not have an interest in a competing business that would impair the applicant's "best efforts" or ability to run a 7-Eleven store—once again, as determined by 7-Eleven.

8. The franchisee's current store(s) and the new store must be in the same geographical area and within the same zone.

9. Each additional store must have successfully trained and fully empowered managers, must be staffed with employees trained in the sale of age-restricted products (Come of Age Program), and embrace the Business System and utilize all of its processes.

10. All of the usual permits and licenses must be in place by the effective date for the additional store, with the franchisee not having any convictions for violating Tobacco and/or Alcohol Beverage Laws for the prior 12 months, as measured from the date of adjudication. If you did, unfortunately, violate any such laws, and you are contemplating applying for an additional store, it would be a good idea to get an adjudication of the violations as quickly as possible.

11. Of great importance, on the effective date of an additional store being franchised, the franchisee must not be in material breach with respect to all current stores owned. Hint: Keep your net worth account well above the minimum at all times.

12. The applicant cannot have been served (in any store currently owned) with 4 or more Notices of Material Breach within the 2 years prior to the effective date of the new store.

13. All of SEI's then current policies relating to transfer, the half-mile option, and goodwill policies and procedures will apply to the new store.

The above points are the major factors that will be considered by SEI in determining whether or not to grant a franchise for an additional store. However, over and above these factors are general considerations by your Zone Leader, Market Manager, and perhaps other evaluators with respect to the operating history of your current store(s) including, but not limited to, customer complaints and comments, net worth and gross profit growth, inventory variations, accuracy and timeliness of accounting reports, use of the RIS System, implementation of SEI's business system, and the appearance and presentation of the store and employees to customers. Hint: Keep your customer evaluation scores as high as possible—at least 85 percent for 4 months and no more than one month under 80 percent.

In making its determination, SEI has also created a sort of scorecard that, in some cases, imposes even more stringent and additional requirements than the above criteria. The scoring involves, among other things, merchandise ordering and interaction with your Field Consultant. For gasoline stores, SEI is looking for 90 percent price survey compliance. There are 19 requirements for non-gas stores and 20 for gas stores and, in each case, SEI is looking for an applicant passing at least 16 of these requirements.

If you should apply for a multiple, you will be given a timetable within which to submit your application and business plan. In turn, SEI has a certain timetable to accept or

deny your application. If denied, your Market Manager or Zone Leader will discuss the reasons for the denial. If the application is granted, you must sign the "then current 7-Eleven Store Agreement" for the additional store, and pay the then current franchise fee without any provision for a refund. An initial denial does not necessarily disqualify the franchisee from requesting another store.

For all of you old timers (franchised in 1991) who signed the Long Term Tenure Rebate Amendment for the store you owned at that time and for all future stores to be owned, you will be required to waive the rebate for all additional stores now being franchised to you. The rebate will still apply to the original stores that you owned in 1991 and any additional stores franchised which did not contain the waiver in the store agreement.

I hope this article provides a reasonably clear and accurate picture of what it takes to become a multiple storeowner. But, as should be obvious, this is SEI's party and it alone calls the tune. Bottom line—run a profitable and clean operation and generally accept the 7-Eleven business

model and promotions, whether or not you like them, and your chances of franchising additional stores are probably pretty good. If you cannot do that, then your chances are probably slim. Always keep in mind, however, that

SEI can waive any requirement in a particular situation, i.e., if management feels it is warranted for a specific applicant and under specific circumstances. ■

**"SEI can make whatever rules it deems appropriate for multiples and can even waive one or more requirements for a particular franchisee applicant without obligation to do the same for others."**



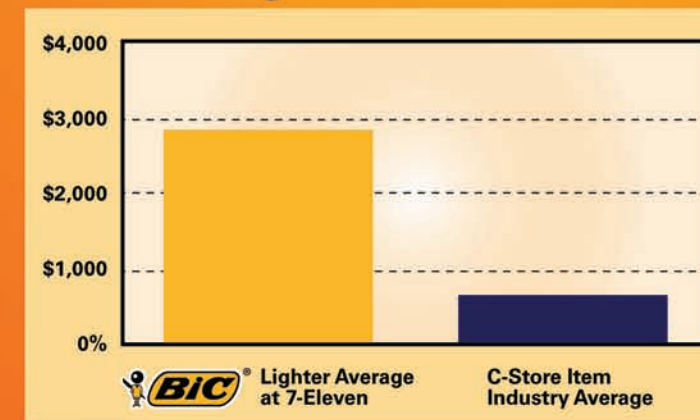
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## Employee Garnishments And The Franchisee

**Roger St. George**

VICE CHAIRMAN, NATIONAL COALITION

One of the features of the 7-Eleven system is the support services provided by 7-Eleven, Inc. (SEI). Among these services are the payroll processing, payroll tax reporting and the payment of withholdings. Unfortunately, the employees hired by franchisees do not always lead exemplary lives. Additionally, these difficult economic times may permeate the family unit, resulting in creditors seeking all remedies legally available to collect a debt. This may include the garnishment of wages.

The garnishment of an employee's wage is a legal recourse to collect a debt including interest, attorney's fees and court costs. To garnish an employee's earnings, the creditor must initiate legal action in the system to obtain a court order compelling an employer to withhold a portion of an employee's paycheck, which is limited by federal regulations. The employer must then remit the withheld wages to the creditor.

In the 7-Eleven payroll system, SEI will deduct from the franchisee's employee's weekly earnings and remit the money withheld from the paycheck to the creditor. The franchisee will receive the court order and is required to respond in a timely manner. If the garnishment is for a former employee or an individual who never worked for the franchisee, it is the franchisee's responsibility to respond to the court and the creditor. Failure to do so may make the franchisee responsible for the debt.

SEI erroneously distributed an email in August 2011 notifying franchisees to send all garnishment notices via the Dell scanner in

the backroom using Option 5, Human Resources. This is incorrect. Accounting Customer Service and the Payroll Department still request the franchisee call to establish a CHD case and then fax the garnishment notice and other included documents. SEI will then answer the garnishment notice and begin the deduction and remittance process.

Multiple store franchisees may have other difficulties. For all the improvements, SEI still has not integrated the payroll system for multiple store owners.

SEI's payroll system is incapable of deducting a garnishment when a franchisee's employee works at more than one store.

The garnishment can only be assigned to one store. Federal law limits a garnishment from deducting more than fifty percent of the employee's net pay. Because the SEI system only recognizes earnings applied against the garnishment from the employee's home store, an insufficient amount or no amount may be garnished from the employee's paycheck.

7-Eleven used to be touted as a single-store franchise system. The changes in policies by SEI have resulted in franchisees becoming multiple store owners in order to generate a livable income. With multiple stores, a

*continued on page 51*

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## Employee Garnishments And The Franchisee continued from page 49

franchisee's employee may work at more than one location. Due to the shortcomings in the SEI payroll system the multiple-store franchisee should take extra care to ensure a garnishment is properly processed by SEI. This may include changing an employee's home store to reflect where the employee actually works; working with SEI to have a proportionate amount deducted

**"It is the franchisee's responsibility to respond to the court and the creditor. Failure to do so may make the franchisee responsible for the debt."**

from the employee's earnings from the stores actually worked; or scheduling the employee at only one store.

Remember, ultimately the employer is responsible for the garnishment of their employee's wages. Failure to do so may result in the creditor lawfully requiring the employer to pay the full amount of the garnish-

ment. ■



## The Advertising Fee—SEI's Property

Jay Singh

VICE CHAIRMAN, NATIONAL COALITION

During National Coalition Board meetings, franchisees often raise questions about the advertising fee charged by SEI and the way it is spent. This issue has been brought to SEI's attention, but the company's response was not a satisfying one as the information posted on 7-Connect lacks details and is not updated.

I decided to look into this and read what our Franchise Agreement says on the matter. The language on this subject is no different than any other in our agreement, and not very helpful. It says:

1. "You agree to pay us the Advertising Fee in the same manner and at the same time as you pay us in accordance with Paragraph 10. The Advertising Fee becomes OUR PROPERTY to be spent by us in accordance with paragraph 22 (a) (3) and is not held by us in trust."

2. The Advertising Fee is based on a store's Base Period Gross Profit, and can vary from 0.5 percent to 1.5 percent.

3. It is up to SEI's sole discretion to arrange all advertising for the 7-Eleven system, service mark, related trademarks or merchandise. Our agreement further

says that SEI can spend as much as it wants for local, regional or national promotions.

4. It is very interesting that at one point the agreement states, "We agree to accept suggestions

from 7-Eleven franchisees on

the use of the funds collected as Advertising Fees, provided, however, you agree that we have and will continue to have the sole and absolute right to determine how Advertising Fees will be spent, including the selection, direction and geographic allocation of Advertising Materials and programs and the type of media utilized, and that we and our Affiliates have no fiduciary obligation to you or other 7-Eleven

*continued on page 52*

**"There are no billboards or other types of advertisements out there to drive fresh sandwich customers to our stores."**

VICE

CHAIRS'

FORUM



## The Advertising Fee—SEI's Property *continued from page 51*

franchisees with respect to such determination or expenditures of the Advertising Fees.”

There are other clauses in the agreement that give SEI the right to reimburse itself for any expenses it accrued for creating and developing advertising materials and other programs from the fees collected, and that give an option for company-operated stores not to pay any advertising fee. SEI agrees to inform franchisees on the advertising amount spent marketwise, and it has total control on all kinds of local, Internet, and other kinds of advertising.

The last clause on advertising fees mentions food service promotions and the use of point-of-sale support designed by SEI. This part needs a lot of

attention, especially as it pertains to fresh sandwiches. SEI has done a considerably good job with POP when it is funded by vendors, and we have seen storefront and window banners advertising grill and bakery items. However, so far our customers have not seen any banners promoting fresh sandwiches—the only signs we have are on top of our Sanden cases. Customers can only see those if they are already in our stores for something else. No billboards or other types of advertisements are out there that can drive fresh sandwich customers to our stores. Perhaps the reason behind this is that no vendor supports it, as it is an in-house product.

We all know that any type of aggressive advertisement leads to more

sales. Franchisees hope that the company would analyze the total amount spent by other food service chains on advertising compared to their merchandise sales, and increase this amount for better results. This was proven in my area a few years back when SEI, my FOA, and vendors created a unique summer advertising program when our local economy took the first hit of the recession. I hope this suggestion is accepted positively, even though the implementation is SEI's sole right, and it can spend collected property the way it likes. ■

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## BCP Stores And Traditional Stores

**Karam Dhaliwal**  
VICE CHAIRMAN, NATIONAL COALITION



SEI has developed somewhere in the neighborhood of 300 or more stores nationally via the Business Conversion Program (BCP), in which independent c-stores, liquor stores, and other businesses can convert to the 7-Eleven brand and receive almost the same benefits as traditional franchisees. Over the last several months we have had a chance to meet with SEI to learn about the BCP program, which SEI is using as a way to increase store volume and open more stores in each area. The benefit of this for SEI is additional sales and revenues,

and more stores clustered together so trucks do not have to travel as far to make deliveries.

BCP stores have a franchise fee of \$25,000, the franchisee is responsible for all real estate and employees, and SEI supplies almost 100 percent of the equipment. At the initial signing, the franchisee must make an initial down payment of \$25-40,000, \$8,000 for licenses, permits and bonds, and Net Worth must stay above \$35,000. The BCP franchisee orders from McLane, has the benefit of an open account, and pays a

royalty fee to 7-Eleven that is around 25 percent of the merchandise gross profits—a 25/75 split. The royalty fee begins in the fourth month of operation. 7-Eleven will co-invest with the BCP franchisee to remodel the store, and the franchisee portion of the remodeling investment could come to \$50,000 or more. The term of the BCP Agreement is 10 years.

One of the biggest issues for existing franchisees surrounding the development of BCP stores is encroachment, because BCP stores are exempt (as are new

*continued on page 54*

## Coffee-Mate & Coffee-Mate Lite Retail Packets!

*Free Fill With First Box Ordered!*



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**46% of consumers would drink more coffee if their preferred creamer was available.**

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### COFFEE-MATE PACKETS

UIN: 417345  
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### COFFEE-MATE LITE PACKETS

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**Available through McLane Today!**



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Over 94 billion cups  
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**Taster's Choice Decaf Stix Packs!**  
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Available  
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Profit Margin: 39%  
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## BCP Stores And Traditional Stores continued from page 53

traditional stores) from the half-mile policy, and franchisees with BCP stores receive the same benefits as traditional stores. We always say it is reasonable to compete with another convenience store, but we can't compete with another 7-Eleven, which has the same products and services. Unless you own the new BCP being developed one-half mile from your store, expect it to affect your income. In our area—the San Fernando Valley, Ventura and High Desert—SEI has 126 new store sites under consideration where they can build either a traditional store or a BCP store. The company opened 40 stores last year, and projects an additional 60 stores for our area in 2012.

Another issue—one I didn't know—is that SEI supplies Gross Income Support to BCP franchisees who fall below certain income thresholds. The Franchisee Low Volume Incentive Program that SEI announced last September for traditional

franchisees is much the same. In both cases, the franchisee gets some help (not enough) if the store falls below the required daily income to support it.

The BCP may be good for franchisees who want a second store and know the 7-Eleven system, but some compensation on gross profit split should be made for franchisees who have their gross sales eroded by the location of a BCP too close to their traditional store. On the other hand, SEI should also allow more existing franchisees to qualify for BCP stores, because we know how the system operates. The bottom line is that SEI wants to open more stores, and franchisees want more stores, but if we can't level the playing field, too many franchisees will be left on the sidelines. ■

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## Bits&Pieces...continued from page 36

The group accuses Exxon Mobil Corp. of trying to circumvent state law, which requires the company to give the retailers the right of first refusal on their stations before assigning their leases to Circle K. • The number of **convenience stores in Taiwan open 24/7 has increased by 67 percent during the last decade**, from 5,674 in 2000 to 9,483 in 2010, reported Taiwan Today. • PepsiCo recently announced that **Diet Mountain Dew, Brisk and Starbucks ready-to-drink (RTD) beverages have each grown** to more than \$1 billion in annual retail sales, expanding PepsiCo's portfolio of billion-dollar brands to 22. • **Dollar General Corp. said it plans to open 625 new stores** and add more than 6,000 new jobs in 2012. These new stores and jobs will be spread among Dollar General's 38-state operating area, plus California and Massachusetts. • Democratic members of the

*continued on page 63*

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With Shrimp  
Instant Lunch  
UIN #507277 /  
SLIN #210282

Lime Chili Shrimp  
Instant Lunch  
UIN #471813 /  
SLIN #210733

Ramen  
Souper 6-Pack  
UIN #526459 /  
SLIN #210315

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## What's Up With OTP?

**Joe Teller** Director, Category Management, Swedish Match

**Aaron H. Choate** National Accounts Manager, Swedish Match

The economy in 2011 presented serious challenges to the battle-tested convenience store industry, but the OTP category remained strong in the midst of this turmoil. The past year saw the economy nearly fall into a double dip recession, and although economic growth has returned, it is not as strong compared to historical post-recession growth.

The official unemployment rate reached nearly 10 percent in 2011, a significant headwind for c-stores considering their reliance on heavy c-store shoppers from industries such as construction, which was unusually hard hit. While 10 percent unemployment makes life difficult for all industries, the broader measure of unemployment—which includes the underemployed and those who have given up looking for work—reached a staggering 17 percent in 2011.

While everyone in the consumer product and retail industries lives on sustained growth in personal disposable income, in 2011 we were still dealing with 13 percent of all homes in the U.S. being late with mortgage payments or in foreclosure, and with high inflation and stagnant personal income growth. Additionally, cigarette carton sales started to decline

faster in 2011, causing c-store operators to compete more aggressively for smokers, and also to turn to areas such as food service and OTP to make up losses.

Two thousand and eleven was a strong year for OTP in an ever-changing environment. As the OTP consumer

Leading the charge in OTP in 2011 was Moist Snuff. Moist Snuff can sales continued through 2011 with consistent 5 percent to 6 percent can growth per month—extremely strong considering the huge 2010 growth rates as a result of retail and wholesale inventory builds after early 2010 SCHIP invento-

**“Overall, OTP shoppers visit c-stores about twice as often as the average c-store shopper and spend about twice as much on the average basket during their visit.”**

base grows, c-store operators are increasing their focus on this important c-store shopper. Both Smokeless and Cigar shoppers visit c-stores more often than consumers of any other in-store category, and they provide the second biggest shopping basket of all in-store categories. Overall, OTP shoppers visit c-stores about twice as often as the average c-store shopper and spend about twice as much on the average basket during their visit. This adds up to a shopper that is worth over three times the annual retail sales of the average c-store

shopper. Consistent 5 percent to 6 percent Moist Snuff can growth rates would be envied by any other category inside the store, especially considering the extreme duress of many consumers due to the weak economy.

Helping out Moist Snuff growth were the many new cigarette smoking consumers coming into the category. This organic growth in the consumer base was driven by more prevalent cigarette smoking restrictions, the personal financial advantage of using Moist Snuff compared to more expensive cigarettes, growing social acceptance of smokeless tobacco use, declining social acceptance of smoking, and family pressure to stop the smoking habit. And the smokeless tobacco category has evolved, with products such as snus

*continued on page 58*





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that can be used more discreetly and that appeal strongly to smokers.

To date, about half of the estimated 7-8 million Moist Snuff consumers also smoke cigarettes, c-store operators competed aggressively for the Moist Snuff consumer in 2011, not only to offset cigarette declines, but also to satisfy the needs of smokers who also choose to dip. Doing a good job with Moist Snuff is one way to build shopper satisfaction with cigarette smokers, always the major target of c-store operator marketing efforts.

As the Moist Snuff category continues to evolve, retailers are noticing that

### "The cigar consumer is an unsung hero of the convenience industry, visiting c-stores more often than consumers of any other in-store category."

the consumer has been changing. In the past, the industry used to target old-school dippers who preferred "loose" Moist Snuff products and didn't smoke. A new, more diverse consumer has entered smokeless who is changing the game for smokeless manufacturers and c-store operators. The new smokeless consumer is a younger adult with more education and income, white collar and entrepreneurial occupations, and a love of all forms of tobacco, including cigarettes. This new consumer represents the future growth of the smokeless tobacco category.

Since this new consumer also smokes, much is on the line. C-store operators must satisfy total tobacco needs, or risk losing not only smokeless business, but also cigarette business. For old-school smokeless users, c-store operators need to focus on high in-stock levels, fresh product, multi-can promo-

tions, competitive prices, and aggressive outside-the-store advertising. For new growth smokeless consumers, c-store operators need to expand their snus offerings, call out traditional Moist Snuff pouch products on the shelf, carry a wide variety of products, and be first to market with new offerings.

The past year was more difficult for the cigar category. Traditional pack cigar volume declined more rapidly than in the past due to higher price points. Single cigar growth accelerated as many consumers could afford to purchase only a stick or two at a time. One major trend in 2011 was the strengthening of white grape as the dominant

**"The new smokeless consumer is a younger adult with more education and income, white collar and entrepreneurial occupations, and a love of all forms of tobacco, including cigarettes."**

tuat among cigar manufacturers, they fight with price to keep their consumers. Retailers also must be competitive, as growth is needed in many areas to partially offset cigarette declines.

The cigar consumer is an unsung hero of the convenience industry, visiting c-stores more often than consumers of any other in-store category. The best c-store operators are opening space in the department for promotional displays, placing visible price call outs for key cigar brands, and making item mix changes more frequently.

Working with 7-Eleven's corporate category management team, using state of the arts tools, and relevant market data, Swedish Match assisted in the development of the Spring/Summer Cigar POGs that will ensure 7-Eleven stores meet the local cigar shopper's needs, capture available sales, and take advantage of the trends in the cigar business for 2012. ■

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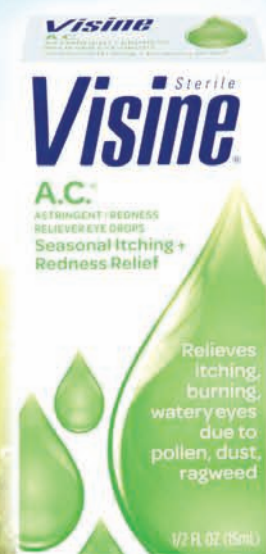
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MANUFACTURER GUEST COLUMN

## Move over, Bubba

...And Make Way For Healthy Habit Females & Other Secondary Customers In Convenience

BY THE NATIONAL C-STORES SALES RESEARCH TEAM, KELLOGG'S COMPANY

C-stores aren't built on truck drivers, Joe Six Packs and smokers alone. Just ask any of the 37 percent of Healthy Habit Females age 25 and under, 60 percent of Young and Active Males under age 25, and 60 percent of Busy Bee Families with kids younger than 18 years old who visit c-stores once a week or more, according to data from Schawk, Inc. and Mintel.

"C-store retailers know that they cannot simply rely on 'Bubba' for their future sales," said Steven J. Montgomery, president of b2b Solutions, LLC, Lake Forest, Ill. "The cigarette category that Bubba is known to be a heavier buyer in is declining. They have to appeal to a broad range of customers. And in order to keep them coming, retailers have to change their historic positioning to broaden that appeal."

Overall, Americans are trying to add more positive nutrition to their diets, as seen with healthy snacks growing at 5 times the rate of indulgent snacks. While indulgent snacks still comprise the majority of snacking, healthier items are grabbing more

and more of the snacking dollars.

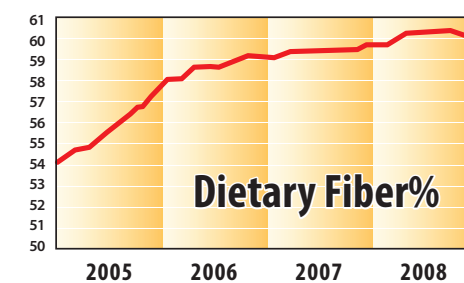
One of the most important secondary shopper categories to aim for is Healthy Habit Females, Montgomery said. Among this young demographic, 40 percent purchase hot foods and 75 percent buy sweet and salty snacks—and that makes them an ideal target for tasty, guilt-free treats like Kellogg's new line of Special K Cracker Chips, now available in Sea Salt and Cheddar flavors.

"Females are more likely to be interested in healthy foods and snacks than their male counterparts," said Montgomery.

**"Americans are trying to add more positive nutrition to their diets, as seen with healthy snacks growing at 5 times the rate of indulgent snacks."**

One particular subset of the Healthy Habit Female worthy of attention are young Latino women, typically age 24, which are the fastest growing c-store customer segment, according to David Brewster, president, David Brewster Design, Wadsworth, Ohio.

Research from NPDI Group/Crest indicates that over 70 percent of Americans are trying to eat healthier, which makes a snack like Special K Cracker Chips attractive. These snacks generated heavy sales—over \$100 million in their first 7 months, per Nielsen FDMx data. And with 110



NPDI Eating Patterns in America, 1/2010

calories and fiber, Special K Cracker Chips appeal to today's nutrition-seeking consumers: a little more than 6 in 10 respondents are interested in products with new fiber claims<sup>2</sup>. "I want to add more fiber."

Montgomery recommends testing

the new Special K line of Cracker Chips in both the main snack area and healthy snack area to determine where it sells the best.

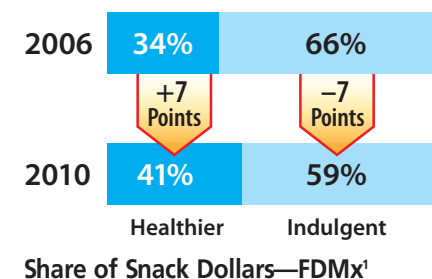
Brewster further suggests placing Special K Cracker Chips "at the food service counter, so it's associated with fresh foods."

By 2015, snacking will be more than a \$101B business<sup>3</sup>. Are you hungry for your share? ■

<sup>1</sup> State of the Snack Industry 2010, Symphony IRI Group

<sup>2</sup> Mintel Attitudes Toward Fiber and Digestive Health, April 2010;

<sup>3</sup> Retail forecasts from Euromonitor International, 08/2010 combined with Foodservice data from The NPDI Group SnackTrack YE 3/2010







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Whole Egg, Bacon  
& 3 Cheese - 12/7oz  
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## A Leap Of Faith

By Bob Strauss

Franchisee and Board Member, FOAC

The last few years have been challenging, to say the least. The economy has suffered, countless businesses have closed their doors, and far too many people have experienced personal financial loss. In complete frustration, some of these people have participated in Occupy Movements throughout the country.

Unfortunately, far too many 7-Eleven franchisees weren't spared from these economic times. Some thought that better programs or policies would lead to better results. A number of franchisees, just like the Occupiers, felt marginalized or disenfranchised. Some felt they were being managed like pieces on a game board

in a game they had no control over. Some even questioned if they were independent contractors or just glorified employees.

While citizens across the country were trying to stop the flow of bad tidings and effect positive change, 7-Eleven franchisees were also energized in disjointed efforts to turn around some of the decisions coming from Dallas.

Although individual franchisees and FOA leaders couldn't agree on a course of action to produce wins, they did agree on the hurt and losses. While still fully committed to their 7-Eleven in-



said, "Who cares if Dallas will speak to us? It's time to do whatever we have to do before it's too late."

Dallas sent a very clear message that franchisees would be better off maintaining the current National Coalition leaders. In my opinion, this was asking for a real leap of faith.

The elections for Coalition officers were held as planned and the "keep the lines of communication open" camp won. Is that good news for franchisees or for Dallas? It seems to me that Dallas has just been handed one heck of an opportunity to prove the

**"Dallas has been handed one heck of an opportunity to prove the 'leap of faith' moderates were right, and that good can come from open and honest dialogue."**

vestment and the system, franchisees were standing up and shouting, "Enough is enough!"

In some cases, the level of franchisee frustration not only compromised morale between franchisees and SEI management, but also between franchisees and their FOAs, as well as with the National Coalition leadership. Members of FOAs and the National Coalition all shook their heads in disappointment at the pain list, but they couldn't agree on the best response.

One camp of Coalition leaders said, "Speak forcefully, but with a goal of keeping lines of communication open." Another group of Coalition leaders

"leap of faith" moderates were right, and that good can come from open and honest dialogue.

Franchisees may question how Dallas has performed over the last few years, so let's consider this a bonus round and an opportunity for SEI to do the right thing—to deliver decisions and programs that better respond to franchisee interests.

Did franchisees make a mistake in their choice of Coalition leadership? Actions by Dallas will deliver the answer. Pray for us all if those actions don't reinforce the wisdom of the decision to maintain moderate but direct leadership. ■

### Bits & Pieces...continued from page 54

House Energy and Commerce Committee are urging the FDA to ban flavored cigars and cigarillos over concern that the products appeal to minors, reported NACS Online. • **Gulf Oil LP has entered into the retail electricity market** via the launch of Gulf Electricity, an alternative utility supplier the company says will deliver competitive pricing and convenience. • Despite continued economic uncertainty, **holiday shoppers bought more in 2011 than in 2010**—national retail sales rose 3.5 percent during November and December when compared to the same period last year, according to ShopperTrak. • With plans to dominate the DVD kiosk business, **RedBox announced that it has agreed to purchase assets of NCR Corp.'s entertainment line of business, which includes Block-**

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## Member News

CONTINUED FROM PAGE 32



### NCASEF And Local FOAs: Good ROI For Vendors?

BY IRIS YOST

Vice President, Southern Nevada Las Vegas FOA



Everyone in the country is living within a fixed budget, and we understand our supplier/vendor partners are no exception. When the 7-Eleven franchise community reaches out to a vendor and asks for support of the NCASEF and our local FOAs, we realize the vendor has to determine if the return on investment (ROI) is right or not. Once the vendor makes a decision to support us, we then have a joint responsibility to make the best of that decision.

To make a decision to support us, our vendor partners must first understand our franchisee organizations. Some manufacturers may determine ROI specifically on increased sales, but there is more to consider. The purpose of a franchisee organization is to "protect the rights and interests of those franchisee members it serves." Many of our FOAs are non-profit organizations, and in most each member pays up to \$30 per month to belong. Each of the National Coalition's 39 FOA members runs on its own operating budget, making us completely reliant on member dues and the vendor community for support.

7-Eleven franchisees face many issues on a daily basis. In order to best represent our members, each association raises money for meetings and events. Many FOAs put together local meetings of their board members, or their general membership, and offer vendor sponsors the opportunity to present products and services or otherwise address the FOA members. Perhaps the most useful events to

help vendors get products noticed locally are the local FOA trade shows, which are specifically designed to bring everyone together in an environment of sampling and education on new and existing products. Other FOAs have charity golf tournaments to raise funds for a good cause, as well as for the association. There are also newsletters, email blasts, web sites and direct mail opportunities.

All elected board members at the local level are volunteers. Those volunteers work outside their businesses and homes to help give back to their franchise communities. The reward for volunteering comes in reaching goals and the success of the FOAs we serve. Part of that success is being able to help solve franchisee problems, as well as prepare for franchisee issues on the horizon. We are also proactive in helping find the best product mix for our individual stores, and we will support the innovative and new items that our guests demand.

Even as part of the oldest, largest, and most innovative franchise system in existence, we still have our challenges. The difference is our corporate partner, 7-Eleven Inc., works with us to solve the problems that come with an ever-changing industry. The FOA is our additional layer of protection and a point of contact for individual franchisees as well as management.

We come together in our local FOAs and the NCASEF to identify issues, find solutions, and reach out to SEI and experts for assistance. We show our support and strength on Capitol Hill on legislative issues that affect the way we do business, and we fight local hurdles that prevent us from being able to serve our guests' needs. We reach out to our communities and assist in any way we can while striving to be good neighbors, and we are true cause champions for charitable organizations in our communities, and on a national level.

**"We reach out to our communities and assist in any way we can while striving to be good neighbors, and we are true cause champions for charitable organizations."**

FOA volunteers commit the time and effort to build and run our local organizations, but we owe a big debt of gratitude to all of our vendor partners, and a heart-felt thanks for your support of our FOA organizations. Thanks for providing the excellent products we sell in our stores, and thanks for allowing us to make a difference in our communities. We seek to make win-win partnerships, and that means we're selling more stuff! This year, in your budgeting process, remember that our local FOAs and the NCASEF are a good return on investment—we sell more, then so do you. ■

stores). Five states had store counts grow at a rate that was more than double the national average: New Jersey (3.3 percent growth), Alaska (3.2 percent), Massachusetts (2.7 percent), Oregon (2.7 percent) and New York (2.6 percent). Growth in Washington, D.C., was 2.9 percent.

According to Nielsen TDLinx, as of December 31, 2011, the total store count of convenience stores is 30,000-plus locations greater than the cumulative totals of competing channels, including supermarkets (32,924 stores), drug stores (38,526 stores) dollar stores (22,782 stores) and superettes (13,234 stores).

### Maryland Governor Proposes Sales Tax On Gasoline

Maryland Governor Martin O'Malley has reached out to state lawmakers to approve an unprecedented tax increase on gasoline, applying for the

*continued on page 66*

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## Member News

CONTINUED FROM PAGE 64

first time Maryland's 6 percent sales tax to every gallon of gas to raise billions of dollars for road and transit projects, reported the *Washington Post*. The sales tax would be phased in annually in increments of 2 percent at the wholesale level, meaning that a gallon of gas that presently costs \$3.48 at the pump would increase 6 cents. If the price of gas rises or falls, the sales tax amount would also. Combined, the three-year increase per gallon could total 18 cents or more, making

Maryland's combined levy on gasoline more than 41 cents a gallon and among the highest in the country.

### C-stores Foodservice Sales Increase

In a sign that convenience store operators are successfully ramping up their foodservice efforts, industry consultants Technomic found that average unit volumes for c-stores offering

prepared food and dispensed beverages (true foodservice) jumped to more than \$136k in 2011, up from \$123k in 2007. The better-than-10-percent growth rates were based on roughly the same number of stores offering foodservice, indicating that operators are becoming better at foodservice expansion and execution.

Overall, c-store foodservice grew to \$11.5 billion in 2011 (from \$10.2 billion in 2007), based largely on the expansion of foodservice items, additional stores adding foodservice and more foodservice experience. The number of stores with dedicated foodservice personnel nearly doubled over the same four-year period, from 17 to 33 percent, reflecting operators' commitment towards developing successful foodservice programs.

### 7-Eleven 'A Convenient Neighborhood Store'

SEI recently informed franchisees that it has adapted a new mission statement and brand promise for the system, one that aims to shift 7-Eleven's identity from a convenience store, to a neighborhood store. As such, the company has developed a new mission statement—"We will be your convenient neighborhood store"—with the promise to guests to deliver an exceptional shopping experience, provide innovative products and services to meet their changing needs, provide high quality fresh foods and beverages, be "everywhere you need us, whenever you need us," and be a diverse, responsible corporate citizen, committed to the success of its employees, franchisees, and communities.

continued on page 68

## Simply Orange Contest Winners

Simply Orange's latest contest has made 40 franchisees very happy. The winners shared cash prizes ranging from \$500 to \$2,500 just for expanding their inventory of Simply Orange beverages. The goal of the contest was to grow Simply Orange 59-ounce distribution 20 percent and grow Simply Lemonade, Raspberry Lemonade, and Apple 13.5-ounce distribution by 10 percent.

To gain entries into the contest—which ran from November 1 to December 31, 2011—storeowners had to carry 3 to 5 Simply Juice qualifying SKUs, which included Simply Orange 59-ounce and all Simply 13.5-ounce SKUs. As per the contest rules to meet the target growth stated above, the National Coalition office received \$10,000 to apply to the event of its choice. Congratulations to all the winners.

Prize	Store #	Name	Prize	Store #	Name
\$500	13195	VIVEK AMIN	\$1,500	11348	AMAN TEJPAL
\$500	14182	AJMER NIJJAR	\$1,500	13071	RAJESH CHUGH
\$500	14470	NAVDEEP GILL	\$1,500	24466	YEWUBDAR KELIFA
\$500	15033	BHARGAV PATEL	\$1,500	29331	HILDA REMH
\$500	16070	JAGVEER MAHAL	\$1,500	32636	MANJIT SANDHER
\$500	16131	IJAZ AHMAD	\$1,500	32690	WALEED AHMED
\$500	17460	JOHN IRVINE	\$1,500	33064	RASHID SIDDIQUI
\$500	18233	DUANE MILLS	\$1,500	33320	GIRISH PATEL
\$500	18950	AKHTAR CHISHTI	\$1,500	33551	SATISH WALIA
\$500	19279	MICHAEL FOSTER	\$1,500	33750	MARGARET TOMASSONI
\$500	19690	AKHTAR CHISHTI	\$2,500	13432	DAVID NILSON
\$500	20007	RIPU DHAWAN	\$2,500	14149	HARINDER GILL
\$500	20958	JASPREET DHILLON	\$2,500	15426	JEFFREY SANDERS
\$500	24548	DAVID TURNQUIST	\$2,500	20354	LEENA DHINDSA
\$500	26815	THOMAS HUMPHREY	\$2,500	20364	PARNEL NAIDU
\$500	27452	ROBERT THOMPSON	\$2,500	25170	FEKADU GEBREYOHANNES
\$500	29732	SUXIA LIU	\$2,500	32221	MUHAMMAD YOUSAF
\$500	33799	SHARIB JAMAL	\$2,500	32287	SHIRLEY WILCZEK
\$500	39212	MAKHAN SINGH	\$2,500	33840	JITENDRA PATEL
\$500	39387	PRITI PATEL	\$2,500	34495	JUNAID RAZA



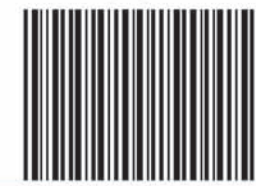
## A full line of trash bags exclusively designed for 7-Eleven Franchisees

### Clear color bags

Large 2 ft COFFEE BAR liner Bags per roll: 225



SLIN: 530340  
UIN: 482620



42x34, 40-gal

Small 1 ft BEVERAGE BAR liner

Bags per roll: 300

SLIN: 530207  
UIN: 482414



32x34, 30-gal



COFFEE BAR & ROUND OUTSIDE Bags per roll: 110

Northeast area



30x46, 32-gal

SLIN: 530072  
UIN: 018853



CASH REGISTER & RESTROOM AREA Bags per roll: 225

SLIN: 530472  
UIN: 482497



32x46, 32-gal

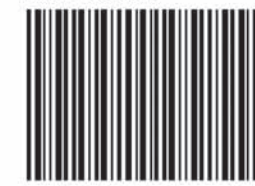


### Black color bags

KING KAN "Square" outside

Bags per roll: 100

SLIN: 530471  
UIN: 482331



50.5x46, 50-gal



65-gallon can

Bags per roll: 75



52x49, 65-gal

SLIN: 530173  
UIN: 048231



ROUND OUTSIDE

Bags per roll: 125

SLIN: 530044  
UIN: 482380



37x46, 44-gal



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The 7-Eleven FOAC is pleased to introduce its newest vice president, Ken Patel. Ken has been a franchisee since September 2001 and currently owns seven stores. He said he is eager to help out fellow 7-Eleven store owners in his new position. "I want to work with SEI to help our franchise community increase sales and resolve the issues that are holding franchisees back from being as successful as they can be. Being a multiple franchisee, I'd like to help other franchisees become multiple store owners as well," he said.

## Adjustments Made To Low Volume Incentive Program

After a review of the Low Volume Incentive Program—designed to help franchisees in low volume stores develop infrastructure and improve sales growth—SEI has made adjustments to the criteria in order to increase the number of franchisees qualifying for the incentive. Changes to the criteria include:

- GP\$ growth of 1 percent or more during the most recently measured 3-month period compared to the same 3 months of the prior year.
- Attainment of the 85 percent recommended vendor purchase requirement.
- Must meet the cleanliness standards as specified on the multiple criteria assessment.
- Must achieve 10 of 14 remaining specified criteria measures (9 of 13 for non-gas stores).

SEI has made adjustments to the Low Volume Incentive Program criteria so more stores can qualify.

## Cigarette Contract Update

SEI has elected to participate in the Altria Flexible Fund option in most stores. During the February 7-11, 2012 NCASEF Board meeting in Tucson, Arizona, the company explained that it carefully considered all possible

combinations of manufacturers programs, and believes the Flexible Fund option provides the best opportunity to meet 2012 objectives—price competitively, minimize unit erosion, and maximize GP\$.

As for other manufacturer contracts, SEI said the Lorillard 2012 contract has no changes from the 2011; and the RJ Reynolds contract, which becomes effective in April, is similar to the 2011 contract, with RDA reduction being the only major change—the primary components of

Consumer Pricing Fairness and Pall Mall EDLP remain in place. Franchisees can view one-page summaries of updated contracts on 7-Connect.

## Former Franchisee Nabbed For Food Stamp Fraud

A Providence, Rhode Island 7-Eleven franchisee has been charged by federal prosecutors with conspiracy for letting customers turn in their food stamps for lesser amounts of cash. Known as food stamp trafficking, the illegal buying or selling of food stamps is a federal offense that has resulted in 597 convictions nationwide and \$197.4 million in fines, restitution and forfei-

continued on page 69

## Bits&Pieces...continued from page 63

**buster Express** movie rental machines. RedBox, also looking to give Netflix a run for its money, has entered into a deal with Verizon to form an online movie streaming service. • **A new report from Juniper Research has found that the global redemption rate for mobile coupons will average over 8 percent by 2016; an eightfold increase over the best paper coupon campaigns.**

• According to an independent survey commissioned by Dunkin' Donuts, an overwhelming majority (84 percent) of **iced coffee drinkers claim they are drinking more iced coffee this winter compared to last winter.** • **Best Buy has installed 160 vending kiosks** that sell smart phones, iPods and other high-end electronics **in airports, c-stores, casinos, hotels, resorts and on college campuses**, reported *CSP Daily News*. The company plans to expand that to 300 in the next year or two. • **Two Minnesota legislators recently introduced a proposal to more than double the state's cigarette tax** to repay public schools and reduce business property taxes, the *Minneapolis Star Tribune* reported. **The bill would tack on \$1.29 per pack of cigarettes**, bringing Minnesota's tobacco tax in line with Wisconsin and other states. • **Starbucks has announced plans to expand beer and wine sales** to as many as 25 locations by the end of the year, reported FoxNews.com. The coffee chain said it will focus booze sales on new or remodeled stores in California, Atlanta and Chicago. • **Social media giant Facebook filed paperwork for an initial public offering (IPO) on February 1**, reported the *Wall Street Journal*. This is the largest technology IPO in history, with estimates putting it around \$10 billion. • **Hostess Brands is back in Chapter 11**, just three years after emerging from an earlier restructuring, reported the *New York Times*. The company has been struggling under the weight of an \$860 million debt load and soaring expenses tied to its labor force. • **Fifty-two per-**

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ture orders, over the past three years. The franchisee is still being prosecuted and has since lost his store.

## Changes To The RIS

SEI recently communicated changes it has made to the RIS system. Changes to bill-backs and scan-backs include:

- More types of bill-backs and scan-backs with more information available to the store.
- Credits posted to M01 daily.
- Additional information and easier to use tool on Bill-Back, Scan-Back, and Allowance Information (Store Tools).
- "\$" bill-back indicator on product assortment and ordering screens
- New Daily/Month-to-Date report

The illegal buying or selling of food stamps is a federal offense that has resulted in 597 convictions in the last three years.

showing detail of credits posted to M01.

- The system will show bill-backs and other cost support allowances that have been provided for setup at SSC.

- Off-Invoice Quantity Discounts and Off-Invoice Beer Post-Offs will not be in the system.

- Credits will be posted when the invoice is received for processing for purchase-based bill-backs.

There have also been sales tax changes made to the RIS system: ability to handle additional types of sales taxes and other fees, such as 911 fees and meal taxes; additional detailed information in cash report screens; additional detailed information on printed cash report; and improved break-out of taxes on POS Receipt. ■

## Coffee-Mate Extra Innings \$200 Contest Winners



Nestlé Professional recently announced the winners of its Coffee-Mate Extra Innings Contest. For a chance to win \$200, franchisees had to purchase any case of Nestlé Coffee-Mate Liquid Creamer Pump Bottles between July 1, 2011 and September 4, 2011—and submit distributor invoices or tracking reports showing qualifying purchases—to receive an entry into one of 9 weekly drawings for each case ordered. In all 18 winners were selected, two for each "inning."



Inning 1: Winner #1—Store 16498 (Spring Valley, CA)  
Winner #2—Store 13655 (El Cajon, CA)  
Inning 2: Winner #1—Store 32242 (Frisco, TX)  
Winner #2—Store 16446 (Mission Viejo, CA)  
Inning 3: Winner #1—Store 18824 (San Diego, CA)  
Winner #2—Store 17096 (Fresno, CA)  
Inning 4: Winner #1—Store 24230 (Lebanon, OR)  
Winner #2—Store 23044 (White City, OR)  
Inning 5: Winner #1—Store 25045 (Catonsville, MD)  
Winner #2—Store 32242 (Frisco, TX)

Inning 6: Winner #1—Store 13588 (San Diego, CA)  
Winner #2—Store 18824 (San Diego, CA)  
Inning 7: Winner #1—Store 20899 (Hermiston, OR)  
Winner #2—Store 18386 (Incline Village, NV)  
Inning 8: Winner #1—Store 16498 (Spring Valley, CA)  
Winner #2—Store 20899 (Hermiston, OR)  
Inning 9: Winner #1—Store 22261 (Hoquiam, WA)  
Winner #2—Store 13588 (San Diego, CA)



## National Coalition Offices In Tucson

National Coalition offices are located in Tucson, Arizona. All queries and requests for information should be directed to the address below:

**National Coalition of Associations of 7-Eleven Franchisees**  
3561 East Sunrise Drive, Suite 113  
Tucson, AZ 85718  
Office 520-577-8711  
Fax 520-577-4688  
E-mail: nationaloffice@ncasef.com



National Coalition of Associations of 7-Eleven Franchisees





## Member News

### SEI News

#### 7-Eleven Dietitian Gives Advice on Healthy Eating

SEI Corporate Dietitian Patsy Ross has turned to the media to make customers aware of the healthier food items that can be found at their local 7-Eleven. In a released statement, Ross recommended numerous 7-Eleven items for those watching their waists: Strawberry Yogurt Parfait (230 calories) or a fruit cup for breakfast, 7-Smart Oven-roasted Turkey Sandwich (300 calories) and Fresh Strawberry or three Buffalo Boneless Wings (180 calories) and Strawberry-Kiwi-Mango for lunch, and to wash it all down Crystal Light Sugar-free Slurpee drink (80 calories, 16 ounces) or 7-Select Vegetable Juice (50 calories, 8 ounces). "Whether counting points, calories, carbohydrates or fat grams, 7-Eleven has something for everyone," Ross said.

#### New Prepaid Card Distribution Agreement

SEI and NetSpend Holdings, Inc.—a provider of general-purpose reloadable prepaid debit cards and related financial services—recently announced that they have entered into a distribution agreement to sell NetSpend Visa prepaid cards at participating 7-Eleven stores nationwide. The agreement marks NetSpend's largest retail distribution footprint to date.

In a recent announcement, NetSpend said it also is expanding its reload network to thousands of 7-Eleven locations



across the U.S. "We believe offering NetSpend prepaid cards is an ideal solution for our customers who want convenient financial services when they come to our stores," said Jesus Delgado-Jenkins, 7-Eleven's senior vice president for merchandising, marketing and logistics. "We are rolling out the NetSpend prepaid cards now and expect to be selling them in more than 5,000 stores this year."

#### Field Managers Use Mobile Field Data Collection System

SEI is now using On The Spot Systems' Survey On The Spot mobile survey platform to capture feedback from managers in the field. The company said it recognized the critical importance of gaining timely and accurate market-level data in order to make better business decisions, and began using the mobile survey system in March. "Using mobile technology to quickly and easily enable our field teams to provide real-time feedback is a terrific asset for our organization," said Steve Holland, 7-Eleven's chief technology officer. "Our previous paper-based system was time-consuming, and inefficient. We were not receiving nearly as much valuable feedback as we have since we began using Survey On The Spot."

With Survey On The Spot, SEI can easily create and administer the surveys and send them to their field managers' smartphones through a link delivered via email or text message. The survey system allows the field managers to complete store visitation checklists and assess merchandising performance and other market-level data collection needs while they are away from their office. ■

#### Bits&Pieces...continued from page 68

cent of adult cell phone owners used their phones to seek help with purchasing decisions while they were in a store during the 2011 holiday season, according the Pew American & Internet Life Project. • As sales of electric cars begin to pick up, **retailers nationwide are installing electric vehicle charging stations** in their parking lots so customers can plug in and charge up their vehicles while browsing inside, reported the *Los Angeles Times*. • The State University of New York at New Paltz has partnered with Pepsi Cola of Hudson Valley and Shop24 Global, LLC to have a Shop24 ultra-convenience store installed on campus. **The Shop24 is a self-contained, refrigerated and robotic c-store designed to enable 24/7/365 consumer purchasing.** • Consumers loaded about \$460 billion onto prepaid cards in 2011, and that amount is expected to increase by almost 50 percent to nearly \$685 billion by 2016, according to research from Mercator Advisory Group. • **PayPal recently started a test pilot payment system at five Home Depot stores** that allows customers to pay for items at the register using a PayPal-issued credit card or by entering their mobile phone number into the point-of-sale device at the register, reported AllThingsD.com. • **North Carolina's motor fuels tax increased 3.9 cents to 38.9 cents per gallon** on January 1, the *Sun News* reported. The tax is automatically recalculated twice a year based on a wholesale gas prices-linked formula. • Moving against the FDA's requirement for graphic warning labels on cigarette packs, the U.S. Chamber of Commerce recently filed an amicus brief with the U.S. Court of Appeals, **claiming the federal government lacks authority in requiring tobacco companies to modify their packaging with advertisements persuading consumers not to purchase their products**, reported the Associated Press. • A bill has been introduced in the Mississippi legislature that aims to **increase the alcohol content limit of beer sold within the state from 5 percent to 8 percent**, reported WAPT.com. Mississippi beer retailers say the change will increase sales. ■

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- ✓ EVENT SAMPLING
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# VENDOR FOCUS

## DOVEBAR MINT SWIRL



*Mint Swirl with Dark Chocolate is the newest DoveBar flavor.*

DoveBar Mint Swirl Ice Cream with Dark Chocolate blends rich, minty Dove Ice Cream with a ribbon of dark chocolate. The bar is then dipped in luscious chocolate coating made with silky smooth Dove Dark Chocolate. DoveBar Mint Swirl Ice Cream with Dark Chocolate is an eagerly anticipated complement to the growing DoveBar Ice Cream line. DoveBar Mint Swirl has an SRP \$3.99, and is available March 2012.

## NEW CHOCOLATE ICE CREAM BARS

Milky Way Brand Chocolate Ice Cream Bars, available March 2012, feature delicious chocolate ice cream with a layer of creamy caramel, covered with a milk chocolate coating. To ensure that consumers have a Milky Way Brand



*Milky Way Chocolate Ice Cream Bars capitalize on the popular brand.*

Chocolate Ice Cream Bar for any occasion, the product is available in three convenient formats: single bars (\$1.79/bar) for snacking on the go, single bar 6-packs (\$4.29) for optimal value, and 80 calorie miniature bars (\$4.29/12-pack), ideal for sharing or a lighter treat.

## NEW NESTLÉ WATERS SANPELLEGRINO AND SWEET LEAF TEA



**SANPELLEGRINO Sparkling Fruit Beverages** offer a taste of Italy and a bit of sophistication. Made with real juice from sun-ripened citrus and containing no added preservatives, SANPELLEGRINO Sparkling Fruit Beverages are available in Aranciata and Limonata flavors. SANPELLEGRINO Sparkling Fruit Beverages have grown 112 percent in units year-to-date in the c-store channel. Average margin from a 24-pack is 59 percent (average price—\$14.75, average unit cost—\$0.61, average SRP—\$1.49, average gross profit—\$0.88). Marketing support for SANPELLEGRINO includes a social and digital campaign to attract younger consumers.

*Newly available SANPELLEGRINO and Sweet Leaf Tea.*

## NEW M&M'S BRAND SNACK MIX

M&M's Brand Snack Mix offers one-stop snacking satisfaction with the satisfying crunch of roasted peanuts, the smooth buttery goodness of oven-baked mini cookies, the salty flavor of golden pretzel twists, and the delightful sweetness of real chocolate M&M's Brand Candies. Available in three varieties (SRP \$3.29, May 2012):

- **Milk Chocolate Candies Snack Mix** includes M&M's Brand Milk Chocolate Candies, mini chocolate chip cookies, peanuts and mini pretzel twists.
- **Dark Chocolate Candies Snack Mix** features M&M's Brand Dark Chocolate Candies, raisins, almonds and mini pretzel twists.
- **Peanut Chocolate Candies Snack Mix** includes M&M's Brand Peanut Chocolate Candies, mini short-bread cookies, almonds and mini pretzel twists.



**Sweet Leaf Tea** is USDA Certified Organic, made with premium ingredients, including superior-blend tea leaves and pure cane sugar (no high-fructose corn syrup). It is also the fastest growing organic brand in convenience and will broaden your tea set. Organic Tea is growing at 38.5 percent YTD vs. Mainstream Tea, and at + 10 percent, and Sweet Leaf is driving growth. Flavors include Original Sweet Tea, Mint & Honey Green Tea, Peach Ice Tea, Raspberry Ice Tea.

*continued on page 74*

New products and services for 7-Eleven Franchisees



## VENDOR FOCUS

continued from page 73

Raspberry Iced Tea, and Citrus Green Tea. average unit cost is \$0.59, average SRP is \$0.99, and average margin is 40 percent.



Top-selling Imodium and Benadryl are back in c-stores.

### IMODIUM, BENADRYL BACK IN C-STORES

Johnson & Johnson is pleased to announce that convenience-size Imodium and Benadryl are back in c-stores after out-of-stock challenges in 2010 and 2011.

Imodium is shipping and available from McLane right now (SLIN 220155, UIN 193342). Imodium 6-count was the undisputed #1 item in the anti-diarrheal category with a whopping 65 percent dollar share (Source: IRI Full Year Dollar Sales 2009). Imodium contains the active ingredient Loperamide, which is generally considered among the best over-the-counter treatments for diarrhea. When your shoppers have an urgent need to treat, be prepared to capture those high margin sales opportunities. Imodium is approved in the current plan-o-gram. Suggested retail price is \$4.59.

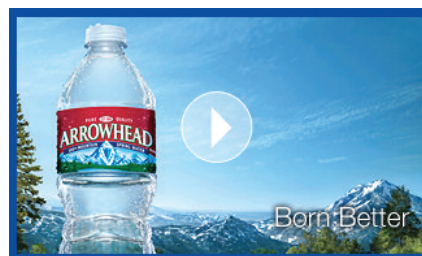
Benadryl is also available from McLane right now (SLIN 220108, UIN 559518). Benadryl 24-count is the #1 allergy brand in the c-store channel (Source: McLane m-pulse data Full Year Unit Sales 2009). The active ingredient in Benadryl (Diphenhydramine) relieves red, itchy, watery eyes; sneezing; and runny

nose caused by hay fever, allergies, or the common cold. Capture those high-margin sales opportunities when your customers have an urgent need for allergy relief. Benadryl is active in the current plan-o-gram. Suggested retail price is \$5.99.

### SIMPLY ORANGE NEW CRANBERRY COCKTAIL AND ORANGE WITH MANGO

Simply Orange continues its expansion beyond the orange grove with the launch of two premium juices in the 13.5-ounce single serve size for on-the-go enjoyment—Simply Cranberry Cocktail and Simply Orange with Mango.

**Simply Cranberry Cocktail** sets a new standard in great cranberry taste by starting with not-from-concentrate cranberry juice and all natural ingredients. With its deep red color and just the right balance of sweetness and tartness, the taste of Simply Cranberry Cocktail is deliciously distinct. This product is well on the road to selling success, having generated 72 percent purchase intent during testing. Order through McLane (UIN 365494).



### NESTLÉ WATERS LAUNCHES MASSIVE TV AD CAMPAIGN

Nestlé Waters recently kicked off a huge TV ad campaign to promote its spring water brands—Arrowhead, Deer Park, Ice Mountain, Ozarka, Poland Spring, and Zephyrhills. The spots have been airing in all markets nationally since February 20, and highlight each brand's unique properties.

### MIKE AND IKE TO PART WAYS IN 2012

As part of a yearlong advertising campaign, Just Born announced that fruit chewy candy legends Mike and Ike are splitting up to pursue their passions for music and art. In what will be the biggest national multi-media campaign in Mike and Ike history, the famous duo will delight and engage consumers with all the fun of a celebrity feud. The campaign will begin with new packaging for all Mike and Ike candies where the renegade heroes have scratched out each other's names to signal the split and promote their solo careers. The story will then be rolled out in advertising, PR and a streaming consumer dialog on Facebook, Twitter and YouTube. Celebrities will express dismay and consumers will revel in the pair's exploits, as Mike produces his first song and Ike tries to become a famous artist. Finally, the duo will join for a Reunion Tour in 2013, complete with new products, new packaging, and other exciting promotional surprises.



Mike And Ike are splitting up and going solo in a new 2012 advertising campaign.



continued on page 76

## 20oz Stainless \$6.99 Retail Hampton Mug



Denim Blue



Sage Green



Plum

Order Window Opens - April 2nd  
Closes - April 15th

Ship Date Begins - Sept. 3rd

Watch for SLIN in Week 14 MIP packet

## 16oz Stainless \$5.99 Retail Elantra Tumbler



Chocolate



Stainless



Burnt Orange

Mugs Made Easy





continued from page 74

**Simply Orange with Mango** couples orange juice with luscious mango. This juice is not sweetened and made with only natural ingredients. Simply Orange single serve beverages lead the Premium Chilled Juice Category in growth, boasting four of the top five turning SKUs. Simply Orange with Mango 59 ounce is up 26 percent versus last year, and mango is the fastest growing flavor, outpacing grape and grapefruit combined. Available through McLane (UIN 065243).

## CRAVE CHOCOLATE MILK WILL BRING CUSTOMERS BACK FOR MORE

Offer your customers a healthy, natural and refreshing way to refuel with Crave chocolate milk, an innovative new option in dairy beverages. Crave is packaged in a Frost Flow, re-sealable aluminum bottle with all the benefits of a standard aluminum can. It is an excellent source of Calcium, Vitamin D, Riboflavin and Phosphorus, making it a perfect choice for a wholesome and delicious snack. Crave scores for your sales in so many ways: it's shelf stable and requires no refrigeration; it chills in minutes, reaching optimum temperature fast; it's portable; reclosable bottle stays colder longer; and the bottle is 100 percent recyclable.

Available in two flavors through McLane—Original Chocolate (UIN: 215723) and Strawberry Chocolate (UIN: 215673). Contact Upstate Niagara Cooperative, Inc. for more information by visiting their website at [www.upstatefarmsfs.com](http://www.upstatefarmsfs.com) or sending an email to [foodservice@upstatefarmsfs.com](mailto:foodservice@upstatefarmsfs.com).



Crave Chocolate Milk in re-sealable aluminum bottle.

## BELVITA BREAKFAST BISCUITS DELIVER A NEW KIND OF BREAKFAST

Kraft Foods recently launched a new breakfast category in the U.S. with belVita Breakfast Biscuits. Specially baked with whole grain, belVita Breakfast Biscuits are lightly sweet, crunchy biscuits that provide nutritious sustained energy that lasts all morning. The new breakfast biscuits hit store shelves nationwide February 6.



Increase morning sales with new belVita Breakfast Biscuits.

## VENDOR FOCUS

Each individual package of four crunchy biscuits is portioned for breakfast, has 18-20g whole grains per serving and is a good source of fiber and four B vitamins. Additionally, belVita Breakfast contains no high fructose corn syrup, no partially hydrogenated oils, and no artificial flavors or sweeteners. belVita Breakfast Biscuits can be enjoyed as part of a balanced breakfast with a piece of fruit and a serving of fat-free or low fat dairy—such as a banana and a yogurt. belVita Breakfast Biscuits are available in Blueberry, Golden Oat and Apple Cinnamon.

To help Americans power up in the morning, Kraft Foods worked with nutritionists to create belVita Breakfast Biscuits that provide nutritious sustained energy to help fuel your body throughout the morning. The sustained energy release results from a combination of carefully selected ingredients and a special baking process that helps preserve the integrity of the grain so that the carbohydrates are slowly released in the body.

While breakfast biscuits are new to Americans, they have been enjoyed by Europeans for decades. Kraft Foods introduced its first breakfast biscuits in France over a decade ago and now sells belVita biscuits in more than ten countries including Belgium, Czech Republic, Portugal, Hungary, Poland, the United Kingdom and Brazil.



## EXTENZE RAPID RELEASE TRIAL OFFER TWO-PACK

Kretex International, Inc. recently unveiled Extenze Rapid Release liquid gel capsules—a new member of the Kretex Performance Brands line of supplements. The new red Rapid Release two-pack card fits the focus of Kretex Performance supplements for men expecting improved sexual pleasure and performance.



Extenze Rapid Release liquid gel capsules have a faster-acting, longer-lasting formula.

continued next page

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Each capsule of the popular male enhancement supplement contains a proprietary blend of herbal and nutritional ingredients, specifically blended by Biotab Nutraceuticals to promote and support sexual performance and response. The new faster-acting, longer-lasting formula is currently available in trial-offer two-packs in 16-card open stock counter trays. Ask your Kretex sales representative for details. Call 1-800-358-8100 or email [salesinfo@kretex.com](mailto:salesinfo@kretex.com).

## FLATHEAD LAKE GOURMET SODA ADDS STRAWBERRY ORANGE

The North American Beverage Co. is delighted to introduce another totally unique flavor into the Flathead Lake Gourmet Soda lineup—Strawberry Orange. This delicious, original creation combines the refreshing tartness of orange with the always-popular robust flavor of strawberry. The North American Beverage has taken the mature category of orange soda and expanded it by offering that consumer an imaginative, interesting treat at a great value price.



New Strawberry Orange Flathead Lake Gourmet Soda offers a value-priced alternative.

## WHITE OWL'S 7-ELEVEN 'SILVER LINING' PROGRAM

Swedish Match recently introduced new White Owl Silver Cigarillos to meet the demand for unflavored cigarillos. Unflavored HTL cigarillos are the fastest growing segment in the cigar category, almost doubling in 2011 (Source: CMPP 2010 v 2011 October YTD). Swedish Match expects White Owl Silver to be successful because it offers four things consumers love: the 100 percent freshness guarantee of FoilFresh technology; smooth taste and uncomplicated tobacco enjoyment; fantastic alternative to sweet or flavored cigars; and great consumer trial offers.

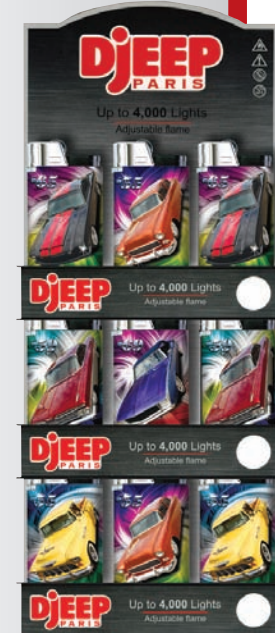


## VENDOR FOCUS

### CUSTOM CLASSIC CARS LIGHTER SERIES FROM DJEEP

Kretex International, Inc. announces the launch of its new Custom Classic Cars lighter collection from DjEEP. All five lighters in the collection carry full color images of customized Fords and Chevys from the '50s and '60s, including Mustang, Impala, and Camaro. The lighters are available on 36-count and 24-count DjEEP displays, as well as pre-packed 108-count refillable merchandisers for convenience stores. The images are photos from a private California car collection, surrounded by high-energy graphics to broaden the interest beyond classic car purists.

DjEEP lighters are famous for their durability and capacity, offering up to 4,000 lights based on a 3-second flame. Each DjEEP lighter undergoes more than 110 points of quality inspection, and has met child safety standards of the Consumer Products Safety Commission. For more information on new Custom Classics Lighters, call your Phillips & King or Kretex representative, or your local DjEEP distributor.



New DjEEP Custom Classic Cars lighter collection.

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## VENDOR FOCUS

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### VBLAST WATER GETS NEW CAP

Vblast Water (New York Spring Water company) introduces its newly developed 28mm cap to replace the more complex traditional sports cap. The newly designed cap holds a 6-ml reservoir to preserve and ensure the quality of the vitamin-blend during its shelf life duration. Blasts' patented reservoir cap holds concentrated vitamins separate from the water below, and out of sunlight, until the consumer is ready to unleash the vitamins.

Vblast is the first ever water to hold its vitamins in a patented cap. When vitamins are added to water they are at their fullest strength. Over time and due to conditions, such as sunlight, they lose effectiveness. Vblast allows its consumers to retain vitamin potency by unleashing the vitamins upon usage.



Vblast Water's new cap provides a better all-around consumer experience.

The entire V Blast line is available to 7-Eleven stores for ordering. For more information on Vblast Water and New York Spring Water's other no-calorie products, visit [www.newyorksprings.com](http://www.newyorksprings.com) or call 212-239-7281.



### NEW SWISHER SWEETS BLUEBERRY MINI CIGARILLOS

Swisher is proud to introduce its new Swisher Sweets Blueberry Mini Cigarillos to meet consumer demand for a smaller-size, for on-the-go lifestyles. Consumer response to Swisher's blueberry flavor has been extremely favorable, prompting the move to the smaller size following closely on the heels of the recently introduced blueberry flavor in the larger, cigarillo size.



The new Mini Cigarillos are packaged with Swisher's innovative Sealed Fresh foil wrappers and are available in 6-packs, box 60s and 30-count impulse displays. A proven success among

customers, the Sealed Fresh wrapper helps preserve freshness and flavor. Retailers also see it as a sales aid because it encourages sales of highly profitable single mini cigarillos.

For complete information about the new Swisher Sweets Blueberry Mini Cigarillos, contact your Swisher representative or call 800-874-9720.

### ORDER NESTLÉ PURE LIFE NOW

Nestlé Pure Life bottled water is still available for ordering to 7-Eleven franchisees nationwide. Nestlé Pure Life generates everyday gross profit margins in the 67-74 percent range. (Nestlé Pure Life 20oz: SRP—\$1.19; Percent Margin—74 percent; Nestlé Pure Life 700ml: SRP—\$1.39; Percent Margin—73 percent; Nestlé Pure Life 1L: SRP—\$1.49; Percent Margin—67 percent). Order today!



Top-selling Nestlé Pure Life bottled water is still available for ordering.

### SMOKEY MOUNTAIN SNUFF JOINS CHAMPIONSHIP BULL RIDING

Smokey Mountain Herbal Snuff is now a corporate partner of Championship Bull Riding (CBR). As such, Smokey Mountain is hosting a "Fan Favorite Rider" campaign throughout the 2012 CINCH CBR Tour Season. Fans can go online and vote for their favorite rider on the CINCH CBR Tour and a cash bonus will be awarded to the winning rider at the end of the season. The Smokey Mountain Fan Favorite contest kicked off at the start of the 2012 CINCH CBR Tour on January 28. Details and rules are posted on both [CBR-bull.com](http://CBR-bull.com) and [SmokeyMountainSnuff.com](http://SmokeyMountainSnuff.com).



Smokey Mountain Snuff is sponsoring the Championship Bull Riding 2012 tour season.

Elements of the Smokey Mountain's sponsorship of the 2012 CBR televised tour season include: 30-second TV ads per event; Chute Signage; live public address announcements per each live CBR performance; Smokey Mountain Snuff logo on CBR event posters and Day Sheets; on-site sampling; Smokey Mountain Snuff "Fan Favorite Contest" winner awarded check on television; in-show elements promoting the "Smokey Mountain Snuff Fan Favorite Contest" including logo bug.

Smokey Mountain Snuff is available in Classic, Wintergreen, Straight, Arctic Mint, Cherry, Peach and Grape. Smokey Mountain Pouches are available in Wintergreen and Arctic Mint. ■

# 7 LEGENDARY FLAVORS JUST 79¢

From the wilds of Northwest Montana comes a legendary deal. All seven unique, delicious flavors of Flathead Lake Gourmet Soda are just 79¢! You get the profit! Your customers pocket the savings!



PROMOTIONAL PERIOD: January 1, 2012 - June 30, 2012



For more information speak with your North American Beverage representative or call 888-216-3095



# Franchise Owner's Association Events

Franchisees and vendors are invited to participate in FOA activities.

**UFOLI Trade Show**  
Borgata Hotel And Casino  
Atlantic City, New Jersey  
April 12, 2012  
Phone: 516-295-1601

**Phoenix FOA/Tuscon FOA  
21st Annual Arizona 7-Eleven  
Franchise Owners Golf Tournament**  
Whirlwind Golf Club At  
Wild Horse Pass Resort & Casino  
Chandler, Arizona  
April 13, 2012  
Phones: 602-703-0711  
520-906-8691

**Pacific Northwest FOA  
Annual Trade Show**  
Embassy Suites SeaTac  
International Hotel  
Seattle, Washington  
April 19, 2012  
Phones: 253-861-6737  
360-500-1248

**Columbia Pacific FOA  
Trade Show**  
(venue to be announced)  
Portland, Oregon  
April 20, 2012  
Phones: 503-984-1398  
541-269-0884

**Greater Bay FOA  
Trade Show**  
(location to be announced)  
April 20, 2012  
Phone: 707-328-3960

**FOA Of Southern California  
Joe Saraceno Golf Tournament**  
Moorpark Country Club  
Moorpark, California  
April 24, 2012  
Phone: 818-357-5985

**FOA Of Southern California  
Annual Trade Show**  
Pasadena Convention Center  
Pasadena, California  
April 25, 2012  
Phone: 818-357-5985

**South Nevada/Las Vegas FOA  
Picnic & Trade Show**  
(location to be announced)  
April 26, 2012  
Phone: 702-769-2301

**7-Eleven FOAC  
2012 Trade Show**  
Odeum Expo Center  
Villa Park, Illinois  
May 4, 2012  
Phone: 312-501-4337

**TriState FOSE Association  
Annual Trade Show**  
Martins West  
Baltimore, Maryland  
May 22, 2012  
Phone: 301-572-6811

**Greater Hampton Roads FOA  
Trade Show**  
Hampton Roads Convention Center  
Hampton, Virginia  
May 30, 2012  
Phones: 757-650-0186  
757-650-2929

**Greater Bay FOA  
Charity Golf Tournament**  
Hiddenbrooke Golf Club  
American Canyon, California  
June 11, 2012  
Phone: 707-328-3960

**Central Florida FOA  
Trade Show**  
(venue to be announced)  
Orlando, Florida  
June 14, 2012  
Phone: 407-715-9998

**Greater Hampton Roads FOA  
Picnic**  
(location to be announced)  
June 16, 2012  
Phone: 757-243-8382

**FOAGLA Annual Golf Tournament  
Monarch Beach Golf Course**  
Dana Point, California  
June 20, 2012  
Phone: 951-726-9016

**Metro New Jersey FOA  
Picnic**  
(location to be announced)  
June 24, 2012  
Phone: 908-232-1336

**Metro New Jersey FOA  
Annual Golf Outing**  
(location to be announced)  
June 28, 2012  
Phone: 908-232-1336

**San Francisco/Monterey Bay FOA  
The Guardian Tradeshow**  
Santa Clara Marriott  
Santa Clara, California  
July 21, 2012  
Phones: 510-797-3600,  
510-693-1492

**Columbia Pacific FOA  
John Wilkerson Memorial  
Golf Tournament**  
(venue to be announced)  
Salem, Oregon  
July 27, 2012  
Phones: 541-269-0884

**Pacific Northwest FOA  
Annual Charity Golf Tournament**  
Trophy Lake Golf & Casting  
Port Orchard, Washington  
August 14, 2012  
Phones: 253-861-6737  
360-500-1248

**Utah FOA Charity  
Golf Tournament**  
Mt. Ogden Golf Course  
Ogden, Utah  
August 16, 2012  
Phone: 801-255-8951

**Cal-Neva FOA  
Lou Magnotti Golf Classic**  
(location to be announced)  
August 17, 2012  
Phone: 775-826-7111

**Rocky Mountain FOA  
Charity Golf Event Benefitting  
Pumps 4 Pumpkins**  
(location to be announced)  
August 29, 2012  
Phone: 719-640-7635

**Rocky Mountain FOA  
Second Annual Trade Show**  
Westin Denver Hotel  
Denver, Colorado  
August 30, 2012  
Phone: 719-640-7635

**TriState FOSE Association  
Golf Outing**  
Little Bennett Golf Course  
Clarksburg, Maryland  
September 12, 2012  
Phone: 301-572-6811 for details

# SPRING INTO PROFITS WITH PICNIC MUST-HAVES



With a wide range of picnic supplies from Salado Sales, you can fill your shelves with top-selling items that rival the leading brands, deliver gross profit margins of up to 60% and keep your customers coming back for more.

UIN	UPC	Description	Pack	Size	Cost/Case*	Cost/Each*	SRP	Gross Profit	Penny Profit
	61706-12029	CVP Designer Plates	1	36 ct	\$30.15	\$2.01	\$3.99	50.4%	\$1.98
	61706-12002	CVP Paper Towels - PLY	1	1 Roll	\$29.10	\$0.97	\$1.69	57.4%	\$0.72
	61706-12008	CVP Napkins	1	60 ct	\$31.20	\$0.65	\$1.19	54.6%	\$0.54
	61706-12101	CVP Ultra Premium Towels	1	56 ct	\$36.60	\$1.22	\$1.89	64.5%	\$0.67
	61706-12022	CVP Coffee Filters	1	100 ct	\$30.24	\$0.63	\$1.69	37.3%	\$1.06
	61706-13003	CVP Tall Kitchen Bag - Draw String 13 GL	1	20 ct	\$29.88	\$2.49	\$4.49	55.4%	\$2.00
	61706-13010	CVP Zipper Storage Bag Quart	1	25 ct	\$13.80	\$1.15	\$2.59	44.4%	\$1.44
	61706-13016	CVP Clear Plastic Wrap 100 Sq Ft	1	100 ft	\$13.80	\$1.15	\$2.15	53.4%	\$1.00
	61706-13019	CVP HVY DTY Foil Wrap 50 Ft	1	50 ft	\$84.35	\$2.41	\$3.99	60.4%	\$1.58
	61706-12015	CVP 9in Plastic Plates	1	15 ct	\$17.16	\$1.43	\$2.55	56.0%	\$1.12
	61706-12016	CVP 12oz Plastic Bowls	1	12 ct	\$18.96	\$0.79	\$1.29	61.2%	\$0.50
	61706-12019	CVP 16oz Plastic Cups	1	20 ct	\$16.20	\$1.35	\$2.35	57.4%	\$1.00
	61706-12024	CVP 16oz Foam Cups	1	10 ct	\$12.48	\$0.52	\$1.29	40.3%	\$0.77
	61706-12020	CVP Foam Plate	1	25 ct	\$ 7.80	\$0.65	\$1.45	44.8%	\$0.80
	61706-15019	CVP HVY DTY Plastic Cutlery Asst.	1	24 ct	\$14.16	\$0.59	\$1.15	51.3%	\$0.56

Learn more at [www.saladosales.com](http://www.saladosales.com) or by visiting the  
McLane Virtual Trade Show at [www.mclaneco.com/goto/ssvts](http://www.mclaneco.com/goto/ssvts)





## South Nevada/Las Vegas FOA Charity Golf Tournament

(location to be announced)  
September 21, 2012  
Phone: 702-769-2301

## Texas FOA Elections & Trade Show

(location to be announced)  
October 18, 2012  
Phone: 972-335-2180

## Metro New Jersey FOA Annual Trade Show

(venue to be announced)  
Atlantic City, New Jersey  
November 8, 2012  
Phone: 908-232-1336

## South Nevada/Las Vegas FOA Table Top Trade Show

(location to be announced)  
November 15, 2012  
Phone: 702-769-2301

## Greater Bay FOA Holiday Party

(location to be announced)  
December 7, 2012  
Phone: 707-328-3960

## Texas FOA Holiday Party

(location to be announced)  
December 7, 2012  
Phone: 972-335-2180

## Greater Hampton Roads FOA Christmas Party

(location to be announced)  
December 8, 2012  
Phone: 757-243-8382

## Metro New Jersey FOA Annual Holiday Party

(location to be announced)  
December 14, 2012  
Phone: 908-232-1336

## National Coalition Board Meetings

Join the National Coalition Board of Directors at a meeting in your area.  
Member Franchisees are welcome to attend Board Meetings as observers.  
Call 520-577-8711 for exact times, meeting location and hotel phone number.

### National Coalition

#### Board Of Directors Meeting

The Westin Verasa Napa  
Napa, California  
May 8-10, 2012

### National Coalition

#### Board Of Directors Meeting

Hilton Hawaiian Village Waikiki Beach Resort  
Honolulu, Hawaii  
July 6-8, 2012

### National Coalition

#### Board Of Directors Meeting

Hilton Hawaiian Village Waikiki Beach Resort  
Honolulu, Hawaii  
July 6-8, 2012

### National Coalition

#### Affiliate Meeting

The Peabody Hotel  
Memphis, Tennessee  
October 30-31, 2012

### National Coalition

#### Board Of Directors Meeting

The Peabody Hotel  
Memphis, Tennessee  
October 31-November 3, 2012



**37th Annual Convention And Trade Show**  
**Hilton Hawaiian Village Waikiki Beach Resort**

**July 8-12, 2012**

**Trade Show: Hawaii Convention Center, July 11-12**

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Premium imported tobaccos.  
A balanced blend of clove and flavors.  
Djarum smoothness like you've never tasted before.



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In 5-packs & 25-count uprights.



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