



# AVANTI

July/August 2013

THE VOICE OF 7-ELEVEN FRANCHISEES



Visit the National Coalition website [www.NCASEF.com](http://www.NCASEF.com) to see photos from the 2013 convention!

## Commitment To Community

What A Convention!

Remodeling The Store And Replacing Store Equipment

The Importance Of I-9 Compliance

Managing The Message

Third Quarter Presidents' Reports  
PAGE 58

### Community News

September 2013

National Coalition of Associations of 7-Eleven Franchisees



#### NCASEF, 7-Eleven, Vendor Partners Commit \$750,000 To Hire Heroes

#### Southern California FOA Donates \$20,711 To LA Children's Hospital



#### Central Florida FOA Donates \$10,000 To Winnie Palmer Hospital



#### Rocky Mountain FOA Raises \$40,000 For MDA



Work Opportunity Tax Credit Program

SEI's Foodservice Goals

Swipe Fees Again!

Check Your Markdown Report Carefully!





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Zephyrhills® Brand 1-Liter  
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**SOURCES:**

\*7-Exchange May – June 2013/2012

\*\*7-Exchange 2013 YTD Ending 7/7/2013, Nielsen 2013 YTD Ending 6/15/2013

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MIKE AND IKE BERRY BLAST® 5oz Theater Box 12ct box	364356	142352
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National Coalition  
of Associations  
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# AVANTI

THE VOICE OF 7-ELEVEN FRANCHISEES

July/August 2013

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DEPARTMENTS

Visit the National Coalition website [www.NCASEF.com](http://www.NCASEF.com) to see photos from the 2013 convention!



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AVANTI is published by the National Coalition of Associations of 7-Eleven Franchisees for all independent franchisees, corporate store managers, area licensees and interested parties. National Coalition offices are located at 3561 East Sunrise Drive, Suite 135, Tucson, AZ 85718. For membership information, call 520-577-8711, e-mail [nationaloffice@ncasef.com](mailto:nationaloffice@ncasef.com) or fax to 520-577-4688. AVANTI Editorial and Advertising Offices are located at 116 Bellevue Ave., Suite 304, Langhorne, Pennsylvania 19047. For advertising information, call Sheldon Smith at 215 750-0178 or fax to 215 750-0399; on-line, send messages to [sheldon.smith5@verizon.net](mailto:sheldon.smith5@verizon.net).





## Member News

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

### FOA Of Southern California Donates To L.A. Children's Hospital

The FOA of Southern California (FOASC) recently donated \$20,711 to the Los Angeles Children's Hospital. The donation comes from proceeds raised during the FOA's 27th Annual Charity Golf Tournament, held at the Industry Hills Golf

Club at Pacific Palm Resorts on August 14. 7-Eleven vendors, FOASC members, corporate donors and individuals all participated in the golf outing by paying a fee to participate, proceeds of which went toward the donation. The formal presentation of the check was made to Sara Hackett, Senior Associate Director, Cause Partnerships and Cause Marketing at the Los Angeles Children's Hospital.

"The 7-Eleven family of Franchise

Owners Associations has a long history of giving back to the communities in which we live and work," stated Nick Bhullar, FOASC President. "So many families, like mine, are grateful for the work of the dedicated doctors, specialists, nurses and others who make Children's Hospital Los Angeles an excep-

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From left to right: Byron Bennett; Sara Hackett, Senior Associate Director, Cause Partnerships and Cause Marketing at the Los Angeles Children's Hospital; Jassi Randhawa; J. B. Sethi; Paul Lobana, VP FOASC; Bill Ball; Bruce Maples, National Chairman, National Coalition of Associations of 7-Eleven Franchisees; Billu Samra; Nachhatar Bhullar, President FOASC; Narinder Dhillon; Rani Singh, Treasurer FOASC; Jawad Ursani, Secretary FOASC; and Raj Tehlan, Office Manager FOASC.

### Join The National Coalition

The strength of an independent trade association lies in its ability to promote, protect and advance the best interests of its members, something no single member or advisory group can achieve. The independent trade association can create a better understanding between its members and those with whom it deals. National Coalition offices are located in Tucson, Arizona. All queries and requests for information should be directed to:

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July/August 2013

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tionally important place in our community. Giving back to the hospital and the dedicated men and women who perform miracles there every day is a privilege and honor,” Bhullar concluded. “We are thrilled to accept this donation from the FOASC,” stated Sara Hackett, Senior Associate Director, Cause Partnerships and Cause Marketing at the Los Angeles Children’s Hospital. “This donation will be used to provide for the life-saving and life-serving needs of the hospital and allows us to continue providing excellent care to those we serve,” she said.

*“NCASEF will hold elections for chairman, executive vice chairman and treasurer at the Oct. 24-26 Board Meeting.”*

## SEI Keeping An Eye On Immigration Reform

SEI recently hired Republican lobbying powerhouse Mehlman Vogel Castagnetti to monitor the Washington debate over immigration reform, according to public relations firm O’Dwyer’s. The move comes after Immigration and Customs En-

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

forcement agents raided and seized 14 7-Eleven stores in Virginia and Long Island in June and charged the owners with employing and supplying false U.S. citizen documents to more than 50 illegal immigrants. Bruce Mehlman, David Castagnetti and Alex Vogel are spearheading an 11-member lobbying team for SEI.

## NCASEF To Hold Elections

The National Coalition will hold elections for chairman, executive vice chair and treasurer during the association’s fourth quarter Board meeting October 24-

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## Form I-9 Compliance And Guidance



During its third quarter Board meeting in Las Vegas, The NCASEF invited employment law expert Robert D. Haws from the law firm Gust Rosenfeld, P.L.C. to educate franchisees on how best to handle I-9 forms. Below are highlights from Mr. Haws’ presentation.

### BEST PRACTICES

- To comply with Section 274A of the Immigration and Nationality Act (INA) employers must verify the identity and employment authorization of each person they hire, and complete and retain a Form I-9, Employment Eligibility Verification, for each employee.
- Have the employee complete Section 1 at the time of hire by filling in the correct information and signing and dating the form. The employer is responsible for reviewing and ensuring that each employee fully and properly completes Section 1.
- The employee must present to you an original document or documents that show his or her identity and employment authorization within three business days of the date employment begins.
- Employers must retain an employee’s completed Form I-9 for as long as the individual works for the employer. Once the individual’s employment has terminated, the employer must determine how

long after termination the Form I-9 must be retained, which is either three years after the date of hire, or one year after the date employment is terminated, whichever is later.

- The Immigration and Nationality Act specifically authorizes DHS, OSC, and DOL to inspect Forms I-9. DHS, OSC, and OLD provide employers a minimum of three days’ notice prior to inspecting retained Forms I-9.

### PENALTIES

- If you have knowingly hired unauthorized aliens (or are continuing to employ aliens knowing that they are or have become unauthorized to work in the United States) or discriminate, you may be ordered to cease and desist from such activity and pay a civil money penalty as follows:
  - First Offense: Not less than \$375 and not more

than \$3,200 for each unauthorized alien

—Second Offense: Not less than \$3,200 and not more than \$6,500 for each unauthorized alien

—Subsequent Offenses: Not less than \$4,300 and not more than \$16,000 for each unauthorized alien

- Persons or entities who are convicted of having engaged in a pattern or practice of knowingly hiring unauthorized aliens may face fines of up to \$3,000 per employee and/or six months imprisonment.

### E-VERIFY

- E-Verify provides an automated link to federal databases to help employers confirm the employment authorization of new hires. E-Verify is free to employers and is available in all 50 states.
  - After completing a Form I-9 for your new employee, create a case in E-Verify. After creating the case, you will receive a response from E-Verify regarding the employment authorization of the employee. In some cases, E-Verify will provide a response indicating a tentative non-confirmation of the employee’s employment authorization. In the case of a tentative non-confirmation, both you and the employee must take steps specified by E-Verify to resolve the status of the case within the prescribed time period.
  - If you use E-Verify for one employee, you must then use for all new hires. ■







# HIRE HEROES

USA

## Hire Heroes USA Helps Military Personnel Reintegrate Into Civilian Life.

7-ELEVEN FRANCHISEES CAN RAISE FUNDS FOR HIRE HEROES THROUGH THE “HOME FOR THE HOLIDAYS” CAUSE EQUITY PROGRAM.

Order designated products from these companies during the months of November and December and a portion of each sale will be donated to Hire Heroes. Look for eligible products in the next issue of Avanti.



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Visit [www.NCASEF.com](http://www.NCASEF.com), photo gallery, 2013 Convention to view and download photos from the 2013 convention.



## A Week To Remember!

The party that was the National Coalition Convention this year exploded with energy when 1,500 franchisees and their families and over 800 vendors and SEI executives descended on the Las Vegas Venetian Hotel and Casino for five days of fun and business at the NCASEF's 38th annual event. From Sunday night at the Tao Beach Pool reception, to the informative seminars with SEI and Coalition officers, to the Tao Bar Party, the Joe Saraceno Charity Golf Tournament and the grand banquet, franchisees celebrated everything 7-Eleven.

The National Coalition announced the largest charitable donation in its history when Hire Heroes CEO and founder Brian Stann accepted a check for a \$750,000 commitment from the NCASEF, 7-Eleven, Inc., and 14 vendor partners for a cause equity program that will run in November and December 2013. During these months, to help Hire Heroes, franchisees can purchase specific products that when sold, a portion of the sale is donated to Hire Heroes. (See page 17 for the companies supporting this program.)

The fact that most franchisees are early risers was not evident Tuesday night when franchisees kicked up their heels at the Coalition's Tao Bar Party at the famed location known for celebrities and being seen. It was a new event added to the convention this year, and celebrated franchisees' feeling of community with both rock and roll plus Bollywood and Punjabi Indian music tracks.

The two most significant fundraising events of the convention, the Joe Saraceno Charity Golf Tournament, and the NCASEF live and silent auctions, raised over \$98,000 for Susan G. Komen For The Cure, from franchisees and vendors present. It was a record fundraising for the event.



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# NCASEF Convention and Trade Show was a blast!



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# Member News

continued from page 16

26 at the Laguna Cliffs Marriott in Dana Point, California. Any franchisee interested in running for any of these positions must declare their intention to the NCASEF office prior to Friday, October 11. The NCASEF by-laws do not allow nominations from the floor. The election committee, chaired by Jerry Sahnman, will hold a candidates forum on Thursday evening, October 24. Elections will be held on Friday, October 25. All positions are for a two-year term beginning January 2014. If you have any questions contact Jerry Sahnman directly at (602) 703-0711.

## Oregon Lottery Introduces 7-Eleven Scratch Ticket

The Oregon Lottery recently introduced a licensed 7-Eleven scratch-off game. The tickets cost \$2 each, and have a top instant prize of \$77,111. The scratch-off game also features a Big Deal coupon at the bottom—customers can scratch the area for a chance at a special offer from 7-Eleven.



## High-Tech Urban Store Model Opens In NYC

SEI recently unveiled a new high-tech urban store at 111 John Street in the heart of New York City's Financial District. The store features an array of new concepts, including touch-screen ordering, seating for up to 25, free Wi-Fi, a huge flat-screen TV and Amazon Lockers for customers to pick up their online-ordered goods.

Located at the corner of John and Pearl streets, the store also features beer tap-style beverage dispensers and offers some

healthier menu options, including multi-grain sandwiches, egg whites and specialty salads, all of which can be made-to-order at the fresh food counter with just the touch of a screen. The location's large-screen television displays the weather, subway schedules, sports statistics and stock information, while the dining area boasts power outlets so customers can charge their mobile phones or laptops while they eat. The new store concept does not have a vault—all bottles and cans will be held in reach-in open-air fixtures.

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

## Lawsuit Claims SEI Exploiting Franchisees

Five New Jersey 7-Eleven franchisees have filed a lawsuit against SEI alleging the company classifies store operators as franchisees "when they are in fact employees" in order to boost its profits, reported the *New York Post*. The suit, which is seeking class-action status, alleges that SEI's practices help it avoid paying costs like mini-

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## 7-ELEVEN MAKES THE GRADE ON SEVERAL INDUSTRY LISTS

7-Eleven has recently made it onto several c-store and retail industry lists ranking companies on sales and growth, highlighting the strength and value of the company. The lists include:

### Stores Top 100 Retailers

7-Eleven is the highest-ranking c-store, coming in at No. 37 with \$10.69 billion in U.S. sales last year—a 7.5 percent increase compared to 2011. The company also clocked in with 7,672 U.S. stores in 2012, 6.3 percent more than the previous year.

### Stores Hot 100 Retailers

Ranked at No. 73, 7-Eleven is the largest c-store chain among the Hot 100 Retailers in terms of sales and has plans to double its North American footprint over the next several years, both through takeovers of small operators and increased penetration of urban areas. According to the magazine, "7-Eleven has also invested heavily in remodeling and renovating both its own older units and acquired stores. It has been an industry leader in improving the quality and freshness of its offerings along with increasing the amount of private label products."



## Convenience Store News

### Convenience Store News Top 100 Convenience Stores

7-Eleven remains No. 1 on this year's CSNews Top 100 ranking—the most authoritative accounting of the leading retail chains in the industry—adding more than 900 net stores to its U.S. lineup in 2012. "The chain's total store count in the U.S. now stands at 7,760 locations, a net gain of 419 units compared to last year's Top 100 report. Along with organic growth across multiple metropolitan areas, 7-Eleven has been on an acquisition spree," according to *CSNews*.



### CSPedia Top 25 Convenience Store Chains

With 8,200 North American locations, 7-Eleven took the No. 1 spot on CSPedia's list of top 25 convenience store chains. *CSP Daily News* noted a shift in growth tactics among the chains on the list, much of it based on "smart growth," which is less dramatic and involves buying and selling. ■

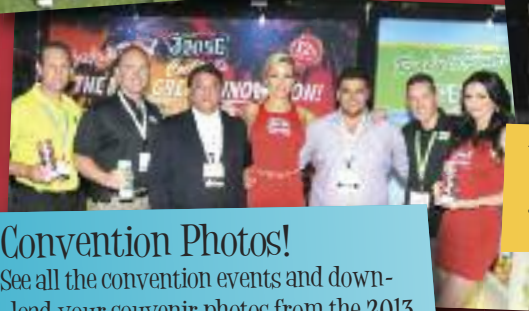


Legal counsel Craig Kennedy led franchisees in a Labor Law seminar that clarified and reemphasized I-9 policy and payment practices for franchisees. National Coalition Chairman Bruce Maples and NCASEF officers delivered a state-of-the-coalition report, and SEI Senior VP Bill Engen presented the latest store sales data, year-to-date category sales, and fresh food strategy.

SEI Senior VP, Social Media, Rob Chumley presented the new urban store concept currently being tested in NYC. The new store features redesigned areas for different day parts, a freshly-prepared-food counter, and seating for up to 25 with WiFi access, touch screen ordering, and a large informational flat screen TV. The new stores will not have a vault, and will feature open-air beverage fixtures.

For most franchisees, the highlight of the convention was the "In It To Win It" Trade Show, where more than 260 companies in over 280 booths displayed their newest products and services available to franchisees.

Forty-three year franchisees Jack and Kathy Fuller were honored with the special Chairman's Recognition Award at the Grand Banquet, and Coremark, and Anheuser Busch received the Chairman's Award for contributions to franchisees in 2013.



**Thanks!** The National Coalition extends a special thanks to the following companies for supporting the 2013 Hire Heroes Cause Equity Program, Home For The Holidays:

**Convention Photos!**

See all the convention events and download your souvenir photos from the 2013 Convention at [www.NCASEF.com](http://www.NCASEF.com), 2013 Convention Photos tab.

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## SWIPE FEES AGAIN FRONT AND CENTER

By Jason Miko, NCASEF

What began as a so-called “historic settlement” between merchants and Visa and MasterCard on the issue of swipe fees has resulted in a win for retailers.

In early June, scores of retailers—including 7-Eleven, Inc.—walked away from “the largest private antitrust class-action settlement in U.S. history,” a proposed settlement of \$7.25 billion, and instead opted to file formal objections with U.S. District Judge John Gleeson in Brooklyn. The class-action settlement involves just about every retailer in the country that accepts Visa and MasterCard—about 7 million businesses. In this convoluted and complex dance, the next move is not expected until mid-September.

Meanwhile, the U.S. District Court in Washington, D.C. recently ruled in favor of the National Association of Convenience Stores (NACS) and other retailers on the matter of debit card swipe fee limits, arguing that the Federal Reserve did not follow Congress’ intent on implementing required swipe fee reforms. NACS and other retailers argued that “when the Federal Reserve Board released its final rule on the Durbin Amendment, the debit fees that the largest banks were allowed to charge were far higher than the law would allow. This resulted in

**“U.S. District Court in Washington, D.C. recently ruled in favor of the National Association of Convenience Stores and other retailers on the matter of debit card swipe fee limits, arguing that the Federal Reserve did not follow Congress’ intent on implementing required swipe fee reforms.”**

an approximate 22-cent per transaction fee—far above the 7- to 12-cent fee originally proposed by the Fed.”

The Durbin Amendment, passed in the summer of 2011, stated that swipe fees should be “reasonable and proportional” in relation to the incremental cost of any transaction.

For his part, Senator Richard Durbin (D-IL), Assistant Majority Leader, issued a statement saying “[The] decision by the Federal District Court is a victory for consumers and small business around the country and will lead to lower interchange rates for billions of debit card transactions each year. The Fed’s 2011 decision to bend to the lobbying by the big banks and card giants cost small business and consumers tens of billions of dollars and did not do enough to rein in the anti-competitive, anti-consumer practices of Visa and MasterCard.”

Now, at an August hearing, U.S. District Court Judge Richard Leon has paved the way for the possibility of banks and card companies paying back retailers millions in transaction fees tied to debit cards. According to CSP.net, “Leon said he could move ahead and vacate the current rules if the Fed doesn’t present a viable option to quickly make changes to the current system. He said he wants the Fed to be ready by next week [late August] to weigh in on how much time it needs to rewrite the rules, signaling that he believes new fees could be in place as soon as October.” Referring to the Federal Reserve’s Board of Governors, Judge Leon said, “They can come from Nantucket, they can come from where they are on vacation” in order to make their decision.

It is now up to the Federal Reserve to make their next move, including the possibility of appeal or rewriting their own rules. ■



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mum and overtime wages as well as medical, pension, and other employment-related benefits. “[7-Eleven] has taken aggressive actions to abuse contractual rights and diminish franchisees’ value in their own investment,” the suit alleges. “When a franchisor exercises so much control over a franchisee, the relationship changes from that of franchisee to employee,” Jerry Marks, the plaintiffs’ lawyer, told *The Huffington Post*.

## Rocky Mountain FOA Raises \$40,000 For The MDA

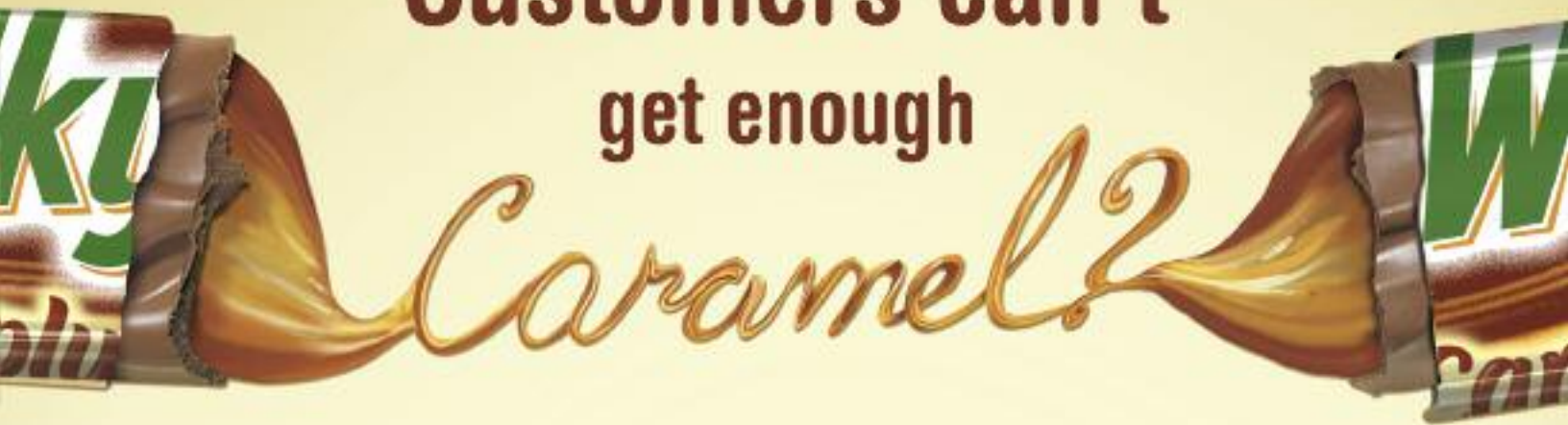
The Rocky Mountain FOA (RMFOA) announced that it raised \$40,000 for the Muscular Dystrophy Association of Colorado during its 5th Annual Tournament of Hope, held at the Colorado Springs Country Club of Colorado on August 7. Coca-Cola was the RMFOA’s event sponsor and 100 individuals—including 7-Eleven vendors, members of the RMFOA, and other corporate donors—participated in the golf outing by paying a fee or making a donation, proceeds of which went toward the donation. A charity auction was also part of the tournament, proceeds of which were also included in the donation. The formal presentation of the check was made to Ryan Woodman, Executive Director at the Muscular Dystrophy Association.

“The Rocky Mountain FOA family of 7-Elevens gives back to the communities in which we live and work,” stated Wayne Matthews, President of the Rocky Mountain FOA. “We are grateful for the research and work that the dedicated staff of the MDA does every single day and we are proud to be able to make this donation to the Muscular Dystrophy Association. Coming up just before the annual MDA Telethon, we

continued on page 24



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hope this donation will encourage others to give to the MDA as well,” Matthews said.

“We are delighted to present this donation from the Rocky Mountain FOA,” stated Scott Wohlman, RMFOA Treasurer. “This donation will be used to continue the vital research the MDA has been engaged in for many years and it will contribute to allowing those who suffer from muscle diseases to lead meaningful and productive lives.”

## C-Stores Good Source For Grab-And-Go Snacks

Convenience stores represent five times their fair share when it comes to

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Unilever iPad Raffle Winner: Franchisees Mohamad and Monrissa Islam (Stores #13980, 13965, and 34032) pose with Chad Keener from Unilever as they are presented with an iPad tablet they won as part of the company’s raffle giveaway during the NCASEF trade show in Las Vegas, July 17-18.



## Legislative Update

### U.S. Judge Rejects Debit Card Swipe Fee Rules

A district judge ruled on July 31 that the Federal Reserve didn’t have the authority to set a 21-cent cap on debit-card transactions, reported *Bloomberg*. In his ruling, U.S. District Judge Richard Leon said the Fed disregarded Congress’s intent when deciding how much banks can charge merchants for debit-card transactions, rejecting Dodd-Frank-imposed regulations governing swipe fees. Leon also said the rule, which has been in effect since October 2011, would remain in place pending new regulations or interim standards. The decision, unless overturned on appeal, will force regulators to revisit the debit card swipe fee rules.

At a hearing in mid-August, Judge Leon threatened to further crimp the once-lucrative swipe fee profit center for banks and credit-card companies, saying they may need to reimburse retailers potentially billions of dollars in debit-card transaction fees “that have been collected but shouldn’t have been,” reported the *Wall Street Journal*. Judge Leon leveled sharp criticism at the Fed, saying the central bank must move quickly to lower fees that banks can charge merchants when they swipe a customer’s debit card. The Fed responded to Judge Leon’s decision by filing an appeal on Aug. 21.

*“Judge Leon ruled that banks and credit card companies may need to reimburse retailers billions in debit-card transaction fees.”*

### ‘50 Employees’ Part Of Affordable Care Act Delayed

The Obama administration recently announced it is delaying until 2015 the requirement that businesses with more than 50 employees provide health insurance to their workers or pay a penalty, according to a report in *USA Today*. The announcement by the Internal Revenue Service came after numerous complaints from businesses that the requirements were too complicated and difficult to implement in time.

Among other things, the delay gives the IRS more time to simplify reporting requirements, as well as for businesses to get up to speed with reporting systems. The government still encourages businesses to voluntarily begin reporting in 2014 so they will be ready for 2015. Business groups had argued for months that the law created an administrative burden for businesses as they tried to update technology and plan to offer health coverage to their employees without knowing how much the coverage would cost.

The delay does not change the individual mandate, which requires most Americans to purchase insurance. Some consumers may receive subsidies to help them pay for the insurance depending on their incomes. Other key parts of the law, including the health exchanges where individuals can buy insurance, are on schedule. The exchanges will open on October 1.

### Congressional Bills Would Define Full-Time Employees

Two separate bills have been introduced in the U.S. House and Senate that seek to amend the Affordable Care Act (ACA) to define full-time employees as those who work 40 hours per week, according to reports by *NACS Online* and *Nation’s Restaurant News*. Currently, the ACA mandates that employers with more than 50 full-time workers must provide health insurance to the full-time employees, defined as those working an average of 30 hours per week or the “full-time equivalent” of 130 hours per month.

Senate Bill 118, called the “Forty Hours Is Full Time Act of 2013,” would redefine a full-time employee as one who works 40 hours a week or the full-time equivalent of 174 hours a month. Similarly,

continued on page 34





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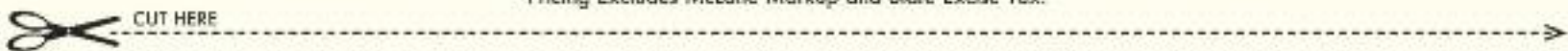


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ROLL UPC	McLANE UIN	Description	Quantity	Ship Date
7019549025-7	145268	LONGHORN POUCH WINTERGREEN	1	11/04/13
7019542020-9	573980	LONGHORN LC STRAIGHT	1	11/04/13
7019541020-0	573790	LONGHORN FC NATURAL	1	11/04/13
7019540020-1	573832	LONGHORN LC WINTERGREEN	1	11/04/13

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## Check your Markdown Report Carefully!

By Paul Lobana, Vice President, FOA of Southern California



“Last October, a computer glitch on a cigarette deal caused me months of shortages and confusion.”

You may not be aware of it, but the report for markdowns is just as important as the S-18 or Merchandise Report or any other report. I'm saying this because of an experience I had beginning in October 2012 that continued until April of this year involving a computer glitch and markdowns for a cigarette promotion.

Last October, when SEI updated our computer systems, one of their files was corrupted for the markdowns on the “\$2 off a two-pack of cigarettes” deal. I didn't realize the glitch, but at the time I checked all my total markdowns and they matched with the Merchandising Report, so I was under the impression that we were getting the correct markdown.

On January 6, I had an audit and it was short by \$4,000. I decided to look into the books and then I requested a re-

audit on January 22. The second audit came short another \$1,800. I was confused. Why was this happening? Between October and January, I was short by almost \$6,000. I then looked for an overage to balance the shortage. I printed all the merchandising reports and S18s, and looked them over, but I didn't find anything that could explain the shortages.

In February, I requested another audit and my store came in another \$6,000-\$7,000 short. In March I ordered yet another audit, and it came in \$5,000 short. In total, between the end of October and the end of March, I was about \$19,000 short and pulling my hair out.

On April 14, I requested help from some fellow franchisees, we looked over all the books, and still couldn't find anything. By accident, my manager realized that the \$2 off a two-pack of cigarettes deal was not on the Markdown Report. We were giving \$2 off to the customer, but in our books it was not reported as a markdown.

Once I discovered the source of the shortages, I made a call to my field consultant and she was nice enough. I said that I could create a CSD but I wanted her to create a CSD to three departments. One was the IT Department to fix the markdown so I wouldn't have to wait long to get my money back. The second, I wanted her to take the CSD to the Accounting people to correct my markdown and give me my money back. Third, I requested she send it to Customer Service so that if anyone else had this problem they could share my experience with them.

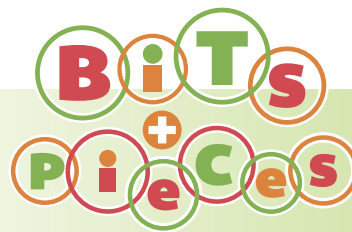
The IT department corrected the problem the very next day. On April 16, I received the corrected report that showed the markdown for the 2-pack promotion. Accounting told my field consultant the refund would only go back 90 days, and I received an email from Accounting stating the same thing—because it was over 90 days, they cannot reimburse all of my markdowns. I called and let them know this was not my problem. The IT people told me it was a computer glitch that happened in October when they downloaded the files.

When I told the Accounting people I was going to get my market manager, my zone leader and maybe the National Coalition involved to get this resolved, they pulled my Markdown Report year-to-date and compared it with last year's markdown report. I had exactly \$22,000 less markdown for this year. They researched it in great detail and issued me a markdown credit for \$21,700, which balanced my books.

The lesson I learned: you can benefit from checking markdowns individually. The reality is that computers can make mistakes. If a promotional discount is passed onto the customer and it isn't recorded correctly due to a computer glitch, the franchisee can see large shortages. I recommend everyone look into individual markdowns in each category, whether it is a multi-pack cigarette deal or any promotion. Gather all the data you can to support your claim, and get your credits back. ■

“The lesson I learned is that franchisees can benefit from checking markdowns individually, because computers can make mistakes.”

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



According to the *Washington Post*, **more retailers are offering discounts to customers who pay with cash** as a way to save money on credit card swipe fees. • **The number of retail health clinics in stores** like CVS and Walgreens **rose 7 percent in the last year**—from 1,351 to 1,443—as more retailers **added facilities in anticipation of uninsured Americans gaining health care coverage** under the Affordable Care Act, reported *Forbes*. • Tech company VERGE Retail recently launched Verge Promote, an iPhone and Android smart phone app that allows distributors to push the latest deal or limited-time promotion to c-store retailers. **The app also allows retailers to choose what type of promotions they receive** and to place orders for their stores directly from their smart phones. • The U.S. Postal Service is considering **delivery of alcoholic beverages** to raise revenue and save money after losing \$16 billion last year, reported the *Associated Press*. • A new Gallup poll reports that **over the past 21 years, Americans have increasingly opted for wine over beer**. Since 1992, the percentage of Americans who said wine is most often their drink of choice rose from 27 percent to 35 percent today, while the percentage who said the same about beer dropped from 47 percent to 36 percent today. • In the latest move toward consolidation in the supermarket industry, grocery chain **A&P is seeking to sell itself after emerging from bankruptcy last year**, according to an internal memo to employees and people familiar with the matter, reported the *Wall Street Journal*. • Low-price grocery chain **Aldi**, which has locations in 32 states, **is hoping to add 80 U.S. locations per year** while expanding beyond low-income neighborhoods, reported the *Des Moines Register*. • A new survey conducted

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# Member News

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## NCASEF Welcomes The Greater Seattle FOA

The NCASEF welcomed the newly formed Greater Seattle FOA during its quarterly Board meeting in July. Pictured here are Greater Seattle FOA members Harjinder Toor, Sangam Motgi, Chander Shekhar, Vinod Shorey, Ajinder Handa (President), Raman Kaushal, Avtar Rana (Vice President), and Prit Singh.

grab-and-go snacking occasions, beating out grocery stores and even discount stores, reports The NPD Group. Every day 28 million people in the U.S. eat a grab-and-go snack, accounting for billions of eatings each year. These buy-and-eat-within-an-hour snacks are 50 percent more likely to be eaten while traveling or in a car, which make convenience stores a primary source for grab-and-go snacks. Grab-and-go snacks represent 12 percent of all snack-oriented convenience foods and are typically eaten between meals rather than replacing meals, finds NPD's SnackTrack, which tracks snack food consumption daily in the U.S. This "on-the-go" snacking behavior typically occurs in the morning or midday and least often in the evening. Young adults, ages 18 to 24, are the most inclined toward the instant gratification these types of snacks offer.

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## Workers' Compensation, Excess Property, Excess Liability

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## FOAGLA MEMBERS PARTICIPATE IN NATIONAL NIGHT OUT

FOA of Greater Los Angeles franchisees Tarlochan and Regina Rangji, along with Kuldeep Dhaliwal, took time out of their busy schedules to help out their community and the Rialto Police Department during Rialto's National Night Out event, held on August 6. National Night Out is a community and police event meant to increase awareness about police programs in communities, such as drug prevention, town watch, neighborhood watch, and other anti-crime efforts.

Supported by their Market team and vendors, the trio set

up a booth at the outdoor function and gave away lots of products: 110 hot dogs, 40 cases of water, 2,000 units of Bimbo Bakery, 3,000 units of Frito Lay snacks, 12 cases of juice, and 40 cases of Monster Energy drinks.

This was a great event in the blocked off streets in front of the Rialto Police Department. The turnout of Rialto citizens

was over 2,000, and everyone in attendance enjoyed the evening. Other booths, as well as rides and games for kids, were available. Mayor Deborah Robertson and Rialto council members spoke to the crowd and thanked everyone for making it a great National Night Out. ■



## 7-Eleven Stores In Taiwan Selling Large TVs

President Chain Store Corp., the operator of 7-Eleven stores in Taiwan, said it has sold more than 10,000 7-Eleven branded large, web-connected TVs made by electronics company Hon Hai, reported the *Wall Street Journal*. President Chain Store and Hon Hai, which also manufactures parts for Apple Inc. products, said they may



also cooperate in making 7-Eleven-branded smartphones and tablets in the future. Customers can buy the 7-Eleven-branded TVs by placing orders on the 7-Eleven website or at more than 4,800 outlets in Taiwan. The 40-inch TV sells for 12,888 New Taiwan dollars (\$430), the 60-inch for NT\$39,900 (\$1,333) and the 70-inch for NT\$69,900 (\$2,336). The TVs are preloaded with links to the 7-Eleven online store and Facebook page.

## 7-Eleven, Other Retailers Sue Visa, MasterCard

SEI has joined other retailers to sue Visa Inc. and MasterCard Inc. over swipe fees after rejecting a multibillion-dollar settlement in the antitrust case, reported *Bloomberg*. About 30 retailers have filed lawsuits in federal court in Manhattan against the card companies and several major banks.

SEI is among more than 7,000 companies that have dropped out of the pro-



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# Member News

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posed \$7.25 billion settlement over fees, which are borne by merchants when customers use credit cards. The settlement, under consideration by a federal judge in Brooklyn, New York, would put to rest about eight years of litigation in the nationwide suit. Dozens of retailers have said they're opposed to the accord because it would give Visa and MasterCard too much freedom to raise rates in the future. The case is 7-Eleven Inc. v. Visa Inc., 13-cv-4442, U.S. District Court, Southern District of New York (Manhattan).

## Visa, MasterCard Refuse To Drop Swipe Fee Settlement



Visa Inc. and MasterCard Inc. will pursue a multibillion-dollar antitrust settlement with U.S. merchants over credit card fees even though opposition to the deal reached a level that would have allowed the card firms to walk away, reported *Bloomberg*. U.S. retailers accounting for more than 25 percent of the total volume of credit card purchases have decided to opt out of the settlement, meeting a threshold that permitted the card firms to back out. The settlement—

subject to a judge's final approval on September 12 in federal court in Brooklyn, New York—would end a lawsuit brought on behalf of millions of U.S. businesses over allegations that Visa, MasterCard, and some of the country's largest banks fixed rates for the interchange fees paid by merchants that accept those credit cards.



## Seven&I Q1 Profit Up 9.5 Percent

SEI parent company Seven and I Holdings posted a 9.5 percent rise in first-quarter profit, which was its highest on record for the traditionally dull March-May period, reported Reuters. Buoyed by an expansion of its store network, Seven&I left its full-year operating profit forecast for the year to February unchanged at a record \$3.41 billion, in line with forecasts. Japanese c-store operators are now reaping the rewards

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

of aggressively opening new outlets in recent years, and taking business from supermarkets by expanding their lineup of prepared foods and private-label products. Seven and I has been generating annual record profits for two years, but the first-quarter result marked its first record high for that specific period since 2007.

Seven & I CEO Toshifumi Suzuki told *Bloomberg* in a separate interview that he plans to renew his focus on the U.S., where with the right management and expansion strategy, the number of 7-Eleven stores could increase to almost 30,000. "Our U.S. business has entered the growth stage," Suzuki said. "We will raise the quality of stores," he said, and acquisitions will continue. SEI expects a record operating profit of \$540 million this fiscal year, according to the report, a 13 percent increase from last year.

## Banks Take Swipe-Fee Battle To States

Banks and payment networks are pressing state lawmakers to bar retailers from charging customers more to pay with credit cards than with debit cards or cash, reported *Bloomberg*. The laws' supporters say they are trying to protect consumers from unfair costs when they make purchases with credit cards. Utah has already passed a law banning such surcharges, and New Jersey may follow suit. In all, about 20 state legislatures are weighing legislation related to payment cards, according to the American Bankers Association.

The move is an extension of a decade-long fight between retailers and members of the payments industry over swipe fees for debit and credit cards. Because retailers generally have to pay more to banks when their customers use credit cards than when they buy with debit cards, the banks are

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*"Seven & I CEO Toshifumi Suzuki told Bloomberg that with the right management and expansion strategy, the number of 7-Eleven stores in the U.S. could increase to 30,000."*

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trying to prevent stores from steering buyers to debit transactions.

## Mass. Increases Gas And Cig Taxes

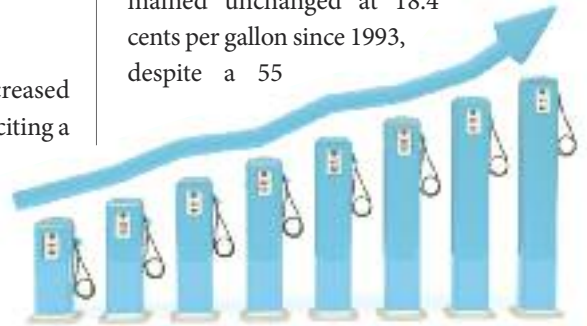
Massachusetts' gasoline tax jumped 3 cents on August 1, from 21 cents per gallon to 24 cents reported the Associated Press. The state's cigarette tax also increased \$1 on that date, from \$2.51 per pack to \$3.51 per pack. The new taxes were part of a transportation finance bill approved by the State Legislature over the veto of Governor Deval

Patrick. He had sought a further increase in the gas tax if tolls on the western portion of the Mass. Turnpike come down in 2017.

## Eight More States Increase Gas Tax

Eight states have recently increased their gas tax, reported CNNMoney, citing a report from the Institute on Taxation and Economic Policy. The largest boost was in Wyoming, which raised its gas tax by 10 cents a gallon, followed by Connecticut,

California, Maryland, Kentucky, Nebraska, Georgia and North Carolina. The increases went into effect on July 1. Meanwhile gas taxes in Virginia and Vermont have gone down down. The federal gas tax has remained unchanged at 18.4 cents per gallon since 1993, despite a 55



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## Legislative Update

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the House measure—HR 2988, also known as the "Forty Hours Is Full Time Act of 2013"—would define full-time workers for the purposes of the employer mandate in the ACA as those working 40 hours per week.

"The new health care law creates a perverse incentive for businesses to cut their employees' hours so they are no longer considered 'full time.' If its definition of a full-time worker as someone who works only 30 hours a week is allowed to go into effect, millions of American workers could find their hours, and their earnings, reduced. This simply doesn't make sense," said Senator Susan Collins (R-ME), who introduced SB 118.

### Illinois Bans Use Of E-Cigs By Minors

Illinois Governor Pat Quinn recently signed legislation that prohibits the use of electronic cigarettes by anyone under age 18, reported the Associated Press. The new law applies to electronic cigarettes and other alternative nicotine products. State Senator John Mulroe of Chicago, the bill's sponsor, said governments ban minors from buying other forms of nicotine, and e-cigarettes should be no exception. He added that the

new law, which kicks in on January 1, helps the state government "keep up with the advancements" in the ways nicotine is being sold.

### NYC Mayor Targets E-Cigs

New York City Mayor Michael Bloomberg is working to limit the use of e-cigarettes in the five boroughs, reported FoxNews.com. In a draft of three tobacco-related bills soon to be voted on by the City Council, the new definition of "tobacco products" under city law would be changed to include e-cigarettes and related components, parts and accessories. If the ordinances pass, the display of e-cigarettes and smokeless tobacco would be banned in retail stores. Also, while tobacco and menthol flavored e-cigarettes would still be available in retail stores, all other flavored e-cigarettes could only be sold in age-restricted "tobacco bars."

The original version of the bills, drafted by the Health Department at Mayor Bloomberg's request, did not include any position on e-cigarettes. The bills' changes also include raising the legal age for buying tobacco to 21, prohibiting the display of cigarette advertising in stores, and creating a higher price floor for cigarette packages.

### NYC's Big-Soda Ban Unconstitutional

A mid-level New York State appeals court recently ruled that New York City's Board of Health exceeded its legal authority when it voted last year to put a size limit on soft drinks served in restaurants, theaters, stadiums, sidewalk food carts, and many other places, reported the Associated

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*"Massachusetts and Illinois have both moved to deny e-cig sales to minors."*

### Massachusetts Moves To Ban E-Cig Sales To Minors

A bill currently in the Massachusetts legislature aims to ban children and teens from buying electronic cigarettes, reported the Associated



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# What A Convention! Hire Heroes And The Urban Store Concept

BY BRUCE MAPLES  
EXECUTIVE CHAIRMAN, NCASEF

Something special happens when 7-Eleven franchisees get together at the National Coalition Convention and Trade Show, an event that has taken place for 38 years. The very nature of our business demands that franchisees talk to each other, share information, network, and learn as much as we can about our system and our industry. I am pleased to say at the 2013 National Convention and Trade Show at the Venetian Hotel and Casino in Las Vegas in July we had a record turnout, with more than 1500 franchisees and their families and 800 of our vendor partners attending. In all, the 2013 trade show had over 280 booths and 60 major sponsors over the four-and-a-half-day show. I would like to thank all of our major sponsor and exhibitor partners for your support, as it is your support that makes our franchisee convention possible.

We have announced the National Coalition's 39th convention will be at the beautiful Dolphin Hotel at Walt Disney World in Orlando, Florida, July 12-16, 2014. We will be doing something very special at this event, so mark your calendar for 2014. I hope to see you there.

One of the highlights of our 2013 convention was the announcement that the National Coalition, in cooperation with 7-Eleven, Inc. and 15 of our vendor partners, is part of an effort that will raise over \$750,000 for Hire Heroes

USA, a very special organization that conducts workshops and seminars to provide job assistance that

helps military veterans and their families reintegrate into civilian life. This is the single largest contribution ever made by the National Coalition to any group, and I would like to thank personally 7-Eleven, Inc., and the 15 participating vendor companies for their strong support: Hershey, Kellogg's, Wrigley, Anheuser-Busch, E&J Gallo Winery, BIC, MillerCoors, Nestlé Professional, Mars, Mondelēz International, Perfetti Van Melle, MET-Rx, General Mills, PepsiCo and Nestlé Waters.

Over a two-month period—No-



**“The 2013 National Convention and Trade Show at the Venetian Hotel and Casino in Las Vegas in July had a record turnout.”**

vember and December, 2013—the participating vendors will offer Hire Heroes products that franchisees can order for their stores. A portion of each product sold to guests will be donated to the Hire Heroes organization. The incredible commitment and support from the franchisee community has enabled this program to grow in each of the last three years. (To see what products will be eligible in November and December to support Hire Heroes, see the Septem-

**“I would like to thank all of our major sponsor and exhibitor partners for your support, as it is your support that makes our franchisee convention possible.”**



ber/October issue of Avanti.)

Over the four years that we have been involved, the National Coalition, 7-Eleven and vendor partners have now raised more than \$1.3 million through donations and cause equity programs for Hire Heroes USA. With initial donations, since 2010, Hire Heroes has gotten nearly 1,000 veterans hired, completed 5,000 professional resumes,

and conducted 86 workshops at 26 bases for more than 1,100 service members and spouses. We are proud of this accomplishment, and of our support of the individuals who protect our country and keep us strong.

Our good work and convention fundraising did not stop there. During the live and silent auctions at our Wednesday evening event, franchisees and vendor attendees in one night raised \$98,000 for Susan G. Komen For

continued on page 38

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ncasef.com



# What A Convention! Hire Heroes And The Urban Store Concept

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Cure.

One compelling role the National Coalition can play for franchisees is to provide access to 7-Eleven, Inc. senior management at our convention. During his presentation on the “state-of-the-system” to franchisees, SEI Senior VP Bill Engen described dollar sales growth in Zones across the country, reviewed sales data, customer counts and the fastest

The

growing categories, and took an hour and a half of questions from franchisees.

Senior VP Social Media Rob Chumley gave perhaps the most interesting SEI presentation at the convention on the new Urban Store Concept, the test store for which is now open at 111 John Street in New York City. Two more—one each in Chicago and San Francisco—will open before the end of the year.

These stores embody 7-Eleven’s newest concepts for downtown city stores and a new urban store design. New ideas being incorporated and tested in NYC include redesigned store parts for fruits and veggies and ready-to-eat meals, beer, refrigerated beverages and snacks, sweet and salty snacks, candy and household goods, and HBC. Even more interesting, fresh meals will be prepared on-site, stores will have a

“recharge” area with seating and WiFi, customers can order at a kiosk, and there will be a foodservice counter. The new concept store does not have a vault, as all bottles and cans will be held in reach-in fixtures. Digital displays are used for an external sign, a register POS, menu boards, the Slurpee machine door, and the seating area.

So much more happened at the national convention and trade show! I am pleased to announce that for the first time we have posted all of the photos taken by the NCASEF photographer at the convention on our website. Visit [www.ncasef.com](http://www.ncasef.com) to take a look at your friends and colleagues and download those you want for your collection. I’m looking forward to seeing everyone at next year’s show in Orlando. **AV**

**“The National Coalition’s 39th convention will be at the beautiful Dolphin Hotel at Disney World in Orlando, Florida, July 12–16, 2014.”**



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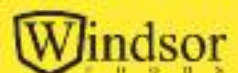
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# The Importance Of I-9 Compliance

BY JIVTESH GILL, EXECUTIVE VICE CHAIRMAN, NCASEF

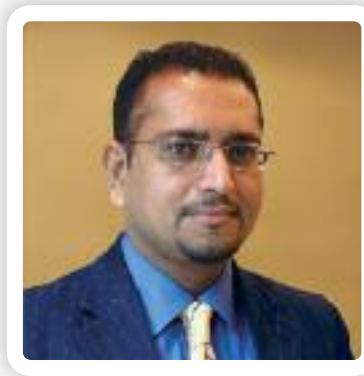
Recently, a lot has changed about how we look at certain functions within our business. For a long time many franchisees have not been concerned about employee files or about maintaining I-9s for every employee. Now we have come under a magnifying glass from ICE (Immigration and Customs Enforcement), the Department of Justice, and Homeland Security due to the actions of some franchisees in Long Island and Virginia. We are aware that the Justice Department has closed some stores and issued subpoenas to many franchisees on the East Coast to check their employee records.

SEI has also come under harsh criticism and review by these government agencies, and more recently franchisees were notified by SEI that they were going to come into our stores to review our I-9s and make sure all of our employees are well documented. At the time it was a bit of a shock for everyone, and there was a lot of conversation within the franchisee community about the validity of the request or whether it should even be allowed based on our Franchise Agreement.

During this time the National Coalition and many FOAs sought legal consultations and we spent a lot of time communicating with SEI. After much debate and consideration, given the gravity of the situation with ICE and Homeland Security, and the importance of our image among consumers, we concluded we should cooperate with SEI's I-9 review request, but only with a clear process in place. We requested that SEI look at current employees only, nothing be done in secret, the review would take place in the presence of the franchisee, no documents would be removed

from the store, no copies of any documents would be made, and there would be no employee interviews.

At the time, the National Coalition issued a statement and we made sure we educated all of our peers and local leadership on the review process so they could educate their local stores. Once the I-9 reviews started on July 1, we verified with the stores that were reviewed that the process was indeed being done correctly. Like any big project, there were some incidents where the process wasn't followed as outlined, but they were corrected immediately upon coming to our attention and the National Coalition having a conversation with SEI.



**“The investigation is ongoing. I urge everyone not take the I-9 situation lightly.”**

Since the I-9 review weighed heavily on the minds of all franchisees, the National Coalition invited Robert Haws from Gust Rosenfeld P.L.C. to the July Board meeting to educate us on the process. He discussed the law governing the I-9 form and made sure we were compliant with all of the requirements of hiring an employee so that we won't have any surprises moving forward.

So what should franchisees do now? The investigation is ongoing. I urge everyone not to take the I-9 situation lightly. If you haven't filled out I-9s in the past, fill them out

**“If you haven't been filling out I-9s in the past, fill them out now to save yourself headaches later. Use the current date and be compliant from now on.”**

now to save yourself headaches later. Use the current date and be compliant from now on. We all know that on the ISP we have a detailed hiring package. Within that kit, there's detailed information on filling out the I-9 form and what the requirements are. Franchisees should go through that kit step-by-step and make sure that all documents are in order. Some other points you should follow:

- Don't accept expired documents.
- Leave the original I-9s in the store in which the employee was hired.
- Retain the I-9 for as long as the individual works for you.

- Be consistent—you should have one policy for everyone. If you make copies of IDs and other documents for one employee, you have to make copies for all your employees.

- Do not make multiple copies of

I-9s for each store if the employee happens to work at more than one store. His/her employment file should be only at the store where hired.

Also, you should be aware that there are penalties for hiring unauthorized aliens, some of them quite severe. The first offense is a fine of \$375 to \$3,200 for each unauthorized alien. The second offense is a \$3,200 to \$6,500 fine for each unauthorized alien. Sub-

continued on page 42

**JIVTESH GILL**

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209-481-7445 or  
j2jgill@aol.com



## The Importance Of I-9 Compliance continued from page 41

sequent offenses are \$4,300 to \$16,000 for each unauthorized alien. If you fail to properly complete, retain and/or make available for inspection your I-9s as required by law, you may face civil money penalties of \$110 to \$1,100 for each violation. If you knowingly hire or continue to employ unauthorized aliens, you may face fines of up to \$3,000 per employee and/or six months imprisonment.

Robert Haws recommends that we use E-Verify, which is a great free tool from the federal government that provides an automated link to federal databases to help employers confirm the employment authorization of new hires, and it's free. E-Verify helps protect us against fake documents, but again, if you use it for one employee you have to use it for all.

Depending on the outcome of the current government investigations, there could be more subpoenas coming. In light of all of these events, I want to go on record and state that in my fourteen years as a fran-

**“E-Verify, a great FREE tool from the federal government, helps employers confirm the employment authorization of new hires.”**

chisee, the vast majority of franchisees I've met are law abiding, honest and upstanding business people. We need to be more vocal about all of the good things we do within our communities and how we've become a part of the national fabric as far helping to grow the national economy. We are hard working people who set out every day to honestly earn the money we make. We can't allow a few dishonest franchisees to ruin our reputation, and that of our brand.

Please call me at 209-481-7445 if you have questions about this topic. **AV**

**Verify Employee I-9 Information For Free Online:** Franchisees can take advantage of a new free government website to E-Verify employee records by visiting <http://www.uscis.gov/>. Look for VERIFICATION (on the right-hand side), then “E-Verify Home Page.”

*continued from page 26*

by Research Now and commissioned by Fuels America reveals that



**Americans overwhelmingly support renewable fuels** and the U.S. government's Renewable Fuel Standard (RFS), reported CSNews Online. • Midwest c-store **Casey's General Store** said it will not sell energy shots and pills to anyone under the age of 18, reported CBS St. Louis. • **Consumers are eating burgers more often than ever before**, with 95 percent of those surveyed saying they eat burgers at least once a month—and cravings are driving this high consumption, according to new research from Technomic. • **Drake's cakes**—which include **Coffee Cakes, Devil Dogs, Ring Dings and Yodels**—are set to return to store shelves in September, reported the Associated Press. McKee Foods Corp., which makes **Little Debbie snack cakes, snapped up Drake's cakes from rival Hostess Brands** after the company went out of business last year. • The American Medical Association has officially recognized obesity as a disease, a move that could induce physicians to pay more attention to the condition and spur more insurers to pay

*continued on page 56*

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# 7-Eleven, Inc.'s Duty To Act Reasonably In Remodeling The Store And Repairing And Replacing Equipment

BY CRAIG P. KENNEDY, ESQ.  
GENERAL COUNSEL, NCASEF

The May/June issue of *Avanti* contained an interesting article by former General Counsel for NCASEF, Arnold J. (Arnie) Hauptman, Esq., regarding the maintenance provisions of the Franchise Agreement between franchisees and 7-Eleven, Inc. (SEI). Arnie's article described the potential liability to SEI for injuries to 7-Eleven customers in franchised stores due to the excessive control exercised over the franchisees by SEI. If you have not read his article yet, I recommend it to you.

While reading Arnie's article, I was reminded of the many, many franchisees who have complained to me they have had difficulty during inspections of their stores by Customer Experience Consultants (CECs) using the Cleanliness Evaluation Forms when the condition of their stores—including the flooring and the equipment—is so bad it is very difficult or impossible to clean properly. At the most recent NCASEF convention in Las Vegas, one franchisee reported her store floor tiles were so old and had been waxed so many times they were "fossilized." Over the years, other franchisees have told me their drink dispensaries and other machines were so old they could not be cleaned even with hours of scrubbing with every kind of cleaner and lots of "elbow grease."

When franchisees are marked down for problems with ongoing store conditions by the CECs, some rightfully believe they are being penalized for the failure of SEI to properly repair and/or replace the

building structure, paint, flooring and/or equipment. When a customer sees

badly deteriorated building surfaces, tiles, paint, and equipment, the customer's experience naturally suffers. Should the franchisee suffer poor customer experience and low marks on their cleanliness evaluations for the failure and/or refusal of SEI to remodel the store and/or repair or replace equipment? Of course not.

Franchisees with older stores and equipment frequently request new equipment or a remodel of their store from SEI but are routinely put off by field consult-



**"When franchisees are marked down for problems with ongoing store conditions, some rightfully believe they are being penalized for the failure of the company to maintain the building and equipment."**

ants and market managers who say it is not in the budget, or to wait a year or two or five. If SEI has the funds to build a brand new 7-Eleven store a block away from an existing store, funds should be available to remodel older stores or replace decrepit and/or inoperable equipment.

SEI claims it can repair and replace badly deteriorated building structures, materials, and equipment at its whim. Paragraph

20(d) of the Franchise Agreement provides:

"20(d) Maintenance Performed By or Through Us. When we consider it necessary during the Term of this Agreement, we agree to: (1) repaint and repair the interior and exterior of the Store; (2) replace the 7-Eleven Equipment, including cash registers and point-of-sale computers; (3) replace plate glass windows and front doors; (4) replace the floor covering, exterior walls, roof, foundation, and parking lot; (5) maintain the structural soundness of the Store; and (6) maintain the HVAC Equipment. You hereby consent to the foregoing. We may charge you for any of the repairs or replacements contemplated by this Paragraph 20(d) if, in our reasonable opinion, your abuse or neglect makes them necessary."

Other provisions of the Franchise Agreement demonstrate the obligations of SEI to repair and replace worn out flooring, paint, and equipment are not wholly discretionary. SEI has made it clear that the

"uniform presentation of a high quality 7-Eleven Image is critical to the customer's perception of the 7-Eleven System..." [see paragraph 1(a)(1) of the Franchise Agreement]. This sentence, written by SEI in its Franchise Agreement, clearly demonstrates SEI's recognition of the importance of the 7-Eleven Image. The maintenance of the 7-Eleven Image obviously is not a

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# 7-Eleven, Inc.'s Duty To Act Reasonably

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one-way street. If it is important for the franchisee to present a high quality 7-Eleven Image, it is likewise just as important for SEI to perform its obligations of repair and replacement of the Stores' improvements and equipment in order to impress customers. SEI admits as much in the Franchise Agreement in paragraph 1(a)(4) in the 2004 Franchise Agreement and paragraph 1(a)(5) in the 2012 Franchise Agreement which provides (in part) as follows: "We also agree to contribute to the value of the 7-Eleven Service Mark and brand by fulfilling those duties and tasks assigned to us in this Agreement as our responsibility within the 7-Eleven System."

In paragraph 8, SEI agrees it may replace equipment at its option, as follows:

"We may, at our option, remove or replace any of the 7-Eleven Equipment or

add new 7-Eleven Equipment, including cash registers and point of sale computers and 7-Eleven Equipment of a type or category other than currently exists. Any new or additional 7-Eleven Equipment will be added to the list of 7-Eleven Equipment on Exhibit B or we agree to otherwise provide you with electronic or written notice of such changes to the 7-Eleven Equipment.

**"Franchisees should not suffer poor customer experience and low marks on cleanliness evaluations for the failure and/or refusal of SEI to remodel the store or repair and replace equipment."**

You agree to, at all times use, as required, all 7-Eleven Equipment currently in the Store or that we add to the Store. We may provide you with replacement Equipment if certain Equipment is damaged or becomes inoperable. If you fail to promptly return the damaged or inoperable equipment to us, we may charge you for the cost of the replacement Equipment by debiting your Open Account.

Note the use of the word "may" instead of "shall." This reflects an attempt to couch responsibility to remodel the store or to install new equipment completely its own choice. However, under contract law, the fact the Franchise Agreement entitles SEI to use its discretion does not give it the right to unlimited and unfettered discretion. SEI must not act unreasonably in choosing whether or not to repair the store

continued next page

# Breyers



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REESE'S® PEANUT BUTTER CUPS  
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NATURAL VANILLA  
SLIN: 0190807

## “SEI must exercise its decisions whether to remodel the store and/or replace equipment in a reasonable manner.”

and/or replace equipment. SEI—the party who is given a discretionary power in the Franchise Agreement to do something to protect its own interests—may not use that power to unreasonably or unfairly harm the franchisee or to deprive the franchisee of the benefits of the Franchise Agreement. Stated another way, SEI must exercise its decisions whether to remodel the store and/or replace equipment in a reasonable manner.

When the language in paragraph 20(a) giving SEI the right to make the decision on these matters is considered in light of SEI’s responsibilities to help to maintain the 7-Eleven Image and to contribute to the branding of the 7-Eleven Mark, it cannot

hide behind its preference when a franchisee’s store is badly in need of repairs, remodeling, or replacement of equipment. This is especially true when SEI’s CECs mark the franchisee down on the Cleanliness Evaluation for conditions caused by SEI’s failure to fulfill its duties to the franchisee.

No one can argue that when SEI allows “fossilized” flooring, inoperable equipment, or peeling paint to exist in a store that SEI is exercising its discretion under



paragraph 20 in a reasonable manner.

When a franchisee receives a Letter of Notification (LON), or worse, a Notice of Material Breach (NMB) because of a low Cleanliness Evaluation score, and the problems stem from a failure or refusal of SEI to properly maintain the store or replace aging equipment pursuant to the high standards of the 7-Eleven Image, that franchisee should send a letter back to SEI stating the problems with the cleanliness of the store are a direct result of SEI’s failure to properly maintain the store and its equipment. It is good policy, for the health of your business, if ever you receive an LON, that you respond in writing to document your situation. **AV**



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- ▶ NESTLÉ® DRUMSTICK® Cone is the **Top Selling Novelty** brand at 7-Eleven<sup>1</sup> and growing!
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1) 7-Eleven scan data, 12 wks ending 7/7/13. 2) Nielsen Convenience, #2 & #3 velocity rank of NDIC products, for the 12 wk period ending June 15, 2013. All trademarks are owned by Société des Produits Nestlé S.A., Vevey, Switzerland, or used with permission.

# MANAGING THE MESSAGE WHEN THE MEDIA WON'T

BY JAS DHILLON  
VICE CHAIRMAN, NCASEF



“Good news about someone never gets past the door, but bad news will travel a thousand leagues away.” (*author unknown*)

First, I want to say what needs to be said and hasn't been said in the past few weeks: Thank you and good work to all franchisees and field team members who toil away in support and execution of the 7-Eleven system, whether it is by being in the store or behind a desk at OAP in Dallas.

Lately, all we've been hearing are negative stories and reports about the actions of a tiny group of store operators. This ragtag group of rogue reprobates has caused damage to all franchisees, the 7-Eleven brand, and the system from which each of us earns our living. The old saying, “It takes a lifetime to build a good reputation and only a few hours to destroy it,” rings true—the long-term damage to our brand image caused by this scandal may be incalculable.

Even more disturbing is the deafening silence from Dallas. Except for a buried quote or two, I have not heard one murmured syllable about the hard-working, honest franchisees who are supported by their field consultants, market managers and Zone teams. This is troubling. I think it is long past due that the good news regarding who 7-Eleven franchisees are and what we do—day in and day out—be proclaimed, highlighted and heralded.

A good opportunity to spread this message would have been on 7-Eleven Day, with a quote from SEI to the media saying: “7-Eleven, Inc. thanks our franchisees, area licensees, vendor partners and all of our employees for

working so hard each and every day to satisfy the needs of our guests and especially today in celebrating 7-Eleven

Day. And a very big thank you to you, our Guests, for your loyalty by shopping at your neighborhood 7-Eleven stores.” I strongly believe a message like this would go a very long way in re-establishing our good reputation as an honest brand, as honest business people, and as valuable members of the communities we serve.

Our business, by its very nature, is often portrayed as “dangerous” and “high crime,” and there is truth to this. When an employee is senselessly injured or killed in a store, we all suffer, our industry suffers, and our families worry for our own safety. That is why franchisees so often respond proactively—donating to and recognizing families who suffer in these tragedies.

Is it now time to go further, to take a more proactive approach to tragic news in our system and our industry? As responsible retailers, we already regulate smoking and

**“All throughout the United States individual franchisees and franchise groups are engaged and involved in community efforts.”**



fundraising. Just recently, the Chicagoland FOA was honored with a ribbon cutting for their donations and work at a local hospital. In August, the Rocky Mountain FOA raised \$40,000 for MDA, and the Southern California FOA donated \$20,711 to the Los Angeles Children's Hospital. At the July 2013 Las Vegas convention, local FOAs, vendors and individual franchisees banded together and raised over \$60,000 for Susan G. Koman For The Cure.

**“Thank you and good work to all franchisees and field team members who toil away in support and execution of the 7-Eleven system.”**

alcohol sales, and we have already proven we can affect public opinion when we publicize through our stores. An anti-crime and anti-violence message is most appropriate coming from those affected by violent acts.

All throughout the United States on a daily basis, individual franchisees and franchise groups are engaged and involved in community efforts. Of the 40 NCASEF FOA members, most have charity events and donate some time and effort to positive causes. MDA, St. Junes, Hire Heroes, and numerous other local charities have benefitted from franchisee

The National Coalition has started to capture these stories and publicize with news releases the selfless and dedicated actions of franchisees on a national stage. I guarantee that there are many more “positive” stories about franchisees than negative ones, but it is up to us to bring attention to these acts and highlight the contributions we make in our local communities.

I extend my sincerest gratitude and thanks to all of our franchisees and our field teams for everything they do each and every day. **AV**

JAS DHILLON  
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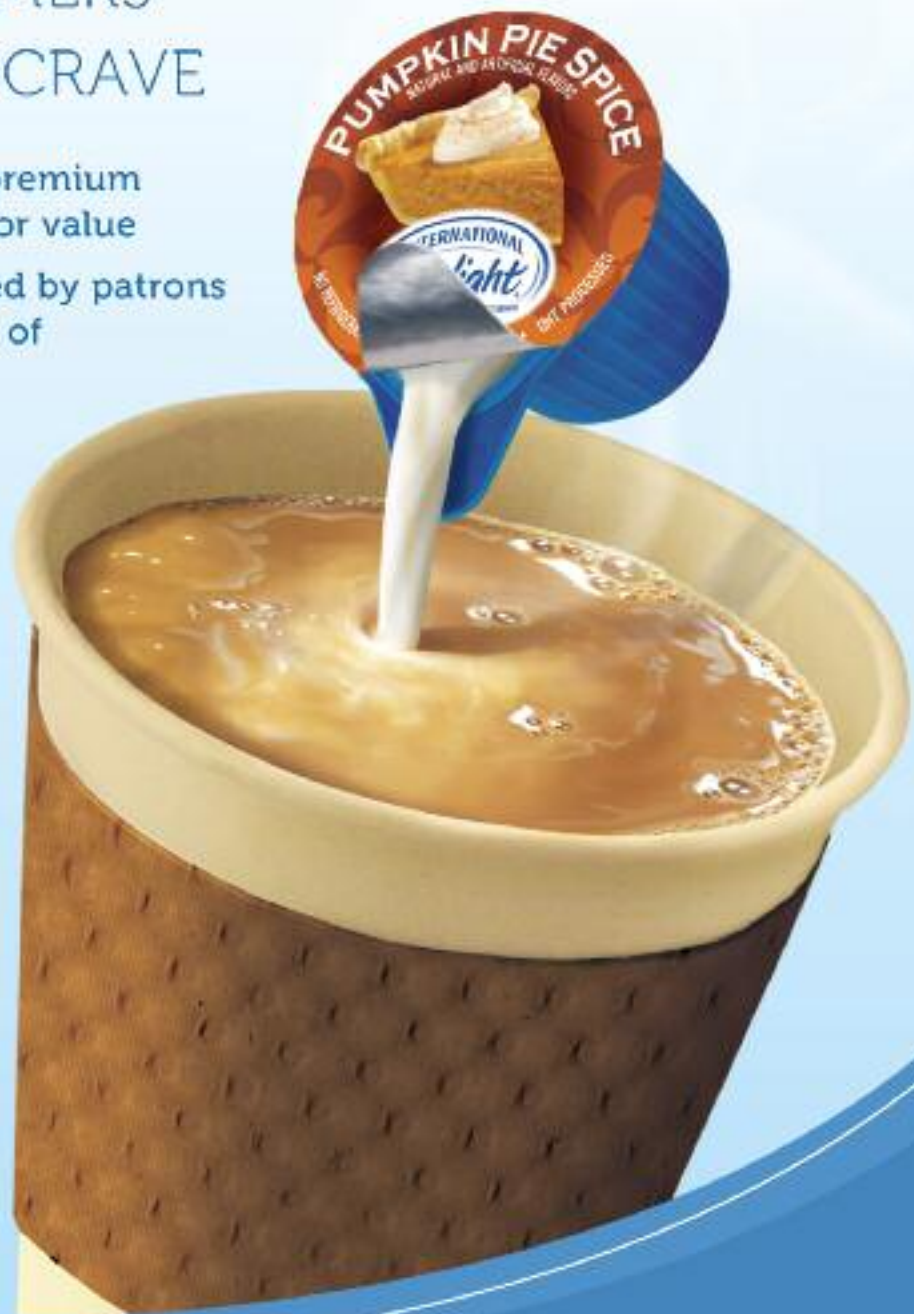
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FOD 8/26/13

McLane SLIN 231259 - Pumpkin Pie Spice Creamer 192ct  
CDC SLIN 231264 - Pumpkin Pie Spice Creamer 192ct

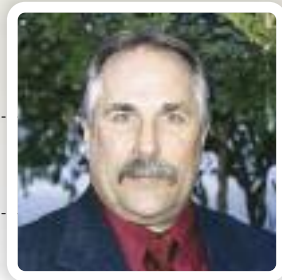


[whitewavefoodservice.com](http://whitewavefoodservice.com)

<sup>1</sup> Data courtesy of AHC Customized Coffee Bar Study, 2012  
<sup>2</sup> Coffee Bar Research, Customer Needs 2012  
©2013 White Wave

# SHARING THE COST OF SEI'S FOODSERVICE GOALS

BY ROGER ST. GEORGE  
VICE CHAIRMAN, NCASEF



Our franchisor has a stated goal of growing Fresh Food sales to 20 percent of total in-store sales. This emphasis to embrace the Fresh Food category is due to SEI recognizing the inevitable demise of cigarette sales due to tax increases by local and state governments, and now even the federal government with its proposed \$1 per pack tax hike. As we have all witnessed, our cigarette customers are ceasing their historic purchase and consumption patterns.

SEI is therefore seeking to replace these lost sales and profits through the Fresh Food category. This is a huge goal and a monumental shift in the traditional 7-Eleven business model. So far it seems SEI has taken a "Field of Dreams" approach—if they build it, customers will come. This approach has produced mixed results.

One of the flaws stems from the fact that the current franchise agreement places a disproportionate cost burden on the franchisee. For instance, SEI has the contractual obligation to install equipment in the store, including items needed to provide foodservice. This is a one-time finite expense with enormous amortized tax benefits for SEI. The franchisee, on the other hand, is left to grapple with increasing labor costs that occur with every fresh food transaction. The franchisee agreement must be changed to allow a portion of franchisee labor costs to be shared with SEI.

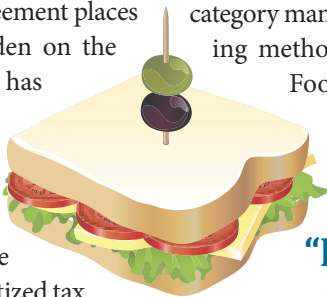
Second, it is very difficult to manage the Fresh Food category inventory. Again, SEI has taken an "if you build they will come" approach. Due to the extremely short shelf life

imposed on the products, writeoffs on sandwiches and salads are high. Field consultants are demanding display

**"Franchisees grapple with increasing labor costs that occur with every fresh food transaction."**

cases be filled daily to entice our customers to believe the product is fresh and of phenomenal quality. Franchisees are forced to spend money on labor to order, stock and dispose of unsold product daily. In order for our foodservice to truly work, SEI must develop the fresh food our customer truly wants to purchase with a reasonable shelf life to reduce write-offs. Our customers have never believed we are offering a fresh product.

Third, SEI needs to remove the obstacles for franchisees to embrace Fresh Food category management. The retail accounting method for Roller Grill and Hot Food items needs to be abandoned in favor of a markup process when the item is sold. Too many times the



**"For our foodservice to truly work, we must develop the fresh food our customer wants with a reasonable shelf life to reduce write-offs."**

item count is wrong because the product is packaged by weight and not item count. Too many times franchisees know their employees are not recording write-offs prior to disposing of hot dogs, taquitos, and other Hot Food items. Our employees forget to write off items that they have been encouraged to sample due to the hustle and bustle of the stores. This can result in the counterproductive instructions to cease sampling or even cease writing off out-of-date product. SEI is concerned that some

franchisees may not accurately report sales, but the Asset Protection Department has demonstrated it has the technology to catch dishonest franchisees.

Another obstacle is the need to forecast easily. While the Roller Grill forecast system seems adequate, the Hot Food forecast process is woefully lacking. The two-hour sales data is contrary to the one-hour shelf life of most of the Hot Food items. The process to review the previous four weeks of sales is tedious and difficult. If SEI truly believes Hot Food is the future to replace lost cigarette revenues, franchisees must have the support needed to succeed.

Additionally, SEI needs to advertise the Fresh Foods offering. The excuses provided in the past are inadequate. SEI has previously said stores were not clean enough to invite guests to visit. SEI has suspended the monthly GEA inspections and reduced the frequency to twice a quarter due to the improved average score of 80 percent. Another excuse for lack of advertising is the lack of the Hot Food offerings in enough stores. SEI has a timeline for the addition of

the Hot Foods program across the nation and is rapidly adding Hot Foods to many stores. What is the critical mass needed before SEI will begin advertising this product? Many of our suppliers spend more on advertising one new item than SEI spends in one year advertising 7-Eleven, including the cost of point of purchase materials sent to the store, which in many cases is also paid for by the supplier community.

Is Fresh Foods a field of dreams, or truly the future of 7-Eleven? **AV**

ROGER  
ST. GEORGE  
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saint@comcast.net



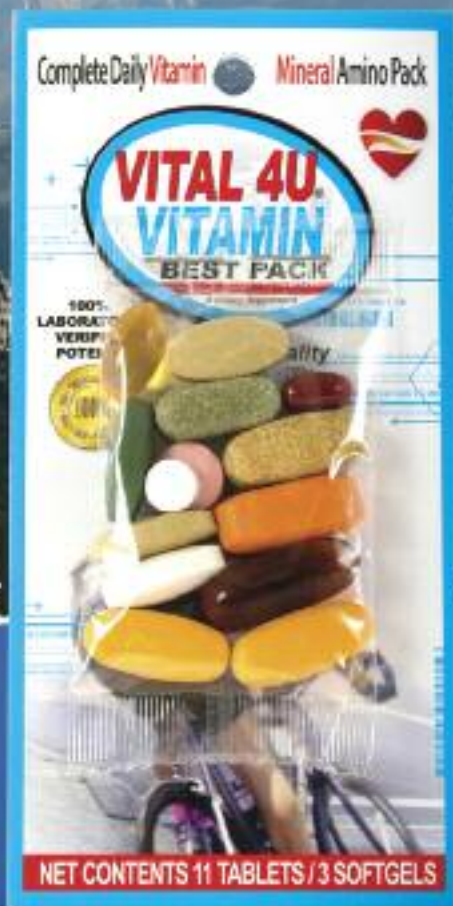
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your customers want!



# Don't Miss Out On The Work Opportunity Tax Credit Program

By Paige Burton, Director Of Public Relations, TaxBreak

TaxBreak is proud to be the chosen tax credit service provider for all 7-Eleven corporate and franchise locations. We are excited to extend our corporate service offerings and low corporate rate to every franchise owner.

With over fifteen years' experience and 75,000 client locations nationwide, TaxBreak has solidified its efforts as the industry leader in tax credit recovery. Our team of dedicated professionals is unmatched and this is easily measured with the amount of cash flow we drive to our clients' bottom-line.

Typically, one in five new hires (on food stamps or government assistance) may qualify their employer for a Work Opportunity Tax Credit (WOTC) worth up to \$9,600. 7-Eleven corporate stores have already reduced their tax liability by tens of thousands of dollars, simply by taking advantage of this program.

7-Eleven has negotiated a very low rate of 10 percent for our WOTC service. This is a success-based program, meaning we will screen all new hires for free. Franchise owners are only billed if we find Work Opportunity Tax Credits for their locations. If we do not find the franchisee any credits, they will not owe us a penny!

**“One in five new hires may qualify their employer for a Work Opportunity Tax Credit (WOTC) worth up to 9,600.”**



Since this partnership started in March, we have been working diligently to sign up and begin processing all franchise locations. However, this has proven to be a challenge. Previously, the WOTC program was handled on a corporate level. Many franchise owners are not aware of the change, while others have never taken advantage of the tax credit program. Now is the time for each franchisee owner to maximize the benefits this partnership has to offer.

continued on page 56

## Common Franchise Owner Questions

### 1. How do you get my new hire information?

When you hire a new employee, please have them fill out Tax Form 8850 and our Tax Credit Questionnaire. Mail the forms, along with a copy of the employee's driver's license or State ID to our processing center. When you sign up with TaxBreak, we provide you with pre-paid postage envelopes to help make the process easier.

### 2. Who receives the credit?

You and your franchise receive the credit.

### 3. Who pays for this credit?

Each franchise owner will be billed, but only if a credit was recovered. There is no financial risk.

### 4. How does TaxBreak receive my payroll information?

7-Eleven Corporate will send TaxBreak payroll information once a year.

### 5. What are the deadlines?

TaxBreak has 28 days from each employee's start dates to get their information in for screening. It is important to note that it is a 28 day deadline from the start date, not the hire date.

### 6. How can I tell if my employee qualifies?

There is no way to tell if your new hire will qualify by the answers that they check on their forms. Even if it appears an employee may not qualify, send in their information. There are thousands of federal and state zone and geographical credits that have to be searched in our extensive database.

### 7. When will I get my tax credits?

For a 12-month calendar year ending on December 31, you will receive credit information in February of the following year, and the credits can be awarded to you on your income tax that is due in April. All paperwork and tax reports you will need are provided by TaxBreak.



Our partnership with 7-Eleven now allows for a more franchise-friendly tax credit program. Every franchise owner has complete control. Each owner will have access to all their account information and have the ability to access the status of

Eleven franchise owners.

### HOW TO SIGN UP

All TaxBreak signup forms and processing forms for employees are conveniently located on the 7-Hub site. The pathway is as follows:

### “7-Eleven has negotiated a very low rate of 10 percent for our WOTC service.”

all processed employees. Furthermore, reporting and dashboards make it easy to understand how the tax credit program is working.

Signing up and processing is easy, but it is very important to understand the program in order to best utilize our services. “Common Franchise Owner Questions” explains how to sign up and provides a list of answers to commonly asked questions from 7-

7-Hub → Stores → Human Resources and Training → Employee Management → WOTC

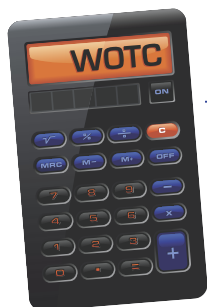
Locate the Franchisee Set-Up Forms in the TaxBreak folder. The folder contains the following documents needed to set up your account:

- Franchise Client Service Agreement
- Franchise Specific Power-of-Attorney
- Franchise New Client Information Form

Please print these forms and mail them back to the Tax Credit Processing Center at P.O. Box 8427, Gadsden, AL 35902.

After forms are mailed, please email a request for your Welcome Packet to 711@taxbreakcredits.com. Use “Request for (store number)” in the subject line. In the case of multiple locations, list all store numbers. **AV**

Contact Paige Burton at 256-388-0246 or [pburton@taxbreakcredits.com](mailto:pburton@taxbreakcredits.com)



## “Franchise owners are only billed if TaxBreak finds Work Opportunity Tax Credits for their stores.”

### Join The National Coalition

The strength of an independent trade association lies in its ability to promote, protect and advance the best interests of its members, something no single member or advisory group can achieve. The independent trade association can create a better understanding between its members and those with whom it deals. National Coalition offices are located in Tucson, Arizona. All queries and requests for information should be directed to:

#### National Coalition Of Associations Of 7-Eleven Franchisees

3561 East Sunrise Drive, Suite 135  
Tucson, AZ 85718  
Office 520-577-8711 • Fax 520-577-4688  
E-mail: [nationaloffice@ncasef.com](mailto:nationaloffice@ncasef.com)



continued from page 42

for treatments, reported the *New York Times*. • **The percentage of adult smokers in the U.S. dropped to 18 percent** in 2012 from 19 percent in 2011, according to the Centers for Disease Control and Prevention. • **In an effort to be known for more than just coffee, Starbucks has been experimenting with handcrafted sodas** in stores in Atlanta and Austin, Texas, reported the *Wall Street Journal*. Its new drinks, made with a carbonation machine, come in such varieties as lemon ale, spiced root beer and ginger ale. • Sandwich chain **Subway recently revealed plans to add more than 10,000 new stores** worldwide by 2017, with the goal of getting to 100,000 by 2030, reported *Bloomberg*. The chain presently has 39,500 restaurants globally. • Several retailers—including **7-Eleven**, Cumberland Farms, Tedeschi Food Shops, CVS, Duane Reade, Kmart, Rite Aid, and Walgreens—**refused to carry the August issue of Rolling Stone magazine** because it featured Boston bombing suspect Dzhokhar Tsarnaev on its cover, reported *USA Today*. • **Vanilla is the favorite ice cream flavor among Americans** for a second year in a row, and premium ice cream is a top seller while frozen yogurt posts a steady increase in demand, reveals the second annual survey of International Ice Cream Association member companies. • **Trader Joe's is North America's favorite grocery store based on customer satisfaction**, according to a new study conducted by Market Force Information. **Publix Super Markets** and **Whole Foods Market** rounded out the top three. All three received high marks for courteous staff, inviting atmosphere and high-quality produce. • Almost one-fifth of the attendees at this year's franchise expo in New York City were **international franchisees seeking to bring American brands to their countries**, reported CNNMoney. • U.S. private-sector franchise jobs increased by 27,910 during the month of June 2013—an increase over the 19,160 jobs added in May, according to the ADP National Franchise Report. • **Coca-Cola brands represent approximately 88 percent of Slurpee volume at 7-Eleven**, with Coke Classic and Fanta Wild Cherry representing 49 percent of total sales. • Electronic cigarette manufacturer **LOGIC Technology** recently added former Altria senior vice president Miguel Martin to its executive team in the role of president. • **The Florida Lottery topped \$5 billion in sales** for the first time during the fiscal

continued on page 76



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CHERRY / CARTON - 25 TWO PACKS SLIN 321445 - UIN 554034 7 84762 07204 7	MELON / CARTON - 25 TWO PACKS SLIN 321444 - UIN 555102 7 84762 07205 4	ORANGE / CARTON - 25 TWO PACKS SLIN 320864 - UIN 214428 7 84762 07210 8
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PEACH / CARTON - 25 TWO PACKS SLIN 321443 - UIN 559201 7 84762 07203 0	STRAIGHT-UP / CARTON - 25 TWO PACKS SLIN 321478 - UIN 74633 7 84762 07208 5	PEAR SMOKE TOBACCO / CARTON - 15 PACKS SLIN 320238 - UIN 555631 7 84762 07175 0



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GRAPE / CARTON - 25 TWO PACKS SLIN 321209 - UIN 600910 7 84762 07807 0	BLUEBERRY / CARTON - 25 TWO PACKS SLIN 321292 - UIN 600094 7 84762 07817 9



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# > PRESIDENTS' REPORTS

## JULY·AUGUST > Las Vegas, Nevada



National Coalition Chairman Bruce Maples said 7-Eleven is under the microscope of the government, the media, and public opinion.



National Counsel Craig Kennedy said that government investigators would look at I-9s going back three years.

### FOA Of Greater Los Angeles

Kathy York, President

Our Zone is awaiting the conversion to the BT hybrid model. We understand it will start in September and take a couple of months to roll out. We are looking forward to working with our vendors again and being able to receive the items our customers have wanted that we were unable to deliver.

Our Zone has rolled out Hot Foods to more stores. The information I am receiving is no store is reaching the goal of \$150 per day. It seems to me we need a plan from the Merchandising Department and POS material from SEI to assist us in getting the word out to our customers. SEI needs to look at some of the older stores and ask themselves, "Would you buy hot foods from an older store that has not had a physical plant upgrade and floors on the inside that haven't been replaced in 40 years?" There is only so much we can do on the inside. We need curb appeal to get customers in our stores, and once they are in the store the floors need to be clean and in good condition.

**"An I-9 issue could affect the acquisition of another store."**

**—Craig Kennedy,  
General Counsel,  
NCASEF**

### New England FOA

Dennis Lane, President

7-Eleven Day continues to grow year-after-year, bringing more and more footsteps through our doors. In New England, where advertising is scarce, it is one event that gets plenty of coverage in the press, and in recent years social media more than anything else has driven more and more people into our stores on July 11.

The other benefit of 7-Eleven Day is that it gives our franchisees an opportunity to strut their stuff and showcase the pride that we take in our brand—and no one else has Slurpee, so it is truly our day and something that our competitors cannot compete against.

Issues facing the franchise community in New England continue to include communication. Market managers continue to manage the markets without administrative assistance. They do it all. An administrative assistant would be an investment in the market and free up market managers to communicate better and focus on sales, not standing in line at Fed Ex.

Recently, several FOA presidents including myself met with a consulting group formed by five high-level retired 7-Eleven executives. This private company has years of experience working within SEI and has the expertise to assist with HQIA packages and price changes. They are experts in their fields. Please feel free to reach out to me for their contact info.

## San Diego FOA

Bic Sidhu, President

The San Diego market's second quarter 2013 compared to second quarter 2012 has been experiencing a positive sales growth trend. Our merchandise sales were up \$174 APSD, gross profit was up \$60, and inventory turns were at 19.4. The market showed our YTD sales margin at 39.5 percent, an increase of 0.5 percent compared to the previous year. The innovative introduction of Mini Tacos, Corn Dogs, and Mozzarella Sticks to the Hot Foods category resulted in an increase of \$11 APSD. The Food Service category saw an increase of \$26 APSD, Non-Alcoholic Beverages topped the category in increase for \$47 APSD. The bundling of the sandwich with Coke and water resulted in both categories seeing an increase. The promo offer in the snacks category on nutritional bars, chips, cookies, and salty snacks resulted in an increase of \$29.

The Business Transformation Hybrid Model (currently in place in Texas and Florida) will be expanded to Las Vegas, San Diego and the Pacific Northwest Zone. Expansion will begin in Q4 2013, with most activity occurring in Q1 2014.

Our FOA monthly meetings have been experiencing high attendance. We had a successful golf tournament in June and donated \$10,000 to the Warrior Foundation. Our Holiday Party is on Saturday, December 7 at the Harrah's Rincon Casino.

## Cal-Neva FOA

Richard Rose, President

This is the toughest President's Report that I have ever written. The last few weeks have been difficult, as we have heard through the media and from the federal government that the integrity of our business has been compromised. In its wake we find ourselves trying to defend our business and right the



Vice Chairman Jay Singh emphasized the importance of correct reporting and I-9 compliance.

wrong that has been done. As I write this report, I have found positive comments to write about our Reno-Tahoe market area. On the bright side it has been reported that our market is leading the Zone for sales increases over the last two years. Another

**"If you do not have I-9s for all your employees, create them now to avoid future problems."**

**—Jivtesh Gill, Executive Vice Chairman**



positive fact is that even in the waning 100 Days of Summer, sales continue to be good and we are hoping to have enough saved to survive the colder months. The only negative was that unfortunately, two of our market's franchised stores were given back to SEI at the height of our selling season.

The Cal-Neva FOA will host its 11th annual Lou Magnotti Golf Classic on August 16, 2013. Lou was the Cal-Neva's Vice President when he was taken from us while snowmobiling. His love for the children with Muscular Dystrophy was the impetus that helped to start this classic. Fun, food and competition will be the note of the day during this golf tournament that will be held in Minden, Nevada.

Our next event is the Breast Cancer Fundraiser, Save the Tatas, that will be held in October. We will join this important nationwide venture in the fight against breast cancer. We hope you will also join us in this worthwhile event.

## Washington, D.C. FOA

Mark Chiochankitmun, President

The unfortunate incidents involving our system in Long Island and Virginia have caused us to focus less on our main business. Instead, we are now paying more attention to things being reviewed by SEI, because we risk facing a breach if we don't get it right. Currently, many franchisees throughout the country are dealing

with the signature request on Franchisee Record-Keeping Certifications to SEI, due to the lack of completion on their I-9s.

All and all, we are finding that communications within our system is no longer a two-way street, and we believe this should be improved immedi-

ately. The mood around our area is business as usual, but more and more stores are facing declines in sales and GP each and every day, which is unheard of in the past for Washington, D.C.

## Pacific Northwest FOA

Maninder Walia, President

I hope it has been a great summer for franchisees across the nation. The Pacific Northwest Zone had a good summer-selling season this year—merchandise sales was up 7.2 percent and GP percent increased for the month of June. About 40

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more stores are being equipped with Hot Foods starting in August. Mozzarella cheese sticks are selling good in Hot Food stores. Strawberry Lemonade Gatorade and Soda Shaq have helped increase Non-Alcoholic category sales. The SEI team is actively working on implementing BT in our markets, but franchisees have not received any information on the changes or benefits of the new delivery system.

Franchisees are still concerned about the inconsistencies among GEA inspectors, and the time spent looking into microscopic cleaning details. Hand washing and wearing gloves before serving hot dogs and Taquitos or other food is another area of concern for franchisees of low volume stores, who normally have only one sales associate working behind the register. This increases the transaction time and affects convenience and quick check out. Franchisees also are concerned about too much intrusion by the 7-Eleven team members in managing everyday store operations. No changes have been made to deliver hot dogs/taquitos/tobacco by McLane. These and many other products are still being delivered by the CDC at an increased cost to the stores.

**“Over 60 percent of the people purchasing stores are existing franchisees.”**

**—Bruce Maples,  
Chairman, NCASEF**

Shelf tags for pricing have arrived in our stores and franchisees can now print them from the store ISP every week. After McLane stopped fixing price stickers, the Pacific NW FOA demanded that 7-Eleven provide franchisees price tags for every product in the store, as it has increased franchisees' labor cost. We thank SEI's IT team led by Grant Allen for their hard work in bringing this project to fruition.

The Pacific NW FOA's charity golf tournament was held on August 13 at the Harbor Pointe Golf Club in Mukilteo, Washington. About 150 vendor partners, franchisees and 7-Eleven team members participated. It was a great event and everyone enjoyed a great game of golf and raised money for the charity. The Pacific NW FOA thanks all the vendor partners for making this year's event successful. Our FOA holiday party is on December 7 (Saturday) in Seattle. All FOA members and vendor partners are invited to attend. Formal invitations will be sent to everybody as soon as the venue is finalized.

## Sacramento Valley FOA

Jay Brar, President

The buzz in our area is Hot Foods. Area franchisees seem to be very excited with this new addition, which generates average sales of \$150 per day. Currently we have more than 13 stores in the market and at least 31 stores in the Zone with Hot Foods, and the program is making a huge difference in their daily sales. At plus 7.03 percent, food service was the largest growth category in the market. The Hot Foods category was up 50 percent. Overall, in the Fresh Foods category in the Metro Area (Bay Area), numbers were reported as follows: Total Fresh Foods—\$449.02; Fresh Sandwiches—\$65.78; Hot Foods—\$14.09; Grill—4127.39; Total Bakery—\$159.55; and Total Cold—\$82.28. All data is \$PSD (per sales day) as of June 2013.

Another buzz is shelf tags, which will be delivered to stores by the end of August. However, store operators will need to go over the training materials and clean up the Manage Deleted Items in the Weekly Merchandising Cycle. All training materials can be found on 7-HUB.

Although area franchisees were a bit disappointed at having just a few really hot summer days, sales were up 3.3 percent in the market nonetheless.



SEI Director Franchise Relations Eric DeFrancisco pledged stronger communications with franchisees.



FOA of Greater LA President Kathy York said the BT hybrid model will replace the consolidated model currently in use in Southern California.



Greater Bay FOA President Ray Dhaliwal urged franchisees to eliminate the unknown by following I-9 regulations.

In the past few months, area franchisees have been grappling with issues such as encroachment, I-9 verifications, the CDC and cleanliness inspections. There is no doubt in my mind that with the National Coalition leadership team's help franchisees will soon operate in a more stress-free and secured manner.

Franchisees have a lot on their plates in regard to future plans. New sales plan items include: \$1 Coffee Wednesdays, which starts next month; the new co-branded Pillsbury Cinnamon Roll, which begins on September

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2 (this is our first served-warm Fresh Bakery item); the new Diablo Chicken Ranch Sandwich served on pretzel bread, which begins this month; and for the grill—new French Toast Sausage Roller; and Caramel Apple Mini Donuts, which begins on September 9. The future plans seem to be very promising. I wish all franchisees the best of luck.

## Suburban Washington FOA

Pete Gragnano, President

July and August in the Washington, D.C. area has been cooler than normal. This has led to lower customer counts and a decrease in sales compared to last year's hot weather.



Labor Lawyer Robert D. Haws said the best practice is to keep I-9s together on file in the stores in which the employees were hired.

**“Penalties for I-9 infractions depend on size of the business, good faith, seriousness of the infraction, and work history.”**  
—Robert D. Haws, Esq.  
Gust Rosenfeld, PLC

On the legislative front, the Prince George's County Council has passed a bill that will regulate 24-hour businesses, namely gas stations and convenience stores. These regulations would require, among other things, registration and training of owners and employees, cash handling limits, the installation of HD security cameras, and requirement of a “trespass affidavit.” Fines up to \$500 for violations and potential loss of occupancy and use permits will be used to insure compliance. Working with SEI's lobbyist, franchisees—as well as local retailer and service station associations—have sent a letter to the County Executive requesting that he veto the bill because of its detrimental impact to small businesses.

In an effort to give back to the local communities and our customers, and working with one of our local vendor partners, our association supplied the water consumed by all of the players participating in the Ethiopian Football Federation soccer tournament held at the University of Maryland from June 30 to July 4.

In conjunction with the FOAs of Wash-

ington, D.C. and Baltimore, and under the umbrella of the TriState FOSE Association, we will be holding our 5th annual charity golf tournament benefiting the Johns Hopkins Children's Center on September 25 at the Little Bennett Golf Course in Clarksburg, MD.

## Columbia Pacific FOA

Bill Huffman, President

The Columbia Pacific FOA has welcomed five new Board Members this year. They are: John (Harbarjon) Ghotra, Junaid Akhtar, Stan Singh, Tim Jewsbury and Suzy Ho. Both Stan and Tim are on the NBLC, so we have great representation on our Board.

Sales in Oregon and Southwest Washington for the first six months of 2013 are up 4.95 percent. Gross Income is up 5.3 percent, and net income is up \$1,556 for this 6-month period.

Current issues effecting franchisees are I-9s, maintenance charges, underperforming stores, “Red” scores on the multiple qualification scorecard, and pressure by field consultants to comply with the ever-changing 7-Eleven Business System. Stores in Southern Oregon are dealing with soft sales due to thick smoke and severe unhealthy air quality conditions caused by tremendous forest fires throughout the region.

Market 2363 has a new Market Manager, Chris Bill, who has been an outstanding field consultant for almost 20 years in Market 2361. We welcome her to our market.

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San Diego FOA President Bic Siddhu said hot foods needed to be tracked by unit, not weight.



UFOLI President Phil Castaldo reported that additional Long Island franchisees had records subpoenaed.



Joe Saraceno FOA Vice President Matt Mattu said his FOA was working with Zone management on maintenance charges.



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Our John Wilkerson Memorial Golf Tournament was held August 2 in Salem with almost 100 golfers attending. The weather cooperated and a great time was had by all. Our next event is a General Membership meeting on October 10 in Portland.

## Baltimore FOA

Linda Haddaway, President

For many of us, the 100 Days of Summer are our most profitable time of the year. We look forward to these hot days, which bring everyone outdoors and into our stores. Summer months traditionally have higher customer counts, but not this year. In fact, Baltimore has suffered with decreased customer counts YTD, which equates to sales decreases YTD. We were hoping for a warmer August, but halfway into the month our weather is unseasonably cool and we again have had many rainy days.

Lack of advertising, bad weather and a still recovering economy have not played well for our business. Encroachment has been a continuing hot topic that has had a negative impact on existing stores.

Our charity golf outing is scheduled for September 25. Our proceeds are donated to the Johns Hopkins Children's Center. This event is hosted together with the Washington, D.C. and Suburban Washington FOAs. Last year we raised \$18,000 and we hope to increase that amount this year.

## Las Vegas FOA

Jay Singh, President

The Las Vegas economy is finally seeing some signs of recovery. Home prices have gone up double digits, but are still not up to previous levels. The workforce is moving back to town. Few new homes are being built. Both markets are up in merchandise sales, especially in food service. Hot Foods has been rolled out in about 70 stores. The BT hybrid model will be rolled in some stores in October, and the rest of the stores will get it in



Rocky Mountain FOA President Wayne Matthews reported raising \$40,000 for MDA in the FOA's golf tournament.



Vice Chairman Jas Dhillon said franchisees should get an e-mail automatically if their store goes under equity.

2014. Our annual charity golf tournament will be held on September 20, 2013. Our Tabletop Trade Show will be on December 6. Below are the figures for both markets.

- Market 1607: Sales versus 2012 are up 1.61 percent; without Cigs 1.59 percent; Guest Count is plus 5 APSD; Gasoline is up 4.99 percent; GP\$ 0.79 percent
- Market 1608: Sales versus 2012 are up 0.59 percent; without Cigs 1.62 percent; Guest Count is plus 1 APSD; Gasoline is up 10.06 percent; GP\$ 0.52 percent
- Market 1607 Top Five Categories: Non-Alcoholic Beverages plus \$24.60; Alcohol plus \$22.60; Tobacco plus \$11.70; Food Service plus 11.10; Snacks plus 10.70
- Market 1608 Top Five Categories: Alcohol plus \$22.00, Non-Alcoholic Beverages plus \$21.40; Food Service plus \$12.20; Tobacco plus 11.20; Snacks plus 11.20



Eastern Virginia FOA President Romy Singh said his FOA has requested a meeting with the Zone manager every quarter.



The Coalition accepted the membership of the Greater Seattle FOA and President AJ Jamda and VP Avtar Rana.

- Market 1607 Bottom 5 Categories: Cold Disp (\$11.70)—still cycling reduced retail on Big Gulp; Dairy (\$10.00); HBC (\$6.30); Pkg Foods (\$3.60); Refrigerated Products (\$1.10)
- Market 1608 Bottom 5 Categories: Cold Disp (\$11.80); Dairy (\$9.90); Cigs (\$7.40); HBC (\$5.90); Frozen Treats (\$2.40)

## Delaware Valley FOA

M. Al Haffar, President

Sales increases vary from store-to-store, averaging 5 percent, and many have remained flat. Some stores have experienced a spike of 10 percent or more when a nearby Wawa is shut down for a one-day quick remodel.

Our local CDC has experienced many inconsistencies related to huge shortages, misspicks, overages, and short-coded products. This was reported to a local SEI office,

**“We have asked SEI to change the split to 60-40 for low-volume stores.” —Bruce Maples, NCASEF Chairman**

which claims to be aware of the issue and is working to fix it.

Many stores have complained about the temperature control exercised centrally by SEI and the locked control panels. Stores are not able to modify heating/cooling store temperatures, causing a stressful work environment for our employees and creating an unpleasant shopping experience for our customers. Candies are melting on store shelves, impacting product quality. A presentation by



**New England FOA President Dennis Lane said government law will trump whatever is said in the franchise agreement.**

SEI Asset protection about lottery reconciliation was very useful to our members during our local meeting held recently.

## Rocky Mountain FOA

Wayne Mathews, President

So what has happened in Colorado since my last report? While I draw a blank as soon as I attempt to put it all in words for this report, I remind myself we have had a very busy summer as an FOA with multiple functions and a couple of new programs we are working on.

We started summer off with our family picnic in Denver in June with good food, good friends and a couple of clowns. No, not them—real clowns who provided fun for all, balloons and face painting for the kids. Shortly after, we began our first FOA ad campaign for our franchisees via fifteen bus signs throughout the Denver area and three billboards in Colorado Springs, all rotating over July, August and September. The jury is still out on how effective it will be, but the early feedback is positive.

As summer comes to an end, the RMFOA held our annual charity golf day for the MDA at the Country Club at Cheyenne Mountain. What a beautiful course and great staff at the resort. We are pleased to report we had our best event yet—with 112 golfers participating we raised \$40,000 for the MDA. Thanks to everyone who participated and our sponsors, who not only took the time to come out, but opened their wallets and donated to such a great cause.



**Central Florida FOA Fari Ishani said the relationship between stores and management was strained with recent arrests.**

The following day we held our third annual trade show at the Hotel Elegante, formerly the Crown Plaza in Colorado Springs. Again, we were pleased with the support of our vendor partners who came out to participate in record numbers, making this our biggest show to date. Franchisee participation was at an all-time high along with their families, managers and SEI market managers and field consultants all coming out to support the event. I also want to thank our NCASEF Chairman Bruce Maples for taking time to come out and support both our golf day and trade show.

We are working on next year now and look forward to seeing even more of you here in Colorado next August. From a technical and communication aspect, we are working on development of our RMFOA App for smart phones to improve communication and

awareness of all the events of our association. Look for it to be up over the next few weeks. Thanks again to all who support our FOA.

## Kansas City FOA

Faisal Asad, President

Franchisees in Market 1951 are grateful to SEI and the NCASEF for addressing the CDS issue. Franchisees are expressing positive and constructive energy about their



**General Counsel Craig Kennedy advised franchisees to respond in writing to equity and cleanliness breaches.**

stores as we work with the local SEI leadership. We hope SEI adds more stores in this region and revamps the image of our current stores (25 to 30 years old) so we can present

**“They are field consultants, not field generals.”**

**(overheard at the July 12-13, 2013 Board Meeting)**

our guests with the upgraded 7-Eleven experience and take our fair share from Qt. Adding new equipment to our stores that cater to current trends (guest wants) will definitely add more to our bottom line profits. Such equipment includes new fountain machines, fresh tea brewers and Hot Foods!

Our FOA is facilitating workshops in collaboration with field consultants and franchisees to sync, addressing different business fundamentals and analyzing reports that are leading towards progressive devel-

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opment. Our GEA scores are the highest in the Zone so far, and sales plans are executed at their best.

The weather has not supported our efforts compared to last year. We have had snowstorms in May, 60 to 70 degree temperatures in August, and rain for weeks.

I am personally grateful to all the franchisees and SEI in Market 1951 for their willingness to step up and take the lead in the best interest of our brand. We look forward to more good things happening for KC/STL guests and our 7-Eleven brand.



UFOLI Treasurer Ram Ramachandran said the pressure on Long Island franchisees was intense.



Sacramento Valley FOA President Jay Brar said franchisees are very excited about the hot foods program.



FOAC President Joe Rossi said the FOA has been invited to ribbon-cut the dedication of a new hospital wing.

## Central California FOA

Sunny S. Chauhan,  
President

August has been a soft sales month, with much cooler temperatures compared to last year at the same time. Average temperature was in the 90s through August 14, 2013 compared to 110 degrees plus weather at the same time in 2012. August MTD, market sales are flat at 0.4 percent, but Thursday and Friday were up 5.7 percent and 3.2 percent, respectively.

Hot Foods is the major project being worked on in our market, and we currently have 11 stores with Hot Foods equipment installed. Prospective franchisees, along with a sales associate, are being trained at the pilot store before having the Hot Foods program implemented in their stores. In addition, the field consultants are working 6-7 days providing additional training at the store with all the sales associates and the franchisee on the first day of launch of the Hot Foods program. Franchisees, along with our market manager and his team, are excited about this program being an addition to our fresh foods category and are very optimistic that it will be a winner. The market will have 20 Hot Foods stores open and selling by the end of August. Our market goal is to reach \$150 APSD as quickly as possible. So far, the week ending August 4 we closed at \$154.72 APSD, and the week ending August 11 we closed at \$130.41 with 11 stores selling.

Total merchandise sales in the market is up in July 7.6 percent YTD, total merchandise gross profit through second quarter of 2013 is at 40.1 percent, inventory turns are at 17.9, and PSA 17. Food Service APSD dollars are at \$348 through the second quarter of 2013.

Franchisees who want to grow their store base in the system are very frustrated with the new multiple criteria in place that—along with the analytics and matrixes—makes it a very cumbersome, difficult and lengthy process. Stores that continued to be

**“We are partners. If we solve things together, the better it is.”**

**—Bill Huffman, President,  
Columbia Pacific FOA**

all Green under the old multiple criteria are Red under the new criteria. In addition, the new financial checklist is a huge burden. Franchisees want SEI senior management to revisit this and streamline the process.

Our GEA evaluation scores continue to drop as a result of recent changes in the GEA team in our market area. Franchisees are concerned and want to know if all of the GEA personnel are calibrated to the same standards. We had a very productive ZLC meeting with our new Zone leader Nancy Taylor on July 25 in Pleasanton, where attendance by FOA presidents, vice presidents, and select franchisees was in full swing. There were several presentations by SEI personnel and we had open roundtable discussions on many key items like FM Maintenance, CDC and Logistics, GEA Evaluations, and the new Multiple Criteria.

## Eastern Virginia FOA

Romy Singh, President

Our FOA met with CDC management recently to talk about ongoing franchisee issues with shortages and on-time deliveries. CDC officials took the issues very seriously and promised to look into every one. Our group also met with our Zone Leader recently, and we told him about our ongoing issues to date. Communication was the number issue. We also discussed the need to have this type of Zone meeting every quarter. He promised to meet with us every quarter. Besides the Zone Leader, there were three market managers at the meeting, and the discussions went very well. We talked about several issues, including accounting and gas pricing, and he promised us he would get back to us with answers by the next Zone meeting.

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Our FOA had a picnic on August 11 at Mount Trashmore Park in Virginia Beach. It was a very successful event. More than 100 franchisees and their families, as well as our market managers and their families, attended. We will have our Holiday Party On December 7 in Virginia Beach. We hope to have all our market managers and our Zone Leader attend. Our FOA now has 89 members, the largest in the mid-East area, and we are working hard to increase membership.



**“Franchisees want to know that the local FOAs and the National Coalition are behind them.”**  
—Joe Galea, President, SF/MB FOA

## Central Valley FOA

Sukhi Sandhu, Vice President

2013 continues to be a soft year, with sales up 1.6 percent. Our strongest category growth is led by Non-Alcoholic beverages, up 8 percent, no doubt due to the multiple deals in the vault. Fresh foods is up almost 2 percent as we start to roll out the Hot Foods program in our area. This rollout comes with some franchisee hesitation due to its impact on our labor, and it's ability to deliver to our bottom line. In some areas installs have been put on hold due to Health Department issues,

but stores that have been installed are averaging \$141 PSD and growing each week. Although there are numerous items available in the Hot Foods program, we still can't toast our sandwiches or breakfast sandwiches. The quality of the product seems to go downhill fast, even within the time allotted.

Along with Hot Food installs, stores are getting the “trimmed down version” of the coffee upgrade. Even with keeping the existing counters and counter top, the new urns

do look sharp. Some franchisees have concerns that the number of urns allotted to each store is not enough to keep up with coffee rush. While the numbers may pencil out, the practical execution proves difficult.

Franchisees'

focus seems to be pulled in so many different directions away from sales these days. Emphasis is on the urgency of chasing points for GEA scores, crossing all the “t”s and dotting all the “i”s on I-9s, and “red” or “green” on the POS analytics report. What are the “averages” anyway? I wish we had more time to really focus on first day execution, the Power of One and the new coffee tool, but franchisees are finding their time and their manager's time being spent more and more in the office instead of on the sales floor so we can become “average” operators. Programs are necessary if they help us run

a more efficient business, but going from one extreme to another can be detrimental to our sales and profits.

## Northern California FOA

Raj Brar, President

In the financial area, merchandise sales are pretty flat. The Hot Foods program is turning out to be quite a challenge—not enough sales and the cost of the foods is too high, including the cost of labor. All told, area franchisees are not making much money off the program. Franchisees are very concerned about their bottom lines and sales. Franchisees are also concerned about the I-9 fiasco and the image of our system throughout the country. In lighter news, we are having our Christmas party on December 6, and I extend an open invitation for all to attend.

## FOA Chicagoland

Joe Rossi, President

The FOAC's Annual Charity Golf Outing was on Thursday, August 22nd at St. Andrew's Golf and Country Club in West Chicago. What an event! We hosted over 200 vendors, fellow franchisees, and friends in a nice day out on the course. The FOAC thanks all of our sponsors for their continuous contributions to this year's golf outing. We are proud to support the Ann and Robert H. Lurie Children's Hospital of Chicago, the BTB Foundation, and the Gift of Hope:

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Phoenix Vice President Rick Underwood said his area has had immigration investigations for some time.



Columbia Pacific President Bill Huffman reported a 7-Eleven branded lottery game in Oregon.



Northeast FOA President Neil Shah said that the image of 7-Eleven has to be managed very carefully.



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On Wednesday, August 21 the FOAC was honored with a ribbon cutting at the Ann and Robert H. Lurie Children's Hospital of Chicago for their Snow City Art Wing.

The FOAC is excited to announce our Holiday Trade Show on Wednesday, November 6 at the Holiday Inn North Shore. Last year's event was so well-attended that we are expanding our space to accommodate all of our trade show vendors, our franchisees, and guests. The event begins with the trade show starting at 2 pm to 5:30 pm in the ballroom, followed by a cocktail hour in the atrium, awards ceremony, and dinner and entertainment to follow! We invite you to join us to celebrate the year with us. We have a busy year ahead and wish everyone the best of luck! Happy selling.

## Virginia FOA

Waqar Sheikh, President

SEI announced the dates for its 2014 7-Eleven Experience event earlier this year in order to give franchisees more time to make arrangements to attend. As it did with this year's 7-Eleven Experience, the Virginia FOA is encouraging all of its members to attend. We strongly believe that franchisees should support any 7-Eleven event—whether it's organized by our FOAs or the National Coalition or corporate—because it helps strengthen our brand and we get to learn about the latest news, programs, and products coming from the 7-Eleven system. Our FOA paid for 25 members to attend the 7-Eleven Experience this year, and we plan to do the same next year.

We had a very good trade show in June and we are planning next year's trade show to be around March. We have

meetings every month and we recently attended the NBLC event held in Virginia. Mr. Bill Landon was there and we had the opportunity to discuss with him issues our franchisees are facing. He very carefully listened to us and promised to resolve as many issues as he could. We are looking forward to his promises, and hopefully one by one our issues will be addressed. The weather has not been very friendly so we don't have high sales increases, just static or I would say low. We are looking forward to a good winter and next year.

## Central Florida FOA

Fari Ishani, President

Lately, we have become discouraged with the NBLC meetings because the top SEI managers and officers have not been attending. So the morale is down. Everybody feels as though they are basically wasting time by going to the meetings and participating in the conference calls because all we talk about are the issues but we can't get any answers and the meetings get postponed time and again. It is very disappointing that SEI is doing this. I would like to see 7-Eleven take the NBLC as seriously franchisees do.

Our FOA membership has grown from 160 to 187 members. We have our election coming up in December for the new Board. We also have a trade show that is scheduled for February 24, 2014.

We have a lot of frustrated franchisees ever since the turmoil up north. The relationship between SEI and the local FOAs has

somewhat deteriorated. We are not getting



Denver FOA President Robert Marquez said the vendor approval process is only the first step in getting franchisees to purchase products.



Chesapeake Bay FOA President Stuart Walters said that recent events have hurt 7-Eleven's image in the mid-Atlantic area.

the same communication or support that we used to get with SEI because their focus is on other matters. It's touch and go on a daily basis, and this has franchisees on edge. We used to be able to get SEI to participate in our Board meetings. Lately, it seems like any time we call any SEI people like Loss Prevention or Accounting they cancel on us and don't want to participate. There is a lot of tension in the air and it's causing anxiety. We don't know SEI's intention when they come to the store. Everyone is afraid that one day they're going to get a breach or they'll have their store taken over by 7-Eleven without any notice.

Sales this summer depend on the area—some areas are up and some are down. Some of the franchisees were not too happy about the \$0.99 Slurpee and \$0.99 Big Gulp promotion. It somewhat affected our Slurpee GP and everyone thought that Florida should not have participated in this promotion because we are such a hot state. We do have a lot of growth in our area, which makes some of the

**“The decision on the mediation over the DVR issue has been postponed indefinitely while SEI concentrates on responding to issues at hand.”**

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franchisees uncomfortable because of encroachment.

## Joe Saraceno FOA

Matt Mattu,  
Vice President

The Joe Saraceno FOA had some very severe concerns about maintenance charges. Zone Leader Norman Hower was invited to one of our meetings—along with our market managers, field consultants, and GEA representatives—to make sure that our concerns were heard and implemented. In this meeting there were more than 8 personnel just from FM Facility Maintenance, and after listening to all the problems that franchisees were facing, the president and owner of FM took a stand and retired the supervisor that same night. This is the type of good response we need from our vendors.

Zone Leader Norman Hower showed a strong interest in developing an active communication and bridging that gap of relationships with franchisees that is non-existent at present.

The Form I-9 is a big issue for most of the franchisees, and 7-Eleven has been very helpful in explaining at the meetings how they can assist us. I am happy to report that there were no LONS or breaches involved.

My personal goal is to have all the Southern California FOAs come together on our short- and long-term issues and discuss them where all the franchisees can participate under one roof. Success will only be achieved with UNITY and we all know that, so let's make it happen. At our meetings, our focus is to have specific questions for 7-Eleven and obtain written answers so that we don't discuss the same issues at every meeting. **AV**



## Member News

continued from page 34

percent increase in the cost of road building over the last 20 years.

### McDonald's Franchisees Rebel Against Chain



A franchisee revolt is brewing at McDonald's, according to *Bloomberg*. Store operators say the company, looking to improve its bottom line, is increasingly charging them too much to operate their restaurants—including rent, remodeling and fees for training and software. The rising costs are making franchisees, who operate almost 90 percent of the chain's more than 14,100 U.S. locations, less likely to open new restaurants and refurbish them, potentially constraining sales. The tensions between McDonald's and its franchisees come as the company struggles to sell burgers in the U.S. and grow after consumer confidence fell in July. McDonald's CEO said economic weakness would hurt results for the rest of the year.

### County Requires Security Cameras At C-Stores

The Prince George's County Council in Maryland recently approved a measure requiring convenience stores and gas stations to add security cameras and drop boxes to try and reduce robberies, reported Fox5DC.com. The new law requires c-stores and gas stations with overnight operating hours to have a surveillance system with at least three cameras that can record 24 hours at a time. Stores must also have drop safes bolted to the floor. The new rules will take effect in mid-September, but business owners have a grace period of one year to install two cameras—one each above the cash register and entrance. In three years, they have to install a third camera trained on the

exterior parking lot. After that, they could be fined \$100 for the first offense and up to a \$1,000 for the fourth offense.

### Baltimore New Battleground For C-Stores

Competition among convenience store chains in the Baltimore area has heated up as retailers vie to win over consumers by redefining and expanding "convenience," reported the *Baltimore Sun*. Chains such as 7-Eleven, Baltimore's own Royal Farms, and Pennsylvania's Wawa are rushing to build new stores, remodel existing ones, boost assortments of meals-to-go and, more often than not, sell gas out front.

7-Eleven has aggressive plans for the Baltimore area as part of a new rapid expansion strategy. The chain, which opened more than 1,000 stores in the North America last year, plans to open eight to 12 new stores a year in the Baltimore area. Twenty-five stores opened in Maryland last year, including five in Baltimore county or city, and 7-Eleven plans to open 19 Maryland stores this year, including seven in Baltimore county or city.

### Hispanics More Likely To Purchase Groceries At Convenience Stores

U.S. Hispanics are more likely to purchase grocery foods, dairy, and bread from convenience stores than non-Hispanics, reports The NPD Group. Additionally, Spanish-dominant Hispanics are more likely to make grocery item purchases at c-stores than other Hispanics, according to the NPD report "The C-Store Hispanic Shopper," which examines the typical convenience store shopping behavior of Hispanics by level of acculturation and how it com-

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## Legislative Update

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Press. The ban would have stopped the sale of many high-calorie beverages in containers bigger than 16 ounces. In a unanimous opinion, the four-judge panel of the state Supreme Court Appellate Division said that the health board was acting too much like a legislature when it created the limit. It said parts of the new rules were clearly political or economic considerations, rather than health concerns. The judges wrote that while the board had the power to ban “inherently harmful” foodstuffs from being served to the public, sweetened beverages didn’t fall into that category.

### NYC Polystyrene Foam Foodservice Ban

Local lawmakers in New York City have announced a bill to ban the sale of polystyrene foam foodservice products, a decision that will negatively impact thousands of New York City businesses, as well as millions of local consumers and taxpayers, the American Chemistry Council (ACC) said in a released statement. The proposal, supported by the Bloomberg administration, has the potential to cost New York City and state nearly \$100 million per year and will do little to reduce solid waste, the association said. Additionally, with a ban in place, the group said New York restaurants would need to purchase more expensive alternatives. Beyond the economic impact, the ACC said polystyrene foam foodservice is lighter and more energy efficient than its most common alternatives.

*“The American Chemistry Council said a polystyrene ban would do little to reduce solid waste.”*



### Long Island Town Ponders Changes To C-Store Rules

The Huntington Town Board in New York is considering more changes to its convenience store regulations—this time as they pertain to stores in shopping centers, reported *Long Island Newsday*. In June 2011, the town board unanimously approved a code change that imposed new rules on applications for free-standing convenience stores, which triggered a lawsuit from 7-Eleven. The new proposal requires stores less than 10,000 square feet and located in shopping centers to have a minimum lot area of 25,000 square feet. Currently, there is no lot-size requirement for these stores.

After the town approved new c-store requirements in 2011, SEI sued the town, arguing the regulations would “greatly impact 7-Eleven’s ability to construct new free-standing stores,”

*“Michigan legislators moved to protect small businesses by halting online lottery plans.”*

according to court documents. In a statement, 7-Eleven told the newspaper it is “aware that the Town is considering legislation that would include new restrictions on convenience store uses located within shopping centers. 7-Eleven reserves any further comments until the final legislation has been made public.”

### CT Gas Stations Must Change Nozzles

In the next two years, virtually every gas station in Connecticut will have to change the nozzles on its pumps to disconnect the vapor-recovery systems required by the Clean Air Act of 1991, the *Hartford Courant* reported. Those Stage II vapor recovery systems—a bellows or a disk near the handle—are no longer needed because of advances in car gas valves. In fact, the older nozzles actually work against the new technology, causing leakage of the same volatile organic compounds and toxins they were once meant to prevent, according to a state report. Decommissioning—or disconnecting the system—of any vapor recovery equipment is required by July 1, 2015.

### Liquor Reform Moves Forward In PA

The Pennsylvania state fiscal year ended recently with historic progress on liquor privatization and beer modernization, according to the Free My Beer campaign. Following Governor Tom Corbett’s plea for meaningful reforms to Pennsylvania’s Prohibition-era beer and liquor sale restrictions, the State House of Representatives passed significant reforms that included eliminating the ban on beer sales where gas is also dispensed (“the beer-gas prohibition”). The Pennsylvania Senate achieved yet another historic milestone after it passed a liquor privatization and beer modernization amendment that also included the beer-gas fix. As the current session of the General Assembly came to a close with no resolution on this issue, the Free My Beer campaign said it expects to continue gathering support for changes in the law before the General Assembly returns in mid-September.

### Michigan Online Lottery Put On Hold

The Michigan Lottery has indefinitely halted plans to sell tickets and offer games on the Internet after skeptical lawmakers blocked funding to launch an online lottery in early 2014, reported the *Lansing State Journal*. Governor Rick Snyder asked for nearly \$3.4 million in the next state budget to implement the iLottery as a way to pump more money into public schools by keeping the lottery relevant for people used to buying products online. The Republican-led Legislature refused to go along because some legislators worried about increased gambling addiction, personal debt, and a potential hit to brick-and-mortar stores currently

participating in the lottery. The Snyder

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compares to non-Hispanics. The study also finds that on average, U.S. Hispanics make almost two more visits a month than non-Hispanics to major oil chain convenience stores, and nearly one more visit over a 30-day period to traditional c-stores than non-Hispanics. For some Hispanics, c-stores supplement or substitute grocery stores.

## Majority Of C-Stores Expect Increased Foodservice Sales

Almost two-thirds of convenience store operators—chains and single-store owners—expect to see their foodservice sales increase by the end of this year, up slightly from 2012, reported *CSNews Online*, citing data from the Convenience Store News 2013 Foodservice Study. This number jumps to 75 percent for chains alone. Only 4.4 percent of retailers predict 2013 sales will decrease, while one-third expects them to hold steady with last year's sales. Profitability is up for operators, as 60.3 percent expect to find an increased bottom-line foodservice profit this year, compared to 54.7 percent in 2012. Nearly 30 percent expect to match last year's profit numbers. CSNews conducted its annual

Foodservice Study in June to collect in-depth data on foodservice and build upon the category data collected for the CSNews 2013 Industry Report, published in June.

## Wal-Mart Settles With U.S. Labor Department

Big-box retailer Wal-Mart Stores, Inc., has entered into a corporate-wide settlement agreement with the U.S. Department of Labor to improve safety and health conditions in all 2,857 Wal-Mart and Sam's Club stores under federal jurisdiction. The settlement, which resolves two enforcement cases that began in 2011, includes provisions for the Bentonville, Ark.-based retailer to enhance safety and health practices and training related to trash compactors, cleaning chemicals and hazard communications corporate-wide. "This settlement will help to keep thousands of exposed Wal-Mart workers safe and healthy on the job," said Assistant Secretary of Labor for Occupational Safety and Health Dr. David Michaels. "We hope this sends a strong message that the law requires employers to provide safe working conditions, and OSHA will use all the tools at our disposal to ensure that all employers follow the law."

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year that ended June 30, reported the *Miami Herald*. In two fiscal years, the Florida Lottery has increased sales by \$1 billion. • **Dunkin' Donuts announced it has signed its first Southern California** multi-unit store development agreements with four franchise groups for a total commitment of 45 new restaurants. The company said its long-term goal is to have more than 15,000 Dunkin' Donuts restaurants in the United States. • Japanese c-store chain **Family Mart** is looking to revamp its image into a fine food destination by offering creative new dishes **featuring beef imported from the U.S.**, reported *High Plains Midwest AG Journal*. • Thousands of fast-food workers from restaurants such as **McDonald's and Wendy's walked off the job in late July** to protest for higher pay, reported *Bloomberg*. Employees of fast-food eateries went on strike in New York City, Chicago, St. Louis, Detroit, Milwaukee, Kansas City, Missouri, and Flint, Michigan, and also demanded the right to form a union without retaliation. • A review conducted by the Food and Drug Administration concludes that **menthol cigarettes likely pose a greater public health risk than regular cigarettes**, the Associated Press reported. However, the FDA did not make a recommendation on whether to limit or ban menthol in cigarettes. • A study published in the *PLoS One* journal indicates that **e-ciga-**

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## Legislative Update

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administration may still be able to create the iLottery by spending other money in the lottery budget.

### Texas Simplifies Sales Tax On Single-Sized Snacks

Texas Senate Bill 1151 will simplify sales tax collection for convenience stores and other businesses that sell snacks in individual-sized servings, according to global tax services firm Ryan. Beginning September 1, sales tax will be due on all sales of single-sized servings of chips; nuts; crackers; breakfast, granola, yogurt, and protein bars; and other snacks as provided below. Single-sized servings are packages labeled as one serving or packages that contain less than 2.5 ounces (if the package does not

state servings). For sales tax purposes, taxable "snacks" are as follows:

- Breakfast bars, granola bars, nutrition bars, sports bars, protein bars, or yogurt bars (not labeled and marketed as candy);
- Snack mix or trail mix;
- Nuts (candy-coated nuts are taxable, regardless of size, unless purchased with food stamps);
- Popped popcorn; and
- Chips, crackers, or hard pretzels.

No tax is due on cartons or bags containing several single-sized servings of snacks. In addition, single-sized servings of other groceries are not taxable unless sold by a restaurant or business that provides tables and chairs. **AV**



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## Replacing Styrofoam Cups

Dunkin' Donuts is testing a replacement for its signature foam coffee cups as more municipalities pass laws banning the use of these containers, reported the *Boston Globe*. The company is testing a double-walled paper cup at five locations in Brookline, Massachusetts, where a ban on disposable polystyrene—better known as Styrofoam—in packaging for food and beverages kicks in on December 1. The new Dunkin' cups, which contain a plastic liner, address municipal foam bans but probably will not be recycled. So far, only one Dunkin' Donuts in New York and two locations in Maine facing similar foam bans plan to follow the Brookline stores and switch to the new cups.

## FDA Considers Banning Online Sales Of E-Cigs

The Food and Drug Administration is considering a ban on online sales of electronic cigarettes as it prepares a package of proposed regulations for the in-

*“The FDA is preparing proposed regulations for e-cigs sales.”*

creasingly popular devices, reported the *Wall Street Journal*. The FDA met with e-cigarette makers recently to hear their views on regulations for the industry. During the “listening sessions” at FDA headquarters in Silver Spring, Maryland, company executives discussed with the FDA an online-sales ban to keep e-cigarettes out of the hands of minors and whether the minimum legal age for buying them should be 18 or 19. The agency is also reviewing television, radio and print advertising standards for the prod-

ucts. The FDA is expected to formally unveil its proposals in October.

## Consumers Shop C-Stores As Regularly As Supermarkets

A survey conducted by Social Science Research Solutions (SSRS) reveals that 25 percent of consumers reported they shop in a convenience store more or as frequently as they shop at the supermarket or grocery store. When asked how often they shop in a convenience store, 59 percent of the respondents reported more than once a week, with that number increasing to over 70 percent among 18-44 year olds. Only 6 percent of the respondents stated they never shop in a c-store. The survey also found that most of the c-store shoppers are married (48 percent), employed (63 percent), with the majority (80 percent) living in metro regions of the country.

Among the top purchases at c-stores are drinks such as soda, bottled water or juice (29 percent); or snacks and candy (21 percent). Other purchases included gas (12 percent); milk or dairy products (11 percent); and cigarettes (10 percent). One third of all respondents (33 percent) stated that it was important for a c-store to carry ethnic branded products, such as Indian, Chinese, or Spanish foods. The number rose to 41 percent among 18-34 year olds. When shopping in a c-store, 35 percent reported that it is important to know a person by name when doing business. The percentage increases to 39 percent among those consumers in the 35-44 year old age demographic.



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## Mega Millions’ Larger Jackpots

The Mega Millions multi-state lottery game has been redesigned to offer bigger starting jackpots and better overall odds, the Pennsylvania Lottery announced in a released statement. As of October 22, the updated Mega Millions game will offer a starting jackpot of \$15 million, up from \$12 million, which grows by at least \$5 million every time the jackpot rolls. Additionally, the expanded Megaplier option will allow non-jackpot prizes to be multiplied by a factor of five—up from the current maximum of four. This increases the top, non-jackpot prize to \$5 million. The ticket price remains \$1. The Megaplier option price also remains \$1.

Under the new Mega Millions game matrix, the overall odds of winning any Mega Millions prize will improve to 1-in-14.71 from 1-in-40, making an estimated three times as many winners.

## Colorado Lottery Record-Breaking Year

The Colorado Lottery posted record annual sales of \$545.3 million in the fiscal year ending June 30, 2012, thanks to record-setting Mega Millions jackpots in March and the highest-ever annual sales of Scratch tickets. Sales for the year increased 5.1 percent from the previous year, the agency announced. Scratch ticket sales were up 5.6 percent from the previous year’s sales, generating a record \$364 million. Jackpot games sales were up 4.1 percent from previous year’s sales generating \$181 million. When the Mega Millions jackpot hit a record \$656 million on March 30, the Colorado Lottery sold more than \$17.7 million during the jackpot run, which ran from January 27 through March 30.



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## Federal Judge Rejects Class Action Against SEI

A federal judge recently dismissed a proposed class action filed against SEI for allegedly mislabeling its food products, reported *Legal Newsline*. The U.S. District Court judge for the Northern District of California San Jose Division said in his order that the plaintiffs were not specific enough in their allegations. Plaintiff Scott Bishop, who filed the putative class action against SEI in 2012, alleged that the labeling on several of the company's food products, as well as websites related to the products, contain statements amounting to "misbranding" and "deception" in violation of California and federal laws. The judge rejected the argument, finding that the plaintiffs failed to state a claim for a violation of the act. "This Court finds that the Amended Complaint does not provide a clear and particular account of the allegedly fraudulent, deceptive, misrepresentative, or otherwise unlawful statements," the judge wrote in his 11-page order.



## Workers' Comp Benefits And Employer Costs Rise

After declining in the wake of the recession, workers' compensation benefits paid to injured workers and costs borne by employers increased in 2011 as the U.S. economy continued to recover, according to a new report by the National Academy of Social Insurance (NASI). Total benefits rose by 3.5 percent to \$60.2 billion. The benefits include a 4.5 percent rise in medical care spending to \$29.9 billion and a 2.6 percent rise in wage replacement benefits to \$30.3

billion. Total costs to employers rose by 7.1 percent to \$77.1 billion.

The new report shows changes in coverage, benefits, and employer costs for all 50 states and the District of Columbia. State-level changes in 2011 include:

- Coverage and wages increased in all 50 states and the District of Columbia.
- Total benefits paid to injured workers increased in 29 jurisdictions. However, benefits as a percent of total wages increased in only 17.
- Employers' costs of workers' compensation as a percent of total wages increased in 31 states, and remained unchanged in four.
- The share of benefits paid for medical care exceeded 50 percent in 33 states.

## Will Drug Stores Be The New C-Stores?

Walgreens serves as a perfect example of how the drug store is taking a bite out of the supermarket and convenience channel market share through expanded food and beverage offerings, according to the Hartman Group's Shopping Topography report. Walgreens is currently fully reimagining the typical drug store experience through its offering of fresh and high-quality private-label foods.

Consumers claim they still go to grocery, club and mass stores for their weekly or monthly stock-up trips, but during the week go on fill-in trips to a variety of different channels depending on needs, occasions, forgetfulness, and in the case of immediate consumption, hunger and thirst. Consumers will also stop at several stores in one day. Drug is the most popular channel for immediate consumption, with 24 percent of shoppers saying they last shopped a drug store in this manner. ■

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**rettes lead to cessation of conventional cigarettes among people who are not planning to quit smoking.** • Costco is where North America prefers to fill their gas tanks, according to a new study by Market Force Information. **Wholesale clubs once again beat out traditional gas stations** in popularity, with Sam's Club coming in second. C-store chains QuikTrip, Wawa and RaceTrac came in third, fourth and fifth place, respectively. • McDonald's took the No. 1 spot in QSR Magazine's annual "The QSR 50" list, which ranks the top 50 quick-service and fast-casual restaurants by domestic sales. The burger chain generated \$35 billion in 2012—nearly triple the sales earned by Subway, which ranked No. 2. • **A single engine airplane recently made an emergency landing** in the parking lot of a Wawa c-store near Shannon Airport in Fredericksburg, Virginia, reported Fredericksburg.com. The pilot told authorities **he forgot to fuel his plane before taking off.** • A new study by eMarketer reveals that U.S. **mobile payments**—transactions for goods and services made by scanning, tapping, swiping or checking in with a mobile phone at the point-of-sale—**are expected to top \$1 billion this year** and increase to \$58 billion by 2017. • In early August, Syracuse, N.Y.-based Nice N Easy Grocery Shoppes began requiring customers to **show identification for purchases of all age-restricted products** (alcohol, tobacco products, and all lotto and lottery items) without exception, reported CSNews Online. • BCC Payments LLC has introduced the enhanced **EASYPAY, a laundromat payment system** that now accepts coins, bills, loyalty cards, debit cards, EBT cards, mobile payments, and credit cards at a fixed 3.99 percent rate for laundromat operators. • **Taco Bell has discontinued its kids' meals** in an effort to focus on an older clientele, reported the *Los Angeles Times*. The Irvine-based brand is the first fast-food restaurant chain to do

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## SEI News

### EV CHARGING STATIONS IN NYC

7-Eleven is the first retailer in New York City to offer fast-charging services for electric vehicle (EV) drivers, using energy storage solutions developed by Green Charge Networks (GCN). The company and GCN worked with the U.S. Department of Energy and several utility companies to leverage local solar generation and energy storage. This enables the use of high-powered electric equipment, including EV fast chargers, while avoiding or creating peak energy times and high-energy prices. GCN's energy storage system, GreenStation, manages the power consumption at the 5820 Francis Lewis Boulevard 7-Eleven location in Flushing, N.Y. It monitors the store's load on a second-by-second basis and counteracts peaks and valleys by discharging and charging from an internal ion battery bank.

**"7-Eleven is the first retailer in NYC to offer fast-charging stations for electronic vehicles."**

### ARIZONA BEVERAGES' SODA SHAQ SUMMER CONTESTS

SEI and AriZona Beverages held two contests over the summer to generate buzz for new Soda Shaq and to attract more customers to 7-Eleven stores. One invited fans to be on the lookout for a decal of Shaq's giant shoes in participating 7-Eleven locations across the country. Customers were encouraged to "Try it on for Size" by placing their feet inside the MVP's Size 23 tracks, shooting a photo and uploading their photo with Shaq's decal on Twitter or Instagram using @drinkarizona



and #sodashaq for a chance to win some sweet Shaq swag. Winners were announced weekly over a 10-week period ending Sept. 3.

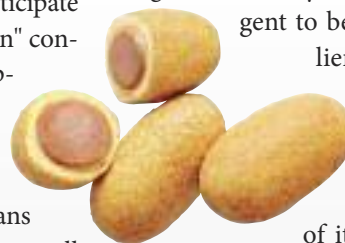
The other contest invited consumers to participate in the "Soda Shaq Golden Can" contest. Between August 14 and September 3 one golden can was hidden at five different 7-Eleven locations throughout the country. 7-Eleven customers, AriZona fans and Shaquille O'Neal followers were all encouraged to look for clues and search #SodaShaqGold to find out where the next golden can was hidden.

The first Soda Shaq Golden Can was found on Wednesday, August 14, 2013, in Los Angeles by Arthur "Bo" Bartholomew. Arthur won first prize (a Shaquille O'Neal poster, a set of headphones and four cases of Soda Shaq) and was automatically entered to win the grand prize—a "meet and greet" with Shaquille O'Neal including round trip airfare for the winner and one guest, one night hotel accommodation and a \$500 spending allowance.

### SUMMER OF SNACKING

SEI recently revealed the newest hot snacks to join the mini-meal scene: Corn Dog Bites, Mozzarella Sticks with a side of Marinara Sauce, and Chicken Chipotle Go-Go Taquitos. Snacking isn't a "special dining occasion" anymore; it's the norm, the company said in a released statement. Americans typically eat more than 1,000 so-called snacks each year, or between two and three each day, according to a study by The NPD Group. The reasons for choosing these mini-meals vary: lack of time, a small-meals diet regimen, sudden craving, afternoon pick-me-up or late-night treat among them.

Whatever the reason for this collective snack attack, SEI said 7-Eleven stands ready to serve with choices that range from savory to sweet and indulgent to better-for-you. Earlier this year, SEI added Breakfast Empanada Bites following the successful launch of its Mini Tacos last year. Both snack-sized options have gained a loyal following.



### FREE SLURPEE DRINKS AND DANCE PARTY ON 7-ELEVEN DAY

SEI choreographed a super-cool celebration to mark 7-Eleven's 86th birthday on July 11, which included:

- Free small Slurpee drinks: A full 12 ounces, almost double the previous years' 7.11-ounce size. Offered from 11 a.m. to 7 p.m. at participating 7-Eleven stores.
- Slurpee Dance: YouTube dancing phe-

*continued on page 84*





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## SEI News



nom Nathan Barnatt posted his own version of the Slurpee dance, as well as how-

to videos, on [www.7-eleven.com/slurpeedance](http://www.7-eleven.com/slurpeedance) and YouTube. Fans were encouraged to download the Slurpee Dance theme song, follow Nathan's lead or make up their own moves, and post to 7-Eleven's Facebook fan page, on Twitter, YouTube or Vine.

• **Star-Studded Birthday Beach Bash:** Actress Nikki Reed, best known for playing Rosalie Hale in the "Twilight" movie saga, threw a birthday beach bash for 7-Eleven at a Malibu beach house, complete with giant Slurpee cup sandcastle art, music and, of course, the Slurpee Dance.

7-Eleven has celebrated its birthday on July 11 for decades, but it wasn't until its 75th birthday in 2002 that its stores began hosting birthday parties coast-to-coast with free Slurpee drinks for its customers.

### DOLLAR DEALS ON ICED COFFEE

SEI kicked off the summer by adding Wednesday dollar deals on



Chillers Iced Coffee caffeinated cold beverage treat. Every Wednesday beginning June 26 until Labor Day, 7-Eleven offered its medium iced coffee drink for \$1. Chillers Iced Coffee is available in most stores next to Slurpee and Big Gulp self-serve beverages. French Vanilla and Mocha flavors are in most stores, although Hazelnut and Colombian may be available in some regions. The company said it developed the summer promotion after customers responded positively to the \$1 coffee Wednesdays last winter on hot coffee drinks.

### SNAPPLE LEMON DAZE AT 7-ELEVEN

This summer, customers were able to enjoy new Snapple Lemon Daze lemonades exclusively at 7-Eleven stores nationwide as part of the company's #Awe-summer campaign. Available in bottles with eye-catching new labels and three all-natural flavors—Lemonade, Pink Lemonade and Mango Lemonade—Snapple Lemon Daze lemonades have a suggested retail price was \$1.49, but were available with a value offer of two bottles for \$2.22 from June 24 to September 5.

On August 20, SEI celebrated National Lemonade Day by offering customers a free bottle of Snapple Lemon Daze. The company made a mobile coupon for a free 16-ounce bottle of the beverage available in 7-Eleven's app, valid at participating locations. **AV**



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away with kids' meals altogether. •

According to a report by Westwood Capital, **69 percent of the jobs created in the second quarter of 2013 were in the three lowest-paying sectors** of the economy—retail trade, administrative and waste services, and leisure and hospitality. These jobs, which account for 33 percent of all private sector jobs, pay an average of \$15.80 per hour. • In what may be considered a strategy to mitigate the higher health care costs that will come as a result of the Affordable Care Act, **big-box retailer Walmart has in recent months only been hiring temporary workers** at many of its U.S. stores, reported Reuters. • **Coca-Cola has introduced a new bottle made entirely from ice** in Colombia, reported *Time Magazine*.

No word yet if the company plans to offer the new frozen drinking vessel—which is shaped like the traditional glass **Coke bottle** and has the company's name etched into the ice—in other countries. • Researchers from Yale University found that

**binge drinking decreased by 22 percent among men living in states** that implemented cigarette tax

increases, compared to male smokers in other states, reported FoxNews.com. Furthermore, men hit with the cigarette tax hikes also reported drinking less alcohol overall. •

**Eighty-three percent of consumers cited cravings as a main reason they purchase food away from home**, according to a new whitepaper from research firm Technomic. • **Flowers Foods Inc.** recently completed its \$355 million acquisition of several breads, bakeries and other assets from the company **previously known as Hostess Brands**, reported the Associated Press. The transaction includes the Wonder, Nature's Pride, Merita, Home Pride and

continued on page 94

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# ISN'T IT TIME YOU OFFER YOUR CUSTOMERS NATURALS

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•  
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Smoke Contains Carbon Monoxide.

100% Natural tobacco does **NOT** mean a safer cigarette.

## VENDOR FOCUS

### Extra Strength Sour Apple 5-hour ENERGY

Living Essentials is adding a new flavor to its successful line of energy shots: Sour Apple Extra Strength 5-hour ENERGY. The new offering—which will make its debut in September—will sport a camouflage wrapper, and target hunters, fishermen and other outdoor enthusiasts. The company is planning an aggressive marketing campaign to promote the new flavor. Television and social media video targeting outdoor enthusiasts will be rolled out just prior to the product's availability on store shelves.

Sour Apple Extra Strength 5-hour ENERGY will be available in pack sizes and displays suitable for any class of trade including convenience, food, drug, mass and specialty retail. Order Sour Apple Extra Strength 5-hour ENERGY through McLane or contact your 5-hour ENERGY sales representative.



Sour Apple Extra Strength targets outdoor enthusiasts.

stores nationwide, as well as on the company's web site. For more information about LOGIC Technology, visit [www.LogicEcig.com](http://www.LogicEcig.com).

### In Zone Brands Features Monsters Character Tops

In Zone Brands recently launched its promotional Disney Pixar Monsters University character tops for its TummyTickler juice drinks to coincide with the release of the new Disney Pixar "Monsters University" movie. Now the popular Monsters University characters Mike, Sully and Squishy can provide both nutrition and a sense of fun in school lunches on TummyTickler bottles. The Disney Pixar Monsters character tops are available for regular pack-out in Fall 2013 orders for both TummyTickler and TummyTickler Tots beverages.

The Monsters University spill-proof character tops are included in the mix of character tops in the TummyTickler 18-count case, double

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Monster University characters Mike, Sully and Squishy added as TummyTickler tops.

### LOGIC E-Cigs Secures Top 3 SKUs In U.S.



LOGIC Technology, makers of premium electronic cigarettes, announced the

results of Nielsen's Item Rank Report indicating LOGIC is outperforming its competitors in the second quarter of 2013 for sales per point of distribution. According to a report ending July 6, 2013, LOGIC ranked first, second and third in SKUs for dollar sales per point distribution across the United States. In addition to the top three, LOGIC also holds nine of the top 14 SKUs in the U.S. The Nielsen Item Rank Report is based on sales from convenience stores nationwide.

The electronic cigarette industry is rapidly growing and was recently reported to support revenues reaching \$600 million, projected to reach \$1 billion by year's end. According to Wells Fargo Securities C-Store Scanner Data Summary, LOGIC sales have risen 887 percent as of July 6, 2013 over the prior year in unit sales.

LOGIC e-cigarettes are available in disposable and rechargeable versions at convenience

### HARIBO INTRODUCES SMURFS GUMMI CANDY



Haribo Smurfs gummies hit stores just in time for the "Smurfs 2" movie.

In preparation for the highly anticipated "Smurfs 2" movie, the world's largest maker of gummi, licorice and marshmallow candy recently debuted its first licensed product in the U.S., adding Haribo Smurfs to its line of gummi candies sold in America. Already popular in Germany and France, Haribo Smurfs are strawberry and raspberry-flavored gummi candies in the shape of familiar Smurf characters, including Papa Smurf and Smurfette. The gummies come in the classic Smurfs blue color, with different characters wearing red, white and yellow caps on their heads. Haribo Smurfs are gluten and fat-free, and are packaged in 4-oz. hanging bags at a suggested retail price of \$1.09-\$1.69.



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### ★★★ SWEDISH MATCH

*A Message From  
Swedish Match*

## What to Expect When You're Expecting Competition

The c-store landscape continues to change, but one constant is competition between retailers for the market basket of our guests. Unique store offerings, a clean, well-lit and friendly environment, and the familiarity of an iconic banner like 7-Eleven helps get customers in the door. Once we get them in the store, having the right product assortment keeps them coming back.

Looking at OTP (Other Tobacco Products) there's a broad variance in what 7-Eleven stores carry. Sure, there are regional brand preferences and individual store differences, but market-leading national brands tend to sell well everywhere. That's why it's surprising that distribution of several market-leading cigar items are missing from the shelves of many 7-Eleven stores. Those stores aren't just missing sales on leading items, but also the market basket that goes with frequent transactions.

A quick look at Single Cigars illustrates the issue. A few of the top 10 items for c-stores in the market areas 7-Eleven serves show large gaps on top national items. Incidentally, "single cigarillos" (including foil packaging of 1, 2 or 3 cigars) have been the fastest-growing segment of cigars for some time now.

If you're expecting competition with other c-stores (and who isn't?), wouldn't it make sense to ensure you carried the top 5 to 10 national items? It may be time to take a look at what you're stocking, weed out the slow movers, and make sure you've got a good assortment of top items. Your next guest may not ask for his/her brand, but a high percentage will shop where they know it's carried. Shouldn't 7-Eleven be "their" store?

If you'd like to see the list of top market items in your area, please email [aaron.choate@smna.com](mailto:aaron.choate@smna.com), OR contact your local tobacco representative.

case, and triple case. The other beloved character tops in the cases will include popular Disney Princesses, Toy Story, and Fairies, along with Gullane Thomas the Train characters, TCFC Strawberry Shortcake, Marvel superheroes and Viacom Dora the Explorer characters. These products are available now and retail for \$2.99 each.

## New Game Red Cigarillos

Game is proud to announce the launch of its newest mild flavor cigar: Game Red. Game Red has a Connecticut Shade wrapper with a naturally sweet taste and is a fantastic compliment to the other products in the Game Mild Line-up, including Silver, Green, Blue, Black and Gold. All Game cigarillos use an aged aromatic tobacco combined with a natural leaf wrapper to make a winning pair. Game Red will be packaged in the company's resealable FoilFresh pouch at 2/99¢ and individual wrapped foil singles at 79¢.



Swedish Match's new mild, sweet tasting Game Red.

## Swedish Match Introduces Game 2/99¢

Game recently announced its new offering of 2 for 99¢

cigarillos: consumers will receive 2 natural leaf cigarillos in the company's FoilFresh pouch for 99¢. This trial offer launched in July 2013 and included the launch of Game Red. Game Red is the latest addition to the Game Mild line-up and offers consumers a cigarillo rolled in Connecticut Shade wrapper with a naturally sweet taste. This limited time offer will be available in 8 satisfying flavors: White Grape (UIN 644450), Red (UIN 644344), Gold (UIN 644835), Blue (UIN 644377), Black (UIN 644369), Green (UIN 644427), Silver (UIN 644443) and Grape (UIN 644393).



Game's limited-time 2 for 99¢ cigarillos offer includes 8 flavors.

## Cocktails Are Ready To Pour

United Brands Company recently launched its newest innovation—Premium Quality JOOSE Cocktails featuring

JOOSE Screwdriver and JOOSE Hurricane. JOOSE Screwdriver combines the zesty flavor of oranges to create the authentic cocktail taste, and makes enjoying the popular highball drink as easy as popping the top and pouring. Using United Brands Company's advanced malt technology, JOOSE Hurricane combines a complex blend of flavors including, pineapple, a hint of lime, and sweet passionate fruit flavors. The intricate blend of flavors creates a premium New Hurricane taste, Orleans style.



continued on page 90

# THE ORIGINAL SLIDER™

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Convenient take home 6-packs  
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**FOR YOUR FRESH CASE**  
Grab & Go in individual 2-packs  
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**The #1 Selling Frozen Cheeseburger Nationwide**

**The #3 Selling Freezer Door Item at 7-Eleven Nationwide**

**7-Eleven Promotion "2 FOR" National Value Offers  
in Spring and Fall 2013**



**For more information about White Castle:**  
contact Steve Ording at 614-559-2473 or [ordings@whitecastle.com](mailto:ordings@whitecastle.com)



## VENDOR FOCUS

continued from page 88

JOOSE Cocktails are a new twist on popular and traditional drinks, and are now available in all markets. Sold in 23.5-ounce cans with 12 percent ABV, made with all natural flavors, other packaging options will become available in the near future. For more information about JOOSE products call 1-855-JOOSE-UP (566-7387) or visit [www.drinkjoose.com](http://www.drinkjoose.com).



entries every Wednesday to the grand prize sweepstake, and every fifth code gives customers five bonus entries.

The Grand Prize is a trip for two to an exclusive private concert with a Sprite artist in New Orleans. Instant Win and Rewards include: Monster Ncredible headphones, Live Nation Concert Cash, music downloads, free Sprite Big Gulp, \$1 Off Sprite 20-ounce, ring tones, wallpaper, and animated GIFs.

### 'Drink. Text. Win.' With New Sprite Big Gulp Contest

SEI has teamed up with Coca-Cola for a new contest designed to increase sales for your store. The Sprite Big Gulp "Drink. Text. Win." program is exclusive to 7-Eleven and will drive traffic and repeat purchases through valuable rewards and prizes! Here's how it works: from September 4 to November 4, customers simply buy a 32-ounce Big Gulp, text their code to 777483 and win cool stuff! Every code is rewarded with digital prizes and instant-win music prizes, and every code is entered into the grand prize sweepstake. Additionally, there will be double



Sprite Big Gulp "Drink. Text. Win" drives traffic and repeat purchases.

### New JOOSE Margarita 12-Pack

JOOSE Margarita is now available in a 12-pack with 12-ounce cans (8 percent ABV). JOOSE Margarita, the world's number one ready-to-pour margarita, comes in three different flavors: Classic, Peach, and Strawberry. Using new malt technology, the Classic flavored malt beverage combines traditional flavors of a margarita including tequila, triple sec, lime, and salt by using natural ingredi-



Three flavors available in 12-pack cans.

ents. This gives the United Brands Company's Classic margarita such an authentic flavor it satisfies even the most discriminating margarita enthusiasts. JOOSE Margarita is also available in the original 23.5-ounce cans (12 percent ABV).

### Give Your Sales Muscle With Rockin' Refuel

Rockin' Refuel is unique milk beverage loaded with protein, calcium, and nutrients, giving your active customers the healthy option they crave. New to the lineup is Muscle Builder in Vanilla flavor (McLane UIN 648790). Rockin' Refuel Muscle Builder features 30

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### ROYAL GOLD CIGARS GOLD STRIKE HANDMADE CIGARS

Swisher International and its premium cigar division, Royal Gold Cigars, have launched Gold Strike handmade cigars, the first of four lines to be introduced by Royal Gold Cigars in the next few months. With three cigars in each package, Gold Strike is available in two popular formats—Churchill (7x48) and Toro (6.25x50). They are packaged in Swisher's innovative, sealed-fresh pouches that are re-sealable to keep each cigar as fresh as the first.

Handmade in Esteli, Nicaragua by master cigar rollers, Gold Strike cigars offer consumers a pleasing, medium-bodied, premium cigar experience at an affordable price. The \$6.75 to \$6.99 per pouch suggested retail price makes Gold Strike a nice high ring affordable to the widest possible segment of cigar smokers.





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**COOKIES 'N CREAM**  
UIN # 485326



**CHOCOLATE**  
UIN # 485532





**Rockin' Refuel Muscle Builder in Vanilla.** Information.

continued from page 90

grams of high quality protein, only 9 grams of net carbs, 190 calories, is made with real milk, is lactose free, and can be refrigerated up to 100 days.

A 2013 Mintel report reveals a strong upward trend in the number of consumers turning to high-protein products to aid in satiety, weight management, and to boost muscle recovery after a workout. This puts Rockin' Refuel in high demand. Visit RockinRefuel.com for more information.

## Perrier Limited-Edition Andy Warhol Bottles

This summer, Perrier Sparkling Natural Mineral Water pays tribute to Andy Warhol with a series of limited-edition bottles inspired by the legendary pop artist. In the 1980s Warhol created a series of over 40 screen prints of Perrier bottles in a vibrant color palette that have been replicated on specially-designed Perrier bottles available wherever Perrier is sold. The limited-edition



**Perrier limited-edition bottles feature the art of Andy Warhol.**

Perrier glass bottles feature four different label designs and seven different Warhol inspirations, including some his most famous quotes: "In the future everyone will be world famous for fifteen minutes," "Art is what you can get away with," and "I have Social Disease. I have to go out every night."

In addition to the limited-edition Warhol bottles, Perrier is also offering the chance to win an original Andy Warhol work of art as part of the Take Home a Warhol sweepstakes. Until September 30, consumers can enter to win "Space Fruit: Lemons"—an origi-



## INTERNATIONAL DELIGHT PUMPKIN PIE SPICE IS BACK!

Bring the taste of the Holidays to your coffee bar with the number one seasonal flavor, Pumpkin Pie Spice creamer. Rich with the fragrance of cinnamon and nutmeg, International Delight Pumpkin Pie Spice will compliment your other seasonal offers. Attract new coffee consumers by offering them premium coffeehouse flavors and superior value with International Delight Pumpkin Pie Spice. Available in 192-count, Pumpkin Pie Spice

can be ordered through your normal creamer supplier. CDC SLIN 231264; McLane SLIN 231259.

nal screen print work created by Andy Warhol in 1978—by visiting [www.perrier.com/warhol](http://www.perrier.com/warhol).

## Klondike Mrs. Field's Ice Cream Cookie Sandwich

It's summer time and what better way to cool off than a Klondike Mrs. Field's Ice Cream Cookie Sandwich? Ice Cream helps your guests cool off in the hot heat and it's a great comfort food, as well. This premium ice cream sandwich gives your guest the joy of having vanilla ice cream, as well as two Mrs. Fields chocolate chip cookies.

Cookies and ice cream—the perfect pair! This premium cookie sandwich is a whopping 6 ounces and retails for \$2.99. Order today from your local Unilever Ice Cream distributor (SLIN 190164).



**New Klondike Mrs. Field's Ice Cream Cookie Sandwich.**

## Kretek Rolls Out Shisha And Steam Stones For Hookah Line

Kretek International, Inc. recently announced several new additions to its lineup of Voodoo Hookah products. Joining Voodoo traditional hookahs and new e-hookahs are a full line of 20 shisha flavors with matching flavors in Voodoo Steam Stones. The 20 exotic flavors are divided into 4 pre-packed collections of tropical and blended fruit, berries, citrus, and

coconut. Flavors include Guava Sunrise, Chill Berry, and Wet Kiss Mango. Each flavor combo is created to deliver the perfect balance of top quality hookah tobacco and natural ingredients for hookah lovers.



**Kretek added 20 new shisha flavors to its line of personal hookahs.**

Voodoo steam stones are 100 percent natural mineral complex selected for flavor and moisture absorption. Steam Stones produce no

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MAKE IT A PENNZOIL CHANGE:™



† Psk 2010

\* Superior versus our conventional and synthetic blend oils.  
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continued from page 92

smoke and contain no nicotine, but deliver all the exotic flavor of Shisha. Ask your Kretek sales representative for details. Call 1-800-358-8100, or email salesinfo@krekem.com.

## GreenSmartLiving Unveils New Packaging And Slogan

GreensmartLiving, the electronic cigarette company that seeks to protect the environment and consumers by providing a 100 percent tobacco-free, smoke-free, recyclable and rechargeable electronic cigarette, is rolling out a new slogan in tandem with changes to its branding and packaging. The new tagline—"Smart alternatives for a better life"—aptly encompasses the company's mission to create a positive human impact, improve quality of life, and protect the environment through the provision of smart, simple and effective life improvement choices.

To this end, GreenSmartLiving rolled out new leaf-shape packaging for its Restart Super E-Cigarette S801 Starter Kit in January 2013. Several months later, in April, the company introduced similar leaf-shape packaging for its Refuel E-Cig Cartridges S808 Refill 5-Pack. In coming months, the company will unveil new product identities and a new website that more clearly embody the values of the brand.



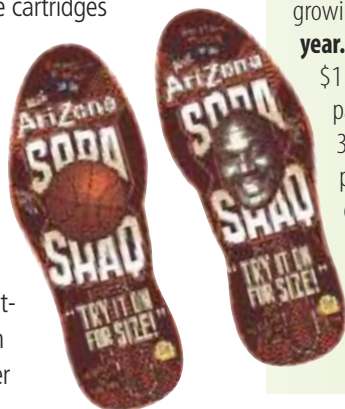
GreenSmartLiving's the new ecologically-oriented e-cig.

The Restart Super E-Cigarette S801 Starter Kit has a wholesale cost of \$9.95 and SRP of \$19.99. The Refuel E-Cig Cartridges S808 Refill 5-Pack has a wholesale cost of \$6.50 and SRP of \$12.99, and is

available in several flavors: Regular, Menthol, Vanilla, Strawberry, Peach, Clove and Acai Berry, as well as in a variety pack. GreenSmartLiving is the only major electronic cigarette company to source the nicotine in its High and Low strength e-cigarette cartridges from non-tobacco plant origins, like tomato plants. They also offer Zero nicotine strength cartridges in Regular and Menthol flavors.

## AriZona Debuts Shaq Cream Soda

AriZona Beverages introduced its new all-natural line of cream sodas, Soda Shaq, to 7-Eleven stores nationwide in June to kick off the summer



selling season. Made in partnership with basketball legend Shaquille O'Neal, the Soda Shaq Cream Soda line is available in four flavors—Vanilla, Blueberry, Strawberry and Orange. Soda Shaq contains no artificial flavors, colors or preservatives. Made with real Madagascar Bourbon Vanilla extract and pure cane sugar at only 90 calories per serving, so fans can satisfy their sweet tooth without the guilt.



Soda Shaq cans carry one of eight Shaq expressions.

Soda Shaq is easily identifiable with a big, bold can design featuring the many moods of the basketball giant in true Shaq-a-licious form. Each flavor comes in a vibrantly colored container, sporting one of eight Shaq expressions ranging from professional to playful. The Soda Shaq line is available in 23.5-ounce cans at a suggested retail price of 99 cents per can. In addition to the new cream sodas, AriZona Beverages held two contests over the summer to generate buzz for Soda Shaq and attract more customers to 7-Eleven stores. **AV**

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Butternut bread brands, 20 bakeries and 36 depots. • New York Governor **Andrew M. Cuomo recently announced that Trelis Earth Products**, a manufacturer of sustainable food service products, will move its manufacturing operations from China and **launch its first U.S. manufacturing facility outside of Rochester** with production to begin in 2014. • The U.S. Conference of Mayors is begging the Obama administration to **quit cracking down on marijuana**, reported *The Atlantic*. At their annual meeting in June, the mayors unanimously adopted a resolution that "states and localities should be able to set whatever marijuana policies work best to improve the public safety and health of their communities." • **Wells Fargo securities analysts predict e-cigarettes are about to hit \$1 billion in sales**, ABC News reported. While that's only 1 percent of sales of traditional cigarettes, the number of consumers who say they've tried e-smokes is growing fast. **The sale of e-cigarettes totaled just \$500 million last year.** • A new report by the Dollar Coin Alliance reveals that replacing \$1 bills—which cost 5 cents to produce and have a 4.8 year lifespan—with dollar coins—which cost 18 cents to make and last 30 years—could save taxpayers \$13.8 billion over 30 years, reported CNNMoney. • New research from Mintel reveals that while **only 7 percent of consumers identify themselves as vegetarian**, 36 percent indicate the use of meat alternatives like tofu, tempeh and seitan. • Walmart announced it is kicking off the holiday season with free layaway and no opening fee Sept. 13 through Dec. 17 to save money for Americans. ■







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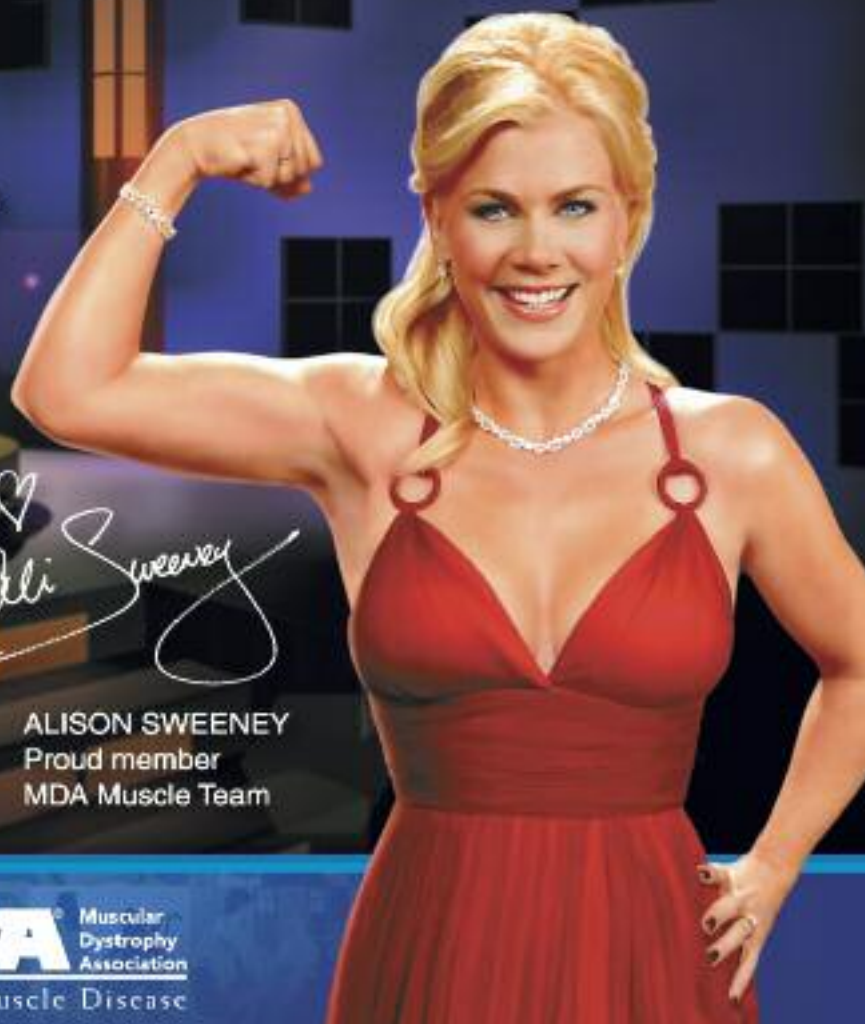
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# New Snapple Lemon Daze Exclusive To 7-Eleven!

The Flavors  
Your Customers  
Love!

2 for  
**\$2.22**  
Retail!

June 24 through September 3, 2013

available through your distributor now!

NATURALLY FLAVORED

Lemonade  
Pink Lemonade  
Mango  
Lemonade

Lemonade	SLIN 245673
Pink Lemonade	SLIN 245672
Mango Lemonade	SLIN 245674



# Franchise Owner's Association Regional Board Meeting Dates

The following dates show planned regional FOA meetings. All franchisees and vendors are invited. To attend, please call or e-mail ahead to verify meeting dates, times and locations.

## 7-Eleven FOAC

Phone: 312-253-7342

September 12, 2013—General Meeting

September 26, 2013—Board Meeting

October 24, 2013—Board Meeting

November 21, 2013—Board Meeting

December 19, 2013—Board Meeting

## Greater Bay FOA

Phone: 707-328-3960

September 17, 2013

October 15, 2013

November 19, 2013

December 17, 2013

## South Nevada/Las Vegas FOA

Phone: 702-249-3301

September 12, 2013—Board Meeting

October 10, 2013—Board Meeting

November 7, 2013—Board Meeting

November 21, 2013—General Meeting & Elections

## FOA Of Greater Los Angeles

Phone: 619-726-9016

Location: Brea Embassy Suites

September 17, 2013

October 15, 2013

November 19, 2013

## San Francisco/Monterey Bay

Phone: 650-996-9479

September 10, 2013

October 8, 2013

November 12, 2013

## Metro New Jersey FOA

Meetings Location: Akbar Restaurant in Edison, NJ

Phone: 908-232-1336

November 27, 2013

## Pacific Northwest FOA

Phone: 253-861-6737

September 18, 2013

November 6, 2013



## San Diego FOA

Phone: 619-713-2411

September 19, 2013

October 17, 2013

November 21, 2013

## Cal-Neva FOA

Phone: 775-826-7111

September 18, 2013

October 16, 2013

November 20, 2013

## Southern California FOA

Phone: 818-357-5985

September 18, 2013

October 16, 2013

November 20, 2013

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## 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.





# FOA EVENTS

## UFOLI GOLF TOURNAMENT

(location and date to be announced)  
September 2013  
Phone: 516-647-4617

## SOUTH NEVADA/LAS VEGAS FOA CHARITY GOLF TOURNAMENT

Desert Pines Golf Course  
Las Vegas, Nevada  
September 20, 2013  
Phone: 702-769-2301

## TRISTATE FOSE GOLF OUTING

Little Bennett Golf Course  
Clarksburg, Maryland  
September 25, 2013  
Phone: 301-572-6711

## METRO NEW JERSEY FOA TRADE SHOW

(location and date to be finalized)  
Atlantic City, New Jersey  
November 6-7 or 13-14, 2013  
Phone: 908-232-1336

## 7-ELEVEN FOAC HOLIDAY TRADE SHOW & PARTY

Holiday Inn North Shore  
Skokie, Illinois  
November 6, 2013  
Phone: 312-253-7342

## SF/MB FOA HOLIDAY PARTY

Embassy Suites Milpitas  
Milpitas, California  
December 6, 2013  
Phone: 510-754-1113

## GREATER BAY FOA HOLIDAY PARTY

(location to be announced)  
December 6, 2013  
Phone: 707-328-3960

## SOUTH NEVADA/LAS VEGAS FOA TABLE TOP TRADE SHOW & HOLIDAY PARTY

(location to be announced)  
December 6, 2013  
Phone: 702-769-2301

# NCASEF BOARD MEETINGS

## NATIONAL COALITION AFFILIATE MEETING

Laguna Cliffs Marriott  
Dana Point, California  
October 22-23, 2013

## NATIONAL COALITION BOARD OF DIRECTORS MEETING

Laguna Cliffs Marriott  
Dana Point, California  
October 24-26, 2013



## METRO NEW JERSEY FOA HOLIDAY PARTY

(location and date to be announced)  
December, 2013  
Phone: 908-232-1336

## SOUTHERN CALIFORNIA FOA HOLIDAY PARTY

Ararat Banquet Hall  
Granada Hills, California  
December 7, 2013  
Phone: 818-357-5985

## PACIFIC NORTHWEST FOA CHRISTMAS PARTY & TRADE SHOW

(location to be announced)  
December 7, 2013  
Phone: 253-861-6737

## SAN DIEGO FOA HOLIDAY PARTY

Harrah's Rincon Casino  
Valley Center, California

December 7, 2013  
Phone: 619-713-2411

## BALTIMORE FOA HOLIDAY PARTY 2013

(location to be announced)  
Baltimore, Maryland  
December 12, 2013  
Phone: 410-218-2939

## CHESAPEAKE BAY FOA VENDOR TRADE SHOW

Virginia Beach Convention Center  
Virginia Beach, Virginia  
April 29, 2014  
Phone: 757-650-2929

## SOUTHERN CALIFORNIA FOA TRADE SHOW

Pasadena Convention Center  
Pasadena, California  
May 21, 2014  
Phone: 818-357-5985

# Introducing NEW

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\*Source: Nielsen C-Store  
12 month summary ending 3/16/13