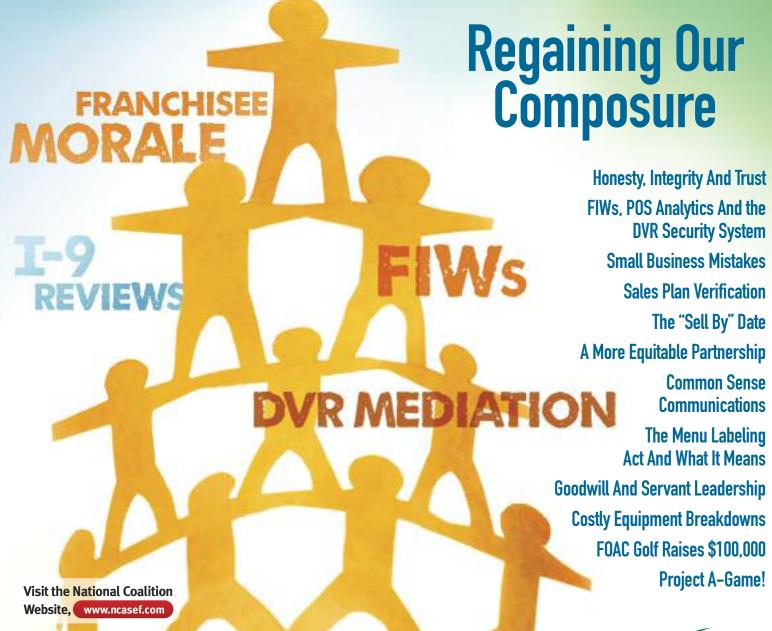


COMMUNICATIONS

September/October 2013

THE VOICE OF 7-ELEVEN FRANCHISEES



NCA ☑ SEF 2013-14

Affiliate Member Directory

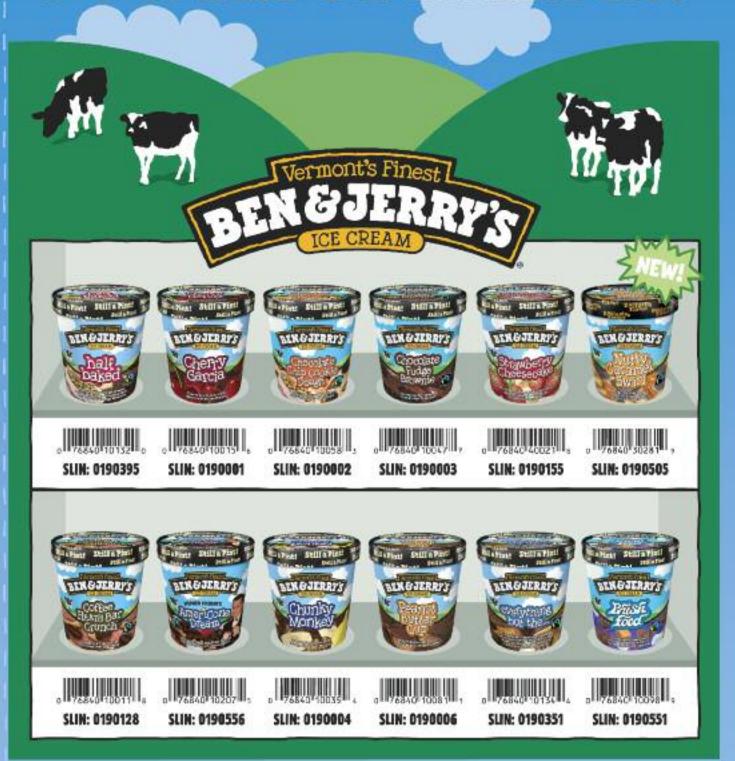
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MAKEIT BERRY BRIGHT

GIVE YOUR CUSTOMERS THE VARIETY THEY'RE THIRSTING FOR THIS HOLIDAY SEASON



YOUR TWO MOST POWERFUL SHELVES!



#1 Best Selling ice cream brand at 7-Eleven.!





MAGNUM

The #1 Selling Premium Stick Brand!



Double CARAMEL ICE CREAM BAR

77567-13282 SLIN: 0190657



ALMOND IGE CHEAM BAR

77567-13281 SLIN: 0190560



CLASSIC ICE CREAM BAR

77567-13280 SLIN: 0190561

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Are #1 For A Reason!



STRAWBERRY SHORTCAKE BAR 41000 05414 SLIN: 0190081



OREO* ICE CREAM BAR 77567 02874 SLIN: 0190496



REESE'S* PEANUT BUTTER ICE CREAM CUP 41000 21489 SUN: 0190019



GIANT VANILLA SANDWICH 77567 00393 SLIN: 0191378



POPSICLE* RAINBOW POP 77567 08519 SLIN: 0190090



GUARANTEED FOILFRESH®



White Owl* Cigarillo failfresh* Sweets SAVE ON 2 UIN# 062265



White Owl* Cigarillo FailFresh* Green Sweets SAVE ON 2 UIN# 776849



White Owl* Cigarilla Folitresh* Silver SAVE ON 2 UIN# 062307



White Owl* Cigarillo FoilFresh* Block SAVE ON 2 UIN# 062984



White Owl* Cigarillo FoilFresh* Gold SAVE ON 2 UIN# 062893



White Owl* Ggarillo Foilfresh* White Grope SAVE ON 2 UIN# 062208



White Owl* Cigarillo Foilfresh* Grope SAVE ON 2 UIN# 062489



White Owl* Ggarilla Failfresh* Strawberry SAVE ON 2 UIN# 062299



White Owl* Ggarilla FailFresh* Peach SAVE ON 2 UIN# 062471

White Owl® SAVE ON 2 Uprights

MIX AND MATCH

PROMOMASTER

Offer Date November 1st – December 31st, 2013



SLIN #

UIN#

Asked Snack Crackers 3 oz. Grab N' Go

300092

493452

Cheoz-It White Choddar Baked Snack Crackers

3 oz. Grab N' Go

300877

Cheez-It* Cheddar Jack Reked Snack Crackers

3 oz, Grab Nº Go

302088

Stock Up On Everyone's Favorite Cheese Snack Cracker*

NEW POUCHES - AVAILABLE NOW! SERIOUS STASH FOR THE SERIOUS CHEWER

GREAT TO TAKE ON THE GO





DENTYNE ICE Peppermint SLIN #140197



TRIDENT Perfect Peppermint SLIN #140209



DENTYNE ICE Arctic Chill SLIN #140517



Trident is the #1 gum brand with 19.0% share at 7-Eleven!

NEW SOUR PATCH KIDS LINEUPS! SOUR. SWEET. GONE.









SOUR PATCH KIDS SLIN #140404



SWEDISH FISH SLIN #140397

Same great taste Now more nutritious



Now with 35% less sugar



Available fresh from:



















Available in 16-oz & 32-oz Bottles! Learn More at TruMoo.com



premium e-cigarettes

CIG20 Profit Center Pre-Packs

Your e-cig **profits grow** with brands that grow. CIG²O **sales grew 85%** in the first 7 months of 2013* CIG²O offers **great taste**, **more flavors and more choices**.
78% of CIG²O purchasers state that they will continue to buy CIG²O**.
CIG²O offers a range of convenient, easy to setup retail merchandisers to fit your store.

Stock, Sell and Profit with CIG2O today!

72-Piece Black Label Disposable Pre-Pack Counter Display



C2DBLK1 UIN #103937 \$200 00



72-Piece Cig2O MINI King Size Disposable Pre-Pack Counter Display



C2DMINI1 UIN #103507



33-Piece Pre-Pack Assorted Counter Display





51-Piece Pre-Pack Assorted Counter Display





Proudly Distributed by Kretek International, Inc. Moorpark, CA Always Ready.

Anywhere.

*Kretek International, Inc. shipment data. **Source: Independent National AAU Survey, ECH Research August 2013, †Cost does not include McLane upcharges, Retailer profits calculated at MSRP.

2 for \$3.33 King Size Promotion May 18th — December 31st

OFFER ANY TWO KING SIZE AT 2/\$3.33



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



3 MUSKETEERS 2 TO GO 5LIN 140914



MILKY WAY 2 TO GO SLIN 140026



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



MILKY WAY SIMPLY CARAMEL 2 TO GO SLIN 140868.



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



M&M MINIS MEGA TUBES SLIN 140983



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



SNICKERS PEANUT BUTTER SQUARED 2 TO GO SLIN 140537



SNICKERS TRIPLE CHOCOLATE 2 TO GO SUN 140428

AVAILABLE THROUGH MCLANE TODAY!



POPULAR FALL FLAVOR RETURNS

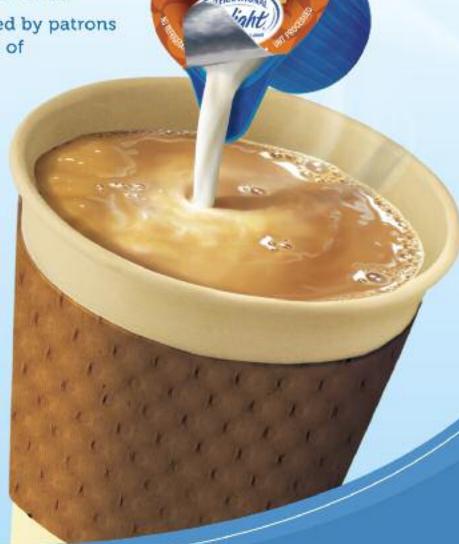
GIVE YOUR CONSUMERS
THE VARIETY THEY CRAVE

 Attract new consumers with premium coffeehouse flavor and superior value

 "Ability to customize" was rated by patrons as the most important benefit of on-the-go coffee.

 34% of consumers would be convinced to switch to another store if it offered a wider variety of creamers.²





FOD 8/26/13

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



whitewavefoodservice.com



LEBRATE LEGENDARY MOMENTS

LEGENDARY REASONS TO PROMOTE HEINEKEN THIS HOLIDAY SEASON

ENTICE YOUR SHOPPERS TO CELEBRATE IN STYLE WITH LIMITED EDITION BOTTLES AND PROMOTIONAL PACKAGING

- Heineken 12-packs generate +44% lift in incremental volume during the holidays!
- During the holidays, Heineken 12-packs have 3 of the top 10 selling weeks?

HELP DRIVE REPEAT PURCHASE WITH IN-PACK CODES THAT GIVE YOUR SHOPPERS A CHANCE TO WIN REWARD CARDS*

Heineken shappers are 61% more likely to repeat purchase during the holidays'

INCREASE YOUR BASKET RINGS WITH COMPELLING OFFERS ON HIGH-PROFIT ITEMS*

GIFT CARDS • WINE

CONTACT YOUR HEINEKEN USA REPRESENTATIVE FOR MORE INFORMATION!





September/October 2013

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AVANT/ 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 or fax to 520-577-4688. AVANT/ 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.



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Visit the National Coalition Website www.ncasef.com to see photos from the 2013 Convention!

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Member News

SEI Revives PAC



SEI is reconstituting its corporate political action committee, according to several sources, including The Center For Public Integrity. Paperwork received in late September by the Federal Election Commission indicates SEI's Senior Director of Government Affairs Keith Iones is the treasurer of the new company PAC, which will be funded by employees and primarily used to provide financial support to political candidates. Jones told the Center for Public Integrity that the PAC intended to support politicians on both sides of the aisle "who are supportive of small business" and retailers' issues.

SEI had previously operated a corporate PAC for decades, but shut it down in March 2009 due to declining participa-

"SEI is reviving its political action committee after shutting it down in 2009."

tion. Beyond the PAC arena, 7-Eleven has also regularly invested six figures in government lobbying efforts. Records show SEI spent \$160,000 on federal lobbying during the first six months of 2013.

Speedy Stops Rebranded To 7-Eleven

7-Eleven returned to the Rio Grande Valley in southern Texas after a nearly twodecade absence when it completed rebranding several Speedy Stops stores it purchased late last year, reported the Brownsville Herald. The Rio Grande Valley Speedy Stops were part of a larger acquisition that included 143 Speedy Stops and Tiger Mart retail locations from Victoriabased C.L. Thomas Inc. The deal closed December 31, 2012. In all, SEI now has 14 franchise locations in the Rio Grande Valley. The company said it has no immediate plans to add more stores in the Valley, since it already has its hands full integrating its

> recent acquisitions, but is "always on the lookout for great locations in areas where we already do business."

> > continued on page 18

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



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The Voice of 7-Eleven Franchisees September/October 2013

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Mentos Rolls
2/\$2

November-December 2013

CONTROL November - Nov



Mintergreen Sin mints sugarties congemint sugarties

mentos peppermint

50 breathmints sugarfree KINTISTERS WAS MEMORITAN OND





Support Hire Heroes/ Holiday For Heroes



Mentos - Rainbow Roll SLIN 142325 / UIN 218990



Mentos - Mint Roll SLIN 140270 / LIIN 286904



Mentos - Fruit Roil SLIN 140704 / UIN 385912



Mentos - Strawberry Roll SLIN 142021 / UIN 386979



Mentos Breath Mints - Peppermin SLIN 141253 / UIN 382689



Mentos Breath Mints - Wintergre SLIN 141271 / UIN 382747



Mentos Breath Mints - Orangemint SLIN 141241 / UIN 382663





Visit the National Coalition Website, www.ncasef.com



The National Coalition of Associations of 7-Eleven Franchisees (NCASEF) has announced its 39th Annual National Convention and Trade Show will be held July 12-16, 2014 at the Walt Disney World Dolphin Hotel in Orlando, Florida.

"We're really looking forward to being in Orlando at the Dolphin Hotel," stated Bruce Maples, chairman of the National Coalition. "Coming off of our dynamic convention in Las Vegas this past July, members of the National Coalition were energized, encouraged and excited about trends in the industry, as well as the continued expansion of 7-Eleven, Inc. in the U.S. We believe that the road ahead will continue to present new opportunities for strategic growth as well as leading-edge developments in the way we manage our individual stores, especially in the area of information technology. As always, our individual franchisees and their employees are committed to providing exceptional value and making sure that every guest at every store feels welcome," Maples concluded.

Located in the heart of the Walt Disney World Resort, the award-winning Walt Disney World Dolphin is your gateway to Central Florida's greatest theme parks and attractions. The resort is located in between Epcot and Disney's Hollywood Studios and nearby Disney's Animal Kingdom Theme Park and Magic Kingdom Park. Enjoy the new Mandara Spa, 17 spectacular restaurants and lounges, five pools, white sand beach, two health clubs, tennis, nearby golf and many special Disney benefits, including complimentary transportation to all Walt Disney World Theme Parks and Attractions, and the enhanced Extra Magic Hours benefit.

Avoiding Pre-Paid Card Fraud

SEI's Asset Protection department recently released a series of steps on how to avoid pre-paid card fraud. The company said 7-Eleven stores have experienced costly incidents of pre-paid card fraud in the past, and developed the steps to educate franchisees on how to best protect themselves from this type of loss.

The primary rule for franchisees and their sales associates to follow is never activate a card over the phone, SEI instructed. The most common type of pre-paid card fraud 7-Eleven stores experience involves a caller requesting card activation. A caller may claim to be from the 7-Eleven Help Desk or Green Dot (the card vendor), often calling in the middle of the night when an employee cannot verify that the request is legitimate. The caller may also claim to be conducting a test that requires cards to be activated and will ask for the pin and

account numbers. Once the card is loaded, the thief quickly uses funds. SEI said the 7-Eleven Help Desk and Green Dot will never call to request an activation test, nor

will a law enforcement officer.

If you believe your store is the victim of card fraud or attempted fraud, SEI recommends you take the following steps as quickly as possible:

- Do not cooperate with the caller and hang up.
- File a police report.
- Create a "theft case" online to automatically notify your field consultant and Asset Protection representative by e-mail or call the Asset Protection Hotline at 800-555-2620.

continued on page 22



Hire Heroes USA Helps Military Personnel Reintegrate Into Civillian Life.

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

Order the designated products listed below during the months of November and December and a portion of each sale will be donated to Hire Heroes USA!

VENDOR

Hershey



























E. & J. Gallo Winery

,	,	1		
Nestle Professional	Hot Pocket's BBQ Recipe Chicken	\$1.00/cs	666172	
	Hot Pockets Macaroni & Cheese	\$1.00/cs	751792	
	Coffe Mate Packets Original	\$.50 off	417345	
	Coffe Mate Packets Lite	\$.50 off	417311	
Kellogg's	Pringles Grab & Go Shipper	\$10.00 off	457986	
	Chez It Shipper	\$5.00 off	767830	
Met-Rx	MET-Rx Display Top Sellers CDU	\$10.00 off	338871	
Mondelez	Gum&Biscuit Shipper	Free Box Trident	682963	
BIC	BIC Lighter 2x2 Display 200ct	\$1.50 Off	245316	
	BIC Lighter Premium Powerhouse 300ct	\$5.00	245282	
Perfetti	Mentos Peppermint	\$1.00 off	382689	
	Mentos Wintergreen	\$1.00 off	382747	
	Mentos Orange mint	\$1.00 off	382663	
Mars	M&M King Size Shipper	20%	020941	
General Mills	Nature Valley Oatmeal Bar Shipper	\$6.90	597377	
	Nature Valley Granola Bar Counter Top	\$7.00	733428	
Wrigley	Orbit Eat Drink Chew Shipper	15%	226514	
Nestle Waters	Nestle Resource Water 700ML	\$1.00	429761	
	Nestle Resource Water 1 LTR	\$1.00	547638	
Anheuser Busch, Ernest & Julio Gallo, and MillerCoors also contributed to the Hire Heroes USA program.				

PRODUCT PROMOTED

Kit Kat Mini Display

DEAL

\$10.00

UIN

409078

Be one of 50 Franchisees to Win up to \$2,500!



2013 7-Eleven NCASEF Incentive Expand & Grow Coca-Cola Refreshment Juices and WIN!

GOAL

Increase distribution of Coca-Cola Refreshments Juice SKU's by 10% between November 1st, 2013 and January 31st, 2014.

ELIGIBILITY

Each store that stocks a minimum number of Coca-Cola Refreshment Juices SKU's will gain entries into a drawing for cash prizes (eligible SKU's by Brand in priority ranking on opposite page).

- Stores carrying 14 SKU's (one SKU must be Simply 59oz Orig. OJ) will receive 20 entries into drawing
- Stores carrying 12 SKU's (one SKU must be Simply 59oz Orig. OJ) will receive 10 entries into drawing
- Stores carrying 10 SKU's will receive 5 entries into drawing

MEASURE

Number of store entries into the drawing will be determined by using the Latest 12-Week ending 1/26/14 store level data for eligible SKU's.

DRAWING

Coca-Cola Refreshments will complete the drawing among eligible franchisees in February 2014, winning stores announced in March 2014, and payout by April 30th, 2014.

INCENTIVE KICKER

NCASEF will receive a payment of \$15,000 to be used at the boards discretion if total store SKU growth meets certain criteria.

Payout Potential: \$75,000

20 \$500 prizes available (\$10K)

10 \$1,500 prizes available (\$15K)

10 \$1,500 prizes available (\$15K)

10 \$2,500 prizes available (\$25K)

\$15,000 to NCASEF for achieving 10% growth targets

Note: Store level prize pool will be determined by overall growth % achieved by NCASEF.

Questions: Contact Tim Zeigler at 972-377-3785

62015 The Copa-Cara Company, 62513 Smily Orange Jude Company, 62012 Devalua in

Are you carrying the "right" juice SKU's?





Orange Juice (15.2oz) SLIN #: 0240632



Apple Juice (15.20z)SLIN #: 0240630



Cranberry Grape (15.2oz) SLIN #: 0241332



Cranberry Apple Raspberry (15.2oz) SLIN #: 0240955



Strawberry Passion (15.2oz) SLIN #: 0241862



Pineapple Orange Juice (15.2oz) SLIN #: 0242447



Ruby Red Grapefruit (15.2oz) 5LIN #: 0240989



Fruit Punch (15.2oz) SLIN #: 0241857





Simply Orange. (13.5oz) SLIN #: 0241471 UIN #: 753228



Simply Lemonade-(13.5oz) SLIN #: 0241481 UIN #: 271809



Simply Lemonadewith Raspberry (13.5oz) SLIN #: 0243367 UIN #: 440883



Simply Orange» with Mango (13.5oz) SLIN #: 0241368 UIN #: 065243



Simply Cranberry Cocktail (13.5oz) SLIN #: 0246133 UIN #: 365494



Simply Apple. (13.5oz) SLIN #: 0243358 UIN #: 426254



Simply Limeade. (13.5oz) SLIN #: 0242569 UIN #: 271833





Original Superfood (12oz) SLIN #: 0242983 CDC SLIN #: 0242417 McLane UIN #: 421081



(12oz) SLIN #: 0242978 CDC SLIN #: 0242453 McLane UIN #: 421172



Strawberry C Monster-(12oz) SLIN #: 0242859 McLane UIN #: 426544



Blueberry B Monster-(12oz) SLIN #: 0243619 CDC SLIN #: 0246514 McLane UIN #: 421057





Simply Orange-(59oz) SLIN #: 024256B UIN #: 650119



Simply Lemonade (59oz) SLIN #: 0243848 UIN #: 443358



Simply Lemonade: with Raspberry (59oz) SLIN #: 0244450 UIN #: 733832



Member News

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 Call Green Dot's 24-hour retailer support hotline with questions at 866-443-6669.

SEI said as of the December 2013 release, an ISP message prompt will appear on all reloadable card loads warning sales associates to never sell or re-load pre-paid cards over the phone. The company also released a splash screen on the ISP and is communicating the same message in the fourth quarter AP Awareness materials and training.

C-Stores Move Toward Fresh & Healthy

The move by convenience stores to offer more fresh and healthy foods to appeal to a wider range of consumers should come as little surprise, writes The Hartman

Group in its online newsletter HartBeat. Food culture in America is constantly changing and there is a growing demand for healthier fare. The report reveals that more than half (53 percent) of all eating occasions are snacking occasions, and "health" is an important consideration on 56 percent of snacking occasions. On any given day, one in ten of non-restaurant eating

occasions takes place within an hour of purchasing the food and/or beverage consumed (an "Immediate Consumption" occasion). The report further reveals that consumers are four times more likely to go to a convenience store for an Immediate



Consumption occasion than for a Non-Immediate Consumption occasion (14 percent vs. 3 percent, respectively, sourcing from c-store).

Several Chicago Stores Seized

SEI has taken over several Chicagoarea stores from franchisees, in some cases for allegedly selling non-approved items, reported DNAinfo Chicago. One local operator told the publication he was forced to relinquish ownership of four 7-Elevens in Wicker Park, Lincoln Park, Boystown and Lincoln Square. Another franchisee said SEI took over his stores in Lakeview, Lincoln Park, Jefferson Park and Portage Park.

In a statement to DNAinfo Chicago, the

company said it "has terminated the franchises at those locations because the franchisees violated the terms of our franchise agreement. As a result, we assumed control these Chicago-area stores, and they are now open and operating under the management of 7-Eleven, Inc."

Two dollarstore chains are now selling low-priced beer and wine.

The Skinny On **Gasoline Taxes**

The fluctuating cost of gasoline and the resultant impact on the nation's economy and living habits of Americans is a perpetually hot topic. According to data from the U.S. Census Bureau, the highest tax on gasoline is 39.5 cents per gallon, levied in California, while Connecticut imposes an almost 55 cent tax on diesel. Nationally, the lowest tax on both is just 4 cents, the rate in Florida. Across the country, there are 118,000 places to fill your

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about 100,000 fewer than in 1967. Over 80 percent of today's gas stations are connected with convenience stores.

Dollar Discount Stores Now Offering Beer & Wine

Several Dollar General and 99 Cents Only stores in the Southeast Valley area of Arizona have added low-price beer and wine to their inventory, as the two discount chains expand their offerings nationwide in order to meet consumer demands, reported The Arizona Republic. "We want to be a convenient store," Manuel Becerra, district manager for 99 Cents Only, told the newspaper. "You come to the store and you find everything you need."

They are about 40 Dollar General and 99 Cents Only stores across Arizona that were granted liquor licenses in the past few months, according to the Arizona Department of Liquor Licenses and Control. Another 30 stores have applications pending. A spokesman for the National Association of Convenience Stores said this move further blurs the lines between types of stores. A customer might not go to a discount store intending to purchase beer and wine, but the shopper might grab it to save a trip to another store, he said.

Walmart Sells Beer Almost At Cost

Walmart has been selling Budweiser, Coors and other brews almost at cost in at least some stores in an effort to become the country's largest beer retailer, reported

continued on page 26

WE'RE BACK!

with Amplified Fruit Flavors!









MIKEANDIKE.COM



NCASEF, 7-Eleven, Inc. And Vendor Partners Break Record With \$750,000 Commitment To Hire Heroes USA

The National Coalition of Associations of 7-Eleven Franchisees (NCASEF), in partnership with 7-Eleven, Inc. and 15 vendor partners, recently announced its single largest financial commitment ever to a charitable organization—Hire Heroes USA, a non-profit organization offering transition and job search assistance to military veterans and their spouses. The \$750,000 commitment, to be paid in early 2014, was made to Brian Stann, Executive Director of Hire Heroes, in July during the NCASEF National Convention in Las Vegas.

The largest part of the donation will come from percentage contributions made through an annual cause equity campaign running in November and December in which franchisees sell sponsored products, and a portion of the sale benefits Hire Heroes. Over \$98,000 of the donation came from the NCASEF's annual Joe Saraceno Charity Golf Tournament during the convention.

The NCASEF's relationship with Hire Heroes began in 2010 and, to date, the NCASEF, 7-Eleven, Inc. and vendor partners have donated more than \$1.3 million to the organization. Since 2010, Hire Heroes has:

- Confirmed nearly 1,000 veterans hired (now at the rate of 10 per week).
- Completed nearly 5,000 professional resumes.
- Conducted more than 86 workshops at 26 bases for more than 1,100 service members and spouses.

The July commitment includes participating vendors Hershey, Kellogg's, Wrigley, Anheuser-Busch, E.& J. Gallo Winery, BIC, MillerCoors, Nestlé Professional, Mars, Mondelez International, Perfetti Van Melle, PepsiCo, MET-Rx, General Mills and Nestlé Waters.

Sean Thompson, Senior Director of Merchandising at 7-Eleven corporate headquarters in Dallas, said, "The great work that Hire Heroes does to help our veterans has inspired the 7-Eleven vendor community to rally and

"The great work that Hire Heroes does to help our veterans has inspired the 7-Eleven vendor community to rally and donate an unprecedented level to this great cause."

donate an unprecedented level to this great cause. This donation provided by 7-Eleven and the National Coalition will help ensure Hire Heroes has the tools and support it needs to continue to find meaningful employment to our servicemen and women. I am particularly passionate about the cause and am pleased the National Coalition has asked me to be involved. I look forward to helping raise the bar each year so the important work Hire Heroes does can continue to grow."



NCASEF Officers present donation check to Hire Heroes Executive Director Brian Stann (third from right) during the national convention in July.



"The National Coalition is our largest funder and has been integral to our growth and development as the nation's premier employment assistance organization for veterans," said Brian Stann, Executive Director of Hire Heroes USA. "We are grateful to the consistent commitment the National Coalition has shown to the men and women who serve our country. This donation will allow us to serve hundreds more veterans in the next two years and continue our workshops on military installations nationwide," he concluded.

"We made a decision more than four years ago to support the great work of Hire Heroes and we made a multi-year commitment to that end," said Bruce Maples, chairman of the National Coalition. "We can truly say that the Hire Heroes family has become a part of our own family. We are so very proud of the work Hire Heroes does for our nation and our veterans and we are so very proud of our 7-Eleven family—individual stores, the regional Franchise Owner's Associations, 7-Eleven, Inc. and our vendors and partners—who make these donations possible."



*RETAILERS PROFIT. SHOPPERS SAVE.



The 7-Eleven 2013 Nestlé Waters Regional Spring Water Brands 2/52.00 700 mL promotion grew unit sales +96% vs. previous year."



- Regional Spring Water Brands 700 mL sales averaged 9.8 units per store, per day when 2/52.00 was promoted last year."
- Single-serve water sales grew +19% at 7-Eleven vs. +4% in total U.S. C-Stores in 2013 due, in part, to promotions just like this."



700 mL Promotional Period: November 1, 2013 to December 31, 2013



*7-Exchange May - June 2013/2012 *7-Exchange 2013 YTD Ending 7/7/2013. Nielsen 2013 YTD Ending 6/15/2013



Born Better



Member News

continued from page 22

Bloomberg Businessweek. The markup on a 36-pack of Coors Light cans at a Los Angeles-area store was 0.6 percent, compared with 29.9 percent for Coca-Cola 20-ounce bottles, according to internal documents reviewed by Bloomberg. Walmart's push into beer is part of a plan to double alcohol sales by 2016 and seize a larger slice of a U.S. beer market worth about \$45 billion, while attracting shoppers who typically buy other products at the same time.

Raspberry 5-hour ENERGY **Sales To Support Charity**

Living Essentials, LLC announced it is continuing to support breast cancer causes with the introduction of a new, limited edition, specially marked raspberry flavor of 5hour ENERGY. The company said from September through December 31, 2013 it will donate five cents from the sale of every bottle of specially marked raspberry flavored 5-hour ENERGY to Living Beyond Breast Cancer (LBBC), a national nonprofit

> education and support organization serving women and families affected by breast cancer. The minimum guaranteed donation is \$75,000. In addition to the donation, Living Essentials said it is launching a significant awareness campaign that includes national advertising, public relations and special events.

Curbing Tobacco Sales To Minors Successful

A new report on the Synar Amendment program—a federal and state partnership aimed at ending illegal tobacco sales to minors—shows that all the states and the District of Columbia have continued to

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Legislative Update

Four States Considering New Franchisee Rights Laws

Several states are considering legislation to give franchisees a lot more power in their dealings with franchisers, reported the Wall Street Journal. Lawmakers in Maine, California, Pennsylvania and

Massachusetts have recently introduced bills that would give owners a number of new rights and options—such as allowing them to join and support franchisee associations, and making it easier for them to renew agreements with their franchiser under the current terms.

The most far-reaching bill is Maine's LD 1458, which includes a number of big stipulations, like allowing franchisees to close their stores between 10 p.m. and 6 a.m., to renew their licenses without an increase in royalties or new fees, and to set their own prices on products and services. In Massachusetts, S 73 would require good cause for termination and prohibit practices such as restricting franchisees from associating with other franchisees and interfering with the transfer of a franchise by will or other lawful probate. Pennsylvania's HB 1620 would add a new chapter to existing state law called "Responsible Franchise Practices." Among other provisions, before granting a new franchise, franchisers' must give nearby owners 120 days' written notice.

"Maine, California, Pennsylvania and **Massachusetts** recently introduced bills that would give franchisees a number of new rights and options under the law."

California has two measures on the table. SB 160 would protect the right of franchisees to join and support independent franchisee associations, and would create an affirmative duty for franchisers and franchisees to act in good faith in their dealings. AB 1141 concentrates on increasing termination rights, clarifying transfer rights, and requiring renewal rights unless there's significant cause.

California Raises Minimum Wage

California Governor Jerry Brown recently signed Assembly Bill 10, which raises the state's minimum wage to \$10 an hour by 2016, reported the Golden Gate Xpress. Under the new law, the current \$8 minimum wage will jump to \$9 an hour next July 1 and then to \$10 on January 1, 2016. The 25 percent

increase would be the first minimum wage hike in the state since 2008 and would put extra money in the pockets of an estimated 2.4 million Californians. California will claim the nation's second highest minimum wage when it increases to \$9 an hour next July (Washington state currently pays \$9.19 an hour), and the highest when it rises to \$10 in 2016.

Judge Leaves Swipe Fee Rules In Place Pending Appeal

The Federal Reserve's rules for debit-card swipe fees and processing will remain in place while the central bank appeals a deci-

sion throwing out the regulations, reported *Bloomberg*. Both the Fed and retailers had asked the federal judge in Washington to keep the current rules in place pending the appeal. "Upon consideration of those pleadings, oral arguments and the entire record, I conclude that the stay should remain in place while our Circuit Court reviews my decision," U.S. District Judge Richard Leon wrote in the ruling.

The Fed is seeking to reverse Leon's ruling that it wrongly set the cap on debit-card transaction fees, known as swipe fees, at about 21 cents for each transaction, and neglected to bolster competition

continued on page 66

"California will claim

the nation's second

when it increases to

\$9 an hour next July."

highest minimum wage



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The Menu Labeling Act And **What It Means To C-Stores**

By Jason Miko, National Coalition

"Under Obamacare

any restaurant or

convenience store

with 20 or more

be required to

place caloric and

other nutritional

information on the

food products they

carry."

establishments will



A part of the Affordable Care Act, also known as ObamaCare, now requires convenience stores and certain restaurant chains to add menu labeling for much of their food, beyond what is already required on pre-packaged goods. This means that any restaurant or convenience store with 20 or more establishments will be required to place caloric and other nutritional information on the food products they carry. What does this mean for 7-Eleven storeowners?

"SEI is preparing to provide signage and caloric information for products in the fountain area, grill, bakery, etc. that franchisees will need to post and keep up to date."

Like most government intervention, the goal of the new menu-labeling requirements is to help consumers make the "right" decisions when it comes to purchasing food in convenience stores and restaurants. In a September 16 article in Roll Call supporting additional menu labeling regulations, Representative Rosa DeLauro and Senator Tom Harkin wrote "...we have seen child obesity triple—to the point where 1 in every 3 children or adolescents in our nation is now overweight or obese." That is one very large reason why the government is pursuing these new regulations.

Even so, there is contradictory research regarding the impact of posted nutritional information and how it affects the customer. One study conducted by New York University and Yale examined diners in New York where menu labeling has been enacted for several years. They determined that consumers ended up selecting higher caloric food when they were provided with nutritional information. A recent Gallup Poll, highlighted in Convenience Store News, showed that less than half of all Americans actually take the time to look at food labeling.

For its part, NACS is proposing changes to the new menu labeling regulations, calling on the Food and Drug Administration (FDA) to rewrite its rules and championing the Common Sense Nutrition Disclosure Act, which has broad bipartisan support in the House of Representatives. Among other things, the Act would seek "to improve and clarify certain disclosure requirements for restaurants, similar retail food establishments, and vending machines." According to Rep. John Barrows, D-

GA, a co-sponsor, "This bill will provide common sense, reasonable relief to those independent and small grocery chains, for convenience stores—for pizza parlors, pizza stores all over the country."

Closer to home SEI is preparing to provide signage and caloric information for products in the fountain area, grill, bakery, etc.; franchisees will need to post the signage and keep it up to date as the products change. However, and at this point in the process, the FDA has not issued its final requlations. We don't know what all of the precise requirements will be, but one thing we can be sure of—more work for franchisees.

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Former 7-Eleven CEO Jim Keyes has been tapped to run the Fresh & Easy Neighborhood Market chain once its sale by Tesco is formally completed. After teetering on the brink for over a year, Fresh & Easy Neighborhood Market has been sold to Yucaipa Cos., which is picking up approximately 150 of the 200 stores. • Employees at McDonald's and other fast food restaurants conducted strikes on August 29 in 60 cities including New York, Chicago and Detroit, in what turned out to be the biggest national walkouts demanding higher wages. The fast food workers want their hourly pay to be bumped up to \$15 from the current federal minimum \$7.25. • A new report on tobacco sales to minors by the U.S. Substance Abuse and Mental Health Services Administration reveals that 90.9 percent of all retailers did not sell tobacco products to an underage decoy. • Nissan plans to have multiple "commercially viable" self-driving vehicles ready for sale by 2020, reported USA Today. The company said it is working with major universities including MIT, Stanford, Oxford, Carnegie Mellon and the University of Tokyo on the technology. • Millennials spend more money in brick-and-mortar stores than online, according to new study by the NPD Group. The study shows that 81 percent of Millennials' retail spending occurs in-store, compared to only 19 percent online. • Sandwich chain Subway recently opened its 40,000th location at an AppleGreen petrol station in Ipswich, England. Subway has opened 1,761 new locations around the world since the start of the year. • While cold cereal is still the number one choice for breakfast in America—with sales topping \$9 billion over the last year—yogurt is

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quickly catching up with nearly \$7 billion



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Member News

continued from page 26

meet their goals of curtailing sales of tobacco to underage youth (those under 18). The report by the Substance Abuse and Mental Health Services Administration (SAMHSA), which sponsors the Synar program, shows that the average national retailer violation rate of tobacco sales is 9.1 percent—significantly below the 20 percent target rate set by the program. While this rate represents an increase from the year before, it is the second lowest retailer violation rate in the history of the Synar program.

The report further shows that 9 of the 50 states achieved a retailer violation rate below five percent, and 33 states and the District of Columbia achieved a retailer violation rate below 10 percent. The highest reported state retailer violation rate was 72.7 percent when the Synar program was established 16 years ago.

U.S. Adds 15,040 Franchise Jobs In September

U.S. private-sector franchise jobs increased by 15,040 during the month of September 2013, according to the ADP National Franchise Report. The report, which measures monthly changes in franchise employment derived from ADP's actual transactional payroll data, also reveals that on a year-over-year basis franchise employment growth continues to outpace the broader private sector job market by a measure of 2.5 percent

versus 1.9 percent. Franchise industry sectors showing an annual growth rate greater than 2.5 percent include restaurants, leisure, food retailers, business services and personal care services.

Dollar General Opens 11,000th Store

Dollar General Corporation announced it opened its 11,000th store in early October. The company marked the opening of the store-located in Murfreesboro, Tennessee—by hosting a community celebration during which Dollar General presented \$11,000 in donations to local schools and community

continued on page 32

chris_perry@shamrockfoods.com



New





THE CUP JUST GOT CRUNCHY!

New NESTLÉ® BUTTERFINGER® Peanut Butter Cups feature a smooth, super peanut-buttery BUTTERFINGER filling with just the right amount of crunchy pieces mixed in, all surrounded by delicious real milk chocolate. Peanut butter cups will never be the same again!

- BUTTERFINGER® Peanut Butter Cups is the highest-scoring concept from the BUTTERFINGER® Brand.
- . After trying the product, 82% of consumers said they would definitely or probably purchase BUTTERFINGER® Peanut Butter Cups and 69% said it was even better than they expected.1
- . Key peanut butter line extensions have a 3-Year CAGR of 21% and key peanut butter franchises are driving Category growth.2
- BUTTERFINGER® Brand is ON FIRE—up 10.6% year-to-date vs. the Chocolate Category at 4.2%!3

Add BUTTERFINGER® Peanut Butter Cups to your candy set and drive incremental sales.



Makes AVC - Core SVA TI, Marchest Chooles, 2013-2012. Key Franci Sides Figurities: — Fessel's Sociaes, MMNs. Key Franci Sides (see Talendree — Fessel's MAI Side, Revol's Sig Cop. Sociaes Separat, and MMNs. Revol's Sides.

Select wASS+Cone & N. Clig vs. NA. VED ember 311 8/2010

CONTACT YOUR LOCAL NESTLÉ® REPRESENTATIVE TO LEARN MORE.



Member News

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organizations in support of literacy initiatives. Dollar General said it anticipates opening 650 new stores and creating 6,000 new jobs in 2013. The company said it has created nearly 30,000 new jobs since 2007.

C-Store Beverage Sales Thrive On Labor Day

For beverage sales in convenience stores, Labor Day was the strongest holiday weekend thus far in 2013, reported BevNet.com, citing a survey conducted by Wells Fargo Securities. The survey, which represents beverage retailers from more than 10,000 c-store locations across the country, indicates that c-store beverage sales increased by 4 percent over the long weekend. The report attributes the increase to better weather across the majority of the country, which increased customer traffic. The report also shows that promotions on Labor Day increased by 4.2 percent. Survey respondents said they believe sales in the third quarter will increase by 3.1 percent compared to last year.

C-Stores Compete With OSRs For Fast-Food Dollars

For fast-food restaurants, convenience stores are increasingly part of the competition vying for value-oriented customers, offering food that is quite similar, reported Bloomberg Business Week. Foodservice sales at c-stores rose 7.6 percent to \$27.6 billion in 2012 as they focus on prepared foods like sandwiches and hot dogs-rather than the usual packaged fare—to make up for lost cigarette sales in the U.S. The article states three key factors are shaping the battle between quick-serve restaurants and c-stores:

- C-stores are going after the same core demographic as quick-service chains: households with income below \$50,000.
- Sandwiches and hot dogs are the largest sources of food revenue for c-stores. Pizza, which has low entry costs, is the third-largest source of food revenue at c-stores and saw sales climb 9.6 percent last year-adding competition to Domino's and Papa John's.

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· Fresh food has increased traffic and brought new customers to c-stores, particularly female and older shoppers. As it stands, classic c-store customers tend to be men ages 18 to 30 looking to buy cigarettes, coffee, beer, and lottery tickets.

Study Finds Swipe Fee **Reform Lowered Prices**

A new economic report released by the Merchants Payments Coalition shows that debit card swipe fee reform saved consumers and merchants billions of dollars in 2012, as anticipated by Congress when it passed debit reform legislation in 2010. Reducing the cost for merchants to swipe debit cards saved merchant businesses \$2.6 billion and put \$5.8 billion back into the hands of consumers through lower prices, which led to sufficient increased spending to support 37,501 new jobs, the report finds. The report further states that if swipe fees had been cut to 12 cents, as originally recommended by the Federal Reserve Board, an additional \$2.79 billion would have been generated in consumer savings, \$1.2 billion more in merchant savings, and an additional 17,824 jobs would have been created.

Beverages Help Foodservice Sales

Experts estimate more than half of U.S. consumers now shop foodservice offerings in convenience stores, and beverages play a role in the segment's success with 19 percent of consumers saying they shop foodservice at c-stores because they like the selection of fountain beverages, reported Beverage Industry Magazine. In 2012, foodservice accounted for nearly 16 percent of in-store convenience store sales, making it the second most prominent category next to to-

WINNERS OF FUZE TEA BIG GULP DRAWING ANNOUNCED!

Coca-Cola recently announced the winners of its Fuze Tea Big Gulp drawing for \$25 American Express gift cards. To be entered into the random drawing, franchisees had to order one or more of the Fuze Tea for Big Gulp SKUs—Raspberry (SLIN 130680), Lemon (SLIN 130119), Unsweet (SLIN 130122), and Sweet (SLIN 130121)—then send an e-mail to Coca-Cola rep Libby Goldschmid with their name, store number, and which Fuze product they ordered. The random drawings were held up to September 30.

The winners are: Julius Amirfar, Ken Smitreski, Jigar Patel, Bob Elkins, Dottie Castaldo, Tom and Amy Carvalho, Jim Nunnally, Serge Haitayan, Karan Singh, Cindy Darling, and Shanti Ramachandran.

Congratulations to the lucky winners. Coca-Cola would like to remind franchisees that tea is a growing category, especially when paired with food, so if you do not already have a Fuze Tea available in your store for Big Gulp, please consider ordering a BIB from McLane and trying it out.

DISCOVER BROOKSIDE"

BROOKSIDE® is growing in a big way. In fact, BROOKSIDE® is the fastest growing brand name in the candy, mint or gum categories, outpacing every other

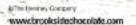


name on the shelf.* And our new 3-oz, resealable zipper pouch is sized right for building on this trend in convenience outlets. So stock and feature BROOKSIDE? and discover our success.

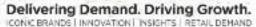
Available Now. Order today!























Changing The World With Only A Few Hundred Dollars— **Project A-Game!** By Todd Ferguson, Franchisee, Las Vegas

"We must become the change we wish to see in the world."

— Mahatma Gandhi

As 7-Eleven business owners, we often see the world differently. We have a very unique 24/7 perspective of the human condition at the store level in the communities and neighborhoods we serve. We see the hustle and bustle of people coming and going to work, school, social events, as well as those escaping from their reality by coming to our stores for refreshment, nutrition and for guest satisfaction.

Obviously, at the very core of our business is the invaluable element of "people." We are nothing without people in need of our brand of convenience! We strive to engage them on a level so they feel important, valued, and appreciated. If we do this well, they eventually become loyal to our store and to 7-Eleven. Believe me my friends, we change the world every day and—as 7-Eleven now echoes—we make the everyday better.

The challenge today is how can we change the world AND increase our guest counts? As franchisees, we want to be successful in our

business and at the same time be viewed as a positive influence in the communities we serve. How do we do this with our limited amount of time and resources? One answer lies in Project A-Game, a 7-Eleven program that allows you to make a huge impact in the area around your store and grow your business with a very small investment.

Project A-Game is a terrific program that is the best example of a 50/50 partnership with 7-Eleven, Inc. It provides franchisees

the opportunity to sponsor a school or a little league sports team for at least \$100 or up to \$250, and SEI will match these funds. In return we gain the excitement, gratitude and appreciation of the young people and their parents and educators of

Don't Wait To Make A Difference. Do It Now!

that school or team.

These are the basic elements for Project A-Game:

1. You can apply for a grant to sponsor a local school or youth sports team located in your store's neighborhood.

2. Franchisees are able to pledge a minimum of \$100 and up to a maximum of \$250 to a qualifying organization for an SEI "\$1 for \$1" match, which doubles your donation. You

> can also divide the sponsorship different programs or

schools, as long as the maximum donation is \$250 per store. Multiple store owners can use the \$250 maximum donation for each store.

3. You present the Project A-Game grant to the school.

4. Eligible organizations are public or private schools, youth sports organizations or teams that have a 501c3 nonprofit/tax exempt status.

Questions on details of the program? Need to check on status of your Project A-Game grant application? Yes, there is a real live person to contact! Wendi Hol-

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lenbeck is a great person to help you make it all work out. Her contact info is wendi.hollenbeck@7-11.com or 972-828-6949.

Some of you may be thinking, "Would a school really get excited and embrace a check for only \$200 or \$500?" The answer is absolutely YES! The schools are in desperate need of these funds and put the donation to wonderful use. The gratitude, appreciation and excitement is amazing! You are instantly the rock star of 7-Eleven as the thrilled, screaming kids, smiling parents, and overworked and underpaid teachers erupt in thunderous applause and cheer. And there's you,

"Project A-Game allows you to make a huge impact in the area around your store with a very small investment."

> probably still in your 7-Eleven uniform, standing in the center of this energy presenting a check from your store to the school. Schools that receive these funds feel like they won the lottery, and YOU and YOUR store are the face of this blessing of much needed funds!

> We all have good days and, as I call them, less than perfect days. Imagine this on either of those days: a little boy or little girl comes into your store and sweetly thanks you and your employees for helping them at their school. Their mom or dad stand next to them and smile with sincere appreciation. They wave to you as they leave your store, so happy. This is priceless, lasting and purely what we are all about as 7-Eleven franchisees!

> The deadline to apply for a Project A-Game grant is December 15, 2013. There is money still available and it is "first come, first serve." Don't miss this opportunity to make a huge difference for your store, the brand and the community that you serve and depend on. Remember, one person can make a difference and you can help change the world!

For more Project A-Game information, contact Wendi Hollenbeck at wendi.hollenbeck@7-11.com or 972-828-6949.

"Project A-Game gives franchisees the opportunity to sponsor a school or a little league team for at least \$100, or up to \$250, and SEI will match these funds."



*Peppermint * Mocha

Warm up the season with a delicious holiday treat their senses won't forget!

F.O.D. 10/21/2013. Find order details in your new item packet, Week 42.



Keep in stock for Fall!



Pumpkin Spice Latte SLIN #231242

Keep these core flavors in stock:



French Vanilla Cappuccino SLIN #230629



Skinny French Vanilla Cappuccino

SLIN #230232



Hot Chocolate SLIN #230512





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Member News

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bacco. Within this segment, sales of cold dispensed beverages grew 11.3 percent.

Tesco's Fresh & Easy **Declares Bankruptcy**

Fresh & Easy Neighborhood Market recently filed for Chapter 11 bankruptcy in U.S. Bankruptcy Court, reported the Los Angeles Times. The grocery chain, which is in the process of trading hands from British supermarket giant Tesco to Yucaipa Cos., cited debt between \$500 million and \$1 billion in its court filing. The move "is simply the next step in the restructuring process" during the sale and will have "no impact" on customers' shopping experience, Fresh & Easy said in a statement. As of early September, Fresh & Easy operated more than 150 U.S. stores in California, Arizona and Nevada from its El Segundo headquarters and had more than 4,000 employees. Some analysts believe Yucaipa Cos. plans to use Fresh & Easy space to relaunch grocery chain Wild Oats Markets Inc., which has been closed since 2007.

September Chain-Store Sales Increase

U.S. chain-store sales posted a gain of 4.0 percent for the fiscal month of Septemcontinued on page 64

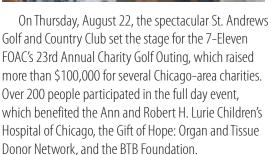
FOAC Charity Golf Outing



RAISES OVER \$100,000!









"Dennis is always so gracious to help us out and once again, the outing was on his birthday," said Joe Rossi, president of the FOAC. "People love spending time with him and talking about his career with the Bears," Joe added. "He's a great guy and went above and beyond to help us promote this year's charity golf outing."





"The late morning rain allowed play to resume after lunch and everyone had a wonderful time," said Gary Loughridge, Golf Committee Chairman. "The show of support from our franchisees, our vendor partners, our customers, and the community was extraordinary," he continued. "Their enthusiasm to help our charities was overwhelming, and we are very grateful."

"Our golf committee truly outdid themselves this year," said Joe. "They worked extremely hard to ensure a successful event, and their efforts paid off. Not only was this year's golf outing very well attended, but we raised more money than ever before," he adds. "I'm extremely proud of what we accomplished and know that our committee is as well."

IT'S THE CHICKEN. IT'S THE CORNBREAD. IT'S THE SMELL OF BARBEQUE!



New HOT POCKETS' BBQ Recipe Chicken In A Cornbread Crust Stuffed Sandwich

SUCCULENT PULLED CHICKEN SMOTHERED IN A SMOKY, SWEET BARBECUE SAUCE, ALL WRAPPED IN A UNIQUE

 59 percent of c-store patrons who purchase food daily are male. CORNBREAD CRUST. THE PERFECT HANDHOLDABLE MEAL.

- Nearly 60% of restaurants featured BBQ in 2012.
- HOT POCKETS stuffed sandwiches contain meats and cheeses, not inexpensive fillers such as rice and beans.
- 63 percent of HOT POCKETS brand stuffed sandwiches are eaten by males.

BIG 4 OZ. EACH, 24 PIECES PER CASE ORDER THROUGH MCLANE NOW!





A CHILL IS SWEEPING THROUGH THE HOTTEST CATEGORY IN TOBACCO.

The world's #1 selling snus, *General*, will soon be available in 7-Eleven stores nationwide. A space-efficient chiller, custom designed to fit into 7-Eleven fixtures, will drive sales and profits in your store.

For more details, contact a Swedish Match representative today at 1-800-367-3677 or NationalAccounts@smna.com.

Honesty, Integrity And Trust

BY BRUCE MAPLES

EXECUTIVE CHAIRMAN, NCASEF

It is election time again at the National Coalition, and it's a good time to think about where we are and where we are going. Every two years the National Coalition Board elects half of its executive team. Last year we held elections for the three vice chairman positions, and by the time you read this, at the October Board meeting we will have elected the chairman, executive vice chairman and treasurer.

As we approach this election I am reminded of events of the past year and all the hard work we have put in working on franchisee issues and the 7-Eleven system. I believe absolutely that franchisees form the heart and soul of the 7-Eleven system, and that the National Coalition represents the franchisee community.

Earlier this year when news broke of problems at some northeastern 7-Elevens, my first reaction was one of great concern. I wondered if this could be a widespread problem and how it would affect our system, our customers, and our brand's reputation.

It is clear from the writing of our first bylaws that honesty, integrity and trust have long been cornerstones of the franchisee mindset, and the basis of the National Coalition. As storeowners and small businessmen we get involved in our communities, our local governments and our schools. Oftentimes, a neighborhood store can help stabilize a

BRUCE MAPLES CAN BE REACHED AT 520-577-8711 or nationaloffice@ ncasef.com

community. We sponsor sports teams, and we contribute to events. We sponsor clothes and food drives,

and we donate to local schools and many, many charities: MDA, St. Jude Children's Hospital, the American Cancer Society, Susan G Komen for the Cure, local hospitals, Duchenne's, and many, many more.

Throughout the 30 states in which 7-Eleven operates, 7-Eleven franchisees are known in our communities as honest and hardworking, and among the first to pitch in during times of disaster, too. By and large we are successful be-



"Throughout the 30 states in which 7-Eleven operates, 7-Eleven franchisees are known in our communities as honest and hardworking, and among the first to pitch in during times of disaster, too."

fairness, and integrity in the conduct of their relations as franchised owners of 7-Eleven stores. Every franchisee is an independent contractor, and solely controls the operation of their store(s). The National Coalition expects every member of our organization to operate their stores in an ethical and honest manner, in accordance with

"Honesty, integrity and trust have long been cornerstones of the franchisee mindset, and the basis of the National Coalition."

cause we get involved. We know our customers by name, and we grow our businesses by being connected to our customers and our communities.

When news of the trouble in the Northeast broke, we released the following statement, which reflects the language in our bylaws:

"Members of the National Coalition of Associations of 7-Eleven Franchisees pledge to observe the highest standards of competency,

all U.S. laws and consistent with the 7-Eleven franchise agreement."

We still operate, and will always operate, by these principles. We must expect the

highest standards of all our franchisee members at all times. It is the only way we can compete in our industry and maintain successful relationships with customers, our vendors, our employees and 7-Eleven.

In 2013, the 7-Eleven franchised

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system outpaced the largest competitors in the industry. We passed Couche Tarde/Circle K (5,200 stores) by 2 per-

"Today, 7-Eleven's emphasis on store growth, cleanliness, and fresh and hot foods continue to challenge the franchisee community. Every day at the National Coalition we continue to work on issues that affect franchisees and our businesses."

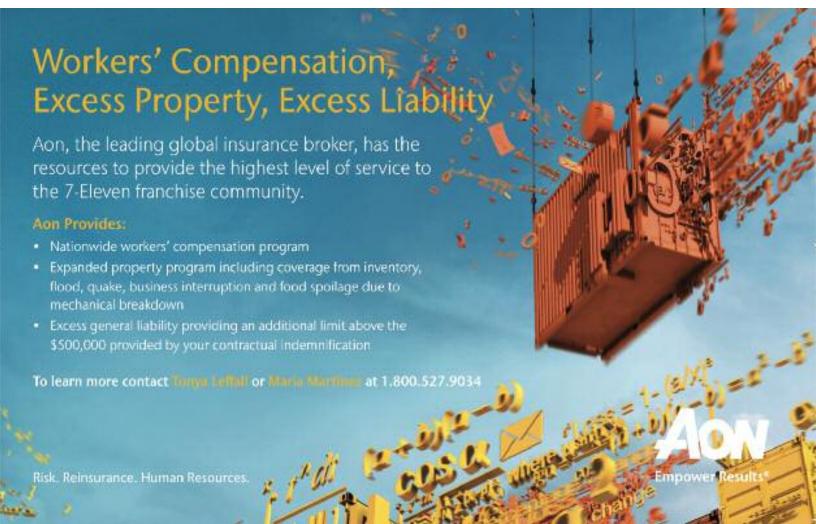
cent in merchandise sales growth, and 2 percent in margin. A lot of this comes back to the franchisees, our reputations, and knowing our neighborhoods and our stores.

Today, 7-Eleven's emphasis on store growth, cleanliness, and fresh and hot foods continue to challenge the franchisee community. Every day at the National Coalition we continue to work on issues that affect franchisees and our businesses.

Hot foods is a great program but we need to improve profitability. We will have trouble being successful in the hot foods category if we sell products below our average store margin. We have a large investment of time and labor, and we need a program that gets the margin up over 50 percent to fill the void left by the decline of tobacco.

GEA used to be a measure of what the customer saw. Today it is used as a snapshot for store cleanliness. I'm pleased to say SEI is reworking the GEA form, but we are still concerned because the GEA bar keeps moving, and franchisees often don't know where the bar is. A moving target is unfair to franchisees, and transforms into a communications issue.

Once, as a young franchisee I visited the Anheuser Busch brewing plant. I was lucky enough to see above the door a sign that has stuck with me for my entire career: "Our business is making friends." I believed this then, and I believe it now. Honesty, integrity and trust are a large part of the equation.



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FIWs, POS Analytics, And The DVR Security System

BY JIVTESH GILL, EXECUTIVE VICE CHAIRMAN, NCASEF

Historically, Asset Protection has been part of our operation, but they've usually been in the background and normally not that involved in the daily operations of our stores. Recently, however, all of that has changed. For about a year now Asset Protection has been a very active part of store operations, and this has created some anxiety in the system. Franchisees are concerned about what's going on with the Financial Impact Worksheets (FIWs), what's going on with POS Analytics (Red, Yellow, and Green), and what's going on with the new DVR security system.

The National Coalition Executive Board has held several meetings with Asset Protection in the last several months to discuss these three topics, and some progress has been made. I'd like to share where we now stand on these issues.

Presently, many stores are being hit with FIWs—or the charge-backs resulting

As a result of our meetings with Asset Protection, on 7-Connect there are now complete tutorials on audit-to-audit analysis, and how to understand the Financial Impact Worksheet. These tutorials contain information on how things are calculated, so if a store receives an FIW the franchisee has some tools to help understand it. We advise that you prepare questions and respond to the FIW, and if



"There are now complete tutorials on audit-to-audit analysis and how to understand FIWs on 7-Connect."

in FIWs—which are typically triggered by audit-to-audit research, by alleged misreporting promotional activity at the stores, or by alleged mistreporting of manufacturer coupon activity. However, there's a lack of understanding among franchisees about how these charge-backs and FIWs are calculated. Even some field consultants and market managers don't fully understand how FIWs are calculated. One reason for this is a lack of sufficient support to ex-

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plain how these packets are to be understood and how the stores can respond to them.

need be, challenge it. Don't let it sit around for 60 days and let it impact you. We also urge everyone to look at the tutorials.

The other area of concern among franchisees is POS Analytics (Red, Yellow, and Green), where stores are flagged according to the daily transaction data. All POS activity now gets funneled through a special SysRepublic EBT reporting tool called Secure, which is updated with T-Log transactions on a daily basis. Secure monitors 16 different transaction types for exceptions based on volume, value, and percentage of sales (which are reviewed via a weekly summary report): aborts, item voids, negative transactions contain"Beginning early next year, franchisees will have access to the weekly POS Analytics report with detailed information on the 16 transaction types."

ing promos, transactions with tobacco discounts, transactions with non-tobacco discounts, non-scanned refunds, non-scanned sales, scanned refunds, manufacturer coupons, PLU lookups, age cancel verification, memory cancels, no sales, price overrides, change makers, and penny rings. Depending on where you fall on those 16 criteria, stores can be flagged Red, Yellow, or Green.

But again, there is a lot of confusion and a lack of understanding among franchisees on why a store is Red, Yellow, or Green—and especially WHY a store is Red and what can be done to fix the issue to make it Green. LONs and breaches are being given on the FIW and charge-back situations, as well as stores being Red on the POS Analytics. Any time you talk about LONs and breaches it creates a negative situation and puts franchisees on the defensive. It also takes the focus away from improving sales and gross profit.

In our meetings with SEI and Asset Protection, we said franchisees would like to have the tools at the store level to look at the same information that Asset Protection is viewing. Then stores could examine the information in detail and be proactive and fix the problems. After some discus-

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Where We Stand continued from page 43

sion, we have a commitment from Asset Protection that we'll have a weekly report available to all stores on the 16 transaction types at the beginning of next year. SEI will need some software development to accomplish this, but we should have a report available to us by the beginning of 2014.

The report will have detailed information on the store's activity related to those 16 criteria, how that information compares to your market and zone, and it will be broken down at the cashier level so you can tell which cashiers have high volume activity on these negative transactions. This weekly report will be delivered to the stores via email, and we are excited because this will allow stores to be proactive moving forward.

The third concern is the new DVR security system—specifically, the purpose of the new system and how it's going to impact the way we do business. Currently, "Mediation on the DVR security system has been delayed by the Justice Department due to the recent events on the East Coast."

about 4,200 stores have the ClickIt DVR system installed, and the rest have an earlier DVR platform. SEI said it plans to upgrade over 1,000 more stores to the ClickIt DVR system by the end of this year. This system features one big fisheye lens camera in the middle of the store that provides the ability to zoom in and out without losing clarity, and it's able to capture everything that happens in the store. It also gives SEI the ability to view our stores remotely.

The biggest concern with the ClickIt DVR system is how it's going to be used by SEI and for what purpose. As you know, we have been in mediation with our franchisor over the use of the DVR system, particularly what information they get from our stores via the system and for what purpose the information will be used. We're making progress and hope to have something to share soon, but the Justice Department has delayed mediation due to its investigation on the East Coast matter. We have asked SEI to come back to the table as soon as possible to resolve this issue, because it is important to franchisees.

As your national representative I understand these issues have been on the minds of franchisees for many months. We've voiced concerns to SEI and some progress is being made, but we hope that moving forward our franchisor will work closer with us to resolve similar issues before they become too distracting and affect our ability to grow sales and profits. **AV**







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Common Mistakes Of Small **Business Employers** BY CRAIG P. KENNEDY, ESQ. GENERAL COUNSEL, NCASEF

To those franchisees who attended my presentation on avoiding employment mistakes at the last NCASEF Convention in Las Vegas, please forgive me because you may have already heard all of this. Any Avanti readers who missed my presentation can benefit from the information below. Most of you may already know much of this basic and logical information, but it is dispiriting to me how many 7-Eleven franchisees fail to follow these important rules, resulting in serious troubles with their employees, 7-Eleven, Inc. and governmental regulators.

Failure to follow employment laws causes very expensive problems for small business owners, and 7-Eleven franchisees are no exception. At my firm, we regularly encounter difficulties franchisees suffer due to their failure to avoid common traps when employing staff for their stores. Franchisees can avoid these difficulties by following the simple rules described in this article.

Earlier this year, SEI instituted a program of certifying compliance with the federal law by inspecting the USCIS Employment Eligibility Verification Form I-9s and requesting certifications from certain franchisees that an I-9 has been completed for each employee due to notorious problems of certain franchisees hiring undocumented workers. Please read Executive Vice President Jivtesh Gill's article in the previous Avanti regarding this issue. SEI and various governmental agencies are watching to be sure you comply with the law, and your failure to do so can be catastrophic.

SEI often uses storeowners' illegal employment practices to terminate franchises. These practices include paying cash to em-

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ckennedy@mtbklaw.com

ployees and hiring undocumented workers. SEI is especially sensitive to these issues now

and is aggressively seizing franchised stores for violations, particularly when combined with other problems in the store operations.

In order to avoid major problems with



able for any income tax and other taxes not paid by the employer and/or employee, and, since it is a federal crime to fail to withhold taxes for an employee, there is an additional penalty of 100 percent of the taxes not withheld for both the employer's portion and the employee's portion. There is also interest.

- Employees can challenge the amount of hours worked or claim they never were paid for meal breaks or other breaks.
- Cash employees usually are not covered by workers' compensation insurance. If an employee makes a Workers' Compensation claim, the employer has to pay all damages. This can be financially ruinous.

"Failure to follow employment laws causes expensive problems for small business owners, and 7-Eleven franchisees are no exception."

employees in your stores, you and your store managers should follow these basic rules:

Rule No. 1 Never Pay Employees in Cash

Employees should always be paid through the 7-Eleven payroll system. Have the employee log in and out on the computer himself/herself (see Rule No. 3, below). There are many reasons for this.

• Employees "forget" having been paid in cash. Later, when they go to court or to the State Labor Commissioner,

they will deny having been paid and you will have no proof they were paid and/or how much they received.

• Employees almost never report the income paid to them in cash on their tax returns or pay the taxes on that money. If the Federal or State government learns about the income paid to the employee in cash, the employer is fully li-

No good things come from paying an employee in cash, only bad things. Many of them can ruin your business. Franchisees should never pay employees in cash.

Rule No. 2 **Never Hire Undocumented Workers**

During 2013, numerous franchises have been terminated by SEI because, among other things, they hired undocumented workers. In several recent cases,

> Federal judges have granted preliminary injunctions in favor of SEI terminating storeowners' franchises without any right to cure, at least in part because the franchisees knowingly hired undocumented workers and used false social security numbers for employees who were not eligi-

ble to work in the United States.

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Common Mistakes Of Small Business Employers

Problems with hiring undocumented workers:

- Potential federal criminal liability: For example, Jose Calhelha, former owner of ten Connecticut Dunkin' Donuts, pleaded guilty on December 29, 2007 to illegally encouraging aliens to come to the United States and illegally harboring aliens in Guilford Connecticut. In exchange for his plea, he was sentenced to serve ten months of imprisonment, followed by two years of supervised relief and fined one million dollars in monetary damage.
- Potential federal civil liability: Potential fines of thousands of dollars per undocumented worker.
- Potential loss of franchise: As noted above, SEI is very alert to the hiring of undocumented workers and recently has terminated franchises for this reason.

Do not hire undocumented workers. If you have any working for you now, terminate their employment immediately.

Rule No. 3

Have Employees Keep Track of Their Own Time

Failure to have employees keep track of their own time, including all hours worked and overtime, causes numerous problems leading to employer liability to the employees.

• Employees must clock into and out of work every time they come into work, leave for lunch, return from lunch, or leave work at shift's end.

be sure all of their employees use it themriving to work, clock out for the meal break, clock back in after the meal break. and clock out at the end of his/her shift.

• It is essential that the employee inputs the time himself/herself, and not the franchisee. Franchisees should train all of their employees on the proper manner of clock-

"Failure to have employees keep track of their own time, including all hours worked, and overtime, causes numerous problems leading to employer liability to the employees."

ing in and out on the computer at the time of hiring. Properly keeping track of their time must be one of the most important duties of each employee, and failure to properly clock in and out must be grounds for discipline—up to and including the termination of the employee.

• When an employee clocks in and out on the computer and a claim is brought by that employee, the franchisee can order the records from 7-Eleven, which are written documents showing the precise times the employee clocked in and out on the computer.

selves. Employees should clock in upon ar-

- Wage and hours claims before state labor boards or state courts are determined by time cards or other evidence of the employees' clocking into and out of work.
- When employers (a) have not provided a time clock or computer sign in facility; (b) have failed to have the employee use the sign in facility; or (c) have signed in on behalf of the employees, the employer will lose the case.

Rule No. 4 Always Pay the Minimum Wage

Employers should know the federal minimum wage and their state's minimum wage, and must pay the minimum wage to all workers.

Even though 7-Eleven sets these on their computer to prepare the paychecks for your employees, you are responsible for all issues related to employees, so you need to know the local laws and be sure the proper amount is being paid. Some states, counties, and cities have different minimum wage rates in excess of the federal rate.

The current federal minimum wage is \$7.25. The current state minimum wages can be found at this webpage: www.dol.gov/whd/minwage/america.htm.

From time to time the franchisee should check that the proper wage is being paid because the franchisee is responsible to be sure the minimum wage is paid to his/her employees.

Problems with failure to pay the minimum wage:

- The employer will be liable to the employee for additional wage. If the hours worked are overtime, they will be at time and a half.
- There are additional penalties to the employer, including attorneys' fees and costs.

Rule No. 5

Always Pay Overtime

All employees—with the exception of "exempt employees"—are entitled to be paid overtime. "Overtime" under federal law is all hours in excess of 40 hours per

• When the employee signs in and out "Employers should know the federal minimum wage and their state's

mimimum wage, and must pay the minimum wage to all workers."

• Employers must have time clocks or other means for hourly employees to keep track of their hours. 7-Eleven has a great system for employees to clock in and clock out on the computer. The computer reports the time directly to 7-Eleven for the calculation and payment of hourly wages, including overtime. All franchisees should

himself/herself either on the computer or a time clock, every time, the employee has created a good record of the actual time worked by the employee that will be believed by the Labor Commissioner and/or the courts.

Problems with not having employees clock into and out of work:

week. This term also has different meanings in different places. For example, in California overtime is more than 8 hours in a day or 40 hours in a week.

"Exempt" workers are not required to be paid hourly wages. The primary exemption is for store managers who may be executive employees, provided their primary duty (at least 50 percent) is in managing the enterprise or a department of the enterprise, customarily and regularly directing the work of two or more other employees, and being able to hire and fire or suggest changes in the status of other employees. Very often, managers are treated as salaried employees on the basis of this test:

- Is the worker paid a salary that is not subject to reduction due to the number of hours worked or the quality or quantity of the work performed?
- Is the worker paid at least \$455 per week? In some states, this may be higher; for example, in California it is \$640 per week.
- Is the worker's primary duty to manage the company or a recognized department or subdivision of it?
- Does the worker's primary duty include the regular management or supervision of two or more employees?
- Does the worker have authority to hire or fire other employees, or is he or she in a position where his or her suggestions as to hiring, firing, advancement, or other change of status of other employees are given particular weight?

Problems with failure to pay overtime:

- Employer must make up overtime pay and there may be additional penalties.
- Potential claims at labor board or in court.
- Attorneys' fees and costs.

Rule No. 6

Always Give Rest Breaks

Many states require employers to give rest breaks; for example, a 15-minute paid break in the middle of each 4 hours of work. Franchisees should determine their state's requirements and tell all employees upon hirMinimum Wages By State

Presented below are the state minimum wages as of January 1, 2013. The data was culled from the U.S. Department of Labor's website (http://www.dol.gov/whd/minwage/america.htm#Consolidated).

The current federal minimum wage is \$7.25 per hour. The data reveals there are four states that have a minimum wage set lower than the federal minimum wage, 19 states (plus D.C.) with minimum wage rates set higher than the federal minimum wage, and 22 states that have a minimum wage requirement that is the same as the federal minimum wage requirement. The remaining five states do not have an established minimum wage requirement.

The State of Washington has the highest minimum wage at \$9.19 per hour. The states of Georgia and Wyoming have the lowest minimum wage (\$5.15) of the 45 states that have a minimum wage requirement.

According to the Department of Labor, the state minimum wage rate requirements, or lack thereof, are controlled by legislative activities within the individual states. Federal minimum wage law supersedes state minimum wage laws where the federal minimum wage is greater than the state minimum wage. In those states where the state minimum wage is greater than the federal minimum wage, the state minimum wage prevails.

Greater Than Federal Minimum Wage Alaska—\$7.75	Equals Federal Minimum Wage Delaware	Virginia West Virgina Wisconsin
Arizona—\$7.80 California—\$8.00 Colorado—\$7.78 Connecticut—\$8.25 District of Columbia—\$8.25 Florida—\$7.79 Illinois—\$8.25 Massachusetts—\$8.00 Maine—\$7.50 Michigan—\$7.40 Missouri—\$7.35 Montana—\$7.80 Nevada—\$8.25 New Mexico—\$7.50 Ohio—\$7.85 Oregon—\$8.95 Rhode Island—\$7.75 Vermont—\$8.60 Washington—\$9.19	Hawaii Iowa Idaho Indiana Kansas Kentucky Maryland Nebraska New Hampshire New Jersey New York North Carolina North Dakota Oklahoma Pennsylvania South Dakota Texas Utah	Below Federal Minimum Wage Arkansas—\$6.25 Georgia—\$5.15 Minnesota—\$6.15 Wyoming—\$5.15 No Minimum Wage Required Alabama Louisiana Mississippi South Carolina Tennessee
3		



Common Mistakes Of Small Business Employers

ing, from time to time, and in writing in a sign posted in a conspicuous place they are required to take these 15-minute rest breaks.

Problems with failure to give rest breaks:

- The penalty for each failure to give a rest break is an hour of compensation at the employee's regular rate.
- Potential claims at labor board or in court.
- Attorneys' fees and costs.

Rule No. 7 Always Give Meal Breaks

Many states require employers to give their workers meal breaks. Franchisees should determine their state's requirements, insist that all of their employees take meal breaks when they are entitled to them, or to waive them in writing to take on-duty breaks if that is permitted by the state law.

For example, under California law, if the employee works more than five hours, he/she is entitled to a 30 minute unpaid offduty meal break and the franchisee must give it unless the employee is working more than five (5) hours but less than six (6) hours, in which case the employee can agree he/she will not take a meal period. If the employee agrees, this agreement must provide that the employee can terminate the agreement at any time and should be in writing (do not rely on an oral agreement).

In the event the employee works more than ten (10) hours but less than twelve (12) hours, the employee is entitled to two meal breaks; however, the employee can agree he/she will not take the second meal period unless the first meal period was not taken. In the event an employee works more than twelve (12) hours, he/she shall be entitled to take a meal period while "on-duty" at the end of ten (10) hours, and shall be paid for the time of the meal period. Again, if the employee agrees not to take a second meal break, the agreement must provide that the employee can terminate the agreement at any time and should be in writing.

Unless the employee is relieved of all duty during a thirty (30) minute meal period, the meal period is considered to be

"on-duty" and the employee is entitled to wages during the meal period. An "on-duty" meal period is permitted only when the nature of the work prevents the employee from taking an "off-duty" break, such as an employee working the "graveyard shift," and when the parties agree in writing to an "onduty" meal period. This written agreement must provide that the employee can revoke the "on-duty" agreement at any time. This agreement must be in writing. 7-Eleven provides a form for this purpose.

Problems with failure to give meal breaks:

- The penalty for each failure to give a rest break is an hour of compensation at the employee's regular rate.
- Potential claims at labor board or in court.
- Attorneys' fees and costs.

Rule No. 8

Keep Records of All Exempt and Nonexempt Employees

With the exception of the I-9 and the W-4, the employer is not required to keep these records in any particular format, but they must generally include the following information:

name of the employee;

wages are paid and the period covered by such payment; and,

• W-4 and I-9 for each employee.

Tip: Keep these records off-site. Employees sometimes steal records to destroy evidence for lawsuits against franchisees or those brought by franchisees. If requested records are off-site, you generally have 72 hours to provide them.

Franchisee Excuses For These Mistakes

There are many excuses for the failure to follow these simple but essential rules. Here are a few:

- He/she is my best employee, the most dedicated and hardworking.
- He/she says he/she needs the overtime, I can't afford to pay time and a half, so he/she agreed to be paid straight time for overtime.
- He/she is like family.
- I paid for his/her hospitalization/kid to go to college/chemotherapy treatments/new car/rent deposit.
- He/she would never do anything against
- He/she personally signed all of his/her time cards.
- I cannot get my employees to clock in and out properly. I will have to fire them all!
- It's so hard to get good employees.

"Franchisees should insist all employees take meal breaks when entitled, or to waive them in writing."

- home address;
- date of birth, if the employee is under age nineteen:
- sex of the employee;
- · occupation in which the employee is employed;
- day of the week and time at which the workweek begins;
- the regular hourly rate and the basis on which wages are paid;
- hours worked each day and week;
- daily or weekly straight time earnings;
- weekly overtime excess compensation;
- deductions from or additions to wages;
- wages paid each pay period, and the date

Remember, no good deed goes unpunished! Often the employees to whom you have been the kindest are the ones who will go to the labor board or to court after termination to try to collect from you for violations of the laws relating to employment. Trust no one. Your kindness means nothing after the employment relationship ends. Follow the rules for every employee.

Finally, each state has different laws regulating employment. I recommend you check with a lawyer in your state with knowledge of its laws to be sure you are in compliance. AV



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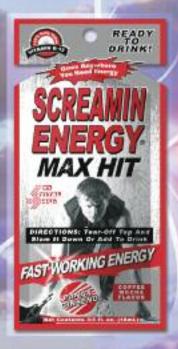
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SALES PLAN VERIFICATION ASSESSMENT

BY JAY SINGH VICE CHAIRMAN, NCASEF



A few months back, SEI decided to check compliance on one more part of our store operations and named it "Sales Plan Verification Assessment." As you are all aware, the Merchandising Department—with the cooperation of other SEI departments—puts in place the sales plan for a particular month to be rolled out in all of our stores. This plan may vary region to region, and no doubt it requires a lot of hard work in advance to put all the different aspects of this plan in place so it rolls out smoothly. The sales plan consists of different types of promotions, new POP, new item roll outs for that particular month, new schematics, display instructions—all the necessary tools, and lot of other stuff to make sure we follow the instructions.

Business consultants now have the advantage of being connected to franchisees via text messaging and e-mail, so they are able to send all the information to us on a daily basis to make

sure we order the new items well in time to comply with the sales plan. Lately, there has also been a lot of pressure to order more shippers, the reason being soft sales. Lots of

e-mails and text messages on a daily basis from business consultants to

JAY SINGH CAN BE REACHED AT 702-249-3301 jksingh2003@yahoo.com keep us in compliance on all kinds of stuff, and that is a good thing to communicate more efficiently.

"It is unsettling that our franchisor deems it appropriate to put pressure on franchisees to launch a sales plan that is not finalized in all regards."

All these efforts are being made to ensure the successful deployment of the sales plan. Now SEI has developed a form for the business consultants to use on the very first day of the sales plan launch to verify that all stores comply 100 percent. There are a lot of columns in that form to check that everything from storefront banners and window signs to new shelf talkers and the new items are in place. In my area, business consultants and market managers visit the stores together to check the readiness of the store from the franchisee's side.

chandise the kit.

- The new POP holder hangs lower on the shelf that can cause vault/merchandise issues on tight shelves.
- · A number of stores had issues with all Promo Master offers not ringing.
- Starbucks 2/\$4 offer missing 3 of the 15oz double shot can SKUs.
- New Dipping Sticks for Sanden case scan \$1.59 but POP says \$1.69 and 2/\$3. Some stores did not receive POP.
- Pure Life/Lipton Naturals 2/\$2.22 not all items scanning in offer.
- PMU Phone Handset fixtures—a

"Business consultants now have the advantage of texting and e-mail to communicate with franchisees on a daily basis to make sure we get the message and comply with the monthly sales objectives."

Somehow, however, everv month there is a lot of stuff that is not ready from SEI's side, most of

which are merchandising and IT problems that prevent the successful imple-

mentation of the sales plan on the first day. Here is a list of some of the things that went wrong with the September sales plan, taken from an e-mail sent to franchisees by a corporate staff member:

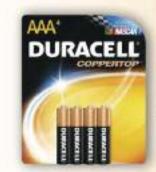
· Stores did not receive an adequate number of large POP holders to mernumber of stores have not received the fixture yet.

The list goes on. Although SEI offered solutions and fixed these problems quickly, I find it unsettling that our franchisor deems it appropriate to put pressure on franchisees to successfully launch a sales plan when all the wrinkles have not been ironed out at its end. Most of us follow the strict compliance check, order accordingly, and try our best to make the sales plan successful. Maybe SEI should ease off of this compliance check until it can deliver a trouble-free sales plan. AV

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LET THE "SELL BY" DATE FIT THE CRIME

BY ROGER ST. GEORGE VICE CHAIRMAN, NCASEF

SEI has recently taken a very aggressive stance towards out-of-date products in our stores, issuing Letters of Notifications (LONs) and breaches even for outof-date goods that are in the back room and not readily available for purchase by a customer. Has paranoia run rampant within SEI? Franchisees are NOT trying to poison our customers. In this instance the punishment seems excessive, especially considering the true meaning behind these "expiration" dates.

Recently, there has been national awareness regarding the date placed on food items for American consumers. The date on a product can mean many things. Some products have a date that shows a "use by" date. Other products have a "sell by" date or "best by" date. So what do these dates really mean?

The truth is the dates are placed to help stores manage their inventory. It is



that as much as 40 percent of the country's food supply is needlessly thrown out because consumers don't fully understand this, and a recent article in the Los Angeles Times stated that up to 90 percent of Americans prematurely discard edibles because they misinterpret the dates stamped on products.

Doug Rauch, the former CEO of Trader Joe's, recently told grist.org that he wants to open a store to sell expired or



"Instead of punishing us for not pulling expired or nearly expired items in a timely manner, SEI should develop a system that allows us to give these products to organizations that help feed the needy."

every item and remember to pull the item on the expiration date. They may not even be working on that specific date.

SEI itself has arbitrarily changed the holding time for roller grill and hot food items, sometimes increasing the holding time and for other items decreasing the holding time. Many times SEI has ignored the manufacture's established shelf life and reduced the shelf life to meet their own unexplained criteria.

The question is what will SEI do to encourage the proper disposition of expired or nearly expired food products so they can meet the dietary needs of those less fortunate via food banks, shelters and community kitchens? Instead of punishing us for not pulling expired or nearly expired items in a timely manner, SEI should develop a system that allows us to give these products to organizations that help feed the needy, since much of this food is still edible. Properly documented donations of these products can also have significant tax implications that can benefit a franchisee's tax burden. Why can't SEI help franchisees turn expired products into a carrot rather than using it as a stick?

"The 'best by' or 'use by' label does not indicate a deadline after which the product will go bad, but instead is an estimate of how long a product will be at peak quality."

to encourage stores to sell a product within a specific time frame so the item still has a shelf life once it's purchased. The "best by" or "use by" label does not indicate a deadline after which the product will go bad, but instead is an estimate

ROGER ST. GEORGE CAN BE REACHED AT 360-500-1248

of how long a product will be at peak quality. The Natural Resources Defense Council estimates

nearly expired food that is discarded by other stores. He'd theoretically like to open several stores in lower income areas to help residents eat healthier meals and tackle problems such as obesity and diabetes.

In view of this, one has to ask why SEI is so quick to issue LONs and breaches for dated products. There are more than 2,000 items in a typical 7-Eleven store. Even the most diligent order writer cannot check the date on







84762 07867 BLVEBERRY / CARTON - 25 TWO PACKS SLIN 321292 - UIN 680884

BRAPE T CURTON - 25 THO PACKS SLIN 321289 - UIN 688918 84762 07807

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COMMON SENSE COMMUNICATIONS

BY IAS DHILLON VICE CHAIRMAN, NCASEF



Organizations of every type and size live and die by their ability to communicate, both internally and externally. This holds true for corporations, non-profits, governments, and even families. The free flow of ideas and information is essential to the proper functioning of a vibrant business system, and the ability to effectively articulate needs, vision, purpose and facts separates success from failure. The National Coalition paid volunteer workers who donate their time and energy. While some FOAs are highly structured, others are more informal. Still, the key ingredient is how well the FOA serves its members. If the local membership is dissatisfied, they can change leadership or form a new group. In either case, the decision is a local one. At the national level, the NCASEF must ask, "Are the franchisees in that marketplace connected to the greater

"Efficient and effective communication is the most important service the National Coalition can provide for our 40 member associations."

is no exception to this dynamic. For the National Coalition, efficient and effective communication is the most important service we can provide for our 40 member associations, our vendor partners and most importantly, individual franchisees.

Each local FOA is an independent, self-

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rocketmail.com

supporting organization with as many different operating styles as there are groups. FOAs are often staffed by unfranchise community?" This is vital to achieving unity of purpose and unity of system growth.

At our quarterly National Coalition Board meetings FOA representatives spend a lot of time, effort and energy discussing franchisee issues. Do all agenda items get an airing? Is effective action taken in all cases? Is value generated for the typical franchisee working long hours in his or her store, hoping for and expecting a ray of hope and a future with 7-Eleven? I believe WE CAN DO BETTER!

I live to see a day when the elected Vice Chairs of the National Coalition are assigned by the Chairman a geographic group of FOAs in order to assist them in membership services and member issues. I live to see a day when those regional FOAs have regular meetings-either electronically or in person-to encourage and assist franchisees in their day-to-day operating challenges, regardless if it is a "one store" issue or a market, Zone or global issue. To that one franchisee, it is THE issue.

I live to see a day when the National Coalition can meet and hear the reports out of market XYZ about store XYZ or franchisee XYZ. I work hard with my local FOA and the National Coalition, and it is great to resolve issues to a point where both franchisees and SEI profit. Is it possible? How can we afford NOT to do it? We have the technology and the resources, but do we have the collective will?

Further, with regard to FOAs, no association or individual should ever be subject to a prior restraint of thought or word. This could be in the form of written communication in a newsletter or requiring that questions be submitted in advance for a market meeting. The free flow of ideas and information is essential to proper functioning of a vibrant business system. Sometimes it is the hard questions that effect lasting change. I recall a time when a key element of TK training was "challenge the staus quo." What changed?

Our industry is undergoing rapid change. The once heralded relationship between SEI and some franchisees has become at best adversarial. Now more than ever franchisees from all 30 states in which 7-Eleven operates must be connected to their counterparts all over North America. Only the efforts of the National Coalition can accomplish this.

What do you think?

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





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A More Equitable Partnership Will Strengthen 7-Eleven

By Paul Lobana, Vice President, Southern California FOA

It is imperative in any business relationship that both sides feel the arrangement is equitable. This encourages both parties to work hard to make the business at hand as successful and profitable as possible. This is especially true in franchisee/franchisor relationships. However, when one side unilaterally changes the terms of the arrangement, it sets up the potential for discontent if the other side feels the new terms are not fair.

For this reason, it is important that both sides be involved in discussions regarding substantial changes to any long-standing business arrangement. Failing to do this can result in the disaffected side becoming demoralized and losing interest or ambition to work hard to make the entire system work at its best.

In this light, I wish to address some of the terms of the new franchise agreement that I believe can be improved. I would also like to express a couple of ideas I believe would increase morale among franchisees, and in doing so, increase profits for all.

First, I would like to address the new franchise agreement's profit split. It is quickly becoming clear that franchisees are feeling the pinch now that SEI has produced the new franchise agreement disproportionately in their favor. Although this new tier profit split has already been implemented in the new agreement, I think it is worth sharing for those unfamiliar with it.

Before the new tier profit split arrangement, the profit share was 50 percent for franchisees and 50 percent for SEI. The new profit split, however, is not equitable in my view. The following is a basic outline of how the new split works.

"Franchisees are clearly feeling the pinch of the new franchise agreement."

If the store's gross profit for a 12-month period is over \$500,000 but not more than \$750,000, the 7-Eleven corporate charge will be \$250,500+0.55 (gross profit for last 12 months— \$500,000) divided by the gross profit for the last 12 months. This would result

in about 50 percent to 51.7 percent to SEI.

If the store's gross profit for the 12-month period is over \$750,000 but not more than \$1,000,000, the 7-Eleven corporate charge will be \$388,000+0.56 (gross profit for last 12 months— \$750,000) divided by the gross profit for the last 12 months, or 51.7 percent to 52.8 percent to SEI.

If, however, the store's gross profit for the 12-month period is over \$1,000,000 the 7-Eleven corporate charge will be \$528,000+0.57 (gross profit for last 12 months—\$1,000,000) divided by the gross profit for the last 12 months, or 52.8 percent to 54 percent to SEI.

This clearly shows that the higher the store's profit, the higher the split for SEI. This reduces the incentive for the franchisee to

increase their gross profits, and in effect punishes their success. The tier structure should be the other way around, thereby providing a huge incentive for franchisees to work harder to make their stores more profitable. SEI would also reap the benefits of the resulting increased store profitability automatically through increased volume.

On top of this split, there is no provision for inflation. We all are aware that there is roughly a 3 percent inflation rate every year in the economy as a whole. Eventually, all the stores will be making gross profits of more than \$500,000

and the SEI charges will be accordingly higher in every case, without any increase in real income to the franchisee. The inflation rate, as provided by the federal government, must be accounted for in these formulas. When inflation increases the cost of goods and services economy-wide, a higher income does not necessarily provide for a better living. Everyone has experienced this. When the cost of living increases, it requires more income just to stay even.

In the case of the franchisee/franchisor spits shown above, higher profits in an inflationary economy do not necessarily mean more real income for the storeowner, yet the franchisee is required to relinquish more and more of the store's profits to the franchisor. This results in a double hit on the franchisee with inflation in general on one side and SEI taking a higher percentage on the other. Even the federal government, including the IRS, rec-

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Franchisee Guest Column

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ognizes the eroding nature of inflation and indexes many salaries, pensions and other benefits accordingly. Without this "indexing for inflation" the consumer, or in this case the franchisee, is left with their income and spending power unfairly eaten away over time to the benefit of SEI.

The second item I would like to address is with respect to fresh food sales. It is my understanding that SEI is making considerable investments in infrastructure for fresh foods, and wants to increase fresh foods sales by 20 percent by 2015. I believe this fresh foods component is a very important part of the equation for our brand's success because it separates us from our competition and gives us an edge. We can proudly say that we carry hot foods, fresh sandwiches, several varieties of coffee and fresh milk, and many other items that are delivered fresh daily to our stores.

However, since the fresh foods component is not installed in every store, the program is not necessarily generating profits for the franchisee that has it. This is because write-offs are often very high due to unsold fresh merchandise. In order to increase fresh foods sales and make it profitable for all, we need to have one dedicated employee for fresh food service only. Since this will increase labor costs for the franchisee, there should be a 2 percent incentive program from SEI to the store if they employ one dedicated person for fresh foods.

It is also critical for the stores to be remodeled and upgraded so the store image will be improved and appear "food service clean." Every store should get new hot

"IF A STORE HAS A HIGHER PROFIT, THE SPLIT IS HIGHER FOR SEI. EFFECTIVELY REDUCING THE INCENTIVE FOR THE FRANCHISEE TO **INCREASE GROSS** PROFITS."

foods and coffee counters with new coffee urns. Special advertisement money should also be allocated solely for hot foods promotions. This would quickly set 7-Eleven apart from the competition in the minds of the consumer and make us the "go to" place for such products.

Finally, I would like to address an issue with respect to the long-term 7-Eleven franchisee. There are many franinvest their all in the business and the brand with complete loyalty. When a franchisee has dedicated so many of their limited years to helping improve the image of the brand to everyone's benefit they should not, in the end, be put metaphorically on an ice floe and shoved out to sea. **AV**

Contact Paul Lobana at 805-203-2527 or paullobana@aol.com.

ported CNBC. • Starbucks is planning to open

"It is critical for the stores to be remodeled and upgraded so the store image will be improved and appear food service clean."



chisees that have been in the system more than 25 years. They have spent their entire careers and dedicated their lives to promoting the 7-Eleven brand. They have worked very hard for the business to the mutual benefit of all. Some of the franchisee master leases are expiring or the landlords do not want to renew their leases. It is my belief that these long-term franchisees should be relocated with no or very little cost to them.

The relocation process should also be streamlined to be as painless and troublefree as possible for these dedicated franchisees, and the approval criteria should be relaxed. Additionally, SEI should have in place a good exit plan for the old, hardworking franchisee that cannot relocate and therefore cannot sell their franchise and needs to retire for reasons beyond their control, taking a huge and unfair financial hit in the process.

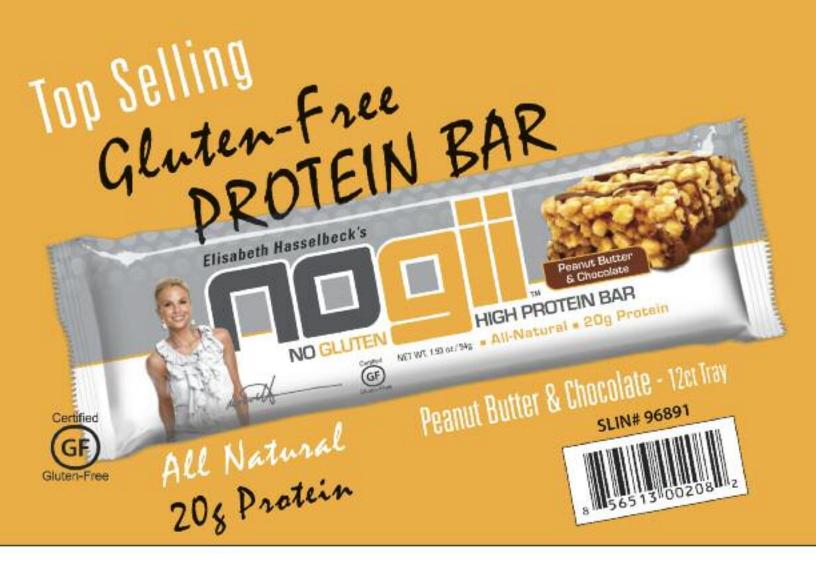
When a new franchisee sees that their backs will be covered and their futures are secure, they will be much more likely to

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in sales thanks to the Greek yogurt craze, re-

its first coffee shop in Colombia next year using locally grown coffee, reported the *The* Wall Street Journal. The coffee chain will open its first store in the capital city of Bogota, and plans to open at least 50 more throughout Colombia over the next five years. • Big-box retailer Target recently launched Target **Ticket**, a digital-download service that allows users to buy or rent movies and TV shows and play them on all devices—including smartphones, tablets, TVs, Blu-ray players, and game consoles, reported TechCrunch.com. • In an attempt to offer a healthier treat, Burger King has rolled out new crinkle-cut "Satisfries," which contain 30 percent fewer calories and 40 percent less fat than regular French fries, reported Forbes. • Two U.S. scientists who blew the whistle on high fructose corn syrup in soft drinks a decade ago claim fruit juices and smoothies represent a new risk to our health because of the amount of sugar the apparently healthy drinks contain, reported The Guardian. • Colorado recently became the first state in the country to adopt final rules for recreational marijuana busi**nesses**, reported the *Denver Post*. The rules cover everything from pot shop licensing to inventory tracking to marijuana packaging to **advertising**. The first marijuana stores in the state are expected to open around January

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Chocolate Peanut Butter Caramel Crisp - 12ct Tray





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Member News

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ber on a year-over-year basis, according to a tally compiled by the International Council of Shopping Centers (ICSC). Excluding gasoline sales, the September tally would actually be +5.1 percent. The study also reveals that drugstore sales rose by 6.0 percent in September (in April 2007 that segment had a +6.7 percent pace) and Apparel was the weakest performing segment, posting a 0.1 percent gain.

E-Cig Sales Surpass \$1 Billion

For the first-time, the electronic cigarette category has surpassed \$1 billion in annual sales across both traditional and digital retail channels, according to data from Wells Fargo Securities. Wells Fargo Securities projects total 2013 retail sales to reach a record \$1.7 billion by the end of the year-an increase of at least 240 percent over the previous year's estimated \$500 million mark. "Conservative data indicates that traditional electronic cigarette retail sales on an annualized basis is \$700 million," said Bonnie Herzog, Managing Director and Senior Beverage and Tobacco Analyst at Wells Fargo Securities. "When combined with online sales, the industry has now exceeded \$1 billion for the first-time ever, with the consumption of ecigs likely surpassing that of traditional cigarettes in the next decade." E-cig retail sales through online channels will total an estimated \$500 to \$625 million in 2013.

'On The Run' Eaters Surge

While 79 percent of Americans are planners and eat three "square meals" or several "mini meals" throughout the day, a new segment is also emerging—those who

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Goodwill and Servant Leadership



by Serge Haitayan

Franchisees have been worried for several years about the potential erosion of our goodwill. For franchisees who have been in the system over 15 years, goodwill is the pot of gold at the end of the rainbow. We worked hard and long hours over the span of our 7-Eleven careers to increase the goodwill value of our stores so we could enjoy our retirement in relative financial comfort. For us, it was one of the goals to strive for. Now we are seeing it slip away.

It started with the introduction of BCP and then SEI's aggressive expansion plans over the last several years, which led to the fear of having another 7-Eleven store

just across the street from ours. We have long held that we could compete against other c-store chains, but we cannot compete against another 7-Eleven. That fear, along with the ever-constant increase in franchise fees, has kept a lot of us from enjoying a good night's sleep. If you're not up to speed on the new franchise fee structure, I highly recommend you read Arnold Hauptman's article in the March/April issue of Avanti. He does an excellent job of summing it up. (See Avanti at www.ncasef.com.)

Franchisees have voiced these concerns to SEI at every venue, including NBLC and Zone meetings and the quarterly National Coalition Board meetings. Our concerns were always met with statistics of all kinds that did

"The fact of the matter remains that with every increase in the franchise fee our goodwill has decreased."

not give us any real satisfaction. Our franchisor told us at the National Coalition Board meeting in Memphis that goodwill last year rose 7 percent, but this is still a far cry from where goodwill was five years ago.

The fact of the matter remains that with every increase in the franchise fee our goodwill has decreased, and with every new store opening in proximity to an existing store, the sales and goodwill of that store have decreased. This is especially hard on us long-term franchisees who are counting on our goodwill as a nest egg to carry us through retirement.

To us, it appears that SEI has decided that the health and profitability of the system is more important than the payout to long-term franchisees who have built equity in their stores and their communities for the 7-Eleven brand. The company has raised franchise fees for long-term franchisees midway through the game, so the franchisee fee now dwarfs goodwill for the majority of stores. This kind of dramatic change in the rules is not only unfair for franchisees, but it will for sure be detrimental to franchisees' view of the system in the future.

> SEI could have chosen to keep the old franchise fee structure for current and long-term storeowners' future store sales and apply the new fee structure to new stores or to incoming franchisees. Instead, through its actions, SEI decided that existing franchisees should not be generating high dollar goodwill value anymore.

A simple Google of the term "Servant Leadership" produced the following result: "Servant leadership is both a leadership philosophy and set of leadership practices. Traditional leadership generally involves the accumulation and use of power by one at the 'top of the pyramid.' By comparison, the servantleader shares power, puts the needs of others first, and helps people develop and perform as highly as possible."

I have been thinking for years that servant leadership has been overshadowed by other goals at 7-Eleven, Inc. In Japan I'm told, they believe that for 7-Eleven to succeed, franchisees, vendors and the franchisor should all benefit from strategies developed by the franchisor. I'm not so sure that is happening with our goodwill and the new franchise fee structure.

This is my opinion and I welcome yours.

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SS Blueberry McLane UIN# 383315 SLIN# 321235



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SS White Grape McLane UIN# 763557 SLIN# 321836



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Legislative Update

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among payment networks. Leon's decision, unless overturned on appeal, will force regulators to revisit rules that bankers said would cost them 45 percent of their swipe-fee revenue. Lenders collected about \$16 billion annually from those fees before the Fed's regulation and responded by cutting back on perks such as rewards programs and free checking to soften the blow to their profits.

NY Credit Card Surcharge Law Blocked

A federal judge recently blocked enforcement of a New York state law that bans merchants from imposing surcharges on customers who pay by credit

card rather than cash, reported Reuters. Supporters of the decision by U.S. District Judge Jed Rakoff in Manhattan said it could make it easier for retailers to transact with customers, and make customers better understand the costs of making purchases with credit cards. Rakoff agreed with several retailers that the law, which carries potential criminal penalties including prison, violated their free speech rights under the First Amendment because it prohibits them from telling customers about the extra costs of paying with plastic. Five re-

"A federal judge blocked enforcement of a New York state law that bans merchants from imposing surcharges on customers who pay by credit card rather than cash."

tailers including a hair salon, an ice cream store and a martial arts studio had challenged the constitutionality of the law, which was enacted after the U.S. Congress in 1984 allowed a federal law prohibiting surcharges to lapse.

C-Store Safety Law Reintroduced In Indiana

There may be another debate at the Indiana statehouse next year on safety regulations for 24-hour convenience stores, reported local news station WISH-TV. State Representative Ed DeLaney said he or someone else will re-introduce a bill that asks for tougher safety measures when it comes to convenience stores. DeLaney introduced a bill in January that asked for mandatory safety measures that include bulletproof glass around the cash register, or at least two employees during the overnight hours. The measure did not move on in 2013. Next year's measure may require "high risk" c-stores to choose between bulletproof glass, emergency alarms, quards, or to close overnight.

San Jose Bans Styrofoam

The San Jose City Council recently voted to ban the plastic foam take-out boxes many restaurants and stores use to package food, the Silicon

"Half of all San Diego residents are against a plastic bag ban in the city."

Valley Business Journal reported. Restaurants instead will have to switch away from polystyrene—commonly known as Styrofoam—to more environmentally friendly packaging such as foil or paper. National chains operating in San Jose will need to switch by January 1, 2014. Smaller restaurants would have until January 1, 2015. Convenience stores, bars, coffee shops, caterers, grocery stores, mobile food trucks and roadside stands also have to dump the foam. Some business owners have complained the ban would increase costs.

Plastic Bag Ban Moves Forward In San Diego

San Diego is moving toward a plastic bag ban, but a news poll has found that more than half of San Diegans want to keep using disposable plastic bags, reported the San Diego Union-Tribune. The ordinance would ban all single-use carryout plastic bags at retail locations and add a 10-cent charge for paper bag. It would exempt restaurants, newspaper delivery, and bags for produce, meat, poultry and dry-cleaning, as well as some recipients of food aid. Grocery and pharmacy stores would have a six-month grace period, while non-profit vendors and others would have a year to comply.

However, a news poll by the Union-Tribune and Channel 10 News reveals that 54 percent of San Diegans surveyed want local stores to keep providing plastic bags, while 37 percent support a ban. The remaining 9 percent said they were unsure about the proposed rule.

NYC's 10-Cent Plastic & Paper Bag Charge

New legislation aimed to dramatically reduce bag use in New York City would put a \$.10 surcharge on plastic or paper carry out bags at grocery and retail stores, reported MyFoxNY.com. The city council members who introduced the measure said the proposed charge would not be a tax and the stores would actually keep the money to cover the cost of providing bags. Under the legislation, restaurants would not be covered due to limited alternatives for delivery and take-out food orders, and stores would be required to waive the charge for providing paper or plastic bags for transactions where the customer is using food stamps. The bill's backers say New Yorkers use 5.2 billion carryout bags per year—the vast majority of which are not recycled—and New York City pays an estimated \$10 million to transport 100,000 tons of plastic bags to landfills in other states each year.

Denver City Council Approves Bag Fee

The Denver City Council has moved closer to approving a 5-cent fee for plastic and paper bags at grocery and convenience stores, reported the Denver Post. The final vote will be December 9. Denver Mayor Michael Hancock has expressed displeasure for the legislation, hinting he may veto the bill if it comes to his desk. Hancock said he fears the ordinance would

> negatively impact poorer people or seniors. He also worries people will

> > continued on page 70

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Tylenol Cold & Flu SEVERE 24ct Caplet

SLIN 221501 UIN 051003





Tylenol Sinus Congestion and Pain SEVERE 24ct Caplet

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Member News

continued from page 64

eat on the run, according to a new study by Information Resources, Inc. (IRI). Dubbed "opportunists" by IRI, these eaters represent a whopping 21 percent of Americans, and they tend to grab food and drink throughout the day as the opportunity arises, with little consideration as to whether they are eating a meal or a snack.

The study reveals that opportunist eaters hail from diverse backgrounds, cutting across age, income and household brackets. Two-thirds of opportunists are female, and 92 percent are of non-Hispanic origin. Skewing slightly to the lower end of the income spectrum, nearly twothirds of opportunists come from singlemember or two-member households. Many are living a bachelor/bachelorette life, or the life of a dual-income-no-kid family, where life is a bit less scheduled. Just under half of these eaters are under the age of 45.

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Grow Your Coca-Cola Refreshment Juices And WIN!

See Ad On Pages 20-21!

Be one of 50 Franchisees to Win up to \$2,500!

Coca-Cola recently announced a new incentive

contest with a huge payoff for franchisees and the NCASEF. The goal of the contest is to increase distribution of Coca-Cola Refreshments Juice SKUs by 10 percent between November 1, 2013 and February 28, 2014.

Each store that stocks a minimum number of Coca-Cola Refreshment Juices SKUs will gain entries into a drawing for cash prizes: 20 \$500 prizes, 10 \$1,000 prizes, 10 \$1,500 prizes, and 10 \$2,500 prizes.

Stores carrying



14 SKUs (one SKU must be Simply 59oz Original OJ) will receive 20 entries into the drawing, stores carrying 12 SKUs (one SKU must be Simply 59oz Original OJ) will receive 10 entries into the drawing, and stores carrying 10 SKUs will receive 5 entries into the drawing. The number of store entries into the drawing will be determined by using the Latest 12-Week ending January 26, 2014 store level data for eligible SKU's. Eligible SKUs include Minute Maid, Simply and Odwalla Juices. See the ad on page 00 for a complete list of eligible SKUs.

Additionally, if Simple, Minute Maid and Odwalla each increase distribution by 10 percent, Coca-Cola will make a doation of \$15,000 to the NCASEF to be used at the Board's discretion. The NCASEF Incentive will be measured using the same Latest 12-Week Ending January 26, 2014 store counts for eligible SKUs.

Coca-Cola Refreshments will complete the drawing among eligible franchisees in February 2014. The winning stores will be announced in March 2014 and payout will be delivered by April 30, 2014. For more information, please contact Tim Zeigler at 972-740-0941.

Visit the National Coalition Website, www.ncasef.com

continued from page 62

1, 2014. • The Centers for Disease Control and Prevention announced that



an estimated 1.6 million smokers attempted to quit smoking because of its 2012 "Tips From Former Smokers" national ad campaign. The CDC said more than 200,000 Americans had guit smoking immediately following the three-month campaign. • In an effort to boost sales, McDonald's is conducting a two-city test of a mobile application that lets customers order and pay from their smartphones, then pick up their food curbside, in the store or at the drive-thru, reported *Bloomberg* BusinessWeek. • Coca-Cola recently launched the world's first carbonated hot beverage in Japan, reported The Telegraph. Called Canada Dry Hot Ginger Ale, the drink is the result of extensive research into how to combine both heat and carbonated bubbles in a can. • The government of Mexico is considering a tax on all sugary beverages in an effort to reduce the levels of obesity and Type 2 diabetes in the country, reported the Wall Street Journal. • A national study by Experian Marketing Services reveals that **half of all email is now** opened on a smart phone and nearly half of all online mobile purchases are done on an iPad. • Dunkin' Brands announced the signing of multiunit store development agreements with two new franchise groups to build 17 new restaurants in markets in west and central Texas over the next several years. • Johnson & Johnson's Rolaids antacid is heading back to American shelves after damaging recalls ended in a hiatus of nearly three years, reported the Associated Press. Rolaids will be sold in traditional tablets and in a new liquid form, as well as in an "Ultra Strength" version. • The price of gasoline nationwide exceeded \$3 per **gallon** for the 1000th consecutive day September 17, according to a report by AAA. The streak began on December 23, 2010 and will likely continue for at least another thousand days, the report said. • Pennsylvania tops the list of lucky states when it comes to the lottery, reported Yahoo Finance. Seventeen winning jackpot Powerball tickets have been sold there. • Burger King has expanded its delivery service to Tucson, Arizona. The company continued on page 70

For more information, contact your distributor or steve,bruton @sunnyd.com



Make today a Sunny Day! New Price-More Profits



Orange & New Grape are now recommended flavors Look for details regarding the SunnyD brand re-launch soon!









Legislative Update

choose to shop at stores outside Denver if the legislation goes into effect.

Under the ordinance, revenue from the fee would be split between the city and the store,

"House Democrats are calling on the **Obama administration** to issue new rules for flavored cigars and electronic cigarettes." with the city retaining 3 cents of every bag sold to pay for education campaigns and to buy reusable bags. Stores would get 2 cents to implement the program. The city estimates the fee would generate approximately \$1.6 million in revenue the first year, with expectations of diminishing returns as people use more reusable bags.

Seattle Mayor Ponders Sugary Drink Tax

Seattle Mayor Mike McGinn is considering a 1-cent-per-ounce tax on sugary beverages—including canned soda and fountain drinks—as a way to raise money for Seattle parks, reported the Seattle Times. While details are sketchy, McGinn said his plan would raise the city's business-and-occupation (B&O) tax on businesses that sell sugary drinks. It's an idea McGinn said his office considered in 2011, but did not publicly propose at the time. A 1-cent-per-ounce

tax could raise between \$21 million and \$29 million a year, McGinn said, citing estimates developed for his office in 2011. The mayor said he's not immediately proposing the new tax to the Seattle City Council. Instead, he said, his staff will present the idea to a committee now examining future funding needs for Seattle parks.

Lawmakers Call For Cigar & E-Cig Regulations

A group of House Democrats is calling on the Obama administration to issue new rules for cigars and electronic cigarettes, reported The Hill. In a letter to the Food and Drug Administration (FDA), the lawmakers asked regulators "to act quickly" with new rules for the products, over which

the federal government currently has little oversight. "Manufacturers of e-cigarettes are taking advantage of this regulatory loophole to target children," wrote the lawmakers. "As a result, some e-cigarette makers are producing products with kid-friendly flavors such as 'Cherry Crush' and 'Cookies & Cream Milkshake."The FDA, which oversees cigarettes and smokeless tobacco, has been working on regulations to expand its over-

"Attorneys general from 40 states have urged the Food and Drug **Administration to restrict advertising** of and sale of e-cigs to youths."

sight to e-cigarettes, cigars and pipe tobacco, which are currently exempt from its rules.

AGs Urge FDA To Regulate E-Cigs

Attorneys general from 40 states have urged the Food and Drug Administration to restrict the advertising, ingredients and sale of electronic cigarettes to youths, reported the Wall Street Journal. The call for action came less than three weeks after a government survey showed the percentage of high-school students who have tried e-cigarettes —which turn nicotine-laced liquid into vapor—rose to 10 percent last year from 4.7 percent in 2011. The battery-powered devices aren't regulated by federal authorities, but the FDA is aiming to propose regulations by October 31. Federal rules prohibit the sale of cigarettes to anyone under 18 and more than two dozen states already have moved to ban the sale of e-cigarettes to minors.

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continued from page 68 said its BK Delivers program—which allows

guests to place orders simply by visiting BKDe**livers.com** or by calling a toll free number—is already performing well in 15 cities across the country. • Discount chain Dollar General recently reported same-store sales increased **5.1 percent** and total sales increased 11.3 percent during its second fiscal quarter. • Healthier options must work, because California-based eco-cafe/convenience store Locali announced it is now a multi-unit operation with corporate and franchised locations, just four years after it first opened. • Circle K parent company **Couche-Tard** announced its first guarter of fiscal 2014 net earnings increased 21 percent to compared to the same period last year. The company said same-store merchandise revenues rose 2.7 percent in the U.S., 0.7 percent in Canada and 1.9 percent in Europe. • Walmart workers went on strike in 15 cities across the U.S. on September 5 to demand a raise in wages and improved working conditions. The action followed earlier strikes by fast food workers demanding a higher minimum wage. • Goody Good Stuff offered parents a healthier option to traditional treats this Halloween with its vegan, vegetarian, and gelatin-free gummy candy that is free of fat, dairy, and artificial colors. Available in eight flavors, Goody Good Stuff is also made with a plantderived bio-gum technology. • The first Dutyfreefood.com customer pickup point recently opened in Fort Lauderdale, Florida. Dutyfreefood.com allows customers to buy their groceries online at prices 30 percent cheaper than supermarkets and pick them up the following day. • In its second guarter of fiscal 2014 financials, donut chain **Krispy Kreme re**ported revenues increased 10.4 percent, same store sales rose 10.0 percent, and net income rose 17.2 percent. • A study funded by LOGIC Technology has found that electronic cigarettes are effective tools to transition off **tobacco**. The study reveals that after 90 days,

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Member News

continued from page 68

Costly Equipment Breakdowns Are Never Convenient

Gain peace of mind with equipment breakdown insurance.

An important, but often overlooked, insurance coverage for convenience store owners is equipment breakdown. Regardless of who owns the building, electronic devices and equipment are needed inside a convenience store to run the business. With equipment breakdown insurance, owners have cover-

age to pay for physical loss to equipment and—if purchased—coverage to replace lost income in case a covered equipment breakdown forces the business to close or lose customers.

"In one case, a convenience store owner lost over \$30,000 in income after a power surge burned out electrical distribution equipment."

In addition to the inconvenience of an equipment breakdown and the unexpected repairs, a breakdown can be costly. In one case, a convenience store owner lost over \$30,000 in income after a power surge burned out electrical distribu-

tion equipment. Without milk, juice and other refrigerated products to sell, customers took their business to competitors. Wisely, the store was protected by equipment breakdown insurance to replace the lost income.

Stores Depend On Equipment

Convenience stores depend on many types of equipment that might not be covered under a standard property insurance policy for equipment breakdown accidents. Computer systems, cash registers, portable coolers, microwaves, credit card machines, surveillance systems, and other freestanding equipment can be damaged electrically or mechanically.

Surprisingly, some convenience store owners fail to consider the side effects of equipment breakdowns until after the equipment is damaged. Equipment breakdown coverage is critical because it can pay for equipment repairs and resultant expenses such as lost business income, spoiled products, and more. That even includes extra expenses such as renting temporary equipment and expedited repairs.

Breakdowns Can Happen Outside The Store

In addition to breakdowns to equipment you own, accidents can also happen to equipment owned by a utility company or other service provider you have a contract with. That was the case for the convenience store mentioned earlier. Electrical arcing damaged the electrical distribution system outside the store, and the store lost customers and income as a result.

Lost Sales. Less Profit

With almost 150,000 convenience stores in the United States, the competition is fierce and profit margins are thin. Unexpected repairs and lost sales can really hurt. That's why equipment breakdown insurance might be right for you and other 7-Eleven franchisees.

For More Information

To learn more about equipment breakdown coverage and the special property and crime insurance package available for 7-Eleven franchisees, contact Tanya Sanders with Lockton at 214-969-6742 or email tsanders@lockton.com.

NOTE: Content for this article previously appeared in the Hartford Steam Boiler Whistlestop newsletter. This article is intended for information purposes and does not modify or invalidate any of the provisions, exclusions, terms or conditions of your policy and endorsements.

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70 percent of participants reported they



had stopped using tobacco products entirely, giving insight into the need for a larger, government-funded national study. • RUSSBE recently launched the newest in REUSABLE snack and sandwich bags, providing an environmentally friendly alternative to packing snacks and lunches in generic, wasteful paper bags and plastic sacks. • Snyder's-Lance has acquired all assets of Stateline Service Corporation, a snack food distributor in Massachusetts. The company said this **acquisition** is part of its plans to continue growing and strengthening its national distribution network. • A study by the University of Pennsylvania School of Design and the Philadelphia Department of Public Health has found that **corner stores**. gas stations, and convenience stores in the city's lower-income neighborhoods feature too many tobacco ads that entice minors to try tobacco products, reported Philly.com. • Walgreens has been on a purchasing spree in preparation for **Obamacare** and the **influx of** customers that will soon be seeking primary care medical services in drugstores, reported Forbes. The company recently acquired 76store chain Kerr Drug in North Carolina in order to offer such services in that state through its MinuteClinics. • Dunkin' Donuts celebrated National Coffee Day on September 29 by offering customers a free cup of coffee through its **Dunkin' App**, available for iPhones and Android smartphones. • For a limited time, Shell is offering its Fuel Rewards **Network** members savings at the pump by taking a minimum of 3 cents off per gallon instantly on every fill-up at participating Shellbranded stations. • Visa and MasterCard have agreed to slash their card interchange fees in France by nearly half, reported Finextra. Under the deal with the French competition authority, from November 1 both firms will charge merchants a maximum of 0.28 percent of the amount of the transaction to process a

continued on page 74



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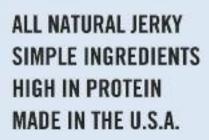
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Member News

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7-Eleven's New Image

SEI plans to rebrand its more than 50,000 worldwide stores with a fresh logo and a remodeled format to attract healthconscious consumers, women and millennials, reported FastCoDesign.com. The company's 43-year-old logo will get an infusion of bright green into its signature orange and red, and the storefront sign will feature a lowercase "eleven" nestled into the curved back of the "7" on a black background. The inside will feature a layout and signage strategy that highlights healthier snacks and freshly made food, with granite flooring, white tiles, green furniture, and

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 it contains your name, call AVANTI's Offices at 215 750-0178 before the next magazine is published, and win this issue's total. NCASEF Members only.

clearly marked stations labeled in a serif black plain font with signage like "Sip. Sip. Sip." hanging above the coffee decanters.

Walmart Concentrates On Small Format Expansion

Positive sales gains have big-box chain Walmart considering a significant expansion of its Neighborhood Market small format, reported Packer.com. The company said during a presentation at its October 15 investor conference that it plans to expand the concept by 400 or more stores by 2017. It currently has 306 Neighborhood Market stores, which average about 35,000 to 40,000 square feet, compared to nearly 200,000 square feet for a Walmart Supercenter. The concept targets middle to lower incomes, with dense populations and high traffic. The company reported strong second quarter performance for its Neighborhood Market and Walmart Express formats during the conference—same store sales were up 3 percent for Neighborhood Markets and sales were up 30 percent.

continued from page 72 payment. • With revenues exceeding \$61



billion and top-line growth of 27 percent in 2012, Amazon.com has once again taken the #1 spot on Stores Magazine's Favorite 50 Online Retailers list. Walmart.com comes in at #2, and eBay.com is ranked #3. • The Electronic Cigarette Industry Group, Inc. (ECIG) recently announced that former American Lung Association CEO and President Charles D. Connor has ioined the organization as a consultant. In his new role, Mr. Connor will serve as a strategic partner to ECIG, acting as the primary liaison between the public health community and the association. • Alimentation Couche-Tard said it may introduce fuel-saving gas to North **America** after it completes a planned rollout in Europe, reported *The Canadian Press*. The Quebec-based c-store operator said additives included in its Miles-branded fuel sold in Europe reduces fuel consumption by two to three percent and cuts auto maintenance costs. • Oil giant Exxon Mobil recently announced that it would extend health insurance and other employee benefits to married same-sex couples effective October 1, reported the New York Times. • Yuengling's Ice Cream will be returning to stores in Mid-Atlantic states for the first time in nearly three **decades**, reported the *New York Daily News*. The ice cream is from a different branch of the Yuengling family and is unaffiliated with the brewery. • Online shoppers are increasingly demanding more from retailers, according to a study by comScore, Inc. and UPS Canada. Consumers want more information at the start of the online experience, **more options** during checkout and delivery, a seamless returns process, free shipping, and social and mobile access. • The founder of Weber Grills, George Stephen Sr., was inducted into the Barbecue Hall of Fame on October 5, 2013 during the World Series of Barbecue Championship event. • The U.S. government recently concluded its 2012 Economic Census, which provides the most accurate measure of the continued on page 78

Legislative Update

Oregon Considers Taxing E-Cigs

The Oregon Legislature is beginning to look at whether to tax electronic cigarettes, KGW.com reported. The state Department of Revenue told House and Senate committees recently that there are currently no taxes on electronic cigarettes, which are growing in popularity and touted as alternatives to traditional cigarettes. One lawmaker said the state should look at taxing e-cigarettes because they contain nicotine, an addictive substance. Others said lawmakers should tread carefully while researchers look into the potential dangers of e-cigarettes. Another legislator said the state shouldn't create a disincentive for using e-cigarettes if they turn out to be a safer alternative to traditional cigarettes.

Wisconsin Bill Would Tax All Tobacco Products Equally

Legislation was recently introduced in the Wisconsin Legislature to curb youth smoking and tobacco use by taxing all tobacco products the same, reported NACS Online. The Backpack Tobacco Act seeks to close "loopholes" in state law by making all tobacco products taxed equally at the same rate as cigarettes, and ensure that all tobacco products "are inaccessible to customers without the assistance of the retailer."

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Member News



SEI News

7-ELEVEN INVESTS IN STARTUPS

7-Eleven and 7-Eleven, Inc. is Oak Farms donated dipping its toe into one meal to the North the venture capital **Dallas Food Bank for every** business, with gallon of white milk purchased plans to invest small amounts of at Dallas-Fort Worth-area money into startstores between Sept. 6 ups within the retail and Oct. 4. and food spaces, reported Fortune. The group is called 7-Ventures, and it has so far made two investments since its launch in early summer. The first was in an undisclosed coffee company, as part of 7-Eleven's efforts to improve its fresh food and beverage business. The second is in Belly, a Chicago-based customer loyalty and marketing platform that recently announced \$12.1 million in new venture capital funding. In addition to 7-Ventures, investors in the Belly round include New Enterprise Associates, Andreessen Horowitz, DAG Ventures, Lightbank and Cisco Systems.

DETROIT GROUND LEASES SOLD TO MIAMI COMPANY

A portfolio of 11 ground leases for 7-Eleven convenience stores in eight metro Detroit communities was recently sold to a Miami-based limited liability company for \$15.8 million, reported Crain's Detroit Business. TEVI Florida LLC purchased the leases from Ron Jona and Greg Buss of JBD Development Group LLC. The Southfield office of Marcus & Millichap Real Estate Investment Services Inc. represented JBD Development, while Marcus & Millichap's Miami office represented TEVI Florida. Three new 7-Eleven

> open in Detroit's downtown business district by the end of the year, marking an end to the company's nearly two-decade absence within city limits. SEI owns, manages and operates approximately 240 stores in Michigan.

locations are expected to

SNACK SECTION OFFERS GOURMET, **BETTER-FOR-YOU ITEMS**

SEI has upped its packaged snacks game with the introduction of a new selection of gourmet, organic and better-foryou snacks. Displayed together at participating 7-Eleven stores, the new assortment includes the company's 7-Select private brand along with nationally branded, upscale snacks, some making their debut at a convenience retailer. Competitively priced in comparison with other retailers, the single-serve and shareable portions range in cost from \$1.49 to \$4.99.

Before rolling out the

STRIBLY ASPERS

premium and better-for-you snack selection nationally, SEI tested dozens of snack items in a select group of stores in business centers and residential neighborhoods with differing demographics and traffic patterns. The offer proved popular across all segments, and the final product mix was narrowed to reflect test stores' top-sellers.

The new 7-Select snacks, sold mostly in 7-ounce containers that contain multiple servings, are priced from \$2.49 to \$3.99 and include: Raisin & Nut Trail Mix, Santa Festyle Trail, Organic Nature's Trail Mix, Tropical Trail Mix, Berry Trail Mix, Veggie Chips, Dried Fruit Blend, Chocolate Nut Mix, Raw Almonds, Banana Chips, Yogurtcovered Pretzels, and Chocolate Pretzels.

The new premium snack section also features high-quality, name-brand snacks more commonly found in gourmet and organic grocery stores. Nationally branded items are: Sahale Snacks, Terra Exotic Vegetable Chips, Pretzel Crisps, Stacy's Pita Chips, Stacy's C'est La Cheese Flavored Pita Crisps, Skinny Pop All-Natural Low-Calorie Popcorn, Popcorn, Indiana, Seapoint Farms Dry Roasted Edamame, and Harvest Snaps Snapea Original Green Pea Crisps.

NYC 7-ELEVEN UNVEILS NEW WHEAT THINS BIG BAG BOLD FLAVORS

SEI partnered with Wheat Thins and NASCAR Sprint Cup Series driver Ryan Newman on October 2 to introduce the new Wheat Thins Bold Chili Cheese Big Bag flavor and two other Big Bag Bold Flavors—Zesty

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Salsa and Spicy Buffalo. The event also announced 7-Eleven's two for \$2 promotion of its new Wheat Thins Big Bags for the month of October. For the unveiling, Wheat Thins converted the 7-Eleven location at 182 Fifth Avenue into a

Wheat Thins bold flavors snacking experience. Newman, winner of the 20th annual Brickyard 400 July 28 at the Indianapolis Motor Speedway, was onsite to give away Wheat Thins Big Bag samples, meet and greet with customers, and speak with news media.

Roam Mobility SIM cards give customers access to unlimited talk and text. plus data for as little as \$3 per day.

Dean Foods and 7-Eleven also made a donation of time. To kick off Hunger Action Month and the "Buy 1 Gallon, Give 1 Meal" campaign, employee volunteers of the two companies participated in the

NTFB's 24-Hour Sort-A-Thon on September 5. During the Sort-A-

> Thon, volunteers worked in shifts around the clock on tasks ranging from sorting incoming donations and unsalable items, to an assembly line that produces boxes of food items for various NTFB programs.

November, American Express Serve customers will be able to take cash to the register at participating 7-Eleven stores and add it to their American Express Serve Account. This is made possible through a relationship with InComm and its Vanilla Reload Network.

The new American Express Serve features available to customers include direct deposit, bill pay, mobile check capture, personal financial management tools and Reserve, which allows customers to put money aside for future expenses. These enhancements are designed to meet the needs of the nearly 70 million Americans underserved by traditional financial services.

'GALLON OF HOPE' FOR **HUNGER ACTION MONTH**

In recognition of Hunger Action Month in September and the yearlong problem of hunger, SEI and Dean Foods' regional brand Oak Farms Dairy sponsored the "Buy a Gallon, Give a Meal" campaign that benefitted the North Texas Food Bank (NTFB). During the four-week promotion, 7-Eleven and Oak Farms donated one meal to the food bank for every gallon of white milk purchased at Dallas-Fort Worth-area stores between September 6 and October 4-up to \$35,000 or more than 100,000 meals. Through the donations of food companies and individuals,



the North Texas Food Bank is able to turn \$1 into three meals for hungry families in North Texas.

SIM CARDS FOR **CANADIAN TRAVELERS**

As of September 2, Canadians making last-minute plans for travelling to the U.S. can pick up a surcharge-free SIM card at one of nearly 500 7-Eleven locations across Canada. Roam Mobility SIM cards give customers access to unlimited talk and text, plus data for as little as \$3 per day. Priced at \$19.95, the cards are available in standard, micro and nano versions, and can be used with any unlocked GSM phone. Roam Mobility SIM cards can be purchased at 7-Eleven locations in Alberta, British Columbia, Manitoba, Ontario, and Saskatchewan.

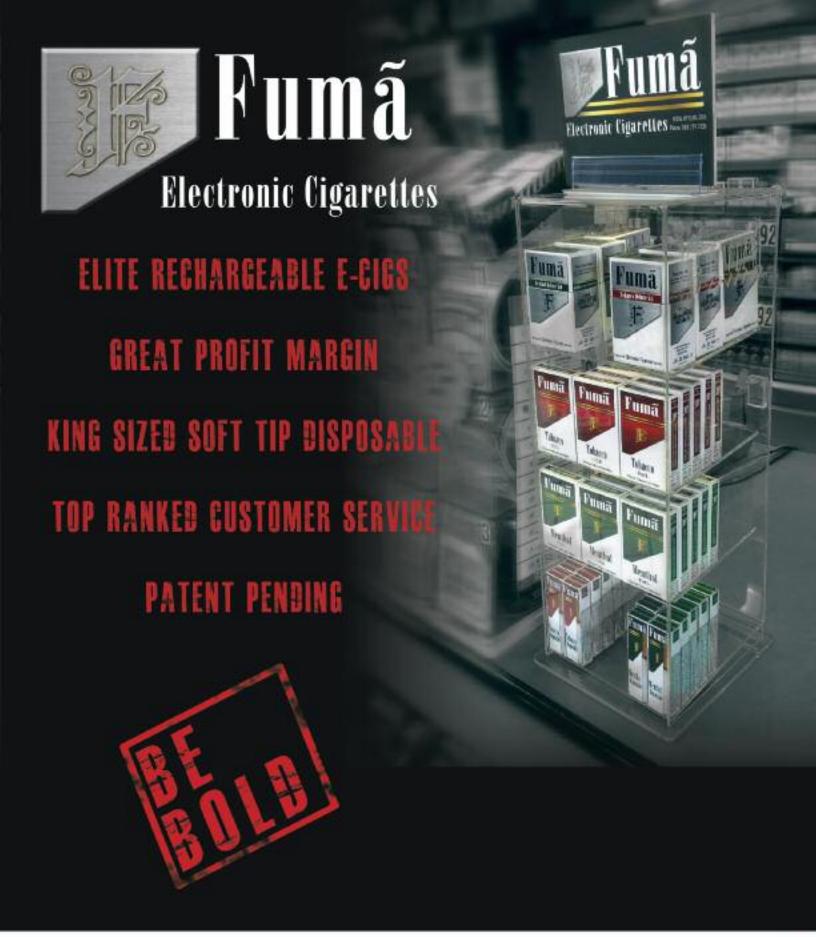
SEI JOINS AMEX'S FREE CASH LOAD NETWORK

7-Eleven is among several retailers that will roll out American Express Serve's new, free nationwide cash load network that features the addition of new money management capabilities. Starting this

continued from page 74 American economy. The Eco-



nomic Census is conducted every five years, and the data covers more than 1,000 industries, 15,000 products, every state, over 3,000 counties, and 10,000 cities and towns. • Walmart plans to add more than 200 of its smaller, urban Neighborhood Mar**ket** stores in the next 18 months, bringing the total to more than 500, reported Pacific Business News. Target, on the other hand, is taking a slower approach with tests of its urban City Target concept at seven locations in four major U.S. cities. • According to new research from Mintel, half (50 percent) of respondents from the highest-income households (\$150k+) say they are shopping at dollar stores the same amount this year compared to last year. In addition, a further one in ten (10 percent) are doing so more than last year.



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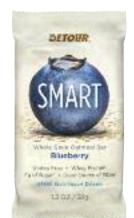
VENDOR FOCUS

Detour Unveils Gluten-Free Oatmeal Bars

Protein products company Forward Foods, LLC announced a new line of natural, gluten free, whole grain oatmeal bars. The new Detour SMART bar contains up to 80 percent less sugar than leading snack bars and comes in two flavors—Blueberry and Apple Cinnamon, both of which are topped with a Greek style yogurt drizzle.

The new Detour SMART bars are independently certified by the Gluten Free Certification Organization to confirm they meet strict gluten-free standards. Each bar has just 130 calories and four grams of sugar. Like all Detour products, the Detour SMART bar is made with high quality whey protein to nourish and

replenish the body, and the grains and fruit provide a balanced source of fiber and a nutritious foundation for maintaining good health. Detour SMART bars are lightly sweetened with Stevia, a zero-calorie, natural sweetener.



New gluten-free Detour SMART Bars have 80 percent less sugar.

As part of the U.S. campaign, Kit Kat brand and Google will offer consumers the chance to win 1,000 Nexus 7 tablets, 150,000 Google Play \$5.00 credits and 20,000 coupons for a free 8 ounce bag of Kit Kat Minis. To enter the promotion, consumers should look for a code inside the wrapper of specially marked Kit Kat 1.5 oz bars and visit android.com/kitkat for their chance to win. The promotion will run between September 6, 2013 and January 31, 2014.

Award-Winning Sahale Snacks Now In 7-Eleven

As part of the effort to offer better-for-you selections with premium ingredients at 7-Eleven, Sahale

Snacks recently debuted its innovative, award-winning snacks in stores nationwide. The four uniquely satisfying combinations come in 4-ounce pouches and tap into multiple consumer dining trends—

continued on page 82

Hershey & Google Team Up For 'Android KitKat'

Google has teamed up with The Hershey Company for the next release of its Android mobile operating system, called Android KitKat after one of America's most beloved confectionery brands. This news complements the recent launch of The Hershey Company's new Kit Kat Minis product that represents the latest innovation in confectionery and on-the-go snacks. The product is the result of many months of research and development by Hershey engineers to miniaturize one of the world's most popular candy bars without compromising the extraordinarily popular taste, texture and shape of the light crispy Kit Kat wafers covered in smooth milk chocolate. Android KitKat is version 4.4 of



Hershey in Android KitKat cross promotion.

Google's mobile operating system, developed by the company's engineers under sweet-themed codenames that began with Android Cupcake 1.5 in 2009.

DRAKE'S CAKES RETURN TO STORE SHELVES

After much anticipation, Drake's cakes made a triumphant return to stores on Monday, September 23. McKee Foods, which acquired Drake's from Hostess Brands after the

company went out of business last year, has launched Drake's four most popular varieties first—Devil Dogs, Coffee Cakes, Ring Dings and Yodels. McKee Foods said its primary focus was to stay true to what long-time Drake's enthusiasts remember about their favorite cakes. By using the original Drake's recipes and familiar car-

ton formats, consumer passion for Drake's cakes will pick up right where it left off. One of Drake's cakes standout features was its commitment to maintain kosher

certification. That kosher certification from the Orthodox Union remains today, and consumers can look for the circled-U symbol (hechsher) on cartons.



Drake's Devil Dogs, Coffee Cakes, Ring Dings and Yodels are back!

VENDOR FOCUS

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convenient packaging, wholesome ingredients and gourmet flavors. Available for your Premium Snack section, the four blends include:

- Almonds with Cranberries, Honey + Sea Salt—Whole almonds and cranberries, accented by organic honey, toasted sesame seeds and sea salt.
- Cashews with Pomegranate + Vanilla—Whole roasted cashews, paired with pomegranate infused apples, and a touch of pure vanilla
- **Pomegranate Pistachios**—Exotic, yet accessible tastes combine in this Moroccan-inspired blend, with pistachios, pomegranate, cherries, lemon and a hint of pepper.
- Maple Pecans—Traditional flavors of North American comfort: pecans, walnuts, cherries and apples blended and delicately glazed with







Premium, better-for-you Sahale Snacks.

maple and cinnamon.

www.LogicEcig.com.

The Premium Blends and Glazed Nuts pouches retail for \$3.99 -\$4.99 MSRP and are available through McLane.

LOGIC E-Cigs Continues Steady Growth

Electronic cigarettes manufacturer LOGIC Technology announced that its products ranked first, second, third and fourth in SKUs for dollar sales per point distribution across the U.S. in Nielsen's latest Item Rank Report. The study, based on sales from convenience stores nationwide, also reveals LOGIC electronic cigarettes as the only major brand demonstrating increased sales since the previous report. According to the



HEINEKEN'S TOP-SELLING BEERS OF MEXICO FIESTA PACK

Heineken USA is gearing up for the season of celebrations and entertaining

with the Beers of Mexico Fiesta Variety Pack, the all-inone party solution to drive consideration and incremental sales this holiday season. Available in 12 packs of bottles or cans November 1st through December 31st, the Beers of Mexico Fiesta packs contain equal quantities of Dos Equis Lager, Tecate, and Sol. Year-to-date case sales of Heineken's Beers of Mexico pack are up 125 percent versus last year, with dollar sales up 137 percent for the

same period.

At retail, channel-specific IRC (instant redeemable coupons) and MIR (mail in rebate) offers on high indexing fiesta related items-in-

cluding fajita ingredients, chips Heineken's Beers of Mexico variety pack sales and dips, wine and festive decoraare up 125 percent YTD. tions—will encourage take away of

the Beers of Mexico pack and cross category products. Colorful, eye-catching POS and a 12-case stacker designed to display the Beers of Mexico variety pack and special offer items will provide shoppers with convenient, one-stop fiesta shopping that will also increase rate of sale and drive higher retail basket rings.

Casino Gold HRS Premium Cigars

Swisher International's Royal Gold Cigars recently introduced its Casino Gold HRS (High Roller Selection) handmade, long filler, pre-

continued on page 84

top four SKUs for dollar sales per point distribution.

America's Favorite Pretzel!



Are you missing out on America's Favorite Pretzel? Keep your customers happy and order Snyder's of Hanover today! Available through McLane



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UPC 07/975-083413 UIN# 097329 SLIN# 300791



UPC 077975-025871 UPC 077975-022313 UIN# 098194 SLIN# 300817



MINI 3.5 OZ UIN# 098897 SLIN# 300770



PB PRETZEL SANDWICH 2 t25 OZ UPC 077975-080764 UIN# 145177 SLIN# 301033



OC PRETZEL SANDWICH 2:125 OZ UPC 077975-080771 UIN# 098301 SLIN# 300811



CHOC MINI DIPS 4.5 OZ UPC 077975-082805 UIN# 103747 SLIN# 300100



WHITE CHOC MINI 4 5 OZ UPC 077975-082812 UIN# 564047 SLIN# 302440



CHOC PB SANDWICH 3.5 OZ UPC 077975-084731 UIN# 480855 SLIN# 303017



ORIGINAL KETTLE 2 0Z UPC 041200-096882 UIN# 090449



JALAPENO KETTLE 2 OZ UPC 041200-096929 UIN# 090589



MESOUITE KETTLE 2 07 UPC 041200-096905 UIN# 090506



UIN# 003533 UPC 077975-088944



/EGGIE CRISP 1.25 UPC 077975-028049 UIN# 098889

VENDOR FOCUS

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mium cigars from Honduras. Packaged in elegant, black wooden boxes of 21 cigars, Casino Gold HRS are available in five sizes—Ace, King, Queen, Jack and Joker.

> Blended and manufactured by the Plasencia family in Danli, Honduras, Casino Gold HRS are medium-bodied, flavorful cigars composed of a Habano Rosado wrapper from Jalapa, a Cameroon binder, and three different Nicaraguan fillers. With suggested retail prices from \$5.45 to \$6.85, these cigars

allow all cigar smokers a chance to live

like a "high roller" by enjoying a quality, premium cigar without breaking the bank. Retailers can obtain more information by contacting their local Swisher representative or by calling Swisher International at 1-800-874-9720.



Casino Gold HRS premium cigars have SRPs of \$5.45 to \$6.85.

Vital 4U Liquid Energy Coffee & Screamin Energy Max Hit

Precise Nutrition's popular Vital 4U Liquid Energy Coffee and Screamin Energy Max Hit have been merchandised in 7-Eleven stores for over 20 years, helping franchisees boost sales and profits. The two

> SKUs have generated exponential sales growth over the years to the highest levels in the past 6

months averaging around 80,000 units/month. Now SEI has deleted both items from the system, and Precise Nutrition is asking franchisees to request that corporate make them optional items so they can be ordered in the normal manner.

Vital 4U Liquid Energy Coffee and Screamin Energy Max Hit are single serving, coffeebased energy packs uniquely

packaged in a foil pouch for maximum convenience. Both of these products help customers feel alert and sharp for hours, and both contain a blend of Ginseng, B Vitamins and other nutrients. Don't let customers patronize your competition to satisfy their desire to buy Vital 4U Liquid Energy Coffee and Screamin Energy Max Hit.

New Welch's Fruit **Snacks Mixed Fruit Power Wing**

Promotion In Motion is offering a new Welch's Fruit Snacks Mixed Fruit 72-count gravity feed power wing. Welch's Fruit Snacks is the #1 fruit snack and is still growing in c-stores. Welch's Fruit Snacks Mixed Fruit is gluten and fat free, contains no preservatives, and is made with real fruit—Strawberry, Raspberry, Orange, White Grape, Grape, and Peach. Each 80-calorie pack contains 100 percent daily



Welch's Fruit Snacks Mixed Fruit 72-count power wing.

value Vitamin C and 25 percent daily value Vitamins A and E.

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SMOKEY MOUNTAIN SNUFF'S SPACE-**SAVING CHUTE DISPLAY**

Maximize sales of America's best-selling smokeless alternative with Smokey Mountain Snuff's new vertical chute display. Available in Peggable, Stand Alone or Self Stick, the 20-count chute display contains two versions of Smokey Mountain Snuff (10 cans of each)—Wintergreen and Classic (87273-01290), or Wintergreen and

> Straight (87273-01295). Each display costs \$45. Smokey Mountain Snuff cans have an SRP of \$2.99/\$3.19, with a 100 percent sales guarantee. They also have a one-year shelf life. Smokey Mountain Snuff has experienced 62 percent sales growth over the last four years, and adds incremental sales and profits to your snuff sales. For more information, contact Richard Hunsberger at 214-914-5531 or

> > rhunsberger@smokeyusa.com



Smokey Mountain Snuff's new chute display.

Keep Vital 4U

Liquid Energy

Screamin Energy Max Hit in your

stores for continued sales and profits.

Coffee and

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Available Everyday! Welch's® Mixed Fruit Snacks 72ct Gravity Feed Power Wing







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Hemo-Rage Turbo Energy Shot BOGO Offer



Limited-time Hemo-Rage Turbo Energy Shot BOGO offer.

Nutrex Research has announced a limited time offer for 7-Fleven franchisees: buy one try (12 shots) of Hemo-Rage Turbo Energy Shots and get one tray free. This offer ties into a special in-store "2 for \$5" deal promoted directly to the product's very engaged customer base. Hemo-Rage Turbo Energy Shots are available in two flavors—Apple Ambush and Sucker Punch. Order direct and save now through No-

vember 07, 2013. Contact Mike at 1-888-368-8739 or Stevi at Stevi.Schmodt@nutrex.com.

New Pillsbury Cinnamon Roll Exclusive

7-Eleven and General Mills recently unveiled the new Pillsbury Cinnamon Roll—7-Eleven's first-ever warm bakery offering, and the first Pillsbury-branded fresh-bakery item with a convenience retailer. Available with hot foods as well as in the fresh bakery case at participating stores, 7-Eleven's

The new Pillsbury Cinnamon Roll is a 7-Eleven exclusive item.

sweetly spiced version invokes the nostalgic, baked-at-home flavor of America's favorite Pillsbury sweet roll. The suggested retail price is \$1.69. Prepared and baked fresh daily in local bakeries across the country, the cinnamon rolls are delivered overnight to stores before the morning coffee crowd arrives.

During the morning rush, participating 7-Eleven stores can serve the cinnamon rolls warm in mini bakery boxes. Created just for the Pillsbury cinnamon roll, the microwave-safe boxes also are available at the bakery case for customers who choose to select an unheated roll to eat later. Rolls take just 10 seconds to heat in a microwave oven in the bakery boxes.

Swisher Sweets BLK Pipe Tobacco **Tip Cigarillos 2-Count Pouch**

Swisher's popular Swisher Sweets BLK Pipe Tobacco Tip Cigarillos are now available in a resealable 2-count pouch. Smokers who enjoy the unmistakable, "scentsational" aroma of pipe tobacco through the

unique black tip of Swisher Sweets BLK now can purchase two cigars for 99-cents, smoke one, and preserve the quality and freshness of the second cigar to enjoy later.

Both Smooth and Cherry flavors are available in the new 2-count pouch, offering consumers the quality and flavor expected from pipe tobacco cigars, made Swisher Sweet. Retailers can offer Swisher Sweets BLK Pipe Tobacco

Tip Cigarillos as singles, impulse, three-packs, or two in a resealable pouch. For more information or to order Swisher Sweets BLK Tip Cigarillos for your store, contact your Swisher representative at 1-800-874-9720.

New Sour

Patch lineups.



Swisher Sweets BLK Pipe Tobacco Tip Cigarillos are now available in a resealable 2-count pouch.

FUN & TASTY NESTLÉ PELA POP FROZEN TREAT

Nestlé recently introduced its internationally renown Pela Pop—a unique frozen treat that looks like a banana and tastes like one—to U.S. stores. Pela Pop has an edible banana flavored gummy peel and a creamy, delicious vanilla center. Eating a Pela Pop is as easy as bite, peel and



The innovative new Nestlé Pela Pop has a gummy peel and vanilla center.

enjoy, and is the perfect addition to backyard barbecues, afternoon play dates, birthday parties, or whenever there's a

craving for a fun, delicious treat. With something so fun and tasty, kids and adults alike will be entertained each and every time, keeping them coming back to your store for more. The perfect sized treat for kids, Pela Pop contains no artificial colors and is low in fat.

New Sour Patch Lineups & Gum Pouches

Mondelez International announced it is ready to reinvigorate the gum and candy categories with its new Sour Patch lineups and gum pouches.

Sour Patch will help accelerate the momentum on "Sour" with increased usage occasions and new items. The new Sour Patch lineups will deliver a delicious sour experience in a long-lasting chewy chain, and drive frequency of Sour Patch Kids usage by extending into exciting new textures/forms. The company said the concept delivers

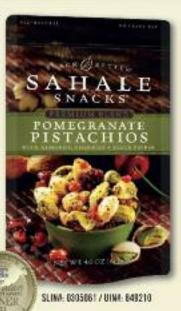
extremely strong scores for trial, liking, and purchase intent. The new Sour Patch lineups will be supported by a 360-Degree Activation Plan.

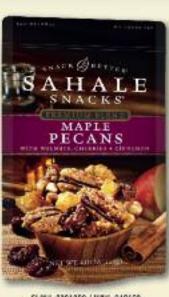
Introducing New Gum Pouches: Mondelez said it will drive larger size gum pouches as a means of elevating value across its gum brands and re-

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store category growth. The front check-out gum business is highly expandable—the more product consumers have the more they will chew (Mondelez's 2011 FE Confectionery Study; Kantar Retail ShopperGenetics and TradeDNA Analysis). Yet, an opportunity exists in gum to improve the buy rate by increasing the amount purchased per trip



Trident and Dentyne Ice Gum Pouches

(Nielsen—Household Homescan Panel Total US 52 Ending Q2 2012). Gum buyers likely believe that larger sizes provide greater value due to the more attractive price per piece (Source: Market Tools Gum in a Pouch



DCM Report, September 2011). Mondelez's gum pouches with 40 pieces of gum offer a better price per piece vs. other major pack types.

FUMA Launches New

E-Cig Products

Electronic cigarette maker FUMA announced onestop shopping for premium e-cigarette products with the release of new products that raise the bar to the next level with solid profit margins.

The newest additions in FUMA's product lineup include:

- 1) Disposable & Rechargeable (all in one—code name Dischargeable) that retails at \$9.38 MSRP.
- 2) A two-pack of cartridges that feel soft like a traditional burn-down cigarette and will retail for \$5.99 MSRP (available in multiple tobacco and menthol blends, as well as strengths).



FUMA's new e-cig products provide high rings and solid profit margins.

- 3) New USB charger that works on all FUMA rechargeable products for \$8.56 MSRP.
- 4) New complete line of FUMA E-hookah disposables—"Fookah" MSRP \$7.96. (Available in 13 delectable tastes of hookah shisha tobacco blends that are top sellers; variety pack shipper available.)
- 5) All new products come in a mid-box shipper with integrated POS/POP that have a tear away top and auto-merchandises the products.
- 6) New hardwood category cabinet for large volume retailers and back bar solutions. (POS/POP for all new products to aid in product movement at the retail level.) Please contact your FUMA representative to schedule your own on-site launch meeting and learn more

about FUMA's exciting new products.

Refresh Your Sales With Starburst **Brand Sorbet Bars**

Starburst Brand Sorbet Bars bring a new and exhilarating splash of strawberry to expand the frozen novelty category. The new item also rounds out the popular MARS Ice Cream portfolio, giving consumers a light and delicious alternative in the refreshment segment. Offered at a competitive introductory price point, this low-priced item with high brand

recognition has the perfect combination for increased volume and sales. The #3 confection brand, Starburst has a wildly devoted fan base who will jump at the chance to cool off with a frozen version of their favorite fruit chews (IRI, Confections Dollar Sales, 2012



bursting with flavor and profit potential.

Calendar Year). In fact, consumers are already biting: in consumer testing, Starburst Brand Sorbet Bars scored an amazing 89 percent in Purchase Intent after tasting (Q Research Consumer Test, May 2013). Contact your Mars representative or distributor for more information.

In Zone Rebrands Product Lines To 'good2grow'

In Zone Brands, maker of children's juice products TummyTickler Tots, TummyTickler and BellyWashers, recently announced it is rebranding all three product lines under the new brand trademark good2grow. The new brand will begin rolling out broadly in March 2014 and will be available on store shelves nationally shortly thereafter. good2grow will continue to offer three serving sizes based on nutritional guidelines for portion control, as well as the great taste and proprietary character tops that have created strong profitable growth for retailers. All good2grow products are pure, all natural juice with no added sugar or

high fructose corn syrup, and no added colors,

flavors or preservatives.

Coinciding with the rollout of the new good2grow brand in March 2014, two new fruit and vegetable juice blends will join the 6-ounce serving offerings: Strawberry Kiwi and Tropical Fruit Medley. These new juice blends will feature all natural apple, carrot and beet juice formulated with natural fruit flavors like strawberry, pineapple, kiwi and mango to create tasty drinks that kids can't resist. Plus, these new products provide the nutrition of one combined full serving of fruits and vegetables with 25 percent less sugar, keeping moms happy too. For more information, please visit www.good2grow.com.



New flavors Strawberry Kiwi and Tropical Fruit Medley will join the good2grow line in March 2014.

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National Coalition Affiliate Members support the franchisee community. The company representatives listed below can answer franchisee questions about new and recommended products, distribution, and new promotions. Please call or e-mail them!

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Boston Beer Co.

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Charms Company

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Convenience Valet

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Crossmark

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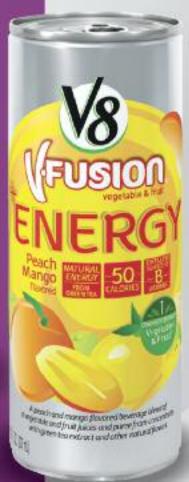
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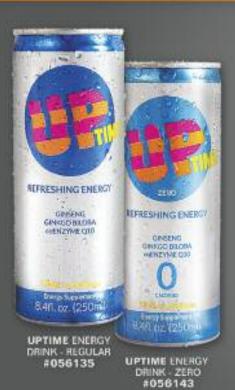
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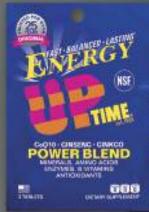
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Regional Board Meeting Dates

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.



Phone: 312-253-7342 November 21, 2013—Board Meeting December 19, 2013—Board Meeting

Greater Bay FOA

Phone: 707-328-3960 November 19, 2013 December 17, 2013

South Nevada/Las Vegas FOA

Phone: 702-249-3301 November 7, 2013—Board Meeting November 21, 2013—General Meeting & Elections

FOA Of Greater Los Angeles

Phone: 619-726-9016 Location: Brea Embassy Suites November 19, 2013

San Francisco/Monterey Bay

Phone: 650-996-9479 November 12, 2013

Pacific Northwest FOA

Phone: 253-861-6737 November 6, 2013

San Diego FOA

Phone: 619-713-2411 November 21, 2013

Cal-Neva FOA

Phone: 775-826-7111 July 17, 2013 November 20, 2013

Southern California FOA

Phone: 818-357-5985 November 20, 2013

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Metro New Jersey FOA

Meetings Location: Akbar Restaurant in Edison, NJ Phone: 908-232-1336 November 27, 2013

FOA EVENTS

CHESAPEAKE BAY FOA VENDOR TRADE SHOW

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

7-ELEVEN FOAC TRADE SHOW

Odeum Expo Center Villa Park, Illinois May 1, 2014 Phone: 847-971-9457

SOUTHERN CALIFORNIA FOA TRADE SHOW

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

7-ELEVEN FOAC CHARITY GOLF OUTING

St Andrew's Golf and Country Club West Chicago, Illinois August 13, 2014 Phone: 847-971-9457

7-ELEVEN FOAC HOLIDAY TRADE SHOW & PARTY

Holiday Inn North Shore Skokie, Illinois November 5, 2014 Phone: 847-971-9457

FOA EVENTS

METRO NEW JERSEY FOA TRADE SHOW

Atlantic City, New Jersey November 6-7, 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

METRO NEW JERSEY FOA HOLIDAY PARTY

(location and date to be finalized) December 6 or 13, 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

NCASEF BOARD MEETINGS

NATIONAL COALITION AFFILIATE MEETING

Marriott City Center Dallas, Texas February 17-18, 2014

NATIONAL COALITION BOARD OF DIRECTORS MEETING

Marriott City Center Dallas, Texas February 19-21, 2014

NATIONAL COALITION BOARD OF DIRECTORS MEETING

Walt Disney World Dolphin Hotel Orlando, Florida July 10-11, 2014

NATIONAL COALITION 2014 CONVENTION & TRADE SHOW

Walt Disney World Dolphin Hotel Orlando, Florida July 12-16, 2014



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

SAN DIEGO FOA & FOA OF GREATER LATRADE SHOW

Pechanga Resort and Casino Temecula, California January 15, 2014 Phones: 619-726-9016/619-713-2411

EASTERN VIRGINIA FOA TRADE SHOW

Virginia Beach Convention Center Virginia Beach, Virginia March 17, 2014 Phone: 757-247-6152

DELAWARE VALLEY FOA GREATER PHILADELPHIA TRADE SHOW

Springfield Country Club Springfield, Pennsylvania April 9, 2014 Phone: 610-306-7119

PACIFIC NORTHWEST FOA ANNUAL TRADE SHOW

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