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Contents

- 35 Change And Unity By Joseph Galea, Chairman, NCASEF
- 37 The Growth Of Fresh Foods By Jivtesh Gill, Executive Vice Chairman, NCASEF
- 41 Transfer And Refund Rights By Craig P. Kennedy, General Counsel, NCASEF
- **47** Innovation—The Path To Prosperity By Jas Dhillon, Vice Chairman, NCASEF
- 48 Merchandising Pre-Books By Roger St. George, Vice Chairman, NCASEF
- 57 The Power Of Gum

By Rod Sharpe, Senior Category Manager for Convenience Store Channel, Wrigley Sales Company

- **59** National Frozen Food Month Is Here By Steve Horine, National Sales, Windsor Foods
- 53 Get Ready For A Hot Frozen Treat Selling Season!

By Brand Development Unilever Ice Cream With Special Help From Chad Keener, National Sales Unilever

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National Coalition 32 Fresno Franchisee Warms Community During Holiday Season

Top Performers In Long Island, CVS Ends Tobacco Sales, Hess C-Stores For Sale, 2014's Leading Retailers, NYC Neighbors, Fresh Foods, Nexxus Trading Program, C-Store Growth, Gas Discounts, Fresh Foods, Seven & I Looks To U.S., SEI To Sell 72 Stores, Credit Card Breaches, Thieves With Tin Foil, General Mills Tests, Target Smaller Store Format, Gas Price Shopping, Dunkin' Donuts Expands, Fresh Foods Winning 26

Legislative Update.

Health Warning Labels On Sodas, Connecticut Statewide Soda Tax, San Francisco Sugary Drinks Tax, Illinois Soda Tax, Los Angeles Age Limit On Energy Drinks, Maryland-Washington, D.C.-Florida Minimum Wage Hikes, NYC Tobacco Ordinance, Colorado Smoking Age, Tobacco Legislative Update, NYC Restricts E-Cigs, Chicago Bans Indoor E-Cigs, Massachusetts Online Lottery, Farm Bill With Snap Provisions

SEI News 73 SEI's California Expansion, Low-Cal Egg White Sandwich, Airfair Lifeline Reload Card, Big Deal For The Big Game Bits & Pieces Vendor Focus 75 Franchisee Calendar. 82

January/February 2014

FEATURING

24 The Importance Of A Franchisee PAC

By Jaspreet Dhillon, Chairman, 7-Eleven California Franchisee PAC

28 Legal Alert: Sampling Products By Arnold J. Hauptman, Esg.

18 Joe Galea Takes Helm At

70 Insurance Claims: Are You **Covered? Lockton Insurance**



Dolphin Hotel Walt Disney World Orlando, Florida

July 12-16, 2014 Page 22 & 50

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Member News 16



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Long Island 7-Elevens Top Performers In Sales

Member News

The top-grossing 7-Eleven in the country is located near the easternmost tip of Long Island, New York in Montauk, where surging demand from tourists and astute business strategies have driven sales, reported *Long Island Newsday*. Long Island 7-Elevens actually dominate the top ranks of the chain's U.S. business—last year, eight of SEI's top 10 locations by sales were in Suffolk County, Long Island. SEI has 208 stores on the Island among about 7,800 locations in the United States.

"Eight of 7-Eleven's top 10 U.S. locations in sales are in Suffolk County, Long Island."

Before the three-year-old store on Montauk Highway took the top spot last year, the 7-Elevens on Hospital Road in East Patchogue and off Country Road 39A in Southampton had swapped the number-one title for many years. Industry analysts and local franchisees cite some key reasons for 7-Eleven's success on Long Island: inexpensive coffee, sparse competition, choice locations, and a long local history that has ingrained daily visits into Long Islanders' habits.

CVS To End Tobacco Sales, C-Stores Stand To Benefit

CVS Caremark plans to stop selling cigarettes and other tobacco products at its more than 7,600 retail stores by October 1, reported the *Los Angeles Times*. The move, which will make CVS the first national pharmacy chain to cease tobacco sales, will cost the company \$2 billion in annual sales, or about 1.6 percent of its 2012 revenues. CVS, which is second only



has been steadily increasing its business providing medical care through its pharmacists and a growing number of urgent care clinics at its retail locations. As such, the company said the sale of tobacco products is inconsistent with its purpose.

If CVS competitors like Walgreens and Rite Aid follow suit, it will likely generate more business for convenience stores as tobacco users look for a new place to pick up their cigarette packs, reported USA Today, citing tobacco ana-

lysts. Convenience stores already have a strong base of tobacco buyers, representing 86 percent of total U.S. cigarette sales among mass merchants, according to NACS.

However, the sales lift from former CVS tobacco customers alone won't be huge, one analyst said, noting that the chain doesn't have a big portion of the tobacco industry's overall sales.

7-Eleven Among 2014's Leading Retailers Retail Leader

7-Eleven has been recognized as one of *Retail Leader's* 2014 Leading Retailers for its increasing emphasis on fresh food. For it's list, Retailer Leader selected 10 "CPG retail operations that demonstrate dynamic, potentially game-changing strategies," reported CSNews Online. *Retail Leader* is a sister publication of *Convenience Store News*.

According to the article, SEI's future plans are to grow not only its store count, but also the scope and ambition of its product offerings. To that end, the com-

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Member News

continued from page 16

pany is revamping its stores and executing a fresh food program that includes produce, sandwiches, salads and other onthe-go fresh and healthy foods in order to rid itself of the c-store stereotype as a "repository for stale, unappealing and overpriced food and other merchandise."

Couche-Tard Expected To Bid On Hess C-Stores

Circle K parent company Alimentation Couche-Tard may expand its already large U.S. presence by going after Hess Corporation's retail convenience store network, reported *The Canadian Press*. In early January the oil company filed paperwork with the U.S. securities regulator to either distribute the business to shareholders in a tax-free spin-off or sell the business. Last year Hess announced it would close or sell its refineries and divest its retail business to focus on oil production and exploration.

Hess is the largest owner of cstores along the East Coast and the fifth largest in the country, with operations in 15 states and Washington, D.C. As of September 30, it operated 1,258 stores—including 81 travel plazas and 1,177 convenience stores. Its largest markets are North Carolina, Florida and New York. It also has 96 locations operated by franchisees.

Couche-Tard's chief financial officer declined to give the newspaper a comment on a possible bid for Hess, but said in an email that the company has "the capacity to do any transaction with our strong balance sheet." Analysts say Couche-Tard can



JOE GALEA TAKES HELM

Joe Galea, who was elected chairman of the National Coalition of Associations of 7-Eleven Franchisees (NCASEF) at the organization's board meeting last October, has officially taken the helm of the organization after setting up an office in Santa Cruz, California. A lifelong resident of California, Galea has been involved with 7-Eleven

since opening his first store in 1972. Today he owns and operates one store in Santa Cruz near the University of California, Santa Cruz.

Galea has previously served as Executive Vice-Chairman of the National Coalition, but his involvement in—and leadership of—franchisee organizations began back in 1992 when he was elected as president of the Greater Bay FOA. He carried on in that position before a new FOA was created, and in 2003 became president of the San Francisco/Monterey Bay FOA. He will retain his position as San Francisco/Monterey Bay FOA president while serving as National Chairman.

"My vision for the NCASEF is to build membership and help franchisees in any way possible," Galea stated upon being elected chairman. "In supporting that goal I have three top priorities: building a strong working relationship and communications with 7-Eleven, Inc., directing NCASEF executive board members to work closely with the FOAs, and maintaining strong working relationships with manufacturers and suppliers."

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financially support a deal in the \$1.5 billion range, and the acquisition will help bolster its presence in the Northeast.

"Couche-Tard's acquisition of Hess would add 1,258 stores to an already burgeoning store count."

SEI's Plans To Win Over NYC Neighbors

7-Eleven is planning to win over Manhattan residents in New York City by adding amenities tailor-made for urbanites, from digital machines that copy keys to Amazon package pickups, reported Crain's New York Business. Though the chain has been in the city's outer boroughs for decades, it wasn't until 2011 that it began an aggressive push into Manhattan. Since then, 7-Eleven has more than quadrupled its count, going from eight to 37 Manhattan locations. In the past six months alone, five new stores have opened. To lure in locals, 7-Eleven wants to become everything to everyone. Two years ago, 7-Eleven launched an innovation group focused on the digital experiences of customers. It also began testing Amazon Lockers in April 2012, and quickly expanded the concept to eight Manhattan stores. "We have to stay on top of what the consumer wants," the company said. "Our ultimate goal is to provide products and services that solve the everyday problems for our customers in making their lives better."

The Push Toward Fresh Foods

7-Eleven stores in Chicago and nationwide are increasing their fresh food offerings—including a push toward more healthy snacks—in order to boost their continued on page 22









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Member News

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competitive edge, reported the Chicago Tribune. With more consumers willing to pop in to a convenience store for a quick meal, SEI is aiming to build a name for itself in the competitive sector. What's more, company officials said food sales are helping offset sagging tobacco sales.

Last year, SEI rolled out Pillsbury cinnamon rolls, mozzarella sticks and more breakfast items, including a \$1 chicken biscuit sandwich and hash brown bites, in its hot food cases. Sandwiches such as chicken with Sriracha (a hot sauce) on a pretzel bun appeared in the cold case. More recently, the company has been pushing takeand-bake pizzas and introduced

its Egg White Breakfast Sandwich, a \$1.99 creation featuring Canadian bacon and cheddar cheese on a whole wheat English muffin, at 180 calories. The company said it's pleased with the results: same-store fresh food sales grew by 11 percent from 2009 to 2013. Overall, fresh food sales grew

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"7-Eleven same-store fresh food sales" grew 11 percent from 2009 to 2013."

> 58 percent during the same period, largely because of SEI's growth—in 2012 the company added 1,000 stores to its roster.

The Nexxus Scan Based **Trading Program**

Franchisees were recently notified by 7-Eleven of plans to implement a Scan Based Trading program for the newspaper category effective May 5, 2014 at all U.S. 7-Eleven stores. The company said it has selected the Nexxus Group to administer the program and to provide customer service, systems support and category reporting.

As part of the program, all Publishers and Distributors will be paid on scanned sales of products via Nexxus Group and have free access to sales data, in downloadable format, via Nexxus Group's secure website www.thenexxusgroup.com. The Nexxus Group will also perform Supply Chain Audits to assist franchisees in correcting operational issues. Storeowners can reference www.thenexxusgroup.com to request an audit. SEI said audits will uncover opportunities for improvement in the supply chain at no cost to franchisees.

C-Stores Continue Impressive Growth

The U.S. convenience store count increased to 151,282 stores as of December 31, 2013, a 1.4 percent increase (2,062 stores) from the year prior, according to the 2014 NACS/Nielsen Convenience Industry Store Count. The link between fuels and convenience retailing continues to grow, the report states. Overall, 83.7 continued on page 26



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The Importance Of **A Franchisee PAC**

Jaspreet Dhillon | Chairman, 7-Eleven California Franchisee PAC



As the fifth chairman of the 7-Eleven California Franchisee Political Action Committee (PAC), I'm so glad and proud to write this article on our PAC and what it is we do. With the help of my energetic team, I've spent the last three years growing this awesome organization and making our fellow franchisees and SEI aware of the impor-

tance of being part of the PAC, and of being politically active.

My job is both challenging and exciting, and our PAC Board members, which represent a majority of California franchisees, work hard to track and move on legislation that may affect our businesses. As part of this PAC, all of us in the 7-Eleven system-including SEI-have fostered a relationship in which we work together to express our mutual concerns to local and state legislators.

"The 7-Eleven California Franchisee PAC was heavily involved in the Richmond and El Monte fights to defeat ballot initiatives to tax sugary beverages."

The most common question we get is what has the PAC achieved lately? In response, I tell them that the 7-Eleven

nia 3-strikes law for selling beer and wine to underage customers. As you all know, we take great steps to prevent that from happening by making sure we train our employees properly before we place them behind the register in our stores. But, from time to time, they still make mistakes and end up selling to underage customers.

However, for 7-Eleven franchisees it is not 3-strikes because after the second our corporate partner forces us to sell our store in order to prevent the beer and wine license from being revoked. All of the legislators we have spoken to about this issue are not aware of the implications to us franchisees, and they are very sympathetic to our plight. But to achieve our goal of overturning the 3-strikes law we need to get more stores involved with the PAC, so that we can connect with more legislators and educate them about the effect this law has on us.

Besides ballot measures, last year the PAC organized fundraisers and contributed to both Los Angeles City mayoral candidates Eric Garcetti and Wendy Gruel. For a complete list of 7-Eleven California Franchisee PAC activities.

"Most recently, the PAC was able to defeat a city ordinance that would have banned single-sell cigars within the city limits of Baldwin Park in the county of Los Angeles."

California Franchisee PAC was heavily involved in the cities of Richmond and El

Monte to fight against the ballot initiatives to tax sugary beverages within the respective municipalities. Not only were we able to defeat the initiatives in both cities, but our PAC was also able to influence the City Council of neighboring South El Monte to refrain from entertaining the same ballot initiative. Most recently, the PAC was able to defeat a city ordinance that would have banned single-sell cigars within the city limits of Baldwin Park in the county of Los Angeles.

Personally, the "holy grail" initiative to fight is the Califor-

you can sign on to www.7pac.org.

The reason I first got involved with the 7-Eleven California Franchisee PAC was to be proactive and not reactive. I want to be on the front end of any ordinance or bill at the local or state level that could effect the operations of my 7-Eleven business, instead of reacting to a law that has been passed and trying to modify my operations at the store level. I hope after reading this you will feel the same way,

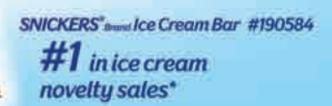
and begin to get more active in your local and state legislative affairs. If you're in California, you're invited to join our PAC!

JASPREET DHILLON can be reached at 310-892-2106 or jaspakam@yahoo.com



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percent of c-stores (126,658 total) sell motor fuels, a 2.7 percent increase (3,369 stores) over 2013. The growth of c-stores selling motor fuels is double the overall growth in the industry, as fuel retailers add convenience operations and convenience retailers add fueling operations.

C-stores account for 34.3 percent of all retail outlets in the United States, according to Nielsen, which is significantly higher than the U.S. total of other retail channels including drug stores (41,378 stores total), supermarket/supercenter (37,459 stores) and dollar stores (24,853 stores). The study further shows that the convenience retailing industry continues to be dominated by single-store operators, which account for 62.8 percent of all cstores (95,056 stores total).

Among the states, Texas continues to lead in store count with 15,191 stores, up from 14,920 in 2013. The rest of the top 10 states for c-stores are California (11,188), Florida (9,737), New York (8,154), Georgia (6,750), North Carolina (6,272), Ohio (5,452), Michigan, (4,903), Illinois (4,607) and Virginia (4,512).

More Gas Discounts, Fresh Foods At C-Stores In 2013

While the price of gas was what consumers most noticed at convenience stores in 2013, they also said they have increasingly noticed stores offering prepared and healthy food options in the past year, according to a consumer survey released by the National Association of Convenience Stores (NACS).

A majority of consumers (56 percent) said gas prices overall in 2013 were noticeably higher or lower, depending upon where the consumer lives. Inside the store, consumers said they saw more stores offering food options of all types. One in five consumers (20 percent) said they saw more stores offer prepared foods and 11 percent continued on page 30

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Legislative Update

California Bill Would Add Health Warning Labels To Sodas

A California state Senator has proposed a bill that would require sugary drinks sold in California to carry health warning labels similar to those on cigarette packs, reported the Los Angeles Times. Under the measure, the warning labels would be placed on the fronts of all cans and bot-

beverages with added sugar(s) contributes to obesity, diabetes, and tooth decay." Fast food restaurants with self-serve soda dispensers would have to place the label on the dispenser, and movie theaters or businesses where the dispenser is behind the counter and used by employees would have to place the label on the counter. In sit-down restaurants, the label might be on the menus. The legislation is supported by the California Medical Association and is opposed by CalBev-the state arm of the American Beverage Association—which said the proposal unfairly

tles of soda and juice drinks that have sugar added and 75 or more calories per 12

ounces. The label would read: "STATE OF CALIFORNIA SAFETY WARNING: Drinking

Connecticut Mayor Proposes Statewide Soda Tax

singles out one type of product for regulation.

The mayor of New Haven, Connecticut, Toni Harp, has recently proposed a statewide soda tax to battle obesity, reported the Yale Daily News. As part of her 2014 legislative agenda, Harp has spearheaded a 2 percent tax on high-calorie drinks to reduce sales of soda and generate about \$144 million in revenue across the state. The former Connecticut State Senator first introduced a tax on soft drinks in 2010, but the proposal never passed the State's Committee on Finance, Revenue and Bonding, Harp said studies have shown there is a direct relationship between sugary drink consumption and dia-

betes, cancer, heart disease and mental illness, and that adding a tax to sugary drinks would reduce their consumption.

San Francisco Sugary Drinks Tax May Go Up For Vote

San Francisco lawmakers have introduced a

measure for the November ballot that would impose a 2 cents per ounce tax on sugary drinks sold in the city, reported ABC 7 News, KGO-TV San Francisco. The proposal will need to be approved by a majority of the 11 supervisors to go on the November 4 ballot. It would then need approval by two-thirds of voters and would fund recreation and nutrition programs in the city. The tax, which is expected to bring in more than \$30 million if approved, would be imposed on the initial distributor of the beverage and would also apply to sales of concentrate, such as powders that are mixed

with liquid to produce a sugary drink. A beverage industry advocacy group has already come out in opposition to the proposed tax and said voters in other cities have already rejected similar proposals, pointing to a 2012 measure by the city of Richmond.

Illinois State Senator Pushes Soda Tax

An Illinois lawmaker recently proposed a bill that would impose a one-penny per ounce tax on sugary drinks sold in the state, reported the St. Louis Post-Dispatch. The tax is part of a broader plan to promote healthy living in Illinois, according to state Sen. Mattie Hunter, who sponsored the legislation, Senate Bill 3524. Revenue from the tax would go toward a continued on page 64









"A bill in California would

on sugary drinks."

require health warning labels

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Legal Alert: Sample Products



By Arnold J. Hauptman, General Counsel, United Franchise Owners Of Long Island An issue had arisen in Florida, and probably elsewhere, with respect to the right of a franchisee to arrange for a vendor to distribute a sample of its products in his or her store. Even though such a practice had been historically permitted by direct agreement between the vendor and the franchisee and, I understand, sometimes even arranged by SEI, franchisees

were suddenly being advised that the consent of SEI managers was required before a vendor could give out samples because, it was contended, setting up a sample table was equivalent to subleasing space to that vendor on 7-Eleven property.

Of course, such an argument is not consistent with the store agreement, which permits all activities for the operation of a 7-Eleven store (paragraph 8(a)(l)). Other arguments advanced by SEI are that distribution of sample products could present a liability issue under the indemnity amendment and that there could be undisclosed payments to which SEI may be entitled to a share. It was my contention that, if a product within the "7-Eleven Image" (from recommended or non-recommended vendors) could be sold in a store without consent of SEI, then logically samples could be distributed without any additional risk.



"Franchisees were suddenly being advised that the consent of SEI managers was required before a vendor could give out samples."

This matter was the subject of extensive discussion by a member of SEI's legal staff and me with the following negotiated result, which should satisfy franchisees as to recommended vendors, and not impose an undue burden on franchisees with respect to non-recommended vendors.

RECOMMENDED VENDORS: Since SEI could be confident that recommended vendors are adequately insured, and would be fairly certain that no undisclosed payments were being paid for the use of the space, no notice or consent from SEI management would be required.

NON-RECOMMENDED VENDORS: Since both SEI and the franchisee should be protected from liability claims resulting from vendor products, any non-recommended vendor who wishes to distribute samples in a store would need to provide a Certificate of Liability Insurance for not less than \$1,000,000.00 (not a lot these days) naming SEI and the franchisee as covered parties (not difficult to obtain) and submit the Certificate to a field consultant or market manager together with a short statement that no payment is being made by the vendor to the franchisee for the privilege of distributing samples or, if such a payment is being made, the amount of the payment.

I think that all will agree this is a reasonable solution to the question of sample distribution in 7-Eleven stores.

ARNOLD HAUPTMAN can be reached at 516-541-7200 or ajhaupman@aol.com



As of January 1, vending machines are required to display calorie information next to the snacks they offer as per the Patient Protection and Affordable Care Act, reported CNN. Marijuana shop owners across Colorado said they collectively made more than \$1 **million** statewide on January 1, the first day of recreational pot sales in the state, reported 9News.com. After the first week, the 37 dispensaries reported combined sales of over \$5 million. • Amazon.com is preparing to **launch Pantry**, a service that lets customers order from a catalog of about 2,000 nonperishable grocery items, reported USA Today. The service reportedly is set for rollout in 2014. Target announced hackers have stolen the credit and debit card information of as many as 70 million shoppers who visited the retailer's stores between November 27 and December 15. • General Mills said it will no longer use genetically modified organisms to make its signature breakfast cereal, Cheerios, because of consumer demands, reported the Los Angeles Times. • The mayor of San Francisco recently issued an executive order banning city departments from buying **bottled water**, even for water coolers, out of concern for the environmental impact of making, transporting and disposing of the bottles. McDonald's and White Castle are testing touch-screen ordering kiosks that would

allow customers to order their burgers exactly as they like them, reported QSR Magazine. Wells Fargo announced that its Visa consumer credit card holders can now load their cards into the **Isis Mobile Wallet**, which allows them to securely pay, redeem coupons and present loyalty credentials, all with the tap of their phone. Mondelez announced that it has sold its SnackWell's cookies and snacks business to continued on page 60

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Member News

continued from page 26

said stores offered more healthy options like salads, nuts and fruits. Consumers also noticed changes to the store itself-15 percent said they saw more stores remodeled in order to improve their attractiveness.

FBI Warns Of More Credit Card Breaches

The FBI has warned U.S. retailers to prepare for more cyber attacks after discovering about 20 hacking cases in the past year that involved the same kind of malicious software used against Target Corp in the holiday shopping season, reported Reuters. The FBI distributed a confidential, three-page report to retail



posed by "memory-parsing" malware that infects point-of-sale (POS) systems, which include cash registers and credit-card swiping machines found in

in

store checkout aisles. The FBI said it believes "POS malware crime will continue to grow over the near term, despite law enforcement and security firms' actions to mitigate it." Retail, credit card and bank industry executives have become increasingly concerned about the security of payment card networks after Target, the No. 3 U.S. retailer, in December disclosed one of the biggest retail cyber attacks in history.

SEI To Sell 72 Stores

Register NOW for the National Coalition's 2014 Convention at www.ncasef.com

> SEI has recently retained NRC Realty & Capital Advisors, LLC to coordinate the sale of 72 gasoline stations and/or convenience stores in nine states: 22 locations in Texas, 17 in South Carolina, 12 in Pennsylvania, nine in Ohio, four in Michigan, three in Indiana, three in West Virginia, one in Florida and one in Utah. Of the 22 Texas sites, 11 are in the San Antonio area, five are in or near Dallas-Fort Worth, two are in the Houston area, one is in Austin, and the remaining three are in surrounding areas. SEI said it is selling the locations, which were part of the more than 1,000 sites the company

> > continued on page 32





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has acquired in the last three years, because they "simply don't fit 7-Eleven's business model."

Thieves Armed With Tin Foil

The FBI has advised retailers to be on the lookout for fraudsters armed with aluminum foil climbing onto the roofs of their stores, reported Bloomberg Businessweek. This is how the theft happens: Someone climbs onto the roof of a store and uses aluminum foil to block the satellite antenna that the store uses to receive data from credit card companies to authorize sales. With the signal blocked, stores can't validate credit and debit card transactions. That

their carts with electronics or cigarettes, and pay with stolen credit cards. When the sales are finally sent to the processor, they're denied because the card was stolen, leaving the store on the hook for the losses. The FBI said thieves have used this

allows bandits to enter the store, load up

scheme to steal merchandise from gas stations and other stores in Indiana, Kentucky, Ohio, Pennsylvania, and West

Virginia. The agency recommends retailers inextra physical stall security measures like closed circuit TVs to keep thieves away from their antennas, or to climb onto the roof and physically inspect them.

Fresno Franchisee Warms Community During Holiday Season

Sierra FOA president Serge Haitayan continued his holiday tradition of helping Fresno kids stay warm through the winter by donating 500 coats in December to students at Turner, Bakman, Fancher Creek and Temperance-Kutner schools near his store, reported the

Fresno Bee. Besides donating the coats for the last seven years, Serge has also been helping the community by dropping off food for hungry students, snacks for "school movie nights," providing Thanksgiving dinner fixings for many students and their families, and giving free Slurpee



Franchisee Serge Haitayan has been donating coats to the local community for the last seven years.

coupons to teachers to pass out as incentives for good schoolwork. When asked why he does it, Serge told the newspaper, "This is my neighborhood-I've been here 23 years. If every small businessman stepped up and did his share, this world would be a much better place."



Register NOW for the National Coalition's

2014 Convention at www.ncasef.com

Target Tries Smaller Store Format

Target is experimenting with going smaller with plans to open its first Target-Express store this summer in Minneapolis, the New York Times reported. The 20,000square-foot store will be about one-fifth the size of the retailer's smallest CityTarget store, and is aimed at giving the chain a way to expand into more urban areas as more young people choose to live in cities. The first TargetExpress will be in the most urban of spaces-at the base of an apartment building called the Marshall, which is under construction near the University of Minnesota campus. The test store is scheduled to open July 27-in time to greet students arriving for the fall semester-and will stock a mix of grocery and pharmacy items, a small selection of basic clothing like socks, home décor, and electronics. Until now, Target's smallest format has been CityTarget, stores that range from about 80,000 to 125,000 square feet. Its biggest stores, called SuperTarget, are about 174,000 square feet. The company has about 1,900 stores, roughly 1,800 of them in the United States.

Seven & I Looks To U.S. For Online Inspiration

SEI parent company Seven & I Holdings wants to turn its more than 50,000 stores in Japan into portals to a new online retail empire, reported Reuters. The goal is continued on page 60

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Change And Unity

BY JOE GALEA EXECUTIVE CHAIRMAN, NCASEF

A lot of folks have asked why I made the decision to run for National Chairman after so many years in the 7-Eleven system, especially at a time in my life when I should be looking forward to a quieter style of living. I have been in the 7-Eleven system for most of my life, and it has been a very rewarding experience for me. I've always been very proud to be a 7-Eleven franchisee and I've been very fortunate to enjoy a good relationship with the company. The decision to run for Chairman really came down to the fact that sometimes, when you observe what's going on, you get driven by the feeling you can contribute something that will change the system to everyone's benefit. That was the sole reason for my wanting to run.

The 7-Eleven system is going through a period of change, what with Business Transformation, the hot and fresh foods programs, new store acquisitions, and so forth. The truth is, for us to keep our topquality trademark image in the eyes of the public, change always needs to happen, in some cases it needs to show publicly, and we need to be on top of it. But change always comes at a price, especially when you are trying to stay ahead of the competition or trying to exceed what they are doing. There are now more demands on franchisees and our sales associates, and our guests expect a lot more from us in the way of service. Additionally, we all have an investment in our stores that we want to protect and be able to reap benefits from.

As Chairman I made a promise that I would reach out to the entire membership—even if it comes at a cost—in order to

JOE GALEA

CAN BE REACHED AT

831-426-4711 or

joeg@ncasef.com

bring the franchise community closer together. We need to be more focused on our issues, on improving the system, and on trying to develop a much stronger working relationship with our franchisor. The National Coalition has made some changes this year as to how we approach our meetings with our Board of Directors, the FOA presidents. We've also asked our vendor community to participate in what we could change to try to maximize sales and profits for franchisees.

Our goal for 2014 will be to work very closely with all the FOA presidents and to extend an invitation to work even closer with our vendor community. Most importantly, the backbone for obtaining unity in these relationships will be the ability to



"Most importantly, the backbone for obtaining unity in these relationships will be the ability to work and communicate with our franchisor and business partner."

work and communicate with our franchisor and business partner. It is okay to agree and to disagree because we all have different viewpoints in operating a business. To disagree is acceptable as long as you can accept each other's viewpoints and strive to make it happen to where you come together to work on a solution.

The National Coalition officers and I will try to maintain a very high standard of



"Our goal for 2014 will be to work very closely with all the FOA presidents and to extend an invitation to work even closer with our vendor community."

reporting back to the membership on all meetings we have with 7-Eleven, Inc. management and with vendors, and we will be more visible in certain areas so we can help build a stronger effort to grow our trademark. We hope when we look back later on this year it will be measured by the fact that we established a solid foundation on which

we can continue to grow our business and build a stronger relationship with our business partner in the coming years, as needs and circumstances change.

I have been blessed with being an FOA president for a long number of years, and have always enjoyed helping my fellow franchisee and making our community stronger. I will continue to do the same as your National Chairman.

The Growth Of Fresh Foods

BY JIVTESH GILL, EXECUTIVE VICE CHAIRMAN, NCASER

As you all may be aware, SEI has set a goal to have our fresh food sales make up 20 percent of all our sales by next year. As it currently stands, there is some uncertainty within the franchisee community that this objective will be achieved.

Customer's perception of 7-Eleven is the key to this whole endeavor. If we are not pulling additional guests from the street and somehow making them feel we are a fresh and hot foods destination-whether it's lunch or dinnerit will be very difficult to reach that goal. Primarily, when someone is going by our store or making the decision to pull into our parking lot, the first thing they look at is our storefront, which has not changed in years. Our stores look the same as they did 20 or 30 years back.

I understand we are a huge company with many units and it's tough to change everything, but we should be making gradual progress towards upgrading our outdoor physical plant. Up until late last year, we were under the impression the CMR program was being reworked and redesigned to have a bigger impact on how we look from the outside, and then it would be rolled out the beginning of this year. However, the news from the facilities department is that there are no current plans to roll out another CMR or similar program. The focus is back to rolling out more hot food to stores or hot foods equipment. It appears everyone understands we need more CMRs, but somehow we are not ready to commit the money.

The hot foods program seems like a big component of SEI's growth plan, but it continues to be

challenging for a

lot of stores.

Some stores do a

great business in

hot foods, but

JIVTESH GILL CAN BE REACHED AT 209-481-7445 or j2jgill@aol.com _ _ _ _ _ _ _ _ _ _ _ _ _

many struggle despite their best efforts. Maybe we need to look into another cook-to-order strategy or some other plan that would allow everyone to offer hot foods 24-7. With the new oven, it's possible to cook-to-order. Most of the



"Maybe we need to look into another cook-to-order strategy or some other plan that would allow everyone to offer hot foods 24-7."

food that we serve is cooked within three minutes. Fresh product cooked right before your eyes, from a guests' perspective, is a positive thing. So cookto-order is not a bad strategy. We have the equipment and we have the tools.



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ADVANTAGE

"The hot foods program seems like a big component of SEI's growth plan, but it continues to be challenging for a lot of stores. Some stores do a great business in hot foods, but many struggle despite of their best efforts.'

> The other challenge we are facing with hot foods is we are selling product at a very aggressive retail, and we have to be careful about how long we can continue to do that. With this big push to keep our hot food cases full, we are writing off a lot of product because it is time sensitive—expiring within an hour or two, then it needs to be thrown away. Write-offs are affecting our gross profits. Also, with the aggressive pricing on pizza and tacos we are not making much GP. On a \$5.55 selling price, we might make 40 cents. We understand we need to promote these items at these prices in order to get the market, but we need to be careful how long we keep these promotions. If you get people used to buying a pizza for \$5.55, the moment you raise the price so you have a decent margin guests will feel you are gouging them because are used to the lower price.

> Another element affecting the success of the fresh foods program is advertising, which also remains a challenge. Everyone agrees we should advertise just like our competition does, but right now we are limited to our POP/POS and in-store advertising rather than a full-scale media blitz. Also, despite the company's push for franchisees to get on board with social

continued on page 38

The Growth Of Fresh Foods

continued from page 37

media coupons and attracting more folks to sign up for our 7-Eleven app, it is slow to get started. We need to focus more on advertising our fresh and hot foods selections and making our social media coupons more attractive in order to bring in more new customers.

We know we need to grow the fresh and hot foods category to stay relevant moving forward. We get the big picture. But we need innovative ideas and more novel strategies to make it work. As it presently stands, the fresh foods program offering

needs to improve. We haven't been able to move fresh foods too much the last couple of years, even though the goal of 20 percent of sales by 2015 was declared back in 2012. Here we are in 2014 and

we have grown the category 11 percent total from 2009 to 2013. We need faster progress towards attaining our goal.

"We grew the fresh and hot foods category 11 percent from 2009 to 2013. We need faster progress towards attaining our goal of 20 percent."

Setting The Record Straight In NCASEF Chairman Bruce Maples' article in the November /December issue of Avanti, we forgot to give credit to the Southern California FOA for their hard work on the BT system. Improvements to the BT system in Southern California were the result of the hard work of the "franchisees and leadership of the Southern California FOA, the FOA of Greater Los Angeles, the National Coalition executive team, and 7-Eleven upper management." Ed.

Don't Roll the Dice on Your Workers' Compensation!

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Transfer And Refund Rights

BY CRAIG P. KENNEDY GENERAL COUNSEL TO NCASEF

Did you know that 7-Eleven, Inc. ("SEI") may terminate your Franchise Agreement if your lease ends, your store is taken by the government under the power of eminent domain, or certain other situations? If SEI decides to terminate your franchise agreement under one of these circumstances, what do you do? What are your rights under the Franchise Agreement?

Most franchisees do not experience this unfortunate event, but many have with disastrous consequences. It generally causes horrible problems for them. It is a good idea to be ready and to plan ahead for this unpleasant circumstance.

Paragraph 26 of the Franchise Agreement gives SEI the right to terminate your Franchise Agreement under the following circumstances: 1) the landlord for your store and SEI were unable to agree on terms for a new lease during the term of your Franchise Agreement and the lease has not been renewed, or the lease ended because the landlord refused to renew the lease to SEI in order to use the property for another purpose, or 2) your city, county, or state has decided to condemn the property where your store is located under the power of eminent domain, or 3) your store is badly damaged by some calamity and it cannot be repaired within 30 days, or 4) the store is permanently closed because the law requires it (so long as that closure is not caused by you).

Under the Franchise Agreement, the franchisee has two choices in the event of this kind of termination. Either the franchisee can elect to transfer to another store or to receive a refund of a portion of the franchise fee back from SEI.

Transfer To Another Store

While it sounds easy to transfer to another store, it seems to me the percentage of climbers who summit Mount Everest exceeds the percentage of willing 7-Eleven franchisees (whose Franchise Agreements have been terminated under Paragraph 26) actually transferring to another 7-Eleven store. SEI creates so many obstacles in order to obtain a transfer, it seldom actually happens.



"You can elect to transfer to another store or to receive a refund of a portion of the franchise fee back from SEI."

First, the franchisee must elect to transfer within 180 days following the date of termination either by signing a current Franchise Agreement for the new store or completing a "Transfer Election Form." This can be a problem. SEI will not give the transferring franchisee a Franchise Agreement for a new store unless a 7-Eleven store is available to be given to the franchisee. Also, there is no such form as a "Transfer Election Form." I personally requested the "Transfer



"Paragraph 26 of the Franchise Agreement gives SEI the right to terminate your Franchise Agreement under several specific circumstances."

Election Form" from SEI representatives and was told the form "does not exist." I do not know why SEI refers to this non-existent form in its many thousands of contracts with franchisees, and neither did the folks I spoke to in Dallas about this. If it actually exists, I hope someone will send one to me! Therefore, the franchisee should put in writing to SEI his or her election to transfer within 180 days from the date of termination or the franchisee will be considered to have elected the refund.

Second, there are numerous conditions to qualify for a store transfer. These are: 1) no transfers to a third party, 2) no

existing Material Breach at time of election to transfer, 3) no net worth violations for a full year prior to date of elec-



tion to transfer, 4) the franchisee must sign both a new, current Franchise Agreement with a term ending when the existing Franchise Agreement would have ended, and a mutual termination and release of all continued page 44



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Transfer And Refund Rights

claims related to the old Franchise Agreement, 5) the franchisee must not have received four or more notices of Material Breach within two years before the election, 6) the franchisee must undergo all training required by SEI (at SEI's expense), 7) SEI allows franchisees to transfer only to 7-Eleven stores "available for franchise," 8) the transfer store must have been open as a 7-Eleven store for at least 12 months, and 9) the franchisee must meet SEI's then-current qualifications for franchisees as determined in their sole discretion.

If franchisees qualify in all other respects, most (not all) franchisees in this situation are unable to transfer because SEI may not have any stores "available for transfer." If this happens, SEI representatives routinely tell the franchisees who elect to transfer that it has no stores available for franchise, which prevents the franchisee from transferring. In some cases, SEI representatives have told the franchisee he or she must accept any franchise that may be available anywhere in the United States.

Naturally, when SEI charges franchise fees in the hundreds of thousands of dollars for sales of 7-Eleven store franchises, and

The franchisee should put in writing to SEI his or her election to transfer within 180 days from the date of termination or the

franchisee will be considered to have elected the refund."

Clearly it is within SEI's power to make stores available for franchise for these purposes if management chooses to do so, but the company routinely refuses to do so (it cannot collect franchise fees). We believe the covenant of good faith and fair dealing contained in every contract requires SEI to reasonably undertake to make stores available to franchisees who are forced to transfer due to matters beyond their control. SEI must not act unreasonably in choosing whether or not to make stores available to transferring franchisees. SEI may not use its power to unreasonably or unfairly harm the fran-

"SEI may not use its power to unreasonably or unfairly harm the franchisee or to deprive the franchisee of the benefits of the Franchise Agreement."

SEI's internal budget heavily relies upon receiving franchise fees from sales of 7-Eleven stores, it is easy to understand why it fails to make stores "available for franchise" to transferring franchisees. In my experience, SEI rarely makes stores available for transfers voluntarily and usually says "there are no available stores" to transferring franchisees. This is only anecdotal evidence based upon my personal experience, but I have seen it numerous times.

chisee or to deprive the franchisee of the benefits of the Franchise Agreement. Stated simply, SEI must exercise its decisions about whether to make stores "available for transfer" or to sell such stores, in a fair and reasonable manner.

Unfortunately, even if there is a store available, SEI can say the franchisee does not meet the then-current qualifications determined in its sole discretion, and refuse the transfer. This must be challenged by fran-

chisees as well. This discretion cannot be exercised unreasonably by SEI.

Electing The Refund

If the franchisee does not elect the transfer, he or she may be entitled to a refund. The refund is calculated by a formula based on a deduction and a percentage based upon the length of time remaining on the contract.

For the 2004 Franchise Agreement having a fifteen-year term, the formula is the franchise fee paid by the franchisee less \$20,000, and the difference is divided by 180 months and then multiplying the result by the number of calendar months left in the Franchise Agreement. Unfortunately, SEI has taken the position it does not have to pay any refund of the franchise fee under Paragraph 26 to any terminated franchises who signed the 2004 agreement because no franchise fee was paid in 2004 by the franchisees for the extension beyond the original termination date of the prior Franchise Agreement.

For other Franchise Agreements having only a ten-year term, the formula is the same, except the number of months used is 120.

Finally, the refund does not provide any payment of good will to franchisees who lose their store, which is where most of the value is. Naturally, most franchisees prefer to transfer.

If your store Franchise Agreement is terminated for any of the reasons stated under Paragraph 26, you should hire a lawyer immediately to protect your rights. We strongly recommend you contact legal counsel if you wish to transfer to another store. Pushing back hard against SEI is the only way to enforce this valuable right.

SEI's representatives may do everything in their power to frustrate your rights to a transfer

and/or to a refund. It is essential to protect your rights or you may lose everything.

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INNOVATION—THE PATH TO PROSPERITY

BY JAS DHILLON VICE CHAIRMAN, NCASEF

We all know the story of "Uncle Johnny" Thompson and the Southland Ice Co. and how he had the spark of creativity to sell simple grocery items to level out sales in off-peak months. This planted the seeds of what would become the modern day convenience store. We also can recite chapter and verse on the origins of Slurpee, Big Gulp and Big Bite. Those revolutionary innovations built and defined what 7-Eleven, Inc. (SEI) is today. Many of us chose to franchise with 7-Eleven precisely because of the unique offerings that competitors could only attempt to copy. My, how times have changed.

There is no dispute that SEI has invested untold millions in the Retail Information System (RIS), and I am not here today to debate the pros and cons of that system. Suffice to say that the entire capital investment focus of SEI over the last 20 years has been on information technology, distribution solutions and, more recently, acquisitions. What is missing? The two

weren't us.

Today, with over 150,000 gas and convenience stores across the U.S., it is harder to always be at the leading edge of change. However, therein lies the opportunity—with thousands of stores spread across the land staffed with motivated and committed personnel, we have thousands of independent laboratories for innovation. It is time to unleash the giant within: the talents and gifts of the franchisees. Stop penalizing free thought, and encourage new products with less concern on distribution models and control. Franchisees know their customers' needs and desires-let them be satisfied!

seeking more real competitive product innovation, by region if necessary, to reclaim our legacy. It makes no

"With 150,000 gas and convenience stores across the U.S., it is harder to always be at the leading edge of change."

models and innovation.

Let's look at innovation. For much of SEI's history, its fabled growth was fueled by innovation. 7-Eleven was the first to be open from 7 a.m. to 11 p.m., first to offer

or

first to offer fountain soda, hot dogs, phone cards... the list goes on. Those creative approaches on the cutting edge sense to this humble franchisee to have a rotating cadre of experts in Dallas who proclaim every few months, "At last, we have developed the ultimate widget!", only to find that item on the delete list three months later and a new "expert" in the position. SEI must commit to developing processes that truly differentiate us in the market place. Some ideas along these lines would be to get scratch lottery tickets off our counters and into electronic dispensers. That would cut down on losses. Devise a system for gasoline purchasers

most obvious are capital spending on re-

hot coffee to go, **JAS DHILLON** CAN BE REACHED AT 818-571-1711

jasdhillon@ rocketmail.com



of an ever-growing expanding population allowed stores to grow at a fascinating pace. The other guy's "Brand X" could at best only copy our successes because they

At the same time, SEI must commit to 1

"Suffice to say that the entire capital investment focus of SEI over the last 20 years has been on information technology, distribution solutions and, more recently, acquisitions."

who use cash to authorize at the pump without making multiple trips into the store. Quik Trip has done this for years. Make our stores Wi-Fi hot spots with killer apps to reclaim tech savvy millennials. Develop a real signature sandwich for each region, or market if necessary, but not a "one size fits all" product for every store across the country. The competition in our

chosen industry is worthy and fierce. I believe franchisees are willing to stand and fight, but not with each other and certainly not with our franchisor. Franchisees must realize that at times they must put aside their pet preferences and sacrifice to a greater good—the good of an entire system.

SEI must also realize that not every thought or idea that emanates from HQ is pure gold-often they are not. They must from time to time apologize for mistakes as a gesture of sincerity and as a way to regain credibility. Foremost, SEI must stop blaming franchisees for bad ideas that fail and penalizing them for not keeping their stores fresh food clean. Without the capital investment to

continued page 48



INNOVATION—THE PATH TO PROSPERITY continued from page 47

bring all of the stores in parity to newly built stores, SEI and I will keep pointing fingers at each other. While we have made small strides in capturing some fresh food sales, we as a system have miles to go. These are my thoughts and I would love to hear yours!

"It is time to unleash the giant within: the talents and gifts of the franchisees. Stop penalizing free thought, and encourage new products with less concern on distribution models and control."

MERCHANDISING PRE-BOOKS

BY ROGER ST. GEORGE VICE CHAIRMAN, NCASEF

One of the great strengths of the 7-Eleven system is the ability of franchisees to select the products that are sold in our stores. The only required products are those listed in Exhibit G, which can be changed by 7-Eleven, Inc. (SEI) with 30 days' written notice. Weekly, SEI's Merchandising Department produces a host of new items for franchisees to add to the product selection of their stores. Some are great new items, others are not so exciting to embrace. Ultimately, the decision to carry a new item is entirely the responsibility of the franchisee.

Often, among the list of new products are items to pre-book for a future delivery-generally more than a month ahead. Again, as with any other item, it is the sole responsibility of the franchisee to decide whether to accept this pre-book or not. Sometimes this is the only opportunity to order seasonal items. Unfortunately, this is all too often a "one-size fits all" approach. The sheer quantity can overwhelm a lower volume store. Also, the proximity to certain competitors can be a deterrent to making the purchase decision. However, if the product is guaranteed by the sup-

ROGER ST. GEORGE CAN BE REACHED AT 360-500-1248 saint@comcast.net

, plier it will encourage a franchisee to order the pre-book, since the only risk is damaged or stolen merchandise.

In theory the pre-book system should run smoothly, but lately it has been breaking down as many stores are receiving shipments of pre-booked items they did not order. For years there has been pressure on field consultants to meet quotas or goals by getting stores to order these pre-booked items. Sometimes this is just a cookie cutter mentality that every store should carry the same product assortment. Other times it may be an economic

times, SEI merchandisers have admitted the error and arranged for the product to be returned to the vendor. This too turns out to be an empty promise, despite numerous attempts by stores to get the promise fulfilled.

What is the answer? Let's start with the pre-book itself. It needs to be tailored for every type of store. A 7-Eleven near a dollar store or a Wal-Mart will not have the success of a 7-Eleven in a more isolated

"In theory the pre-book system should run smoothly, but lately it has been breaking down as many stores are receiving shipments of pre-booked items they did not order."

consideration to achieve a critical mass to obtain preferred pricing. Some field consultants will admit to this pressure being applied, but no one will ever admit to actually ordering product for a store. Yet, the pre-book products continue to arrive.

Once a store receives these products, the franchisee has two options: 1) attempt to sell through the product, or 2) try to return the product to the vendor, which is a daunting task at best. Some franchisees have successfully returned product to the supplier, only to be later presented with an exorbitant shipping charge via SEI's one-sided accounting system. Other

market. A rural store cannot sell the same product mix as an urban store with customers with greater disposable income.

Most importantly, SEI needs to make a strong business case as to why a store should order the product. Franchisees are too intelligent to just throw something against the wall and wait to see if it will stick. Not to beat an old drum, but SEI needs to better communicate what a 7-Eleven store offers by using something other than the tired old window and storefront banners. Our customers are not participating in the "if you build it they will come" business model.





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WHAT'S IN



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GET READY FOR A HOT FROZEN TREAT **SELLING SEASON!**

Even though the weather in 2013 was cooler than normal, did Frozen Treats, they want Frozen Treats. you know that 7-Eleven stores outperformed the rest of the convenience store channel in Frozen Treat sales by a swing of 4 per-Frozen Treats, many cent? For 2013, total 7-Eleven same-store sales of Frozen Treats times, is an impulse were UP +2.2 percent, while the rest of the convenience store buy. To maximize channel was down -1.8 percent. To continue that growth trajecyour store's sales, the Frozen Treats sections tory, be ready for the Start of the Season! should be easy to locate Conventional wisdom tells us the Ice Cream "season" is from and the freezers should be

Memorial Day through Labor Day-not true! Looking at weekly data for the last three years, Ice Cream sales begin a stronger week-over-week upward swing after the onset of Day-

light Savings Time. Therefore, to maximize sales it is important to be fully stocked with the right assortment of both Frozen Novelties and Take Home Ice Cream when it is time to "Spring Those Clocks Forward" on March 9, 2014.

Did you know the Frozen Treats guest is a heavy food-to-go shopper? Fifty seven (57) percent of on-the-go eating trips at 7-Eleven included a Frozen Treat purchase! "Core" guests

make 5 to 20 trips to 7-Eleven in a

"7-Eleven stores outperformed the rest of the c-store channel in sales of Frozen Treats by 4 percent."

month. Most often they are also buying grilled food or sandwiches, packaged snacks, and a non-alcoholic beverage. Those guests are visiting your store to purchase Frozen Treats most often between 7 p.m. and midnight. Visibility is critical-when shoppers see



Typically, we think of the Ice Cream season as the "100 days of Summer," but data shows the season really begins with daylight savings time. It is critical to have a fully stocked assortment by March 9.

Vendor Guest Column

UNILEVER





fully stocked with the optimal assortment. Visibility and availability are the keys to your success! Think of ways to draw the guest over to the freezer section.

> Exclusive items give franchisees an opportunity to sell something nobody else can. Guests have to come to your store to get

them. Look for ways within your stores to tell your guests about the exclusive items so it brings them back as repeat customers. Did you know for 2014 that 7-Eleven will carry two exclusive items in Frozen Treats? First, Ben & Jerry's Nutty Caramel Swirl pint-introduced in 2013 and ranked in the

Top 10 during the season—will continue

for 2014. This exclusive flavor is exactly what your customers are craving ... nougat ice cream with peanuts, fudge flakes, and a salty caramel swirl. All Ben & Jerry's pints will be featured at 2/\$8.99 in promotional periods 2-4.

WHAT ELSE WILL HELP YOUR SALES IN 2014?

Take Home Ice Cream performs well all year round. It is less seasonal than Novelties so it is critical to have the "right" assort-

continued page 54

Vendor Guest Column UNILEVER

FROZEN TREAT SELLING SEASON continued from page 53

ment at the "right" time to meet the guest's needs. For years, Ben & Jerry's has been your #1 selling Ice Cream in 7-Eleven—4 out of the top 5 Take Home Ice Cream items are Ben & Jerry's pints. How do you maximize your Take Home Ice Cream category sales? Simply ensure you have the best selling flavors in your store. All of the 2014 Spring schematics have been updated to include these "Top 10" items and the rest of the best sellers for your area:

- Ben & Jerry's Half Baked Pint
- Ben & Jerry's Choc Chip Cookie Dough Pint
- Ben & Jerry's Choc Fudge Brownie Pint
- Ben & Jerry's Cherry Garcia Pint
- Ben & Jerry's Strawberry Cheesecake Pint

- Haggen-Dazs Vanilla 14oz
- Haggen-Dazs Butter Pecan 14oz
- Haggen-Dazs Chocolate 14oz
- Ben & Jerry's Americone Dream Pint
- Ben & Jerry's Chunky Monkey Pint

What else is new for 2014? Magnum Infinity Bar, decadent dark chocolate ice cream with a chocolate swirl dipped in dark



chocolate and cocoa bean nibs. It's a chocolatey pleasure that's sure to be a crowd pleaser. How about the original Creamsicle Bar from Popsicle, created back in the 1950s, featuring vanilla ice cream coated with orange

sherbet will be a favorite for both kids and adults alike. Also, after a successful 2013 "100 Days of Summer" promotion, the Popsicle Rainbow Pop will be a key winner for the 2014 season. Featuring a rainbow of flavors to include grape, strawberry, apple, orange, and pineapple, this item has a little something for everyone's taste.

There are more exciting changes to the 2014 recommended item schematics debuting in March. Consumers are looking for change and excitement! Be sure to implement the schematic in your store quickly and place your order for all of the new items. Then get ready for an exciting 2014 Frozen Treats season!

Sources: AC Nielsen 52WE 12/21/13, IRI 7-Exchange YTD WE 12/21/13, 7-Eleven Major Market Study 2012, and Unilever Proprietary Convenience Channel Study



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The Power Of Gum

By Rod Sharpe Senior Category Manager for the Convenience Store Channel, Wrigley Sales Company

As Wrigley works to restore the gum category to growth, we are emphasizing innovation and research, while also courting new or lapsed chewers. We're looking for ways to enhance in-store execution, as well as smarter innovation to spur consumers to think about gum for after-meal and on-the-go occasions.

For c-stores, gum is an opportunity to boost sales, and we're fo-

vorite year after year. We've been building on this momentum by evolving the brand's positioning with a new TV campaign that cused on maximizing the category's potential-both at the front end and in aisle. So what does gum mean for your business? launched in August 2013. The big idea is to go beyond the functional benefits of chewing Extra for its long-lasting flavor and re-It's important to recognize gum's power in maintaining a promind consumers of the simple emotional rewards that come from ductive c-store category. While 40 percent of c-store customers sharing a stick of gum ("Give Extra, Get Extra"). This is just one shop daily, each trip lasts an average of 2.5 minutes, and only 1.6 example of the ways we're reminding consumers to chew, and of those minutes are spent shopping (Source: Videomining Resupporting one of our most-loved brands appropriately. search 2011). Research shows that aisles are the most successful location for driving product visibility, which is the main trigger **Driving Excitement** for impulsive shopping ahead of product and packaging (Source: C-store Intercepts 2011).

Maintaining an optimal aisle is particularly critical to gum sales, as 75 percent of all shopping occurs there (Source: C-store Intercepts 2011). Due to the impulsive nature of gum, an optimized front end will also help bolster the category; increasingly, shoppers are looking to reward or indulge them-

"Increasingly, shoppers are looking to reward or indulae themselves as they approach the front end to check out."

selves as they approach the front end to check out.

Without a doubt, effective merchandising in both locations can help meet busy consumers' needs. To that end, we're working hard to maximize excitement both at the front end and in aisle with better advertising, new flavors, and better in-store experience by focusing on the following objectives:

Investing In Big Brands

Part of our strategy to drive category improvement is investing in our biggest brands. For example, Extra gum remains a fan-fa-

Vendor Guest Column WRIGLEY SALES CO.



Beyond new marketing launches, we also know that shoppers have a strong need for new experiences within the category. These needs can shape new opportunities for growth. One way we're doing this is by providing an optimal product mix to meet our consumers' needs. This will benefit our c-store partners and consumers by optimizing shelf space and providing a fresh variety of products to meet shopper needs, while avoiding clutter. For example, 5 gum, one of the top selling gum brands at 7-Eleven, recently introduced 5 Ascent, a new Wintermint flavor that intensifies as it is chewed. Speak with your Wrigley sales representative for more info on new SKUs from several of our most popular brands.

In-store Experience

Improving the shopper experience is another key component in restoring category growth. To build our business in c-stores and beyond, we're continuing to focus on accessibility, innovation, enhanced shopping experience and in-store execution. We're building better displays, developing programs to drive trial, supporting innovation and investing in our biggest brands.

As we work to strengthen the gum category, Wrigley values the 7-Eleven franchisee relationship and aims to provide solutions that are relevant and powerful for your business.

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Stock up on the most trusted brand for the cold and flu season. Don't forget Children's Tylenol, the #1 pediatrician recommended brand. used by moms for over 50 years.







By Steve Horine, National Sales, Windsor Foods

Did you know that March is National Frozen Food Month? departments The month of March provides the ideal opportunity for the retail and ask the folindustry to deliver innovative messaging to boomers, millennials, lowing quesand multicultural audiences about all of the benefits that frozen tions: food has to offer. The theme is "Take a Fresh Look at Frozen" and • Are my shelves adit provides the perfect opportunity to deliver timely messaging to equately stocked at all consumers about the real ingredients, chef-inspired recipes, and times, neat and organwholesome meal ideas in the frozen food section. ized, and attractive to my guests?

The modern frozen food industry was born over 70 years ago • Are we carrying items that are and has since grown into a \$52 billion annual business that genrecommended in the corporate planogram, which is developed erates profitable volume across all channels. Today, frozen food using industry data to offer the brands and products that conis everywhere-grocery stores, convenience stores, drug stores, sumers demand? dollar stores, club stores-and the frozen food phenomenon con-• Are we utilizing promotions and price reductions that are oftinues to grow.

Frozen Food is a \$247 million category in the convenience

channel with penetration in 92 percent of stores, according to the NACS 2012 State of the Industry Report. The frozen food category in convenience stores is dominated by five major segments: frozen handheld items (chimichangas, pocket sandwiches), frozen entrees (chicken fried rice, lasagna, mac & cheese), frozen snacks (pizza rolls, taquitos), frozen pizzas, and ice cream/novelties.

According to IRI, for the 52 weeks

ending December 28, 2013, the frozen

handheld, entree, and snack categories

"THE MODERN TAISFEI **FROZEN FOOD INDUSTRY HAS GROWN INTO** A \$52 BILLION ANNUAL BUSINESS AND IS A \$247 MILLION CATEGORY IN THE CONVENIENCE CHANNEL."

all generated gains, growing 0.7 percent, 1.8 percent, and 5.2 percent, respectively. This is a clear indicator that consumers are seeking convenient, on-the-go dining opportunities that meet the needs of their busy lifestyles. As frozen foods continue to grow in so many different retail outlets, it is essential for 7-Eleven franchisees to make sure that they're "on top of their game" by offering their guests the frozen food brands and products that they want.

With the industry focus on frozen foods in the month of March, now is the perfect time to take a look at your frozen food

Vendor Guest Column WINDSOR FOODS



fered from the manufacturer to encourage product trial and incremental volume?

> • Are we using signage and point-ofsale that lets the guest know that our store offers top-selling frozen food brands and products so that they can save a trip to some other store?

• Are we communicating to our guests that frozen foods offer an immediate and/or take-home meal solution that will encourage other purchases within the store and position 7-Eleven as a "one-stop-shop" destination?

> After 30 years of successful promotions, "March Frozen Food Month" is a recognizable brand of its own, with leverage to effectively reach consumers to celebrate the convenience, quality,

and nutrition of frozen foods. Join the celebration and "Take a Fresh Look at Frozen" in your stores!

Windsor Foods produces Jose Olé and Tai Pei brand frozen items for 7-Eleven stores nationally. Check your ordering system or contact Steve Horine at (260) 492-9797 or steven.horine@windsorfoods.com for information.





Member News

continued from page 32

to have goods ordered online from Seven & I's department stores and supermarkets, as well as outside partners, and then delivered to and picked up from the thousands of 7-Eleven stores spread across Japan. To initiate the effort, the company has sent a team of about 50 executives to America to study traditional retailers like Macy's and online retailers to uncover the best ways to integrate online retail into the company's brick-andmortar business. At the moment, 7-Eleven's stores in Japan don't offer the range of ecommerce services available at their U.S. counterparts.

Fresh Foods Winning At C-Stores

More convenience stores are concentrating on providing a greater variety of fresh, high-quality foods, and competition

is mounting as stores strive to compete with fast-food restaurants. According to Technomic's Convenience Store Market Intelligence Report, fully 57 percent of consumers say they have purchased prepared foods from c-stores, and roughly a third of consumers who visit c-stores for fresh-food items purchase them at least once a week.

Other consumer insights found in the report include:

• Three-fourths of consumers (76 percent) who purchase prepared foods from cstores report that these locations provide a convenient option.

• Two-fifths of consumers say they would visit c-stores for prepared foods more often if freshness and quality were improved.

• C-stores top other types of retail locations for breakfast patronage, and are the only segment to see a significant increase in continued on page 62



Pacific Northwest Franchisees Celebrate The Holidays

Franchisee members of the Pacific Northwest FOA gathered at the Kent Event Center in Kent, Washington on the evening of December 6 to close out 2013 and welcome the New Year during the association's Annual Holiday Party. There was food, music, dancing, and lots of holiday cheer as storeowners celebrated with family, friends, and colleagues.



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franchise jobs increased by 30,250 during the

month of December 2013, according to the ADP

National Franchise Report. Throughout 2013, the

franchise industry added 229,000 new jobs,

signed a multiyear joint development agreement

with 3D Systems Corp. to **explore and develop**

ways to use 3-D printing technology to pro-

treats, reported the Wall Street Journal. • Wiscon-

opened a health care clinic at its La Crosse head-

quarters for its employees, reported the Associ-

percent) say they would not be bothered by

someone using an electronic cigarette in

close proximity, according to the 2014 Ameri-

can E-Cigarette Etiquette Survey conducted by Harris Interactive. • A Seattle woman spent an entire year eating all of her meals exclusively from Starbucks and the company's related outlets—Roy Street Coffee & Tea, Teavana, Tazo Tea, and Evolution Fresh—and documented the effort in a blog, reported CNBC. • Pizza Hut is selling single slices in a test program at two of its locations, reported CNN Money. The company said if customers like it, it will expand

the offering to its locations nationwide. • As New York City fell into the grips of a nasty cold spell,

Dunkin' Donuts offered its customers there a special deal throughout the month of Janu-

ary—99-cent iced coffee and iced tea in any

size. • A new study reveals that the number of obese or overweight people in the develop-

ing world nearly guadrupled from 250 million to 904 million between 1980 and 2008, reported

Time. • **Quitting your job?** There's an app for

teamed up with the creators of BreakupText to

develop the comical Quit Your Job iPhone app,

which generates personalized resignation mes-

continued on page 62

that. Job-matching giant **TheLadders** has

ated Press. • Nearly two-thirds of Americans (63

duce edible foods, including confectionary

sin-based c-store retailer **Kwik Trip** recently

which represents nearly 11 percent of all new

jobs created in the U.S. • Hershey Co. has

a portfolio company of

Feb interes interemetters. COMPANY SPORT distribution of ADDIE DEMOST watering and

Blue Raspherry



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Member News

continued from page 60

breakfast patronage over the past few years. This is likely driven by coffee purchases. • Entrées account for more than half of cstore menu items, with their share of the menu expanding significantly to 51 percent in the second quarter of 2013 from 47 percent a year earlier. Sandwich remains the top breakfast entrée.

Gas Customers Evolve In Price Shopping

Price remains the dominant reason why consumers buy gas at a particular location, but how consumers shop for that price is shifting, according to the results of a new consumer survey released by NACS. Two thirds of consumers (66 percent) said price is the most important factor in determining where they buy gas. But while a majority of these price-conscious consumers still shop by looking at the price posted at stores (57 percent), an increasing number of consumers today "pre-plan" their trips: nearly one in five (18 percent) make their decision based on a specific loyalty card/discount and another 10 percent review gas prices online. One in seven (14 percent) rely on a specific store's overall reputation for offering the best prices.

General Mills Tests Snacks By Mail

General Mills is experimenting with a concept that ships snacks directly to consumers via a subscription service, reported the Minneapolis/St. Paul Business Journal. The Nibblr service, introduced in November, mails subscribers a regular snack shipment that cost about \$6 each time. Snackers then rate what they tasted and future shipments are based off customer tastes. The idea is similar to how Netflix or Pandora offer suggestions on movies or music. Nibblr snacks aren't General Mills-labeled and are mostly

fruits, nuts and trail mixes. General Mills launched Nibblr through a business development unit it calls 301 Inc., which it envisioned as a way to partner with emerging companies to develop food products.

Dunkin' Donuts To Expand Into New Markets

After a strong performance in 2013, Dunkin' Donuts and Baskin-Robbins parent company Dunkin' Brands plans to expand into uncharted territories in California and abroad, reported Entrepreneur Magazine. The company recently announced its revenue increased 8.5 percent and same-store sales rose 3.4 percent in 2013, exceeding analysts' expectations. Dunkin' Brands also added 790 new restaurants across both brands, including 371 new Dunkin' Donuts in the U.S. last year-100 of those in California—and 415 of both brands overseas. The company said it expects to open 300 to 400 new restaurants in 2014. "Going into 2014, we look to drive growth by strengthening worldwide awareness of our two brands through global marketing initiatives, such as our recently announced partnership with Liverpool Football Club," said CEO Nigel Travis.

2014 Convention at www.ncasef.com

continued from page 60 sages that employees can text to their bosses The energy drink, shot, and mix category

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has shown consistent annual growth from **2008 to 2013**, reporting two years of 17 percent sales increases in 2012 and 2013 and is expected to continue a steady upward trajectory to 2018, according to a new Mintel study. • The car wash industry celebrates its 100th birthday this year. Frank McCormick and J.W. Hinkle opened the "Automobile Laundry" in Detroit, Mich. in 1914 as the first production line car wash in the world. • Greek yogurt brand Chobani recently reduced the amount of yogurt in its single-serve cups by 12 percent—from 6 to 5.3 ounces—while keeping the same price, sparking complaints from consumers on social media, reported CNBC. • The Centers for Disease

Control and Prevention recently revealed that the U.S. smoking rate dropped to 18.1 percent in **2012** after years of hovering around 20 percent. A new study by global market research firm MarketsandMarkets forecasts the Contactless Payments Market to grow from \$4.32 Billion in **2013 to \$9.88 Billion in 2018**, at a CAGR of 18 percent during the forecast period. • More than half of consumers (51 percent) surveyed say they continued on page 66

The National Coalition Office Has Moved!

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 Santa Cruz, California. All gueries and requests for information should be directed to:

National Coalition of Associations of 7-Eleven Franchisees

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continued from page 26

range of health services and education initiatives, she said. The proposal has drawn criticism from the Illinois Coalition Against Beverage Taxes—an alliance of manufacturers, retailers and union workers who say the tax would harm the economy and kill jobs in Illinois. Others contend the tax would impose a burden on families trying to purchase groceries.

Los Angeles Mulls Age Limit On Energy Drinks

Los Angeles is considering an age restriction for purchasing energy drinks due to the reported harms the caffeinated beverages can cause, reported CBS News Los Angeles. A City Council member recently filed a motion to consider legislation that would educate people about the dangers of energy drinks, as well as make it harder for minors to purchase them. The proposal calls for limiting energy drink sales to children and young teenagers, allowing only "behind the counter" sales of the drinks and an age requirement for purchase. The proposed energy drink rules are not intended to stop adults who want to drink the beverages from doing so.

Maryland Governor Plans Minimum Wage Hike

Maryland Governor Martin O'Malley recently announced his final legislative package, which includes a bill to raise the state's minimum wage to \$10.10 an hour by 2016 indexed to inflation, reported the *Washington Post*. The governor's plan would also require that tipped employees are paid a cash wage of at least 70 percent of the state's minimum wage. While there is widespread support among Democrats for an increase above the current \$7.25 per hour, lawmakers have yet to unite around a plan. The Senate President said he thinks it will be difficult to pass the plan in his chamber and suggested a solution might be different minimums in different regions of the state. The issue has been complicated by recent legislation passed by Montgomery and Prince George's counties to raise the minimum wage in those jurisdictions to \$11.50 an hour by 2017.

Washington, D.C. Raises Minimum Wage

The city council of Washington, D.C. recently approved raising the minimum wage to \$11.50 an hour, one of the highest rates among U.S. cities, reported Reuters. The minimum wage would increase in 2016 from the current \$8.25, and then be indexed for inflation. The federal minimum wage is \$7.25 an hour. The District of Columbia Chamber of Commerce has called for raising the minimum wage to \$10 over three years and then indexing it to inflation.

According to the newswire service, the city council coordinated raising the base wage with lawmakers in Montgomery and Prince George's counties, in Washington's Maryland suburbs. They approved similar measures in November. Once the higher pay takes effect, the three jurisdictions would



form a region with a minimum wage higher than any of the 50 states. Washington State currently has the highest hourly minimum wage among U.S. states at \$9.19 an hour, while city workers in Sonoma, California, enjoy the highest rate at \$15.38 an hour.

Bill Introduced To Raise Florida's Minimum Wage

Although Florida's minimum wage went up by 14 cents on January 1 to \$7.93 an hour, some state Democratic legislators believe it isn't enough and plan to introduce a bill that would increase the minimum wage by more than \$2—bringing it to \$10.10 an hour, reported News13.com. Opponents of the measure argue a higher minimum wage could bring a lot of uncertainty, especially for companies that might be thinking about hiring new workers. Supporters of the bill said with more money in their pockets, minimum wage workers would have more money to spend, and that could mean more business for all kinds of companies.

Tobacco Companies Challenge NYC Tobacco Ordinance

Legislative Update

"The minimum wage in Washington, D.C. will increase to \$11.50 per hour in 2016."

Tobacco companies and three trade groups representing cigarette retailers have asked a federal court to block a new law designed to keep tobacco prices sky high in New York City, reported the Associated Press. The lawsuit, filed in Manhattan, challenges a city ordinance passed last fall that set a minimum price of \$10.50 for every pack of cigarettes sold in the city, and prohibited the use of coupons or other promotional discounts to lower that price. The coupon ban also applies to other forms of tobacco. Tobacco manufacturers and sellers say those restrictions on discounts are an unconstitutional violation of free speech rights.





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Legislative Update

The suit asks the court to block parts of the law from taking effect in March. It does not challenge the most high-profile section of the law, which banned the sale of tobacco products to anyone under the age of 21.

Colorado Bill Would Raise Smoking Age To 21

A bipartisan bill that would raise the age for buying cigarettes and other tobacco products from 18 to 21 is floating around the Colorado Legislature, The Denver Post reported. The bill will cover tobacco products-including cigarettes, electronic cigarettes and chewing tobacco. It does not increase penalties, only the age. Presently, an underage person who buys a tobacco product commits a Class 2 petty offense and faces a \$100 fine or community service. It also is a petty offense to sell to a minor, with fines varying depending on the number of offenses.

Obama Signs Farm Bill With Snap Provisions

President Barack Obama recently signed the Farm Bill into law, which includes additional obligations on retailers that redeem Supplemental Nutrition Assistance Program (SNAP) benefits and contains language much

"The new Farm Bill contains SNAP provisions that are more favorable to convenience stores."

> more favorable for the convenience store industry compared with earlier iterations of the measure, reported NACS Online. For instance, a Farm Bill circulating through the previous Congress would have precluded any retailer from redeeming SNAP benefits if 45 percent or more of their sales were from alcohol, hot food or tobacco products. This would have virtually eliminated c-stores from the SNAP pro

gram. In the current Congress, the Senate passed a revised Farm Bill that would have granted the Department of Agriculture the authority to impose similarly restrictive rules on the convenience store industry. This provision was removed during House-Senate negotiations on the legislation.

The final version of the Farm Bill signed into law imposes the following additional obligations on SNAP retailers:

- To implement point-of-sale technology systems that won't allow SNAP benefits for the purchase of ineligible items, and further precludes cashiers from manually overriding this prohibition. A majority of c-store operators already have such systems in place.
- To stock at least seven different items in each of the four "staple food" categories. (Previous law required only three items in each category.)
- To stock at least one "perishable" food item in at least three of the four staple food categories. (Previous law required perishable items in only two staple food categories.)

Tobacco Update

Following is a summary of the tobacco bills introduced in state legislatures during 2014 as reported by Tobacco E-News. Only those states where 7-Eleven operates are listed.

INDIANA

 House Bill 1174—Would include e-cigarettes within the state's current definition of "tobacco products," thus subjecting them to Indiana's 24 percent tax on tobacco products.

NEW JERSEY

- Assembly Bill 1308—Would increase the tax on little cigars to equal the tax rate imposed on cigarettes (\$2.70 per pack).
- Assembly Bill 2021—Would reduce the ciqarette tax rate by 30 cents per pack.
- Senate Bill 602—Would raise the minimum age to purchase tobacco products and e-cigarettes from 19 to 21.

continued on page 68



to a new report by Technomic. Moreover, prepared foods from grocery stores are utilized more often for takeout than any other segment. • Google recently unveiled a contact lens that monitors glucose levels in tears for diabetic patients, making blood sugar monitoring more convenient and less invasive than the traditional finger prick, reported the Associated Press.

 Sheetz made a special delivery of more than 5,000 gallons of bottled water to be distributed in the Charleston, West Virginia area to help those affected by the recent chemical spill along the Elk River that contaminated the local water supply. • According the latest monthly NACS Consumer Fuels Survey, 43 percent of consumers say they are optimistic about the economy—the highest level of optimism since July 2013. • The Entrepreneur's *Source*, which is dedicated to the development and advancement of the entrepreneur and those who desire to become one, is **celebrating 30** years of taking people from employment to **empowerment** with a year-long, educational campaign to boost awareness of franchising as a prime path toward self-sufficiency. • **Super** Bowl Sunday is the second largest day for food consumption in the U.S., next to Thanksgiving Day, according to the U.S. Department of Agriculture. • Millions of people in New York City and Boston can now have beer, wine and liquor delivered to their doorstep simply by using a new iPhone app called Drizly from Drizly, Inc. • **T-Mobile** has recently unveiled a personal finance product called Mobile Money,

which blends prepaid Visa cards and **no-fee checking features**. The product combines a smartphone app with a branded prepaid Visa card that can be reloaded with cash at T-Mobile stores. A new survey by CareerBuilder and Work-InRetail.com reveals that 24 percent of fulltime retail workers plan to change jobs in

2014, three points above the average for all continued on page 68







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Legislative Update

NEW YORK

 Senate Bill 6255—Would exempt e-cigarettes from state taxation.

 Assembly Bill 6393—Would increase the legal age to purchase tobacco products from 18 to 19.

 Assembly Bill 7105 and Senate Bill 4863— Would raise the legal age to purchase tobacco products from 18 to 21.

 Assembly Bill 1179 and Senate Bill 568 Would ban the sale of flavored tobacco.

RHODE ISLAND

 Governor's 2015 budget includes e-cigarettes within the state's current definition of "tobacco products," thus subjecting them to Rhode Island's 80 percent tax on tobacco products.

UTAH

 Senate Bill 12—Would raise the legal age to purchase cigarettes, tobacco products and ecigarettes from 19 to 21 years old.

VERMONT

• House Bill 605—Would raise the legal age to purchase tobacco products from 18 to 21.

"A New York City law recently enacted prohibits e-cigs in all areas where regular cigarettes are banned."

NYC Restricts E-Cigs

During his last days in office in late December, former New York City mayor Michael

Bloomberg signed a bill into law that prohibits e-cigarettes in all areas where regular cigarettes are banned, reported CNN. The legislation amends the Smoke-Free Air Act, which bans smoking in public places such as restaurants, bars,

parks, beaches and places of employment. The new law takes effect in April. E-cigarettes will

still be permitted in areas where smoking is allowed, in addition to retail e-cigarette stores and vapor lounges.

Chicago Bans Indoor E-Cig Smoking

E-cigarettes are now forbidden in most indoor public places in Chicago after aldermen passed a measure backed by Mayor Rahm Emanuel to restrict where the devices can be used and how they can be sold, reported the *Chicago Tribune.* The ordinance prohibits people from using e-cigarettes in restaurants, bars and most other indoor public places in the city. The measure also requires retailers to sell e-cigarettes from behind the counter so it's harder for minors to get their hands on them. Mayor Emanuel has made tobacco regulations a recent focus, and recently increased the city's cigarette tax as part of his 2014 budget.

Retailers Oppose Mass. Online Lottery

A bill that would allow the Massachusetts Lottery to sell tickets online is facing strong opposition from brick-and-mortar retailers who sell the tickets and rely on the incremental sales they generate, the Sentinel & Enterprise reported. Recently, the State Legislature's Committee on Consumer Protection and Professional Licensure heard testimony for and against the proposal. A state Lottery official spoke in favor of the bill, saying Internet gaming has great potential to generate

increased revenue for the state and would not adversely affect small businesses that sell Lottery tickets. Retailers at the hearing said people buying tickets in cyberspace does not necessarily help create jobs the way con-

venience stores do. They shared fears that online sales would hurt their businesses.



2013. • Burger chain McDonald's recently reported disappointing quarterly sales as customer visits dropped. The company said global sales slipped 0.1 percent, while U.S. sales decreased 1.4 percent. • The Arizona Lottery re-

ported its mid-year results today, indicating that sales are so far 7.8 percent over fiscal year 2013 and currently totaling more than \$349.5 million. The agency said the year-to-date sales hike is mostly due to a 9.5 percent jump in the sale of Scratchers tickets and a 4.8 percent increase in the sale of draw game tickets. • Krispy Kreme recently announced that it signed a development agreement with existing franchisee Great Circle Family Foods, LLC, to develop **20 new doughnut** shops in Southern California over the next seven years. • Credit card companies have asked all U.S. retailers to have the **proper hardware** for accepting cards with chips—which are more secure than magnetic strips—in place by October 2015, reported the *Dallas Morning News*. Merchants and banks that don't comply will as-

sume the liability for fraudulent charges. • Hershey recently announced that **18 percent of all** the cocoa the company sourced globally in 2013 was certified, nearly double the com-

pany's original 2013 goal of 10 percent. This puts Hershey on track to meet its goal of sourcing **100** percent certified cocoa by 2020. • The U.S. Postal Service inspector general recently issued a report recommending that the agency expand its financial services—which include **prepaid** debit cards and small-dollar loans—in order to reverse years of declining revenues, reported the Washington Post. Researchers estimate that the USPS could earn \$8.9 billion annually from the move. • Walmart is testing online gro-

cery shopping with an option for local store **pickup** at 11 of its Denver locations, reported *Tech Crunch*. The company's Walmart **To Go serv**ice, which offers home delivery of general mer-

continued on page 70

It's your turn for convenience.

Property and crime insurance coverage, just for 7-Eleven franchisees.

A perfect fit.

Lockton is offering 7-Eleven franchisees a tailored property and crime insurance package. Key coverages include:



Employee Dishonesty

Protects you from employees' dishonest acts that result in a loss of money or securities.

Equipment Breakdown

Pays for damages to equipment and bollers. caused by a breakdown.

Food Spoilage

Covers food that spoils after a power failure. mechanical breakdown of cooler mailunction.

Contact us for a quote today.

Call Tanya Sanders with Lockton at 214-969-6742 or email tsanders@lockton.com.









Insurance Claims: Are You Covered?

Are you insured if any of these scenarios happen to you? From Lockton Insurance

Accidents, crimes and weather events can happen to

even the best business owners. To be proactive, 7-Eleven franchisees should think about unexpected incidents that can affect their bottom line. Using details from actual insurance claims, the following scenarios demonstrate incidents that could happen at a convenience store. Having the appropriate insurance coverages can often help mitigate the financial impact.

Incident Number 1: A terminated employee keeps copies of office keys and safe codes, and returns to the store two weeks later and steals \$3,000 in cash.

- Recommended Insurance Coverage: Employee Dishonesty. Covers the loss of contents, money and securities resulting from dishonest acts of employees. Coverage extends for 30 days after an employee is terminated from employment.
- Financial Benefit of the Coverage: Em-

"It is always a good idea to review your policy at review your policy at least least once per year with your insurance agent."

ployee Dishonesty coverage would provide the insured a \$2,000 claim payment after the \$1,000 deductible is applied.

Incident Number 2: During a storm, the store loses electricity after lightning strikes a nearby utility substation. The store closes for three days and loses \$3,500 in net income.

- Recommended Insurance Coverage: Utility Services Time Element. Will pay for the actual loss of business income sustained due to the suspension of store operations.
- Financial Benefit of the Coverage: If

\$4,500 in net business income is lost while the store is closed, the Utility Services Time Element endorsement will provide the insured a \$3,500 claim payment after the \$1,000 deductible is applied.

Incident Number 3: A freezer compressor fails and causes all food items in the freezer to spoil. The value of the lost inventory is \$2,500.

- Recommended Insurance Coverage: Spoilage Of Perishable Goods. Provides coverage for the spoilage of perishable stock when a change in temperature results from a complete or partial interruption of electrical power.
- Financial Benefit of the Coverage: The insured will receive a \$1,500 claim payment after the \$1,000 deductible is applied.

These are just some examples of scenarios and insurance coverages that you may want to consider when purchasing insurance. The actual levels of coverage will be determined by the terms of your insurance policy.

> It is always a good idea to once per year with your insurance agent.

FOR MORE INFORMATION

To learn more about 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.

Insurance terms, definitions and explanations are intended for informational purposes only and do not in any way replace or modify the definitions and information contained in individual insurance contracts, policies or declaration pages, which are controlling. Such terms and availability may vary by state and exclusions may apply.



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> test stores. • Walgreens is adding new software at hundreds of its instore clinics to help on-site health-care providers make assessments based on patient information and algorithms that use data from more than 100 million people to suggest conditions the patient might have, reported the Washington Post. • The **FDA** recently launched its first public education campaign—called "The Real Cost"—to prevent and reduce youth tobacco use. • Cinnabon, Inc. recently opened its first location in Morocco at the Anfa Place Shopping Center in Casablanca. McDonald's Corp. opened a restaurant in Vietnam's Ho Chi Minh City recently in an effort to compete with chains like Burger King Worldwide Inc., reported *Bloombera News*. Dunkin' Donuts said it has signed a multiunit store development agreement with five existing franchise groups to develop 22 new restaurants throughout the Greater Baltimore/Washington, D.C. area over the next several years. • 7-Eleven Malaysia has partnered with online marketplace delivery provider Foodpanda to launch a delivery service in that country, reported IGD.com. Shoppers

will be able to access the service via an app. through the website, or by telephone. • **The** Coca-Cola Company has partnered with Green Mountain Coffee Roasters (GMCR) to develop branded single-serve, pod-based cold beverages for use with GMCR's Keurig Cold at-home beverage system, which will dispense carbonated drinks, enhanced waters, juice drinks, sports drinks and teas in consumers' homes with the touch of a button. • After shutting down its 600 thrift store outlets in 2013. Hostess announced it is reviving the concept by placing its overstock inventory in Big Lots stores, making it the official outlet retailer of the bakery brand, reported Retail Cus-

tomer Experience.



New Peach, Original, and Screwdriver Sparkling 24-Ounce Flavors allow consumers to enjoy their favorite sparkling drinks on even more occasions!

FMBs Out-Perform In Hispanic Markets

- . The Hispanic community is projected to grow 167 percent by 2050'
- Malt beverages penetrate 53 percent of Hispanic house holds (2x wine or spirits)
- · FMBs are projected to have the second highest growth among Hispanic drinkers
- . FMB dollar sales are up 50 percent vs. 2 years ago in Hispanic markets

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DRIVE FMB GROWTH WITH NEW Smirnoff Ice[®] Peach Bellini

COLLINS.



FMBs Show 18.8 Percent Dollar Growth In The Last 3 Months!³

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THIS MAKE DOLLAR

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SMIRNOFF ICEB Premium Flassred Malt Benerage: @2013 The Sminneff Co.; Notewalk, CT.

Bagel Bites Frozen Snacks & T.G.I. FRIDAY'S Wings



Always available at McLane!



SMITH DEVELOPMENT HANDLING SEI'S **CALIFORNIA EXPANSION**

Smith Development and Construction will be the primary developer, contractor and manager for 7-Eleven outlets across Northern California, with hundreds of projects part of

the package, reported the Sacramento Business Journal. Smith's CEO told the newspaper his company will be involved in every aspect of develop-

ing, designing, building

and maintaining an estimated 900 new

stores in the next decade. The area Smith

Development and Construction will

service includes Sacramento and the San

Francisco Bay area. Officials with 7-

Eleven said the goal is to open between

50 and 100 new stores annually in the

SEI has broken the 200-calorie bar-

rier with its new Egg White Breakfast

next few years in that region.

NEW LOW-CAL EGG WHITE

BREAKFAST SANDWICH

Sandwich. Not only is the

calorie count low, the

price is too—just \$1.99.

The new breakfast

sandwich stacks fluffy

egg whites, lean Cana-

dian bacon and cheddar

7-Eleven plans 50-100 new stores annually in the Sacramento and San **Francisco Bay** area.

cheese on a whole wheat English muffin. Weighing in at 180 calories, the sandwich contains 13 grams of protein, only 5 grams of fat (2.5 grams, saturated fat) and is lower in sodium than most other breakfast sandwiches. Customers can request to have their breakfast sandwiches toasted at select 7-Eleven stores, microwave it at the store, or heat the sandwich later. 7-Eleven has been expanding its fresh food menu to include healthier options like entree and side salads with low-fat dressings, better-foryou sandwiches, Yoplait yogurt parfaits with fresh fruit and Nature's Valley granola, vegetable and hummus snacks, fresh-cut and whole fruit, and hardboiled eggs.

AIRFAIR LIFELINE **RELOAD** CARD

SEI has entered into a partnership with prepaid





continued from page 76

News



product and transaction services company InComm and Ready Wireless to launch the Airfair Lifeline Reload card at participating 7-Eleven stores. Customers can now pay in cash to reload their Lifeline phones with additional minutes, texts or data by purchasing the Airfair card, which is activated at the

point

of-sale. Lifeline is a

government-benefit program that helps low-income Americans gain access to phone services, find employment, be safe and connect to health services. 7-Eleven is the first national retailer to sell the product.

7-ELEVEN'S BIG DEAL FOR THE BIG GAME

To help customers celebrate the biggest football game of the year of February 2, 7-Eleven stores offered pizzaloving sports fans and sports-loving pizza fans piping-hot, large Pepperoni and Triple Cheese pizzas for just \$5.55 each and a large Deluxe Meat pizza for \$6.99. Customers received an even better deal when they purchased a 2-liter bottle of any brand of soft drink and saved another dollar, lowering the already-low prices of the pizzas to \$4.55 and \$5.99, respectively. The freshbaked, 14-inch pizzas were available for takeout at participating stores nationwide. For fans who couldn't decide between pizza or that other super game food, chicken wings, 7-Eleven stores offered a combo deal that included a large pizza and 10 chicken wings—or a large pizza, five chicken wings and four mozzarella sticks—for just \$10.





#1 Brand in Walmart, outselling Blu, FIN, and NJOY.

#2 Brand in total units sold in XAOC channels. According to Nielsen date, 13 weeks ending 11/23/13

85% of shipments are MISTIC CARTRIDGE 5-PACKS.

YOU can leverage this consumer base!

BEST TASTE. BEST VALUE.

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VENDOR FOCUS



Haribo Smurfs **Go Sour**

Haribo USA recently announced the rollout of the next generation of its licensed Smurfs product, Smurfs Sour! A top-10 new item launch for the gummi segment in 2013. Smurfs Sour! is best known for its association with the summer blockbuster movie "Smurfs 2." Smurfs Sour!, tremen-

Smurfs Sour! will hit U.S. shelves by Q2 of 2014.

Sour S'ghetti in Haribo's current U.S. sour gummies lineup, and is expected to guickly gain momentum, following full distribution later this year.

With sour gummi category growth at a rate that's more than double that of the non-chocolate category as a whole, Haribo USA looks forward to disrupting the on-trend segment and continuing to grow its share of the market. Other Haribo gummi candy sold in the U.S. includes Gold-Bears (The Original Gummi Bear), Happy Cola, Twin Cherries, Peaches and Raspberries. For more information on Haribo or Haribo products, visit www.Haribo.com.

Swisher Sweets Island **Madness Limited Edition** Cigarillo

Swisher Sweets continues its limited edition cigarillo line with Swisher Sweets Island Madness. Catch the madness with its unique taste of watermelon rum. Swisher Sweets Island Madness comes in a resealable two-count pouch with the "Sealed Fresh" guarantee, and is available in "2 for 99¢" and "Save on 2" options. This edition of Swisher Sweets is available only while supplies last. Additional limited tastes are expected throughout 2014. For more information or to place an order today, contact your Swisher representative at 1-800-874-9720.



Swisher Sweets Island Madness has a unique watermelon rum taste.

Mistic E-Cigs Now Available From McLane

Mistic E-Cigs are now available from McLane in a pre-loaded display piece and open stock. Mistic retails are \$14.99 or below with great margins. Mistic is the #2 brand in Total Units and #3 in Total

dously well-received following it's introduction in other countries, is slated to hit U.S. shelves by Q2 of 2014. The product joins

Dollars for all XOAC channels (Nielson Nov 2013). Mistic eliquid is 100 percent made in the USA, and 85 percent of total units sold through POS are Mistic cartridges! Leverage this user



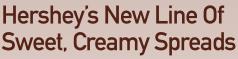
Order Mistic E-Cigs from McLane in a pre-loaded display piece or open stock.

base now! Mistic is a national brand with distribution in all 50 states and over 60,000 locations. Take advantage of this built-in consumer base to leverage your sales and margins.

• Black Disposable (regular and menthol)—retail \$5.99

continued on page 76





The Hershey Company announced it is launching Hershey's Spreads, a new line of chocolate spreads. Inspired by Hershey's pure chocolate flavor, the creamy, rich spreads will be available in three varieties: Chocolate, Chocolate with Almond and Chocolate with Hazelnut. Hershey's Spreads can turn any food into a unique chocolate snacking experience by delivering genuine Hershey's chocolate flavor to any food, anytime, anywhere. Whether pairing with traditional selections such as graham crackers, strawberries or bananas, or more adventurous pairings like celery, pineapple or pickles, Hershey's Spreads are the ultimate snack enhancer. Hershey's Spreads are now available nationwide in 13 ounce jars that retail for \$3.79. The new product will be supported by a robust integrated marketing campaign that began in the fourth guarter of 2013 and will continue through 2014.



Hershey's Spreads, available in 13 ounce jars retailing at \$3.79.

VENDOR FOCUS

continued from page 75

- Starter Kits (regular and menthol)—retail \$14.99
- 5-Pack Refills in different strengths and New Blends—American and Cool Ice

For more information visit www.misticecigs.com, e-mail info@ misticecigs.com, or call 855-282-3700.

Jose Olé Introduces Chicken & Cheese Chimichanga

Add even more OLE'! to your frozen food section with the new Jose Olé Chicken & Cheese Chimichanga 5-ounce. The flavor and fiesta of today's leading premium frozen Mexican brand is now available to 7-Eleven stores nationwide in two delicious flavors. Jose Olé

> Chimichangas are driving sales everywhere—grocery stores, convenience stores, drug stores, dollar stores, club stores—and 7-Eleven is part

of the Jose Olé phenomenon. Jose Olé takes real shredded chicken, fresh cheddar & Monterey Jack cheeses, zesty

MAXHI

Get a special 33

percent allowance

on Liquid Energy

and Screamin En-

ergy Max Hit from

the McLane VTS.

Jose Olé Chicken & Cheese Chimichanga adds restaurant

quality to your frozen food section.

green chiles, authentic seasonings and spices, all wrapped in a

Vital 4U's Liquid Energy & Screamin Energy Max Hit

This is your chance to get back on track with your long-time customers of Liquid Energy and Screamin Energy Max Hit. Both of these items have been top sellers in the energy category with 7-Eleven for over 15 years in almost every marketplace across America. The loyalty to the brand is unmatched by any other.

Liquid Energy and Screamin Energy Max Hit offer completely unique packaging that is displayable on

the front counter or easily pegged in your energy set. From February 1 through March 31 you can head over to www.mclaneco.com and visit the Virtual Trade Show for a special 33 percent allowance on any quantity of these fast-selling items! That gives you a margin of up to 70 percent. You can also bring in these items by setting them up as a new store item (SI) in your McLane BT Hybrid System. Give your customers the energy products they want. With the "same energy for half the price," who can argue with that? Order today.

VENDOR FOCUS

deep fried freshly baked flour tortilla, and delivers a premium, restaurant quality chimichanga that keeps consumers coming back to your frozen food case time and time again. Available from McLane in full cases or single units, the Jose Olé Chicken & Cheese Chimichanga 5ounce joins the Jose Olé Steak & Cheese Chimichanga 5-ounce.

Refreshing New V8 V-Fusion Refreshers

V8 V-Fusion Refreshers are a light and crisp juice drink with a 20–25 percent blend of fruit and vegetable juices offered in two delicious and unique family pleasing flavors in the 12 ounce PET package: Black Cherry Berry, and Tangerine Passionfruit. Available and distributed through McLane, the product is naturally sweetened and contains no high fructose corn syrup or artificial sweeteners, artificial colors, flavors or preservatives. At only 150 calories per 12 ounce PET bottle, each serving provides 100 percent of the daily value for vitamin C. For more information on the V8 V-Fusion Refreshers, visit www.v8juice.com.



New V8 V-Fusion Refreshers—no artificial sweeteners, colors or preservatives.

LOGIC Continues To Grow Market Share

LOGIC Technology, makers of premium electronic cigarettes, announced the results of the latest unit share report from Nielsen's C-Track Database and Wells Fargo Securities, LLC, indicating LOGIC has claimed the #2 spot for dollar share in convenience stores nationwide, and strengthened their #2 position for electronic cigarettes in unit share.

LOGIC now commands 20.3 percent of dollar share in the category, up from 18.5 percent since the last re-

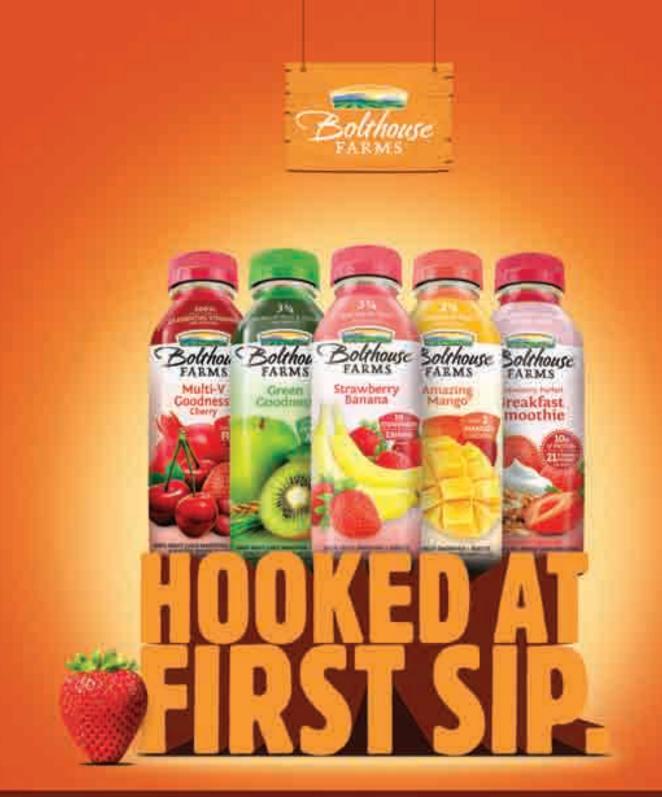
port. In addition, LOGIC has maintained the #2 position for unit share, increasing to 22.6 percent of the category,



demonstrating the continued success of the LOGIC product line. Further, the report also shows that the top three brands, including LOGIC, amount to 75 percent of the category as a whole.

LOGIC e-cigs has claimed the #2 spot for dollar share in c-stores nationwide.

continued on page 78



SPRING SALES PLANNER FREE FILL



VENDOR FOCUS

• Korn Krunchers Hot Chili Lime—The

taste of fiery chili peppers is accompanied

by a cool, tangy punch of lime that delivers

continued from page 76

NEW FROM SNYDER'S OF HANOVER

Snyder's of Hanover has launched several new products that will help boost snack sales!

More Gluten **Free Pretzels**



Snyder's of Hanover has launched two new, boldly-flavored gluten-free pretzel varieties, providing tasteful, innovative options for those in search of gluten-free snacks. According to an annual study by NPD Group,



nearly one third of Americans are looking to reduce their current gluten intake. Available in a Honey Mustard & Onion or Hot Buffalo Wing variety, Snyder's of Hanover's new Gluten Free Flavored Pretzel Sticks give consumers the flexibility to enjoy great-tasting gluten-free snacks without cutting back on flavor.

To help shoppers better identify all of

their gluten-free pretzel options, Snyder's of Hanover is also introducing a new packaging design. The expanded line of Snyder's of Hanover gluten-free pretzels now includes: NEW Gluten Free Honey Mustard & Onion Pretzel Sticks, NEW Gluten Free Hot Buffalo Wing Pretzel Sticks, Gluten Free Mini Pretzels, Gluten Free Pretzel Sticks, and 8-pack of Gluten Free 100-Calorie Pretzel Sticks. Snyder's of Hanover's new Gluten Free Flavored Pretzel Sticks are available in 8-oz packages for around \$3.69.

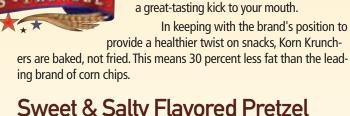
New Korn Krunchers With **Three Intense Flavors**

Snyder's of Hanover recently launched Korn Krunchers, a new line of boldly flavored corn snacks that are sure to excite America's taste buds. The bite-sized crunchy snacks are baked and perfectly seasoned to deliver big, bold taste and a light, crispy texture. Available in 10ounce bags that retail for around \$3.69, Korn Krunchers come in three

bold flavors that pair perfectly with the corn base of the bite-size pieces.

• Korn Krunchers Barbeque—Smoky seasonings combined with sweet tomatoes and savory onions bring the taste of a backyard grill into your mouth.

• Korn Krunchers Nacho Grande—Sharp cheddar cheese, sweet tomatoes, a spicy hit of jalapeno peppers and special seasonings mix together for a snack that adds a cheesy kick to snacking.



Sweet & Salty Flavored Pretzel **Pieces Added**

In response to the growing popularity of sweet and salty flavor mash-ups, Snyder's of Hanover has added Cinnamon Sugar and Salted Caramel varieties to its existing line of Flavored Pretzel

Pieces. On store shelves since January, consumers are now offered an expanded opportunity for enjoyment beyond Snyder's of Hanover's traditional savory flavors. Both of the sweet and salty varieties retail around \$3.69 for a 10 ounce bag. These new snacks are also a great complement to snack mixes and recipes.



• Sweet and Salty Cinnamon Sugar Pretzel Pieces—The classic combination of cinnamon and sugar is sprinkled on lightly salted and crunchy, bite-size sourdough Pretzel Pieces.

• Sweet and Salty Salted Caramel Pretzel Pieces—Buttery caramel is accented with flecks of salt on bite-size, golden-brown sourdough Pretzel Pieces that bring a big crunch to this flavor favorite.

Previously, pretzel lovers could only satisfy their sweet and salty



cravings for a few months out of the year with the brand's Pretzel Dips line, which features Snyder's of Hanover pretzels dipped in Hershey's Milk Chocolate, Special Dark Chocolate or White Creme. But with 56 percent of Americans snacking for enjoyment-according to research specialist Symphony IRI Group—Snyder's of Hanover wanted to make this popular combination a more permanent option in the snack aisle.

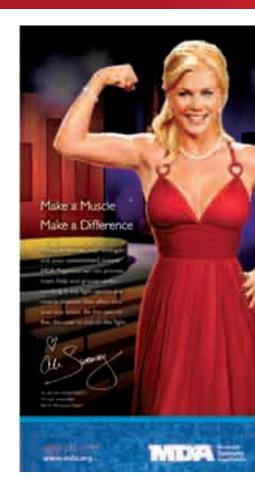
continued on page 80

TRY 2 NEW LAYS FLAVORS AND OFFER 2 FOR \$2 AT THE SAME TIME!

LAY'S' Chicken & Waffles 3LIN 304359 LAY'S" Classic SUN 303160 LAY'S? Barbecue 5LIN 303182 LAVIS® Garfic Cheesy Bread SLIN 304360 ICTVL 2 FOR \$2 FEB 26 TO APRIL 1, 2014



MATADOR: THE DORITOS OF MEAT SNACKS CREATINAL MINISTER



Anheuser Busch
Aon Risk Services
Bolthouse Farms
Campbell's
Coca-Cola
Dean Foods
Diageo Guinness US
Dr Pepper Snapple
Duracell
Ferrero
Frito Lay
Heineken
Heinz
Hot 'N Spicy
Insight Beverages
J&J
Just Born Inc
Kellogg's
Kretek Internationa
Lockton





Meat Sticks Original Tourse SLIN 302148 Meat Sticks Hot Tounco SLIM 302834 Jerky Bags Original Trans SUN 302866 Jerky Bags Teriyaki Taonet SLIN 303842 FOD: MARCH 18, 3016

Advertisers Index

8
77
20-21
cover 2
67
A71
Froup11
63
10
79
14
72
45
27
4
56,cover4

Logic Ecig42-43
Mars Chocolate24
Mars Ice Cream25
Maruchan36
McLane51
Mistic74
Mondelez17
National Tobacco49
Nestle Confections
Pabst54
Pepsi Gatorade12-13
Perfetti Van Mele23
Precise Nutrition46
Shamrock
Simply Orange6-7
Sunny-D61
Swedish Match9,52
Swisher International19,65
Unilever3,5,34
Whitewave Foods40

Wrigley	cover 3
Windsor	39

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 +



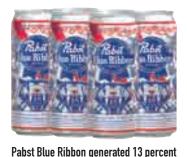
person's name + city\$. If you find this line, and it contains your name, call AVANTI's Offices at 215 750-0178 before the next magazine is published, and win this issue's total. NCASEF Members only.

continued from page 78

Pabst Teams With 7-Eleven **On New Promo**

Happy with 7-Eleven's growth of its portfolio in 2013, the Pabst Brewing Company (PBC) recently announced it has partnered with 7-Eleven on a new marketing and promotional plan designed to fuel growth at an even higher rate. Pabst Brewing and 7-Eleven are now aligned with "Connecting to the Millennial" as the key strategy to propel growth.

Nationally, PBC will be focused on Pabst Blue Ribbon (PBR) with several exciting events that will engage the consumer through sports, art, so-



more sales at 7-Eleven in 2013.

cial media, and localization of community supported events. Pabst Blue Ribbon is now in the fifth year of double-digit growth, delivering 13 percent more sales at 7-Eleven in 2013. While Innovation is very important to 7-Eleven, "Re-Innovation" of a brand can add just as much excitement to the store and the category, PBC stated.

The PBR 6pk/4pk 16oz can will

be the "Badge" front for all of PBC's summer promotions in 2014. All consumers, especially the Millennial, will have the opportunity to provide artwork submission to win "Beer for a Year!" The winner will then be the 2015 Package for the 16oz can.

A one pager in this edition of Avanti has the 7-Eleven SLINs and UPCs for the PBR packages (for easy set up)

T.G.I. FRiDAY'S Frozen Buffalo **Chicken Wings**

T.G.I. FRiDAY'S frozen snacks and appetizers bring bold, flavorful tastes and the fun atmosphere of T.G.I. FRiDAY'S restaurants into consumers' homes any night of the week. Whether hosting a party or enjoying a movie night at home, T.G.I. FRiDAY'S Buffalo Chicken Wings-now with extra sauce on the side-are easy to prepare to your



liking in minutes. T.G.I. FRiDAY'S is #1 in brand awareness and #1 in brand equity (Source: Ipsos Brand Tracker, 2012). T.G.I. FRiDAY'S Buffalo Chicken Wings are the T.G.I. Friday's frozen appetizer product consumers want: #1 selling T.G.I. FRi-DAY'S item in stores (Source: Nielsen 52 week

data, 12/28/13). Burst-T.G.I. FRiDAY'S Buffalo Chicken Wings are the ing with flavor and easy #1 selling T.G.I. FRiDAY'S item in c-stores.

VENDOR FOCUS

to prepare, T.G.I. FRiDAY'S frozen snacks and appetizers offer an easy solution for an adult night at home.

Bagel Bites Frozen Snacks-**Quality You Can Taste**

Bagel Bites are a snack kids love and moms feel good about serving because they are made with wholesome ingredients—real mozzarella cheese, scratchmade tomato sauce, and freshly baked, crispy mini bagels. With 0 grams trans fats per serving, every Bagel Bites snack has your shoppers' favorite in-



Bagel Bites are loved by kids and moms alike.

gredients piled high: Bagel Bites Three Cheese features plenty of mozzarella, cheddar and Monterey Jack for optimal gooey goodness, and



Bagel Bites Cheese & Pepperoni offers a generous helping of the number one preferred pizza topping. Moms and kids agree, Bagel Bites Frozen Snacks deliver the taste and ingredients that make everyone happy.

Welch's

Welch's

Welch's PB&J Snacks Launched

The Promotion In Motion Companies, Inc., makers of Welch's Fruit Snacks, announced the launch of Welch's PB&J Snacks, which bring together the two great tastes of Peanut Butter & Jelly in an easy-to-eat, no mess treat. The round, bite-sized snacks feature a chewy center made with real fruit, surrounded by a peanut butter coating.

Welch's PB&J Snacks include 100 percent of the daily recommended value of Vita-

min C, are a good source of Vita-Welch's PB&J Snacks, an American favorite in a



mins A & E, and are offered in four different varieties, giving consumers the option of a sweet Concord Grape or Strawberry center, and creamy or crunchy peanut butter outside. Welch's PB&J Snacks are available in an 8-count box with a suggested retail of \$2.79, with additional package types to be released over the

CONTINUED FROM PAGE 82

FOA EVENTS

GREATER SEATTLE FOA GOLF TOURNAMENT

(location & date TBA) August 2014 Phone: 425-308-1216

ROCKY MOUNTAIN FOA CHARITY GOLF TOURNAMENT

Country Club At Cheyenne Mountain Colorado Springs, Colorado August 6, 2014 Phone: 719-282-9141

ROCKY MOUNTAIN FOA TRADE SHOW

Hotel Elegante Colorado Springs, Colorado August 7, 2014 Phone: 719-282-9141

PACIFIC NORTHWEST FOA CHARITY GOLF TOURNAMENT (location TBA)

August 12, 2014 Phone: 253-861-6737

7-ELEVEN FOAC CHARITY GOLF OUTING

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

SOUTHERN CALIFORNIA FOA **GOLF TOURNAMENT**

Industry Hills Golf Club At Pacific Palms Resort City of Industry, California August 20, 2014 Phone: 818-357-5985

TRISTATE FOSE GOLF TOURNAMENT

Little Bennett Golf Course Clarksburg, Maryland September 17, 2014 Phone: 301-572-6811

GOLF TOURNAMENT

(location TBA) October 2, 2014 Phone: 702-249-3301

7-ELEVEN FOAC HOLIDAY TRADE SHOW & PARTY

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

FOA BOARD MEETING DATES

Central Florida FOA

Phone: 407-715-9998 March 28—Sarasota April 10—Orlando June 12—Lakeland September 10—Sarasota October 9—Orlando December 4—Lakeland

Greater Seattle FOA Phone: 425-308-1216

March 5—Board Meeting March 12—Dinner Meeting April 16—Board Meeting May 07—Dinner Meeting June 18—Board Meeting June 25—Dinner Meeting July 23—Board Meeting August Board Meeting prior to Golf Tournament

September 03—Dinner Meeting October 15—Board Meeting November 12—Board Meeting November 19—Dinner Meeting December 06—Board Meeting

Metro New Jersey FOA Phone: 908-232-1336

April 17—Vendors Welcomed August 21—Limited Vendors November 13—Vendors Welcomed

Southern Nevada/ Las Vegas FOA Phone: 702-249-3301

March 13—Board Meeting March 27—General Meeting April 10-Board Meeting May 15—Board Meeting May 29—Board Meeting

SOUTHERN NEVADA/LAS VEGAS FOA

June 12—Board Meeting June 26—General Meeting August 14—Board Meeting August 28—General Meeting September 11—Board Meeting September 25—Board Meeting October 16—Board Meeting November 6—Board Meeting November 20—General Meeting/Elections

South Florida FOA Phone: 954-465-6896

March 6—General Meeting March 26—Board Meeting May 8—Board Meeting May 14—General Meeting June 25—Board Meeting August 20—Board Meeting August TBD—General Meeting

SOUTHERN NEVADA/LAS VEGAS FOA HOLIDAY PARTY & TABLETOP TRADE SHOW

(location TBA) December 5, 2014 Phone: 702-249-3301

SOUTH FLORIDA FOA TABLETOP TRADE SHOW/ HOLIDAY PARTY

(location TBA) December 5, 2014 Phone: 954-465-6896

CENTRAL FLORIDA FOA HOLIDAY PARTY

(location TBA) December 13, 2014 Phone: 407-715-9998

GREATER SEATTLE FOA HOLIDAY PARTY

(location TBA) December 13, 2014 Phone: 425-308-1216



October 9—Board Meeting November 13—Board Meeting November TBD—General Meeting

Pacific Northwest FOA Phone: 253-861-6737

March12—FOA Dinner Meeting May14—FOA Dinner Meeting June18—FOA Dinner Meeting September 17—FOA Dinner Meeting

FOA EVENTS

SAN FRANCISCO/MONTEREY BAY FOA THE GUARDIAN TRADE SHOW

San Francisco Airport Marriott Waterfront Burlingame, California March 1, 2014 Phone: 510-754-1113 or 510-692-1492

EASTERN VIRGINIA FOA TRADE SHOW

Virginia Beach Convention Center Virginia Beach, Virginia March 17, 2014 Phone: 757-506-5926

CENTRAL VALLEY FOA/ NORTHERN CALIFORNIA FOA TRADE SHOW

Thunder Valley Casino Lincoln, California March 21, 2014 Phone: 209-939-0679

BALTIMORE FOA TRISTATE FOSE TRADE SHOW

Martins West Baltimore, Maryland March 26, 2014 Phone: 262-275-3086

VIRGINIA FOA TRADE SHOW

Springfield Hilton Springfield, Virginia March 27. 2014 Phone: 301-568-9216

GREATER SEATTLE FOA TRADE SHOW

Embassy Suites Lynnwood, Washington April 03, 2014 Phone: 425-308-1216

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

Embassy Suites Tukwila, Washington April 17, 2014 Phone: 253-861-6737

COLUMBIA PACIFIC FOA TRADE SHOW

Doubletree Hotel Portland, Oregon April 18, 2014 Phone: 503-984-1398

TEXAS FOA CHARITY GOLF TOURNAMENT

Cowboys Golf Club Grapevine, Texas April 22, 2014 Phone: 972-896-3590

TEXAS FOA TRADE SHOW

Irving Convention Center Irving, Texas April 23, 2014 Phone: 972-896-3590

SOUTHERN NEVADA/ LAS VEGAS FOA TRADE SHOW

Cashman Center Las Vegas, Nevada April 24, 2014 Phone: 702-249-3301

ARIZONA FOA

GOLF TOURNAMENT

Whirlwind Golf Club April 25, 2014 Chandler Arizona Phone: 602-703-0711

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



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 CHARITY GOLF TOURNAMENT

Salt Creek Golf Club Chula Vista, California May 15, 2014 Phone: 619-713-2411

SOUTHERN CALIFORNIA FOA

TRADE SHOW

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

METRO NEW JERSEY FOA **GOLF TOURNAMENT TRADE SHOW**

Tropicana Casino & Resort Atlantic City, New Jersey June 11-12, 2014 Phone: 908-232-1336

PACIFIC NORTHWEST FOA SUMMER PICNIC

(location TBA) July 26, 2014 Phone: 253-861-6737

CONTINUED ON PAGE 81





DJARUM

More convenience stores today are selling more Djarum cigars than ever before. 2013 unit sales of Djarum increased by 20% over last year, by far the fastest growth of any top-20 cigar brand.* Across the country, more cigar smokers than ever are choosing Djarum to relax with. Make Djarum a 'must have' cigar brand on your shelf. Your Kretek representative has all the details. And now your CROSSMARK broker also represents Djarum, so it's even easier to add Djarum facings to your cigar section.

DIN

BL

BLACK

WARNING: Cigars Are Not A Safe Substitute For Cigarettes, And Contain Chemicals Known To The State Of California To Cause Cancer, Birth Defects. And Other Reproductive Harm.

CIGARS

Share the Moments. Keep the Money.

> Disploy and sell Djarum

If you don't.

Somebody

etse will

Your Kretek representative has all the details; salesinfo@kretek.com



62013 Kreisk International Inc. "Source: Nieten C-Store 52-weeks ending 5/26/13.