



AVANTI

NCA
7-ELEVEN
SEF
National Coalition
of Associations
of 7-Eleven Franchisees

July/August 2016

THE VOICE OF 7-ELEVEN FRANCHISEES

Looking Ahead To The New Agreement

Wage And Hour Legal Training And
Assistance Now Available

The Minimum Wage Conundrum

CONGRATULATIONS BMW
WINNER CARRIE TRAUTMAN!



Franchisee Notes: What We Want
Out Of The New Agreement

The Problems With
7-Eleven Day In
Chicago

Not Such A Happy
Birthday, After All

Why Do People
Get Hurt?

Rising Minimum Wages
And The 7-Eleven Business Model

NCASEF 41st Convention:
Thinking About The 2019 Agreement

View Convention Photos at www.ncasef.com

Presidents'
Reports

Page 54

PRSR STD
U.S. POSTAGE PAID
00000000, PA
PERMIT NO. 000



Happy
50th
Slurpee!

FEELING FRUITY?



NEW
FLAVOR

100%
NATURAL
FLAVORS

CAFFEINE
FREE



NEW Fanta Fruit Punch 20oz

Available August 31st – November 8th:

- ✓ Order in quantities of 3 cases or more
- ✓ Mark as Carried (C) in your ISP

ONLY AT



7-ELEVEN® FRANCHISEES YOU COULD WIN A TRIP TO THE CARIBBEAN!

ENTER THE MAGNUM® INDULGENCE SWEEPS

WHAT

MAGNUM® IS PARTNERING WITH 7-ELEVEN TO GIVE AWAY BIG PRIZES IN AN EXCLUSIVE FRANCHISEE SWEEPS!

GRAND PRIZE

A trip for two
to the Caribbean
\$6500 value

FIRST PRIZE

(1 per zone) iPad Pro
\$599 value

HOW

EVERY CASE OF MAGNUM® DOUBLE CARAMEL SOLD
EQUALS AN ENTRY INTO THE SWEEPS.

(Between July 1–Oct 31)

WHY

STOCK UP TODAY AND **CAPITALIZE ON
MAGNUM® GROWTH!**

MAGNUM® DOUBLE CARAMEL IS

+21.9% YTD AT
7-ELEVEN

(Data ending 4/24/16)

SCAN BARCODE TO ORDER MAGNUM® DOUBLE CARAMEL



SLIN: 190557

No purchase necessary. Void where prohibited. The Magnum® Indulgence Sweeps is sponsored by Conopco, Inc., d/b/a Unilever. Open to legal residents of the 50 U.S. & D.C., 18 or older who are eligible 7-Eleven franchise owners. Begins 12:00:01 a.m. ET on 7/1/16 & ends 11:59:59 p.m. ET on 10/31/16. For official rules, visit unileversweepsrules.com/Magnum7Eleven

©2016 Unilever XIC16003



MADE WITH
BELGIAN
CHOCOLATE



NEW!

CHEEZ-IT®

Boldly Delivers HOT On-Trend flavors!
Introducing Cheez-It® Snack Mix Sriracha and Cheez-It Grooves® Hot & Spicy! Bold and extreme flavors are now the fastest growing salty snacks in C-stores, up 28% over the past 2 years, followed by cheese flavor up 14%*. Fire up sales by stocking both!



Kellogg's®

For more information about these products and tools to help grow your business, visit www.kelloggsconvenience.com or call 877-511-5777.

©, TM, © 2016 Kellogg NA Co.

BEN & JERRY'S®

comedy never tasted so good!

NEW!



SLIN: 191112



0 76840 10207 5

SLIN: 190556



0 76840 48511 6



© 2016 Ben & Jerry's Homemade, Inc. All rights reserved. Ben & Jerry's is a registered trademark of Unilever. All other trademarks are the property of their respective owners.

7-ELEVEN EXCLUSIVITY OCTOBER–DECEMBER

2 CIGARS FOR 99¢

RESEALABLE FOIL POUCH



BLUE RASPBERRY

Limited Edition

SAVE ON 2 CIGARS

RESEALABLE FOIL POUCH



BLUE RASPBERRY

Limited Edition

2 CIGARS FOR 99¢



White Owl® BLUE RASPBERRY
2-for-99¢ Pouch
UIN# 793273
SLIN #s TBA September

SAVE ON 2 CIGARS



White Owl® BLUE RASPBERRY
SAVE-on-2 Pouch
UIN# 793257
SLIN #s TBA September



SLOW BURN

BLUE RASPBERRY
Limited Edition

whiteowlcigar.com

FOR MORE INFORMATION, CONTACT YOUR SWEDISH MATCH REPRESENTATIVE. 800-367-3677 customer.service@smna.com

©2016 SWEDISH MATCH CIGARS, INC.

Take a Break and Celebrate This Election Season

TEACISION™
2016

*For A
Limited
Time
Only*

46%
of consumers say
they will purchase
TEAcision
in addition to
their usual teas



Red
Fruit Tea:
Pomegranate,
Cherry & Raspberry
SLIN 246607

Blue
Fruit Tea:
Blueberry &
Blackberry
SLIN 247226



GET READY FOR REDBERRY® THIS SUMMER

FULLY FUNDED PROMOTIONS!



SOUR PATCH KIDS® REDBERRY® 5 oz.



ALL 5-OZ. BAGS
2 FOR
\$2.50



SOUR PATCH KIDS® 2 oz.

ALL 2-OZ. BAGS
2 FOR
\$2.00



ALL STRIDE GUM SINGLES
2 FOR
\$2.00

STRIDE® SOUR PATCH KIDS® REDBERRY® Gum



EXCLUSIVE SLURPEE FLAVOR
COMING JULY 2016!



SLIN TBD
Sour Patch Kids®
REDBERRY® 5 oz.



SLIN 141439
Sour Patch Kids® 5 oz.



SLIN 141873
Sour Patch Kids®
Watermelon 5 oz.



SLIN 140268
Sour Patch Kids®
Extreme 4 oz.



SLIN 140404
Sour Patch Kids® 2 oz.



SLIN 140391
Sour Patch Kids®
Watermelon 2 oz.



SLIN 143731
Stride® Sour Patch Kids®
Watermelon Gum



SLIN 142590
Stride® Sour Patch Kids®
REDBERRY® Gum



SLIN 141659
Stride® Sour Patch Kids®
Extreme Raspberry Gum

REDBERRY, SOUR PATCH KIDS and SOUR PATCH KID Design are registered trademarks of Mondelēz International group, used under license.

Taste the twist

GRAPE RASPBERRY



LIMITED
TIME ONLY!

A TWISTED TEMPTATION.

Your customers won't be able to resist this blend of sweet grapes and tangy raspberries. Our latest limited edition is available in 2 for 99¢ and Save on 2 Pouches to deliver fast turns for your store at an affordable price for your customers.



Twisted Berry
2 for 99¢
SLIN #322062



Twisted Berry
Save on 2
SLIN #322122

800.874.9720
SWISHERSWEETS.COM

SWISHER INTERNATIONAL, INC.

FTM



Exclusive

AUGUST 8 - OCTOBER 16, 2016

Simply Beverages™

- #1 Juice SKU at 7-Eleven continues to be Simply OJ Original 11.5oz¹
- #1 Lemonade Brand in Convenience Retail¹
- Simply Cranberry Cocktail is the fastest growing Simply SKU at 7-Eleven¹
- Simply Juice Drinks are driving Chilled Fruit Drinks & Ades category growth. Fruit Punch is #1 and Tropical is #3 in dollar sales change²
- All Natural, Never From Concentrate, Always Delicious



Honestly Simple.®



**SIMPLY ORANGE®
PULP FREE**
(11.5 fl oz)
UIN #:152405 / SLIN #:248051



**SIMPLY LEMONADE®
WITH RASPBERRY**
(11.5 fl oz)
UIN #:152264 / SLIN #:248028



SIMPLY LEMONADE®
(11.5 fl oz)
UIN #:152173 / SLIN #:248027



**SIMPLY FRUIT PUNCH®
JUICE DRINK**
(11.5 fl oz)
UIN #:162719 / SLIN #:246790



**SIMPLY ORANGE®
WITH MANGO**
(11.5 fl oz)
UIN #:152314 / SLIN #:248029



**SIMPLY CRANBERRY
COCKTAIL™**
(11.5 fl oz)
UIN #:152389 / SLIN #:248052



**SIMPLY TROPICAL®
JUICE DRINK**
(11.5 fl oz)
UIN #:162727 / SLIN #:240163



SIMPLY APPLE®
(11.5 fl oz)
UIN #:152074 / SLIN #:248049



SIMPLY LIMEADE®
(11.5 fl oz)
UIN #:152249 / SLIN #:248050



**SIMPLY ORANGE®
PULP FREE**
(59 fl oz)
UIN #:650119 / SLIN #:0242568



SIMPLY LEMONADE®
(59 fl oz)
UIN #:443358 / SLIN #:0243848



**SIMPLY LEMONADE®
WITH RASPBERRY**
(59 fl oz)
UIN #:733832 / SLIN #:0244450





www.DOSEQUIS.com

RESPECT the GAME. DON'T drink more, DRINK BETTER.

1. Source: Nielsen, Total U.S. Con., Aug '15 - Jan '16 *No purchase necessary.

ENJOY **XX** RESPONSIBLY
©2016 CERVEZAS MEXICANAS, WHITE PLAINS, NY



COLLEGE FOOTBALL PLAYOFFS -will help your sales gain- GAME DAY GREATNESS™

+10.2%
DELIVERING
**+10.2% DOLLAR
GROWTH,
3X FASTER
THAN TOTAL
BEER!**

+\$6.4M
GENERATING
**+\$6.4M
INCREMENTAL
DOLLARS DURING
2015/2016 COLLEGE
FOOTBALL SEASON!**

**DIGITAL PLATFORMS
MAXIMIZE
EXPOSURE
AND DRIVE TRAFFIC
TO YOUR ACCOUNT**

**LIMITED EDITION PACKAGING
IN MARKET NOVEMBER 2016
WILL DRIVE PARTNERSHIP
AND PROGRAM AWARENESS**

**ENGAGING
SWEEPSTAKES
OFFERS CONSUMERS
A CHANCE TO WIN A
COLLEGE FOOTBALL
VIP EXPERIENCE***

**CONTACT YOUR SALES REPRESENTATIVE TODAY
IN MARKET SEPTEMBER 1 - JANUARY 15, 2017**

AVANTI

THE VOICE OF 7-ELEVEN FRANCHISEES

July/August 2016

Contents

31 Looking Ahead To The New Agreement

By Joe Galea, Chairman, NCASEF

35 Wage And Hour Legal Training And Assistance Now Available Through Your FOA

By Eric H. Karp, Esq., General Counsel, NCASEF

39 Franchisee Notes: What We Want Out Of The New Agreement

By Serge Haitayan, Vice Chairman, NCASEF

SPECIAL FEATURES

22 California Franchisees Help Defeat Tobacco Bill

24 Southern California FOA Scholarships

65 Why Do People Get Hurt?

By John Harp, Risk Engineering Consultant,
Mitsui Sumitomo Insurance Group

68 Not Such A Happy Birthday, After All

By Mike Rarus, South Florida FOA

72 FOAC Celebrates Franchisees

74 South Florida Helps Out School

76 Rising Minimum Wages & The 7-Eleven Business Model

By Navdeep Gill
President, Pacific Northwest FOA

82 Store Celebrates With Milk Giveaway

84 UFOLI Trade Show

90 Midwest FOA Charity Golf Tournament

43 The Problems With 7-Eleven Day In Chicago

By Hashim Syed, Vice Chairman, NCASEF

45 The Minimum Wage Conundrum

By Pete Gragnano
President, Suburban
Washington FOA

WHAT A TRADE SHOW & CONVENTION!

Page 48

**Franchisee
From Chesapeake,
Virginia Walks Away
With The \$45,000
BMW**



**Wheels
in
DEALS**



Member News.....14

'Stores 100' List, No.1 On CSNews, C-Store Sales Strong, Accounting Changes, Single C-Stores, WOTC Tax Credit Deadline, Summer Sales, Minimum Wage Hike Not Benefitting Workers, Chicagoland Donations, Wawa's Investment In Florida, Dollar General, Powerball Winners, Amazon Competes With C-Stores?, Dunkin' Donuts Delivery, Governor Threatens SNAP, Couche-Tard Sales, Tesla Charging Stations, SEI Law Firms, Kroger Sues Visa, Home Depot Sues Visa & MasterCard, E-Cig Groups, Hershey Rejects Mondelez, Lottery 'Play At The Pump', Less On Gas In 2015, Visa Supports Merchants, Customer Loyalty, Card Fraud, AB InBev, SABMiller Merger, 60,000th Store, Couche-Tard Buys CST



Legislative Update.....18

Durbin Amendment, Court Rejects Class-Action Settlement, SNAP Rules Harmful, Mass Online Lottery, California Bill Fails, Colorado Tobacco Tax, Pennsylvania Cig Tax, Portland Raises Minimum Age, Californians Cigarette Tax Hike, West Virginia Cigarette Tax, California City To License Retailers, FDA Deeming Rules, PA C-Stores Sell Beer, Equal Pay In Mass



SEI News.....92

SEI FAA-Approved Drone Delivery, Take Command Winner, UPS Locker Program, Comcast Payments, Environmental Footprint, Slurpee's Big 5-0, Sour Patch Redberry Slurpee, Free Movie Night, Free Chips Campaign, Slurpee BYO Cup, SEI Sues Bodegas



Bits & Pieces.....16

Vendor Focus.....101

Franchisee Calendars.....106



**Unilever
Magnum Caribbean
Trip Sweepstakes**

Page 101



AVANTI is published by the National Coalition of Associations of 7-Eleven Franchisees for all independent franchisees, corporate store managers and interested parties. National Coalition offices are located at 740 Front Street, Suite 170, Santa Cruz, CA 95060. For membership information, call 831-426-4711 or e-mail nationaloffice@ncasef.com. AVANTI Offices are located at 116 Bellevue Ave., Suite 304, Langhorne, Pennsylvania 19047. For advertising information, call Sheldon Smith at 215 750-0178 or fax to 215 750-0399; on-line, send messages to sheldon.smith5@verizon.net.



Member News

7-Eleven Still No.1 On CSNews List

7-Eleven, Inc. remains the No. 1 U.S. convenience store chain on *Convenience Store News*' Top 100 ranking, the magazine reported. SEI is tops in store count and widened its margin this year to 3,009 more stores than Couche-Tard, which climbed into the No. 2 spot last year and remains there now. The previous difference between

the two was 2,751 stores. *Convenience Store News* stated that with 8,313 U.S.

locations, 7-Eleven has significant influence over the entire c-store industry and how it is perceived by consumers. The publication further stated that 7-Eleven has been redefining "convenience" over the past few years with a breadth of new products and services added. The *Convenience Store News* Top 100 is the industry's longest-running accounting of the largest convenience store chains by store count. The annual report is compiled in partnership with TDLinx.

Couche-Tard Acquires CST Brands

Circle K parent company Alimentation Couche-Tard Inc. announced that it has struck a deal to purchase CST Brands Inc. for approximately US \$4.4 bil-

continued on page 16

"7-Eleven is tops in U.S. store count and widened its margin this year to 3,009 more stores than Couche-Tard, in the number 2 spot."

Get Avanti Online!

The National Coalition is proud to announce that vendors and franchisees can now read AVANTI, the digital version, online at Issuu.com before you receive the printed copy! To join the AVANTI distribution list and receive a link to the latest issue as soon as it is uploaded, send an e-mail to debbie.avanti@verizon.net with the subject field "AVANTI ONLINE" and

you will receive an email alert as soon as the digital magazine is posted. Feel free to include your U.S. postal address in the e-mail if you would also like to be placed on our AVANTI mailing list. AVANTI is also available on the NCASEF website in pdf format at www.NCASEF.com.



NATIONAL COALITION OF ASSOCIATIONS OF 7-ELEVEN FRANCHISEES

NATIONAL OFFICERS

Joseph Galea
NATIONAL CHAIRMAN
831-426-4711 • joeg@ncasef.com

Jatinder Singh
EXECUTIVE VICE CHAIRMAN
702-249-3301 • jksingh@yahoo.com

Eric H. Karp, Esq.
GENERAL COUNSEL
617-423-7250 • ekarp@wkwrlaw.com

Jas Dhillon
VICE CHAIRMAN
818-571-1711 • jasdhillon@rocketmail.com

Serge Haitayan
VICE CHAIRMAN
559-355-4899 • sergez@comcast.net

Hashim Syed
VICE CHAIRMAN
847-293-8551 • hj.syed@gmail.com

Michael Jorgenson
TREASURER
347-251-1828 • mcjorg@yahoo.com

CONVENTION CHAIRPERSON
520-577-8711
conventionchairperson@ncasef.com

John Riggio
MEETING/TRADE SHOW COORDINATOR
262-275-3086 • jrpinc@charter.net

Sheldon Smith
AVANTI PUBLISHER
ADVERTISING MANAGER
215-750-0178 • sheldon.smith5@verizon.net



Sheldon Smith
PUBLISHER & ADVERTISING SALES
215 750-0178
SHELDON.SMITH5@VERIZON.NET

John Santiago
ASSISTANT EDITOR
215 750-0178
AVANTIMAG@VERIZON.NET

Tricia Kessler
GRAPHIC DESIGN
KESSLER DIGITAL DESIGN

The Voice of 7-Eleven Franchisees
July/August 2016

©2016 National Coalition of
Associations of 7-Eleven Franchisees

Avanti Magazine is the registered
trademark of The National Coalition
of Associations of 7-Eleven Franchisees.

GET READY FOR THE COLD & FLU SEASON NOW!

ORDER TODAY
THROUGH
McLane

Vicks Nyquil Liquid Cherry 8 oz



SLIN 221231

Get your customers the rest they need with NyQuil™ Cold & Flu Nighttime Relief Liquid, a powerful 6-symptom cold & flu relief.



Pepto Bismol Maximum Strength 4 oz



SLIN 220948

When your customers need maximum strength for digestive upsets, put a coat on it with Pepto-Bismol™ maximum strength.



Vicks Dayquil Liquid Original 8oz



SLIN 221116

DayQuil™ Cold & Flu Liquid, non-drowsy, multi-symptom cold and flu relief helps your customers get their power back to enjoy the day.



New! Vicks VapoInhaler is back!



SLIN 221604

A new, gentle Non-Medicated Menthol/Camphor Formula! 94 percent of consumers recognize VapoInhaler as the category leader.



Respiratory Care products are carried in 94 percent of convenience stores.
P&G has an 84 dollar share in Cold/Flu Treatment products.



Member News

continued from page 14

lion including net debt assumed. The move would push Couche-Tard closer to 7-Eleven in total store count. CST is based in San Antonio, Texas and employs over 14,000 people at over 2,000 locations throughout the Southwestern United States with an important presence in Texas, Georgia, the U.S. Southeast Region, New York and Eastern Canada. This all-cash transaction is expected to close in early calendar year 2017, and will be financed by Couche-Tard's available cash, existing credit facilities and a new term loan. Couche-Tard has also entered into an agreement with Parkland Fuel Corporation pursuant to which it would sell certain Canadian assets of CST after the merger for approximately US\$ 750 million.

7-Eleven Opens 60,000th Store

7-Eleven, Inc. recently celebrated the opening of its 60,000th worldwide store. "The 7-Eleven story is amazing and inspiring; we started as a small local ice house and have grown over the years store-by-store, community-by-community, and country-by-country into an iconic global brand," said SEI Presi-

dent and CEO Joe DePinto. "We will continue to grow by staying focused on the constantly changing convenience needs of our customers and by staying committed to the communities we serve." Last year, the company opened one store every 2.5 hours, approximately 4,000 stores. 7-Eleven's store count by country as of July 2016 is as follows:

Japan	18,860	Canada	504
Thailand	9,278	Australia	628
United States	8,378	Singapore	455
South Korea	8,238	Denmark	186
Taiwan	5,057	Sweden	185
China	2,244	Norway	156
Malaysia	2,016	Indonesia	179
Mexico	1,874	UAE	2
Philippines	1,760		

Several Accounting Changes Announced

The NBLC Accounting Committee recently announced a series of changes to the 7-Eleven accounting system, which were outlined in a memo highlighting the group's June 14 meeting. Among the improvements, franchisees will now be notified via email when their financials are available. Franchisees will also re-

continued on page 18

Visit the National Coalition
Website: www.ncasef.com



Winnipeg, Canada has—for the 17th straight year—**won 7-Eleven's Slurpee Cup**, which is awarded to the city that consumes the **highest number of Slurpees per capita in the world**, reported the *Winnipeg Sun*. Calgary and Detroit were runners-up this year. • Almost four years after seeking bankruptcy protection under a barrage of labor issues and rapidly changing appetites, **Hostess Brands—the maker of Twinkies and Ding Dongs—will once again be a publicly traded company** under its new owners The Gores Group, reported the Associated Press.

• **California is now the sixth largest economy in the world**, surpassing France thanks to a robust state economy and the strength of the U.S. dollar, reported CNBC. • The Pennsylvania Liquor Control Board recently launched its **Licensee Online Order Portal**, an Internet-based system that allows state liquor licensees to order wine and spirits at any time from home or office. • Retailers say they have seen an uptick in foot traffic—and sometimes, revenue—as **Pokémon Go** players cluster around designated hot spots to collect eggs, Poké Balls and potions, reported the *Washington Post*. Business owners say it's too soon to tell exactly how their bottom lines have been affected by the game, but many cited an unmistakable spike in sales. • **Nearly two-thirds of U.S. consumers believe their financial health is poised to deteriorate in 2017** regardless of who wins the presidential election this year,

continued on page 24

The National Coalition Office

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.



740 Front Street, Suite 170
Santa Cruz, CA 95060
Office 831-426-4711
Fax 831-426-4713
E-mail: nationaloffice@ncasef.com



THE BOMB & Breakfast Burritos

"Top Selling Burritos In C-Stores Nationwide!"



Whole Egg, Bacon
& 3 Cheese - 12/7oz
SLIN #170394 • UIN #610170



- Restaurant Quality Ingredients
- Filled End to End (60% fill - 40% tortilla)
- Authentic Hand-Stretched Tortillas
- Fast & Easy to Prepare
- Don Miguel will provide all necessary POP • Static Clings • Shelf Talkers • Trays



Whole Egg, Sausage
& 3 Cheese - 12/7oz
SLIN #170425 • UIN #070359



7-Select Spicy Beef, Beans & Cheese
Bomb Burrito - 12/7oz
SLIN #174033 • UIN #272625



7-Select Chicken Chile Verde & Beans
Bomb Burrito - 12/7oz
SLIN #174030 • UIN #272633



Beef & Bean Chimichanga (Bulk)
6.0 lbs/case
SLIN #176406 • UIN #149468



Mini Breakfast Empanada Bites (Bulk)
6.0 lbs/case
SLIN #178842 • UIN #385047



Beef Mini Tacos (Bulk)
5.25 lbs/case
SLIN #171164 • UIN #540757



Member News

continued from page 16

ceive email notifications when their lottery audit results are ready.

The Accounting team also stated it met with the Training Department to incorporate day-to-day accounting procedure best practices into the new Ready 2 Lead (R2L) program. Things to be added to R2L include a separate module for Lottery Management (LMS), S18 best practices and prevention, RIA adjustment and transfers, and employee entry and maintenance. Continuous Learning training will be given to field personnel and franchisees, which will include financial reporting and audit preparation and best practices.

New Study Predicts Food-service Will Outpace Retail

At 4.8 percent growth in 2017, Food-service will outpace Retail, which is projected to grow at 3.0 percent, according to Technomic's new 2016/17 U.S. Food Industry Universe analysis. The study, which provides coverage of all channels of the \$1.74 trillion U.S. food industry, also reveals that Foodservice will account for 60 percent of industry growth, and within Retail, Supermarkets and Supercenters will continue to lose share to "nontraditional" channels. The report further states that the

five fastest-growing food industry channels are online (+19.8 percent in 2017), fresh format (+9.1 percent), supermarket fresh prepared foods (+8.9 percent), limited assortment stores (+6.0 percent) and independent restaurants/small chains (+5.6 percent).

7-Eleven Top C-Store On 'Stores 100' List

7-Eleven was one of five convenience store retailers to make it onto *Stores Magazine's* Top 100 Retailers list, which ranks the industry's biggest players by domestic retail

continued on page 22

New Legislation Would Repeal Durbin Amendment

The National Retail Federation (NRF) said Congress should reject a proposal from the head of the House Financial Services Committee to repeal a cap on debit card swipe fees that has saved consumers billions of dollars over the past five years. Financial Services Committee Chairman Jeb Hensarling, R-Texas, recently released a draft version of legislation that would repeal the Durbin Amendment cap on debit swipe fees as part of a broader rewrite of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Hensarling's proposal follows standalone legislation to repeal Durbin introduced in June by committee member Representative Randy

Neugebauer, also R-Texas. Without the cap, the typical debit swipe fee would likely go back to the previous 45 cents if not higher, the NRF said. In addition to repealing the cap, the Hensarling and Neugebauer proposals would repeal a Durbin provision that lets retailers route debit transactions over payment networks that compete with those owned by the

major card companies. An NRF survey conducted recently found that 89 percent of consumers responding said the cap should be left in place.

Court Rejects Visa, MasterCard Class-Action Settlement

A U.S. Court of Appeals recently rejected the 2012 swipe-fee settlement, originally valued at \$7.25 billion, between the retail industry and payments companies Visa Inc. and MasterCard Inc., calling the agreement "unreasonable and inadequate," reported the *Wall Street Journal*. The court ruled that the settlement violated the rule that requires the representative parties to "fairly and adequately protect the interests of the class" and uncover any conflicts of interest.

The 2012 settlement broke the class of plaintiffs into two groups: one which accepted Visa or MasterCard from 2004 through 2012 and another which would accept the cards from 2012 onward. In its ruling, the appeals court noted the conflict between the merchants in the first class, which were pursuing solely monetary relief, and the merchants in the second class, which were seeking only injunctive relief.

The court said the class seeking injunctive relief "were inadequately represented" because those merchants couldn't opt out of the deal and they shared representation with the other class. The court added that the only apparent benefits to putting the competing claims into one class were higher fees for counsel and the ability of the defendants to pay a bundled group with a single

continued on page 67

\$name game winner Sushil Prakash, Fresno, CA\$

HERE'S THE SCOOP: Consumers Can't Get Enough of MARS Ice Cream!



#2 Novelty Bar in C-Stores³

TWIX® Brand Ice Cream Bar Single #190579



#1 in Ice Cream Novelty Sales for 20+ Years!^{1,2}

SNICKERS® Brand Ice Cream Bar Single #190584



#2 Confection Brand⁴

STARBURST® Brand Strawberry Sorbet Bar #190010



Consumers' Favorite Flavors Also Available in Sharable 16 oz. Pints!



SNICKERS® Brand Pint #190102



TWIX® Brand Pint #190112

MARS
ice cream
north america

©/TM trademarks ©Mars, Incorporated 2015

1. IRI Total US Convenience 52 wks ending 10/6/13 2. Nielsen Convenience Scanning 52 weeks ending 6/13/15
3. Nielsen ADD, Full Year 2013, Convenience Dollar Sales 4. Nielsen Panel Data, Full Year 2013, Household Penetration

"The House Financial Services Committee Chairman recently released a draft version of legislation that would repeal the Durbin Amendment cap on debit swipe fees."

THE #1 CASE-PACKS AT 7-ELEVEN!

Perfect pack size to fill in at home, for sports games or the office, and as an add-on purchase in your stores!



Nestlé® Pure Life® .5-Liter 20-Pack
Deposit
SLIN# 242282

Nestlé® Pure Life® .5-Liter 20-Pack
Non-Deposit
SLIN# 242373

Regional Spring
Waters
\$4.99

Arrowhead® Brand
100% Mountain
Spring Water
.5-Liter 24-Pack
SLIN# 241512

Deer Park® Brand
100% Natural
Spring Water
.5-Liter 24-Pack
SLIN# 241509

Ice Mountain® Brand
100% Natural
Spring Water
.5-Liter 24-Pack
SLIN# 241543

Ozarka® Brand
100% Natural
Spring Water
.5-Liter 24-Pack
SLIN# 241516

Poland Spring® Brand
100% Natural
Spring Water
.5-Liter 24-Pack
Deposit
SLIN# 241502

Poland Spring® Brand
100% Natural
Spring Water
.5-Liter 24-Pack
Non-Deposit
SLIN# 242244

Zephyrhills® Brand
100% Natural
Spring Water
.5-Liter 24-Pack
SLIN# 242373

2/\$2.22

1-Liter Bottles

#1 BOTTLED WATER AT 7-ELEVEN!²

Top choice among shoppers for convenience and hydration while on-the-go!

WHILE ON PROMOTION

- Nestlé Waters North America Inc. Regional Spring Water Brands average 11 units per store, per day, per year to date!³
- 62% Average Margin while on and off promotion!

Promotion ends November 1, 2016

Shoppers have a temperature preference with this size—cold OR room temperature—offering the perfect opportunity to dual merchandise and satisfy all shoppers' needs!



Arrowhead® Brand 100%
Mountain Spring Water
1-Liter

Deer Park® Brand 100%
Natural Spring Water
1-Liter

Ice Mountain® Brand 100%
Natural Spring Water
1-Liter

Ozarka® Brand 100%
Natural Spring Water
1-Liter

Poland Spring® Brand
100% Natural Spring Water
1-Liter Deposit

Zephyrhills® Brand 100%
Natural Spring Water
1-Liter

Poland Spring® Brand 100%
Natural Spring Water
1-Liter Non-Deposit

¹Exchange YTD through 6/26/16

Nestlé® Pure Life® Purified Water Enhanced with Minerals for Taste. NESTLÉ and PURE LIFE are registered trademarks of Société des Produits Nestlé S.A., Vevey, Switzerland. All other trademarks are owned by Nestlé Waters North America Inc. © 2016 Nestlé Waters North America Inc.

²Exchange and Nielsen YTD 2016
³Exchange YTD 6/26/16



Member News

continued from page 18

California Franchisees Help Defeat Tobacco Bill

A group of California 7-Eleven franchisees met in Sacramento on July 27 with other convenience store owners, retailers and trade associations for the sole purpose of convincing their legislators to vote down Senate Bill 1400, a measure that would have prevented the sale of tobacco products at convenience and grocery stores. Thanks to the group's efforts during the two-day event at the state capitol—which included meeting with lawmakers and testifying before the Assembly Business and Professions Committee on how the measure would destroy their livelihoods—the bill died during a hearing on July 28.



Representing California franchisees and the 7-Eleven Franchisee PAC are (left to right) Raj Brar (President Northern California FOA), Balbir Atwal (Board Member FOAGLA), Jaspreet Dhillon (Vice President FOAGLA), Harvinder Sidhu (Board Member FOAGLA), Raj Atwal (Board Member FOAGLA), Baldev Dhiman (Board Member FOAGLA) and Tarlochan Ranghi (Board Member FOAGLA).

Visit the National Coalition
Website: www.ncasef.com



sales. 7-Eleven ranked No. 35, with \$13.957 billion in 2015 U.S. sales, representing an increase of 4.3 percent over 2014. The next c-store chain on the list, Couche-Tard, ranked No. 57 with \$7.717 billion in U.S. sales—an increase of 33.8 percent when compared to the previous year. The remaining three chains are Speedway (#81—\$4.879 billion), Exxon Mobil (#92—\$4.371 billion), and Shell Oil (#94—\$4.313 billion). The top three retailers overall are Wal-Mart (\$353.1 billion), Kroger (\$103.878 billion) and Costco (\$83.545 billion).

C-Store Sales Remain Strong

Convenience store sales increased over the first half of the year as lower gas prices fueled more driving and Americans embraced the continued addition of fresh and healthy food options, according to the NACS Retailer Sentiment Survey. More than two in three convenience

retailers (70 percent) say that in-store sales in the first half of 2016 were higher than the same period last year.

A majority (54 percent) also say that fuel sales were higher compared to the first half of 2015. Only 8 percent of retailers say that in-store sales were lower in the first half of 2016 compared to a year ago. The quarterly report further reveals that retailers also are selling more prepared foods and see foodservice as a growth opportunity: 64 percent say they are confident in their ability to compete with quick-service restaurants for customers.

Single C-Stores Outnumber Chains

Despite continued high-profile acquisitions by many of the U.S. conven-

“In 2015, single stores accounted for 97,359 of the c-store industry’s total store count of 154,195, or 63 percent of total stores.”

ience store industry’s largest retailers, single-store owners increased their lead in store count over chains last year, reported *Convenience Store News*. In 2015, single stores accounted for 97,359 of the c-store industry’s total store count of 154,195, or 63 percent of total stores, according to the 2016 *Convenience Store News* for the Single Store Owner Industry Report. The study also reveals there was a net increase of 1,041 stores operated by single-store owners last year, compared to a store count increase of only 360 operated by chains of two or more stores.

The report further shows that, while single stores widened the store count gap

continued on page 24

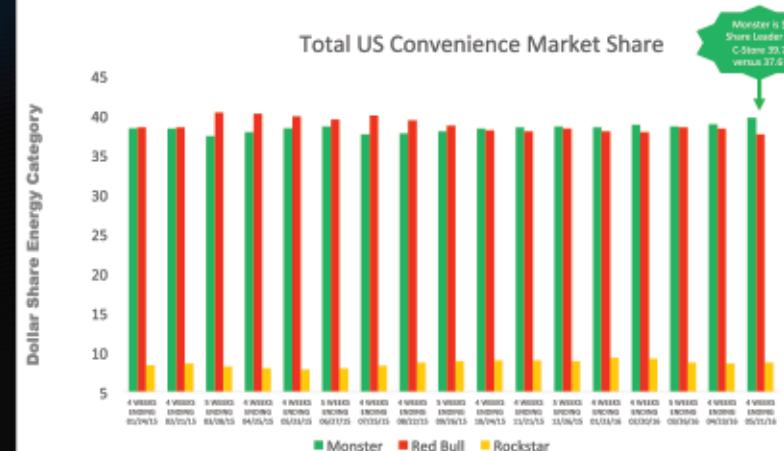


EXCLUSIVE
COMING SOON



MONSTER IS SHARE LEADER IN CONVENIENCE

- Monster continues gaining share in the Convenience channel and is now the Dollar share leader for the Energy Drink Category
- Monster and Red Bull have a combined 77.3 Dollar share of Energy Drinks



GET THE SHIRT OFF OUR BACK!

COLLECT TABS FROM ANY PARTICIPATING MONSTER ENERGY PRODUCT & REDEEM FOR **MONSTER ENERGY LIMITED EDITION ATHLETE SHIRTS!**

ONLY 30 TABS + \$5 SHIPPING & HANDLING NEEDED PER SHIRT

REDEEM TABS

AT MONSTERENERGY.COM

TABS MUST BE MAILED AND POSTMARKED BY SEPTEMBER 30, 2016; REDEMPTION ORDERS MUST BE PLACED BY 11:59AM PST OCTOBER 31, 2016. OFFER VALID WHILE SUPPLIES LAST.

HOW TO ENTER: To redeem tabs, place an order for promotional T-shirt, and for complete promotion details, visit monsterenergy.com/shirteffourback. Create account and enter your qualifying tab count. 30 qualifying Monster product tabs required for 1 T-shirt; certain Monster products excluded. Tabs must be mailed and postmarked by September 30, 2016; redemption orders must be placed by 11:59AM PST October 31, 2016. Offer valid while supplies last. At end of online redemption process, an order slip and mailing label with the "ship to" address will be provided; use to mail qualifying tabs in a Padded Envelope (do not use a regular envelope). You are responsible for pre-paying T-shirt shipping and handling costs: \$5.00/tee item; Visa, MasterCard, and Pay Pal only. Open to legal residents of 50 United States and District of Columbia 18 years of age, or age of majority in their residence State, whichever is older at time of online order submission. Void where prohibited or restricted by law.



Member News

continued from page 22

with chain operators, they lost ground on a sales-per-store basis. The average single store generated \$1,256,935 in in-store sales last year, an increase of 2.8 percent from 2014. Total industry operators, on the other hand, saw a 3.7-percent sales per store increase to \$1,406,866—a record high for the industry.

IRS Extends WOTC Tax Credit Application Deadline

The IRS recently issued a notice offering additional transition relief for employers claiming the Work Opportunity Tax Credit, giving employers until September 2016 to submit WOTC applica-

“Store sales from June through August are 4.5 percent higher than the rest of the year, according to sales data from NACS.”

tions for employees hired from January 1, 2015 through May 31, 2016, according to Neon Workforce technologies. The HR services firm advises that any employer who has failed to screen new hires for WOTC eligibility can still go back and capture the credits they may have previously thought they lost. Every new hire may qualify your business for up to \$9,600 in tax credits.

Southern California FOA Awards Scholarships

The Southern California FOA recently announced the winners of its 2016 Joe Saraceno Scholarship Program. As one of the benefits provided to its members, the annual program was created to assist the children of franchisees entering college. The FOA accepts applications throughout the year and the winners are

awarded before the fall semester begins. This year’s winners were announced during the association’s August 10 meeting. Congratulations to Simrun Ursani—\$8,000 Scholarship Winner, Cristian O’Neil—\$2,000 Runner Up, Bahadar Panhwar—\$500, Manminder Gill—\$500, Sager Walia—\$500, Ramin Foroughi—\$500, and Bahraam Foroughi—\$500.



Dollar General Buys 41 Walmart Express Stores

Dollar General recently announced that it has completed the purchase of 41 former Walmart Express locations across 11 states, 37 of which have gas stations. Dollar General anticipates relocating 40 existing Dollar General stores into the purchased sites by October 2016 and entering

continued on page 26

continued from page 16

according to IRI’s Consumer Connect survey. Overall, 64 percent believe their households’ financial health will decline if Donald Trump is elected compared to 60 percent if Hillary Clinton is elected. • The operator of a Brisbane, Australia 7-Eleven store involved in **rampant exploitation of its workers has been handed a record court penalty of more than \$400,000**, reported the *Sydney Morning Herald*. • Brookshire Grocery Co. has agreed to **acquire 25 former Walmart Express stores** from west Texas to southern Louisiana that were shuttered earlier this year, reported *Supermarket News*. The stores will be converted to Brookshire’s new banner—**Spring Market**. • In the first national effort of its kind by a retailer, **Walgreens has installed safe medication disposal kiosks** at 288 pharmacies across 21 states and Washington D.C. The kiosks provide a safe and convenient way to dispose of unwanted, unused or expired prescriptions, including controlled substances, and over-the-counter medications at no cost. • The Michigan Department of Health and Human Services recently announced a partnership with electronic payment provider **PayNearMe that allows parents to make their child support payments** with cash at more than 550 Michigan and 17,000 nationwide participating 7-Eleven and Family Dollar stores. • **The Guess Corporation**—a privately held conglomerate based in Durham, North Carolina—announced it is seeking to acquire at least 1,000 convenience store/gas station units over the next 12 months, which may include branded and unbranded units. • **Sunoco announced recently that it completed the acquisition of a retail convenience store** business serving the Upstate New



continued on page 32

GOOD HUMOR

CHECK THAT THE ITEMS BELOW ARE CARRIED AND IN-STOCK!



GOOD HUMOR® STRAWBERRY SHORTCAKE NOW BACK ON THE 2016 SCHEMATIC.

FULLY FUNDED 2/\$3 PROMO IN PERIOD 2. ORDER NOW!

SLIN: 190081
GOOD HUMOR®
STRAWBERRY
SHORTCAKE BAR

SLIN: 190496
GOOD HUMOR®
OREO® BAR

SLIN: 190088
GOOD HUMOR®
GIANT KING CONE

**TOP SELLERS
= MAXIMUM SALES
= MORE PROFITS!**



Member News

continued from page 24



one new market as part of the purchase. Terms of the transaction were not disclosed. Dollar General said the newly-relocated stores will sport a fresh DG16 layout with additional sales floor square feet, complete with expanded offerings such as fresh meat and produce, all designed to make shopping easier for customers.

Chicagoland FOA Donations Help Advance Cancer Research

Swim Across America CEO Rob Butcher recently announced that, thanks to donations made by 7-Eleven FOAC members during the SAA's 2013 Chicago swim event, a local researcher was able to obtain a \$1.7 million grant from the National Institute of Health (NIH) to continue a study that has the potential to save thousands of lives. Proceeds from that event went to Chicago's Rush University Medical Center and Dr. Animesh Barua, who used the critical seed money to refine and bolster his study, which is the basis to

Visit the National Coalition
Website: www.ncasef.com

developing a non-invasive early detection test for ovarian cancer. This further enabled him to attain the NIH grant. If successful, Dr. Barua's test could help the nearly 25,000 women in the United States who are diagnosed with ovarian cancer each year.

Summer Sales Sizzle At C-Stores

Convenience store sales increase as the weather heats up, with store sales from June through August 4.5 percent higher than the rest of the year, according to sales data from the National Association of Convenience Stores (NACS). The data further reveals that the sales of packaged beverages—soda,

continued on page 74



NEW FLAVOR

introducing our newest addition

rockin'
strawberry

- 30 Grams of Protein
- Only 190 Calories
- Lactose and Gluten Free
- LOW Carbs and Calories
- Tastes GREAT
- Up to 100 Days Refrigerated Code Life

CHRIS PERRY > 602.803.7497 | chris_perry@shamrockfoods.com



Starts With Real Milk.
Ends With Real Results.
rockinrefuel.com   

MB VANILLA
SLIN - 151837 | UIN - 648790
12 oz. | Case/12

MB CHOCOLATE
SLIN - 151716 | UIN - 240614
12 oz. | Case/12

MB STRAWBERRY
SLIN - 151377 | UIN - 643262
12 oz. | Case/12



People drink coffee for a lot of reasons: To wake up. To stay up. To socialize. To unwind. For the ritual. For the taste. For the third time today.

For every reason your customers come in for coffee, delight them with the cup they want from International Delight.®

Half & Half	French Vanilla	Hazelnut	Hershey's® Chocolate Caramel
CDC SLIN 230240	CDC SLIN 230099	CDC SLIN 2301565	CDC SLIN 230944
McLane SLIN 230239	McLane SLIN 230124	McLane SLIN 230123	McLane SLIN 230946

To order call The Coffee Bar Experts™ at 888.620.9910.

©2016 WhiteWave Services, Inc.
The HERSHEY'S trademark and trade dress are used under license.


WhiteWave
Away from Home
whitewavefoodservice.com



SENECA™

CLASS A CIGARETTES PREMIUM

The perfect blend of
quality, flavor and price.



SURGEON GENERAL'S WARNING: Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy.

Contact a distributor near you
1-844-766-5366

Greater **VARIETY** And **PROFITS.**



Cigarettes, Cigars, Snuff,
Pipe Tobacco, and Vapor



SURGEON GENERAL WARNING: Cigar Smoking Can Cause Cancers Of The Mouth And Throat, Even If You Do Not Inhale.

THE ORIGINAL BOMB POP

WATCH YOUR SALES SOAR!

Bomb Pop® velocities in convenience are **UP 28%** versus last year!

FIND US AT **NACS!**
BOOTH #8242

THE ORIGINAL BOMB POP
Original
3.75OZ ORIGINAL BOMB POP®

THE ORIGINAL BOMB POP
Banana Fudge
3.75oz BANANA FUDGE Bomb Pop®

THE ORIGINAL BOMB POP
Jolly Rancher
3.75oz JOLLY RANCHER Bomb Pop®

SLIN: 190177

SLIN: 190180

SLIN: 191128

Looking Ahead To The New Agreement

BY JOE GALEA, EXECUTIVE CHAIRMAN, NCASEF

With all of our festivities now behind us, I would like to start off by thanking all the franchisees who attended our 41st annual convention and trade show and made it a huge success. I would also like to thank all of our vendor partners, who went above and beyond in their support of this year's convention. Overall, our vendors say it was a very good and profitable trade show, and they were pleased with the participation and orders placed by our franchisees.

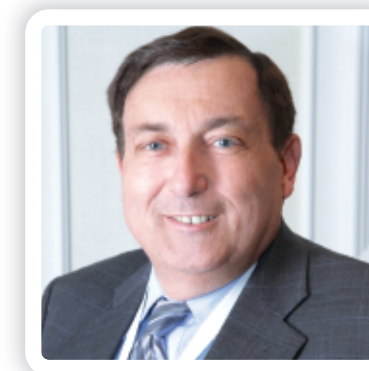
I want to acknowledge the folks from SEI, including our CEO Joe DePinto and his team. He was our guest speaker at the Grand Banquet and I would like to personally thank him and his executive team and department heads for attending. They were kind enough to conduct seminars and answer questions from attending franchisees. Our charity event this year benefited St. Jude Children's Hospital and Swim Across America, and I thank them for their participation both at the trade show and throughout the convention. They are two highly respected charities and we are happy to be a part of their missions.

Now that we are back at our stores, we are looking ahead to the future. Without doubt, the 2019 agreement is what everyone is thinking and talking about. We discussed it during our national convention, and it will continue to be a hot topic in the months ahead. During this time, one thing we need to be careful about is not to be influenced

by rumors or uninformed talk.

One rumor making the rounds is that the new

agreement has already been written. I want to put that rumor to rest, as even our own CEO has acknowledged that we are just starting to put the new agreement together. As part of this process, SEI asked the NCASEF to submit the names of 12 Board members who could represent us on a committee and provide input during the development of the new agreement. We selected the



“Overall, our vendors say it was a very good and profitable trade show, and they were pleased with the participation and orders placed by our franchisees.”



Board members based on geography and time in the 7-Eleven system (newer and tenured franchisees), handed over the list, and I am very happy to announce that SEI chose six of our members. The rest of the committee is composed of NBLC members and a few other franchisees that SEI chose.

During our July Board of Director's meeting in Las Vegas, we created an advisory committee consisting of eight Board members who will work alongside the members serving on SEI's new

“A special thanks to all our franchisees and vendor partners who attended our 41st annual convention and trade show and made it a huge success.”

agreement committee. The advice and recommendations that we receive will be from them, also. We plan to have regular phone calls to gather their insight and feedback regarding what the new agreement should contain.

There are many factors that will affect the next agreement, including minimum wage increases, labor, hot foods, a 10-year agreement versus 15-year, credit

card fees, re-up franchise fees and the gasoline commission. This is only the start. There are many other issues that will need to be addressed in the 2019 agreement, but as I've mentioned, the talks have just started. In the meantime, we are setting the format with how frequently we will meet with the committee members and SEI.

This early in the process, everyone is wondering what the new agreement

continued on page 32

Looking Ahead To The New Agreement

continued from page 31

has in store for us. I can assure you that the NCASEF Board of Directors and I will work diligently to negotiate the best agreement we can because we also have skin in the game. What comes out of this agreement affects all



**"The NCASEF
Board of Directors**

**and I will work diligently to
negotiate the best agreement
we can because what comes
out of this agreement affects
all of us."**

7-Eleven, Inc. 2019 Contract Advisory Committee

Alan Dumain
Franchisee, Middle Village, NY

Dave Carpenter
Franchisee

Dennis Lane
President, New England FOA

Jay Khan
Vice President, Rocky Mountain FOA

Jay Singh
Executive Vice Chairman, NCASEF

Jim Bayci
President, Midwest FOA

Joann Lawson
Franchisee, Palm Bay, Florida

Joe Galea
Chairman, NCASEF

Kiran Hussain
Franchisee, Van Nuys, California

Nick Bhullar
Franchisee, Arcadia, California

of us. The rumors that our franchisees serving on SEI's committee are just window dressing and that the agreement has already been written are not true.

As the agreement comes together, we will have our general counsel look it over and make suggestions. Overall, it is my belief that we are going to have a good agreement for all franchisees. Our CEO has said the 7-Eleven system is built by franchisees, and I believe he realizes that the future success of the brand relies on the success of its storeowners. As we move forward, we need to stay positive. Please feel free to call me or any other NACSEF Board member. We will share any information we have. We are in this together. Franchisee members of the Advisory Committee are:

Rita Casanova
Franchisee, Austin, TX

Sean Mahmood
Franchisee Columbia, MD

National Coalition 2019 Joint Contract Committee

Peter Gragnano
President, Suburban Washington FOA

Kathy York
President, Greater Los Angeles FOA

Rehan Hashmi
Vice President, Alliance of 7-Eleven Franchisees

Mike Jorgensen
President, Central Florida FOA, Treasurer NCASEF

AJ Handa
President, Greater Seattle FOA

Vikas Sharma
Texas FOA

Yousef Nasser
Vice President, UFOLI, NY

Romy Singh
President, Eastern Virginia FOA

continued from page 24

York market from
Valentine Stores, Inc.

This deal includes 18 c-stores that sell approximately 20 million gallons of fuel annually and one standalone Tim Hortons restaurant. • **Starbucks Coffee** CEO Howard Schultz said effective October 3, all partners and store managers in U.S. company-operated stores will **receive an increase in base pay of 5 percent** or greater, reported StreetInsider.com. • Americans consume 150 million hot dogs each July 4th holiday and spend \$6.77 billion total on food, according to WalletHub's Fourth of July 2016 *By The Numbers Report*. • **CVS Pharmacy** recently announced the expansion of its assortment of **healthier foods and beverages** to more than 2,900 stores nationwide. The company said expanding this initiative beyond the initial 500 store pilot launched in 2015 is a critical step as it continues to evolve into a premier health destination. • **Sliced bread, wrapped for sale in waxed paper, first appeared on store shelves on July 7, 1928** in Chillicothe, Missouri, according to the U.S. Census Bureau. By the 1930s, the innovation of sliced bread spread nationally, in large part due to the **Wonder Bread brand adopting the automatic slicer**. • SweetFrog Frozen Yogurt shops around the county launched a Pokémon GO Takeover the weekend of July 22 to 24, offering **Pokémon GO** players an air-conditioned pit stop and a cool yogurt treat at a heavily discounted price according to the level players have achieved in the game. • **Pilot Flying J and Speedway** announced that they have entered into a joint venture designed to improve service for drivers in the Southeast United States. The new entity, **PFJ Southeast LLC**, will initially consist of 41 locations contributed by Speedway and 79 locations contributed by Pilot Flying J. • The **global sports drinks market** is expected to grow at a CAGR of 8.1 percent during 2016-2022, according to a new report by P&S Market Research. Among the various product types, the iso-

continued on page 36



FUEL YOUR POTENTIAL

NEW FLAVOR!



NOW AVAILABLE AT





TO **STEAK**
SATISFACTION

Deliver sales growth within
your frozen section while
satisfying customer cravings.

A GREAT PRICE AT
\$1.59



Steak and Cheese
Chimichanga



0 73202 89251 3

SLIN: 180177

McLane Single Pick UIN:
10538

McLane Full Case UIN:
552026

Chicken and Cheese
Chimichanga



0 73202 89253 7

SLIN: 180005

McLane Single Pick UIN:
176024

McLane Full Case UIN:
4509768

Egg and Sausage
Breakfast Burrito



0 73202 89292 6

SLIN: 129312

McLane Single Pick UIN:
129312

www.JOSEOLE.com

© 2015 Ajinomoto Windsor, Inc.

Wage And Hour Legal Training And Assistance Now Available Through Your FOA

ERIC H. KARP, ESQ., GENERAL COUNSEL TO NCASEF

As many of you know, the joint employer initiatives of the National Labor Relations Board and the United States Department of Labor have created quite a tumult in the world of franchising. Some have suggested that if the joint employer doctrine receives widespread acceptance, it will end franchising as we know it. I do not subscribe to that form of “the sky is falling” analysis, but these developments do require us to think and act in new and different ways about the relationship between a franchisor and its franchisees.

Dr. David Weil, who wrote the book *The Fissured Workplace*, is the spiritual godfather of the joint employer doctrine. From his perspective, his is not an attempt to redefine the franchise relationship, but only to assure that employees receive the wages that they are entitled to under applicable federal law. He believes that only by involving a franchisor can the rate of compliance be elevated to the benefit of all concerned.

Against this backdrop, I was privileged to co-moderate a plenary session at the 2015 ABA Forum on Franchising. Our guests were Richard Griffin, General Counsel of the National Labor Relations Board and Dr. Weil, the head of the Wage and Hour Division of the U.S. Department of Labor. Both confirmed that their goal is not to attack franchising, but only to make sure that the rights of employees are protected. Following that presenta-

“Earlier this year, I proposed to SEI that they work in cooperation with the National Coalition by assisting the Coalition in providing wage and hour legal advice and training to franchisees.”

tion, many lawyers who represent franchisors asked me how we could get these regulatory agencies to back off and leave franchising alone.

My response was that the most effective way to reduce this kind of government interference in the franchise relationship was for franchisors to work

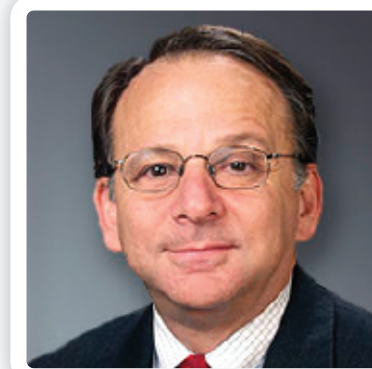
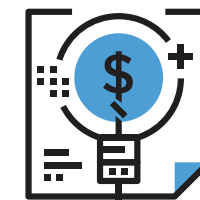
chisees do not have human resources departments or labor lawyers at their beck and call. Many of the franchise lawyers that I spoke to on the subject were deeply skeptical, indeed suspicious.

Nevertheless, earlier this year, I had a conversation with the SEI legal department. I proposed to them that SEI work in cooperation with the National Coalition, and assist the National Coalition in providing wage and hour legal advice and training to franchisees, to the benefit of both SEI and the franchisees. This assistance and training would take the form of presentations at National Coalition Board meetings, National Coalition conventions, FOA meetings and in articles written in *Avanti*. In this unique model—the first one in franchising in the United States—both parties would get what they need.

Over the last several months, I have worked with the SEI legal department on the details of the arrangement, which have now been finalized and are ready to be implemented. The essential elements of this initiative are as follows:

1. The National Coalition has chosen Ogletree Deakins, a national labor and employment law firm with offices in 49 cities in 27 states, to provide these services. You have already seen an article written by Ruthie Goodboe, one of the partners in the firm, published in the previous issue of

continued on page 36



with the independent franchisee associations in their system under which the association would arrange for some of the same kind of human resources training, advice and coaching that franchisors routinely provide to the managers of their company-owned locations. Most fran-

“National labor and employment law firm Ogletree Deakins will be available to present one-hour presentations on Wage and Hour Training and Assistance to any FOA that requests it.”

Wage And Hour Legal Training And Assistance Now Available

continued from page 35

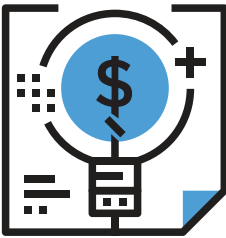
Avanti. Guillermo A. Escobedo, another partner of the firm, made a detailed and very well received presentation at the recently concluded National Coalition convention in Las Vegas. More information about the firm can be obtained at <http://www.ogletreedeakins.com/who-we-are/overview>.

2. The Ogletree law firm will be available to present one-hour presentations to any FOA that requests it. The presentation will be made by a partner of the firm from an office in proximity to the FOA. This will make it more likely that the attorney who makes the presentation will be familiar with the state labor laws applicable to the franchisees who are members of the FOA.

3. The cost of each presentation has been negotiated to a fixed dollar amount, which will be paid by SEI. The billing for these sessions will be handled through the National Coalition, without the need for the FOA to advance the funds or otherwise be involved in the billing.

4. We have agreed with SEI that these presentations will be subject to the attorney-client privilege as between Ogletree Deakins and each franchisee in attendance. This means that the advice that is provided, and the questions that franchisees ask, will be confidential and that neither SEI nor anyone else can ever compel the franchisee or the attorney presenting to the franchisees to testify as to the advice given during the session.

5. Neither the National Coalition nor the



FOA will be providing SEI with a list of the franchisees who attend these meetings, and SEI has agreed that it has no present intention to use the fact of a franchisee's attendance at such a meeting against a franchisee in the event of a controversy regarding wage and hour law compliance by the franchisee.

6. To arrange a wage and hour presentation at your FOA meeting or event, contact the National Office.

While there are many areas on which SEI and its franchisees are not on the same page, and while the 2019 franchise agreement looms in the future, as I have said many times in this space, there are occasions on which the interests of both parties coincide, and where working together makes sense. This is certainly one of those instances, and it is my hope that in the future there will be many more. **AV**

Arrange For Your FOA To Have A Sponsored Presentation On Changing Wage and Hour Employment Practices

National labor and employment law firm Ogletree Deakins, with offices in 27 states, will provide these services.

Co-sponsored by SEI and NCASEF

Contact The National Coalition Office at 831-426-4711 or nationaloffice@ncasef.com to arrange a presentation for your FOA.

ERIC H. KARP
CAN BE REACHED AT
617-423-7250
ekarp@wkwrlaw.com

“To arrange a wage and hour presentation at your FOA meeting or event, contact the National Coalition office.”



continued from page 32

tonic segment held the largest share in the global sports drinks market in 2015. •

Household batteries sales are projected to reach \$4.8 billion by the year 2020, up from slightly more than \$4.1 billion in 2015, reveals a new report by Packaged Facts. **Lithium-ion rechargeable batteries will see the greatest increase**, with an annual growth rate of almost 12 percent, and surpass alkaline disposable batteries as the top segment of the category. • A new study by the University of Massachusetts Amherst reveals that **people who need to curb their sugary drinks consumption are less impacted by a sales tax** than people who don't need to drink less soda. • McDonald's said it will replace **high-fructose corn syrup** in its sandwich buns with sugar as part of an effort to simplify its ingredients and satisfy increasingly conscientious customers, reported the *Wall Street Journal*.

• Ball Park brand, the maker of **Angus Beef Franks**, celebrated the dog days of summer by giving away free Ball Park Franks to anyone named Angus or Frank, and to anyone willing to change their name to Angus or Frank for a day on Twitter. • **Cumberland Farms** announced that customers have saved a total of \$50 million through its **SmartPay** program since its launch in January 2013. SmartPay Check-Link users automatically **save 10 cents on every gallon of gas**, every day, when they fill up at any Cumberland Farms gas retail locations throughout the Northeast and Florida. • In the nationwide survey conducted by Kellogg Company, only 35 percent of respondents said **families in the suburbs would be more likely to experience hunger**, yet according to government data, hunger—especially for households with children—has been growing faster in suburbs than cities since 2007. • The North Carolina Education Lottery (NCEL) announced that its **Play at the Pump** program has generated more than \$1 million in lottery sales in less than two years. The NCEL said this milestone paints a bright picture of what's to

continued on page 67



FRANCHISE OWNERS, WE'VE GOT THE RIGHT CAN FOR YOUR FAN.



RAISE ONE TO RIGHT NOW.



Join The Maruchan Ramen Revolution ... and Gain Extra Profits!



**Maruchan
Instant Lunch**
outsells all other ramen brands by more than 4 to 1.*



Chicken Flavor



Beef Flavor



With Shrimp



Lime Chili Flavor
with Shrimp



Stock America's #1 Selling Ramen Noodle Soup!

Maruchan 15800 Laguna Canyon Rd.
Irvine, CA 92618 • www.maruchan.com
#ramenrevolution

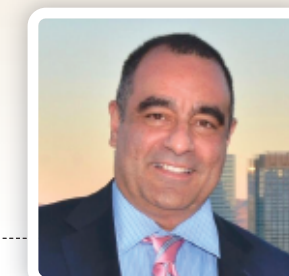
*Source: IRI, 52 Wks Ending 02/11/16, Total US All Outlets, Volume Sales



Vice
Chairs'
Forum

FRANCHISEE NOTES: WHAT WE WANT OUT OF THE NEW AGREEMENT

BY SERGE HAITAYAN,
NCASEF VICE CHAIRMAN



“The very first thing we agreed on was that we wanted to have an agreement that would be fair to franchisees as well as SEI.”

In early July a group of franchisees including many FOA leaders met in person and over the phone to talk about the upcoming 2019 Franchise Agreement and to start establishing in writing what franchisees would like to have in that agreement. The very first thing we agreed on was that we wanted it to be a fair agreement, one that takes into consideration franchisees' needs as well as SEI's needs.

We feel that since 2006 SEI has been chipping away and changing a lot of the good points we had in the 2004 agreement. We also feel that the pendulum has swung too far in SEI's favor since then and must come back to the middle. During our discussions, we considered five factors:

1. Historical—Understanding the past business model, prior franchise agreements, changes to past agreements, and how these all relate.

2. External—Factors outside of the control of either SEI or franchisees that impact our business and threaten the delicate balance of our franchise agreement, such as labor issues, including minimum wage increases, exempt employee minimum salary levels, universal healthcare requirements, paid sick leave, scheduling guidelines, and the joint employer debate; governmental regulation/law changes like bag taxes, FDA shops, changing ages for age restricted products, changing product restrictions by area (i.e. no Menthol Cigarettes can be sold in Chicago); increased competition and channel blurring; growing credit/debit fees, inflation and rising crime.

3. Internal—Factors within the control of either SEI or franchisees that impact our business, such as

an increase in food service, a change to QSR/Convenience, ETA, gross profit, maintenance, facilities upgrades/remodels, faulty technology, increased franchise fees, GGPS and the gas commission arrangement.

4. Current State—Understanding the current business atmosphere, the state of the industry and our current business model and strategies, and how they relate to the current franchise agreement.

5. Future State—Considering current trends and forecasting where our business is headed.

“Factors outside the control of either SEI or franchisees impact our business and threaten the delicate balance of our franchise agreement.”

With all these points taken into consideration, we came up with the following wish list of things we felt should be incorporated into the new agreement. This list is by no means exhaustive or final.

FRANCHISEE WISH LIST FOR THE NEW AGREEMENT

1. Term—Term should be 15 years, and in the case of an early renewal, the unexpired term of the current franchise

agreement should not terminate when the master lease expires or is terminated.

2. Renewal—Eliminate the renewal fee and adopt a 15-year term.

3. Gross Profit Split—GPS should be 50/50 for the duration of the term, possibly tied to increases in Minimum Wage.

4. Advertising Fund—Make this 1.5 percent franchisee funded, 1.5 percent 7-Eleven funded, and administer the program using an oversight committee of both franchisees and franchisor personnel.

5. Gasoline—Change commission to 2 percent of the monthly average retail price computed on all gallons sold or \$0.03 per dispensed gallon, whichever is higher, and make price per gallon competitive with market conditions based on transparent criteria.

6. Franchise Fee—Utilize an established, transparent formula based on his-

torical gross profit performance. Include a 180-day right of rescission with a prorated refund, and allocate a portion of the franchise fee toward remodel fees to be utilized during the initial ten years of the agreement.

7. Equipment Maintenance—Implement a capital replacement program based on a specific budget over the first five years

continued on page 40

of the term, that uses industry standard criteria, open book accounting of preventive and reactive maintenance costs, and parity between franchised and company-owned outlets. Replace equipment at end of useful life. No maintenance fee should be paid by the franchisee on such equipment if not done.

8. Transfers—Consent should not to be unreasonably withheld, buyer should be provided with list of other stores for sale, buyer should be assigned seller's franchise agreement, and have a mutual release of claims.

9. Hot Food Gross Profit Split—Change the gross profit split of all Hot Food PSA items to 65 percent/35 percent (franchisee/franchisor). Calculate breakeven on daily sales, and do not split gross profit until breakeven is reached (similar to ATM contract). Reconcile food write-offs with audit-to-audit adjustments by SEI.

10. Survivorship—Provide survivors /estate with options to liquidate store(s) and recover fair market value. SEI buys store at fair market value if designee not qualified or in the case of multiple stores where designee does not meet multiple operator criteria. Include language to reflect equitable protection for multiple store operations. 7-Eleven agrees to not unreasonably withhold approval of qualified designees. Designee who meets company's multiple operator criteria receives comparable number of stores. Create separate "transfer" clause of stores to immediate family members without charging franchise fee.

11. Revenues—Designate all revenues generated from any entity as "System Transaction Amounts" and as defined in Exhibit F in the franchise agreement, as shared income and applied to the gross profit split.

12. Cost of Goods—Strip away all provisions that provide for "in lieu of" a lower cost of goods and instead, ensure franchisees are able to realize the absolute lowest possible cost of goods. All revenue designated as Wholesale Vendor Discounts and Allowances will be included in cost of goods calculations. Except for proprietary items, stores should be able to bypass CDC/ McLane/Wholesaler markups to obtain lowest costs of goods on an item-by-item basis.

13. Banking Fee Expense—Any banking expense deemed to be normal, ongoing fees related to a commercial banking relationship should be borne by 7-Eleven. Fees due to the mismanagement of funds by a franchisee should be borne by the franchise operator.

14. Shared Cost Item—Sharing of expense on licenses and other recognized "normal course of business" items such as plastic bags, etc.

15. Credit/Debit and Other Transaction Fees—7-Eleven is responsible for all transaction fees. Franchisees have neither control over these relationships nor the subsequent performance of these organizations. Franchisee not responsible for chargebacks due to system failure.

16. Indemnification—Increase the indemnification provided by 7-Eleven to \$1M.

17. Recommended Vendor Purchase Re-

"Since the 2004 agreement we believe that the pendulum has swung too far in SEI's favor, and it must come back to the middle."

quirement—Discuss if this provision is still relevant with the goal to eliminate. If RVPR language is maintained in the 2019 Agreement, insert language that allows the franchisee to prove that any purchases outside of the RVPR guideline improve profitability for both the franchisee and franchisor. Waive the RVPR requirement until subsequent review. Lower RVPR threshold to 80 percent.

18. FSC—Make disclosures self-executing, relax confidentiality, allow for streamlined dispute resolution, act on punitive damages if willful violation found.

19. Ownership of Real Estate and/or Equipment—Provide comparative pro forma profit and loss statements, add territorial protection due to increased investment, address consequences of termination or expiration, and match 1.5 percent GPS paid by franchisee for the purposes of remodeling.

At a time when the National Labor Relations Board (NLRB) is looking into allegations that McDonald's is too involved in franchisee labor, and the threat of a franchisor being labeled a co-employer suddenly is real, we believe it is in 7-Eleven's "best interests" to give us a fair contract and eliminate these threats to our system.

During the July National Coalition Board meeting the FOA Presidents decided, by unanimous vote, to hire outside attorney Marc Culp to review the contract with the goal of achieving the most equitable agreement available to us. Please feel free to contact me if you have any questions or suggestions on this information. **AV**

"At a time when the threat of being labeled a co-employer is real, we believe it is in 7-Eleven's best interests to give us a fair contract and eliminate these threats to our system."

tic tac

**BUY THE
TIC TAC® MINTS
36 ct. DISPLAY
& GET A
FREE
TIC TAC MIXERS
CHERRY COLA TRAY*
- with purchase -**

AVAILABLE FOR 2016

Item Number XUS00246
© Ferrero. All Rights Reserved.

***One 12 ct. Tray of Tic Tac Mixers
Cherry Cola 60 ct. Packs**
Offer Expires 12/31/2016. While Supplies Last.

NEW LOOK OF SMIRNOFF ICE! SAME GREAT TASTE!



CAPTURE SINGLE SALES WITH SMIRNOFF ICE SPIKED CANS!



- The FMB segment has increased by \$178MM in the last 2 years (+8%)¹
- SMIRNOFF ICE is outpacing the category and competition in growth¹
- SMIRNOFF ICE SPIKED has tripled sales in the last 4 months, selling 2-4x more than leading competitors in comparable launch months¹
- FMBs greater than 6% ABV have nearly doubled in the past 5 years and make up 64% of FMB sales in Convenience²

TRY ALL FLAVORS AVAILABLE IN 16 & 23.5 OZ. CANS:

ORIGINAL



SMIRNOFF ICE SPIKED
ORIGINAL 16 OZ.
SLIN: 102470



SMIRNOFF ICE SPIKED
ORIGINAL 23.5 OZ.
SLIN: 102208

HURRICANE PUNCH



SMIRNOFF ICE SPIKED
HURRICANE PUNCH 16 OZ.
SLIN: 102402



SMIRNOFF ICE SPIKED
HURRICANE PUNCH 23.5 OZ.
SLIN: 102160

SCREWDRIVER



SMIRNOFF ICE SPIKED
SCREWDRIVER 16 OZ.
SLIN: 106867



SMIRNOFF ICE SPIKED
SCREWDRIVER 23.5 OZ.
SLIN: 106867

PLEASE DRINK RESPONSIBLY
SMIRNOFF ICE Premium Flavored Malt Beverages. The Smirnoff Co., Norwalk, CT.

Sources: 1. 52 WE 7/16/16 vs. 2 YAG;
2. 2015 2CV FMB Shopper Journey Study

Vice
Chairs'
Forum

VCF

THE PROBLEMS WITH 7-ELEVEN DAY IN CHICAGO

HASHIM SYED

NCASEF VICE CHAIRMAN, FOAC VICE PRESIDENT

In Chicago during the dog days of summer when most of us experience our highest sales of the year I am reticent to take a day out of my very busy schedule to give away FREE Slurpees on 7-Eleven's annual birthday. I say this not because I am loathe to promote my brand, but because of all the problems I have to deal with on that day.

In Chicago the summer is short, and 90-degree temperatures are a rarity. We pray for the days the heat rises to 90 degrees because we sell a lot of Slurpee, and the busiest part of the store is our walk-in cooler.

On July 11 of this year Chicagoland franchisees' prayers were answered and it was 90 degrees, and hot and humid, a perfect day to sell lots of Slurpees, water and other drinks. Instead of selling we were giving away FREE Slurpees, all day from 11 am to 7 pm, and we lost a golden opportunity to make some money to compensate for those cold days when it gets really slow and we don't do much business.

If we consider the 100 days of summer our most profitable time of year, then I'm sacrificing 1 percent of that most profitable time to promote my brand. I need extra help to control the traffic, and we experience higher rates of shoplifting. 7-Eleven free Slurpee day is so popular now, especially due to social media, that many

of the folks we see will never be back. Some of our franchisees actually get busloads of children

HASHIM SYED

CAN BE REACHED AT
hj.syed@gmail.com
or 847-293-8551

"We need to take a hard look at reconstructing the promotion and linking it to coupons or the 7-Eleven app."

or community groups, and at this point I'm not sure that we are bringing in a lot of new customers.

Any large group causes lines and cleanliness issues, and on this day our regular customers look inside and then walk out. They don't want to stand in line and

Many franchisees with low volume stores in the Chicago area were not in favor of this free giveaway day, and many were in fact upset to the point of not wanting to participate next year. High volume stores and many multiple franchisees supporting this event are not themselves

"Instead of selling on 7-Eleven day we were giving away FREE Slurpees, and we lost a golden opportunity to make some money to compensate for those cold days when it gets really slow and we don't do much business."



wait 10 minutes for a free Slurpee or to get their regular cup of coffee.

My suggestion is to take a hard look at reconstructing the promotion and linking it to coupons or the 7-Eleven app. If people are going to get a free Slurpee, they should have a loyalty card. We should be capturing these customers for future business. Some stores from morning to evening have 30 people lining up, and these folks don't understand that the promotion ends at 7 pm.

hands-on operators, and don't experience the frustration low volume storeowners feel.

Chicagoland low volume stores eagerly wait for the hot summer and especially for those 90 degree days to ring up some big sales to make up for those cold days when their business barely survives. A coupon or a 7-Eleven app promotion would be more organized and easier to control, and franchisees would not have to sacrifice profits from one of the 100 days of summer to gain extra customers. **AV**



DRINK

CHOBANI™

Smooth. Delicious.
Protein-Packed.



14g PROTEIN



1/3 LESS SUGAR*



ONLY NATURAL
NON-GMO
INGREDIENTS



PROBIOTICS

READY TO ORDER

Aaron Steinbach, Regional Sales Manager
aaron.steinbach@chobani.com
(402) 250-9985



f t p i @chobani



THE MINIMUM WAGE CONUNDRUM

BY PETE GRAGNANO | President, Suburban Washington FOA

One of the basic characteristics of the 7-Eleven franchisee community is our ability to adapt to whatever obstacles are placed in our path. Whether it's a snowstorm that blankets our area making travel nearly impossible, or dealing with forest fires, hurricanes and the like, we always find a way to keep our stores open and serve our customers.

However, now we are dealing with one of our greatest challenges, one that is man-made versus that created by nature—the unprecedented increases in the minimum wage. Politically motivated, this topic is one that will not be going away. With 75 percent of the populace favoring an increase in the minimum wage, it is here to stay and we need to pull all of the tricks out of our magic hat to deal with it.

Apart from cost-of-goods, payroll is our largest expense and solely impacts our bottom line. Add our unique gross profit split with our franchisor compared to royalties paid on revenues in the vast majority of other franchises, and we have our work cut out for us.

But as one franchisee once said, “We franchisees are a hardy lot,” and we will come out of this current crisis intact. However, it's not going to be easy and will take a number of strategies, as opposed to a single “magic bullet,” to reach our ultimate objective—survival.

Below are several ways I think we can weather the storm. While not all encompassing, I feel they provide a starting point to solve our dilemma.

Custom Retail Pricing—Careful adjustment of selected retails, particularly on high volume items, will contribute additional gross profit to our stores. Two issues arise from this strategy: 1) there is only so much we can raise prices before we drive away customers to our competition; and 2) our unique arrangement with 7-Eleven enables them to share in half of the gross profit of every price increase.

Hot Foods Program—The company has embarked on a worthwhile strategy of emphasizing hot foods to replace the loss of revenue from one of our most traditional revenue generators, cigarettes and tobacco. However, this does not come without a price, as many of the new items, such

as the Chicken sandwich and Cheeseburger, are more labor intensive than traditional grill and hot food items that we have sold in the past.

Moreover, we need to increase the gross profit margin on these items in order to make them really contribute to our bottom line. Current gross profit margins of 40 percent (before write-offs) pale in comparison to our QSR counterparts who operate on 65-70 percent margins.

Cost of Goods—As stated before, this is our greatest cost and perhaps our biggest opportunity to increase our profitability. Despite what our franchisor has promised us in the past, the sheer size of the company has not always led to our stores having the lowest cost of goods com-



“With 75 percent of the populace favoring an increase in the minimum wage, it is here to stay and we need to pull all of the tricks out of our magic hat to deal with it.”

pared to some of our competitors. The introduction of the CDC, Business Transformation, and future “super CDCs” have not and will not provide us with the lowest cost of goods.

We need to go out on our own to achieve the lowest cost of goods. However in doing so, with our contract it backfires in our face; any lower cost of goods will be “shared” with 7-Eleven, and the 85 Percent Recommended Vendor Purchase Requirement imparts a 2 percent gross profit penalty if violated. Talk about being stuck between a rock and a hard place.

Expand the Assortment—One of the company's ongoing initiatives is one in which many stores are expected to add 300-500 SKUs in order to make us a “one stop shop” for time-starved consumers. First of all, ETA does not come without a price to franchisees. ETA recommends high shelving, which in some cases may be a safety concern to the store operator and employees. Secondly, more merchandise and limited visibility could lead to greater inventory shrinkage. Finally, more merchandise equates to more labor, as ordering and stocking are required.

That being said, ETA has the potential to increase our overall revenues. Hopefully, Guided Replenishment for BT stores will alleviate some of the labor involved in ordering. But, we must be

continued on page 46

Pete Gragnano can be reached at
443-472-2327 or at pjg1415@hotmail.com

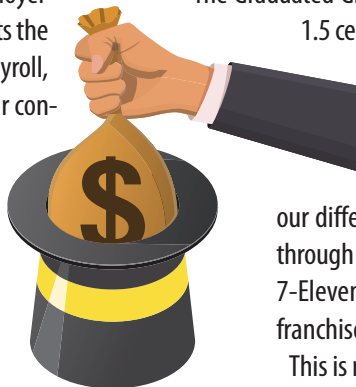
THE MINIMUM WAGE CONUNDRUM *continued from page 45*

careful not to blindly order SKUs; the “right” 300-500 items are what will generate the benefits to all parties, and we must work together to achieve the right product mix for each store.

Finally, we need to come up with a significant and extensive advertising campaign, using multiple media sources and not just the 7-Eleven App, to bring back the customers that we drove away years ago when we reduced the number of SKUs.

Franchisor Concessions—All of the above strategies will not achieve the objective of keeping us in business unless 7-Eleven provides some financial relief to us. While the ongoing “joint employer” focus of the National Labor Relations Board (NLRB) inhibits the company from providing the stores with assistance via payroll, other methods could be used to assist us. Eliminating our con-

“The sheer size of the company has not always led to our stores having the lowest cost of goods compared to some of our competitors.”



tribution to the payment of credit card fees or the advertising fee are natural areas to look into. Waiving the 85 Percent Recommended Vendor purchase requirement and subsequent 2 percent penalty is another avenue.

Remember, some of the strategies I outlined above (e.g., Custom Retail Pricing, Cost of Goods) yield clean profits to the company while we use our share to pay the increased minimum wage.

While our franchisor is under pressure from its corporate parent to increase its contribution to the earnings growth of 7&i Holdings, its record profits in recent years have come at the expense of the franchise community. The Graduated Gross Profit Split, reduction in the gasoline commission to

1.5 cents per gallon, removal of the half-mile policy and subsequent encroachment on existing store sales, are prime examples of how our franchisor has reduced our bottom line while increasing theirs.

The time has come where we need to put aside our differences and work hand-in-hand with 7-Eleven to get us through this unique period in our history. In the past we’ve helped 7-Eleven during its bankruptcy and lean years; it’s time for our franchisor to return the favor. Our ultimate survival is on the line. This is my opinion and I welcome yours. **AV**

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

We know how hard you work to make your store profitable, and we work very hard at keeping your insurance costs as low as possible. The biggest part of your insurance premium covers loss expense – when losses go up, premiums go up.

Did you know.....

Robberies are on the rise! Make sure you and your staff are clear on security procedures. Maybe a monthly review makes sense?

Over 75% of franchisee claim expense is related to slip and falls, both inside and outside of the store. Make sure your floors are dry, and remove ice from your walkways.

Reporting claims quickly helps reduce the cost. On average, we receive **more than 30%** of franchisee claims two weeks or more after they occur. Report your claims as soon as possible so we can start to work them immediately.

Help us help you. The better we control losses, the lower your cost of workers’ compensation insurance!

Contact:
To learn more contact **Tonya Leffall** or **Joe Praznik** at **1.800.527.9034**

E-mail address: 7-ElevenFranchiseProgram@aon.com
Fax #: 847-953-2100

Risk. Reinsurance. Human Resources.



NEW!

Kashi

Kashi® GOLEAN® Bars

Satisfy the needs of consumers who want visibly wholesome ingredients in on-trend flavors. It’s a real food experience that supports a more positive, healthy lifestyle with the taste and goodness of plant-power.

Gluten Free



Kellogg's



For more information visit www.KelloggsConvenience.com, contact your Kellogg Sales Representative, or call **877-511-5777**.



41ST NCASEF CONVENTION & TRADE SHOW

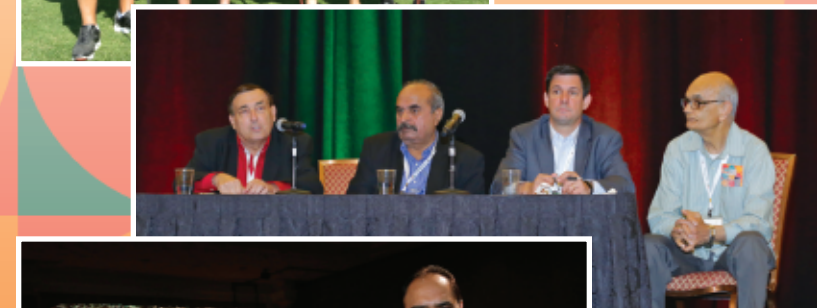
Communication, Cooperation Increasing As 2019 Agreement Nears?

What A Trade Show and Convention!

Franchisees celebrated, but it was Carrie Trautman from Chesapeake, Virginia who scored big at the grand banquet on the last night of the National Coalition's Convention and Trade Show when she walked away with the BMW 328i luxury sedan raffled off at the grand banquet. Franchisees earned one entry into the raffle for each 10 orders placed with exhibiting vendors at the trade show. Vendors reported one of the highest take rates in convention history, and were happy with the increase in orders.



Carrie was one of three franchisees lucky enough to win a prize, as was franchisee Mini-lik Yohannes from Allen, Texas, who walked away with a new Polaris 450 Four Wheel ATV, and Todd Umstodt, who had a new Honda Metropolitan Scooter delivered to his house two weeks after the convention.



NCASEF Chairman Joe Galea promised open communication to achieve the best possible contract for franchisees.



7-Eleven, Inc. President and CEO Joe DePinto addressed franchisees at the Grand Banquet.



"Franchisee Carrie Trautman from Chesapeake, Virginia walked away with the \$45,000 BMW and didn't want the money in lieu of the car."

Attending the NCASEF convention for the second time in eight years, and in his first time speaking before franchisees and vendors at the grand banquet, 7-Eleven, Inc. President and CEO Joe DePinto addressed franchisees, saying, "We are all stronger together." The CEO emphasized communication, cooperation, and a trading of information on the 2019 agreement. He thanked franchisees for "doing what you do." NCASEF Chairman Joe Galea welcomed the 7-Eleven CEO, saying, "A new era of communication has been established between the franchise community and SEI at a time when we need transparent communication on the most important task ahead, the 2019 agreement." Eight members of DePinto's Executive team accompanied him at the event.

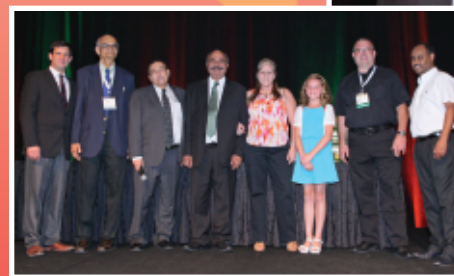
NCASEF decided to support two charities in 2016 with the proceeds from the silent and live auctions and the Joe Saraceno Memorial Golf Tournament. St Jude Children's Research Hospital Senior Liaison Elizabeth



Swim Across America CEO Rob Butcher thanked franchisees for over \$300,000 in support to date.



Carmen and Glen Hiebing received the Chairman's Award for service to franchisees.



Former Chairman Bruce Maples accepts the Chairman's Award for outstanding service.

port research on pediatric catastrophic diseases and families undergoing treatment and care, and SAA to support ongoing cancer research and new clinical trials that lead to cancer treatment and cures.

Stansbury praised the Coalition for contributing three years in a row, and Butcher talked about a recent situation where Coalition and FOA funding was used to support

Dr. Animesh Barua's cancer research that eventually translated into a new \$1.7 million grant from the National Institute of Health. Butcher said, "Patients who used to hear 'I'm sorry, your cancer is terminal' are now hearing 'there is hope.'"

Your partnership and support is literally funding life saving work. What an incredible gift, thank you!"

Former franchisees Bob and Leslie Strauss, Carmen and Glen Heibing, and Bruce Maples all received the NCASEF's highest honor, the Chairman's Award, for their years of service to their FOAs and the National Coalition. Strauss was one of the (almost) original founders of the National Coalition, and helped found the FOA of Chicagoland. He served on the FOAC Board as president or a Board member for 38 years. Carmen and Glen Hiebing both served as

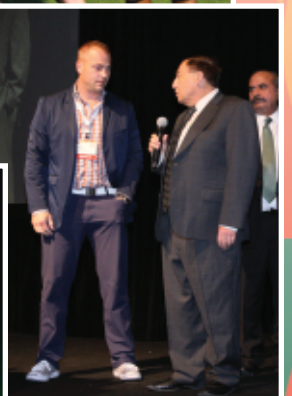
continued on page 50



Carrie Niggli from Diamond Elite Sponsor Coke USA thanked franchisees for supporting Coke products.



Bob and Leslie Strauss received an award for over 40 years of service to the FOAC and NCASEF.



Bobby Vanhorrebeck accepted the Chairman's Recognition Award on behalf of his Anheuser Busch team.



“Anheuser Busch, Coke, Kelloggs, and Logic Technologies were recognized by the Coalition with the Chairman’s Award.”

continued from page 49



Elizabeth Stansbury accepts a check on behalf of St. Jude Children's Research Hospital.

“The National Coalition and its FOAs and vendors raised \$41,711 each for Swim Across America and St. Jude Children's Research Hospital.”

to ask questions and get answers on almost any topic. Add in the Omnia Bar Party, the trip the giant High Roller ferris wheel, golf, banquets and the car giveaway, and the 2016 convention became an event too good to miss.

president and Board members of the San Diego FOA for most of their 23 years as franchisees, and Maples, a 27-year former franchisee, served two terms as National Coalition Chairman.

The Chairman's Recognition Award, given to companies displaying the most support for National Coalition Activities, was given to four companies this year. Bobby Vanhorrebeck from Anheuser Busch, Carrie Niggli from Coke USA, Mark Gramlich of Kelloggs, and Tony Gaines of Logic Technologies all ac-

cepted the award on behalf of their companies and thanked the Coalition and their corporate teams serving franchisees.

A good mix of business seminars on legal topics, the future of convenience, and an especially good accounting seminar blended with the NCASEF chairman's State of the Coalition presentation to provide franchisees with the opportunity



A Special Thanks To 2016 Convention Major Sponsors!

PLATINUM

Anheuser Busch
Coca Cola

DIAMOND

McLane
Nestle USA
Pepsi

GOLD

Acosta
Kellogg
MillerCoors
Red Bull
Vital Pharmaceuticals
Vixxo (FM)

SILVER

Advantage Solutions
Bic Consumer Products
Bon Appetit
CROSSMARK
Dean Foods
Dr Pepper Snapple Group
InComm
Mars Chocolate
Mondelez
Pabst Brewing Company
Perfetti Van Melle

BRONZE

AdvancePierre Foods
Argo Tea
Fetzer Vineyards
General Mills
KanPak
KraftHeinz Company
Kretek
Monster
Mother Parkers Tea & Coffee
Patco Food Safety
RJ Reynolds Tobacco Co
Snyder-Lance
Space Jam Juice
Swedish Match
Swisher International
Uptime Energy

mentos ^{Gum}

Strong Leading Items, Experiencing Tremendous Growth!



NOW SHIPPING

2/\$6 11/8 - 1/9
Fully Funded 8 Wks Through Promo Master

Special Promotion Pricing on Mentos Gum Big Bottles

Great for the Car!

Mentos Gum Pure Fresh - Fresh Mint
UIN 562488

Mentos Gum Pure Fresh - Spearmint
UIN 377648

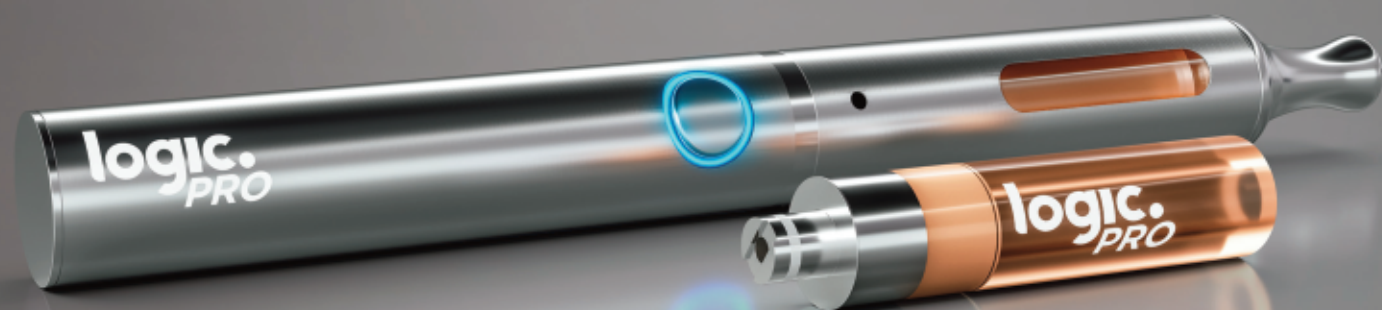


Contact your local **PERFETTI** representative or customer service at 1-800-283-5988





SMART CAPSULES.
NO SPILLS.



Available at all major wholesalers.
To learn more visit www.logiccig.com
or speak to us at (844) 552-9623.

This product contains nicotine derived from
Intended for use by adult smokers of legal

INDUSTRY LEADING TRADE MARGINS



#2
MENTHOL
DISPOSABLE
IN THE U.S



#2
TOBACCO
DISPOSABLE
IN THE U.S



#2
TOBACCO
REFILL
IN THE U.S



#2
MENTHOL
REFILL
IN THE U.S

Logic calculations based on Nielsen Electronic Cigarette reports ¹Disposable CBI Report – 52 Weeks Ending 4/2/2016 & ²Refills Non-Liquid CBI Report – 52 Weeks Ending 4/2/2016

tobacco. Nicotine is an addictive chemical.
smoking age. Underage sale prohibited.



Above: Pacific Northwest FOA Vice President Roger St. George said stores are losing profits from the POS and pinpad failure.

Left: National Coalition Chairman Joe Galea said the job of the NCASEF executive board is to protect franchisee interests and increase profitability.

Presidents and vice presidents from the National Coalition's 43 Franchise Owners Association member organizations met in Las Vegas July 22-24 to talk about the myriad issues affecting franchisee businesses. Foremost among them was the ongoing discussion over what franchisees want to see in the new 2019 Franchise Agreement.

Midwest FOA

JIM BAYCI, PRESIDENT

The number of FOAs has grown significantly in the last few years and the vendor community has been asking FOAs to schedule combined area events. As a result, the MWFOA, Alliance of 7-Eleven Franchisees and FOAC considered how to coordinate some activities. MWFOA and Alliance leadership agreed to partner this year on several events, including an Expo Trade Show, Charity Golf Outing and Holiday Party. The Chicago area's first partnered trade show was a spring Expo. It delivered good crowds, energy and comments from franchisees, management and vendors. Don't be surprised if discussions lead to a larger partnership in the future.

A summer General Meeting was held in Troy, Michigan. It's not easy for some franchisees to get away from their stores during the 100 Days of Summer, but attendees filled the room. There were presentations on lottery audits and controls, BT rollout, equipment/physical plant issues, and more.

MWFOA and Alliance held a Charity Golf Outing and were blessed with great weather and course conditions. We wish to extend a big "Thank You" to former Chicago Bear Super Bowl member Dennis McKinnon, who again served as Honorary Golf Chair.

The quantity and quality of promotions remains an issue that the FOA hopes to impact. There's been lots of discussion regarding product cost, retails and gross profit. Robbery incidents, amounts of losses and communication to stores and store operators have been another concern. Gas pricing and franchisee income are still issues that members believe need to be addressed.

I participate in several key national committees and workgroups. I have also agreed to serve as a member of the New Agreement Committee and look forward to gathering ideas from other franchisees. A majority of franchisees will have to sign a new contract in 2019, so its terms could significantly impact many operators.



NCASEF Treasurer Mike Jorgensen said SEI is not looking at 2019 as an agreement that can be negotiated.

The Michigan Charity Golf Outing is returning to Taylor, MI. The annual trade show will be held the same day. MWFOA leadership appreciates the efforts that vendors and management have made to share information and create effective relationships.

Columbia Pacific FOA

HARBHAJAN GHOTRA, PRESIDENT

Sales in June and July were very soft due to the cold weather conditions and low customer count. However, food service sales are up compared to the previous year.

continued next page



NCASEF Executive Vice Chairman Jay Singh asked how many folks thought ETA would cause crime problems.

"FRANCHISEES ON THE 2019 NEW AGREEMENT COMMITTEES SHOULD NOT HAVE TO SIGN ANY CONFIDENTIALITY AGREEMENTS, AS THAT IS COUNTERPRODUCTIVE." —JOE GALEA, NCASEF CHAIRMAN

The Columbia Pacific FOA recently held an election and elected new Board members for the next two years. In July, the FOA hosted an extremely successful golf tournament, which included over a hundred players from our different vendors. We raised \$2,500 for Doernbecher's Children's Hospital. Columbia Pacific also hosted a family picnic for our members, where families were able to enjoy food and fun on a wonderful summer day. We are looking forward to more great events ahead.

Cal-Neva FOA

RICHARD ROSE, PRESIDENT

This summer the temperatures are sizzling and so are our sales. The Northern Lake Tahoe area is showing record increases, with July coming in at 9.2 percent increase, which is second highest increase right behind the Los Angeles area. This has led to an increase in net income for the franchisees at 15.18 percent through June. The only negative is that our June Gross Profit percent came in at 35.28 percent—as a market that is a decrease from 36.06 percent in 2015. This decrease is concerning for the franchisees. 7-Eleven chose Reno as the site for the "first fully autonomous drone delivery to a customer's residence, the first time a U.S. customer has received a package at their home via drone."

This June our association teamed up with Model Dairy, our field consultants and area franchisees to raise money for the Northern Nevada Children's Cancer Foundation. This program was presented and headed up by franchisee Dennise Barcomb. We are still counting at this time but we have collected over \$8,000 so far. Our stores were decorated with paper kits that were hung throughout the stores, and four of our customers will win a 42" TV donated by Model Dairy. Thanks to all our customers, vendors, SEI employees, and franchisees. Your efforts will go a long way in helping the children of Northern Nevada.

In June the Cal-Neva FOA had the Lou Magnotti Golf Classic. This was another successful year as we returned to the Thunder Canyon Golf Course. The proceeds from our golf outing will go to the fight against Muscular Dystrophy, Breast Cancer, Batten Disease, and helping the Boys and Girls Clubs in our area.

UFOLI, NY

JACK RUGEN, PRESIDENT

All markets in the North Atlantic Zone are experiencing sales increases versus the prior year through August 7. We've kicked off Expand The Assortment (ETA) in the New York markets with the initial installation of the ETA fixtures. The team is working on Fresh Food Optimization to support Point 1 of the 6-Point Plan.

At our last ZLC meeting we discussed:

- How to go about obtaining the best possible cost of goods from CDC and DSD vendors. To do this, we decided we needed to obtain insight on the CDC cost structure. SEI's promise of the lowest cost of goods is based on the premise that the additional stores and increased volume would produce a reduction in distribution costs. That has, to date, not materialized. The team also looked into DSD vendors as a means to drive down the cost of goods, specifically for non-foods.
- RIS: Stores receive excessive email updates on cases—can we limit the number of emails that get sent to franchisees?
- Stores are being charged for RIS and POS equipment they returned if the equipment is returned a day late. No credit is sent to the store even though the store returned the equipment, especially GOTs.
- Field Consultants: Franchisees are under increased pressure to sell specific fresh food. The message from the FC isn't about growing food service, but rather selling a single item. "Focus days" are ineffective. Franchisees would prefer to see a complete plan instead of just a "focus."
- FC Acumen: FCs are not getting the whole picture. They don't want to be on "the list."

Suburban Washington FOA

PETE GRAGNANO, PRESIDENT

It's summertime in the Baltimore/Washington region, which generally results in three words that franchisees in our area cherish most: hazy, hot, and humid. As a result sales increased 3.1 percent across the Liberty Zone compared to 2015, while our GP% has in-



NCASEF Vice Chairman Hashim Syed asked why franchisees are not getting the lowest cost of goods through the CDCs.



Cal-Neva FOA President Richard Rose said franchisees in Nevada are struggling with the state's Gross Receipts Tax.



Phoenix FOA President Jerry Sahan asked how committees can represent franchisees without an attorney present.

creased 24 basis points. Moreover, our Zone continues to lead the nation in fresh food sales and private brand penetration.

Yet in spite of the increase in sales, franchisees are struggling to make money during our peak selling season due to recent increases in the minimum wage and/or encroachment. On July 1 the minimum wage in Washington, D.C. rose from \$10.50 to \$11.50 per hour, while adjacent Montgomery County, MD saw its minimum wage rise to \$10.75 from \$9.55. Not to be outdone, Prince George's County, contiguous to both our nation's capital and Montgomery County, will raise its minimum wage from \$9.55 to \$10.75 per hour on October 1.

continued on page 56

In June I attended a public hearing before the Montgomery County Council in which the proposal to increase the minimum wage to \$15 by 2020 was discussed. Proponents argued it would help workers get out of the poverty level and enjoy a "living" wage, yet other data presented showed that it would only provide half the annual cost of living in the county, or result in the loss of jobs. The county itself would see a \$4 million increase in its annual budget, and the council members had no concrete proposals as to where this money would come from.

The point I am attempting to make is that state and local politicians are all in favor of a minimum wage increase even though it will not solve the problem they are attempting to fix. Rather, it creates other problems.

To compound this we have our unique gross profit split situation, in which our franchisor gains a windfall in gross profit dollars as we raise prices to try to keep up with the wage increases. SEI keeps its entire share of the additional GP dollars, while we must devote all of the price increase to offset our increase in payroll.

Couple this with the movement to turn our convenience stores into QSRs (chicken sandwich, cheeseburger, etc., which are all labor intensive), and the problem worsens.

While many of my fellow franchisee leaders are concerned about the 2019 agreement (and rightfully so), I believe we need to address the minimum wage issue immediately, or else many of us will not be in business to sign the new agreement.

On a brighter note, we will be working with the Baltimore and Washington, D.C. FOAs, under the TriState FOSE Association umbrella to hold our annual charity golf tournament on September 14 at the Little Bennett Golf Course in Clarksburg, MD. Proceeds from this year's event will be donated to Swim Across America to continue the fight against cancer.



Central Florida FOA Vice President
Fari Ishani said that companies do not readily give up money to franchisees.



San Francisco Monterey Bay FOA Board member Ann Sekhon said minimum wage is the number one issue among franchisees.

is the current situation, which makes it hard either way. The main problem is low GP% due to high sales of cigarettes and beer—we are 4 points below the national GP%.

Kansas City FOA

KHALID ASAD, VICE PRESIDENT

As of the second week of August Heartland Zone is up 0.6 percent and Market 1951 is up 4.2 percent this month. Our Market is holding strong Non-Alcoholic Beverages and Fresh Foods numbers. We were going to get the Bake In Cookies program in July and August for KC and St. Louis, but due to a spending freeze by SEI, the program is on hold until further notice.

As of August 14, the majority of gasoline sites in both cities will be converting to Conoco/Philips. Hopefully, this conversion will bring extra T-counts to gas islands and inside the store. We hope they will also uplift the current image of pumps, canopies and any signage.

Financially, franchisees in our group are feeling pressured by low profits due to labor expenses, high write-offs for hot foods, and inventory variations, especially in lottery. These are some of the hurdles that need to be addressed by SEI. Stores are experiencing high turnover in staffing due to high wages and health benefits offered by competitive businesses. To execute all tasks during the different day parts takes quality, motivated employees, which come with a high price tag. Quality vs. quantity

Hopefully it's a transition and everything will work out thanks to fine leadership of Operations. We are united in fighting these challenges together and keeping our thoughts optimistic.

Sacramento Valley FOA

JAY BRAR, PRESIDENT

It is sufficient to say that our guests are now noticing our stores are becoming "One-Stop Destinations," as their growing demand for food service (hot and cold) is being met in an instant and prompt manner. To top it off with a variety of choices from our menu—from pizzas to melts to sandwiches—our stores are taking a huge bite from other quick service restaurants in the neighborhood. While it is a huge step in the right direction, area franchisees are still awaiting new direction from SEI to grow their profit margins. Area franchisees, especially in the Bay Area, are experiencing an unexpected hike in payroll, a truly hard and sour pill to swallow.

In the coming months, our area franchisees are going to become too familiar with new words, such as Expand the Assortment (ETA), new products, and new categories. However, they will also be presented with new possibilities to expand such products and categories. Soon, franchisees will be able to visit Model Stores in their markets. ETA may be the way to go for all of us.

The Summer of 2016 is surely being met with open arms by area franchisees as they see desirable increases in their daily sales. Hope the Summer of 2017 would be even better!

7-Eleven FOAC

KEN PATEL, PRESIDENT

In July the FOAC hosted its third Annual Family Picnic, and once again it was a wonderful success! Over 400 people registered for the daylong event including franchisees, their families, store managers and employees. The weather was perfect as guests enjoyed a variety of activities including DJ entertainment, face painting, volleyball, inflatables, games, contests, costumed characters, kite flying and loads of raffle prize giveaways. Lunch and dinner were served, as well as cotton candy, snow

continued on page 58



Everyone's Favorites

Ensure you are ready for summer by carrying the top performing novelties. Nestlé novelties represent 54% of the top ten selling SKU's for 7 Eleven nationally.



SLIN: 190440



SLIN: 190348



SLIN: 190044



SLIN: 190225



SLIN: 191346



SLIN: 190046



SLIN: 190045



cones and other goodies. A variety of vendors supported the festivities, making it one of the most successful to date.

Franchisees Nirav (Nick) Patel and Rahul Patel helped plan the FOAC picnic from start to finish. New this year, Nick and Rahul decided to honor four men who have gone above and beyond for the FOAC and for the franchisees: FOAC President, Ken Patel; FOAC Treasurer, Liaqat Ali; FOAC Board Member, Nizarali Ladhani; and Heartland Zone Manger, Mike Scales. All four were recognized during the picnic and were presented with awards. Plans are already in the works for next year's event.

Ken Patel, President of the FOAC, would like to invite everyone to attend the FOAC Holiday Trade Show and Party, which takes place on Friday, November 11 at the Holiday Inn North Shore in Skokie, Illinois. The FOAC has been hosting a holiday party for Chicagoland franchisees for many, many years, but this is the fifth year that they've hosted a trade show on the same day. If you are interested in attending, please contact the FOAC at foachicago@gmail.com. Special hotel rates will be available for those wishing to stay overnight.

Baltimore FOA

BARBARA GRAHAM, PRESIDENT

Sales for the Baltimore area markets for June were up 1.2 percent to 4.9 percent, and for July 0.0 percent to 4.2 percent. We have



Southern California FOA Board member Nick Buhular gave the report from the Finance Committee.

been working on increasing the customer count in the stores. We are trending around 30 customers per day. In hot foods, we have seen the chicken sandwich and the cheese-burger. Both of these items are doing well in

the stores. Melts have tapered off, as the customer seems to want a grab-and-go instead of waiting for us to heat the melt.

Franchisees are very concerned about the minimum wage increase, the 2019 contract, and low volume stores. Some of the lower volume stores do not know if they will make it to the 2019 contract renewal because of the increase in minimum wage.

"THIS COMPANY VALUES ITS ABILITY TO SELL FRANCHISES. MINIMUM WAGE IS A RISK THAT MUST BE DISCLOSED."

—JAY SINGH, EXEC. VICE CHAIRMAN

On September 14 we will have our charity golf outing to benefit Swim Across America. This is a wonderful event put on by three local FOAs—Baltimore, Washington, D.C. and Suburban Washington. We would like to thank our franchisee community and our vendors for supporting this event.

Eastern Virginia FOA

ROMY SINGH, PRESIDENT

Eastern Virginia FOA members would like to congratulate the NCASEF for such a wonderful convention. As we are in the middle of the 100 Days of Summer, we are facing too many issues with McLane deliveries. NC McLane is having ongoing problems. We have brought this to the attention of SEI's highest levels and Logistics' management is working to resolve it. The major issue is a communication break between McLane and the franchisee channel. We are helping to resolve this with the help of the Operations team, as well as the Logistics team.

New ETA is being installed in stores. We are hearing two complaints from franchisees. First, the shelving is too high. Guests can disappear in the 54-inch high shelving and we will end up having additional 15-20 percent shortage. Raising the counter is an option, which would allow our sales associate to look in the different isles. Second, the product assortment is an issue. Some FCs are pushing 100 percent according to planogram, whereas the direction from Dallas is to expand the product assortment according to demograph-

ics. We are working closely with the Operations department to find those FCs and have them coached.

Virginia FOA

WAQAR SHEIKH, PRESIDENT

Before leaving for the last NBLC meeting, on which I serve, I had a meeting with my local franchisees to see if they had any issues I should bring to the attention of SEI. We've had some regional issues, the biggest of which was a cap on water delivery. Some areas have a cap at 25, and some are no more than 40 cases. It was addressed in the NBLC meeting by the people who handle McLane. Sean Duffy was called in and gave us good news that they have decided to make a special delivery on Saturdays for water only. Now we should not be short of water with the extra Saturday delivery.



UFONFPB President Ed Denorio said problems with McLane deliveries have increased.

Other issues were minimum wage and the 2019 Agreement. Those issues were discussed in detail during the NBLC meeting. Mr. Joe DePinto expressed his concern about the rumor that the agreement is already written. That is not the case. That is why he formed the 2016 Agreement Committee consisting of franchisees and SEI people to make recommendations, and they had their first meeting in mid-August. I don't know the results of that meeting, but there is no agreement already written. The committee will take all recommendations and based on that, they will move forward.

The other big issue is the minimum wage increases. Mr. Joe DePinto asked the Minimum Wage Subcommittee chairs to expedite that issue. This committee should have more meetings and phone conferences so that he will have the recommendations by the next meeting. The

continued on page 60

Nesquik PROTEIN PLUS

A New Protein Drink With That Great Nesquik Taste!

CONSUMERS ARE ASKING FOR HEALTHIER PROTEIN OPTIONS:

23 grams Protein AND the signature NESQUIK Flavor

No artificial sweeteners

The finest sustainably farmed cocoa beans

28 percent less sugar than leading protein-enhanced flavored milks

Made with real milk from U.S. dairy farms, with no GMOs!

• 78% Want More Protein in their diet

• 40% Are Choosing High Protein Items

• 50% Say Non Meat Sources are Best



AVAILABLE NOW THROUGH MCLANE!

Nesquik Vanilla DSD

SLIN 150180

Nesquik Chocolate via DSD

SLIN 150494

Nesquik Vanilla

McLane SLIN 150055

Nesquik Chocolate

McLane SLIN 150168

Nesquik Vanilla in Colorado

SLIN 150030

Nesquik Chocolate in Colorado

SLIN 150141

SRP \$2.49 • Cost \$1.62 • Billback \$.10
Gross Profit 38 percent after distributor markup

Presidents' Reports

3rd QUARTER 2016

continued from page 58

NBLC is working on that burning issue, and SEI is equally concerned about it.

I am on the NBLC Maintenance Committee and we have addressed a lot of service issues in the last couple of years to the point where it's not the number one issue with franchisees anymore. Franchisees' number one complaint was non-contract charges. What SEI did and what the NBLC suggested is to include everything on the maintenance contract. So now there is a pilot project in Florida where they include everything on the maintenance contract. I SEI is looking at the study and trying to come up with an average cost that can be passed on to the franchisees. That would include everything and there wouldn't be any non-contract charges. This is a huge success for franchisees and we are looking forward to expanding it to all franchisees.

We had our trade show recently, and Mr. Joe DePinto was the chief guest. He arrived with his executive committee and spent the entire day with us. He started by addressing the franchisees and then he spent the time meeting with every franchisee. He listened to our concerns.

South Florida FOA

TERRY HUTCHISON, VICE PRESIDENT

A lot has been going on in Florida. The South Florida FOA consists of members spread across the bottom of the state in a horseshoe shape. This encompasses stores on the east coast of Florida from Stuart all the way down to Miami and then across Alligator Alley to the west coast of Florida, which includes Naples, Ft. Myers and up close to Sarasota. We work closely with the Central Florida FOA, ensuring

"WE MUST SEND FOLKS TO THE 2019 CONTRACT COMMITTEE WITH THE KNOWLEDGE OF THINGS WE WANT."

—ED DENORIO, UFO N. FLA AND PALM BEACH

that the common interests of our membership is well represented within 7-Eleven as well as local, state and federal governmental agencies.

This marks the first year we have aligned our association with the Florida Retail Federation and the Florida Petroleum Marketers and C-Store Association. These organizations have been established in Florida for over 75 years and have already been involved in helping protect 7-Eleven franchisee interests. One of the benefits we receive is being alerted to any city ordinance, state or federal legislation that can have a negative impact on our business. This is very important, simply because a city government can move very fast (within two weeks) in adopting an ordinance as opposed to state or federal legislation, which typically takes months or longer. The program is

positive impact on our business. This is very important, simply because a city government can move very fast (within two weeks) in adopting an ordinance as opposed to state or federal legislation, which typically takes months or longer. The program is



Southern California FOA President Paul Lobana said franchisees want to see fully funded vault promos.



Uptime representative Ben Kim described the brand's revitalization of its Uptime energy drink.

called "Ordinance Watch." If your association hasn't signed up for something similar, I strongly encourage you to consider it!

We have already used this service to identify a city government that was making moves to eliminate plastic bags and all Styrofoam from stores within city limits. Additionally, we were made aware of a separate city government attempting to require much higher minimum wages.

On a separate note, we are staying on top

of Florida FDA tobacco-compliance shops. We are convinced through hard evidence that the third-party which is contracted out to the FDA for executing tobacco-compliance shops (ISN Corp.) is using suspect tactics as they attempt to use Florida as a template in growing the span of their government contracts. The number of compliance shops have jumped from a few hundred per year to over 15,000 per year just in Florida, with failure rates moving from 3 percent to over 25 percent. Doesn't pass the smell test! If you are interested in finding out if your store(s) have been secretly shopped, use this web address and enter the appropriate details regarding your area: http://www.accessdata.fda.gov/scripts/oce/inspections/oce_insp_searching.cfm. You will find out quickly if you need to take additional action.



Sacramento FOA Board member Harprit Dhillon said hot foods were selling but writeoffs could be lower.

Working with the Central Florida FOA, we responded to the June 12 Orlando Massacre and the horrible trend of brutality on our nation's law enforcement officers. Our associations have combined to give thousands of dollars toward each of these tragedies. Officers killed this year are already up over 68 percent over the same time last year. We see these guys/gals in blue in our stores virtually every day as they strive to protect our employees, our families and our property. Just like you, we plan on letting them know how much they are appreciated!

A few key stats as we get close to finishing out August 2016. Last year at the same time, Florida had 770 stores. We have grown that number by 18 and stand at 788 stores. In August 2015, there were 161 Florida corporate stores in operation as compared to the 112 now. Franchise operations grew from 609 stores to 676 in 2016. Gasoline stores grew from 600 in 2015 to 612 currently. Our car wash count

continued on page 62

Pumpkin Spice Latte is Back!

With the irresistible flavors of pumpkin, cloves, nutmeg, and brown sugar.

Be prepared with this #1 selling seasonal favorite starting in September!

Pumpkin Spice has grown 45% in menu incidences the last 4 years.*



MEDIUM

Datassential Menu Trends

F.O.D. 8/22/16



grew by four to 97.

We have eight markets and 92 field consultants, which reflect no change from the previous year. By the way, in looking at turnover, there are 20 new field consultants since August of last year.

The issues most impacting our members include concerns about the 2019 Franchise Agreement, trends of higher labor expense as store operations become more labor intensive, competing with outdated physical plants, negative impacts on gross margin, very poor communication and transparency of gasoline pricing strategies/volume targets and execution of the same, disastrous changeovers, and finally, a lack of dependable and effective in-store technology. We are confident that by working with our corporate partner, we can effectively address these key issues and keep our brand strong for generations!

Pacific Northwest FOA

NAVDEEP GILL, PRESIDENT

The temperature in the Pacific Northwest has been relatively colder this summer as compared to previous years, thus resulting in a negative sales trend. Sales in Seattle Tacoma stores trended negative in July. Stores affected by the \$15 minimum wage are experiencing big hits on their bottom lines. Franchisees affected by the \$15 minimum wage have no op-



Southern Nevada Las Vegas FOA President Lakha Wahla said relations with SEI were improving.

tions other than custom pricing or cutting double shift coverage to offset the increased labor costs. SEI does not like custom pricing, as its biggest concern is that custom pricing is creating inconsistency in the Brand. The NBLC Minimum Wage Committee has not produced any solution to deal with our rising

labor costs. The unemployment rate in the Pacific Northwest is historically low at 4 percent. Franchisees are having difficulty hiring and retaining quality employees.

Third party contractors hired by the FDA have stepped up the frequency of age compliance checks for cigarette and tobacco sales. Stores get notice of failure in the mail after 30 to 60 days, sometimes even later. It is not possible for franchisees to verify the legitimacy of the notice of failure, thus it raises questions on the fairness of the FDA compliance checks.

The Pacific NW FOA had a successful trade show in April, with 55 vendors participating. Elections for FOA Board of Directors were held in April. Eleven elected Board of Directors unanimously elected Navdeep Gill as President, Roger St George as Vice President, Bobby Padma as Secretary, and Vijay Bharty as Treasurer.

Southern California FOA

PAUL LOBANA, PRESIDENT

It's hard to believe we are almost in our fourth quarter of the year! We are happy to see that the Greater Los Angeles Zone has seen a significant increase in sales and gross profit so far this year. The YTD numbers for the GLA Zone through June are as follows:

- 2016 Actual Margin 39.25 percent (national average 35.68 percent)
- APSD Sales Change (2016 vs. 2015) 4.70 percent
- APSD Gross Profit Change (2016 vs. 2015) 5.71 percent

As we are all aware, the increase in minimum wage will impact our bottom lines. FOASC is actively involved in negotiating the 2019 Agreement. We have two franchisees on

"THERE IS NO RELIEF COMING FROM SEI ON THE MINIMUM WAGE ISSUE."

—JAS DHILLON, NCASEF VICE CHAIR



SEI Contract Committee Member Joann Lawson attended the NCASEF Board meeting to see how the organization operates.

the 2019 Agreement Committee. Our franchisee community is giving their feedback to these two committee members to help negotiate the new contract. Just a few of the things our franchisees want to see included in the new agreement are higher gasoline commission, shared maintenance costs and a longer agreement (15 years) with no renewal fee. Gradual Gross Profit Split (GGPS) has been implemented, and a 50/50 GGPS seems to be on franchisees' minds for the new agreement as well.

In general, crime is up across the country, but in California it is due to the passing of Prop 47. This measure requires misdemeanor sentencing for petty theft, receiving stolen property and forging/writing bad checks when the amount involved is \$950 or less. This has proven to be a problem for some areas, especially areas with high homeless rates.

Lastly, one of the benefits provided to our membership is the opportunity for franchisee children going from high school to college to be chosen to receive a scholarship for school. We accept applications throughout the year and the winners are awarded before the fall semester begins. At our last members meeting, on August 10 in Monterey Park, we announced our 2016 Joe Saraceno Scholarship Program winners. The decisions were not easy to make, but with careful consideration our Scholarship Committee chose the following individuals: Simrun Ursani—\$8,000, Cristian O'Neil (\$2,000), Bahadar Panhwar (\$500), Manminder Gill (\$500), Sager Walia (\$500), Ramin Foroughi (\$500), and Bahraam Foroughi (\$500).

Central Texas FOA

VIKAS SHARMA, PRESIDENT

We are a relatively new FOA, and we just joined the National Coalition this year. This is a growing market. This was a traditional and an acquisition market from ExxonMobil. We have 118 stores in our market, and about 88 of them are franchised.

continued next page

We certainly have done quite a bit of community work with our FOA. The biggest event we did was support the Austin Police Department with their yearly community service event. They held it at a local high school and brought in a helicopter and horse units. We were one of the major sponsors, and we gave out free pizza—more than 1,000 slices. We also gave out water, soda and chips during that event. We also sponsor the Austin Police Department's monthly event where they go into underdeveloped neighborhoods to support underprivileged kids and try to build a better relationship with the community.

We have also held a number of educational seminars for our new franchisees because this is an acquisition market. Every year our franchise family is growing in this market. We have brought in an employment lawyer to talk about employment law in Texas, and a workmen compensation expert from the Texas Workmen's Comp Insurance Department to talk to us about the "do's and don'ts" regarding workmen's comp issues. We have also brought in merchandisers and Accounting people from SEI. We have done other events where went to colleges and spoke to kids about how to go on an interview—how to sit, how to dress, how to get a job. We answered their questions.

Since half of the stores in our area are from acquisitions and need to be updated to 7-Elevens, and a lot of our traditional stores are old and require upgrades, maintenance is a big issue for us. We have addressed some of these issues through Zone meetings and FOA meetings. There are things that are getting looked at, but we have a long way to go to improve our maintenance issues.

GP is struggling in this market. The ETA program was a positive thing that 7-Eleven brought into this market, but lots of learning and tweaking needs to be done before ETA really produces increased GP and increased sales.

We would like to commend SEI on their efforts to improve communications. We have seen better communications and faster re-

sponse times ever since Doug Rosencrans became our Zone leader. He is very open and inviting to talk to. He wants to go to the core of the problem, whether the problem can be fixed quickly or if it's a systemic issue. We can clearly see the positive attitude from SEI to help and listen to franchisees.

Cost of goods is another issue we see in our stores. The number one issue is with McLane. McLane's service is the worst it has been since I've been a franchisee, and that has been for the last nine years. They are not just late, they are always late. To make matters worst, we had a meeting with the President of McLane, Gary Johnson. His demeanor and attitude was so negative and all of the blame was put on 7-Eleven and on our clerks. He said they are the reason for the delays, which is absolutely not true. I think McLane is our number one issue right now, especially since we are into the 100 Days of Summer.

7-Eleven owns the Austin market; we are the main player here. Given that, I would expect SEI to become stronger in this market so we can retain and hold our volume, especially since we are beginning to see Circle K coming in. They are on billboards and on the radio. They have a handful of stores here and they have aggressive pricing as well as pizza and drinks. That scares me, and it scares me even more

that we are not updating our stores. The competition has started to pop in and challenge our monopoly here in Austin.

Greater Seattle FOA

AJINDER HANDA, PRESIDENT

The minimum wage increase is still a hectic issue for the Seattle franchise community, because it is \$13 per hour now and will increase to \$15 per hour as of January 1. Franchisees are using various ways to survive: raising SRP, tightening up labor hours, and working extra hours themselves. Now they are looking at 7-Eleven and NCASEF for relief because it's pretty clear that many stores will not



San Francisco Monterey Bay FOA Vice President Neil Khoury said we should start letting SEI know what we would like to see in the new agreement.



Northern California FOA Vice President Sukhi Sandhu spoke about accounting meetings with Dallas, especially declining franchisee GP.

be able to survive any further with \$15 per hour labor.

On August 15 the GSFOA held its third annual charity golf outing at the Bear Creek Country Club in Woodinville, WA. This event was a huge success—96 golfers participated in the golf event afternoon and about 160 people attended the dinner, including franchisees, vendor partners, and partners from 7-Eleven, Inc. We raised \$5,711 during the charity golf tournament, which will be donated to the Swim Across America Foundation. SAA has a local partnership with the Seattle Cancer Care Alliance. Also, the GSFOA will match the SEI's \$2,500 donation to the ACT Six Scholarship program. We are very proud to be part of such a great cause.

Sales have been very flat in Washington State since we had enjoyed a great sale last year, and bad weather is also a factor this year. Currently, both our markets are up by 2 percent.

ETA (Expanded The Assortment) has just started rolling out with many hiccups. Quite a bit mixed feelings about ETA. I will give feedback very soon. **AV**



YOUR SUPPLY CHAIN ADVANTAGE IN ACTION.

When it comes to offering supply chain advantages to 7-Eleven, we're committed to delivering world-class procurement, logistics, merchandising and technology services to help you buy better, sell smarter and profit more.

To find out more, visit mclaneco.com.



© 2015 McLane Company, Inc. All rights reserved.



Why Do People Get Hurt?

John Harp, CSP, ARM Risk Engineering Consultant
Mitsui Sumitomo Insurance Group

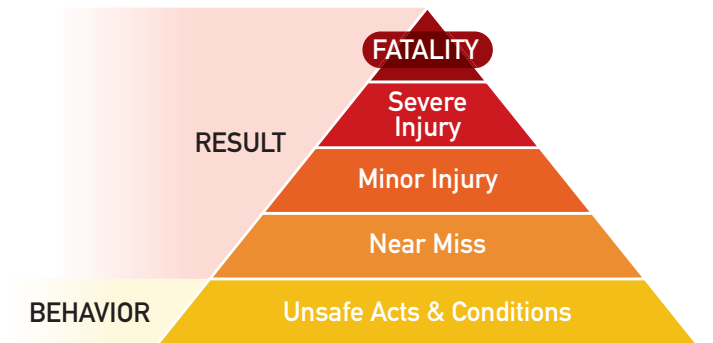
Employees are injured on the job for of many reasons. Research shows that all accidents are either the result of an unsafe condition or unsafe behavior, or a combination of both. Examples of unsafe conditions include poor housekeeping, a broken leg on a step stool, a spill on the floor that caused a slip and fall, or a sharp edge on the trash receptacle that causes a laceration.

Examples of unsafe acts or behavior include an employee leaving the counter in pursuit of a shoplifter, trying to lift two cases of water, using the wrong knife to open hot dog boxes, using a milk crate as a step stool, violation of rules, and taking shortcuts.

and believe “it won’t happen to me.”

We know that for every serious injury, there are unsafe behaviors occurring before the incident. As seen in the triangle there are many occurrences where an employee “got away with it” and then continued the unsafe behavior. Have you checked your cell phone while driving or run a yellow light that turned red because you were in a rush? Repeating these behaviors will likely lead to a crash.

If an employee shows a pattern of ag-



©2012 CATERPILLAR

“So how do we **recognize** and **correct** an unsafe condition? Setting an example as the owner is critical. Then hold your managers and employees accountable for also maintaining safe conditions.”

Can you guess the most common cause? Research shows that an estimated 80-90 percent of all injuries or accidents include an unsafe behavior. If we give the employees a non-safety cutting knife and they inadvertently have their hand in the direction of cutting, is it because they weren’t paying attention or was it management providing the incorrect tool? If it is continually reinforced that shoplifting is hurting the business, but training provides they are not to leave the store, what priority will the employee take in this situation?

By unsafe behavior we do not mean the employee is necessarily to blame. Reasons for unsafe behavior include fatigue, inattention or distractions, lack of training, failure to follow rules, unclear priorities,

gressiveness when dealing with shoplifters but nothing happens, what are the odds they may one day escalate the situation to a point of being seriously injured?

So how do we recognize and correct an unsafe condition? Walking the store and correcting conditions when seen. If it can’t be fixed immediately, secure the area from

“Simple housekeeping is one of the most effective tools in **preventing unsafe conditions**. Show your employees it matters and expect clean, orderly storage areas, coolers, register areas and especially the shopping floor.”

further risk of injury. Setting an example as the owner is critical. Then hold your managers and employees accountable for also maintaining safe conditions.

Simple housekeeping is one of the most effective tools in preventing unsafe conditions. It’s easy to get used to looking at things as they are when you are in the store every day. Show your employees it matters and expect clean, orderly storage areas, coolers, register areas and especially the shopping floor.

How do we recognize and correct unsafe behavior? This is the most challenging of corrections because so many variables can be involved. However, there are tools and techniques that can reduce the chances of unsafe behavior.

First, know your employees and their likelihood of risk taking. Do they listen to instruction? How do they act with customers that question an ID for alcohol, demand a different hot dog, or are suspected of shoplifting? Are they short tempered? Do they follow the rules, training and advice? If you or managers overlook risky behavior or chance taking, you have quietly reinforced that personal safety is not the priority.

Tips To Manage Or Minimize Unsafe Behavior

1. Training—This must be done thoroughly upon hire and regularly after. Watching a

continued on page 66

continued from page 65

video has only a small impact on behavior since adults retain very little about what they see. However, by hearing and doing, and repeating the desired behavior, there can be improved learning. And remember, a young adult needs to be trained differently than an older adult.

2. Personal problems or troubles at home can influence behavior at work. Communicate privately and create an open atmosphere where the employee feels they can be honest and will be heard.

3. Provide on-the-spot correction of an unsafe behavior. Explain in a positive tone the right way to do the task or manage a customer situation.

“As the owner, president and all around executive, you **set the tone** for safe conditions and safe behavior.”

4. Ask your employees for ideas, better methods or concerns. They are constantly interacting with equipment, products and customers, and frequently have the best suggestions.
5. Exercise enforcement and discipline if necessary. Employees must know there are rules and boundaries for safe behavior. Without strong reinforcement of the rules, the employee will recognize the true priority. This also shows the other employees you want a well-run operation following procedures.
6. Praise and reward positive behavior. Everyone wants to be appreciated and acknowledged for proper handling of a difficult situation, using the right step stool or asking for help. This will help continue the positive behavior.
- Who’s Responsible?**
- As the owner, president and all around executive, you set the tone for safe conditions

and safe behavior. Your verbal and non-verbal communication and expectations for your managers and employees will influence the likelihood of chance taking.

My recent article about the critical risk of employees leaving the counter to pursue a shoplifter or assailant, and the potential lethal consequences, is a perfect example of a calculated risk-taking behavior that cannot be trained away with a video or poster. Assuring there are no mixed messages about costs and shoplifting or trying to be a hero, there also needs to be continual reinforcement of expected behavior in negative situations and possible consequences such as injury or job termination.

If you have any concerns, questions or need further advice, please contact SEI Asset Protection, your broker or MSIG. **AV**

JOHN HARP
CAN BE REACHED AT
jharp@msigusa.com
or 908-604-2951

GET BOTH POPULAR FLAVORS!

QUAKER CAP'N CRUNCH CEREAL NOW IN POUCHES!

Capitalize on the strong double digit growth of the Cap'N Crunch Brand

Convenient portable format encourages snacking in new day parts

Peggable for alternative display locations

ORDER NOW THROUGH MCLANE!

Sprinkled Donut Crunch SLIN 212472

Crunchberries SLIN 212469



Member News

continued from page 18

Legislative Update

payment. According to the deal's critics, it also protected Visa and MasterCard from future litigation.

SNAP Rules Harmful To C-Stores

The overhaul of the \$74 billion Supplemental Nutrition Assistance Program, or SNAP, would hurt convenience stores like 7-Eleven while it could benefit giants like Wal-Mart and Kroger, reported the *Wall Street Journal*. By the end of the year, the U.S. Department of Agriculture wants to adopt rules that require stores redeeming food stamps to stock a wider variety of meats and vegetables and sell fewer hot meals, like pizza. The aim is to increase access to healthy food for low-income people.

Big supermarket chains like Wal-Mart already happen to meet the tougher requirements because of their breadth of inventory. But some 195,000 smaller stores would have to add dozens of new items in multiple quantities—a move they say would be costly and unprofitable, citing limited shelf space and spoilage issues for fresh food.

The Obama administration's latest effort to influence eating habits has prompted a showdown with Congress.



"The U.S. Department of Agriculture wants stores redeeming food stamps to stock a wider variety of meats and vegetables and sell fewer hot meals, like pizza."

House and Senate committees have held hearings on the proposal and recently passed amendments that would essentially block the USDA from implementing portions that retailers view as government overreach. At a time when sales growth is slow, redeeming food stamps is critical for grocers. Last year, SNAP funds comprised an average of 5.8 percent of sales at participating stores, according to the Food Marketing Institute.

Mass. Considers Online Lottery

In response to declining sales among digitally savvy young adults, the Massachusetts State Lottery is calling on lawmakers to allow lottery games offered around the clock on mobile devices and computers, reported the *Boston Globe*. State lottery officials said they have studied online games and are now seeking legislative approval of a pilot program

continued on page 70



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 36

come for the future of fuel pump lottery. •

Over half of all households in the U.S. now purchase organic produce, reported the Organic Trade Association. Fresh organic produce sales in the U.S. reached \$13 billion in 2015. • Foodservice **delivery** is winning visits at the expense of restaurant drive thru, reports The NPD Group. Over the past four years, delivery has grown by 69 million visits (orders), while drive thru traffic fell by 128 million visits from May 2012 through May 2016. • Unilever announced it recently signed an agreement to **purchase Dollar Shave Club** (DSC), a full male grooming business that has transformed the shaving category. In 2015, DSC had turnover of US\$152 million and is on track to exceed US\$200 million in turnover in 2016. • **Visa filed a lawsuit against Wal-Mart Stores** in late June, claiming the retailer secretly began testing a protocol that eliminated the need for signature verifications for transactions paid for with a Visa debit card, reported Reuters. The lawsuit came about a month after **Wal-Mart had sued Visa** for not allowing the use of PINs on debit card purchases. • The **Pennsylvania Liquor Control Board** recently began accepting requests for various new licenses and permits authorized under Act 39 of 2016. The PLCB has also implemented organizational changes to support a new class of customers—including grocery and convenience stores—interested in **obtaining wine expanded permits to authorize the sale of wine to go**. Beer is not included. • Wawa celebrated its annual Hoagie Day Celebration on June 30 by building a **six-ton sandwich** with the help of celebrity chef and Food Network star Robert Irvine, reported *Philadelphia Eater*. • China recently tested a long-awaited **elevated bus** that straddles the road, thus allowing cars to drive below it, reported *USA Today*. The Transit Elevated Bus, nicknamed TEB-1, is about 70-feet-long, can carry up to **300 passengers, runs on electricity and solar power**,

continued on page 74



NOT SUCH A **HAPPY** BIRTHDAY, AFTER ALL

BY MIKE RARUS | South Florida FOA

Please excuse me for writing, but it has been several years since I was able to actually have an article published by our friends at *Avanti Magazine*. I tend to rant and rave at times, and since a recent debilitating illness has sapped me of my strength and my ability to continue to work with my FOA in my former capacity, I have been quiet as regards activities surrounding 7-Eleven.



On a good day, I can continue to be quite articulate, and today happens to be one of those days. I want to take a minute of your time to vent about what has become not a celebration of Slurpee, but a chore that continues to become a bigger headache for many—if not all—of us.

7-Eleven Free Slurpee Day is touted by our franchisor as a day to celebrate. We are inundated with countless requests to sample/sell the various food items that have been intro-

ket. We, as franchisees, are asked to sell the world, add additional labor to our teams for that day, and in essence, lose money for the so-called “lift” that this day will provide us long-term (which, by the way, is questionable in many areas of the country).

At the same time, the few remaining corporate stores are told to not have over-time, and do the best they can with whatever labor hours are allocated to them. Something is not quite right here, which you would notice if you work that day and deal with the hundreds of faces that come into your store, never to return again until the next free Slurpee day.

Not only that, but on this annual celebration day our employees are abused. The demand on the machines is too great

“7-Eleven Free Slurpee Day is touted by our franchisor as a day to celebrate.”



“Franchisees are asked to add additional labor to our teams for Free Slurpee day, and in essence, lose money for the so-called lift this day will provide us long-term. Count me out for next year.”

duced, with high-end expectations and ridiculous “goal” setting from the appropriate field consultant in charge of that category in each respective mar-

to support the folks coming into the store. Depending on your geographic location, most areas are too hot, and guests are not coming in to eat, they are simply coming

in to get a free drink. We do not get financial relief from 7-Eleven. We get no support from the corporate team.

If this is such a big day and such a big deal, then every single member of the corporate headquarters, including Joe DePinto, should be required to work 11 a.m. to 8 p.m. in the store

closest to their residence. Once they find out that they can’t even leave by 8 p.m., perhaps they will realize the effort it takes for our teams to try and execute this without guest complaints. How do you deal with hundreds of extra folks on your second shift, and leave the store to your third shift, when you still have hundreds of guests who do not understand the hours are 11 a.m. to 7 p.m.? Well, the bottom line is, you don’t.

I am tired of being abused by guests who never come back, and I am tired of having to deal with this ridiculous Slurpee “celebration.” Until such time that we get labor support from the field instead of directives to sample and sell food to folks that do not want it, for the most part I am done with this mess. Count me out for next year.

Sorry...done ranting now. Great idea, bad idea? What do you think? **AV**

Visit the National Coalition
Website: www.ncasef.com



Member News

continued from page 67

Legislative Update

that would require players to register online and use a credit card. Massachusetts' lottery has been considered the country's most successful, raising about \$1 billion a year for local services such as public safety and education. However, marketing studies show a clear preference for online tickets among people

"Lottery marketing studies show a clear preference for online tickets among people younger than 40."

younger than 40. State lottery officials said the online drawings will supplement, not replace, traditional paper tickets. But convenience stores, many of which rely heavily on lottery sales, are worried a digital alternative would drive away many regular players.

California Bill To Limit Tobacco Sales Fails

Senate Bill 1400, which would have removed tobacco sales from California c-stores, died in the state Assembly in late June, reported the *Sacramento Bee*. The measure proved so unpopular with lawmakers that it couldn't even get a vote during a committee hearing. The bill squeaked out of the Senate in early June with a bare-minimum 21 votes. But opponents—including the retailers and distributors associations and more than 200 convenience store owners—showed up in force at the Assembly Business and Pro-



fessions Committee hearing on June 27 to make the case that SB 1400 would destroy their livelihoods. After a lengthy discussion, the committee chair called for a motion to vote on the bill, and his colleagues remained silent. "Seeing and hearing none, the measure fails," he said. In the audience, the convenience store owners cheered.

Campaign Launched To Raise Colorado Tobacco Tax

Supporters have recently launched a campaign to raise Colorado's tobacco tax by \$1.75 per pack, according to CBS4 Denver. The state's current cigarette tax is \$0.84 per pack, which some might consider a bargain. More than 50 organizations are behind proposed Initiative 143 to up the tax on cigarettes to \$2.59 per pack. With the average pack at \$5.55, the average cost for a pack in Colorado would increase to \$8.14. The last tobacco tax increase was in 2004. It will take 98,000 signatures to get the initiative on the ballot. It's estimated the tobacco tax would raise \$315 million a year. The money would be dedicated to veterans health care, cancer and Alzheimer's research, expanded access to youth behavioral health services, and more.

Pennsylvania Raises Cigarette Tax

Pennsylvania lawmakers recently approved a \$1.3 billion election year revenue package that hinges on a cigarette tax increase to balance the state's deficit-riddled budget and avert a lawsuit and a bond downgrade, reported the Associated Press. The final package calls for a \$1 tax increase on a pack of cigarettes, from \$1.60

to \$2.60, to generate \$430 million. It imposes a 40 percent tax on the wholesale price of electronic cigarettes, as well as a 55-cents-per-ounce tax on roll-your-own tobacco and smokeless tobacco, raising \$63 million between the two. Cigars would continue to be exempt.

Portland Raises Minimum Tobacco Age

Young adults are now barred from buying cigarettes in Portland after the City Council passed an ordinance that raises the minimum age to purchase tobacco products from 18 to 21, reported the *Bangor Daily News*. The Council unanimously voted in favor of the ordinance, which aims to lower smoking rates and improve public health by restricting access to tobacco. The council's decision does not, however, affect the age at which it is legal to smoke, which remains 18. The new rule also applies to electronic cigarettes.

"More than 100 municipalities, including some major cities, have raised the minimum purchase age for tobacco to 21."

The decision makes Portland the first city in Maine to place such restrictions on tobacco, but it follows a trend of cities and states nation-wide upping the age requirement

to parallel that placed on the purchase of alcohol. More than 100 municipalities—including Boston, New York City and Chicago—have enacted similar rules, and California in April became the second state to do so.

Californians To Vote On Cigarette Tax Hike

An initiative that would increase California's tax on cigarettes by \$2 per pack to fund health care, tobacco use prevention and other programs qualified for the No-

continued on page 78



DURACELL®

QUANTUM

Replaces Duracell Ultra

Quantum AA 6pk



UIN 515890



Quantum AAA 6pk



UIN 515908

DURACELL with Duralock Power Preserve™ Technologies



Coppertop AA 8pk



UIN 160633



Coppertop AAA 8pk



UIN 160634



Coppertop C 2pk



UIN 512467



Coppertop D 2pk



UIN 512418



Coppertop 9V 1pk



UIN 512525



DURACELL®



Member News

continued from page 67

FOAC Celebrates Franchisees At Annual Family Picnic

The FOAC hosted its third Annual Family Picnic with hundreds of people in attendance. Franchisees, their family members, their store managers and employees were all invited to attend the day-long event, which took place on Saturday, July 16th at a beautiful forest preserve outside of Chicago.



In addition to DJ entertainment, there were plenty of activities for adults and kids including games, contests, kite flying and face painting. Lunch and dinner were served, as well as plenty of snacks. The event was free for all to attend.

"We're all so busy running our stores," said Ken Patel, FOAC President. "It's nice to be able to take a break and enjoy our friends and families," he added. "That's what the FOAC picnic is all about!"



INTENSELY COLD. UNMISTAKABLY COOL.

NEW ULTRA MENTHOL

The new addition to the Djarum Black line combines the unmistakable taste and aroma of a premium aged tobacco with an intensely cold blast of menthol. No wonder more smokers than ever are asking for Djarum by name.

DJARUM | **#1 MOST PRODUCTIVE CIGAR BRAND***



Ask your Kretek representative for details at salesinfo@kretek.com

DJARUM

www.djarumcigar.com

WARNING: Smoking cigars causes lung cancer, heart disease, and emphysema, and may complicate pregnancy. This product contains chemicals known to the State of California to cause cancer and birth defects and other reproductive harm.

Source: Nielsen convenience channel data latest 52 weeks ending 2/20/16
Measure: Dollars per total distribution point (S/TDP); cigar brands with a minimum of 26% ACV reach



Member News

continued from page 26

water, juices, teas and sports and energy drinks—are 18 percent higher over the hot summer months. Nielsen data shows that convenience stores account for more than 42 percent of all packaged beverage sales in the country, factoring in all sales from convenience stores, grocery, drug and mass merchandisers.

NACS said convenience stores also sell the majority of beer purchased in the country (59 percent) when examining the same sales universe, and beer sales at convenience stores increase 9 percent over the summer months. Not surprisingly, ice sales also are extremely strong over the summer

months, and convenience stores sell an estimated 45 percent of all packaged ice purchased, or \$1.9 billion overall.

Seattle Minimum Wage Hike Not Benefitting Workers

A new study reveals that since Seattle raised its minimum wage from \$9.47 to \$11.00 per hour last year, fewer workers had a job than would have without the increase, and those who did work had fewer hours, reported the *Washington Post*. Economists commissioned by the city to study the minimum wage increase—which will reach \$15 per hour in 2017 for large employers and 2021 for small employers—found that if employers cannot stay in business while paying their staff more, they will either hire fewer people or give their workers fewer hours. As a result, even if wages per hour increase, workers' total earnings could decline.

Wawa's Big Investment In Florida Expansion

Wawa intends to roll into North Florida in a big way, starting with up to five gas station-convenience stores by the end of 2017 and at least 30 locations eventually, reported the *Daily Record*. At a cost of at least \$5 million in each location and 40 jobs per store, the Pennsylvania-based company is looking at an investment of \$150 million and a job base of 1,200 in Northeast Florida with

continued on page 80

Visit the National Coalition
Website: www.ncasef.com



continued from page 67

and was designed to ease traffic congestion. • C-store chain Stewart's Shops—with the help of the New York State Energy Research and Development Authority and EnterSolar—recently completed a 1.85 megawatt solar installation designed to offset up to 75 percent of the power used by 17 of its stores in Upstate New York. • **Californians bought more electric cars in June than the rest of the U.S. combined**, according to GreenCarReports. Of the 13,772 cars with plugs sold that month, 7,161 went to buyers in California. • SmartMetric, Inc. announced that it has created a **credit card with an embedded fingerprint reader** that will prevent skimming and stump deceptive retail clerks and servers. The company said it is now engaged in ongoing discussions with the biggest card issuers in the U.S. and Europe. • **Hershey Co. will relocate its flagship location in New York City's Times Square from its current 2,200-square-foot space to a storefront that's three times the size**, reported the *Wall Street Journal*. Hershey's Chocolate World store is popular—with over 3 million visitors annually—but the company said its size limits the number of brands and experience it can offer. • Wal-Mart announced that is in talks to **buy discount online retailer Jet.com** for approximately \$3 billion in cash, a move that would boost the retail giant's e-commerce efforts. Jet.com launched last year with a business model promising to undercut Amazon on price by having suppliers ship directly to customers, according to the *New York Times*. • Most cannabis retailers saw a **rise in sales of marijuana products during the Fourth of July holiday**, reveals new data from MJ Freeway. July 4, and the three days leading up to it, saw **\$80.4 million in cannabis retail sales**—a 25 percent increase over June 2016 daily sales averages. •

continued on page 76



Working together to find real solutions



by Joe DePinto
Chief Executive Officer

I believe our franchise system and Franchisees are 7-Eleven's greatest competitive advantage – local business owners serving local communities. Franchisees know their customers and

business better than anyone. Thus, we created the National Business Leadership Council (NBLC) to leverage this advantage across the 7-Eleven system.

The NBLC is made up of 45 Franchisees from across the United States, working with SEI senior leaders to solve problems and drive the business. The Council has been active since its creation in January 2011.

Here are a few recent examples of what the NBLC has worked on and its successes:

Inventory Activity Review. For many years, a small percentage of Franchisees experiencing financial difficulties faced the Financial Information Worksheet (FIW) process. This complex and often confusing process was a source of tension in SEI's relationship with some Franchisees. To address these concerns, the NBLC created the Inventory Activity Review Committee to develop a better, more transparent process.

After many months of discussion and collaboration, the committee developed the Inventory Activity Review. This system provides Franchisees with more information, more time, and more opportunities to resolve inventory discrepancies with SEI. It moves from a reactive process to a proactive process that aims to assist Franchisees.

Underperforming Stores. Underperforming stores are defined as substantially below sales averages in their markets, and we know that low volume stores are often more

difficult to operate. The NBLC created the Underperforming Stores Committee to develop a holistic approach to the underperforming store issue.

The committee agreed on the definition of "underperforming stores" and determined root causes. SEI then created a comprehensive support program for underperforming stores. So far: 336 Franchisees have received support, Low Volume store count has been reduced by 445 stores (28%), and Sales in Low Volume stores grew faster than in all other stores (+7.7% average quarterly growth). In 2015, SEI provided more than \$4 million in financial support to underperforming stores.

Accounting Issues. SEI's accounting support of Franchisees is a main point of differentiation versus other franchising options – but it remains a challenge as it continually ranks low in our annual Franchisee Opinion survey. The NBLC formed the Accounting Committee to address these challenges.

One of the largest accomplishments of this committee was to identify the need to improve the Accounting Help Desk. SEI moved the Help Desk to the Store Support Center and hired a team of experienced accounting professionals to staff it. The improved Help Desk began operations on May 2.

As you can see, the NBLC is an important tool for SEI to continually improve support of Franchisees and drive our businesses. It is another example of how working together, we can find solutions that make store operations more effective and efficient.

Oh Thank Heaven for all of you!



South Florida FOA Helps Out Local School

The South Florida FOA recently made a \$2,500 charitable donation to help support a summer camp for kids at a local school. FOA members met with administrators of the Somerset Academy in Fort Lauderdale on June 7 to present them with the check. The donation is an annual ritual for the FOA, which looks to help out local schools or non-profit organizations. Pictured are (from left to right): South Florida FOA Board member Zahid Anwar, FOA Board member Deo Motie, FOA President Teeto Shirajee, Somerset Academy Vice Principal Joseph Parker, Principal Donyale McGhee, Dean of Discipline Shantel Haye, teacher Chris Priester, and FOA Board member Mintu Patel.





Member News

continued from page 74



RISING MINIMUM WAGES AND THE 7-ELEVEN BUSINESS MODEL

By Navdeep Gill

President, Pacific Northwest FOA

The 7-Eleven business model is unique in that it is not based on a fixed royalty, but rather the franchisor and franchisees are responsible for certain operating expenses and split the profits. The 7-Eleven system is also unique in the sense that the franchisor can unilaterally make changes to this business model as it finds necessary, and franchisees are at the mercy of the franchisor.

The rising minimum wage across the country is a challenge to franchisee profitability. As the 2019 Agreement is being worked on, this is the perfect time to start the debate on our current business model. While SEI needs happy and prosperous franchisees, at same time franchisees need to be financially strong so 7-Eleven can grow and expand its market share. Therefore, I suggest that both SEI folks and the Franchisee Advisory Committee work closely on changing the business model.

Let us start with the gasoline commission. Selling gas costs franchisees more than their share of the gas commission in labor dollars for cleaning the parking lot, cleaning the pumps, trash removal from the gas island, etc. Higher minimum wages result in increased labor costs to do these tasks. On the other hand, SEI is making

every effort to cut gallons by increasing CPG so it has to pay less to employees. Is this fair? Is not the current gas strategy shifting profits from franchisees to SEI? The majority of franchisees see it this way. Our business model must be changed.

SEI and franchisees fully agree that food service is the future of our business. How to achieve success with it, however, is the question. SEI wants franchisees to sell more and more fresh foods from the old, tired stores that have not been adequately remodeled for years, and to compete with other food-selling outlets. Selling more fresh and hot food

requires more labor. Additional GP dollars generated from selling more food only offsets the increased labor costs under the current business model. Advertising plays a big role in selling food, and McDonald's and Subway are perfect examples. The business model must change.

SEI and franchisees both agree that stores need to be remodeled and must be better maintained. As SEI is growing and adding more stores at such a fast rate, it is normal that priorities are different for SEI and franchisees. Franchisees can remodel their stores at a much lower cost than SEI by hiring local contractors. Franchisees can maintain and replace the equipment at a lower cost and more timely manner if given responsibility. The business model must change.

It is time to take a serious look at other successful franchisee models from the QSR and c-store industries. I think it is time to go to a fixed percent royalty-based model. Also, SEI should sell the stores to existing franchisees at a fair price. I have no doubt that stores will look much better than the current situation if franchisees owned them. Changing the business model now will be a timely change and will mutually benefit our franchisor and franchisees. It is only a matter of time before we see a \$15 or higher minimum wage all over country, so it would be wise to act now rather than later. **AV**

NAVDEEP GILL CAN BE REACHED AT
navdeepgill@msn.com or 253-251-4455



continued from page 74

This year, gas prices hit their lowest mark for the Fourth of July weekend since 2004, reported AAA. • **If manufacturers can deliver on their promises to move electric cars from niche to mainstream, U.S. gasoline demand could drop by 350,000 to 1 million barrels per day by 2035**, according to a new Wood Mackenzie study. • Diageo recently announced that it is changing the name of its U.S. beer business from Diageo-Guinness USA to **Diageo Beer Company USA** in order to better convey the company's brewing credentials and commitment to the broad category of premium beer. • **McDonald's is expanding its all-day breakfast menu** beginning in September to include McGriddles, hotcakes, sausage burritos, oatmeal, and hashbrowns, reported **Fortune**. The promotion has been a huge success for the fast-food chain since its launch in October 2015, resulting in increased visits and new customers. • The combined **greenhouse gas emissions** associated with the transportation and refrigeration of beverages in aluminum cans are lower than those associated with that of beverages in glass or plastic bottles under the same conditions, reveals a new study conducted for the Aluminum Association by ICF International. • Payment technology company NCR recently discovered that **credit card thieves can rewrite the magnetic stripe code on chip-based cards to make them appear like chipless cards again**, allowing them to keep counterfeiting, reported CNN Money. • A plaintiff's suit against SEI over the labeling of its **7-Select** potato chips will move forward after a panel of California's Ninth Circuit Court of Appeals reversed dismissal of the claims, reported Lexology.com. The lawsuit claims the front of the package touted the **chips as having "0g trans fat"**

continued on page 88

GREAT TASTE ZERO CALORIES

XYIENCE[®]

ENERGY DRINK



Now a recommended item!

Zero Calorie is the fastest growing segment in the Energy Drink category!*



CRAN RAZZ - SINGLE

FROSTBERRY BLAST - SINGLE

CHERRY LIME - SINGLE

MANGO GUAVA - SINGLE

BLUE POMEGRANATE - SINGLE



1 86249 00004 6



8 42885 09715 3



8 42885 09821 1



8 42885 09871 6



8 42885 09863 1

*Nielsen, Volume Sales, xAOC including Convenience, Latest 52 Weeks Ending 4/23/2016



Member News

continued from page 70

Visit the National Coalition
Website: www.ncasef.com

Legislative Update

member ballot recently, reported the *SoCal Patch*. What backers have dubbed the “California Healthcare, Research and Prevention Tobacco Tax Act of 2016” would also place an equivalent tax increase on other tobacco products and electronic cigarettes containing nicotine.

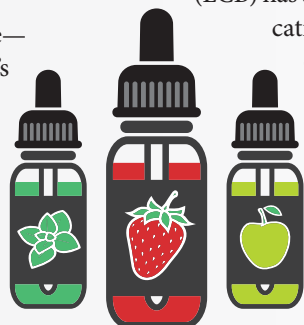
Tax revenues generated from passage of the measure would primarily be allocated to increase funding for existing health care programs, tobacco use prevention and control programs, tobacco-related disease research and law enforcement, University of California physician training, dental disease prevention programs and administration. If the tax increases cause decreased tobacco consumption, tax revenues would be transferred to offset decreases to existing tobacco-funded programs and sales tax revenues.

West Virginia Hikes Cigarette Tax

To balance the state budget, West Virginia has raised its cigarette tax by 65 cents a pack as of July 1, reported the Associated Press. E-cigarette and other tobacco product taxes also increased. The cigarette tax raise puts West Virginia at \$1.20 a pack compared to Kentucky's 60 cents a pack, but it is still less than Ohio's \$1.60 tax. The hike is expected to raise \$98 million annually, and help fill a budget hole left by sputtering coal and low natural gas prices. West Virginia's 55-cents-per-pack tax rate was the sixth lowest in the United States.

FDA Deeming Rules Kick In

The FDA's deeming rule—which extends the agency's regulatory authority to e-cigarettes and vape pens, all cigars, hookah (waterpipe) and pipe tobacco, nicotine gels, and certain dissolvables—went into effect on August 8, 2016. Although



the rule itself is considered effective on August 8, only some provisions required compliance as of that date. Among them, and most import to c-store operators, are the provisions restricting the sale of newly-regulated tobacco products to youth. Specifically, retailers must not sell e-cigarettes, hookah or pipe tobacco, or cigars to people under 18 years of age, and must check photo ID of everyone under age 27 who is attempting to purchase such products.

Some Pennsylvania C-Stores Free To Sell Beer

The Pennsylvania state Supreme Court recently dismissed a case brought by beer distributors seeking to overturn a license for carryout beer sales by a Sheetz

“Retailers in San Marcos, California must now purchase a ‘tobacco retail license’ which will fund regulatory action on tobacco.”

location in Cumberland County because the convenience store and cafe were on the same property as gas pumps, reported the *Tribune-Review*. This means grocery and convenience stores that operate gas pumps will no longer have to fear their liquor licenses will be challenged in court.

Distributors initially argued the state's liquor laws prevent beer from being sold at locations that also sell gasoline or other liquid fuels. The Liquor Control Board (LCB) has approved licenses for those locations for years as long as they otherwise met the criteria for a restaurant or cafe license. A Commonwealth Court ruling upheld the LCB's decision, but distributors appealed. The court tossed the case after a little-noticed provision of Act 39—the

law approved in June that allows supermarkets to sell wine to go—clarified the liquor code based on previous court rulings. The ruling also spared the parties an agonizing discussion of the definition of the words “location” or “place,” the crux of the case.

California City To License Tobacco, Vape Retailers

Stores that sell tobacco or electronic cigarettes in San Marcos, California must now get a special license from the city—a move aimed at keeping the products away from people too young to buy them, reported the *San Diego Union-Tribune*. The “tobacco retail licenses” will cost roughly \$190, which the city will use to make sure businesses are following tobacco laws, including restrictions on selling to underage users. California recently raised the legal age for buying tobacco or vaping products from 18 to 21, becoming the second state to do so, behind Hawaii. The license fee was really the point of instituting the San Marcos ordinance. The city hadn't been regularly checking to make sure retailers were following the rules, but will now do so at least once a year, officials said.

Equal Pay Law In Massachusetts

The governor of Massachusetts recently signed into law a bill requiring men and women be paid equally for comparable work, reported CBS Boston. Women are currently paid on average about 82 percent of what their male counterparts make for comparable work in Massachusetts. The new law also prohibits employers from asking prospective workers to provide a salary history. Supporters say that practice can perpetuate a cycle of lower salaries for women. Prospective employees could voluntarily offer salary information. The new law takes effect July 1, 2018. **AV**

CREAMER PRODUCTS THAT RESOLVE YOUR COFFEE BAR OPERATIONAL ISSUES



CARNATION® CREAMER SINGLES

- Classic, dairy heritage and 94% brand awareness.
- Best in class shelf life of 180 days!



new!

CARNATION HALF & HALF CREAMER SINGLES
Size: 180ct • UIN No.: 709618

COFFEE-MATE® LIQUID CONCENTRATE PUMP BOTTLE CREAMERS

Size: 1.5L - 2 bottles per case

COFFEE-MATE® liquid concentrate creamers convenient pump format

- 300 single servings per bottle
- 9 month shelf life, 30 days once opened
- Reduces in-store waste
- Tamper-proof locking lid – foodservice safe format



HAZELNUT
UIN No.: 341594



FRENCH VANILLA
UIN No.: 341545



ORIGINAL
UIN No.: 341578



PUMPKIN SPICE
UIN No.: 767723
Ship dates: Aug – Oct



PEPPERMINT MOCHA
UIN No.: 493312
Ship dates: Oct – Dec

SEASONAL



COFFEE-MATE® SUGAR FREE CREAMER SINGLES

- Only 15 calories per serving
- No refrigeration necessary: 9-month shelf life at room temperature
- Sugar free; lactose free; Kosher dairy

COFFEE-MATE SUGAR FREE FRENCH VANILLA

Size: 4/50ct • UIN No.: 748475



All trademarks are owned by Société des Produits Nestlé S.A., Vevey, Switzerland. 5144 • 7/16



Member News

continued from page 74

those first 30 stores. Wawa projects a second wave of 10 or more openings in 2018. In 2019 and after, the company expects to open two to four stores a year in the region.

In South Florida, Wawa recently broke ground in Pompano Beach and West Palm Beach, reported the *South Florida Business Journal*. The company's CEO said he wants to reach 100 locations in South Florida. He added that Wawa went into Broward and Palm Beach counties first because they are geographically closer to its Central Florida stores.

Dunkin' Donuts Expands Delivery In NYC

Dunkin' Donuts announced it is expanding its Dunkin' Delivery service test to New York City in select areas of Brooklyn and Manhattan. The company said Dunkin' Delivery will be offered through on-demand delivery service DoorDash. Brooklyn and Manhattan-area residents

"Brooklyn and Manhattan-area residents can use the DoorDash app or website to get their favorite Dunkin' Donuts products delivered with just a tap or click, without leaving home or work."



can use the DoorDash app or website to order their favorite Dunkin' Donuts products with just a tap or click, without leaving home or work. Customers can select and purchase a variety of Dunkin' Donuts menu items for themselves or for a group, including a Box O' Joe or just one cup of coffee, a dozen donuts, sandwiches and more, and have the products delivered in less than 45 minutes. Dunkin' Delivery is also available through DoorDash in Atlanta, Boston, Chicago, Dallas, Los Angeles and Washington, D.C.

Tesla Planning Charging Stations With Sheetz

Tesla is in talks with Pennsylvania-based convenience store chain Sheetz to vastly expand the electric vehicle-maker's network of charging stations—and reduce the likelihood of its customers getting stranded someplace on an hours-long drive, reported the *Washington Post*. Sheetz operates hundreds of retail outlets across six

Visit the National Coalition

Website: www.ncasef.com

states, mostly in the mid-Atlantic region. It already has eight locations where EV owners can charge their non-Tesla cars, scattered throughout Pennsylvania and North Carolina, and now it could add Tesla's charging infrastructure to the mix.

The potential partnership between Sheetz and Tesla reflects the beginning of a wider awakening in the gas station and convenience store industry, the article states. While EVs currently account for less than half a percent of new car sales, that figure is expected to grow—Bloomberg New Energy Finance estimates that by 2040, roughly 1 in 3 new vehicle sales could be an EV.

Couche-Tard Reports Sales Increases

Canadian c-store retailer Alimentation Couche-Tard recently announced results for its fourth quarter and fiscal year 2016, and stated its fourth quarter same-store merchandise revenues increased 3.2 percent in the U.S., merchandise and service gross margin stood at 33.7 percent in the U.S.—up 30bps, and same-store road transportation fuel volumes grew by 3.6 percent. For the fiscal year, the company said its net earnings amounted to \$1.2 billion, up 28.4 percent over fiscal 2015, and that it added 867 stores to its network through acquisitions and new openings.

Chino Hills, CA Powerball Winners Come Forward

Six months after a \$1.6 billion Powerball lottery jackpot set records, the holder of the winning ticket bought at a Chino Hill, California 7-Eleven has finally come forward, reported *The Press Enterprise*. Marvin and Mae Acosta were announced as the winners via a tweet from the California Lottery on July 19. The couple wants "to remain as private as possible," the tweet

continued on page 82



argo tea.

tea + ingredients with purpose.®

Pour on the Profits!

Argo Tea is one of the highest penny profit beverages in your coolers.



ORDER NOW!

MOJITEA
SLIN: 246190
UIN: 185637



*Not available in all McLane DCs

GREEN TEA
GINGER TWIST
SLIN: 241493 • UIN: 754721



CAROLINA
HONEY
SLIN: 241499 • UIN: 754713



HIBISCUS
TEA SANGRIA
SLIN: 241491 • UIN: 754705



HIBISCUS
TEA SQUEEZE
SLIN: 246189 • UIN: 185512



*Not available in all McLane DCs

Stop by the Argo Tea booth (#606) at the NCASEF Trade Show in Las Vegas, July 27-28, to take advantage of a hot "BUY 3, GET 1 FREE" case offer (only available at the show). See you in Vegas!



On July 25, the officers of the Columbia Pacific FOA presented a \$2,500 donation to Doernbecher Children's Hospital. The funds were raised during the FOA's annual charity golf tournament. Pictured from left to right: Harbhajan Ghotra (President), Junaid Akhtar (Treasurer), Stan Singh (Vice President), and Christina Wood (Doernbecher Development Coordinator).



Member News

continued from page 80

said. According to the California Lottery, Marvin and Mae will have the option of choosing between a 30-year annuity worth \$528.8 million before federal taxes or take a one-time payment of \$327.8 million.

The January 13 drawing set off a nationwide frenzy, with ultimately three tickets sharing the jackpot. When word got out that California's winning ticket was sold at the 7-Eleven owned by Balbir Atwal, the store quickly filled with people celebrating the win—but the actual winner was not among them.

Amazon To Compete With C-Stores?

According to a new study fielded by Carbonview Research, Amazon Inc.'s planned private label grocery program

"Home Depot contends that Visa and MasterCard colluded to prevent the adoption of new chip-based cards that require consumers to enter a PIN to authorize a transaction."

could affect convenience store retailers more than any other retail channel, reported *Convenience Store News*. In Carbonview's study of 1,015 primary grocery shoppers, 44 percent of respondents said they would buy private label products less frequently from c-stores if products from Amazon's private label program were offered to them. This compares to 41 percent of respondents who said they would buy less from drugstores, and 38 percent of respondents who would buy less from club stores, mass merchandise stores and grocery stores. Furthermore, grocery shop-

pers expect Amazon's private label products to be of higher quality than competitor private label products due to Amazon's strong brand name.

SEI Converges Law Firms

About 18 months into converging its law firms SEI is seeing several benefits from the move, ranging from budget savings to better relationships, reported *Corporate Counsel*. The portfolio arrangement involved naming one law firm as national counsel in a specific area of expertise and paying that firm a flat monthly fee. For instance, SEI named Dallas-based Strasburger & Price as its national environmental counsel. The company assembled a team to direct its convergence program, and the group's goal was to handle growing legal demands more efficiently, improve collaboration, and significantly reduce outside spending. The program succeeded in winnowing down the top legal providers to 22 major firms, plus various local counsel as needed, and has benefitted SEI's legal department by using flat fee agreements with the law firms.

Home Depot Sues Visa & MasterCard

Home Depot Inc. recently filed an antitrust lawsuit against Visa Inc. and MasterCard Inc. reigniting claims from a decade ago that merchants pay too much for debit- and credit-card transactions and adding new contentions about the effectiveness of chip-based cards to reduce fraud, reported the *Wall Street Journal*. The

continued on page 85

Quincy, MA Store Celebrates Customers With Milk Giveaway

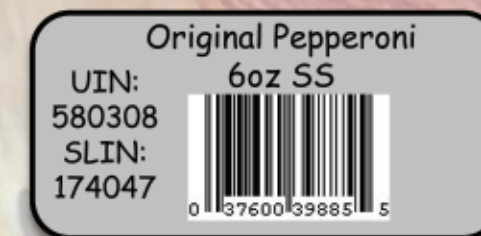
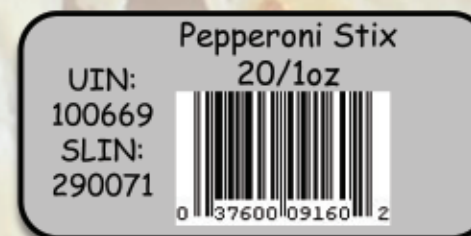
Former NCASEF chairman and current New England FOA president Dennis Lane held a celebration event at his store in Quincy, Mass. on July 15 to thank his customers for their patronage. The event was



sponsored by Garelick Farms in recognition of Dennis' store being No.1 in the country for dairy, selling more than 800 gallons of milk per week. Garelick Farms set up a sampling table outside the store to greet customers on their way in and out, offering samples of TruMoo chocolate milk and Dairy Pure Milk. Its mascot, Bessie the Cow, took pictures with customers and handed out t-shirts and backpacks. As a special thank you to Dennis and his loyal customers, Garelick Farms also gave away 50 gallons of milk at the event.



Foodservice Division
Convenience-store food should be more than just convenient.



Pepperoni, a native Italian food, has been a long time American favorite and a well-known Hormel Foods specialty. Hormel Foods has over a hundred years of tradition in producing pepperoni. Hormel® pepperoni is the No. 1 selling brand of pepperoni in the United States, thanks to its great flavor and high quality. The retail Pepperoni category is up 8.9% on dollar purchases vs year ago.

Source is Total US Multi Outlet IRI



Member News

continued from page 82

Visit the National Coalition

Website: www.ncasef.com

SALES & DEALS APLENTY AT THE UFOLI, NY TRADE SHOW



The United Franchise Owners of Long Island & New York (UFOLI, NY) held a successful trade show on May 25 at the Hilton Long Island Hotel in

Melville, New York. Local franchisees got to see the latest merchandise and deals presented by exhibiting vendors, who were ready to accept orders on the spot. It was a win-win for all involved. **AV**



1 OUT OF 3 ADULT MENTHOL SMOKERS CHOOSE NEWPORT.*

TRAFFIC THROUGH THE DOOR. PROFIT THROUGH THE ROOF.

*Source Data: RJR Brand Tracker: May 2015-April 2016



Newport is part of  **RJReynolds** diverse portfolio, backed by an innovative, results-driven Trade Marketing Team.

SURGEON GENERAL'S WARNING: Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy.

CIGARETTES

Newport

© 2016 RJRTC
Newport® (logo), Pleasure!® (logo), Newport Pleasure!® (logo), Newport Non-Menthol®, spinnaker design and package design are registered trademarks.



Member News

continued from page 82

lawsuit comes several years after Home Depot and hundreds of other retailers opted out of a settlement, then valued at \$7.25 billion, in a price-fixing case that addressed many of the same issues. This time, Home Depot also contends that Visa and MasterCard colluded to prevent the adoption of new chip-based cards that require consumers to enter a personal identification number, or PIN, to authorize a transaction. The legal action also contends that Visa and MasterCard, which set the so-called interchange fees collected by banks, are engaged in price-fixing that prevent competition for merchant acceptance.

Hershey Rejects Mondelez Takeover Offer

Hershey recently rejected a \$23 billion takeover bid by Mondelez International that would seek to expand the latter's limited



Chicago Rush University Medical Center staff at the 2013 SAA event (from left to right): Dr. Animesh Barua; Dr. Robert DeCresce, Acting Chicago Rush Cancer Center Director; Faye Jacobs; Dr. Josh Jacobs, Associate Provost for Research Chicago Rush.

U.S. footprint and create the world's largest confectioner, reported Reuters. The snub underscores the challenges Mondelez Chief Executive Irene Rosenfeld faces in wooing Hershey's controlling shareholder, the Hershey Trust, a \$12 billion charity created by the company's founder a century ago. A source said that Mondelez had sought to provide assurances to Hershey that it would keep its name and preserve jobs.



Greater Seattle FOA members present a check for \$5,711 to Swim Across America. The funds were raised during the group's third annual charity golf tournament, held on August 15 at the Bear Creek Country Club in Woodinville, WA. SAA has a local partnership with the Seattle Cancer Care Alliance.

Visit the National Coalition

Website: www.ncasef.com

A fusion of the two companies would give Mondelez control over the production and distribution of Cadbury brand chocolates in the United States, which Hershey currently holds the license to produce, paying royalties to Mondelez. It would also give Mondelez the U.S. production and distribution rights for Kit Kat, one of the most popular chocolate brands in the world, which industry sources said would be a significant boost to Mondelez.

Maine Governor Threatens To Suspend SNAP

Maine Governor Paul LePage recently sent a letter to the Department of Agriculture and threatened that if the USDA won't allow Maine to ban the purchase of certain foods with food stamps, specifically sugar-sweetened drinks and candy, he will end the state's administration of the Supplemental Nutrition Assistance Program (SNAP), reported the *Portland Press Herald*. State Rep. Chellie Pingree said withdrawing from the program could have dire consequences for many Maine residents, as they will lose access to food stamps. Currently, about one in seven Mainers receives food stamps. In May, a little more than \$21.5 million was distributed to 195,259 individuals.

Kroger Sues Visa

Kroger Co. is suing Visa Inc. over EMV PIN debit-card transactions, claiming that the card network threatened them with increased fees and eliminating debit acceptance capacity in-store if the nation's largest grocer refused to abide by Visa's stated EMV rules, reported PYMNTS.com. Visa informed Kroger their machines are out of compliance with Visa's requirement that customers be given the choice to verify debit purchases with a signature or a PIN instead of just a PIN when presenting their EMV cards at checkout.

continued on page 88



ZIG-ZAG

SLOW BURNING

Smokin' Since 1879

3 CARTON DISPLAY

Small Footprint Merchandiser

Fits OTP shelving

3 3/4" wide x 6 3/8" deep x 7 3/4" high

Prepack Display Contains:

1 carton 1 1/4 French Orange

1 carton 1 1/4 Ultra Thin

1 carton White

New 7-Eleven SKU!

Order Display Today!

SLIN #322666

100%
GUARANTEED



To Reorder Carton SKUs

Zig-Zag® 1 1/4 French Orange

SLIN #320298

Zig-Zag® 1 1/4 Ultra Thin

SLIN #320187

Zig-Zag® White

SLIN #320643

Distributed by National Tobacco Company, L.P.

© Ballou SA 2016



Member News

continued from page 86

Kroger claims Visa levied fines of \$7 million after it didn't change its practices and said that Visa threatened to cut off its ability to accept all Visa debit cards. Kroger said, given its size, such changes would require them to reprogram "tens of thousands" of terminals to give cardholders the choice between a signature and a PIN, which is not feasible, but neither is eliminating Visa acceptance, which they say "threaten[ed] catastrophic consequences for Kroger's business" given the volume of debit transactions. Kroger operates more than 2,700 stores in 35 states and operates under a number of brands, including Ralph's, Harris Teeter and Fred Meyer.

New Mexico Lottery Testing 'Play At The Pump'

The New Mexico Lottery recently announced that it is testing a new pilot program that allows players who purchase gas with a debit card to make lottery purchases at the pump. A limited number of retailers are participating in the pilot program—13 with approximately 100 fuel pumps. The pilot program uses software developed by technology company Linq3 to provide lottery players the opportunity to purchase Powerball and Mega Millions tickets at the pump when fueling up. Lottery purchases are subject to limitations, including age verification. Other responsible play limitations include a weekly purchase limit of \$75 and a daily spending limit of \$20 per debit card. Additionally, the player must purchase fuel and can use only a debit card.



Middle-Income Drivers Spent Less On Gas In 2015

With U.S. gas prices down 25 percent year-over-year in 2015, middle-income households spent \$477 less at the pump and more at restaurants and retailers, according to a new report by the JPMorgan Chase Institute. The study, "The Consumer Response to a Year of Low Gas Prices," evaluated the savings that households experienced from lower gas prices and what they did with these gains. Among the findings:

- Households spent an estimated 58 percent of their potential savings from lower gas prices. A 25 percent drop in gas prices generated an estimated potential savings of \$632 for middle-income households, including the \$477 actual savings on gas in addition to \$155 spent at gas stations.
- Households spent approximately 34 percent of this potential savings on non-gas goods and services, principally on restaurants and retail. Specifically, households spent 19 percentage points of their savings on restaurants, 16 percentage points on retail, 13 percentage points on online retail, and 11 percentage points on groceries. They spent roughly 24 percent of their savings at gas stations. The other 42 percent might have been saved or otherwise spent on purchases not typically paid for using a debit or credit card, notably vehicles or other durables.

Customer Loyalty Programs Pay Off

Members of retailers' customer loyalty programs generate between 12 percent and 18 percent more revenue for retailers than do customers who are not members of the loyalty programs, according to new research from Accenture Interactive. This

continued next page

Visit the National Coalition

Website: www.ncasef.com



continued from page 76

and "no cholesterol," while the back revealed the chips did contain fat. • Walmart recently announced that Walmart Pay—its proprietary mobile payments solution—is now available in more than 4,600 Walmart stores nationwide. Available through the Walmart app, **Walmart Pay works with any iOS or Android device** and with any credit, debit, pre-paid or Walmart gift card. • In year-over-year results, cumulative sales for the **Top 250 fast-casual restaurant chains were up 11.6 percent**, a moderate decrease from the 13.5 percent growth rate observed in 2014, according to Technomic's annual Top 250 Fast-Casual Chain Restaurant Report. • **The highest state tax plus other fees on gasoline is 50.3 cents per gallon, levied in Pennsylvania**, which also leads in taxing diesel fuel, at 64 cents per gallon. • Inventions Oasis announced it is seeking a joint venture partner to help bring to market a new patent-pending product, the Sav-A-Lot, **a commercial-grade, milk and sugar dispenser** that provides three varieties of milk and three varieties of sweeteners with the touch of a button. • A bill winding its way through the New Jersey legislature would impose stiff fines and even a possible **license suspension for drivers** who eat, drink, groom, read or use electronic devices behind the wheel, reported NJ.com. Violators could face a **\$200 to \$800 fine** and up to a 90-day license suspension for subsequent offenses. • Only **12 percent of consumers rank brands as their most trusted resource** for information about what is in their own food, reveals a new Label Insight study. However, 67 percent of consumers believe it is the brand or manufacturer's responsibility to provide consumers with this information. • **Solar plants using photovoltaic technology** could account for 8 percent to 13 percent of global electricity

continued on page 98

key finding was based on a survey of retailers across specialty, big-box, department, drug and convenience stores in the United States.

Beyond the incremental increase in revenue, the research identified another surprising finding: fewer than one in five retailers focuses on ROI as a key metric of their loyalty program. The key areas retailers focus on most are program growth and revenue production metrics—membership growth rates, share of transactions by members and number of transactions per year—as well member value metrics, such as retention rate and customer long-term value.



Midwest FOA president Jim Bayci (left) was honored with the company's Servant Leadership Award August 3, 2016 by 7-Eleven President and CEO Joe DePinto. Jim's fellow franchisees gave him a standing ovation when receiving the recognition and could not be prouder of the dedication and support he provides to the franchisee community.

Member News



Anheuser Busch InBev, SABMiller Merger Gets U.S. Approval

Brewers Anheuser-Busch InBev and SABMiller received U.S. antitrust approval for their \$107 billion merger on July 20, bringing the largest-ever consumer products deal a big step closer to completion, reported Reuters. The combination of the world's top brewers, which together will make nearly 30 percent of the world's beer, now only needs regulatory clearance from China, a blessing that is widely expected given the proposed divestment of SAB's business there.

The deal has already been cleared by Australia, Europe and South Africa, and AB InBev said it still expects closure this year. **AV**



CONNECT WITH CONVENIENCE.



HIGH-SPEED INTERNET ACCESS

Fast, reliable and secure Internet service helps your business thrive. Our Business Internet services make it easy to support your P.O.S. system, securely process credit card transactions and more.



BUSINESS CLASS PHONE

Technologically advanced, reliable, affordable and flexible options ensure you stay connected with your vendors and customers.

CALL TODAY! See how our Internet and Phone solutions make powering your business convenient and easy.

1.877.264.7659

Products, offers and services not available in all areas. Actual speeds may vary. Some restrictions apply. Subject to change without notice. Time Warner Cable Business Class is a trademark of Time Warner Inc. Used under license. ©2016 Time Warner Cable Enterprises LLC. All Rights Reserved.

TIME WARNER CABLE
Business Class

The owners of **Boothbay Craft Brewery** pour a lot of energy into their business. We pour all of ours into helping them succeed.



"We chose Time Warner Cable Business Class because it's a no-brainer. They are easy to work with and the customer service is amazing."

- Boothbay Craft Brewery, Customer Since 2009



Member News

continued from page 89

Visit the National Coalition

Website: www.ncasef.com

MIDWEST FOA GOLF TOURNAMENT & POLICE ASSOCIATION DONATION



The Midwest FOA presents a donation of \$4,711 to the Troy Police and Fire Benevolent Association. Pictured from left: Joe Rossi MWFOA Board Member; (Rear) Scott Boldman, 7-Eleven Market Manager; Nisar Siddiqui, Vice President MWFOA; Jim Bayci, President MWFOA; and Marc Clough, Zone Vice President 7-Eleven.

The 7-Eleven Midwest FOA held their Annual Charity Golf Outing on, August 17 at Taylor Meadows in Taylor, MI. With an excellent turnout from franchisees, SEI and vendors, much fun was had by all!

In addition to golf, members from the MWFOA board, President Jim Bayci, Vice President Nisar Siddiqui, and Board Member Joe Rossi, along with Zone Vice President Marc Clough and Market Manager Scott Boldman, visited the Troy Police and Fire Benevolent Association in Troy, MI the morning of the outing in order to honor and present a check in the amount of \$4,711! "With the MWFOA assisting franchisees in the Michigan area for over two years now, we are pleased to give back to the police officers and fireman who serve to protect our stores," said Bayci. "It's with the support of our vendor partners, SEI and our franchisees that motivates us to continue to give back to the community. We can only hope that in the future we can give more. Thank you to everyone who took the time out of their stores to join us!"

In the past, the MWFOA also donated to the C.S. Mott Children's Hospital in Ann Arbor. With the opportunity to give back, franchisees as a community always come together to support one another. **AV**



Nationally recommended by 7-Eleven



SLIN# 248018



24 CASE PACK

SLIN# 248041



24 CASE PACK

Fastest Growing Energy Supplement

WWW.UPTIME.ENERGY • 1.800.441.5656



SEI News



SEI MAKES FIRST EVER FAA-APPROVED DRONE DELIVERY

7-Eleven Inc. and Flirtey, a leading independent drone delivery service, recently announced they have completed the first fully autonomous drone delivery to a customer's residence to advance research toward integrating drones into the National Airspace System. This delivery is the first time a U.S. customer has received a package to their home via drone, representing a historic milestone in both U.S. and global commerce. The delivery was conducted in celebration of 7-Eleven's 89th birthday.

"7-Eleven and Flirtey made the first ever registered drone delivery by a retail company."

The goal of advancing drone deliveries as well as further refining Flirtey's delivery technology and packaging were highlighted when Flirtey teamed with the Nevada Institute for Autonomous Systems (NIAS) for the delivery, the company said in a released statement.

At a Reno, Nevada 7-Eleven store, two

deliveries were successfully completed. 7-Eleven merchandise was loaded into a unique Flirtey drone delivery container and flown autonomously using precision GPS to a local customer's house. Once at the family's backyard, the Flirtey drone hovered in place and gently lowered each package. The purchases were delivered to the family in the span of a few minutes. Products included Slurpee drinks, a chicken sandwich, donuts, hot coffee and 7-Select candy. In the future, both companies expect drone packages to include "everyday essentials" such as batteries and sunscreen.

OPERATION: TAKE COMMAND WINNER NAMED

SEI has announced U.S. Marine Corps veteran Jean Cetoute of Richlands, N.C., as the 2016 winner of a 7-Eleven convenience store in its second Operation: Take Command franchise competition. As the winner, Cetoute will receive a waiver of the franchise fee, valued at up to \$190,000, to franchise any 7-Eleven store available in the continental United States. Cetoute said he hopes to franchise a store near his family in New York state. An immigrant from Haiti, Cetoute served 20 years in the Marines, retiring in 2014 as chief of utilities. Since then, he has been working as an



independent real estate agent and has a business degree from the University of Maryland.

COMCAST BILL PAYMENTS AT 7-ELEVEN STORES

Comcast customers can now pay their TV, Internet or phone bills with cash at more than 7,700 participating 7-Eleven stores, the companies announced. Through a partnership with PayNearMe, Comcast launched the new feature on its XFINITY My Account app. Customers simply go to the 'Pay Bill' section of the app and select the new 'Cash via PayNearMe' option. Then they must choose the amount they want to pay and follow the instructions provided by PayNearMe until they receive a barcode, upon which they head to a nearby participating 7-Eleven store, scan the barcode on their phone and pay the amount they selected. There is a \$1.25 PayNearMe convenience fee per transaction.

UPS LOCKER PROGRAM EXPANSION

UPS announced it is working with SEI to expand its smart locker program from nine 7-Eleven stores in Chicago to 300 locations nationwide. The staggered rollout began in June and initially will be available in Illinois, New York, Pennsylvania, Virginia and Washington State. Subsequent states are planned to include California, Florida, Georgia, Massachusetts, Missouri, New Hampshire, New Jersey and Texas.

The UPS Access Point lockers are alternate delivery locations that are usually outside and accessible 24 hours a day at convenience stores and other locations. On-

continued next page



SEI News

line retailers can integrate the locker delivery addresses into their web checkout process to give 'e-commerce stranded' consumers who live in a residence where front-door delivery is not possible, a nearby delivery location. According to the UPS Pulse of the Online Shopper study, more than half of avid online shoppers who make two or more on-

line purchases in a typical three-month time period are interested in an alternate delivery location with extended hours.

EXCLUSIVE SOUR PATCH REDBERRY SLURPEE FLAVOR

SEI has teamed with Sour Patch Kids to introduce an exclusive Sour



Patch Redberry-flavored Slurpee drink. The limited-time product is available exclusively at participating 7-Eleven stores through the end of the 100 Days of Summer. Sour Patch Redberry Slurpee has the flavor of Redberry Sour Patch Kids Soft and Chewy Candy that starts off sour, but ends sweet. Mondelez International's Sour Patch Kids is the No. 1 sour candy brand, and a top-selling candy at 7-Eleven stores.

continued on page 96



NO Tobacco Taxes Merchandising Restrictions Advertising Bans

Just Pure Profit!

Classic Flavor

McLane UIN# 498535

SLIN# 320028

Wintergreen Flavor

McLane UIN# 498543

SLIN# 320027





"A successful ETA conversion requires quality, excellence, and collaboration between the Franchisee and the Field Consultant."

Greg Franks
SVP, Operations Franchise System

STORE IMPROVEMENTS INCREASE FRANCHISEE NET INCOME

7-Eleven is investing in store improvements to boost sales and increase Franchisee net income. Stores in Greater Los Angeles and Lone Star have seen an increase in sales by \$280 per store day. The improvements will allow you to better meet the changing needs of your customer through an expanded product assortment of convenience, functional coverage, and regional favorites.

Putting more of the right products in front of your customers will grow your sales and increase store traffic.

Start planning for your expanded product assortment today so that you will see increased sales and GP tomorrow.



GO TO OHTHANKHEAVENFORFRANCHISEES.COM



Member News

continued from page 93

SEI News

Fruit-flavored Slurpee drinks also are among the most popular with 7-Eleven customers.

SEI is marking the 50th birthday of Slurpee this year with ongoing promotions and parties. The popular drink has generational appeal with slurpers both young and old. More than a half-million Slurpee drinks are purchased each day during the summer at 7-Eleven stores across the country.

SLURPEE'S BIG 5-0 CELEBRATION

America's favorite frozen drink turns 50 this year, and SEI celebrated Slurpee's birthday on 7-Eleven Day, aka July 11, by giving away an estimated 9 million free small Slurpee drinks. Additionally, customers who purchased seven Slurpee drinks from July 12-18 and scanned the 7-Eleven mobile app received 11 Slurpee drinks free. The Free Slurpee offer automatically appeared in the "Scan and Save" section of the 7-Eleven mobile app 24 hours after the seventh drink purchase.



The 11 Free Slurpee drink coupons must be redeemed by August 31, 2016.

SEI also introduced a Birthday Cake Slurpee flavor for its golden birthday. Described as a delicious frozen celebration for your taste buds, Fanta Birthday Cake is a combination of traditional birthday cake and vanilla ice cream flavors. Birthday Cake joined the recently released Sour Patch Redberry on the Slurpee machine, along with perennial favorites Wild Cherry and Coca-Cola. The annual 7-Eleven Day event offers Slurpee-loving customers a chance to try new, featured and favorite flavors for free.

REDUCING ENVIRONMENTAL FOOTPRINT

SEI has announced that it is working with Conservation International (CI)—a nonprofit organization dedicated to building a healthier, more prosperous and more productive planet—to set measurable corporate social responsibility (CSR) goals to reduce its environmental footprint. The company said its CSR mission has three focus areas: planet, products and people. Using 2015 as a baseline, SEI said it will continue to reduce its carbon footprint and increase community engagement in the U.S. and Canada by concentrating on energy, packaging and philanthropy.

Specifically, the company's goal is to reduce its energy footprint in stores and offices by 20 percent by 2025, reduce its

packaging footprint by 20 percent by 2025, and increase corporate giving to 1 percent of operating net income annually, beginning in 2017. SEI has already decreased electricity use in store operations by an estimated 21 percent over the past seven years through projects including installing LED lighting, energy management systems and high efficiency HVAC units.

"SEI's goal is to reduce its energy footprint in stores and offices by 20 percent and its packaging footprint by 20 percent by 2025."

RETURN OF FREE MOVIE NIGHT

SEI brought back its popular free movie night offer this summer, giving movie-lovers a free Redbox movie night with every Big Gulp fountain drink purchase. The exclusive offer ran through August 31 at participating U.S. 7-Eleven stores and promo codes can be redeemed through October 31, 2016. A peel-off label with a unique Redbox promo code was attached to the side of Big Gulp promotional cups. The codes for a free one-day DVD rental can be entered online or at any of Redbox's nearly 35,000 U.S. locations. Last summer, 20 million free Redbox movie

"Last summer was Redbox's first promotion with 7-Eleven and the biggest in Redbox's history."

rentals were available to movie-lovers who purchased their favorite Big Gulp soft drinks at 7-Eleven stores. It was Redbox's first promotion with 7-Eleven and the biggest in the entertainment rental company's history.

continued on page 98

Visit the National Coalition
Website: www.ncasef.com



CELEBRATE SLURPEE 50 WITH PRINTED FUN POP-TARTS!

Pop-Tarts® celebrates Slurpee's 50th in 2016 with an exclusive 7-Eleven promotion featuring Limited Edition Printed Fun Pop-Tarts®, in-store and out-of-store POS, and a digital scratch off game giving consumers a chance to win prizes they'll love!

- Promotion will run from August 29 - November 11, 2016
- Pre-Pack Display containing Printed Fun Pop-Tarts® Frosted Strawberry and Frosted Blueberry 2 ct. pouches will ship in July
- 2/\$1.50 price promotion on all varieties of Pop-Tarts® 2ct pouches in P5



Final creative subject to change prior to activation
UPC (000-38000-15176-7)

®, TM, © 2016 Kellogg NA Co.

©2016 7-Eleven, Inc. "7-Eleven" and "Slurpee" frozen carbonated beverage are registered trademarks of 7-Eleven, Inc. All rights reserved.



Member News

continued from page 96

SEI News



SLURPEE BYOCUP DOUBLE TAKE

SEI brought back Bring Your Own Cup days (#BYOCupDay) on August 19 and August 20 as one last summer Slurpee celebration before the kids headed back to school. Slurpee-lovers young and old were invited to grab a container and fill it with their favorite flavor Slurpee drink. The cost to fill their chosen "cup" at participating stores was \$1.50, the average cost of a medium Slurpee drink and a great deal for customers with extra-extra-large cups. Fans were also able to enjoy the limited-time featured Sour Patch Redberry flavor Slurpee drink before it was gone.

FREE CHIPS CAMPAIGN

SEI kicked off a special week-long campaign on August 1 for 7Rewards members that featured a free 2.25 ounce or 2.5 ounce bag of 7-Select chips with the purchase any 7-Select bottled beverage. The com-

pany planned to give away one million 1 million single-serve bags of the private brand chips through August 7. Featured 7-Select beverages eligible in the "One Million Chip Free-For-All" campaign included all 7-Select bottled water including cases, plus sweet and unsweet take-home iced teas, 7-Select Go!Smart coconut water, 7-Select juices and new premium beverages like Premium Sodas Crafted by Jones Soda Co. and GO!Smart Organic Teas.

SEI SUES BROOKLYN BODEGAS OVER LOGO

7-Eleven is suing two Brooklyn, New York bodegas claiming they ripped off its trademarked red, orange, green and white sign, reported the *New York Post*. One of the stores, called "Eleven 7 Food Mart," is on Coney Island Avenue in Kensington. The other shop is "Z-Eleven" on Henry Street in Red Hook, which bears a sign that looks strikingly similar to 7-Eleven's logo. According to the complaints filed in Brooklyn federal court, SEI says that both stores' signs closely resemble 7-Eleven's and are "likely to cause confusion, to cause mistake, or to deceive customers" that they're affiliated with the brand. Cease and desist letters were served to both shops prior to the lawsuits being filed but they

continue to use the mark. **AV**



Visit the National Coalition
Website: www.ncasef.com



continued from
page 88

produced in 2030—compared with 1.2 percent at the end of last year—as the **cost of production falls below competing natural gas and coal-fired plants**, according to the International Renewable Energy Agency. • **GC Express**, a gas station in Caro, Michigan, announced it is now offering a **free coffee or fountain drink** to customers paying with the Team One Credit Union Mobile Banking App on their Smartphones for fuel purchases of \$10 or more. • The preference for **digital course materials by college students** is gradually increasing, according to the National Association of College Stores. The organization notes that while 40 percent of students still prefer a printed textbook format, 26 percent now prefer a print/digital bundle—up from 24 percent a year ago. • **Domino's Pizza announced that it is now delivering salads nationwide**, making Domino's the largest national pizza chain to deliver salads. • **Dicks Sporting Goods announced second quarter same store sales increased 2.8 percent** and repurchased \$57 million of common stock. • The Pennsylvania Liquor Control Board has issued approvals for **81 wine expanded permits** out of 174 requests submitted, just one week after the new permit to sell wine-to-go became available when Act 39 went into effect on August 8. • WebWatcher recently announced the launch of **Screen Time Manager**, a new mobile app that allows parents to remotely manage their children's time spent on smartphones and tablets with the swipe of a finger. • **Chinese c-store chain Lin Jia Convenience Store** recently debuted on the large billboard overlooking New York's Times Square, giving the world a glimpse of what a Chinese retailer looks like. **AV**

HOW CAN WE HELP YOU?

A partnership with Vixxo means peace of mind and business solutions. Our secure portal gives you better control and access over your store maintenance service requests and associated costs, quality assurance tools and much more!

Visit www.FM24-7.com TODAY!



VENDOR FOCUS

Big Red Slurpee Launches In Texas Stores

Big Red, America's original and best-selling red soda, and SEI recently announced the launch of the Big Red Slurpee drink in more than 650 participating Texas 7-Eleven stores. Big Red is a staple on Texas Big Gulp fountain machines, but has only been available in Slurpee form at select Texas stores. Big Red soda has strong Texas roots and is a perfect match for 7-Eleven's iconic Slurpee drink, as both have extremely loyal followings. Sipping on a Big Red soda in the summertime is a familiar treat for anyone who grew up in Texas, Big Red's No. 1 market.



Big Red Slurpee, now available in more than 650 participating Texas 7-Eleven stores.

Inventure Foods Expands Jamba 'At Home' Line

Inventure Foods, Inc. has expanded its Jamba "At Home" line with protein-rich smoothies featuring Greek yogurt and ancient grains. The unique flavors include Pomegranate Pick-Me-Up and Berry Awesome Acai featuring a blend of premium berries, fat-free Greek yogurt and ancient grains, including oat bran, continued on page 102



Win A Trip To Caribbean Or Other Prizes In Unilever Magnum Sweepstake

7-Eleven franchisees can now enter to win a trip to the Caribbean by selling Magnum Double Caramel bars! Unilever has partnered with 7-Eleven to give away big prizes in the exclusive franchisee Magnum Indulgence Sweeps: the Grand Prize is a trip for two to the Caribbean (\$6,500 value) and First Prize is an iPad Pro (one per Zone will be awarded). The contest runs from July 1 to October 31, 2016, and every case of Magnum Double Caramel sold during this time gains you one entry into the sweeps. Stock up today and capitalize on Magnum growth—Magnum Double Caramel is +21.9 percent YTD at 7-Eleven.



SCREAMIN ENERGY SE MAX HIT 12 Count Display SLIN# 221006 UIN# 218263
SE ULTRA 12 Count Display SLIN# 220142 UIN# 017392



VITAMIN B'S

REAL COFFEE

GINSENG



LIQUID ENERGY Ginseng Drink 12 Count Display Coffee Flavor SLIN# 123457 UIN# 078972



VITAL 4U VITAMINS

VITAL 4U 12 Count Display
Fiber Drink SLIN# 221218 UIN# 628578

VITAL 4U
VITAMINS

12 Count Display
SLIN# 220350 UIN# 816975

Helping To Make



A Healthy Place

@Vital4U



Vital 4U Fiber Drink

The newly improved Vital 4U Fiber Drink gives your health conscious customers an affordable and convenient option to aid their digestive woes. Now with 20 percent of the daily recommended fiber intake in each serving and a bolder package design, the Vital 4U Fiber Drink is a home run for digestive health that tastes great, too. There is no other ready-to-drink fiber product on the market today. In today's consumer market, health products are the biggest trend. Everyday more consumers are in search of healthier options that fit their on-the-go lifestyle. Vital 4U Fiber Drink is packaged in a 12-count tray and each signature pouch is peggable. Add this great complimentary item to your stores today.



Vital 4U Fiber is the only ready-to-drink fiber product on the market today.

continued from page 101

amaranth, quinoa, buckwheat, millet and chia seeds. The unique recipes offer healthy, on-the-go consumers a meal replacement snack that can be prepared in 90 seconds or less.

Each package provides two eight-ounce servings containing frozen fruit and yogurt cubes that, when blended with one cup of apple juice, make two, eight-ounce servings. The gluten-free smoothies contain only 110 calories per serving and provide a full-serving of vitamin C. The smoothies are available nationwide and have a suggested retail price ranging from \$3.99 to \$4.99 per bag.

Snapple's TEAcision Campaign With New Flavors



Snapple's new Red and Blue Fruit Teas flavors celebrate the election season.

Snapple is launching two new limited-time tea flavors in September to help Americans celebrate the election season. The brand's Red Fruit Tea flavor incorporates pomegranate, cherry and raspberry, and the Blue Fruit Tea flavor incorporates blueberry and blackberry. Snapple's new teas are backed by a "TEAcision" integrated marketing campaign that taps into the excitement around the 2016 Presidential election and includes consumer events and a partnership with actor Michael Rapaport.

Swisher Sweets Brings A Blast Of The Arctic

Swisher Sweets Arctic Ice cigarillos, which provide a frosty blast of ice mint, have returned. Customers enjoyed the limited edition cigarillos so much last year that they asked Swisher Sweets to bring them back. Available for shipment to stores nationwide as of July 6, Swisher Sweets Arctic Ice comes in a re-sealable 2-count pouch with the "Sealed Fresh" guarantee. Arctic Ice will be available in "2 for 99¢" and "2 for \$1.49" options.

Swisher Sweets limited edition cigarillos are offered only while supplies last. For more information or to place an order today, contact your Swisher representative at 1-800-874-9720.



Customer favorite Arctic Ice Cigarillos are back for a limited time.

VENDOR FOCUS



Bud Light's 12 ounce NFL team cans available soon.

BUD LIGHT LIMITED EDITION 12 OUNCE NFL TEAM CANS

As the official beer sponsor of the NFL, Bud Light is excited to kick off the 2016 season by introducing limited edition bold and contemporary primary and secondary graphics that truly celebrate the passion of fandom. This season's 12 ounce NFL team cans feature an iconic design that blends Bud Light's bold and contemporary new look with custom colors and logo marks of each sponsored NFL team.



Nestlé Unveils Nesquik Protein Plus

Nestlé recently introduced Nesquik Protein Plus flavored milk, which contains 23 grams of protein and features the signature Nesquik taste consumers love. Available in two flavors—vanilla and chocolate—Nesquik Protein Plus has 28 percent less sugar than the leading protein-enhanced flavored milk, contains no artificial sweeteners, and is made with real milk from U.S. dairy farms with no growth hormone rBST. Nesquik Protein Plus 14-ounce single-serve retails for \$2.49 and has a cost of \$1.62, generating GP\$/GP% of \$0.97/38 percent after distributor markup.



Nesquik Protein Plus flavored milk features the popular Nesquik flavor.

continued on page 104



GREAT PARTNER. GREATER IMPACT.

THANKS TO THE NCASEF FOR DONATING OVER \$600,000 TO HELP US #DEFEATCANCER.

AS AN OFFICIAL CHARITY OF NCASEF, PLEASE SUPPORT US, AND THE FIGHT AGAINST CANCER, BY MAKING A GIFT.



National Coalition of Associations of 7-Eleven Franchisees



Finding cures. Saving children.®

St. Jude Children's Research Hospital® is leading the way the world understands, treats and defeats childhood cancer and other life-threatening diseases. And families never receive a bill from St. Jude for treatment, travel, housing or food – because all a family should worry about is helping their child live.

Visit stjude.org to join our mission.



continued from page 102



Quench Your Thirst For Higher Sales With 7-Select Water

7-Eleven's new 7-Select Pure Water is the cleanest, best-tasting beverage around, and it's sure to satisfy the thirstiest of customers. In taste tests, two out of three customers said they prefer 7-Select Pure Water over the competition. In addition to better quality water, 7-Select Pure Water provides better profitability for franchisees. 7-Eleven Private Brands is driving 29 percent of total category GP growth, and 7-Select Pure Water and 7-Select 20-ounce Purified Water give franchisees 72 percent GP.

7-Select Pure Water and 7-Select 20 oz. Purified Water give franchisees 72 percent GP.

Customers love 7-Select Pure Water and 7-Select Purified Water. In Q1 7-Eleven experienced a 33 percent increase in Private



Brands sales. 2016 sales will only get better with these new Private Brands drinks.

SEI has also made changes to its 7-Select 1 liter regular bottled water. The redesigned bottle is longer and now fits inside a standard cup-holder. Additionally, SEI is reducing the cost of the 1 liter 7-Select, moving from \$0.42 to \$0.28, taking GP% from 70 percent to 81 percent. It will also be "2 for \$2.00" every day. This cost reduction will go into effect in Q4.

Make sure you have 7-Select Pure Water and 7-Select 20 ounce Purified Water in stock!

Vicks VapoInhaler Is Back!

Reintroducing the NEW Vicks VapoInhaler in a gentle non-medicated formula. Back after a two-year absence, Vicks VapoInhaler now contains a new menthol/camphor formula to deliver a more consistent VapoRub use experience. Vicks VapoInhaler has strong brand recognition, with 94 percent of consumers recognizing

continued next page

FOA BOARD MEETING DATES



7-Eleven FOAC

Phone: 847-278-7415

September 22, 2016
October 27, 2016
November 15, 2016
December 15, 2016

Cal-Neva FOA

Phone: 775-826-7111

September 21, 2016
October 19, 2016
November 16, 2016
December 21, 2016

Central Florida FOA

Phone: 407-683-2692

November 17, 2016

FOA Of Greater LA

Phone: 619-726-9016

September 20, 2016
October 18, 2016
November 15, 2016

Greater Seattle FOA

Phone: 425-308-1216

October 2016—Board Meeting
October 27, 2016—Dinner Meeting
November 30, 2016—Board Meeting

Metro New Jersey FOA

Phone: 908-232-1336

All meetings include tabletop trade shows.
Vendors are welcome to participate.
September 22, 2016

November 17, 2016

Midwest FOA

Phone: 847-971-9457

September 14, 2016—Michigan
September 22, 2016—Illinois

Northern California FOA

Phone: 916-412-3702

September 21, 2016
October 19, 2016
November 16, 2016

San Diego FOA

Phone: 619-713-2411

September 15, 2016
October 20, 2016

San Francisco/Monterey Bay FOA

Phone: 510-693-1492

September 13, 2016
October 11, 2016
November 8, 2016

Southern California FOA

Phone: 626-255-8555

September 7, 2016
October 12, 2016
November 9, 2016
December 2016—No Meeting

VENDOR FOCUS



VapoInhaler has established consumer demand with more than 60 percent of Segment Sales.

VapoInhaler as the category prototype. Additionally, VapoInhaler has established consumer demand with more than 60 percent of Segment Sales, and its usage is not confined to the cold/flu or allergy seasons. Order today: McLane UIN—740753; 7-Eleven SLIN—221604.

Kraft Heinz Brings Devour Frozen Meals To 7-Eleven

Kraft Heinz believes all food should be mouth-watering. So in each of its Devour frozen meals, they dial up the taste, max out the flavor, and turn up the texture. Devour frozen meals feature tender meats and creamy sauces, and crispy crusts and gooey cheeses, and are spicy, smoky or savory,



Chicken Enchilada and Buffalo Mac & Cheese Devour frozen meals.

VENDOR FOCUS

sometimes sweet, but always ridiculously delicious. Devour meals are available in two varieties: Chicken Enchilada—Tender, juicy pulled chicken wrapped in soft corn tortillas, smothered in sour cream and gooey melted cheese, with a flavorful side of black beans, bell peppers and sweet corn; and Buffalo Mac & Cheese—Perfectly seasoned breaded white meat chicken, topped off with a creamy and spicy buffalo cheddar cheese sauce, plus real blue cheese.

Quaker Cap'N Crunch Cereal Now In Pouches!

Two flavors of Quaker's popular Cap'n Crunch cereal are now available in pouches for convenient, portable snacking any time of day. Cap'n Crunch Sprinkled Donut Crunch (SLIN 212472) and



Cap'n Crunch Crunchberries (SLIN 212469) new portable format capitalizes on the strong double-digit growth of the Cap'n Crunch Brand. The new single-serve packages are packaged in trays and can be displayed on any shelf. Both flavors appeal strongly to millennials, and are also peggable for alternative display locations. Get Both Popular Flavors NOW through McLane! **AV**



Want to talk to other franchisees?



The National Coalition has Franchise Owner's Association member organizations in all 31 states in which 7-Eleven operates.

To find the FOA closest to you. Visit www.NCASEF.com to contact any one of the 42 local Franchise Owner's Associations nationwide. Want to talk to someone at the national level? Call the NCASEF Vice Chairman in your area:

■ Jas Dhillon, East Coast, Chicago, Kansas, Florida
jasdhillon@rocketmail.com
818.571.1711

■ Hashim Syed, California
hj.syed@gmail.com
847-293-8551

■ Serge Hattayan, Seattle and Midwest
sergez@comcast.net
559-355-4899

■ National Office
nationaloffice@ncasef.com
831-426-4711

FOA EVENTS

SAN DIEGO FOA
VENDOR PARTY

AleSmith Brewing Company
San Diego, California
September 8, 2016
Phone: 619-713-2411

UFOLI CHARITY
GOLF OUTING

The Baiting Hollow Golf Club
Baiting Hollow, New York
September 8, 2016
Phone: 516-647-4617

GREATER SEATTLE FOA
PICNIC WITH TABLETOP
TRADE SHOW

(venue to be announced)
September 10, 2016
Phone: 425-308-1216

SOUTHERN CALIFORNIA FOA
ANNUAL CHARITY GOLF
TOURNAMENT

TPC Valencia
Stevenson Ranch, California
September 12, 2016
Phone: 626-255-8555

TRISTATE FOSE
ASSOCIATION
CHARITY GOLF TOURNAMENT

Little Bennett Golf Course
Clarksburg, Maryland
September 14, 2016
Phone: 301-572-6811

WEST COAST FOA
FUN SHOOT TRADE SHOW

Mike Raahauge Shooting Enter-
prises
Corona, California
September 20, 2016
Phone: 714-724-9355

7-ELEVEN FOAC
HOLIDAY PARTY
TRADE SHOW

Holiday Inn North Shore
Skokie, Illinois
November 11, 2016
Phone: 847-278-7415

ALLIANCE OF 7-ELEVEN
FRANCHISEES
HOLIDAY PARTY &
TABLETOP TRADE SHOW

(venue to be announced)
December 2, 2016
Phone: 630-202-1538

NORTHERN CALIFORNIA FOA
ANNUAL CHRISTMAS
PARTY

(venue to be announced)
December 2, 2016
Phone: 916-412-3702

COLUMBIA PACIFIC FOA
VENDOR APPRECIATION
PARTY

Embassy Suites by Portland Air-
port
Portland, Oregon
December 2, 2016
Phone: 360-513-0289

SOUTHERN CALIFORNIA
FOA HOLIDAY PARTY

(venue to be announced)
December 3, 2016
Phone: 626-255-8555

CENTRAL FLORIDA FOA
HOLIDAY PARTY

(venue to be announced)
Orlando, Florida
December 10, 2016
Phone: 407-897-7484

MIDWEST FOA
MICHIGAN HOLIDAY
SHOWCASE

(venue to be announced)
December 7, 2016
Phone: 847-971-9457

GREATER SEATTLE FOA
HOLIDAY PARTY WITH
TABLETOP TRADE SHOW

(venue to be announced)
December 10, 2016
Phone: 425-308-1216

SAN DIEGO FOA
HOLIDAY PARTY

Viejas Casino & Resort
Alpine, California
December 10, 2016
Phone: 619-713-2411

MIDWEST FOA
ILLINOIS HOLIDAY
SHOWCASE

(venue to be announced)
December 14, 2016
Phone: 847-971-9457

NCASEF
BOARD
MEETINGS

NATIONAL COALITION
AFFILIATE MEETING

Hilton Head Marriott
Hilton Head Island,
South Carolina
October 24-25, 2016

NATIONAL COALITION
BOARD OF DIRECTORS
MEETING

Hilton Head Marriott
Hilton Head Island,
South Carolina
October 26-28, 2016

FOA OF GREATER
LOS ANGELES
HOLIDAY PARTY

Diamond Bar Center
Diamond Bar, California
December 16, 2016
Phone: 619-726-9016

Advertiser's Index

7-Eleven Inc.	75, 94-95	Duracell.....	71	Monster	23	Shamrock	26
Anheuser Busch	37	Ferrero.....	41	National Tobacco.....	87	Simply Orange	10-11
Aon Risk Services	46	Heineken.....	12	Nestle Confections & Snacks.....	59	Smoky Mtn Acosta	93
Argo Tea	81	Hormel	83	Nestle Ice Cream	57	Swedish Match	6
Big Red Xyience	77	Insight Beverages	61	Nestle Professional	79	Swisher International	9, 69
Blue Bunny	30	Kellogg's	4, 47	Nestle Waters	20-21	Time Warner	89
Chobani	44	Kretek	73, cover 4	P&G Acosta	15	Unilever Good Humor/Breyers	3, 5, 25
Coca-Cola.....	cover 2	Logic Ecig.....	52-53	Pepsi Quaker	66	Uptime	91
Dean Foods.....	33	Mars Ice Cream	19	Perfetti Van Mele	51	Vixxo	99
Diageo Guinness	42	Maruchan	38	Precise Nutrition	100	Whitewave Foods	27
Don Miguel.....	17	McLane	64	Reynolds American.....	85	Wrigley	cover 3
Dr Pepper Snapple	7	Mondelez	8	Seneca.....	28-29	Windsor	34



UNMISTAKABLE TASTE. UNFORGETTABLE AROMA.



Using the finest tobacco, Djarum's signature brand, Djarum Black, is harvested and blended with an artisan's care and is known worldwide for creating a rich, pleasurable smoking experience like none other.

DJARUM | **#1 MOST PRODUCTIVE CIGAR BRAND***

Djarum Black SLIN 0321436 7 51667 04694 7	Djarum Black Cherry SLIN 0321435 7 51667 06754 6	Djarum Special SLIN 0321433 7 51667 06758 4
Djarum Splash 7 51667 07422 3	Djarum Mild SLIN 0321395 7 51667 07426 1	Djarum Bali Hai SLIN 0321205 7 51667 07434 6
Djarum Black Vanilla SLIN 021434 7 51667 09062 9	Djarum Black Menthol 7 51667 09066 7	Djarum Black Ultra Menthol 7 51667 29002 9



Ask your Kretek representative for details at salesinfo@kretek.com



www.djarumcigar.com

WARNING: Smoking cigars regularly poses risks of cancer of the mouth, throat, larynx, and esophagus similar to smoking cigarettes. This product contains chemicals known to the State of California to cause cancer and birth defects and other reproductive harm.

Source: Nielsen convenience channel data latest 52 weeks ending 2/20/16.
Measure: Dollars per total distribution point (\$/TDP); cigar brands with a minimum of 26% ACV reach