



## **A Look Back at 2018**

### ***Your National Coalition is Committed to Franchisee Interests***

Since the 1970s, the National Coalition has been consistently focused on protecting the financial and legal interests of 7-Eleven franchise owners across the country. Because the National Coalition's board of directors consists of your FOA leaders, we recognize that your best interests and our best interests are the same. We are here to advocate for you, the franchisees, as the unified voice for all 7-Eleven store operators.

Yes, these are trying times for those who have invested in the 7-Eleven system; franchisees overwhelmingly believe SEI's corporate executives are not acting in the best interest of store owners and most question whether SEI trusts us to do our best day in and day out. In light of the unhealthy situation we find ourselves in – and the fact that SEI spent that last six months of 2018 pressuring franchisees to sign a new agreement we believe will ultimately take more money out of our pockets – this organization took many bold steps in 2018, and is poised to continue strongly advocating for your interests in the New Year.

This organization operates under specific written objectives and bylaws designed to ensure franchisees are protected. While we won't list them all in this article, we do feel it's important to point out a few which are relevant during these turbulent times.

*(A) To articulate and advocate in favor of the needs, economic interests and goals of franchisees of 7-Eleven, Inc., its affiliates, subfranchisors, successors and assigns (SEI);*

This objective is a guiding force, because franchisees need to run profitable businesses, which can support employees, families and franchisors. In our assessment, the new Franchise Agreement jeopardizes this goal. This year, our general counsel, Eric Karp, carefully analyzed the agreement and found [47 major points](#) of concern. These points prove that the new agreement was written for the benefit of SEI, not to improve the fortunes of franchisees, even though the system can't run without us. On numerous occasions, we asked SEI's leadership team to re-evaluate the agreement and negotiate its terms to help level the playing field. We asked for a mutually respectful dialogue grounded in transparency. When they didn't listen, we took steps to have our voices heard.

We responded to inquiries from members of the national news media and they listened. Stories published in major publications including *The New York Times*, *Bloomberg Businessweek*, and *The LA Times* clearly illustrated the problems we face. Readers across the country now recognize the reality of our situation. We want this system to be successful. We want 7-Eleven to remain a

profitable and well-respected brand, but don't believe it has to come at the expense of the franchisees.

*(C) To secure, preserve, analyze, disseminate and distribute accurate and reliable information for the benefit of its members;*

This column – *The Dispatch* – was created as an additional way to share information directly with you about our efforts. Our series, “The [5 Reasons](#) Why the New Agreement is Bad for the Brand,” was designed to help educate you about the specifics of the agreement so you could make a more informed choice about whether to sign or hold off.

We conducted a statistically valid 24-question survey of franchisees to objectively assess the health of our system and determine how you truly feel about the 2019 franchise agreement and, more broadly, your choice to invest in 7-Eleven. The results corroborated what we already knew: franchisee morale is very low and SEI's corporate leaders need to do a better job of making this system work for its franchise owners.

Over the last several months, we have also created a [Linked In page](#) which has quickly grown to about 440 followers. This is yet another way we are bringing information to our members as well as others in the franchising industry who are following our plight. We invite you to follow the page as well, and to consider sharing articles posted there on your personal Linked In pages as well as on other social media outlets.

<https://www.linkedin.com/company/18512369>

In 2018, we held our most successful Convention and Trade Show to date and were proud to feature former SEI President James Keyes as a keynote speaker. His insider's perspective and deep knowledge of the franchisee/franchisor relationship helped us recall those days when the interests of the corporation and the franchisees were in alignment. His message also helped give us hope that the future will not be so bleak.

NCASEF voted to skip last year's 7-Eleven Experience. While it was a difficult thing to do, we believe it sent a message to our corporate hierarchy – we all deserve better. And that is why we have once again voted not to attend the 2019 7-Eleven Experience.

*(G) To articulate and advocate for the needs and interests of FOAs and 7-Eleven convenience store franchisees before legislative, administrative and judicial branches of local, state and national governments;*

Advocating for all of you is of the utmost importance today. We are particularly proud of the town hall meetings which took place in several states, including two in California that drew 800 franchisees. These were times where franchisees came together to talk about shared issues as well as hear from our general counsel Eric Karp the truth about the new franchise agreement.

FOAs are also lobbying Attorney Generals in the states of California, Washington, Pennsylvania and Michigan – urging them to investigate state franchise violations and discriminatory business practices. Because of our grassroots efforts, it is our understanding that the United

States Federal Trade Commission (FTC), the State of California and the State of Maryland have opened investigations into SEI's practices.

*(E) To seek a balanced, constructive, cooperative, collaborative and mutually respectful relationship with SEI*

This is a critical objective for the National Coalition. We deeply believe this is key to the success of the 7-Eleven system. Repeatedly we have asked SEI to listen to our concerns and amend the new agreement to improve our ability to be profitable. Repeatedly, they have ignored our requests and reinforced what our survey already showed: The vast majority of franchisees strongly believe the new Franchise Agreement shows SEI does not care about our well-being.

The National Coalition is extremely proud of the work you all do within your communities. Your charitable efforts prove you are caring members of the places where you do business. It is commendable and we want to recognize a few notable efforts over the past year in this Dispatch:

Thank you to the franchisees near Parkland, Florida who raised money for the shooting victims and their families from Marjory Stoneham Douglas High School.

Thank you to the many franchise owners who support Swim Across America events.

Thank you to FOAGLA Franchisees who raised \$4,711 for ABC Channel 7's recent holiday toy drive to help struggling families in the Greater Los Angeles area.

And, thank you to the Utah franchisee who fundraised to feed homeless high school students in her town.

These accomplishments – and many more – demonstrate the value franchisees bring to the 7-Eleven brand.

In 2019, we pledge to continue working to level the playing field and provide greater balance to the franchisee/franchisor relationship. Please feel free to contact us with your comments or suggestions.