FOA Southern California

Perspective

SECOND QUARTER 2009

Unity | Profit | Communication

A publication of the 7-Eleven Franchise Owners Association of Southern California • "The Largest FOA in the USA"

Featured in this Issue

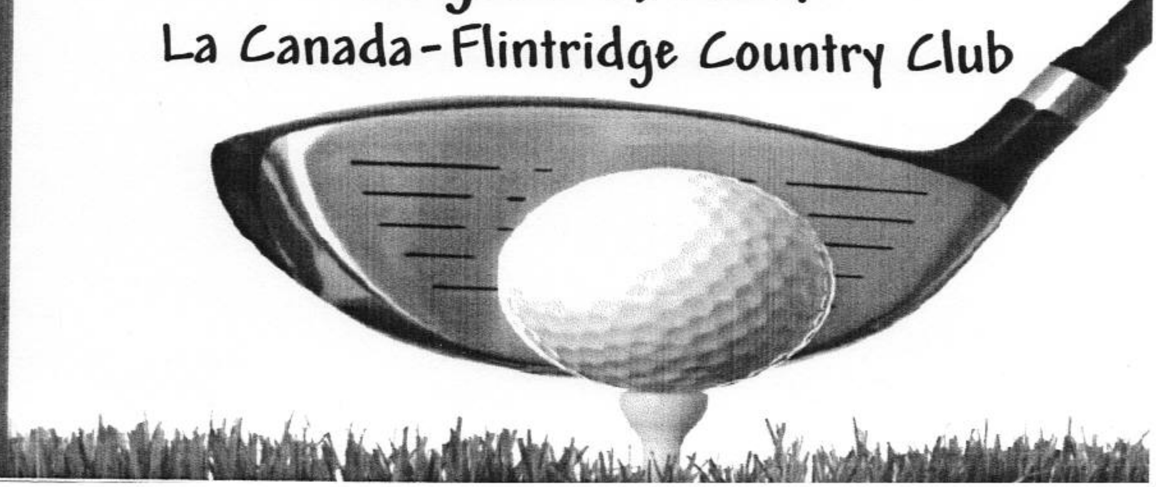
- 2009 Trade Show Candid Photos
- Accounting Corner
- Know Your Rights
- Employee Engagement
- The President's Message & Much, Much More...

You're Invited To the Best Golf Tournament of the Year!

The 23rd Annual Joe Saraceno Invitational Golf Tournament

August 10, 2009

La Canada-Flintridge Country Club



2009 Calendar of Events

July 19-23: 7-Eleven National Convention - Paris Hotel Las Vegas

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July 30: Board of Directors Meeting - Embassy Suites Arcadia

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August 10: 7-Eleven FOASC Golf Tournament - La Canada Flintridge Country Club
"The 23rd Annual Joe Saraceno Invitational"

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August 20: Board of Directors Meeting - Embassy Suites Arcadia

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September 17: Board of Directors Meeting - Embassy Suites Arcadia

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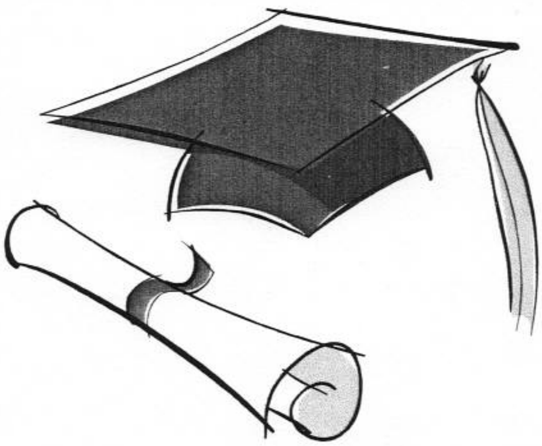
October 15: Board of Directors Meeting - Embassy Suites Arcadia



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7-Eleven Franchise Owners of Southern California Owners Association

2009 ASSOCIATION OFFICERS

Perspective is the official magazine of the 7-Eleven Franchise Owners Association of Southern California

*Deceased

7-Eleven FOA Southern California

"The Largest Association in the USA"

PUBLICATION STAFF

Karam Dhaliwal, Editor-in-Chief
Gunu Singh, Assistant Editor

Perspective is published quarterly. The publication staff welcomes comments, story ideas and viewpoint articles from Perspective readers. The editor reserves the right to edit all material submitted for publication.

Material for publication should be sent to:

7-Eleven F.O.A.S.C.
11145 Tampa Avenue, Suite 12B
Northridge, CA 91326
foasc711@yahoo.com

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Advertising Information

Advertising will be accepted for Perspective subject to conditions noted on the advertising rate sheet.
Current circulation is 600.

For advertising rate sheet and/or any questions, contact the F.O.A. office at (818) 357-5985.

PERSPECTIVE:

'The capacity to view things in their true relations or relative importance and to view your own task in a larger framework.'

We chose to name our publication 'PERSPECTIVE' simply because of its traditional meaning. It seemed to encompass in one word the overall philosophy of the small group which formed our Association way back in the early seventies.

Today it still stands the "test of time" maybe more so.

7-Eleven Franchise Owners Association of Southern California

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Southern California

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President's Message

In the last 35 years that I have been a Franchisee, many changes have taken place in the way we conduct business at 7-Eleven. Some changes have made running our stores easier and some have been down right difficult to understand. After SEI Japan took ownership, the management started making changes in the way we operated in the past. AIM was introduced to give us more understanding of our inventory. What was selling and what was just filling space on our shelves. Inventory came down and sales went up. Doing AIM manually was time consuming and we had Binders with pages and pages in which we recorded daily activities of our store.

Introduction of the IPS was a step in the right direction. Scanning the items that were sold gave a kind of control and information that we really did not have. Now we were able to sit with any salesperson and simply tell them what we wanted and took control of ordering. To accomplish the ordering task SEI introduced the MOT. It took a lot of learning and time to get used to it. We are still on the journey to make it more efficient.

Then, SEI came up with idea of CDC. It promised that we would be able to get a lot of items on a daily basis, at low cost, with a result of more money in our pocket. History does not confirm this result. CDC has been a burden on SEI financially right from the start. Starting some years ago, SEI added a new concept called the FLAT FEE. SEI admitted that CDC was losing money and SEI had to subsidize it, in some areas up to $900,000 per year. I ask, why not close it. SEI's position is that if all stores bought all that CDC has to offer, the FLAT FEE will go away. Unfortunately, a lot of items that CDC offers are available from DSD vendors at a cheaper cost and 100% guarantee. In Boston, when CDC stopped delivering milk on their trucks, the franchisees were able to save $18,000 per year on the cost of milk. When the new CDC was opened in the Los Angeles area, some stores received two invoices for milk, one from CDC and the other from the Vendor. The cost on the Vendor invoice was cheaper.

We are now in the process of introducing another concept of delivery by SEI, called MANAGED DISTRIBUTION. All along, the management has said that, if the new method of delivery is not a WIN-WIN for all of us they will not proceed after the Pilot is tested. But in the latest PLC meeting I heard one Executive say, that if it does not work the first time, we will keep it up as long as takes to do it right. Another Executive declared the he was willing to achieve martyrdom for this cause. I ask, why not fix the CDC first.

Karam Dhaliwal
President

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The 23rd Annual Joe Saraceno 7-Eleven Franchise Owners Association of Southern California Invitational Golf Tournament

It's that time of the year again! Time to celebrate *The 23rd Annual Joe Saraceno 7-Eleven Franchisee Owners Association Of Southern California Invitational Golf Tournament* on Monday, August 10, 2009 at the La Canada Flintridge Country Club. We are very pleased to invite you to come join us in this Grand Annual Event and enjoy the day by meeting new friends and partake in some good old fashioned golfing.

First and foremost, we would like to thank our vendors for the success of past tournaments. The tournament would not be possible without their support and participation. We know this years tournament will be even more successful.

Our FOA has based this event not only as a day of entertainment and joy but also to fund the 7-Eleven Franchise Owners Association of Southern California Scholarship Fund implemented by Joe Saraceno. 100% of the monies raised during this event goes to this program. *We are the only FOA to have a program of this kind.* First developed in 1983, the Scholarship program initially awarded one $4000 four-year Scholarship plus two $1000 grants. Today our Scholarship program has grown and expanded in the dollar amount awarded and in the number of recipients receiving the awards. Close to *a quarter-million dollars* to date have been awarded to an extraordinary group of talented and dedicated young people who have all used their award to good advantage. Our past recipients include doctors, lawyers, engineers, and teachers. We are proud to share in their accomplishments. As the success of the Tournament increases, our Scholarship awards increase. Your presence in our annual golf tournament not only means a lot to us, but also to our children and grandchildren. Your participation assists them in fulfilling their educational dreams. Your participation in this tournament is what makes it a success and leads to such a valued outcome.

We'll be starting off with a continental breakfast in the morning, followed by our classic putting contest. Next, our shotgun tournament will begin during which time an All-American BBQ lunch will be served. As the tournament comes to a close, please join us for dinner and an evening filled with awesome prizes for the winners of our various contests, a fantastic auction, and socializing with new friends. This is an all day event so come prepared to have fun!!!

We urge everyone to come and make this the largest attended Golf Tournament in the history of our organization. If you can't play golf…learn…start practicing now and as soon as you can hit the ball you are in!

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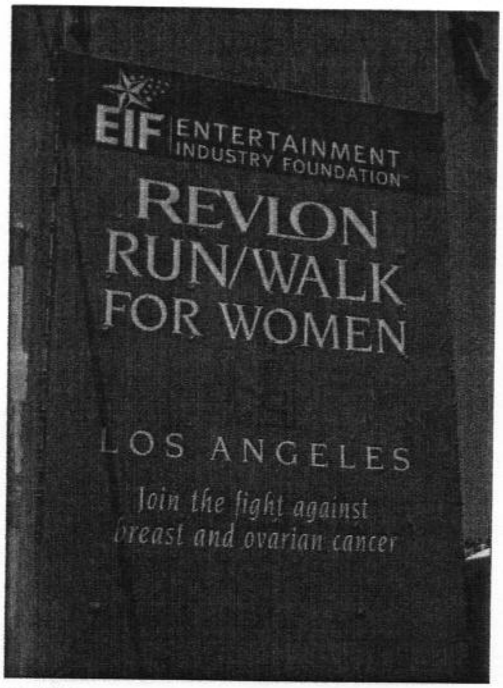
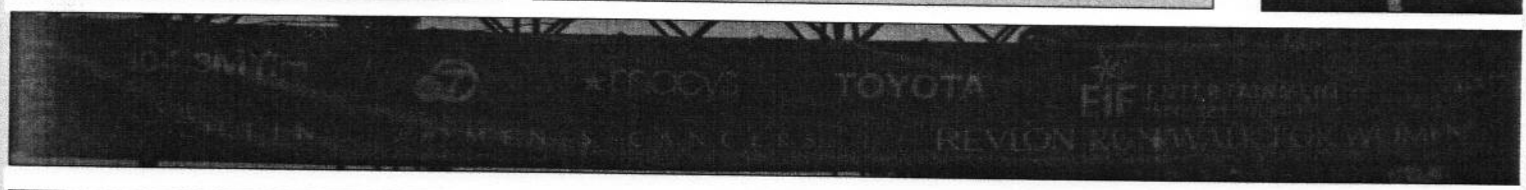
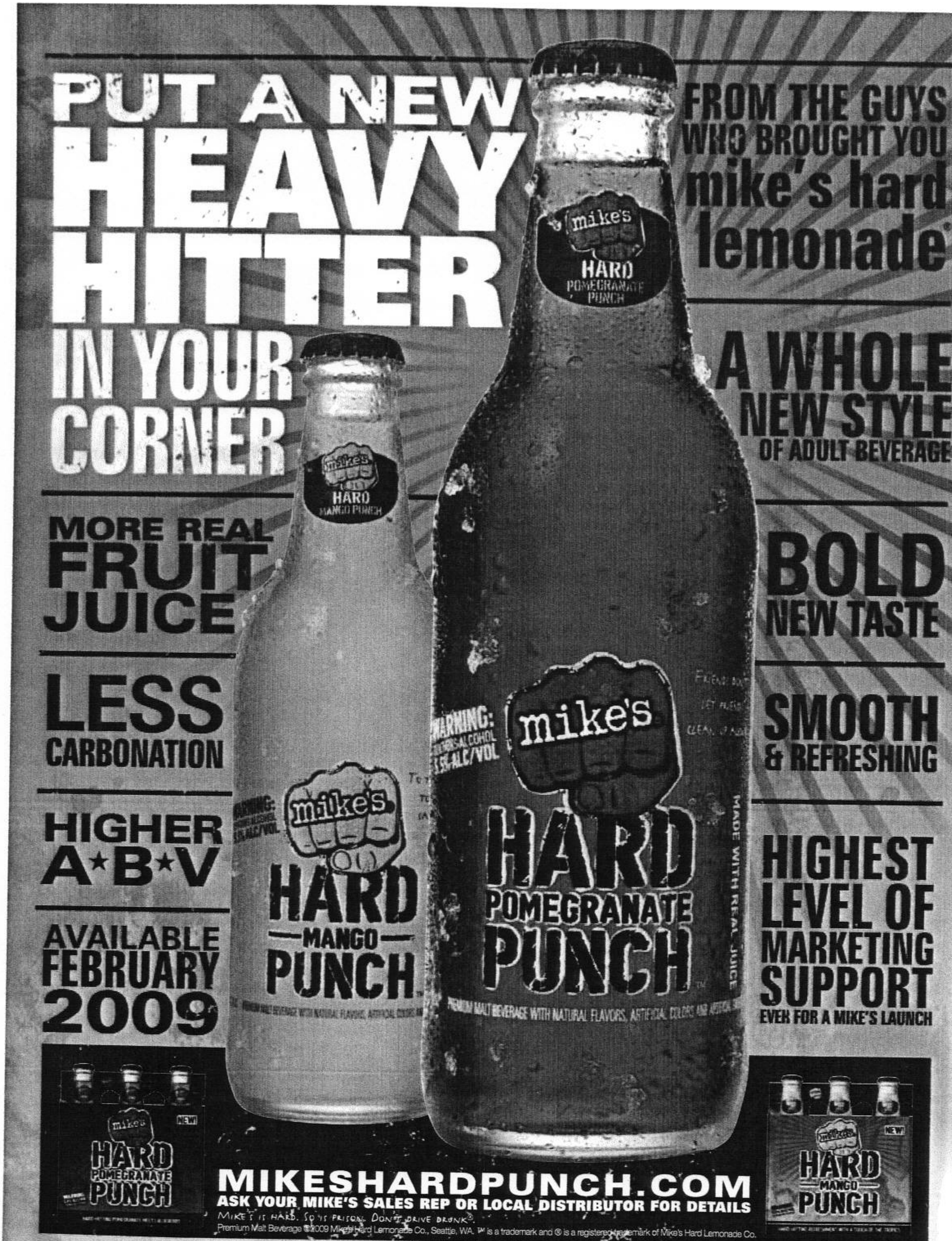


On Saturday May 9,
Team 7-Eleven participated in this
very worthy cause.
It was a day of fun,
entertainment and reflection.





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ACCOUNTING CORNER

Serge Haitayan
PLC Accounting Committee
President, Sierra FOA

Here are a few topics and developments that should be of interest to all franchisees

- SEI approved funding for credit card fraud reduction software in March without any modifications. Now it is up to the software vendors to deliver the software, test it, and roll it out to stores, hopefully by the end of 2009. The new format to communicate and inform franchisees of any credit card chargeback is being worked on with our franchisor as you read this, with hope that the new process will be in place by the end of the year.
- The Accounting Committee has approved SEI to begin a dialogue about lottery variation reporting. We feel that the lottery reconciliation done on a quarterly basis is not detailed enough and places the burden of understanding on the franchisee, whereas we believe it should be the other way around. We will keep you informed of developments.
- Franchisees can migrate any recommended item deleted by SEI to their SSI screen by following these steps:
  1) Go to "Weekly Merchandising Cycle."
  2) Click "Merchandising Initiated Deletes."
  3) Highlight any item you want from the list, then press "Migrate" key at the top of the screen.
  4) Choose which department you want it to migrate to.
     The computer does the rest automatically.
- With respects to fraud on the increase, I suggest franchises include in their End Of Day Reports the following: the Coupons Sales Report, The Card Load Report, the Network Batch Summery Shift Report, the Network Detail Batch, the Markup/Markdown Report, and the Price Override Report. To get these reports printed on your End Of Day Report-which you will find in your cash management screen labeled as "Print EOD Reports"-follow these steps:
  1) Go to "Back Room."
  2) Click "System Support."
  3) Click "System Maintenance."
  4) Click "EOD Processing Set UP."
  5) Check the box on each of the reports available to print (including the ones mentioned above) under the EOD column. You may do the same foe End of Shift, if desired.
- These printed reports should be studied on a daily basis to find any abnormal behavior with coupons, markups or markdowns, money orders, card loads and, most importantly, credit cards. The credit card report will show the transaction amount and the last four digits of the credit card. You will then be able to coach employees about repeated transactions with the same card or high dollar amount.

Reprinted from Avanti Magazine, March/April 2009


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Community Involvement

By Jawad Ursani

Costs are increasing, sales are down and stores are closing all over town. Does this sound like your neighborhood? Well I can tell you one thing if this has not happened to you yet, it might be coming. I have been in the 7 - Eleven Franchise system for 15 years and I have not seen so much uncertainty in the economy until now. We can all sit and do nothing or get involved in our local communities to help promote and grow our business.

We are neighborhood stores and unlike large corporate stores we know our community inside and out. Whether we get involved in the local chamber of commerce, help out the local police department or a local school nothing is more rewarding than helping the community we all do business in. Getting the word out that 7 - Eleven cares about the community is our responsibility. We as franchisees need to spend a little time investing in our community. Dollars are tight, so spending thousands of dollars on print and media advertising is not feasible in this economy. I have spent the last several months getting involved in my neighborhood and the results speak for themselves. My store is up in sales and at the same time we are having fun. Here are some of my suggestions on simple ways to get involved in the community with positive results.

Work with local schools by donating product for school events. I have sponsored many local events such as a Jog-a-Thon, Movie night, Earth Day and Teacher Appreciation day. Donating our 7 - Select water, our recyclable green bags or even soda and ice are just a few ideas. Find out what events are coming up in local schools are get involved.

Get to know your local district councilman. Ask your councilman if he/she can host a small gathering in your store. Meeting and having coffee with the councilman is a great way to increase traffic flow. Your store will get free advertising and customers will come to meet the councilman.

Work with the local police department on some safety issues. I recently got involved by donating coupons for helmet safety week. The police department handed out Slurpee coupons to all kids who wore a helmet while riding a bike. It's a great way to show that 7 - Eleven cares about the safety and well being of our young customers.

Get involved in chamber of commerce events. If you are not a member of the local chamber of commerce, I suggest you become one. The local chamber has weekly events in the city that 7 - Eleven can get involved in. The cost is minimal but the impact in immediate. In my city, our chamber of commerce is working on a discount card promoting that all local residents shop local businesses. This is a great way to promote our Combo Meals, 99-cent refill coffee program and our monthly specials.

These are just some of the ways to get involved in the community. The possibilities are endless and the impact is huge. Once you get involved in the community you will truly see how much the local community supports your efforts. I have gained new customers in this process and have made new friends. Policemen, teachers and city officials now shop my store and thank me every time I see them. I hope we will all get through these hard economic times and by simply helping the community 7 – Eleven will continue to be a leader in the industry and truly a respected business.

7-ELEVEN FOA Southern California

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Employee Engagement

Building Employee Connection to Their Work

By Wendy Friede, Ombuds for 7-Eleven
1-866-771-2221

Behind the words "Employee Engagement" is the question: *"How do I create a work environment where workers will be connected to the work, to each other, and to the organization in a way that they will want to excel?"*

There are some pretty impressive statistics which make a strong case for employee connection:

- Gallup research shows that...
    - Organizations with a highly connected workforce report 27% higher profits.
    - Employees who are connected perform at 120%, provide better service, and increase customer retention.
- Another study shows that connected employees perform 20% better and are 87% less likely to leave.

What can you do to create an environment where your employees can build this personal connection to their work?

Trust and Respect – The most important factor is you. Treat each employee with respect and deliver on your commitments.

Communication – All workers have a need for frequent communication and sharing of information. Ask for feedback and for their ideas. Listen, ask questions for clarity and address concerns.

Coaching and Training – Assume that every worker wants to do a good job, and provide them with the training and coaching that will allow them to be successful. Broaden the responsibilities of those who show interest and promise. Help them stretch and grow.

Accountability – Be clear about what you expect and hold each employee accountable to those expectations. Provide appropriate consequences for delivering or not delivering on set expectations.

Involvement – Involve employees in decision making and execution when appropriate. Invite their ideas.

Flexibility – Determine where you can offer flexibility and where you can't.

Giving Back – Make your employees part of your efforts to give back to the community in which they work.

Learning and Growth – If there is a career path with you, help your employees find it. If not, help them recognize the new skills they are learning on the job and how these skills will make them more prepared for their next career move.

Make a conscious decision to assess where you are today and determine what you can do to help each employee to become more connected to their work. This investment in your employees can give back in bottom line results, customer satisfaction, productivity and retention of your best employees.

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Good Faith And Fair Dealing: Know Your Rights

Arnold J. Hauptman, Esq.

If there was ever a legal article for you to read and keep with your contract, this is the one. I say this because the information and advice I am about to give you may one day be the basis for you to fight the "absolute" discretion seemingly vested in SEI by the store agreement. That SEI has reserved to its discretion many of its obligations under the contract is obvious. I refer you to my article in the November/December 2007 Avanti, in which I pointed out no less than 35 such provisions, including SEI's discretion to determine when they deem it necessary to make repairs to the store premises; how and when advertising fees are spent; under what circumstances you are entitled to a renewal of the agreement; and when a personal event in your life such as a divorce or criminal proceeding would entitle SEI to take possession of your store. These are only a few examples, and you should review my 2007 article for the many more examples of SEI's "discretion" that may affect you in the future.

Is the exercise by SEI of its discretion in those matters absolute, or is it subject to standards of reasonableness and good faith? Let me explain. Many of you, over the years, have heard the expression that every agreement is subject to "good faith and fair dealing." What exactly does this legal theory mean? The typical definition, as expressed in a case involving the question of whether or not Carvel's sale of its product to supermarkets violated the agreement with its franchisees, the court stated in substance: "There exists under New York law, an implied contract of good faith and fair dealing, pursuant to which neither party to a contract shall do anything which has the effect of destroying or injuring the right of the other party to receive the fruits of the contact."

It is said that the covenant of good faith and fair dealing is implied in every contract and in every state. But it must be understood that the covenant cannot be used to contradict or change an express provision in the contract, or to add or delete an express right or obligation of either party. However, when it comes to the exercise of discretion reserved to one of the parties, the covenant of good faith and fair dealing comes into play. A huge body of case law has evolved which holds that the covenant can be breached by a party exercising discretion in an unreasonable manner, arbitrarily, or without proper motive, or in a manner inconsistent with the reasonable expectations of the parties. I have located cases in Colorado, Washington, New York, Washington D.C., Arizona, California, Illinois, Florida, and Connecticut that adhere to this legal tenet, and I am almost certain that all states address the unfair or unreasonable exercise of discretion in a similar manner.

The court in the Carvel case mentioned above stated the rule to be that no obligation can be implied by the doctrine of good faith and fair dealing that would be inconsistent with other terms of the contractual relationship, but as the doctrine applies to the exercise of discretion. Specifically, the court stated the rule to be: "The doctrine of good faith performance imposes a limitation on the exercise of discretion vested in one of the parties

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to a contract. In describing the nature of that limitation the courts of this state have held that a party vested with contractual discretion must exercise that discretion reasonably and with proper motive, and may not do so arbitrarily, capriciously, or in a manner inconsistent with the reasonable expectations of the parties."

Some examples: In the Carvel case, the court refused to hold, as a matter of law, that Carvel exercised its discretion to distribute products to supermarkets "reasonably and in good faith." In a franchisee's action against Best Western International (Arizona), the court held that the franchisee stated a cause of action when Best Western circumvented the contractual notice requirement by simultaneously exercising its discretion to grant both the franchisee's and its competitor's applications for a hotel within the same market area.

Not all cases are successful. A lawsuit against Goodyear Tire & Rubber Co. (Washington) failed to convince the court that the franchisor breached its covenant of good faith and fair dealing because the contract expressly permitted the franchisor to own outlets or sell products in the dealer's trade area. In other words, no discretion was involved. The franchisor was simply taking advantage of its unconditional contractual rights. In a California case a franchisee asserted that McDonald's Corp. breached its agreement by establishing two new outlets within four miles of that franchisee's store and by refusing to renew the agreement with the franchisee upon the expiration of its term. The court dismissed the case because the contract specifically stated that it did not grant any exclusive or territorial rights and, in addition, the contract simply did not contain a promise or representation to renew upon expiration. In short, the court concluded that discretion was not involved in the matter and thus the franchisor could not have breached the covenant of good faith and fair dealing by abiding by the express contractual language.

These cases are all what we attorneys call "fact sensitive," meaning that there is no hard and objective role to guide us. Each case is dependent on its own set of facts and might be determined differently by different courts and judges. However, the principle remains. SEI must exercise its discretion in a reasonable, good faith, non-arbitrary or capricious manner, or it could be held in a court of law to have breached the store agreement. What is unreasonable or arbitrary—or grounded in a bad motive—is a subjective criterion, and if you suspect a violation by SEI you should consult your attorney, who can give you some guidance.

So what is the lesson here? Simply stated, SEI does not necessarily hold all the cards when a provision in the agreement contains verbiage such as "in our discretion " or "at our option" or "in a manner satisfactory to us." As in any contract dispute, the parties must pick their battles. There is no point in spending considerable time, energy and money on a minor adverse discretionary decision by SEI. But if such a decision has a significant impact on your business operations or income, you should definitely consult an attorney to consider your rights and whether litigation is worthwhile.

Have a great spring.

7 ELEVEN FOA Southern California
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Accounting Notes from Ser-Vis-Etc. LLC's Newsletter

HQIA AUDITS

We have worked with Purchase VS Sales data on a regular basis. Most of work has been attempts to help Franchisees solve shrinkage issues. The data can be a useful tool for spotting problems in a store. This is particularly true of the cigarette category, because that is the only merchandise category that is counted during an audit. I do not believe that that the process is accurate enough to justify charges based upon individual on individual categories. The HQIA audits I have seen take categories to build a case for the markup, while conveniently ignoring categories that do not help the company's assumption that they were cheated.

There are many reasons for problems. Manually entered documents are assigned to the "predominant PMA category. The 12/3/08 accounting center bulletin that explained this process for Price Changes but there is no doubt that the same is true for unsupported vendors, transfers and cash purchases. There are problems in your ISP. Every sale on the Electronic Journal in grocery non-tax is a problem. Every local promotion rung through the system can be a problem. The Franchisee has no method of checking category accuracy. There are no known reports available through the store or Home Page systems that show what PMA categories invoices were booked to. A "PMA Audit Detail" will show what was booked to an individual category, but not by invoice. It is only available by request from the accounting center.

Real numbers from Purchase vs Sales data were reviewed for a high volume store that had a $7000 shrink in November and $6000 shrink in February. The data for was for four calendar months. The store had "unassigned purchases" of $560 per month and "unassigned sales" of $4420 per month. These sales were 2.54% of the store's total sales. On the December PMA, the Grill Category was 2.63% of the store's 2008 purchases. How can 7-11 make a decision about the accuracy of a store write offs when the "unassigned sales" equal the category purchases. This store did not receive a Grill Markup.

Franchisees need to stand together through the "PLC". They need to make upper management understand that it is not acceptable to compile isolated data to intimidate a Franchisee into accepting a markup.

CREDIT CARD FEES

When I read the unsigned 4 page epistle that showed up on the Home page trying to justify yet another increase in charges to stores, I was reminded of this statement by Bob Atkins on an unrelated subject: "Sometimes a statement taken in isolation can be the truth, but it's not the whole truth, and in fact in isolation it can be misleading. For example... "Stepping out of a plane flying at 5000ft won't hurt you". That's pretty much true, but it doesn't address the issue of what happens a short time later when you hit the ground at over 100mph."

They spent $1.7 billion to support "our" business but listed far less than half of that as spent inside stores if you count Technology Enhancements as inside the store. They do not talk about income from franchisee fees and income from new contracts selling store sales data. You may want to ask San Diego Franchisees about the profitability of the Iced Coffee and bulk creamer programs before you jump on these.

I have to wonder if a $5300 reduction did not have a bigger impact on a FC than a $9000 reduction had on a Division Manager.

Continued on page 21

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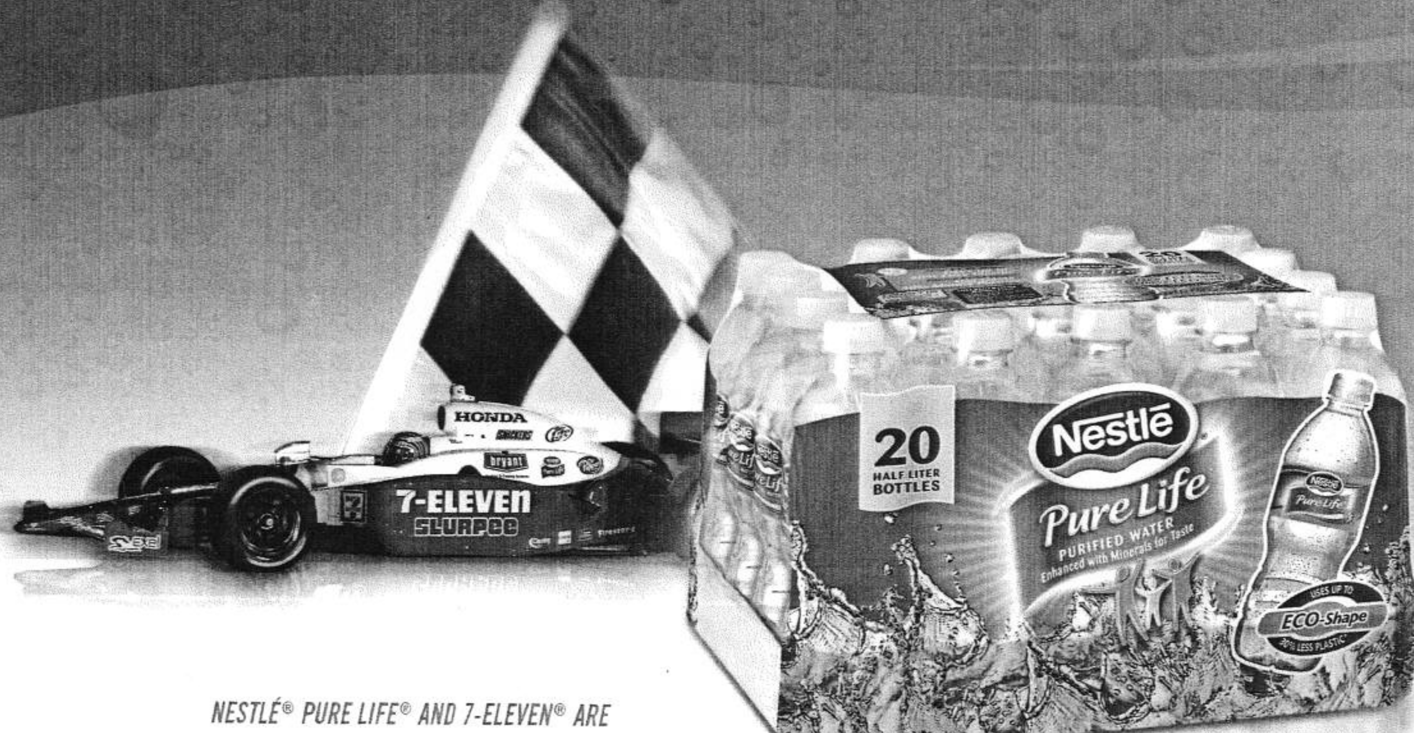

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NESTLÉ® PURE LIFE® PURIFIED WATER .5-LITER 20-PACK

*Beverage Marketing Corporation 2006 includes retail PET retail bulk home and office delivery vending domestic sparkling and imports excludes flavored and enhanced water

Continued from page 19

They say (twice) that the cost of credit has gone from $44mm to $160mm a year in 6 years. They also say that expenses on the Franchisees behalf were $45mm. What about the other $71mm? According to the US Dept of Energy (May 03) the price of gasoline in March 2003 was $1.70 gallon, how much of the extra $116 was gasoline?

It is against card Association rules to charge a fee to accept debit cards – send the anonymous writer to ARCO.

I have been pulling the C94 Credit Card Fee report for selected stores for several months. The one thing that I have found is that every store will have average transactions and a different % of debit card usage. The new calculations may save stores money depending on the average debit transaction amount. The charge had been a flat 25¢ for debit cards; it will now be a fee + %. I believe that Franchisees will have to wait for these reports to develop strategies for their stores.

7-Eleven Inc. is making these changes for their employees and Franchisees because, right now, they can get away with it. The drive for new stores is gaining BCP stores which only pay a $25000 fee, not covering the equipment etc. The over saturation of stores will get the numbers that the owners want and the successful management team will move on as the economy recovers. I wonder what the long-term cost is for Franchisees.

Credit Card Equipment

Most of your stores are on the 2004 Agreement. The Credit Card Amendment states that 7-Eleven Inc. "will arrange for all labor and materials necessary to maintain and repair the Credit Card Equipment…" I do not know of anything unrelated to credit and debit cards that you can do on a pinpad. Why are stores being charged $20.09/month to $23.66/month (2 registers) for pinpad maintenance contracts? I recommend that you ask your Market Manager this question.

Audit Basics

Franchisees need to be more alert in today's economy than they have been in the past. You cannot afford an inaccurate audit. It could be hiding a problem. Audit overages are the result of a bad audit, either this audit or the previous audit was not accurate. Many times, it is more important to review the paperwork for an overage than shrinkage. Take charge of your audits:

Set the day and insist that every audit is on that day. If this is a problem for the audit company, it is their problem, do not let it become your problem.

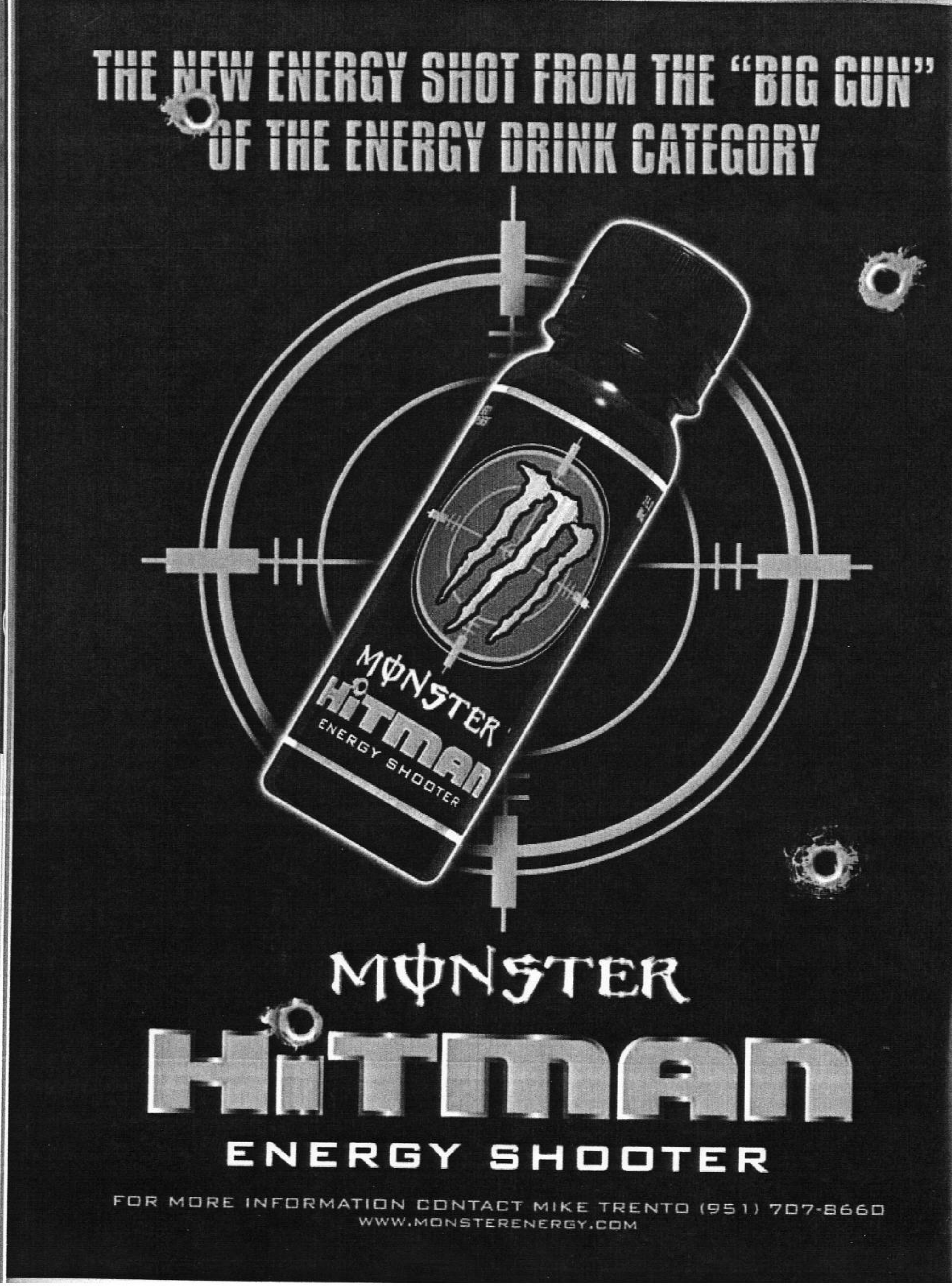
If you can not be in the store for the start for the audit have a key employee in the store. You do not have to allow an auditor to start @ 4:00 AM supervised by the night person. I have concerns about the trend of having auditors doing two audits in one day. It may be more profitable for the auditor and Audit Company but is it accurate? Call your Market Manager and complain, 7-Eleven is paying the same for each audit and should be concerned.

Have a key employee review the count with the auditor. Instruct the auditor to leave the tapes on the counters so that the prices can be reviewed. Do not sign or approve an audit that you did not review.

Complete and send all paperwork in on audit day. Complete two receiving logs, one BI and one AI even if there are no receipts to log. Send both in on audit day.

If you do not receive the Audit Worksheet when the results are available, call the Accounting Center and have a copy sent to the store.

Contact: Norm Winslow (559) 251-0717 or
Richard Schwarz (562) 438-6832, richard@servisetc.com


THE NEW ENERGY SHOT FROM THE "BIG GUN" OF THE ENERGY DRINK CATEGORY
MONSTER
HITMAN
ENERGY SHOOTER
MONSTER
HITMAN
ENERGY SHOOTER
FOR MORE INFORMATION CONTACT MIKE TRENTO (951) 707-8660
WWW.MONSTERENERGY.COM

7FOA Southern California
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CONVERSION STORES & ADDITIONAL LIABILITIES

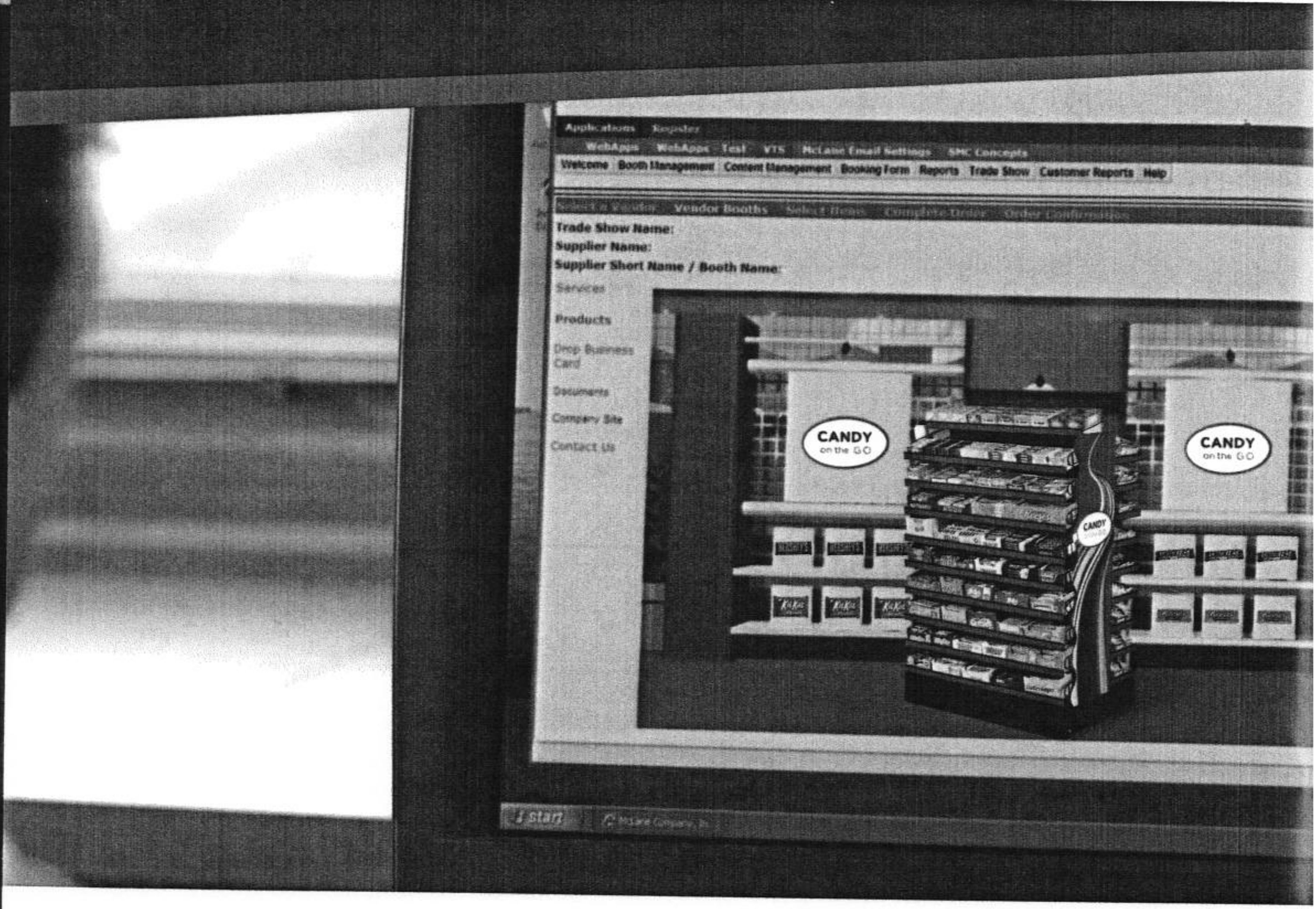
By John Barbot, Barbot Insurance Services

SEI is moving forward with the BCP program. In the Southwest Division, in 2007 there were 4 stores; 2008-12 stores; and as 5-18-09 there are 11 stores open or schedule to be open by 12-31-09. That is a total of 27 stores. The BCP model differs differently from the traditional franchise. It all starts on who owns and/or controls the lease for the store location. A BCP operator must take care of this responsibility and assume the financial, and all its liabilities.

BCP versus TRADITIONAL FRANCHISE

ITEM	BCP	TRADITIONAL FRANCHISE
Investment	(a) $215,380 up to $709,325. (b) $64,000 franchisee fee © Inventory amount $45-$70,000. (d) Surveillance system $4-8,000.	(a) Franchise fee. (b) Inventory amount $45-70,000. © Surveillance camera system $4-8,000.
Location	(a) Must negotiate lease with owner. Franchisee can also be owner. (b) Financial responsibility of lease with BCP franchisee.	(a) SEI negotiates lease with owner& assumes Responsibility of lease.
Tenant	(a) BCP is lease holder. If Triple-Net lease Responsible for building & its insurance.	(a) SEI is lease holder; franchisee is sub-tenant.
Tenant Improvements	(a) BCP must provide all TI. Cost is in the range of $100,000-$300,000.	(a) SEI does all improvements.
Parking lot	(a) all aspects of parking lot & liabilities fall On the BCP operator.	(a) SEI assumes this liability & then passes on to Franchisee through the Additional insured wording.
Maintenance	(a) BCP operator will be charged back by SEI For the maintenance of SEI equipment; (b) BCP operator responsible for all non-7-Eleven Equipment.	(a) SEI provides contractors & charges fee to franchisee.
Operations	(a) Same obligations as traditional franchisee	(b) Same for both BCP & traditional franchisee.
Outside vendors	(a) SEI will ask for certificates of insurance For all vendors & contractors maintaining SEI Equipment. (b) BCP operator is responsible for asking all contractors maintaining non-SEI equipment & building to provide a certificate of insurance.	(a) SEI asks for certificate of insurance from all vendors & contractors maintaining SEI equipment.
Insurance	(a) BCP must purchase outside insurance. (b) Carrier must have a BEST Rating of A-X; © Minimum liability limit is $1/$2,000,000 (d) Price of package $2500-$9,000	(a) Franchisee provided indemnity coverage. (b) Franchisee can purchase outside insurance at own cost. © Indemnity provides $500,000 limit. (d) Indemnity no charge. Outside insurance $1680-$1900.
SEI Equipment	(a) BCP per contract must provide fire, liability Insurance for SEI equipment listed in Exhibit B For full-replacement values. Values are between $150-500,000.	(a) provided by SEI.
Loss of income Direct losses i.e. fire	(a) provided by outside insurance for Actual loss Sustained up to 12 months.	(a) Not provided by Indemnity. (b) Franchisee must buy additional coverage.
Driving Exposure	(a) This coverage protects store in the event Employee is involved in car accident during The course of employment.	(a) Not provided by indemnity. (b) Must purchase additional coverage.

With proper outside insurance the BCP operator will minimize many additional liability exposures. Two common errors among BCP operators is to incorrectly insure the SEI equipment and not buy adequate liability limits. At the time of fire loss inadequate property values becomes crucial. If you are underinsured, the BCP operator will become responsible for the shortage. Exhibit B does not list the amount being provided to the BCP store. You need to get this from SEI. The second point is inadequate liability limits. The parking lot brings many claims. We recommend at least $2,000,000 limit.


Welcome Booth Management Content Management Booking Form Reports Trade Show Customer Reports Help
Vendor Booths
Trade Show Name:
Supplier Name:
Supplier Short Name / Booth Name:
Products
CANDY on the GO
CANDY on the GO

2009 TRADE SHOW CANDIDS

NABISCO

Cakesters

Soft Snack Cakes

Introducing the *NEW* Cakesters Portfolio!

NEW OREO Peanut Butter Cakesters, *NEW* Golden OREO Cakesters and the Original OREO Cakesters!

Cakesters is aligning its portfolio around the strong OREO brand equity and America's #1 cookie.[1]

Category Overview

- The Snack Cake category is more than twice the size of the Cookies category in C-stores.[2]
- The OREO brand is a great fit with Snack Cake demographics and purchase behavior.
- Consumers spend more dollars on snack cakes in C-stores than cookies.[2]
- OREO Cakesters is Nabisco's fastest turning item in C-stores.[3]

1. Nielsen 3-Outlet, 52 weeks ending 7/26/08
2. CSP Category Management Handbook, 2006 (p. 106-107)
3. Nielsen Convenience, 52 weeks ending 7/12/08

Support

- Product launches will be strongly supported with trade.
- OREO Peanut Butter Cakesters will be the first nationally distributed peanut butter snack cake.

Details

- OREO Peanut Butter Cakesters will replace NILLA Strawberry Cakesters.
- NILLA Cakesters is now Golden OREO Cakesters– NO UPC CHANGE.

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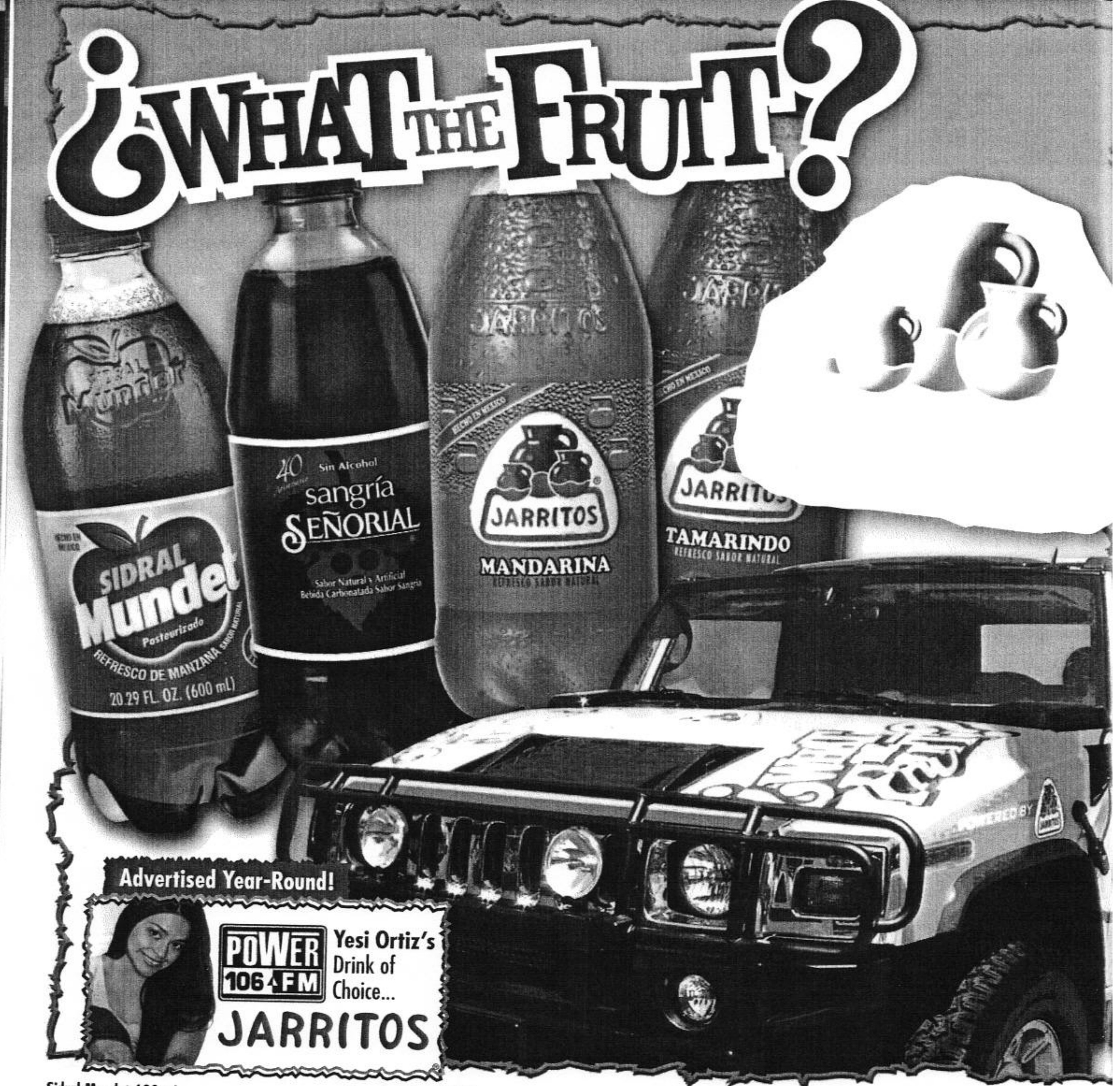
2009 TRADE SHOW CANDIDS



Sidral Mundet 600 mL

0 42301 00161 4

Item #241944

Sangría Señorial 600 mL

0 86154 75161 6

Item #241943

Jarritos Mandarina 600 mL

0 90478 21661 4

Item #241938

Jarritos Tamarindo 600 mL

0 90478 21662

Item #241941

Please order from distributor in your area:

- Energized Distributing (Los Angeles County) (800) 442-2960
- Prestige Sales (Orange County) (714) 632-8020
- John Lenore & Co. (San Diego County) (619) 232-6136
- Haralambos Beverage Company (Inland Empire) (562) 347-4300

ORDER NOW!

The Leading Mexican Soft Drinks in the USA!
85% of Market Share!
1 Billion Units Consumed in 2007!*

*8 oz. industry standard consumption of Jarritos®, Sidral Mundet®, Sangria Señorial® and Mineragua®, all presentations, all flavors in 2007.

2009 TRADE SHOW CANDIDS

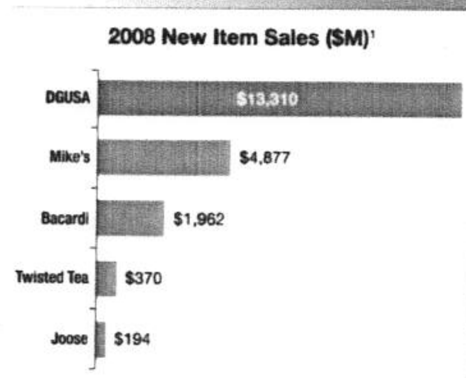
OFF-PREMISE

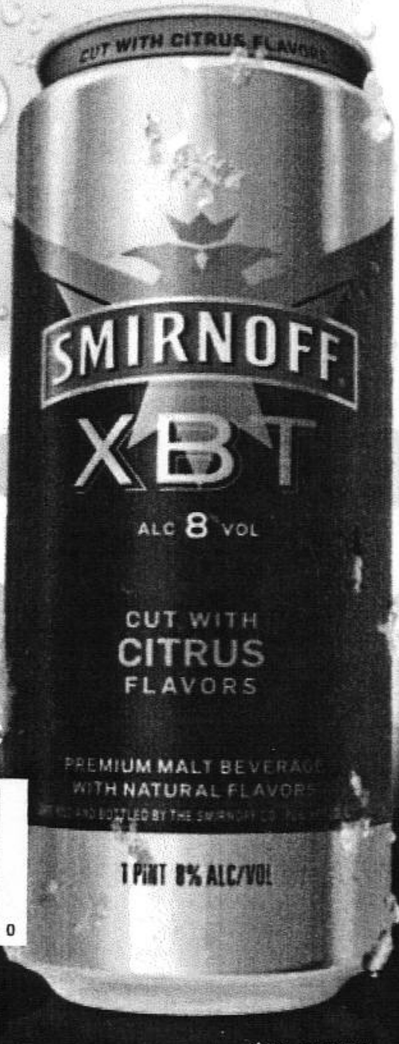
SMIRNOFF® XBT

EXPERIENCE A BOLD CITRUS FLAVOR BALANCED WITH A CRISP REFRESHING TASTE

KEY BENEFITS

- SMIRNOFF XBT has already tested very positively among primary C-store shoppers, males 24–34.[3]
- DGUSA innovation is driving the growth of Progressive Adult Beverages (PABs), capturing 64% of PAB new-item sales dollars in 2008.[1]





- Offering a new "grab & go" flavor experience for consumers, a new profit opportunity for you in the CAN

- 16 oz. Single Serve
- 16 oz. 4-Pack

Single Serve UPC

0 82000 74698 0

4-Pack UPC

0 82000 74700 0

Note: SMIRNOFF XBT should never be placed in the non-alcoholic energy drink section.

[3] Tampa and Baltimore focus groups, 2008

[1] IRI, F&D, 52 weeks ending 12/28/08; all PAB items introduced during 2008
[2] Nielsen, 52 weeks ending 12/20/08 and 52 weeks ending 12/20/08

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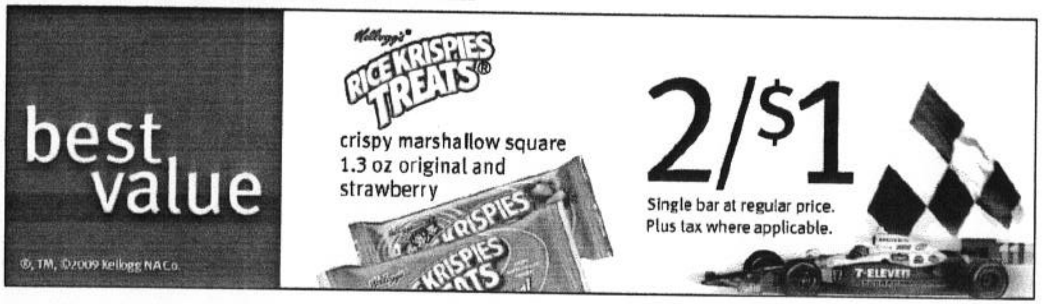
2009 TRADE SHOW CANDIDS

ANDRETTI GREEN racing

ANDRETTI GREEN

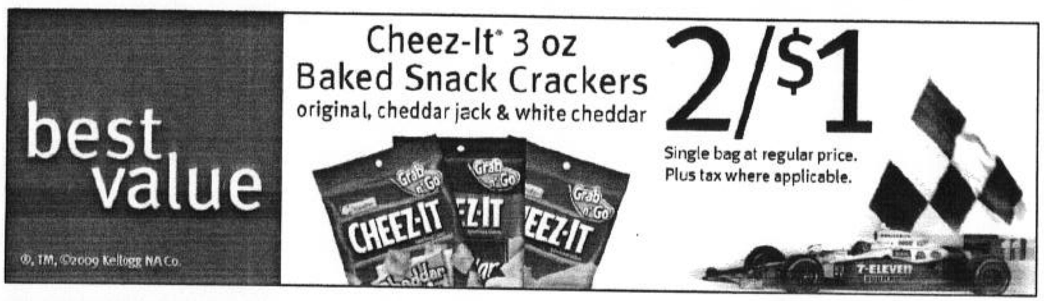
JUNE 2009 PROMOTIONS



Rice Krispies Treats Original - SLIN 300163
Rice Krispies Treats Strawberry – SLIN 300551

0 38000 76541 4

0 38000 41630 9



Cheez-It Original 3oz. - SLIN 300877
Cheez-It White Cheddar 3oz - SLIN 300092
Cheez-It Cheddar Jack 3oz. - SLIN 302088

0 24100 19134 5

0 24100 31534 5

0 24100 20362 8

Cheez-It Snack Mix Original 4.75oz. - SLIN 301945
Cheez-It Snack Mix Double Cheese 4.25oz - SLIN 301957

0 24100 45544 7

0 24100 45546 1

Executed via PromoMaster

Team 7-ELEVEN℠

2009 TRADE SHOW CANDIDS

Let Frito-Lay help grow your profits!!

7-ELEVEN FOA Southern California
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Southern California
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7-ELEVEN FOASC MEMBERSHIP BENEFITS

National Coalition: Free Membership

Activities:

Quarterly Members Stated Meetings
Monthly Board of Directors Meetings *(e-mail the office at foasc711@yahoo.com or Mr. Dhaliwal at kmd1948@yahoo.com if you would like to participate as an observer).*
Trade Show
Annual Golf Tournament *(Supports our Scholarship program)*
Holiday Party

Scholarship Program: Open to Franchisees dependent children and grandchildren. One $8000.00 four year scholarship per year, Multiple $2000.00 Grants, and Multiple $500 Awards. Contact Scholarship Chairperson, Barry Gauthier at 714-637-0307 or call or e-mail the office.

Workers Compensation: The most competitive group rates in the state through John Barbot Services. Call 1-888-505-7110.

Accounting: Free Consulting Services by Ser.Vis.Etc. Contact Norm Winslow at 559-251-0717 or Richard Schwarz at 562-438-6832.

Credit Union: Free Membership to South Western Credit Union. Membership can save you thousands of dollars in auto financing fees as well as offering many additional benefits. Call 562-694-8296 and mention that you are a member of 7-Eleven Franchise Owners Association of Southern California.

Wage Hour Consultant: Human Resources program specializing in wage/ hour and labor issues through C.P.E. HR Corp. Call 800-850-7133 and ask for Thi Ha or Michael Holmes.

Communications: We will continue to be involved at all levels of communications with 7-Eleven Inc. We will continue to analyze and monitor programs, policies and important developments within our franchise system.

7-Eleven Ombuds Program: A confidential, neutral, informal resource established to help the franchisees and SEI raise and resolve issues without fear of retaliation and with the confidence that the issue will remain "off the record". Call 1-866-711-2221 from 8 a.m.- 6 p.m. Central Standard Time.

The Greatest Benefit: In the final analysis, the only justification for creating an association is to be of service to our members, consequently the greatest benefit may very well be to 'be there, when you need us'. Feel free to contact the association at foasc711@yahoo.com anytime, or contact any Director listed in *Perspective*.

7-Eleven F.O.A.S.C.- MEMBERSHIP APPLICATION

The undersigned hereby applies for membership in the 7-Eleven Franchise Owners Association of Southern California, with the understanding that I/we am entitled to receive a copy of the By-laws upon receipt of the initiation fee, and upon acceptance into the Association as a full member. I/we further understand that I/we have a seventy-two (72) hour recession period (from the date below) in which to change my mind about joining this Association and will receive my initiation fee in full, if I/we exercise this right. The initiation fee to join the association is $100.00, with $15.00 monthly dues.

My check/money order for $100 payable to the Association as an initiation fee accompanies this application.

HOME INFORMATION

Name:____________________

Spouse's Name:____________________

Home Address:____________________

City:__________ State:__________ Zip:__________

Home Phone #: (____)__________ Cell Phone #: (____)__________

E-mail Address:____________________

STORE INFORMATION

Market Area:__________ Store Number:__________

Store Address:____________________

City:__________ State:__________ Zip:__________

Store Phone #: (____)__________ Fax #: (____)__________

Date franchisee acquired store:____________________

Date:______/______/______.

Franchisee(s) signature(s):____________________

First Store - Accounting Authorization

Date:______/______/______.

Market Area:____________________

Store Number:____________________

I/We____________________franchisee(s) of the 7-Eleven Store located

at____________________

have joined the 7-Eleven Franchise Owners Association of Southern California and do hereby authorize 7-Eleven, Inc., DBA 7-Eleven Stores, to charge $100.00 initiation fee and $15.00 monthly dues to my open account #97. This authorization is to be effective until written notification by me/us to terminate this deduction. The check is to be made payable to:

7-Eleven Franchise Owners Association of Southern California
11145 Tampa Avenue, Suite 12B
Northridge, CA 91326

Franchisee(s) signature:____________________

Store Stamp

FOA Southern California
"The Largest Association in the USA"

2009 TRADE SHOW CANDIDS

HI-CHEW® Fruit Chews
Juicy & Fruity taste
with addictive texture.
NEW
MORINAGA
HI-CHEW®
STRAWBERRY
FRUIT CHEWS
NET WT:1.76oz(50g)
GREEN APPLE
MANGO
Just Arrived!
Manufactured by Morinaga & CO., LTD. (JAPAN)
Customer Support : Spooners Consulting, Inc (Tel: 310-792-7427)