Los Angeles County
Department of Regional Planning

Planning for the Challenges Ahead

Richard J. Bruckner
Director

January 8, 2015

TO: Laura Shell, Chair
Pat Modugno, Vice Chair
Esther L. Valadez, Commissioner
David W. Louie, Commissioner
Curt Pedersen, Commissioner

FROM: Kristina Kulczycki
Zoning Permits East Section

SUBJECT: Project No. R2014-02734-(1)
Conditional Use Permit No. 201400129
RPC Meeting: January 14, 2015
Agenda Item: 7

The above-mentioned item is a request to sell beer and wine for off-site consumption within an existing 7-Eleven convenience store located at 5105 E. Olympic Boulevard in East Los Angeles.

Please find the following enclosed items for the above referenced item that were received subsequent to hearing package submittal to the Regional Planning Commission:

1. Three emails submitted from one household with concerns about the project.
2. Additional information submitted by the applicant. Note: The original information package contained 91 "support cards" with signatures. One page of the "support cards" was including in the attachment for your reference. A copy of the full package containing all 91 "support cards" may be provided by staff at the hearing at your request.

If you need further information, please contact Kristina Kulczycki at (213) 974-6435 or kkulczycki@planning.lacounty.gov. Department office hours are Monday through Thursday from 7:00 a.m. to 6:00 p.m. The Department is closed on Fridays.

MM:KK

Enclosures: Three emails and a supplemental package submitted by the applicant

Kristina Kulczycki

From: Raymond Gonzales [raymondc.gonzales@yahoo.com]
Sent: Wednesday, January 07, 2015 12:22 PM
To: Kristina Kulczycki
Subject: 02734-(1)

Hello Kristina,
I am on vacation, so I have not had the time to invest on the issue presented for 7-eleven request to sell alcohol. But my wife and I did have find some time yesterday to go out into the neighborhood to start informing residents of the situation. We started on the NW corner of Woods Ave. and Olympic Unfortunately, we had long conversations with residents, so it limited our ability to communicate our concerns to a larger number.

We manage to hit 7 residents. 5 of the 7 difinitely do not want the business to sell alcohol, and hopefully will send you an email with their concerns.

The survey you sited as having 91 responses that do not show any negative response. What was that survey? Three residents did mention that two young ladies did ask them questions, and offered a free voucher for a cup of coffee at the 7-eleven in question. But all three did not remember a question about the specific question about the request to sell or a request to the planning department that 7-eleven would like to sell alcohol? Would this be the same 91 responses? Or was this a completely another survey put out by the planning department?

Another concern was for a Boxing club that serves youths located two business's East of 7-eleven. The person in charge seems to have great concern, as he deals with only youths, and sees the merits of keeping 7-eleven alcohol free. Hopefully he will email you his concerns on the matter.

So as you can see, with just our limited amount of time, we only spoke to a a total of 8 folks, 6 had concerns, and hopefully will send you an email stating so (1 really liked the ideal!). That is like a 70% of local residents and the youth boxing that have concerns of the 7-eleven.

I am sure that 7-eleven had posted their notice in a timely matter, but I do not visit the site and did not see the posted sign until late into the game. I feel that time is not on my side on this matter. But I will try as best as I can to inform the residents.

So my question is about the 91 responses that you recieved. Where did you get those from?

ray

Kristina Kulczycki

Subject: FW: 02734-(1)

From: Raymond Gonzales [mailto:raymondc.gonzales@yahoo.com]
Sent: Wednesday, January 07, 2015 3:38 PM
To: Kristina Kulczycki
Subject: Re: 02734-(1)

In regards to case 02734-(1).

I would like to formally request that the business in question not be given the approval to sell alcohol at the site.

Though various agencies have inputted their opinions as 'favorable' in approving the license for various reasons is understandable. The business has provided sponsorship of some type such as snack or fund raising money and these organizations that have received these items are truly grateful. But with another store given permission to sell alcohol for a matter of convenience to an already saturated area as determined by the ABC, these organizations do not consider the consequences of alcohol to be so readily available to the surrounding community. How may the sale of alcohol may be detrimental to the health and welfare of the community's families? How are the children affected by adults of the family who now only have to walk down the street of their home to buy alcohol and bring it back home.

And also the selling of alcohol how it may adversely affect even the larger surrounding community's by drivers drinking and driving?

The area in question has been determined to be within a high crime reporting district. Right now I would send my teenage Son to the business in question if in need of a Slurpy late at night. But if the business is approved to sell alcohol, that would change the whole equation of public safety. Yes, the Sheriff has had no calls since the store has opened, but I can only calculate that is because the store does not sell alcohol. The Sheriff's department also indicates that our area in question does have several problems with alcohol consumption! I would not determine that the store would be a safe place to send my Son late at night, because the whole environment would be changed.

If approved a supplemental agreement should be in place. Perhaps a 1 year understanding that if the Sheriff's Department gets no calls, then the approval should stay in place as normally implemented. But if more than 2 calls are made for criminal activity, then the approval should be revoked.

The East Los Angeles Community Plan Economic Development Policies states that the approval will help insure the financial viability of the business. But at what cost to the surrounding community? The business can not be held responsible of what happens after the sale of alcohol. But what is the cost associated to a driver causing an accident? To families torn apart by alcohol consumption? By un-sound decisions made when a person drinks alcohol beyond the limits? Yes, the business will provide a tax revenue, hire one or two non-family members. But we as a society will pay more to make sure that this business stays viable?

Perhaps a business that starts a business that focus's on the need to sell alcohol to stay viable should not have opened in the first place? They open the store first, and with the intent of a lack of viable opposition, request to sell alcohol at a later time and date.

Because I do not frequent the store in question, I did not see the Notice to Sell Alcohol until late. But my Wife and I did manage to go out to the community (1-6-15) and did get a very different response. When discussing the issue, we have had mother's who disapprove. Father's who disapprove. We found one that had no opinion, and a single person that approved the sale of alcohol. We only had time to discuss the issue with Eight community members that we do not know. So in our little census, that would be 75% disapproval rating. I have seen the cards that were sent by the 7-eleven store that were sent out within a 1,000' radius. My understanding that there were sent out by two 7-eleven employees giving out free coffee vouchers. They only submitted opinions that were favorable? What happened to those that refused to sign? Or opposed? Where they also given a free cup of coffee voucher like those that signed the survey with no concerns? Were those submitted? And only 91? If my wife and I have had the time, how many local folks who understand the magnitude of the easy availability of alcohol would NOT approve?

The store in question should not be able to sell alcohol. It concerns me that we are in an area that is already over-saturated. I fear for our community with its concerns for the over consumption of alcohol as sited by the Sheriff's Department, That this safe little 7-eleven will no longer be a family friendly environment late at night. But become a public nuisance, another place of criminal activity and another outlet of beer runs.

Keep the store as it originally opened as, a family oriented place of business.

Raymond Gonzales
1248 SVancouver Ave
LA CA 90022

Kristina Kulczycki

Subject: FW: 7-11 Request for a permit for the sale of beer and wine

From: dianelgonz@aol.com [mailto:dianelgonz@aol.com]
Sent: Wednesday, January 07, 2015 5:07 PM
To: Kristina Kulczycki
Subject: 7-11 Request for a permit for the sale of beer and wine

To Whom It May Concern,

I am writing to you today to express my objection and concerns regarding the request by 7-11 to get a permit to sell beer and wine. I am a long time resident of East Los Angeles and live within the immediate vicinity of 7-11. When they first opened there were concerns among many of my neighbors about foot traffic and trash that might be left behind by 7-11 customers. There has been increased foot traffic and many people in the neighborhood are enjoying the conveinence of going to 7-11 for snacks and slurpees. That is fine I pick up the trash and am glad that the children have a place to get their snacks and slurpees. With this request to sell alcohol more serious concerns have prompted me to take action and voice my opinion.

Let me start by expressing how I feel as an East Los Angeles resident. I am tired of people who do not live here making decisions about what we want and what is best for our community. They are not here when the hellicopters fly by at night or when gangs decide to graffiti and shot their weapons. The crime rate in my neighorhood is high and my surrounding neighbors have to look out for one another. Even with all our good intentions a lot of us have been affected by crime both small and large. Sometimes it seems like anything goes in East Los Angeles and that no one seems to care. If you do not live here then you have no way of knowing what occurs here on a daily basis. It is an uphill fight. A call to the graffiti hotline, a call to report some kids doing drugs in front of our house, a call to parking enforcement to report a car blocking the driveway, or a call to the police to report a toddler walking down the street by themselves no mom in sight. These are just a few, I could go on and on and this is just one street.

Now to address my concerns about the 7-11 permit. When I found out that 7-11 was planning on selling alcohol I was disheartened. When they first opened I thought here is an establishment that is family friendly. They weren't selling beer or wine and neither did the market next door, La Poblana. I am not anti-alcohol and there are more than enough places to purchase beer and wine in our neighborhood. We have more than our share of liquor stores and bars, not to mention markets where you can make those purchases. Enough is enough, we do not need one more. Children and families cross that street every morning and afternoon to attend Winter Gardens school. My brothers and I attended that school as well when we were young. When I spoke with some of the moms who have children who attend Winter Gardens they expressed concern and did not want 7-11 to sell alcohol. Though we live in a challenging neighborhood we are the same as moms from more upscale neighborhoods who want the best for their children and the environment they live in. Then why haven't you heard from them you might ask. Many of the families here are Spanish speakers who were unaware about the issues. Some people are afraid to speak up and voice their thoughts or maybe feel that their voice does not matter and that nothing will change. Some of the people are illegal immigrants who may not feel they have the right to speak up against those in authority. I sometimes feel that corporations or the people making decisions about our community are counting on us to be "uninformed" and be "unaware" so that they can push forward there agendas. That is not the case though, given the facts and information many people I spoke with expressed concerns about 7-11 selling beer and alcohol. Many felt we did not need another place that sells alcohol. We are within easy walking distance of more than a few places that sell beer.

We are not going to be able to stop the sale of beer, nor do we want to stop it. We just want to express concern about a corporation that will probably get what it wants, the permit, without a thought to the negative impact it holds in our community. We have enough places that sell beer and alcohol we do not need to add one more. Alcoholism plays a big part of growing up and living in East Los Angeles. We have witnessed DUI drivers, local drunks and so many negative occurences that in some way relate to drugs or alcohol. You might say that 7-11 is a responsible establishment and they check for ID's and do not sell to minors. That's all well and good but it will be the parents of our minors making the beer runs and bringing it into homes that already have an over saturation of bars and liquor stores. Our community deserves better! We deserve healthy alternatives and people who care about the welfare or our community. While I was walking around talking to some neighbors they informed me that two young girls were going door to door giving out free coffee coupons to those who would take the time to respond to how they felt about 7-11 selling alcohol. Some even said they took the coupons and really didn't think too much about the issue. When they were given the facts about how many places sell alcohol and our crime rate some of the people I spoke with felt differently.

7-11 has given money and other donations to our community and that is always welcome. That doesn't mean that they should have the right to sell alcohol based on favorable responses due to these donations and philanthropy. If they really

cared about our neighborhood more that their sales then they would see that we need more family friendly establishments and not another place to buy beer and wine. I hope whoever considers the permit will look at the police report for East Los Angeles and see the negative impact a quick beer run will do to our community, the short and long term consequences.

From someone who was born and still lives in East Los Angeles

December 18, 2014

Los Angeles County
Regional Planning Commission
c/o Kristina Kulczycki
Zoning Permits East
Department of Regional Planning
320 W. Temple St.
Los Angeles, CA 90012

RE: ***Conditional Use Permit Case #R2014-02734, CUP 201400129***
5105 E. Olympic Blvd. within the Eastside Unite No. 1 Zoned District

Dear Chairwoman Valadez:

I would like to provide this report to you with regard to CUP application Case No. R2014-02734, which is the request for an existing 7-Eleven convenience store located at 5105 E. Olympic Blvd. to be permitted to sell beer and wine for off-site consumption.

The current 7-Eleven store has been operating in the East Los Angeles community since August, 2014. The store is equipped with the new design features which includes increased lighting, lower shelves, and wider aisles and less clutter. Not to mention the new gourmet coffee bar and the line of fresh to go foods which include freshly packed sandwiches, wraps, fruit and veggie snacks.

Over the past 7 years 7-Eleven has been transforming itself from a traditional convenience store to a neighborhood store. As a neighborhood store, 7-Eleven incorporates the community into their business model. Our current franchisee has hired local residents as his employees and supported local events such as the Winter Wonderland Tree Lighting and the annual East Los Angeles Sherriff Toy Drive by providing snacks, pizzas, and toys. He has also supported the local elementary school, Winter Gardens Elementary in their fundraising efforts by donating $711.

As a neighborhood store, the main concern for 7-Eleven has been and continues to be safety. 7-Eleven is known for being the "eyes and ears" of the community. 7-Eleven integrates a high-resolution, surveillance-camera system into their business. This includes 24-hour closed-circuit video with audio capabilities. They are also equipped with a sophisticated alarm system that would allow employees to contact 911 through the touch of a remote activated device. All employees are trained to report any suspicious or dangerous activity. We are proud to report that there has been no incidents that required reporting since the opening of the store.

Although the store does not currently sell beer or wine, 7-Eleven considers it a privilege to sell age-restricted products such as tobacco and lottery tickets.7-Eleven makes it a priority to be an establishment that promotes responsible retailing. The cash registers are equipped to require the swipe

of a valid identification whenever an age-restricted product is scanned for sale. 7-Eleven participates in a secret shoppers program in which the store is visited monthly to ensure the store complies with lawful sales procedures. Thus far, the store has been secret shopped 4 times and each time it has passed. I have included a copy of those cards in this packet for your reference.

We believe that by expanding our retail mix to include beer and wine it allows 7-Eleven to keep its commitment to meeting all of the convenience needs of our customers. 7-Eleven has something for everyone. Because we understand the balance of meeting the convenience needs with responsibility and oversaturation, we have committed to purchasing a license within the East Los Angeles area prior to offering beer and wine for sale. It is our goal to continue our commitment to the customers of our neighborhood 7-Eleven by offering a complete and varied product line in a responsible and safe manner.

In keeping with the commitment to community we engaged in an outreach effort that included residents, businesses, schools, elected officials, and churches immediately surrounding the existing store. Enclosed you will find copies of 91 support cards from local residents and businesses within 1000ft of the existing store. In addition you will find a support card from the President of the Montebello Unified School Board and thank you letters from the Volunteers of East Los Angeles (VELA) and the Los Angeles County Department of Parks & Recreation. It is our hope that these ties will continue and strengthen as the store continues to serve the local community.

Thank you for your attention to this matter.

Sincerely,

Christina Reeder

Christina Reeder
Senior Real Estate Developer
7-Eleven Inc., Greater LA

Cc: Los Angeles County Regional Planning Vice Chair & Commissioners

1 Community Presentation for 5105 E. Olympic Blvd.

2 Open Around the Clock

3 Asset Protection in a Convenience Store Environment

4 Crime Deterrence Program

5 National Mystery Shopper

6 1000 ft. Radius Map

7 Letters of Support

8 Support Cards

9

10

AVERY READY INDEX 600085

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ELEVEN
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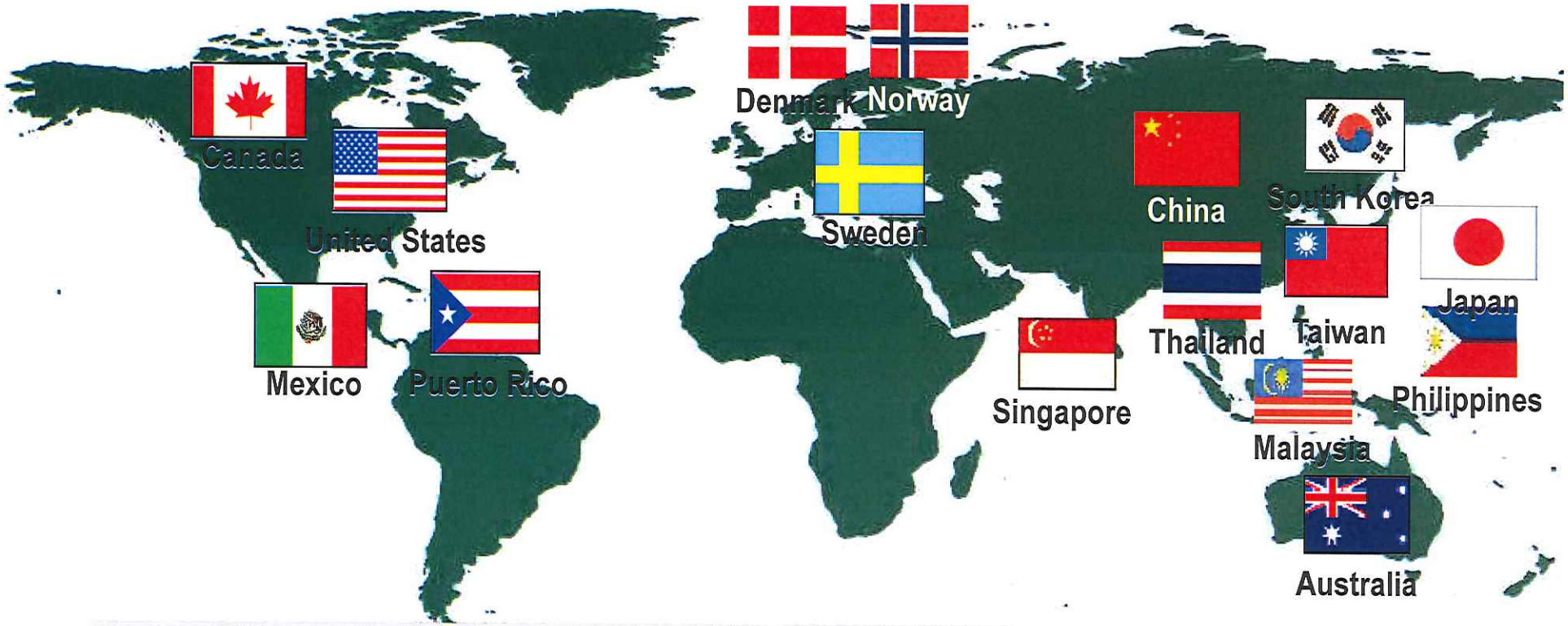
Over 50,000 Worldwide Locations

$43+ billion in Worldwide Sales & 7+ billion customers annually



Closer to home….U.S. & Canada:
8,000+ locations in North America

Our Values

- 7-Eleven® stores are part of the neighborhood and committed to serving the changing needs of our customers. Being a good neighbor and corporate citizen is part of doing business at 7-Eleven
- Our mission is simple: to serve the particular needs of the communities in which 7-Eleven® stores operate.

Business Model

7-Eleven is NOT a traditional C-store

- We serve 6 million customers every day in the USA.
- Product assortment tailored for the local market.
- Growing emphasis on consumable food products.
- Rigorous, computer based training program.
- Franchisees highly trained prior to store opening.
- Highly automated ordering and merchandising process.
- The majority of beverage sales are cold drinks (fountain, water, juice, soda, energy drinks) and hot beverages such as coffee.
- Fresh foods are delivered daily, we maintain very strict standards
- Decreasing emphasis on tobacco products.
- Less than 14% of sales are "beer and wine" (Type 20 license)

In the Community

Winter Gardens
Elementary
School

VELA
La Luz de la Comunidad

MLK Parade Tote Bag Giveaway

MLK Parade

Community Involvement - Working with the Los Angeles County Fire Dept

Community Involvement - Earth Day donation of shopping bags

New interior finishes

Fresh, Healthy Choices

New interior finishes

New interior finishes

New interior finishes

New interior finishes

New interior finishes

Responsible Retailing

- Our commitment to responsible retailing is a core business principle and part of what makes 7-Eleven a welcome and respected neighbor. More than 20 years ago, 7-Eleven set the standard for responsible retailing in the convenience industry by being the first retailer to develop and implement a comprehensive training program for the safe and legal sale of age-restricted products.

- 7-Eleven considers it a privilege to sell age-restricted products such as alcohol and tobacco, and we want to ensure that they are sold in a legal and responsible manner. Our Come of Age™ awareness and personnel-training program was originally designed to prevent the sale of alcoholic beverages to minors or intoxicated persons and to prevent on-premises consumption. This U.S. acclaimed initiative was expanded to include all age-restricted products -- tobacco, lottery tickets and potential inhalants.

People Development Tools
'Best Practices'

- Orientation
  - Operation Alert and Come of Age Training immediately on first day of work.
- Clerk Affidavit
  - Franchisees, Managers and Sales Associates acknowledge that they understand the law and their responsibilities
- Field Consultant
  - Model Trainer behavior and Verify use of Computer Based Training (CPT) "Come of Age" training
  - Encourage Franchisee to have store 'secret shopped'
  - Field Consultant will visit each store twice per week
- 7-Eleven stores' registers automatically prompt sales associates to check identification when an age-restricted product is scanned for sale

We take it SERIOUSLY. A very rigorous and detailed system for controlling the sale of age-restricted merchandise.

Responsibility to Our Communities

- 7-Eleven is recognized in the convenience store industry and by many law enforcement agencies as the first major retailer to institute a formal crime-deterrence program nationwide
- 7-Eleven corporate store managers, their staffs and franchisees receive extensive training in maintaining store security and deterring potential crimes and violence through proprietary program called "Operation Alert." Training includes security procedures, proper store maintenance, violence avoidance and what to do in case of a robbery .
- 7-Eleven shares its robbery-deterrence program with others. The program has been adopted by the National Crime Prevention Institute at the University of Louisville and is taught to law enforcement officers throughout North America.
- Research indicates keeping less than $50 in the cash register deters 80 percent of potential robbers. 7-Eleven stores keep less than $50 ($30 at night) in the cash register. Signs in the stores reinforce this policy.
- All 7-Eleven stores use a time-delay cash-control system, which dispenses cash in small amounts in two- to 10-minute intervals.
- 7-Eleven has invested millions of dollars in a high-resolution, surveillance-camera system, including 24-hour, closed-circuit video cameras with audio capabilities; color monitors mounted in view of customers; black-and-white monitors in the back rooms; and alarm systems equipped with fixed- and remote-activator devices.

Responsibility to Our Communities

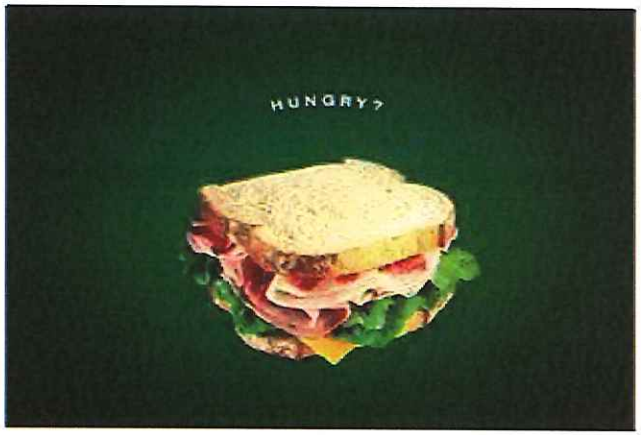
Facts

- The robbery rate at 7-Eleven stores has decreased by 71 % since 7-Eleven stores' robbery-deterrence program was implemented in 1976.
- The average loss per robbery incident in a company-operated 7-Eleven store is approximately $37.
- The National Crime Prevention Council has recognized 7-Eleven as a leader among retailers in crime deterrence and employee and customer safety.
- Corporate policy is to remove any graffiti marks within 24 hours (no exceptions)
- The Police Community Network Centers program (PCNC) offers local law enforcement a place to build and improve relations with the residents in their communities. These satellite offices inside select 7-Eleven stores provide officers on the beat a convenient location to make phone calls and complete paperwork, and offers residents a less-intimidating way to access police for information and assistance. 7-Eleven now has more than 200 PCNCs in 100 cities in 18 states and the District of Columbia.
- Our community relations initiatives are generally focused at the local level and on four key areas associated with strong communities and citizens: safety, education, health & wellness and community revitalization. And priority is given to youth programs to ensure we build a strong foundation for the next generation.

Responsibility to Our Communities

Typical taxes paid by a 7-Eleven:

- Sales tax: $85,000 to $100,000 total
- Employment Tax (state and local): $43,000 (approx $9,400 is local county and city)


HUNGRY?

THIRSTY?
SLURPEE

OH THANK HEAVEN

2

OPEN AROUND THE CLOCK

At 7-Eleven, a 24-hour operation is one of the cornerstones of our business. It's what customers expect of us . . . and we want to fulfill their expectations. It's also part of our commitment to serving the communities where we do business.

The American work routine has changed. People are busier, work later and are in need of products and services at all hours. More jobs require late-night or early-morning schedules. Many U.S. factories run around the clock with three full shifts. Americans are staying up later and getting up earlier, and they need a convenient place to shop. They may range from truck and taxi drivers to police and firefighters, to utility workers and hospital and manufacturing employees. They are parents with sick children and travelers who simply need a cup of hot coffee.

7-Eleven's simple act of opening stores around the clock was a pioneering move in the retail arena. Over the years, thousands of our competitors . . . as well as other retail operations . . . grocery stores, drug stores . . . and even fitness centers . . . have followed suit. Our customers have the perception that 7-Eleven is there for them. **We want them to trust that when they drive up to a 7-Eleven store - - no matter what time it is - - we will be open to meet their needs.** The 7-Eleven trademark is synonymous with being open 24 hours a day/7days a week. It is what our customers expect of us, and we want to fulfill their expectations. If a 7-Eleven store is closed during the late-night hours, customers will be confused about its operating hours and will seek other stores to meet their convenience needs. Experience has taught us that there is a loss of sales at other times of the day if a 24-hour store reduces its hours of operation. .

7-Eleven provides employment opportunities at night for those who want a second job; attend school during the day, or who want to work hours similar to their spouse working a late-night shift.

The late-night shift provides the store staff a chance to do tasks that are difficult to complete during the busier day hours, including cleaning, ordering, re-stocking, facing shelves, and accepting deliveries. With more that 1,000 customers a day visiting each 7-Eleven store, it's not easy to find the time to do these necessary chores.

Sociologist Murray Melbin reports that 10 million people in this country are up at 3 a.m. and 7 million of them are working. They include: firefighters, police officers, nurses, doctors and ambulance drivers, newspaper, TV and radio

crews, postal workers, printers and overnight photo lab employees, manufacturing night-shift workers, stockbrokers, home health care workers, people working from their home, such as computer programmers and writers, military installation personnel, computer operators at high-tech firms, law office and corporate word processors, cooks, chefs and bakers, delivery truck drivers (newspapers and bread), long-distance truck drivers, customer-service line representatives, street and highway, telephone and utility repair personnel, government workers, hotel and motel employees, limo, taxi, school and other bus drivers, casino employees, security guards, office cleaning service workers, private security patrols, emergency hotline workers, people "on call", musicians, actors and other entertainers.

We are asleep. They are not. They are earning their livelihood. Our night is their day. These people need services through the night and to and from work, just as you and I need and use these services in the daytime.

7-Eleven spends millions of dollars to provide a safe working and shopping environment through its Operation Alert and customer-service training programs; by maintaining low cash availability; keeping windows clear; remodeling its stores, which includes increased lighting, lower shelves, wider aisles and less clutter; and the installation of a high-resolution, closed-circuit camera system, audio monitoring and an alarm system. 7-Eleven continues to review other security measures and participates in convenience-store security research projects. 7-Eleven also has a good, working relationship with local law enforcement agencies and supports many crime-prevention and community policing projects.

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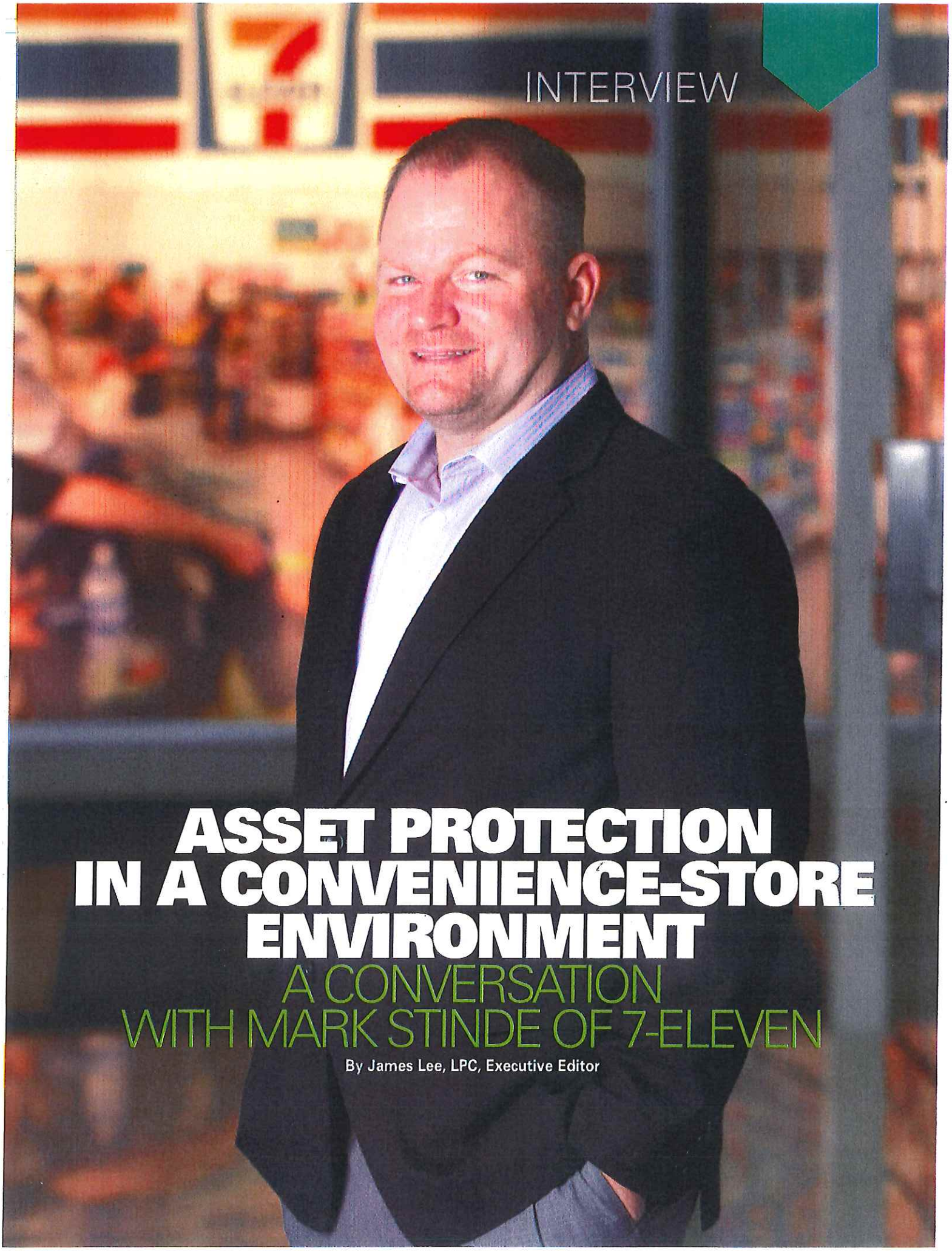

ASSET PROTECTION IN A CONVENIENCE-STORE ENVIRONMENT

A CONVERSATION WITH MARK STINDE OF 7-ELEVEN

By James Lee, LPC, Executive Editor

EDITOR'S NOTE: Mark Stinde is vice president of asset protection for 7-Eleven, Inc. He has over 24 years of experience in loss prevention, safety, and store operations management roles for various retailers, including Circuit City, Sears Holdings, The Home Depot, Toys"R"Us, and others. Stinde serves on the Asset Protection Leadership Council for the Retail Industry Leaders Association and the editorial board of LP Magazine, *and has been active in many other LP trade organizations.*

EDITOR: I'm sure most of our readers have visited a 7-Eleven store at some point, if not on a daily basis. How widespread is 7-Eleven today?

STINDE: The brand of 7-Eleven has grown to over 50,000 stores worldwide in sixteen countries. In the United States and Canada, which is specifically my area of responsibility, we have more than 8,000 stores. Just last year we grew by close to 1,000 stores. Obviously, we have a heavy focus on convenience. However, our goal is not only to be the best convenience-store retailer in the world, but also the best retail company in the world. We are known as a beacon in the night for our customers, or guests as we call them, who are looking for a place to get a cup of coffee, a cold drink, or something good to eat at any time of the day or night.

EDITOR: Who are your typical customers?

STINDE: For some guests, we're their neighborhood grocery store. For others, we're just that convenient place where they get a meal, a cold drink, gasoline, or a Slurpee® beverage.

EDITOR: Ah, the Slurpee. What's the story behind that?

STINDE: Years ago, the owner of one of our stores had the idea that if he took the syrup that is used to make fountain drinks and chilled it, that it would freeze and make a great product. He tried it actually using a car air-conditioning unit the first time, and it worked. That product is what we know as the Slurpee today.

EDITOR: Before we go in-depth into your current role, tell our readers how you got into loss prevention originally?

STINDE: I came home to Federal Way, Washington, from school one summer and needed a part-time job. I responded to an ad for hourly associates at a Mervyns store and took a job in their shoe department as a salesman. I stayed there for a couple of years. While I was there the LP staff often asked me to assist in apprehensions. Eventually, the LP district manager, Mark Thomas, asked me if I had any interest in loss prevention. He was very instrumental in my career. So, I interviewed and took a role as a store detective in a new store in Puyallup, Washington, and my LP career was born.

EDITOR: And that career has taken you to work for what other companies?

STINDE: I spent seven years with Mervyns, and then took an opportunity with a company called Lamonts Apparel in the Northwest as a loss prevention investigator. I was promoted within the year to shrinkage control manager, and then about a year later to regional LP manager. When they filed for bankruptcy in 1995, I went to Toys"R"Us for three years, then to Home Depot where I spent a total of seven years.

A couple of opportunities with Home Depot that gave me experience outside of the LP arena, were the roles I held as senior director of safety and as district manager of operations. The role in safety was very fulfilling, and we made huge progress as an organization not only in the area of safety, but also in the area of environmental compliance. Two years after taking the safety role, the company decided to move safety back into loss prevention. My division president offered me a district manager role in operations in St. Louis.

> Most people think of 7-Eleven as a small-box retail store and think that the issues we face are scaled down the same way. But we do a lot of things in our stores and face some complex issues. We sell food items, which involves food-safety issues. We sell tobacco products, which come with regulatory concerns. We sell gasoline that comes with environmental challenges. On top of that, we're a 24-hour operation that brings in guests at all hours of the day and night, which presents a number of issues.

I spent two years there before the LP bug bit me again.

At that point I went to Sears as division vice president of full-line stores. I was at Sears for a short time when Circuit City recruited me for the top LP role. I started as the director, but was promoted to vice president eight months later. I was with Circuit City until they closed in the spring of 2009. The bankruptcy wasn't fun to go through, but it was a huge learning opportunity for me. When they went out of business, I worked for Protiviti as the associate director of the loss prevention practice for a year and a half before I got the phone call from 7-Eleven.

EDITOR: What enticed you to go to a convenience-store-type operation?

STINDE: When I first learned of the opportunity, I asked questions like: Is it a growth company? Do they have a good strategy? What's the leadership like? Would this be a place that I would want to spend some years of my career? Can I make an impact? After my research, I knew that it was a great company. I also thought that it was a great opportunity to bring some ideas and best practices from the LP industry into their asset protection program to make it even better. 7-Eleven had always had a senior director of loss prevention, but never a vice president. I came in as senior director and within a year was promoted to vice president.

EDITOR: How is loss prevention at a convenience store different from a traditional retail store?

STINDE: Most people think of 7-Eleven as a small-box retail store and think that the issues we face are scaled down the same way. But we do a lot of things in our stores and face some complex issues. We sell food items, which involves food-safety issues. We sell tobacco products, which come with regulatory concerns. We sell gasoline that comes with environmental challenges. On top of that, we're a 24-hour operation that brings in guests at all hours of the day and night, which presents a number of issues.

So, as I came into the company, it didn't take me long to understand that it's a complex business model even though it's a small store. And I've always believed that even though my function within the company—asset protection—is a support function, the best way for me to do my job is to have a true understanding of what it takes to operate the business. In fact, in my first ninety days with the company, I spent sixty days in a store learning the business, all the way from how you order donuts to how you clean the grill to food temperature expectations. The operational knowledge that I gained early on helped equip me to better manage asset protection and better support the business.

EDITOR: Many people might imagine robberies to be a significant problem. Is that true?

STINDE: If you go back to the late 1970s, our robbery rates were challenging. The company engaged not only some consultants to help them with the problem, but they actually went into the prisons of America and interviewed felons convicted for robbery. They asked them things like "What compelled you" and "Why did you choose one place to rob over another?" Some of the insights that they discovered include how well a store is lit, both inside and outside. How clearly you can see in and out of the store is important. Making sure our associates are aware of and address every guest that comes in. We also determined that it was important to keep cash levels low, because even if a robbery occurs, if that person only gets say $35, they're going to figure out over time to avoid 7-Eleven because we don't have much cash on hand.

EDITOR: How did the 7-Eleven LP team respond when you came in?

STINDE: When I got here, it was clear to me that we had really smart people in the organization who wanted to do great work. One of the things that I pride myself in is trying to cast a good vision. Our goal is very clear if you ask any of them. It's to make 7-Eleven's asset protection team not just best-in-class in convenience stores, but in all of retail.

Day one was an assimilation day before we spent two days talking strategy. In that first discussion, the team sent me out of the room to develop questions. One of the questions was, "Do you have a trailer full of people parked around the corner that you're going to replace us with?" Here's what I told them. The expectations of an asset protection executive in this organization will consist of three things. First, you must be a great leader, be good to people, and work well with others. Second, you must have a strong business acumen; not just asset protection acumen. You have to understand why it's important for the operator to be selling fresh food, understand margin, and understand what a P&L looks like and how to contribute to the P&L. And third, and least important of the three, is that you are a highly functioning asset protection practitioner. If you have all those things, I have no need to replace you because you have all the skills to do a great job.

I also stressed the need to not only develop a partnership within the AP organization, but within the corporate organization. Early on in my career, I learned to distinguish between a relationship and a partnership. You can have a relationship with someone, and yet you're not always mutually committed to the resolution of something. For me a partnership consists of shared goals, shared responsibility, and shared accountability. To get there you have to both understand what you're trying to accomplish, to make sure everyone buys in and is committed to their role in success, and to make sure we are holding each other accountable for the outcomes.

The expectations of an asset protection executive in this organization will consist of three things. First, you must be a great leader, be good to people, and work well with others. Second, you must have a strong business acumen; not just asset protection acumen. You have to understand why it's important for the operator to be selling fresh food, understand margin, and understand what a P&L looks like and how to contribute to the P&L. And third, and least important of the three, is that you are a highly functioning asset protection practitioner.

EDITOR: What are some of the financial and operational accountabilities that asset protection has accepted responsibility for?

STINDE: All our investments require certain return. And that return is distilled down to a performance scorecard. The team is held accountable month to month on what it's going to take to get that financial return. With our P&L and scorecard reviews, there's a very clear understanding that if they don't meet their financial return, that this will impact their performance.

EDITOR: What's changed over the past three years with the asset protection program at 7-Eleven?

STINDE: When I came into the organization, during that first meeting with the team, we took an article out of *LP Magazine* that talked about the nine consistent attributes of best-in-class loss prevention programs [see "Lessons from Low-Shrink Retailers," September-October 2007 page 56]. During those two days, we went through that list of nine things, working together asking, "What are the actions we need to take to get from where we are today to best-in-class?" We really had some honest conversations about where we were as an organization, and that was the genesis of our new strategy for the department. I challenged the team to focus, not on what others could do for us to make us best-in-class, but what we could do independently as a department to get there.

EDITOR: What were some of those key LP initiatives that you implemented?

STINDE: I believe in trying to make it as simple as you can, so as a team, we tried to take that nine-element approach and distill it down to determine what it would look like in 7-Eleven. We came up with what we call our "four-pillar strategy," which starts with people and ends with people.

We start with the foundation of our strategy, which is the asset protection team. This team consists of all of our key team members, which begins with the associate who interfaces with our guests day to day. The team includes the franchisees and store operators, the field operations team, the store support center; really each and every member of the 7-Eleven team. Each team member most know their role in keeping our stores safe and minimizing loss in our stores.

The first pillar is what we call revenue-and-profit assurance, which is focused on making sure that what gets reported in the stores, whether it be a sales number, a profit number, a mark down, or a write off, is all reported correctly.

The second pillar is what we call our inventory variation control. Most companies would call that shrink control. But for us, any variance says there's something wrong in the business that needs to be identified and corrected. This means the team is focused as much on overage as they are on shortage in the stores.

The third pillar of the strategy—incidents and investigations—is not only investigating, but really doing the work on the back side of that to understand what occurred and what mitigation strategies we need to put in place to either engineer out the risk for the future or put in operational controls to control the risk.

And then the last pillar is safety and asset protection awareness. That's making sure that we engage our associates on what it is they need to do that will keep them safe and prevent loss. We distribute monthly posters to our stores that tell the story from a safety perspective, from a fraud perspective, and from an operational loss perspective. We look at the different components of the business so the associates in the stores, every day, can learn to better control those areas of the business.

EDITOR: What was the greatest adjustment you had to make to manage risk at a convenience store?

STINDE: We have 1,000 customers a day come into an average store, 24 hours a day, at five dollars a transaction, so you have to look at that kind of business differently than a lower velocity business. Plus, being open overnight adds a myriad of other issues. So I had to adjust, personally, to make sure we built a strategy to fit our specific situation. That's actually one of the nine components of that *LP Magazine* article. One thing I've emphasized whenever I talk about the 7-Eleven AP strategy is that it isn't my strategy; it's our strategy. We built it together. For example, at first, I had shortage control as the second pillar. The team said, "Oh, no. At 7-Eleven it's got to be inventory variation control." It's a different business. I learned I couldn't just come in and plug-and-play my philosophy of what loss prevention was, because in convenience-store retailing there are unique issues.

EDITOR: How do you measure your success?

STINDE: I think back to my early career, when it was all about stats—how many shoplifters did you catch; how many internal theft cases did you resolve? While all of those do have some contribution to the financial success of the company, if that's the only place you find value in your program, you're missing the mark. We can't just be a cost center in the organization; we really should be an income center. Also, you have to consider if asset protection in any way negatively impacts the customer experience in the store. Are there unintended circumstances where we might win financially in the program itself, but lose

somewhere else? So, you have to look at it with an all-inclusive lens, trying to better understand the value of the program as a whole.

EDITOR: What technologies have you adopted in your time at 7-Eleven?

STINDE: One of the nine elements in that best-in-class article was using data to drive decisions. The asset protection group lacked the data needed to support the business. For example, we didn't do any exception reporting. So, we purchased a new state-of-the-art exception-based reporting system called Secure™ from Sysrepublic. This system integrates our ClickIt DVR technology that we engaged Tyco Integrated Solutions to deploy in 2012. The Secure system also is integrated into our APIS case management system. Each technology improvement provides great value to our program, but the effective integration of all of these tools is really what makes the system powerful and adds value.

EDITOR: What have you done with it?

STINDE: The nice thing about the Secure system is the ability to integrate to any type of data that we need to bring in. We bring in Oracle feeds, mainframe feeds, and flat-file feeds. It's flexible enough to take any data source, map it to our database, and run exceptions on the data.

We had opportunities to automate our case-management process, which had previously been merely a manila file folder in the file cabinet or document stored on the desktop of the computer. APIS enabled us to now track incidents and cases all the way from cradle to grave.

Many of our stores were still using out-of-date VHS video technology...if you can say "VHS" and "technology" in the same sentence. Bringing all of our stores into a digital video format was a huge investment. But we worked with senior leadership and last year spent $40 million on new digital video technology for stores. This did not include the nearly $10 million we spent in new stores and acquisitions. We're about to embark on another phase of DVR upgrades later this year.

We made sure that all these new technologies were compatible with each other and were able to integrate together. The real power of this technology is to have these systems all working together.

EDITOR: How did you deploy your digital video?

STINDE: First of all, I have to recognize Tyco Integrated Security, who did a flawless job on the integration of 4,000 systems in nine months in our stores, which was a Herculean effort. We have two IP cameras in every store. That may sound like a small number, but we're a small format store. One of them is a 360-degree camera, and one is a 180-degree analytics camera at the front door. We have the ability to measure traffic, dwell time, and other analytics from the systems. Not only do we have remote access to the systems, but we have integrated this video into our Secure exception-reporting system.

continued on page 36

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continued from page 34

EDITOR: Is anyone inside the company outside of asset protection making use of that information?

STINDE: Absolutely. The customer insights team, the innovations team, the new store design team have all tapped into it. There are many examples of how we are putting this valuable data to use to better understand our stores and our guests.

EDITOR: What do you see as the vision in the next 12 to 18 months?

STINDE: We always have to stay vigilant to some of our key robbery-prevention procedures because of the fact that we operate 24/7 in all different parts of the country. We will continue to focus on safety. Can we do a better job when we design a store? Operationally, can we put better standards in the store?

We're also still in the very early stages of what we can do with data. We're doing a great job around the point of sale, but what additional things can we do around some of the other components in the business?

Then, how do we bring in some of the best practices from the larger LP industry? How do we leverage our RILA, NRF, and FMI partnerships to learn from what other folks are doing in our space? And even if they're not doing it in the convenience-store space, how can we take what others are doing outside convenience and adjust it to meet a need within our business?

EDITOR: Are there any other programs that are important to your asset protection organization?

STINDE: We see law enforcement as partners in the stores. For example, we try to be that beacon in the night for the law enforcement officer who wants to come in and get a cup of coffee and do a report, which gives our stores a good visual deterrent at the same time. We are very proud of our Operation Chill program. This program gives us the ability to engage two very important groups—law enforcement and youth. 7-Eleven donates one million Operation Chill Slurpee coupons annually to law enforcement agencies in the communities we serve. The law enforcement officer is to "catch" a young person in the act of doing something good and then reward them with an Operation Chill coupon that can be redeemed for a Slurpee. This is a huge hit with our guests and with our law enforcement partners.

EDITOR: It's obvious from this discussion that you've developed into a strong LP executive. What one or two people have been most influential in your professional development?

STINDE: The first person who really lit the fire under me as a young loss prevention practitioner was Mark Thomas, my regional asset protection manager at Mervyns. He encouraged me that every day I came into the store to ask the store manager what the sales were for the day before. To talk to the assistant managers to find out the challenges they were dealing with and how you could support them. He taught me from the start how important it was to be that cross-functional partner. I also learned a lot from Ed Wolfe when I was at Home Depot. He's a guy who always stood for quality in his organization, and he promoted me to my first divisional director role. But truthfully, I learned more about what it takes to run an effective loss prevention program in the eighteen months I worked for Bill Titus at Sears than I learned anywhere else.

EDITOR: Finally, I know that family is an important part of your life.

STINDE: Yes, my family and my faith have been very important to me throughout my life. I am more committed to each of these in recent years, and my wife and I are very involved in a local Christian church. There are a lot of people who have helped me along the way. The principles I learned as a young child growing up in the church are things that I try to apply every day in both my personal and professional life. My wife Niki and I will be married three years next October. I have two beautiful children, Katelyn, who is 24 and lives in the Seattle area, and a two-year-old, Connor, who is my wingman. Katelyn graduated from the University of Puget Sound and followed her dad into retail at Target. I am very blessed in so many ways. ■

> Early on in my career, I learned to distinguish between a relationship and a partnership. You can have a relationship with someone, and yet you're not always mutually committed to the resolution of something. **For me a partnership consists of shared goals, shared responsibility, and shared accountability. To get there you have to both understand what you're trying to accomplish, to make sure everyone buys in and is committed to their role in success, and to make sure we are holding each other accountable for the outcomes.**

4

CRIME DETERRENCE PROGRAM

An overview of 7-Eleven stores' program to provide a safe shopping and working environment

More Than 30 Years of Research

Store-Personnel Training Program

Timed-Access Cash Controllers

Bright Lighting Inside and Outside

Closed-Circuit Television Surveillance Cameras

For more than 80 Years, 7-Eleven has been American's neighborhood food store, bringing convenience into the lives of millions. As part of its commitment to the communities it serves and its neighborhood store employees, the company has put in place one of the most comprehensive crime-deterrence programs in the convenience store industry.

7-Eleven developed and implemented its robbery and violence deterrence program in 1975-76, based on research interviews with convicted robbers. The program has been continually updated with ongoing research. 7-Eleven's crime-deterrence program is based on four primary components of visibility into and out of the stores, lighting, effective cash control, and store-personnel training. Additionally, 7-Eleven has installed video surveillance systems in its stores.

"OPERATION ALERT" TRAINING

7-Eleven corporate-store employees and new franchisees participate in a multimedia training program and are supplied with comprehensive resource materials on crime deterrence and violence avoidance.

The program, called "Operation Alert", includes information on security procedures, proper store maintenance, violence avoidance and recommended behaviors for managing a robbery or other potentially violent encounter.

The training emphasizes the high value the company places on the safety of all 7-Eleven store personnel and customers, and 7-Eleven's no-resistance philosophy toward robbery. At 7-Eleven, the safety of store personnel and customers is more important than protecting the company's money or property during a robbery.

THE "FISHBOWL"

Research indicates that robbers dc are brightly lit, with store staffers clearly visible from the street. Tha puts the cash register in the front keeps windows in front of the sale and merchandise so police and oth It's called the "fishbowl" effect be employees are on display for pass police, to see. As part of a nationv program, the company installed bı exterior lighting.

TIMED-ACCESS SAFES

Research also shows that keeping cash register deters 80 percent of Most robbers say the "risk" is grea for that small amount of money.

7-Eleven store employees are instr more than $50 ($30 at night) in the Signs notify would-be robbers that kept in the cash register after dark staffers cannot open the safe. All 7 a Timed-Access Cash Controller to amount of money in the register y customers efficiently.

One section of the timed-access sa locked drop-safe where large bills deposited by the clerk. Another se change (coins or bills) only at pred intervals.

STATE-OF-THE-ART VIDEO CAMERA SYSTEMS

7-Eleven has spent millions of dollars to install and maintain state-of-the-art video camera systems and alarms in its stores nationwide. This system includes a 24-hour, closed-circuit video camera with audio capabilities and a high-resolution color monitor mounted in clear view of the customers. The alarm system includes fixed and remote-activator devices.

FACTS

The robbery rate at 7-Eleven stores has decreased by 65 percent since 7-Eleven's robbery deterrence program was implemented in 1976.

7-Eleven is recognized in the convenience store industry and by many law enforcement agencies as the first major retailer to institute a formal crime deterrence program nationwide.

7-Eleven's Operation Alert Training Program has been certified/approved in several states.

HISTORY OF 7-ELEVEN'S ROBBERY DETERRENCE PROGRAM

1975 – The Western Behavioral Sciences Institute, in conjunction with 7-Eleven stores, conducted a robbery deterrence study with a grant from the U.S. Department of Justice. In the test stores, robbery deterrence measures recommended by robbers were implemented in order to determine their impact on crime. These steps included training employees in robbery deterrence, reducing available cash and removing signs from store windows. The result was a 30 percent decrease in robberies in the test stores.

1976 - A six-month follow-up study in Houston indicated the same 30 percent decrease in robberies. The message was that robbers steal for cash, and if stores reduce their cash availability and publicize it, they can deter robberies. The robbery deterrence program – including training for store personnel, cash management, additional field staff security managers, posters, signs and decals – was adopted companywide.

1980 – A study for 7-Eleven by Athena Research Corporation (Athena) found that security cameras and alarms did not reduce the robbery rate in the experimental stores. 7-Eleven began installation of timed-access cash controller safes in its stores.

1985 – 7-Eleven supported a survey by Athena of armed robbers in prison. The results indicated robbers still looked for the same things in stores targeted for robbery – cash availability and visibility into and out of the stores.

1991 – One part of a three-part study by the National Associations of Convenience Stores showed robbery decreased in the first year after installation of high-resolution, closed-circuit television systems and alarms.

1993 – 7-Eleven began nationwide installation of closed-circuit television systems and alarms in its stores as part of its nationwide remodeling program.

1995 – Athena conducted new research of armed robbers in prison to update its 1985 study, which indicated robbers still looked for the same factors.

1996 – 7-Eleven completed a natio
of closed-circuit television systems
stores. The company updated its ro
deterrence/violence avoidance trai
store personnel.

2003 – 7-Eleven supported a survey
teenage robbers to see if the youn
at things differently than the adult
found that they look at the target a
measures in essentially the same wa
route and money being the most in

2004 – The Operation Alert training
updated including computer-based
stores.

2005 – 7-Eleven began installing ne
high-speed bill acceptors and addit
accountability features.

2007 – "Operation Alert" training, i
lighting and cash control, has been
all of its stores.

5

National Mystery Shop Program Results

5105 E.Olympic Blvd, Los Angeles, CA

7-Eleven, Inc.
Congratulations!
You have been tested for the sale of an Age restricted product and you have successfully requested ID.
Thank you
Continue the Good Work!
Please notify your Store Operator

7-Eleven, Inc.
Congratulations!
You have been tested for the sale of an Age restricted product and you have successfully requested ID.
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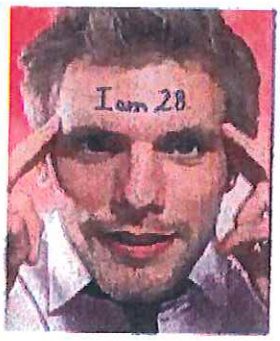
ID ZONE

GUESSING'S HARD... THAT'S WHY WE CARD.

Unfortunately, people don't come equipped with ages on their foreheads!

As retailers, we have a responsibility to our customers and to our communities to ensure minors do not have access to age-restricted products in our stores...



ENSURING COMPLIANCE WITH REGULATORY REQUIREMENTS

We are pleased to announce the launch of a comprehensive program specifically designed to help you and your employees ensure no minor is able to purchase alcohol or tobacco products from your store. Developed by the **Presidents Leadership Council** *(see attached letter)*, the elements of the program are:

ID AGE POLICY

Do you know what 27 looks like? Neither do we... so we've made the line a little clearer by changing our **ID Age Policy** to 30.

"FRESH / REFRESH" ID ZONE POP

How well we communicate our ID practices to our customers can help improve customer service... and there's no reason a serious message can't be delivered with humor. Your October POP kit came with **fresh** vault decals and a counter mat specifically designed to do both. We plan to **refresh** your ID Zone POP regularly with messaging that will make the point... and maybe even bring a smile.

MYSTERY SHOPS

One thing that definitely does not bring a smile is a violation for allegedly selling alcohol or tobacco products to a minor. Those come with very serious consequences. To help you and your employees keep your age-restricted product selling skills sharp, you have the opportunity to have your store internally shopped once a month for about $8.00 per shop. See attached "shared cost" **National Mystery Shop Program** for details.

COME OF AGE AWARNESS BINDER

Of course an ounce of prevention is worth a pound of cure, but what should you do if you receive a violation for allegedly selling alcohol or tobacco products to a minor? You'll find prevention and cure resources in your **Come of Age Awareness Binder.** We suggest you review and discuss the contents with your employees and keep the binder secure and readily available.

COME OF AGE AWARENESS WEEK

What is **Come Of Age Awareness Week**? You're experiencing the first one now. It's time set aside once a year for you and your FC – and you and your employees – to sit down together to review and discuss what is... or is not... going right and how you can improve your store's performance with respect to age-restricted product sales and compliance.

ONGOING COMMUNICATIONS

Guessing's hard... that's why we card. When something arrives on this letterhead, you'll know it contains tips and information that will help you and your employees take the guesswork out of the equation and ensure minors are not able to purchase age-restricted products in your store... regardless of the fact that ***people don't come equipped with ages on their foreheads!***

Dear Franchisees;

Every Franchisee understands the critical importance of adhering to age-restricted product laws and regulations... but no matter how conscientious we are, we can always improve.

In late 2005, our subcommittee – then named the Age-Restricted Product Sales Subcommittee – was charged with developing tools to help stores improve their compliance with age-restricted product laws and regulations; and in May of this year, we presented this program in a comprehensive package of recommendations to 7-Eleven's Executive Team.

While we are proud of this program and know it can make a difference, we also know that it can't make a difference without your support.

During this first **Come Of Age Awareness Week** and those that follow, we encourage you to take the opportunity to sit down with your FC and discuss the materials in your **Come Of Age Awareness Binder** and to also take time to review and discuss your store's age-restricted product sales policies and procedures with your employees.

We also encourage you to participate in the monthly **National Mystery Shop Program**. These shops can help you better and more quickly assess performance issues and training needs in your store – and $8.00 a month is a small price to pay to protect your business.

What's next for our subcommittee? Our work is far from done. While we continue to work on age-restricted product issues, we are expanding our role to include all regulatory issues affecting our stores. Because of this, we have changed our name to **Government Affairs** and have added several new members to help us: **Elias Woldu** from Washington, DC, **Manjit Purewal** from Northern California, and **Tariq Khan** from New York.

Thanks for your time and attention. Our hope is that you never have the need for any of the Post-Sale Action materials in your Come Of Age Awareness Binder!

Regards;

Jas Dhillon, subcommittee co-chair – Southern California
Jasbull@yahoo.com / 818.571.1711
Jivtesh Gill – Central California
J2JGILL@aol.com / 209.939.0679
Mike Foster – Missouri
Mfoster762@aol.com / 314.645.3560
Bill Simmons – Virginia
b-simmons@comcast.net / 434.979.3295
Al Haffar – Pennsylvania
maherhaffar@yahoo.com / 610.279.4839

ID ZONE GUESSING'S HARD... THAT'S WHY WE CARD.

NATIONAL MYSTERY SHOP PROGRAM

Who	All corporate stores and participating franchised stores
What	One shop per month per store
When:	Program begins in January 2008
Provider:	BARS
Process:	Monthly shops will alternate between alcohol and tobacco products
Cost:	$16.25 per shop – Cost shared (50% 7-Eleven / 50% Franchisee) in participating franchise stores – Franchisee share charged monthly ($8 and change) to participating Franchisee's Financial Summary – Annual cost to participating Franchisee: $97.50
Benefits:	Increased Focus = Improved Performance! Improved Performance = Reduced Risk of Violations!
Participation:	**To participate, please sign the attached Participation Agreement and give it to your Field Consultant**

National Mystery Shop Program
Franchisee Participation Form

As a 7-Eleven Franchisee, you have the opportunity to participate in the National Mystery Shop Program (the "Program") that 7-Eleven is rolling out to our company operated Stores. The Program was reviewed and approved by Franchisee members of 7-Eleven's Presidents Leadership Council ("PLC").

GENERAL DESCRIPTION OF SERVICES AND RATES

Cost – $16.25/month (7-Eleven is picking up ½ the cost)

- Once a month shops will alternate between alcohol and tobacco products
- All shoppers will be of legal age.
- The Program is designed to determine whether your employees obtain identification before sales are made to persons seeking to purchase age-restricted products who appear to be under the age of thirty (30).

You will be notified of the results of each mystery shop (pass or fail) by the Shopping Service immediately upon completion of the mystery shop. 7-Eleven will be notified of the results by the Shopping Service. You will **not** receive any formal notice (LON or Breach Notice) as a result of any Mystery Shop during which your employee fails to obtain proper identification from the shopper.

PARTICIPATION AGREEMENT

By signing below, you agree to participate in the Program and you authorize 7-Eleven to make payment for the services provided on your behalf. The cost of such services will be shared equally between you and 7-Eleven and will be charged to your Open Account for the month in which 7-Eleven is invoiced.

The term of the Agreement with respect to your Store shall begin on the date of your choice after January 2008 and continue until the earlier of:

- Termination upon at least 30 days written notice by you;
- Termination of your Franchise Agreement; or
- Termination of the Program by 7-Eleven upon at least thirty (30) days written notice to you.

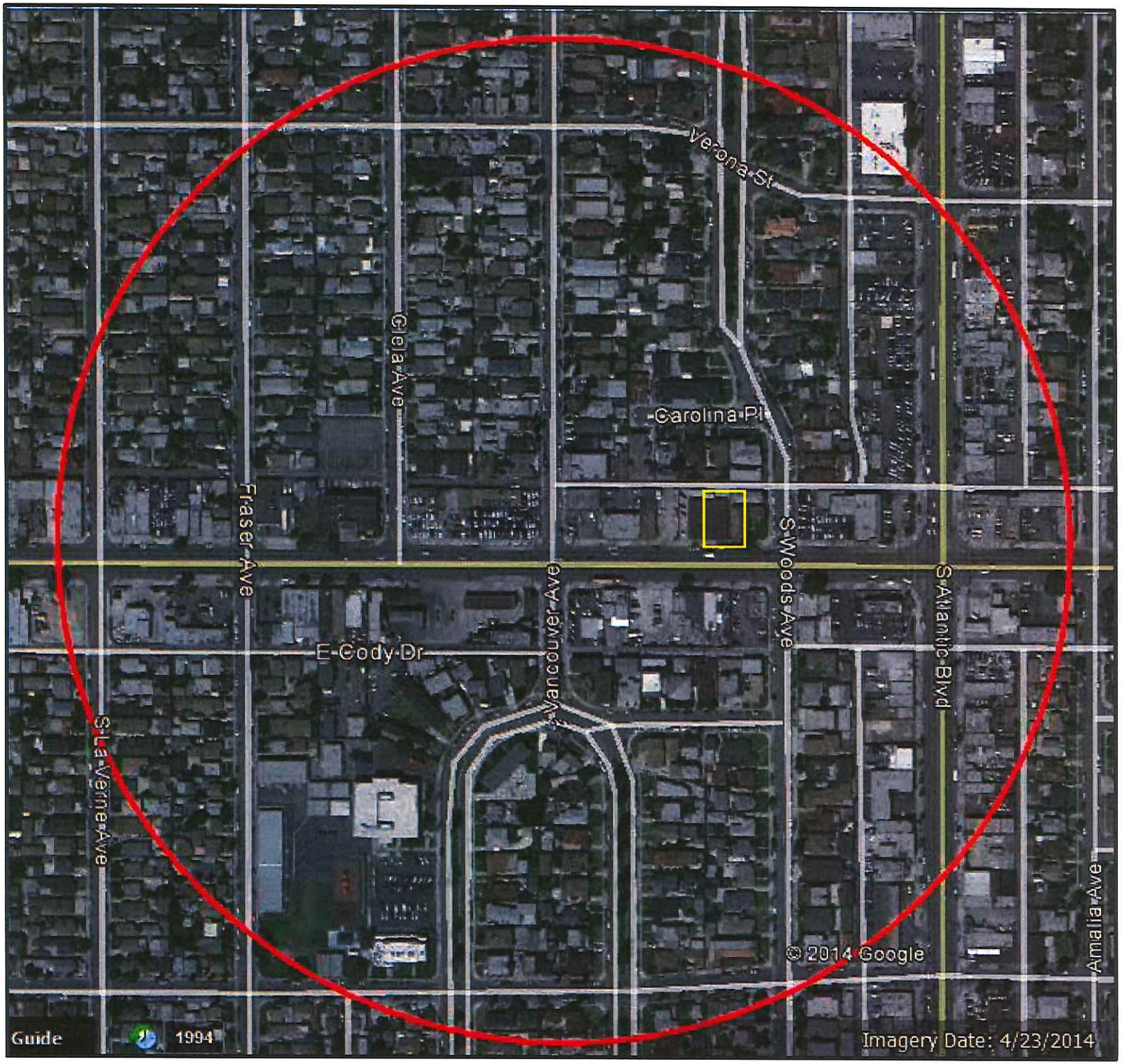
_____
Franchisee Signature

_____
Franchisee Signature

_____
Store Number

_____
Effective Date

6



1000 ft. Radius

5105 E. Olympic Blvd

7

December 15, 2014

Los Angeles County Department of Regional Planning
c/o Zoning Permits East, Kristina Kulczycki
320 W. Temple St.
Los Angeles, CA 90012

RE: Conditional Use Permit Case #R2014-02734

Ms. Kulczycki:

I am writing in support of CUP Case#R2014-0734 submitted by 7-Eleven to expand the product line, to include beer and wine, of the convenience store located at 5105 E Olympic Blvd.

Since the opening of my store I have been committed to selling age restricted products in a safe and responsible manner keeping in accordance to all policies and state laws. While I do not currently sell beer or wine, we do carry lotto tickets, tobacco products and potential inhalants which are all subject to ID checks and following proper protocol. All staff, including myself have undergone extensive training in all policies, procedures, state laws and regulations regarding selling age restricted products including not selling to minor, intoxicated individuals or third party individuals. Training is completed with the signing of an affidavit stating the signatory is aware of the obligations and ramifications should they not comply with the law. All affidavits are kept on file at the store. Currently, the register is equipped with a restriction device that will stop the sale, require a valid driver's license, military ID or passport to be swiped through the machine to allow the sale to proceed when an age restricted product is scanned. I also participate in the Secret Shopper Program that is conducted once a month, but if permitted to sell beer and wine the frequency will increase. I am proud to say each time we have been secret shopped we have received a "green card" which indicates the sales associated followed all proper safety and security policies and procedures during a sale.

In addition, I have dedicated myself to making my store a true neighborhood store. I have supported hiring local residents, by making local hires the majority of my staff. I have developed relationships with my neighboring businesses and local residents. In addition, I have begun investing into the local community by supporting local events, schools, and nonprofits. Specifically I participated in the Winter Wonderland Tree Lighting Event held on November 21, 2014 by donating 500 snack items to be handed out to children attending the event and providing pizzas for the volunteers; supported Winter Garden's fundraising efforts by purchasing a lunch bench; and provided $200 in toys for the Los Angeles Sherriff's Toy Drive. This is a commitment that I am hoping to also develop as I am able to continue and grow my community relationships.

In closing, I take pride in my commitment to providing a safe, clean and friendly place for the residents of East Los Angeles to shop. I am also dedicated to being an active business partner and a responsible retailer. It is my goal to continue grow this commitment and dedication to the East Los Angeles community by continuing to meet their convenience needs with quality and vast products while being a part of the various social efforts. Thank you for your consideration and I urge the Los Angeles County Regional Planning Commission to approve the CUP application being considered.

Sincerely,

Onkar Singh
Owner, 7-Eleven

MONTEBELLO UNIFIED SCHOOL DISTRICT

Board of Education
123 South Montebello Boulevard, Montebello, California 90640
(323) 887-7900, ext. 2201 •Fax: (323) 887-5890

November 19, 2014

Los Angeles County Department of Regional Planning
c/o Zoning Permits East, Kristina Kulczycki
320 W. Temple Street
Los Angeles, California 90012

RE: Conditional Use Permit Case #R2014-02734

Ms. Kulczycki:

I am writing in support of CUP Case#R2014-0734 submitted by 7-Eleven to expand the product line, to include beer and wine, of the convenience store located at 5105 E. Olympic Boulevard.

As a Montebello Unified School Board Member, I am concerned about the safety of our students and their access to alcohol and tobacco products. I support businesses that are committed to the safe and legal sale of age restricted products. I am familiar with 7-Eleven's Come to Age Program that teaches employees the policies, procedures, and state regulations specific to selling age restricted products. I understand all employees are required to sign an affidavits stating they are aware of the obligations and ramifications should they not comply with the law. Further, I feel confident in 7-Eleven's adherence to not selling to underaged individuals because of the systematic safeguards put in place in our local stores, such as the register requiring an ID swipe to complete a purchase for a sale that includes beer, wine, or tobacco products etc. Lastly, I see 7-Eleven's commitment to keeping our students safe by actively taking part in secret shopper checks that occur a minimum of once a month.

Further, it is my position that when a retailer has proven its commitment to responsible retailing by implementing comprehensive employee training, sophisticated system controls and participates in strict monitoring, it can be trusted with the privilege of selling age restricted products in a way that is conducive to community. 7-Eleven has demonstrated it is such a retailer and for that reason I support the application considered as CUP Case #R2014-02734.

BOARD OF EDUCATION
DAVID VELA, President
BENJAMIN CÁRDENAS, Vice President
EDGAR CISNEROS, Clerk
LANI CUPCHOY, Member
HECTOR A. CHACON, Member

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CLEVE A. PELL, Superintendent of Schools
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CHERYL A. PLOTKIN, Assistant Superintendent - Business Services
JILL E. ROJAS, Assistant Superintendent - Human Resources
ANTHONY J. MARTINEZ, Ph.D., Assistant Superintendent - Instructional Services

Thank you for your consideration, and I urge the Los Angeles County Regional Planning Commission to support responsible retailers and approve the CUP application being considered.

Sincerely,

David Vela
President, Board of Education
Montebello Unified School Board

BAZAN HUERTA & ASSOCIATES

A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
LOS ANGELES - EAST LAW BUILDING
5345 EAST OLYMPIC BLVD.
LOS ANGELES, CA 90022
TELEPHONE: (323)725-7193
FAX: (323)725-7183

November 17, 2014

Los Angeles County Department of Regional Planning
c/o Zoning Permits East, Kristina Kulczycki
320 W. Temple Street
Los Angeles, CA 90012

Re: Conditional Use Permit Case #R2014-02734

Dear Ms. Kulczycki:

I am writing in support of CUP Case #R2014-02734 submitted by 7-Eleven to expand the product line, to include beer and wine, of the convenience store located at 5105 E. Olympic Boulevard.

As a local business owner, I support other businesses in their pursuit to expand and improve their ability to meet the needs of their customers. As a customer, I appreciate 7-Eleven's ability to meet my convenience needs in a safe and friendly environment. For these reasons I support the approval of the CUP Case #R2014-02734.

Thank you for your attention to this matter. I urge the Los Angeles County Regional Planning Commission to support local businesses in East Los Angeles and approve CUP application.

Sincerely,

BAZAN HUERTA & ASSOCIATES

Manuel Huerta
Attorney

VELA
La Luz de la Comunidad

Onkar Singh
Franchisee
7-Eleven Inc.
5105 E. Olympic Blvd.
Los Angeles, CA 90022

Date: December 9, 2014

Re: 7-11 Franchise Donations

Executive Board

Alvin Parra
Chair

Danny Ramos
Vice Chair

Omar Loya
CTP/CFO
Secretary

John Santillan
Member

Jessie Sandoval
Member

Deborah Bernal
Member

Dear Onkar Singh

Thank you for your generous donation of five hundred (500) snacks and cases of bottled water. We included these snacks in the "goody bags" to the children that attended the Winter Wonderland Holiday Tree Lighting event, in collaboration with the First Supervisorial District Office and Los Angeles County Parks and Recreation, held at the East L.A. Civic Center on Friday, November 21, 2014.

Volunteers of East Los Angeles, Inc. (VELA) supports many of the community events that are sponsored by the County of Los Angeles. It is by working with businesses such as yours that we are able to continue to support community events such as Winter Wonderland. VELA's eastLAworks Program assists small businesses in the East Los Angeles community (3rd Street, 1st Street, Cesar Chavez Avenue, and City Terrace Drive Corridors).

We look forward to future collaborations and please do not hesitate to contact me regarding questions or suggestions. My direct line is (323) 263-4462 ext. 123 and/or e-mail: monicaL@velaela.org.

Sincerely,

Monica A. Lerma, MPH
Program Manager II

4743 East Cesar E. Chavez Ave., Los Angeles, California 90022 . Business (323) 263-4462 . Fax (888) 845-8111 . www.velaela.org

COUNTY OF LOS ANGELES
DEPARTMENT OF PARKS AND RECREATION
"Parks Make Life Better!"

Russ Guiney, Director John Wicker, Chief Deputy Director

December 10, 2014

Onkar Singh
Franchisee
7-Eleven Inc.
5105 E. Olympic Blvd.
Los Angeles, CA 90022

Dear Onkar Singh:

Thank you so much for your generous donation of pizzas for the volunteers that worked at the Winter Wonderland Holiday Tree Lighting event at the East L.A. Civic Center. The Parks & Recreation Department was happy to provide the pizzas to the volunteers and they were very happy to have a warm snack.

As you know, the Los Angeles County Department of Parks and Recreation supports many of the community events held in unincorporated East Los Angeles. It is by working with businesses such as yours that we are able to continue to host community events such as the Winter Wonderland.

Thank you again, and we look forward to your continued support.

Sincerely,

Ricardo Ceja
Recreation Services Manager

East County Community Services Agency • 265 Cloverleaf Drive • Baldwin Park, CA • 91706-6599 • (323) 260-2360

December 4, 2014

Los Angeles County Department of Regional Planning
c/o Zoning Permits East, Kristina Kulczycki
320 W. Temple St.
Los Angeles, CA 90012

RE: Conditional Use Permit Application Case#2014-02734
Ms. Kulczycki:

The purpose of this letter is to express my support for our neighborhood 7-Eleven located at 5105 E Olympic Blvd in their application for a Conditional Use Permit (CUP) to sell beer and wine for off-site consumption.

As a local resident I was excited to have a new convenience choice. Since the opening I have become a regular customer and have gotten to know the franchisee. 7-Eleven has the quality of a national chain retailer while maintaining the friendly neighborhood store environment. I appreciate having a store with the right balance. I often stop by on my way to and from work and appreciate all the variety of products and the safe and cleanliness of the store. I think it is important that we continue to bring reputable and responsible businesses to our areas and support the growth of those stores. I support the application which will allow for more product choice and allow a responsible retailer of age restricted products to expand their retail mix.

Thank you for your time and attention to this matter. I urge the Los Angeles County Regional Planning Commission to support a proven responsible retailer by approving the CUP application submitted by 7-Eleven.

Sincerely,

Resident & Customer

December 4, 2014

Los Angeles County Department of Regional Planning
c/o Zoning Permits East, Kristina Kulczycki
320 W. Temple St.
Los Angeles, CA 90012

RE: Conditional Use Permit Application Case#2014-02734
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Thank you for your time and attention to this matter. I urge the Los Angeles County Regional Planning Commission to support a proven responsible retailer by approving the CUP application submitted by 7-Eleven.

Sincerely,

MARIO DAVALOS

Resident & Customer

December 4, 2014

Los Angeles County Department of Regional Planning
c/o Zoning Permits East, Kristina Kulczycki
320 W. Temple St.
Los Angeles, CA 90012

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Thank you for your time and attention to this matter. I urge the Los Angeles County Regional Planning Commission to support a proven responsible retailer by approving the CUP application submitted by 7-Eleven.

Sincerely,

Resident & Customer

December 4, 2014

Los Angeles County Department of Regional Planning
c/o Zoning Permits East, Kristina Kulczycki
320 W. Temple St.
Los Angeles, CA 90012

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Thank you for your time and attention to this matter. I urge the Los Angeles County Regional Planning Commission to support a proven responsible retailer by approving the CUP application submitted by 7-Eleven.

Sincerely,

Resident & Customer

Albert Martinez
945 S VANCOUVER

8

I SUPPORT 7-ELEVEN
IN MY COMMUNITY

YO APOYO A 7-ELEVEN
EN MI COMUNIDAD

I support the application submitted by 7-Eleven for our neighborhood store located at 5105 E. Olympic Blvd in East Los Angeles to include beer and wine in the products it sells.
Apoyo la solicitud de 7 -Eleven para nuestra tienda local ubicada en el 5105 E. Olympic Blvd. en el Este de Los Ángeles para incluir cerveza y vino en los productos que vende.

I support a Responsible market which will check the ages of its customers before selling age-restricted products.
Apoyo un mercado responsable que verifique las edades de sus clientes antes de vender productos restringidos.

I support a Community Friendly store that has hired local residents and supports our community events and local school teams.
Apoyo una tienda amistosa a la comunidad, que emplea a los residentes locales y apoya nuestros eventos comunitarios y a los equipos de las escuelas locales.

Name/Nombre: James P Sanz

Address/Dirección: 928 LA Verne ave.

Phone/Teléfono: 323 353-7199

I SUPPORT 7-ELEVEN
IN MY COMMUNITY

YO APOYO A 7-ELEVEN
EN MI COMUNIDAD

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Apoyo una tienda amistosa a la comunidad, que emplea a los residentes locales y apoya nuestros eventos comunitarios y a los equipos de las escuelas locales.

Name/Nombre: Raul H Aguilar

Address/Dirección: 928 LA VERNE AVE.

Phone/Teléfono: 323 972-1628