



11-1-11

## 2012

### Executive Board Members

- **Sam Hariz**  
*President*
- **Ali Mazarei**  
*Vice President*
- **James Brown**  
*Secretary*
- **Ryan Farsai**  
*Treasurer*
- **Joe Johal**  
*Executive Advisor*

### 2012 Board Members

- KIRAN ASHER
- DALJIT BAINS
- JAMES BROWN
- RYAN FARSAI
- SAM HARIZ
- JOE JOHAL
- ROBERT JUCKNISS
- ALI MAZAREI
- BILL ROWLEY
- AMIN SALKHI
- MIKE SATER
- MARC STRAUCH

## 2012 ELECTIONS & NEW BOARD SEATED

On September 15, 2011 the Service Station Franchise Association (SSFA) held its annual elections. The board members elected to the SSFA were; Mr. Ali Mazarei, Mr. Bill Rowley, Mr. Daljit Bains, Mr. Mike Sater, and Mr. James Brown. The board appointed Mr. Sam Hariz and Mr. Kiran Asher to the board.

After the new members were seated, an election was held on October 13th, 2011 for the 2012 Executive Board Members. The following board members were unanimously elected and seated on the executive board ; Mr. Sam Hariz as President , Mr. Ali Mazarei as Vice President, Mr. James Brown as Secretary, and Mr. Ryan Farsai as the Treasurer, and Mr. Joe Johal as Executive Advisor of the association.

The Executive and board members are dedicated to volunteering their time, experience and resources to

work together to protect and unite not only the SSFA members but our entire Franchisee Business Model/network. Our mission will be to give BP, ARCO, and AMPM Franchisees an Independent credible voice in the BP Global System. The board will also protect and preserve all franchisee rights, enhance member's investments, profitability and strengthen the brand under BP and/or the new Buyer/Company.

Each board member will work diligently to serve, protect and unite our franchisee family/network. We will be addressing the following issues; communications, transparency, membership growth, Retailix, business practice, third-party vendors, business model, and other issues we are facing now and in the future.

Our Communication news letter will cover an array of topics such as:

- ONLINESFA.ORG web site
- Franchisee Business Tools
- Class Action Updates
- Mass Action Updates
- Industry News
- Industry Regulations
- BP News
- Vendors
- New Products
- Industry Trends
- Franchisee Rights
- Franchisee Recognition
- Legal Rights

### Legal Update: Big Victory for the little guy!!!

#### Big Victory Regarding BP's Improper Communications with Franchisees!!!

The Class Action Lawsuit filed a motion asking the Court to monitor BP's settlement communications with all franchisees based on the believes (1) BP's improper efforts to force franchisees to settle out and; (2) BP's continued retaliatory conduct against the franchisees after they filed the lawsuit. The attorneys told the Court that BP could not be trusted in its dealings with the franchisees.

In a huge victory for all franchisees, the Court on October 11, 2011 granted the motion and ordered that BP is barred from making further settlement discussions with all franchisees in the United States, unless it goes through the Plaintiffs' law firms in the class action: LTL and Seeger Weiss. This order

#### covers settlement communications with ALL BP Branded gas stations, ARCO, and/or AMPM franchisees in United States.

regardless if the franchisee has filed a lawsuit with any other lawyer or law firms. In addition, this order also encompasses ALL other franchisees that have not filed any lawsuits. Accordingly, if BP or any of their representatives attempt to discuss resolving Retailix, third party vendor, Paypoint and fuel claims with you or otherwise try to discuss settlements, please contact the attorneys immediately. They will aggressively and instantly notify the Court that BP is violating a federal court order and seek appropriate sanctions including contempt.

Defendants' Motions to Dismiss at the October 11, 2011 hearing, the Court also heard BP's and Retailix LTD's motions to dismiss the complaints regarding Retailix POS, Third Party Vendor issues, AIM Fuel, etc. The Court rejected BP's arguments and accepted our argument that third party vendor claims, Paypoint issues, and AIM fuel claims against BP would continue.

Also, the Court asked Plaintiffs (Franchisees) Legal Team to pinpoint and identify specific sections of the various franchisee agreements regarding the breaches of contract related to Retailix POS and other vendor issues.

Lawyers will address these concerns and clarify for the court in our next court briefing. Regarding Retailix LTD's motion to dismiss,

**“The Court also ordered that BP is barred from making further settlement discussions with the franchisees”**

**Legal Update continued...**

Retalix LTD had also filed a motion to dismiss the lawsuit based on, among other reasons, Retalix LTD believes that it had no contact with the franchisees and the master license agreement between Retalix and BP did not involve the franchisees, so therefore there is no third party beneficiary status. Because none of the franchisees are parties to the agreement between BP and Retalix LTD, Plaintiffs (Franchisees) Legal Team is arguing that the franchisees are never the less beneficiaries because Retalix LTD representatives were installing, designing, implementing, testing, and troubleshooting the Retalix POS for the franchisees' benefit. As a result, we disagree with Retalix LTD, therefore, dur-

ing the hearing, [we asked the Court, and the Court granted](#) both Plaintiffs (Franchisees) Legal Team and Retalix LTD additional briefing to explain and clarify their positions to the court. [On October 18th, we submitted our brief to the court.](#) We located very good and valid case law that supports our position that the franchisees are third party beneficiaries and also submitted Declaration from fellow franchisees showing the court Retalix LTD's involvement during installation and post installation at franchisee site level. The Court has stated it will decide on this issue after Retalix LTD responds next Tuesday October 25th. No matter how the Court rules on Retalix LTD, BP will still be responsible for the harm and

costs as a result of the Retalix POS system.

**Next steps**

The Court wanted to wait until after the updated version of the lawsuit and Retalix issue before calling us back. We will be doing discovery immediately thereafter. In the meantime, we encourage all of you to keep detailed notes of all the issues and to keep an open channel of communication with the representative plaintiffs. As always, we are working closely with the attorneys in the class and mass actions and others to aggressively protect your interests and hold the defendants accountable.

**“This Court Order covers settlement communications with ALL BP Branded gas stations, ARCO, and/or AMPM franchisees in United States.”**

**2012 Board Member Contact Information**

Kiran Asher	425-220-7278	Kiran.Asher@onlinessfa.org
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Marc Strauch	916-257-6497	Marc.Strauch@onlinessfa.org

**Short Term Goals of the SSFA**

- Establish a clearinghouse for unfiltered information and communication between franchisees and franchisors
- Increase Membership so that the Association can represent and strongly defend virtually all small and large BP ARCO AMPM Franchisees
- Address Third-Party issues
- Enhance franchisees financial model
- Strengthen the Association to become the leading organization that will be recognized by BP leadership as the voice for all BP ARCO AMPM franchisees.
- Develop and implement programs and tools to help franchisees run their business more efficiently
- Explore and establish ways in which franchisees can participate with franchisor in marketing more effectively.
- Position the Association to represent and address regulations and laws that will adversely effect our industry.

**Formal Notice Letter to BP and FAC members**

601 S. FIGUEROA STREET, SUITE 4025  
LOS ANGELES, CALIFORNIA 90017  
TEL: 213-612-3737 | FAX: 213-612-3773  
WWW.LTLCOUNSEL.COM

LOS ANGELES | ORANGE COUNTY

**VIA ELECTRONIC MAIL**

October 21, 2011

James Speyer  
Arnold & Porter  
777 South Figueroa Street, 44<sup>th</sup> Floor  
Los Angeles, CA 90017-5844

***Re: Green Desert Oil Group Inc. et al v. BP West Coast Products LLC et al  
3:11-cv-02087-CRB (N.D. Cal.)***

Dear Mr. Speyer:

We understand that the Franchise Advisory Council (“FAC”) is scheduled to meet later this month on the 26<sup>th</sup> to discuss various issues with BP. I write to caution BP of its duties pursuant to the Court’s order of October 11, 2011 as well as *Gulf Oil Co. v. Gunther*, 452 U.S. 161 (1981) to refrain from discussing any of the issues raised by the class action lawsuit. These issues include, but are not limited to, vendor contracts, product marketing strategies, advertising and promotional fees and allowances, Retalix, and Paypoint.

This admonition is all the more necessary because we understand that the FAC does not represent the interests of the franchisees. For example, Mr. Russ Scaramella (a FAC member) appears to have a significant conflict of interest. Specifically, in a May 2, 2011 article published by *CSP Daily News*, he was quoted as saying the following about the class action filed by his fellow franchisees: “disappointed to see it filed [and does not] believe there is any merit to it” and “he hopes that BP defends itself in this case.” Needless to say, many franchisees believe Mr. Scaramella is not fit to sit on the FAC or has the interest of the individual franchisees at heart because he is also a jobber for BP/ARCO which makes his interests diametrically opposed to the other franchisees, and aligned with BP.

If BP wishes to continue with this meeting, please advise BP and the FAC members of the federal court order. Should we discover that BP has discussed or attempted to resolve any aspect of the issues raised in the class action lawsuit, we will immediately move the Court for relief including contempt and other appropriate relief.

Very truly yours,

James M. Lee

cc: Members of Franchise Advisory Council

## SSFA

Sam Hariz

*President*

Ali Mazarei

*Vice President*

Joe Johal

*Executive Advisor*

Communications Questions Please Contact

Ali Mazarei

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James Brown

*Secretary*

Ryan Farsai

*Treasurer*

The mission of the Service Station Franchisee Association is to give BP ARCO AM/PM Franchisees an Independent credible voice in the BP Global System to protect and preserve franchisee rights, enhancing members investments, profitability and strengthening the brand.

**We are only as strong as our weakest franchisee.**



[www.onlinessfa.org](http://www.onlinessfa.org)

### Frequently asked Questions

Why join an Independent Franchisee association?

The Answer is simple.

- An association provides a voice for franchisees
- Strength in numbers
- Credibility and legitimacy

What else do I get out of Membership in an association?

- The ability to communicate and exchange information privately with other franchisees
- Formation and operation of buying cooperatives
- Advice from legal counsel on matters of group interest.

How much does this cost?

- Currently only \$125.00 per store per year.

What about the little guys? I only have one store?

- The board members are sensitive to this issue and have adopted resolutions to ensure that small and large franchisees have representation on the board and executive committee.

What are my voting rights as a member?

- The bylaws call for one vote per store. You will have the right to vote for a seat of board member, who will in turn elect officers and committee chairs.

If you are interested in becoming a board member. What can you do?

- If you are interested in becoming board member and can donate your time and expertise, please contact one of the existing board members via email. There are other opportunities to assist, by being on a committee or working on specific task or project . Please let one of the board members know.

How do I contact the Attorneys regarding BP law suit?

#### Class Action -

Lee Tran & Liang, A Professional Law Corporation

601 S. Figueroa St. | Suite 4025  
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#### Mass Action -

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Visit our **Web Site** for links:

[www.onlinessfa.org](http://www.onlinessfa.org)