

BottomLine

THE VOICE OF INDEPENDENT RETAILERS // VOL. 26, NO. 3 // MARCH 2015



Can Retailers Still Bank on Being a Money Service Business (MSB)?

Over the past 10 years, a growing trend has begun to erode the relationship between banks and retailers who operate a Money Service Business (MSB)

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THE VOICE OF INDEPENDENT RETAILERS
VOL. 26, NO.3 // MARCH 2015

features



AFPD'S 99TH ANNUAL TRADE AND DINNER BALL WAS CENTER STAGE WITH SATURDAY NIGHT FEVER

This one-and-only black tie gala, featured leaders in the food, beverage & petroleum industries. Dancing and entertainment centered around this year's theme, which was "Saturday Night Fever". Colleagues and friends celebrated the strength and vitality of AFPD and the members it serves.



COVER STORY //

CAN RETAILERS STILL BANK ON MSB?

A growing trend has begun to erode the relationship between banks and retailers who operate a Money Service Business (MSB)



FEE INCREASES NEEDED TO HELP FILL STRUCTURAL DEFICIT

The Michigan Department of Agriculture and Rural Development (MDARD) is at a point where it can no longer meet the demand for compliance assistance for new and growing food businesses and also evaluate food establishments often enough to assure the public's food safety.



president's message

AUDAY P. ARABO, ESQ. // AFPD PRESIDENT & CEO

Patience and Persistence

My wife always tells me she wishes she had my patience. Everyone has been bestowed with different gifts from God and I am blessed with patience, even though I too wish I had more of it. Over a year ago, when the AFPD team in Ohio accomplished turning the CAT tax for petroleum into the PAT tax we were thrilled. However, in this world of instant gratification, a number of our members called us complaining and asking about their savings. It always starts with, you said this and you said that. At the end of the day, it took the State of Ohio a little bit of time before our members and all gas station owners in Ohio (other than Speedway) really saw the savings due to the tax collection method.

As of three weeks ago, we have been flooded with calls from our members thanking us for their CAT tax savings. I have heard numbers from 66% to 93% in savings versus the prior year. At the same time, the state of Ohio did well even with the dramatic drop in the price of gas due to the formula they implemented. This was a win-win for everyone involved, but it did take some time. We want to thank all the Ohio members who donated to the Ohio PAC and contacted their legislators. This is just one example of what we can accomplish as an association when we all work together.

We know there are free riders out there that will welcome this tax savings even though they sat on the sidelines. If you know a free rider, you should talk some sense into them and get them to join AFPD. There is strength in numbers and today we are happy about the PAT tax and tomorrow who knows what is in store for our businesses. Our members are the ones who drive us. Take a look at some of the testimonials from our Ohio members who have saved money with the PAT tax (page 5).

The AFPD Board of Directors welcomed in a new Chairman of the Board, Mr. John Denha. John will be a great chairman and is focused on better serving the members all throughout our geography. Last month he listed what some of his goals are for AFPD and our staff has already started moving in that direction. We also welcomed some new board members and new executive board members. These volunteers work tirelessly for your best interests. If you see them on the streets or at a function, please go up to them and thank them for their service and ask them what is new at AFPD.

One new item we know people are talking about in Michigan is the AFPD Liquor Book. The second quarter book should be delivered to your business in April.

Take a moment to read this month's cover story regarding Money Service Businesses. This is another issue that will require some patience, but with persistence we will find a solution to this as well. In Michigan, we have been working with a handful of credit unions alongside Bank of Michigan and Comerica Bank. We are still looking for more banks or credit unions to work with our members in Ohio.

Last but not least, I want to thank Pat LaVecchia for being an amazing Chairman for AFPD. The association had one of its best years ever under his leadership. I also want to thank and recognize 35 plus years of service to AFPD by Jim Bellanca, Jr. and his late brother Peter Bellanca as general counsel of AFPD. In gratitude to Jim and Peter, the AFPD Boardroom will now be named the Bellanca Boardroom. Please remember, AFPD is here to serve you! ■

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petroleum news & views

EDWARD WEGLARZ // AFPD DIRECTOR, PETROLEUM

CATax Effort Produces Results in Ohio

AFPD members in Ohio are experiencing favorable results from our long-term efforts to get the Commercial Activity Tax (CATax) restructured as it applied to motor fuel retailers and distributors.

We are now able to compare Ohio CATax liability levels before and after implementation of the Petroleum Activity Tax (PATax) replacing the CATax on fuel sales.

Numerical results comparing the second-half of 2014 compared to the second-half of 2013 indicate

savings in the range of 63% to 94%; representing savings of thousands of dollars!! This accomplishment is a direct result of the efforts of AFPD members and staff to amend the CATax laws and regulations producing a fair and level playing field for all fuel retailers and distributors.

AFPD spent several years, many man hours, and thousands of dollars to educate legislators about this previously unfair CATax and the need to make changes. And while the entire retail and wholesale petroleum industry in Ohio benefitted, the AFPD members who testified at hearings in favor of the PATax, met with legislators many times, provided financial data that could be used to clarify the problem, and contributed to the AFPD-PAC Fund can all take credit for, and be proud of, this accomplishment. ■



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OHIO CAT SAVINGS

The Commercial Activity Tax , an annual tax imposed on the privilege of doing business in Ohio has been recently restructured to exclude petroleum retailers and distributors.

This resulted in a 63% to 94% savings on tax fees!

HERE'S WHAT AFPD PETROLEUM RETAIL MEMBERS HAVE TO SAY ABOUT THEIR SAVINGS:

"I was paying an average of \$3,500.00 of CATax per quarter. Since fuel was excluded my fourth quarter for 2014 was \$777.32; a 77% savings!"

JIM MANDAS // BROADWAY MARKET & CAFE

"Thank you for the work that you guys did fighting the CATax for us. The cash that I have saved was much needed. I just looked at it and I have saved over 80% from last year. Thanks again."

MIKE BILLMAN // BILLMAN'S AT HENDERSON

"Owning four locations that was subject to the CATax on gasoline, the new changes will enable me to make improvements to my business, possibly develop employee incentive programs and certainly improve my cash flow."

JASON HOLZAPFEL // HANDI MART, THE STORE ON BROADWAY & PENNSYLVANIA, QUICK STOP AND THE FILLING STATION

"We saved 73% from the 4th quarter of 2013 to the 4th quarter of 2014. I couldn't be more thrilled. Thanks to AFPD for their determination and hard work. What an accomplishment to be proud of!"

VICKIE HOBBS // WHITEHALL SHELL

"As a result of what AFPD accomplished on the Commercial Activity Tax my business will save \$4,832.00 per quarter and the savings will enable us to hire a few more employees, and start making much needed repairs."

GARY ROBSON // DUBLIN MARATHON

"Our business saved \$3,934.39 comparing 2013 to 2014 as a result of AFPD's successful legislative change on the CATax. This will be an incredible boost to cash flow and put the money on improving infrastructure and service at this location."

BILL MICHAILIDIS // DELAWARE MARKET & CAFE

"The timeliness of the CATax savings will enable me to help cover the cost of upgrades to my gasoline pumps, computer system, resurfacing of my lot and help my cash flow. As a business owner I strongly support AFPD's effort in handling these kinds of issues."

JAMES FRISCH // DELAWARE MARATHON MART

"During the course of AFPD's effort of trying to get changes made on the Commercial Activity Tax we had no idea how the savings was going to affect our business, but it certainly has improved our cash flow, helping to pay for needed maintenance and improvements."

BOB MARSHALL // MARSHALL ENTERPRISES

"I paid about 79% less in the last half of 2014 for the CATax compared to what I paid in the last half of 2013 for the CATax. Thanks AFPD for your efforts on our behalf."

PAT LAVECCHIA // PAT'S AUTO SERVICE

"When comparing CATax liability 2014 vs. 2013 I saved over \$2,400.00 per quarter. With the CATax only applying to 'sales other than fuel' that is quite a relief."

PAUL ELHINDI // LYNDHURST VALERO

"My CATax has been reduced by 66% over prior period, well over \$4,500.00 per quarter on combined business for w-25 & E-55, thats nearly \$9,000.00 in six months for me. The increase in Taxes will be passed to customers, and should have little impact on our profits. Lottery Commission would help if increased. How are members handling the ACA, are members aware of the new law, what are they doing to comply."

STEVE DAYMUT // PEARL & DENISON SHELL AND EAST 55TH SHELL

"With the change in the CATax collection point we will be using our previously earmarked CATax monies to upgrade our POS systems for the upcoming changes in PCI Compliance. As I'm sure you are aware, beginning in October MasterCard will issue new cards with new technologies to prevent fraudulent use. While I applaud the continued work of the credit card companies to lower everyone's exposure to fraud, these new technologies are not without a large cost to the retailer."

CLARENCE CARDWELL JR. // CLARENCE CARDWELL INC.



SATURDAY NIGHT FEVER

AFPD's 99th Annual Trade and Dinner Ball was Center Stage with Saturday Night Fever

AFPD's 99th Annual Trade Dinner & Ball was held on Saturday, February 7th in the Diamond Center at Suburban Collection Showplace in Novi, Michigan.

This one-and-only black tie gala, featured leaders in the food, beverage & petroleum industries. Dancing and entertainment centered around this year's theme, which was "Saturday Night Fever". Colleagues and friends celebrated the strength and vitality of AFPD and the members it serves.

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The event included a silent auction and food stations that offered an array of items from Happy's Pizza to Prairie Farms Ice Cream to UFCW 876 sponsored Coney Dogs, all of which allowed both suppliers and retailers to connect, mingle and enjoy themselves as the new year begins to unfold.

Before dinner, AFPD recognized those members the association had lost over the last year and also honored both the incoming Chairman of the Board, John Denha, and outgoing Chairman, Pat LaVecchia.

As the night continued, St. John Providence Health Systems kept the pace moving as they sponsored Steve Aho and the band,

Slight Return, who kept the crowd grooving to the songs of this year's 70's theme.

When guests weren't on the dance floor, they were strutting to the Conifer Insurance sponsored Boogie Heads karaoke room, taking photos on the Faygo sponsored TapSnap machine or enjoying the WorldPay sponsored cognac bar and cigar area, or the Blue Cross Blue Shield sponsored cappuccino station.

The casino tables, sponsored by D&B Grocers, were a huge hit again this year and offered another avenue for some late night socializing.

Other sponsors for the event included Michigan Lottery, Pepsi Beverages, Coca-Cola, DTE Energy, Diageo, US Ice, Lipari, Motown Snack Foods, 7-Up, Sherwood Foods, Beam Suntory, NWS Michigan, Inc., Remy Cointreau USA, Altria, Nestle, Arctic Express, Dairymens, Great Lakes Wine & Spirits, Kar's Nut Products, Meijer, SpartanNash, UHY Advisors, Willingham & Cote and Wolverine Packing Company.

"Some changes were made in our program this year and we noticed it made a tremendous difference," said Auday Arabo, president and CEO. "However, it was sponsors like Blue Cross Blue Shield of Michigan, U.S. Ice, Diageo, D & B Grocers and many others that really made it special." "We are grateful to all who attended and made this year's gala a huge success. We appreciate the continued support of AFPD and hope for a bigger and better event next year, which will be our 100th Gala." ■

SEE PHOTOS ON PAGE 10

SPONSORS...



AFPD Graciously thanks these sponsors for their generous support of our 99th Annual Trade Dinner & Ball

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Culture is King

Executives from Wawa and OXXO emphasize the importance of culture and servant leadership at NACS Leadership Forum

■ BY NACS ONLINE

The NACS Leadership Forum, held February 11-13, 2015 opened with Wawa President and CEO Christopher Gheysens and OXXO CEO Eduardo Padilla sharing their brand and culture insights from their respective operations.

Gheysens emphasized the community connections behind Wawa's corporate philosophy, from its founding more than 200 years ago first as an iron foundry, then textile factory, dairy farm and milk delivery, and eventually a convenience store in 1954.

the unique position of being 44% owned by employees, through an Employee Stock Ownership Plan. That means the company's 25,000 employees have a direct stake in the business, creating a fully engaged workforce. "It matters," said Gheysens, when discussing the role that each individual employee plays in developing a culture that leads to customer satisfaction.

"Don't lead first, but serve first," Gheysens said when describing Wawa's culture of servant leadership. "When done right, it

values when it comes to serving its customer base.

With three new stores opening every day, OXXO is "an organization powered by its culture," according to NACS President and CEO Henry Armour, who moderated the discussion. Padilla emphasized the importance of OXXO's value proposition in everything the company does: "Every day, everywhere, every time, there is an OXXO near you." The company's goal is to serve eight basic consumer needs, including thirst, craving and hunger.

While OXXO excels in serving some of these areas, like thirst and craving, the company recognizes that they must continuously improve by fulfilling all facets of their value proposition and fulfillment of customer needs.

"The OXXO culture emphasizes the importance of finding the right person for the right position," said Padilla. This in turn guides the company's success in developing servant leaders, generating a culture of trust, and establishing an environment to foster empowerment and sense of purpose.

The NACS Leadership Forum is an annual, invite-only event, bringing together retailers and suppliers to provide thought leadership that is relevant to the convenience and fuel retailing industry, while strengthening existing relationships and building new business relationships. ■

As a privately owned company, Wawa has the ability to have a long-term point of view rather than worrying about quarterly profit goals. This vision has come into play for the chain in recent years, as they branched beyond the Mid-Atlantic market and opening its first Florida store in 2012, with 60 more since...

As a privately owned company, Wawa has the ability, as Gheysens described, to have a long-term point of view rather than worrying about quarterly profit goals. This vision has come into play for the chain in recent years, as they branched beyond the Mid-Atlantic market and opening its first Florida store in 2012, with 60 more since then and plans for continued growth well into the next decade.

Front and center for the Wawa leadership is the relationship between the company and its associates, as well as the company and its customers. Wawa is in

will filter down to customers."

Wawa views community-building as a top priority in the coming years, to ensure that they are "more than just a convenience store." Gheysens pointed out that this is especially important to Millennials, who expect the brands and retailers they support to be a part of the bigger picture, not just sell product.

Eduardo Padilla, CEO of OXXO, which operates more than 12,000 convenience stores, gas stations, grocery and drugstores throughout Mexico and Latin America, echoed many of the same



Attorneys General Ask Oil Companies to Help Stop Synthetic Drug Sales

AGs call on nine oil companies to eliminate the illegal products from convenience and fuel retail locations that operate under their brand names

■ BY NACS ONLINE

The National Association of Attorneys General (NAAG) sent a letter this week to the CEOs of nine oil companies asking them to help eliminate any synthetic drug sales from retail locations operating under their brand names. Over the past few years, dozens of owners, managers and employees of branded gas stations and convenience stores have been arrested for selling synthetic drugs.

Synthetic drugs, alternatives to cocaine, marijuana and methamphetamine, are illegal. The products started appearing in

convenience stores, gas stations, tobacco shops and liquor stores over the last seven years. The attorneys general are asking the oil companies to take immediate action, including prohibiting franchisees from selling any synthetic drugs and revoking the company relationship with any station or convenience store that sells any kind of synthetic drug.

"The fact that synthetic drugs have been available at locations operating under respected brand names has only exacerbated an already growing problem," reads the letter, which was signed by 43 state

and territorial attorneys general.

"Young people are the most likely to use these dangerous drugs and their availability in stores operating under well-known brands gives the appearance of safety and legitimacy to very dangerous products. Your companies spend millions of dollars on marketing campaigns designed to convince consumers that your brands are trustworthy. Enforcing strong policies against the sale of synthetic drugs in your retail locations can only protect your brand reputation while also protecting our youth." ■

Ohio Groups Offering Ethanol Infrastructure Grants

Funds available for retailers to install new ethanol dispensers, tanks and other equipment

The Ohio Corn Marketing Program has announced the launch of an ethanol infrastructure grant program for retailers in the state. The program, in partnership with the American Lung Association of the Upper Midwest and the American Lung Association of the Midland States, will provide funding to fuel retailers for help with ethanol-blended fuel-dispensing equipment at stations throughout Ohio.

The grant funds may be used for the installation of new E85 refueling outlets serving the general public. According to the program's website, "Flex Fuel Blender Dispensers capable of dispensing multiple midlevel blend

of ethanol (E15, E20, E30, E85, etc.) and multiple E15 Dispensers will be considered." Included in the program will be funding for new facilities for the installation of ethanol-tolerant tanks, piping, pumps and dispensing equipment, as well as funding for existing locations to convert retail stations to E85 operations.

Funding will be available for up to \$15,000 for a single station installing a new blender pump or E85 dispenser and up to \$75,000 for four stations installing a new blender pump or E85 dispenser at each location. As part of the funding, retailers must agree to a two-year commitment to sell the ethanol fuel blends. ■

OHIO HOUSE VOTES TO BAN POWDERED ALCOHOL SALES

■ BY ASSOCIATED PRESS

A bill banning the sale of powdered crystalline alcohol has cleared the Ohio House with near unanimous approval.

The measure takes aim at a substance known as Palcohol, which is being prepared for general sale in the U.S. Lawmakers in Ohio and other states are rushing to outlaw the substance before it reaches shelves. They raise concerns over safety and easy accessibility by underage users. Sponsoring state Rep. Jim Buchy said during Wednesday's floor session that powdered alcohol would exacerbate Ohio's substance abuse problems. The powder is sold online and can be easily concealed. It is added to any beverage to make it an alcoholic drink. Promoters say it "turns water into rum."

The legislation moves next to the Ohio Senate. ■



New York holds the highest cigarette smuggling rate and smuggling in Illinois has dramatically increased

The trend of state and local governments increasing taxes on tobacco products has created lucrative incentives for black market cigarette trafficking between states. As a result, the sale of smuggled cigarettes is on the rise nationwide, according to the latest report from the nonpartisan Tax Foundation.

- Hampshire (28.6%), Idaho (24.2%), Virginia (22.6%), Delaware (22.6%) and Wyoming (21.0%).
- Smuggling rates jumped substantially in Illinois after hikes in state and county excise tax rates, from 1.1% of consumption in the last edition to 20.9% in this edition.
- Cigarette tax rates increased in 30 states and the District of Columbia between 2006 and 2013.
- Large differentials in cigarette taxes across states create incentives for black market sales.

The biggest change in this year's edition of the study is in Illinois. This is likely related to the fact that the state cigarette tax rate was increased from 98 cents to \$1.98 in mid-2012.

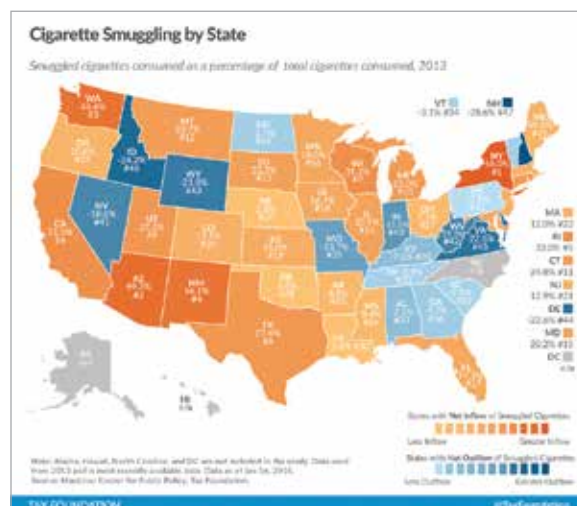
This increase in smuggling may continue, as more recent increases in both the Cook County rate (from \$2.00 to \$3.00 per pack, effective March 1, 2013) and the Chicago municipal rate (from

\$0.68 to \$1.18, effective January 10, 2014) have brought the combined state-county-municipal rate to \$6.16 per pack, the highest combined rate in the country.

New York is the highest net importer of smuggled cigarettes, totaling 58.0% of the total cigarette market in the state. New York also has the highest state cigarette tax (\$4.35 per pack), not counting the additional local New York City cigarette tax (an additional \$1.50 per pack). Smuggling in New York has risen sharply since 2006 (+62%), as has the tax rate (+190%).

“Public policies often have unintended consequences that outweigh their benefits,” said Tax Foundation Economist and Manager of State Projects Scott Drenkard. “High tax rates on cigarettes have led to unreliable revenue and increased criminal activity. Policymakers seeking additional revenue would be better off choosing more stable sources that don’t incentivize black market behavior.” ■

- Smuggled cigarettes make up substantial portions of cigarette consumption in many states and greater than 20% of consumption in 15 states.
- The highest inbound cigarette smuggling rates are in New York (58.0%), Arizona (49.3%), Washington (46.4%), New Mexico (46.1%) and Rhode Island (32.0%).
- The highest outbound smuggling rates are in New





FINAL NOTICE

2015 ACADEMIC SCHOLARSHIP PROGRAM
\$1,000 - \$1,500 awards available!

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Apply online at aim.applyists.net/AFP or visit www.AFPDonline.org for complete eligibility requirements and full program information. Deadline to apply is March 31, 2015.

Questions? Call the AFPD Foundation at (800) 666-6233.



How Jerky Got to Be Big Business

With Hershey's purchase of Krave, jerky gets its time in the spotlight

Recently, Hershey announced that it was purchasing jerky maker Krave, the first time the candy giant has purchased a company that doesn't sell candy, chocolate or other sweets. They must be on to something, because jerky — once relegated as a male-dominated meat treat, known mostly by the Slim Jims brand — is branching out and up.

According to an article in the Washington Post in February, Krave closed in 2014 with \$36 million in sales after only five years in business. The high-end snack jerky, which prides itself on its unique flavor combinations and lack of artificial ingredients, will soon be available at Starbucks locations across the country, with an expectation to double its business next year.

The market for jerky has ballooned into a nearly \$1.5 billion industry in the United States. According to the *NACS State of the Industry* data, meat snacks accounted for 58.9% of sales in the growing alternative snacks category in 2013.

The rise of dried meat is in part the result of a general uptick in snacking among Americans. The U.S. snacks business, which includes not only jerky, but also chips, bars, nuts and other fare, is now a \$120 billion behemoth. A recent survey by Nielsen found that one in ten people in this country say they eat snacks instead of meals, a number which the research company expects will increase.

But jerky's popularity also owes a great deal to this country's obsession with protein, writes the

Washington Post. More than half of Americans say they want more of it in their diet, and they have proven that the talk isn't cheap. Sales of health and wellness bars, which often dangle high protein content, are growing more than twice as fast as the overall food industry. Jerky, which is high in protein, low in calories, highly portable, and can last for a long time, has benefited greatly from its ability to double as both a practical and healthy snack.

According to the Post, Hershey's acquisition of Krave is a vindication of both jerky's popularity and potential, creating a natural avenue into the coveted salty food space that Hershey company has yet to explore. It also allows Hershey to experiment with a growing brand that is recognized for valuing quality over cost. ■

HOW GROCERY SHOPPING IS CHANGING

How much time do you think you spend at the grocery store? For many families, it can really add up every week, just to get the necessities. Walmart hopes its new program could change that.

Click, pay, drive and done. Walmart says its new Grocery Pickup really is that easy.

Customers simply select their items online from Walmart's website, submit their orders and then set a pickup time.

When you arrive at the store, just make a call and Walmart brings the groceries to you.

The program first began in select stores in Denver, San Jose and Bentonville, Arkansas.

Now Walmart wants to focus on customers in the Arizona Valley, offering the free service at these three stores:

- 1175 S. Arizona Ave., Chandler, AZ
- 1710 S. Greenfield Road, Mesa, AZ
- 240 W. Baseline Road, Mesa, AZ

The testing officially began in February and already the corporate office is calling it a success.

But Walmart isn't the only store changing things up.

While there are no immediate plans for the Valley, Kroger (which owns Fry's) is testing a program that's been successful in other parts of the country.

"Our Harris Teeter stores in the mid-Atlantic region of the country operate a successful 'order online, pick up at the store' program," said Jo Lynn, Fry's public affairs director. "Kroger is testing that model in Cincinnati with the intention of expanding it over time."

Safeway offers grocery delivery, for a fee. Bashas' used to, but discontinued it, adding that there are no plans right now to revive that service.

"Home delivery and order-ahead programs aren't for everyone," said Bashas' spokesman Rob Johnson. "When it comes to groceries -- and particularly things like produce and meat -- customers like to pick out their own items. They like to thump the watermelon, choose from several packages of steaks, look at date codes, read ingredients labels, etc."

Walmart says its employees see customers who want options.

"It's a new way of serving customers and customer shopping behavior is changing," said Jariwala. "So they're really excited to be able to offer this to customers in Phoenix." ■

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Dietary Panel Calls for Taxes on Sugary Drinks, Snacks

Critics say Dietary Guidelines Advisory Committee's recommendations are departure from original intent

■ BY NACS ONLINE

In early February, the Dietary Guidelines Advisory Committee issued its “scientific” recommendations to the government that are intended to shape federal nutrition policy. Among its recommendations: Eat less red meat and tax sodas and snacks.

The nation's top nutritional panel is recommending for the first time that Americans consider the impact on the environment when they are choosing what to eat, a move that defied a warning from Congress and, if enacted, could discourage people from eating red meat.

The Washington Post writes that members of Congress “had sought in December to keep the group from even discussing the issue, asserting that while advising the government on federal dietary guidelines, the committee should steer clear of extraneous issues and stick to nutritional advice.”

However, the panel recommended in its report that Americans should “be kinder to the environment” by eating more plant-derived foods and fewer foods derived from animals. Red meat, according to the panel, is harmful to the environment because of the amount of land and feed required for its production.

“Consistent evidence indicates that, in general, a dietary pattern that is higher in plant-based foods, such as vegetables, fruits,

whole grains, legumes, nuts, and seeds, and lower in animal-based foods is more health promoting and is associated with lesser environmental impact than is the current average U.S. diet,” according to the report.

The panel's decision to link dietary guidelines to the environment will likely be controversial and has already gained criticism from one member of Congress, U.S. Rep. Robert Aderholt (R-AL), chairman of the Appropriations Subcommittee that oversees the Agriculture Department's budget.

“Chairman Aderholt is skeptical of the panel's departure from utilizing sound science as the criteria for the guidelines,” Brian Rell, a spokesman for Aderholt, told The Washington Post. “Politically motivated issues such as taxes on certain foods and environmental sustainability are outside their purview.” He warned that the panel committee would “keep this in mind” as it considers funding the agencies this spring.

The North American Meat institute pointed out the Dietary Guidelines Committee tasked the panelists with reviewing nutrition science, “which is the field from which Committee members were selected. The Committee's foray into the murky waters of sustainability is well beyond its scope and expertise. It's akin to having a dermatologist provide recommendations about

cardiac care.”

Miriam Nelson, a professor at Tufts University and a committee member, told The Washington Post that the report isn't suggesting that people become vegetarians. “But we are saying that people need to eat less meat,” she commented, adding, “We need to start thinking about what's sustainable. . . . Other countries have already started doing this — including sustainability in their recommendations. We should be doing it, too.”

Another recommendation made by the panel is to combat obesity by imposing taxes on Americans who drink sugary sodas and eat sugary snacks.

“Higher sugar-sweetened beverage taxes may encourage consumers to reduce sugar-sweetened beverage consumption,” said the panel. “Using the revenues from the higher sugar-sweetened beverage taxes for nutrition health promotion efforts or to subsidize fruits and vegetables could have public health benefits,” notes Bloomberg.

“What we're calling for in the report in terms of innovation and bold new action in health care, in public health, at the community level, is what it's going to take to try and make a dent on the epidemic of obesity,” Barbara Millen of Millennium Prevention and committee chairman, told Bloomberg. ■

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Can Retailers Still Bank on Being a Money Service Business MSB?

■ BY KRIS HARRIS

Financial institutions provide an essential service by giving people the ability to save, borrow and spend money according to their needs. Likewise, banks are a valuable resource that helps businesses grow and prosper. In most cases, this relationship benefits both business owners and the banks.

Lately, however, a growing trend has begun to erode the relationship between banks and retailers who operate a Money Service Business (MSB).

The issue has raised many questions, and retailers have been looking for answers.

For years, independent retailers have relied on banks for financial backing to purchase a property, renovate or expand existing stores, open new stores and other purposes. The trust and bonds that AFPD members have forged with their banks are essential to their business.

Many AFPD members provide more than just products to their customers; they also provide various services, including check cashing and money-order processing. It's not often easy for retailers to offer these services. Since the 1970s, store owners have faced problems when providing financial services; fraudulent checks, for example, have long plagued members. In the past, retailers' difficulties usually came from customers trying to take advantage of the system.

Now, however, retailers are facing issues from the financial side. Banks have begun to separate themselves from retailers who are a MSB, even those who have long established themselves as reliable and trustworthy MSB establishments. The banks are breaking the trust that MSB retailers have relied on for decades.

This trend began after the terrorist attacks on 9/11 and has grown steadily to the point where banks are now refusing retailer business. So why did this start after 9/11? The short answer is fear of money laundering. Some terrorist groups are funded by carefully moving money from one group to another, raising few or no red flags of its activity. Some methods include cash couriers, informal transfer systems, formal banking and false trade invoicing. But another method involves MSBs and their ability to process transactions without the strict oversight of a tradition bank.

After 9/11, one of the darkest days in our country's history, the federal government learned that some MSBs had been funneling money to support terrorist activities. Money laundering is not a new way of disguising money transfers and was widely used by criminals before the attacks. However, the trauma caused by the attacks rippled through financial institutions and led to moves that began to cripple the retail industry.

Many retailers, including AFPD members, have

established longstanding relationships with their banks. You picked them for a specific reason — a friend's recommendation, their proximity, favorable interest rates and the type of services they offer. You opened an account, borrowed to buy your store and trusted the bank to hold your profits and savings.

It's terribly different today. Imagine making a routine Monday morning deposit and your bank tells you it no longer will deposit the checks you cashed for your customers, it no longer will approve you for a loan and, in fact, it has decided to close your account. Any trust you once had with your bank is now broken. And it all stems from new regulations to halt illegal activity that you never engaged in.

This is the unfortunate reality that is happening to many store owners.

Al Jonna, who owns stores in Taylor and Plymouth, had no issues with the banking world before September 11, 2001. Soon thereafter, the banks started asking to see all his transactions so they could check for any red flags.

"Our Taylor store cashes checks as a MSB and had to change banks three times," said Jonna, an AFPD board member. "The Plymouth store only cashes checks as a convenience for regular customers. The Plymouth store is now changing banks because even cashing five McDonald's payroll checks is now too much."

Jonna left Charter One Bank after it also closed his ATM account because the money loaded wasn't consistent with the money taken out.

"It has been very frustrating," said Jonna. "As far as the future, I believe that every transaction will get monitored either by gift card back to the customer or by direct deposit. The government is using this opportunity to monitor all money transfers, and I believe nothing will change."

The pressure that MSBs face stem from new rules and regulations that make it difficult for financial institutions to continue to conduct business with MSBs without incurring additional expense due to strict oversight. The U.S. Treasury Department's Financial Crime Enforcement Network (FinCEN) is responsible for enforcing the new rules. The agency's website, www.FinCen.gov, states: "FinCEN's mission is to safeguard the financial system from illicit use and combat money laundering and promote national security through the collection, analysis, and dissemination of financial intelligence and strategic use of financial authorities."

FinCEN carries out its mission by receiving and maintaining financial transactions data; analyzing and disseminating the data for law enforcement purposes; and building global cooperation with counterpart organizations in other countries and international bodies.

The basic concept underlying FinCEN's core activities

is "follow the money." The primary motive of criminals is illicit gains, and they leave financial trails as they try to launder the proceeds of crimes or spend their ill-gotten profits. More recently, the techniques used to follow money trails also have been applied to investigating and disrupting terrorist groups, which often depend on financial and other support networks.

But the oversight and regulations have forced some banking institutions to refuse current MSB customers and put a moratorium on future accounts.

WHAT ARE RETAILERS TO DO?

"We don't know exactly how many AFPD members rely on the ability to cash a customer's check on Friday and then have them immediately purchase goods for the weekend and week ahead," said AFPD President and CEO Auday Arabo. "We do know that check cashing is profitable for retailers, and the regulations are putting tremendous strain on their businesses."

Despite the information that's available, many unanswered questions remain. What is the real effect on retailers if they are forced to give up their MSB status in order to remain with a financial institution that is forcing their hands? Is there a chance they will lose customers as a result? Can they only hope that loyal check-cashing customers will return to their store to buy goods after being forced to open a bank account?

FinCEN finally has recognized that banking institutions are pulling away from doing business with MSBs and has issued statements condemning such actions. The agency realizes banks should not discriminate against MSBs with a broad stroke, said Mike Sarafa, president and CEO of Bank of Michigan.

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“What we’re seeing now, as evidenced by the FinCen guidance, is that the government is starting to understand that there have been unintentional and unintended consequences of this very strict enforcement, and banks have decided to simply exit the business line altogether,” Sarafa said. “That is creating a real problem for people trying to get banking services.”

This “real problem” is running rampant through AFPD’s membership. A cruel example is the case of Patrick Hand, who owns Discount Drinks in Wyandotte, MI. He found out the hard way that his bank account had been closed when he went to make a deposit.

“I walked into my Charter One Bank and was told my accounts were shut down,” Hand said. “I then worked with someone at the bank for weeks. I had a certification that said I was registered with the government, but they closed my accounts down two days before the deadline. It cost me quite a bit of money in fees, and I never went back to that bank.”

Such unfair practices are all too common and have forced MSBs to look elsewhere to do their banking.

“I switched to Good Shepherd Credit Union in Lincoln Park, which was recommended to me by another business owner,” Hand said. “The biggest thing, which I think is most important to any business owner, is the fees are much less expensive, and the relationship and service are great. They don’t have a problem working with MSBs check cashing or money orders.”

On November 10, 2014, FinCEN finally issued a statement on providing banking services to MSBs:

“Money services businesses, including money transmitters important to the global flow of remittances, are losing access to banking services, which may in part be a result of concerns about regulatory scrutiny, the perceived risks presented by money services business accounts, and the costs and burdens associated with maintaining such accounts.

“MSBs play an important role in a transparent financial system, particularly because they often provide financial services to people less likely to use traditional banking services and because of their prominent role in providing remittance services. FinCEN believes it is important to reiterate the fact that banking organizations can serve the MSB industry while meeting their Bank Secrecy Act obligations.”

So what exactly is the Bank Secrecy Act (BSA)? According to the Treasury Department’s Office of the Comptroller of the Currency, the BSA is the “primary U.S. anti-money laundering law” and is designed “to detect, deter and disrupt terrorist financing networks.”

But what are these new regulations and oversight that are causing banks to turn their backs on AFPD members?

And what does the BSA require? The law states:

“The regulation requires every national bank and savings association to have a written, board approved program that is reasonably designed to assure and monitor compliance with the BSA. The program must, at a minimum, provide for a system of internal controls to assure ongoing compliance, provide for independent testing for compliance, designate an individual responsible for coordinating and monitoring day-to-day compliance and provide training for appropriate personnel. In addition, the implementing regulation for section 326 of the PATRIOT Act requires that every bank adopt a customer identification program as part of its BSA compliance program.”

This is the primary reason why banks are pulling away from doing business with AFPD members who are MSBs, Sarafa said.

“There is a whole series of issues that arise from that line of business,” Sarafa said. “For example, some banks are simply refusing to bank MSBs, some banks are not taking on new MSB accounts, and some banks are pricing themselves really out of the market. They’re open to do business, but their costs are so high that’s it almost too much of a burden.

“But there are other things, too, like some banks are saying to clients that you can bank here, but you cannot bring cash deposits into the branch.”

Bank of Michigan has opened several accounts in the last six months for people who were being forced to use armored courier to make deposits, rather than walk the money into the bank as they normally did. Most bank branches discourage that because they don’t want the cash in their branch, period, due to the risk associated with holding that much cash. People who don’t want the hassles or expense of using armored couriers are finding themselves limited in their options for banking.

FinCEN’s statement acknowledges this concern and has tried to make it clear that MSBs should not be discriminated against. This acknowledgment is made clear in the following:

“Currently, there is concern that banks are indiscriminately terminating the accounts of all MSBs, or refusing to open accounts for any MSBs, thereby eliminating them as a category of customers. Such a wholesale approach runs counter to the expectation that financial institutions can and should assess the risks of customers on a case-by-case basis. Similarly, a blanket direction by U.S. banks to their foreign correspondents not to process fund transfers of any foreign MSBs, simply because they are MSBs, also runs counter to the risk-based approach. Refusing financial services to an entire segment of the industry can lead to an overall reduction



in financial sector transparency that is critical to making the sector resistant to the efforts of illicit actors. This is particularly important with MSB remittance operations.”

FinCEN’s stance is well-stated, but the reality is that retailers are still having trouble with banks and have little or no recourse. How are banks getting around this and how are they still able to cut ties with MSBs? They justify it by hiding behind risk-assessment analysis in order to avoid taking the steps that would allow them to continue doing business as usual.

“There is a term in the banking industry called ‘de-risking,’” Sarafa said. “It’s a business decision that says instead of trying to take on this business and to manage the risk the way the government wants, we’re just going to avoid it altogether.

“There are many banks that have done that, and their answer is ‘they don’t pass the laws, they just enforce it,’ which is baloney because none of this is that black and white.”

FinCEN’s statement addresses this issue and states: “A banking organization’s due diligence should be commensurate with the level of risk presented by the MSB customer as identified in the bank’s risk assessment. A bank needs to know and understand its MSB customer. To do so, it should understand the MSB’s business model and the general nature of the MSB’s own customer base, but it does not need to know the MSB’s individual customers to comply with the Bank Secrecy Act. This is no different from requirements applicable to any other business customer.”

This is where the real questions arise. Why are banks turning away MSB customers they have known for years? Hasn’t “due diligence” been established during years — even decades — of doing good business? And why aren’t MSBs being treated like “any other business customer”?

The government’s guidelines fill hundreds of pages that tell banks to regulate these activities and list how they’re supposed to do it. Banks analyze the risks and then decide what action best suits their needs. Facing such complex regulations, some banks apparently decided the easiest solution was to cut MSBs out of the equation. Only after more and more banks followed this practice did FinCEN issue its statement to try to curb this activity. Unfortunately, the statement appears to be too little too late.

More action must be taken to keep the problem from getting worse.

“These are one- and two-page documents that are ‘puff’ and meaningless unless the intent of them is enforced at the ground level, and time will tell about that,” Sarafa said.

Retailers may find themselves forced to make a tough decision: Do they continue to operate as an MSB or relinquish a service that is both profitable to them and preferred by their customers? If they decide to continue to function as an MSB, retailers should consider reaching out to local and national policymakers and voice their frustration over unfair treatment.

“We all need to address this to our policymakers, including local ones, even though they don’t directly bear on the federal policy,” Sarafa said. “The social impact of what’s going on needs to be brought to offices of mayors, city councils and state legislatures.

“But we really need to talk to Congress and the federal agencies about these unintended consequences. They must decide what they are really after and what they can do to get a better handle on the bank’s customer base actual risk profile, then adjust the regulatory construct based on that.”

The necessary changes will happen if MSBs are persistent in sending a concerted message to lawmakers. This issue has not flown under the radar of politicians.

“Cracking down on international funding for terrorist groups is an effective way to reduce their ability to carry out attacks against the United States and other nations without risking the lives of American troops or civilians abroad,” said Senator Gary Peters (D-Michigan). “However, federal agencies must ensure that these important efforts to restrict illegal money laundering do not unfairly harm American small businesses or prevent Michigan residents from sending or receiving money that their families rely on.

“Retailers should work with local banks and credit unions to find a partner that can provide the services they need and reach out to regulators and elected officials if there are not viable options to provide these banking services in their communities.”

Representative David Trott echoes these feelings and also wants banks and MSBs to work together, “Having worked in business for 30 years, Rep. Trott believes that Washington should support our local job providers, not stand in their way---and that federal regulations should always strike a balance that allows businesses to succeed, while providing important protections for the American people,” said Kyle Bonini, Communications Director for Congressman David Trott (MI-11)

It is unfair that banks are using too broad of a stroke when closing MSB accounts. Banks have been told they need to know their customers and to define each and every one of them individually. They need to work with their MSBs, not exclude them.

MSBs must be treated the same as any other business account. You can take that to the bank. ■

Kris Harris is a writer for Denha Media & Communications.



HAVE YOU EVER HAD A PROBLEM WITH A BANK AS A MONEY SERVICE BUSINESS? IF SO, WHAT DID YOU DO?

"Absolutely. We've had several problems with banks who would not open accounts for us just for being an Money Service Business (MSB)."

FRANK AYAR // WALTERS SHOPPING PLACE, HAMTRAMCK MI

"Yes, I had an account shut-down with a bank, so I switched to a Credit Union."

PATRICK HAND // DISCOUNT DRINKS ETC. LT, WYANDOTTE MI

"Yes, I have had issues with banks not wanting to take my checks and freezing my accounts."

AL JONNA // PICNIC BASKET MARKET, ANN ARBOR MI

"No, because most of our business is with credit card sales."

BRIAN YALDOO // HILLS FINE WINE AND SPIRITS, BLOOMFIELD HILLS MI

"Banks are making it tougher and tougher for us. I think they are trying to get rid of the MSBs, so they can control it all themselves."

NAJIB ATISHA // INDIAN VILLAGE MARKET, DETROIT MI

WHAT DO YOU THINK OF THE NEW AFPD MICHIGAN LIQUOR PRICE BOOK?

"I love the new book. It stands out and shows AFPD really cares about the independent retailer."

FRANK AYAR // WALTERS SHOPPING PLACE, HAMTRAMCK MI

"I Love it. It's a fantastic idea. I think it will help draw new members as well."

PATRICK HAND // DISCOUNT DRINKS ETC. LT, WYANDOTTE MI

"It's a great book. Good quality and very important to have. It's great to keep by the register for quick reference."

AL JONNA // PICNIC BASKET MARKET, ANN ARBOR MI

"Love it. It was a great job. I like how they added Ads and it's very much needed in our industry."

BRIAN YALDOO // HILLS FINE WINE AND SPIRITS, BLOOMFIELD HILLS MI

"I think it a great. I think that AFPD did a great job with the new liquor book."

NAJIB ATISHA // INDIAN VILLAGE MARKET, DETROIT MI



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Chef Carl Caters in A-List Clientele

■ BY AMANDA M.

Carl Hakim — better known as ‘Chef Carl’ to his local and national fans, has made Market Basket of Franklin the go-to place for prepared foods in the Metro Detroit area.

“Hugh Jackman loves our filets! We cooked private dinners for Jackman while he was in town filming the movie, *Real Steel*.... Hugh Jackman put Market Basket’s Macaroonies® (an innovative macaroon recipe) on the map, and to this day, he e-mail’s request shipments on location,” exclaimed Chef Carl.

Market Basket of Franklin is a gourmet market featuring both over-the-top prepared food dishes and highly specialized dietary meals.

Chef Carl purchased Market Basket in 2000, with his nephew Chris Thomas and his cousin, Robert Esshaki. “It was a small, broken down, old fashioned grocery store,” said Chef Carl. Fully remodeled with European influence, Market Basket has earned a reputation for picture-worthy seasonal displays. “Every day, our prepared foods display looks like a party!” Hand-wrapped Valentine’s Day gift baskets adorned Market Basket’s product displays this February month – all custom-made and filled with Michigan’s own Valentine Vodka and Sanders Candy.

The market’s Italian, Michigan-made and executive baskets are all original and available year-round, ranging from 20 to 300 dollars. The most exquisite custom order for Market Basket is... “a 13 thousand-dollar basket request, inclusive to Louis XIII and Dom Perignon,” said Chef Carl.

From famous reubens, beef tenderloin, Italian-breaded chicken strips, lobster mac and cheese, salmon, to cannoli – only the beginning of The Market Basket menu. Chef Carl is the mastermind behind Market Basket’s recipes that keeps his customers coming back for more. “I often use ‘The Original Zip Sauce,’ founded by Michael Esshaki, for many of my recipes,” said Chef Carl.



CHEF CARL HAKIM WITH DETROIT LIONS QUARTERBACK, MATTHEW STAFFORD

The Detroit Lions, Mitch Albom (American-best selling author), and Dan Gilbert (founder of Quicken Loans), stack Market Basket of Franklin’s catering clients. “When Matt Stafford is residing at his Franklin home, we cook for the whole team,” said Chef Carl.

Chef Carl’s success is not happenstance, as his relation with Mitch Albom was formed from Market Basket’s customer-building campaign – Traffic Treats. “Road closings a few years ago made traffic horrible, so we decided to give out traffic treats. We passed out free homemade pizza slices, rice pudding, and slushies on the hot days. Then, they would come back and buy food. Mitch Albom received a traffic treat, and now, we cater all of his holiday events and parties when he is in Michigan.”

Faithful investment in experiential marketing concepts and exceptional client relations has put Chef Carl at the forefront of his industry. Partners, Chris Thomas and Robert Esshaki are the owners of Rudy’s Market in Clarkston. “We work together, help each other and have collaborated on catering for over 25 years,” said Chef Carl.

Chef Carl’s grandfather first began their family trade in Detroit with Hakim’s Food Center and Vic’s Market. In the early days of Chef Carl’s culinary career he owned and operated a Tubby’s Sub Shop. His passion for cooking was taken to the next level while working at Lakeshore Market in Sterling Heights and following, Market Square in Birmingham. During this time, he had the freedom to experiment and test the palates of his customers. Chef Carl is classically educated, as a culinary arts degree graduate with additional masters courses in fruit carving, ice sculpting, and baking.

Chef Carl recalls him and his family always being AFPD members. “Since we had our stores in Detroit, it was the thing to do. All store owners understood the value AFPD brought for a grocery store. Today at Market Basket of Franklin, the Nestle rebate program is great for us. Also, the DTE program is our best saver – we receive free pull-down shields to cover our dairy and produce – it, has helped our refrigeration and, has allowed us to save money on electricity costs.” ■

Amanda M. is a writer for Denha Media & Communications.



RETAILER: MARKET BASKET

Locations: Franklin, Michigan

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Employees: 12-15

AFPD member since: the 1970’s

Slogan: “Through our doors, comes only the finest.”





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Buying into the Community Pays Many Benefits

■ BY VANESSA R.

Building up a brand name can be tough, but the effort is worth it when you create a recognizable name that people can trust. That's what Chad Walters did in Chillicothe, Ohio, where he now owns and operates eight businesses.

Walters purchased his first business eight years ago when he brought the first Valero gas station to the area. He said he chose Valero, based in San Antonio, Texas, as his brand because it is an American company. His first store included a Subway franchise, a car wash and more than 100 storage units.

Walters, who has been closely involved in the community since the beginning, said supporting local groups and activities has helped make his ventures very successful.

Under his guidance, Valero has developed a visible presence in Ross County, Ohio, by supporting Little League teams' fundraisers, sponsoring golf tournaments and outings, and backing events that benefit local police and fire departments.

His businesses also help high schools across the county by sponsoring events ranging from sports activities to proms.

"We know everybody in the area, so we support a lot of the different benefits for organizations," Walters said. Of particular note are a sponsoring a memorial for Lance Corporal Aaron Reed, a Marine killed in Iraq in 2005, and a benefit for the Chillicothe Paints, a



team in the elite collegiate summer baseball league. His businesses also are a co-sponsor of the county fair.

"We're very involved in the community, and the community knows that and (gives) back," he said. "They head to Valero because a lot of their money stays in the community" in contrast to other local stores. "You're not going to see (the names of other franchises) on a Little League baseball team shirt like you'll see Valero's."

"I like the flexibility of owning my own stores," Walters said, adding that he finds the independence of owning his businesses liberating. He said he has an excellent manager who runs his locations in the field.

He said he is able to expand his offerings to the community in part due to the AFPD, and his membership has provided many benefits.

The AFPD has aligned his businesses with trusted vendors, helps provide discounts on different items and offers coupon processing. Walters also uses a propane cylinder exchange, and several of his employees have participated in the TIPS Training Program for legal alcohol vending.

He said almost all the stores he acquired were struggling or bankrupt locations that became successful after he revamped and re-imaged them.

"It's been a great eight years, and I've enjoyed the industry," Walters said. "It's been fun, it's been successful and we're having a good time."

Today, Walters owns the largest convenience store franchise in Ross County. He said customers know Valero is a part of the community. "I just felt it was important that people knew what that brand was, and they understand what it means," Walters said.

For Walters and his chain of businesses, that means serving the community and giving back in equal measure. ■

Vanessa R. is a writer for Denha Media & Communications.

RETAILER: C. WALTERS ENTERPRISES, LLC/VALERO

Locations: Main & High Shortstop—Frankfort, Ohio
Southeastern Valero—Chillicothe, Ohio
S Paint Street Valero—Chillicothe, Ohio
Star Drive Valero—Chillicothe, Ohio
Valero—Kingston, Ohio
Valero and Valero ATM—Bourneville, Ohio
Waverly Valero—Waverly, Ohio



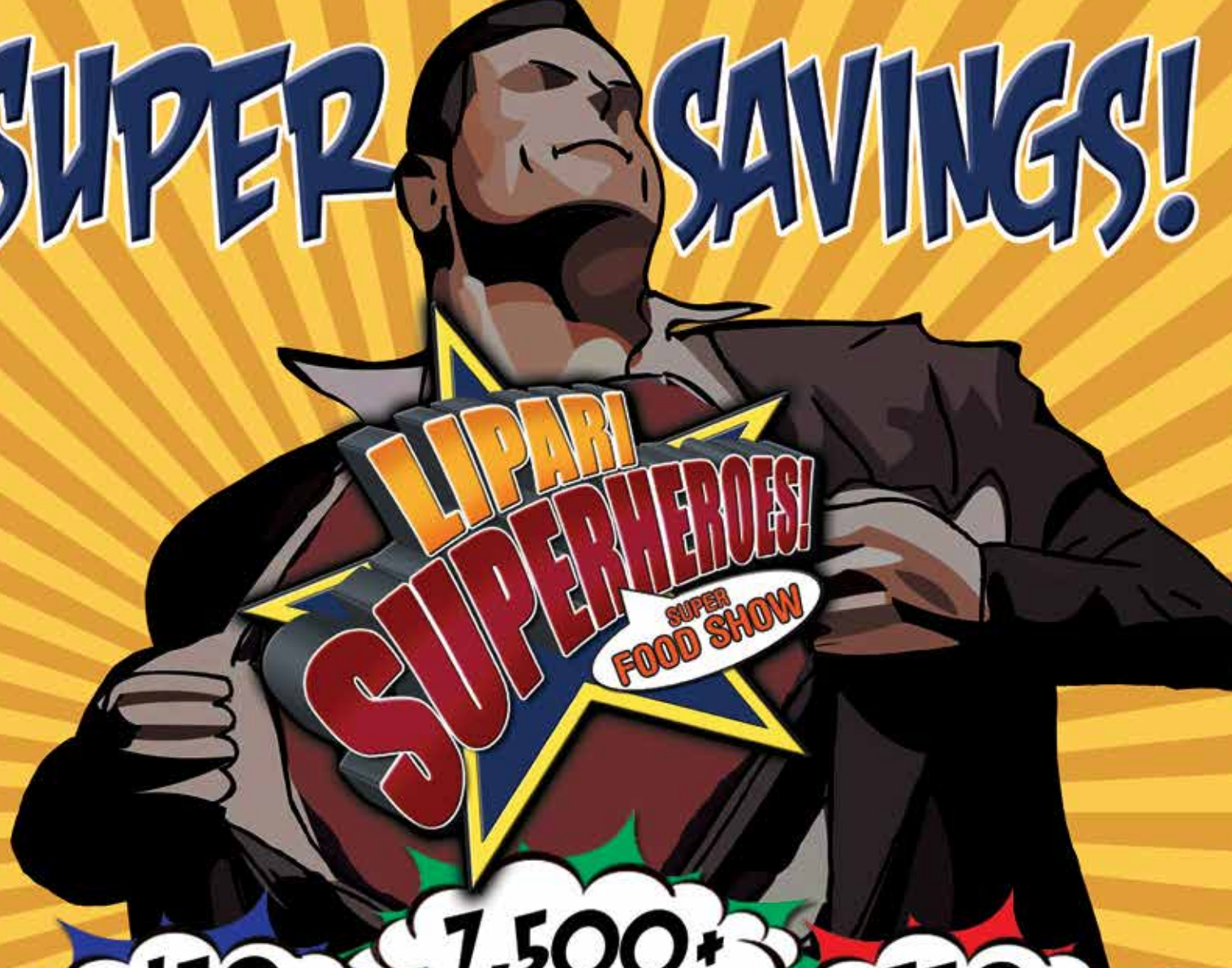
Founded: 2007

AFPD Member Since: 2008

Employees: 85

Slogan: "Stores where business and community blends"

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APRIL 22, 2015

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michigan lobby

JOSEPH A. GARCIA // HONIGMAN MILLER SCHWARTZ & COHN LLP

Michigan 2015 Legislation Heats Up

MAY 5 ELECTION – 1 CENT SALES TAX INCREASE FOR ROADS

The lame duck legislature in December, 2014, authorized this ballot question for May 5, 2015:

- Increase the sales tax from 6% to 7%;
- Convert the 19 cent/gallon gasoline and the 15 cent/gallon diesel taxes to a wholesale tax;
- Increase vehicle registration fees;
- Dedicate certain revenues to the state K-12 school aid fund; and
- Fully restore the State's earned income tax credit (EITC) for the working poor to 20% from the current 6%.

The ballot proposal and companion legislation will raise more than \$1.6 billion a year when fully implemented. Of that, \$1.2 billion would go to roads, \$150 million to mass transit, \$300 million to school aid, and \$95 million to local governments. The expanded EITC would provide about \$260 million in targeted tax relief for low-income workers. A sample of the ballot language is in the box below.

APPENDIX A // PROPOSED BALLOT LANGUAGE

House Concurrent Resolution Number 39 recommends potential ballot language for the Board of State Canvassers to consider.

A PROPOSAL TO AMEND THE STATE CONSTITUTION TO ELIMINATE SALES AND USE TAXES ON GASOLINE AND DIESEL FUEL, ALLOW AN INCREASE IN THE SALES TAX RATE, DEDICATE REVENUE FOR SCHOOL AID, AND REVISE ELIGIBLE SCHOOL AID USES.

The proposed constitutional amendment would:

- Eliminate all sales or use taxes on gasoline and diesel fuel used in motor vehicles operated on public roads or highways beginning on October 1, 2015;
- Allow an increase in the sales tax rate from 6 percent to 7 percent;
- Activate other laws dedicating additional revenue for transportation purposes, including repair of roads, streets, and bridges;
- Require state funds for school aid to be used exclusively for financial assistance for public school districts, community colleges, and career and technical education and related scholarships; and
- Dedicate a portion of use tax revenue for school aid purposes.

Should this proposal be adopted?

☐ YES ☐ NO

NEW LEGISLATION (2015)

1 HB 4005 (Heise): This bill seeks to increase penalties and sanctions for "critical violations" of the Liquor Act and Rules. Critical violations include selling alcohol to minors, or serving minors – *AFPD opposes*;

2 HB 4050 (Yonker): This proposal would decrease the required inventory at gas station SDM's from \$250,000 to \$50,000, and deletes the required 50 foot distance from gas pumps to the store – *AFPD opposes*;

3 HB 4073 (Dianda): Allows for the pro-rata apportionment of license transfer fees. (This is the same as HB 4573 from 2014, vetoed by Governor Snyder on December 29, 2014, due to other measures added to the bill) – *AFPD supports original bill*;

4 HB 4075 (Dianda): Eliminates minimum inventory thresholds for certain SDM's (Similar to HB 4050 above, and the same as HB 5541 from 2014) – *AFPD opposes*;

5 HB 4085 (Kesto): Creates a new exception within the 1/2 mile rule for the transfer of an SDD – *AFPD supports*;

6 HB 4125 (Yonker): Provides for direct shipment of wine by retailers – *AFPD opposes*; and

7 HB 4174 (Courser): Eliminates the three-tier system – *AFPD opposes*.

All of these bills have been referred to the House Regulatory Reform Committee chaired by Representative Ray Franz (R-Malone).

MERGER OF DEPARTMENTS OF COMMUNITY HEALTH AND HUMAN SERVICES

Governor Rick Snyder signed an Executive Order on Friday, February 6, 2015, merging the above agencies into one new Department of Health and Human Services. The Governor named Nick Lyon to head the new agency. Mr. Lyon was the Interim Director of Community Health having succeeded Jim Haveman who retired. Former Supreme Court Justice Maura Corrigan, who headed Human Services also retired.

The new department will be the determinant for WIC participation and eligibility. It will be the largest department in state government with over 14,000 employees. ■

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michigan lottery

M. SCOTT BOWEN // MICHIGAN LOTTERY COMMISSIONER

Huge Jackpots Generate Attention, Excitement and Sales

Nothing excites Michigan Lottery players like the chance to win cash, and lots of it. The Lottery's current game lineup features two multi-state games – Mega Millions and Powerball – that offer players the chance to win big cash prizes.

The recent Powerball jackpot run excited players around the country, including right here in Michigan. As the jackpot grew, players took notice, went to their favorite retailer, and sales of Powerball tickets surged. In addition to avid Lottery players, casual players became aware of the growing jackpot and purchased tickets for a chance to win.

INSTANT TICKETS

NEW INSTANT TICKETS:

On sale March 3rd

- Platinum, Gold, Silver 7's \$5 (IG # 717)
- Lucky Shamrocks \$2 (IG # 718)
- Triple Your Luck \$3 (IG # 724)

INSTANT GAMES SET TO EXPIRE:

Expiring March 2nd

- Cashword \$2 (IG # 620)

Expiring April 6th

- Black & Gold \$10 (IG # 640)
- 50X The Cash \$2 (IG # 649)
- \$50,000,000 Celebration \$5 (IG # 658)
- 20th Anniversary Wild Time \$20 (IG # 661)
- Frogger 2 (IG # 669)
- Lucky Number Bingo \$2 (IG # 671)

TICKET ACTIVATION: Retailers are reminded to activate all game tickets before putting them on sale to ensure winning tickets may be redeemed by players.

For many of those Lottery newcomers, buying a Powerball ticket may have been their first Lottery buying experience. Large jackpots, such as the recent \$564.1 million Powerball jackpot, garner large amounts of attention from players. Part of the fun of playing Lottery games for players is thinking about “what if,” and when jackpot soar those dreams become commonplace for players.

Powerball's recent jackpot run also generated a large amount of interest from media across Michigan, and the nation. The Lottery's public relations office fielded calls from media outlets across the state regarding the Powerball jackpot and sales of Lottery games. The added attention from media led to many positive stories about the Lottery and helped build awareness for games offered at retailers throughout Michigan.

The media attention provided Lottery officials with an opportunity to promote not just games that offer huge jackpots such as Mega Millions and Powerball, but also the Lottery's full portfolio of games which appeal to a broad group of players.

All of the attention and excitement generated by a strong Powerball jackpot run generates store traffic and sales, and that's good for retailers, the Lottery and the School Aid Fund.

DOUBLER DAYS RETURNS FOR CLUB KENO PLAYERS


March is sure to be an exciting month for Club Keno players and retailers. From March 1 through March 31, each Club Keno ticket purchased is eligible for the Doubler. The Doubler feature will be printed at random on Club Keno tickets and will double the base game and Kicker prizes for players!

Tickets must be valid Club Keno winners to be eligible for double winnings. Receiving a Doubler message alone does not denote a win. If a player purchases a multi-draw ticket and receives a Doubler message, all winnings for all the drawings on that ticket are doubled.

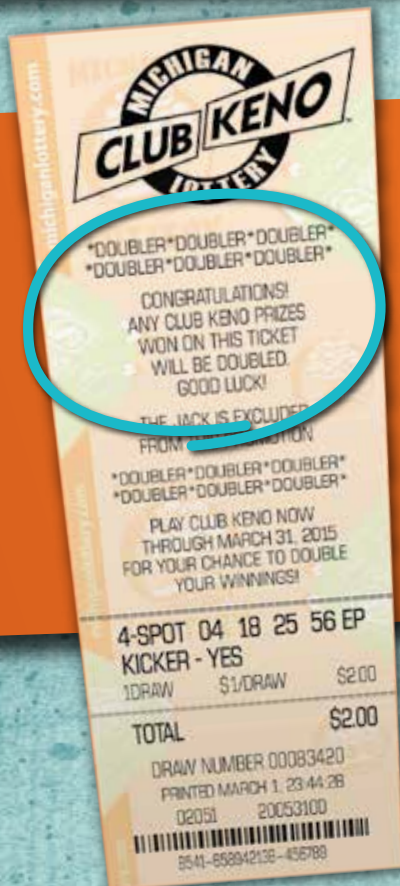
When a player doubles their winnings with the Doubler, retailers benefit because that increases their redemption commissions. ■

“The Michigan Lottery. All across the state good things happen.”

DOUBLER DAYS



WINNING IS TWICE AS NICE!



Random Club Keno tickets will print a **DOUBLER** message in **March**. Lucky players with these tickets will double their Club Keno winnings!



When a player doubles their winnings, you'll double your redemption commission.
Tell your customers to play Club Keno today!

The Doublor Days promotion applies to Club Keno and Kicker prizes only. The Jack is excluded from the promotion. Club Keno and Kicker prizes will be doubled up to a maximum of \$4 million per draw. The Club Keno mark is a registered trademark of GTECH Corporation. Overall odds of winning Club Keno are from 1 in 4 to 1 in 17. If you bet more than you can afford to lose, you've got a problem. Call 1-800-270-7117 for confidential help.



michigan food safety report

KEVIN BESEY // MICHIGAN DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT DIRECTOR

Fee Increases Needed to Help Fill Structural Deficit

The Michigan Department of Agriculture and Rural Development (MDARD) is at a point where it can no longer meet the demand for compliance assistance for new and growing food businesses and also evaluate food establishments often enough to assure the public's food safety.

MDARD has been meeting with food industry associations to discuss new ways of doing business to meet the needs of our growing industry and maintain a sound, effective food safety program in Michigan.

Over the past year, I have outlined MDARD's commitment to partnering with food businesses to meet state and federal food laws to keep their businesses viable and prevent foodborne illness outbreaks. I've presented MDARD's three-year plan to improve its ability to better assure Michigan's food and dairy safety while assisting our growing food and agriculture sector with the compliance assistance they need when starting or expanding their food or dairy business. A crucial part of the plan includes an adjustment of food license fees to help fill a structural deficit in program operations, and support additional technology needs and staff to meet the needs of our growing industry.

With the food and agriculture sector listed as one of Michigan's big three industries, food safety is critical to the state's economic health. People buy Michigan food, in part, because they trust our food supply is safe. Michigan has long been considered a national leader in food safety. This is the result of the dedication and continuous improvement from all of you with food operations in Michigan; the agriculture, environmental health and food science resources at Michigan universities; our 45 local health departments; the Global Food Protection Institute in Battle Creek; and the staff at MDARD.

Reducing risk to business success is a vital consideration whether on the farm, at the value-added

processor, in a restaurant, or in the retail market. Being proactive in our consideration of food safety risks is far superior to a reactive regulatory approach. These growing demands have put additional stress on MDARD staff as they strive to deliver requested assistance to businesses that drive the food and agriculture sector. We are falling short of our collective goal to provide the consultative services, risk reduction, and level industry playing field that the industry deserves.

Michigan assures food safety through its licensing process. Each license issued serves as the state's assurance that a specific food business meets minimum food safety standards, and these standards are verified through regular evaluations. This allows everyone to buy groceries and dine out without worrying if they'll become ill. It also provides other businesses, states and countries the assurance that it's safe to let Michigan food products cross their borders.

The state legislature will soon be discussing industry fees for the first time in 15 years. The proposed fee increase would collectively raise \$2.5 million over the next three years, based on industry suggestions from our 2014 meetings. Specifically, this would mean an increase for small food facilities from \$67 to \$183; for large food facilities, the increase would be from \$167 to \$468 over three years. These proposed fees are below the average of other states and well below Michigan local health departments.

Even with these increases, the industry will move from paying 26 percent of the cost of MDARD's regulatory programs to paying just 37 percent. The majority of the cost would still be covered by other program funding sources (General Fund and federal grants).

Increased funding for MDARD programs will mean an increase in the value of the services our staff is able to offer your business, including increased inspections and compliance reviews. Our inspectors will be able to work with you to find and eliminate small problems before they grow. This will translate into fewer foodborne illness outbreaks and recalls, which in turn will lead to lower business operating costs and reduced liability for our food industry customers.

If you have questions, please contact your food inspector or MDARD at (800) 292-3939. ■

"WHO BRINGS ENERGY TO THIS COMMUNITY?"

Strong communities are the foundation of a healthy, thriving environment for all people. That's why DTE Energy helps power communities through supporting projects and programs that enhance life. We take pride in our efforts to provide positive youth development. We partner with local leaders to promote community initiatives from environmental education to economic development, including community outreach services. We're using our energy to serve.



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ohio lobby

TERRY FLEMING // TC FLEMING & ASSOCIATES

Ohio's Budget Proposal Faces Opposition

Ohio Governor John Kasich unveiled his 72 billion dollar plus state budget last week and as expected he has proposed a number of tax changes some of which are good and many of which are not very business friendly. Calling his budget a "Blueprint for Ohio" the Governor is continuing his quest to eliminate the Income Tax in Ohio.

TAX CUTS PROPOSED IN HB 63, THE BUDGET BILL:

The bill would eliminate all income taxes on businesses with annual gross receipts of \$2 million or less and would include businesses structured as sole proprietorships or pass-through entities (PTE's) such as partnerships, Subchapter S corporations (S-Corps) and LLC's. For businesses larger than the \$2 million the bill would maintain the 50% tax deduction on the owners first \$250,000.00 of net business income. He is asking for a 23% Income Tax Cut that will cut taxes for low- and middle- income Ohioans by increasing the state income tax personal exemption. For Ohioans earning less than \$40,000.00 a year, the exemption increases from \$2,200 to \$4,000 in 2015, and for those earning between \$40,000 and \$80,000 a year, the exemption increases from \$1,950 to \$2,850. This will result in some Ohioans paying no income tax.

NOW THE BAD NEWS, HOW DOES HE PAY FOR ALL OF THIS:

The Governor is asking for a \$1.00 per pack tax increase on cigarettes going from the current \$1.25 to \$2.25, he would also tax other tobacco products to a level equivalent to the cigarette tax. Convenience stores, especially those bordering other states with lower taxes would be hit hard by this increase. The legislation would also propose a tax on oil and gas exploration by increasing severance tax which the Governor has been



unsuccessfully proposing for past 4 years. Another hit for convenience stores would be an increase in the Commercial Activities Tax (CAT) from 0.26% to 0.32%, but the annual minimum CAT tax would decrease from \$800 to \$150 for businesses with gross receipts of \$2 million or less.

The biggest hit on businesses is a proposed increase in sales tax from current 5.75% to 6.25%; and he would broaden the sales tax base by including a number of services currently exempt from sales tax, such as cable TV subscribers, parking, lobbying, public relations, travel agents and many others. The bill would also reduce by 50% the reduction given on trade in's for cars and boats. Another hit for convenience stores in the bill would be the elimination of the current 0.75% vendor's keep on sales tax on all sales to a flat \$1000.00 a month. Finally HB 63 calls for "means testing" on Social Security so that those making \$100,000 per year or more would no longer receive any state tax credits. The Governor claims that his budget would result in a net tax cut of \$500 million but many dispute his assertion.

AFPD is working with a number of other associations and businesses on opposing many of these tax increases and in particular the cigarette tax. As expected the very conservative Ohio General Assembly did not meet the Governor's budget with any enthusiasm. The bill has a long way to go and must be passed by June 30th of this year as it's a two year budget. ■

A man with grey hair, wearing a blue shirt and a dark purple cardigan, is looking at a tablet in his hands. He is standing in a workshop or factory with a wooden beam ceiling and various equipment in the background.

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ohio liquor

BRUCE D. STEVENSON // OHIO DIVISION OF LIQUOR CONTROL

Liquor Control Launches Computer Modernization Project

The Ohio Division of Liquor Control (Division) launched a new project called Liquor Modernization to upgrade our 40-year-old computer system and replace it with a new, modern merchandising, point-of-sale and supply chain management support system. Much progress has been made in the past few months and we are excited about the many benefits stakeholders will enjoy once the project is completed.

Despite a few temporary challenges, the rollout of the new Liquor Modernization System on February 1, 2015 has been successful! The Division and its partners have been working hard and will continue to take action to resolve any issues that arise to improve the performance of the new system. Daily status meetings are conducted with the contractor to discuss solutions to outstanding issues and new items that need attention. A communications plan is in place to ensure stakeholders are alerted to any problems and informed of fixes or training for resolving those issues. Throughout the process, we have encouraged and received constructive feedback from stakeholders to share solutions to common problems and ideas for improvements and more efficient operations.

Since the “go live” date of February 1st, a relatively small and manageable number of issues with the new system were identified and promptly resolved. The most encouraging statistic involves the liquor sales data transmissions from the liquor agencies. The polling rate for sales data with the old system was about 70

percent. Within the first two weeks of operation, the new system polled 4,355 sales reports from a possible 4,370 reports, a success rate of roughly 99 percent. This is but one example demonstrating that the project is definitely moving operations in the right direction!

The cooperation and patience of all the stakeholders during this transition period has been invaluable and is greatly appreciated. As we move forward with more improvements, we will continue to provide training and outreach so they can take full advantage of the benefits of this new system. ■





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York Risk Services Announces TPA Combination to Operate Under CareWorksComp Brand Name



York Risk Services Group, Inc., parent company of two Ohio workers' compensation Third Party Administrators (TPAs) – CareWorks Consultants Inc. and Frank Gates Service Company – today announced that effective Monday, March 2, 2015, these two operations would be consolidated into one entity, operating under a new brand name of CareWorksComp.

This combination has created Ohio's largest workers' compensation TPA. The new name signifies a unification of the two companies and a continuation of delivering innovative workers' compensation claim management and cost control tools unique to the state of Ohio.

"Our new brand reflects who we are, and the innovation that differentiates us in our industry," said Frank Pagnatta, president, CareWorksComp.

By effectively managing each unique workplace absence, whether injury-related or not, employers can maintain productivity and control costs while focusing on returning valuable employees back to work as quickly and safely as possible.

"The vision of the two companies to be best-in-

class providers of workers' compensation cost control solutions hasn't changed in the over 60 years each has been in business in Ohio. This combination furthers our commitment to deliver personalized service, utilize advanced technologies and deliver the products and services our customers value most," said Pagnatta.

The new name will have minimal direct impact on current customers. Effective, March 2, 2015, the company's internet site will be www.careworkscorp.com.

ABOUT YORK RISK SERVICES GROUP

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- 1-866-391-9675

York Risk Services Group is a premier provider of insurance, risk management, alternative risk, pool administration and claims management solutions to clients across hundreds of industries. They are the third ranked national third-party administrator (TPA) based on annual revenue. York offers claims management for all lines of insurance, a comprehensive suite of integrated managed care services and risk management services that include loss control survey and

risk management services. Their customer base includes more than 5,800 public entities and public entity pools; over 300 program administrators/MGAs/carriers, more than 50 carriers and over 500 self-insured/high deductible clients.

ABOUT CAREWORKS CONSULTANTS

- www.careworksconsultants.com
- 1-800-837-3200

As Ohio's leading workers' compensation risk consulting and claims management service provider, CareWorks Consultants, Inc. has strived to exceed customer expectations and reduce the impact of workers' compensation costs on our clients' bottom lines since 1950. Our service delivery model is based on a team approach with the client as our focus. Our knowledgeable associates and advanced technologies continue to distinguish us from other Third Party Administrators in Ohio.

ABOUT FRANK GATES SERVICE CO.

- www.frankgates.com
- 1-800-777-4283

Frank Gates Service Company is a workers' compensation administration provider for Ohio-based companies, offering an array of services including group and other alternative rating plans. Since 1946, the company has been a leader in reducing workers' compensation costs for Ohio employers and providing efficient, professional claims management. We create partnerships with our clients, tailoring programs that achieve successful return to work and drive overall savings. ■



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Tom Brady and the Truck

■ BY RANDALL A. DENHA, J.D., LL.M.*



I am not much of a true football fan. I have little interest in Monday night games, player stats, or the draft. But as a Michigan resident with friends who bleed maze and blue, in support of friends who love the Patriots and Tom Brady's alma mater, I'll always make a point to cheer them on when they are in the Super Bowl. And if you had to watch one game this year, it would seem that the Super Bowl this year was the one. The excitement came right down to the final two (2) minutes when rookie Malcolm Butler intercepted what otherwise would have been the Seahawks' game-winning pass. As Tom Brady said in his MVP speech, Malcolm Butler won the game. But Mr.

Brady got the MVP and in so doing, won a new 2015 Chevy Colorado. I read that Mr. Brady is considering giving Mr. Butler the truck, saying "I'm going to figure out how to make that work." Mr. Brady, I would be happy to help you do just that. Finally a football conversation that I can engage in as a tax attorney.

It is not as easy as saying "Give the rookie the truck, Brady." Mr. Brady will want to make decisions like this in light of his personal tax planning. In 2015, every individual has an estate tax credit which would exclude \$5,430,000 from 40% federal estate taxation

on transfers made during life or upon death. In general, any gifts which Mr. Brady makes will cut into his exemption. As much as we all appreciate Mr. Butler's efforts, are we willing to consume, willy-nilly, Mr. Brady's federal estate tax credit on gifts to Mr. Butler? Perhaps we don't have to.

Any individual may give \$14,000 of value to any other person in 2015 before cutting into his/her lifetime exemption. In addition, spouses can agree to use each other's exemptions. Mr. Brady and his wife, Ms. Bundchen, may elect for Mr. Brady to use both of their \$14,000 exclusions, so Mr. Brady can give \$28,000 before tapping into

his credit. This does not restrict Ms. Bundchen's ability to make tax-free gifts, other than if she wants to make additional tax-free gifts to Mr. Butler. Based on my web research, I'd put the value of the Chevy Colorado at around \$35,000, new and decked out. After using Mr. Brady and Ms. Bundchen's combined \$28,000 exclusion on the \$35,000 transfer to Mr. Butler, they would still be \$7,000 short, resulting in use of their federal estate tax exemption. Is there any way to make the transfer without using up any of that precious credit? Is Mr. Butler willing to take the truck 50/50 with someone else? If so, that frees up another \$28,000 of exclusion available. How accurate is that \$35,000 value? They say value decreases once you drive it off the lot. What about if you drive it off a lot, onto a football field, then off a football field? Can it be argued that the value is less than \$35,000? These are some of the questions that Mr. Brady's advisors will want to ask to help Mr. Brady make it work.

**Randall A. Denha, j.d., ll.m., principal and founder of the law firm of Denha & Associates, PLLC with offices in Birmingham, MI and West Bloomfield, MI. Mr. Denha continues to be recognized as a "Super Lawyer" by Michigan Super Lawyers in the areas of Trusts and Estates Law; a "Top Lawyer" by D Business Magazine in the areas of Estate Planning and Tax Law; a Five Star Wealth Planning Professional and a New York Times Top Attorney in Michigan. Mr. Denha can be reached at 248-265-4100 or by email at rad@denhalaw.com ■*



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3:00pm-10:00pm

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International Food Service Distributors Association.....(703) 532-9400
Local Business Network.....(248) 620-6320
National Association of Convenience Stores (NACS).....(703) 684-3600
National Grocers Association.....(202) 624-5300
Neighborhood Market Association....(619) 464-8485
Western Michigan University Food Marketing Program.....(269) 3887-2132

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CFX Management.....(937) 426-6670
Countywide Petroleum.....(440) 237-4448
Gilligan Oil Co. of Columbus, Inc.1-800-355-9342
High Pointe Oil Company.....(248) 474-0900
Obie Oil, Inc.(937) 275-9966
R&R Takhar Operations, Inc.....(937) 665-0881

GREETING CARDS



Leanin' Tree..... 1-800-556-7819 ext. 4183

GROCERY WHOLESALE & DISTRIBUTORS



D&B Grocers Wholesale (734) 513-1715
Central Grocers, Inc.(815) 553-8856
George Enterprises, LLC.....(248) 851-6990
Great North Foods.....(989) 356-2281
International Wholesale.....(248) 353-8800
Jerusalem Foods.....(313) 846-1701
Kehe Distributors.....1-800-886-0700
Savorfull, LLC.....(313) 875-3733
SpartanNash.....(616) 878-2248
SUPERVALU Midwest Region.....(262) 942-3387
Value Wholesale Distributors.....(248) 967-2900

HOSPITALITY INDUSTRY CONSULTING

Lippitt O'Keefe Advisors, LLC.....(248) 646-8292

HOTELS, CONVENTION CENTERS & BANQUET HALLS

Petruzello's.....(248) 879-1000
Shenandoah Country Club.....(248) 683-6363
Suburban Collection Showplace.....(248) 348-5600

ICE CREAM SUPPLIERS



Arctic Express (*Nestle Ice Cream-Small format only*).....1-866-347-3657



Nestle DSD (*Small format only*)... (616) 291-8999



Hershey's Ice Cream..... (734) 449-0301



Prairie Farms Ice Cream Program 1-800-399-6970 ext. 200
Country Fresh.....1-800-748-0480

ICE PRODUCTS



U.S. Ice Corp. (313) 862-3344
Arctic Glacier Premium Ice.....1-800-327-2920
Home City Ice.....1-800-759-4411
Taylor Ice Co.(313) 295-8576

INSURANCE SERVICES: COMMERCIAL

-  **Accident Fund Insurance Company of America**  (517) 281-9813
-  **Bassam & Associates/Village Insurance Group** (Conifer) (330) 342-0347
-  **Conifer Insurance Company** ... (248) 262-5988
-  **Cox Specialty Markets** (Conifer) ... 1-800-648-0357
-  **CareWorks**  ... 1-800-837-3200 ext. 7188
- Business Benefits Resource, LLC. (248) 381-5045
- Globe Midwest/Adjusters International. 1-800-445-1554
- Insurance Advisors, Inc. (248) 363-5746
- Mackinaw Administrators, LLC. (810) 220-9960
- USTI/Lyndall Insurance. (440) 247-3750

INSURANCE SERVICES: HEALTH & LIFE

-  **BCBS of Michigan**  1-800-666-6233
- LifeSecure Insurance Company. (810) 220-7703
- Midwest Medical Center. (313) 581-2600
- National Benefit Plans (Don Jorgensen) ... 1-800-947-3271
- Rocky Husaynu & Associates. (248) 851-2227

INVENTORY SERVICES

- Target Inventory. (586) 718-4695





LEGAL SERVICES

-  **Willingham & Cote, PC**  (Alcohol Issues) (517) 351-6200
- 1-800-Law-Firm. (248) 565-2067
- Bellanca & LaBarge. (313) 882-1100
- Bufalino and Palazzolo, PC. (586) 415-1200
- Cummings, McClorey, Davis & Acho, PLC. (734) 261-2400
- Denha & Associates, PLLC. (248) 265-4100
- Jappaya Law, PLC. (248) 626-6800
- Kitch Attorneys & Counselors. (586) 493-4427
- Lumpe & Raber Law Offices. (614) 221-5212
- Mekani, Orow, Mekani, Shallal & Hindo, PC. (248) 223-9830
- Pepple & Waggoner, Ltd. (216) 520-0088
- Porritt, Kecskes, Silver & Gadd, PC. (734) 354-8600

LOTTERY

- GTech Corporation. (517) 272-3302
- Michigan Lottery. (517) 335-5648
- Ohio Lottery. 1-800-589-6446

MILK, DAIRY & CHEESE PRODUCTS

-  **Dairymens**  (216) 214-7342
-  **Prairie Farms Dairy Co.**  .. (248) 399-6300
- Country Fresh. 1-800-748-0480

MISCELLANEOUS

-  **AJM Packaging Corporation** (Paper Products) (248) 901-0040
- Bright Accessories. (832) 779-1246
- Grocery Heros (online shopping program) ... (419) 764-8564
- Lynco Products. (309) 787-2300
- Socks Galore Wholesale. (248) 545-7625
- W3R Consulting (Business & IT consulting) .. (248) 358-1002

MOBILE MARKETING

- Mousetrap Group, LLC. (248) 547-2800

MONEY ORDERS/MONEY TRANSFER/BILL PAYMENT

-  **MoneyGram International** MI (517) 292-1434
- OH (614) 306-1375
- Western Union. (734) 206-2605

OFFICE SUPPLIES & PRODUCTS

-  **Office Depot** (248) 231-7198

PAYROLL SERVICES & MORE

- GMS-Group Management Services. (614) 754-5276

PEST CONTROL

- ORKIN. (614) 620-0566

PIZZA SUPPLIERS

- Hunt Brothers Pizza. (615) 259-2629

POINT OF SALE

- BMC-Business Machines Company. (517) 485-1732
- Caretek Total Business Concepts. 1-866-593-6100
- Delta Swiss Technologies. 1-877-289-2151
- Great Lakes Data Systems. (248) 356-4100 ext. 107

PRINTING, PUBLISHING & SIGNAGE

-  **Fisher Printing** (708) 598-1500
- Huron Web Offset Printing. (519) 845-0821
- Michigan Logos. (517) 337-2267
- Pace Custom Printing. (248) 563-7702
- Walsworth Publishing Company. (616) 419-3305

PRODUCE DISTRIBUTORS

-  **Heeren Brothers Produce** ... (616) 452-2101


PROPANE

-  **Pinnacle Propane Express** ... (847) 406-2021

REAL ESTATE

- Signature Associates. (248) 359-3838

REFRIGERATION SOLUTIONS (COMMERCIAL)

-  **SRC Refrigeration** 1-800-521-0398
- Arneg USA. (336) 596-1494
- Phoenix Refrigeration. (248) 344-2980

REVERSE VENDING MACHINES

- TOMRA. (248) 529-2371
- UBCR, LLC. (248) 529-2605

SECURITY, SURVEILLANCE & MORE

- Advanced Satellite Communications/
ASC Security Systems. (734) 793-1423
- Central Alarm Signal. (313) 864-8900

SHELF TAGS/LABELS/MARKETING

- iScanZone. (248) 470-3717
- JAYD Tags. (248) 730-2403

SODA POP, WATER, JUICES & OTHER BEVERAGES

-  **Monster Energy Company** ... (586) 566-6460
- 7UP Bottling Group. (313) 937-3500
- Absopure Water Co. 1-800-334-1064
- Coca-Cola Refreshments
- Belleville  (734) 397-2700
- Metro Detroit  (313) 868-2008
- Port Huron  (810) 982-8501
- Cleveland  (216) 690-2653
- Faygo Beverages, Inc. (313) 925-1600
- iDrink Products, Inc. (734) 531-6324
- Intrastate Distributors. (313) 892-3000
- Pepsi Beverages Company ... Detroit  1-800-368-9945
- Howell  1-800-878-8239
- Pontiac  (248) 334-3512
- Cleveland  (216) 252-7377
- Twinsburg  (330) 963-5300
- Tropicana Chilled DSD (Naked Juice) (816) 509-7853

SUPPLEMENTS

- InstaBoost. (248) 281-0065
- LXR Biotech, LLC (Eternal Energy Shot) (248) 836-4373


TIRE & VACUUM EQUIPMENT/SERVICE

- Air Resource Vending. (507) 263-2962

TOBACCO COMPANIES & PRODUCTS

- Altira Client Services. (513) 831-5510
- R J Reynolds Tobacco Company. (336) 741-0727
- Westside Vapor (e-cigarettes). (614) 402-0754

UNIFORMS, LINENS, WORK WEAR & SUPPLIES

-  **UniFirst** (888) 256-5255 ext. 232

WASTE DISPOSAL & RECYCLING

- National Management Systems. (586) 771-0700
- Schupan Recycling. (269) 207-5448

WINE & SPIRITS COMPANIES

- Bacardi Martini U.S.A. (734) 459-2764
- Beam Suntory, Inc. (248) 471-2280
- Black Heath Beverage Group. (734) 417-5774
- Brown-Forman Beverage Company. (248) 393-1340
- Cornerstone Wine Distributors. (586) 839-2552
- Diageo. 1-800-462-6504
- Five O'Clock Brands. (248) 549-0054
- Heaven Hill Distilleries. 1-800-348-1783
- Lavish Vodka Cocktail. (248) 978-5869
- Remy Cointreau USA. (248) 347-3731
- Veritas Distributors. (586) 977-5799

WINE & SPIRITS DISTRIBUTORS

- Great Lakes Wine & Spirits. (313) 867-0521
- National Wine & Spirits, Inc./RNDC. 1-888-697-6424
- 1-888-642-4697



APRIL 16, 2015

AFPD'S 31ST ANNUAL INNOVATIONS BUYING SHOW

AFPD's longest running trade show has retailers looking to fill their shelves for the spring and summer months. The Annual Innovations Buying Show is known for high-quality attendees, non-stop interaction and exhibitor satisfaction. Admission for AFPD members is free. Must be 21 years old to attend this show.

Shenandoah Country Club // West Bloomfield, MI

JUNE 25, 2015

7TH ANNUAL AFPD FOUNDATION/ JOSEPH D. SARAFA SCHOLARSHIP LUNCHEON

Every year the AFPD Foundation awards academic scholarships in the amount of \$1,500 each to extraordinary and deserving students. Help the AFPD Foundation invest in the leaders of tomorrow. Tickets and sponsorship opportunities available.

Detroit Athletic Club // Detroit, MI

JULY 14-15, 2015

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Two days to choose from! A day on the course includes breakfast, lunch, 18 holes of golf and samples at every hole! Last year we sold out! Sponsorship opportunities are available.

Shenandoah Country Club // West Bloomfield, MI

JULY 16, 2015

AFPD'S POLITICAL ACTION COMMITTEE GOLF OUTING

A day on the course includes breakfast, lunch, 18 holes of golf and samples at every hole! All proceeds go to support the AFPD PAC.

Shenandoah Country Club // West Bloomfield, MI

SEPTEMBER 24, 2015

AFPD'S 17TH ANNUAL HOLIDAY FOOD & BEVERAGE BUYING SHOW

As Michigan's premiere holiday show, retailers and on- and off-premise licensees come from miles to see, sample and buy a wide variety of new products. Admission for AFPD members is free. Must be 21 years old to attend this show.

Shenandoah Country Club // West Bloomfield, MI

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