



SOUTH TEXAS MERCHANTS ASSOCIATION

NEWS

SEPTEMBER 2009

C-Stores Among the Top 100 Retailers

Stores magazine released this year's Top 100 Retailers chart, ranking companies in the retail industry by sales volume. The results revealed many of the largest retail companies in the U.S. experienced lower earnings compared to the previous fiscal year, and those that did experience gains in earnings, such as Wal-Mart (5.3%) saw single digit growth. Nonetheless, Wal-Mart held the number one spot on the chart, followed by Kroger.

Food retailing and economic choices have been driving the retail industry, and discount food sellers are prospering, which is good news for Wal-Mart and limited assortment grocers like Aldi, Save-A-Lot and Kroger's Food4Less. With convenience and foodservice options, c-stores held their own against other retail companies. In the top 30 were Safeway, which ranked 11, 7-Eleven which ranked 22 and saw a 14.9% growth in revenue from the previous year and Alimentation Couche Tard, which came in at 25. Competitors McDonald's ranked 16 and Starbucks 36.

This year's results were compiled by the London-based research firm Planet Retail. Some sales totals are estimates, primarily for closely held companies that don't make such information public.

For more information visit:
www.stores.org/pdf/09Top100chart.pdf

SAVE THE DATE

STMA 3rd Annual EID Picnic

SUNDAY, September 20, 2009

11:00 am to 4:30 pm

Raymond Russel Park, Pavillion #2

Address: 20644 IH-10 West, San Antonio

COME JOIN THE FUN!!!

Food - Carnival Games -

Raffle Draw of Motor Cycle & Other Gifts -

Clown - And Much More

U.S. Convenience Store Count

The number of convenience stores in the United States decreased 1.0 percent in 2008, from 146,294 stores to 144,875 stores, according to the new NACS/Nielsen TDLinx Official Industry Store Count of U.S. convenience stores as of December 31, 2008.

U.S. Convenience Stores (as of 12/31/08)

2008: 144,875	2005: 140,655
2007: 146,294	2004: 138,205
2006: 145,119	



•The number of U.S. convenience stores decreased one percent in 2008, marking only the third time in the last 15 years that the industry's store count has decreased. The count also declined in 1994 and 2003.

•The convenience retailing industry continues to be dominated by single-store operators, accounting for 62 percent of the industry. However, these "mom-and-pop" stores also are responsible for the bulk of the decline in total U.S. store count.

•Overall the number of U.S. convenience stores declined by 1,419 stores; the single-store count fell by 1,116 for a total single-store count of 89,657.

•Convenience store definition: stores that include a broad merchandise mix, extended hours of operation and a minimum of 500 stock-keeping units (SKUs).



If Immigration Audits Your Employees' Legal Status

AlphaStaff's Aleicia Latimer gives advice on how to avoid an audit, as well as a lawsuit, and what to do if immigration officers pay a visit.

The U.S. Homeland Security Dept. under the Obama Administration has continued a Bush-era policy of focusing on employers when enforcing immigration laws. Hiring records, even for small and medium-size businesses, are coming under additional scrutiny, and fines are being levied for violations. Aleicia Latimer is associate general counsel at AlphaStaff Group, a Florida-based payroll, benefits, and human resources outsourcer serving small and midsize companies.

She says that according to Homeland Security, more than 600 businesses have recently been informed that their I-9 forms will be audited to verify workers' legal status. Latimer spoke recently to Smart Answers columnist Karen E. Klein. Edited excerpts of their conversation follow.

The immigration cases that get a lot of publicity tend to take place at large manufacturers, agriculture concerns, and food processors. How much do smaller employers need to worry about audits?

ICE [U.S. Immigration & Customs Enforcement] says they are auditing by industry, not by size. That means a lot of focus on the industries where there have historically been issues with immigration violations, such as restaurants, hotels, and manufacturing companies. But the audits are not just relegated to those companies.

We tell clients that all employers should require their employees to fill out I-9s, which are federal employment verification forms. Even very small companies, who may not technically fall under the jurisdiction of the rule, are still recommended to do this. It makes sense.

What does the I-9 form involve, and where do you get it?

The forms are available at the Web site of the U.S. Citizenship & Immigration Services—just click on “Form I-9” and download them. That Web site also has a lot of good information about how the forms are used and what's required, so I recommend that anyone with employees take a few minutes to look through it.

When you hire a new employee, you ask them for two forms of I.D.—or they can use an active passport—that verifies they can legally work in the U.S. Give them the list of acceptable papers and let them pick what I.D. they want to bring to you. Then you verify it, complete the I-9 form, and keep it on file for that employee.

How much verification is the employer supposed to do? For instance, what if an employee shows a document that looks valid but later turns out to be a fake?

The form says that you must make sure the documents are valid, and the Web site has pictures of what valid documents should look like.

But they're not asking you to be an FBI investigator and run it under a black light. If it looks funny, ink is running all over your hand, and you can see another picture underneath the employee's picture, clearly you can tell it's not a valid document. If you catch something like that, send the employee home and ask them to bring you a valid document. That person probably won't ever be back.

By Karen E. Klein

Red Hot Redbox



Redbox Automated Retail LLC is flooding Wal-Mart, McDonald's, 7-Eleven, Circle K, Walgreens and other retail, supermarket, convenience store and drug store

chains with kiosks that rent the latest DVDs of Hollywood blockbusters for just \$1 a day. That combination of low price and convenience has suddenly made Redbox a force with consumers and a threat to movie studios and rental giants such as Blockbuster, reported *USA Today*.

And following agreements with Albertsons supermarkets in June and Kroger supermarkets earlier this month, Redbox—which generated just \$389 million in revenue last year and currently has 15,000 kiosks nationwide - expects to end this year with 22,000 kiosks in all 48 mainland states, up 61% from the end of 2008. Company parent Coinstar Inc., said that revenue from the DVD rental operation could double to as much as \$780 million.



'ENERGY SHOTS' STIMULATE POWER DRINK SALES

COLLEGE PARK, Md. — The power drink of the moment costs 20 times as much per ounce as Coca-Cola, comes in a tiny bottle and tastes so bad that most people hold their noses and down it in a single gulp.

Despite all that, sales of “energy shots” are soaring in the middle of a recession. The two-ounce drinks, which give people a concentrated dose of caffeine, B vitamins and amino acids, were all but unheard-of four years ago. Today they are the hottest drink category in the country, with sales expected to almost double this year from last, to about \$700 million.

The shots are meant for people who want a jolt of caffeine without having to drink a big cup of coffee or one of the 16-ounce energy drinks that have become ubiquitous. They go down fast, more like medicine than a beverage. That is part of the appeal to their most devoted consumers: students cramming for exams or partying into the night, construction workers looking for a lift and drivers trying to stay awake.

By William Neuman

Should We Switch To A Four-day Work Week?

Last year, Utah became the first state to shift to a 10-hour-a-day four-day work week for many government employees, shutting down nonessential services on Fridays. The state has saved 13% on energy costs and reduced highway congestion and emissions.

Jeff Herring, head of human resources for the state government in Utah, says 83% of employees like the new schedule and that overtime and the use of paid leave are down: “The employees themselves say they are more productive.”

Still, Herring notes, not everyone is happy. Some employees complain that the 10-hour workday deprives them of after-school time with their families and forces them to miss sports and other events. There also have been complaints from citizens who want access to government offices five days a week.



Could a four-day week spread nationwide? Cash-strapped state and local governments across the country are considering following Utah’s lead. New York assemblyman Michael Gianaris, a Democrat, recently suggested that a four-day week for employees of his state could save \$30 million per year.

The four-day week is catching on in the private sector, too—but for different reasons. Rex Facer, an associate professor at Brigham Young University, points out that many businesses can’t afford to be open just four days a week. So instead, they’re asking employees to work overlapping four-day shifts—and often to take corresponding cuts in pay. While such a policy creates obvious hardships for workers, employers say it’s necessary to avoid layoffs while the economy recovers.



DEMAND FOR BOTTLED WATER EVAPORATING

As concerns mount over bottled water's impacts on the environment and human health, bottled water sales are beginning to dry up. In America, Nielsen reports that bottled water sales fell 3.3% in the US last year.

Evian reported that its 2008 profits shrank 69% in part because of declining sales of bottled water in France, Spain, Britain and Japan. Sales of bottled water in France fell by 7.5% last year.

Switzerland-based Nestlé, the world's biggest bottled water manufacturer, including the brands Perrier and San Pellegrino, reported that sales of its water declined by 4.1% in the first three months of 2009, with a particularly startling 9% drop in the British market last year.

BOTTLED WATER VIEWED AS TRASHY

Increasingly around the world, plastic water bottles have been identified and targeted as a major source of pollution.

Venice, Italy is promoting city tap water as a means of reducing the plastic bottle trash that has plagued its canals and other historic sites. To advertise the tap water, the city branded it "Acqua Veritas" and distributed to city residents free carafes bearing a stylized logo. Venetian officials consider the program a great success: a reduction of plastic trash by 27 tons a year.

Most recently, Bundanoon, Australia, a rural town about 75 miles southwest of Sydney, became the first community in the world to outlaw the selling of bottled water, as it seeks to reduce the use of plastic and protect the environment. Stores will sell reusable bottles to be filled from filtered water fountains in the town, instead of commercially bottled water being trucked into the town.

GOVERNMENT BUDGETS FOR BOTTLED WATER TAPPED

Furthermore, in a time of worldwide economic stagnation, governments are under increasing pressure to stop spending tax dollars on expensive and unnecessary bottled water. Last year, the majority of about 250 mayors who attended the U.S. Conference of Mayors voted to phase out government use of bottled water. San Francisco canceled its city spending on bottled water in 2007, saving nearly \$500,000 annually. Seattle, which stopped buying bottled water last year, is saving up to \$57,000 annually.

WEEKLY SPECIALS!

If you often have a business where customers buy your type of products often, give special deals to keep regular customers. Weekly or monthly special offers can entice them to come back and see what's special this week. But don't make the mistake of only trying to clear out products you don't want or no one else is buying. Customers will quickly get wise to this and your offers won't be special anymore. Leave those products for clearance sales which are different.

A special should be something your customers need to buy all the time but at a greatly reduced price or a free item bundled with it. This will make them want to see what the next one will be and future ones. You can promote these in the store with signs or printed register receipts. Repeat business is always the best.

For All Your Quality Printing Needs

Invoices	Signs
Banners	Magnets
Posters	Postcards
Stickers	Graphic Design
Business Cards	Promotional Items

And Much More...

Please Contact **NAWAB ALI**
(Now Retired from STMA)

210.269.8278

South Texas Merchants Association Board of Directors

Nooruddin Kara
President

Aziz Charolia
Director

Shaukat Momin
Vice-President

Amirali Momin
Director

Asif Punjani
Treasurer

Amin Lakhani
Director

Ahmed Badarpura
Honorary Secretary

Ebrahim Bhaidani
Director

Iqbal Kareeya
Director

South Texas Merchants Association

Aziz Charolia
Director

Newsletter Team Lead

Waheeda Kara
**Communications &
Publications Officer**

Seema Kara
Noorjahan Esmail
STMA Staff

Nawab Ali
Compilation

Akber Ali
Aslam Ramzanali
Aslam Wali
Nizar Ali
Sohail Modi
Sulaiman Virani
Suleman Budhwani
Newsletter Team

RedKor Group
Design & Layout

Ready48
Printing

South Texas Merchants Association
Phone: 210-826-3786
Fax: 826-8383
Email: stma@mystma.com
Website: www.mystma.com

Office Hours:
Monday to Friday
9:00 am to 5:00pm

*STMA does not endorse statements or claims
made in any article, news or advertisement*

India Taj-Palace

Best Indian Restaurant In San Antonio

20323 Huebner Rd. @ Stone Oak Pkwy

www.indiatajpalace.com • 210-497-4800

Directions:

If coming from 1604, take Stone Oak Pkwy.
Then take right on Huebner Rd.
Then first left.



\$5 OFF

Purchase
From Menu Of
\$25 Or More

Dine In Or Take Out.
Excludes Alcohol, Tax & Gratuity.
Not valid with any other offer.
Expires 10/1/09

\$2 OFF

Lunch
Buffet

Dine In Or Take Out.
Excludes Alcohol, Tax & Gratuity.
Not valid with any other offer.
Expires 10/1/09

\$2 OFF

Dinner

Dine In Or Take Out.
Excludes Alcohol, Tax & Gratuity.
Not valid with any other offer.
Expires 10/1/09

NACS DAI

Convenience Industry Continues to Shed Stores

For the first six months of 2009, the total number of convenience stores in the U.S. declined by 696 stores, continuing a trend started last year when the industry experienced a decline of 1,419 net stores.

Last year's 1-percent decline in industry stores was only the third decline posted in the past 15 years, according to figures compiled by TDLinx, a sister Nielsen company to *CSNews Online* and the premier industry source of universally-accepted store, outlet and account-coding definitions.

The decline last year was partly attributed to historically high fuel prices, which caused many independent dealers to shut down.



The blame for this year's drop can be placed squarely on the economy.

Slower consumer spending, changing driving habits and tight credit markets—which made it difficult to sell distressed sites—all are factors in the continued store decline.

The total store count for the top 100 c-store chains declined 338 units for the 12-month period ended June 30. That 1.2-percent drop mirrors the overall decline in store count that the convenience industry experienced last year and continued to suffer during the first half of 2009. The exclusive *CSNews* Top 100 list will be published in the Aug. 10 issue of *Convenience Store News*.

DEBIT DOMINATION

Debit card use was growing rapidly before the economy tanked, but the recession appears to have made them the preferred form of plastic, reported the Associated Press. Both in terms of the number of transactions and the total dollar amount spent, debit cards have overtaken credit cards for U.S. consumers.

In dollar terms, debit cards are now used for 50.4% of all noncash sales, though they have a lower average dollar amount

per transaction, according to research from TowerGroup, a subsidiary of MasterCard Worldwide. Those smaller sales are key: debit card sales dominate small purchases like those made in convenience stores, coffee shops and gas stations.

Big ticket items like wide-screen TVs are still more often paid for using credit cards, said Brian Riley, a TowerGroup research director and co-author of the study.

Did You Know?

The convenience retailing industry has seen remarkable growth over the last three decades with nearly triple the number of convenience stores today than 30 years ago (50,400 stores in 1978).

In 1987, the convenience store count topped 100,000 for the first time (100,200 stores).

In 1977, the convenience store count stood at 43,200 stores.

In 2007, the number of one-store owners topped 90,000 for the first time with 90,683 stores, or 62 percent of all convenience stores in the United States.

LY NEWS

McDonald's Develops Own C-Store Concept



America's convenience store and gas station operators soon may need to look in their rearview mirrors. Burger giant McDonald's Corp. is developing its own convenience store concept to complement its accelerating alliances with oil companies for co-branded sites.

The concept -- which is tentatively called McStop, according to individuals close to the project -- will allow patrons in a hurry to satisfy their appetites while they fuel their cars, and pick up a quart of milk, a magazine and a bag of chips all in one quick stop.

A spokeswoman for McDonald's, Melesia Webb Dunn, said she is unaware of the McStop project. However, several sources close to the project confirmed that the burger giant is developing its own C-store concept. Whether McStop is a limited test or a concept that will dot the landscape like so many 7-Elevens and Circle K's remains to be seen, said sources, who estimated that anywhere from 20 to 200 McStops could be built initially. The development process stands to go on for about nine more months, one source said.

McDonald's already has units in some 50 combination C-store/gas stations across the country, according to Dunn. In late July, McDonald's, which has partnerships for adding units in C-stores with several oil companies including Mobil Oil Corp.,

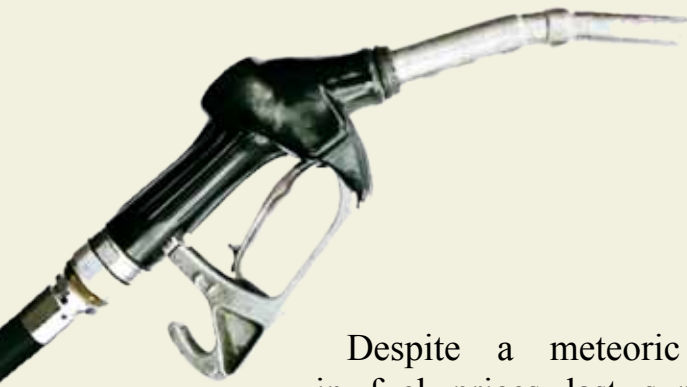
Amoco and Texaco, formed an alliance with Chevron Corp. to develop an undisclosed number of combined convenience store, gas station and fast-food locations throughout their mutual marketing areas in the West and Southwest. Dunn said that deal will not preclude McDonald's from seeking alliances with other operators.

Quotes to Live By...

- A penny saved is a penny earned, but it's usually a dollar's worth of time wasted.
- A man's accomplishment in business depends partly on whether he keeps his mind or his feet on the desk.
- Advice is like medicine - the correct dosage works wonders, but an overdose can be dangerous.
- Middle age is when a guy keeps turning off lights for economical rather than romantic reasons.

Feeling the

PRESSURE



Despite a meteoric rise in fuel prices last summer, convenience stores' inside sales rose 3.3 percent on a per-store basis in 2008, and pretax profits per store rose 17.7 percent over a year ago, reversing a decline of nearly 6 percent in 2007.

According to the 2009 Convenience Store News Industry Report -- the longest-running compilation of convenience store sales and operational results in the industry -- total industry sales last year reached an all-time high of \$633.9 billion, an 11.4-percent increase over 2007.

Much of that increase was driven by a 15-percent rise in motor fuel dollar sales, to \$467.9 billion. However, total motor fuel gallons pumped last year declined 2.2 percent, as motorists were hit with the shock of \$4 per gallon prices at the pump during the summer (and a \$3.23 per gallon weighted national average of all grades and diesel fuel for the year). With Americans cutting back drastically on their automobile use, motor fuel volume declined to 144.9 billion gallons -- about the same amount of fuel that was pumped by c-stores in 2006.

Last year's total sales figures also were impacted by the first decline in the past decade of the total number of industry stores. It was only the third time in the past 15 years that the industry store count decreased. The total number of stores fell 1 percent to 144,875, with most of the decrease occurring among single-store owners who now represent 61.8 percent of total industry storefronts, down slightly from 62 percent the previous two years.

Some industry observers will be tempted to look at the numbers and feel relief that c-stores were able to grow profit margins despite some really challenging conditions. But thinking this way might cause them to miss the bigger picture of fundamental changes in both the industry and consumer behavior that will make future years -- particularly 2009 -- even more challenging.

Convenience store operators who still depend primarily on fuel and cigarettes for the bulk of their profits will go the way of the dodo bird, if economic trends of the past few years continue in the same direction.

Meanwhile, foodservice is no longer an option for c-stores, as observers predict the U.S. industry is transforming into the European style, composed of large, fuel-focused roadside locations and neighborhood convenience food locations with a broader assortment of fresh foods and grocery products.

Security Costs Worry Retailers

LITTLE ROCK, AR – To comply with Visa's debit-card standard that affects gasoline equipment, retailers face costly hardware upgrades at their pumps, including new PIN processors.

The new standard, which for Visa transactions takes effect July 1, 2010, will add roughly \$3,000 per pump, said Nick Siddique, an Arkansas Shell marketer. For his 32 pumps, the \$96,000 upgrade cost is prohibitive, so for now, he said that he'll likely have to stop accepting debit cards.

"For the big [retailers] it's not a problem," Siddique said. "But for a small guy like us it is." For retailers like Siddique, eliminating debit cards will mean that some customers will be forced to go inside their

stores to pay, an inconvenience that will likely meet with resistance.

"It would of course be tremendously inconvenient for many consumers who routinely pay for gas with debit [cards]," said Judy Dugan, research director and energy expert at Consumer Watchdog. "It's an issue that ought to be solvable because you don't want consumers having to put more debt onto credit cards."

As a result, Dugan said that she thinks that the card companies or oil brands should assist retailers with their upgrades.

"It's unfair for the people at the bottom of the chain the way it's structured now, which is the consumer and the small-station owner," Dugan said.



Gray Taylor, payment consultant for the National Association of Convenience stores, said that the council's emphasis on access (not letting a hacker access information), rather than encryption, is misdirected.

"We can comply with everything [card companies] tell us to do, and it's going to raise the prices [consumers] pay at retail, and they're not going to be more secure," Taylor said. For most, the entire pursuit of PCI compliance has left the industry nothing less than frustrated.

TUMMY TICKLER

COP WANTS AN EXCUSE...

A man was driving home late one afternoon, and he was driving above the speed limit. He notices a police car with its red lights on in his rear view mirror. He thinks "I can outrun this guy," so he floors it and the race is on. The cars are racing down the highway – 60, 70, 80, 90 miles an hour.

Finally, as his speedometer passes 100, the guy figures "what the heck," and gives up. He pulls over to the curb.

The police officer gets out of his cruiser and approaches the car. He leans down and says "Listen mister, I've had a really lousy day, and I just want to go home. Give me a good excuse and I'll let you go."



The man thought for a moment and said... "Three weeks ago, my wife ran off with a police officer. When I saw your cruiser in my rear view mirror, I thought that you were the officer and that you were trying to give her back to me!"



FARMERS[®]

KARIM MAMDANI
K. M. Insurance Agency

AUTOMOBILE

HOMEOWNERS

Renters
Umbrella Liability
Home Appliance Warranty

LIFE INSURANCE

Term
Whole Life

COMMERCIAL PACKAGES

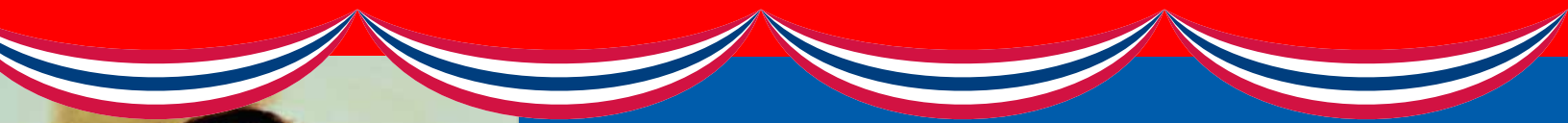
Business
Fuel Tank Insurance
Work Comp
Umbrella Liability
Workers Life Insurance



Protect You
And
Your Valuables!

Call for a free quote 210-452-8275 or email at
kmamdani@farmersagent.com

PRESIDENTIAL TRIVIA



The oldest president ever elected was Ronald Reagan (69)

John Adams, Thomas Jefferson and Calvin Coolidge all died on Independence Day – July 4th

The first president that was born a US Citizen was Martin Van Buren

Benjamin Harrison was the first president to attend a baseball game

Abraham Lincoln was assassinated in Kennedy Theatre and John F. Kennedy was assassinated in a Lincoln

George Washington and John Adams were avid players of marbles

A-ONE LICENSING SERVICE

FREE NOTARY PUBLIC SERVICE FOR STMA MEMBERS

PLEASE CALL US FOR A QUOTE ON:

INCORPORATION / PARTNERSHIP / LLC
CERTIFICATE OF OCCUPANCY
CIGARETTE/TOBACCO PERMIT
TEXAS LOTTERY PERMIT
TABAC BEER/WINE LICENSE (C-STORE)

BASEER PIRZADA 210-857-0364



**BAJA AUTO
INSURANCE**

**BUSINESS INSURANCE • COMMERCIAL INSURANCE
HOME OWNER • AUTO INSURANCE
NO LICENSE NO PROBLEM • SR-22 NOW
NON OWNER • NO CREDIT CHECK
NO CHECKING ACCOUNT REQUIRED
MOTORCYCLE • MEXICO TOURIST**

TOLL FREE (866) 626-9462

CALL OR COME IN FOR A FREE QUOTE

**5 Locations to serve you in
San Antonio**

1132 Rayburn Dr., Suite 105
San Antonio, TX 78221
Tel: 210-927-0030

7534 Marbach Rd.
San Antonio, TX 78227
Tel: 210-775-5544

2514 West Ave.
San Antonio, TX 78201
Tel: 210-693-1914

4000 Blanco Rd.
San Antonio, TX 78212
Tel: 210-693-1913

3941 Eisenhauer Rd.
San Antonio, TX 78218
Tel: 210-775-6446

(Main Fax: 866-579-5733)



South Texas Merchants Association
1777 NE Loop 410, Ste. 906
San Antonio, Texas 78217-5234

**Love & co-operate with one another
for UNITY IS STRENGTH**

CREATING RELATIONSHIPS

Ranked 23rd largest CPA firm in Houston, Texas, by Houston Business Journal



PLEASE CONTACT US FOR ASSISTANCE WITH YOUR
BOOKKEEPING
ACCOUNTING
TAX RETURN PREPARATION
SALES TAX REPRESENTATION

**HR SHAIKH
SEYAR LLP**
Certified Public Accountants

We are pleased to announce
the opening of our

San Antonio Office

*Our office is located in the
old TETCO Tower building*

1777 NE Loop 410, Suite 600

San Antonio, Tx 78217

Tel: 210-744-1292

Fax: 210-547-7847

Main Office:

9494 Southwest Freeway, Suite 500

Houston, Tx 77074

Tel: 713-328-4000

Fax: 713-328-4111