

Spirit letter

Spirit® Brand Marketer and Dealer News



The Marketer's Legal Handbook

The Marketer's Legal Handbook is a new resource for petroleum marketers published by KPMA Press, the recently launched book imprint division of the Kentucky Petroleum Marketers Association.

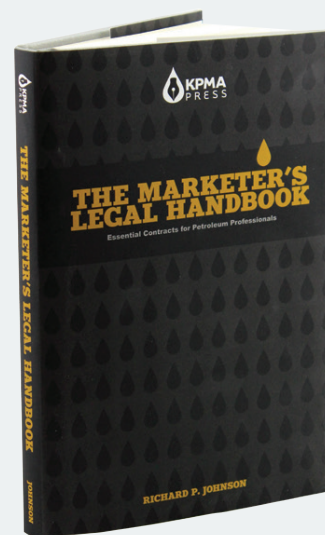
Richard Johnson, author of the handbook, serves as counsel to KPMA and is a 22-year veteran of the legal profession; a good portion of his practice is devoted to petroleum marketing law and litigation. In the course of his long career, Johnson has created a broad collection of contracts addressing the many and varied legal relationships that are necessarily formed in the petroleum marketing industry. In addition Johnson has, as he puts it, "had plenty of occasion to revise and tweak those contracts to apply to various situations for various clients."

While Johnson makes it clear that the book is intended to complement professional legal counsel, and that every state has different laws, The Marketer's Legal Handbook contains information on basic principals that serve as the main foundations for the types of contracts that are common in the industry. "Our intent was to create a product designed to help wholesale petroleum marketers protect

themselves and their businesses through strong contractual relationships both upstream and downstream," he confirms.

The first section of the book focuses mainly on dealer supply agreements, sub-jobber contracts and other documents regarding supply relationships downstream, "which are really the crux of the industry," notes Johnson. A significant amount of space is devoted to documents addressing issues that arise within relationships that wholesale suppliers have with major oil brands, and the impact of those issues on the suppliers' downstream relationships with their retail dealers—relationships that are usually subject to the Petroleum Marketing Practices Act. The book also features a number of contracts reflective of other relationships such as service contracts, management agreements, leases and transactional documents. There's also a chapter containing sample contracts and other documents to help marketers secure payment. And the book comes with a CD of customizable electronic versions of all sample documents.

"Time and time again I've found that if contracts are well thought out, well negotiated



and properly drafted at the beginning, it can eliminate or reduce problems down the line," says Johnson. "That's been my experience over the years at least."

"We're delighted with this new offering of KPMA Press," says Brian Clark, Executive Director of KPMA. "We're confident that The Marketer's Legal Handbook is a significant contribution to the overall body of knowledge for our industry. And packaging and disseminating information and knowledge is a big part of any industry association's role."



State Executive Profile

Brian Clark, Kentucky Petroleum Marketers Association

Brian Clark's first job was a twice-a-week stint as a disc jockey at a Danville, KY radio station. And like a lot of high school kids, he did it to earn money to buy a car. In a "small-world" twist, the person who ended up selling him that car was Tom Ensslin, who was then president of Kentucky Petroleum Marketers Association (KPMA), the organization that Clark now heads as its Executive Director.

Founded in 1926, KPMA currently serves 144 marketer members in all areas of Kentucky as

well as c-store, supplier and associate members who provide services to marketers. As with many nonprofit professional associations, KPMA executives report to a Board of Directors. But in 2012, the KPMA board elected to contract operations to Associations International, a firm that provides management services to a roster of professional and trade associations. KPMA's former offices in Frankfort were sold, operations were transferred to AI headquarters in Lexington, and Clark was brought aboard to helm the association. The setup allows Clark and his staff (all three of them are AI employees working exclusively for KPMA) to focus on projects, members and industry issues while utilizing AI's shared services division for backshop operations such as accounting and finances, data processing, registration and membership services.

"It's proving to be a very good, efficient model," says Clark, who was hired by Associations International specifically to direct KPMA. "AI provides the resources to handle day-to-day operations, and that frees our KPMA-dedicated staff to work on education, lobbying and service initiatives that really help our organization serve marketers in Kentucky."

For example, Clark points to the relatively recent launch of KPMA Press, a publishing imprint division tasked with producing printed

information resources for the petroleum marketing industry. One of its first products was the Kentucky TOOLS Reference Handbook, a companion guide to the state's online operator training program for those seeking to become Underground Storage Tank Designated Compliance Managers in Kentucky. "Because there is a federal mandate that any facility operating USTs must have trained DCMs, we saw an opportunity to be of real service to our marketer members by making this education resource available," says Clark. The TOOLS book was preceded by The Marketer's Legal Handbook (featured in this issue's lead story).

Clark, who grew up in Kentucky, was a natural for this sort of thing, having gotten his undergraduate and graduate degrees in communications, English and journalism. He began his career in the publishing industry, gravitating toward the marketing side of things before transitioning to marketing and communications at Valvoline in Lexington, KY. He also worked in public relations and as a creative agency consultant, and honed his association management skills while working as director of marketing and membership at the Asphalt Institute.

"I love what I do," Clark states. "It's a real pleasure to work for our members. We love big ideas and it's fun dreaming up new and creative ways to serve KPMA's membership."



Licensee Profile

McLuckie Oil Company, Coal City, IL

McLuckie Oil Company was founded in 1946 and currently supplies customers in Will and Grundy counties, located in the northeastern part of Illinois southwest of the Chicago metro area. “It was started by my dad,” remembers David McLuckie. “When he came back from serving in World War II, a cousin of his owned a gas station that had closed because of wartime gas rationing. It was sitting there empty and the cousin suggested that he open it and see what would happen.”

The gas station succeeded and another was built. Eventually a bulk plant was added and the company became a City Service (now Citgo) distributor in the 1950s. The company also served as a Philips distributorship. McLuckie himself came aboard after college, having worked for the business part-time in high school; he now runs the company as its owner and president.

McLuckie decided to license the Spirit® brand for a small station in the town of Morris, IL that had been operating under the Philips flag but had to be de-branded in part due

to Philips’ minimum volume requirements. “I was interested to see what it would be like to supply a station with unbranded fuel, and Spirit®’s image had a nice look to it, so we went with that,” McLuckie says. “We got it branded up in June and it’s been interesting, a good experience so far. We’re getting some positive reaction to the image and the way the station looks now.”



Partner Spotlight

Federated Insurance

Spirit® Petroleum and PMAA are proud to recommend Federated Insurance to Spirit® licensees. The company is a nationally recognized provider of insurance products including property/casualty, workers’ compensation and financial protection services specifically designed for petroleum marketers. Federated has also created unique programs, such as the Designated Risk Manager Training Seminar to educate licensees on how to be aware of and manage risk. Federated clients also have access to the Risk Management Resource Center to get personal risk management guidance from highly trained risk consultants, and to Federated’s Shield NetworkSM, which gives users online access to risk management materials and resources anytime, day or night.



Federated Insurance is recognized as one of the nation’s most financially secure insurance organizations, consistently appearing on lists of the industry’s top performing organizations.

“No one can prevent disasters from happening,” says Vera Haskins, president of Spirit® Petroleum, “but proper preparation and knowing exactly what to do in the event of the unexpected can make a huge difference to the bottom line. We’re confident that Federated’s products and services will benefit Spirit® licensees.”

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