

Thursday, July 27, 2006

TO ALL OUR MEMBERS



Dear Friends and Fellow Members,

By now you have all received the Information packets from AAFD, have read the details and responded with the information requested.

Although the majority of the information as described is self explanatory, I would like to expand on one particular benefit which we, your Board of Directors, considers to possibly be the most important. I'm referring to the Grading and Evaluation of the FOC.

Although most of us have read our Franchise Agreements at one time or another and certainly at the time that we were first considering the purchase of a UPS Store franchise, how many of us, without the credentials of an attorney, really understood the enormous amount of legal language and terms and in particular their significance. How often have we asked ourselves to what extent we are bound by the terms contained therein and what, under said terms, are we able to do or not do. Although we are owners of our stores, to what extent can MBE/UPS dictate to us the manner in which we run our own businesses. Are we always bound to purchase our materials, only from the so-called approved vendors, although we are able to obtain much more favorable terms from other sources? Must we participate in every scheme trust upon us even if by so doing we are losing money and it is evident that said schemes only favor MBE and UPS?

These are only a few of the questions that we have often asked ourselves without being able to answer them or at best at considerable cost in legal fees, to obtain answers from qualified attorneys.

In recent years, when we have found ourselves being compromised by and in competition with our own Franchisor, how often have we wondered, what if anything can we do about it?

Have you ever wondered how our Franchise Agreements compare to other franchise businesses? Are the terms of other franchise agreements generally as restrictive and one-sided as ours? (I believe the legal term is unconscionable).

These and other questions will be addressed by the FOC review and grading by the legal staff of AAFD. Each and every term of the agreement will be analyzed and compared with those of other franchisors and the overall agreement given a grade. (e.g. A,B, D, F).

Once this process is complete, and knowing that our franchise agreements are among the worse, we can use this information as part of our arsenal in dealing with MBE and UPS in the arena of public opinion.

In the next few days we will announce our affiliation with the American Business Association through which we will be offering our membership the Health Plans that so many of us have been asking for.

On behalf of our Board of Directors we thank you for your continued support and faith in our cause.

Michael J. Rodriguez
Chairman & CEO
The Brown Board Owner's Association

