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19 Attorneys for Plaintiff, PEOPLE OF THE STATE OF CALIFORNIA

20 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

21 IN AND FOR THE COUNTY OF MONTEREY

22 PEOPLE OF THE STATE OF
23 CALIFORNIA,

24 Plaintiff,

25 v.

26 7-ELEVEN, INC, a Texas Corporation.

27 Defendant,

No.

**COMPLAINT FOR CIVIL
PENALTIES AND INJUNCTIVE
RELIEF**

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1 PLAINTIFF, PEOPLE OF THE STATE OF CALIFORNIA, allege as follows:

2 **PLAINTIFF**

3 1. Plaintiff, PEOPLE OF THE STATE OF CALIFORNIA ("People"), brings its actions by
4 and through Bill Lockyer, Attorney General of the State of California ("Attorney General"), by
5 and through Dean D. Flippo, District Attorney of Monterey County ("Monterey County D.A."),
6 and by and through John D. Phillips, District Attorney of San Joaquin County ("San Joaquin
7 D.A.").

8 2. Pursuant to California Health and Safety Code section 25145.4, the Attorney General
9 may bring a civil action in the name of the People of the State of California to enjoin any
10 violation of Chapter 6.5 of Division 20 of the California Health and Safety Code (hereinafter
11 "Chapter 6.5") and seek civil penalties for violations of the provisions of Chapter 6.5.

12 3. Pursuant to California Health and Safety Code section 25182, the Monterey County D.A.
13 and the San Joaquin County D.A. at a request of a unified program agency may bring a civil
14 action in the name of the People of the State of California to enjoin any violation of Chapter 6.5
15 and to seek civil penalties for violations of the provisions of Chapter 6.5 which are under the
16 jurisdiction of the unified program agency. Pursuant to California Health and Safety Code
17 section 25299.02, the Attorney General, the Monterey County D.A., and the San Joaquin County
18 D.A. may bring a civil action in the name of the People of the State of California for violations
19 of state law dealing with the underground storage of hazardous substances, as set forth in
20 Chapter 6.7 of Division 20 of the California Health and Safety Code (hereinafter "Chapter 6.7").

21 4. Pursuant to California Health and Safety Code section 25299.01, the Attorney General
22 the Monterey County D.A. and the San Joaquin County D.A. may apply to a superior court for
23 an injunction or an order directing compliance against any person who has engaged in, is
24 engaged in, or is about to engage in any acts or practices which violate Chapter 6.7.

25 5. Pursuant to the California Health and Safety Code section 25514, the Monterey County
26 D.A. on behalf of Monterey County and the San Joaquin D.A. on behalf of San Joaquin County
27 may bring an action for civil penalties for violations of California Health and Safety Code
28 sections 25503.5 to 25505, inclusive, or sections 25508 to 25520, inclusive. Pursuant to

1 California Health and Safety Code section 25516, the Monterey County D.A. and the San
2 Joaquin County D.A., when requested by an administering agency, may bring an action to enjoin
3 a violation of Chapter 6.95 of Division 20 of the California Health and Safety Code (hereinafter
4 "Chapter 6.95").

5 6. Pursuant to California Business and Professions Code sections 17203, 17204, and
6 17206, the Attorney General, the Monterey County D.A. and the San Joaquin County D.A. may
7 bring actions in the name of the People of the State of California in a superior court for an
8 injunction against any person who engages, had engaged, or proposes to engage in unfair
9 competition and for civil penalties for each act of unfair competition.

10 7. Plaintiff brings this action without prejudice to any other action or claims which it may
11 have based on separate, independent and unrelated violations of Chapters 6.5, 6.7, or 6.95 of
12 Division 20 of the California Health and Safety Code by 7-Eleven and/or on facts which are not
13 alleged in this Complaint.

14 **DEFENDANT**

15 8. Defendant 7-Eleven, Inc. ("7-Eleven" or "Defendant") is a Texas corporation which does
16 business in the State of California at the facilities identified in Exhibit "A" which is
17 incorporated herein by reference (hereinafter collectively referred to as "Covered Facilities"). 7-
18 Eleven owns and/or operates underground tank systems at the Covered Facilities that are used to
19 store motor vehicle fuel for retail sale. 7-Eleven's principal business address is 2711 North
20 Haskell Avenue, Dallas, Texas, 75204-2906.

21 9. 7-Eleven is or, at all times relevant to the claims in this complaint, was legally
22 responsible for compliance with the provisions of the California Health and Safety Code
23 including Chapters 6.5, 6.7, and 6.95 of Division 20 at its Covered Facilities.

24 **VENUE**

25 10. Venue is proper in this county pursuant to California Health and Safety Code section
26 25299.03 in that violations alleged in the Complaint occurred in the County of Monterey and
27 that the other statewide violations alleged in the complaint are related to such violations.

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1 **GENERAL ALLEGATIONS**

2 11. Since November 25, 2002, Plaintiff is informed and believes and thereupon alleges that
3 7-Eleven has engaged in the following actions at its Covered Facilities:

- 4 a. Repaired underground storage tank (UST) systems without permits or
5 authorization from the appropriate permitting agencies;
- 6 b. Changed monitoring procedures, such as replacing the leak sensor detection
7 equipment and/or monitoring system without notification of the appropriate
8 authority so as to ensure that only leak detection equipment approved by the
9 California State Water Resources Control Board was installed;
- 10 c. Failed to annually test and certify the UST monitoring system in accordance
11 with 23 Cal. Code Regs. §2638;
- 12 d. Failed to test UST secondary containment systems prior to December 31, 2002,
13 in accordance with 23 Cal. Code Regs. §2637;
- 14 e. Failed to test UST cathodic protection systems for underground storage tanks in
15 accordance with 23 Cal. Code Regs. §2635(a)(2), and for piping in accordance
16 with 23 Cal. Code Regs. §2636(b);
- 17 f. Failed to implement proper procedures for closing USTs pursuant to 23 Cal.
18 Code Regs. §2672;
- 19 g. Failed to provide adequate training of all employees to respond to a hazardous
20 material spill or release from an underground storage tank system, including the
21 failure to familiarize employees with the UST monitoring plan and release report
22 procedures in the business response plan pursuant to California Health and Safety
23 Code section 25504;
- 24 h. Failed to provide adequate training to employees pursuant to 22 Cal. Code Regs.
25 §66265.16;
- 26 i. Failed to maintain documentation of training of employees pursuant to 22 Cal.
27 Code Regs. §66265.16;
- 28 j. Failed to maintain adequate hazardous material safety emergency response

1 procedures, and adequate hazardous waste safety emergency response procedures
2 pursuant to 22 Cal. Code Regs. §66265.56;

3 k. Failed to manage waste fuel filters and absorbents containing waste vehicle fluids
4 as hazardous wastes for disposal off-site;

5 l. Failed to manage fuel/water mixtures collected in sumps as hazardous wastes for
6 disposal off-site;

7 m. Failed to comply with Uniform Fire Code requirements related to the
8 management of hazardous waste, hazardous materials and underground storage
9 tanks.

10 FIRST CAUSE OF ACTION

11 12. Plaintiff realleges Paragraphs 1 through 12, inclusive.

12 13. 7-Eleven is liable for civil penalties as set forth in California Health and Safety Code
13 section 25189(b) for each intentional or negligent violation of rules, regulations, standards, or
14 requirements regarding hazardous waste set forth above.

15 14. 7-Eleven must immediately and permanently be enjoined from further violations of
16 Chapter 6.5 .

17 SECOND CAUSE OF ACTION

18 15. Plaintiff realleges Paragraphs 1 through 12, inclusive.

19 16. 7-Eleven is liable for civil penalties as set forth in California Health and Safety Code
20 section 25189.2 (b) for each violation of the rules, regulations, standards or requirements
21 regarding hazardous waste set forth above.

22 17. 7-Eleven is liable for civil penalties as set forth in California Health and Safety Code
23 section 25189.2 (b) for each violation of the rules, regulations, standards or requirements set
24 forth above.

25 18. 7-Eleven must immediately and permanently be enjoined from further violations of
26 Chapter 6.5 .

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1 **THIRD CAUSE OF ACTION**

2 19. Plaintiff realleges Paragraphs 1 through 12, inclusive.

3 20. To the extent that 7-Eleven is the operator of the underground tank systems at the
4 Covered Facilities, 7-Eleven is liable for civil penalties as set forth in California Health and
5 Safety Code section 25299(a) for each violation of the rules, regulations, standards or
6 requirements applicable to each underground storage tank as set forth above.

7 21. 7-Eleven, as the operator of the underground tank systems, must immediately and
8 permanently be enjoined from further violations of Chapter 6.7.

9 **FOURTH CAUSE OF ACTION**

10 22. Plaintiff realleges Paragraphs 1 through 12, inclusive.

11 23. To the extent that 7-Eleven is the owner of the underground tank systems at the Covered
12 Facilities, 7-Eleven is liable for civil penalties as set forth in California Health and Safety Code
13 section 25299(b) for each violation of the rules, regulations, standards or requirements
14 applicable to each underground storage tank as set forth above.

15 24. 7-Eleven, as the owner of underground tank systems, must immediately and permanently
16 be enjoined from further violations of Chapter 6.7.

17 **FIFTH CAUSE OF ACTION**

18 25. Plaintiff realleges Paragraphs 1 through 12, inclusive.

19 26. Pursuant to Health and Safety Code section 25516, the district attorney, at the request of
20 an administering agency, or on the district attorney's own motion may apply to the superior
21 court for an order directing compliance with Chapter 6.95.

22 27. The district attorneys and the Attorney General are authorized to bring this cause of
23 action pursuant to California Health and Safety Code section 25516.1.

24 28. 7-Eleven is liable for civil penalties as set forth in California Health and Safety Code
25 section 25514 for each violation of the California Health and Safety Code section 25504(c) as
26 set forth above.

27 29. 7-Eleven must immediately and permanently be enjoined from further violations of
28 Chapter 6.95.

1 **SIXTH CAUSE OF ACTION**

2 30. Plaintiff realleges Paragraphs 1 through 30, inclusive.

3 31. By the acts described herein, 7-Eleven engaged in daily acts of unlawful and/or unfair
4 competition prohibited by California Business and Professions Code sections 17200-17208.
5 Each act constitutes an unlawful and/or unfair business practice.

6 32. Pursuant to California Business and Professions Code section 17206, 7-Eleven is liable
7 for civil penalties for each violation.

8 33. 7-Eleven must immediately and permanently be enjoined from engaging in activity that
9 violates Chapters 6.5, 6.7 and 6.95 of Division 20 of the California Health and Safety Code and
10 the Uniform Fire Code which thereby constitutes unfair competition within the meaning of
11 California Business and Professions Code section 17200.

12 **WHEREFORE, PLAINTIFF PRAYS FOR THE FOLLOWING RELIEF:**

13 1. A permanent injunction requiring 7-Eleven to comply with the requirements of
14 California Health and Safety Code, Division 20, Chapter 6.5;

15 2. A permanent injunction requiring 7-Eleven to comply with California Health and
16 Safety Code, Division 20, Chapter 6.7;

17 3. A permanent injunction requiring 7-Eleven to comply with California Health and
18 Safety Code, Division 20, Chapter 6.95;

19 4. A permanent injunction prohibiting 7-Eleven from engaging in activity that
20 violates Chapters 6.5, 6.7 and 6.95 of Division 20 of the California Health and Safety Code and
21 the Uniform Fire Code which thereby constitutes unfair competition within the meaning of
22 California Business and Professions Code section 17200;

23 5. Civil penalties according to proof against 7-Eleven pursuant to California Health
24 and Safety Code section 25189;

25 6. Civil penalties according to proof against 7-Eleven pursuant to California Health
26 and Safety Code section 25299;

27 7. Civil penalties according to proof against 7-Eleven pursuant to California Health
28 and Safety Code section 25514;

1 8. Civil penalties according to proof against 7-Eleven pursuant to California
2 Business and Professions Code section 17206 for each act of unfair competition engaged in by
3 7-Eleven;

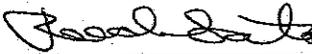
4 9. Grant the Plaintiff its cost of inspection, investigation, attorneys fees,
5 enforcement, prosecution, and suit, herein; and

6 10. Grant such other and further relief as the Court deems just and proper.

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8 RESPECTFULLY REQUESTED:

9 Dated: October 1, 2004

BILL LOCKYER, Attorney General
of the State of California
THOMAS M. GREENE
Chief Assistant Attorney General
THEODORA P. BERGER
Senior Assistant Attorney General

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REED SATO
Deputy Attorney General
Attorneys for Plaintiff, People of the State
of California

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17 Dated: October 6, 2004

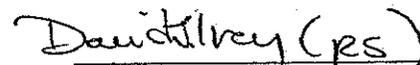
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Attorneys for Plaintiff, People of the State
of California

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21
22
23 Dated: October 1, 2004

JOHN D. PHILLIPS, District Attorney
of the County of San Joaquin

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25 

DAVID J. IREY
Lead Deputy District Attorney
Attorneys for Plaintiff, People of the State
of California

EXHIBIT A

	Store #	Address	City	County
1	32181	4193 Piedmont Ave	Oakland	Alameda
2	32266	1339 N Vasco Rd	Livermore	Alameda
3	32734	2222 Las Positas Rd	Livermore	Alameda
4	33005	245 Vasco Rd South	Livermore	Alameda
5	33163	7100 Dougherty Rd	Dublin	Alameda
6	18916	35015 Fremont Blvd	Fremont	Alameda
7	19168	3868 Delaware Dr	Fremont	Alameda
8	14063	3560 Oro Dam Blvd	Oroville	Butte
9	14070	308 Walnut St	Chico	Butte
10	21324	2125 Monte Vista	Oroville	Butte
11	22468	7 E. Gridley Rd	Gridley	Butte
12	22474	98 Tablemountain Blvd	Oroville	Butte
13	32401	1111 Forest Street	Chico	Butte
14	16693	774 Port Chicago Hwy	Pittsburg	Contra Costa
15	23837	4001 Pacheco Blvd	Martinez	Contra Costa
16	32235	530 Morello Ave	Martinez	Contra Costa
17	32305	4901 Lone Tree Way	Antioch	Contra Costa
18	32604	4101 Concord Blvd	Concord	Contra Costa
19	32787	2437 Main Street	Oakley	Contra Costa
20	33374	4600 Century Blvd	Pittsburg	Contra Costa
21	15047	2620 S. Lake Blvd	S. Lake Tahoe	El Dorado
22	13916	5630 E Ashlan	Fresno	Fresno
23	18872	1784 W Shaw	Fresno	Fresno
24	18922	420 E Bullard	Fresno	Fresno
25	19198	1596 N Palm	Fresno	Fresno
26	19835	6015 E Kings Canyon	Fresno	Fresno
27	22541	2515 East McKinnley	Fresno	Fresno
28	24180	4246 W Ashlan	Fresno	Fresno
29	24526	3005 W Ashlan Ave	Fresno	Fresno
30	23948	1903 Jensen	Sanger	Fresno
31	25585	1170 North Clovis	Clovis	Fresno
32	32625	6875 North Milburn	Fresno	Fresno
33	21028	1485 Ocotillo Dr	El Centro	Imperial
34	21836	2050 4th Street	El Centro	Imperial
35	22818	580 S. 1st St	Brawley	Imperial
36	22906	211 Fifth Ave	Holtville	Imperial
37	23229	184 W Main St	Brawley	Imperial
38	23409	904 Imperial Ave	Calexico	Imperial
39	24811	815 West Adams Ave	El Centro	Imperial
40	32300	168 E. Cole Rd	Calexico	Imperial
41	26684	485 East Main St	El Centro	Imperial
42	16329	1701 Pacheco Rd	Bakersfield	Kern

	Store #	Address	City	County
43	16549	4647 Wilson Rd	Bakersfield	Kern
44	17721	3601 Stockdale Hwy	Bakersfield	Kern
45	18655	300 North Chester Ave	Bakersfield	Kern
46	22647	12916 Rosedale Hwy	Bakersfield	Kern
47	26599	6529 East Brundage Ln	Bakersfield	Kern
48	26701	1540 Bear Mt Blvd	Arvin	Kern
49	26819	3124 N Chester	Oildale	Kern
50	27122	1224 6th St	Taft	Kern
51	32257	5203 Olive Dr	Bakersfield	Kern
52	32241	4101 Calloway Drive	Bakersfield	Kern
53	32376	9600 Brimhall Road	Bakersfield	Kern
54	16373	1110 N Lemoore Ave	Lemoore	Kings
55	26170	395 North 11th Avenue	Hanford	Kings
56	33149	13019 Imperial Hwy	Whittier	Los Angeles
57	25174	2055 W Glenoaks Blvd	Glendale	Los Angeles
58	26945	27680 Lake Hughes Rd	Castaic	Los Angeles
59	33154	27602 Newhall Ranch Rd	Santa Clarita	Los Angeles
60	15968	3210 West Ave	Lancaster	Los Angeles
61	19597	844 East Ave	Lancaster	Los Angeles
62	24483	703 E. Palmdale Blvd	Palmdale	Los Angeles
63	33404	3311 W Century	Inglewood	Los Angeles
64	33289	11461 E. Firestone Blvd	Norwalk	Los Angeles
65	33325	10962 Alondra Blvd	Norwalk	Los Angeles
66	33092	2055 N Towne Avenue	Pomona	Los Angeles
67	33242	3366 San Gabriel Blvd	Rosemead	Los Angeles
68	33403	10707 Lower Azusa Road	El Monte	Los Angeles
69	17117	904 Cleveland St	Madera	Madera
70	16459	2255 Gerard Ave	Merced	Merced
71	22736	603A Pacheco Blvd	Los Banos	Merced
72	14258	22760 Portola Dr	Salinas	Monterey
73	16747	1212 Fremont Ave	Seaside	Monterey
74	17488	320 Reservation Rd	Marina	Monterey
75	23135	2301 Fremont St	Monterey	Monterey
76	24340	335 S Sanborn Rd	Salinas	Monterey
77	25802	3076 Del Monte Blvd	Marina	Monterey
78	32264	1991 Natividad Road	Salinas	Monterey
79	32415	140 Beach Rd	Marina	Monterey
80	33011	425 Canyon Del Rey Road	Del Rey Oaks	Monterey
81	19969	290 S. Main St	Orange	Orange
82	26216	107 West Ball Rd	Anaheim	Orange
83	24559	10499 Beach Blvd	Stanton	Orange
84	32938	204 E. 17th Street	Costa Mesa	Orange
85	33155	1700 E Dyer Road	Santa Ana	Orange
86	33161	15991 Magnolia Street	Westminster	Orange

	Store #	Address	City	County
87	33168	13472 Euclid St	Garden Grove	Orange
88	33252	8693 Irvine Center Dr	Irvine	Orange
89	25801	31702 Pacific Coast Hwy	South Laguna	Orange
90	33257	1000 W Orangethorpe Ave	Fullerton	Orange
91	32636	4281 Sierra College Blvd	Rocklin	Placer
92	32867	2101 Sunset Blvd	Rocklin	Placer
93	16525	67510 Ramon Rd	Cathedral City	Riverside
94	16552	16971 Van Buren Blvd	Riverside	Riverside
95	16825	6060 Camino Real	Pedley	Riverside
96	23520	23021 Sunnymead	Moreno Valley	Riverside
97	33062	41260 Murrieta Hot Sprgs	Murrieta	Riverside
98	33157	15020 Perris Blvd	Moreno Valley	Riverside
99	14098	10246 Mills Station Rd	Rancho Cordova	Sacramento
100	18185	5791 Broadway	Sacramento	Sacramento
101	22979	6701 Auburn Blvd	Citrus Heights	Sacramento
102	23015	3601 Elkhorn Blvd	North Highlands	Sacramento
103	23233	8499 Gerber Rd	Sacramento	Sacramento
104	23265	2450 Northgate Blvd	Sacramento	Sacramento
105	24815	6180 Auburn Blvd	Citrus Heights	Sacramento
106	32836	5500 Florin Perkins Rd	Sacramento	Sacramento
107	33315	5501 Auburn Blvd	Sacramento	Sacramento
108	16755	10492 Cedar Ave	Bloomington	San Bernardino
109	17813	18091 Arrow Blvd	Fontana	San Bernardino
110	21036	55277 Twenty Nine Palms	Yucca Valley	San Bernardino
111	23008	21718 Bear Valley Rd	Apple Valley	San Bernardino
112	25517	16767 Main St	Hesperia	San Bernardino
113	25984	17979 Outer Highway 18	Apple Valley	San Bernardino
114	26934	3211 Kendall Dr	San Bernardino	San Bernardino
115	27678	14519 Main St Ste A	Hesperia	San Bernardino
116	29172	73740 29 Palms Hwy	Twentynine Palms	San Bernardino
117	23818	24156 Lake Dr	Crestline	San Bernardino
118	32151	41901 Big Bear Blvd	Big Bear City	San Bernardino
119	32941	1511 N Mt Vernon Ave	Colton	San Bernardino
120	33035	3490 E Jurupa Street	Ontario	San Bernardino
121	33245	16096 Slover Avenue	Fontana	San Bernardino
122	33292	1161 W Lugonia Avenue	Redlands	San Bernardino
123	33369	15450 Fairfield Ranch	Chino Hills	San Bernardino
124	13619	1702 S. Escondido	Escondido	San Diego
125	13624	13626 Pomerado Rd	Poway	San Diego
126	13625	470 North Melrose	Vista	San Diego
127	13627	102 Leucadia Blvd	Leucadia	San Diego
128	15923	1501 N Santa Fe Ave	Vista	San Diego
129	20211	1076 Main St	Ramona	San Diego
130	20342	487 Vandergrift Blvd	Oceanside	San Diego

	Store #	Address	City	County
131	21800	631 S. Main St	Fallbrook	San Diego
132	22894	1030 N Broadway	Escondido	San Diego
133	24085	900 North Santa Fe	Vista	San Diego
134	24335	1988 Village Parkway	Encinitas	San Diego
135	25629	11205 Camino Ruiz	San Diego	San Diego
136	25766	2211 San Elijo Avenue	Cardiff by the Sea	San Diego
137	25818	2255 Mission Ave	Oceanside	San Diego
138	26182	14225 Poway Road	Poway	San Diego
139	27109	901 Palomar Airport Road	Carlsbad	San Diego
140	27524	1177 N Escondido Blvd	Escondido	San Diego
141	32131	8261 Gold Coast Drive	San Diego	San Diego
142	13643	6615 Linda Vista Rd	San Diego	San Diego
143	13661	9251 Carlton Hills Blvd	Santee	San Diego
144	13666	11610 Riverside Drive	Lakeside	San Diego
145	19006	9111 Mission Gorge Rd	Santee	San Diego
146	19526	3792 Fourth Ave	San Diego	San Diego
147	19628	2101 Fern St	San Diego	San Diego
148	19987	3603 College Ave	San Diego	San Diego
149	20174	6571 El Cajon Blvd	San Diego	San Diego
150	20321	9750 Cuyamaca St	Santee	San Diego
151	20337	2805 Garnet Ave	San Diego	San Diego
152	20551	1602 University Ave	San Diego	San Diego
153	22481	10205 Lake Jennings Pk Rd	Lakeside	San Diego
154	22872	1826 Rosecrans Street	San Diego	San Diego
155	24155	1702 Gateway Drive	San Diego	San Diego
156	26651	10195 Riverford Rd	Lakeside	San Diego
157	27623	6401 Mission Gorge Rd	San Diego	San Diego
158	13575	10049 Campo Rd	Spring Valley	San Diego
159	13588	1285 Picador Blvd	San Diego	San Diego
160	13662	8625 Los Coches Rd	Lakeside	San Diego
161	13664	4610 Avocado Blvd	La Mesa	San Diego
162	15070	10777 Jamacha Blvd	Spring Valley	San Diego
163	15944	9365 Jamacha Blvd	Spring Valley	San Diego
164	16498	103 Worthington St	Spring Valley	San Diego
165	20508	948 Grand Ave	Spring Valley	San Diego
166	21604	899 Broadway	Chula Vista	San Diego
167	21802	12918 Campo Rd	Jamul	San Diego
168	23982	1303 Imperial Beach Blvd	Imperial Beach	San Diego
169	24070	1482 Hilltop Dr	Chula Vista	San Diego
170	24344	1311 Palm Ave	Imperial Beach	San Diego
171	25085	895 Broadway	El Cajon	San Diego
172	25807	1075 Elkelton Rd	Spring Valley	San Diego
173	26909	4210 Beyer Blvd	San Ysidro	San Diego
174	27771	1771 Oro Vista Rd	San Diego	San Diego

	Store #	Address	City	County
175	29540	7 Naples St	Chula Vista	San Diego
176	13597	522 West 9th Avenue	Escondido	San Diego
177	18977	578 E. Mission Road	San Marcos	San Diego
178	19548	13801 Mango Dr	Del Mar	San Diego
179	21785	260 E. Mission Avenue	Escondido	San Diego
180	26190	1749 South Coast Hwy	Oceanside	San Diego
181	32326	3251 Business Park Drive	Vista	San Diego
182	32942	5802 Van Allen Way	Carlsbad	San Diego
183	33053	4625 Frazee Rd	Oceanside	San Diego
184	33160	298 Sycamore Ave	Vista	San Diego
185	33376	1610 S. Melrose	Vista	San Diego
186	19273	7801 Clairemont Mesa Blvd	San Diego	San Diego
187	20884	4253 Palm Ave	La Mesa	San Diego
188	25165	3385 Sand Rock Rd	San Diego	San Diego
189	32606	9609 Aero Drive	San Diego	San Diego
190	33100	4080 Convoy Street	San Diego	San Diego
191	16439	14110 Olde Highway 80	El Cajon	San Diego
192	17637	1522 Graves Ave	El Cajon	San Diego
193	21798	1498 Jamacha Rd	El Cajon	San Diego
194	25302	711 Jamacha Rd	El Cajon	San Diego
195	32290	8395 Otay Mesa Road	San Diego	San Diego
196	32825	5188 Bonita Road	Bonita	San Diego
197	14117	2725 Country Club Blvd	Stockton	San Joaquin
198	17334	4501 N. Pershing Ave	Stockton	San Joaquin
199	17647	1048 West Yosemite	Manteca	San Joaquin
200	19976	1399 N. Main St	Manteca	San Joaquin
201	20632	4627 Da Vinci Drive	Stockton	San Joaquin
202	32190	4943 S. State Rt 99	Stockton	San Joaquin
203	32262	2360 West Grantline Rd	Tracy	San Joaquin
204	25473	8000 El Camino Real	Atascadero	San Luis Obispo
205	17658	99 South Dolliver	Pismo Beach	San Luis Obispo
206	19235	2700 Bayshore	Daly City	San Mateo
207	15191	7390 Calle Real	Goleta	Santa Barbara
208	23855	4410 Via Real	Carpinteria	Santa Barbara
209	17496	452 E. Santa Clara St	San Jose	Santa Clara
210	17296	261 East Lake Ave	Watsonville	Santa Cruz
211	20608	455 Airport Blvd	Watsonville	Santa Cruz
212	32323	1461 Main Street	Watsonville	Santa Cruz
213	18860	1860 Eureka Way	Redding	Shasta
214	20090	3002 Placer Street	Redding	Shasta
215	20220	3100 North St	Anderson	Shasta
216	22837	2490 Nut Tree Rd	Vacaville	Solano
217	23584	1075 North First St	Dixon	Solano
218	24248	1097 E. Monte Vista Ave	Vacaville	Solano

	Store #	Address	City	County
219	26231	500 Military East	Benicia	Solano
220	32180	801 Sunset Ave	Suisun City	Solano
221	33277	2648 Santa Rosa Ave	Santa Rosa	Sonoma
222	33389	1704 E. Cotati Ave	Rohnert Park	Sonoma
223	15883	1045 Old Oakdale Rd	Modesto	Stanislaus
224	21154	505 McHenry Ave	Modesto	Stanislaus
225	24490	711 East F Street	Oakdale	Stanislaus
226	20054	1425 Solano St	Corning	Tehama
227	22014	518 S. Lovers Lane	Visalia	Tulare
228	22738	111 W. Walnut	Visalia	Tulare
229	33159	1501 W 5th Street	Oxnard	Ventura
230	33162	609 Rancho Conejo	Thousand Oaks	Ventura
231	33399	2201 E. Gonzales	Oxnard	Ventura
232	14093	1552 Jefferson Blvd	West Sacramento	Yolo

EXHIBIT B

Environmental Improvements

1. Install Statewide Alarm Monitoring System -- Estimate

- A. \$615,000 — Hardware purchase
- B. \$415,000 — 5-year service contract

Subtotal: \$1,030,000

The environmental compliance oversight program will consist of three components:

- E-mail notification of alarms to corporate office
- Monthly environmental compliance reports
- Remote access to inventory reconciliation data

7-Eleven will develop a computer system that will allow its corporate office to monitor alarms at the gasoline stores. This tank monitors will be programmed to send data to Dallas when an ATG alarm is tripped. The corporate computer system will be programmed to receive and read such data. 7-Eleven can then confirm that the store and any necessary contractors are evaluating and addressing the cause of the alarm.

Until the in-store and corporate computer systems are in place and running, 7-Eleven will hire Veeder Root to forward all alarm e-mail to 7-Eleven's corporate office for follow-up.

This system will help to prevent leaks, thereby adding an extra layer of environmental protection.

2. Replace Single-Wall Tanks -- Estimate

- A. Replace single-wall tanks at 28 sites in California
- B. \$ 300,000 x 28 sites

Subtotal: \$8,400,000 (over 6 years)

Single-wall tanks will be replaced with double-wall fiberglass tanks with interstice monitoring system.

7-Eleven currently intends to undertake single-wall tank replacement at the following sites:

Store #	Address	City	County
19168	3868 Delaware Dr	Fremont	Alameda
22468	7 E Gridley Rd	Gridley	Butte
23837	4001 Pacheco Blvd	Martinez	Contra Costa
16693	774 Port Chicago Hwy	Pittsburg	Contra Costa
23409	904 Imperial Ave	Calexico	Imperial
24811	815 West Adams Ave	El Centro	Imperial

16373	1110 N Lemoore Ave	Lemoore	Kings
23135	2301 Fremont St	Monterey	Monterey
24340	335 S Sanborn Rd	Salinas	Monterey
16747	1212 Fremont Ave	Seaside	Monterey
25766	2211 San Elijo Avenue	Cardiff by the Sea	San Diego
24070	1482 Hilltop Dr	Chula Vista	San Diego
24335	1988 Village Parkway	Encinitas	San Diego
13597	522 W 9th Avenue	Escondido	San Diego
22481	10205 Lake Jennings Pk Rd	Lakeside	San Diego
25818	2255 Mission Ave	Oceanside	San Diego
25629	11205 Camino Ruiz	San Diego	San Diego
13588	1285 Picador Blvd	San Diego	San Diego
25165	3385 Sand Rock Rd	San Diego	San Diego
25807	1075 Elkelton Rd	Spring Valley	San Diego
24085	900 N Santa Fe Ave	Vista	San Diego
15923	1501 N Santa Fe Ave	Vista	San Diego
20608	455 Airport Blvd	Watsonville	Santa Cruz
24248	1097 E Monte Vista Ave	Vacaville	Solano
22837	2490 Nut Tree Rd	Vacaville	Solano
20054	1425 Solano St	Corning	Tehama
22014	518 S Lovers Lane	Visalia	Tulare
22738	111 W Walnut	Visalia	Tulare

The lists of sites to be improved are understood to be tentative. The parties agree that 7-Eleven has the discretion to remove any sites from any list of sites for business or other reasons as long as any such changes are reflected in the semi-annual reports provided pursuant to paragraph 5.8(b) of the Consent Judgment and a total of 28 sites are improved within the time frame set forth in the paragraph 5.8(a) of the Consent Judgment.

3. Credit for TCI Equipment Upgrades in 3 Counties

Subtotal: \$750,000 (Statewide costs were approximately \$7,500,000)

TOTAL: \$10,180,000



7-Eleven, Inc.

October 1, 2004

To: All California Store Operators Who Sell Gasoline
From: Gary C. Lockhart, Vice President, 7-Eleven, Inc.
Re: Consent Agreement with the State of California

Ladies & Gentlemen:

7-Eleven, Inc. ("7-Eleven") recently entered into a Consent Agreement ("Agreement") with the State of California regarding the compliance of 7-Eleven's gasoline stores in the State with various environmental laws and regulations. 7-Eleven's obligations under the Agreement include a \$5 million payment to the State, including \$1.98 million for penalties, upgrading underground storage tanks ("USTs") at certain stores, and the implementation of an alarm monitoring system for all California gasoline stores. We will notify you if your store will participate in the UST upgrades in the near future.

This notification to each store operator that sells gasoline is a condition of the Agreement. 7-Eleven and its store operators are committed to protecting the environment, and it is imperative that you realize that the actions you take, or fail to take, regarding the UST system at your store can greatly impact this effort. This Agreement should also serve as a reminder that such actions additionally can have a negative impact on 7-Eleven's, and ultimately your, financial success. Please recognize that if you do not join 7-Eleven in taking all necessary steps to comply with environmental requirements, you may expose yourself to direct liability and lose the benefit of indemnification for the gasoline operations by 7-Eleven that you now enjoy.

7-Eleven's concerns about protecting the environment, your obligations in that process, and the risk you face for failing to fulfill these responsibilities were set forth in more detail in my February 24, 2004, correspondence. Another copy of such correspondence is included for your reference. As noted in such correspondence, your failure to comply with these requirements may result in the termination of your Franchise Agreement. Please familiarize yourself with the information in the correspondence and make certain that your employees are trained in these

requirements. You are responsible for ensuring that your employees comply with the law.

We cannot stress enough the importance of your participation in protecting the environment. If we all work together in this effort, then not only can we accomplish this very important goal of protecting our environment, we all can avoid future liabilities.

We now have new resources to assist you in complying with these requirements. Marla Murphy (925-699-9795) is available regarding the Mid Pacific stores, and Robert Clemens (714-394-6005) is available regarding the Southwest Division stores. We encourage you to contact them regarding any compliance issues you experience or any questions you have in this regard.

We appreciate your attention to and cooperation in these efforts. Please sign and date where indicated below to acknowledge your receipt of this letter and return a copy to your field consultant. If you need additional information, please also contact your field consultant.

If you are interested, a copy of the Agreement will be provided to you upon request to your field consultant.

Received and acknowledged this _____ day of _____, 2004.

7-Eleven Store No. _____

By: _____

Printed name: _____

Store Operator hereby acknowledges receipt of this correspondence.

cc: Bob Johnson
Ken Hilliard
Randy Martin
Becky Marsh
Cindy Davis
Mike Blair
Mike Davis, Esq.
Frank Gambina
Jack Wilkie
Joe DePinto
Mary Jo Johnson



7-Eleven, Inc.

February 24, 2004

To: All California Franchisees Who Sell Gasoline

From: Gary Lockhart

Re: Proper Reporting of Gasoline Information and Environmental Liability

Ladies & Gentlemen:

As you know, environmental laws and requirements relating to the sale of gasoline products continue to be very stringent. Under these laws, both you, as seller and operator of a location that sells gasoline, and 7-Eleven, Inc. ("7-Eleven"), as the owner of the equipment and product, have legal responsibilities to report certain information about gasoline. The Store Franchise Agreement entered into between you and 7-Eleven (the "Franchise Agreement") requires you to comply with any governmental law, rule, regulation, ordinance or order relating to the operation of the Store. In addition, your consigned gasoline agreement and the underground storage tank agreement require that you report certain information about gasoline to 7-Eleven.

This reporting is the cornerstone of the program by which both you and 7-Eleven meet these legal requirements. If it is done properly, 7-Eleven will indemnify you for certain of these potential liabilities and your exposure will be minimized. However, if you do not properly perform this reporting, 7-Eleven may not indemnify you. Additionally, if you fail to properly report the required information, 7-Eleven may elect to reduce your commission payable to the amount mandated by your consigned gasoline amendment, rather than pay you the amount permitted by the Consigned Gasoline Policy and Procedure.

We wanted to remind you about the environmental regulations and your continuing obligations to comply with those requirements. We know each of you shares our concern about protecting the environment and recognizes that all of us need to take certain actions in order to accomplish that very important goal and meet these requirements under our existing agreements. As you know, California imposes various requirements on operators of retail gasoline outlets. Some of the most important requirements are outlined below. Please review the following information and implement the necessary procedures to ensure compliance with California's legal requirements.

Environmental Compliance is Everybody's Job:

Generally, the environmental requirements focus upon the retention of certain records and the documentation and reporting of potential releases of gasoline into the environment. The agencies regulating this industry have become more active in their enforcement of these requirements. At the same time, the penalties associated with failing to meet these requirements and the liabilities relating to an unauthorized release of gasoline have become increasingly more significant.

You should be aware that the responsibility for meeting these environmental requirements falls on both 7-Eleven and you as the operator of a location that sells gasoline products.

In view of this and in order to meet these obligations, the Gasoline and Environmental Accounting Department ("Gasoline Accounting") and the Gasoline and Environmental Services Department ("GES"), with the help of others, including National Advisory Council franchisees, put together an enhanced inventory control program for continued compliance with certain of these obligations.

Under this program, Gasoline Accounting closely monitors daily, weekly and monthly gasoline "variances" (i.e., the differences between book inventory and measured physical inventory). This group calculates and records a monthly audit adjustment by underground storage tank to the gasoline perpetual inventory schedule, also known as the Gasoline Inventory Report (M04 or GIR).

GES monitors differences between Automatic Tank Gauge readings and the In Store Processor (or computer) readings, reportable variances and other data. When required by applicable law, this group reports to appropriate authorities any variances that exceed acceptable limits. Generally, any variance that exceeds specified regulatory thresholds (local regulatory bodies can establish other requirements) must be reported and explained to the authorities.

GES and Gasoline Accounting assist in monitoring daily inventory variances by store and will call a store if there is a variance issue that needs resolution at that store. Under the plan described below, when called, the stores may be instructed to make certain corrections in the gasoline information on subsequent cash reports.

The Environmental Requirements Compliance Plan (the "Plan"):

Now to the specifics of what you, as a marketer of gasoline, are required to do:

Inventory Reconciliation:

Step 1 - The franchisee or his or her employee should key in the store daily gasoline information (including deliveries) for each underground storage tank and check every day when completing the cash report to determine if there is a gasoline gallon variance of (+/-) 300 gallons or more. If there is any variance of (+/-) 300 gallons or more for any individual underground storage tank, action, as set out below, should be taken.

Step 2 - When there is a variance of (+/-) 300 gallons or more on any day's report for any given underground storage tank, the franchisee or his or her employee should first determine if the variance is created by something that he or she can correct. If that is the case, the correction should be made.

Step 3 - If the variance is not reconcilable and/or cannot be immediately corrected by the franchisee, then the franchisee or store employee should immediately contact the Retail Automation Help Desk at 1-800-987-0711 and properly log the call. If such contact cannot be made immediately, contact should be made no later than 24 hours after determining there is a variance problem. The Retail Automation Help Desk is now open seven (7) days a week from 7:00 am to 7:00 p.m. (central time), and the number of service representatives necessary to provide prompt service is being monitored.

Step 4 - If the Retail Automation Help Desk cannot determine the nature or cause of the problem, the franchisee or store manager will be advised to override the cash report in order to send it in as it is. In that event, GES and Gasoline Accounting will begin to work on resolving the issue.

Step 5 - GES or Gasoline Accounting may ask the franchisee certain questions relating to their research into the problem or it may ask store personnel to perform certain tasks, such as looking at a particular piece of equipment and reporting its status. The store may also be asked to key in information or to perform the necessary corrections in order to have the correct data accurately reported. If the store is asked to perform any of these functions, it is extremely important that its personnel do so promptly. Failure to do so could result in liability for the franchisee and 7-Eleven.

Please note that the amounts of gasoline listed in this letter and that cause action on your part are initial amounts that may be adjusted from time to time. We will advise you of those changed amounts, and you should follow this outline with reference to any newly established amounts.

Training:

As you know, 7-Eleven trains all store operators as a condition of receiving their franchise. Under California law, as the store operator, you must attend annual training in addition to the initial training you received as a new franchisee. Additionally, you must train all store employees upon their hire and annually thereafter.

UST Facility Compliance Inspection Handbook & Record Retention:

All stores will soon receive an UST Facility Compliance Inspection Handbook (the "Handbook"), which should be kept in the sales counter area so that it is immediately accessible to all employees at all times and available to agency inspectors upon demand. The Handbook will be distributed to each store in connection with upcoming gasoline retailing training.

Each store operator is required, under federal, state and local environmental laws, to keep certain detailed records. These records are required to be in the store and be available for any governmental environmental inspector or regulator who visits

the store, as they are authorized to do. All records regarding Stage II compliance must be kept in the sales counter area in the black container [or Stage II binder] that 7-Eleven provided. 7-Eleven recommends that all other required records be kept in the Handbook to ensure that these records are easy to retain, organize and find.

The Handbook and such additional documents are evidence that the store has fulfilled all leak detection requirements and has had all appropriate tests and inspections in a timely fashion. By having these records located in the store, as required, and readily available, the viability and comprehensiveness of the Plan is also demonstrated to the regulators. You and your employees should be able to lead an inspector, who shows credentials, to the Handbook and show the documents to him or her.

Retention of Delivery Tickets:

The various environmental laws require that the three (3) most recent delivery tickets for each grade of gasoline be retained in the store. Therefore, you need to retain those tickets in the store to be available to inspectors and then forward them (once new tickets replace them) to your store's normal courier of the daily cash report supporting documents. It is not necessary that these tickets be stored in the Handbook, since a given ticket's storage is temporary.

Daily Visual Inspections:

As a gasoline fuel operator in California, you are required to perform daily visual inspections of the UST area and fuel dispensing equipment to monitor for potential petroleum releases. These inspections must be conducted each and every day and properly logged at the time of inspection in accordance with the monitoring program provided with your franchisee training.

Responding to Alarms:

You and your employees must **immediately** respond to any alarm (audible or visual) regarding the underground storage tank system. As soon as any alarm sounds or illuminates, you and your employees must immediately call 7-Eleven Dispatch at 1-800-828-0711 (properly logging the call) to report the alarm so that 7-Eleven can take any actions that may be required under California law.

Responding to Environmental Incidents or Spills:

Appropriate response actions on the part of you and your personnel are critical to the goals of our Plan. You and your employees must **immediately** notify 7-Eleven upon discovery of a fuel release by calling Dispatch at 1-800-828-0711 and properly logging the call. Under California law, you and your employees are also required to immediately notify the California Office of Emergency Services upon the discovery of any spill of 42 or more gallons of petroleum. You and your employees must also notify the California Office of Emergency Services and/or call 911 in any situation in which emergency response assistance is required.

Documents Obtained from Inspectors:

From time to time, you may receive various documents from inspectors regarding the underground storage tank system. Upon receipt of such documents, you must **immediately** forward copies of the documents to your field consultant, Division Gasoline Manager or Environmental Manager.

Local Requirements:

Your specific City, County and Certified Unified Program Agency ("CUPA") may impose additional requirements that you must follow. For information on your City, County and CUPA's requirements, or for additional information on any of the above Environmental Requirements Compliance Plan, please contact your Environmental Manager.

Provided you and/or your personnel properly fulfill these and the other required environmental tasks relating to gasoline, and otherwise comply with the requirements for indemnification, 7-Eleven will provide you a defense and indemnify you from civil claims, suits and civil liability for violations of the regulations that require these actions. However, if you ignore your environmental duties, then you will be responsible for any resulting liability. Furthermore, pursuant to your Franchise Agreement, failure to comply with these requirements may result in a reduction in your gasoline sales commission or the potential termination of your Franchise Agreement.

Both you and 7-Eleven must meet these requirements. However, we believe that if we all cooperate and work together, we can continue to have significant success in our gasoline marketing efforts and meet all of the applicable environmental requirements. Please acknowledge your understanding of the contents of this letter by signing in the space(s) provided and returning a copy to your field consultant at your earliest convenience. If you need additional information, please talk to your field consultant.

Received and acknowledged this ____ day of February, 2004.

Franchisee

Franchisee

cc: Bob Johnson
Ken Hilliard
Randy Martin
Becky Marsh
Cindy Davis
Mike Blair
Mike Davis, Esq.
Frank Gambina
Jack Wilkie
Joe DePinto