

PEREZ & MILLER NEWSLETTER

**TO: CONOCOPHILLIPS LESSEE DEALERS WHO WANT THE BEST DEAL
POSSIBLE IN PURCHASING THEIR INDIVIDUAL STATIONS**

You have very important federal and California petroleum franchisee rights as a ConocoPhillips (“COP”) dealer that you may not know of.

RIGHT TO MATCH A JOBBER’S BID:

Do you know that under California law you have the right to match a Jobber’s bid on your individual station even if the federal PMPA (Petroleum Marketing Practices Act) is not applicable? Do you know that you have the right to match a Jobber’s bid even when the Jobber makes a “block” bid? Yes, you have the right to match the Jobber’s bid on your station even if your station is but one of many stations the Jobber includes in its “block” bid. You have the right to notify COP of your interest in matching the Jobber’s bid on your station. And you have the right to require COP in its block bidding process to require the Jobber to place or designate a “reasonably accessed or allocated value” for your station. You have the right to preclude and disallow unfair manipulation of the “accessed or allocated value” on your station.

YOU MAY NOT NEED TO SIGN A BURDENSOME LONG TERM SUPPLY CONTRACT:

Do you know that you may have the right to purchase your station without having to sign a long term fuel supply contract? If you purchase the station by exercising your right to match the Jobber’s bid, that may include the right to insist that COP provide you the same fuel supply agreement that it is offering the Jobber. That may mean that you are entitled to purchase at Rack rather than at DTW. And if you purchase your station by accepting a “*bona fide offer*” under the PMPA, you may be able to refuse a fuel supply contract if COP is terminating your franchise.

YOU HAVE THE RIGHT TO INSIST ON NECESSARY INFORMATION:

You have the right to request and obtain from COP information regarding its sale of your station to the extent that the information is reasonably necessary for you to intelligently determine your rights. And you have the right to request and obtain this information right now as well as at subsequent critical stages. You do not want to merely guess or speculate what

constitutes COP'S actual plans and you DO NOT NEED TO merely guess or speculate as to your legal rights and options. You have the right to assert your rights now and throughout COP's bidding and sale process. You have the right to seek injunctive relief to secure and enforce your rights, if necessary.

TIME IS OF THE ESSENCE:

COP's bid process in which jobbers will be making block bids is imminent and it appears that COP will determine what bids are acceptable within the next sixty (60) days. If the Jobber purchases your station, you run the risk of being "squeezed" out of your franchise. As a result, time is of the essence.

THE IMPORTANCE OF IMPARTIAL INFORMATION:

It is our understanding that in the past, COP has sold stations to a Jobber and the dealers were given an offer to purchase from the *Jobber*, and not an opportunity to match the Jobber's bid. You do not want to be forced into that situation without knowing that you have the right to match the Jobber's bid and purchase from COP, and not to be manipulated into dealing with an offer from the Jobber that may very well be higher than its bid to COP.

It is critical to your financial survival that you base your very important decisions on *impartial*, accurate and reliable information. You do not want to rely on self serving misinformation from your field representatives. Nor do you want to rely on advice from others whose own interests may interfere with them providing you the accurate and impartial information and advice YOU need to make the best decisions for your business.

Perez & Miller, A Professional Corporation, is a business litigation law firm experienced in the petroleum franchise field and in representing dealers/ franchisees. Approval of Richard Perez of Perez & Miller as general counsel for "CSSARA" (California Service Station and Automobile Repair Association) is pending.

Learn more about Perez & Miller, A Professional Corporation by visiting <http://www.perezmillier.com>.

This Newsletter will be published from time to time. It is not intended to provide legal advice. For further information, contact:

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