

Unique Combination of Circumstances May Yield High Value Corner Site Acquisitions!

Considerations:

1. Big Oil controls prime retail corner sites.
2. In major metro markets, the majority of these sites are leased to independent dealers who, due to little known federal laws, are able to exercise the equivalent of a first right of refusal should the oil company choose to divest the location.
3. The independent dealers are suffering eroding cash flow due to the onslaught of big box and hypermarket (COSTCO, Wal-Mart & Grocery Chain) competition.
4. Big Oil now enjoys record profits primarily due to the current high cost of crude oil much of which it possesses in the form of proven underground reserves.
5. Big Oil is suffering a backlash of public (and political) opinion due to today's extremely high retail fuel prices.
6. Independent dealers are not enjoying record profits in spite of today's high fuel prices because their margins have not increased.
7. Big Oil has for decades been 'consolidating' the downstream operations (reducing the number of nozzles in the marketplace) after it learned following the 2nd Arab Oil Embargo in 1979 that its credit card customer will shift patronage to the nearest remaining branded location when their 'regular station' closes.
8. Many of the independent dealers run multiple locations few of which are viable as 'stand alone businesses'.
9. Big Oil wants to distant itself from its highly visible retail presence while retaining contractual control of its end product distribution.

Summary: Big Oil continues to have reason to reduce the number of retail sites it controls. Independent dealers have reason to reduce the number of sites they control but need 'motivation' to divest the ones they perceive as marginal. Special opportunities for non-petroleum retailers to acquire control of additional high value corner sites may exist now and during the foreseeable future.

Needed: A savvy deal maker who understands how Big Oil and its independent dealers think; can communicate with them in their language; and also understands the retail site acquisition and development process.

Available: Jack Muellerleile who, after 23 years with Mobil Oil and 19 years as a consultant and real estate broker, is able to ferret out likely target corner sites among operating gas stations; investigate the viability of each; and, where deemed favorable by his client, suggest and implement an acquisition strategy designed as a win-win for all concerned.

Respectfully submitted by:

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