



NEWS ALERT

March 30, 2007

Re: Important Message from Chuck Mooty to the Dairy Queen System (undated)
and Follow-up Message from Chuck Mooty (undated)

DQOA Analysis:

1. It was the DQOA/DQOC that brought the issues addressed in the above referenced documents to the attention of the DQ system, not the FAC or SCAC. It is a shame that IDQ has used such a sham to take credit for these insincere documents.
2. These documents have been drafted to encourage you to believe that IDQ is making an outstanding commitment with regard to your suppliers. Don't believe it for one minute.

Why?

1. The "margins" do not include any cap on mix or meat, novelties, IDQ supply products, uniforms and items not used in the operation of an outlet. What are these? Like DQ mix, this does not apply to Orange Julius compound. You agree to IDQ's formula if you sign.
2. Does not include equipment.
3. Does not cover vendor marketing funds, which are routed directly to the NMF over which you have no say, no accountability and no criteria for measuring performance. (Customer counts for five years and only poor excuses.)
4. These documents, if signed by you, commit you to the IDQ margin formula and such commitments as Instill (over \$600,000), obsolescence (\$300,000) and anything else that IDQ decides to throw in this category. The IDQ schedule of reductions, margins, and other charges is not worthy of your consideration.
5. Margins by Average. You can figure this one out yourself- an average margin can include a combination of small margins for big volume items and this gets IDQ whatever average it wants.
6. If IDQ sells USCI, like the equipment division, you have no say and no control.

Conclusion:

1. Don't play in this game - IDQ wants single sourcing by eliminating the DQOA/DQOC.
2. IDQ can sell USCI without your approval and will get a kickback, etc. like the Wasserstrom deal on equipment.
3. IDQ is still playing the 3 card monte game with you - you know I have a ball and 3 cups and you pick which cup I put the ball under - also known as the shell game.

Franchisees should not sign this document and should not allow the DQOC to be put out of business. Support the DQOA/DQOC, the people who have only one customer, the DQ franchisee, and one goal – To protect the DQ franchisee. Support the DQOA/DQOC and the programs that you can trust.

- DQOA/DQOC Board of Directors