



# NEWS ALERT

Dear Dairy Queen Franchisee,

We're writing to introduce you to our first edition of a monthly "news alert" from your Dairy Queen Operators' Association, Inc. (DQOA) board of directors. This news alert is part of DQOA's commitment to keep our members up-to-date and well-informed about our grassroots campaign to protect your equity in your Dairy Queen stores by renegotiating International Dairy Queen's (IDQ) "Concept Evolution" business model.

As many of our members know, IDQ's business plan is already harming the businesses of many loyal DQ franchisees who helped build the Dairy Queen empire. Over the next 10 years, according to IDQ, all Dairy Queen stores will be converted to either a "Grill and Chill" concept or a "Treats" concept store. DQOA understands that IDQ has the right to make changes to its business model, but the current conversion process threatens to put many franchisees out of business and to suck the equity out of many that remain. Indeed we have already seen that occur. IDQ seems determined to build new Grill and Chill concept stores within short distances of many franchisees' existing DQ stores.

It is urgent for the only organization looking out for Dairy Queen franchisees to be unified and strong. The DQOA campaign will call out the plight of thousands of threatened franchisees to IDQ management and Berkshire-Hathaway management, including Warren Buffet, as well as engaging media attention and select lawmakers. We will be pursuing a revised strategy from IDQ that will allow Dairy Queen operators to survive, prosper and continue to positively contribute to the Dairy Queen brand. No one begrudges Mr. Buffet earning a reasonable return on his investment in Dairy Queen, but making off with your equity in your Dairy Queen stores should not be how he does it.

DQOA has plans to be in Omaha, Neb., on May 1, for the Berkshire-Hathaway annual meeting at the Quest Center. Representatives of our association will be there to promote and publicize our cause with this important audience. We will update you about these activities in the next edition of the News Alert and on our Web site at [www.dqoa-dqoc.com](http://www.dqoa-dqoc.com).

We are interested in hearing from any of you who are interested in supporting this campaign. If you feel your business is being threatened, if you are concerned about your future, or if you'd like to get involved, please call our new hotline number at 866-572-1205.

One of the greatest and easiest things you can do to level the playing field and give DQ franchisees a voice in system decisions is to support the Dairy Queen Operators' Cooperative (DQOC) and buy as much of your store's needs from DQOC as you can. A strong co-op will ensure a healthy organization that can continue to fight for your survival and prosperity.

DQOA believes that any changes IDQ makes must include protection for the DQ franchisees, whose hard work and investment has made Dairy Queen the respected system that it is today. Please join us in this campaign for fairness and constructive change. Together, we can ensure that one of America's favorite brands will not be lost to big business.

Signed,

DQOA Board of Directors

*Rick Brandes, President*

*Kevin Allen, Vice President*

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1580 White Oak Drive, Suite 285, Chaska, Mn 55318