

NBVA national bulk vendors association

newsletter

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Message From the President

Greetings to you all!

This issue is in many ways one of the most important issues of the year, in that it includes many of the details for the upcoming annual NBVA convention, held this year in Las Vegas,

one of the most exciting trade show cities in the world! In addition to the convention information, we've included information on our new "coupon book" – a special new value-packed benefit for current and new NBVA members, a special safety update that includes new information on lead, and a series of other important pieces of information. We are also, based on demand, re-running some of the information on the new health care benefits for NBVA members we released in the last newsletter.

Viva Las Vegas!

We've all heard the expression, "What happens in Vegas, stays in Vegas," and here at the NBVA, we've adopted a similar saying for our upcoming annual convention: "What happens in Vegas, will be good for your business!"

And though that may be a touch on the humorous side, it couldn't be more accurate – the convention is so important for everyone who attends, from the business-mingling events to the seminars to the opportunity to check out the latest and greatest in new products and services. Inside this newsletter you'll find four inserts for you to use to register in advance for your hotel rooms, the convention, the golf tournament and the tennis tournament. And see page 2 and 3 of this newsletter for more extensive information on the show itself, what seminars and special events will be held, and some general information on what to do at the Caesar's Palace resort while you're in town for the convention.

A personal thank you to Steve Siegel, president of the Great American Vending Machine Co., Inc., and our convention workshop chairman, who has worked diligently to pull together a fantastic line-up of business-building seminars for the 2006 convention.

Special Coupon Book for NBVA Members

Designed to bring additional value to members of the NBVA, a special "coupon book," or compilation of thousands of dollars worth of savings

from suppliers across the industry, has been introduced for use throughout the 2006 year. Your copy of this special coupon book of values is included with this copy of the newsletter. New members throughout the 2006 year will receive a copy of this coupon book as well.

I would also like to extend a very special thank you to all the suppliers who participated in this major initiative to help make it a success. A list of those suppliers is included on page 3 of this newsletter, as part of a more expansive story on the new coupon book.

Special Legislative Update

As you all know, we consistently do our best to provide you with as much information on legislative issues as possible, and on page 4 of this edition we offer two new important pieces of information on the topic of lead: the conclusion of a large-scale lead case in relation to lead used in toy jewelry, and some new safety guidance information on the issue we introduced several months ago, regarding lead in imported candy.

Health Care Benefits for Members

As I mentioned, we are re-running some of the information on the new health care benefits for members again in this newsletter, to provide a brief overview of the plan information. If you have any comments or questions or feedback in general on the new program, please do not hesitate to let us know. We created the program with your businesses in mind, and we want to know if it is filling a niche need for you and your employees, as it was designed to do.

And finally, I hope to see you all at the annual convention in April!

Best regards,

Daniel L. Case
NBVA President



United effort for individual security

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VIVA LAS VEGAS!

What Happens in Vegas, Will Be Good For Your Business!

To make advance planning for the annual convention, special events and travel accommodations as simplified as possible, we have pulled together as much relevant information as possible here, to help you plan your trip and make the most of your stay in Las Vegas!

The Convention:

Held at Caesar's Palace this year in the Caesars Events Center (main convention exhibition floor) from April 20 through 22, the convention will feature the newest products and services from industry suppliers, and we expect this year to see a wider range of new exhibitions than ever before!

Exhibit floor hours will be:

Thursday, April 20	10:00 am – 4:00 pm
Friday, April 21	10:00 am – 5:00 pm
Saturday, April 22	11:30 am – 3:00 pm

In addition to the new exhibits and displays, our convention workshop chairman, Steve Siegel, has pulled together a fantastic list of seminar topics that are sure to provide some key business-building advice for attendees. Held throughout the day on Friday, April 21 in the Caesars Event Center (off the main exhibition floor), a preliminary seminar list includes:

- **The Third NBVA Special Film** – Having served as the past two years' kick-off convention event, the film will provide an inside look at a successful bulk vending machine company and more.
- **New Products on the Horizon** – A panel of leading industry product manufacturers and distributors will discuss what the future holds from a product standpoint. Panel participants include: Phil Brilliant, A & A Global Industries; Marlene Campbell, Toy 'n Joy; Dax Logue, Brand Imports; Tom Paszkiewicz, Cardinal Distributors; Peter Becker, What's Up, LLC; and Ryan Burns, Flatline Corporation.
- **The World's Leading Bulk Vending Machine Manufacturers Discuss Future Machine Design Innovations.** A perfect follow-up to what's in store from a product standpoint, a panel of leading machine manufacturers will discuss what the future holds from a machine manufacturing standpoint. Panel participants to include: Bernie Schwarzli, Beaver Machine Corp.; Jim Hinton, Oak Manufacturing Company; and Diane Olson, The Northwestern Corp.
- **Amazing New Coin Counting and Computer Technology Presented by the Leading Manufacturers.** And wrapping up the trio of future-forecasting seminars, a panel of leading manufacturers will discuss what to watch for from a technology standpoint. Panel participants to include: Jens Ronneberger, SmartMech Corp.; Elliott Porco, Nova Resolutions, Inc.; and Jim Clyne, Nevada Vending and Amusements.
- And finally, a **Panel of Representatives from the World's Leading Bulk Vending Machine Companies will discuss major issues of today to include Profitability, Acquisitions, Pricing, Commissions and Sales Tips.** Participants TBD.

The Exhibitors' Sponsored Party will be held on Friday evening, April 21, from 6:00 to 11:00 pm in the Emperors Ballroom, and the Association dinner will be held after the closing of the show on Saturday evening, April 22, from 7:00 to 11:30 pm. The famed Night Rockers, a band comprised of all NBVA members, will provide the entertainment following the Association dinner.

For your added convenience, we have prepared and included a form with this newsletter to allow you and your employees to register in advance for the convention. This will ensure you can avoid long lines and hit the show floor as quickly as possible!

Convention Special Events:

To provide attendees with the opportunity to mingle with other industry professionals, two special events have been arranged, a golf tournament and tennis tournament. Details for each are as follows:

• The Golf Tournament

This year's golf tournament will start at 1:00 pm on Wednesday, April 19, at the Silverstone Golf Club in Las Vegas. Transportation will be provided by Brand Imports LLC, and the green fees and carts will be sponsored by Concord Confections, a division of Tootsie Roll Industries. Sponsors are still needed for hole prizes, giveaways for carts and team prizes. If you are interested in being a sponsor, please contact Ken Recker of Vendomatic, the golf chairman for this year's convention.

• The Tennis Tournament

This year's tennis tournament will be held at 2:30 pm on Saturday, April 22 at the Flamingo Hotel, across the street from Caesars Palace.

Players of all skill levels are encouraged to attend, and will be able to participate on a first come, first serve basis. As tennis chairman, Tom Theisen of Theisen Vending will pair participants based on experience and skill level. And we are excited to announce that once again, sponsor Oak Manufacturing will provide trophies to commemorate the event.

For your convenience, an advance registration form for both the golf and tennis tournaments are included with this newsletter. If you are interested in participating, please fill out the accompanying forms, and return them to the NBVA offices.

Travel Accommodations: Hotel Information:

Caesar's Palace has provided us with discounted room rates in conjunction with the convention, and rate information is as follows: a "run of the house" room is \$167 per night for both single or double occupancy, plus tax. Suite room rates are as follows:

Petite • \$285	Deluxe • \$550	
Double Bay • \$750	Royal • \$850	King • \$2,500

Check-in time is 3:00 pm on Monday through Thursday and 5:00 pm on Friday through Sunday. Check-out time is 12:00 noon. Guests checking out after 12:00 noon may incur late charges.

Reservations can be made directly to the Room Reservations Department, at (702) 731-7222 or (800) 634-6661 (fax number for reservations is: (702) 731-7172)). To ensure the correct discounted room rate, you will need to identify yourself as a member of the NBVA. The cut-off date for accepting room reservations is March 17, 2006. Any requests after that date may be accepted by the hotel on a space available basis at the current going rate.

Hotel policy requires reservations be made with a one night deposit, plus tax, by check or credit card for each room reserved. Cancellations received up to 72 hours prior to arrival will receive a refund of the deposit. Cancellations within 72 hours prior to arrival and "no shows" will be charged one night's room rate and tax.

Caesar's Palace is located at 3570 Las Vegas Boulevard South, Las Vegas, Nevada 89109.

What To Do at Caesar's Palace



Caesar's Palace is a world-class resort that features a bevy of amenities for you to enjoy while at the convention, including:

SPA, SALON AND FITNESS CENTER

Relax and indulge with a comprehensive array of spa and salon services and an aerobic/yoga studio with personal training available. Customized spouse programs are available.

GARDEN OF THE GODS POOL OASIS

Surrounded by green lawns, fountains and marble statues, enjoy the four on-property sapphire pools and two whirlpool spas.

ENTERTAINMENT

Setting the gold standard for entertainment and events, Caesars Palace has built its global reputation with a roster of superstar performers and legendary sports champions. The permanent daily entertainment features include: Celine Dion in concert (blackout dates each Monday and Tuesday).

More event information can be found on the hotel event web site, located at: <http://www.caesars.com/NR/exeres/4D88E7DDA458-4BA6-892B-F6D47FC7A976.htm>.

GOLF

Rio Secco Golf Club is an 18-hole, par 72 Rees Jones designed course located just a short drive from the Las Vegas Strip, and is available to conference attendees on an individual basis or for group outings.

Cascata Golf Club, Italian for "waterfall," is aptly named. A 418-foot waterfall flows from the steep mountainside, tumbling over mammoth boulders, cascading into a river that roars through the clubhouse. Located just 30 minutes from the Las Vegas Strip, Cascata is an 18-hole par-72 course.

GAMING

After a productive conference day, guests can enjoy the fun and excitement of live-action gaming in one of the casinos, located separately from guest rooms and conference space.

SHOPPING

At Caesars Palace, you'll find more than 140 shops in two elegant settings:

The Forum Shops at Caesars: "The Shopping Wonder of the World" – The names on the storefronts are legendary, and the merchandise is the best the world has to offer, from Gucci, to Louis Vuitton, to Harry Winston and Christian Dior.

Appian Way – Marked by a stunning full-sized replica of Michelangelo's David, the Appian Way offers nothing less than the classic Caesars Palace shopping experience.

For more hotel information, please visit the resort website at www.caesars.com/Caesars/lasvegas.



NBVA Announces Its First-ever "Coupon Book"

A New Value-Added Initiative for Members

To support the business efforts of our current and new members, we are introducing a new membership benefit – a collection of coupons from industry suppliers – that packages thousands of dollars of savings on industry purchases into one collection or "book" of values. Your copy of the new NBVA coupon book is included with this issue of the NBVA newsletter.

NBVA executives Bernie Schwarzli, president of Beaver Machine Corporation, and membership chair of the NBVA, and Neel Clark, proprietor of B.C. Sales and Marketing, have assimilated coupons that represent values from industry suppliers with such diverse offerings as:

- Plush products
- Toy products
- Flat vend products
- Confectionary products
- Machine manufacturing
- Replacement machine parts
- Machine locks

We plan to make this value-added benefit available to current and new members throughout the 2006 year, and we have calculated that for many members, the values represented in the coupon collection can actually offset membership dues.

Participating companies include the following:

- Beaver Machine Corporation
- Brand Vending
- Camlock Systems
- Cardinal
- Carousel
- Coast to Coast Entertainment
- Cutting Edge Industries (CEI)
- Fischer D
- Five Star/TJ King
- Flatline
- Global Gumball
- Impulse Industries
- Northwestern
- Oak Leaf Confections
- Oak Manufacturing
- OK Manufacturing
- Peek-A-Boo Toys
- Playmation
- SSM Vending
- Toy 'n Joy
- VenDynamics
- What's Up, LLC

Healthcare Information for NBVA Members!

First announced in the last issue of our newsletter, the NBVA has worked with Aegis Administrative Services, Inc. to provide an affordable healthcare solution in the form of a Mini-Med plan, created exclusively for the NBVA and its member network.

The Mini-Med plan presented by Aegis Administrative Services, Inc., offers a basic, beginning level of healthcare coverage, at an affordable cost for small business owners or even individuals. The plans offer the basic range of necessities:

- Doctor visits
- Out-patient X-rays and lab work
- Surgical benefits

In addition, there are no deductibles or coinsurance dollar amounts to pay; rather the Mini Med plan provides subscribers with a payout of a specified dollar amount for benefits covered. For example, one person's plan option may allow them four doctor's office visits per year, at \$100 provided to them for each visit, whether the doctor's visit is \$70 or \$110. That dollar amount is paid directly to the subscriber, not the doctor's office.

Another benefit of this Mini Med plan is total freedom of choice in regards to healthcare providers; there are no "out of network" charges.

In addition to the basic healthcare coverage options and benefits, Aegis Administrative Services, Inc. has also bolstered the Mini Med healthcare plan options to include discount benefits for access to dental, vision, pharmacy, tax and legal programs. These discount programs do not represent insurance, per se, but rather offer the subscriber moderate to significant discounts for benefits at the time of service. The benefit of such discount programs include:

- A minimum of limitations or exclusions
- No annual premiums or maximums
- No predetermination of benefits required
- No claims forms
- No waiting periods
- Covers anyone in the household (there are limitations on this for some plans)
- No deductibles or co-insurance factors
- No referral required to see a specialist; and a minimum 15 percent discount off the specialist's usual and customary rate (UCR) will apply
- No pre-existing conditions apply

For added convenience, NBVA members can find additional information and enroll in the Mini Med and discount programs at a special website for NBVA members: www.nbvahealth.com.

Industry Legislative Update on Lead Issues

As we continue to monitor news, legislature and governmental action surrounding our industry, there are two new pieces of new information to pass along to you regarding the topic of lead: the first represents another victory in the lead debate over acceptable lead levels in toy jewelry, and the second is some additional information on a topic we introduced several months ago – a new FDA guidance surrounding lead in imported candy.

New Information on Lead Content in Toy Jewelry: The Proposition 65 Lead Case Has Been Settled!

We are pleased to report that the conclusion of the Proposition 65 lead case that began in June 2004 has resulted in some positive outcomes for the bulk vending industry:

- The Center for Environmental Health in California and the Attorney General have followed the Consumer Product Safety Commission (CPSC) and approved the same 0.06% (600 ppm) standard for lead content in toy metal jewelry.
- As long as a supplier complies with this lead content limit, there is no need to post lead warnings on bulk vending machines, which will reinforce the confidence of retailers in the safety of bulk vending products.

However, there are still different standards and tests applied to various product categories. The standard for metal (plated and unplated) for children's products (i.e. products for children aged 6 and under) is 0.06% (660 parts per million), the same standard adopted last year for toy jewelry products by the CPSC. This same 0.06% limit under the California settlement applies to plastic and rubber components, dye and surface coatings, but for plastic and rubber components this standard will be reduced to 0.02% (200 ppm) after December 31, 2008. The standard for metal and surface coatings in children's products will stay constant at 0.06%.

And to assist manufacturers and distributors who are conducting or monitoring product testing as outlined by the four specific lead-content

tests established by the CPSC in July of 2004 (including a total lead content test, acid tests, white test and saline test), the CPSC has now issued a new, detailed compilation that specifies exactly how to conduct each test.

A copy of this new compilation has been sent to all NBVA suppliers to assist them in understanding these new testing procedures, and ensure that their testing laboratories are adhering to the CPSC enforcement policy and methods. If you have not received a copy of the new CPSC compilation, please contact the NBVA office directly and we will send one out to you.

An Update: Lead in Imported Candy

Several months ago we released information on an issue surrounding imported candy, and the high content of lead that some of it contained. As a result of findings that demonstrated a need for tighter enforcement, the U.S. Food and Drug Administration (FDA) issued a new draft Guidance on December 22, 2005, reducing the level of acceptable levels of lead in candy from .05 parts per million (ppm) to .01 part per million.

Acting FDA Commission Dr. Andrew von Eschenbach announced that the new Guidance will further reduce what is an already minimal risk from lead exposure in candy. While most domestic and imported candies contain lead levels of .01 ppm or less, the FDA gathered samples of imported candy from Mexico which when tested, revealed that certain ingredients (chili powder and certain types of salts) often used in these candy products can be a source of lead exposure.

In addition, the FDA is concerned that certain manufacturing processes or conditions may also contribute to elevated lead levels in some of these candies, such as packing products or storing ingredients in improperly glazed ceramic vessels that may leach high levels of lead into the product.

The FDA has solicited comments to the draft Guidance and plans to issue a final Guidance document later this year. We will continue to monitor this issue, and give you more information as it becomes available to us.