

ROUNDTABLE REPORT

Attendees of CSP's Liability and Risk Forum, held Aug. 20-22, 2008 in Seattle:

Protecting Your Business

2008 Product Liability and Risk Management Seminar

Knowledge &
Reaction Process
Critical Lessons



RETAILERS

Randy Moss
American Energy

**Elizabeth Bauer,
Becky Olsen, Matt Olson**
C&K Market

Stephen Seymour
Country Fair/United Refining Co.

Tammy Reed
Cross Petroleum

Paula Ruozi
Cumberland Farms Inc.

Jeff Warnick
Fabulous Freddy's

Ira Morris Jr.
Faw Cos.

Fred Faulkner
Jaco Oil Inc.

Todd Jenney
Martin and Bayley Inc.

Nancy Couch
Maverik Inc.

Kiran Asher
McAsher Inc.

Cathy Shaheen, Tony Shaheen
MCM Investments Inc.

Nasir Cheema
NSR Petro Services LLC

Mark Conan
Plaid Pantries Inc.

Rob Razowsky
Rmarts LLC

Mary Anne Macica
Stewart's Shops Corp.

David Bridgers
Thorntons Inc.

Kim Lamping
United Dairy Farmers Inc.

SPONSORS

**Steve Burkhart,
Pat Cordle, Ron Weingarten**
BIC Corp.

Scott McDowell
Gilbarco Veeder-Root

Curtis Smith
Medcor Inc.

SUPPLIERS & GUESTS

Bob VandePol
Crisis Care Network

Bruce Blythe
Crisis Management International

Manuel Saldana
Gordon & Rees LLP

David H. Baker
Law Offices of David H. Baker LLC

REDUCE YOUR RISK

Protecting customers and assets in times of crisis

"This is our sixth year of presenting this [forum], and there has been a common theme: the changing landscape of product-liability law," said Steve Burkhart, vice president and assistant general counsel for BIC Corp., Shelton, Conn. "Manufacturing often takes place somewhere else, usually in Asia, and here you are in the United States selling a foreign made product. As the seller, you are every bit as responsible as the manufacturer."

"You'd be a great [target] because you have no way to defend yourself. And that can be a scary exposure for your company."

The concept of strict product liability law came into existence around 1964, according to Burkhart. Since that time, the American economy has evolved from one that's manufacturer-driven to a largely retailer-driven one, and the number of convenience stores has multiplied. Put another way, the proverbial target has shifted.

"It used to be you relied on manufacturer policies," he said. "The focus is more on the retailer than it ever has been. It's not just the industry seeing it this way, but the government is seeing it this way as well."

Retailers are obligated to inform the U.S. Consumer Product Safety Commission of injuries associated with "unreasonably dangerous" products sold in their stores. David H. Baker, president of the Law Offices of David H.



STAY SAFE: Steven Burkhart of BIC explains the importance of making sure the products retailers sell are safe. Under product-liability law, a retailer can be held accountable if a customer is injured by a product sold in its stores.

Baker LLC, Washington, D.C., which specializes in product recalls, suggested retailers pay close attention to customers who report problems with merchandise.

Hostile Territory

Burkhart also advised retailers to take initiative by checking their suppliers' proof of compliance with standards and regulations. It may not be a "get out of jail free card" if laws change, he said, but "at least it shows you're trying." But sometimes, despite good intentions, retailers still find themselves on the wrong end

of a product-related lawsuit.

Warnick of Fabulous Freddy's admitted to such a discussion being "a little overwhelming" and wondered if there were precautions he could take. "A distributor brings a lot of the product into our stores," he said. "Is it enough to get something from them, stating that the product is safe? Or do we need to go to BIC, Philip Morris, RJR and everyone else?"

Retailers could ask for a letter from distributors saying, "All products comply with federal and state laws and industry standards," according to Burkhart. "It shows that at least you made the effort." But no retailer, from the 1,000 store behemoth to the single-store operator, is completely safe from potential litigation.

RETAILERS BEWARE



NEWS RELEASE...

United States Senate FOR IMMEDIATE RELEASE

July 31, 2008

CONTACT: Jennifer Hoelzer (Wyden): (202) 224-3789,
Jen Barita (Collins): (202) 224-2523, Bryan DeAngelis (Dodd): (202) 224-2823

Wyden, Collins, Dodd Seek Ban on Dangerous Novelty Lighters

Toy look-a-likes cause severe injuries and death to children

WASHINGTON, DC – Responding to calls from fire prevention and child safety groups across the country, U.S. Senators Ron Wyden (D-Ore.), Susan Collins (R-Maine), and Chris Dodd (D-Conn.) today introduced the “Protect Children from Dangerous Lighters Act” legislation banning cigarette lighters constructed to look like toys or regular household items. Commonly referred to as “novelty lighters,” the toy-like devices, which naturally appeal to small children, have been the cause of deadly fires across the country.

“Because they are so well disguised as toys, novelty lighters have children literally playing with fire,” said Wyden. “A nationwide ban, which is supported by fire fighters and consumer groups alike, is the best way to keep these dangerous products out of the hands of youngsters.”

Senator Collins said, “Novelty lighters can be deadly to young children and should be banned. While Maine is among states that have already approved such a ban, the ban should be nationwide. This is commonsense legislation that could help prevent additional injury and death of children resulting from lighters that look like toys or other items.”

The lighters have caused tragic accidents across the country. In Oregon, one boy died and another sustained permanent brain damage after the two played with a novelty lighter shaped like a dolphin. A lighter shaped like a cell phone caused second degree burns to a young boy in North Carolina. In Arkansas, a two year old and 15-month old died in a fire they accidentally started by playing with a lighter shaped like a toy motorcycle.

The ban would require the Consumer Product Safety Commission to treat novelty lighters as a banned hazardous substance which would prohibit the manufacture, importation, or sale of the lighters anywhere in the country. Currently the lighters are easily purchased in convenience stores in many states, though Maine and Tennessee have passed novelty lighter ban legislation and similar bans are being introduced in other states, including Oregon. A ban is also in place in the European Union.





BE SECURE. SELL ONLY THE BEST.

70% of Chinese cigarette lighters tested by the U.S. Consumer Product Safety Commission failed to meet safety standards.*

BIC® Lighters meet all applicable U.S. laws and industry standards.

Demand that all the lighters you sell are child-resistant and meet all applicable industry safety standards.



vs. the next leading brand**

*U.S. Consumer Product Safety Commission, Cigarette Lighters Status Report, October 2006, ASTM F400 Lighter Standard

**BIC Internal Testing and IRI FDMX 52 Weeks ending March 9, 2008.