

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

Gerald A. Marks, Esq. (*Pro Hac Vice* Forthcoming)  
Evan M. Goldman, Esq. (*Pro Hac Vice* Forthcoming)  
63 Riverside Avenue  
Red Bank, New Jersey 07701  
Telephone: (732) 747-7100  
Facsimile: (732) 219-0625  
jerry@marksklein.com  
evan@marksklein.com

**SCHINDLER LAW GROUP**

Eric Schindler, Esq. (State Bar No. 141386)  
20321 SW Birch Street, Suite 200  
Newport Beach, California 92660  
Telephone: (949) 483-8700  
Facsimile: (949) 464-9714  
eric@schindlerlaw.net

Attorneys for Plaintiff

ADNAN KHAN

**UNITED STATES DISTRICT COURT FOR  
THE CENTRAL DISTRICT OF CALIFORNIA  
EASTERN DIVISION**

ADNAN KHAN,

)  
)  
)  
)  
)  
)  
)  
)  
)  
)  
)

Case No.

Plaintiff,

7-ELEVEN INC., a wholly-owned subsidiary of SEVEN-ELEVEN JAPAN CO. LTD., a wholly-owned subsidiary of SEVEN AND I HOLDINGS CO. LTD,  
Defendant.

**VERIFIED COMPLAINT FOR VIOLATION  
OF THE CALIFORNIA UNFAIR  
BUSINESS PRACTICES ACT,  
VIOLATION OF THE CALIFORNIA  
ANTI-STALIKING STATUTE, AND  
INTENTIONAL INFLICTION OF  
EMOTIONAL DISTRESS**

## DEMAND FOR JURY TRIAL

COME NOW the Plaintiff, ADNAN KHAN (hereinafter “Andy,” “Khan” or “Andy Khan”) and for his Complaint against Defendant states as follows:

## **INTRODUCTION**

1  
2       1.       This is an action for illegal surveillance, franchisor abuse and the intentional  
3 infliction of emotional distress.

4       2.       Specifically, it is an action for: (i) Violation of the California Unfair Business  
5 Practices Act; (ii) Violation of the California Civil Anti-Stalking Statute, and (iii) Intentional  
6 Infliction of Emotional Distress.

7  
8       3.       Defendant 7-Eleven, Inc., once a domestic icon, is now wholly owned and  
9 controlled by a Japanese corporation and is the largest convenience store chain in the world, with  
10 more than 31,000 locations worldwide. As a result of its Japanese parent's business model, 7-  
11 Eleven has changed its relationship with franchisees – going from a partnership to a authoritative,  
12 “big brother” dictatorship.

13  
14       4.       For almost thirty-four years, Andy Khan has successfully operated five 7-Eleven  
15 franchised stores in Southern California. Specifically, Andy has operated the following stores: (i)  
16 Store No. 25922 located at 1533 Peck Road, South El Monte, California 91733; (ii) Store No.  
17 14004 located at 1319 West Merced Avenue, West Covina, California 91790; (iii) Store No.  
18 14024 located at 12954 Bess Avenue, Baldwin Park, California 91796; (iv) Store No. 25051  
19 located at 12170 Ramona Boulevard, El Monte, California 91732; and (v) Store No. 22943 located  
20 at 1546 West Mission Boulevard, Pomona, California 91766 (collectively the “Stores”).

21  
22       5.       Since opening his first store, in South El Monte, California, Andy has operated as a  
23 stellar and tremendously profitable franchisee – for both his himself and 7-Eleven.

24       6.       Additionally, Andy is an active speaker on behalf of the 7-Eleven franchisee  
25 community.

26       7.       Andy was one of the founding members of a national 7-Eleven Political Action  
27 Committee (“PAC”), served as President of the PAC from 2000 to 2007, and as Chairman from  
28

1 2007 to 2009. Andy currently serves as Past President of the PAC. Additionally, Andy is an active  
2 member of three regional 7-Eleven Franchise Owners Associations (“FOAs”), where he served as  
3 various Boards of Directors for six years.

4 8. The 7-Eleven PAC is intended to give franchisees a “voice” to address issues and  
5 concerns they face in the day-to-day operation of their respective 7-Eleven stores.

6 9. The 7-Eleven PAC also works to protect the civil and constitutional rights of 7-  
7 Eleven franchisees by educating them of those rights.

8 10. As 7-Eleven is aware, and upon information and belief, a majority of 7-Eleven  
9 owners are immigrants to the United States and do not fully understand their rights under United  
10 States law.

11 11. The 7-Eleven PAC also builds and maintains relationships with key members of  
12 City, State and Federal governments.

13 12. In recognition of his dedication to the PAC, and his stellar record as a franchisee,  
14 Andy was awarded the 2008 Franchisee of the Year Award by his fellow franchisees. Attached  
15 hereto and incorporated herein as Exhibit A is a true and correct copy of the Award.

16 13. Today, Andy serves as a key advisor to all Southern California FOA Presidents.

17 14. Upon information and belief, as a result of Andy’s active involvement in the PAC  
18 and various FOAs, he has been targeted by 7-Eleven for termination.

19  
20  
21 **JURISDICTION AND VENUE**

22 15. This Complaint has jurisdiction over this action pursuant to 28 U.S.C. § 1332  
23 (diversity).

24 16. Venue is proper in this District pursuant to 28 U.S.C. § 1391(a) and (b).

25 17. The amount in controversy on each of these counts set forth below exceeds the sum  
26 of \$75,000 exclusive of interest and costs.  
27  
28

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

2

3  
4

## 6

7  
89  
10

11  
12  
13  
14

15  
16  
17  
18  
19  
20  
21

22  
23  
24

25  
26  
27  
28

1           26.     The mission and ongoing purpose of the 7-Eleven PAC is to give 7-Eleven  
2 franchisees a forum to address issues and concerns that affect them in their day-to-day store  
3 operations.

4           27.     In or around September 2013, Andy received a Certificate of Congressional  
5 Commendations for the Watt-South Angeles Teen Community Response Team. Attached hereto  
6 and incorporated herein as Exhibit F is a true and correct copy of the Certificate of Congressional  
7 Commendations.  
8

9                               **7-ELEVEN'S MISUSE OF ITS EMPLOYEES**

10           28.     Upon information and belief, 7-Eleven has instituted a nationwide scheme to  
11 improperly intimidate and terminate long-term franchisees, with the goal of acquiring their  
12 successful stores.

13           29.     Upon further information and belief, 7-Eleven's intimidation and termination  
14 efforts are primarily focused on the states of New York, New Jersey and California.  
15

16           30.     To achieve their goal of improperly terminating franchisees, such as Andy, 7-  
17 Eleven uses coercive and unlawful interrogation techniques, and has resorted to stalking  
18 franchisees.

19           31.     The sole purpose of acquiring franchisees' stores, such as Andy's – albeit through  
20 illegal means – is to "take back" the stores, at no cost, with the intent to ultimately re-sell the  
21 store, for a fee, to a third party purchaser.  
22

23           32.     7-Eleven hired more Asset Protection employees than any other company in 2013.  
24 Attached hereto and incorporated herein as Exhibit G is a true and correct copy of a News Brief  
25 from D&D Daily.

26           33.     7-Eleven hired approximately thirty-five Asset Protection employees.  
27  
28

1           34.     7-Eleven uses its Asset Protection/Loss Prevention (“AP/LP”) Department as a  
2 profit center to realize a significant return on its investment in hiring large numbers of Asset  
3 Protection employees.

4           35.     The pressure to provide a return on the AP/LP Department investment is  
5 tremendous.

6           36.     Upon information and belief, 7-Eleven has instituted quotas to the AP/LP  
7 Department which, in turn, causes the AP/LP employees to bring dubious and fabricated charges –  
8 based on unlawful and intimidating searches of franchisees, such as Andy.

9           37.     Upon further information and belief, 7-Eleven’s efforts are primarily focused on  
10 FOA, PAC and/or Community Leaders.

11           38.     Converse to 7-Eleven, most retailers use their asset protection departments in a  
12 “non-productive” manner, trying to limit losses from theft and shrinkage.

13           39.     However, 7-Eleven uses its AP/LP Department as a “productive work center” by  
14 taking back franchises at no cost – only to resell them for a large fee.

15           40.     7-Eleven’s efforts to terminate franchises and take back stores has been  
16 tremendously profitable for 7-Eleven.

17           41.     Upon information and belief, the amount received by 7-Eleven in reselling taken-  
18 back stores is in excess of ten million dollars.

19           42.     Andy’s Stores are all located in primary target areas for 7-Eleven’s unlawful  
20 investigations.

21           43.     When Mark Stinde (“Stinde”), Vice President of Asset Protection for 7-Eleven, was  
22 given permission by 7-Eleven to hire the aforementioned AP/LP Department employees, the  
23 positions were not posted publicly.

44. The purported reason for the secretive hirings was to provide 7-Eleven with a secretive opportunity to investigate franchisees, and preserve the “element of surprise” when an increased quantity of stores began being taken back.

45. When Stinde hired the new AP/LP Department employees, the vast majority of them were given assignments in two nearly-created divisions: (i) the Centralized Investigations Team (“CIT”); and (ii) the Profit Assurance Team, a **mobile surveillance team**.

46. Upon information and belief, 7-Eleven used its CIT and mobile surveillance teams to stalk Andy.

## STALKING ANDY KHAN

47. Despite being a stellar franchisee and community leader, 7-Eleven has resorted to harassing tactics in an effort to force Andy into abandoning his Stores.

48. On or about October 2013, Andy noticed a white vehicle (the “White Vehicle”) frequently appearing during his travels.

49. His Operations Manager, Pauline Slyker (“Pauline” or “Skyler”), also noticed the White Vehicle.

50. As a 2012 graduate of the Federal Bureau of Investigation's ("FBI") "Citizens Academy," Andy acquired a very particular set of skills in the art of surveillance.

51. Andy noticed the White Vehicle following him and Slyker when they would travel, especially when they went to the bank to make large deposits of cash from his Stores.

52. Oddly, Andy and Skyler noticed that the White Vehicle would not appear when their cell phones were turned off.

53. Rather, only when Andy and Slyker's phones were active would the Vehicles appear.

1           54.     It was this fact that led them to believe that the stalker was finding their location by  
2 way of an elaborate GPS-tracking system.

3           55.     Fearful of being robbed and concerned for each other's safety, Andy and Skyler  
4 began to travel together when making their rounds from Store to Store.

5           56.     In an unsuccessful attempt to evade the White Vehicle, Andy and Skyler alternated  
6 their routes from day-to-day.

7           57.     Despite their valiant efforts, the White Vehicle continued following Andy and  
8 Skyler.

9           58.     After countless encounters with the White Vehicle, and in an effort to unmask the  
10 driver, Andy and Slyker began to follow the White Vehicle.

11           59.     During one these efforts, Slyker was able to capture a photograph of the White  
12 Vehicle's license plate. Attached hereto and incorporated herein as Exhibit H is a true and correct  
13 copy of the Photograph.

14           60.     In fact, Andy and Slyker chased the driver into a parking facility and the driver  
15 exited the vehicle and ran off.

16           61.     On or around October 10, 2013, Andy and Slyker contacted 7-Eleven Field  
17 Consultant Dennis Urrutia in order to bring the stalking incidents to his attention.

18           62.     During the in-person meeting, on or about January 8, 2014, Andy described the  
19 incidents to Urrutia, Skyler and 7-Eleven Field Consultant, Michelle Moore. Andy's cries for help  
20 fell on deaf ears.

21           63.     Subsequently, on January 13, 2014, Andy filed a police report with the Baldwin  
22 Park Police Department ("BPPD"), advising the BPPD of a person stalking him and Skyler (the  
23 "Police Report"). Attached hereto and incorporated herein as Exhibit I is a true and correct copy of  
24 the Police Report.



1           64.     As part of filing the Police Report Andy provided the BPPD with a license plate  
2 number and description of the individual following them.

3           65.     As stated in the Police Report filed with the BPPD, the person following Andy and  
4 Skyler as a Caucasian male, approximately 5'7" to 5'9" in height, with a bald head, a goatee or a  
5 small beard about 3 to 4 inches long, weighed approximately 180 to 220 pounds, and had a very  
6 short neck, round face and stocky build. During the second stalking encounter, the person stalking  
7 Andy and Skyler was wearing a Hard Rock Cafe white t-shirt and blue jeans.  
8

9           66.     On or about January 15, 2014, Andy arrived at his 1533 Peck Road store at 8:00  
10 a.m. After spending approximately fifteen minutes in the Store, he noticed a black vehicle (the  
11 "Black Vehicle") parked across the street from the store.

12           67.     While Andy began going from one Store to another, he was followed by the Black  
13 Vehicle.  
14

15           68.     While en route, Andy turned off his cellular telephone and attempted to lose the  
16 Black Vehicle by changing the Store he was in route to.

17           69.     After arriving at the Whittier Boulevard store, Andy powered his cellular telephone  
18 back on. Approximately five to ten minutes after arriving at the Whittier Boulevard store, the  
19 Black Vehicle arrived at the store and proceeded to park outside the front entrance.  
20

21           70.     Upon walking out of the Whittier Boulevard store, Andy attempted to approach the  
22 Black Vehicle. Upon seeing Andy approach, the Black Vehicle drove out of the parking lot.

23           71.     While walking towards the Black Vehicle, Andy was able to confirm that the driver  
24 was the same person who had been driving the White Vehicle.

25           72.     Subsequently, on or about January 18, 2014, Andy observed the same driver sitting  
26 in a brown vehicle (the "Brown Vehicle") in the parking lot outside a CVS Pharmacy Andy was  
27 patronizing on Nogales Street.  
28

1           73.     When the driver saw Andy, the driver accelerated the Brown Vehicle, driving  
2 directly towards Andy.

3           74.     Despite Andy's efforts to avoid the vehicle, the vehicle brushed up against him,  
4 rubbing against his pants, and causing Andy to fall backwards to the floor.

5           75.     Given the close proximity between Andy and the Brown Vehicle, Andy was able to  
6 confirm that it was the same person who had driven the Black and White Vehicles.

7           76.     On this occasion, the driver was wearing a red-, black- and white-colored bandana  
8 skullcap.

9           77.     Upon information and belief, the driver was attempting to hit Andy with the Brown  
10 Vehicle. Upon further information and belief, this was in retaliation for Andy filing the Police  
11 Report with the BPPD.

12           78.     After this third, near-fatal experience, Andy brought the repeated incidents to  
13 Dennis Urrutia's attention.

14           79.     Upon information and belief, the person driving the White, Black and Brown  
15 Vehicles was a 7-Eleven employee and/or a Private Investigator hired by 7-Eleven or its  
16 employees.

17           80.     The injury inflicted upon Andy includes, but is not limited to, severe emotional fear  
18 and suffering, as well as persistent paranoia.

19  
20  
21                                   **7-ELEVEN'S MOTIVE**

22           81.     Upon information and belief, in stalking and attempting to injure Andy, 7-Eleven is  
23 executing a plan to remove 7-Eleven franchisees who are older – both in age and time as a  
24 franchisee.  
25  
26  
27  
28

1           82.     7-Eleven has a history of targeting FOA officers, outspoken 7-Eleven Operators,  
2 and “old school” franchisees who tend to be very vocal and influential within the retailer’s  
3 franchisee community.

4           83.     7-Eleven’s attempt to remove “old school” franchisee was described, in detail, in a  
5 Convenience Store News (“CSNews”) article. Attached hereto and incorporated herein as Exhibit  
6 J is a true and correct copy of the Convenience Store News article.

7  
8           84.     Upon further information and belief, 7-Eleven is attempting remove those  
9 franchisees that do not fit 7-Eleven’s current franchisee model.

10          85.     Andy is fifty-five years old, and has been a franchisee for nearly thirty-four years,  
11 making him a prime target of 7-Eleven and its discriminatory plan.

12          86.     7-Eleven’s attempts are exacerbated by the fact that Andy has been an extremely  
13 active member within the 7-Eleven franchisee community, as described in detail herein.

14          87.     Upon information and belief, 7-Eleven is trying to ensure that Andy is removed  
15 from the 7-Eleven system – either by choice or force.

16  
17          88.     Upon further information and belief, 7-Eleven is using similar tactics against other  
18 franchisees, which tactics include, but are not limited to, stalking, illegally gathering personal  
19 information, and fear-invoking maneuvers.

20          89.     Upon further information and belief, 7-Eleven is executing this discriminatory plan  
21 through its “Profit Assurance Team.”

22  
23                                   **COUNT ONE**  
24                   **VIOLATION OF THE CALIFORNIA UNFAIR BUSINESS PRACTICES ACT**  
                                  Cal. Bus. & Prof. Code §§ 17200, *et. seq.*

25          90.     Plaintiff repeats and re-alleges each and every allegation contained in the foregoing  
26 paragraphs of this Complaint as if set forth in full.

1           91.     California Business & Professions Code §§17200, *et. seq.* defines unfair  
2 competition as any unlawful, unfair, or fraudulent business act of practice.

3           92.     By the conduct alleged herein, Defendant has engaged and continues to engage in a  
4 business practice that violates California law, including but not limited to, conducting private  
5 investigations by way of unlicensed private investigators within the State of California.

6           93.     California Business and Professional Code 7521 defines a private investigator as  
7 any person “who, for any consideration...whatsoever engages in business or accepts employment  
8 to furnish, or agrees to make, or makes any investigation for the purpose of obtaining, information  
9 with reference to...the identity, habits, conduct, business, occupation, honesty, ... knowledge, ...  
10 whereabouts, ... associations, ... acts, reputation, or character of a person.

11           94.     Under California Business and Professional Code 7520, a private investigator must  
12 be licensed by the California Bureau of Security and Investigative Services (“BSIS”).  
13

14           95.     Upon information and belief, Defendant has failed to comply with the licensing  
15 provision of California Business and Professional Code 7520 and 7528.  
16

17           96.     A licensing violation, such as the one at issue, is considered an unlawful, unfair or  
18 fraudulent business act or practice act as defined under California’s Unfair Business Practices Act.

19           97.     As a direct result of Defendant’s misconduct, Plaintiff Andy is entitled to a  
20 preliminary and permanent injunction.  
21

22                               **COUNT TWO**  
23                               **VIOLATION OF CALIFORNIA’S ANTI-STALKING STATUTE**  
24                               Cal. Civ. Code § 1708.7, *et seq.*

25           98.     Plaintiff repeats and re-alleges each and every allegation contained in the foregoing  
26 paragraphs of this Complaint as if set forth in full.

27           99.     Defendant’s conduct alleged herein clearly shows a pattern of conduct implemented  
28 with the intent to follow, alarm or harass Andy.

100. Defendant made “credible threats,” placing Andy in reasonable fear for his safety, by way of Defendant’s menacing and unrelenting following of the Andy.

101. Due to Defendant's vile misconduct, Andy reasonably feared for his safety and wellbeing.

102. In an effort to put an end to Defendant's stalking, Andy sought help from local authorities, the FBI, and reached out directly to Defendant's agents, employees and/or representatives.

103. Regardless of Andy's efforts to see the followings cease and desist, the stalking persisted.

104. As a direct and proximate result of Defendant's misconduct, Andy has sustained severe emotional distress. Andy herein seeks equitable relief, including but not limited to, damages in the form of general damages, special damages and punitive damages pursuant to Section 3294.

**COUNT THREE**  
**INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS**

105. Plaintiff repeats and re-alleges each and every allegation contained in the foregoing paragraphs of this Complaint as if set forth in full.

106. Defendant's conduct alleged herein, such as Defendant's persistent following and stalking of Andy, constitutes outrageous conduct.

107. Defendant intended to cause Andy emotional distress, or at least displayed a reckless disregard for the possibility that its conduct would cause Andy emotional distress by blatantly ignoring Andy and his efforts to put an end to Defendant's stalking.

108. As a direct and proximate result of Defendant's stalking, Andy has suffered and continues to suffer emotional distress.

1                   **WHEREFORE**, Plaintiff demands trial by jury and judgment against Defendant as  
2 follows:

3                   (a) Defendant be temporarily, preliminary and permanently restrained and  
4 enjoined from conducting private investigations in connection with Plaintiff, Plaintiff's family, the  
5 Stores, and Plaintiff's employees, agents and representatives;

6                   (b) Compensatory and consequential damages resulting from Defendant's  
7 violation of California's Unfair Business Practices Act;

8                   (c) Compensatory, consequential and punitive damages resulting from  
9 Defendant's violation of Cal. Civ. Code § 1708.7;

10                  (d) Compensatory, consequential and punitive damages resulting from  
11 Defendant's Intentional Infliction of Emotional Distress;

12                   (e) Additional damages, as provided by law;

13                   (f) Attorneys' fees, costs and disbursements as provided by law or contract;

14 and;

15                   (g) Such other and further relief as this Court may deem just and proper.  
16  
17  
18  
19  
20  
21

22 Dated: March 18, 2014

\_\_\_\_\_  
By: Eric Schindler, Esq. (State Bar No. 141386)  
**SCHINDLER LAW GROUP**  
20321 SW Birch Street, Suite 200  
Newport Beach, California 92660  
Telephone: (949) 483-8700  
Facsimile: (949) 464-9714  
eric@schindlerlaw.net

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Of Counsel:

**MARKS & KLEIN, LLP**

Gerald A. Marks, Esq. (*Pro Hac Vice* Forthcoming)  
Evan M. Goldman, Esq. (*Pro Hac Vice* Forthcoming)  
63 Riverside Avenue  
Red Bank, New Jersey 07701  
Telephone: (732) 747-7100  
Facsimile: (732) 219-0625  
jerry@marksklein.com  
evan@marksklein.com

**DEMAND FOR JURY TRIAL**

Plaintiff hereby demands a trial by jury of all issues so triable.

\_\_\_\_\_  
By: Eric Schindler, Esq. (State Bar No. 141386)  
**SCHINDLER LAW GROUP**  
Counsel for Plaintiff

Dated: March 18, 2014

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**VERIFICATION OF ADNAN KHAN**

I, Adnan Khan, Plaintiff in this matter, have read the contents of the Verified Complaint and hereby verify, under penalty of perjury, that the allegations set forth therein are true and accurate to the best of my knowledge.

Executed this 18th day of March 2014

\_\_\_\_\_

ADNAN KHAN