Wishing the very best to you and yours. Florida Auto Dismantlers and Recyclers Association www.fadra.org Issue 3, 2013

ake Plans Norry Join FADRA for Two Outstanding Events in 2014

2014 FADRA YARD EXPO **Brandon Auto Salvage** April 5, 2014

Yard Expo Schedule:

3:00 – 4:30 pm Yard Tour and Vendor Displays 4:30 - 5:00 pm Association and Legislative Updates from President Butler and State Legislators 5:00 – 6:00 pm BBQ Dinner with all the Fixins from Taste of Country Food Truck! 6:00 – 8:00 pm Live Country Band and Networking

ONLY \$25.00 Per Person includes BBQ and T-shirt

*Please note that the first 100 people to register will receive a Yard Expo T-Shirt.

Hotel accommodations near Brandon Auto Salvage LaQuinta Inn & Suites Tampa Brandon at Regency Park \$109.00 per night. Located at 310 Grand Regency Boulevard, Brandon, FL 33510 near I-75 and SR 60 Phone: 1-813-643-0574

Vendors Are invited To Participate! Sponsor / Display Fees: All Yard Expo Sponsors and Company's with a Table Top Display will be highlighted on the Yard Expo T-shirt. \$200.00 - Yard Expo Table Top Display or Heavy Equipment display \$100.00 - Yard Expo Sponsor (without a table top display) *Promotional giveaways or company information may be sent for staff to hand out on your behalf.

Friday, April 4 - 8:30 am - 4:30 pm for heavy equipment set-up outside only Saturday, April 5 - 1:00 pm - 2:30 pm - All table top set-up takes place. The tables have not been pre-assigned. Please note

that electric will not be available for this

F_{A} D R_{A} Z(0)**Convention & Trade Show July 17 — 20, 2014**

Crowne Plaza Melbourne

You Are

. . . .

TABLE OF CONTENTS

President's Message	2
Calendar	2
Behind the Wheel	3
FADRA Motorcycle Raffle	4
Association News	5
Member News	8
FADRA Membership List 1	2
Legislative Update1	5
Feature Article: It's a New World at Lester's Auto Salvage	6
Industry News 1	8
Ron Sturgeon's Management Tips 1	9
Scrap Market Update 2	21

Being a Member Has its Benefits!

•Legislative Power

- Industry Information
- Business Opportunities
- Connectivity
- Annual Convention
- Education Sessions
- Scholarships
- •Coupon Book worth up to \$9000

Become part of a dynamic organization of your friends in the business.

FADRA, making a difference in the automotive recycling industry.

Call Kim Today 407-614-8354



PRESIDENT Jim Butler Butler Auto Recycling

VICE PRESIDENT Tim McMillon M & K Used Auto Parts, Inc.

SECRETARY/TREASURER

Claude Greiner Teddy Bear's Auto Salvage

EXECUTIVE DIRECTOR Kim 0'Dell, CMP

DIRECTORS

Chad Damron LKQ – Crystal River

Bob Eubanks Rusty Acres Automotive

Shan Lathem-McMillon Cocoa Auto Salvage

Jason Langston Langston's Garage & Auto Parts

> Steve Lathem Cocoa Auto Salvage

Gary Lindros Ace Pick-A-Part

Tony Quarno Quarno & Sons Auto Salvage

Rachel Rigsby Lare Rigsby's Auto Salvage

Brad Rutherford Budget Auto Parts – Auburndale

ASSOCIATES DIRECTOR Jason Grady RAS

HONORARY LIFETIME DIRECTORS Steve Holland

Brandon Auto Salvage Jim Seamans

Jim's Auto Salvage

Bo Wroten 30 Degrees West

EDITOR Bobby Davis

DESIGN & GRAPHICS Lane Wadsworth Provider Group

> FADRA 407-614-8354 (fax) 407-614-8357 www.fadra.org

PRESIDENT'S MESSAGE



Jim Butler, Butler Auto Recycling

I hope everyone is having a joyous holiday season. The members of the FADRA Board have been busy on the members' behalf and look forward to a break before getting into our busy season early next year.

We have made some changes to the Board of Directors, all for the good. Bo Wroten, our longtime Associates' Representative, has created a new company and

stepped down from that position. Bo was voted in as a Life Member and will continue his service on the Board and on the FADRA Scholarship Committee. After considering several candidates, we came to a consensus on Jason Grady of Rebuilders Automotive Supply, who many of you will know from his long involvement with FADRA. We'll break Jason in guickly as he gets up to speed on our events. We've also invited some associates to serve on the Conference Committee and other committees to get them more involved in the association. Jason Langston has stepped down as Treasurer, having found it hard to find the time for this demanding position. He will remain as a Director, however, and Claude Greiner of Teddy Bear's will serve as Treasurer. Claude has already proven himself an active Board member. Looking over the changes from the past year, our Board has gotten younger and we have several dynamic people who represent the next generation of the Florida auto recycling industry.

We're very excited to bring our 2014 Convention back to the East coast this year. (Though it's always a long drive for me.) We're going to Melbourne to a beachfront property at a very affordable rate. We've never met at the Radisson Beachfront Resort there, but several members have looked it over and thought it would be an attractive venue for us. The Conference Committee has already started meeting to discuss speakers and events at the Convention, and I'm sure they'll put together a great meeting.

Before the Convention, we'll have our annual Legislative Days and the Yard Expo at Brandon Auto Salvage. Having gotten the Yard Expo off the ground this past year at my place, I can say that I'm glad Steve is doing all the work this year. Seriously, it was a great opportunity for local members to get together informally for some education and good fellowship, and for owners to bring their staff

members as well. We feed and entertain you and you get to see how a successful yard organizes things. We get a lot of our best ideas from each other. Legislative Days is also an enjoyable event that brings members together, but it's more serious in its intent, as our association works on bills that can affect our bottom line. Thanks to Steve Holland and our lobbying firm, and Ray Colas of LKQ, we have a strong team that lays the groundwork with Florida legislators and agencies. They are there at Legislative Days, but it really helps to have individual members attend as well. Nothing beats establishing a personal connection with a legislator and to tell them what problems you have had with certain laws or policies. They are genuinely interested in our business and always cordial as we visit their offices. I truly hope a lot of you take the time to attend this year. We keep things short, sweet, and simple and make it easy on you.

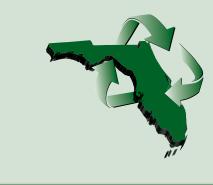
I hope everyone's business soars in the coming year and you and your families and friends enjoy good health and prosperity however you define it. I look forward to seeing you through the year.

Calendar

March 18-19, 2014 FADRA Legislative Days Tallahassee, FL

April 5, 2014 FADRA Yard Expo Brandon Auto Services, Brandon, FL

July 17-20, 2014 FADRA Convention Crowne Plaza Melbourne Oceanfront Melbourne, FL



BEHIND THE WHEEL

Executive Directors Report

By Kim O'Dell, CMP, Executive Director

It's that wonderful, stressful time of year, the Holiday Season! I love the crisp weather and family times and giving presents and thinking about how the last year has gone and making plans for the coming year. I certainly wish for the best for my "FADRA Family" and treasure my friendships with the people I know through this organization. I hope each one of you is enjoying the best that life has to offer.

FADRA has gone through a lot in the past year, from transitioning from our old management company to me, to adding new Board members who are bringing new ideas, to executing our first Yard Expo in Pensacola. Without being too intrusive, we are trying to bring FADRA to our members more and provide opportunities for fellowship, business, and education that will help all members increase their profits. We will hold our second Yard Expo next April, at Brandon Auto Services, near Tampa. We expect an even greater turnout than in Pensacola.

You will soon receive your billing for 2014 dues. We changed FADRA's fiscal year to coincide with the calendar year, which will aid us in financial planning. Please pay as soon as you can, and also make any corrections to contact people, email addresses, or other information you see on the billing form.

I'd also like to see more members attend Legislative Days this year. FADRA's legislative efforts on your behalf have expanded, and we will no doubt be in the thick of a fight again this year. We meet with legislators in their offices and some of them come to talk to us at our dinner and briefing the night before. Please look for the registration form and take the time to support our industry in Tallahassee when we meet March 18-19.

I look forward to seeing you during the coming year and at next year's great FADRA Convention.



ASSOCIATION NEWS

2014 FADRA Yard Expo

For FADRA's second Yard Expo, **Steve Holland of Brandon Auto Salvage** has graciously agreed to host it as his facility on April 5, 2014. For only \$25 per person, bring yourself and your staff for a yard tour of Brandon's facilities, barbecue and refreshments, a tabletop trade show, a speaker, and entertainment by the Desert Moon Band, a veteran country band that has been entertaining in the Tampa area for the last 18 years.



Yard Expo Schedule:

3:00 – 4:30 pm	Yard Tour and Vendor Displays
4:30 - 5:00 pm	Association and Legislative Updates from President Butler and State Legis- lators
5:00 – 6:00 pm	BBQ Dinner with all the Fixin's from Taste of Country Food Truck!
6:00 – 8:00 pm	Live Country Band and Networking

Cost to attend:

\$25.00 Per Person (includes BBQ and T-shirt) **Please note that the first 100 people to register will receive a Yard Expo T-Shirt.



Vendors Are Invited To Participate!

Sponsor / Display Fees: All Yard Expo Sponsors and Company's with a Table Top Display will be highlighted on the Yard Expo T-shirt.

\$200.00 – Yard Expo Table Top Display or Heavy Equipment display

\$100.00 - Yard Expo Sponsor (without a table top display) *Promotional giveaways or company information may be sent for staff to hand out on your behalf.

Friday, April 4 - 8:30 am – 4:30 pm for heavy equipment set–up outside only

Saturday, April $5 - 1:00 \text{ pm} - 2:30 \text{ pm} - \text{All table top set$ up takes place. The tables have not been pre-assigned. Please note that electric will not be available for this show.

A promotional flier and registration form will be sent out soon by Kim O'Dell, FADRA Executive Director.



ASSOCIATION NEWS

New Location for FADRA Convention

After much deliberation, the FADRA Board of Directors has decided to change the location of its 2014 Convention to the Radisson Crowne Plaza in Melbourne from the Radisson Cape Canaveral. Board members visited both facilities, and while we have had successful meetings in Cape Canaveral, they were intrigued by the newer facility in Melbourne.

This award-winning facility is located on the beach in Melbourne. Accommodations at this all-suite hotel include eight-foot, floor-to-ceiling windows, sliding doors and private balconies with breathtaking views of the Atlantic Ocean. During your stay, you'll enjoy an impressive list of amenities, including a heated pool and spa, a Fitness Center with a stunning ocean view, complimentary Wi-Fi and multiple on-site dining choices. In addition, the hotel is just eight miles from Melbourne International Airport, making it easy for you to start your vacation as soon as possible. At the Radisson Crowne Plaza Oceanfront hotel in Melbourne, FL, you will find unparalleled hospitality and everything necessary for an unforgettable experience.



eLinking you to more customers

ebay MOTORS



Contact Hollander Sales: 800-825-0644





Industry Icon and FADRA Past President

Lenny Damron's 2008 Harley Davidson to be raffled at the 2014 FADRA Convention!

Raffle Tickets are only \$50 each

The Damron Family has generously donated Lenny's Motorcycle in support of **FADRA's Scholarship Program**. Thank you to Diane, Chad and Casey for their generosity and continued support of FADRA.

Support FADRA's Educational Efforts and purchase a ticket today!

Winner need not be present to win, but is responsible for the transport of the Motorcycle to it's final destination







Prop Shaft CV Joint Kits

A repair solution to repair just the failed CV Joint, instead of replacing the entire assembly

Reduce Repair Cost -

NOW AVAILABLE!

Driveshaft Assemblies

4 TOTAL SKUs AVAILABLE!

2936003 Honda CR-V

Hollander #: 431-58972



Engineered to be serviceable with commonly available universal joints



2001-97

Includes hardware for a complete repair

2932301 Jeep Liberty 2007-02, Grand Cherokee 2004-99 Hollander #: 430-471, 430-3246





Includes joint, boot, clamps and grease for a complete repair

23 TOTAL SKUs

AVAILABLE!

Quality • Customer Service • Coverage • Value

Tire Pressure Monitoring Sensors

Two Programmable Sensors provide **Over 95% Coverage!**

- · Adjustable Valve Stem allow for an easy installation on OE and Aftermarket Wheels
- · Easily programmed by entering vehicle's Make, Model and Year
- · Compatible with Factory Re-Learn procedures and all Aftermarket TPMS Tools
- · Detailed Application and Images of Thousands of Parts Available
- · Same Day Shipping on Orders placed by 4:30pm EST
- 24/7 Online Ordering Available
- Now Open 8AM 6PM EST



2974301 315 MHz MULTi-FIT Sensor



2974302 433 MHz MULTi-FIT Sensor

2974503 MULTI-FIT Programmable Tool

ALSO AVAILABLE IN VALUE PACKED KITS!

- · Includes four sensors* and a tool that pays for itself in the first installation
- * Your choice of 315 or 433 MHz sensors

1.800.848.4850 • www.PlatinumParts.com

MULT

turn off the light

Jason Grady Named Associates' Representative

FADRA's new Associates' Representative is Jason Grady of Rebuilders Automotive Supply, a leading core buyer nationwide. He replaces Bo Wroten, who spent ten years as the Associates' Representative and is now a Life Member of the Board of Directors. Jason looks forward to making a contribution to the group and represent the ideas of our associate members.

A native of Rhode Island, Jason started working at RAS for his uncle Billy Grady in 1990 and moved to Tampa to open that location in 1993. He is the General Manager of the Tampa facility, coordinating the road buys, pickup trucks, and meeting with auto salvage yard owners to arrange sales.

"Trucks line up all day long, from 8 to 5, at our docks to deliver and pick up cores," Jason said. "We buy calipers, alternators, rack-and-pinion and power-steering systems, small parts generally. We sort them and sell them to rebuilders and they end up at Pep Boys, Advance Auto Parts, and other parts sales stores. I have a tot of personal contact with salvage yard owners. Some guys I see every month, others I see once or twice a year, depending on how they like to sell these parts. We're glorified junkmen like Fred Sanford, but with nicer trucks," Jason ioked.

RAS is a long-time supporter of FADRA, attending the annual convention as exhibitors since the 1980s

and often sponsoring and advertising in association publications. Jason has worked the RAS booth at the convention since he started at the Tampa operation. He looks forward to contributing in a more official capacity.

"It's the first time I've been asked to help like this, and it's an honor," he said. "I've known Bo for 20 years and I had lunch with him at ARA to discuss the position. He put my mind at ease about it, though I told him, 'If I need any help, I'll ask you.' RAS goes to different conventions around the country and I see different ways of doing things, and I look forward to learning more from the other Board members. I'm excited for the opportunity."

In Memoriam: Susan Hammock

FADRA sends its condolences to Susan Owen Hammock, wife of Ray Hammock, owner of LKQ Melbourne. She died on October 1, 2013 and family members held a Service of Remembrance for her on October 7 at the Inverness Chapel of Hooper Funeral Homes. Online condolences may be sent to the family at <u>www.HooperFuneralHome.com</u>.

Mrs. Hammock was born May 21, 1959 in Inverness, FL, daughter of Alfred and Elizabeth (Smith) Owen. Mrs. Hammock was a 1976 graduate of Citrus High School and lived in Inverness until moving to Melbourne in 1996. She worked as an office manager for LKQ - Melbourne. Mrs. Hammock was preceded in death by father, Alfred F. Owen and brother, Carl Lee Owen. Survivors include her husband, Faron "Ray" Hammock of Melbourne; son, Aaron Wayne Hammock; daughter, Chelsea Renae Hammock; mother, Elizabeth Owen; two brothers, Ronald (Sharon) Owen and Phillip A. (Karen) Owen; mother-in-law, Effie Jane Finch; sister-in-law, JoAnn (Billy) Hayes; and seven nieces and nephews.



Jim Butler Named Locator UpFront's Boss of the Year 2013

Reprinted by permission of Locator Upfront.

Jim Butler has been in the auto recycling industry for decades. He is coowner of Butler's Auto Recycling, Inc. in Pensacola, Fla. He's been an ARA regional director, FADRA president (twice) a two-time Locator Most Influential and he worked with the Florida DEP to start the state's prestigious Green Yards program. Now, he's Locator UpFront's 2013 Boss of the Year.

"My reaction was a combination of surprise and humility," he admitted. "I remember the first Boss of the Year was Garry Howard, a good friend of mine. (Boss of the year winners) that's a really prestigious group of people. I never thought I'd be in that group."

Jim shared that his management style has evolved through the years. Mistakes in the past led him to completely change how he deals with his employees today. He used to devout his time to make sure his employees excelled. When they didn't, Jim blamed himself.

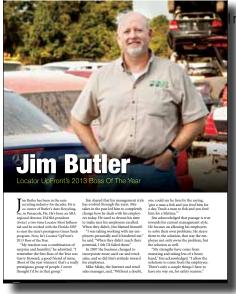
"I was taking working with my employees personally and it hindered me," he said. "When they didn't reach their potential, I felt I'd failed them."

In 2007 the business changed to incorporate more used car and truck sales, and so did Jim's attitude toward his employees.

Mike Misky, the Internet and retail sales manager, said, "Without a doubt, one could say he lives by the saying, 'give a man a fish and you feed him for a day. Teach a man to fish and you feed him for a lifetime.'"

Jim acknowledged that passage is true towards his current management style. He focuses on allowing his employees to solve their own problems. He steers them to the solution, that way the employee not only owns the problem, but the solution as well.

"My strengths have come from maturing and taking less of a heavy hand," Jim acknowledged. "I allow the solutions to come from the employees. There's only a couple things I have to have my way on, for safety reasons."



fact Jim uses a piece of advice from a friend of his who owns horses, "Make the right thing easy and the wrong thing hard and they'll do the right thing every time." It's worked for him in dealing with his employees as well.

When his brother, Mark Butler who is a buyer for the business, wanted to implement a cell phone ban, Jim knew there was a better way.

"'What are you going to do, stand at the door and frisk them?' I asked," Jim remembered. "It's easier to create a pay plan that gives the employee incentive to work and not be on the phone."

Jim also makes sure employees take

the easy, right way when it comes to making sure work orders are correct.

At Butler's Auto Recycling (www.butlerautorecycling.com) the salesperson is responsible for filling out a work order for the dismantling and shipping departments. If the work order is incomplete, Jim asks the salesperson to get off the phone and walk over to the next building to explain the ticket, potentially losing money, instead of just quickly asking them over the phone. Jim explained this also makes the salesperson accountable to fix his or her mistakes.

"I used to have weekly sales meeting, but I just got burned out," he said. "I started making the salespeople clean up their own messes."

"Jim is a very good teacher," stated Darryl McCants, dismantler supervisor. "If you listen to him, you can learn tons of valuable information about the recycling business."

The Butler family has been in the car business since the 1950s, beginning with Jim's grandfather. His father, Jack Butler, started Butler Auto Recycling in 1977. Today, Jim is co-owner with his parents, his dad and mom Ruth. The family's entire business includes the auto recycling division, managed from one prime location, plus a used car lot and a retail store that sells aftermarket parts and tires.

Another one of Jim's management tactics is to always acknowledge his employees' accomplishments. "They don't get to hear enough about the good things they do," he explained. "For some, coming to work is a high point of their day."

Continued Next Page

Comment cards are placed on the sales counter for customer feedback. Jim reads the positive cards at a monthly, employee breakfast meeting. He also allows the employees to fill out cards about each other and reads them as well. Only the positive cards are acknowledged. Anything negative that's written is dealt with in private with the individual.

"I'll see many of the employees pin these cards up at their work stations," said Jim. "That acknowledgment means a lot to them. "Jim has created a family-like work atmosphere," said McCants. "He often states besides our real family, work is where you spend the rest of your time."

Butler's Auto Recycling also has a fully-equipped kitchen and dining space that can feed 35 - 40 people, aside from an outdoor space with a grill. The business will sponsor a 4-H animal and Jim cooks it for his employees and their families from time-to-time. He also asks the salespeople to invite three customers to the cookouts to build customer relations.

Eight of Jim's 26 employees nominated him for Locator UpFront's Boss of the Year.

"It's really great when employees take it upon themselves to do this type of thing," said Jim.

"Jim has worked tirelessly all of his life for the betterment of the company, his employees and his community," said Justin Glass, lead salesman. "He has not received the accolades he has deserved, but never asked for."

Bob Eubanks Sells Interest in Rusty Acres to Employees

One of FADRA's most experienced and beloved Board members, Bob Eubanks of Rusty Acres Automotive in Jacksonville plans to retire—more or less—at the beginning of 2014. Without children to inherit the business and wanting the yard into which he has poured so much toil and passion to survive and prosper, he devised a novel plan: he's selling it to his key employees. Robert McKleroy will be the Vice President and Bob will remain as advisor and consultant. Bob will remain as an advisor and consultant. He has agreed to remain on the FADRA board for another term, and to serve at least one more year as the ARA Region 1 Director.

"Owning a salvage yard was just something I always wanted to do," Bob said. "In 1973, armed with more ambition that money, I started knocking on doors until I found Horace Mechum, who wanted to relocate to Lake City. We worked a deal that I could afford so on November 19, 1973, I became the owner and changed the name to what I was using for my repair garage: Rusty Acres."

"Early on a friend took me to Ocala and introduced me to Hayden Haskins, who took time to show me his operation. Hayden also sold me on the value of FADRA," he said. Hayden owned Haskins Auto Parts and was the second president of FADRA, in 1976-77.

Rusty Acres sits on five acres and has 15,000 sq. ft. of warehouse and four dismantling bays. They process approximately 60 cars per month.

"We have specialized in Ford, Lincoln, and Mercury since

1984. We all agree we cannot afford to change from that specialty," Bob said.

"Without the help of my employees I would not have been able to grow to the level of success that we now enjoy. Turning the business over to them seemed like the proper thing to do and I believe they will do very well with it.

"I still love the business and enjoy the people but I want to spend more time enjoying other interest such as old cars, hot rods, and racing," he said.

"I will remain on the payroll as a consultant. I will never be very far from the business; it has been my life. There is much speculation among friends and peers as to whether or not I can actually quit. I guess time will tell, but right now this is my plan."



Billy Glueck Wins Motorboat Race in Florida Keys

Billy Glueck, Jr. of Glueck's Auto Parts in Osprey, FL had a weekend to remember in Key West during the 33rd Annual Key West World Championships for Super Boat International on November 3-10, 2013. "This ultimate competition of the biggest and fastest boats in offshore racing," according to the Super Boat International website, brought in a particularly distinguished group of competitors usng the world's most powerful speed boats. Despite that daunting competition, Billy won in the PB3 (Performance Bracket 3, where boats can't exceed 90 mph), and the Super Boat overall championship. It's been called "the Indy 500 of offshore powerboat racing."



"We worked our butts off and put together two good boats," Billy said. "Conditions change day to day at that race; one day it's flat, another day it's choppy. You win only enough money to get cab fare home, but it's great to win a recognized world title. We had a lot of people contribute to this win. Mike Gagel partners with me and came to the race. The race draws a huge crowd; the Key West hotels are packed to the gills.



Super Boat founder and Key West resident John Carbonell estimated that the event drew 80,000 people and generated local revenue of \$30 million.

Members Only Credit Card Program for Florida Automotive Dismantlers & Recyclers Association



Call Paul Niss Today for a FREE price comparison and start saving!

We'll SAVE YOU MONEY Let Us Show You:

- How to get credit card processing rates as low as 1.45%
- How the credit card industry operates.
- Below accepting credit cards gets you paid faster.
- How you can accept credit cards at the lowest possible cost.

TSYS Merchant Solutions is a top-ten payment processor with a history of providing savings, first-rate service and payment acceptance solutions to businesses across North America.



TSYS Merchant Solutions, LLC is a registered agent of First National Bank of Omaha

Paul Niss Florida Office: 239-287-7545 Voice Mail: 954-247-4644 pn01@aol.com

TSYS Merchant Solutions[™]

FADRA Members

The FADRA Membership Directory will be mailed to you very soon. Until then, we'd like to promote those companies that belong to FADRA by listing them here. Thank you for your participation.

11th Avenue Auto Recyclers **30** Degrees West 98 Auto Recyclers Inc. A-1 Used Auto & Truck, Inc. A-1 Used Parts A&A Auto Center of Orlando A&A Auto Salvage Inc. A1A Auto Parts, Inc. AA Auto Salvage & Recycling LLC **AB&B** Auto Parts Ability Salvage & Scrap LLC Ace AA Used Auto Parts Ace Pick A Part Actual Systems/Pinnacle After Hours Salvage Al-Jon Mfg, LLC All Auto Salvage, Inc. All-Pro Auto Parts, Inc. All Star Auto Lights American & Import Auto Parts American Auto & Truck Salvage, Inc. Auto & Truck Processors of Lake County LLC Auto Acres Recycling and Parts Corp. Auto Data Direct Inc. Auto Parts Pros Automotive Fluid Recycling Autopiezas Nacional Autoworld Used Parts Corp. B&F Auto Parts, Inc. **B&T** Auto Parts Baza LLC Bee Line Auto Parts Beyer Auto Salvage & Sales, Inc. Blount Automotive Bobby Suggs Aftermarket Parts

Brandon Auto Salvage **Buddy Automotive Innovations** Budget Auto Parts-Winter Garden Budget Auto Parts-Auburndale Budget Auto Parts-Bartow Butler Auto Recycling, Inc. Butler U-Pull-It Car-Part.com Central Florida Auto Salvage Chastain & Associates Insurance Clearwater Automotive CMC Recycling Cocoa Auto Salvage, Inc. Cocoa Auto Salvage, Inc. Commercial Forms Co. Inc. Commercial Metals Co. County Auto Recycling Services, Inc. Dave's A-1 Auto Parts & Sales, Inc. Diamond Used Auto Parts Dixie Auto Parts & Salvage, Inc. Dixie Salvage E&H Car Crushing Co., Inc. Economy Auto Salvage ep3, inc. Ernie's Affordable Auto Salvage Flagler Construction Equipment Florida Dial-A-Part Inc. Foster Services, Inc. FPT-Florida, L.L.C. FPT-Ft. Myers Gagel's Auto Parts Garden Street Iron & Metal Inc. Gardner Auto Parts Garo Auto Parts Garry's Auto Recycling Gateway Brokers, Inc. Gateway Wholesale Gerdau Glueck's Auto Parts II, Inc. **GO** Auto Recycling Green Star Auto Recyclers Guaranteed Auto & Truck Parts, Inc. Holland's Auto Parts Hollander, A Solera Company

Hotlines, Inc. Howell's Used Cars and Auto Parts, Inc. Hub City Industrial Supply Insurance Auto Auctions - Clearwater Insurance Auto Auctions - Fort Pierce Insurance Auto Auctions - Jacksonville Insurance Auto Auctions - Miami Insurance Auto Auctions - North Ft. Myers Insurance Auto Auctions - Orlando Insurance Auto Auctions - Palmetto Insurance Auto Auctions - Pembroke Pines Insurance Auto Auctions - Pensacola Insurance Auto Auctions - Sanford J&B Used Auto Parts, Inc. James Environmental Management, Inc. Japanese & European Auto/Parts **Jim Seamans** Jim's Auto Salvage, Inc. Jim's Import Auto Salvage John's Auto Parts & Recycling Kabele Truck & Auto Parts Kiker U-Pull-It Lamb Fuels, Inc. Landress Auto Wrecking, Inc. Langston's Garage & Auto Parts Legend Smelting & Recycling, Inc. Lester's Auto Salvage LKQ - Bradenton LKQ - Lake City LKQ Self Service Auto Parts of Daytona LKQ Self-Service Auto Parts of Orlando LKO West Florida LKQ-Clearwater LKQ - Crystal River LKQ-Ft. Myers LKO-Melbourne, Inc. LKQ-Potomac German Auto South LKQ-Riviera Beach LQK-West Palm Beach Loetscher Auto Parts, LLC M&K Used Auto Parts, Inc. M&L Auto Wrecking Manheim's Greater Tampa Bay Auto Auction MCI Cores

McKee Wrecker & Salvage Nortrax Equipment - Ft. Myers Nortrax Equipment - Miami Nortrax Equipment - Orlando Nortrax Equipment - Tampa Area Nortrax Equipment - West Palm Beach Number One Auto Parts, Inc. Ole South Auto Salvage, Inc. **One Steel Recycling** Panhandle Converters Recycling Parts Express, Inc. Pasco Auto Salvage, Inc. Phoenix Automotive Cores Plant City Auto Salvage, Inc. Port Manatee Scrap Metal Inc. Premier Auto Parts LLC Quarno & Sons Auto Salvage Rebuilders Automotive Supply Co. **Recyclers** Power Source **Rigsby's Auto Salvage** Rocco's Auto Parts Rusty Acres Automotive, Inc. Sanford Auto Salvage Save Auto Parts SAS Forks Seda Environmental Smart Miles, Inc. Specialty Used Auto Parts Inc. Spivey's Auto Salvage, Inc. Stepps Auto and Truck Salvage Sunshine Auto Recycling / Automotive Alliance Suwannee Auto Salvage, Inc. Tallahassee Salvage Inc. Teddy Bears Auto Parts & Salvage, Inc. The Connection Trademark Metals Recycling, LLC **Tsys Merchant Solutions** United Auto Recyclers Network U-Pull & Pay-West Palm Beach U-Pull-&-Pay-Orlando University Auto Recyclers, Inc. Valley Metal Services, LLC Viking Recycling Wicks, Brown, Williams & Co., CPAS



COLODNY FASS TALENFELD KARLINSKY ABATE WEBB

"From the Capitol to the Courthouse"™

Lobbyists & Governmental Consultants

Business & Commercial Litigation

Insurance Law and Litigation

Insurance Compliance & Regulatory Law

Transactional & Business Law

Employment Law

Administrative Law

Foster Care & Child Advocacy

Disabled Persons Damages



For More Information, Please Contact: Fred Karlinsky, Esq., at +1 954 332 1749 or fkarlinsky@cftlaw.com Katie Webb, Esq., at +1 850 701 3103 or kwebb@cftlaw.com Trevor Mask, Esq., at +1 850 701 3105 or tmask@cftlaw.com

www.CFTLAW.com

South Florida • U.S.A. • Tallahassee +1 954 492 4010 • +1 850 577 0398

LEGISLATIVE UPDATE

By Steve Holland, Brandon Auto Salvage, Legislative Chairman



The Legislative Committee is gearing up for another Legislative Session that will take involvement from all of our membership.

In 2013, we defeated the 80% Total Loss and Used Tire Bills. Ask yourself what it would have cost your business if you couldn't sell most of your used tires, or ab-

sorbed the higher cost of salvage vehicles if most were all branded "Rebuildable," not taking into consideration competing with more exporters. We expect to see both these bills reintroduced in 2014, as well as others. Please help by supporting Legislators that stand beside you in the battle. FADRA needs your financial support to be able to keep fighting the battle in Tallahassee. Writing checks for Campaign Contributions can ensure that your Legislators will support you when you need them.

Legislation Having an Effect

More Florida consumers are checking vehicle histories following a change in state law.

According to Tallahassee-based Auto Data Direct Inc., (ADD) the Florida Legislature's passage of House Bill 7125 has resulted in a significant increase in the use and growth of the National Motor Vehicle Title Information System (NMVTIS.) The law, which became effective July 1, 2013, strengthens the efficacy of NMVTIS by promoting the use of NMVTIS Prospective Purchaser Inquiries (PPIs) as part of the tow lien and mechanic's lien process and codifying in Florida statute reporting requirements for the salvage and towing industry.

The law changes the good faith procedure for locating out-of-state owners or lienholders as part of the towed vehicle notification process to include a record check through NMVTIS to determine the current state of title. The same legislation also requires tow, storage, and recovery businesses to report information about the salvage vehicles they handle to NMVTIS. Licensed salvage motor vehicle dealers are required to report the purchase of salvage and "derelict" vehicles to NMVTIS. Tow operators must report salvage vehicles to NMVTIS prior to applying for a Certificate of Destruction with the Florida DHSMV and all applications for a certificate of destruction made by tow operators must now include proof of reporting to NMVTIS. Many Legislators are having fundraising events and we need to support them. I have a list of Legislators that we need to financially support this year. Please contact me or any Director and we will direct you to who needs our support

Please contact your local Legislators to get acquainted with them. Either invite them to your facility to educate them about your industry or visit their office to speak with them. Attend community events that they attend and speak with them. Be on first-name basis when you need them or when they need your expertise and knowledge. We have a Facility Tour Toolkit if you would like one to use.

I hope everybody has a relaxing and fulfilling holiday season. I look forward to seeing some of your at our Legislative Days and Yard Expo events.



It's a New World αt Lester's Auto Sαlvage

By Bobby Davis, Editor

In 2010, after 37 years in business, Steve Bentley at Lester's Auto Salvage in St. Petersburg faced a business crisis. Business was struggling, his mom—who showed up to work every day at 6:30 to do the accounting—wanted to retire, and he paid his employees well and wanted to continue doing so. A broker was looking for potential buyers, but Steve felt the broker kept trying to push him into lowball offers to get the sale done. A year after he and the broker parted company, the broker called him and asked if the yard was still for sale. A Chinese scrap owner of the business called Florida Salvage & Recycling, Inc. wanted to buy Lester's.

In August 2011, a deal was made. After owning a yard in which he started in 1973 working for his dad for free on weekends and summers, Steve became an employee. He and his partner of 12 years each were given a cash settlement, and his mom was able to make enough to retire, buy a new car, and remodel her home. His sister remains an employee, managing the company's inventory. Steve has a good relationship with the owner, an entrepreneur who spends most of his time in China and does not speak English. Steve remained as general manager, though he made clear from the beginning that "I'm not going to go to China, and I'm not going to learn Chinese." They would embark on a relationship that has illustrated the pitfalls and challenges of doing business in a foreign country.

That year was the first Steve had ever taken off between Christmas and New Year's Day. At the beginning of 2012, however, the owners' representatives informed him that Lester's would no longer be an auto salvage yard, but a scrap processor in competition with Trademark Metals and similar companies. The change was immediate, and he had to fire his partner, who led sales efforts, and five employees who had between three and seven years of tenure with the company. It was a painful situation. Most of the people who left now work at Clearwater Automotive. "I had a lot of freedom until the owner got out of the parts business," Steve said.

The ownership group needs an American for much of the legal requirements of owning a business, such as having a Social Security Number, and getting a surety bond. Much of the legal underpinnings of the company is in Steve's



name, and he does the hiring and firing and much of the day-to-day management. The president of the company is a Chinese woman in her 30s and there are six management liaisons from China and Thailand. They don't have visas, so they come and go, and some are here for four weeks and others for six or eight weeks which causes some problems in communication and management. While Steve is needed, he doesn't have an employment contract, so he can be asked to leave at any moment.

"They are very nice to me personally, but they don't always keep me in the loop," Steve said. "The team leaders communicate with each other but not always with me. I send emails, which have to be translated for the owner into Chinese. Now, at least, they are copying me more on emails. But with people coming and going so much, I have to reeducate every one."

Vehicle registrations have posed another problem.

"Most of the liaisons don't have driver's licenses, so they rode bicycles to and from their condos that are about 20 minutes away," Steve said. "A guy in Miami was able to drive and I provided him with a truck, but then he wanted to buy a used BMW. They asked me to come along and asked whether they should get the white or black one. I said in Florida, I'd go for a white car, but they chose the black one because it had 7000 fewer miles on it.

"The real problem came when that manager went back to China and another one replaced him and began driving the car. He had an accident that totaled the car. The car was impounded and only the rightful registered owner could retrieve it, but that person was in China. I wrote them two weeks before the deadline to say they needed a notarized letter from the owner, but apparently there aren't many notaries public in China. They sent the notarized letter to the impound lot one day after the deadline, so they lost the car."

Steve and the owners also sometimes look at things differently when it comes to investment. On a large scale, the company put a \$50,000 down for building an Al-Jon scale that costs about half a million dollars. By the time financing came through from the bank in China, Al-Jon took it back, and they had to buy another. The same happened with their baler. On a smaller scale, Steve had uniforms for three of their 12 employees, which cost about \$100 a month. The new owners decided to scrap the uniforms and buy \$5000 worth of tee shirts, some in grey, others in orange.

Another machine exposed the lack of knowledge that sometimes plagues owners inexperienced here. They were using a John Deere to spread asphalt millings before it overheated with burnt-out rings. They had spent \$4000 on tires for the machine and it would have cost \$8000 to fix it. Instead, the manager decided to use an old Al-Jon machine with a scoop and hydraulic pumps, which cost \$3800, but it can't do the work.

When the owners decided to put in the scale, they asked Steve where it should go. He told them it could only go in one place given the dimensions of the machine, but they tried to put it in a tight space near the warehouse, where there was no room for a truck to remove the scrap.

Although they are very concerned about costs, they don't always realize the hidden costs of decisions they make here in America, Steve said. For a while after making the sudden decision to convert from salvage operation to processing, they had no income coming in but were spending big money on inventory.

"Just moving from an auto salvage yard to a metal recycler has increased the cost of property insurance, environmental analysis and enforcement, and workers' comp insurance. I rarely had workers' comp claims because if anyone got minor injuries, I'd send them to the walk-in clinic and pay for their treatment. But not long ago, one of the team leaders decided to explode the airbags in any vehicles we purchased. On one of them, a safety nut was loosened and the cartridge came out like a bullet and hit a guy below the ribcage standing 25 feet away. It's the first time I ever had someone taken away in an ambulance. Fortunately he's okay, but he has a nasty scar to show for it."

While the original idea was that all the ferrous scrap from the new yard would be shipped to China, it hasn't exactly worked out that way. "They didn't realize what you have to go through to send metal through the port," Steve said. "As a result, the non-ferrous goes to China but we send ferrous stuff to Valley Steel in North Carolina and Gerdau in Jacksonville."



Another learning experience involved packaging metal for delivery on trucks. Steve's manager questioned why they had to spend money on wrapping material for the steel that goes on transports. "They didn't realize you couldn't just throw it on there and get on the highway," he said.

They also turned off the Hollander system, which prevented them from knowing exactly what they had in inventory without counting vehicles at the end of the year. "We use the NMVTIS system, which is good, but it doesn't list all the cars we have," Steve said. "We have to count by sight. And they have no idea about all the technicalities concerning titling and record keeping involved with NMVTIS. They are only beginning to learn about all the laws they have to follow here."

It has been a learning experience and an adjustment for Steve, who at 52 has known only the auto salvage business his entire life. "There's good and bad that has come out of it," Steve said. "I'm in a much better situation financially. My mom is happy, so that's a huge plus. I still have my repair shop next door."

Despite the drawbacks and learning experiences, Florida Salvage & Recycling, Inc. is looking to acquire other yards in Florida.

INDUSTRY NEWS

Don Porter New Executive Director at URG

Insurance industry veteran Don Porter has been named the new Executive Director, replacing longtime ED Michelle Alexander. Don had joined URG in August 2012 and in October of that year was named Director of Operations/ Business Development. Don had a 34-year career at State Farm Insurance, most recently as a Property and Casualty Claim Consultant at the company's corporate office in Bloomington, Illinois.

His auto insurance industry career portfolio includes tenure as a Property Claims Consultant, Catastrophe Claims Consultant, and as an Auto Estimatics/Salvage Consultant. Prior to his assignment at State Farm's corporate office, his responsibilities included Claims management, automobile estimatics, salvage processing, auto recycling, and parts procurement. He was involved in a number of collision, recycling and salvage industry associations and is an active participant on various industry committees, including on a number of CIECA (Collision Industry Electronic Commerce Association) committees.

URG has also relocated its headquarters from Denver to Georgetown, TX, near Austin.

State Minimum Wage to Increase in 2014

Beginning January 1, 2014, Florida's minimum wage will increase 14 cents and hour to \$7.93. Florida employers must pay their employees at least the hourly minimum wage for all hours worked.

A new minimum wage poster will be issued, which can be gotten free of charge by any FUBA member. You should replace the old poster with the new one on January 1, 2014.

Source: FUBA

Don't let NMVTIS reporting wreck your day.

Auto Data Direct is your source for salvage vehicle reporting and so much more.

All businesses that handle five or more junk, salvage or total loss vehicles per year are required to report to the National Motor Vehicle Title Information System (NMVTIS) database.

> **50** Enter Promo code **FADRA14** to receive \$50 off account activation.

ADD's easy-to-use tools make federal compliance as easy as 1-2-3!

- Free and Full Service NMVTIS reporting accounts
- Knowledgeable, live customer support
- Guaranteed confidentiality— NO data sharing or re-selling
- Full record archive with printable confirmation receipts*
- Management system compatibility*
- Batch reporting options*

Only ADD offers:

- Vehicle History Reports with lien and national theft data
- DMV123 real-time owner/ lienholder search in 31 states
- DirectPost-Office electronic certified mail



AutoDataDirect, Inc.

For additional information, please visit **ADD123.com** or contact us at salvage@add123.com

Ron Sturgeon's Management Tips

Your Sales Staff is on Commission, Right? **PAY FOR PERFORMANCE**

By Ron Sturgeon, Auto Salvage Consultant



You are paying your sales staff commission, right? I don't mean some modest salary plus a commission. I mean 100% commission: As in eat

what you kill, earn what you sell, low sales equal low pay!

If your salespersons aren't selling at least \$50,000 per month, and your parts sales storewide aren't at least \$20,000 per employee for ALL employees, you need to be reading about and implementing pay for performance.

In the coming months, I will talk about how to dramatically increase the performance of each of your departments by switching to pay for performance. It's about paying fewer employees more money and increasing sales and profits.

Bear in mind that the amounts mentioned above are really minimums; many yards are getting more than \$100,000 per salesperson per month and more than \$30,000 per employee when all employees are counted.

I remember when I converted my sales staff to 100% commission in 1984. I was probably one of the first in the US to do so. Howard Nussbaum (now with LKQ) was working with me as a consultant. Phones were crazy. We had 20 salespeople each selling \$100,000 per month. Wow, how things have changed! Howard spent a few hours at the counter, and promptly announced that we had twice as many salespeople as we needed. I looked at him like he was crazy because I thought he was. I wondered who would answer all these phones with half the salespeople gone. He said, "Half your staff will and they will do it so well that sales will double."

He explained all the issues and how some of the current staff would be skeptical but some would rise to the occasion and others would depart. We created the plan to switch to full commission and how to present it to our salespeople. I pulled the trigger.

We sold \$150,000 per salesperson the next month. Yep, a 50% increase! In the third month following the switch, we hit \$200,000 per salesperson. We doubled our sales per salesperson in 3 months.

Eventually, four of our original 8 salespersons left, and we hired one new one, so that was with 5 staff. No computers, a card system. We increased sales significantly with less staff.

Yes, it is possible, and I have seen it over and over. And by the way, your competition, including LKQ, is doing it, and maybe kicking your butt in the process.

Even if you are on some incentive pay for salespeople, you can reap huge gains by going to straight commission. A salary plus commission won't get it.

Stay tuned, in coming articles we will discuss pay for performance for dismantlers, drivers, inventory clerks, parts pullers, outside account executives. We will also touch on how to increase sales even further using extended warranty sales.

I was honored to speak at the ARA convention about how to use the Internet to grow your parts sales. Each of you at the session left with a plan to sell more parts online. Feel free to contact me for a free website review to show you which changes to make.

We don't do websites for clients but can give you objective actionable advice and refer you to designers who understand the auto salvage business and have experience designing successful sites, if needed.

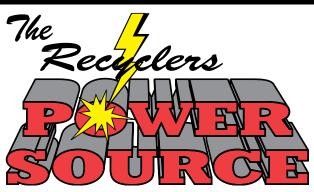
Remember only you can make business great!

Ron Sturgeon, founder of Mr. Mission Possible small business consulting, combines over 35 years of entrepreneurship with an extensive resume in consulting, speaking, and business writing, with six books published.

As a consultant, Ron shares his expertise in strategic planning, capitalization, compensation, growing market share in his signature plain-spoken style, providing field-proven, highprofit best practices well ahead of the curve. Ron has helped owners in industries from restaurants to law firms with a wide variety of business issues, including sales, promotion, production, financial measures, business strategy, business valuation, and succession planning.

To get a free website review or inquire about engaging Ron as a consultant, contact him at 817-834-3625 or at rons@MrMissionPossible.com.

Think of us for your nationwide marketing and printing needs!



The HEARTBEAT of the Auto Recycling Industry ... Often Imitated, but NEVER Duplicated! D.g. Proudly Supports

7ADRA and the Recyclers POWER SOURCE!

ABELE

TRUCK & AUTO PAR

Over too much coose

Over too much coo

PartingOut.

julie@rpowersource.com • www.rpowersource.com \

800-336-5614

Drivetrain Serving the auto recycling industry for over 40 years!

New & Remanufactured:

- Rear Axle Shafts: Over 200 part numbers — over 12,000 sold in 2012
- Front and Rear Differential/Axle Assemblies: Chevy, GMC, Hummer, Dodge, Ford, Jeep
- Manual Transmissions and Transfer Cases: Most light and medium duty trucks, clutch and flywheel kits, too!

Make More Money! We have all the components available if you want to rebuild your own cores.

Proud

to be a

member of FADRA:



• Front Driveshafts

V/54"

1-800-225-6908 NATION 1-507-856-1672 Local 1-507-856-3721 Fax

parts@kabele.com • www.kabele.com

SCRAP MARKET UPDATE

ITEM	TAMPA	JACKSONVILLE	ORLANDO	COCOA BCH	FT MYERS
Clean Cast Aluminum	.60 lb	.65 lb	.45 lb	.60 lb	.58 lb
Clean Engine Cast	N/A	\$13.95/100	\$10.00/100	\$12.50 /100	N/A
Auto Radiators	\$1.90 lb	\$2.11 lb	\$1.50 lb	\$2.00 lb	\$1.80 lb
Clean Sheet Aluminum	.60 lb	.58 lb	.50 lb	.58 lb	.51 lb
Copper Aluminum Radiators	s \$1.54 lb	\$1.57 lb	\$1.30 lb	\$1.50 lb	\$1.35 lb
Dirty 60% Aluminum	.15 lb	.32 lb	.25 lb	.25 lb	.53 lb
Catalytic Converters	N/A	\$4-124 ea	N/A	\$15-50 ea	N/A
Nonmag. Stainless Steel	.44 lb	.51 lb	.50 lb	.50 lb	.35 lb
Shiny Die Cast	.15 lb	.20 lb	.15 lb	N/A	N/A
Painted Aluminum	.61 lb	.61 lb	.60 lb	.60 lb	.59 lb
Aluminum Clips	.63 lb	.63 lb	.60 lb	.65 lb	.60 lb
Extrusions	.69 lb	.69 lb	.70 lb	.72 lb	.65 lb
Cans (UBC)	.62 lb	.61 lb	.50 lb	.62 lb	.52 lb
#1 Copper	\$2.98 lb	\$3.00 lb	\$3.20 lb	\$3.00 lb	\$2.91 lb
#2 Copper	\$2.85 lb	\$2.89 lb	\$2.90 lb	\$2.80 lb	\$2.67 lb
Yellow Brass	\$2.06 lb	\$2.15 lb	\$1.50 lb	\$2.20 lb	\$1.59 lb
Soft Lead	.30 lb	.70 lb	.20 lb	.35 lb	.35 lb
Car Bodies	\$11.50/100	\$9.50/100	\$11.00/100	\$12.50 /100	\$11.50/100
Motor Blocks	\$ 11.50/100	\$9.50 /100	\$12.00/100	\$12.50 /100	\$12.50/100
Prepared Iron	\$7.14/100	\$10.75/100	\$12.50/100	\$13.00 /100	\$11.50/100
Unpreparedliron	\$8.18/100	\$9.75/100	\$11.00/100	\$11.00 /100	\$10.50/100

The following companies contribute to this survey:

TAMPA:	Lisa Matthews	OneSteel Recycling	813-951-3041	Imatthews@onesteelusa.com			
JACKSONVILLE	Dave Albright	Commercial Metals	904-786-2771				
ORLANDO	Devin Condrey	Trademark Metals	407-256-3574	dcondry@tmrecycling.com			
COCOA BCH	Penny Burchfield	Trademark Metals	800-782-2944				
FT MYERS	John Hoving	Garden Street Recycling	239-337-5865	john@gsimrecycling.com			
Date Obtained 9/2/13							

The Checkmate[®] Bundle

Seamless management, workflow control and beyond!

\$599 / month includes ALL this:

- Checkmate Full-featured management system includes QuickBooks[©] integration, Real time eBay[®], Real Time Barcoding, Images, Checkmate Workstation & more!
- Car-Part Gold Package including:

Basic Web Service

Trading Partners

Car-Part Pro – upsell services to professional repairers & appraisers Real Time Part Verification

Car-Part Messaging – Communicate in real time

- Bidmate Integrated buying tool
- Partmate Portable inventory tool
- Partmate Desktop Review
- Order Trakker Integrated production processing
- Roundtable Reports
- Car-Part Exchange yards (3)

*Setup fee & AlphaCom[©] required. Up to 7 users. Training available. Advanced Bidmate, Crashlink, Pro Brokers & ecommerce extra. Ebay charges also apply.

Another innovative product by

For more info, call your friendly Car-Part salesperson at 859-344-1925 or visit http://products.Car-Part.com

Checkmate[®] Recycler Management System by Car-Part.com

Checkmate Workstation

provides single screen access to Checkmate features including:

- Checkmate Image Tool Vehicle and Part image processing in Checkmate, Car-Part Pro and eBay®.
- eBay high volume listing tool with images and deletion upon sale
- Checkmate Dashboard Real time snapshots of your business's daily progress
- Salvage buying with Bidmate, now with Car-Part marketplace data representing \$2.3 billion of searches per month

- Partmate inventory tool now with Desktop Review
 - Managers easily review inventory before displaying it in Checkmate
- QuickBooks® Graphical Accounting Integration
- Order Trakker production software with real time barcoding for automatic processing
- Checkmate Roundtable Reports



