



AUTOMOTIVE AFTERMARKET NEWS

Arkansas · Colorado · Iowa · Kansas · Missouri · Nebraska · New Mexico · Oklahoma · Texas · Wyoming



KANSAS CITY, MISSOURI SITE OF THE 2010 APSA ANNUAL MEETING

The APSA 2010 Annual Meeting was held in Kansas City, Missouri, on August 22nd. **Leonard Simpson**, Iowa Automotive Machine & Supply, Sac City, Iowa, was elected Chairman of the Board.

Other Executive Committee officers elected were: **Scooter Gierisch**, 1st Vice Chairman, Roanoke Auto Supply, Roanoke, Texas; **Allen Lyon**, 2nd Vice Chairman, Auto Parts & Equipment, Farmington, New Mexico; **Gary Carpenter**, Secretary/Treasurer, Kansas Auto Repair, Newton, Kansas; **Griff Lasley**, Immediate Past Chairman, A & I Parts Center, Stratford, Texas.

Executive Committee pictured (l to r): Griff Lasley, Allen Lyon, Leonard Simpson, Wilson Liter (Service Corporation Chairman), Gary Carpenter. Not pictured: Scooter Gierisch, Greg Dunlap (Insurance Trust Chairman)



Elected to serve a three-year term on the Board of Directors were: **David Goss**, Johnston Distributing, Panora, Iowa; **Chuck Udell**, Essential Action Design Group, Leawood, Kansas; **James Ferguson**, Tasco Auto Color, Austin, Texas; **Greg Dunlap**, Engine & Performance Warehouse, Denver, Colorado; **Rick Buzzard**, Uni-Select USA, Dallas, Texas.



Board of Directors pictured (l to r, back): Rob Bolin, Doug Crowe, Bob Gant, David Goss, Gary Carpenter, Scott Vaughan, Leonard Simpson, Chuck Udell, Don Bickle. (Front) Grady Foshee, Hank Stuth, Cathy Ackermann, Griff Lasley, Allen Lyon, Linda Huggard, Wilson Liter, David Jordan.

Elected to serve a two-year term on the Service Corporation board were: **Melanie Norman**, Secretary/Treasurer, APSA, Austin, Texas; **Scott Vaughan**, Burton Auto Supply, Brownsville, Texas; **Walt Moncrief**, Galveston Standard Auto Parts, Galveston, Texas; **Walter Pletz**, Marketing & Promotion, Inc., Grapevine, Texas; **David Jordan**, Carquest Auto Parts, Dallas, Texas.



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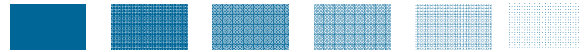
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Griff Lasley turns over the gavel to Leonard Simpson.



Linda Huggard makes a point during the board meeting.



Outgoing Immediate Past Chairman Rob Bolin receives an award from Leonard Simpson.



Dave Carracci presented "Bull's Eye Aftermarketing for Growth And Profit".



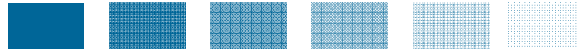
Leonard Simpson makes a presentation to outgoing Chairman Griff Lasley.



New Board members Grady Foshee and Lori Jondron.

NEW INSURANCE PRODUCTS

We are excited to announce new insurance offerings for our members! In addition to our group major medical plans, we have other programs that will help reduce costs for employers and offer first dollar coverage for your employees, including gap coverage. Please see the enclosed Transamerica flyer for sample claims and the cost savings associated with the program. Too, we have life insurance and dental plans that offer guaranteed-issue and competitive rates. We partnered with reliable carriers and with all the new Obamacare plan changes coming (some have already started) – we understand and realize the need to help keep your insurance costs down. Please contact us today so we can go over in more detail how these programs can work for you and help keep your bottom line intact. Also enclosed with this newsletter: a Prescription Discount Card from WellDyne to be used at participating pharmacies—visit www.wellcard.com to find one near you! And see the Accident Fund flyer for highly competitive rate workers compensation with the opportunity for dividends!



MIDWAY AUTO SUPPLY, DALLAS, TEXAS, CELEBRATES 50 YEARS IN BUSINESS



Martin Levine and Family



Martin addresses the crowd gathered in his store for his anniversary.



From left: Herb Levine, Steve Levine, Helen Marston, Larry Levine, and Martin Levine.

After working a spell with his in-laws at Cliff Food Stores, Henry Levine decided he needed a new occupation.

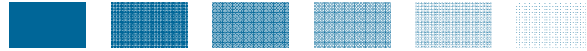
He checked out a family friend's auto parts store in Fort Worth. And a few weeks later he opened his own parts business in a former Skillern's Drug Store at Hampton and Clarendon in Oak Cliff. He called it Midway Auto Supply because his in-laws had a sign ready to use -- one they had salvaged from the former Midway Theater on Jefferson Boulevard.

"That's how Midway got its name. It was free neon," said Steve Levine, one of Henry's sons.

Half a century later, the business is thriving at the original site, 1101 S. Hampton, and two other Oak Cliff locations. Henry's sons, Martin and Steve Levine, and three of his grandchildren, Herb and Larry Levine and Helen Marston, are running the show. At noon on July 30th, they marked the milestone with friends, family, public officials and everyone else who stopped by to congratulate them!

LINK YOUR WEBSITE! Broaden your advertising range by linking your company website to the APSA website! Free benefit to members! Contact the APSA office!

TWEET ABOUT IT! Have an announcement you'd like to share? An Open House or anniversary? Email us the info and we'll send it out on Twitter!



UNI-SELECT USA SAN ANTONIO



Customers visit vendors at the Uni-Select USA Show.



The day stayed pretty busy.



APSA's Jimmy Kirk and Melanie Norman waiting for the show to open. APSA thanks Uni-Select for the exposure!

FORD/AAA STUDENT AUTO SKILLS

Auto Skills is a nationwide automotive technology competition for high school juniors and seniors interested in pursuing careers as automotive service technicians. Celebrating its 61st year, the competition tests students' automotive knowledge, workmanship and problem-solving abilities with a written test as well as a race against the clock to diagnose and properly repair intentionally "bugged" vehicles. In 2010, 10,500 automotive technology students competed for a share in a record-high \$11.5 million in scholarships available through state and national competitions. To watch a short video about this year's competition and catch some of the excitement, log onto <http://autoskills.aaa.com/>.



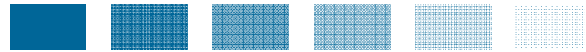
Second-place team - Texas

Ian Dunaway and Jesse Hackfield, Birdville Center of Technology & Advanced Learning, North Richland Hills, TX, Instructor Olin Harrington



Sixth-place team -- Kansas

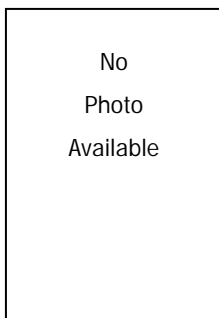
Ernest Sharp and Ian Clark, Newton High School, Newton, KS, Instructor Cory Unruh



CONGRATULATIONS

GAYLE McCARTNEY MEMORIAL EDUCATIONAL TRUST 2010-11 SCHOLARSHIP RECIPIENTS

Congratulations to Derek Matzek, Woodward, OK; Brianna Risinger, Clarksville, AR and Ethan Williams, Glenpool, OK on being selected as recipients of the Gayle McCartney Memorial Scholarships. Each recipient will receive \$1,467 for the 2010-11 academic year.



Derek Matzek



Brianna Risinger



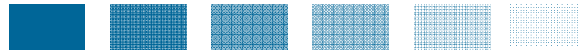
Ethan Williams

Derek is the son of Bryan and Donna Matzek, Woodward, OK and is a 2003 graduate of Sharon-Mutual High School, Mutual, OK. He will attend Northwood University, Midland, MI and study Automotive Aftermarket Management.

Brianna is the daughter of Jennifer and Bob Risinger, Clarksville, AR and is a 2010 graduate of Clarksville, AR. She will attend Arkansas Tech University, Russellville, AR and study Mathematics Education.

Ethan is the son of Sue Lynn Williams, Glenpool, OK and is a 2010 graduate of Glenpool High School, Glenpool, OK. He will attend Pittsburg State University, Pittsburg, KS and study Automotive Technology.

*The Gayle McCartney Memorial Educational Trust is a 501(c)3 not-for-profit educational trust and contributions to the Fund are tax deductible under IRS guidelines. **APSA thanks all association members and friends for their past participation and encourages their continued support to the Gayle McCartney Memorial Educational Trust** whose primary purpose remains one of providing financial assistance to selected recipients.*



SPECIAL REPORT

CREDIT-FRIENDLY TIMES

Though equity markets have been struggling for months, the markets for investment-grade and high yield credit have been strong. Year to date, they are up 11% and 7.5%, respectively (through Aug. 24).

The spreads over Treasuries for both asset classes are still relatively wide compared with long-term averages, which imply there could be more upside from here.

Still, we believe the upside is somewhat self-limiting in the near term due to the low overall yield in both markets. The yield on high-grade bonds is only 3.5% while high yield is hovering around 8.3%. These less attractive yields make it more likely investors will stay on the sidelines. That, combined with soft economic data, has led to some recent weakness in both asset classes.

CORPORATE REFI BOOM. Of course, a yield that investors might snub could be a corporate treasurer's call to action. Over the last two months, the pace of debt issuance has gradually picked up, allowing companies to refinance higher-coupon debt with record low interest rates for corporate bonds. One major high-grade technology company recently sold three-year senior unsecured debt with a 1% interest rate.

Many of the recent debt deals have been of the liability management variety as companies have taken advantage of lower yields in the primary market and used the proceeds to buy back higher-coupon securities. We would expect this recent trend to continue as long as yields remain at current levels. Even when companies buy back debt at a premium, they lock in lower interest costs, which is accretive to earnings going forward. The rate of issuance is robust. Through Aug. 25, investment grade issuance has almost equaled July's total and high yield issuance has almost doubled that of July.

STAY WITH QUALITY. We view current market levels as attractive but advise caution given

recent market volatility and lower liquidity.

We believe the current correction in credit will remain a mild one. Indeed, we would view it as an opportunity to gradually add exposure to both investment grade and high yield. In investment grade, we believe the Fed's recent policy tweaks will provide support to medium duration corporate bonds. We maintain our short-duration bias in high yield and see no reason to chase yields in lower-quality credits.

With investment-grade and high yield bonds sitting on low double-digit and high single-digit total returns respectively, we could envision total returns of 11% to 12% for the year, even if spreads tighten only minimally from current levels. The Global Investment Committee remains overweight in both investment-grade and high yield bonds.

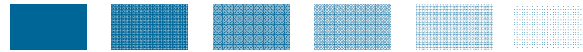
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CREDIT CARD CORNER

*Jeff Wurstner,
First National Merchants
Solutions®, LLC*

CHANGES COMING

IRS

A significant change is coming from the Internal Revenue Service (IRS). Beginning January 1, 2011, all merchant acquirers or credit card processors are required to report annually to the IRS the gross credit card payments made to every business in their portfolios. According to the IRS, this new reporting requirement is “designed to improve voluntary compliance by business taxpayers.”

The new regulation also requires taxpayer information provided on IRS form 1099-K to exactly match the information the IRS has on file, including the Taxpayer Identification Number and business legal name. If the information does not match, the IRS requires merchant acquirers to perform backup withholding and remit to them 28% (or the current percentage at the time of the withholding) of credit card sales until the information is corrected.

First National Merchant Solutions®, LLC will provide customers with additional information after final clarifications are reviewed. To learn more, see Information Reporting on Merchant Payment Cards on the IRS web site at www.irs.gov/taxpros/article/0,,id=225080,00.html. APSA members may also want to consult with their tax advisors.

Financial Reform Bill “Durbin Amendment”

On July 21, President Obama signed the financial reform bill into law. A few portions of the bill are effective immediately and may impact APSA members.

Your business can now require customers to spend a minimum amount when paying with a credit card, provided the minimum does not exceed \$10.

You may offer discounts for customer payments by cash, check, debit, credit or prepaid cards. The same discount must be offered regardless of card brand or card issuer.

PIN-debit network wholesale rates set by large card-issuing banks will be regulated to ensure they are “reasonable and proportional” to the issuer’s costs. Smaller card issuers will not be affected. The Federal Reserve has up to nine months to establish the new rates.

The card brands are reviewing their Operating Regulations, which will have to be modified in accordance with the new law. To learn more, visit Senator Durbin’s web site at www.durbin.senate.gov/issues/leg_wallstreet.cfm.

Visa®, Inc. and MasterCard® Worldwide

Effective July 1, 2010, Visa and MasterCard no longer requires signatures on sales of \$25 or less for approved industries for chargeback protection.

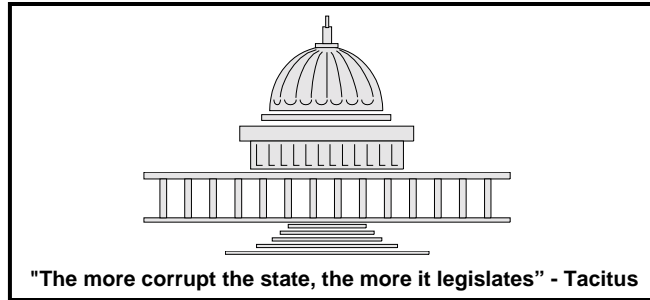
APSA members in the FNMS program can call customer service at 800.228.2443 to request enabling this feature in their supported terminal. You may also prefer to continue to collect customer signatures on each transaction regardless of value.

Customer and merchant receipts should not display an entire card number after December 9, 2010. The two-year extension to upgrade older equipment expires on December 10, 2010.

Discover®Network

Discover announced two new card products, Premium Plus and Commercial Executive Business cards. According to Discover’s web site, each targets more affluent cardholders who typically spend more and are “less sensitive to economic fluctuations and less hesitant to make major purchases.”

How has accepting credit cards affected your business? Send me an email at JWurstner@FNMS.com or call me at (402) 602-4059 and tell me what you think.



APSA WEIGHS IN ON THE ONEROUS 1099 MANDATE

The recently passed healthcare reform bill, "The Patient Protection and Affordable Care Act" includes a new IRS reporting requirement that will significantly impact your business. Section 9006 of this Act requires you to issue a 1099 form to any vendor from whom you make non-credit card purchases totaling more than \$600 in a given tax year.

As you might expect, compliance with this new law will substantially increase your accounting costs and your paperwork burden.

The US Chamber of Commerce is sponsoring an online petition drive and asking Congress to repeal the provision immediately. Please consider taking a few minutes to protect your business and sign on at <http://ht.ly/2tkDr>

If you are willing to make an even more effective investment in the health of your business, please call, fax or email your congressional representatives about this issue.

The United States Constitution extends the right of "redress of grievances" against the government to all Americans, please exercise that right today!

For an excellent discussion on this requirement, see this blog from the Cato Institute: <http://ht.ly/2tlgE>.

To see the complete healthcare reform bill and a nice utility to contact your elected representatives, please visit Open Congress: <http://ht.ly/2tl0c>.

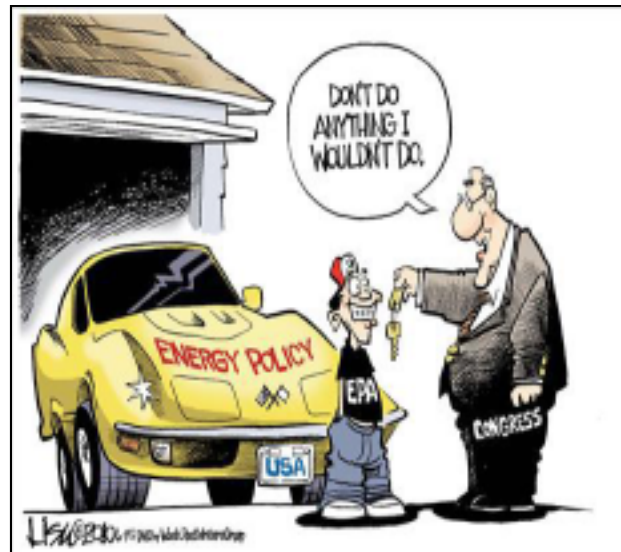
NEW BILL TRACKING ABILITY

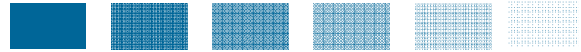
APSA now has the ability to track and monitor legislation in all 10 states represented by the association. The major and most important member benefit is association advocacy. While from time to time the association is involved in the filing and passage of legislation, most legislative activity is defensive, that is, identifying and stopping bills that will be detrimental to members' business. Basically the key issues are automotive, however, legislation involving insurance, environmental, taxes, virtually any bills that will affect business will be tracked.

AAIA LEGISLATIVE SUMMIT

This biannual event provides an opportunity for aftermarket professionals to go to Capitol Hill in Washington and meet with key congressional leaders about issues that affect and impact their businesses. Mark your calendar:

MARCH 22-23, 2011





SEPARATION AGREEMENTS

*Larry A. Hobbs, M.B.A.,
SPHR*

When an individual is fired or laid-off, it sometimes creates management concerns about a possible lawsuit for wrongful termination or a charge-of-discrimination filed with a governmental agency. These concerns are usually based on a poor reason for the termination, a personality conflict, or the individual being in a "protected class" based on race, national origin, age, gender, religion, disability, or a recent workers' compensation insurance claim. One way to eliminate the worry is to have the employee sign a Separation Agreement, also known as a Severance Agreement or a Release.

Such agreements are used in order to assure that the terminating employee does not get involved in regulatory charges or litigation against the company. The former employee also agrees not to re-apply for employment in the future, and agrees to absolute confidentiality about the terms and conditions of the separation agreement. Please note: there are different requirements that must be included in separation agreement for those under 40 and those over 40 years of age --- these are legalities required by regulation.

In order to make such an agreement practical and viable, the employer must offer the terminating employee a substantial monetary reward; in other words --- more than just regular earned pay and vacation hours payout. The company would be paying the employee for accepting and following the terms of the document. The amount of the payout depends on the compensation level of the job, how long the employee worked for the employer, and how worried the employer is about "pushback" during the two years following the dismissal.

In order to "buy" the employee's signature on the separation agreement, most employers use a simple formula of paying one week's pay for each

year of service for hourly employees; and two week's pay for each year of service for salaried employees. The "weeks of pay" usually have a cap, such as 10-15 weeks maximum regardless of the number of years of service.

These written understandings are typically used for layoffs and difficult (or problematic) terminations --- such as when you expect an unhappy individual to sue for wrongful termination or you are concerned about the protected-classes complaints. Those who do not "sign the agreement and accept the money" are simply retaining their right-to-sue or file charges. Most people "take the money."

Separation agreements serve a very useful purpose, but the employer has to pay for the privilege of getting the employee's signature and assuring their silence.

Larry Hobbs is a Personnel Management Specialist who assists employers in HR matters. Telephone consultation is always free to APSA members--- (210) 316-4206.

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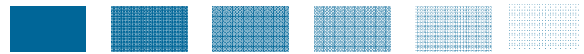
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CONGRATULATIONS

G. C. MORRIS/PAUL RUPP MEMORIAL EDUCATIONAL TRUST 2010-11 SCHOLARSHIP RECIPIENTS

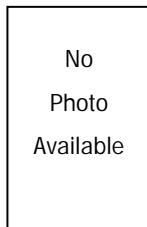
Congratulations to Jacob Bolin, St. Joseph, MO; Kaleb Campbell, Perry, MO; Christina Flores, El Campo, TX; Jacob Gibbs, Sterling, CO; Tyrel Hoffman, Dighton, KS; Dominik Kazmar, Baggs, WY; Dylan Mulford, El Campo, TX; Tyler Patterson, Wichita, KS; Matiaz Perez, Waco, TX; Rily Urban, Morse, TX and Chandler Williams, Pittsburg, KS on being selected as recipients of the G. C. Morris/Paul Rupp Memorial Scholarships. Each recipient will receive \$1,000 for the 2010-11 academic year.



Jacob Bolin



Kaleb Campbell



Christina Flores



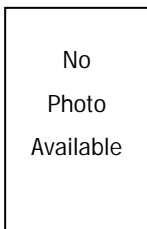
Jacob Gibbs



Tyrel Hoffman



Dominik Kazmar



Dylan Mulford



Tyler Patterson



Matiaz Perez



Rily Urban



Chandler Williams

The G.C. Morris/Paul Rupp Memorial Educational Trust is a 501(c)3 not-for-profit educational trust and contributions to the Fund are tax deductible under IRS guidelines. **APSA thanks all association members and friends for their past participation and encourages their continued support to the G.C. Morris/Paul Rupp Memorial Educational Trust** whose primary purpose remains one of providing financial assistance to worthy recipients.



Jacob is the son of Monica Landess and Rob Bolin, St. Joseph, MO and is a 2010 graduate of Central High School, St. Joseph, MO. He will attend Northwest Missouri State University, Maryville, MO and study Business.

Kaleb is the son of Sonya and Kyle Campbell, Perry, MO and is a 2010 graduate of Mark Twain High School, Center, MO. He will attend Linn State Technical College, Linn, MO and study Powersports Technology.

Christina is the daughter of Jose Flores, El Campo, TX and is a 2010 graduate of El Campo High School, El Campo, TX. She will attend Texas State Technical College, Waco, TX, and study Automotive Technology.

Jacob is the son of Yolanda and Arlyn Gibbs, Sterling, CO and is a 2010 graduate of Sterling High School, Sterling, CO. He will attend Northeastern Junior College, Sterling, CO and study Diesel Technology.

Tyrel is the son of Crystal and Scott Hoffman, Dighton, KS and is a 2010 graduate of Dighton High School, Dighton, KS. He will attend Northwest Kansas Technical College, Goodland, KS and study Automotive Technology.

Dominik is the son of Kamai Kazmar and Barry Bryant, Baggs, WY and is a 2009 graduate of Little Snake River High School, Baggs, WY. He will attend Western Wyoming Community College, Rock Springs, WY and study Diesel Technology, Heavy Equipment Maintenance and Welding Technology.

Dylan is the son of Leticia and Charles Mulford, El Campo, TX and is a 2010 graduate of El Campo High School, El Campo, TX. He will attend San Jacinto College Central, Pasadena, TX, and study Automotive Technology.

Tyler is from Wichita, KS and is a 2010 graduate of Wichita High School North, Wichita, KS. He will attend Lincoln Technical College, Denver, CO and study Automotive Technology.

Matiaz is the son of Maria De Jesus and Nazario Perez, Waco, TX and is a 2006 graduate of Skyline Center, Dallas, TX. He will attend Texas State Technical College, Waco, TX and study ASS Auto Collision and Management.

Rily is the son of Vicki and Gary Urban, Morse, TX and is a 2010 graduate of Gruver High School, Gruver, TX. He will attend West Texas A & M University, Canyon, TX and study Business.

Chandler is the son of Paula and Mylan Williams, Pittsburg, KS and is a 2010 graduate of Pittsburg High School, Pittsburg, Kansas. He will attend Pittsburg State University, Pittsburg, KS and study Automotive Technology.

**Good-Luck Jacob, Kaleb, Christina, Jacob, Tyrel, Dominik,
Dylan, Tyler, Matiaz, Rily and Chandler!!!**



Association News



MEMBERSHIP ANNIVERSARIES

5 YEARS

ABC Parts, Inc., Avon, CO
B.H.J. Marketing Inc., Omaha, NE
Kraus International, Houston, TX
Rehmer Auto Parts, David City, NE
Thomsen Auto Supply, Inc., Grand Island, NE

10 YEARS

Accurate Engine Service, Fort Worth, TX
B&B Auto Supply, Bastrop, TX
Chico Butane & Fuel Supply, Chico, TX
Ed's Automotive Machine Shop, Fort Worth, TX
Gary & Sons, Humble, TX
Quality Car Care, Winterset, IA

15 YEARS

B&B Warehouse, Inc., Houston, TX
Synergistic Power Systems Corp., Dallas, TX
Tasco Auto Color #2, Austin, TX

20 YEARS

Automotive Warehouse Distributors, Inc., Council Bluffs, IA
Crankshaft & Valve Service, Waco, TX
Falls City Auto Supply, Falls City, NE
Humphrey's Auto Supply, Inc., Ogallala, NE
K-C Auto Supply, Inc., Columbus, NE
Luis Auto Colors, Houston, TX
Mr. Automotive, Lexington, NE
Norfolk Auto Supply, Norfolk, NE
Osborn's Auto Care, Inc., Adair, OK
Targy Auto Parts, Omaha, NE
Western Trailer & Equipment, Abilene, TX

25 YEARS

B&C Parts & Supplies, Ennis, TX
Bob Page Auto Supply, Inc., Baxter Springs, KS
Dornak Auto Parts, Inc., Jourdanton, TX
K&K Auto Parts, Inc., Fort Scott, KS
Kelton's Truck Parts, Inc., Corpus Christi, TX

30 YEARS

Carter Engine & Machine, Amarillo, TX
Hartmann Bros., Inc., Abilene, TX
M&M Auto Supply, Houston, TX

35 YEARS

East Side Auto Parts, Kansas City, KS
Gooch Brake & Equipment Co., Inc., Kansas City, MO
Rogers Auto Parts, Nederland, TX
Rose Motor Supply, Inc., Hutchinson, KS

45 YEARS

Barker Machine & Supply LLC, Amarillo, TX

50 YEARS

Houston Truck Parts, Inc., Houston, TX

55 YEARS

Truckers Equipment, Inc., Corpus Christi, TX



WELCOME NEW MEMBERS!

Elk Valley Auto Parts, Estes Park, CO
Klein North Automotive, Tomball, TX
SSR Auto Supply, Canon City, CO
Soto's Automotive, Coppell, TX
Swanson Automotive, Harlan, IA



OBITUARIES

APSA was saddened to learn of the passing of James J. Targy, Jr., on July 10, 2010. Targy Auto Parts in Omaha, Nebraska has been a MAIA/APSA member since 1990.