



## AUTOMOTIVE AFTERMARKET NEWS

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



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### PRESIDENT'S MESSAGE

As 2010 draws to a close, the APSA staff would like to thank all our members for your continued support. The last two years have been tough on our members and, as you know, the success of the association is in direct proportion to its members. We have had a tough two years also, however, this year is much improved from last, and many members are reporting increases in their business.

We had the opportunity this year to participate in many member events and have seen much improvement in attendance and attitude. The show in Las Vegas was very well attended and the vendors we visited were very upbeat from their results.

We now look forward to 2011. All indications are that the independent automotive aftermarket will continue to improve. As the average age of the vehicles on the road increases, and with the loss of dealer service bays, the aftermarket holds a lot of opportunity for those willing to take advantage.

Remember, the only reason an association exists is to serve its members and we are dedicated and committed to that purpose.

You own APSA. We work for you. You're the boss! Call on us. We will help you in any way possible.

### HAPPY HOLIDAYS!



The APSA office closes from Christmas to New Year's, but leave a message and someone will return your call!

### MEMBERS, BE AWARE!

If you are utilizing a website, which is certainly a good business practice, be very careful as to what you place on your site. You must be as accurate as possible on what services you provide in your business.

Insurance companies are now using websites as a means of determining the operations of a business for rating purposes.

We have had several instances lately where members were placed in an inaccurate rating category with significantly higher rates because of the services listed on their website, even though the service was not the main function of their business.

### EMAIL

We are getting more and more time sensitive information that needs to get to our members immediately such as legislative issues or special vendor discounts (like early bird calendars!) for a limited time only. Please be sure we have your email address!

**APSA G.C. MORRIS/PAUL RUPP AND GAYLE MCCARTNEY MEMORIAL EDUCATIONAL SCHOLARSHIP APPLICATION FORMS ARE NOW AVAILABLE AT [www.apsassociation.com](http://www.apsassociation.com)**

**Application deadline March 31, 2011**

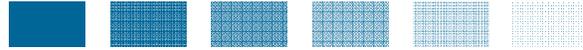


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## FINISHMASTER TO BE ACQUIRED BY UNI-SELECT

*Uni-Select is said to become the largest independent distributor of automotive paints, coatings and related accessories in North America with this landmark acquisition.*

The board of directors at [FinishMaster](#) has approved an agreement for the company to be acquired by a subsidiary of [Uni-Select Inc.](#)

The purchase price is based on an enterprise value of approximately \$217 million, less approximately \$45 million of net debt and certain transaction costs. The acquisition will be structured as a merger in which the shareholders of FinishMaster will receive \$21 in cash, without interest, per share, representing a premium of approximately 32 percent of the 30-day trailing average share price of FinishMaster.

"We are delighted to be partnered with one of the leading North American automotive replacement parts distributors. By bringing together two companies with complementary product portfolios and common corporate values, this transaction enables us to become the premier 'one-stop shop' for body shops in North America. Combining the industry expertise of our two management teams will allow us to further penetrate the market and expand our customer base creating opportunities for FinishMaster associates as well as our suppliers," said J.A. Lacy, president and CEO of FinishMaster.

"The acquisition of FinishMaster represents a unique opportunity for Uni-Select to expand its scale in the U.S., enter a complementary market as a leader and enhance its product offering," said Richard Roy, president and CEO of Uni-Select. "This transaction fits in perfectly with our business plan by significantly expanding our presence in the U.S. Although Uni-Select already distributes paint products, this acquisition will immediately improve the quality and breadth of our offering."

FinishMaster will remain a distinct entity within Uni-Select, serving the collision repair market. Its headquarters will remain in Indianapolis, Indiana.

## E-TRADE

Don't forget to check the APSA E-Trade section of our website to buy, sell or trade anything automotive! [www.apsassociation.com](http://www.apsassociation.com)

## ASAAA TO LAUNCH LEGISLATIVE INDUSTRY EDUCATION FOR STATE LEGISLATURES

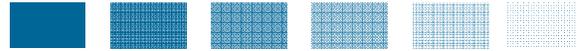
The Alliance of State Automotive Aftermarket Associations (ASAAA) on November 2nd held a press conference at AAPEX to announce the launch of a new initiative that aims to develop an industry education awareness program specifically focused on state legislatures. Comprised of 14 state and regional associations, ASAAA represents 10,000 members across the United States. The program has been established to assist in increasing awareness by state legislators of the major positive economic and consumer benefits generated by the automotive aftermarket parts and service industry. The campaign will create a blueprint whereby state associations can implement creative industry education tools, messages and innovative resources in their own state Capitols and regulatory agencies to increase awareness among policymakers about the benefits of a vibrant and robust industry.

The program is being launched with financial support of ASAAA, AAIA, AWDA, AutoZone, LKQ Corp., General Parts, Inc.–CARQUEST, Genuine Parts Company–NAPA, Advance Auto Parts and Remy Power Products.

Among the services the program will provide to state aftermarket associations will be a dedicated website, talking points and position papers, a monthly events calendar, sample legislation, sample articles and other materials to assist aftermarket businesses in communicating with their state legislators.

## PHARMACY DISCOUNT CARDS

In our October newsletter, you received a Prescription Discount Card from WellDyne to receive discounts at participating pharmacies (visit [www.wellcard.com](http://www.wellcard.com) to find one near you). If you would like more to give your employees, their family members, and even your customers, let us know! They are free to you, and you could attach them to your business card or other sales flyer to let your customers know that you care about them! Just another way to show your customer how much you appreciate them!



## WORKPLACE VIOLENCE

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

Violence at work is usually something you read about or see on the evening news. And it usually happens somewhere far away from your place of business or your community. However, management is becoming more and more concerned about this problem, and is beginning to realize that individuals can “snap” at any time and cause harm to others.

There is no sure way to prevent workplace violence, but hiring the right people, doing criminal background checks and drug screens on new-hires, and providing good supervision will help. Another step is to add a section in your employee handbook about violence. It puts employees on notice to be aware of management’s concerns and to be mentally prepared if anything unusual occurs. Typical wording can look like the example below:

### **WORKPLACE VIOLENCE**

*The Company promotes a safe and secure environment for its employees, customers, vendors, and visitors and is committed to maintaining an atmosphere free from threats, violence, disruptive behavior, intimidation, yelling, gestures, and harassment. Statements, messages, documentation, or actions that communicate or indicate a direct or indirect threat of physical harm will not be tolerated. Such activity could lead to removal, dismissal, and criminal penalties.*

Adding such a policy is in line with watching for and controlling other types of employee misbehavior --- discrimination, arguing, being too loud, threats, weapons, domestic violence, stalking, telephone harassment, or having a bad disposition. Managers should be trained to “watch for the indicators” and maintain a zero tolerance stance. It is better to address a problem than to ignore it!

Many employers either do not have an employee handbook or have one that has not been updated or modernized in several years; it may be time to take another look at it and make certain it has all of the provisions that you need. Company policies, benefits, and regulations change over time --- so, the employee handbook should be changed, too.

When you do your re-write, be sure to include workplace violence.

Assistance Available: If APSA Members have questions or concerns about any personnel management issue, call Larry Hobbs at (210) 316-4206 for a free and confidential telephone consultation.



## NHTSA PROPOSES TO REQUIRE REARVIEW VIDEO CAMERAS ON CARS AND LIGHT TRUCKS

The National Highway Traffic Safety Administration (NHTSA) issued a Notice of Proposed Rulemaking (NPRM) that would expand the required field of view for all vehicles under 10,000 pounds to include the area immediately behind a vehicle that a driver must be able to see when the vehicle is in reverse. The agency believes that the only technology that is available, which would comply with the requirement, is a rear-mounted video camera with an in-vehicle visual display. Admitting that the video option is expensive (as much as \$203 per vehicle), NHTSA is seeking comment on other technologies, that while not as effective as a video camera, might offer some safety benefits, but at a lower cost. One option that might be offered for passenger cars is a sensor system that monitors an area behind the vehicle and an audible warning when the presence of an object is sensed.

NHTSA is proposing to phase-in the standard, requiring 10 percent of vehicles to meet the standard between Sept. 1, 2012 and Sept. 1, 2013; 40 percent of vehicles produced prior to Sept. 1, 2014 and 100 percent of vehicles produced after Sept. 1, 2014.

The proposed rulemaking was mandated to be issued by the Cameron Gulbransen Kids Transportation Safety Act of 2007, which required that a rule be finalized by Feb. 28, 2011, that amended the agency’s safety standard for rearview mirrors to improve the driver’s ability to detect a pedestrian directly behind the vehicle. NHTSA states that in the NPRM there are 292 fatalities and 18,000 injuries resulting from back over crashes every year. Children under five years of age represent approximately 44 percent of the fatalities.



## CONFIDENT™ Life & DI Core/Buy-Up Plans For APSA Members

Empowering small and mid-sized companies to offer "big company benefits" to their employees.  
Here's how:

- 1 For an affordable cost per line of coverage, EMPLOYERS fund minimum levels of core benefits for their employees: Life, Short-Term Disability & Long-Term Disability.
- 2 EMPLOYEES then voluntarily "buy-up" their benefit amounts\* to the levels necessary to protect themselves and their families.
- 3 For their minimal investment, employers increase employee participation, appreciation and retention and significantly reduce the cost of the plan.



### Core/Buy-Up Life Insurance

Core/Buy-Up Life and Disability plans are available for APSA member groups of 2 or more eligible lives. When the employer pays for the core benefit, the employees are offered the buy-up options with no minimum buy-up requirement.

#### Employer-Paid Core Life Amt.: \$20,000

**Employee Buy-Up Options (5-49 life groups)**  
Add \$20,000, \$40,000, \$60,000, \$80,000, \$100,000  
Core + Buy-up Guarantee Issue up to \$120,000

**Employee Buy-Up Options (50-99 life groups)**  
Add \$20,000, \$40,000, \$60,000, \$80,000, \$100,000, \$120,000, \$140,000, \$160,000  
Core + Buy-up Guarantee Issue up to \$180,000

#### Spouse Coverage

Select \$10,000, \$20,000, \$30,000, \$40,000, \$50,000  
(not to exceed 50% of employee's amount)  
\$20,000 Guarantee Issue (groups of 5-49 lives)  
\$50,000 Guarantee Issue (groups of 50+ lives)

#### Child Coverage

0-14 days	no coverage
14 days - 6 mos.	\$250
6 months +	\$10,000 Guarantee Issue

Core/Buy-Up Life is Portable for Employees & Dependents  
2 Year Rate Guarantee



Robbie Nevers  
The Benefit Connection  
Cell - 832-339-3764  
mevers01@yahoo.com

### Core/Buy-Up Short-Term Disability

#### Employer-Paid Core STD Amt.: \$100

Weekly Benefit amount: \$100 minimum/\$1000 maximum  
- weekly benefit not to exceed 60% of weekly pay  
- bought up in increments of \$50

Elimination period: 8 days for accident/8 days for sickness  
or 15 days for accident/15 days for sickness  
Benefit Duration: 11, 12, 24 or 25-weeks

2 Year Rate Guarantee

### Core/Buy-Up Long-Term Disability

#### Employer-Paid Core LTD Amt.: \$500

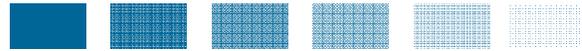
Monthly Benefit: \$500 core/\$6,000 maximum  
- monthly benefit not to exceed 60% of basic monthly pay  
- bought up in \$100 increments

Elimination Period: 90 or 180 days  
Benefit Duration: Age 65 Reducing Benefit Duration (RBD)

2 Year Rate Guarantee

Coverage is subject to satisfactory completion of the risk assessment questionnaire. Minimum monthly premium must total \$50 minus administration fees. Some industries may be excluded or have limited benefit options or reduced benefit amounts. Insurance products described are subject to exclusions, limitations and reductions. For more details, contact dfg at 888.327.8880 or info@capital-benefits.com.

CONFIDENT Life & Disability plans are issued by The Lincoln National Life Insurance Company (Fort Wayne, IN) which does not solicit business in New York, nor is it licensed to do so. The Lincoln National Life Insurance Company is a member of Lincoln Financial Group. Lincoln Financial Group is the marketing name of Lincoln National Corporation and its affiliates. CONFIDENT does not market Life & Disability plans in New York.



## CREDIT CARD CORNER

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

### DISCUSSING THE IMPACT OF PAYMENT ACCEPTANCE ON AN APSA MEMBER'S BUSINESS

#### Dirty Little Secrets

Ending the year with a few 'dirty little secrets' about accepting credit cards that you don't often hear about. Did you know—

—Any time you issue a refund to a customer's card, a portion of the cost you paid to accept that card on the original sale is refunded back to your card processor? Did you also know that most processors keep this? *With your APSA credit card acceptance program, that money is returned to you.*

—Authorizations aren't required on a refund transaction? Some members are paying an authorization fee on refund transactions anyway—and sometimes the original discount rate as well. *This will not happen with your APSA program.*

—Visa and MasterCard don't "qualify" credit card sales? It is actually your card processor that determines which Visa and MasterCard rates you are assessed? You can see evidence of this activity with words like "mid-qual" or "non-qualified" on your merchant statement. *Your APSA program eliminates this processor "qualification."*

—The last one isn't dirty at all. Your APSA program will set up your credit card machine so that each customer receipt includes your marketing message at the bottom. In addition to the usual "thanks for your business," you can include a slogan, mention your catalog, point to your web site—and just about anything else you care to say to market your company. *And it's free!*

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



## UNPRECEDENTED VEHICLE AGE GROWTH

### Overall Age Growth

The average age of cars and light trucks on U.S. roads will increase from 10.1 years at the beginning of 2009 to an estimated 11.3 years by 2013. This will be the greatest surge in overall car and light truck age in more than 40 years.

### Cars Versus Light Trucks

Despite cars gaining new sales share over the past several years, average age of cars on U.S. roads will climb faster than light truck age.

### Domestic Versus Foreign Vehicles

As domestic cars and light trucks continue to diminish in new vehicle share, they will experience a more rapid age gain than foreign models (imports and transplants). Domestic vehicles averaged 10.8 years on January 1, 2009. Lang Marketing estimates they will average 12.3 years by 2013. Foreign vehicles will record a more gradual run-up in average age between 2009 and 2013, climbing from 8.5 to 9.4 years.

### Domestic Cars

Domestic cars will record the fastest age growth between 2009 and 2013, soaring from 11.9 to 13.7 years, according to Lang's latest projection.

### Vehicle Age Sweet Spot

With older vehicles driven more miles, the age sweet spot for light vehicle repair will expand upward from its present five-to-ten year bracket to include vehicles twelve years old.

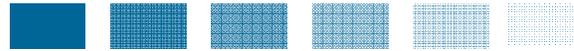
### Additional Product Cycles

As older vehicles are driven more miles, many will experience an additional replacement cycle across a wide range of replacement parts.

### Parts Proliferation

As older vehicles use more replacement parts, velocity of replacement parts for older vehicles will increase beyond historical consumption patterns. Parts proliferation will increase as "retirement ages" of many types of replacement parts are stretched to higher levels.

From Aftermarket Insight™ by Jim Lang, President of Lang Marketing Resources, Inc., [www.langmarketing.com](http://www.langmarketing.com).



"The more corrupt the state,  
the more it legislates" - Tacitus

## SENATE FAILS TO REPEAL 1099 RULE

The Senate rejected two amendments that would have eased expense filing requirements on small businesses. The amendments would have done away with the requirement of businesses to file annual expenses to vendors if the amount is over \$600.

## EPA FINALIZES SIGNIFICANT NEW USE RULE FOR MOTOR VEHICLE REFRIGERANT

The U.S. Environmental Protection Agency (EPA) has issued a significant new use rule (SNUR) under the Toxic Substances Control Act (TSCA) for the chemical substance identified as 1-Propene, 2,3,3,3-tetrafluoro, also known as HFO-1234yf.

The action requires persons who intend to manufacture, import or process the chemical substance for a use that is designated as a significant new use by this final rule to notify the EPA at least 90 days before commencing that activity. The EPA believes this action is necessary because the chemical substance may be hazardous to human health. The required notification would provide the EPA with the opportunity to evaluate the intended use and, if necessary, to prohibit or limit that activity before it occurs.

The EPA significant new use rule states that the substance is to be used only as a refrigerant in new motor vehicles, and that any other use must first be approved by the EPA. The agency is also considering a proposed rule that falls under the Significant New Alternatives Policy (SNAP) that would allow for the use of 1234yf as a substitute for R-12 in new motor vehicles.

Currently, the Clean Air Act requires the EPA to review alternatives for ozone-depleting substances and to approve of substitutes that do not present a risk more significant than other alternatives that are available. Under that authority, the SNAP program

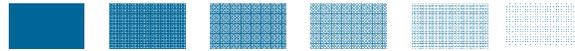
proposes to expand the list of acceptable substitutes for ozone-depleting substances (ODS). The proposed substitute is a non-ozone-depleting gas and consequently does not contribute to ozone depletion.

## EPA SEEKS NEW TIMETABLE FOR REDUCING POLLUTION FROM BOILERS AND INCINERATORS

In a motion filed in the federal District Court for the District of Columbia, the U.S. Environmental Protection Agency (EPA) is seeking an extension in the current court-ordered schedule for issuing rules that would reduce harmful air emissions from large and small boilers and solid waste incinerators. The additional time is needed for the agency to re-propose the rules based on a full assessment of information received since the rules were proposed. The rules would cut emissions of harmful pollutants, including mercury and soot, which cause a range of health effects – from developmental disabilities in children to cancer, heart disease and premature death.

"After receiving additional data through the extensive public comment period, EPA is requesting more time to develop these important rules," said Gina McCarthy, assistant administrator for EPA's Office of Air and Radiation. "We want to ensure these rules are practical to implement and protect all Americans from dangerous pollutants such as mercury and soot, which affect kids' development, aggravate asthma and cause heart attacks."

In order to meet a court order requiring the EPA to issue final rules in January 2011, the agency proposed standards in April 2010. While EPA requested and received some information from industry before the proposal, the comments EPA received following the proposal shed new light on a number of key areas, including the scope and coverage of the rules and the way to categorize the various boiler-types. Industry groups and others offered this information during the public comment period after EPA proposed the rule. After reviewing



the data and the more than 4,800 public comments, the agency believes it is appropriate to issue a revised proposal that reflects the new data and allows for additional public comment. This approach is essential to meeting the agency's legal obligations under the Clean Air Act and, as a result, provides the surest path to protecting human health and the environment.

EPA has estimated that there are more than 200,000 boilers operating in industrial facilities, commercial buildings, hotels and universities located in highly populated areas and communities across the country. EPA has estimated that for every \$5 spent on reducing these pollutants, the public will see \$12 in health and other benefits.

EPA is under a current court order to issue final rules on January 16, 2011 and is seeking in its motion to the court to extend the schedule to finalize the rules by April 2012.

More information:

<http://www.epa.gov/airquality/combustion>

## CONGRESS EXPRESSES CONCERN OVER EPA'S NEW USED OIL REG

Twenty-six members of Congress have signed on to a letter to U.S. Environmental Protection Agency (EPA) Administrator Lisa Jackson concerning the EPA's new used oil proposal. The proposal would severely disrupt the relationship between do-it-yourself (DIY) oil changers and the automotive service facilities that accept used oil for recycling.

## 2011 LEGISLATIVE SUMMIT TO BE RESCHEDULED

Congressional leaders recently announced that members of Congress would be away from Washington, D.C. on March 23-24, the dates that the 2011 AAIA Aftermarket Legislative Summit was scheduled to take place. The newly-scheduled recess was part of a recent decision by Congress to work in their district one week every month. This surprise decision has forced AAIA to reschedule the 2011 Legislative Summit.

AAIA is in the process of selecting new dates and will make an announcement on the rescheduled Summit. AAIA apologizes for any inconvenience this change might have caused anyone.



## THANK YOU 2010 PAC AND IGR DONORS!

As everyone knows, to be a player in the political arena, it takes money. These funds are necessary to support legislators in the various states who support your automotive industry.

PAC contributions champion the cause of small business but are not tax deductible. Personal or business contributions can be made (except in Texas – personal contributions only can be accepted).

IGR contributions provide governmental/legislative education, programs, and information for APSA members and the automotive industry. Personal or business contributions are accepted from all states and IGR donations may be deductible as a business expense!

APSA wishes to send a big "THANK YOU" to the following 2010 donors to the Political Action Committee (PAC) and Industry Governmental Relations (IGR) and remind members that donations are always accepted and appreciated!

A & I Parts Center, Inc.—TX

Automotive Parts & Equipment—KS

Breneman Auto Parts—KS

Ellis & Salazar Garage & Body Shop—TX

Hurley Auto Parts—TX

Iowa Automotive Machine & Supply, Inc.—IA

Kirke's Import Parts, Inc.—KS

Management Resolve—TX

Mission Auto Parts—TX

True Auto Parts, Inc.—KS

Warehouse, Inc.—KS

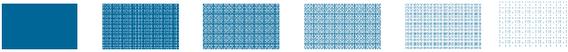




AUTOMOTIVE PARTS & SERVICES ASSOCIATION  
 8000 CENTRE PARK DRIVE, STE. 150  
 AUSTIN, TX 78754

Presorted Standard  
 U.S. Postage  
 PAID  
 Permit #2656  
 Austin, Texas

# Association News



## MEMBERSHIP ANNIVERSARIES

### 5 YEARS

Certified Automotive, Decatur, TX  
 The Parts House, Rifle, CO  
 Vita Auto Parts, Seymour, TX

### 15 YEARS

Goble Supply, Abernathy, TX

### 20 YEARS

Metro Color & Supply, Inc., Dallas, TX  
 Texas Auto Supply Distributors, Royse City, TX

### 25 YEARS

Warehouse Auto Supply, Irving, TX

### 50 YEARS

B & B Auto Supply, Miami, OK



## WELCOME NEW MEMBER!

TCM Engines, Austin, TX



YOUR APSA STAFF WOULD LIKE TO WISH  
 ALL OUR MEMBERS AND THEIR FAMILIES



*Happy  
 Holidays!*

*Jimmy*

*Melanie*

*Carol*

*Doug*

**Bob**

*Erica*



*Jim*



*Marc*