

# THE HORN



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September/October, 2016

## 2016 AACT Business Conference

### Recap

The 2016 AACT Business Conference held recently at Kingsmill Resort, Williamsburg, Virginia was quite a success. The weather was beautiful and the program outstanding. Saturday's program consisted of a very informative session entitled "Human Resources Legal Compliance Update", delivered by Sherry Robertson, IGO Insurance Agency, Raleigh, NC. Joe Register, Auto Care Association, Bethesda, MD, next addressed "Telematics: The Connected Car". Association Executive Vice President Randy Lisk concluded the annual meeting with a review of "AAACT Programs and Services". The Conference concluded with a Spiritual Message provided by Reverend Lindsay Poteat, Peninsula Rescue Mission, Newport News, Virginia.

The following is a summary of other happenings in Williamsburg:

- Awards were given to four (4) Directors who rotated off the Board: **Bob Conley** of Arden, NC; Immediate Past President **Ralph Dickson, III** of Gastonia, NC; **Chris George** of High Point, NC; and **Richard Gerard, Jr.** of Washington, NC.
- The newly appointed Director was: **Steve Lowman** of Raleigh, NC.
- New Officers were also elected by the Board and are as follows:– **President: Max Miller** of Benson, NC; **Vice-President: Rick Brown** of Winston-Salem, NC; **Treasurer: Ron White** of Burlington, NC; and **Secretary: Randy Lisk** of Raleigh, NC. Out-going President **Bobby Flowers** of Hickory, NC becomes **Immediate Past President**.
- Awards were presented to the following **AAACT Committee Chairs**: **Conference**– **Sandy Crews** of Jacksonville, NC; **Finance**– **Ron White** of Burlington, NC; **Education Trust**– **Ralph Dickson, III** of Gastonia, NC; and **Membership**– **Mark Savage** of Rockingham, NC.
- It was also announced that **Ron White** of Burlington, NC and **Hoyt Woodard** of Asheville, NC were named AACT's "Persons of the Year". Congratulations to Ron and Hoyt!!

We are also most grateful to Conference Chair **Sandy Crews** of Jacksonville, NC and her Committee (**Rick Brown** of Winston-Salem, NC; **Bob Conley** of Arden, NC; **Chris George** of High Point, NC; **Mark Savage** of Rockingham, NC; **Jack Scholler** of Statesville, NC; **Scott Winchester** of Charlotte, NC; and **Hoyt Woodard** of Asheville, NC) for putting together an outstanding event.

## Sponsors

Many Jobber, WD and Supplier Friends of AACT were conference sponsors this year and we are most grateful for their support! They are:

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### SATURDAY MORNING BREAKS:

- ◆ JOHN BOTTEGA - WADDELL & REED

## **LEGAL / LEGISLATIVE**

### **Current Form I-9 Valid Until January 21, 2017**

[Excerpts by Sherry Robertson, PHR, SHRM-CP, Written by Roy Maur, September 13, 2016]

The newest version of the Form I-9 will be made available by November 22, 2016, U.S. Citizenship and Immigration Services announced. Employers may continue using the current version of Form I-9 (with a revision date of 03/08/2013 on the top right corner) until January 21, 2017. After January 21st, all previous versions of the Form I-9 will be invalid.

"Ever since the current version of the I-9 expired on March 31, 2016, employers have been anxiously awaiting the release of the new form," said John Fay, vice president and general counsel at LawLogix, a Phoenix-based software company. "The newly revised I-9 has several new structural changes and instructions which are

important for all employers to know and learn." The new form I-9 will have an expiration date of August 31, 2019.

### **CHANGES TO THE FORM I-9**

The proposed changes specifically aim to help employers reduce technical errors for which they may be fined, and include:

- Validations on certain fields to ensure information is entered correctly
- Drop-down lists and calendars
- Embedded instructions for completing each field
- Buttons that will allow users to access the instructions electronically, print the form and clear the form to start over
- Additional spaces to enter multiple preparers and translators. If the employee does not use a preparer or translator, they must indicate so on a new check box labeled, "I did not use a preparer or translator."
- The requirement that workers provide only other last names used in Section 1, rather than all other names used
- The removal of the requirement that immigrants authorized to work provide both their Form I-94 number and foreign passport information in Section 1
- A new "Citizenship/Immigration Status" field at the top of Section 2
- A dedicated area to enter additional information that employers are currently required to notate in the margins of the form (such as Temporary Protected Status and Optional Practical Training extensions)
- A QR code, once the form is printed, that can be used to simplify enforcement audits
- Separate instructions from the form; although, employers are still required to present the instructions to the employee completing the form

"It's important to remember that this new smart Form I-9 is not an electronic I-9 as defined in the regulations," Fay said. "Employers filling out the new Form I-9 using Adobe Reader will still need to print the form, obtain handwritten signatures, store in a safe place, monitor re-verifications and updates with a calendaring system, and retype information into E-Verify as required."

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## **Important Notice from N.C. Department of Revenue**

**Effective October 1, 2016**, the following counties adopted a resolution to levy an additional 0.25% local sales and use tax: **Cherokee County and Jackson County**

Effective October 1, 2016, the local rate of sales and use tax in Cherokee and Jackson Counties is 2.25%. The general 4.75% State and 2.25% local rates of sales and use tax (total rate of 7.00%) apply to taxable sales and purchases of tangible personal property, taxable service contracts, taxable gross receipts derived from admission charges to an entertainment activity, certain digital property, sales price or taxable gross receipts derived from repair, maintenance, and installation services, and certain other items subject to the general State rate of sales and use tax pursuant to the provisions of N.C. Gen. Stat. § 105-164.4. Retail sales of food subject to the 2.00% rate of tax are not subject to the additional 0.25% local rate of sales and use tax. Retail sales of manufactured homes, modular homes, aircraft, and qualified jet engines are not subject to the local 2.25% rate of tax but rather only subject to the general 4.75% State rate of sales and use tax. **The provisions of the Local Government Sales and Use Tax Law, with respect to a retailer or facilitator required to collect sales and use tax in a taxing county, and the liability for local sales and use tax, are applicable to the new levy.**

**General State, Applicable Local, and Applicable Transit Rates as of October 1, 2016.** Effective October 1, 2016, the total general State, applicable local, and applicable transit rates of sales and use tax is 6.75% in sixty-eight counties, 7.00% in Alexander, Anson, Ashe, Buncombe, Cabarrus, Catawba, Cherokee, Cumberland, Davidson, Duplin, Edgecombe, Greene, Halifax, Harnett, Haywood, Hertford, Jackson, Lee, Martin, Montgomery, New Hanover, Onslow, Pitt, Randolph, Robeson, Rowan, Sampson, Surry, and Wilkes Counties, 7.25% in Mecklenburg County, and 7.50% in Durham and Orange Counties.

**County Tax Reporting Requirements.** A retailer or facilitator required to collect local and transit sales and use tax in more than one county must complete Form E-536, Schedule of County Sales and Use Taxes, and submit it along with the sales and use tax return or enter the applicable local and transit tax information for each county at the time of filing an electronic return through the Department's Online Filing and Payments service. Form E-536 or the electronic information should reflect the amount of local and transit tax collected for each county by a retailer or facilitator. Form E-536 and the Department's electronic services will be revised to accommodate the applicable 2.25% local tax rates for Cherokee and

Jackson Counties for returns due to be filed for periods beginning October 1, 2016. Purchases of taxable products by a person for storage, use, consumption, or distribution in Cherokee or Jackson Counties on or after October 1, 2016 are subject to the 2.25% local rate of sales and use tax.

**Additional Information.** For general guidance on the administration of the sales and use tax rate increase for Cherokee and Jackson Counties relating to leases or rentals, construction contracts including change orders, layaway sales, gross receipts derived from the rental of accommodations, taxable service contracts, taxable gross receipts derived from admission charges to an entertainment activity and reporting of tax on the cash basis of accounting for sales and use tax purposes, please review the publication at the following link: [www.dornc.com/taxes/sales/generalguidancelocaltax.pdf](http://www.dornc.com/taxes/sales/generalguidancelocaltax.pdf).

**Assistance.** The revised Form E-536, Schedule of County Sales and Use Taxes, will be available after October 1, 2016, and can be obtained on the Department's website or by calling the Department's Forms Line at 1-877-252-3052 (toll-free) after October 1, 2016. Questions regarding this notice should be directed to the Taxpayer Assistance and Collection Center at telephone number 1-877-252-3052 (toll-free).

## MANAGEMENT NOTES

### How to Bring Youth into Your Organization

Almost every industry I talk to these days is struggling with bringing youth in. How do you get them interested in your industry? How do you get them to take you seriously? How do you get them to work hard without thinking they're entitled to everything without actually having to work for it? Here are some answers.

**Step 1) Realize there *are* some great Millennials out there.** The fact that most of the youngest generation in the workforce seems to be entitled, self-centered, has no work ethic, and expect success overnight, is first, not quite as bad as it seems and second, nothing new. Those aspects aren't generation dependent, they're age dependent. When I was in my 20s, I was pretty much the same. Let's face it, at that age most of us don't have spouses and kids to worry about yet, we tend to think that we know everything, are immune to life's pitfalls, and that there is plenty of time to have fun now and get serious later. That said, there *are* career-minded, hard-working millennials who are looking for a long-term, fulfilling career but you're going to have to be committed to seeking them out, digging deep, and working hard to find them.

**Step 2) Talk about what's important to them and sell the dream.** Ask them what they want and show them how a career, not a job, in your industry will provide what they're looking for. If you're the typical person who comes to me about bringing youth into your business, you've been in the industry for decades and have had a good degree of success. Let the younger people know that they can follow in your footsteps and enjoy the same success. They too can have nice cars, nice houses, and live an extraordinary lifestyle all while providing for a family now or in the future. Generally speaking, younger salespeople will be more focused on the material rewards and money, as you probably were at their age, so you can put a little more emphasis there, letting them know they'll be more than prepared to provide for a family down the road too. The most important thing is to let them know that a career in your industry can provide them with everything they need to be successful and fulfilled.

**Step 3) Set expectations and prepare them for what's ahead.** Now that you've sold the cars, houses, and luxurious lifestyle, it's time to talk about the price of success. Let them know this is not a 9-to-5 job and that if they're going to have it all, there will be sacrifice. Inform them that they're going to have to pound the pavement, get beat up, and encounter pain and failure before success. Make them aware of the fact that, especially in the beginning of their career, life will be out of balance, weighted heavily toward the work side. Let them know their friends will be out drinking and asking why they're working so hard and they might think that they're missing out and that the long hours aren't worth it, but in the end, they will be. Say, "Five or six years from now your friends will think you're lucky or were simply in the right place at the right time because your business will be taking off and success will be obvious. You'll be taking great vacations, buying the nice new house, and driving your family around in the nice new car, and your friends will be toiling away in a job that they most likely hate, without a lot of financial or other rewards. Yes, in the beginning it will be tough, but if you're willing to work like no one will for the next 5 to 6 years, you'll live like no one can for the rest of your life. But all of that is going to take determination, hard work, self-discipline, and a commitment that you are

absolutely going to make this happen and be successful no matter what. Success or failure is completely in your hands.”

**Step 4) Be an organization committed to their success.** Bring them into the right environment and have an effective on-board training program. The right environment is one of professionalism and high standards. It’s a competitive environment in which everyone gets along, supports one another, knows what is expected of them, and gets the job done. You can’t allow negativity or slacking. Establishing good habits is the first step in developing a new salesperson. Do this with a solid training program which may include sending them to outside classes and training. Work with them to develop production goals and daily activity. Help them calculate the numbers and make sure they do what needs to be done. Chart a course for them to follow for personal and professional success.

Ensure your company is progressive, up-to-date, and open to new technology and change. Embrace the unique strengths that millennials bring to the table: energy, new ideas, and experience with technology. Take them seriously, treat them as equals, and value their input and opinions.

**Remember, good salespeople are hard to find at any age.** Do the work necessary to get the right people on the bus. Let them know what’s in it for them, let them know what you expect in return, and make sure it’s a win-win for all involved.

**And now a quick note for younger people reading this...**

You are at an age in which it is extremely easy to stand out and get a huge head start. Look for a career, not a job, and take it seriously *now*. It will pay off tremendously down the road. If you’re going to be successful, you have to pay the price at some point. Pay it now while you still have tons of energy.

John Chapin is a sales and motivational speaker and trainer. For his free newsletter, or if you would like him to speak at your next event, go to: [www.completeselling.com](http://www.completeselling.com) John has over 26 years of sales experience as a number one sales rep and is the author of the 2010 sales book of the year: Sales Encyclopedia. For permission to reprint, e-mail: [johnchapin@completeselling.com](mailto:johnchapin@completeselling.com).

## **Is Exit Planning Worth the Time and Money?**

[By: Carl Rogers, Rogers & Associates]

When we talk to business owners about the value of Exit Planning, we are talking about orchestrating a business exit that fulfills their unique personal and financial goals. More often than not, the business is the only asset that has the potential to deliver the results that the owner wants and needs. Since tackling a task of this magnitude can be daunting, owners sometimes ask whether devoting the necessary time and money to this project is really worthwhile. Our work in the Exit Planning arena has taught us a few things.

**Watch Your Emphasis.** Good Exit Planning can be the difference between a successful ownership transition and a complete derailment of the departure and of all the owner's goals. Exit Planning is not, as others might have you believe, a thoughtful sale of a business. It is much more. As a business owner, your emphasis should be on the *Planning*, which will in turn, support the *Exit*. "Planning" is the key concept.

It all starts with understanding your own objectives. When an owner sets her objectives in an Exit Planning context, she does so methodically and proactively. Owners who wait until entering the business sale process to decide how much cash they want and need from their companies, do so reactively. Often, they make hasty decisions or are blinded by attractive bait held out by less than scrupulous buyers.

Early in an organized and systematic Exit Planning process, owners place a realistic value on the company. If an owner has one foot out the door, or suffers from the fatigue of ownership, finding out the company is not worth what he or she had hoped is a painful experience. Even more painful is the subsequent rededication of effort to building the value of the company.

Even more powerful than setting out your objectives and understanding company value, the element of Exit Planning that gives an owner the biggest bang for the buck is, without a doubt, the emphasis that Exit Planning places on building and protecting business value. Owners often don't realize that focused attention on building value is an essential part of the exit. "If I'm leaving, why would I build value?" Keep in mind that Exit Planning includes a heavy emphasis on *Planning*, and the result is a more successful *Exit*.

**Let's Be Specific.** Let's look at just one of the many ways that Exit Planning shifts the emphasis to Planning for the benefit of the Exit. A technique that we use to motivate managers to remain with a company long-term and after a sale is the "Stay Bonus". An effective Stay Bonus accomplishes three tasks:

1. It gives the key managers a reason to stay.
2. It is structured so that it increases the value of the company.
3. It includes a penalty (usually in the form of a covenant not to compete) that deters key managers from taking key clients, vendors or trade secrets with them, should they leave before or after the sale.

The Stay Bonus is a carefully structured compensation program with details designed to fit your particular business needs and timeline. It encourages key managers to support a sale of the business and allows them to benefit financially from the successful sale.

The Stay Bonus supports the transition from old ownership to new, by aligning the motivations of the departing owner, the new owner, and the management team. Coupled with restrictions on what those managers can do if they leave the company, the overall Stay Bonus package creates real value.

Think about it -- if a buyer is evaluating two businesses that are exactly the same in all other respects, the one that can document an increased likelihood that top management will stay and work hard for the new owner will more likely get the offer, and at a higher price too.

Owners who participate in an intentional Exit Planning process often find that Exit Planning is indeed well worth the time and money devoted to it. If you'd like to learn how Exit Planning might, in turn, actually save you time and money, please contact us... **[Carl Rogers, Rogers & Associates -- E-mail: [cerogers@aicinvest.com](mailto:cerogers@aicinvest.com)].**

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## AAACT NEWS

### Welcome New Members!!!

#### **Affiliate (Manufacturer, AACT Supplier, Sales Rep., Repair Facility, Body Shop)**

- ❖ **LegalShield**, 10210 Falls Mill Dr., #202, Raleigh, NC 27614 -- Nick Sullivan -- 919-995-7612
- ❖ **Recovery One**, 3240 W. Henderson Rd., Columbus, OH 43220 -- Aleta Anthony -- 614-408-0122
- ❖ **Waddell & Reed**, 2501 Blue Ridge Rd. Ste. 200, Raleigh, NC -- John Bottega -- 919-785-2221

#### **Associate (Warehouse Distributor)**

- ❖ **Interstate Batteries of Central Carolina**, 533 Dynamic Dr., Garner, NC 27529 -- Neil Wagoner -- 919-779-4364

### 2017 Advertising Calendars

Don't forget to order the 2017 Advertising Calendars to keep your name in front of your customers all year long. Information was enclosed in recent issues of "The Horn". If you have questions or would like to place an order, contact Rita at 800-849-8037, Fax: 828-286-4847, or email [rwieskampaaact@aol.com](mailto:rwieskampaaact@aol.com).

~ **Randy Lisk, Executive Vice-President**