



TREADMARKS #244

OCTOBER 2017

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Kansasland Tire Group, Park City, Ks

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Shamrock Tire, Wichita, Ks

Dave McMannis
Canton Service Center, Canton, Ks

Mike Vondenkamp
Tire Dealers Warehouse, Wichita, Ks

Scott Woellhof
Champlin Tire Recycling Inc, Concordia, Ks

The Annual Convention Agenda is Shaping UP!

The 2018 Annual Convention agenda is in the works. Mark your calendar now for February 23-24, 2018. Topics being discussed include a Tax Collection panel, Bring your best idea round table, and more....oh and FUN!

It will be held at the Kansas Star Casino in Mulvane, Kansas just south of Wichita. Rooms are at a great rate of \$99 again this year. You can call 316.524.3777 and say you are with the Mid-America Tire Dealers Association. The rooms are at the Hampton Inn and Suites and the link is with this email too to book a room online.

Also be sure to find the applications to nominate the Industry Service Award and Employee of the Year Award. It's a great honor for recipients. Nominate someone by emailing the application back to the MATDA office.

You can find the **scholarship** nomination forms with this newsletter. Please pass them out to the kids you know will be furthering their education and is connected with our great industry.

Calendar orders are included in this newsletter too! Yep! It's that time of year. Be sure to get your orders completed in time for sending out for the holidays.



THANK YOU TO THE GOLF SPONSORS AND PLAYERS!

FIND THE SCHOLARSHIP APPLICATIONS WITH THIS NEWSLETTER



A Big Thank You to the Sponsors!

Our Scholarship Golf tournament was held at the Marion Country Club in Marion, Kansas on August 26th. Thank you to sponsors as well as golfers. We raised enough money to allow scholarships to be awarded at the Annual Convention; AND the Scholarship Applications are with this newsletter. Sponsor an applicant and send it in. Thank you to the below golf tournament sponsors:

Lunch - Sponsored by M & M Tire
Beverage Cart - Sponsored by Champlin Tire Recycling
19th Hole - Sponsored by Federated Insurance

Hole #1 is Sponsored by Canton Svc Center
Hole #2 is Sponsored by Canton Svc Center
Hole #3 is Sponsored by Cooper Tire Svc
Hole #4 is Sponsored by St. Louis Wsl Tire
Hole #5 is Sponsored by TO Haas Tire
Hole #6 is Sponsored by TO Haas Tire
Hole #7 is Sponsored by TO Haas Tire
Hole #8 is Sponsored by Federated Ins.
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Hole #10 is Sponsored by Kansasland Tire Group
Hole #11 is Sponsored by Kansasland Tire Group
Hole #12 is Sponsored by Thompson's OK Tire
Hole #13 is Sponsored by Thompson's OK Tire
Hole #14 is Sponsored by Tech Supply
Hole #15 is Sponsored by Federated Ins.
Hole #16 is Sponsored by Performance Tire and Wheel
Hole #17 is Sponsored by Iowa Mold Tooling
Hole #18 is Sponsored by Kansasland Tire Group

Team Prizes Sponsored by Yokohama Tire Corporation and St. Louis Wholesale Tire for providing players balls and Federated for golfer bags as well.

1st Place winner was the M & M Tire Team with a score of 51: Dean Darst, Ken Crandall, Bart Dennett and Travis Evans.

2nd Place was the Kansasland Tire Group Team with a score of 52: Dane Lawrence, Brent Coffman, John Roberts and Bob Runge.

3rd Place was the TDW Team with a score of 53: Mike and Josh McDonald, Vince Jones and Dennis Riebel.

Longest Putt is sponsored by Farmers Co-op and Golf USA and won by Marvin Barnes

Closest to Pin sponsored by Farmers Co-op and Golf USA and won by Craig Settle.

Longest Drive sponsored by Farmers Co-op and Golf USA and won by Mike McDonald.

Big shout out to Mike Vondenkamp in appreciation for putting up with the whole gang and doing a great job for the tournament once again.

Champlin Tire Recycling donated a putter that was raffled and Golf USA sponsored a Hole in One Prize to win a custom fit set of Ping Irons and jackets to raffle.

Again thanks to all the players and sponsors. It was absolutely beautiful weather too. Mike Vondenkamp is the tournament director and does a fabulous job.



NDEQ Meeting

On August 22nd, MATDA Board members George Hoellen and Brent Colgrove, and Shawn Herrick MATDA Staff met with Dave Haldeman, Ruth Johnston and Joe Francis with the Nebraska DEQ to discuss ideas to help with the scrap tire management options to try in Nebraska. LB 1101 was passed that tasked DEQ to conduct a study on solid waste management in Nebraska. Although the bill seems to have a primary focus on grant programs, the DEQ is tasked with looking at all solid waste programs including rules and regulations and statutes. So there is a regulatory aspect to the Study.

A consultant was hired to conduct the study and the report and recommendations to the legislature are due this December. Part of this process involved forming an advisory committee to help scope out what the project would entail. George Hoellen is a member of the committee.

Some of the issues or thoughts being struggled with include:

-NDEQ has awarded millions of grant dollars for scrap tire projects and other than cleaning up the majority of our scrap tire piles, we do not seem to be much further down the road in coming up with good, high end markets for tires.

-We grant money for "Amnesty Days" where an organization can host a tire drop off event for the general public (excluding retailers or others in the tire business) however, what we have been hearing is that when citizens purchase new tires they are taking home their tires to avoid the fees that retailers charge for proper disposal of the used tires. The rationale being that the average citizen will get an opportunity to

get rid of their used tires for free when an amnesty event is held in their area.

Communities have a concern that if the agency stops awarding grants for these events, we will see an increase in illegal roadside dumping and new tire piles forming. We also struggle with folks in the rural areas burning the tires for disposal, or using them as fuel to burn green tree and brush piles.

-Nebraska has a ban on landfilling scrap tires in any form. Most or a large percentage of tires generated in our state are disposed of in landfills in other states. Many of the tires probably come from haulers that service retailers, however a lot of grant dollars are funding the landfilling of tires from the amnesty events. Does it make sense for Nebraska to keep their absolute ban? Does it make sense to use grant dollars to fund disposal in landfills out of state.

- Nebraska occasionally provides grants for equipment to start up processing in the state. However, Ne cannot seem to attract any companies to take advantage of the grant money and start processing or attract new markets in the state.

-By statute the department cannot grant fund TDF projects. And, we only have two facilities in the state that could use TDF, but are not likely to do so. Those companies are a cement plant and a steel manufacturing plant.

MATDA MISSION

The mission of the MATDA is to promote closer cooperation and better understanding between the tire dealers of Kansas, Nebraska, and Oklahoma; to provide professional lobbying and governmental relations; to provide effective training and education to enhance members' business acumen and help them better serve the consumer; to promote public understanding of the industry's concern for the

environment, and to provide such services and activities that are proper and necessary to achieve these mutual goals.

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RISK MANAGEMENT CORNER



Cybersecurity and Small Business

It's nearly impossible these days for businesses to operate without the help of Internet-connected devices, which exposes them to cybercrime. It's the small- to medium-sized businesses, however, that are especially vulnerable: half are victims of cybercrime and nearly two-thirds of those victims go out of business.¹ Hackers increasingly target small businesses because there is a low risk they will be caught and a high probability they will be successful.

Maintaining personally identifying information (PII) on a computer connected to the Internet creates a nearly unavoidable risk. More than likely, names, addresses, and employees' employment information are stored. If PII is acquired by someone without the authority to do so, in most states that is a security breach (data breach).

Banking, credit, and vendor account information is also vulnerable. Even if that valuable information is not stored on an Internet-connected computer, employees who have access to it can be duped into handing it over to criminal actors.

Best Practices and Security Tips

Tip 1: Train Employees in Information Technology Security. Training should be offered especially to those who are responsible for accounts payable, human resources records, and wire transfers. Training for all employees should be reinforced periodically.

Employees should be instructed to refrain from clicking links or attachments in e-mails, and not to pay an invoice until it's confirmed that the sender actually sent it. Even if the e-mail appears to be from a trusted source, employees should learn to always copy and paste links or type URLs into a browser to see if the address is valid.

Tip 2: Funds Transfers. Put a policy in place to have an in-person or telephone conversation to confirm e-mail requests for funds or personal information. It can greatly reduce the likelihood of fraudulent transfers or information sharing.

Tip 3: E-mail Authentication. Phishing can be substantially reduced by verifying that the e-mail originated from the domain it is associated with. If your domain is hosted, it's worth taking some time to look at how your e-mail is set up to ensure proper authentication schemes are used.²

Tip 4: Change default passwords on your router and other Internet-connected devices.

Tip 5: Use a trusted VPN service when using WiFi.

Tip 6: Back up your data regularly both to the Cloud and to a removable device.

Tip 7: Update firmware and software regularly.

Security professionals used to strive for perfect security, but today they accept that goal is unachievable. Instead, they strive for optimal security by combining best practices with a risk management program that considers purchasing data compromise and cyber coverage through a knowledgeable insurance provider.

Cyber ShieldSM from Federated Insurance is a two-part coverage program designed to help provide essential protection against many of the critical cyber and privacy exposures businesses face. Data Compromise Coverage and Cyber Coverage can help your company recover from intentional or accidental breaches. Visit federatedinsurance.com for more information or to find your [local Federated representative](#).

¹"The Impact of Cybercrime on Small Business," Course 10, Tutorial 1, Quoting Dr. Jane LeClair, Chief Operating Officer National Cybersecurity Institute. Online at <https://www.sbir.gov/sites/all/themes/sbir/dawnbreaker/img/documents/Course10-Tutorial1.pdf>.

²The leading e-mail authentication protocols are SPF (Sender Policy Framework), DKIM (Domain Keys Identified Mail) and DMARC (Domain-based Message Authentication, Reporting & Conformance); best practice is to utilize the three protocols together.

This article is intended to provide general information and recommendations regarding risk prevention only and should not be considered legal advice. Following these guidelines does not guarantee reduced losses or elimination of any risks. This information may be subject to regulations and restrictions in your state. Qualified counsel should be sought regarding questions specific to your circumstances and applicable state or federal laws. © 2017 Federated Mutual Insurance Company. All rights reserved.



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Department of Labor - Wage-Hour Division Continues Assault on Employers

by The SESCO Report; August 2017

SESCO Management Consultants fully expected a “culture” change within the Department of Labor with their aggressive approach with employers as experienced over the last eight (8) years. Unfortunately, we are not seeing any relief for employers as Wage and Hour lawsuits and audits continue to explode nationwide. There are a number of reasons for this record activity to include:

1. Even though the proposed overtime rules (increase) in the exemption salary threshold to \$47,476 is on hold, employees compensated on a salaried basis are informed creating raised interest and more inquiries internally as well as through lawyers and the Department of Labor.
2. A 2016 U.S. Supreme Court ruling requires immaculate time records as employees now can use “sampling” to justify timekeeping lawsuits.
3. The outgoing Obama administration poured millions of additional labor budget dollars into increased Wage and Hour enforcement which means beefed up workplace scrutiny. There is no indication, unfortunately, that the Trump administration will rescind these enforcement initiatives.
4. The IRS has received additional enforcement monies as well to include hiring 700 new enforcement agents who will be tasked with payroll audits verifying independent contractor relationships.

Although the Department of Labor will not “officially” admit that they are targeting various industries, there is no question that their random audits have increased due to the non-compliance and subsequent

significant monies available in varying industries which include: Automotive Service/Convenience/Tire Shops; Retail Automotive and several more.

What is most concerning to SESCO when we conduct Wage and Hour audits and/or assist our clients when being audited by the Federal or State Department of Labor officials is the lack of awareness to basic compliance requirements and how shocked employers are when they realize that, in fact, their time recordkeeping practices and pay plans are not in compliance. Common violations include:

- Misclassification of employees as exempt under the white-collar administrative, executive, professional (learned and creative) exemptions.
- Misclassification of workers as independent contractors (1099’s).
- Failure to pay for pre- and post-shift off-the-clock activities for non-exempt employees.
- Unpaid on-duty meal and rest breaks.
- Improper calculation of the regular rate to include failure to pay overtime on bonuses, incentives and spiffs.
- Failure to pay minimum wage due to travel and kickback rules.
- Failure to pay overtime to drivers who do not qualify for the exemption under the Motor Carrier Act and related laws.
- Improper tip and service charge practices.
- Inaccurate time records and improper pay deductions.

If you think that your pay plans are compliant, you are probably wrong as normally Wage and Hour will find an employer in non-compliance — 83% of the time. Currently back wages average \$2,350 per employee and these are being “doubled” to address liquidated damages. Thus, the actual average per employee is over \$4,500.



Recent Passing of Harvey Brodsky

TIA Mourns the Loss of a Champion in the Tire and Rubber Industry

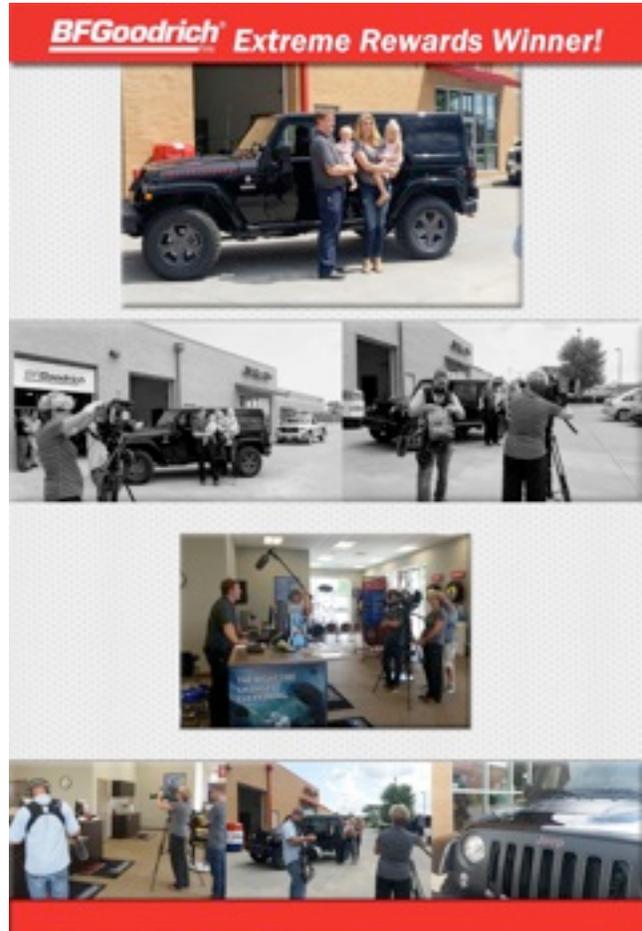
The MATDA would like to express our deepest condolences to the friends and family of Harvey Brodsky. Harvey was the former Managing Director of the Tire Retread & Repair Information Bureau (TRIB) and founder of the Retread Tire Association. Harvey was a longtime advocate for the retread and repairing industries and a member of the TIA Hall of Fame. He leaves behind his wife, Rona Halpern.

Member in the News!

Congratulations Eric Schueth!

As the winner of the BFGoodrich Extreme Rewards Sweepstakes Eric was awarded a brand new 2017 Jeep Rubicon this week!

A marketing firm representing BFGoodrich & BFG representatives staged a surprise giveaway. Below are a few photos from T.O. Haas Store #34 where Eric serves as Assistant Manger.



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MATDA CONVENTION FEB. 23-24, 2018 AT THE KANSAS STAR!!

On The Light Side

“You will never be told when the next bit of education is coming or where it’s coming from or who the teacher will be. That information will only reveal itself after the fact. All that you can do is leave a little room there for the next lesson to come through. Someone will be carrying it. You just leave the door open a crack.”

~ Tom Petty

Membership Dues

The annual membership dues was mailed in June. Many have renewed already. Thanks so much. If you have any questions don’t hesitate to contact the office at 785.286.1110.

Watch your in box and be sure to offer any suggestions for the annual convention for next year as plans are being made by the board of directors now. It is scheduled for February 23-24, 2018 at the Kansas Star in Mulvane, Kansas.

The best ideas on how we can better serve our members comes from YOU- our members! So, now’s your chance. Tell us what we’re doing right. Tell us what we’re doing wrong. What can we do better?

9th Annual Tire Industry Honors

Paris Las Vegas Hotel – 6:00pm–8:00pm

You’re Invited! – On Monday, October 30th, the Tire Industry Honors, sponsored by Michelin North America, will recognize individuals who have made a significant impact within the tire, rubber, and transportation industries. We will induct the 2017 Hall of Fame honorees and recognize our Ed Wagner Leadership Award recipients. Special awards will be presented by *Modern Tire Dealer*, *Tire Business*, *Tire Review* and Michelin’s announcement of their scholarship recipients. There will also be a special keynote speech from Richard Smallwood of Sumitomo Rubber North America, Inc.



Congratulations to our Honorees and Award Recipients



Hall of Fame

Godfrey L. Cabot – Founder, The Cabot Corporation
 William T. Conklin – Former President, Schenit Tire and Rubber Company
 Norm Gaither – Owner, DSP 20 Group

Ed Wagner Leadership Award

Anthony Blackman – Owner, Atlantic Tire and Service
 David Zielasko – Vice President, Crain Communications Inc.

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risk a life for.*

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- Distracted
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