



TIRES & TREADING



TIRE DEALERS ASSOCIATION

California Tire Dealers Association

CTDA/1-800EveryRim New Year Luncheon



KEYNOTE SPEAKER TOM FORMANEK
TIA VICE PRESIDENT ADDRESSES ATTENDEES



MIKE RUSSELL,
GOLD SPONSOR FEDERATED INSURANCE
ADDRESSES ATTENDEES



MC CAROL DELLABALMA
CTDA PRESIDENT



BILLY EORDEKIAN
1800EveryRim.com
EVENT UNDERWRITER



MATT BURROWS
GOLD SPONSOR
YOKOHAMA TIRE



JOE FENDEIS
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WELCOME OUR NEW MEMBER



John Chahanian, authorized agent for UTi followed the suggestion of Paul Arellano of Lakin Tire and joined CTDA.



UTi's Transport Solution is one of the suite of distribution services offered by UTi Worldwide (now DSV), a leading third-party logistics provider. Transport Solutions offers customized value-added transportation solutions for clients of all sizes.

UTi provides cost-effective and long-term solutions for all freight needs and prides itself on operating as a true collaborator due to vast knowledge and experience within the industry.

John expressed to me that he was very proud and excited to be part of CTDA, an organization that is home to many every-day associates and colleagues.

Take a minute and contact John at (818) 891-9050. Welcome John and we look forward to a long and mutually beneficial relationship. And, thank you Paul.



TIA again is represented at the CTDA 1-800EveryRim New Year Luncheon, hosted again by Billy Eordekian. VP Tom Formanek was the Keynote Speaker. Yes, it was not only a success, but was the best ever! Full details on pages 10-12.

2016 will be a year of Area Meetings. An opportunity for fellowship. You will come away with new ideas, new friendships and a sense of unity. Contact Ed King at edking@catiredealers.com with any questions, ideas for Area Meetings, suggested locations, or if you would like to be involved.

We believe this issue will be educational, entertaining and informative. We cover the New Year Luncheon. We have an article on some resolutions you should consider for your 2016 Health Insurance. President Carol covers the "old days" and goes from changing truck tires to paddling in butter. You have to read it to understand. Paul Arellano writes an article that could provide "that bit" of information to help you achieve your resolutions. Hub Gurnari gives us another entertaining, but informative article. Both Paul and Hub always provide interesting articles. We remember a long time member who was an important part of East Bay Tire Co. When I joined the Association, Joe Fuetsch was Insurance Chair. Mr. Fuetsch started East Bay Tire Co. Through the contributions of Joe Pehanick and his son George Pehanick it has become one of the more successful member firms. I am sure you will learn things about Joe that will show what an interesting man he was. We write on a subject that could be profitable to many.....Women. It is that time of year again. We list some of the more important Tax changes for individuals and businesses. And we even cover a Wise subject. ENJOY!

THE PRESIDENT'S MESSAGE

CAROL DELLABALMA

CTDA PRESIDENT



I attended the 1800EveryRim-CTDA Happy New year Luncheon in Southern California on January 21, 2016. There was standing room only. We greeted Dealers and Suppliers as they arrived, and it was great to see that I had done business with, or even served with some over the years on the NTDRA Board (now TIA). Tom Formanek, Regional Sales Manager of Stellar Industries, and now serving as Vice President of TIA, was one of our speakers. He was the youngest member to be elected to the NTDRA Board. We both served with Paul Bobzin of La Canada

Firestone, during his term as President. Paul hasn't changed a bit; he's still the same gracious, handsome fellow he was in the 1990s. Matt Burrows, representing Yokohama Tire and I caught up on how things had gone in our lives since he was a salesman in our area several years ago, I also had the opportunity to meet Dan Wise, of Wise Tire & Brake in Inglewood. I believe he said he now holds the title of "The Oldest Independent Tire Dealer in California.", and another supporter of CTDA. There were many Dealers and Suppliers attending and I wish time had allowed me to visit and get to know them better.

On the way home from LAX, my thoughts returned to a remark that was made by one of the attendees: "Doing business sure isn't like it was in the good old days." I'm sure the "Good old days" were and are different times for all of us as they relate to a calendar.....My thoughts drifted back to the early 1950s, when our economy was booming and there was much less competition for good jobs. The positive attitude of people made life more enjoyable and all sorts of new business enterprises were started. In Northern California, in the heart of the Redwood country, we were running our retread business seven days a week, with three shifts. The only days we were closed were Christmas, Thanksgiving, Easter and the Fourth of July. When the 18-Wheelers pulled in, many were loaded with only one log, others with two or three. We had so much truck business, we were buying containers of new tires from Michelin and mixed brands every month. Later we were one of the first ten dealers on the West Coast to introduce TOYO Tire to the U.S. Sawmills abounded and our fishing fleets and canneries were known throughout the U.S.

Then, we were hit with the 1964 flood, now named the Christmas Flood. California Governor Pat Brown called it the Thousand Year Flood. Ten towns were either heavily damaged or completely washed away. Twenty major highway and county bridges were destroyed and our railroad was damaged so heavily, it was never rebuilt North of Willits. They recorded over 22 inches of rain in less than two days. The flood crest was measured at 46 feet at the town of Miranda. The flood damage impacted every business in our part of the State and many logging companies closed when their equipment, logging sites and access were lost. To compensate, our business changed to include more on-highway type tires and we expanded our passenger and lite truck lines. The 1980s were another challenge, with the Recession and even more changes, so we diversified, added more services and brought in more O.T.R. and sports vehicle tires and wheels. 1990-19991, yet another Recession and more changes....flowing into the 2000s, with crude oil prices peaking, tire price changes were hard to keep up with. If we didn't have it in the warehouse, we wouldn't quote a price when someone asked for a quote. Once again we made changes. Then, in January of 2008, my husband, Bob passed away....after working together for 52 years.

It was hard to "pick up the pieces" and do business as usual. I tend to think that we were kind of like the frog in buttermilk: Two frogs fell into a vat of buttermilk and started paddling like mad, trying to keep their head up. One of them finally said, "Well, I'm just going to give up and drown, it's just too much to keep trying." The other frog kept going and pretty soon, he had made butter. The butter rose to the top, and he sat on it and jumped out. Now, our son Russ, and his wife, Rhonda, have again expanded our inventory to include trailer parts and accessories, with the largest parts inventory in the Country. He specializes in light truck applications and draws customers from a large geographic area. It shows that business goes on, we have to keep paddling.

5 HEALTH INSURANCE RESOLUTIONS TO CONSIDER FOR 2016

Health insurance has been changing over the years, and a few “resolutions” by you and/or your employees may be beneficial to your fiscal health in 2016, if you take 5 actions concerning your health insurance.

GET FAMILIAR WITH YOUR COVERAGE

Know the limits of your coverage before you start using it. No need to start the year with sticker shock from a steeper-than-expected doctor’s bill.

Particulars of the plan may have changed compared with last year, and perhaps you are unaware of the change. The insurance coinsurance may have changed or the amount you pay after a deductible may have increased, causing a need to spend more.

SHOP FOR CARE

This is really the “wave of the future.” Some employers and insurers are convinced that health insurance can be controlled better if providers are forced to compete for your business. Insurers may provide online quality measurements for a wide range of non-emergency care. You do not need an app or some online tool to shop for care.

For example, the cost of an office visit can vary depending on factors such as where the doctor is located; if your haven’t met your deductible; or other factors.

TRY SOMETHING NEW

Telemedicine is supposed to be the rage in 2016. Carriers and drugstore chains are pushing a smartphone use. Experts say growing smartphone use and customer demand are fueling a rapid expansion of telemedicine into everyday care.

Sometimes, increasing your deductible can lead to affordable reductions in your costs. For example, if you increase your deductible from \$250 to \$500 and it saves you \$50 in premium you may consider the change. In essence, this is saying that you are paying \$50 in premium for \$250 of coverage.

USE IT, DON’T LOSE IT

This applies to flexible spending accounts, which employers may provide to let you set aside income before taxes to cover health-related expenses. If you setup one, resolve to use it. Some employers may require you to use by the end of the year; or, they may allow a grace period into the next year; or, may allow you to carry over as much as \$500 to the next year. Know the limits of a plan you are participating in and use the benefits rather than lose them.

LEARN DEADLINES

If you don’t like your coverage, you can usually change it. But know when the next change period will arrive.

Employers usually hold “open enrollment periods.” Know when these are and make certain you do not miss the advantage of making changes during these periods. Know all of the important “deadlines” of your health coverage. Missing one can lead to increased expense and/or increased premium payments.

As an employer, make certain this information is made readily available to your employees. As an employee, take the time to learn these time periods and be prepared to act accordingly to get full fiscal benefits from your health insurance. Missing action during these periods can be financially expensive and can lead to loss benefits.

WOMEN ARE IMPORTANT

Industry literature writes a lot about the importance of women to our business. Three things always mentioned are that women have the numbers, the influence and the shopping skills. Some of the information below, may be of benefit to you and your business.

The millennials represent a huge group of the buying population. But, women are big in the numbers and influence. They represent slightly more than half the population, hold great influence over household budgets and buying decisions. They number over 158 million in the United States and have the best shopping skills. When dealing with women at your business, it is important to get it right and in the right order.

Women take a different approach to research and shopping for automotive services and tires. They bring their own set of priorities when shopping. They are not afraid to spend more time in the decision making process, they will put more time and energy into research and they will ask more questions. Some studies show that women shoppers need more sufficient information and dislike hurried or brief answers. Short answers make a woman feel unimportant. Feelings play a big part in a woman's ultimate buying decision.

These traits mentioned above are based on the fact that woman, in general, are looking for safety. This is followed by their search for reliability, durability and affordability. These three categories answer three important questions:

- Are you recommending a reliable product and why are you recommending that product?
- Is it durable?
- Are you selling it at the right price?

If you answer these three questions, with respect and dignity, then you will attract more business from women. Remember, women can spot fake fast. So, when dealing with women in a sales transaction, it is important to be transparent, open and honest. Women can tell when you're holding back and this can cause them to pause. If she pauses, she will make it difficult to continue if doubts and issues are left unaddressed. Avoid the temptation to over-guide or control the discussion. They typically do not like to be controlled.

Some other important pointers are: Share important information up front and you will build and earn trust; they use a lot of online research and research shows that over 70% of women rely on websites in their shopping process; and, women actually prefer interaction with a sales person when making the final purchase decision.

So, women who buy or influence tire purchases are a huge category of consumers. They are probably your most important category. They represent the most skilled shopping group. They are looking for reliability, dependability and affordability. It will be beneficial to your business to remember the information above and have an eye on the female consumer.



BUSINESS NEWS

EMPLOYERS GET HEALTH LAW REPORTING EXTENSION

The Treasury Department has given employers an extension of critical reporting requirements and is trying to manage some of the more complicated federal health law. This will be the first time these reports are required by the health law. The requirement for employers with 50-99 employees took effect January 1.

Employers now have until March 31 to report information to workers. They have until June 30, in some cases, to report to the IRS. The information is needed to enforce the health law's requirement that individuals carry insurance, administer its subsidies for premiums, and that larger employers offer coverage.

EQUIPMENT WRITE-OFF ABOUT TO BE MADE PERMANENT

Small businesses are getting a permanent \$500,000 tax break when they buy equipment like cars, computers and machinery. However, tax experts say owners should crunch some numbers before claiming the big deduction.

This so-called Section 179 deduction has been in limbo the past few years, with Congress often not agreeing until 12/2015 to raise it from \$25,000. Section 179 allows a small business to deduct up front rather than depreciate the cost of certain equipment. Equipment must be purchased and put in service by December 31. You don't have to pay for the equipment by year-end; it's OK to buy it on credit and still take the full deduction.

You can learn more and how to claim it on your return from IRS Publication 946, which is available on www.irs.gov. This deduction should be discussed with your tax accountant or tax attorney.

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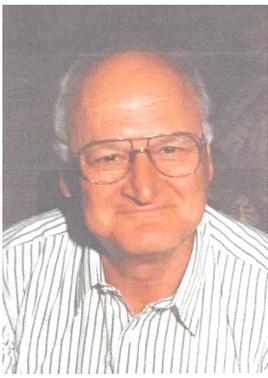
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EVERYBODY KNEW JOE PEHANICK!. He made a big impression!

Joe died at home on November 20, 2015, after extended health problems. He was born in Scranton, PA a month before the stock market crash. He was the sixth of eight children of Mary Krake and Andrew Pehanick.

He attended Seattle University on a basketball scholarship and was a team member from 1950-1954 when the University had 26 straight wins, ranking it sixth in the nation. He was drafted by the Baltimore Bullets of the National Basketball Association and played a few years on the Bullets team.

JOSEPH PEHANICK Joe returned to the Pacific Northwest and was hired by Boeing Aircraft Co. In 1956, **09/29/1929—11/20/2015** he married Joeline Ann Fuetsch. He then went to work for his father-in-law, Joseph Fuetsch, founder of East Bay Tire, in 1959. In 1986, Joe bought East Bay Tire, a wholesaler and commercial tire dealership, now located in Fairfield, CA. As CEO, Joe helped build the company into an international wholesale operation, doing business in Asia, Europe and Australia. In 2001, his son George took over as CEO. Joe held office with the California Tire Dealers Association. In 2009, Seattle University inducted Joe into its Athletic Hall of Fame in recognition of his role in leading the team to a 26 game winning streak. He was a long-time member of St. Perpetua Catholic church in Lafayette, CA. His family described him as a “people person” and an extraordinary father who enjoyed his family immensely. He was proud of his Slovak heritage and his association with Seattle University.

He is survived by his wife Joeline of 60 years; six children and their spouses: George (Gretchen); Alice Oliver (Dennis); Noel Walters (Gerard); Joseph (Jodi); Jennifer Buckley (Robert); Jamie Pehanick (Leonard Gilbert); and many grandchildren.

If you want to do something in memory of Joe, the family suggests a donation, in memory of Joe, to: Seattle University Athletics, PO Box 222000, Seattle, WA 98122.

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CTDA—1-800EveryRim NEW YEAR LUNCHEON

CONSISTENCY. The best word to use describing the CTDA—1-800EveryRim Luncheon. It has consistently grown every year. The 2016 event reached a total of 47 firms and a total of 77 attendees. Talk about “standing room only.” Underwritten by host Billy Eordekian of 1-800EveryRim, the Luncheon was held on Thursday, January 21, 2016, at the Dal Rae Restaurant in Pico Rivera, CA.

Gold Sponsors were Federated Insurance Companies and Yokohama Tire Corp. Pirelli was a Silver Sponsor. Door prizes were provided by Coker Tire, Freedom Tire, GT Radial, Lakin Tire, Schrader International, Tires Warehouse, The Ultimate Wheel & Tire Plus Sizing Guide and Voxx Wheel. Eight different companies contributed table favors. Appetizers and refreshments were served during the social hour. The Keynote Speaker was Tom Formanek, VP of TIA. Carol Dellabalma, CTDA President was MC. Joe Fendeis of Ultimate Wheel & Tire Plus Sizing Guide talked about the WTC Ride Guide. The Guide is designed to help retailers educate their customers. Mike Russell, ARM, Federated Insurance Companies talked on important insurance concerns for the tire industry. He explained how Federated, a leader in insuring those in the tire industry, was beneficially priced for CTDA members.

The event started several years ago by Billy Eordekian to thank his loyal customers. Then, as President of CTDA, in 2010, Billy included invitations to CTDA members. In 2014, CTDA endorsed the Luncheon. The 2016, numbers show what a success this event has become. Oh yeah, a good time was had by all.



TOM FORMANEK
VP TIA

Keynote speaker Tom Formanek started his career in the truck equipment industry with Unicover Inc., a pickup topper manufacturer. Tom then became more involved in the tire industry by working in sales and then becoming division manager for Collins, a division of DMC, later purchased by Stellar Industries, a premiere manufacturer of tire service trucks for the tire industry. In the past 22 years Tom has been with Stellar Industries, and is currently Regional Sales Manager. He was first elected to the Board of NTDRA (Now TIA), and he served as TIA Treasurer for 6 years. He was then elected Secretary, advancing through the chairs, where he now serves as Vice President. He has been married to his wife Brenda for 26 years and has three children, Sara, Laura and Brett.

Tom highlighted the important benefits of being a member of TIA. The TIA acts as the tire industry voice in Washington, DC. It is now pushing opposition to the mandatory tire registration. He explained the various training programs and consumer education videos available through TIA.



SPEAKERS AND SPONSORS





BILLY SAYS, "IF EVERYONE BUYS 12 MORE WHEELS IN 2016 THAN IN 2015, WE CAN DO THIS AGAIN IN 2017"



TIA VP TOM FORMANEK WITH NTDR AND CTDA PAST PRESIDENT PAUL BOBZIN OF LA CANADA FIRESTONE



FEDERATED INSURANCE, TYLER SMITH, MIKE RUSSELL AND CHRIS LIKERT



CTDA DIRECTOR BILL FUQUA, TURBO WHOLESALE TIRE, WITH JOE & LENORE VASQUES OF SAVAS TIRE



CHRIS BARRY, CTDA VP AND ED LONG, VP ITDG. AS ALWAYS, CHRIS WAS A GREAT HELP



ITDG VP ED LONG WITH JIM FERGUSON (TIRE GUYS) AND JACK PHILLIPS (COMMERCIAL



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Legislative Report

By Terry Leveille
President of T.L. & Associates



This January began as the second year of the two year Legislative Session. Bills that were introduced in 2015 and couldn't get through either the Assembly or Senate — whichever house they started in—will have an opportunity to see if there is enough support this year to “move” out of the first house. The deadlines during the second legislative year are much tighter than in 2015. By January 31, a bill must move out of the “house of origin” or it will be considered “dead.”

One of those bills that might interest the tire dealers is Senate Bill 47 (Hill, D-San Mateo). The first version of that bill, feasting on NBC news report that there might be a link between tire crumb rubber and cancer, called for a moratorium on sales of synthetic turf fields that contain crumb rubber infill. This, despite the fact that over 50 studies over the past twenty years had shown no link between crumb rubber and ill health.

A number of tire recyclers in California, as well as the Synthetic Turf Council, labor unions (who install synthetic turf), school districts (who purchase the product) and one environmental group (California Against Waste, or CAW), felt that SB 47 was a “phony bill”, based on non-scientific prejudice against tire rubber products. They banded together to defeat the bill in March, 2015. However, before it died, it was quickly amended to simply say that State grants could not be given to schools or public entities that were considering installing synthetic fields with crumb rubber infill (other types of “infill”, such as cork, corn husks, etc. were okay).

The coalition opposing SB 47 fought this new version of the bill, saying that it still went against scientific studies and only served to increase fear of this crumb rubber among parents and the general public. The bill falsely “presumed” that there was something bad about crumb rubber. The hearing in the Senate Appropriations Committee on this new version of SB 47 was intense because there was testimony from a young girl who played soccer on synthetic turf and, for whatever reason, was diagnosed with cancer. All of the studies conducted thus far concluded that there was no “link” between the cancer and the product (tire crumb rubber), and while tire rubber may contain toxic chemicals in its makeup, the level of those toxins was far below the level that would cause disease in humans.

The Senate Appropriations Committee agreed with the opponents of SB 47 and would not vote it out of committee. However, in early January, 2016, SB 47 —with new amendments again —rose from the dead, this time simply requiring California school districts and public jurisdictions to hold meetings about crumb rubber infill if they were considering funding a synthetic turf field.

The same coalition that opposed the bill in the first two versions opposed it again, saying that the wording of SB 47 still conveyed a false presumption that there was something in crumb rubber that caused adverse health effects. In short order, the Senate Education Committee —the committee that SB 47 was assigned to for its hearing —seemed to agree with the opponents and defeated the bill.

While tire recyclers and others thought that the issue was finally over, a rumor at the Capital is that the author, Senator Jerry Hill, may want to take over another bill and insert some kind of language that would — once again —ban the sale of crumb rubber infill for synthetic turf. The deadline for that to happen is February 19, 2016. Meanwhile, CTDA may want to take a look at the new bill —if it comes to fruition —and see

In other legislation, AB 1239 (Gordon and Atkins) is still around, waiting to be amended. I am representing CTDA in the negotiations about the bill, which would create major changes in the State's tire recycling programs, but with a cost —namely a 75-cent or a \$1.00 increase in the State Recycling Fee on new tire sales.

In early December 2015, I attended a workshop that discussed the bill but didn't learn much about what it does, what it will cost, or if an increase to the tire fee would be required. Sometime in late January or early February, the sponsors of AB 1239 will be holding a meeting to discuss amendments to the bill. I will argue that any changes in the tire program should not require an increase in the State's tire recycling fee unless there is something in it for tire retailers. In the meantime, I will keep in close touch with your Executive Director, Ed King, and your Board to ensure that any changes will be supported by the CTDA.

Finally, AB 873 (Jones, R-Santee), which would, among other things, bring "tire sales only" shops under the jurisdiction of the Bureau of Automotive Repair (BAR), is still mired in a dispute between tow truck operators contracted by AAA and independent towers. We hope that the conflict will be resolved and that the bill will soon move forward.

CLIMATE CHANGE AND THE TIRE INDUSTRY

In 2014, Christine Karbowski, Bridgestone American executive vice-president, chief administrative officer and chief risk officer, spoke at the International Elastomer Convention in Nashville, Tenn. Below is the substance of her speech.

Climate change may have an even more profound affect on the tire industry in the coming years than any expansion or new product imaginable. An overwhelming majority of global scientists already say the world's environment is on the edge of peril. The normal response of people is to respond only when a crisis is clear and indisputable. It is human nature to respond when you're in a crisis. Not before.

The amount of carbon dioxide in the atmosphere has increased 50% since the start of the Industrial Revolution. Four former EPA administrators testified that the only uncertainty centers on how bad the changes will get and how soon. Bridgestone has long been at the forefront of working on environmental issues. Bridgestone has also established a clear-cut environmental initiative it calls "One team, one planet" and has committed to a 35% reduction by sales of carbon dioxide emissions and the goal is 50% by 2050.

The bottom line is that those in the tire industry face a shared risk. The industry must remember it can't be said with sufficient certainty that the risk is so low or so remote that it is inconsequential and should be ignored. To survive and thrive for the next 100 years, the tire industry must act decisively and deliberately.

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“Choice, not chance, determines your destiny!”

Jean Nidetch, Founder of Weight Watchers

SALES CLINIC — VOLUME 16

Happy New Year! So how are those New Year’s resolutions going? Or should I say, how long did it take to break them? I read somewhere that some resolutions are crafted after a holiday season of excess: turkey, ham, prime rib, tamales, fruit cake (really?) and perhaps a bit too much spiced egg nog! It was noted that the common motivation is, “right after the holidays, I’m going to cut down on eating, work out, save more money.” and the list goes on and on. In business, too, we often start a new year with high hopes, extraordinarily high sales goals, promises to “make more call”, be better organized,” and that list goes on and on as well. I also heard a report indicating that 80% of all resolutions are broken within the first three weeks, and that number climbs in weeks 4 through 6!

Shocking Revelation #15:

Don’t focus solely on how you will achieve your goal, and don’t try to start some “zero to one hundred” regimen that you are likely not to follow consistently! Now wait a minute, you might say! How can I make any progress if I don’t set a super high goal and monitor my every move?

It can be argued that the key to any resolution or goal is not focusing so intently on the individual activities that are required to get there. When driving a car to your favorite vacation destination (Julian comes to mind here!), if you focus on every inch of road in front of you, looking for every little crack, drop of oil or other hazard, you may never get to your destination, or you might just stop and turn back, out of sheer exhaustion.

Try something different. Before setting that goal, New Year’s resolution or otherwise, ask yourself why you are doing it. Do you want to move up to that “corner office”? Will increasing sales revenue enable you to take your family on that wonderful vacation that you have always dreamed about? Whatever it is that the goal will allow you to do, focus on THAT. If you focus on every little step along the way, you will more than likely get burned out in a short period of time.

I am not suggesting that you flat out ignore the steps required to attain your goal. You can’t just ignore any obstacles in the road ahead of you, or instead of burning out slowly, you just might crash land even quicker! Rome wasn’t built in a day, it was said, and your goals WILL require step-by-step progress. You must be conscious of the smaller steps needed in route to your goal, but don’t be hard on yourself. If something unexpected comes up, or if things aren’t going as planned, don’t just give up. Rethink things, make adjustments, and continue along the way. Never lose focus of the reason why you are doing what you are doing, corner office, family vacation, a larger market share or whatever it is you are going after.

I think the “tie” to sales and the reason that this topic was included in this issue’s SALES CLINIC, is obvious. High level sales executives and field representatives alike, ALL work for “the numbers.” Whether you work on a calendar or fiscal year, you all set goals and have higher expectations of yourselves, and those who employ you certainly do!

For those readers who say, “I’m not in sales”. Consider this: We ALL sell, in one form or another, in our daily lives. Whether you are trying to move up from store manager to regional director, purchasing agent to manager or if you are trying to achieve just about anything, you have to “sell” yourself or your idea to someone!

Don’t lose hope, if you already tossed aside your New Year’s resolution. Take a moment to envision something that is important to you, something that you want to achieve by year’s end. Focus on THAT, and take steps, one



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In keeping with my usual stuff, this won't change the world but it might inform you a little and hopefully give you a laugh as well.

I recently bought a Hot Tub on line. When we made the deal and he sent me an invoice with terms, etc, I gave him the credit card information to process the sale. All is good so far. The factory sales rep tells me I will be contacted by the freight company when it was ready to ship.

After almost a month (I guess they had to actually build it from scratch as there were none in stock), OK, I say no problem. I finally get a letter with the delivery instructions and also terms they say I have already agreed to when I purchased the tub. It seems when you buy from these companies, they set delivery limitations, rules and instructions for the buyer that they say in print and I'm quoting from the letter they sent me WAY AFTER THE PURCHASE DATE: "When you order our products over the phone or online, you are accepting all of the terms and conditions of our Shipping and Return Policies." They say they do curbside delivery only. OK, I feel that's fair, but what curb are they talking about? They couldn't deliver to my curb because they now say my address is not accessible by tractor and trailer! Wait I say! The tub is 92 inches by 84 inches and 35 inches high with a weight of 850 lbs. A flatbed 1 ton truck would do it. They say they don't have anything that small. I don't know why not as the Freight Company had already subbed the job to a small company who's territory includes my whole town where most of the roads to get to the homes there are one lane and curvy.

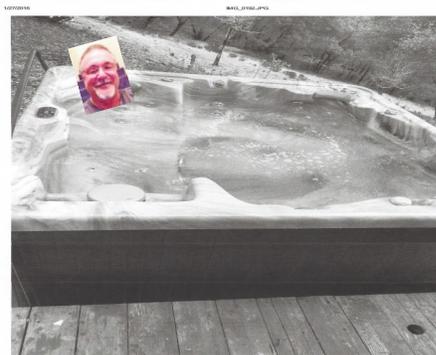
Well, I knew I had a crane anyway to set the tub on the slab in the back of my house, so I VOLUNTEERED to pay the crane guy extra to haul it from the road entrance where the tractor trailer would have room to turn around without having to go in so far he'd have to back up 200 or 300 yards on a one lane road to get out. Something I feel is their problem as that is what should be required to give me curbside delivery.

I tell him I need a two hour, (or as short as possible) window because the crane operator will have to be waiting for the delivery so he could "pick it" off the trailer. They then tell me I need 2 to 6 guys to lift it off the trailer, because they can't get it to the end of the trailer onto the lift gate because the driver comes alone. They say I agreed to this when I purchased the tub as I explained earlier. This also was in the after purchase letter. I told them the only 6 people I knew where I lived are all 70 plus years old like me. 4 or 5 of them would probably injure themselves and end up suing the freight company. I told them I don't think you can retroactively set terms after a sale. They said if I refused delivery, the TERMS (that letter again) states they charge me \$2,000 handling fee. I told them HANDLING was the proper word to how I was being treated. Anyway, Thursday I get a call from the NEW subcontractor driver.

(That's right, yet a third person in the mix now.) He tells me he'll deliver the next day. Now bear in mind the crane operator would prefer a non windy situation and sun wouldn't hurt either. The new guy says he can't do it Thursday, and a beautiful day it was. When he showed up Friday it was raining and a little windy also, but thankfully my crane company said he could handle it. By the way, Gilbow Crane is a first class outfit that accommodated me every way possible to defer the incompetence of all the freight companies involved. You can find them in the Amador and Calaveras County phone listings. Ask for Bri. You won't be disappointed.

The weird thing is when the third freight guy shows up, he has a Bobtail truck, about a 24 footer. He drove right to my door and had a pallet jack, so he and I took it off of the truck using the lift gate and it was sitting there waiting for the crane to arrive. The new guy took it upon himself

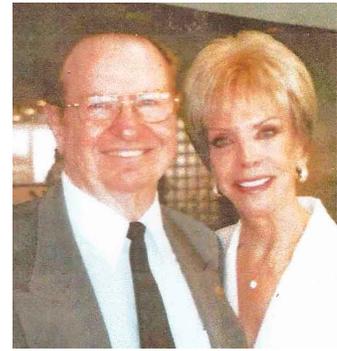
to Google an area map so he'd have no trouble. All the rest of those huge shippers couldn't solve my problem, but because of scheduling issues, I end up with a guy who thinks. So guess what? It's in and running. There's a picture video I'm sending to Ed to post with this. I hope he can make it work. I have a longer video of the crane setting the tub, but I tried to send it to a few people who had no luck opening even a smaller version of the operation. Have a great day everyone. HUB



***RUB A DUB DUB
 IS THAT REALLY
 HUB IN THE TUB***

THE OLDEST INDEPENDENT TIRE DEALER IN CALIFORNIA?

President Carol had the privilege of meeting Dan Wise of Wise Tire & Brake at the Happy New Year Luncheon. She found him fascinating and spoke quite highly of him when telling me about her time at the Luncheon. I called Dan and asked him about his story. I had no idea what I was in for. A most fascinating man with a fascinating story about his father. Wise Tire & Brake has been in Inglewood for 93 years, owned by the Wise family all of that time and Dan is now the sole owner. But when you hear how his father started Wise Tire & Brake and other investments his father accomplished, you understand what hard work can accomplish.



**DANIEL BOONE WISE, JR
AND HIS WIFE, SHERI
MARRIED 55 YEARS**

Dan's grandmother was Cherokee and his grandfather grew up in Oklahoma. Dan's father was fortunate enough to get \$2,500 from oil rights in Oklahoma. He saw an old post card of San Diego, so he and his brothers decided to go to San Diego. They bought a Model T for the trip. The engine blew up in Inglewood. Dan's father walked across the street from the Model T and asked a tire shop owner if he could have a job. The shop owner hired him. After 6 months, Dan's father said to himself, "Self, you have just learned a trade." He then decided he would go to San Diego and use the trade. He bought a mule and a donkey, loaded his belongings on the donkey and started riding the mule. At the intersection of Market and Manchester, the donkey went down on his front knees and would not move. Evidently, Dan's father was supposed to stay in Inglewood.

He opened a space on the corner and put up a sign saying he would change tires for \$0.10. Texaco was big in California at the time. He went to work for a Texaco Dealer on a part time basis. He approached the Dealer asking if he would sell. The owner stated a price of \$2,000. Dan's father made a contract showing that the Dealer would take out \$0.50 cents a paycheck towards the \$2,000. Dan's father then hired someone to work for him at that Texaco and went to a another Texaco, worked there and then made a contract with that Dealer to buy the station. And, he did the same, again and again.

He then bought a 2 pump station and made a deal with Firestone. The contract with Firestone had a buy out provision. After 10 years, Firestone took advantage of that provision and bought the station. So, Dan's father bought a corner location and basically put a lean to for his store. At this time Texaco decided they would go direct and informed Dan's father of this decision. It is evident Texaco did not do their research. By then, Dan's father owned the Master Lease on 33 Texaco stations in Southern California. This represented over 80% of the total Texaco stations in Southern California. Dan's father contacted the 33 stations and told them not to buy Texaco and he would take care of them. Texaco noticed the drastic reduction of sales in Southern California. They researched and found the mistake they had made.

Dan is a Junior. His father's full name was Daniel Boone Wise. Dan was 12-13 years old when his father started involving him in business matters. At the time, the location of today's Forum was a Golf Country Club. Dan's father played a round of golf with some friends and went to the bar after. A banker from Bank of America and another from Security Bank were in the bar. Discussions began about the interest rates banks were charging on loans and finally one of the bankers asked Dan's father and his friends why they didn't just open a bank. The suggestion hit home and soon there was a Charter for Southwest Bank. This eventually ended up as Wells Fargo.

It is evident Dan's father knew finances and was very successful in his dealings. However, this meant the Wise Tire & Brake did not get the expertise and attention needed to grow in size. So today Wise Tire & Brake does tires, brakes, shocks and alignments. Due to medical reasons, Daniel Boone Wise, Jr and his wife never had children. However, Dan told me that if there is any question I have about dogs, he is certain he has the answer. Dan has been very involved in his community. He has been Commissioner, Supervisor and involved in the local Rotary Club. He believes giving back to your community is important.

Dan was very adamant that I should mention how he believes Tire Pros contributed greatly to his success in the tire business. He believes the Tire Pro concept was ideal for small dealers. It basically gave them exposure to full United States service. He knows this is a large contribution to the many years of successful business for Wise Tire & Brake.

Wise Tire & Brake has had a most been a longtime member of CTDA. I have written several stories about family history of members of CTDA. They were for the most part rather easy and similar. The Daniel Boone Wise story had a lot of twists and turns. It is clear Dan Boone Wise, Jr had an interesting childhood. Yes, with many twists and turns. Hopefully, I got it all right.

2016 TAXES AHEAD

Now that the New Year is here, there are some 2016 tax changes you and your employees should know about. Hopefully, this information will leave you and your employees better prepared. The 10 biggest tax changes you should know about are:

TAX DATE IS APRIL 18

The Washington, D.C. holiday of Emancipation Day is on Friday, April 15, 2016. Under federal law, the tax deadline gets extended when it falls on a holiday or weekend, and the tax deadline for most taxpayers will be the following Monday, April 18. For those states in New England that celebrate Patriot's Day, the deadline will be April 19.

PENALTIES RELATED TO OBAMACARE ARE GOING UP AGAIN

The Affordable Care Act imposed penalties for those not having qualifying health care coverage. For 2016, penalties will rise again, hitting \$695 per adult, or 2.5% of income. A family maximum will apply to the per-person amount, but the \$2,085 amount will be substantially higher than the \$975 in 2015.

TAX BRACKETS ARE RISING SLIGHTLY

Most of the tax brackets that govern different classes of taxpayers are adjusted for inflation. For 2016, these bracket amounts are rising by roughly 0.4%.

STANDARD DEDUCTIONS ARE GOING UP FOR HEAD OF HOUSEHOLD FILERS

The low inflation rate kept standard deductions for most taxpayers steady in 2016 from 2015 levels, including the single, married filing jointly and married filing separately statuses. For those who qualify as heads of household, the standard deduction will rise \$50 to \$9,300 in 2016.

PERSONAL EXEMPTIONS ARE RISING

The personal exemption for taxpayers will go up in value by \$50 in 2016. Everyone will have a personal exemption amount of \$4,050.

CONTRIBUTION LIMITS ON HEALTH SAVINGS ACCOUNTS ARE GOING UP

People with high deductible health plans can set money aside, on a pre-tax basis, to cover the costs of health care. For 2016, the limit for individual policies will be \$3,350. The maximum contribution for family policies will rise to \$6,750. Those 55 or older will continue to have a \$1,000 catch-up contribution.

THE EARNED INCOME CREDIT IS RISING

The 2016 Earned Income Credit will go up modestly in 2016. For three or more children, the maximum credit will rise to \$6,260. For two children, the maximum will be \$5,572. One child limit will be \$3,373.

THE EXEMPTION FROM AMT IS HIGHER

The alternative minimum tax (AMT) has struck a growing number of taxpayers, making the exemption amount more important than ever. Single taxpayers will see their AMT exemptions go up to \$53,500 and joint filers will see their exemption rise to \$83,800.

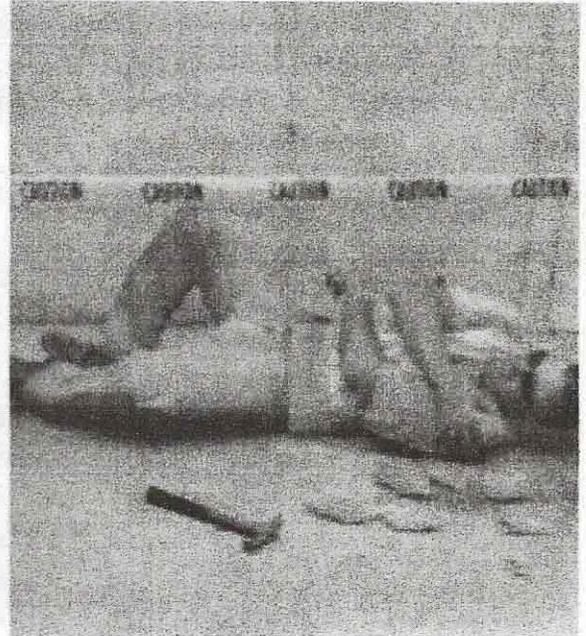
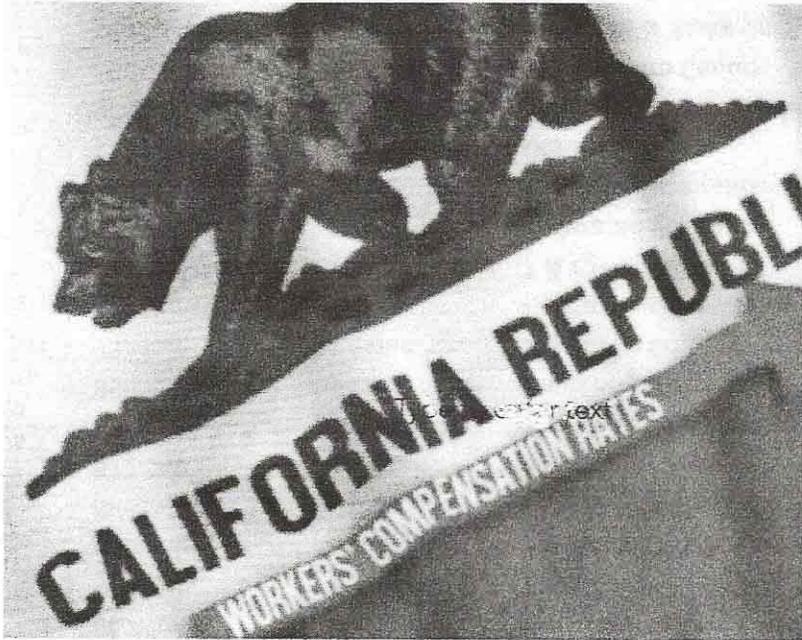
THE ESTATE TAX EXEMPTION IS HEADING UPWARD

For those who pass away in 2016, the Estate Tax Exemption amount will be increased to \$5.45 million.

INCOME TAX PROVISIONS EXTENDED....SOME MADE PERMANENT

The teachers "above the line" deduction for unreimbursed classroom expenses has been made permanent. Also, the provision allowing taxpayers the option of deducting state and local sales tax instead of state and local income tax has been made permanent.

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will@cstdains.com CA lic # 0533589

IS THERE “CHANGE” IN THE AIR?

The tire industry is starting to experience a “change.” Many in the tire industry are experiencing a change in customers’ buying practices. For years, customers were price-conscious with purchases in the automotive aftermarket. Now customers are starting to demand higher-priced premium products.

Many budget-conscious customers have a new “value” and it is “premium.” In trying to maintain a high level of performance in their aging vehicles, customers are willing to spend more. This is important to the automotive aftermarket because the average age of passenger vehicles is edging towards 12 years old. Many customers hold on to their disposable income in other areas of retail, but they are loosening up their wallets when it comes down to taking care of their vehicles.

In an industry survey, 71 percent of respondents said that “reasonably priced” was an important attribute in deciding what automotive parts they purchase. But, whether a product was made with quality materials; whether it increases vehicle gas mileage; and whether it improves engine performance are also attributes strongly considered. This becomes a prime opportunity for tire dealers to connect with their consumer’s mindset when offering replacement parts or upselling. Today’s market illustrates that there is a lot more weight behind the quality end of product purchases.

Today’s tire dealer has to differentiate in the marketplace, to grow their top line dollar, to focus on what’s better, what lasts longer, what performs better, what extends the life of the vehicle or has some other attribute around it that gives value to the customer besides just saving money at the register.

The old adage —you get what you pay for—is still relevant today. Customers are definitely willing to pay more for longer-lasting oil filters or fuel-efficient tires if the parts or tires will save money in the long run, provide better performance and/or help their old vehicles last a bit longer.

Are you prepared to cultivate the “premium” mentality of your customers?

WHAT SHOULD YOU SAVE AND WHAT DO YOU SHRED?

In a national news article, Peter Schmidt, a financial advisor for CUNA Brokerage Services through Wildfire Credit Union in Saginaw, Michigan states that the reality is that you don’t need many of the documents you receive for tax or legal purposes.

If you are talking about bank accounts and bill balances, there is no reason to keep these. These update you on balances at a moment in time, but don’t mean much that far in the future. Most documents like these do not need to be kept for more than a year or two —and often, electronic records suffice if you have that option.

According to the official IRS guidelines, you should keep all your tax documents for at least three years, including W-2’s with your income for the tax year and your form 1098 mortgage interest statement. Basically:

- | | |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| KEEP- | Tax paperwork, generally for up to seven years
Estate-planning documents
Pension Plan documents |
| SHRED- | Most of these are available electronically, so feel free to trash
Bank account statements
Credit card bills
Utility, cable and phone bills |

CTDA 501 (c)(3)

SCHOLARSHIP GRANT FUND APPLICATION

This is an application for a Scholarship Fund Grant from the CTDA (c)(3). It is available to owners, employees and/or dependents of California Tire Dealers Association member firms. Once your completed application is submitted, the CTDA 501 (c)(3) Scholarship Committee will review it. The Committee will then contact qualified applicants for additional information. Letters will be mailed to those not qualifying at this time. Only one Scholarship Fund Grant will be awarded to any one applicant per school term.

All of the requested information is important. By submitting this application you are declaring that the information provided is accurate and given by you voluntarily.

PLEASE PRINT INFORMATION

APPLICANT'S NAME: _____
FIRST MIDDLE LAST

ADDRESS: _____
STREET ADDRESS CITY STATE ZIP

BIRTHDATE: _____ (MM/DD/YYYY) PHONE NUMBER: _____

EMAIL ADDRESS: _____ APPLIED FOR THIS SCHOLARSHIP BEFORE? () YES () NO

APPLYING FOR WHICH COURSE/CLASS? _____

NAME OF SCHOOL/INSTITUTION YOU WILL ATTEND: _____

HIGH SCHOOL: _____ GRADUATION YEAR: _____

ADDRESS: _____
STREET ADDRESS CITY STATE ZIP

BEST PHONE NUMBER: _____ BEST TIME TO CALL: _____

MEMBER FIRM NAME: _____

MAIN CONTACT: _____ PHONE NUMBER: _____

EMPLOYER NAME _____ PHONE NUMBER _____

TIME WITH THIS EMPLOYER: _____ HRS PER WEEK: _____ ANNUAL INCOME:\$ _____

AMOUNT OF SCHOLARSHIP FUNDS REQUESTED:\$ _____ (MAXIMUM \$2,000)

OTHER PUBLIC FINANCIAL ASSISTANCE? () YES () NO IF YES, AMOUNT: \$ _____

ASSISTANCE WILL BE FROM: _____

PERSONAL COMMENTS: _____

SIGNATURE _____ DATE: _____

PRINT NAME: _____

IF YOUR APPLICATION QUALIFIES, YOU WILL BE CONTACTED BY THE 501 (c)(3) SCHOLARSHIP GRANT FUND COMMITTEE WITH A REQUEST FOR ADDITIONAL INFORMATION NECESSARY TO MAKE A FINAL DECISION ON AWARDING A SCHOLARSHIP GRANT FUND.

RETURN COMPLETED APPLICATION TO: CTDA PO BOX 68454, ORO VALLEY, AZ 85737
OR, EMAIL TO: edking@catiredealers.com

CTDA 501 (c)(3) in a non-profit organization with the IRS. It is a tax exempt organization and any contributions are deductible under section 170 of the Code.
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