

**PENNSYLVANIA AUTOMOTIVE RECYCLING TRADE SOCIETY**  
**MINUTES – R**  
**QUARTERLY MEETING OF DIRECTORS**

The Quarterly Meeting of the Board of Directors of the Pennsylvania Automotive Recycling Trade Society was held at the Radisson Penn Harris Hotel, Camp Hill, Pennsylvania, on Saturday, June 3, 2006, commencing at 12:15 p.m.

The meeting was called to order at 12:15 p.m. by Joseph Gricco, Chairman of the Association. Keith A. Clark, General Counsel, acted as Secretary pro tempore.

The Chairman of the Association read the notice pursuant to which the meeting was called.

The following Directors of the Association were present:

Michael Angelo  
Steve Baker  
Charles Bauer  
Robert Fiegleman  
Joseph Gricco  
David Jordan  
Ken Luckcock  
Gene Noll  
Doug Reinert  
Rocco Rossi, III

The following Directors of the Association were absent:

Butch Battaglia, Western Rep.  
Carl Dean, Eastern Rep.  
Robert Kegel  
James Kreitzer  
Charles Morrone  
Todd Mueller  
John Palmer  
Ronald Renick  
Ellis Williams  
Vacancy

The following individuals also were present:

Michael H. Berk, Executive Director/COO, PARTS  
Keith A. Clark, Shumaker Williams, P.C., General Counsel

I. Upon motion duly made by Luckock, seconded by Angelo, the following resolution was adopted unanimously:

**RESOLVED**, that the Minutes of the Quarterly Meeting of the PARTS Board of Directors dated April 1, 2006 are hereby adopted with the following corrections: (a) page 1, Michael Angelo was removed from the Directors who were present and inserted under the Directors who were absent; and (b) page 5, item XI, Rocco Rossi, III was added to the list of Executive Committee members present at the Strategic Planning Retreat.

II. The Executive Director reviewed the internal financial reports of the Association for the period October 1, 2005 through April 30, 2006. A copy of same is attached to these Minutes and deemed an integral part hereof. Upon motion duly made by Angelo, seconded by Rossi, the following resolution was adopted unanimously:

**RESOLVED**, that the directors accept, subject to audit, the internal financial statements prepared by Charles E. Bussard, CPA, of the Association, for the period October 1, 2005 through April 30, 2006.

III. Mike Berk distributed a list of unpaid members for 2005-2006, a copy of which is attached hereto and deemed an integral part hereof. Same was reviewed line by line with the Directors.

IV. Mike Berk distributed a copy of his Executive Director's Report dated June 3, 2006, a copy of which is attached to these Minutes and deemed an integral part hereof. He emphasized the following items:

A. He reviewed the membership totals, year to date.

B. He reviewed the current status of pending legislative and regulatory issues.

C. He summarized the results of the 2006 Regional Meetings to date. The Western Regional Meeting at Malinish Auto Wrecking was a success. Due to low response, the other two Regional Meetings scheduled for Triple Nickel and Kress-Allentown were consolidated into a Williamsport Area meeting and staff is currently monitoring responses for that meeting. The Erie meeting also had to be cancelled also for low attendance.

D. He discussed generally the status of negotiations with Nationwide Insurance regarding "PENN-CAR Network". Attached hereto and deemed an integral part hereof is a draft of a proposed brochure on the "PENN-CAR Network – the Pennsylvania Certified Auto Recycling Network".

V. There was a general discussion by the Board about how to get more than one-third of the PARTS membership supporting various PARTS programs.

VI. The Chairman reported that the Executive Committee has reviewed the 2005-2006 Budget year to date and year-end projections, as well as the proposed Budget for the 2006-2007 fiscal year. Staff and the Executive Committee have investigated possible alternative lease accommodations, including shared space, staff and equipment. The Executive Committee is also facilitating maintaining a better relationship between the PARTS Board of Directors and the PARTS Insurance Trustees, and pursuing a potential new salvage acquisition program (with Nationwide Insurance) and other types of affiliated programs which could generate money for the Association and provide services to its members.

The Executive Director reviewed, item by item, the proposed revised 2006-2007 Budget. [ ] Such proposed Budget projects a deficit of \$24,795.00. A copy of same

is attached to these Minutes and deemed an integral part hereof. Thereupon, upon motion duly made by Reinert, seconded by Rossi, the following resolution was adopted by a vote of 9-1-0:

**RESOLVED**, that the Directors hereby recommend to the Membership the adoption of the 2006-2007 Budget, reflecting a projected deficit of \$24,795.00, a copy of which is attached to these Minutes and deemed an integral part hereof.

**VII.** The Chairman reported on the status of the volunteer additional dues solicitation previously approved by the Board.

**VIII.** Charlie Bauer reported on behalf of the Nominating Committee. A copy of such Committee's report, dated June 3, 2006, is attached hereto and deemed an integral part hereof.

After discussion, upon motion duly made by Baker, seconded by Luckock, the following resolution was adopted unanimously:

**RESOLVED**, that the Board of Directors recommends the report of the Nominating Committee for the 2006-2007 program year to the membership with the addition of Frank Shollenberger as an Honorary Member (if he has not previously been elected an Honorary Member).

**IX.** The Chairman and Executive Director reviewed the "Report of the Strategic Planning Task Force, Assignment of Tactics", dated June 3, 2006, a copy of which is attached hereto and deemed an integral part hereof.

**X.** Rocco Rossi, Chairman of the Scholarship Committee, reported on the status of the 2006 Scholarship Giveaway. Regional Chairmen have been appointed, including

Doug Reinert in the east, Tina Malinish in the west, and Lisa Jordan in the west. The Scholarship Committee and Administrator (Harrisburg Area Community College) have received eight scholarship applications for the current year. There will be a meeting of the Committee in June to receive a report of scholarship recipients from HACC. Last year, there were four PARTS scholarship recipients, two Western ARA recipients and two Book Grant recipients. Tina Kessel, Administrative Services Manager, is working with HACC regarding the reapplication process so that re-applicants would not be required to complete an entirely new application each year; however, it appears that this may not be possible, and new applications will have to be completed each year.

**XI.** General Counsel reported on the status of the Internal Revenue Service audit of the tax returns of the Association for the fiscal year ending June 30, 2003.

**XII.** Charlie Bauer presented an ARA update, including:

A. ARA is still trying to raise a “war chest” for the development and promotion of a “VIN retirement” program (national titling law), which hopefully would diminish vehicle theft. ARA has a goal of \$200,000.00 in PAC funds to raise for this project.

B. ARA has formed a subcommittee on air bags to pursue the issue of how to handle the chain of custody of air bags. Doug Reinert is a member. Insurance companies would like this process developed, and it would be preferable to many automotive recyclers not to have liability for air bag issues. Five years ago, New York adopted legislation whereby you can’t resell air bags unless they are certified, and to date, there is still no certification process in New York.

The Chairman went around the table and asked for comments from any Director.

**XIII.** Ken Luckock reported that scrap sales has been a good source of revenue for members for several years. He led a discussion on whether or not there is any way to turn scrap processing into a revenue stream for PARTS. Perhaps you could start with a pilot program. There was also a discussion of other ways for the Association to generate some revenues. Ken Luckock will give this some additional thought.

**XIV.** There were comments concerning the lack of a renewal notice for Pennsylvania Waste Tire Hauler permits. Apparently no renewal notices have been sent out. Mike Berk has contacted DEP to investigate this matter.

**XV.** Michael Angelo commented on the amount of time and input that Al Gougler has provided to the new legislation addressing the rebuilt vehicle titling process in Pennsylvania, which becomes effective January 1, 2007. Mike Berk indicated that most of the procedures adopted have been resolved in a manner favorable to PARTS members. Mike Berk indicated that the Board should extend its appreciation to Al Gougler for his good work on this project.

**XVI.** Mike Berk distributed materials to each Board Member addressing their responsibilities within their assigned Region, including a member list. Board members were asked to allocate PARTS members in each Region among all of the Regional Director representatives for each Region and to maintain contact with such members on a regular basis. Mike Berk will prepare a bullet point list of topics for Board members to discuss with members, including: (a) are they receiving the "PARTS Weekly Updates"

by e-mail?; (b) Convention program and registration; (c) anything they want PARTS to address; (d) PARTS programs and services; (e) pending legislation; and (f) vehicle donation programs.

**XVII.** Mike Berk distributed information on the PARTS Business Development Conference and Trade Expo from September 8 through 10, 2006 at the Wyndham Hotel, Harrisburg-Hershey. A copy of same is attached to these Minutes and deemed an integral part hereof.

**XVIII.** Mike Berk indicated that there will be a conference telephone call of the Board on August 16, 2006 commencing at 2:00 p.m., approximately one month before the Annual Convention. This will be a pre-Convention telephone call to report on the status of Convention registration, sponsorships and exhibitors. The Chairman again emphasized to all Directors their need to follow through on their commitment to participate in soliciting Convention registrations from various members, as well as registering themselves.

There being no further business to come before to the meeting, upon motion duly made, seconded, and unanimously adopted, to the meeting was adjourned at 3:15 p.m.

Respectfully submitted,

Keith A. Clark, Secretary  
Pro Tempore

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