

PENNSYLVANIA AUTOMOTIVE RECYCLING TRADE SOCIETY
MINUTES
ANNUAL MEMBERSHIP MEETING

The Annual Membership Meeting of the Pennsylvania Automotive Recycling Trade Society was held at the Sheraton Four Points, Mars, Pennsylvania, on Saturday, November 19, 2005, commencing at 11:00 a.m. Members participated both in person and via conference telephone call.

The meeting was called to order at 11:00 a.m. by Joseph Gricco, Chairman, and Keith A. Clark, of Shumaker Williams, P.C., General Counsel, acted as Secretary pro tempore.

I. The Secretary pro tempore presented for reading the Minutes of the September 10, 2004 Annual Meeting of Membership. Upon motion duly made by Jim Kreitzer, seconded by Rick Cherico, the reading of said Minutes was waived, and the Minutes were approved unanimously as recorded.

II. Ellis Williams, Treasurer, presented the audited financial statements of the Association for the fiscal year October 1, 2002 through September 30, 2003, prepared by Leonardo Herrada, Public Accountant, the Association's auditor.

Upon motion duly made by Williams, seconded by Kreitzer, the following resolution was adopted unanimously:

RESOLVED, that the Association accept the report of the Association's independent auditor, Leonardo Herrada, Public Accountant, for the fiscal year October 1, 2002 through September 30, 2003; a copy of same is attached hereto and deemed an integral part hereof.

III. Ellis Williams presented the report of the Association's independent auditor, Karl R. Wilcox, Certified Public Accountant, for the fiscal year October 1, 2003 through September 30, 2004. It was noted that because the modified cash basis was used by the Association through the financial year ending September 30, 2003, and the Association is in the process of changing from a modified cash basis to an accrual basis, Mr. Wilcox could not express an opinion regarding such statements. After discussion, upon motion duly made by Baker, seconded by Cherico, the following resolution was adopted unanimously:

RESOLVED, that the Association accept the report of the Association's independent auditor, Karl R. Wilcox, Certified Public Accountant, for the fiscal year October 1, 2003 through September 30, 2004; a copy of same is attached hereto and deemed an integral part hereof.

IV. Ellis Williams, Treasurer, presented the unaudited financial report of the Association for the fiscal year October 1, 2004 through September 30, 2005. After discussion, upon motion duly made by Baker, seconded by Cherico, the following resolution was adopted unanimously:

RESOLVED, that the internal financial statements of the Association, prepared by Charles E. Bussard, CPA, for the fiscal year October 1, 2004 through September 30, 2005 are hereby accepted, subject to audit; a copy of same is attached hereto and deemed an integral part hereof.

V. Ellis Williams reported that the Association had been on a modified cash basis in the past, and is changing to an accrual basis of accounting, commencing October 1,

2004. Thereupon, upon motion duly made by Tina Malinish, seconded by Ron Wagner, the following resolution was adopted unanimously:

RESOLVED, that the Association change its accounting method from a modified cash basis to an accrual basis commencing October 1, 2004.

VI. Joseph Gricco, Chairman, gave a brief Chairman's Report for the fiscal year ending September 30, 2005. He specifically emphasized the need for: existing PARTS members to actively support the Association; securing new members; and having past members, who had non-renewed, rejoin the "family", and again become active participants in the Association and part of the "industry team".

VII. OLD BUSINESS:

None.

VIII. NEW BUSINESS:

Charlie Bauer, Chairman of the PARTS Nominating Committee, read the proposed slate of Officers and Directors to serve for the terms indicated, or until their successors are duly elected and qualified, whichever first occurs.

The slate of nominations is as follows:

Officers – Term Expiring October, 2006:

Chairman – Joseph Gricco
Vice Chairman – Michael Angelo
Secretary – Steve Baker
Treasurer – Ellis Williams
Immediate Past Chairman – Charlie Bauer

Directors – Term Expiring October, 2009 (elect three):

Gene Noll

Doug Reinert

Vacancy (it was noted that Bill Mumma had been re-nominated for this position, but after his nomination had resigned as a Director)

Director – Term Expiring October, 2008 (elect one):

Ken Luckock

PARTS Insurance Trustee – Term Expiring October, 2010 (elect one):

John Young

PARTS Insurance Trustee – Term Expiring October, 2009 (elect one):

Roger Kegel

Upon motion duly made by Ellis Williams, seconded by Rick Cherico, the following resolution was adopted unanimously:

RESOLVED, that the Secretary of the Association be directed to cast a unanimous ballot for the previously stated slate of Officers and Directors.

IX. Charles Bauer, Chairman of the Nominating Committee, indicated that pursuant to the Association's Bylaws, the Board of Directors has nominated and recommended to the membership the election of Mr. Harvey Gray and Mr. Vince Luchetti as Honorary Members. Upon motion duly made by Ellis Williams, seconded by Rick Cherico, the following resolution was adopted unanimously:

RESOLVED, that Harvey Gray and Vince Luchetti are elected as Honorary Members of the Association.

X. The Nominating Committee Chairman noted that pursuant to the Association's Bylaws, PARTS had received notice of the following local association representatives to the Board of Directors for the 2005-2006 fiscal year:

Eastern – Carl Dean

Western – Butch Battaglia

XI. The proposed Budget for the Association's fiscal year October 1, 2005 through September 30, 2006 was reviewed by Ellis Williams, Association Treasurer. Among his comments, he indicated:

A. The staff has been very energetic and responsive during the last fiscal year, and continues to work vigorously to meet Association strategic and budgetary goals.

B. The Association cannot continue to operate with an annual deficit budget.

C. He noted that if the Annual Convention is not held or not successful, the proposed budget would result in at least \$35,000.00 less net income.

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

RESOLVED, that the Association adopt the proposed budget, a copy of which is attached hereto and deemed an integral part hereof, for the 2005-2006 fiscal year with the following changes: (1) line item 4322–4323, Dividends Income, be changed from \$15,000.00 to \$10,000.00; (2) Total Revenue be changed from \$213,500.00 to \$208,500.00; (3) line item 7019, Legal Fees – PARTS, be changed from \$10,000.00 to \$20,000.00; (4) Total Expenditures be changed from \$250,337.00 to \$260,337.00; and (5) the projected deficit be reflected as \$51,837.00, instead of \$36,837.00.

XII. Michael Berk, Executive Director/COO, presented proposed Amendments to the Association Bylaws as previously sent to all PARTS members on October 12, 2005.

The proposed amendments are summarized as follows:

- A. References to “President/CEO” removed:
 - All references to “President/CEO’ are replaced with “Executive Director/COO”, to reflect the current title change.
- B. “Affiliate Membership” added:
 - A new membership category, “Affiliate”, is proposed; it would allow out-of-state auto recyclers to joint PARTS.
 - If approved, Affiliate Members:
 - i. Will receive a limited set of benefits to be determined by the Board;
 - ii. Will have a single representative on the Board of Directors; and
 - iii. May attend the Annual Meeting and vote.
- C. “Business Partner” to replace “Associate” designation:
 - “Associate” members now will be called “Business Partners”.
 - The change reflects recognition of these members as partners in promoting our industry and supporting Association’s efforts.
- D. Annual Meeting day/date requirement changed:
 - To provide more flexibility to the Association, the requirement that the Annual Meeting shall be held on a Saturday in October or November has been removed.

Attached hereto and deemed an integral part hereof is a copy of the Association’s existing Bylaws with the proposed Amendments highlighted.

After discussion, upon motion duly made by Baker, seconded by Kegel, the following resolution was defeated by a vote of 9-11:

RESOLVED, that the membership vote on the proposed four Bylaws Amendments separately.

Subsequently, upon motion duly made by Kreitzer, seconded by Angelo, the following resolution was adopted unanimously:

RESOLVED, that the Association hereby adopts the proposed Amendments to its Bylaws as highlighted in the attached copy of the Bylaws, and summarized as follows: (a) references to "President/CEO" removed and replaced with "Executive Director/COO"; (b) "Affiliate Membership" added; (c) "Business Partner" to replace "Associate" designation; and (d) Annual Meeting day/date requirement changed.

After such vote, Steve Baker indicated that he was not opposed to any of the Bylaws changes, but was opposed to voting to same on a collective basis.

XIII. Thereupon, upon motion duly made by Bauer, seconded by Luckock, the following resolution was adopted unanimously:

RESOLVED, that the membership of the Association does hereby ratify, confirm and adopt the acts and conduct of the Officers and Directors of the Association for the fiscal year October 1, 2004 through September 30, 2005.

XIV. Joseph Gricco, Chairman, commended: Jim Kreitzer for the video which he helped to develop with respect to mercury switch removal; and Dave and Lisa Jordan for the outstanding job which they did in hosting the 2005 Expo during June 2005.

The Chairman indicated that he was presenting the Annual Chairman's Award to Dave and Lisa Jordan and their staff at Jordan's Auto Parts for their attitude and helpfulness with respect to the 2005 Expo and to Jim Kreitzer for his service in helping to develop a video regarding the procedures for mercury switch removal.

XV. Charlie Bauer thanked the ticket sellers and coordinators for the Annual PARTS Scholarship Foundation giveaway. A total of 286 scholarship tickets were sold. Three scholarships, of \$4,000.00 each, have been awarded by PARTS. In addition, two scholarships were funded by Western Pennsylvania ARA, and two scholarship book grants in the amount of \$300.00 each were funded by Venice Auto Parts.

XVI. Michael Berk, Executive Director/COO of the Association, made a detailed Report to the membership of his activities and the activities of the Board of Directors, Officers and staff of the Association for the fiscal year ending September 30, 2005.

Some of the highlights include:

- A. The Association increased in membership during the past fiscal year.
- B. The Association has appointed a Programming Task Force to review the current and future mix of Association meetings and to restructure same to better reflect the types of meetings desired by members.
- C. The Commonwealth will be divided into six Regions with regional meetings. Each Board member will be responsible for a Region, will be given a binder for his Region, and be asked to focus on recruitment and retention of and relationships with PARTS members within his assigned Region.
- D. There is a lot of “low hanging fruit” of former members who could be renewed with a little effort by current Members and Directors.
- E. With respect to legislative advocacy, he summarized: (1) both the state voluntary mercury switch program and proposed legislation thereon on a state and

federal level; (2) the “rebuilt vehicles” Task Force which was formed after the change in the Vehicle Code provisions with respect to rebuilt vehicles; he commended Al Gougler for his service on such Task Force and for being actively involved in the development of PENNDOT regulations thereon; (3) he noted that there has been legislation pending during the current state legislative session, which, if adopted, would result in a charge of \$15.00 per salvage certificate. Free salvage certificates has been a benefit achieved by the Association for the last 40 years, and the Association must continue to monitor this issue, and the membership must support the Association on this issue; and (4) the Association needs to be stronger politically; the membership needs to unite and focus on Association government relations activities.

F. Mike Berk commended: the Executive Committee and their spirit of volunteerism; and the “team shared responsibility” of his staff, including Tina Kessel.

G. He has structural concerns with respect to the Association’s continuing heavy reliance on dues and Annual Convention income. He was extraordinarily disappointed by the lack of membership and Board interest in this year’s scheduled Annual Convention, which had to be cancelled because of low registration. There were only 25 to 50 attendees registered. He thanked Tina Kessel for securing 42 exhibitors for the scheduled Convention. He did note, however, that he received positive comments from the exhibitors for canceling the Convention because of inadequate attendance.

H. He noted the recent death of Lenny Shover, a long-time PARTS member and supporter.

I. He noted that Dave Jordan had contributed the proceeds from three Scholarship Giveaway tickets back to the Scholarship fund and added a scholarship award from Jordan's Auto Parts.

There being no further business to come before the meeting, the meeting was duly adjourned at 12:00 noon.

Respectfully submitted,

Keith A. Clark, Secretary
Pro Tempore

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