

PENNSYLVANIA AUTOMOTIVE RECYCLING TRADE SOCIETY
INSURANCE TRUST MEETING

MINUTES

I. CALL TO ORDER:

A Meeting of the Board of Trustees of the Pennsylvania Automotive Recycling Trade Society Insurance Trust was held at the Wyndham Harrisburg-Hershey Conference Center on September 8, 2006, commencing at 1:00 p.m.

John A. Young presided as Chairman, and Anthony J. Foschi, General Counsel, acted as Secretary pro tempore.

The following Trustees participated:

Steve Baker
Rick Cherico
Harvey Gray
Robert Kegel
John A. Young

The following Trustee was absent:

None

Also participating were:

Michael H. Berk, Trust Administrator
Anthony J. Foschi, of Shumaker Williams, P.C., Trust Counsel
Scott Romano, Keystone Alliance Insurance Services, LLC

II. RECOGNITION OF QUORUM:

The meeting was called to order by Chairman Young at 1:10 p.m. He noted that a quorum was present.

III. INSURANCE UPDATE:

A. Scott Romano, of Keystone Alliance Insurance Services, LLC, made a report to the Trustees, summarized as follows:

1. G.J. Sullivan is in the process of rolling out a worker's compensation insurance program for the industry, with USF & G as the underwriter. Same has not been reviewed by Scott Romano; however, as soon as the program is finalized, he will review same and send notification thereof to PARTS members.

2. A new insurance program for U-PULL-IT yards is being established by the Meadowbrook or Star companies which should provide a new insurance alternative for such members.

3. A new product, Identity Recovery, is available via endorsement to existing policies for a small \$100.00 fee. The Identity Recovery product covers computer fraud and identity theft.

Scott Romano excused himself from the meeting at 1:30 p.m.

B. Discussion ensued among the Trustees regarding obtaining loss reserve reports from G.J. Sullivan in order to possibly consider a "pool sharing" arrangement with the provider. Mike Burke will contact G.J. Sullivan in order to obtain this information and to begin discussions regarding some type of "dividend" program with G.J. Sullivan based upon loss experience.

C. Bob Kegel provided a report regarding AIS Health Insurance. A new product from USI Affinity, offered through Colburn Insurance, for health care coverage is being reviewed. If finalized, same will provide an alternative health insurance program for Association Members.

IV. READING AND APPROVAL OF MINUTES:

Upon motion made by Cherico, seconded by Kegel, the following resolution was adopted unanimously:

RESOLVED, that the Minutes of the July 17, 2006 Conference Telephone Call of the Insurance Trustees are hereby approved as recorded

V. APPROVAL OF FINANCIAL REPORT:

A. The Trust Administrator presented the unaudited financial statements of the Trust for the seven months ending July 31, 2006. A copy of same is attached hereto and deemed an integral part hereof. Upon motion duly made by Baker, seconded by Gray, the following resolution was adopted unanimously:

RESOLVED, the Trustees hereby accept the internal financial statements of the PARTS Insurance Trust for the seven month period ending July 31, 2006, subject to audit.

B. The Trustees reviewed the current investments of the Trust as of September 8, 2006. A copy of same is attached hereto and deemed an integral part hereof. The Trustees would like an additional column added to the Trust Investment Worksheet to include the rate of return for each investment from inception together with a separate column which reflects the year-to-date rate of return.

VI. OLD BUSINESS:

Mike Berk briefly reported on the status of Universal Underwriters regarding its ARA program and will provide a more comprehensive report at a later date.

VII. TRUST ADMINISTRATOR'S REPORT:

Mike Berk reviewed his Trust Administrator's Report dated September 8, 2006, a copy of which is attached hereto and deemed an integral part hereof. He highlighted the following:

A. In July 2006 the Trust received a check from G.J. Sullivan for \$5,077.39. The total received since January 2006 is \$22,603.47.

B. There has been a net gain of eight (8) PARTS members from one year ago.

VIII. COUNSEL'S REPORT:

No report.

IX. NEW BUSINESS:

A. Mike Berk provided an update on the resignation of Tina Kessel and the effect that same may have on the previous action by the Trust with respect to 2006 and 2007 Administrative Fees. After discussion, it was the consensus of the Insurance Trustees to continue to assist the Association so that a balanced budget could be obtained. Upon motion made by Cherico, seconded by Baker, the following motion was adopted unanimously:

RESOLVED, the Trustees hereby rescind its previous action committing to fees for the PARTS 2006-2007 Budget, and agree to commit up to \$50,000.00 of Trust funds to establish a balanced budget for the Association for the year 2007, such fees to include Administrative Fees, marketing fees, and other fees as determined by management and counsel.

X. ADJOURNMENT:

Upon motion duly made by Cherico, seconded by Baker and unanimously adopted, the meeting was duly adjourned at 2:30 p.m.

XI. PARTS INVESTMENT COMMITTEE:

A. The Trustees reconvened as the PARTS Investment Committee. The Committee reviewed the current PARTS Investments as set forth in a statement attached hereto entitled "Investment Committee" and deemed an integral part hereof. The Committee would like the Trust Administrator to include on future worksheets a separate column which reflects the rate of return for each investment from inception to date and an additional column which reflects the year to date rate of return for each investment. Based upon the handout, no recommendations for changes to the current investments were made by the Committee.

There being no further business to come before the meeting, the meeting was duly adjourned at 2:45 p.m.

Respectfully submitted,

Anthony J. Foschi
Secretary Pro Tempore

:192460