



**AUTOMOTIVE
RECYCLERS
OF MICHIGAN**

*The Official Publication of the
Automotive Recyclers of Michigan*

YARD TALK

Issue 4

Summer-Fall 2023

The President's Message

This is my last Presidential Message after serving a second term for ARM. I could take this time to look back and reminisce about everything that has happened, but I would rather use this opportunity to focus on the future. After years of work promoting this industry and professional auto recyclers, we are finally getting recognized as experts by industry groups and government agencies. Automotive recycling is an important part of the circular economy and environmental sustainability.



Slater Shroyer

Worcester Polytechnic Institute has found automotive recycling to be a truly carbon negative industry. Reusing and repurposing automotive components is finally being considered a viable way for large corporations to meet their corporate sustainability goals. Our certification programs are considered a prerequisite for participation in a growing number of programs because they're based on meeting and exceeding environmental standards and maintaining best management practices. Automotive

Continued on page 6

Please Join Us!

You are invited & encouraged to attend
Your 2023 ARM Annual Meeting

This will be an online meeting, hosted via Zoom.
Tuesday, October 17, 2023
3:00 p.m.

This is a great way to connect with your fellow recyclers!

Please contact the ARM office if you would like to be part of this meeting so we can send you the information to access the meeting.

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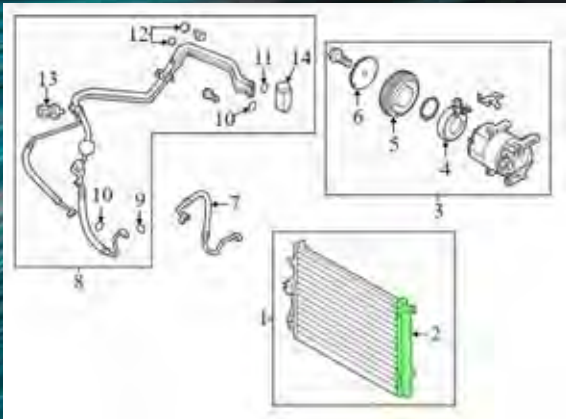
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2014	2015	Honda	Accord	Engine Short Block	Touring
2015	2015	Honda	Accord	Engine Short Block	3.5L EX-L (J35Y1 & J35Y2 engine), (6 cyl)
2013	2014	Honda	Crosstour	Engine Short Block	3.5L EX & EX-L, (6 cyl)

OE Interchange

OE Schematics



OE Price History

Manufacturer	List \$ Ctry	Core Fee	List \$
FORD	Canada		\$702.70 CAD
FORD	Canada		\$681.03 CAD
FORD	Canada		\$681.03 CAD
FORD	Canada		\$606.27 CAD
FORD	USA		\$0.00 USD

Labor Hours

	OEM	Labor	List \$
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Limited & SEL, Towing Package	Web I.P.	16.6 Avg	4398.67
Limited & SEL, From 11/30/2009	Web I.P.	16.6 Avg	5598.67
Limited & SEL, To 11/30/2009	Web I.P.	16.6 Avg	6026.60
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Decades of Progress: Changes Ahead for MICAR Program

By Daniel Gray, ARM President-Elect

For over twenty years, the MICAR program and ARM Safety program have evolved from their early stages into pivotal players in environmental compliance and safety for Automotive Recyclers. Dave Kendziorski, a key figure in its founding, has stepped down from his role as MICAR director, marking a transition in the program's journey that has been defined by innovation and growth.

Dave Kendziorski played a vital role in establishing the MICAR program more than two decades ago. His vision and dedication were at the forefront of its development, pushing the program to expand membership and create a safer working environment for countless recyclers in Michigan. Under his guidance, the program flourished, fostering an environment conducive to environmental compliance and safety.

Dave Kendziorski has respectfully submitted his resignation as the MICAR program manager. This announcement has prompted reflections on his contributions to the program and its evolution under his leadership. His departure marks a significant moment but also opens doors for fresh leadership to carry forward the program's mission.

The responsibility of vetting a new program director falls on Slater Shroyer, the current ARM president, and Daniel Gray, the incoming ARM president and MICAR committee chair. The process has been extensive, featuring interviews with candidates from several leading environmental compliance and consulting companies focused on the automotive recycling



industry. Once the vetting process is completed, the MICAR committee and the board of directors will review the recommendations and take the necessary steps of engaging a new program manager. This approach ensures that the incoming director is equipped with the vision, expertise, and enthusiasm required to steer the program through its next phase.

As the program transitions to new leadership, it's embracing a series of enhancements facilitated by technological progress. These improvements span aspects such as self-audits and physical inspections. Beyond merely staying current with technology, these changes underscore a commitment to upholding the highest standards of environmental compliance and ease of onboarding facilities of all sizes.

The current program guidelines are due for a comprehensive review and updates as necessary. This endeavor aims to align the program's practices with the dynamic landscape of technology and regulatory compliance. By adapting to these changes, the MICAR program reinforces its status as an industry frontrunner.

In summation, the evolution of the MICAR program over two decades, the change in leadership, and the planned improvements underscore the program's resilience and pursuit of excellence. The MICAR program's innovative spirit continues to illuminate the path towards an even brighter future. 🚗



RECYCLE, IT'S YOUR FUTURE.

Cultivating Good Google Reviews

By Amber Kendrick

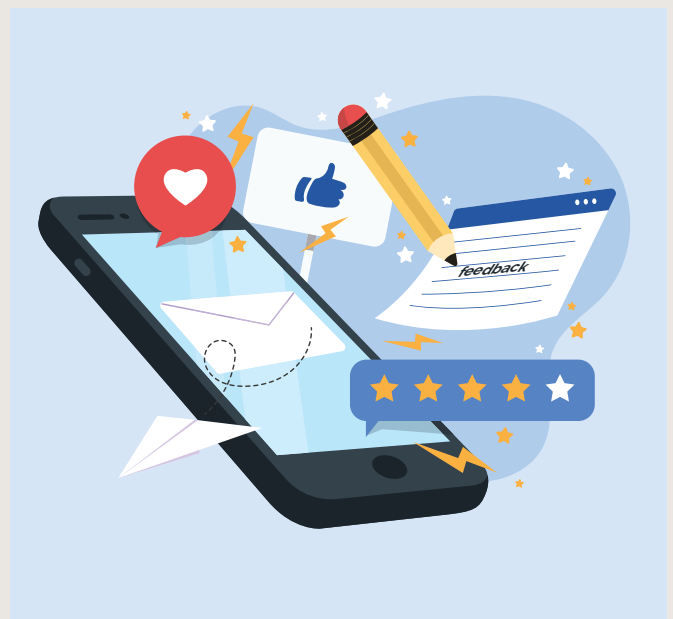
More and more customers are finding our businesses online, and many rely on reviews and ratings to decide which facilities to trust and do business with. Google is the most visited website in the world, and the most popular search engine in America with billions of searches every day (GS Statcounter, 2022.)

When you do a Google search on most ARM members, you will find they have a Google rating over four stars with between 50 and 200 reviews. These are good numbers, but a few of our members have significantly higher ratings, such as Morris Rose with 4.6 stars and 360 reviews!

I asked Jayson Doren, Partner and General Manager of Morris Rose Auto Parts in Kalamazoo how he got such a great rating on the most popular search engine. Jayson shared “approximately 5 years ago I started paying closer attention to our reviews and responding to the good, bad, and nasty ones. I made a conscious effort to stay on top of them daily. We also asked the sales team to ask their customers to give us a Google review at the end of their transactions. This really helped move the needle. However, the biggest change that really catapulted us was when we implemented Podium! This gave all our sales team the opportunity to send a review request directly to their customers. What we quickly realized is that happy customers really enjoyed giving us reviews and more importantly praising the sales rep in their review! Once we realized this, we started letting the individual salesperson respond to reviews directly, as the sales team started getting more and more personalized reviews, they inherently started sending out more review requests. I do still respond to most of the reviews, especially the grumpy ones!”

Whether or not you utilize a texting platform like Podium, ZenDesk, RingCentral, Google Voice or others, it seems requesting reviews is key to receiving them. If you ask 10 customers to write you a review, perhaps only one or two will follow through with it, but if you aren't asking any happy customers to write you a Google review, it's more likely less of them take it

upon themselves, and more negative reviews shine through. Every business, no matter how excellent they operate, eventually ends up with a disgruntled customer, and these can really affect your ratings. Some ideas to increase your positive Google reviews are to add a link to review to your email signature and/or on your website, print “leave us a review” cards and give them to customers with their invoice/part, use QR codes that link to writing you a review, and ask for reviews on social media.



Keep in mind that Google uses a complex algorithm to determine your overall rating, it's not as simple as averaging all reviews. Google takes into consideration the relevance of the reviews as well as the timeframe, so if you spend a concentrated period of time asking every customer for a review and get a bunch of five-star ratings all at once, but then your reviews fall off completely, Google will not weigh those five-star ratings as heavily as your consistent ratings over time. Therefore, it's preferable to make it a normal practice in your business to request reviews from happy customers. Your Google stars will increase substantially more with consistent positive reviews over a short burst of them. Form the habit of requesting reviews and responding to them, and you should see those stars climbing! 🚗

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Please address articles or letters for publication to:

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7550 S. Saginaw
Suite 9
Grand Blanc, MI 48439

Calendar of Upcoming Events

October 12-14, 2023	ARA 80th Anniversary Convention & Expo Kansas City, MO
October 17, 2023	ARM Annual Meeting (on Zoom)
October 31- November 4, 2023	SEMA/CIC Las Vegas, NV
March 21-23, 2024	OARA Markum, ON
April 4-6, 2024	URG Conference St. Louis, MO

The President's Message

Continued from page 1

recyclers have been at the forefront of creating a financially feasible "green" economic model.

Automotive Recyclers and our existing infrastructure of salvage yards across the country are essential for hybrid and electric vehicle recycling. We determine the state of health of High Voltage (HV) batteries, their highest and best use, and their ultimate disposition. Automotive Recyclers are responsible for identifying, removing, handling, storing, and shipping HV batteries with a wide range of conditions and states of charge. Training through ARM and ARA is one of the most important safety steps a dismantler can take. Some members and regulators have proposed making certified training a requirement for anyone purchasing and dismantling End-of-Life HV vehicles.

During the recent spike in catalytic converter thefts, legislators reached out to ARA and ARM as industry experts when looking for solutions. There are a number of voices in the room whenever we discuss hot-button issues, and some are louder than others. Automotive recyclers have been the level-headed voice of reason when discussing state and federal legislation regulating the purchase and sale of detached catalytic converters. We propose and endorse feasible solutions for recyclers that also protect consumers and we continue to maintain a seat at the table for future discussions.

ARA recently hosted a Legislative Summit in Indianapolis where Daniel Gray (Doug's Auto Recycling) and I spent the day with industry representatives. Advocacy is the most important service that trade associations provide for our members. The primary purpose driving these groups is representation and all of the other services and committees are built from this core function. Presenting a unified voice behind professional automotive recyclers is the one thing we must consistently maintain. As our Executive Director (Barb) has told me for decades, "You can lose everything including me, but whatever you do don't give up the lobbyist!" As RD Hopper from Sonny's Auto Recyclers likes to say, "If you're not at the table, you're probably on the menu."

We are sliding into the end of my tenure, and a new President is about to take
Continued on page 8

CONDOLENCES

Our sincere condolences to Bob Wheeler, Jr. and Carmen West, owners of Crosstown Auto & Truck in Kalamazoo, and their families, on the recent passing of their mother Sue and former wife of Robert Wheeler, Sr. on September 8, 2023 after a long and courageous battle with ovarian cancer. Please keep them in your thoughts and prayers during this difficult time. 🚗



Need information? Have a question? Send us a note!

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Our address is:

arm@mi.automotiverecyclers.org

Scrap Report

Foundry Steel.....	\$275.00	gt
Clean Auto Cast	\$360.00	gt
Unclean Motor Blocks	\$250.00	gt
Auto Bodies	\$140.00	nt
Batteries	\$.13	lb.
Copper/Brass Radiators.....	\$2.01	lb.
Aluminum (clean).....	\$.52	lb.
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By Nate Love of Kelley Cawthorne

Legal & Government Relations Counsel to ARM

Gov. Gretchen Whitmer delivered a State of the State-style address laying out her legislative priorities for this fall. The address covered a variety of topics, including:

- Passage of the Reproductive Health Act, which would eliminate laws that criminalize abortion, repeal waiting periods to receive abortions, and ensure access to abortion
- Lowering the cost of health care by codifying Affordable Care Act provisions in state law
- Lowering the cost of prescription drugs by establishing a Prescription Drug Affordability Board
- Enacting a 100% clean energy standard
- Improving energy efficiency by changing the Public Service Commission's permitting authority

The President's Message

Continued from page 6

over. There is some shifting of Board Members as some people step back and others step up. We appreciate the service from all of those who have served the last few years. I have faith that this next Board will carry forward the mission that previous Boards started and cultivated. We have built a strong foundation thanks to over 50 years of efforts by volunteer recyclers. We still have a dedicated staff that will work through our next transition. We are a united voice, and we have a common mission.

We have fought against negative "junkyard" stereotypes to reinforce our roles as professional recyclers. We have advanced state of the art training programs and industry standards that elevate all of our members and facilities. We represent recyclers to legislators, regulators, industry groups, and a host of others. It has been great to be a part of this movement and I appreciate all of the work all of you have put into this association.

Thank you for the opportunity to serve and keep up the great work! 🚗

- Streamlining other permitting processes for businesses
- Establishing paid family and medical leave
- Improving election security

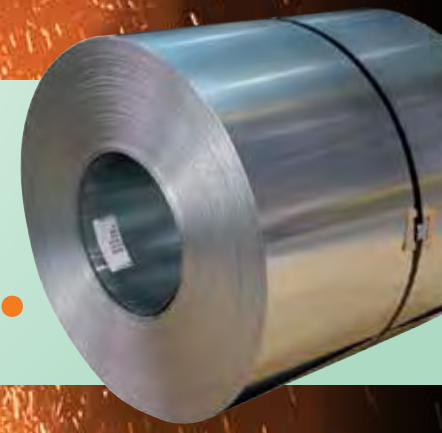
The legislature has returned from its summer recess, and is expected to resume a regular Tuesday-Wednesday-Thursday session schedule for the coming months. However, discussions of adjourning session for the year prior to the usual December date have been taking place, with much speculation centering around a possible early November adjournment. The early adjournment would be part of a procedural process designed to allow a law to go into effect that would move the state's primary election date to earlier in the year.

The legislature is expected to take up legislation that would implement clean energy standards for the state, although many details have yet to be determined. The goal of most of the legislation seen so far is for the state to set a 100 percent renewable energy standard by 2035. The legislation is likely to redefine what sources are considered renewable energy, as well as giving siting authority away from local governments to the Public Service Commission.

"Polluter Pay" legislation is also expected to be introduced in the Senate this fall. The wide-ranging package potentially includes provisions for:

- Creating new legal causes of action and changing statutes of limitation for existing causes, including new liability for business executives
- Creating a state "toxics tax"
- Require up-front financial assurances from certain industries
- New cleanup requirements and oversight

Gov. Whitmer announced Scott Bowen as the new director of the Department of Natural Resources. Mr. Bowen previously served as Commissioner of the Michigan Lottery and with the Office of the State Employer. 🚗



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Succession Planning

By Amber Kendrick

At the recent Team PRP conference held in Denver, Colorado, in August 2023, there was an excellent panel on succession planning. The panel featured two experts (Jim Erben and Paul Elmendorf, Erben Associates), a yard owner who had purchased the business from his family (Junior Catalano, Bionic Auto Parts), a yard owner who bought into the business after years of employment there (Jayson Doren, Morris Rose Auto parts), and a business owner who started the company with family and has deployed a genius succession planning strategy with a big family (Dan Snyder, Snyder, Inc.)



Jim Erben and Paul Elmendorf from Erben Associates provide services to owners in 31 states including business planning, succession planning and exit strategies. They have worked with many salvage yard owners including the Snyders and Morris Rose. They stressed that most of the time, a yard owner's largest asset is their business and the real estate associated with the business, so it's very important to have a business continuity plan that is aligned with a personal estate plan. Many owners do not know the value of their business, and it's important to have a working knowledge on a year by year basis on the value of your business – it helps you put the plan together on how to transition, and it should be the engine that drives the plan. Most of the time, your plan for your business will be much different if you are selling to a consolidator vs a third party like a manager vs family members.

Selling to consolidators was not discussed much on the panel, though it is so prevalent in the industry. Many yards at the PRP conference discussed how

they feel the recent consolidation only gives them increased opportunities to take advantage of being an independently owned and operated business. When selling to a consolidator, they say you want to drive up your cash flow and profits, as those are markers for the consolidators on your business value. The representatives from Erben Associates eluded to strategies to get the most from a consolidator buyout but focused on the experiences of the panelists, namely family and third party buyouts.

When selling to a manager or another nonfamily member, Erben Associates advises building up the value of your business in order to be able to sell it for about 20% less than what it's worth on paper and to build up cash reserves to allow you to sell in such a way that the people who buy the business can afford the payments. No one wants to sell their business only to end up with it back in their lap because the new owners couldn't make the payments. They have several strategies for how to ensure business continuity after the transition.

When selling to family it's a totally different goal, you want to reduce tax burden. Jim mentioned there is a new tax law coming at the end of 2025, when the current tax law expires. If lawmakers do not pass a new tax law, the current one expires, and the tax law will revert to what it was 10 years ago. Currently, thirteen million dollars can be gifted to the next generation, but if the tax law reverts that will change back to six million. Erben suggests transitioning non-critical assets if you plan to gift them in your estate anyway, to save your heirs the tax burden. Dan Snyder spoke to the tax savings he has experienced by planning ahead. "One thing we did with the land was we moved the land into a trust which we control but there are not the same tax implications."

Each of the yard owners shared their own personal journey. Dan Snyder almost sold his family business, but when the deal fell through, they decided they wanted to build a legacy organization and made calculated choices based on that. Snyder's has 18 next generation heirs but not all 18 are interested in a place in the business, they have 2 that are sure they will not, 1 that will, and

15 that are too young to know, stretching down to kindergarteners. They have it laid out exactly what a family member needs to do in order to buy in or have ownership.

Dan said “this is a big deal for us... we thought about this well in advance. If you say well this one wants to buy into the business and other partners don’t want them to, it leads to internal strife. So we have multiple hoops they have to jump through in order to be eligible for ownership. At that point if you have succeeded in completing the requirements, then the current owners anonymously vote and must be in 100% agreement.” Some of the Snyder heirs requirements: stay out of jail, graduate from high school, graduate from an approved college with an approved degree, 3.0 minimum GPA, work outside of the family business for 2 years without being fired, apply for a position and work in the business, work your way up to a middle manager job, hire & train your replacement, then work your way up to a higher management job & train your replacement. Only then are you eligible. These are important steps to prevent entitlement and take the decision out of

the emotional side and ensure it says in the rational. Dan said “you can love your kids equally, but if there is a child you don’t want to have ownership you need to work that out. Plan around it in a way that doesn’t hurt the family.” Snyders has heirs going through their requirements now and the planning is really paying off.

Junior at Bionic is a 50/50 partner with Anthony, his cousin. Junior’s father & uncle transitioned the business ownership to them but retained ownership of the land. Junior explained “they listened to the offers from consolidators but ultimately decided to keep it in the family. Having a plan is so important. It takes time to do it, it took us over 2 years of going back and forth with the lawyers and paperwork and everything and 5 years before that where we were talking about it and wanted to do it.” Junior stressed that in a family business transition, it’s very important to think about your parents needs, how much they currently take out of the business, even factors like insurance. “They have to live, they have expectations of how they want to live, and you need to make sure you are meeting their

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Continued from page 11

needs,” said Junior. Anthony and Junior did an asset purchase of the business. There were three owners of the business before they bought it, and it was complicated to get all the contracts right. “Anthony and I had to think about what we need to run the business, you can’t have a payment so high you can’t make it. They groomed us in the industry, from teenagers, we spent almost 25 years being trained by them – it took longer than we wanted but that was when the parents were comfortable.” In order to have full confidence in the buyers, a two year deal was signed, where all agreed on a purchase price, and Junior and Anthony ran the business independently, but their parents kept the profits. If it had not gone well, the parents would not have been obligated to complete the purchase agreement, but since it did go great, the deal went through. After the purchase was completed, Junior and Anthony increased the business 20% almost instantly, and then bought a second location one year in. To work out the details for the sale, they used their CPA and a really good lawyer. Their parents had their own lawyers, and there was a lot of back and forth. Some of the details of interest were their parents financed the deal with a 10 year payment schedule, and included a clause that the buyers cannot sell the business right away. The two year period where they were in charge but not yet owners made the transition when they actually bought the business nearly flawless. Junior stressed that they feel really blessed that they were able to have the opportunity and the business is going great.

Unlike the Bionic owners who did a family transition where they bought 100% of the business, Jayson at Morris Rose was a key employee who bought a portion of the company, and the prior ownership retained a portion. Mark Rose is retired now and Brad Rose is working on transitioning out of the business. They started a succession plan together five years ago because there were not any family members ready. Jayson had been asking them to buy in for three years before that. Jayson came from outside the industry and grew into the business. He said it was helpful for everyone involved to work with the succession planners at Erben to have difficult conversations. Jayson came into Morris Rose as a salesperson, and right away had a great connection with Mark and Brad. As he worked his way up in the company, he kept pushing and trying to change the business and make it better. Jayson had confidence in what he could do at Morris Rose but he knew he had to prove himself, and he did that. Jayson

said he’s very proud of the work he has done at Morris Rose, and that having a professional to help with SOPs, EOPs and business ownership transitions has been key. Jayson noted “even if you aren’t looking to sell, creating and sharing the EOP and SOP are huge! It made me and other key employees feel valued and that we were important. It built up confidence. And it’s been a great tool, huge sharing that with employees.” Jayson is buying more of the business as he can afford to pay. If other family members or key employees later want to buy into the ownership of Morris Rose, there is a clear structure for how they will do that, so that there are no hurt feelings or big arguments later down the road.



Jim noted that often there are not clear directions on what the next generation or the key employee needs to do to be eligible for ownership. He encouraged everyone that “setting expectations is huge. It gives people a road map for this is what we need to see for you to have ownership.” They may or may not succeed, but at least there are clear expectations.

Paul encouraged everyone to have a will and keep it current, he said “a lot of wills are non-existent or outdated. Update your will every 5 years or every time major tax legislation happens!” He also cautioned yard owners to update their operating agreements, ensure any buy/sell agreement is funded and not underfunded and matches up with the current ownership and management structure. A pitfall he has sadly seen are business owners passing away or becoming incapacitated with outdated documents, involving ex-spouses or involving family members who are no longer part of the business. Jim said to lay out what should happen in specific events so there is a detailed plan, and your loved ones do not have to make decisions when grieving. Noting “the biggest

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messes we clean up are non-operating heirs who have a significant portion of the business. You can reclassify stock for control purposes but it can really breed resentment when non-operating siblings are reaping the same benefits as operating siblings.” With succession plans, what they usually see is not enough planning. “Internal transitions, mostly with families, we see a lot of reluctance from current ownership to move out of the business. It’s so difficult for people to step away from the business, especially when your identity is tied to the business.” But this difficult planning is the difference between you valuing your business and everyone knowing the plan to fund the expected taxes due, and IRS valuing your business and your heirs being forced to sell the business quickly just to pay the tax bill. Paul urged “no matter your exit plan, you need a business continuity plan. A complete business continuity plan is 20% exit strategy. The core work we do with our clients is answering the question of operationally, what needs to happen if the worst happens to current ownership. An emergency operating plan is needed so everyone knows what to do and who is in charge. The operating agreement says what happens to the stock. But the emergency operating plan or EOP will help the business continue running – it’s like a detailed will for your business. Not to be overlooked, especially for growing businesses, are written standard operation procedures.” If you aren’t documenting and training on it, that can kill business continuity. Another thing we see are problems with executive retention. What is the plan to keep and reward them? You want to retain them through your exit or their retirement. A properly designed executive incentive program will help attract new employees and reward the behaviors and outcomes you desire. If someone has responsibility over buying, their metrics on their retention plan should be based on the outcome you want to see from their buying.

Paul talked about ghost stock or phantom stock and passing to key employees. He said this comes up a lot as a retention tool. Some big advantages are that phantom stock does not dilute real equity, and you can structure the vesting schedule however you wish to, such as payout at retirement. You can include termination clauses, such as you lose the benefit if you quit. When you dilute your equity, it can get messy. Jim noted there

is another option called a select executive retirement plan – they have implemented this in their own business with Paul – theirs vests 10% a year for 7 years (Paul is in 3 years) and puts money in a bucket based on value he has in the business and the work he does. It will be 100% vested when he’s been with the company for 20 years or when Jim retires, whichever happens first. Paul noted that because of this clear plan, “we’re all geared and working in the same direction. Everyone is working towards Jim being able to do talks and special programs and working him out of the day-to-day of the business. Everyone is trying to make it so Jim can retire and they will own the business.”

Life Insurance was a hot topic, whether it be for key employees, to fund buyouts, or for heirs. Putting money into kids policies when they are young can save a lot of money in the long run, it’s a good tool to put money in there while you can afford it and there are no medical exams. There are also no tax advantages, but it’s a good place to put away. It’s a big problem when you are unable to insure people. Protect your insurability. Life insurance is a huge part of the Snyder’s planning, and if they hadn’t been able to acquire insurance for the 3 brothers who own the business, they’d have to have a hard discussion. When operational capacity grows then life insurance needs to grow.

Lastly, Erben Associates does not recommend ESOPs. Jim stated “in 30 years, we have suggested 6 and done 1. It can be an awesome tool but you have to have the right fact pattern. An ESOP is a qualifying plan where everyone must be treated fair and equitably. Every employee has to be treated equally. The problem we hear is people shouldn’t be treated the same. You can transition to 3 key people. But not 20 people. There are tax advantages but it often puts debt onto the company, and it’s expensive.” Erben usually prefers to recommend something where you have more control, such as phantom stock or executive planning.

So many options and helpful suggestions were discussed in this seminar! Next year, the United Recyclers Group and Team PRP will be hosting their annual conferences in conjunction, together in St. Louis, Missouri April 4-6 at the Hyatt Regency at the Arch. There will surely be many interesting sessions such as this one on succession planning, so don’t miss out on this awesome industry event. 🚗

Recycle! Recycle! Recycle!

NOW AVAILABLE ON OUR WEBSITE FOR MEMBERS ONLY

ARM Safety Compliance Manual with fill-in forms



The Members Only ARM Safety Program is FREE to all members. The ARM Safety Compliance Manual will help you meet the MIOSHA record keeping and reporting requirements.

ARM Do-It-Yourself Storm Water Compliance with sample documents



All ARM members now have access to a set of Sample Compliance Documents that will help you prepare the required permit compliance documents that must be submitted to the Department of Environment, Great Lakes, and Energy (EGLE) - formerly the Department of Environmental Quality (DEQ).

How to Access the Members Only Section of the ARM website:

- www.automotiverecyclers.org
- Request a log-In
- Once your membership status is verified by the ARM office, you will have access to all Members Only Content.



If you have any questions, please contact the ARM office at 810-695-6760 or arm@mi.automotiverecyclers.org

2023



Kent Utter Jr. Memorial Scholarship Recipients



Each year, the Kent Utter Jr. Memorial Scholarship is granted to students who have a 3.0 GPA (or higher) and are the children of full time employees of ARM Members. In 2023 we had great applicants, and three were granted the scholarship.



Isabella Allen is currently a student on the dean's list at Oakland Community College. Following an illustrious high school career where she was on the dean's list in addition to being an athlete all four years, Isabella started a program in nursing that she will continue

at Western Michigan University. After playing volleyball and swimming in high school, Isabella put some of her fun activities to professional use, becoming a swim instructor.

John Allen, the controller at Regal Auto Parts in Howell, Michigan, is the proud father of Isabella, and has been with Regal for just over 5 years now. John grew up swimming in his childhood, through college, and even made it to the Olympic trials! Isabella says "my parents always taught my siblings and me to be the very best we could be... they were at every swim meet, every concert every school plan, they were my biggest supporters. My family has practiced patience, generosity and kindness throughout my entire life. They have taught me that no matter who I lose in life, the amount of money I have, or the mental health hills that



I climb, they raised me to see the positive things in life. This mindset my parents have engraved in me is simply beautiful, they have been and will always be the most influential people in my life!"

Isabella plans to take these lessons from home and her upbringing with her into her career in nursing. She says "a nurse is someone who comforts a patient when he or she feels as if nothing will be okay. When I was little, I broke my arm... the nurse stayed with me through everything and made me laugh. I would love to be the person who can put a smile on someone's face in their worst moments. Nurses are caring, compassionate and loving. I have also been very interested in science, and it is interesting to learn about the body." We wish this young woman all the best in her schooling and career and are proud to be able to support her journey through the Kent Utter Jr. Memorial Scholarship.

Another employee of Regal Auto Parts in Howell, Michigan, has a scholarship recipient. John Sparrow, Sales Manager with the company since 2011, is also the father of Parker Sparrow. Starting her education by being homeschooled, she transitioned to Washtenaw Technical school for high school, and now Parker attends Eastern Michigan University to study Physics Research and Mathematics. Parker hopes to become an astrophysicist and work for NASA one day. Enthralled by space, Parker was on the Dean's Honor Roll and High Honor Roll. At EMU she is on the Dean's list at the College of Arts and Sciences.



Parker talks about how being homeschooled shaped

the person she is today and how she is a family oriented person thanks to her solid upbringing. Through sports she learned a lot about “discipline, hard work, sticking with things even when they get difficult, and being involved in sports helped grow my confidence and courage.”

Another swimmer, Parker received a glowing letter of recommendation from the Aquatics Coordinator at EMU, who supervised her in her job at the pool and commends her for her dedication, reliability, professionalism and enthusiasm. Another letter of recommendation came from a professor of hers who ranked her in the top 5% of physics students he has ever taught. Parker looks up to several teachers from her past, noting the difference they made in her academic and personal life.



Mr. Linford, her high school math teacher, saying he “believed in me before I believed in myself. He saw my potential and suggested that I study math in college.” At first, Parker didn’t believe she was smart enough to study math, but years later she realized it was what she was passionate about, and she said “I finally believed I was capable so I got back in contact with him to get some guidance. Now as a double major in mathematics and physics research, I will always thank Mr. Linford for planting that seed in my mind because I never would have considered the possibility if it were not for him.” We are very glad, too, since Parker is now pursuing her passion and STEM careers are so needed these days! ARM is happy to support these careers and such an accomplished young woman.



STEM is popular with Kent Utter Jr. Memorial Scholarship recipients, as we also have a mechanical engineering major. Brady Havens, son of the business manager of Hooper Auto Parts, Brook High School and is now studying at the Michigan Technological

University where he was also awarded the Presidential Platinum Scholarship. Another Dean’s List student, Brady

was in the Midland High School Symphonic Band and in the robotics competition on the Robotics Team. That was a highlight for him, he says it “contributed to my development of leadership skills, practical knowledge and flexibility... I was able to be the co-build team lead and co-drive team lead which gave me the opportunity to teach others practical skills regarding turning wrenches and problem solving.”

Brady is not just interested in robotics, he says “my whole life, I have been enthralled by cars and motorcycles. Ever since I was 3 years old I have owned a dirt bike of some type and ride as much as possible. My grandfather, Donald Fleming, used to buy and sell cars for years, a passion that my mother has grasped throughout her career. This appreciation for cars and trucks from both sides of my family greatly influenced my behavior and my various hobbies.” It was his love of automobiles that led Brady to set a goal of becoming a mechanical engineer. He says his parents have always supported his goals, and notes “my parents have always strived for me to work hard and supported me in becoming academically successful but with an emphasis on being streetwise and practical. They taught me if I want to be successful, I have to work hard. My accomplishments would never have happened without the influence and support of my parents!”



We hope to see Brady go on to do great things in the automotive industry, and we are honored to be able to support him with the Kent Utter Jr. Memorial Scholarship. All three of the recipients this year are outstanding students. 🚗

Get Involved:

Attend the Upcoming ARA Conference

The Automotive Recyclers Association has an exciting event just around the corner; the 80th Annual ARA Convention & Exposition will be held October 12-14 in Kansas City, Missouri at the Sheraton at the Crown Center. Kicking off the weekend on Thursday afternoon is a keynote from Ryan Mandell, Director of Claims Performance with Mitchell International. This should be an interesting seminar, discussing reimagining your business to capitalize on industry trends. Noting our industry “has experienced an unprecedented explosion of technology over the past decade... and the outlook for the auto recycling industry is brighter than ever before. This session will challenge you to expand the horizons of your business strategy and lean into the changes taking place around us with a particular focus on the collision industry and backed by data from Mitchell International to identify trends and opportunities.”

Friday's schedule is packed with seminars that are based in the real-world. The owner of Brown's Auto Salvage in Bomoseen, Vermont will share his insights, and there are a number of panels of owners and experts. The first panel are people involved in the CAR program who will share member success stories on implementing the ARA environmental program, which all MICAR members can complete. There will be a panel on credit card best practices and protecting your business from credit card fraud, a panel on EV batteries and the challenges and opportunities they present, a panel on Self Service Safety, and a panel on opportunities and resources for independent operators, including Mike Kunkel of Profit team Consulting. Another trusted industry consultant, Chad Counts of Counts Business Consultants, will speak on building for the future.

Amy Hinton, Scrap Editor for Fastmarkets, manages a team of six reporters and is responsible for the pricing and coverage of ferrous, non-ferrous and stainless scrap metal as well as irons such as pig iron, will speak about the North American metals markets. A number of “tech talks” are planned so attendees can learn how to get the most out of technology such as EZ Suite, VINMatchPro, BidBuddy & Inventory Buddy, Hotlines and many many more.

After all that quality content, there is fun to be had, as well. The Ladies of ARA plan to host a wine and cheese social Friday evening open to all women in the industry,

followed by a networking and awards night open to all. Don't have too much fun dancing the night away, because Saturday is packed with more interesting sessions!

Shannon Nordstrom, executive committee member and incoming Secretary of ARA as well as owner/operator of Nordstrom's Inc. and co-host of the nationally syndicated Under the Hood radio show, will start Saturday off right. Plenty of time to visit exhibitors is planned for Saturday, and the ARA show never disappoints with wonderful vendors, 88 were already signed up at the time this article was written. A recycler's round table as well as more panels are planned for the afternoon. There will be time to explore the exhibitor hall throughout the weekend. Don't miss practical classes such as “Parts Grading & Inventory Best Practices” for the full-service folks and “Self-Service Secrets” for the u-pull crowd. ARA has stacked these and other seminars together, such as targeting full-service tactics during the same time slot as a Towing and Vehicle Recovery panel takes place, and Chad Counselman addressing techniques to increase gross sales while Andy Snyder advises on Advertising and Marketing specifically for the self-service owners and managers. There are truly too many awesome sessions planned to name them all, but hopefully you'll attend many that will help with everything from “Being Your Customer's First Choice” to “Operating a Hybrid Facility.” The weekend will wrap up with an Estate Planning expert from Kirland Woods & Martinsen LLP, Alice Haseltine, speaking on Estate Planning and Business Succession Issues, a hot topic you can read more about on page 10 of this issue of *YardTalk*.

Vander Haag's Inc and Midway Auto Parts (Aesop) are opening their doors for facility tours, food and drinks on Saturday night. With over 57,500 square feet of parts and service at their Kansas City Location, Vander Haag's is an independently owned family focused company, with 10 locations providing truck and machinery parts, service and sales. It should be fascinating to see the similarities and differences between our business and theirs in the tour. Midway Auto Pats is part of Aesop Auto Parts, one of the chains sweeping the nation, with at least 17 locations from North Carolina to Texas. This may be a unique opportunity to tour an Aesop facility, and the Midway Kansas City location is their “North American Headquarters.”

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United Ecosystem Converter Expos : Nissan Infinity



By Becky Berube

Take this Nissan Infinity G37 3.7 L with two “elbow” converters with a serial number or marking on the lower flange, with or without a heat shield. How much would you sell this converter for to your buyer?



Exhaust System Architecture

You have a left-side converter and a right-side converter, both with center O2 sensors. This is a two-converter exhaust system.

Question: When you look inside each catalytic converter, does it have one ceramic biscuit or two? Or is it one ceramic biscuit and one metallic substrate?

Answer: The rounded section contains one ceramic biscuit and the oval section, one metallic substrate.

Is the price you’re getting determined by the both the ceramic and metallic parts of the converter? How do you know?

Serial Number or Markings

What are the markings on the converter? 8Y7, AC3, EJ8R1, 1ETP4, EJ4F5, and on and on the numbers go, many not found in converter look-up apps. On the prices we could find today, prices were all over the board, from \$5 to \$60 each with the following PGM prices: Platinum, \$955, Palladium, \$1,200, and Rhodium, \$3,600. Not many of the unique serial numbers are in online catalog applications.

Assay Facts

In our converter testing laboratory, we tested 14 unique Nissan Infinity elbow converters and on the PGM markets above, the converters yielded prices between \$45 to \$170 each, with an average price of \$100. In a separate test, we ran 9 identical converters and that sample yielded, \$114 each.

These prices are for the ceramic portion only! The nearly 3-pound metallic substrate adds an additional \$40 per unit.

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Becky Berube serves the recycling community as President of United Catalyst Corporation, is a Member of the Automotive Recycling Association’s Educational Programming Committee and is a Past President of the International Precious Metals Institute

Get Involved: Attend the Upcoming ARA Conference

Continued from page 18

Announced earlier this summer, the Automotive Recycling Training Institute (ARTI) and ARA are excited to announce the launch of a new, nationwide Vehicle Retirement Initiative that will present new opportunities to purchase salvage at a discounted price for ARA members called SHiFT. Certified Automotive Recycler (CAR) members will receive an even more discounted price, and all MICAR members are eligible to complete the final steps to be CAR certified. At the conference, the SHiFT program will get a deep dive, one you do not want to miss.

Sometimes it seems like there are so many events to attend and organizations to support, but the ARA Convention and Exposition truly proves itself each year to be top notch, with lots of opportunities to connect with recyclers and vendors, learn and grow your business and/or become more profitable while also offering lobbying information, environmental and safety information, and so much more. Next spring, PRP and URG are combining forces to put their annual conferences on in conjunction with each other, making it more feasible for those desiring to attend ARA, URG and PRP with two trips instead of three.

Sandy Blalock, the ARA executive director (and a former owner herself,) said "We are excited to share with the attendees at this year's Convention and Expo our 80th year of protecting and serving the professional auto recycling industry. We always look forward to many more years of not only outstanding events but working collaboratively with recyclers to continue our work to represent, serve, grow and protect our industry." ARA members save over \$100 per registration, but you do not have to be an ARA member to attend this exciting event. If you want to try to win back your expenses in attending and then some, there will be a \$10,000 raffle where all proceeds benefit the scholarship foundation. The theme Plug In To Success calls to mind the planned sessions on electric vehicles, but goes far beyond that, as so many relevant topics will be discussed. ARA is striving to provide an excellent, comprehensive conference for anyone in the industry, and it's a great resource for all automotive recycling facilities, no matter their individual focus. For more information or to register and make travel plans, www.a-r-a.org. 🚗

Lockout-Tagout (LOTO)

By Sue Schauls

Lockout-Tagout (LOTO) is a safety procedure used in industry to ensure that dangerous machines are properly shut off and not started up again prior to the completion of maintenance or service work. It requires that hazardous power sources be "isolated and rendered inoperative" before any repair procedure is started. "LOTO" works in conjunction with a **lock** usually locking the device or the power source with a hasp lock and placing it in such a position that no power source can be turned on. The procedure requires that a **tag** be affixed to the locked device indicating that it should not be turned on.

Modern machinery can contain many hazards for workers, from things like electrical, mechanical, pneumatic or hydraulic sources. A typical automotive shop may contain pneumatic power tools to loosen bolts, electrically powered bench grinders to repair parts or a table saw, hydraulic or mechanical lifts/hoists, gas cutting torches/welders, parts washers and heat tools for window shield and bolt removal.

Disconnecting or making safe the equipment involves the removal of all energy sources and is known as *isolation*. The steps necessary to isolate equipment are often documented in an *isolation procedure* or a *lockout tagout procedure*. The isolation procedure generally includes the following tasks:

1. Identify the energy source(s)
2. Isolate the energy source(s)
3. Lock and Tag the energy source(s)
4. Prove that the equipment isolation is effective (no power).

The locking and tagging of the isolation point lets others know not to "energize" the equipment.

The National Electric Code states that a safety/service disconnect must be installed within sight of serviceable equipment. The safety disconnect ensures the equipment can be isolated and there is less chance of someone turning the power back on if they can see the work going on. The safety disconnects usually have multiple places for locks so more than one person can work on equipment safely.

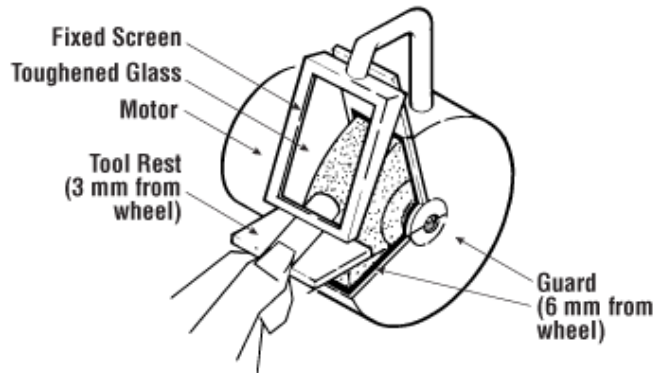
In industry this is an OSHA standard, as well as for electrical NFPA 70E. OSHA's standard on the Control of Hazardous Energy (Lockout-Tagout), found in CFR 1910.147, spells out the steps employers must take to prevent accidents associated with energized equipment. The standard addresses procedures necessary to disable machinery and prevent an accident while maintenance or servicing is performed. 🚗

Safety Subscription

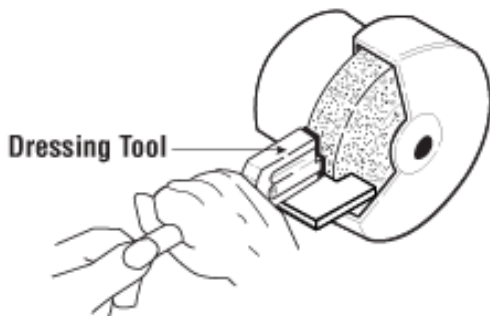
Bench Grinder SAFETY

What safety procedures should you follow when using bench and pedestal grinders?

- Fasten pedestal and bench grinders securely.
- Ensure all the guards are in place and secure before using a grinder.
- **Adjust tool rests to within 3 mm (1/8 in.) of wheels.** Never adjust rests while wheels are moving. Work rest height should be on horizontal centerline of the machine spindle.
- Maintain 6 mm (1/4 in.) wheel exposure with a tongue guard or a movable guard.
- Check that wheels have blotters on each side.
- Check the wheel fits properly to the spindle when mounting. If it is loose, get another wheel.



Use a magnet to keep the adjustment tool handy!
(ALLEN WRENCH or HEX KEY)



- Stand to one side of the grinder until the wheel reaches operating speed.
- Bring work into contact with the grinding wheel slowly and smoothly, without bumping.
- Apply gradual pressure to allow the wheel to warm up evenly. Use only the pressure required to complete a job.
- Move the work back and forth across the face of the wheel. This movement prevents grooves from forming.
- Wheels are made only for grinding certain items. Do not grind rough forgings on a small precision grinding wheel.

Bench & Pedestal Grinder **Safety DO'S AND DON'Ts**

DO:

- Dress wheels regularly. Do frequent, light dressings rather than one heavy dressings.
- Support dressing tools so you can apply leverage without undue effort. With revolving cutter dressing tools use lugs as anchors.
- Replace worn wheels if you cannot dress it.
- Ensure the grinder speed does not exceed the operating speed marked on the wheel.
- Visually inspect wheels for possible damage before mounting.
- **Wear proper personal protective equipment:** eye, ear and face protection, metatarsal safety boots & respiratory protection, when required.
- Wear gloves only where necessary.

DON'T:

- Do not use a wheel that was dropped.
- Do not use a wheel that does not fit properly to the spindle.
- Do not use excessive force to tighten the nut of the wheel. The force can crack the wheel.
- Do not grind wood, plastics and non-iron metals on ordinary wheels.
- Do not leave grinding wheels standing in liquids. The liquid can cause balance problems.
- Do not grind on the side of a regular wheel.

United Ecosystem Converter Exposé: Nissan Infinity

Continued from page 19

Selling By-the-Piece: Physical Sale or by Auction

If you sell these Nissan Infinity converters by the piece, what price are you getting? For which serial number? Is the price you receive based on both the ceramic and metallic portions of the converter? Very hard to know the answers to these questions. Do you think someone might try to buy a \$170 converter that looks identical to a \$6 converter for less than its worth, especially if it cannot be found in a converter look-up app?

Selling on Assay

If you sell these Nissan Infinity converters on assay with a reputable processor, you will receive what the converter is worth, whether that is \$45 or \$170. And if that processor is transparent and gives you credit for the 3-pound metallic converter inside, you will get an additional \$40. Bottom line, with two converters on these Nissan Infinity vehicles, at today's markets, you are looking at \$160 to \$420 in converters. Be very careful if you are using an app to include the price of the

converters when buying the vehicle. You can see from this example how wide the spread can be. Don't let an app get you upside down.

The data for this case study was powered by United Catalyst's **United Ecosystem**. If you would like to learn more about our program, please reach out to request a demo.

To learn more, or to stay informed on these topics, you can subscribe to our daily e-newsletter or get Platinum Group Metal prices texted twice daily to your phone, TEXT "Daily" to 844-713-PGMs (7467). You can also call us or email us at sales@unitedcatalystcorporation.com. 📧

F.Y.I. The deadline for the next issue of the Automotive Recyclers of Michigan *YardTalk* newsletter is November 15, 2023. If you would like to place an advertisement or submit an article, please call the ARM office at 810-695-6760.

Have you ever sat around and griped about the rules and regulations that face our industry?

Do you say to yourself "I wish there was something I could do" or wish you had a say in what changes are made or what new Bills are passed?

Here is your chance to be heard!

ARM PAC

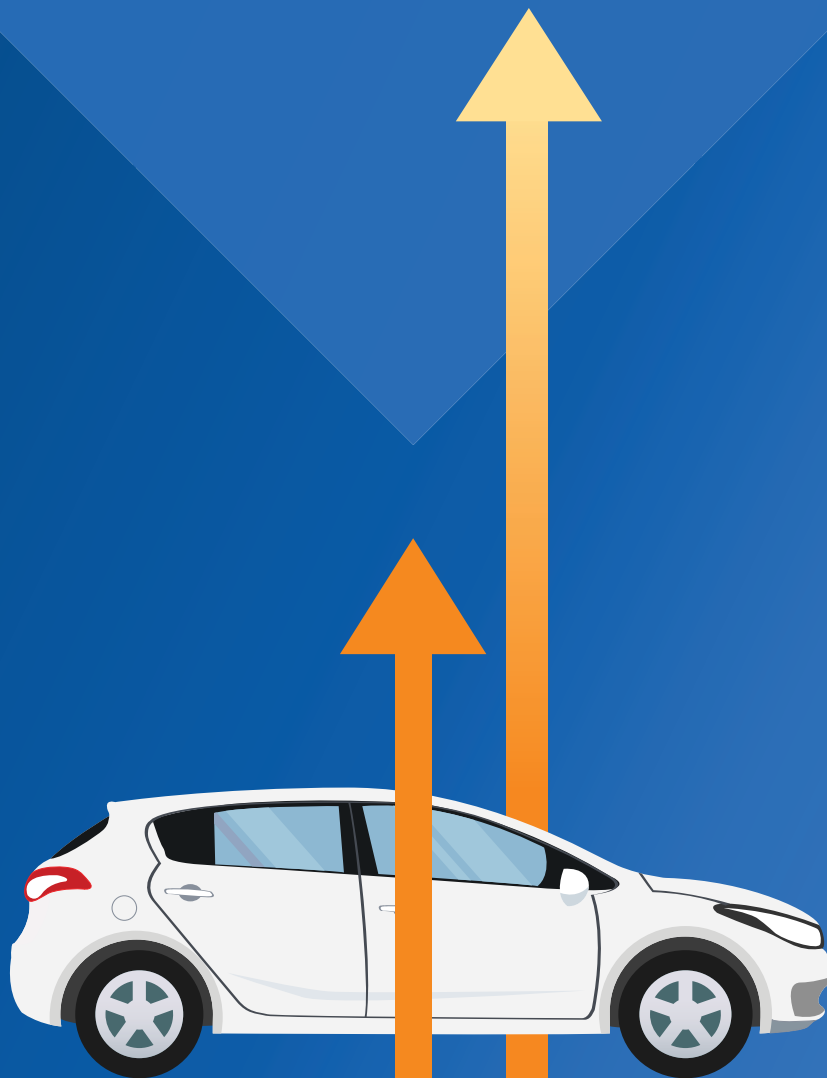
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