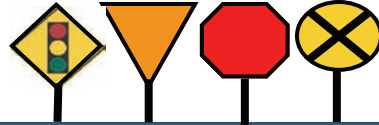




Automotive Parts & Service Association of Illinois

ROAD SIGNS

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APSA of Illinois Town Hall Meetings

- April 16th** - Route 66 Hotel, Springfield
- April 17th** - Elks Lodge, Mt. Vernon
- April 22nd** - Rexroats, Effingham
- April 23rd** - Holiday Inn City Center, Peoria
- May 6th** - Holiday Inn, Willowbrook
- May 7th** - Holiday Inn, Skokie

Take advantage of this great opportunity to enjoy a **free meal** with your peers in the local area. All meetings begin at 6:30 p.m. These meetings are designed for you to find out what is happening at the State Legislature that will affect your businesses and how you can affect the outcome. You will also have the chance to hear industry news in your area with an open forum for discussion on issues that you are facing. **We hope to see you there!**

Headlines

Kickin' the Tires - A Look at Monthly Trends in the Automotive Aftermarket (page 2) - Your Association has teamed up with Wachovia to provide you with economic trend information that is accurate, informative and timely each month.

Quincy Automotive Supply Company Sold (page 5) - The sale to a Rockford supplier of ten NAPA stores will end an 87-year, three-generation run in the wholesale automotive parts business for Quincy Automotive Supply Company.

Proposed Membership Dues Classification (page 7) - This move facilitates the opportunity for your Association to work for the entire automotive aftermarket industry in the state of Illinois. This equal representation can ensure that we build on the 50 years of history and work to provide programs, services, and benefits that will support this industry in the future.

Under the Dome (page 8) - "The Governor's combined State of the State and Budget Message delivered to members of the Illinois General Assembly was one of the coldest receptions I have witnessed in 30 years."

Bit of History (page 3)



Mission Statement

The mission of APSA of Illinois is to provide communications, education, legislative and regulatory advocacy and group purchasing of services for its members while promoting the motor vehicle aftermarket industry.



Message from the President



JEFF DUST

2008 seems to be going as fast as 2007. What a winter this has been so far. Here in Effingham, we have had about every type of weather you could imagine. We went from an unseasonably warm 70° to 2° below zero in less than 24 hours. We have had several winter storm warnings issued, but we haven't gotten as much snow as they predicted. Whether it is luck or not, the storms shift to the north, south, or just fizzle out and we have ended up with more ice than snow, and that has caused some very challenging delivery schedules to accommodate what Mother Nature throws at us.

I don't know about you, but I would rather have snow than ice. The only thing I can say ice is good for - it sure boosts wiper blade sales! Anyway, we have less than 28 days of winter left. The Easter season is very early this year (I think the earliest Easter can be) and that means spring is right around the corner. There is no better feeling than getting to go outside without a coat and enjoy the fresh weather on those first nice days of spring. So, as they say in Illinois, stick around and it will change.

On the automotive side of things, isn't it just amazing how well built and dependable cars and trucks have become. The cold and bad weather isn't nearly as hard on them as it used to be. With modern technology such as fuel injection, more airflow sensors and computers, most vehicles are very dependable at starting and operating in sub-zero temperatures.

With the added features of remote start, which is available on most new vehicles, you can start your vehicle from inside your warm home or work place and your vehicle will be warmed up, free of ice and snow on the windows, a comfortable temperature inside the vehicle, and ready for you to drive. That beats the old days doesn't it?

On the political scene, Governor Rod Blagojevich gave his State of the State Address on February 20, 2008. I was not in attendance to witness his speech, but what I have gathered is that most of his speech was on the state budget condition and that he has an Economic Stimulus Package for the citizens of Illinois. The Governor's package includes a child tax credit and capital-spending plan. Also, the State is going to help the City of Chicago put in a bid for the 2016 Olympics. I'm not sure I really understand his budget plan or if it will work, but I guess something has to be

(continued on page 8)

Kickin' the Tires - A Look at Monthly Trends in the Automotive Aftermarket

Your Association has teamed up with Wachovia to provide you with economic trend information that is accurate, informative and timely each month. This survey is designed specifically for economic issues in the auto parts and service industry. The survey will come to you via email from the Association and will only take a few moments to complete. The information compiled from all the participants will be returned to you in an easy to read comprehensive review each month.

Why participate?

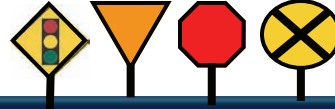
- **It's fast!** Limited to very few questions, this survey takes very little time to complete. All you have to do is click on the link in the email, answer the questions, click done, you're finished!
- **You can enter to win a \$50 gift card for Amazon.com**
- **You will receive** all the compiled data very quickly, along with additional data research that Wachovia conducts in the automotive aftermarket.
- Your individual answers and information will **NOT** be given out to anyone, and the survey data is confidential.
- **Specialized.** The questions are different for jobber/WD and service repair shops to give you data that you need for your company to stay competitive.
- **We need your input!** Just like voting, your voice and company makeup the fabric of this industry. A few moments each month to complete the survey will reveal a wealth of information to ensure you are on the leading edge of the industry.

What are the questions like? Each of the questions will have answers in a simple yes, no or multiple choice format. **Very Easy!**

- How did weather impact your business in January 2008 vs. January 2007?
- How was your TOTAL sales performance during January 2008 vs. January 2007?

How often will this survey be conducted?

- The survey will be conducted once a month over the next year. It will feature different questions from month-to-month, and you'll have the opportunity to make suggestions or changes to the survey. (email or call Matt Wells at the Association office).



2007 RSMF Scholarship Winners.....Who are they?



Name: Gilbert Johnson
Parents: Mickey and Kendrea Johnson, Christopher, IL
APSA of Illinois Member Sponsor: Tim Janello
 Southern Illinois University, Carbondale, IL

School Status: Junior, Southern Illinois University, Carbondale, IL

Course of Study: Automotive Technology
 2005 Graduate of Christopher High School, Christopher, IL

2007 Graduate of Rend Lake College

Accomplishments:

- Associates degree in automotive technology
- Church and church camp volunteer

Johnson was a recipient of a 2006 and 2007 \$500 Ralph Silverman Memorial Foundation Scholarship.

Name: Braden Rapp

Parents: Cletus and Callie Rapp, Belle Rive, IL

APSA of Illinois Member Sponsor: Nigel Thompson

Rend Lake College, Ina, IL

School Status: Sophomore

Rend Lake College, Ina, IL

Course of Study: Automotive Technology

2005 Graduate of Hamilton County High School, Mc Leansboro, IL

Accomplishments:

- Active member in his church
- Motorcycle racing participant

Rapp was a recipient of a 2007 \$500 Ralph Silverman Memorial Foundation Scholarship.



The application deadline for both the student loan program and scholarship program is March 31, 2008. Please visit www.automotivescholarships.org to receive consideration for multiple 2008 scholarships.

If you have pictures of your company or business from 1958, please email them to sue@apsail.com. We will include your pictures and a brief history in future editions of the "Road Signs" and the 50th Anniversary Annual Meeting Program.



"1958 Plymouth Belvidere"



A Little Bit of Our History....



The 10th Annual Convention was held October 18 - 20, 1968 at the St. Nicholas Hotel and Illinois State Armory in Springfield, where over 1,850 attendees participated in the three-day convention.

Do you have suggestions for the 50th Anniversary Annual Meeting and Conference? Let us know. Contact our office with your suggestions to help make our 50th unforgettable!

Why not participate on the planning committee? It's easy, just fill out the Committee Member Form and return it to our office either by fax, mail or email.



Retailer/Jobber Survey Highlights

- **Business trends improved in January** vs. December levels (68% of responding stores saw sales rise year to year in January vs. 62% in December; 48% saw 6%-10% increase in January vs. 48% seeing a 1%-5% rise in December).
- **Weather likely played a role** (56% of responding stores cited "favorable" weather) as average temperatures were 6 degrees cooler than last year.
- **80% of respondents expect business conditions to improve** over the next 3-6 months.

lower overall revenue. Lastly, we are encouraged that 80% of the stores surveyed expect business conditions to improve over the next 3 to 6 months, with only 5% of respondents expecting trends to weaken.

Survey Respondent Profile

- 104 stores
- 72% had average store revenue of between \$500k and \$1m
- 94% had more than 50% of sales from commercial accounts

The complete report has more information including graphs, charts and detail specific data. Your participation in the survey will ensure you receive this data. Also, if you have a specific question you would like asked in the survey, let the Association know. If we can, we will include your suggestions in a future survey!



Analysis of January 2008 Retailer/Jobber Survey Results

According to the survey results, it is apparent that total sales modestly accelerated in January from softer December levels. It is our belief that sales were pressured during the holidays as an economically-stretched consumer adjusted its spending towards holiday merchandise. These results are somewhat consistent with commentary out of the large publicly-owned chains as both Advance Auto and O'Reilly Auto Parts noted extreme deceleration in business trends during the holiday season and both have seen a recovery back to more normal levels so far in 2008. Gas prices remain a headwind for the average consumer, with prices at the pump (in the Midwest) averaging \$3.03/gal during January vs. \$2.99/gal in December. In general, cold weather seemed to provide a boost to sales in January (with 56% of respondents citing so), as the average temperature in Illinois during January was 24°, 6° cooler than last year and 5° cooler than December temps.

Furthermore, on a positive note, the auto parts environment remains resilient with 60% of survey respondents not seeing any increases in customer trade-down activity (i.e., opting to purchase value line vs. premium line parts). As the year rolls on, this is one metric we will be monitoring closely, given the fact that value line products (while usually carrying a higher gross margin percentage) sell at much lower price points – thus generating

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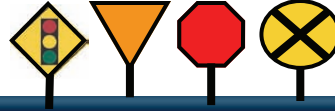
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Quincy Automotive Supply Co. Sold to Motor Parts & Equipment

The sale to a Rockford supplier of ten NAPA stores, including two in Springfield, will end an 87-year, three-generation run in the wholesale automotive parts business for Quincy Automotive Supply Co.

Company President J. Garth "Butch" Elzea, III announced February 11, 2008 the sale of NAPA operations to Motor Parts & Equipment Corp. (MPEC) of Rockford would be completed April 1, and that there should be few changes for customers or the 100 employees of Quincy Automotive.

"They are in a growth mode and, if anything, it will continue to grow," said Elzea, who at age 61 has been with the family company for more than 35 years, including as president of Quincy Automotive Supply since 1984.

Founded in Quincy in 1921, the company has been based in Springfield since 1944. The corporate name was not part of the sale, and Elzea plans to remain as a consultant on customer and employee relations to MPEC for four years.

"We've been a NAPA-operated company since 1938 ... and one of the reasons Quincy Automotive was an attractive company to be married to is the fact they run NAPA stores, and they run good NAPA stores," said MPEC president and CEO Joseph Hansberry, also the third generation to run his family's company.

Hansberry said wholesale customers, primarily auto-repair shops, account for about 70% of MPEC business, while Elzea said about 90% of Quincy Automotive Supply business is wholesale.

Elzea said he has been contemplating a sale of the family business for some time, and that he now would be free to devote more attention to development of the Edwin Watts Southwind Park.

Elzea has been instrumental in raising money for the park, and one of the key features, Erin's Pavilion, is named after his disabled daughter, who died in 2000 at age 17. The park is designed with the latest in handicapped-accessible facilities.

"For the past year, I've stepped back and focused on the park," said Elzea, adding that the first phase of the park should open in June.

Elzea, who is involved in a variety of community service and charitable organizations, said leaving a

business created by his grandfather in 1921 was made easier by the fact MPEC is also family owned.

But he shared a letter to Quincy Automotive Supply employees in which he said he and his wife, Chris, made the decision to sell the family business with a mixture of "excitement and emotion."

"I can tell you it is a large portion of each as I have gone through this process," he said.

Quincy Automotive Supply Co.

- Founded in 1921 in Quincy, relocated to Springfield in 1944.
- 100 employees. Two stores in Springfield; one each in Taylorville, Petersburg, Pekin, Peoria, Morton, Decatur, Jacksonville and Beardstown.

Motor Parts & Equipment Corp.

- Founded in 1938 in Rockford.
- 175 employees. Eighteen stores in northern Illinois and southern Wisconsin.

State Journal-Register, February 11, 2008.

Butch Elzea served as President of APSA of Illinois from 1989-1990 and received the APSA of Illinois 1988 Man of the Year Award. Butch was also a featured speaker at the 2007 APSA of Illinois Annual Meeting, September 22, 2007.



Mark Your Calendars

Mark your calendars and plan now to attend the APSA of Illinois **50th Anniversary Annual Meeting and Conference** at the Hotel Pere Marquette, Peoria, IL.

More information about the conference will be in the next issue of *Road Signs*.





Service Provider/Professional Installer Survey Highlights

- **Business trends accelerated nicely in January** from December levels (68% of service providers surveyed saw business increase year-over-year in January, with 39% seeing gains in the 6%-10% range. This compares with December, in which 53% of respondents saw business increase year-over-year (all reporting gains in the 1%-5% range).
- **Weather appeared to play a modest role overall** in the stronger results, with 39% of installers citing "favorable" conditions year over year during the month. However, 32% of installers believed weather negatively impacted business.
- **68% of stores surveyed expect business to improve** over the next 3-6 months.
- **Strength seen in braking systems and steering & suspension**, somewhat ironic given the ability to defer maintenance in these categories.

Analysis of January 2008 APSA of Illinois Service Provider/Professional Installer Survey Results

According to the survey results, it is apparent that total sales accelerated nicely in January from softer December levels. It is our belief that sales were pressured during the holidays as an economically-stretched consumer adjusted its spending towards holiday merchandise. Gas prices also remain a headwind for the average consumer, with prices at the pump (in the Midwest) averaging \$3.03/gal during January vs. \$2.99/gal in December. In general, cold weather seemed to provide a boost to sales in January (with 39% of respondents citing so), as the average temperature in Illinois during January was 24°, 6° cooler than last year and 5° cooler than December temps. On the other hand, 32% of shops felt weather negatively impacted sales in January, quite possibly due to heavy snow/ice storms late in the month.

Encouragingly, although the auto parts environment remains tough, 60% of survey respondents are not seeing any increases in customer trade-down activity (i.e., opting to purchase value line vs. premium line parts). As the year rolls on, this is one metric we will be monitoring closely, given the fact that value line products (while usually carrying a higher gross margin percentage) sell at much lower price points

thus generating lower overall revenue. Ironically, service providers are seeing the most strength in categories such as braking systems and steering and suspension, two categories where maintenance/repairs can often be deferred. The level of consumer deferral, however, is holding relatively steady, as 63% of installers reported no change to the level of deferral activity in their marketplace. In those instances where consumers are opting to defer maintenance/repairs on their vehicles, routine maintenance services (oil changes, flush-and-fill services), fuel and emission systems, and tires and related services are the categories experiencing the "most deferral." Lastly, we are encouraged that 68% of the stores surveyed expect business conditions to improve over the next 3 to 6 months, with only 5% of the respondents expecting trends to weaken.

The complete report has more information including graphs, charts and detail specific data. Your participation in the survey will ensure you receive this data. Also, if you have a specific question you would like asked in the survey, let the Association know. We will try to include it in a future survey!

Member Events

March 25th - Mac-Weld, Carbondale, will be presenting Tech Sessions with live demonstrations on block boring, cylinder honing, crank shaft grinding, cylinder head surfacing along with a special presentation by Matt Wells on latest information within APSA of Illinois.

Please call Mac-Weld at (618) 529-1828 or (800) 524-5211 with any questions and if you plan to attend.

April 24th - A & B Auto Body Supply, Inc. Customer Appreciation Trade Show 2008 at Senica's Oak Ridge Golf Club, 658 E. U.S. Highway 6, LaSalle, IL. Vender booths, demonstrations, show specials, prizes and food are featured. Please contact (800) 892-6868 for more information.

If you are planning an event in 2008, please let us know the details and we will include the information in the next quarterly issue of *Road Signs*.



Board of Directors' Consider Dues and Bylaws Changes

In a recent meeting the Board of Directors' passed a resolution to change the service/repair industry to regular members of the Automotive Parts and Service Association of Illinois. This move facilitates the opportunity for your Association to work for the entire automotive aftermarket industry in the state of Illinois. This equal representation can ensure that we build on the 50 years of history and work to provide programs, services, and benefits that will support this industry in the future. Our industry has changed tremendously in the last 15 years and this move will solidify the organization as an intricate part of being in the industry.

To create the new membership structure, a bylaws change from the Board will have to occur at the May board meeting to adopt membership categories that will serve the Association in the future. A detailed view of the bylaw changes are available at www.apsail.com, but below is the layman definitions of the proposed categories.

- **Regular Members** - Jobbers, WD's, retail auto parts stores, and service shops that are **non OEM (dealer service or parts.)**
- **Associate Members** - Anyone who renders a service to the automotive aftermarket industry (manufacturers' reps, industry business suppliers, lawyers, banks, accountants, etc). This membership

is for those whose primary reason to join is to gain influence and provide services to regular members.

- **Affiliate Members** - Anyone who is a current member of the Association who is not related to the automotive aftermarket industry. This category would include anyone who is currently on the AGMERP program that would qualify as an associate member, but would be grandfathered into this category to remain on AGMERP. *(This is a closed category that will not solicit new membership.)*
- **Honorary & Education Members** - Same as before.

In addition to the bylaws, the Board is working on a dues structure that will accurately and fairly represent a membership value to you. As you can see in this issue, the current dues structure does not fit with the industry today. The Board would like to instill a dues structure that fairly and accurately represents the Association's value to your company. If you would like to voice your opinion on the dues structure changes, call a board member or the Association office and let them know how you feel about the proposal and if it will work for your company.

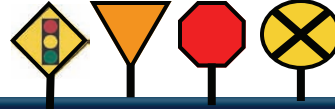
Note: One employee is qualified as any employee, owner, or manager who works 30 or more hours at any of the company business locations and part time employees (those under 30 hours) should be counted as 1/2 employees.

Proposed Dues Breakdown by Type/ Number of Employees

Member Class	# of Employees	Dues
Regular		
CLASS A	1 - 3	\$200
CLASS B	4 - 7	300
CLASS C	8 - 12	400
CLASS D	13 - 20	500
CLASS E	21 - 50	600
CLASS F	51 - 100	725
CLASS G	101 - 200	850
CLASS H	201 - 400	1,000
CLASS I	401 - 800	2,000
CLASS J	801 +	4,000
Associates		
CLASS R	ALL	\$250
Affiliates		
CLASS M	< 20	\$500
CLASS N	20 - 75	1,000
CLASS O	75 - 100	2,000
CLASS P	100 - 250	4,000
CLASS Q	250+	6,000
CLASS V	Contract	0
Education		
CLASS L	ALL	\$40

Current Dues Breakdown by Type/Number of Employees

Dues Class	# of Employees	Dues	Dues Class	# of Employees	Dues
Regular			Affiliate		
A	1 - 3	\$205	A	1 - 3	\$205
B	4 - 12	355	B	4 - 12	355
C	13 - 25	530	C	13 - 25	530
D	26 - 50	530	D	26 - 50	755
E	51 - 100	530	E	51 - 100	2,000
F	101 - 250	755	F	101 - 250	3,000
G	251 +	755	G	251 +	4,000
Associate			Education		
A	1 - 3	\$205	L	ALL	\$40
B	4 - 12	355			
C	13 - 25	530			
D	26 - 50	755			
E	51 - 100	2,000			
F	101 - 250	3,000			
G	251 +	4,000			



"Under The Dome"

APSA of Illinois Political Action Committee (PAC) had a very good day on February 5th, Illinois' Primary Election Day. With all the blustering about the need for "change" both in Washington and Springfield, the primary election caused many to speculate about the turnover of incumbents. This mood of change from the electorate going into the election was of concern to incumbent legislators. However, that mood was not reflected at the polls in the legislative primary elections. I am calling Tuesday's primary results the "anti-change" election.

APSA of Illinois PAC contributions went primarily to incumbents. Many who faced serious primary opposition have been good supporters of the Association's legislative agenda in Springfield. The one challenger we supported, Rep. Rich Bradley in Senate District 20 lost to incumbent Sen. Iris Martinez. APSA of Illinois PAC supported a total of 20 candidates on the ballot, 19 won...a 95% win percentage. Of the \$5,250 in APSA of Illinois PAC primary contributions, 95% (\$5,000) also went to winners.

APSA of Illinois PAC was especially helpful in several hotly contested races: Sen. Mike Jacobs (D-East Moline); Sen. Christine Radogno (R-Lemont); Rep. Art Turner (D-Chicago); Rep. Paul Froehlich (D-Schaumburg); and Rep. Shane Cultra (R-Onarga) were all winners.

The Governor's combined State of the State and Budget Message delivered to members of the Illinois General Assembly was one of the coldest receptions I have witnessed in 30 years. There was a polite welcoming clap at the start of the proceedings, but virtually nothing of support from the Governor. The Governor's speech was short and called for various economic stimulus efforts to try to jump start the Illinois economy. A capital program was proposed with funding from the sale of the Illinois Lottery. The Governor also called for a 20% tax credit for corporations that maintain or expand employment in the state. But, the Governor's speech generated zero enthusiasm or support. Why?

First, the Governor failed to provide the traditional, day-before, legislative budget briefing lawmakers expect. This only added fire to the raging blaze of animosity between legislators and the Governor. Second, to fund his initiatives, the Governor proposed ideas that the General Assembly has strongly rejected in prior years. And finally, the

by Jay Shattuck

\$300 million one-time stimulus for business was nullified with the \$1.2 billion employer payroll tax to fund the Governor's expansion of publicly provided healthcare benefits.

In essence, the Governor punted the budget to the General Assembly and placed the blame for the current and continuing to grow budget deficit on lawmakers. The General Assembly will make its best effort to pass a budget on time this session. If they work without the Governor's input and involvement, this year could be a repeat of last year.

APSA of Illinois members need to be aware of the happenings in Springfield. We will keep you informed and when necessary call for you to contact your legislator on key issues impacting your business. We face another difficult session and "no man's life, liberty or property is safe when the General Assembly is in session."

Jay Shattuck

Shattuck & Associates Consulting, Inc.

Phone (217) 544-5490 email: JayDeeShattuck@att.net

(President's Message continued from page 2)

tried. The one thing that sticks in my mind about his speech, is that the governor was disappointed that not a lot of applauding was going on during his speech. All I can say is maybe there just wasn't a lot to cheer about in his speech.

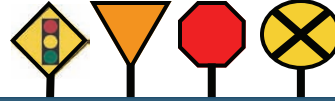
In closing, I just want to wish everyone a safe and busy end of the winter season and as always, I am open to any ideas or information on any future topics you would like me to address. Thank you for letting me be your president.

Jeff Dust

jdust@dustandson.com

(217) 342-2147





Message from the EVP *by Matt Wells*

As you may have noticed by the time you have gotten to this article, your association has been making quite a few changes. These changes are designed to bring you more value from your membership in this organization, and help you succeed in your business.

One of the great new programs that we have coming in the near future is the town hall meetings. These meetings are scheduled in six locations across the state, all scheduled for a 6:30 p.m. start. The meetings include a free meal, but more importantly the opportunity for you to talk and meet with those who are faced with the same challenges as you are. We will have a short survey of local issues and challenges that you face every day. After the meal, we will review the collective answers to the questions, and also hold an open forum to tackle specific issues for the industry. Also, you will hear an update on the legislative challenges, like the state budget and how it could affect your business through a proposed payroll tax. Also we would like your opinion on proposed industry specific legislation. We are here to protect your interests as an automotive industry business owner. I hope to see you at one of these meetings.

Now more than ever you need an organization that will listen to your needs and wants as a business. APSA of Illinois is here to do just that. We want to hear what you need, to stay ahead of the curve in this unbelievably fast paced world where we live and work. Not only will we listen, we will work to find solutions for you. If you have a specific question that you have not found an answer, give us a call. Who better to find an answer to your question than the organization that is in touch with so many in the industry? Too often we all are victims of thinking that we are the only one who has this issue and it is up to me to figure out the answer. We forget that we are not the first ones to run a business or deal with difficult customers. So many times the answers to the 'BIG QUESTION' have already been discovered by someone else, we just don't know it. APSA of Illinois is your network to finding answers, just give us a try.

Last, I would like for you to consider participating in the new market research surveys that we are doing with Wachovia Financial. These monthly quick online surveys only take a few minutes to complete and you remain completely anonymous. You will be able to compare your business to others in the state and to the large national and regional chains across the nation. The survey costs nothing for you to participate in, and you will receive a plethora of compiled results that you can not get anywhere else.

Membership Dues Invoicing Returns to Once a Year Billing Cycle July 1st

APSA of Illinois is currently installing a new data base management system that will only allow us to invoice membership dues one time a year. The Association's fiscal year is July 1st - June 30th, which is also the time a majority of members receive a membership dues billing. Each member's dues that are not in July will be prorated so that your company is not unfairly over billed.

In order to accommodate this change we will be able to breakdown your membership dues billing to quarterly payments, if you request the option when you receive your new billing. If you have any questions, please contact the APSA of Illinois office at (217) 786-2850.

APSA of Illinois Board of Directors

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Vice President - Ken Kalina

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Treasurer - Doug Layhew

A & B Auto Body Supply, Inc. (815) 224-2080

Secretary - John Rice Jr.,

The Jopac Companies (309) 827-8095

Directors

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Western Motor Service (815) 986-2238

Michele Brett

Brett Equipment Corp. (708) 385-2030

Steven Fransene

The Parts House (309) 343-4042

Randy Van Kuiken

Master Auto Supply, Inc. (815) 469-1212

Jerry Chambers

Dust & Son of Macon County (217) 422-2506

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Louisville Auto Parts, (618) 665-3398

Clinton "Wain" Taylor

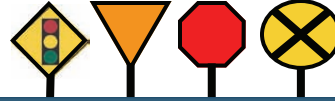
Mac-Weld, Inc. (618) 529-1828

Dick Rogers

Lincoln Land Community College (217) 786-2417

Jim McKay

McKay NAPA Auto Parts, Inc. (217) 324-3971



Holley Files For Chapter 11 To Address Debt Burden

Holley Performance Products, unable to meet its debt service payments following a series of acquisitions made in the late 1990s, has filed for Chapter-11 bankruptcy protection. The Bowling Green, KY-based performance products company expects to go through a pre-packaged bankruptcy proceeding that could be completed in less than 45 days. The goal is to enhance Holley's capital structure by converting a majority of its debt into equity. According to the prepackaged plan, Holley will be owned by noteholders after it exits Chapter 11. Chief among the creditors holding the 20 largest unsecured claims is U.S. Bank, which is owed roughly \$145.83 million. Second is Kohlberg & Co. of Mount Kisco, NY, with a \$5-million claim.

Tom Tomlinson, the company's CFO, emphasizes that "it will be business as usual" at Holley throughout the restructuring process. How did it come to this? Tomlinson offers a look at the events leading to bankruptcy in an affidavit dated Feb. 9. He states that Holley was not able to generate earnings and cash flows sufficient to support the debt incurred in connection with acquisitions made in the late '90s. As a result of a continuing shortfall in earnings and cash flows related to the debt service requirements of the existing indebtedness, Holley's debt increased further. In 2005 and 2006, the

company engaged with the holders of its notes in an effort to restructure its indebtedness. Tomlinson says in his affidavit that the costs associated with this restructuring effort further increased Holley's indebtedness.

Over the years, Holley's majority shareholders (certain funds managed by Kohlberg & Co.) made periodic cash contributions as necessary to allow Holley to service its indebtedness. Last year, Kohlberg opted to no longer make such cash contributions. As a result, Holley didn't make certain payments that came due.

According to Tomlinson's affidavit, Holley was not able to meet its debt service payments as they came due without the cash contributions from its majority shareholders and despite positive cash flow from Holley's operations. To address its over-leveraged balance sheet, Holley began negotiations for a comprehensive restructuring of its long-term debt. "This is a prudent financial move on the part of our owner/investors. It tremendously strengthens our company's financial position and provides substantial flexibility to invest in our future," Tomlinson said. "This investment will allow the company to realize its full growth potential and will maximize the value we can return to our investors."

From the Greensheet Automotive week (issue 1540)

APSA of Illinois Website - What's New?

If you haven't been to the APSA of Illinois website (www.apsail.com) lately, we have made some additions and updated information.

On the front page:

- **APSA of Illinois Strategic Plan Final Report**

"About Us" Section for the following:

- **APSA of Illinois Member Directory.** *(Please double-check the information we have in the directory, if there are any changes, let us know so corrections may be made.)*
- **2007 - 2008 APSA of Illinois Board of Directors' picture.**

To view archived issues of the APSA of Illinois "Road Signs"; please visit the "**Members Only**" (*members only sign-in - **apsail**; password - **aftermarket***) section of our website and click on "**Newsletter.**"

Click on "**Programs**" to find out more information on:

- **RSMF Student Loan/Scholarship Program**
- **Business forms**
- **Long Distance Program**
- **Counter Craft Binders**
- **SuperFleet and other membership benefits**



2008 Calendar of Events

March 20th

First Day of Spring

March 25th

Tech Sessions with Live Demonstrations, Mac-Weld, Inc., 612 San Diego Rd., Carbondale, IL. Call (618) 529-1828 for more information.

March 31st

Opening Day of Major League Baseball

April

"National Car Care" Month
www.carcare.org/index.shtml

April 9th - 11th

AAIA Spring Leadership Days Bonita Springs, FL
www.aftermarket.org

April 16th

APSA of Illinois Town Hall Meeting, Route 66 Hotel and Conference Center, 625 E. St. Joseph St., **Springfield**, IL

April 17th

APSA of Illinois Town Hall Meeting, Elks Lodge, 1107 Jordan Street, **Mt. Vernon**, IL

April 22nd

APSA of Illinois Town Hall Meeting, Rexroats, 221 W. Jefferson St., **Effingham**, IL

April 23rd

APSA of Illinois Town Hall Meeting, Holiday Inn City Center, 500 Hamilton Blvd., **Peoria**, IL

April 24th

A & B Auto Body Supply, Inc. Customer Appreciation Trade Show LaSalle, IL (800) 892-6868 for information.

May 2nd - 5th

O'Reilly NHRA Midwest Nationals, Madison, IL

May 6th

APSA of Illinois Town Hall Meeting, Holiday Inn, 7800 S. Kingery Highway, **Willowbrook**, IL

May 7th

APSA of Illinois Town Hall Meeting, Holiday Inn, 5300 W. Touhy Ave., **Skokie**, IL

May 15th

APSA of Illinois Board of Directors' Meeting, Association office, Springfield, IL

May 20th

GAAS Symposium, Chicago Hyatt Regency O'Hare
www.globalsymposium.org

May 26th

Memorial Day - APSA of IL office closed

September 6th - 7th

Chicagoland Indy 300, Joliet, IL

September 19th - 20th

APSA of Illinois "50th Anniversary" Annual Meeting & Conference, Hotel Pere Marquette, Peoria, IL

November 4th - 6th

AAPEX 2008, Las Vegas, NV www.aapexshow.com



Membership Anniversaries

Membership Milestones

40 Years

Siskel Sales Company, Wilmette

Antioch Auto Parts, Antioch

35 Years

Mid-City Automotive Warehouse, Inc., Chicago

15 Years

Cicero Auto Parts, Cicero

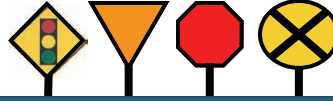
Kalina Machine & Engine Parts, Peoria

10 Years

Oblong Auto Parts, Oblong

Federated Insurance, Owatonna, MN

Congratulations, and thank you for your continuous support!



Is your car
trying
to tell you
something?

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APRIL • NATIONAL CAR CARE MONTH

April is National Car Care Month

National Car Care Month is a nationwide effort that increases motorists' awareness of vehicle care, maintenance and repair.

Expand your customer base and build your business's reputation in the community by holding a National Car Care Month event.

For more information on how to use National Car Care Month to grow your business, please visit www.carcare.org



Automotive Parts & Service Association of Illinois

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Springfield, IL 62712-6818

www.apsail.com