



VOLUME 2, ISSUE 3

NEWSLETTER

JULY, AUGUST, SEPTEMBER 2016

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HIGHLIGHTED TERMINAL

LME IND (363) TERMINAL—INDIANAPOLIS, IN

Terminal Mgr: Brian Riordan

Avg Daily Tonnage YTD:

IB/OB = 57,134 lbs / 71,763 lbs

Avg Daily Shipment count:

IB/OB = 42/51

Top 5 Accounts:

General Cable— cable manufacturer

Becton Dickinson- distributor of medical supplies

Canature - manufacturer of water softners

Dimplex - manufacturer of electric fireplaces

Horton Fan - manufacturer of blowers & fans

The LME IND Terminal has 40 dock doors and services 50 mile radius around Indianapolis Terminal.

The LME IND Team includes:

- 5 full-time City P&D Drivers
- 3 full-time Dock Workers
- 2 Linehaul Drivers

LME IND Operation Team:

Joe Goss - Inbound Supervisor/ Dispatch

Kevin Soladine - Dispatch/Outbound Supervisor

LME IND Sales Executives:

John Brockett - IND Sales Executive

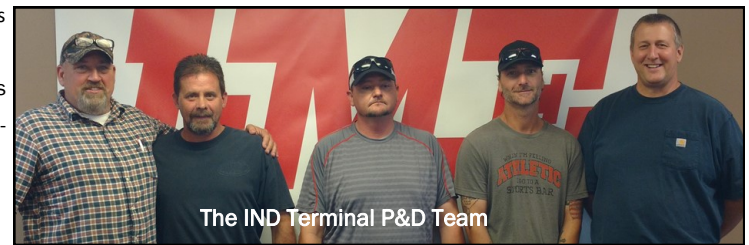
Fun Fact::

Fun fact about Indianapolis: Indianapolis is the home of the Indianapolis 500 and Eli Lilly a global pharmaceutical manufacturer. Indianapolis is considered the crossroads of America due to the fact that Indianapolis has more interstate legs than anywhere in the US with 6. Indianapolis is also the largest city to not utilize a body of water as a means of transportation.



Kevin Soladine

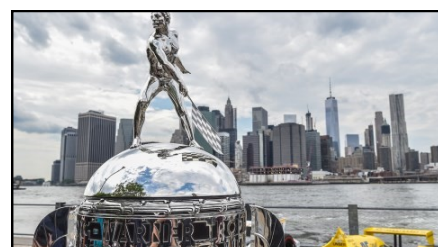
Joe Goss



The IND Terminal P&D Team



The LME IND Office



SPECIAL POINTS OF INTEREST:

- Highlighted Terminal
- Driver of the Month
- LME "Shout Outs"
- Welcome to the LME Team

OPERATIONS

MIKE SANFORD-VP OPERATIONS

Greetings!

The third quarter has come to a close and I can't tell you all how much your efforts are appreciated in fulfilling our customer expectations.

I know I have had discussions with many of you on the telematics and equipment we have been working with over the past few years (especially those Internationals with Maxforce power).

Many of you have already seen the reinvestment in our company arriving at facilities. We are in the process of trading in 148 of the Internationals and replacing them with:

- 89 International trucks with 15L ISX Cummins power
- 80 of the Kenworth trucks with MX 13 power.
- 12 new Mack's that have been put on line at CGO
- 5 new Peterbilt's in the system.

We are also in the process of putting 80 new 53' Stoughton roll up trailers with skirting into the system.

For safety reasons, we have invested in 40 of the electric pallet jacks and distributed those throughout the system.

It is critical to have Safe & cost effective equipment in the system to maintain Safety, lower maintenance cost, fuel efficiencies, etc. It is all of our responsibility to

keep this equipment in good shape and perform thorough pre & post trips to keep it running Safe.



CLAIM PREVENTION

SHEILA BRIESEMEISTER—CLAIMS MANAGER

By now I think most people know the movie FROZEN. Those colder temperatures are approaching fast for us also. Some shipments we handle just do not like that cold weather and end up frozen before we can deliver it. Unlike the movie, frozen shipments do not have a happy ending. Protect from freezing statements must be on the Bill of Lading along with the freight marked so the carrier can take steps to protect it. Shipments of paint are a commodity that comes to mind immediately. LME does a great job at handling the

majority of these shipments that are sensitive to temperatures but there are always some that get through the system and freezes. Paying extra attention to paint shipments along with any liquids moving and seeing freezable labels on the freight can save on claims by keeping them in a warm room.

PROTECT FROM FREEZING = PREVENTS A CLAIM.



IT / MIS - INFORMATION TECHNOLOGY

DAN STADICK-VP IT/MIS

After 40 years in the Information Technology field, I have decided to shift gears (good trucking analogy). I will retire on December 31, 2016. I want to thank all of you for the opportunity to work with you. I wish everyone continued success and hope you have long and successful careers. Effective January 1, 2017, Tyler Wilsey will be in charge of the IT Department. You can contact him at 651-

249-5537 or twilsey@lme4me.com. You can always call Steve Schmit (651-286-6478) sschmit@lme4me.com or James Nash (651-286-6474) jamesn@lme4me.com for hardware issues and Sally Scherer (651-286-6480) sscherer@lme4me.com or Ken Berger (651-286-6475) kberger@lme4me.com for

any software issues. It has been a pleasure to work with everyone at LME. *Thanks and good luck to all of you.*



Dan Stadick

PRICING

JIM MORSE—VP OF PRICING

How can we handle this freight (or this shipment) at this price?

Many of you, I am sure have either asked that question – or at the very least had this thought pass through your mind. In the Pricing Department we have often stated and then asked: “This shipment seems too cheap – how can we handle this and make money?”

I could take up several pages of this news letter in attempting to explain the numerous scenarios as to why some pricing may seem “out of line.” Sometimes the simple answer is – we shouldn’t have published *that* pricing in the first place. However, in this article I will attempt to review a couple specific examples, and repeat how important it is for the Pricing Department to receive feedback from those that have their “hands and eyes on the freight.”

Pricing for Headhaul vs. Backhaul movements

We all know what the difference is between headhaul and backhaul – but in simple terms headhaul lanes are those in which we have trailers travelling full of freight in one direction, and the return movements have partially full or empty trailers. A classic example would be the lane between St Paul and Fargo. STP to FAR is headhaul, FAR to STP is backhaul. And a general statement is: Most freight movements in the LME system are headhaul when moving east to west, and backhaul when moving west to east. So how does this impact pricing? Using STP/FAR as an example – we typically would want to see a minimum of \$100 to \$125 per skid position moving from STP to FAR, but may “live with” ½ that amount from FAR to STP. The reasoning behind this is: The trailers from FAR to STP must move back to STP anyway, so the linehaul cost in the FAR to STP lane

becomes *less impactful* in measuring costs and thus in our revenue need. However, we still have dock handling, pick-up and delivery costs that are important pieces of the cost structure in both headhaul and backhaul movements. So, if we have a lengthy peddle route at either STP or FAR and/or any type of delay at either end – then this must be taken into account when looking at what pricing will or will not work. And when the pricing is set up initially, we (Pricing Dept) do not always know of the various situations that add cost to the movement. Yes we do know where the “customer” is and how close that customer is to the terminal of origin – but we do not necessarily know where the delivery is going to be and/or if there are delays on either end. Once an account is costed using actual data, we then will know how a particular account costs out. However we often times do not get an account “costed” until months after we have taken on the business. So it is very important for those with “hands and eyes on the freight” to let us know when they see something that appears out of line – as this alerts us to looking at accounts that may be burdensome sooner rather than later.

Pricing with 3PL's

As you all probably know LME handles a significant amount of business with 3PL's, or 3rd Party Logistics companies. And at times it may appear that shipments tendered to LME may seem to be priced too cheaply. Why have we entered into pricing arrangements with 3PL's in the first place? And do we feel that the pricing we have in with these 3pl's is acceptable? To answer the first question – we do business with 3PL's because they control a very significant amount of business. And if we did not participate in this business with the 3PL's it would still move via 3rd party providers – but with carriers other than LME. Any notion of

– ‘if we did not allow pricing with 3PL's we could handle the business directly with the customer’ – is false. On occasion we “take away” business from 3PL's and handle it directly, but by and large once a customer gets used to using 3PL services they continue to use them. Why have they become such a force in the transportation industry? They have very strong technological capabilities (through internet access) that they provide to their customers. They may easily access rates, transit times, tracking and tracing, ease of billing - all with a few clicks on a computer. In other words – they have filled a niche. Do we feel that the pricing LME has in place with its many 3PL's “performs” at acceptable levels? For the most part, yes this business does perform at acceptable pricing levels. However, with the huge number of 3PL options and then on top of that the fact that they employ numerous individuals “selling” 3PL services, many of these people are inexperienced (and at times deceitful) in using (or instructing their customers to use) the proper freight classification. Is this the only issue we have in seeing “cheap” pricing with some 3PL movements – no – but it is a primary reason. And when this does happen we see some pretty ugly pricing being applied to shipments – unless we catch the discrepancy and re-rate the shipment with the proper class. That is one of the reasons LME has invested in dimensioning machines – and we will continue to do so as part of our business plan. But again, although these tools – dimensioning machines - help in getting the proper classes applied, this still falls back on having the folks with “hands and eyes on the freight” at *all terminals* catching class discrepancies and taking steps to get them corrected. In other words, freight measurements the old fashioned way (a tape measure and scale) are still a very important aspect of our business.



SAFETY & RECRUITING

CINDY SENFTNER—DIRECTOR OF SAFETY

Slips, Trips and Falls

According to OSHA, Slip, Trip and Fall accidents account for the majority of workplace injuries and are a major cause of accidental deaths, second only to motor vehicle accidents. LME spends thousands of dollars every year as a result of these types of injuries. It's important that we take the necessary precautions to prevent them from happening –

- Don't be in a hurry
- Always keep an eye out for potential hazards
- Maintain a clear field of vision so you can see where you're going
- Be aware of the surface you're walking on
- Wear the appropriate footwear - Heel Traction Aids are required for some employees when snow and ice are present (this is a Company Policy).
- Pick up items that don't belong on the floor
- Keep away from the edges of loading docks and other ledges
- Use 3 Point Contact when entering or exiting the cab, climbing to hook/unhook tractor lines and getting in and out of the trailer

A POEM TO REMEMBER.....

*If you see a risk and walked away,
I hope you never have to say,
I could have saved a life that day,
But chose to look the other way.*

BEWARE OF DEER!!

The Insurance Institute for Highway Safety (IIHS) estimates that three out of every four animal related crashes involve deer. This is especially true during this time of the year when deer start breeding and migrating.

Collisions with animals can result in serious vehicle damage, personal injury or even death. Swerving to avoid an animal may actually result in a more serious crash. If hitting an animal is unavoidable, remember to try to stay in control of your vehicle. Collision with the animal, while unfortunate, may keep you and other motorists safer in the long run.

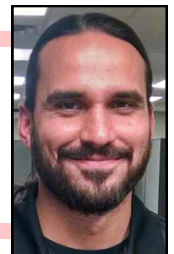
A Time of Thanksgiving –

The holidays are quickly approaching with Thanksgiving and Christmas right around the corner. It's important not to get wrapped up in the commercialization of the season and to simply sit back and reflect on what you're most thankful for. I think you would all agree there are many things to be thankful for.

Here is a quote by Oprah Winfrey ...

"BE THANKFUL for what you have; you'll end up having more. If you concentrate on what you don't have, you will never, ever have enough"

Safety welcomes Bryan Longville to the department as the Regional Safety Training manager. He will be working closely with Fran to provide the necessary training to help aid in the prevention of accidents and injuries. Bryan's excellent communication skills and enthusiasm to take on new responsibilities make him a perfect fit for the department. Bryan excels in everything he does and we feel fortunate to have him as part of the Safety Team!



WISCONSIN TRUCKERS CONVOY ~ The World's Largest Truck Convoy for Special Olympics is a national one-day celebration of the trucking industry, its allied partners and law enforcement all working together to raise funds for Special Olympics.

A Special **THANK YOU** to APP Drivers **Tish Couden & John Peterson** for offering their personal time to represent LME in this big event held in Richfield, WI on September 17, 2016.



DRIVER OF THE MONTH AWARDS:

Leroy Lehmeir of the LME STC Terminal

Leroy started with us in Dec of 2005 driving, and in Aug 2015 stepped into our lead driver position at the terminal.

He comes in early, sets up our morning operations, helps get the rest of the STC team routed, loaded, and out on the street.

Leroy has been a dedicated

employee, always putting LME front and center and very well respected among the many customers he deals with on a daily basis as well as myself.

Leroy is willing to come in early and stay late and is a BIG asset to the LME team!

Congratulations Leroy!

Jerry Kilby—STC & SUP Terminal Manager



JULY 2016 Driver of the Month

Dale Dunn of the LME ROC Terminal.

Dale has been with LME since 5/3/2010

Dale is a P&D driver for the LME ROC Team. Dale is cornerstone of the LME ROC Team. Dales is a safe driver and has no accidents or incidents since his start in 2010! Dale is route flexible and on every route he has been assigned to, customers have

conveyed their appreciation of Dales professionalism and kind candor. Dale is always operating at 110%, is a solution provider, and is in constant pursuit of excellence.

Dale is an asset to LME, Team ROC, and is a great guy to work with.

Congratulations Dale!

Aaron Telecky—ROC, EAU & CTL Terminal Manager



AUGUST 2016 Driver of the Month

Doug Ingram of the LME OMH Terminal

Doug has been with us since 6/25/07 during that time he has had NO PREVENTABLE accidents which is a testament to his Safe driving ability. Doug is very dependable; always on time and does whatever it takes to get the job done in a Safe Manner. Doug is our Columbus, NE Driver and takes care of our largest outbound account, Flexcon. He also delivers to West Omaha, Valley and Fremont. Everyone on Doug's route knows him and he has all of his regular stops programmed into his phone. He calls them

daily to let them know what they are getting and about what time he might get there. Some of the non-regular shippers on his route call him to give him a heads up that they are shipping product on that particular day. Doug also helps in the evening helping close out the outbound operation and keeps linehaul informed if any extra trailers that are going to be added to the projections.

Congratulations Doug!

Joe Doughty--OMH Terminal Manager



SEPTEMBER 2016 Driver of the Month

CONGRATULATIONS TO THE 2016 DRIVER OF THE MONTH RECIPIENTS!



HR/BENEFITS

CHRISTY JOHNSON — HR/PAYROLL MANAGER

As most of you know we have had several years of annual increases in our medical insurance premiums. With current news reports continuing to talk about 50%-100% premium increases coming for medical plans for 2017 we are extremely happy to announce that LME was able to negotiate with our insurance carrier, Medica, for a ZERO percent increase in medical premiums for 2017. That's right, NO INCREASE, which means there will be no increases for deductibles, co-pays or employee contributions for 2017! We did however receive a 7% increase on our dental premiums with MetLife but LME has decided to keep the employee contributions the same.

We will be having open enrollment for all benefit coverage's from October 15 through October 29th with an effective date of January 1, 2017. During this time you can change medical plans or add dependent. As always this is the only time to make these changes not only for medical but all other benefits.

Please watch the mail for this information.

As always if you have any changes or questions I can be reached via email at CJOHNSON@LME4ME.COM or phone between 6am-3pm at 651-286-6406.

TRAVIS HOESCHEN NAMED LME DIRECTOR OF OPERATIONS

We are pleased to announce that Travis Hoeschen has been named Director of Operations. His extensive operational experience from Driving to Operational Management will bring much needed support to the LME system. Please help me congratulate Travis on his appointment. He will be working closely with many of you moving forward.

Congratulations Travis!

Mike Sanford - LME Executive Vice President



WELCOME TO THE LME TEAM

JULY 2016

CORP	CORP	LINDA VANG
IND	DRV	JEREMY S AUSTIN
IND	DRV	KENNETH D WEST
IND	DRV	THOMAS W TRUSTY
DSM	DRV	TIMOTHY E ALLEN
DSM	DRV	DALE A FORD
JVL	DCK	GUY A SMITH
DSM	DRV	JASON W HAUSMAN
SXF	DCK	SEMIR HAMZIC
OMH	DRV	PETR IACHTCHENKO
ABR	DRV	SCOTTY J HARMS
CORP	CORP	JENNIE L BAUER
MIL	DCK	TIMOTHY L PRUST
MIL	DCK	AARON A FOURSTON
RIL	DCK	ERIC R HINES
IND	DRV	KURT D KYLER
KCS	DRV	LARHONDA R AUSTIN

AUGUST 2016

CORP	CORP	JEREMY T CICONTE
IND	SALES	JOHN E BROCKETT
MIN	DRV	ALLEN E TRONE
RIL	OFC	FRANK L MOREL
DSM	DCK	BRIAN M OSBORN
SXF	DCK	DEREK L HARMS
CORP	CORP	KATHLEEN K BENNING
CORP	CORP	ALISON M KELLER
CORP	CORP	SHEKILA M WALKER
CORP	CORP	IA O LEE
CORP	OPS	TRAVIS E HOESCHEN
WLO	DCK	THOMAS D ROBERTS
FAR	DRV	ANDREW J INGLE
MIL	DRV	ANDREW F STEVER
CORP	CORP	MAI Y CHANG
ROC	DCK	RANDY E LIENAU
DSM	OFC	JENNIFER M ERICSON
WLO	OFC	KRISTINA R FORERO
CGO	OFC	KIMBERLY A SNYDER
SLU	DRV	NATHANIEL VEREEN
KCS	DCK	TREY S VOYLES
CTL	DRV	ROBIN L MCKEE

SEPTEMBER 2016

RIL	DCK	JOSHUA G INGAMELLS
CGO	OFC	MELINEE E HEUSCHEL
SXF	DRV	DAVID M DUPUY
WLO	DCK	JOSHUA J HOVENGA
WLO	DCK	CODY J MCCLELLAN
OMH	OFC	REBECCA E TACKETT
JVL	DCK	LARRY A VISGAR
STC	DRV	MARC E ROHDE
IND	DCK	CLAYTON T CASE
MIN	DRV	DANIEL S PELTON
KCS	DRV	JASON MCREYNOLDS
OMH	DCK	ARTHUR J LIMONES
CORP	CORP	WENDY D SMITH



LME "SHOUT OUTS"

OUR #1 ASSET = OUR EMPLOYEES



A "SHOUT OUT" to **Deb Trentacosti** (MI Office/Customer Service), member of the LME MIL Team since 2000 and **Lori (Leo) Ostman** (LME Customer Service), member of the LME Corporate Team since 2005

Debbie Trentacosti just advised your agent would be delivering this today btw 10am – Noon – thank you so much for the help.

Also a KUDOS for Lori (LEO) – she was fantastic last night in doing what she could for us and our customer. Also to Debbie at the MIL terminal as well.

ALL greatly appreciated.

Thank you,

Lori Wick

Customer Service Manager



A "SHOUT OUT" to **Krystle Budach** (TRNet OS&D), member of the LME Team since 2005

Thank you Krystle!

I just wanted to take a quick minute to let you know, we are very pleased with Krystle and her awesome customer service as she always goes above and beyond for us and makes us feel as if we are her only customer when we know in fact that's not the case. Too bad we couldn't clone her for when she's out on vacation.

Michelle Bricker ~ Roberts Trucking

A "SHOUT OUT" to **Don Hudson** (LME KCS Driver), member of the LME KCS Team since 2013

I wanted to let your company know how awesome your driver Don Hudson is. This morning he delivered two pallets of glass soda bottles to us. These pallets are nine feet tall. Getting them on the tailgate took some time because Don moved slowly so as not to push them past their tipping point.

Now you may say, "well, that's what he's supposed to do," and you're right but these bottles should not be shipped by the manufacturer this way (we asked for half pallets, but they refused) so getting them safely off the truck takes special care that a less experienced driver may not have. I was totally impressed with Don and his patience to make sure we got our bottles without them crashing to the ground!

Don deserves accolades for his skill and the way he represents LME. Front line people like Don who interface with your customers make a company look good or really bad. Please let Don know that we appreciate him very much. We hope to get him when we get our next shipment of bottles.

Regards,

Michael Hahn

Polly's Soda Pop ~ Independence, MO 64050



A "SHOUT OUT" to **Kelly Farley & Kim Maderak** (LME CGO Office), both members of the LME CGO Team since 2012

I had a driver screw up this shipment and it wasn't delivered to your Lyons, IL terminal until yesterday and the driver arrived while your computer system was down yesterday afternoon, so everyone was stressed out and way behind. Thanks to the Lyons team, especially Kim Maderak and Kelly Farley, the freight was able to be stripped off of our truck, put on a truck to St Paul, MN and out for delivery this morning. It delivered before 11am which pleased my customer. Thank your teams for making me look good under very difficult circumstance. Please let them know it is very much appreciated.

Jim Shaughnessy

BDR Transport, Inc.

A "SHOUT OUT" to **LME Customer Service & Dispatchers**

"We've used their (LME) guaranteed service on a couple loads and they've done a great job. So as of now, I MUST ADMIT.. They're pretty good in the lanes they service. And... their customer service people and dispatchers are always really helpful which almost means more than an on time shipment (if you know what I mean..)

Stephanie Luamanuvae ~ Pro Star Logistics

LME

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New Brighton, MN 55112

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E-mail: info@lme4me.com

We are on the web: www.lme4me.com

LME Mission:

To provide transportation services that consistently exceed the expectations of our customers while achieving managed profitable growth and employee recognition.

SALES & MARKETING

ROGER MCGILLIS—VP SALES & MARKETING

Greetings Everyone,

Back to school we go and before we know it, we will see the nice white flakes in the sky. Our new Indianapolis terminal opened on July 5th and it's been a successful startup. We are excited to announce that we hired John Brockett, Account Executive, to help us get the ball rolling and build a solid new customer base. John, previously employed by ABF, has a great deal of LTL experience and knowledge of this market and is ready for the new challenge. Our existing customers, as well as our new Indy prospects, have shown a favorable interest in our new growth within our direct footprint. We are very excited to watch this area grow!

Start Your Engines, LME Inc. is now direct to Indy!!

Here are a few notable accounts we would like to mention that started in the 3rd quarter:

Goodyear (New) – This is a new account that was brought on in August by working directly with Goodyear. This business is handled out of the Janesville area.

Becton Dickinson (Carefusion) – This business is new business we landed through CH Robinson. The primary reason we were awarded this business was due to our new Indianapolis terminal since this business originates out of Indy.

Westin Automotive – This new business started up heavy in July and they now have become CTL's largest account in the month of September. They are a large distributor of aftermarket truck accessories located in St. James, MN.

Hankook Tire – We currently handle Kuhmo Tires through Korea Express. Korea Express landed another account which is Hankook tires. We agreed to take on this business through Korea Express.

We also had two roll out accounts. These accounts give us a large amount of business which could last from one to four weeks at a time. It gives us a nice boost of revenue in a short period of time. The two accounts are: **National Cart** through Yusen Logistics and **JC Penny** through Omni Logistics



LME Xpress Gold: An inexpensive way to gain "peace of mind" when shipping a hot order.

LME®

Q U A L I T Y . S E R V I C E . V A L U E . A L W A Y S .