VOLUME 1, ISSUE 2

NEWSLETTER

JULY, AUGUST, SEPT 2015

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SPECIAL POINTS OF INTEREST:

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

HIGHLIGHTED TERMINAL

LME KCS (393) TERMINAL — KANSAS CITY, MO

Terminal Mgr: Pat Hilke

Avg Daily Tonnage YTD:

IB/OB = 308,718 lbs / 265,713 lbs

Avg Daily Shipment count:

IB/OB = 182 / 164

Top 5 Accounts:

ProTrans - Consolidation to Mexico

<u>Custom Companies</u> –Distribution from the West Coast

Staples - Kansas City, MO (office supplies)

Biozyme—St Joseph, MO (animal feed supplements)

UPS Mail -Kansas City, MO (bulk mail)

We are in our third terminal since 2006. We have been in our current 94 door facility since August 2013. We are a 24 hour operation, Sunday night through Friday night.

LME KCS provides service to both Missouri and Kansas.

The LME KCS Team includes:

- 14 full-time City P&D Drivers
- 15 full-time Dock Workers
- 5 Linehaul Drivers
- 4 Office Personnel

LME KCS Operation Leaders:

Dan Robertson-is our Dispatcher

Mike Hernandez-is our I/B Dock Leadman

Brian Arnold—is our O/B Dock Leadman

Amy Powell - oversees the ProTrans operation

Bonnie Gustason—handles Customer Service and OS&D and assists Mike H in the AM.

Sabrina Witmer-Saenz— handles Customer Service and Clerical and assists Brian A in the PM.

LME KCS also serves as the hub for SMO, WMO & WKS

Fun Fact:: Kansas City is the Bar-B-Que Capital of the World. It is also the home to Kansas City Royals, Kansas City Chiefs and Harry Truman—33rd President of the United States.

"We are proud Missouri Tigers and we do not recognize the Jayhawks from Kansas" :-)









OPERATIONS

MIKE SANFORD-VP OPERATIONS

Greetings!

Another summer is coming to a close and we prepare for the changes in seasons ahead. Some are excited about the changes ahead, while others struggle with preparation and the thought of what comes after fall! Much of the same happens in our company as we have experienced many changes over the past couple of years where focus on preparation and execution have brought us to an exciting point.

We recently added another terminal location in Rapid City South Dakota (RAP) completing expansion in the Dakotas that started over 2 years ago. Preparation for this expansion was a real step into the unknown in this territory and some of the storms that came with the execution were extremely difficult to work through but the people we have in these facilities have done an amazing job getting through it all. They continue to improve the service product we offer while maintaining the efficiencies needed for success. We have made



changes to linehaul schedules that provide overnight service throughout much of the region and we continue looking for opportunities to better service our customers. We need your help spreading the word to other customers in our system about the quality service we can provide into this region. The infrastructure, equipment and people are in place and we have capacity on almost every P and D route so we can provide quality service to our customers to and from our direct area as well as The Reliance Network.

Earlier this summer we re-opened our Fort Dodge Iowa (FTD) terminal to better service customers in the north central part of Iowa and relieve some pressures on extended routes for Waterloo, Des Moines and Sioux Falls. The crew we have in Ft Dodge lead by Mark Lockner and the Des Moines team made this a very successful transition and we have seen growth in the area already from the sales standpoint.

Last but not least, expansion was done into St Louis MO. and Riverton IL. in early 2014. We haven't even begun to scratch the surface there on the potential we have for improved service and new business.

We cover a very vast area of Central Illinois out of the Riverton (RVT) terminal and have tremendous potential for growth there but we need more business to improve our efficiencies. We have an outstanding team there and they just need more business. Sell RVT!!

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St Louis (SLU) team did an incredible job handling start up and from day one, the service with our own terminal and people was a huge enhancement from our previous agent relationship. SLU also has great potential for growth and we have the right people in place to make it happen. With RVT, SLU and the linehaul/reship changes made out of the Eastern Wisconsin and Chicago market to and from RVT and all of Missouri, we have a great opportunity to better service our customers!

Special thanks to everyone involved with the changes in these expansion areas and a reminder to all that while change can be challenging it is essential for us to continuously improve!



CLAIM PREVENTION

SHEILA BRIESEMEISTER — CLAIMS MANAGER

Did you know that half of all cargo thefts occur on a Saturday, Sunday or Monday? Cargo theft increases by 61% around holidays: Labor Day, Thanksgiving and 4th of July having the highest numbers of thefts overall. We all need to take extra precautions securing our shipments over the fast approaching holidays. Everyone can help by doing their part to be aware of their surroundings, to alert Terminal Managers of

any missing freight shipments and to report any suspicious activity to Terminal Managers and/or Mike Sanford. LME will not tolerate theft of any kind. An anonymous message can be left with me at:

sheilab@lme4me.com or via phone at 651-628-2314.



SALES & MARKETING

ROGER MCGILLIS-VP SALES & MARKETING

The transportation industry has slowed a bit over the last 2 quarters but LME is holding strong. We are slightly down vs. our revenue goal but shipment count is up year over year. It helps tremendously when our ontime service has been consistently improving in both our direct area and the Reliance Network (TRNET). We continue to see some great opportunities presented to LME.

Highlighted accounts this quarter:

Polar Tech Industries (JVL) – New business that was brought on earlier this year. This account was a lead from our TRNET Sales Lead group. Rick Smith, JVL sales, was able to use this to get in the door which resulted in a large revenue producing account for LME. This is a prime example of our strong

relationship with our valued partners and the power of a quality sales lead.

DCI Warehouse Returns (JVL) – This new business that started in June of this year. Deb Reuter, APP sales, brought this business to the table. Deb's territory is primarily serviced by APP and WAU. This is a good example of growing business outside of your territory. DCI Warehouse Returns fills a trailer a day of new LME revenue.

Tidi Products (APP) – Here's an example of how local sales relationship on a national account turns to success. Deb Reuter was able to stay close to this account. We were currently doing business with Tidi and they had some issues with another carrier. We stepped in to replace this carrier which re-

sulted in doubling the monthly revenue for LME.

LME Xpress Gold:

A very effective way to increase our revenue with current accounts is to push our expedited service, Xpress Gold. We have simplified the process for our customers by only requiring them to write on the BOL: "Xpress Gold Standard", which means the shipment, needs to deliver by 5pm on the required delivery date. The guaranteed shipment gives our customers peace of mind that their shipment will deliver on-time and LME adds \$25.00 to each shipment that would normally deliver on-time, on the same trailer. The days of putting a shipment on the old "Hot Sheet "are over, please push Xpress Gold every chance you get.

PRICING

JIM MORSE-VP OF PRICING

The LME Pricing, Costing and Publications Department have as its members; Jim Nash, Jake Whitney, Stephanie Masteller, Luke Olson, Nicole Thompson, and Jim Morse.

Our responsibilities include reviewing "pricing requests" and "bid" opportunities as submitted by the sales department and determining if the opportunity is something we wish to make a price offer on. If pricing is agreed upon between LME and our customer, we publish that pricing in a tariff or contract, and set up the pricing in our computer system through the customer pricing profile.

We also perform "Freight Costings" for existing accounts to measure their level of profitability. We make pricing change recommendations to sales when we find an account is not performing (is not profitable). A

"freight costing" can also be performed, even if we have not handled shipments from an account. This is normally done during the bid process, and can be accomplished only if the customer provides us with a complete "data file." The data file is an Excel spreadsheet that contains line by line listings of shipments. This information is downloaded into the cost model - and then "costed" as if we would have handled the actual shipments in that data file. As stated above these data file costings are most common as part of the bid process, but we also are provided with data files for costing "non-bid" opportunities as well. In either case, the analyst plays "what if" with various pricing schemes - and works to arrive at a price that we feel will be competitive yet profitable for LME. The quality and timeliness of our pricing and costing analy-

sis is largely dependent upon the accuracy of the information that is fed into the cost model. We all have heard the saying "garbage in- garbage out." How this applies for LME is that various pieces of information are obtained monthly from different sources throughout our company and loaded into "cost buckets" in the cost model. Thus it is critical that the data loaded into the model is consistently accurate. To name some but not all of these items, the list includes data derived from; P&D Logs, Dock Handling measurements, Billing, Linehaul Reports, Financial Data and in short - any measure of a shipments movement from the time it is dispatched, picked up and delivered. If any one of these pieces is missing or inaccurate this can greatly impact costing results for single shipments that are costed, as well as costings for entire accounts. If and when it has been determined that we have inaccurate or missing data (or, "garbage in") it can then take hours and sometimes days to uncover the problem areas and work to fix them. Once the model has been "cleaned up" the previous months' shipments are all costed. Then the LME management team reviews the results and determines what action is needed - which may include both pricing and/or operational adjustments.



SAFETY & RECRUITING

CINDY SENFTNER — DIRECTOR OF SAFETY

What's new in Safety?

- In August, Safety welcomed **Gene Schuler** to the Department as Field Training Manager. Gene will be working closely with Fran in developing training lessons that will be covered quarterly. Gene has over 20 years' experience as a professional truck driver. Gene is domiciled at the corporate office and will be covering MN, ND, SD. Fran is domiciled in KCS and will cover IA, IL, MO, and WI. Having two managers in the Field will make it possible to reach all employees on a more frequent basis and should help to significantly reduce accidents, injuries, fork lift & hazmat incidents as well as freight claims.
- Annual Check Rides will be given to all drivers during their anniversary month. The goal of having an annual check ride is to heighten driver awareness.
- Video Conferencing Most terminals should be set up with TeamViewer on their training computers.
 TeamViewer is similar to Skype and is a tool that will be utilized for New Hire Training, Remedial Training, Accident Investigations, etc.









The ATA began celebrating National Truck Driver Appreciation Week back in 1988 in an effort to honor those hardworking men and women who deliver life's essentials every day. This year National Truck Driver Appreciation Week was September 13-19. If you haven't already done so, please reach out to the drivers at your location to let them know how much you appreciate the job they do.

Every year it seems as though spring, summer and fall are here one day and gone the next! The warm weather will soon be a thing of the past and we'll be faced with the harsh realities of WINTER! Upcoming training topics will include Winter Driving, Slip, Trip & Fall Prevention (Heel Traction Aids), Loss of Control Crashes, etc.

"Weather conditions are never the cause of a crash but failing to use common safety rules have caused many senseless losses"

Quick Tidbits:

- There is an estimated 3.4 million professional truck drivers in America today.
- Approximately 1 in 15 people are employed in the trucking industry
- Wednesdays are the most dangerous work days, BLS data show

Regulatory Update The ELD final rule mandating the use of electronic logging devices has been delayed another month, the Federal Motor Carrier Safety Administration said September 16th. The rule is now expected to be published November 30th.





We would like to say a special thank you to the following terminals for meeting their 2nd Qtr. Safety Goals: ABR, BIS, CTL, DSM, EAU, MIN, STC, SLU, SUP and WLO.

The Safety Department will continue to work on recruiting good qualified safe drivers. Our focus will be on reducing accidents, injuries, incidents, hazmat spills, etc. We understand the upcoming months may propose some additional challenges. Remember it may take added time to get to where you're going. Arriving at your destination late is better than not arriving at all.

Upcoming birthdays in the Safety Department:

Gene Schuler - November 15th

Kelsey Dooley - January 1st

DRIVER OF THE MONTH AWARDS:

Dennis (Rabbit) Breitrick of the LME APP Terminal has been with our company since February of 1997 when our terminal was in Shawano, Wisconsin. During that time he has been not only a value as a driver- but can fix a truck, repair a dock door answer a telephone with the same skill level that his driving record indicates.

Rabbit will fill in as our inbound supervisor, route bills, train drivers and give new our company works.
When I presented the "Driver of the Month" award he humbly stated " I don't deserve

employees the scoop on how

of the Month" award he humbly stated "I don't deserve this. We all work hard to make our terminal and our company succeed".

That's the kind of guy Rabbit is.. He truly does deserve the award...

Scott Lengling - APP, JVL & MIL Terminal Manager



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JULY 2015 Driver of the Month

Brent Ennis of the LME WAT Terminal. Brent is a WAT morning dock worker and driver as needed (which has been alot lately). Brent has been a member of the LME WAT Team since 2010. Brent's main duties are to work the I/B freight, which he then takes on the roll of routing driver peddles. He always has a very positive attitude and is very willing to step up and do whatever it takes to "get the job done". Matter of fact, as I am

writing this, I just received a call from Suzanne Brekke of Lake Preston SD. Brent just delivered to her and she called in to advise how pleasant he was and how he went "above and beyond" to help her, Great Job Brent! Brent's outstanding demeanor allows for our WAT operations to work very cohesively together, therefore, making us all a better WAT Team!

Val Finke - WAT & ABR Operations Manager



AUGUST 2015 Driver of the Month

Jim Ross of the LME RIL terminal has been with our company since June of 2004. He started as a forklift operator on 3rd shift and has been a P&D driver since 2005. Not only is Jim an asset as a driver but he is valuable in other areas too. He is the first one to offer to help break I/B loads as well as load peddles.

Outside of work Jim is an avid Harley Davidson rider. He is also a big family man and always tries to attend his grandson's wrestling matches and football games.

His enthusiasm for his job and this company is an integral part of what helps makes us successful in RIL. Congrats on driver of the month Jim!

Teresa Duffek - RIL Terminal Manager



SEPTEMBER 2015 Driver of the Month

HR/BENEFITS

CHRISTY JOHNSON — HR/PAYROLL MANAGER



IT's that time of year again when we review our health insurance costs and prepare for the upcoming year. Our insurance carrier, Medica, proposed an 18% increase on premiums stating this was in line with other increases being proposed on the insurance exchanges. After some difficult negotiations, the company was able to reduce the amount of increase to 7% and was also able to keep the plans the same, which means no change to coverage, deductibles, or co-pays. We all can agree that we dislike the cost of healthcare and the company understands your concerns. Therefore, LME has decided to reduce employee contributions for all levels of medical coverage by at least 15% effective 01/01/16 and that means that the LME portion of costs for medical coverage will increase by over 22% next year.

As always we will be doing an open enrollment for all coverage's from 11/2-11/20 with an effective date of 01/01/16. Please watch for these forms as I need one from every employee completed for all benefits you want for 2016. This will include; medical, dental, vision, accident, LTD and life insurance changes. This form MUST be completed by EVERY full time employee and returned before 11/20/15 or starting 2016 you will have no coverages. Please remember even if you are not taking any benefits there is a company paid life insurance policy for every full time employee so I MUST get the form back with everything marked as well as your beneficiary information.



WELCOME TO THE LME TEAM

JULY 2015				Al	UGUST 2015		SEPTEMBER 2015			
CGO	DCK	JULIAN HURTADO	CGO	DRV	ANTHONY M MITCHELL	APP	MECH	BRADLEY M KUSKE		
CTL	OFC	KRISTINE K SCHNICHELS	CGO	DRV	JOSHUA D MCKINNEY	APP	DCK	TOUA YANG		
CTL	OFC	NATALIE J THOMPSON	DSM	DCK	AARON M PORTER	CGO	LNHL	RODERICK C BELL		
EAU	DRV	MARK E STARIHA	DSM	DRV	LUKE A SCHLEIDT	DSM	DCK	CHAD A WALTERS		
FTD	DRV	DAVID J HOLDER	EAU	DRV	PAUL W HAYDEN	GRF	LNHL	WILLIAM B MCNEMAR		
FTD	DRV	RONNIE J DAGGETT	JVL	DRV	MARY I WASHINGTON	KCS	DCK	KENNETH E DUNCAN		
GRF	DRV	DONALD T FORTNER	MIL	DCK	ALEXANDER R MESMER	RIL	OFC	STEFFANIE K COTTON		
JVL	DRV	DALE M PETERS	MIN	LNHL	PHILIPPE A VELAZQUEZ	RIL	DCK	DONALD R CRAWLEY		
KCS	DCK	EARL B STANLEY	RAP	DRV	ANTHONY B MEIER	WAT	DRV	JESSE T WITTNEBEL		
RVT	LNHL	TAD M SPENCE	RAP	DRV	SCOTT B PEKRON					
CORP	OFC	JESSICA L SCHWARTZ	RAP	LNHL	JASON E NISEN					
			SLU	DCK	SHAUN P MORRISSEY		LME	EME !		
WLO	DCK	SAMUEL J SCHWEDER	WLO	DCK	COREY D JOHNSON					

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LME "SHOUT OUTS"

OUR #1 ASSET = OUR EMPLOYEES



A"SHIOUT OUT" to **Dale Morrison**, member of the DSM LME Team since 2005.

"I received a call from Robert Suesakul (Private Residence delivery—ULINE is shipper) in Killduff, IA. He was calling to thank his driver he has had on the last couple of deliveries (Dale) and stated that he does a very good job and he is Very happy with LME!!"



A "SHOUT OUT" to the FAR Terminal Team, regarding a Hot shipment a customer needed to pick up at the FAR dock.

"When I showed up this morning, your Fargo crew was on top of it and had everything ready to go. The dock was clean and looked great. Your dock staff was courteous and all willing to get me loaded and on the road. Send my thanks to your Fargo crew and all involved to make it happen"

Tyler R. Stowers—Service Center Manager-Winfield Solutions/A Land O'Lakes Company—Gardner, ND

A"SHOUT OUT" to the DSM Terminal Team, regarding major yard work completed at DSM facility.

"I would like to send a big THANK YOU out to the whole DSM Team for helping get through the construction in our yard in a SAFE and PROFESSIONAL manner. I especially want to thank Koby Shivers, Josh Stroud, BK and Michael Williamson for all of the extra help that was needed with the shag truck & moving trailers"

Jeff Johnson-DSM/WLO/FTD Terminal Manager

A"SHOUT OUT" to the TRNet X-Gold program, regarding TRNet X-GOLD shipment/service.

"Thank You! Our crate to Austin, TX Delivered today on time! This was for ABC Studios to use tonight (8/20) in a set for American Crime, so if you watch that show you may see our products! Thanks for the great service. I would be lost without you (Rick Smith—LME Sales) and LME"

Laura Conroy-Varsity Image-Whitewater, WI (customer serviced by LME JVL Terminal)

A "SHOUT OUT" to **Heather McElroy**, member of the LME ROC Team 2009—2014 & LME Customer Service Team since 2014.

"LME CSR Heather McElroy was paid a very nice compliment from my customer Ryan at Blue Line Logistics. He said she was extremely knowledgeable, efficient, and friendly and takes care of their questions / needs immediately. They love her! Thank you so much Heather."

Cecelia Walker-LME Account Executive

A"SHOUTT OUT" to **Dianne Lundeen**, member of the LME Customer Service Team. LME Team member since 2006. "THANK YOU so much for being so kind and helping me fix my mistake. You are such an uplifting blessing to me. Thank you for taking care of everything. Attached is the bill of Lading that was used here and now it reflects the terms to be "prepaid". If you need anything else from me, please let me know. I am soooooooo HaPpY to have connected with you and make this big mistake get the freight to our customer. I hope you have a very nice rest of the day "

Diana Orr-Office Manager-Ingenuity Industrial Machining

IT / MIS ~ INFORMATION TECHNOLOGY-DEDICATED TO KEEPING YOUR COMPUTERS & PRINTERS UP AND RUNNING 24/7

DAN STADICK-VP IT/MIS

Things are always hopping in the IT department as we experienced internal computer issues this past weekend (Labor Day Weekend) and had to have IBM come out on Labor Day for maintenance. The good part was we didn't have to experience any downtime on Tuesday as everything was repaired by Monday night. We are currently looking at a new computer system with failover at corporate as our current system

will be 3 years old in December. The new system will be 70% faster and have more space available for storage. Our network contracts are also up this year so we will be talking with AT&T, CenturyLink, and others to see who will offer the best speeds for the lowest prices. And our phone system is also getting older by the day running Windows XP so we need to get upgrades done on that. We continue to make changes to

our applications and internet/intranet programs. Any ideas on improving those programs can be forwarded to your managers for approval so they can get those ideas

to us.

Dan Stadick-VP MIS



LME

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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.

WORD FIND created by Sheila B

DISPATCH	OWB	D	R	I	٧	Ε	R	Х	Т	Е	N	R	Z	М
MANIFEST	DELIVERY	I	N	Т	Ε	R	L	I	N	Ε	Р	W	0	С
INTERLINE	LME	S	Q	K	L	М	Ε	Υ	Α	Χ	W	F	М	0
CLAIM	FREIGHT	Р	L	L	I	D	Ε	L	I	V	E	R	Υ	N
EXPRESSGOLD	RNET	Α	Q	Α	Y	0	D	0	С	Т	I	Ε	С	S
LOG	DAMAGE	Т	L	S	В	Ν	L	Ν	Ε	Ε	G	I	S	I
SHIPPER	LTL	С	В	0	Н	I	0	М	0	L	Н	G	Χ	G
CHEETAH	CONSIGNEE	Н	Χ	W	G	J	G	Υ	I	L	T	Н	Y	Ν
SKID	BOX	Е	Ε	В	T	С	S	Н	K	Α	L	T	В	Е
DOCK	PRO	Е	T	М	Н	K	S	Н	I	Р	Р	Ε	R	Ε
		Т	D	F	I	С	Ε	Ε	G	K	R	I	Υ	G
DRIVER	WEIGHT	Α	R	D	D	0	R	R	Α	Q	Α	0	Ν	Α
PALLET	RATE	Н	Ε	W	С	D	Р	S	Ν	L	Т	L	Υ	М
SEAL		L	J	D	R	W	Χ	Р	Α	С	Ε	٧	М	Α
		М	Α	Ν	I	F	Ε	S	Т	L	Χ	Υ	S	D



QUALITY. SERVICE. VALUE. ALWAYS.