

RECORE *Newsletter*

TRADING COMPANY, L.L.C.

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WE BUILT OUR REPUTATION ON 22 YEARS OF HONESTY, TRUST AND DEPENDABILITY!

CONVERTER PRICING

BY DON BELISLE



Don Belisle, Owner
of Recore Trading
Company, L.L.C.

"Send me a price list", every time I get that request I shudder. The truth of the matter is price lists on scrap catalytic converters don't mean anything!!! Yard owners who are selling cats are at a distinct disadvantage when they sell their material. As any good business owner knows, maximizing the price paid to you and minimizing expenses is the tried and

true method of getting the bottom line solidly in the black, and under normal conditions comparing pricelists is a good way to maximize dollars coming in. Unfortunately comparing pricelists of cats does not guarantee you of getting the best price. Let me share some contributing factors to the situation.

1) 99.9% of yard owners do not know what they have as far as what grade a scrap converter is! Yes I can hear you say "here at XYZ salvage, we mark all of our cats as we dismantle so we know what each cat is". Sorry, you can have cats from two identical cars same make, model, and engine that have different cats on them! This is not uncommon! The manufacturers are constantly watching prices of precious metals and varying the percentage of each so that they can meet the emission standards at the lowest possible cost to them. Remember Palladium does the same thing Platinum does, but takes about 3 times as much. By watching prices of individual metals and the ratio between them, manufacturers can see significant savings by substituting one metal for another. How are you supposed to maximize profit if you don't know what you have to sell?

2) There are unscrupulous cat buyers out there that intentionally quote high prices on their price lists then downgrade your material. This is one of the oldest tricks in the book and I'm sure most of you have run into this one. The amount of profit a buyer like this can make is really amazing, if and when they get caught

and thrown out they just move on to the next guy that just compares price lists! I have seen times when a peddler level buyer out bids us on a load then shows up at our dock to sell it. When he is selling, he insists on fair grading, not what he gave the yard owner that compared price only!

3) Quoting great prices on things you don't have! This one has seen increased popularity recently. A buyer will have many more categories of cats on his sheet than most. The mystery categories will have phenomenal prices along with good pricing on the categories no one has many of; an example of this is quoting big numbers on exotic foreign, large foreign, and Honda 02. Yards don't have many of these, if at all, so the price doesn't matter. What does matter is pricing on what you have. We buy from yards of all sizes in the entire Northeast; the most common cat in 90% of yards is the regular domestic, that's the price you should be concerned with. Getting a better price on what you don't have gives you nothing. When you compare two

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CONVERTER PRICING

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price lists and say "well this guy is higher on more categories I think I'll go with him" you are making a mistake. The highest price paid on what you have to sell is what matters.

4) The golden boy of Cats, the Big GM. For years the big GM was the top dollar cat you could have, yard owners knew this but not much about the other grades. So owners would get price lists from different buyers then compare the price of the Big GM and sell to that buyer. Buyers soon learned what yard owners looked at so they quote the Big GM as high as possible, often quoting higher than they can actually sell it for just to get in the door, then make it up on the other categories. Don't be fooled! Everyone knows what the original big GM looks like, did you know that there are SEVERAL other cats that look nothing like the original that are considered and priced as Big GM?

5) The- I pay more than anyone scheme! This one takes guts

and has a certain amount of risk involved for the buyer. The buyer sizes up a yard and decides if the yard will be a good producer of material on an ongoing basis. If so, the buyer comes in and over pays for the first few loads. The yard is happy and sells regularly to the new buyer, but once the buyer feels he has a loyal supplier, he makes up for his losses and then some.

The bottom line is deal with someone you can trust, someone who has been around a while and has a good reputation. Think about it, how can a peddler or middleman/reseller compete with a company that actually decanns and processes cats in their own warehouse locally? At Recore Trading Co, my policy is to make a small profit on each buy and deal with loyal customers for years to come. It has worked for 22 years and should work for years to come! Our loyal customers are our friends!

How are you supposed to maximize profit if you don't know what you have to sell?

CAT OF THE MONTH — NAME THAT CAT CONTEST!

Get to know your catalytic converters through our monthly newsletter. The first person to correctly identify the cat pictured here will win a FREE Recore Tee Shirt and Recore hat. Email us your answer with your name, name of yard, telephone number and Tee Shirt size to sales@recoretrading.com. No phone calls, please. The answer with description of this cat will appear in next month's newsletter as well as a congratulations to the winner. Remember we are looking for the manufacturer and catalytic converter grade. Example: BMW-Exotic foreign. Good luck! Contest open to yard owners, dealers, repair garages, scrap dealers, exhaust shops and their employees. All catalytic converter dealers and Recore employees are not eligible for contest.



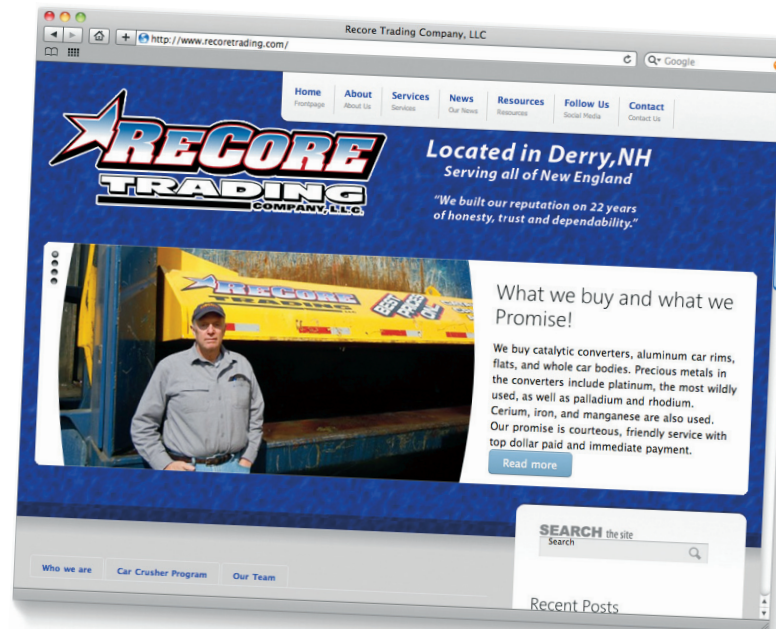
RECORE LAUNCHES NEW WEBSITE

We are so excited to announce the launching of our new website. Please be sure to check it out now—www.recoretrading.com, and visit it often as it will continuously be changing from week to week, and month to month.

Our monthly newsletter will be posted on the site, and we hope that you find some of the other information on the site useful. Our goal is to provide you with the latest, most up to date information about our employees, our company and our customers. Through all of this, we hope to make you more successful and put more money in your pocket. If you know of someone who isn't receiving our newsletter and they would like to, let them know they can sign up for it on our website.

There will be many articles relating to our industry and you will be able to post your comments and suggestions. We want to get to know you, so please tell us what you think. Very soon, we will be adding a You Tube video to the site on the ease and

simple operation of our car crusher. Did you know you can use our car crusher for free? Well, watch the site and found out how or give us a call today.



1099 REPORTING REQUIREMENT HAS BEEN REPEALED!

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Last week, the President signed into law repeal of the dreaded 1099 reporting obligation that was part of the 2010 healthcare law. Many groups - including ISRI - spent considerable resources battling to get the provision repealed over the last 12 months, explaining to lawmakers the adverse impacts on small businesses, and more specifically, to the scrap recycling industry. ISRI joined several coalitions to keep the pressure on lawmakers. Many of you came to Washington to lobby for its repeal last summer. As I have updated you over the past year, we felt that the provision would be eventually be repealed, we just didn't know when or how. Those days are behind us now. Congratulations to all of you that contacted your Congressmen and Senators urging repeal. It is proof positive that if you do take action, ISRI can truly be a strong advocate for your business in Washington. For more information on 1099 issue, please contact Billy Johnson at (202) 662-8548 or billyjohnson@isri.org.

★★ FREE CLASSIFIEDS! ★★

Have a loader or any other piece of equipment for sale? Or maybe something else, you just want to move off your yard? Run your equipment or any other for sale classified with us. Our newsletter is mailed every month to automotive recyclers and used parts businesses throughout all of New England. So take advantage of this captive audience with your FREE classified. Space is limited, so no personals, please!

“LOOK WHAT SOME OF OUR CUSTOMERS ARE SAYING”

“I met Don when we both were car racing which was back in the 80’s. I got to know him and had a very good feeling about him back then. So when Don got into this business, I knew I could trust him and I’ve been with Don since day one. I don’t have time to check around on prices, and I know that Don is going to treat me right and will be very fair. The fact that his company has grown so tells me he is doing something right especially when it comes to customer satisfaction. Also, Jon Ingalls is a really great guy to work with; you definitely want to keep that guy. He is a real asset to the company.” – **B.B., 20 Year Customers of Recore**

“We are a big scrap company out of the Boston area. We have been dealing with Recore for about 2-3 years now and have established a great working relationship together. Once a week John Lamothe travels down in his his truck to buy all of our catalytic converters and aluminum rims, he is always on time and has top of the line pricing for us. We plan on continuing our relationship with Recore Trading for years to come. Keep up the good work and excellent customer service guys.” – **Thanks Alot! M.S., 2+ Year Customers of Recore**

OUR BRAG CORNER!

★★★★★



SUZANNE CHAMPAGNE

After many years of working at a law practice, Suzanne joined Recore Trading Company a little over a year ago. With her wealth of experience, Suzanne was a great fit and a great asset to our company from day one. As office manager, she would interact with just about every customer at some time or another, so we needed someone who cared about customer satisfaction as much as we do. Whether on the phone or in person, Suzanne makes everyone feel comfortable, and she goes out of her way to make sure they will be a repeat customer. Her friendly, courteous manner has served us very well, and we thank Suzanne for being a key person in our continued success.



WHAT ★ **RECORE** OFFERS!

- We offer the best prices for your catalytic converters. • We decan and process catalytic converters, eliminating the middleman.**
- We offer the most competitive rates on car crushing in New England. • Find out how you can get your cars crushed for FREE!**
- We offer top dollar for your aluminum wheels. • We offer top dollar on other automotive scrap metals. • We promise prompt and courteous service every time. • We promise quick payment that our customers have come to expect and deserve.**
- We offer over 22 years of honesty, trust and dependability.**

WE WELCOME YOUR QUESTIONS OR COMMENTS Please know that any articles or information in our newsletter is the expressed opinion of the writer. We know that you may not necessarily agree and that is okay. If you’ve enjoyed our newsletter, we’d love to hear from you and if for any reason, you did not, we’d still like to hear from you. Just let us know, and we’ll remove you from the mailing list. Also, if you have a friend who you think would like to get our monthly newsletter, send us an email with their mailing information and we’ll add them to our mailing list. Contact us at: sales@recoretrading.com.