

# RECORE *Newsletter*

## TRADING COMPANY, L.L.C.

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

## What's Going On With Converters?

By Don Belisle, Sr.

It's no secret that converter prices have gone way beyond the roof. The main reason they are so high is the commodity pricing of the precious metals contained in the converters and the concentrations of each. A dramatic change has recently occurred in the

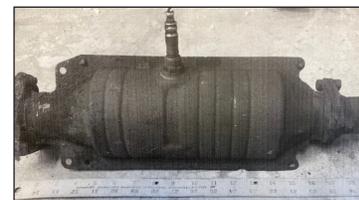
dynamic of the quantities of the metals found in converters. Of the three metals, platinum, palladium and rhodium used in converters today, most have the highest concentrations of palladium. This is good for the recycler since the price of palladium is more than twice that of platinum. This change from using primarily platinum to predominantly palladium has occurred pretty dramatically over the past twelve years. Emission standards have had a lot to do with the quantity of precious metals required to effectively control exhaust emissions. As the regulations get higher, the concentrations of precious metals required to treat the exhaust must also increase. The other contributing factor that has never been much of an influence before is the price of rhodium. Virtually all converters use rhodium in small quantities. Typically, the amount of rhodium used in converters is about 200 parts per million (ppm). This is not a lot of material when you consider an upper end gas powered converter can have 3,000 ppm of palladium. However, with the skyrocketing price (about 10X the price of palladium) of rhodium over the past few years it is now a big factor. The other thing about rhodium is that it is in just about every converter made today, where use of platinum and palladium varies greatly. Typically, when we finalize the assays on a supplier's converters, the value they receive for rhodium is very close to the value they receive for their palladium. This is a giant change over the past when the value of rhodium used to be not very significant. And now the value of the platinum is less than 10% of the other two metals! Things have certainly changed dramatically since, for years, platinum was the value producer in scrap converters but not anymore. Now more than ever, you get the most for your converters by selling them based on assay. When we buy converters, we price match the highest quotes out there and pay that up front. Then we assay your converters and send you more money. In every case the supplier gets more on assay!

PRSR STD  
 U.S. POSTAGE  
**PAID**  
 FIVE MAPLES

### BEWARE OF CHINESE CONVERTERS

A few years ago, someone (I will not name him) had thousands of very low grade converters manufactured in China. These units contained only a small fraction of the precious metals needed to effectively treat exhaust gasses. He made a point of only making look-alikes of high value units, his intentions were obvious. You guessed it! These units flooded the US market. We are now starting to see a few of these Chinese converters show up in our suppliers' lots. Be very careful because it is nearly impossible to tell the counterfeit converter from the real deal. In an instance that happened this week, a converter showed up that looked exactly like its extremely high dollar brothers; however, on close examination, this was a Chinese knock off worth only \$9.00!!! We have heard that these units are being pedaled to unsuspecting salvage yards and converter dealers. Be very careful who you buy converters from. Going forward if you have a question, call us before you buy it. It could save you from making a \$1,000.00 or more mistake.

Check out the pictures below and see if you can tell the fake from the real.



## How Money Works By D.J. Harrington



Over the past year or so, the lives of our families, businesses and industry have taken on a new look and something we could not see threatened our very existence. Some were prepared for these changes while others were not. And, yet while others perhaps buried their heads in the sand, some saw those changes as

opportunities to make gains. When catastrophe happens, the wealthy see opportunity. Here's your opportunity to do the same.

Written by two of my colleagues, those secrets are unleashed in the popular book, "How Money Works – Stop Being a Sucker". An easy read for the average reader, taking an hour or so to complete, this book helps unfold those STRATEGIES that most wealthy people use to make their money. Those secret strategies are no longer reserved for just the wealthy. Frankly, all financial institutions will avoid disclosing information on how much money is really made off what you have invested with them. Up to this point, I have made it quite easy for you to get this information by offering the HMW book at an extremely reduced rate. However, I am about to make it even easier for you to get more in-depth information.

Now, you can get a financial education by logging onto a 30-minute session led by a financial educator. The classes are known as ELEMENTS, and each teaches specifics during each Element with the 1st class being, ELEMENTS - FOUNDATION. In this Foundation class you will visit ground zero to change your literacy and change lives. The next class focuses on ELEMENTS – CONCEPTS. In it you will receive life-changing money principles you were not taught in school, followed by ELEMENTS – PROTECTION which will safeguard your income because your family is counting on you. The last two elements focus on SHORT-TERM and LONG-TERM. In ELEMENTS – SHORT TERM, you will learn what to do right now to uncover more financial opportunities, and in ELEMENTS – LONG TERM you will know how to pattern yourself after the wealthy for a future and legacy of independence.

Here is yet another way you can get this information. Attend the URG conference in Dallas, Texas April 8th

– 10th. For more information, go to [www-u-r-g.com](http://www-u-r-g.com). Logging onto their website will tell you why you need to be present in April. If you have registered for this URG Conference, you might already be aware that I'm speaking on the valuable information found in the How Money Works book. My URG class title is "How Money Works, Secrets of the Wealthy". So please sign up for this class to get your financial education before you start making decisions about your money, especially those that will impact your family and business in a major way.

Oh, yes! A reminder! The "URG On the Go" podcast is now available on Spotify, iTunes, Pandora, Google Play, Stitcher, iHeart Media, Amazon or wherever you get your podcasts. Remember to like, review, and share everywhere. The "URG On The Go" podcast is up and running. Every week, we will bring you a new informational episode. Make sure you download and listen. It will help improve your bottom line. We put the peddle to the meddle in each episode.

Our first episode featured none other than the great, Bo Wroten while the second episode focused on successes of another stellar person, Mike Kunkel. And of course, not to be outdone, Ryan Falco was the focal point of the 3rd episode. Thank you, Bo, Mike and Ryan. The fourth episode is all about our dear friend and mentor to many recyclers, Tom Bessler. All four men have great reputations and are certainly known as successful men. As the host of the "URG On the Go" podcast, it has been my privilege to hear from some of the best within the auto recycling business. However, I would like to interview others.

So, please email me names of anyone you would love to hear and learn from during these challenging times. If you have specific questions that you would like answered by certain people, feel free to submit those names and questions.

Soon, I'll be seeing you in Dallas, Texas for the upcoming URG Conference. I am certainly looking forward to our next issue too. Thanks for reading my article.

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## Ron, All I Need Is More Money! By Ron Sturgeon



I get so many calls from folks who insist that their only problem is that they need more money. Read my lips: "If your only problem is that you need more money, then you don't have any problems." This is true in almost all the cases I have seen. Trust me: there is PLENTY of money out there. The banks NEED to loan it. Investors are sitting on the sidelines. (However, that could change in coming months.)

I do believe that you think you need more money. It's a battle, day after day: trying to buy enough cars, pay bills, etc.

I have seen it over and over. A recycler gets a new loan, or a line of credit, and then runs it up to limit, usually buying cars or funding operating losses. Sales spike temporarily

and then level back off at previous levels. But now there is new debt!

The main reason you think the whole problem is money? It's because your profits and cash flows have deteriorated. They have been declining for years, but it's subtle, and you can't or don't want to recognize it.

Other underlying reasons (in some semblance of order) are these:

1. Too many employees - It's the number one poison. If you aren't doing at least \$15k/mo per employee, you have too many. Many have a third too many!
2. Too many brokered parts, not enough of your own inventory.
3. Not understanding the true cost of goods, with period

*continued on page 4*

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## Ron, All I Need Is More Money! *Continued from Page 2*

- correct statements, or not projecting sales at time of purchase. Remember, as my good friend Jim Counts says, "We don't buy cars; we buy sales."
4. Lack of pay for performance - Paying dismantlers by the car, drivers by the stop, and parts pullers and order fulfillment personnel by their performance.
  5. Failure to understand how much your current computer system is handicapping you - It's unfortunate, but you don't know what you don't know. Sounds silly, but it is so true. You've upgraded your trucks and equipment, so why don't you consider what's new in computers and software?
  6. Failure to plan - Very few folks have anything resembling a plan which includes operational and financial goals.
  7. Failure to get help - There are lots of peers, associations, and folks to help you out there.

I always say there are four hurdles to success. Who will get through them first--you or your competition? First, you have to realize that things are tougher. Everyone is getting that one. Second, you have to figure out what is wrong. Third, decide on a plan to improve. Fourth, execute the plan. Sadly, many folks don't get past the first hurdle. In spite of this, those who are paying attention are doing very well; don't let anyone tell you that it's bad everywhere or that it's okay to do poorly since "everyone" is. In every region of the U.S. there are folks doing well. Trust me, while you are wringing your hands, some of your competitors are doing well.

### Remember only you can make business great!

Ron Sturgeon, Mr. Mission Possible, has been a successful business owner for more than 35 years. As a small business consultant, he can deliver wisdom and advice gleaned from an enviable business career that started when he opened a VW repair business as a homeless 17-year-old and culminated in the sale of several businesses he built to Fortune 500 companies.

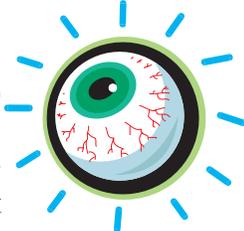
Ron has helped bankers, lawyers, insurance agents, restaurant owners, and body shop owners, as well as countless salvage yard owners to become more successful business people. He is an expert in helping small business owners set the right business strategies, implement pay-for-performance, and find new customers on the web.

As a consultant, Ron shares his expertise in strategic planning, capitalization, compensation, growing market share, and more in his signature plainspoken style, providing field-proven, and high-profit best practices well ahead of the business news curve. Ron is the author of nine books, including How to Salvage More Millions from Your Small Business.

To inquire about consulting or keynote speaking, contact Ron at 817-834-3625, ext. 232, rons@MrMissionPossible.com, 5940 Eden, Haltom City, TX 76117.

## Laughter is the Best Medicine

The 6th grade science teacher, Mrs. Parks, asked her class...



"Which human body part increases 10 ten times its size when stimulated?"

No one answered until little Mary stood up and said, "You should not be asking sixth-graders a question like that! I'm going to tell my parents, and they will go and tell the principal, who will then fire you!"

Mrs. Parks ignored her and asked the question again, "Which body part increases to 10 times its size when stimulated?"

Little Mary's mouth fell open. Then she said to those around her, "Boy, is she going to get in big trouble!"

The teacher continued to ignore her and said to the class, "Anybody?"

Finally, Billy stood up, looked around nervously, and said, "The body part that increases 10 times its size when stimulated is the pupil of the eye."

Mrs. Parks said, "Very good, Billy", then turned to Mary and continued, "As for you, young lady, I have three things to say. One, you have a dirty mind. Two, you didn't read your homework. And three, one day you are going to be very, very disappointed"

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**WE WELCOME YOUR COMMENTS** Please know that any article or information in our newsletter is the expressed opinion of the writer. If you are enjoying our newsletter, we'd love to hear from you and if for any reason you are not, just let us know, and we will remove you from the mailing list. Contact us at [sales@recoretrading.com](mailto:sales@recoretrading.com).