

# MOVERS, SHAKERS & NEWSMAKERS



## THE MOST READ & TOP STORIES FROM THE PAST 12 MONTHS

The past 12 months may go down as the busiest period in the North American tire industry in some time. Billions in new tire plant construction were committed. Industry associations chased tire repair laws. Tire thefts grew in number and audacity. And an old, familiar tire brand made a reappearance.

On the other side of the spectrum, truly tragic events marred the year, with multiple brutal tire store shootings and a catastrophic lost-load accident reminding us of the fragility of life, while the passing of two industry giants challenged us all to make meaningful personal and professional contributions.

Our new Sourcebook feature – Movers, Shakers & Newsmakers – recounts the key events of the past 12 months, from the unique perspective of both TIRE REVIEW readers and our editors.

Over the last 12 consecutive months (September 2011 to August 2012), TIRE REVIEW has reported on more than 2,300 individual stories impacting the tire industry, posting them to our industry-leading web-

site, forwarding many of these with our daily (and totally free) e-newsletter, and running some in the pages of the monthly magazine.

Tens of thousands of votes – in the form of unique page views on TireReview.com – were cast by loyal readers, and those stories with the most views made The Reader's Poll: Top 12 Stories From the Last 12 Months.

The Editor's Poll: Top 20 Tire News Stories Over the Last 12 Months is our take on the top stories, from both the pages of TIRE REVIEW and the thousands of news stories posted on TireReview.com.

Clearly, TIRE REVIEW readers had their eyes on certain subjects, often quite different than those of our editors.

Out of all these stories, which caught your eye? What stories attracted the most attention? Tell us what you think on our Facebook page at [facebook.com/tirereview!](http://facebook.com/tirereview!)

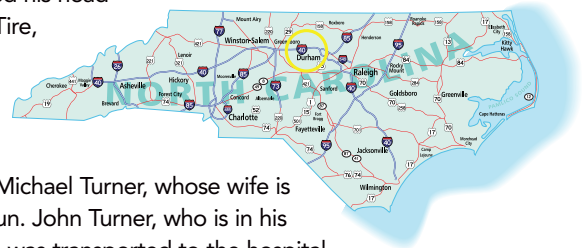
## THE READER'S POLL: THE 12 MOST READ STORIES FROM THE PAST 12 MONTHS

### 1. MARCH 26, 2012 2 Killed, 2 Wounded in N.C. Tire Store Shooting –

A customer and an employee were killed and two others wounded when a gunman opened fire at a tire dealership in East Durham, N.C. A fifth person – the store's owner, John Turner – injured his head when he sought cover as the man fired shots inside and outside JT Tire, according to local reports.

Killed were store employee Naomi Turner Wright, 65, and Abdelgadir Mergany Abdelganir, 32, a taxi driver at the store for work on his car.

"We never thought something like this would happen out here," Michael Turner, whose wife is the daughter of store owner John Turner, told the Durham Herald Sun. John Turner, who is in his late 60s, was not shot, but injured his head during the shootings. He was transported to the hospital for treatment.



# 4

## 2. SEPT. 20, 2011 Man Dies When Tire/Wheel Assembly Hits Windshield –



A 27-year-old Massachusetts man was killed when a truck tire/wheel assembly flew off the back of a flatbed semi-truck and slammed into his car. The accident occurred on I-93 near Somerville, Mass.

The tire/wheel assembly was one of three being hauled by a truck that had been rented by Sullivan Tire, and was reportedly transporting the assemblies to a customer. The tire/wheel assembly, according to reports, bounced on the freeway and crossed the median into oncoming northbound traffic before smashing through the windshield of the 2003 Mitsubishi Gallant being driven by the Lynn, Mass., man.

Sullivan Tire issued a statement after the accident: "This is a horrific accident and words cannot express our sorrow. In the 56 years of this company, this is the worst day in our history."

## 3. APRIL 5, 2012 World's Largest Tiremaker Celebrates Anniversary –

The world's largest tire producer churned out 381 million tires and wheels in 2011, but it wasn't Bridgestone, Michelin, Goodyear or any familiar name. It was Lego. Yes, the toy company.



Celebrating its 50th anniversary in the tire biz, the folks at Lego remind that they do hold a few records. For example, the company churned out a stunning 381 million tires and wheels in 2011, considerably more than any traditional tiremaker and more than were shipped to dealers in the U.S. and Canada combined.

Lego got its tire start in 1962 with Lego set No. 400, the first to feature proper tires and wheels. Lego has made many different kinds of tires and wheels over the years, both on- and off-road models. The largest it ever produced was a 10.7-centimeter monster in 2000, and its smallest was a microscopic 14.4 millimeter tire/wheel that nodded in 1969.

## 4. JULY 27, 2012 Michelin Recalls 841,000 L/T Tires –

Michelin North America recalled some 841,000 light truck and commercial light truck tires due to tread separation concerns. Specifically, the tiremaker recalled BFGoodrich Commercial T/A A/S and Uniroyal Laredo HD/H tires sold in the U.S., Canada and Mexico.



While company officials said they could not "pinpoint" an exact cause, the tiremaker discovered the tread separation concerns from regular field checks. MNA said, "The customer return rate for tread and/or air loss was 0.017%, which equates to about 143 tires. However, any tire produced in the range of the recall could exhibit these conditions."

The tires in question, typically fitted to commercial light trucks and full-sized heavy-duty vans, are no longer being produced.

## 5. FEB. 10, 2012 Jury Sides with Assistant Managers in Schwab OT Suit –

An Oregon jury ruled that Les Schwab Tire Centers "routinely and systematically" failed to pay its assistant managers overtime even as it required them to work 60 hours or more per week.

The Multnomah County Circuit Court jury found in favor of a group of some 200 former and current Les Schwab store assistant managers who sued the company in September 2008 over the overtime issue. The Bend, Ore.-based retailer said it would appeal the verdict.

According to The Oregonian, "The jury ruled that Les Schwab worked its assistant managers 66 hours a week on average, including every other Saturday," and that the company incorrectly "deemed the assistant managers exempt from Oregon's wage-and-hour laws requiring that they be paid time-and-a-half for hours worked beyond a regular 40-hour workweek."



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## 6. JAN. 6, 2012 Cooper Update: Sides Disagree on Future Talks, Workers Angry at USW –



Despite numerous reports that both sides were headed to a meeting with a federal mediator, at this juncture it appears there will be no further negotiations between Cooper Tire & Rubber Co. and locked out USW workers at the tiremaker's Findlay, Ohio, plant.

After both sides clearly stated that they would return to the bargaining table following the holidays and that a session with the mediator had been scheduled for Jan. 12, the meeting was suddenly called off – and the tiremaker claimed that no such meeting was even scheduled.

The two sides had not met since Dec. 13. Cooper locked out the 1,050 USW workers at the plant on Nov. 28, and shortly thereafter began ferrying in an estimated 500 replacement workers, many of whom were formerly employed at its now closed Albany, Ga., tire plant.

## 7. MARCH 13, 2012 TBC Steps in to Buy Midas in \$310 Million Deal –

Sumitomo Corp. of America-owned TBC Corp. bought automotive service and tire retailer Midas Inc. in a deal estimated at \$310 million. TBC called the \$11.50 per share tender offer a "merger." The tender offer will be made by March 28, TBC said, and represents a 28% premium over Midas' March 12 closing price.

The sale of Midas was no surprise; last August the company announced it would "explore and evaluate a range of strategic and financial alternatives," and hired J.P. Morgan Securities. Midas' board claimed it involved some 100 "parties" in the process, 36 of which went through a due diligence process.

The Midas Inc. footprint includes nearly 2,300 franchised, licensed and company-owned shops in 15 countries.



## 8. JUNE 11, 2012 N.Y. Senate Committee OKs Tire Repair Legislation –

New York's Senate Transportation Committee approved legislation that would require automotive repair shops to properly repair tires.

The Proper Tire Repair Act would impose a \$500 penalty on a repair shop that attempted to repair tires without removing the tire from the wheel, inspecting for damage and ensuring that a repair conforms to repair procedures supported by tire-makers. The Senate Transportation Committee passed the bill on June 5, during National Tire Safety Week.



"This legislation will help protect motorists from the risks of improperly repaired tires," Dan Zielinski, senior vice president of the RMA, said at the time. "Despite years of effort by tire manufacturers, tire dealer organizations and tire repair materials manufacturers to educate repair shops about proper repair, too many improper repairs are performed. RMA supports these bills and urges New York legislators to enact this legislation."

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## 9. JAN. 23, 2012 Cooper Pulling Equipment from Findlay, Ark. Contract Vote Thursday –

While locked out workers were hopeful the new contract reached in Arkansas will bring labor peace to their plant, Cooper Tire & Rubber Co. has begun moving tire production equipment out of its Findlay, Ohio, tire plant.

TIRE REVIEW contacted Cooper for a comment on reports that the tiremaker was removing the equipment, but received no response. In a comment released to both the Toledo Blade and Findlay Courier, Cooper stated: "In addition to using highly skilled temporary workers to ramp up productivity in the Findlay plant, we have also taken other steps that include rebalancing our global capacity and moving some equipment from the Findlay plant to our other plants in North America, Europe and Asia."

Meanwhile, the 1,500 members of USW Local 752 at Cooper's Texarkana, Ark., plant were set to vote on a tentative agreement reached on Jan. 19.



## 10. MARCH 7, 2012 Congress OKs Punitive Tariffs on China-Made Tires –

Congress passed legislation that would allow the government to impose higher tariffs on goods from state-controlled economies that subsidize exports to the U.S.



The legislation was drafted and presented in reaction to the December 2011 federal appeals court ruling that the Commerce Department did not have the power to levy so-called punitive countervailing duties, effectively tossing out a series of duties – some as high as 210% – it placed on China-produced OTR and ag tires imported into the U.S.

Those added duties, placed on the products in 2008, severely damaged the U.S.'s small OTR and ag tire markets and led to the bankruptcy and eventual dismantling of importer and marketer GPX International.

The House passed the new tariff measure 370-39 yesterday, and the Senate passed its version the day prior with a voice vote and no debate. The bill has been sent to President Obama for his signature.

## 11. JUNE 21, 2012 Dealer Employee Killed in Robbery Shooting –

Baton Rouge, La., police were looking for a man who shot and killed a tire store employee during an armed robbery of the store. Shortly before 7 p.m. on June 20, police said, an unidentified man entered the Tire Discount location on Plank Road in the city, and shot Zaharn Abuawwad, 20, who worked at the store.

Police did not release information on what was taken from the Tire Discount location, or how many witnesses there were.



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## 12.(tie)

JAN. 3, 2012

### Auto Centers Closing as Part of Sears Reduction –



At least 30 Sears Auto Centers will be among those locations closed as part of Sears Holding Corp.'s plan to close as many as 120 of its retail stores. The reeling retailer announced before the holidays that it would close from 120 to 140 Sears and Kmart stores in an effort to reduce costs.

Sears Holding already announced 79 specific stores that will be closed, and among that group are 27 locations with Sears Auto Centers. More of those centers will surely be among the 40-60 additional stores Sears Holding will close.

Prior to the closings, Sears operated 768 auto centers at 842 of its full-line Sears stores.

## 12.(tie)

MAY 31, 2012

### Gores Group Says No to Pep Boys, Stock Tumbles –

Gores Group, a Los Angeles-based private-equity firm, canceled its plans to buy Pep Boys in a \$1 billion deal after the retailer posted lower than expected first quarter results. Pep Boys also declined a Gores Group request to delay a May 30 shareholder vote on the acquisition in order to review Pep Boys' financials for potential "material adverse effect" that could void the deal.

Shares of Pep Boys on the New York Stock Exchange fell more than 24% after news of the deal's cancellation was first revealed earlier this month.

Gores Group paid Pep Boys some \$50 million and reimbursed the retailer for some merger-related expenses as settlement "for any and all potential claims that Pep Boys could assert under the terms of the merger agreement," Pep Boys said in a statement.







## THE EDITOR'S POLL: TOP 20 TIRE NEWS STORIES OVER THE LAST 12 MONTHS...

1. **Continental's** 'Project Soccer' Lands in South Carolina
2. **Bridgestone** to Invest \$1.3 Billion in U.S.
3. **Cooper** Pulling Equipment from Findlay, Ark. Contract Vote Thurs.
4. **Terry's Tire Town** Buys **Englewood Tire**
5. N.Y. Repair Law Dead, **RMA** to Continue Push
6. Congress OKs **Punitive Tariffs** on China-Made Tires
7. **Michelin** Selects S.C. for New OTR Plant
8. **Triangle** Makes Akron its U.S. Home
9. **TBC** Buys **Midas** in \$310 Million Deal
10. Retreads Eligible for **SmartWay** Verification
11. **TIA** Plans to Offer Tire Repair Bill in Maryland
12. **Carlisle** to Move Tire Production to U.S.
13. **Gores Group** Declines **Pep Boys** Purchase
14. Thieves Steal Loaded Trailers at **YTC**
15. **Zafco** Gets **Armstrong** Brand License
16. **Michelin** Recalls 841,000 L/T Tires
17. Tiremakers Research Alternative **Raw Materials**
18. Former **ARA** Leader **Ed Wagner** Dies at 87
19. **Titan** Buys Closed Goodyear Union City Plant
20. **Kal Tire** Founder **Tom Foord** Dies