

February 2002
Volume 10
Number 5

Hedahl's Headlines

EMPLOYEE NEWSLETTER

An Anniversary, New Employees, and A New Position

In February we celebrate the multiple-of-five work anniversary with **Phyllis Rogstad** of Headquarters. Sunday, February 3 marks 10 years and congratulations, Phyllis.

Also we have one rehire and one new hire to report this month. Welcome, guys.

Tom Metz is back with us on delivery for our Bismarck store.

We're also pleased to announce that **Tom Neyens** is the new manager of our Detroit Lakes store. He's from Pelican Rapids and is married with two children. Like most Minnesotans, Tom enjoys hunting and fishing.

His hobbies may match those of the average Minnesotan, but his professional profile is more out of the ordinary. He has extensive background in management and sales, having served for 15 years as the regional center manager of Ag-Chem Equipment Co. Inc. and before that as the in-house sales representative. All of this comes out of the kind of hands-on background because he also worked as a parts manager for an implement company and he was even an ASE-certified mechanic.

Brian Alsleben has assumed the responsibilities of assistant manager in Detroit Lakes.

Safety First: Wear Your Seatbelts On the Job or On Your Own

The North Dakota Workers Compensation newsletter for the fourth quarter of 2001 has an article that includes some sobering facts. It tells us that "traffic accidents are the number one cause of workplace fatalities nationwide." Couple that with the fact that North Dakota ranks dead last in the country for seatbelt compliance, and it's easy to see that people who drive on the job in North Dakota are at a double risk if they aren't wearing seatbelts.

The article goes on to say in 2000, "284 claims were filed with NDWC as a result of motor vehicle accidents." Seventy seven of those claims caused the worker to miss five or more days of work. More seriously, four workers were killed in motor vehicle accidents in 2000. We certainly want to encourage everyone to wear your seatbelts when you are driving your own vehicles, but we also want to remind you that you are required to wear seatbelts when you are on the job or driving a company vehicle. Faithful use of seatbelts, along with safe, sensible driving, and maybe we'll be able to improve some of those grim statistics.



ASE Testing

Repeat Finishers

Duane Bieber

Sidney

Mike Bender

Glendive

Bob Holzer

Bismarck

Bob Gessele

Bismarck

Hedahl's now has 135 employees who have passed 359 tests. Congratulations and thanks for your continued efforts to remain the most professional and well-informed automotive people in the region. Remember, if you pass an ASE test, you have to send your results to LouRae at Headquarters to qualify for the bonus. If you have questions about the Hedahl's ASE program, call Dick Hedahl at Headquarters or talk to your manager.

Don't top off your tank

Don Gross, the manager at Nemac, told me a story about an experience he had recently, and I thought it was worth sharing with you.

Don has a fairly new Dodge Intrepid. When he first got it, he was getting around 30mpg on the highway. After several months the gas mileage dropped significantly. Don took it to the local Chrysler dealership and had it tuned up, but the gas mileage didn't improve.

He talked to one of the technicians about it, and here's what he learned. The technician told him that one of the most common causes of bad gas mileage today is a full or flooded fuel vapor canister. The fuel vapor canister is designed to do just as its name implies. It catches and stores fuel vapors in the fuel system and allows them to be burned later, which allows for better fuel efficiency.

The technician asked Don if he topped off his gas tank after the gas pump fill nozzle kicked off. Don said, yes, he did. The technician told Don it was a good idea not to top off the tank because there is a line running from the fuel vapor canister to the filler neck of the vehicle. Occasionally, when you top off a tank, it's possible that raw gas can overflow into the vapor canister.

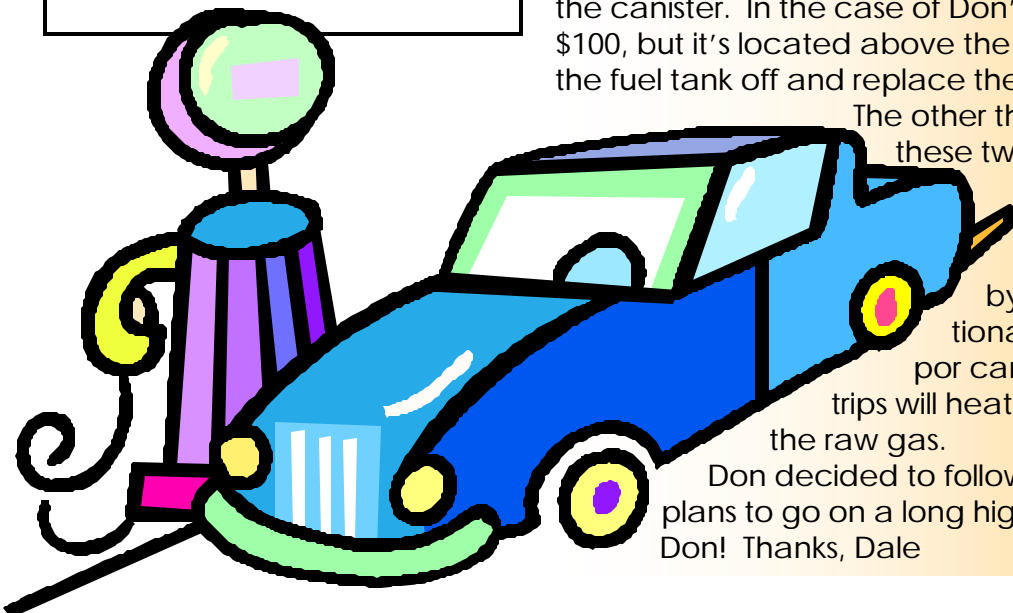
The technician also asked Don if he let his vehicle run when he filled it with gas. Don said that occasionally he did. The technician told Don that it's absolutely a must to turn off the vehicle when fueling it. If you don't, the fuel vapor canister, which is designed to suck in fuel vapors, will definitely draw in raw gas.

The technician explained that if the vapor canister contains too much raw gas, it will distort the readings it gives the computer causing the vehicle to run less efficiently.

Don asked him how to cure this problem and was told there were a couple of different things he could do. He could replace the canister. In the case of Don's car, the canister is only about \$100, but it's located above the fuel tank and the labor to take the fuel tank off and replace the canister is about \$300.

The other thing you can do is start using these two simple rules. Don't top off your car's gas tank and turn off the engine when you fuel up. The technician explained that by doing this you will keep additional raw gas from entering the vapor canister, and that long highway trips will heat the canister enough to dry out the raw gas.

Don decided to follow the two rules in the future and plans to go on a long highway trip real soon. Bye-Bye Don! Thanks, Dale





National Sales Meeting Inspires Line Changes

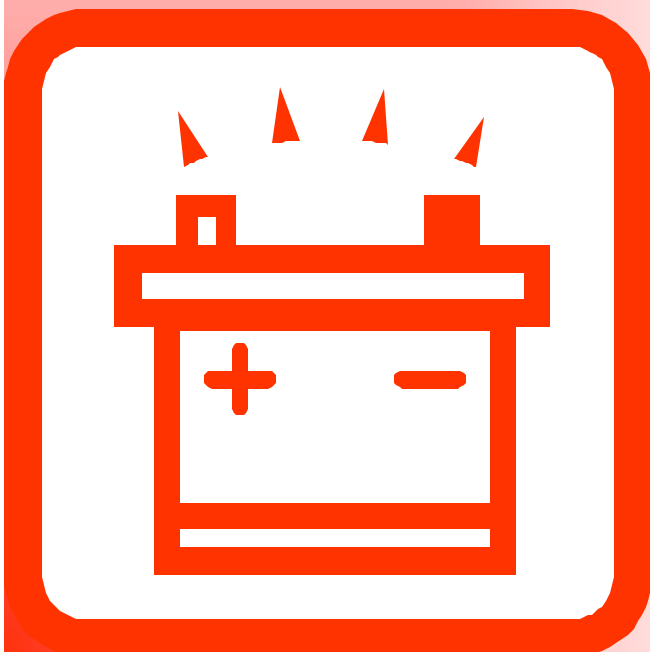
At our recent National Sales Meeting, we decided to make some product changes. The first was to make a running change from the M-series Praefke brake pads to S-series. This decision was made because the S-series pads are a superior product that isn't as hard on rotors as the old M-Series, and the S-series has more coverage than the M-series. This will be a running change, and then later this summer, Nevins Sales will come out and clean up any remaining M's.

Another decision we made was to change from Goodyear tensioners and timing belts to Gates. This decision was made because Gates has greater coverage in automotive tensioners and also has heavy-duty tensioners for trucks. Gates also offers a timing belt kit that consists of the timing belt, and any wear parts needed to do the job.

Watch for more details to follow on both these changes.

I'm sure by now everyone has heard that we're changing battery suppliers. Northern is one of the largest battery suppliers in the country, with things like a national warranty. They also offer nationally known

product names like Delphi and Day Starter. Northern also offers specialty batteries, for things like two way radios, rechargeable tools and even cell phones. In many of our smaller markets we will be the only people in town who offer these batteries. The prices and part numbers are loaded into the computer and the changeover starts Monday February 4th.
Thanks, Dale



Shock News

When selling Monroe Shocks, some of you may have already noticed that you might see an equivalent number at the bottom of your invoice screen. If you haven't noticed, take a look now. You will find when selling a shock, if you happen to be out of that particular number and there is an equivalent that is in your inventory, it will be listed at the bottom of your invoice screen. The equivalent number will only show up automatically if the number is out of stock. If at any time you want to see all equivalents for a particular number, then go to the P-1 screen. All equivalents for any number are listed there. Larry Bosch felt this would not only be a great selling tool, but also a time saver for the counterman. It makes the task simple to give an equivalent without having to take the time to go through the catalog. Larry put in all equivalent references between Monro-matic, Sensa-Track, Reflex and Magnum shocks. We hope this makes it easier for you and gives you another way for us to meet our customers' expectations.



Be a part of the solution

I am once again listing the 800 number to call to report an application issue to the PartExpert help line. Call any time you find an error or have a suggestion on our computer catalog system. The number is 800-682-4241. Our customer number at PartExpert is 334505, and we have an Ultimate system.

Finding those missing parts

Hopefully by the time you read this newsletter, this next problem will be fixed or close to being fixed. We get monthly updates from CCI/Triad to our PartExpert electronic catalog. On the January CD update, somehow they failed to include the Standard Ignition part of the catalog for the years 1981-1985. The problem will be fixed on the February update and that will be loaded onto our system the day we receive it.

No more MIS for AutoLine Carbs

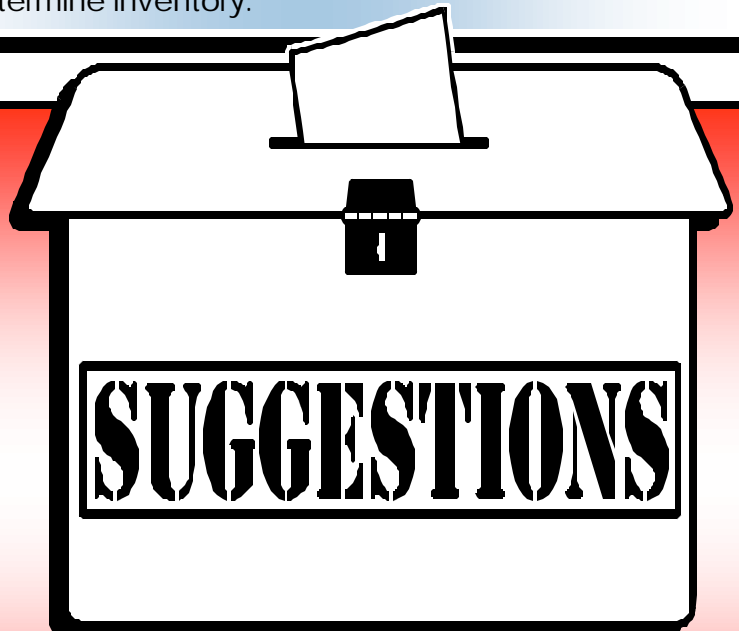
AutoLine carburetors are now all in the system under code AIC. Please do not use the MIS code when selling an AutoLine Carb. It will be much easier for you to use AIC since all part numbers are now in the computer, already priced and costed for your use. From time to time, we go through the MIS numbers and delete many of them. If you sell a carburetor and use the MIS code and that number is then deleted from the system, you no longer have a history on that sold part number. Then that data is no longer available for us to use to determine inventory.

This Idea is Worth Writing Down

This month's good idea comes from Mario Hansen of our Redfield store. Mario designed a form that includes spaces to record the information that is usually needed from a customer. When things are busy or the problem is unfamiliar, the form works as a useful prompt to get all the necessary information. It cuts down on the number of times he's needed to call a customer back. He

suggested that the form be distributed to all the stores and used, especially for phone-in customers. Congratulations, Mario, for your good idea and for winning the drawing for the \$100.

Please send your good ideas to Larry Lysengen or Dick Hedahl. If we implement the suggestion and you're picked in the drawing, you'll be awarded \$100.



Understanding Your Investments Even in Difficult Economic Times

By Dick Hedahl

Enron's recent financial collapse left many Enron employees without their retirement investment. This has caused some people to question the use of company stock in retirement plans. I think it's useful to clarify how our retirement plan at Hedahls differs from Enron's.

Hedahls has had a retirement plan since the late fifties. It has taken a number of forms over the years, but in the last 20 years or so a part of the plan has always had a component that included Hedahls company stock. Since 1986, the form of the plan has been that of an ESOP (Employee Stock Ownership Plan) with a 401(k) Plan. These are plans authorized by the U.S. government to allow companies to use the ownership of a piece of their company as an incentive both to help the employees save for their future and to help the company grow and prosper. The idea is that when the company profits, so do the employees.

In recent years, Hedahls has used company stock contribution as the company match portion of our retirement plan. When employees retire, the company buys back

their stock for the value at that time. None of your 401(k) money is invested in Hedahls corporate stock. For those who have been in the plan since before 1986 when we converted to an ESOP, some of your investment is in Hedahls corporate stock as well as American Funds. But none of the dollars you invested from your paycheck is in Hedahls stock.

One of the problems in the Enron situation is that some employees put all of their investment in Enron stock. The important point to remember here is that the plan we have at Hedahls is balanced, with your 401(k) money invested in your choice of a diverse portfolio of investments in the American Funds mutual funds and bonds funds. The rest of your retirement amount is made up of Hedahls stock, which will be bought back when you retire.

Asset Management Group is the company that serves as the investment advisor for our 401(k) plan. To give you a clearer understanding of the full retirement plan, I asked Jim Kasper of Asset Management Group, Inc. to explain how American Funds makes investment decisions. You'll find his article on the other side of this newsletter insert.

"I do the very best I know how —
the very best I can; and I mean to
keep on doing so until the end."

Abraham Lincoln



What Makes American Funds Different?

By Jim Kasper, Asset Management Group, Inc.

In light of the recent debacle with Enron Corporation and the resultant losses by the stockholders and employees who owned Enron stock, Dick Hedahl asked me to research whether American Funds either now or in the past, held any of Enron's stock or bonds. In visiting with American Funds, I learned that American Funds had totally liquidated their Enron holdings by mid-1999.

Why did American Funds choose to do this? The answer is in the investment research philosophy that American Funds has regarding how they purchase, hold, and sell stocks and bonds. Since 1931, their strategy has been "to buy stocks and bonds of well-managed companies at reasonable prices, and hold them for the long-term."

In order to do this, American Funds has maintained research offices all over the world. Their analysts regularly visit corporate locations and personally meet and interview corporate management and executives of these companies whose stocks they own and are considering purchasing. Last year alone, American Funds spent \$110 million on investment research, making about 10,000 research visits around the world.

During these visits in 1997, American Funds analysts detected a change in Enron's management philosophy and methods. They saw Enron moving to a highly leveraged position, taking on large debt to expand and purchase outside companies. The American Funds management felt this was not a wise decision and therefore began liquidating the small amount of Enron stocks and bonds they owned. By mid-1999, American Funds had totally liquidated all of its Enron holdings.

And now comes the news of K-Mart's bankruptcy. Again American Funds research

was on top of things, and all American Funds accounts were out of all K-Mart stocks by September 30, 2001.

Regarding bonds, one of our funds, The Bond Fund of America, held 0.16% of its assets in K-Mart bonds, 100% secured. This is as of June 30, 2001, the most recent date available. A bond fund that is "100% secured" means that hard assets have been pledged for the bonds for the full value of the bond. It is like the bank that holds the title to the car when someone borrows money. The bank takes the car if that person goes bankrupt. It has a first position on that loan.

The American Funds analyst that I visited with stated that the Enron and K-Mart situations are two totally different circumstances. Enron seems to be fraud and K-Mart looks like mismanagement. But for investors in American Funds, it's good to know that whatever the reason, the researchers spotted these as embattled companies and not worthy of our investment dollars.

It is because of these worldwide research capabilities and methods, combined with excellent analysts, that American Funds has such an admirable long-term record in management of its clients' investment dollars. As owners of American Funds through your 401(k) plan, you are the beneficiary of an investment and management philosophy that helps protect the investment and retirement dollars of millions of investors.

To learn more about how American Funds manages your dollars, please go to their website: www.americanfunds.com and click on "Learn More About Us." You will be taken directly to the pages that discuss in detail how American Funds does research and manages your money.