

H A P P Y H O L I D A Y S

2 0 1 2 F E S T I V E E D I T I O N

HOLIDAY GREETINGS FROM J. KOZEL & SON, INC.!

RETIREMENT PLANNING (AGAIN)

One of most important things that Ray and I learned from the former Kozel owners was their keen focus on employees' retirement. They were on the forefront of retirement planning over 40 years ago when the Kozel Profit Sharing plan was started. This was at a time when most people did not have any retirement contributions and was also before the advent of the 401(k) style plans.

Relying on social security for retirement is a huge mistake, especially with the enormous debt that the US government currently owes (over \$50,000 for every single person in the US, not counting the medicare or Obamacare liabilities). It is a mathematical certainty that social security will be a diminishing contribution source to my generation's retirement and considerably worse for future generations. It won't matter how much they tax the top "2%" of earners. They could tax them at 100% and it would not even come close to reducing the debt we all owe.

This is why it is so important for **everyone** to participate in J. Kozel & Son's 401(k) plan, especially the younger members of our company. Every dollar of contribution reduces the amount of income taxes you

owe and currently generates a 15% company match up to 6% of your pay. Every single financial planner will tell you that this is the first place to start with any retirement funding. Starting with a small amount each week will add up quickly even in a turbulent stock market. The Wall

Street Journal published an article where a sample employee who starts contributing at age 25 does much better than the employee who waits 10+ years and contributes twice the amount. This is the power of "compounding interest."



It is simple human nature to procrastinate, but someone who does not start 401(k) contributions early will be missing out on a better retirement.

Anybody who has any questions regarding any aspect of Kozel's retirement vehicles can ask myself, Leanne, or Ray. We also have many retirement planning resources on the employee side of our website, especially the NestUp application where an employee can also get confidential, individual, retirement coaching with no fees. We are here to help. As Nike says, just do it!

- Jeff Loeffler





TROJAN STEEL

Happy Holidays from all of us here at Trojan Steel. This year has been the best year ever for Trojan and I would like to take this opportunity to thank all of you for helping us reach this achievement.

Thanks to Ray and Jeff for always getting us what we need to help us grow and always having the time to answer any questions or concerns and showing me the way to make Trojan a success.

Thanks to Ray for making the countless trips with much needed material and having the patience to take the time to spend with Wendi and me to show us how to work to the best of our abilities. Ray has shown me a great deal since being at Trojan and his support is appreciated most of all.

Thanks to Kurt and everyone at Kozel Steel for always taking the time to make sure Trojan got what they needed when we needed it. Thanks to Kurt for all his help throughout the year, be it a quote on a job or a simple question. He is always there for Wendi and I to answer our questions and help us with whatever we need. Kurt is a big reason for our success and we really do appreciate everything he does for Trojan.

Thanks to Leanne for always taking the time to answer our questions and helping my employees and me with everything throughout the year.

Thanks to Randy and his crew at Tool Ranch for also always making sure Trojan got what we needed.

I would also like to thank my crew for all their effort throughout the year. This year would not be have been possible without all the hard work and effort put in by my crew each and everyday.

We here at Trojan also would like to take the time to thank Gary Brown for everything he does for Trojan during the year. Gary is always here for Trojan and we are always here for Gary and his crew. Not enough can be said about how much Gary helps Trojan. He is part of the Trojan family and always will be. Thanks Gary.

This year was not only the best year ever for Trojan it also was the hardest year ever. With our sales increasing by over 50% from last year this proved to be the most challenging year yet for us. However, with the help from all of you we proved that working together as one company makes that success inevitable.

Again, I would like to say thanks to all of you for all your help throughout the year. From all of us at Trojan Steel, Merry Christmas and Happy New Year.

Sincerely,

Marc Phelps

TOOL RANCH LANCASTER

The Tool Ranch Service Department has been very busy over the past year. Bill, John, and I have used our limited slow time to increase our repair abilities and to grow our resources for parts and information. This allows us to be more versatile and efficient. I believe our knowledge and experience helps us to educate our customer to make the right decisions regarding tool repairs and tool purchases. We are taking steps to increase our rental fleet, which we hope will be a larger part of our business in the future. Thank you to the Rochester Tool Ranch for helping us provide the best possible service to our customers in the Rochester area.

- Gabe Bauer





KOZEL STEEL

Cambridge Park Project for Gal-Son Development



This office building located off of South Winton Road is 34,000 square feet and is included in the top five largest buildings ever fabricated and erected by Kozel Steel. The erection crew included Glenn Brower, Trevor Coistek, Anthony DeMarco, Todd Kausch, Josh Loeffler, and Dustin Rauber. Many of the erection crew also helped fabricate along with Dan Dills, Wayne Gagnon, Pat Fuller, and Daniel Reed. This was absolutely a team effort and the job went perfectly thanks to a dedicated, hardworking crew.

Panera Bread Handrails for Benderson Development



The above handrails have beautified the Panera Bread in Amsterdam, NY. Kurt Sheflin claims that this job is, “One of the best handrail jobs ever completed by Kozel Steel.” The steel was fabricated by Wayne Gagnon followed by a powder coating. The powder coat melts onto the steel as it is heated creating weather proof protection stronger than paint. The rails were installed by Glenn Brower, Trevor Coistek, and Todd Kausch.

- Leanne Sisbarro

TOOL RANCH ONTARIO

Hi everyone,

I wanted to start by saying that I am very glad to be back and I am thrilled to rejoin the ranks on the "island of misfit toys".

As many of you know, the Tool Ranch is undergoing a pretty large transformation. This transformation includes leasing a new facility on Rt. 104 in Ontario, implementing a new accounting program, simplifying product lines and vendors, and hiring two new salesmen. The Tool Ranch finally has a proper store front that will be copied by Tool Ranch Buffalo in an attempt to make the two locations consistent. These changes will not only help Tool Ranch Ontario to grow, but will also help growth in all other branches. Here is a brief description of some of the transformations taking place:

- The new facility on Rt. 104 is a 4,000 sq. ft. building (with the option of another 1,500 sq. ft.). The outside of



the building boasts a new and very noticeable "Tool Ranch" sign that is easily seen from the road. The interior is outfitted with Tool Ranch themed slat boards, eaves, gondolas, and

shelving. It has two offices and a large front counter space. There will be an area where customers can come in to grab a free cup of coffee and check out literature on all of our product lines. The store is also equipped with another 1,500 sq. ft. of available space that may someday be utilized as our "Training and Demo Center".



- The new accounting system is a very impressive tool that will be utilized at all of J. Kozel & Son locations. Getting this new system ready to be put into operation has proven to be a daunting and tedious task. Ray has spent many late nights and endless hours getting this system ready to use. Despite some setbacks, "learning as we go", and with the help of salesmen and the newest hire Brittany Mitch, we are making good progress at getting the program up and running. This new program will allow all locations to be on one system. This means that account customers can purchase products from any location, inventory will be accessible to all locations, and the accounting will flow through one main system.

- We have consolidated some of our product lines and changed some of our vendors to simplify inventory and make it easier to keep consistency between both locations.
- Ray Benoit is the General Manager of the Ontario branch, while Randy Rzepka maintains his role as Regional Manager of all Tool Ranch locations and operations.
- Joe Procter will be the seasoned-veteran behind the front counter helping customers as they come into the showroom.



- The new salesforce in Ontario consists of Randy Freeman, Shane Dehn, and Phil "Aphilyate" Gavin.
- This motivated staff combined with an upgraded facility in Ontario, is now geared up to destroy Tool Ranch Buffalo in sales and expects to do just that.

If you are in the area and would like to stop by to see the new location, the address is 406 Rt. 104, Ontario (located right across the street from two large wind mills).

- Randy Freeman

