

CROMPCO

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Crompco on the Move

Investing in Sales and Marketing to Make our 2012 Goals

- by Bob Dee

With ambitious 2012 goals to work towards, Crompco will concentrate its efforts in various areas this year [see Tom Souls' story, right]. One such area is growing our customer base in our existing territories and in new geographies. So how do we do that?... Through strategic investments in sales and marketing in specific target markets where we know we can grow. While this way forward appears easy and clear, it's anything but. (continued, pg. 3)

UNLEASHING OUR POTENTIAL Crompco's 2009-2012 Business Strategy

-by Tom Souls

Since coming to Crompco this summer, I've witnessed how well our company has managed in the face of opportunity and challenges. We are just beginning to unleash our potential, and the opportunities for our company and our employees have never been more exciting. Because I believe that every employee contributes to Crompco's success, I want to share my vision for Crompco becoming the "Big Dog" in the compliance industry. How are we going to achieve these ambitious goals? Through our collective support of five key strategies:

Maintain our Base Business & Quality Reputation

There's no doubt about it: We are the leader on the East Coast because of our quality reputation. Our customers expect "Compliance without Compromise" in everything we do. We must maintain our hard earned market share and our commitment to quality. We will not cut corners and jeopardize a customer's site not being in full compliance. We became the best because of our quality and we intend on keeping this great reputation.

Grow the Company

Crompco's ambitious growth began this year by expanding to the Midwest and acquiring AAA Tank Testers in Atlanta [see Bob Dee's story, left]. Both markets are key to our future and we will actively seek to further expand in these regions. Also, we are piloting a new meter calibration service that began in January using new technology. To do all this, Bob Dee's role has changed to focus on growth and we are adding five new sales people.

Business Efficiency

By operating our business smarter, we can increase profitability by eliminating unnecessary costs. Recently, we rolled out a new travel service and an inventory of our parts and supplies. After only 3 months, we reduced our parts and supplies inventory by over \$300,000! We ordered 3 new trucks built on the Ford F350 chassis because we think a lighter truck is capable of providing the same quality service, but requires less investment, fuel and maintenance. We estimate that converting our fleet may save us over \$1 million per year in costs and \$1.5 million in investment. (continued, pg. 2)



Crompco Unleashed!

(Continued from pg. 1) In the current economy, being efficient is essential to business survival. These projects require us to change the way we do things. Change can be difficult to adjust to, but rest assured we are doing it for good reason. We need you to be open to new ideas, give them a try and become involved in trying to improve what we do.

Evolve Processes and Systems

Improving work processes and systems also requires change. A key 2009 objective is to reduce the cycle time to create invoices to customers. For every day we can reduce the cycle, we will generate \$100,000 of cash! This is largely dependent upon our field technicians supplying timely, complete and accurate information so we can bill our customers sooner.

A major change in 2009 will be introducing an employee incentive program. Rusty and I will be visiting the field in the first quarter to present the strategy and explain this program. The goal is for all employees to understand our strategic objectives, their personal goals, how

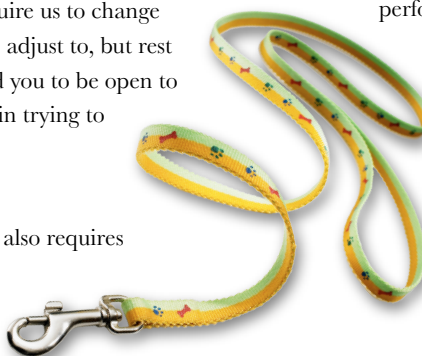
accountability will be measured and the rewards and consequences of performance. Soon, you will see a Scorecard system to keep everyone informed about our goals and performance. I strongly believe that everyone on our team needs to know where we're heading and how we are doing along the way.

Develop the Organization's Capability

As we grow, it's important that we train and develop people so that they have the necessary skills to successfully operate a bigger business. Like a business, people need to grow and develop if they want to continue being successful and valuable in the market.

The road ahead will have occasional bumps, but I hope that you keep an open mind so that we are all "part of the solution." It's critical that we take the time to see the opportunities to improve, and that we take the initiative to help change things for the better. I'm confident that we can and will be the *BIG DOG* in our industry by meeting our long-term goals. I hope you'll join me in unleashing our full potential.

- Tom Souls



Beefy's Brains Educate Yourself!!!

As the petroleum industry evolves and changes, service technicians, managers and leaders must also evolve and continually educate themselves to keep up to speed on the industry. We suggest these ways:

1. Maintain a competitive edge and stay one step ahead of the competition,
2. Retain the trust and loyalty of customers,
3. Demonstrate to the regulating community (the DEP, DEQ, etc.) full awareness and knowledge of the state-specific requirements.

It's no longer good enough to just be able to understand testing protocols and how to work your equipment. To be an exceptional technician you must also understand why you're doing what you're doing, you must understand where these protocols and procedures come from, and you must have some level of understanding where these directives are coming from that require us to do what we do. This means reading about the rules and regulations in the states where you are performing work, understanding the written test protocols and procedures,

reading newsletters, articles, emails and taking every opportunity to take in the enormous amount of information available to you.

No longer can customers be looking for a simple rubber stamp from their testing service provider. That is a sure fire way for them to get into hot water and receive significant Notice of Violations (NOVs). Service technicians that are visiting UST sites must have an inspector mentality when out on the job and look for deficiencies that the owner should be made aware of before a state inspector shows up with a penalty. If we can keep this in mind when we're onsite and we notify an owner of a problem before the agency becomes aware, we could earn and keep his business for a long time.

The Compliance Department is the foundation to understanding the who, what, where, when and why we perform the jobs scopes that we do. They must do their best at making informed and important decisions on interpretations of regulations and protocols and how to apply them to site-specific conditions. They also need to be the ones to educate the rest of the company on what is required and how to comply with the many complex regulations that vary from state to state. They must be able to back up their decisions with a combination of what is written in the rules (federal, state or local) and having written guidance from the state on how they interpret their own rules. This information should then be communicated to everyone within the organization, (cont'd. on pg. 6)

Crompco on the Move

(Cont'd. from pg. 1) The petroleum industry is constantly evolving, and to be successful *we* must change and evolve. Historically, we've served all segments of our industry (independents, jobbers and the major oil companies) mostly on the East Coast. Today, we understand that regional players will continue to play a bigger role in our industry, and in response we must flex our operating model and targets to meet these changes. As such, we'll concentrate more of our marketing and sales efforts on master retailers like Wawa (here on the East coast) and others like Casey's and Kum-&-Go in the Midwest, just to name a few.

Expanding Midwest and Gulf Coast

To ensure we meet our goal of owning at least 20% market share in every region we market in, we'll make every effort to grow our business organically on the East Coast and in new geographies for Crompco, such as the Midwest and Gulf Coast. We will also need to educate our customers and prospective customers by helping them understand the urgency and importance of compliance, and the consequences for a lack of adequate controls and testing. Finally, we'll continue to pilot new services to our customers.

Investing in a New Sales Structure

Crompco has made a significant investment in our future with the recent



acquisition of AAA Tank Testers, a testing company with impressive market share in the Southeast region. We have reshaped our sales department to ready our team for change. I will continue to lead the effort as EVP of Sales and Marketing and remain actively engaged in the larger accounts in the Northeast; Jeff Steel will handle national accounts in multiple regions, managing

“The petroleum industry is constantly evolving, and to be successful we must change and evolve.”

customers like 7-11, Circle K, Speedway and others; John Bracknell comes to us from AAA and will manage our expanded business in the Southeast; Peter Clifford will continue to manage sales in the Mid Atlantic region and Gina Yuille, also from AAA will provide much-needed inside sales support. We currently have an open sales position covering the Midwest and Gulf Coast.

Tools to Get us There

As a complement to our sales efforts, we'll also enhance our marketing efforts to ensure our reputation as a quality, expert service provider in our industry. We'll do this by redesigning and developing a functional, high-end, optimized website. The site is currently a work in progress but we expect big improvements to the customer interface/back office and to the external website. We've also made significant investments in public relations and advertising so that Crompco is seen as the go-to expert in our field. We'll continue to target customer-read trade publications like CSP Daily News and CSP Magazine, PEI Journal, SIGMA publications and additional regional and regulatory publications when advertising and pitching stories.

Rest assured that our efforts to grow the business are just beginning and that if we are to succeed, ALL of us must serve as “sales ambassadors” for our business. Feel free to refer a customer question or comment to me at anytime. My door is always open.

- Bob Dec

Massachusetts 3rd Party UST Inspection Requests Coming Fast & Furious!

As most of the New England field techs know, MA has developed their own Third Party UST inspection program. It is not quite

as rigorous and extensive as the MDE Third Party UST inspection program but it is similar. The inspection is a 16-page inspection that must be turned around and submitted within 14 days. Customer requests have been coming in regarding getting these inspections done.

Chuck Pedano, Steve Moore and Beefy traveled to MA on January 8th & 9th with Jim Howard from Hess to conduct the first of these inspections to get an idea of how long they will take and the process for getting all the required documentation, signatures and follow

up and still submitting the report to the state within the required 14 day timeframe.

New England techs that have gone to the MA Department of Fire Services training classes for inspectors – be prepared for Beefy and Francis to make a visit to you shortly to review specifications around doing these inspections. All sites in the state must be inspected by August 8, 2010, however the state is issuing “target dates” for inspections to be done prior, to avoid waiting until the last minute to try and schedule an inspection.

Compliance Corner

The beginning of 2009 marked the kick off of new compliance programs for our customers. The Compliance Department has identified testing requirements for our compliance managed customers based on a combination of information provided to us by various site visits, customer provided data, customer specific standards, regulatory requirements and the last compliance test date for specific equipment.

Field Techs: Please keep in mind that the scope of work you are provided on a work order for a compliance test may not always be correct. There are many factors that may lead to incorrect information, and we need everyone's help in ensuring we keep our eyes open for mistakes or omissions in data. The field is an integral part of ensuring site compliance. If you find discrepancies in information while performing testing, please report these issues back to the Account Manager or the appropriate Compliance Specialist and we'll take it from there.

I strongly encourage you to make that phone call so we make sure that our Compliance team can make the appropriate changes to our information and inform our customers of these changes when necessary. Not only will this minimize a second visit and downtime for the customer, it is more cost effective and profitable for Crompco to perform all testing in one visit.

A little tip... unknown steel components are the main reason for second visits.

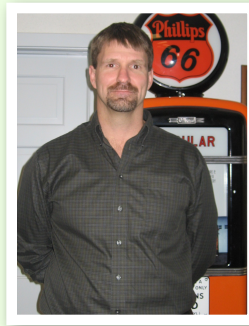
Please communicate your findings and help us obtain 100% compliance for our customers. Thanks!

- Sue Hickey

Great works are performed, not by strength, but by perseverance.

- Samuel Johnson

Meet the New Faces at Crompco

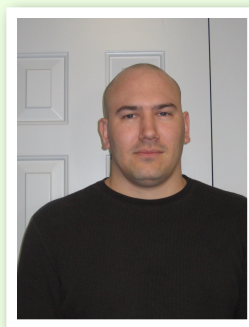


Jeff Boehmer, CFO

Jeff joined the Crompco team in September 2008 as Chief Financial Officer. Jeff is responsible for Crompco's finances including accounting, quality, IT, banking and insurance. Most recently, Jeff was the CFO at B-Tec Solutions in Croyden, PA and also spent 11 years as the CFO and president of Total Containment, Inc. in Oaks, PA. Jeff and his team will work on various process and system improvements in 2009, including inventory reduction and cost-control initiatives. Jeff maintains that "with a solid plan for the future, a foundation and reputation for providing the best quality service in our markets and now a strong leadership team in place, we are taking the company to the next level."

Alison Brunger, HR Manager

Alison joined Crompco on September 8, 2008 as Human Resources Manager. Alison is a true HR Generalist, handling all aspects of Human Resources from recruiting, to benefits, to compensation and everything in between. Alison joined Crompco from the Starbucks Coffee Company. Prior to Starbucks, Alison worked for ARAMARK. Alison joined Crompco because she saw a unique opportunity to make an impact at a small but successful company. She is "excited about what lies ahead for Crompco over the next few years."



Josh Magalich, IT Manager

Josh joined the Crompco team on December 8, 2008 as IT Manager. Josh is responsible for enhancing and creating software for the company where needed, managing all code and databases within Crompco, as well as managing all new and existing hardware company-wide. Prior to joining Crompco, Josh was the Senior Software Engineer/Manager for Payquik. Josh chose Crompco because he "prefers the small to medium, private company environment" and sees a lot of opportunity at Crompco to "help enhance the IT infrastructure that is already in place." Josh is currently in the process of creating the versioning control of Crompco's computer code.

ATTAINING GOALS...STEP BY STEP*

Set Reasonable goals

Most people set goals that are too high or so out of their reach that it's hard to accomplish and initial failure is hard to overcome. Set your goals so they are reachable in a given period of time. Consider taking a larger goal and breaking it down into smaller goals that you accomplish in given period of time. Smaller goals are often achieved more reasonably and more effectively. Break down those larger goals into small attainable steps.

Believe You Can Do It

The power of a positive attitude is highly underrated. When you believe you can do something, or it seems attainable, the goal is often achieved. Even when a goal takes several tries, a positive attitude can get you there. Believe in your abilities to set yourself up for success and consider finding a mentor to support you. He/she can also serve as a coach to help you attain your goals.

Set Goals Consistent With Your Personal Mantra

Have you ever set goals for yourself that were really someone else's goals for you? Many of us have been in that position. That's not an easy place to be. In fact, it can be detrimental to self-growth. Define your personal mantra and

values and then design your destiny around them. Ask the question, "How will my personal values be enhanced by the goals I choose?"

Consider Financial and Career Goals Carefully

Are you on the right career track? Do you need to reach a new level within your career? Have your financial needs changed, creating a need to reevaluate your career choice? What would people say are your strengths? These are all questions that those of us in business need to ask ourselves as our views on our lives begin to change. For many men and women, our career satisfaction takes a shift and we stay with what we know out of comfort. We also need to envision where our lives are going.

Remember your Physical and Health Goals

Do you maintain good health? Are you physically well? Do you have a goal of losing weight? Do you need to set goals for more exercise? Are you making good food choices to maintain a healthy body and mind? Our physical well-being is something we take care of today, not tomorrow. In our retirement age, we will pay for how we treat our bodies today. Set reasonable physical and health goals...when you get right down to it, what could be more important?

*Excerpts from Ronald Sheppard: *Attaining Goals in Simple Steps*



Welcome Former AAA Employees!:

Gene Anderson
Rich Blalock
John Bracknell
Jeff Craig
Scotty Knight
Scott Long
Gina Yuille

Crompco in the News

Ed Kubinsky's article on UST Regulatory changes was published in the Q4 issue of PEI Journal.

Chuck Pedano was featured as a guest writer in the August issue of CSP Magazine. The article entitled "Are your Tanks Cleaned?" is currently being used as reprint by our Sales office.

News of Crompco's acquisition of AAA Tank Testers was published in the Tulsa Letter, in PEI Journal's online newsletter on October 21, 2008, and also in CSP Daily News on October 15, 2008.

Tom Souls joined Crompco in June 2008, and in July the Philadelphia Business Journal published two consecutive announcements of the appointment, as did the Tulsa Letter (from the PEI Journal).

Shell's STARZ e-newsletter published Crompco's "Buying a Service Station?" article. Look for the same story in the February issue of CSP Independent.



Congratulations!

Many of our employees celebrated service anniversaries in 2008:

5 Years:

Mike Ford, Donna Lista, Keith Mayer, Ryan Park, Holly Powell, Adam Sikora

10 Years:

John Cafferky, Pat Mozi

15 Years:

Tony Hughes, Ed Kubinsky, Vic Santino

20 Years:

Mark Bellamy

New Positions:

Matt Miller moved from the QA/QC group and has taken on the new role of Dispatch & Scheduling Coordinator

Recent Exams Passed:

Dan Renaud & Matt Gagne (New England), Aaron Koehler (Allentown) & Michael Ford (MD/VA) passed the NACE CP Level 1 course in Houston, TX

Mike Diguglielmo (Plymouth Meeting), Dave Kutish (Allentown), Ryan Felker (Allentown), Josh Christisen (Allentown), Tim Neely (Plymouth Meeting), Arisandy Gomez (NY/PA) and Carl Mercado (NJ) passed the PA DEP UTT (tank & line testing) exam.

Tim Neely & Ray Yoder (Plymouth Meeting) passed the PA DEP UMX (installer) exam

Keith Mayer (W. PA) passed the PA DEP IUM (inspector) exam.

Dan Renaud, Joe Loughrey and Brett Vignali (New England) passed the ME DEP UST inspector exam

Carl Mercado (NJ) and Chris Quarella (New England) passed the International Code Council California UST service technician exam

Billy Umphrey – passed the Kansas tester exam

Ray Bailey – passed the Utah tester exam

Dwain Francis – passed the Suffolk County line testing exam



BEEFY'S BRAINS

(Cont'd. from pg. 2) from sales and marketing to the account managers, QA/QC and field technicians.

Account managers need to be aware of rules, regulations, test protocols and procedures to speak knowledgeably to customers, field techs, regulatory persons and industry contacts and to guide all of the appropriate people to do the right thing.

These individuals are chosen for their communication skills and professional demeanor in dealing with all people and need to maintain a high level of understanding of what's happening all around.

The Quality Control/Quality Assurance folks are the "goalkeepers" who don't let any mistakes get past them and out to the customers or agencies. Let's face it, we all make mistakes and we need a set of eyes on all of our reports and billing to make sure these mistakes do not slip through the cracks. These individuals need to be knowledgeable about the rules, regulations, protocols and procedures wherever Crompco does business, and these guys play an important role in educating our field techs about what they need to know.

When a mistake occurs and is communicated to the field, DON'T take it personally!

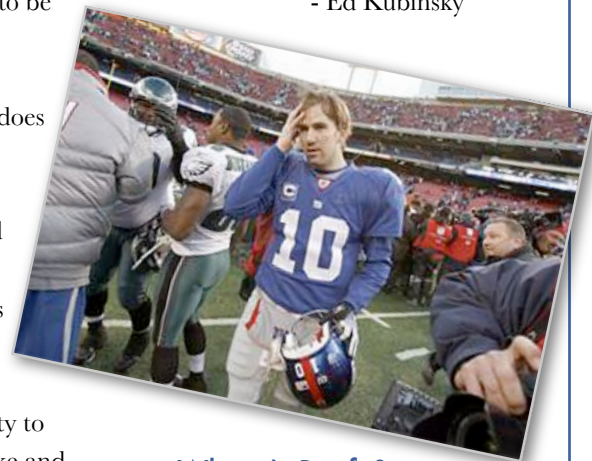
Instead, treat it as an opportunity to learn and understand the mistake and become a better tech because of it.

These guys maintain a high standard for the reports that are generated by our system. Remember, these reports are viewed and scrutinized by many people (most importantly customers and regulatory agencies) once the report leaves this office, so it needs to be accurate.

Field techs need to be able to clearly communicate to many people as well - including their respective account managers - about the problems they're facing in the field and any state witnesses or agencies that may be onsite to investigate a problem. They also need to be able to clearly communicate the problems they're finding in the field to the station owners and managers so that they understand what's going on at their sites.

We all have a role to play here and everyone's job is important. The more we know and understand about this industry, the better off our company and our customers will be in the long run.

- Ed Kubinsky



Where's Beefy?

Can you find Ed in this photo?!

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