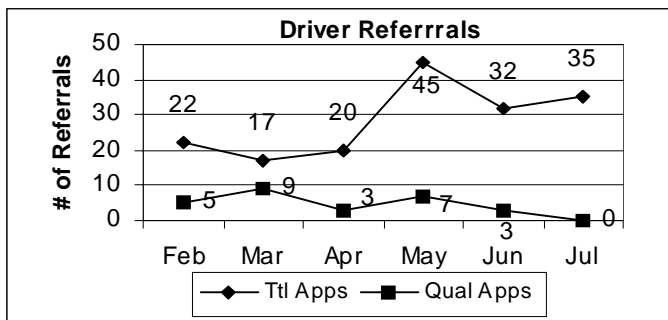
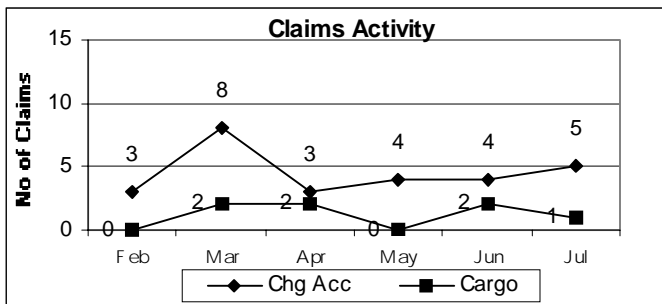
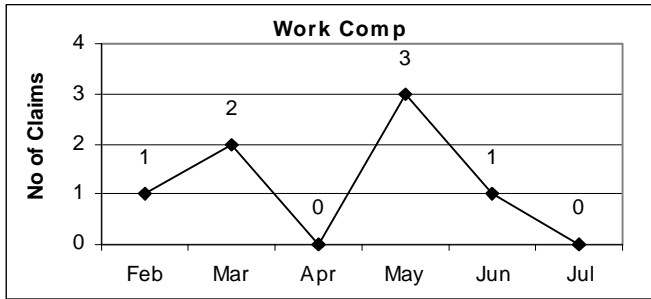




TANDEM EXPRESS

Your Monthly Update on Matters that Matter

Monthly Stats



Driver Referral Payout for JULY was \$2,475! The year-to-date total is \$19,199!

Operations (for July)

| | | | |
|----------------------|-------|----------------|--------|
| # Active Drvrs (All) | 255 | Fuel MPG (Co.) | 6.66 |
| No. Loads | 5,665 | Fuel CPG (Co.) | \$1.39 |
| Miles(x1000-Rand) | 2,311 | Fuel CPM (Co.) | \$0.21 |

Tenure Recognition

Thank you all for choosing to be part of the Tandem Team! The following loyal and dedicated employees have reached another year of service in **August**.

| | NAME | YOS | POSITION |
|----|--------------------|-----|---------------------|
| 1 | Dale Mayhew | 16 | Professional Driver |
| 2 | Bob Ekema | 16 | Mgr. Driver Res |
| 3 | Roger Johnson | 12 | Professional Driver |
| 4 | John Pawlicke | 11 | Maintenance Tech |
| 5 | Bruce Holmquist | 11 | Maintenance Tech |
| 6 | Tom Hyer | 10 | Maintenance Tech |
| 7 | Robert MacDonald | 9 | Professional Driver |
| 8 | Steven Seilheimer | 6 | Professional Driver |
| 9 | John Beard | 6 | Professional Driver |
| 10 | Charles Haynes | 5 | Professional Driver |
| 11 | Mark Bahar | 5 | Professional Driver |
| 12 | Lloyd Beal | 5 | Professional Driver |
| 13 | Arlyn Vos | 5 | Independent Cont. |
| 14 | Larry Vos | 5 | Professional Driver |
| 15 | Howard Letcher | 5 | Independent Cont. |
| 16 | Leonard Byington | 5 | Independent Cont. |
| 17 | Ken Shaw | 5 | Independent Cont. |
| 18 | Denise Smither | 5 | Dispatch (VZ) |
| 19 | Todd Van Zuiden | 5 | Regional Mgr (VZ) |
| 20 | Willard Van Zuiden | 5 | Terminal Mgr (VZ) |
| 21 | Leonard Poling | 3 | Professional Driver |
| 22 | Roman Idkowiak | 3 | Professional Driver |
| 23 | James Lozon | 3 | Professional Driver |
| 24 | Ed Uebinger | 3 | Professional Driver |
| 26 | Robert Davis | 2 | Professional Driver |
| 27 | Mark Helsel | 2 | Professional Driver |
| 28 | Ken Simpson | 2 | Professional Driver |
| 29 | Donald Kolka | 2 | Professional Driver |
| 30 | Jamie Arthur | 2 | Traffic (Col) |
| 31 | John Kowalski | 1 | Professional Driver |
| 32 | Roger Peters | 1 | Professional Driver |
| 33 | Steven Dickhausen | 1 | Professional Driver |
| 34 | Brian White | 1 | Professional Driver |
| 35 | Ron Reeves | 1 | Professional Driver |
| 36 | Michael Dinatale | 1 | Professional Driver |
| 37 | Henry Leja, Sr. | 1 | Professional Driver |
| 38 | Michael Serens | 1 | Professional Driver |
| 39 | Matt Starkweather | 1 | Professional Driver |
| 40 | Robert Forbes | 1 | Professional Driver |
| 41 | Kevin Kram | 1 | Professional Driver |
| 43 | Lane Brian | 1 | Professional Driver |
| 45 | Matt Woloszyk | 1 | Professional Driver |

Congratulations and thank you for your support!

Safety Update – Our Mod Factor Finally Declines

The positive trend continues. Work Comp claims for July came in with a “0”! Congratulations team for being safe.

We are pleased with the improvement achieved over the past policy year regarding our work comp claims and the Mod Factor Rating. Although still above an acceptable level for the long term our new rating of 1.96 as to the previous rating of 2.53 is a clear indication that our stronger focus on safety has produced very positive results. Our goal is to reach 1.0, which means our claims experience would be equal to the industry average. Ultimately we want to achieve numbers below the average, which will indicate we are better than the industry norm.

Our work comp costs are like a continuing nightmare. We are now paying for our past mistakes. ***Our premium and claims for the last the 9-month period of Oct 1 through June 30 totaled \$510,000.*** This is slightly higher than last year. However, the good news is that our claims have been going down which will later reflect in lower premiums. So please, keep up the SAFE work.

Most of our work comp claims are slips, falls, and back injuries. Therefore, drivers need to continue watching the basics. Our securement methods are top notch and prevent our cargo from slipping. However, we need to secure our bodies a bit better. SO BE AWARE AT ALL TIMES!

Cargo damage was limited with only 2 claims. Chargeable Accidents, however, were not so promising and reached a high of “5” claims. All of these claims were due to negligence and simply not paying attention.

Health Insurance Costs Are On the Rise

Although our Work Comp, Cargo, and PLPD appear to be improving overall, our health care costs are becoming a much more serious concern. Two years ago Tandem implemented a major improvement to our health care benefits. Our program with Blue Cross Blue Shield of Michigan (BCBSM) was modified to allow for both Traditional and PPO programs. We also introduced a prescription card. The new program was simplified and offered an easier and less confusing way to manage claims.

The changes appear to have been a success and only a few problems were experienced after the program was introduced. Most of them were due to the changeover rather than the program coverage.

However, in the 9-month period of October 1 through June 30, our total health care costs reached an all time high of just under 1 million dollars! This is a 42% increase in cost from last year for the same time period.

We are currently in the review stage of our health care benefits and will keep you all posted as information is available. In the meantime, think and act healthy!

Welcome Back to our National Guards!

Tandem currently has four (4) Professional Drivers on a military leave of absence with the National Guard - Scott Witmer, Eddie Higgins, Don Kolka, and Chris Schaller. Scott was put on active duty January 16th, Eddie May 1, Don, July 2, and Chris, July 22.

A special recognition is in order for Scott Witmer who was the first of our Professional Drivers to be called on duty this year and the first to return. Scott, was one of the many brave souls to defend our country during the war on Iraq. He ran munitions between Kuwait and Baghdad keeping our soldiers armed and with ammunition. He recently told Bob Ekema that it was quite a rewarding and educational experience.

Scott's son, Cpl. Justin Witmer, is 22 and also on active military duty. Scott was able to meet up with his son just four days before Justin left. Scott stayed on a while longer and returned home the beginning of August. He will be released the 22nd of this month. We hope to see him back in our “flag waving” trucks Monday August 25th – just in time for **Driver Appreciation Week (24th-30th)**.

Thank you Scott, Justin, Eddie, Don, and all the loyal and dedicated service men and woman who are sacrificing their lives to Keep America Safe!

Record Loads and Record Sales in July

Although insurance costs continue to rise, so are our sales. ***We shipped a record 5,665 loads and record revenue of \$3,336,776 in July. This beat last year's record of 5,653 loads and \$3,280,353 in October.***

Like most of the trucking industry, Tandem has suffered from the high cost of insurance and fuel. The first 6 months of our fiscal year saw a negative net profit. However, the 3rd quarter saw us peek into the black and we are hoping this last quarter does even better. It has been a tough road this year, but our team has taken positive action to meet these challenges. Keep up the good work!

Truckers Holiday Weekend – Labor Day

Remember - Jeff “Driller” Van Bonn’s “Truckers Holiday Weekend” in Blanchard, MI and Charles “Wizard” Haynes Southern Barbecue Ider, AL. The Van Bonn's and the Hayne's are true examples of what make Tandem a FAMILY. So take your spouse and your kids and visit Michigan or Alabama! (Call Mich City for ??s)

Thought for the Month

***SUCCESS is getting what you want...
HAPPINESS is wanting what you get.***