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The North Dakota Motor Carriers Association has been publishing the Rolling Along magazine since 1948. Each issue provides members with information concerning their association and the issues impacting the trucking industry.



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MESSAGE FROM THE **PRESIDENT**

Summer is fading fast for us once again! I know we should not be surprised but always seem to be as it winds down.

We have had some fun and exciting events this summer to look back on. We were able to hold our Truck Driving Championship in Fargo this year. The Championships are a great incentive for professional truck drivers to operate safely, they must be accident-free for at least one year prior to the competition. Many of these drivers have millions of accident-free driving miles to their credit. Thank you to all the hard-working volunteers and sponsors for organizing and executing this great event. You can see some of the pictures and fun that was had in this issue.



ERIC GROVE

Congratulations to all the winners and participants, we will be rooting you on as you make your way to the National Competition in August. We hope to continue to see the TDC event grow and recognize our talented hard-working men and women who keep our country moving each and every day.

As fall starts to make its appearance, we can look forward to our 77th North Dakota Motor Carriers Association Annual Convention. This is to be held in Fargo this year at the Delta by Marriott September 13-14th. Please don't hold off on getting registered and your rooms booked, we will be competing for space with Big Iron Farm Show this year. All the details for the event can be found on page 4.

The convention this year has some great speakers and fun events planned. ATA Second VP Andrew Boyle will be delivering a message and update from ATA. Jeff Butler will speak about "Building an Effective Multigenerational Workplace". The annual golf tournament to support our foundation will be held at The Meadow's to kick off the convention. Fun night will bring back Casino Night from years past. We have a lot of action in the two-day event.

I look forward to seeing everyone there!

Sincerely

Eric Grove



CONTRIBUTE TO TRUCKPAC ND

We need your support to keep up the fight and ensure North Dakota remains a trucking-friendly state! TruckPAC North Dakota supports elected officials that are key in helping fight off regulations that negatively impact our industry, bottom line, and safety ratings.

https://shopndmca.org/truckpac-north-dakota/



Proposed 2022 NDMCA Foundation Bylaw Changes

As required by Article XIII of the NDMCA Foundation Bylaws, proposed amendments must be approved by two-thirds vote of the NDMCA Board of Directors at the annual meeting, provided notice of the substance of the proposed amendments is provided to the membership no less than 30 days prior to the meeting. If you have questions about the proposed amendments contact Kacey Heidrich at 701-223-2700.

Substance of Amendment

1. Change the term of Foundation Officers from three to one year. Election of officers on an annual basis would allow for a better transition among incoming and outgoing trustees from year to year, and a shortened commitment as an officer.

CONVENTION INFORMATION & SCHEDULE

2022 NDMCA ANNUAL CONVENTION

September 13-14, 2022 • Fargo, ND • Delta by Marriott

Tuesday, September 13, 2022

NDMCA Foundation Scholarship Golf Tournament
The Meadows Golf Course, Moorhead, MN

10:00 am Golf Arrival and Registration *Sponsored by*:

RDO Truck Centers, The Meadows, Moorhead

11:00 am Foundation Golf Tournament
3:30 pm – 5:00 pm Vendor Set-Up – Delta by Marriott

NDMCA Annual Convention

5:00 pm Convention Registration Begins *Sponsored by: Penske*

5:30 pm – 6:00 pm Vendor Networking

6:00 pm – 9:00 pm Casino Night *Sponsored by: Interstate Powersystems*,

UPS, Midwest Motor Express, Insure Forward

Social Sponsored by: Fargo Freightliner Forks Freightliner, IState Truck Center,

Westlie Truck Center

8:30 pm Fun Night Dessert *Sponsored by:*

Allstate Peterbuilt Group

9:00pm Foundation Golf Tournament Awards

SAFETY AWARDS BANQUET

Each year the North Dakota Motor Carriers Association gathers at our annual convention to give special recognition to industry professionals who go above and beyond and show an unwavering commitment to safety. Awards for Fleet Safety, Service Technician of the Year, Safety Professional of the Year, Trooper of the Year and Driver of the Year will be given in 2022 in recognition for achievements in the previous year.

REGISTRATION INFORMATION:

Register Online at www.ndmca.org Registration Deadline – 9-2-2022

- ► Early Bird registration before August 16th. (Excludes Golf) \$200.00
- Member Registration (Excludes Golf) \$225.00
- ► Wednesday Only \$150.00
- ► Banquet Ticket \$100.00
- ► Fun Night Ticket \$100.00
- ▶ Golf Individual \$80.00
- ► Golf Team \$320.00
- ► Fun Night Dinner Sponsor \$350.00
- ► NDMCA Foundation Golf Hole Sponsor \$200.00
- ► NDMCA Foundation Golf Lunch Sponsor \$350.00
- ► Convention Supporting Sponsor \$500.00
- ► Additional Sponsor Opportunities Online

Registrations are transferable.

LODGING INFORMATION

The North Dakota Motor Carriers Association has secured a room block at the Delta by Marriott for \$119 per night until August 12th. Reservations can be made by calling 701-277-9000.

Wednesday, September 14, 2022

7:00 am Leadership Breakfast **Sponsored by**

Johnsen Trailer Sales and UPS

7:55 am Opening Remarks

8:00 am Keynote Speaker: **Jeff Butler** to present:

Generational Workplace Expert, Building an

Effective Multigenerational Workplace

9:30 am Industry Segment Meetings

Allied: Kelly Krapu, Chair
LTL: Eric Bischke, Chair
Private: Russ Wahl, Chair
Specialized: Jeff Jacobson, Chair

- Truckload: **Tracy Buzick**, Chair

10:15 am – 10:45 am Vendor Networking Break

Sponsored by Pro Transport and Leasing, EW Wylie, TMI Transport, Magnum Companies

10:45 am Educational Breakout Session

12:00 pm Member Lunch with Keynote Speaker

Andrew Boyle, Boyle Transportation, ATA Second Vice President *Sponsored by*

Wallwork Truck Centers

2:00 pm Educational Breakout Session
3:00 pm Vendor Networking Break

Sponsored by Pro Transport and Leasing, EW Wylie, TMI Transport, Magnum Companies

3:30 pm Annual Board Meeting and

Annual Foundation Meeting

Last Chance Vendor Networking

6:00 pm Awards Banquet Social *Sponsored by*

Nelson International

7:00 pm Annual Safety Awards Banquet *Sponsored by*

Great West Casualty Company, Dixon Insurance and Interstate Truck Licensing, Butler Machinery, Vaaler Insurance, Cummins Sales and Service, Bison Transport USA, Midwest Motor Express

PLATINUM SPONSORS:



5:00 pm



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CONVENTION SPEAKERS



JEFF BUTLER

Jeff Butler is an author and workplace strategist who explores human behavior within the working world. His experience spans over 40 industries on 4 continents on how different cultures and employees interact with each other. He studies common threads of behavior in industries such as IT professionals, underground

utility workers, police officers to clothing retail chains. In addition, companies like Google, Amazon, John Deere, and Coldwell Banker.

As a researcher and practitioner, he also runs a consulting company and a tech company, TrinityFix, where he is able to test his ideas in different workplace environments. His ideas have made it to TEDx twice, appeared in dozens of media outlets, including two books on human behavior: *The Authentic Workplace* and *The Key To The New You*. Currently, he lives in Dallas, Texas, as an out-of-place Californian.



ANDREW BOYLE

Andrew Boyle is Co-President of Boyle Transportation, a specialized trucking firm that provides exceptional quality, safety, and security to select clients in defense and life sciences. Prior to returning to the company in 2003, Andrew was an investment banker with J.P. Morgan.

Andrew is currently serving as Second Vice Chairman of the American Trucking Associations, the largest national trade association for the trucking industry. Through a federation of 50 affiliated state trucking associations and industry-related conferences and councils, ATA is the voice of the industry America depends on most to move our nation's freight.

Andrew is a board member of the American Transportation Research Institute (ATRI). He is Past Chairman of the Trucking Association of Massachusetts and is a member of Northwestern University Transportation Center's business advisory committee. He's also a trustee of Eastern Bank and serves on boards and committees of several non-profit organizations including House of Hope and The Hole in the Wall Gang Camp. Andrew earned his MBA from Northwestern University's Kellogg School of Management and an AB from Bowdoin College.

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Cummins Sales and Service
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Nelson International
Allstate Peterbilt Group
Fargo Freightliner
Forks Freightliner
IState Truck Center
North American Trailer
Magnum Companies
OK Tire Inc.
RDO Truck Centers



NDMCA SCHOLARHIP WINNERS



My name is Caden Oistad, I graduated for Moorhead High School in May of 2022 at 17 years old. I plan to attend North Dakota State University this fall to major in Construction Management and minor in Finance. I have dreamt about owning or managing a road construction company since I was a kid and have a strong interest in the field of Finance.

I am also looking forward to playing hockey on the NDSU hockey team.

I became involved in sports at a young age. I have been playing hockey for 14 years and lacrosse for 5 and both have shown me the importance of hard work and teamwork and how you must work together with your peers to be successful. I have now been working at Menards for a little over a year. It has shown me the importance of teamwork in business, as it takes the whole team's hard work for the store to be successful.

My mom works at Noridian Healthcare Solutions as a Quality Review Analyst. My dad is a Parts Inventory Control Analyst and Second Level Dealer Sales Manager for Butler Machinery and has been involved with the North Dakota Motor Carriers for many years. I'm honored and thankful to have been chosen as the recipient for this year's North Dakota Motor Carriers Scholarship.



My name is Ethan Grove and I am currently registered at North Dakota State College of Science for an associate degree in HVAC/R technologies.

I am a very hands-on person and enjoy working on my truck. One of my most recent achievements was when I attended the state competition for Skills USA, and placed 5th in my division. Alongside my father; a longstanding member of the NDMCA, I spend many nights in the shop at our house working on projects, vehicles, and growing my passion for hands-on experience. I hope to persue a fruitful career In the HVAC industry after my post-secondary education.

I want to thank the NDMCA for selecting me to recieve this scholarship.



My name is Mckenzie Swisher. I graduated from Dickinson High School in May of 2022.

This upcoming fall I will be attending MState Community and Technical where I will be going for dental hygiene.

Growing up, I had always wanted to do something in the medical field but was always so unsure of what. And that was until my junior year in 2021 where my school offered a new 2-year program to become a qualified dental assistant. Throughout those 2 years, I was in a dental office getting all of my 650 hours needed and doing charity work such as sealant programs at schools for children. It made me grow a love for dental care that I never knew I had. I am now a dental assistant right out of high school and I couldn't be more gratful.

I want to thank the North Dakota Motor Carrier association for providing me with this scholarship.



My name is Sharene Adams. I am working on my second career. I am attending Cankdeska Community College in Fort Totten, ND. I have completed my CDL certification and will soon have my CDL license.

My first career lasted 20 years. I was in law enforcement as a police dispatcher. I left the profession because I felt that I had fulfilled my obligation to my community and decided to begin another career. I was looking for something that would take me out of the office and into the world.

While moving to New Mexico during the covid lockdowns in 2020 I noticed on my drive to North Dakota that the only people out on the roads were truck drivers. I saw them as the true hero's at the time. After a while I decided that trucking fit what I wanted as a career. I could be a truck driver and help others and I could experience more of the country.

Thank you all so much for granting me a scholarship. I will represent motor carriers from North Dakota proudly.

WSI DECLARES 50% DIVIDEND FOR 2022-23 POLICY YEAR

During the June 2022 WSI Board meeting, the Board of Directors made a recommendation to issue a 50% premium dividend credit to policyholders.

The dividend credit will be applied against policyholders renewing during the FY 2022-23 policy year, who are in good standing with the agency and are not minimum premium accounts. The credit will reflect 50% of the prior year's premium, less safety discounts, ensuring no account total is less than \$250 after the dividend credit is applied.

Favorable investment returns have resulted in the fund exceeding statutory surplus requirements. When surplus requirements are exceeded, dividends are required. Including this recent dividend, total WSI dividends issued in 17 out of the last 18 years, amount to approximately \$1.7 billion. This includes the estimated \$85 million dividend for the 2022-23 policy year.



2022 UPCOMING EVENTS						
AUG 3	Driving Skills for Life Bismarck, ND		SEPT 13	77th NDMCA Annual Convention Delta by Marriott, Fargo, ND		
AUG 16	National Truck Driving Championships Indianapolis, IN		OCT 5	Annual Vehicle Inspectoin Webinar Virtual		
SEPT 12	Truck Driver Appreciation Week		OCT 18	DOT Compliance Delta by Marriott, Fargo, ND		
SEPT 13	NDMCA Scholarship Golf Tournament The Meadows, Moorhead, MN		OCT 25	DOT Compliance Virtual		

For additional details and to register visit www.ndmca.org

CONVENTION PHOTOS





North Dakota's top truck drivers met at the Red River Valley Fairgrounds in Fargo on June 4 for the North Dakota Truck Driving Championship (TDC) hosted by the North Dakota Motor Carriers Association (NDMCA). This year marks the first time the competition has occurred since 2019 due to COVID.

The Chairman of the NDMCA Championship event and board member, Clint Larby, says it was a beautiful day for the event, and it was great to see the event resume after missing several years. He noted that the location changed this year, allowing the event to grow at the fairgrounds. When speaking about returning after several years, Larby said that this year's championships were marked by "a lot of excitement to be back and a lot of new faces in addition to return competitors." Larby noticed that while the event was a bit smaller this year, it had an overall tone of positivity.

A new feature of this year's TDC was the Safety Expo, which was added as a way to allow families to participate more during the event. The Safety Expo included a number of different demonstrations, including a peer driving simulation that allowed anyone to experience what it feels like to drive a truck. In addition to including families more, the Safety Expo also highlights how important safety is to NDMCA and the truck driving industry as a whole.

This year's event drew 36 competitors, 14 of whom were competing for the first time. TDC competitors are made up of the winners in eight classes of competition from drivers who either are from North Dakota or work for a company in ND. During the TDC competition, each driver has a chance to demonstrate their driving and inspection skills, knowledge, and professionalism through a series of tests. The drivers undergo a written examination, a pre-trip inspection test, and finally, the most visible – a driving skills test. A perfect score in all three categories earns the competitor 500 points. These annual competitions inspire drivers to operate accident-free for the right to compete.

The driving course was made up of six driving problems: a right turn measured a the front steering tire, a front stop, diminishing cones, a rear stop, a right turn measured at the rear tire, and a scale stop measured at the rear-drive axle.

With the highest score across the three categories, FedEx driver Tyler Tollefson took home the title of TDC Grand Champion while also managing to snag the title of Rookie of the Year. Tollefson's overall score for the event was 365 out of 500, an impressive score for a first-time entrant to the competition.

Tollefson has been driving for FedEx Freight for approximately three and a half years, starting shortly after first acquiring his CDL in 2019. He currently has approximately 80,000 safe driving miles and opted to enter the TDC and compete alongside his father-in-law and brother-in-law, both of whom are City Drivers in Fargo. To prepare for the event, Tollefson studied the 2022 Facts for Drivers handbook and prepared every day at work by doing proper pre-trip and post-trip inspections and navigating deliveries and pickups.

Tollefson lives in Fargo with his wife, Anna, and two children, Jace and Riley. Speaking about his love for trucking, the champion reports loving his job because "every day can be a different challenge and I also enjoy the relationships I have developed with my customers." No matter how things turn out at the nationals, Tollefson plans to compete in the TDC again next year. He also advises those considering a career in trucking to consider competing, too. "I would recommend competing in the TDC. It was fun and exciting to compete against some of the best drivers in the state. I would tell them to be confident in their skills and just enjoy the experience."

The Truck Driving Championships held each year provide a great incentive for professional truck drivers to operate safely because they must be accident-free for at least one year prior to the competition. Many of the competitors have millions of accident-free driving miles to their credit. The champions for each class will now move on to the National Truck Driving Championship in Indianapolis, Indiana, from August 16-19, where they will represent North Dakota. Four of these national qualifiers are rookies who have never competed in a TDC before. Additionally, six of the eight competitors are going to the nationals for the first time ever, while two are veteran competitors. The last time a North Dakota driver won a national championship came in 2004 when Randy Anton was crowned.

3 AXLE



1st Jamie Ackerland 2nd Tom Tweeten 3rd Steve Krogen FedEx Freight ABF Freight XPO Logistics

TWIN TRAILERS



1st Drew Bartelson 2nd Cameron Janousek 3rd Travis Schaan Old Dominion FedEx Freight FedEx Freight

4 AXLE



1st 2nd 3rd David Comings Ronnie Ackerland Jessie Taylor FedEx Freight FedEx Freight FedEx Freight

TANK TRUCK



1st 2nd John Janousek Frank McDowell FedEx Freight Old Dominion

5 AXLE



1st 2nd 3rd Adam Krenzel Carlos Salazar Cole McConnell Magnum FedEx Freight FedEx Express

STRAIGHT TRUCK



1st 2nd Tyler Tollefson Steve Johnson FedEx Freight XPO Logistics

FLATBED



1st 2nd 3rd Donald Edman Scott Meyers Matt Albert EW Wylie FedEx Freight Old Dominion

ROOKIE OF THE YEAR | GRAND CHAMPION



Tyler Tollefson

FedEx Freight

Straight Truck

SLEEPER BERTH



1st 2nd 3rd Brian Evenson Travis Kizima Christopher Sutton Marvin Logistics Altendorf Trucking EW Wylie

FEDEX FREIGHT ICEMEN



Jamie Ackerland John Janousek Ronnie Ackerland Ryan Seward Travis Schaan 3 axle
Tank Truck
4 axle
Sleeper Berth
Twin Trailers

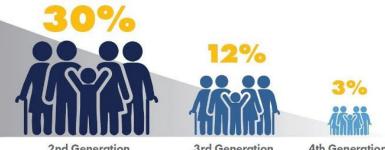
INDUSTRY NEWS

WHAT TO DO WHEN SUCCESSION TO THE NEXT GENERATION **ISN'T AN OPTION**

Tips to Help Your Family-Owned Business Prepare for the Future

The values and qualities that form the foundation of a family-owned business are also what make it such a strong asset for future growth and exit. The business's overall brand becomes an extension of the family's values, and that informs their culture. Further, these types of organizations have been found to have better workforce retention and less employee turnover, in part due to the culture they've created. They keep an eye toward the future, with a focus on the next generation.

But what happens when the next generation is no longer an option? According to the Conway Center for Family Business, more than 30% of all family-owned businesses transition to the second generation. When it comes to the third generation, only 12% succeed. By the fourth generation, only 3% will still be operating as family businesses.



2nd Generation

3rd Generation

4th Generation

According to the Conway Center for Family Business, more than 30% of all family-owned businesses transition to the second generation. When it comes to the third generation, only 12% succeed. By the fourth generation, only 3% will still be operating as family businesses.

Are you prepared for the next step if family member succession isn't on the table? Make sure your family business is prepared for the future.

The Importance of Succession Planning in Family-Owned **Businesses**

Transition planning is critical, regardless of whether it is to family or non-family members. Proactive, strategic transition and succession planning allows an organization to define their value, improve operations, identify leadership, and put themselves in the best possible position to move forward.

Being prepared for exit is essential to the life-cycle of your business. To begin, ask yourself these questions as you prepare to draft your exit plan:

- How much longer do I plan to work or stay involved in the business?
- How much control do I want after my exit?
- · How do I plan to replace myself?
- Do I know what my business is worth?
- · Are my records in order?

Exiting your business takes time if you want to do it responsibly and profitably. Ideally, your exit strategy will be part of your business plan, keeping in mind that strategy may change over time. Starting the planning process early will allow for flexibility and preparation, regardless of what comes your way.

Alternative Options to Next Generation Succession

While succession planning is vital, it's often the biggest hurdle when it comes to family-owned business continuity. Studies have found that approximately 70% of global family businesses do not have a formal succession plan in place. Other research has shown that less than one third of family-owned businesses are successful in the succession process.

Planning begins by identifying your exit objectives and goals. It also involves answering the key question: where do you want your business to go?

Non-family member options include:

- ESOP
- · Strategic Buyer
- · Financial Buyer
- · Family Office
- Liquidation

To truly align with the goals and objectives you have for exit, as well as gain optimal value for what you've built, you'll need to put careful thought and consideration into each of these options.

Preparing for What Comes Next

Regardless of which transition option you choose, prior planning is key. To start, ask yourself:

- · How much money do I want to make from the sale of my business?
- Do I know what my business is worth?
- If I had an offer today, could I take it?

Business Valuation

One of the first steps we encourage family-owned businesses to take is a business valuation. Having an independent appraisal of your company's worth can help you with succession and wealth planning. Specifically, business valuations are helpful for companies planning two to three years out for exit so they have time to set up gifting and estate options. It's also helpful in identifying key value drivers, risks and opportunities.

However, if your goal is to go the market now, it's important to speak to a transaction advisor as soon as possible.

Merger and Acquisition Activity

What if you're ready to sell your business in the next six to nine months? Knowing the value of your business as you prepare for sale is still important.

This is where the help of a trusted transaction advisor comes in. These professionals are trained in merger and acquisition activity and can help you understand what your company will go to market for. Specifically, a transaction advisor can help you pull market multiples that will show your business's worth across areas like revenue, industry and EBITDA.

Understanding the value of your business is critical for a family-owned business, regardless of your company's transition plans. Without it, you'll have no idea what needs to be improved or how to get the full value for what you've built. The important point here is to understand the impact of planning and to contact the right professional to help you reach your goals.





Sell-Side Readiness

If you choose to sell to an external third-party, it's important to be prepared. Sale opportunities can come at any time. With advanced planning, you can not only understand the worth of your organization, but also know how to answer should an option arise.

For family businesses, the preparation for sale might be more emotional than initially thought. That's often because family businesses are looking to transfer more than just their financial wealth. They also want to ensure the buyer can maintain values and connection. As one client put it, "It's not like selling a product you sell every day – it's way more personal. It's like selling an entire being."

Sell-side readiness can help family businesses prepare for the personal and business impact of transition planning. Sell-side readiness involves the creation of a clear vision and goals for any transaction, as well as a road map for how to achieve those goals.

Action steps include:

- Positioning your company financially for sale and preparing yourself psychologically for the transaction.
- Understanding the steps in the transaction process and how long each step will take.
- Knowing what needs to happen when it comes to due diligence.
- · Preparing your team for new ownership.
- Optimizing the value of your business now.

Selling your business, especially when it's family owned, is not a straightforward process and there's no one-size-fits-all solution. Preparing early can help ensure you have the optimum selling experience.

Next Steps to Take with Your Family-Owned Business

Family-owned businesses are critical to the economy. In fact, research has shown that family-owned businesses account for 70% of the global GDP. This makes them not only significant job creators, but also uniquely situated in company structure and strategic planning opportunities. Their values, dedication and unique cultures make them valuable places to work and strong potential options for merger and acquisition activity.

Yet for all their strengths, family businesses continue to lack a clear path to exit. Without a solid succession plan, even the best family businesses may lose what they've created. And with the added stress of lack of next generation buy-in, it's time for these entities to look at other means for exit.

Careful, proactive planning can ensure that your family business carries on for years to come, even if it's not family owned.



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U.S. SUPREME COURT DECLINES TO REVIEW THE CALIFORNIA TRUCKING ASSOCIATION'S AB 5 APPEAL:

What Does it Mean and Where Does the Industry Go from Here

Authors: Jason Engkjer and Michael Glover of DeWitt, LLP

On June 30, 2022, the United States Supreme Court declined to hear the California Trucking Association's appeal regarding California's worker classification law, commonly referred to as AB5. The decision effectively upends the viability of the trucking industry's long-standing "owner-operator" model in California. The Court did not provide any reasoning for its decision, other than stating that it declined to hear the appeal. The decision is not the end of litigation over application of AB5. It has, however, sent reverberations across the transportation industry. So what does the Court's decision mean for the transportation industry going forward? The question is not easily answered at this point.

By way of brief summary, AB5 is a California law that defines who an independent contractor is for wage and hour purposes. AB5 applies a unique version of the common ABC Test to determine whether an owner-operator operating under a motor carrier's authority is truly an independent contractor. Critically, AB5 presumes an owner-operator is actually an "employee" unless the motor carrier can satisfy the three conditions. The second condition mandates that the worker must perform work "that is outside the usual course" of the company's business to qualify as an independent contractor. As both motor carrier and owner-operator effectively perform the same work – transport of cargo for pay – the second condition is exceedingly difficult, if not impossible, for a motor carrier to satisfy. With AB5 now in effect, motor carriers and thousands of owner-operators face a very uncertain future in California.

Back to the question: where does the transportation industry go from here? Litigation over AB5 will most certainly continue to weave its way through California's courts. How long the fight continues will be based on a variety of factors including the heavy financial cost of litigation. The industry's focus must now shift to determining how California will apply the law and enforce it. California based motor carriers and owner-operators are scrambling to reshape their modes of doing business to comply with AB5. Carriers and owner-operators outside of California, however, are left with a series of unknowns as to whether and to what extent the law applies to their operations. That question can only be answered through observing how California officials enforce AB5. The presumption is that the California Attorney General's office, and perhaps their county counterparts, will be tasked with primary enforcement of AB5. Staffing and budget limitations may impact the scope and extent of enforcement action. California based companies will certainly be the target of enforcement. Companies outside of California doing business in California will need to explore operational changes as

the picture over the application and enforcement of AB5 becomes clearer.

On the legislative front, AB5 is a California law and has been for industries other than trucking since January 1, 2020. Differing iterations of AB5 type legislation have volleyed around varying state legislatures for years. Massachusetts, Illinois and New Jersey have been at the forefront of this type of legislation. Fortunately, attempts to pass such legislation have been mostly unsuccessful. More recently, Congress entertained the incorporation AB5 type language into the PRO Act legislation effectively federalizing the ABC Test. Due to the efforts of the American Trucking Association and other industry leaders, that portion of the legislation failed to pass as well. The fight over AB5 type legislation will most certainly continue.

Going forward, the transportation industry will need to continue to keep a close eye on both the litigation and legislation associated with AB5 and any spinoffs in other states. Motor carriers and owner-operators alike must be prepared to adapt — quickly. Review your operational options. Considering differing ways to do business to avoid running afoul AB5 type legislation. In sum, be prepared.

If you have questions regarding AB5 or any similar issues, contact Jason Engkjer at jee@dewittllp.com or Mike Glover at mglover@dewittllp.com.



INDUSTRY NEWS

PERSPECTIVE: WINNING ARGUMENTS TO ATTRACT NEW DRIVERS

As the American workforce continues to experience major shifts and fluxes, there's an opportunity for those of us in the trucking and logistics industries to attract new drivers and workers looking for a post-pandemic change. With a few real-world examples and proof points, we can help others reap the benefits of a sustaining career in trucking with impressive earning potential, flexibility and the freedom to explore the open road.

Great Pay, Now

One of the main arguments why trucking could be the perfect post-pandemic job is that many companies are raising their wages for drivers. Truck drivers can make good money right now, and the earning potential grows with experience, making it an attractive long-term option given the ebb and flow of economic conditions such as inflation. There are options, too. Whether working for a salary, on a per-mile basis, or by the load, the variety is real and the more experience you gain, the more money you can earn.

Low Cost of Entry

To become a driver, all you need in most states is a commercial driver license and a background check. For those already considering skilled labor opportunities, particularly young people, trucking can be attractive because opportunities exist right away. Get the CDL and hit the road.

Moreover, with the soaring costs of a college education, learning a trade simply presents a sensible alternative — and a better fit — for some. Drivers can begin earning immediately at industry norms without worrying about debilitating loans hanging over their heads. They can even start with earn-as-you-learn programs, offering the best of both worlds. These programs are available at the federal government level, with an FMCSA pilot program in the works for younger drivers.

Trucking companies can reach out now to schools or organizations to make this case to young people. For example, many high schools offer programs such as career fairs that provide vital networking opportunities and the ability to connect one-on-one with potential candidates. For current drivers with a CDL, we can offer the opportunity to sponsor their spouse to get their own CDL. The pair then can drive as a team, knowing their future is secure in a mission-critical industry.

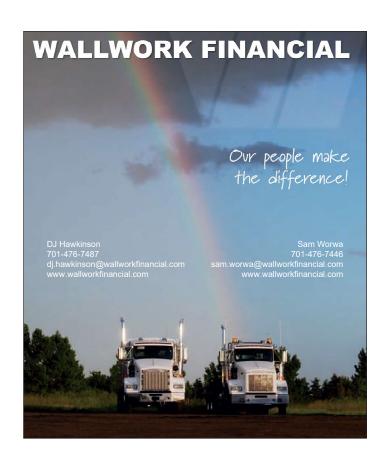
And within the trucking profession, there is a lot of job diversity, which could be attractive to those tired of certain kinds of shift or contract work. Some companies and drivers specialize in hauling consumer freight from point-to-point, while others move high-value specialty items for consumers or industries where driver responsibilities are increased significantly. There's plenty of opportunity to find the right fit for each driver.

Freedom and the Open Road

High-stress careers in health care, technology, banking and other fields are taking their toll on some. Burnout, a lack of work/life balance, and high levels of stress are cited as major causes. For many, this could make the prospect of a major change very attractive.

For example, CNN recently covered a story about a veteran nurse who left her job during the pandemic due to frustrations over staff shortages and a lack of perceived advancement opportunities. She ended up finding a sense of freedom she didn't have in the health care field and made more money as a driver than in her former role as a nurse.

Professional truck driving is one career that has tremendous financial possibilities and staying power. It offers flexibility, and allows people the freedom to explore the open road. This is attracting people from all sectors who are seeking a change. Trucking can be the perfect occupation to put in an honest day's work, experience what this country has to offer and make a great living doing so. And that's a winning argument for recruitment.







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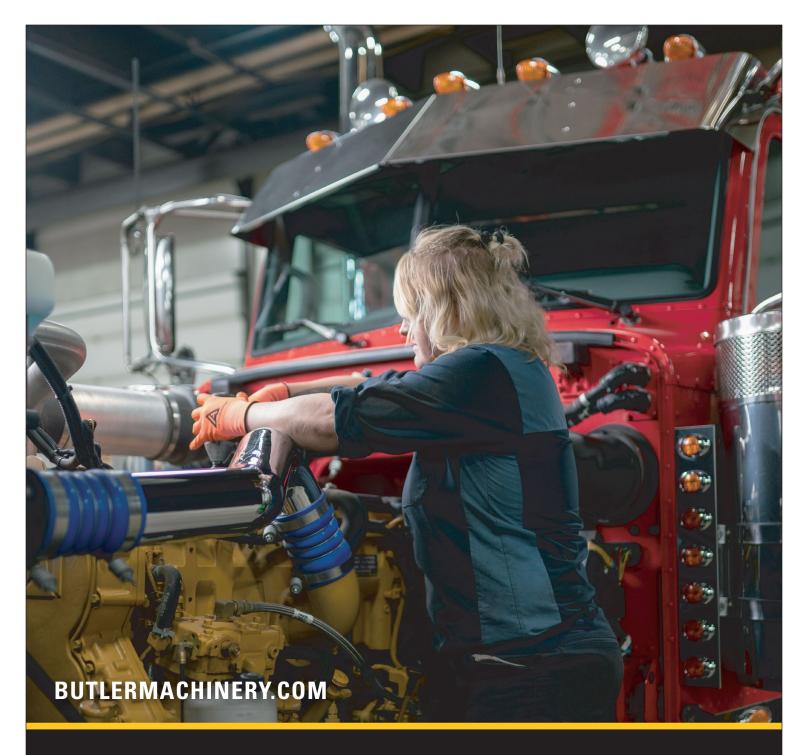
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