

**NEMEON Board of Directors**

**Chairman**

 Frank Gurtman  
 Passaic Metal & Building Supplies  
 Clifton, NJ

**Treasurer**

 Stuart Lucks  
 Long Island Tinsmith Supply Corp.  
 Glendale, NY

**Director**

 Jack Bone  
 Bone Roofing Supply  
 Chicago, IL

**Director**

 Jerry Pogue  
 Arrowhead Building Supply  
 St. Louis, MO

**Director**

 Ross Riddle  
 South Coast Shingle Co.  
 Long Beach, CA

**Director**

 Skip Sayres  
 RSI Building Products, LLC.  
 Shreveport, LA

**Director**

 John Schunzel  
 California Shingle & Shake.  
 Concord, CA

**Director**

 Mitch Cayley  
 Roofers Mart Southeast.  
 Birmingham, AL

**NEMEON Inc.**

 6043 Hudson Rd. Suite 350  
 Woodbury, MN 55125  
 Phone: 651-788-7810 Fax: 651-788-7807  
 Web Address: www.NEMEON.com

**President and CEO**

 Earl Ward  
 eward@NEMEON.com  
 651-788-6547

**A letter from the Chairman of the Board**
**Frank Gurtman**
**Partnership**

NEMEON to me has always been about partnerships. We have over 180 member/owners of the cooperative. We are all partners that work together for the greater good. Some of the members are competitors in their marketplaces. Yet we can and do find common ground within the boundaries of our cooperative to be partners. I know that our members that do compete have grown a greater respect for each other out of their NEMEON partnership—a healthy respect.

NEMEON also forms partnerships with industry manufacturers and service providers. Our “Preferred Vendor Partners” are the reason the cooperative exists. Their support of the cooperative concept and NEMEON has been the main ingredient in our success. We have many Preferred Vendor Partners who have been with us and supporting us since the very beginning. We are grateful for their initial and continuing commitment to NEMEON and are especially thankful they took the risk of recognizing our little start-up cooperative 10 years ago and have stuck with us to this date. Across all our product and service categories, we have what we believe to be the best suppliers the industry has to offer. We at NEMEON have worked hard to build up and preserve the integrity of our group and to bring our vendor partners a great value proposition. In hard economic times it sometimes has been difficult to bring growth. Yet, the partnerships we have formed run deep and as the business climate gets better—and the NEMEON membership grows in health, we will also grow in value to our partners.

Our motto has from day one been SHIFT THE SHARE. To this I would like to address our members. Shifting the Share cannot just be lip service. It needs to be our culture. Our Preferred Vendors expect us to grow their business—this is why they signed up. Our ability to bring them new business opportunities, increased sales and industry exposure is why they support our cooperative. Without demonstrating to our Preferred Vendor Partners our ability to move business toward them, we stand the chance of losing their support. Conversely, when we do demonstrate that we can and will Shift the Share, they reward our group in a way that adds to our profitability. And after all, we are all in business to make a profit.

As the Chairman of the Board of NEMEON, I personally want to thank each and every one of our Preferred Vendors for their past, present and future support. It is because of your commitment and efforts NEMEON exists. I also pledge to you all that I will do everything I can to increase my business with NEMEON suppliers every step of the way. I challenge each of our members to make this commitment. As we enter into 2011, my goal is to see a resounding increase in ‘partnerships’ between our members and vendors. We measure partnerships within NEMEON and reward those members who demonstrate above average participation with our vendor partners. We call this program “Reach for the Stars”. This program tracks how many Preferred Vendors each member is purchasing from. Each member purchasing from a vendor is a “partnership”. Each member receives a quarterly statement as to their progress on increasing vendor partnerships. Our goal is to have an aggregate increase in partnerships each year of 10% or more. This is a challenging proposition but well attainable—as we have the best the industry has to offer in choices of suppliers and service providers.

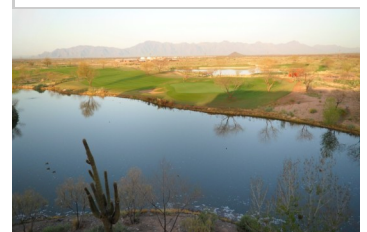
I look forward to attending our annual meeting in Arizona this year and personally thanking all of our vendor supportive partners for all their support. And to our membership I offer a BIG thank you for being a part of NEMEON and for your personal commitment to make our motto a reality. So, get busy and SHIFT THE SHARE! Our vendor partners deserve your business!

*Frank*

Frank Gurtman, Chairman

**Newsletter Content**

Newsletter Content	Page
BOD & Letter from the Chair	1
Letter from President & CEO	2
2011 Annual Member & Vendor Meeting	3
Regions Program & Digital Signage Updates	4-5
New Member & Rufus Leakin	6
List of current Preferred Vendors	7
NEMEON Vision & Mission Statement	8

**Wild Horse Pass Resort & Spa**


Annual Meeting site

Trying Times  
in the  
Construction  
Industry

Doing Business  
in an  
Economic  
Downturn

Downsizing  
versus  
Adding Additional  
Resources

Enjoy  
The  
Battle!

## Enjoy the Battle

Yes, these are trying times in the construction industry. Yet we in the roofing and siding business are lucky as the products we produce and distribute are subject to harsh conditions, wear out and have to be replaced. Thus, there is always a need for exterior building products and although affected, our business opportunity does not entirely ebb and flow with the rise and fall of the new construction marketplace. Even at that, we are seeing the effects of the economic downturn and housing issues. Demand for residential roofing products is at a point lower than anyone can remember. The siding industry being more closely tied to housing starts continues to see a decline in demand. Commercial roofing, although showing signs of recovery (based in good part by government stimulus money finding its way into publicly funded building activity), is still nowhere near normal. Those of us that have been around for a while (as a 30 year veteran of the industry I guess that includes me) know that the construction industry goes through cycles. So this too will pass and business will get better—someday.

I find it interesting that during bad economic times, some business flourish. Not many of us were around during the Great Depression of the 30's but we have all heard the stories. Yet, there were many great companies that actually were born and others that flourished. One company in particular flourished during the depression—Kellogg's—yes, the cereal maker. When the depression hit, the leadership of Kellogg determined the best course of action was to act as though there was nothing wrong and the public still had money to spend. They stepped up their consumer advertising and offered 'deals' to get consumers to buy their cereal products. Their business flourished and as the depression ended, they had build up tremendous consumer loyalty and flourished as a successful business even today. In our business, I see a lot of companies cutting back on advertising, laying off salespeople and reducing spending to a bare minimum in an effort to stay profitable. Prudent moves in these economic times. But I also see those that go against conventional wisdom are doing pretty good. In a recent regional conference call, one of our members noted that the manufacturers that seem to be 'winning' his business are those that have good representation for their products in his market. Those that are falling out of favor are companies who have cut back their sales force or have no representation. I also know of a few of our members that are reporting very good or even record sales. They are doing this by increasing services, increasing inventories, buying right and getting as many faces in front of as many customers as possible.

I saw the effects of increasing sales effort first hand in my prior life as an owner of a distribution business. At the end of a particularly bad year—the worse in our companies history, I got together with my partners and laid out my plans for the coming year. The plan was for aggressive cost cutting measures including laying off two of my outside salespeople. One of my partners suggested that maybe now is **not** the time to be cutting sales staff but rather we should be adding salespeople to increase our revenue generating potential. His thought was that cutting salespeople would diminish growth opportunities, particularly when the up-tick in business came, which it always did. I took his advice and instead of cutting two salespeople, I hired two. I was able to find some very motivated and talented guys to add to my sales team. The results were astounding. Over the next three years, our revenue doubled and our business was very successful. It was a great strategy and the right thing to do.

As we look ahead to 2011 there are good signs. No one in our industry thinks business will be worse than 2010. Yet, no one is predicting business will have a fantastic recovery either. It will be a battle, as business always is. I look forward to the battle and continued growth and success of the NEMEON Cooperative. In closing, I am reminded of my favorite quote from the speech "What it Takes to be Number One" by Vince Lombardi; *"..I firmly believe that any man's finest hour—his greatest fulfillment to all he holds dear—is that moment when he has worked his heart out in a good cause and lies exhausted on the field of battle—victorious."* Enjoy the battle!



*Feel the Pride! Hear Our Roar ...*

Earl Ward

NEMEON

2011 Annual Meeting

Dates:

January 27-30, 2011

Hotel:

Sheraton

Wild Horse Pass

Resort & Spa

Face-To-Face Day

Saturday

January 29th!

Golf Tournament  
Sunday

## The NEMEON Annual Meeting ...

On behalf of the NEMEON staff and Board of Directors, it is a pleasure to invite you to attend the Annual Meeting, January 27 to January 30, 2011 .

### Thursday Highlights

Thursday afternoon **horsebackriding**



Teambuilding Event—**Bookshelf Building**

Outdoor **Welcome Reception** for the members



### Friday—Member Meeting Day

**Presentation by Texas A & M** “Focus on Market Share Growth & Profitability with **Afternoon Round Table** discussions



**Member / Vendor evening Reception**



### Saturday

**Member / Vendor Face to Face**



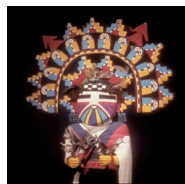
**Luncheon** features **JOHN PULLUM** “the world’s funniest mind reader”

**Evening Outdoor Cocktail reception** followed by the Awards Banquet with Keynote Speaker Keni Thomas, an Army Ranger in the “Black-hawk Down mission” and country music artist



### Sunday

**Heard Museum Tour**



**Horseback riding with cattle round-up**



**Golf Tournament**



Schedule:	Thurs.	1/27/11	Members Check-in/Afternoon Activities/Welcome Reception 6:00pm
	Fri.	1/28/11	Members Meeting Day
	Fri.	1/28/11	Vendor Check-in/Reception 6:00pm
	Sat.	1/29/11	Face-to-face/Banquet in the Evening
	Sun.	1/30/11	Activities Day/includes Golf Tournament



NEMEON

## Member Spotlight

### Interview With South Coast Shingle

Contact:

**Earl Ward**  
CEO & President  
651-788-6547  
eward@nemeon.com

**Dave O'Donnell**  
Vice President  
843-901-0467  
dodonnell@nemeon.com

**Andi Voelker**  
Member Services  
651-788-7810, ext 2  
avoelker@nemeon.com

## Member Spotlight - South Coast Shingle

By David O'Donnell

I recently had the opportunity to spend four days in Los Angeles visiting with many of our members in that area. In the past my time on the west coast was limited and it was very interesting learning about the differences that our western members are

faced with as compared to members in other parts of the country. The one glaring difference; space is very hard to come by and managing your inventory becomes a difficult task, especially when faced with availability issues. The temperate climate and use of higher end roofing products tends to add time to the lifecycle of the roofing systems in California. Local governments are instituting specific mandates when it comes to roofing systems so if you are doing business in California you have to study up on all of the different requirements.

This month's spotlight features South Coast Shingle located in Long Beach, CA. Their yard and showroom is well thought out and uses all available space to showcase the products they sell. With the great weather South Coast is able to have part of their showroom outside and has a beautiful display that includes one of their first delivery trucks. If you are ever in the long Beach area give Ross a call; I'm sure he would be happy to show you around. Make sure you don't miss the "museum" containing an expansive collection of antique roofing advertisements. Keep your eyes on future issues where additional members will be featured from my travels in LA and look for me to visit your location sometime in the future.



### What is South Coast Shingle's main line of business?

Our main line is roofing, both residential, and commercial. Although our name would imply residential (i.e.: shingles), we handle most everything in roofing products. We also sell masonry materials thru our other division, A-1 Building Materials.



### With the economy the way it is are there any new product lines you have added to enhance your offerings to your contractor base?

We have always been known for being able to track down nearly anything a customer wants! Let's just say, special orders, hard to find items, are our specialty. While we haven't added any new product lines, we'll get our customers nearly anything they ask for.

### What changes have you noticed among the contractors in your marketing area with the slowing of the economy?

No big surprise here...they are more price conscious! Competition has driven margins to an all time low, and customers are not bashful about asking us to meet competitor's pricing.

### What do you feel are your keys to success in the markets you serve?

South Coast has a reputation for going the "extra mile" for our customers. We simply do what we say we'll do, no excuses. If we make a mistake on an order, we fix it right away. When mistakes occur, people expect a battle to get it fixed. Our approach is simple, turn a negative into a positive, by jumping on the problem and solving it ASAP. People are "blown away", and they become ambassadors for your company!



### What kinds of promotions have you been running to help increase your business this year?

South Coast is big on advertising, which, in the past, has been newspaper or cable TV. Lately, we've dropped both in favor of internet advertising...that is to say SEM (search engine optimization), on our website. This helps us generate leads, and traffic in the stores.

### How do you see the 2010 year shaping up and what is your forecast for 2010?

Let's face it...2010 has been tough. We've seen a bit of a surge in November, and hopefully it carries thru the year end. As far as 2011, I expect to see a little jump in business.

(con't on next page)



NEMEON

Member Spotlight

and

the

NEMEON Network

Contact:

Earl Ward  
CEO & President  
651-788-6547  
eward@nemeon.com

Dave O'Donnell  
Vice President  
843-901-0467  
dodonnell@nemeon.com

The NEMEON Network

60 up and running!

## Member Spotlight by Dave O'Donnell (con't from previous page)

### Can you site one or two specific examples of what separates you from your competitors?

We're very proud of the fact that our staff are all long term employees. They are dedicated, knowledgeable, and have a "can do" attitude. They go the "extra mile" for our customers. Secondly, we have great showrooms/product displays, which our customers use to help sell their jobs. We also are happy to educate the homeowners on the products available, freeing up the contractor's time of doing the same. It makes the situation a "win-win" for all parties involved.



### What does NEMEON mean to you and your business?

NEMEON is very important to me. That's the reason I'm so involved with the organization. I'm of the opinion that what you get out of something is in direct correlation to what you put into it... a self fulfilling prophecy, if you will. First of all, it provides an opportunity to have an exchange with people that share common business situations. We can share best practices, etc. The fact that NEMEON is well respected with the "preferred vendors" helps strengthen our relationships with said vendors. Many times vendors will take advantage of said relationships to test the waters before making a move in the market. Also, the relationships I've established with other Board members, and non-board members across the country, has proved invaluable to us as a company, and to me personally.

### Do you use NEMEON as a marketing tool when selling to your customers?

We market the fact that we're a part of NEMEON, the largest buying co-op in our industry. Some customers understand the time invested, and some don't. The fact that we see the benefit is more important.

### Do you have the NEMEON Network, and how long have you had it?

As you know, I was one of the original proponents of the NEMEON Network. We like the system, and what it does. It's definitely an attention getter. Customers will watch the commercials, read the "surf report", check the weather, see our "Specials of the month", and it serves as entertainment for the few minutes the customers are at the counter. It's a great way for our "preferred vendors" to get their message out to the contractors, and homeowners/do-it-yourselfer. I endorse the system, and expect it will only get better as more and more of our members get on board. Then we will be able to attract more vendors! We need to build the "revenue stream" part of the equation.

**Our Member Spotlight now is a regular feature of the NEMEON ROAR. If any of our members are interested in showcasing their business, please contact me at 843-901-0467 or at [dodonnell@nemeon.com](mailto:dodonnell@nemeon.com)**

Feel the Pride

### NEMEON NETWORK UPDATE!

We are continuing to grow THE NEMEON NETWORK! In addition to growing the network, we've been able to reduce the start up costs significantly. We have built over 10 hours of commercial content highlighting our PREFERRED VENDOR'S PRODUCTS. Check out the South Coast Shingle article to see what the NEMEON NETWORK can do for you! Please contact David O'Donnell or Earl Ward for more information on joining THE NEMEON NETWORK.



Welcome  
New  
NEMEON Members!

**C.A.B Supply dba Contractors Roofing & Supply**  
**Keith Brigman**  
636-474-2710  
kbrigman@cbennett.net

1760 West Terra Lane  
O'Fallon, MO 63366

Join Date 11/01/2010  
Number of Locations: 1

**Worth Supply**  
**Rob Miller**  
704-338-9678  
rob@worthsupply.com

1820 Sunnyside Ave  
Charlotte, NC 28204

Join Date 10/01/2010  
Number of Locations: 1

Worth Supply

Moerman-Clark

C.A.B. Supply dba  
Contractors Roofing & Supply

Herman 's Building Centre

The Palmer Donavin Mfg Co

**The Palmer Donavin Manufacturing Co**  
**Ron Calhoun**  
614-486-9657  
Ron.calhoun@palmerdonavin.com

1200 Steelwood Road  
Columbus, OH 43212

Join Date 12/01/2010  
Number of Locations: 5

**Moerman-Clark, Inc**  
**Tom McLarty**  
650-952-3444  
tmclarty@theroofingstore.com

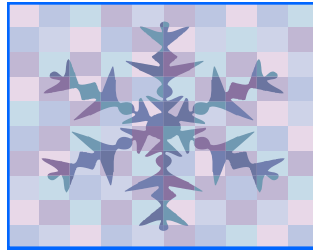
464 Victory Ave  
South San Francisco, CA 94880

Join Date 10/01/2010  
Number of Locations: 1

**Herman's Building Centres**  
**Herman Schrompf**  
905-641-2000  
herman@hbc

15 James Street, PO Box 1390  
St. Catharines, ON L2R 7J8

Join Date 01/01/2011  
Number of Locations: 7



Rufus Leakin

**RUFUS LEAKIN** by SOUTH COAST SHINGLE CO., INC.

I just want to be able to sell some roof jobs again!



"Hey, I'm a shrink, Pal. Not a magician."





**NEMEON  
Preferred Vendor  
Committee:**

Bill Baldauf  
Lakefront Supply  
773-509-0400  
bbaldauf@lakefrontsupply.com

Keith Jones  
JB Wholesale Roofing &  
Building Supplies  
818-998-0440  
jbroofing@earthlink.com

John Schunzel  
California Shingle and Shake  
925-682-2211  
johns@calshingle.com

Jeff Muratori  
Division 7 Supply, Inc  
678-541-0303  
jmuratori@d7supply.com

Dino Pappas  
Roofers Supply Inc  
801-266-1311  
dpappas@roofers.cc

Activant Solutions	Linzer Products
ADP - BizUnite	LOAD-A-BAG
Air Vent	LOMANCO
APOC	Madaco Safety Products
ARFCO	MALCO Tools
Atlas EPS*	Mastic/ALCOA - PlyGem Group
Atlas Roofing	MAX USA *
Benjamin Obdyke	Metal Sales Manufacturing
Berger Building Products	Mid-America - Tapco Group
BILCO	NAPCO - PlyGem Group
BlueLinX	Nat'l Check Trust (United Tranz* Actions)
Blue Tarp Financial	National Nail
BMD	Northern Capital Insurance Group *
Capitol Marketing Concepts	NYI Building Products
Captive Resources	Office Max - BizUnite
Cargotec USA Inc., HIAB	OMG Roofing Products
Carlisle Residential	Omni Containment Systems, LLC *
CertainTeed FiberCement	Owens Corning
CertainTeed Roofing Products	Pactiv Building Products
CertainTeed Siding (Incl. Vytec)	Pennsylvania Lumbermens Mutual Ins Co *
Constant Contact - BizUnite *	Ply Gem Window Group *
Continental Materials	Polar Industries
DaVinci Roofscapes	Polyglass USA
DCI Products	Premier Engineered Systems *
Dinesol -Tapco Group *	PrimeSource Building Products
DMSi Software	Qual-Craft Industries
Duraflo	Quality Edge
Eagle Roofing Products	Roofmaster Products
EcoStar LLC	S & W Forest Products
Eternabond	Sievert Industries
Exterior Portfolio by Crane	Skylands Transaction Management
FedEx - BizUnite	SOLDERLESS *
Fiberweb Contraction Products *	Sprint Nextel - BizUnite
First Nat'l Merchant - BizUnite	Stonecraft -Tapco Group
Flamco	Sun-Tek Skylights
Flashco Manufacturing	System Components *
Forsthoft Welding Products	Tapco Tools - Tapco Group
Franklin International *	The Foundry - Tapco Group
GAF Materials	The Shingle Hog
GenFlex Roofing Systems	United Asphalts
Geocel	Variform - PlyGem Group
Great Northern Building Products	VELUX America *
Heartland Payment Systems - BizUnite	Versico Roofing Systems
Henkel	Werner
Hunter Panels	
Hunter Warfield	
IKO Sales	
Inspire - Tapco Group	
IQm Trim - Tapco Group *	
Karnak	
Kipling Enterprises	





Congratulations!

**Congratulations to the winners of United Asphalt's November buy**

1st place  
2nd place

**SG Wholesale**  
**Western Roofing Supply**

Free pallet of asphalt  
Catered Thanksgiving lunch

NEMEON  
Vision Statement

NEMEON  
Mission Statement

**NEMEON VISION STATEMENT**

Pride & Prosperity through Unity, Value, Partnership & Size.

**NEMEON MISSION STATEMENT**

NEMEON will be the premier co-op of independent roofing & siding distributors, promoting pride and prosperity with both members and preferred vendors by:

**Developing** a culture of unity and solidarity through fellowship;

**Generating** membership value by producing a fiscal, competitive advantage;

**Creating** manufacturer value & partnership by actively "SHIFTING THE SHARE";

**Being** the largest co-op of independent roofing & siding distributors in volume and locations;

**Enhancing** business growth and innovation through technology & sharing best practices;

**Promoting** high-quality and superior services and support;

**Building** trust through integrity and consistency.

Wishing All  
A  
Prosperous  
2011

