



NewsForum

Numekevor & Associates Inc.

Health Disaster Relief Programs for Business Owners

The HDRP Specialists

HealthDisasterRelief.com

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Gottics Industries and Peter Hay Knife

Complementary businesses sharing space

Brian McCloy and Bob Fisher have been operating their businesses out of the same building in Cambridge since 1996. McCloy is president of Peter Hay Knife, while Fisher heads Gottics Industries. They came together in 1985 through a shared business interest, Cambridge Group Holdings (CGH), which retains the title to the building.

In 1985, CGH was a five-partner investment strategy. Fisher was one of the original five and it was he who brought McCloy into the group with their first purchase, Peter Hay Knife. McCloy, whose background is in tool and die, became both an investor and an employee, hired to operate the business.

Cambridge Group Holdings continued to purchase a number of interests including Gottics Industries in 1987, which, because of his machining background, fell under Fisher's direction.

In time, Fisher and McCloy bought out the other partners and sold off the other business holdings. Today they have joint ownership of CGH, which leases them the building where they share the same workshop floor.



Brian McCloy, president of Peter Hay Knife shows off a CNC turning centre shredder knife.

Peter Hay Knife began operations as a blade maker in 1882. And while the company in its current form is primarily a machine shop, it still operates under its original charter and continues to produce knives and shredding blades used for industrial recycling.

"The floor is open," says Fisher. "We know where one business starts and the other begins. Our employees know and there are subtle differences but you'd never be able to tell."

It's an interesting set up. And because of the complementary nature of their businesses, the arrangement couldn't work better.

"These are big shredders," explains McCloy. "They work very much like an office paper shredder where the knives go in opposite directions pulling the paper while hooks cross and interlock; that's what does the shredding," he says. "But these are big shredders that can shred cars if needed."

Gottics is a machine shop that bears the name of the original founder who started the business in 1965.

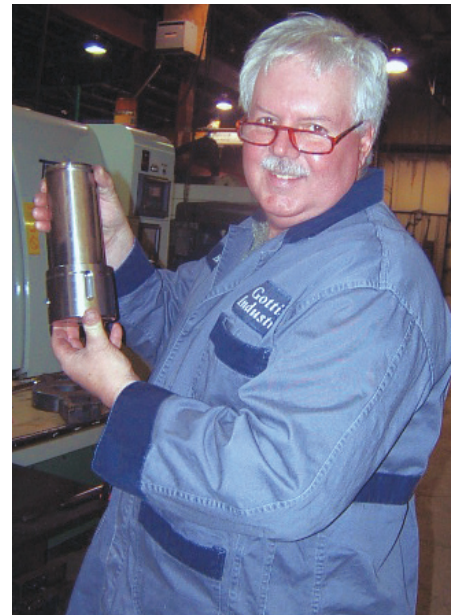
"Gottics has smaller client base building components for mining trucks, rigid haulers that can carry 320 tonnes of aggregate," says Fisher. "We also work in the shredding industry like Brian, but we don't make the blades, we make the bearing components. Peter Hay makes the working parts, the parts that do the shredding while Gottics makes the parts that make the shredders run."

So it's not unusual that sometimes their projects overlap. "We do a lot of work for each other," says Fisher. "We trade jobs back and forth all the time."

"And Linda is the reason this all works," says McCloy of his wife who recently retired from the office.

"She keeps Brian and I focused," adds Fisher.

Peter Hay Knife employs 12 workers in the shop and three in the office; Gottics has seven on the shop floor. And because of worldwide growth in both the recycling and mining industries both companies have been working in high gear for a while.



Bob Fisher, president and owner of Gottics Industries holds a pin for the dumping mechanism of a mining truck.

Our client's side

Living up to their social responsibilities

By Lordy Numekevor

Rutherford Controls Int'l Corp. (RCI) is a global, knowledge-based organization, in the business of providing solution-based "RCI" security products and services with a head office here in Cambridge and a slogan, "In or Out ... we make it Easy!TM."

The company's outreach to the communities it operates in is as widespread as its global reach. The company is a winner of the coveted "The Record Small Business of the Year" Award.

In Virginia Beach where its American operation is located, RCI is an active participant in the local Lynnhaven Business Association culminating in one of the Directors, Tracey Rutherford serving as president. In 2006, RCI made donations to the following local charities: Junior Achievement, Masai Centre for Africa Campaign, Cambridge Memorial Hospital, United Way and many more.

RCI employees have always taken to giving back to their communities. Andy McDougall recently returned from Namibia, Africa where he volunteered at a high school teaching computer skills.

Two of RCI's owners, Mark Rozad and David Halls are very active Rotarians. Dave always looks forward to his Rotary Club of Guelph Trillium's annual Lobsterfest.

Mark, who is a member of the Sunrise Rotary Club in Cambridge, and a fellow member of the club's Vocational Committee, spearheads the club's annual Literacy Week. As the Chairperson of the Vocational Committee, I have worked with Mark over the years on other projects. However, when Rotary International put literacy high on its agenda, Mark became intrigued by it.

Our club's first literacy project in 2005 at St. Elizabeth Elementary School in Hespeler, was a resounding success. This project, was pretty much put together by Mark with the assistance of the Principal, Gerry Clifford.

The 2006 project was equally, if not more, successful than that of 2005. This was simply because Mark had it down pat so much so that it could be shared with other Rotary clubs as a best practices manual for implementing literacy projects.

In his report on the 2006 literacy project, Mark had this to say:

"The Vocational Committee is pleased to report that Literacy Week was a resounding success once again this year. We were fortunate to partner with Manchester Public School this year. Manchester is a very diverse school with more than 25 per cent of the students being identified as ESL learners.

"The reading (marathon) week was from Monday, April 24 to Friday, April 28. Principal Ian Bowers and the rest of the staff were very appreciative for the opportunity to work with us.

The Recognition Ceremony on Friday, May 12, was the highlight as usual with our guest author (Maria Almudevar) reading her

book called "Vanna's Dance", followed by honouring the winners of the Reading Challenge and the presentation of the cheque to the school. The students' reaction when we present the cheque makes all the work that goes into the literacy project worthwhile."

In recognition of his hard work, a Rotary award was presented to him in the presence of his colleagues and employees on August 11, 2006 at his workplace by the past President of the Rotary club, Hajra Wilson. In addition, I sneaked in a bag of Blue Mountain

coffee to minimize his trips to Tim Hortons!

The surprise presentation was made as part of RCI's weekly Friday Morning Meeting (FMM) to ensure that he would be available as he never likes to miss it. As we were shepherded into a waiting room by the Director of Operations, Tracey Rutherford, I saw one of the employees dash to Mark's office. I later found out that that employee was in on the surprise and that on seeing us outside, went to distract him just so we could be sneaked in.

As the past President Hajra, Cindy Marnoch, a fellow committee member and I tramped into the meeting room we saw the surprised face of Mark who said, "What's going on here?"

It was a very short, nice and sweet ceremony.



Mark Rozad scene here receiving a special award from past Rotary president Hajra Wilson for his exceptional work promoting literacy.

Tax Managed Investing Strategy II

Put your retained earnings to work

Many business owners have built up significant retained earnings in their corporation and are looking for ways to pull that money out. Well, there's a simple strategy available that moves retained earnings out of the company and puts them to work generating investment returns—in a tax efficient way.

Retained earnings are a mixed blessing for business owners.

On one hand, they represent your company's success and profitability. On the other hand, it can be a challenge to take retained earnings out of your business without incurring a large tax bill.

If you are a business owner looking to pull money out of your retained earnings and have significant equity built up in your house this strategy is available to you.

It involves borrowing against your home equity to invest and using your retained earnings to make the interest payments—which are generally tax deductible and allow you to withdraw an equivalent amount from retained earnings without any net tax consequence

At the same time you now have the potential to significantly increase the value of your non-registered investment portfolio over the long term since you have a large lump sum amount invested that takes advantage of the benefits of compounding.

Furthermore, this strategy provides business owners with the potential to safeguard their portfolio from creditors, protect their capital, avoid estate fees and diversify their investments, by investing in segregated fund contracts.

*Louise Guthrie, Assistant Vice-President
Tax and Regulatory Services
Manulife Investments*

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"Meeting delivery is the toughest part of the job these days," says McCloy. "We've got a lot of projects on the go and we're on time with delivery but we're not supposed to be; we like to be ahead."

In order to keep things running on time both men agree, as the leader, you have to be willing to dig in when things get demanding.

"Brian and I have never been afraid to do the work that needs to be done," says Fisher. "It helps improve productivity if you're willing to get out on the floor and get your hands dirty too. I

Health Clinic

The difference between men and women: part 3

When asked about their wellness priorities, women rank the following activities in order of importance:

- 1) getting a good night's sleep (27%)
- 2) eating a balanced diet (24%)
- 3) 30-minutes of exercise (19%).

In practice however, women report they are more likely to make time for exercise, followed by eating a balanced diet and finally, getting a good night's sleep.

About one quarter of all women taking the Stress and Sleep Survey found it difficult to get a good night's sleep at least once a week.

Compared to only 16 per cent of men who experienced the same trouble sleeping.



Reproduced from Manulife Health Benefit News

The Rotary Four Way Test

Of the things we think, say or do:

One: Is it the truth?

Two: Is it fair to all concerned?

Three: Will it build goodwill and better friendships?

Four: Will it be beneficial to all concerned?

wouldn't ask my employees to do something that I wouldn't do myself."

Brian McCloy enjoys snowmobiling and hockey. His wife Linda, daughter Leah, and niece Brandi all work at Peter Hay Knife. Elder daughter Kerry an accountant is married to Brad who is the general manager.

Bob Fisher plays golf and likes gardening. He's married to Marilyn and has two daughters, Susan and Amanda. Second son Bobby (Bob Jr) is the General Manager of Gottics, first son Allan works as a machinist.

Business Stabilization Funding: saving livelihoods



“Then the unthinkable happens and you or your ‘Number One’ gets very sick and despite a full recovery, you lose the business anyway... Because your business just can’t take the loss of short-term cash flow.”

It does not have to be that way if your company has an HDRP 5 in place!

For over 18 years, Numekevor & Associates has built an excellent reputation of being the LifeLine for the Canadian small and medium size business owner by providing cash at the most critical time when it is needed the most—just when the banks turn their back on him or her.

As the inventors of Health Disaster Relief Programs (HDRPs), we take our business seriously when we insure the risk of our clients needing the right amount of cash at the right time and at the right place. In this case, we delivered on the our Business Stabilization Funding (BSF) program through the “Lump Sum Payout on Diagnosis of Disease” plan.

On Friday, August 4, 2006, I personally delivered a cheque for two hundred thousand dollars (\$200,000) to a young client who had a heart attack a couple of months earlier. Nothing can be more gratifying than bringing smiles on the faces of the client and his family and employees.

This young man’s expertise and reputation is very critical to the survival of the family business. He is the one who goes out and drums up business, and so when after three months continuously he could not do that, cash began to dry up.

This created an environment of instability as the owners and employees alike began to be unsure of their future and that of the company. The value of a business as a going-concern does not depend only on the sales, but it most crucially depends on experience and expertise employees. It follows therefore that when a business environment is unstable, which makes employees unsure of their employment future and they begin to “jump ship”, the business begins to lose its value in a hurry.

At Numekevor & Associates, we have always believed that having an insurance plan in place is one thing, and ensuring that it delivers on its promise is another.

Hanging our hat on installing only quality “Business Stabilization Funding” (BSF) programs, means that we do not rest until our clients receive the benefits for which they have paid premiums for over the years. Our philosophy is simple: our clients pay premiums for risks they cannot manage themselves and therefore we cannot allow an insurance company to not live up to its promise. In other words, we do not allow insurance companies to bully our clients when it comes to paying up!

Here is what this client had to say about our reputation:

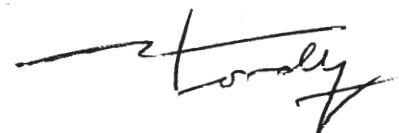
“I might not have received a claim that was due to me but for the extreme professional way in which Lordy and his company handled the process. Lordy believed in and stood by me throughout the entire claim process. You have his word when he says he will take care of you.”

How have we earned this reputation? By focusing on being perceived and, in fact, recognized as the Lifeline for the Canadian small and medium size enterprises (SMEs) through our HDRP trademark name.

For a lot of the business owners, business continuation is assumed, an assumption that falls apart in the face of an unexpected loss by health or death of a key executive. So, to relieve all the business and personal pressure and financial impact that come naturally with illness, injury and even death, many Canadian business owners count on us.

This niche is the result of capitalizing on the knowledge that the core business concerns of Canadian SMEs require so much time that alternative service delivery of non-core functions is now always a major consideration for non-core functions. The firm has accordingly positioned itself as the firm that SMEs outsource their non-core functions of group health and individual insurance service to.

The key to our success is grounded on building a relationship of trust through delivering on promises, and empowering employees to recognize our clients as being part and parcel of the service delivery process.



About the company. We’ve focused on small business owners and executives since 1988. Founded by Lordy Morgan Numekevor, Numekevor & Associates is one of Canada’s leading corporate insurance advisory organizations. We are the innovators of Health Disaster Relief Programs (HDRPs), combining comprehensive benefit and insurance programs to give you, the business owner, the peace of mind you’re after. Contact Numekevor & Associates Inc., 88 Robson Avenue, Cambridge, Ontario, N1T 1L2, Tel: 519-621-4422; Fax: 519-621-1466; hdrp@numekevor.com; www.numekevor.com. **About the newsletter.** This newsletter belongs to our clients. Publication dates are January and July with deadlines in November and May. Submissions of original articles, photos or artwork are welcome. For guidelines contact us at 519-621-4422 or email hdrp@numekevor.com. We reserve the right to edit articles for length and clarity.