

Board Meeting
Thursday, November 13, 1997
Conference Call
Minutes

Participants: Board: Tim Clark, Safeco Insurance Co.; Clarence Ditlow, Center for Auto Safety; Gary Mellini, Allstate Insurance Co.; Tom Willson, Liberty Mutual Insurance Co.; Kim Wood, North Star/NECO; Israel Yzaguirre (and Rod Enlow), USAA; Jack Billington (for Eldon Ziegler), Nationwide Insurance Co. Advisors: Bob Hurns, NAI; Bill Schroeder, Alliance of American Insurers. CAPA Staff: Jack Gillis, Karen Fierst, Scott Davidson.

I. Antitrust Statement

Gillis read CAPA's antitrust statement.

II. Accept Minutes of June 4, 1997 Meeting

Gillis indicated that there are some minor changes which need to be made to the draft circulated to the Board. After these changes are made, revised minutes will be sent to Board members for review and acceptance.

III. Executive Director's Report

A. Board Business

1. Annual Meeting - CAPA will send annual meeting notices and proxies prior to NACE. Clark motioned, and Willson seconded, that the meeting be held at CAPA headquarters for the purpose of elections. Accepted unanimously. As long as at least 10% of each member category submits proxies, the election and annual meeting can take place with the Executive Director and a witness present.
2. Nominations of three Board members whose terms end 12/97 - Nominating Committee member, Willson, recommended that Plucinski, Ziegler and Clark each be nominated to serve an additional term. Mellini seconded the motion. Accepted unanimously. Ballots will be sent to appropriate membership categories so that the election can be held at the December Annual meeting.

3. Board Election of President - Mellini's 2 year term expired at the end of October. Prior to discussion, Mellini disconnected from the call. Willson motioned to reelect Mellini. Yzaguerra seconded. Accepted unanimously. Mellini's term as Board President will end 10/99. Mellini reconnected after the vote was taken.

B. Financial Update

Gillis is preparing a 1998 Budget and final 1997, to be distributed at the December 3rd Board meeting. He gave a verbal update of the current financial situation.

C. Membership

1. Insurance Company solicitations will be sent next week

a. 1997 members: 16; contributors: 12 - five companies have resigned. GEICO indicated that they believe the assessment formula results in inequitable fees. It was decided that Gillis will work with Mayer of GEICO and the Board to develop a new fee schedule and postpone mailing 1998 assessments until Board approval of new formula has been received.

b. Insurance Company Summit will be held Thursday., December 4. 1:00 p.m. to 3:00 p.m. . in the Mirage Hotel in Las Vegas.

2. Distributors

a. 1997 Membership is 54, down from over 100 a few years ago

b. Distributor Membership concept: ABPA has recommended that it include a CAPA membership with its own membership solicitations. They hope to collect \$25 a quarter, in connection with ABPA dues, rather than having CAPA invoice. Therefore, CAPA would receive 4 checks a year from ABPA, rather than individual checks from Distributors. The proposal was unanimously accepted

3. Collision Repairers

a. 1997 Membership - 20

b. 1997 Supporters - 5

4. Consumers - Center for Auto Safety, at this time, remains the only consumer group member.

D. Program (as of October 31, 1997)

1. Parts - Total - 1951 - should end the year with between 1950 and 2000. 85 YTD decertifications and 36 YTD deletions - fewer than expected. 64 part numbers have 2 decertified lots within the previous 12 months.
2. 1997 Projections: 336 of the 417 projected approved parts have already been certified. In spite of 1997 decertifications, manufacturers will come close to meeting their projections for adding new parts.
3. 1998 Projections: Will not have until December.
4. Participants - 26 Full (Highway will soon be out, too few parts and too few seal purchases, doesn't want to pay annual fee); 9 Limited
5. Participant Fines - imposed because of major infractions
 - a. Conjoin Key - \$90,000 due mid January - has agreed to pay
 - b. TY - \$130,000, due end of December - have not heard from them yet
 - c. Tie Shine will receive notice of a substantial fine (over \$60,000) shortly
6. Seal sales: Currently 1,660,000. Will meet budgeted 1.7 million seal sales May surpass 2,000,000.

E. Report on Quality and Marketplace Seminar

1. Good Representation: Manufacturers making 80% of CAPA sheet metal parts attended.
2. Responses: Over all positive responses and desire to conduct similar seminars in the future expressed.

F. Legal Update

1. Legal Fees Incurred as a Result of Class Actions (July 7th memo) - discussion postponed until December 3 meeting.
2. Class Action Suits - On November 4, 1997 Gillis testified as an expert witness for State Farm in a hearing on a potential national class certification in connection with a lawsuit in Illinois.

IV. Legislative Update

- A. Situation with ASA disclosure proposal - Gillis reported on a recent meeting with Bob Redding.
- B. 1997/98 Legislative Activity

1. '97 - movement in 18 states
2. '98 - expect extensive campaign using ASA recommended disclosure
Early activity expected in Florida and Mississippi.

C Discuss CAPA Management Legislative Proposal

The concept of CAPA, or some other entity, promoting state or federal aftermarket part disclosure and usage legislation, and whether CAPA should take an reactive or pro active role was discussed. It was tabled until the December 3 meeting. Prior to that Schroeder and Hurns, as members of the Government Affairs Committee, will develop strategies to be considered by the Board.

V. Certification Categories

Yzageurra suggested that CAPA revisit the type of parts it certifies. After brief discussion, the issue was tabled until the December 3 meeting.

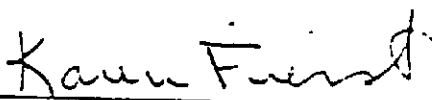
VI. New Business

No new business was raised.

VII. Upcoming Meetings

- A. The next Board meeting will be 3:30 p.m. to 5:30 p.m. Wednesday December 3, at the MGM Grand Hotel, Las Vegas.
- B. The Inter-Industry Communication Forum will be Thursday, December 4, from 8:30 a.m. to 11:00 a.m. The Insurance Summit will be from 1:00 p.m. to 3:00 p.m. on the same day. Both meetings will be held at the Mirage Hotel.

Respectfully Submitted



Karen Fierst

Secretary of the Meeting