



Over **51 years** of experience in the Logistics and Supply Chain industry

We began a revolution in **Freight Cost Management** and **Freight Audit Services**, reducing shipping costs for its customers.

Monster Energy Import Costs Soar

Monster continued to face high costs related to the import of aluminum cans last quarter as the beverage maker struggled to shift sourcing to the U.S. amid high consumer demand for its energy drinks.

The company paid around \$66.7 million in higher freight costs in Q2, which includes the cost to import cans. Operational inefficiencies, including the importation of cans, cost Monster \$46 million in Q1.

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FOCUS ON THE INDUSTRY

In 2018 a crucial law was passed affecting our industry as a whole. California law AB5 required owner operator in the state to be classified as employees and no longer as 1099 contractors. This obviously comes with a significant change to the rest of the nation as a good chunk of the economy comes out of the California market and there are 70,000 owner ops in the state alone..

After the law was passed by a local court in the state of California, it was challenged at the supreme court level which had been hanging in the balance for years. Finally the high court has said they will not review the case and California can immediately begin enacting the law.

Per Coyote Logistics article on their website **What Can Trucking Companies Do About AB5? 4 Options**

Now that AB5 is in effect, trucking companies who operate in the California essentially have these options:

1. Cease doing business in California.

This is the most drastic step a trucking company could take in this environment.

While not a desirable solution for either motor carriers or drivers, this is the surest way to avoid running afoul of AB5.

2. Shift to an employer-employee model.

This outcome is the goal of the bill: To create a labor environment in which all full-time drivers are employees eligible for full benefits and workers' compensation.

3. Separate brokerage from carrier business.

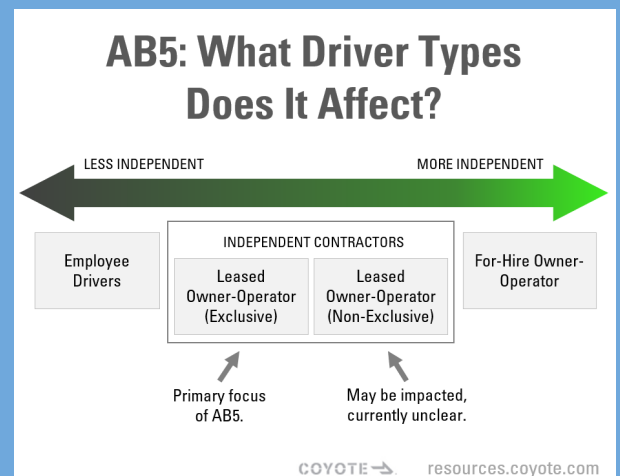
This would mean creating two distinct businesses, one which employs drivers directly and one which serves as a brokerage for independent contractors with the authority to set their own rates and accept work elsewhere.

4. Pursue the B2B exemption.

There is a very narrow exemption crafted into the AB5 bill for independent contractors who provide services directly to a contracting business rather than to customers of that business. To receive this exemption, a company and contractor must meet all of 11 detailed requirements, making it quite a challenge to satisfy.

Integration with your 3PL is key for accuracy of audit and reporting.

FMI has worked with many shippers through the years of our service. We will be providing spotlights on clients and projects that had a successful outcome in bringing efficiency and/or savings to their supply chain.





WHO WE ARE

Most Importantly

FMI is not carrier-owned.

Because of our long-standing independence, we're unsurpassed in our ability to develop fresh game plans to adapt rapidly to changes that could impact your business. Being quick on our feet is one of the most potent skills we possess to keep your company ahead of the competition – and, of course, save you money.

Who comes first?

Customer satisfaction. Our #1 source of new business.

With many of our partnerships more than 10 years old, long-term relationships are at the heart of our service philosophy. We service a wide array of well-known clients. And, although we're not limited to working with any particular carriers, we also have long standing relationships with all well-known carrier companies.

Technology

A focus on IT innovation

A large percentage of FMI's expenditure goes toward the development of new software and tools that enhance our logistics services and maximize freight program effectiveness. With feedback from customers and carriers alike, our dedicated Information Technology department continuously improves and delivers innovative logistics solutions for you.

Support

Customized Support

Additionally, our clients receive personalized and confidential website access with a number of online services and benefits, including the ability to rate freight shipments before they leave the dock.

Our best-in-class management and logistics solutions deliver ease and efficiency to your supply chain.



OUR PEOPLE

Mark Martinez



Me, Myself & I

Get to know some of our featured team members

Which department do you work in?

Account Manager in the Customer Service Department

Where did you grow up?

Born and raised in Norwalk, CA

Where do you currently live?

I currently live in La Mirada, CA

What are your hobbies?

Camping with the family and I also collect Hotwheels.

What are your favorite music artists and or band?

Van Halen, The Smiths, and Def Leppard

Do you have a lucky number?

4

What is your favorite color?

Blue

What is your favorite animal?

Dogs

What is your favorite food?

My mom's enchilada's

How did you get into the freight business?

I worked in the printing industry for almost 15 years, and I was in the shipping department scheduling pickups and deliveries. So when this opportunity came along I wanted to give it a try.

If you could describe yourself in one word what would that be?

Loyal

Do you have any words of wisdom or mantras you live by?

"Pray for guidance and give thanks for your blessings every day."

Is there a moment in time you wish you could revisit it?

"To be able to go back in time and spend more time with my kids when they were small."

If you could live anywhere in the world where would that be?

Along the coast or in the mountains in the US.

What is your favorite ice cream flavor?

Chocolate Chip Cookie Dough

Do you have any memorable stories?

In 1988 I was able to go see the Lakers in the 1988 NBA Finals, which they won.

What is the perfect pizza topping?

Pepperoni and pineapple

Who is your hero?

My mom

If you could retire tomorrow, what would you do?

Go traveling with my wife

ANNIVERSARIES:

Jackie Muro – 25 years

Tim Ponder – 23 years

Jamie Williamson – 4 years

Eric Doppert – 3 years

Hannah Swift – 1 year

New Team Members:

Fauzia Janmohamed

Mario SantaCruz

Raul Rivas

BIRTHDAYS:

Jamie Williamson – 6/30

Tim Ponder – 7/10

Jackie Muro – 7/17

Laurie Galli – 7/25

Fauzia Janmohamed – 7/30

Emily Swift – 8/21

Hannah Swift – 8/30

Answer the following riddle:

What word is pronounced the same if you take away four of its five letters?

Fax or email answers and address to 714-632-7221 or frontoffice@freightmgmt.com to collect your prize.

Thank you for playing!