

States' Inland Empire Presence Expands in Ontario

There are many exciting happenings at the States' Ontario facility!

NEW CUSTOMERS

Several customers were added earlier this year in Ontario—McIlhenny Tabasco Sauce, Kerns Heritage Foods (canned juices), Kerry and Kerry Specialty Foods, a restaurant quality food company, and Dogswell, a healthy dog treat manufacturer.

We have expanded our customer base with ULTA Beauty, a full line of cosmetics. Bradshaw—Butler, which owns the Mr. Clean brand of mop heads, has

also recently joined the States' customer lineup.

In addition, another division of Archer Daniels Manufacturing (ADM) will be housed at our Ontario location in the next few weeks. We already house ADM Cocoa at our Altura facility.

Other new business came to us when we partnered with another logistics provider and offered overflow space to them. We utilized our yard space and stored containers during their peak season, which added to our revenue. If you saw a yard full of trailers in Ontario, now you know why!

REMODELING

Dust was flying when the offices underwent a "face-lift". Now, when you walk in the front door, you'll encounter a lovely new lobby area, which allows guests to be greeted more formally. Also, a wall was knocked down, consolidating two customer service offices into one. This allows for better communication between all of the customer service representatives.

PACKAGING

We continue to expand our packaging operation, with service to Sonic Scrubbers, labeling their items for sale at Linens N Things. We also have begun packaging projects for Dogswell. We are

building custom displays and stickering their items for sale in Target and UNFI stores.

AIB AUDIT

As part of our yearly inspection process, Ontario went through an audit with the American Institute of Baking. The AIB is an independent company that evaluates sanitation procedures in food grade warehouses. We are pleased to report that the Ontario facility received a Superior rating in the month of July. A Superior rating informs our customers that their food products in our possession are stored in an environment with the highest standards of cleanliness and food safety.

Continue to look for exciting news from our Inland Empire!



STATES IS TREATING YOU TO A HOLIDAY CELEBRATION!!!

ENJOY THE HOLIDAY SEASON WITH YOUR CO-WORKERS!!

Arizona Holiday Party on Sunday, December 9th from 4-9 PM

Casino Night and Buffet at the Hilton Garden Inn

California Holiday Party on Saturday, December 1st from 3-6 PM

Bowling, Billiards & Appetizers at Lucky Strike Bowl, The Block of Orange

Look for your Invitation in the Mail Soon!

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SLSI: MEMBERS OF THE SMART WAY PROGRAM

States Logistics Services, Inc. is committed to Green Business Practices to help create a cleaner environment and brighter future for our planet. Our latest sustainability initiative is the use of Bio-Diesel in our fleet of tractors and also in the tractors of the transportation companies who are our partners.

Bio-Diesel is a clean burning alternative fuel produced from domestic renewable resources. Use of Bio-Diesel is not only helping improve the environment but supports American Farmers and reduces our dependence on foreign oil. Our use of Bio-Diesel is a great compliment to our ongoing Green Projects which in-

clude: energy efficient lighting throughout our warehouses & recycling programs for mixed paper, cardboard, plastics and pallets.

States Logistics is proudly promoting our use of Bio-Diesel with our newly "wrapped" trailers showing off our partnership with Clif Bar, Inc. In addition, Matt Montford and I spoke at the EPA SmartWay Get Green Trucking Summit in Dallas last month promoting the use of Bio-Diesel on our tractors and with our partners from Tony's Express and Hess Trucking.

Matt and I were also interviewed and taped for a repeating radio broadcast on the Midnight Trucking Radio Network. The interview covered States Logistics running Bio-Diesel and "helping to save the planet one truck load at a time."

For all of you who are long time listeners to the Midnight Trucking Radio Network, please listen for Eric Harley's daily show—you could hear us on the air!

Ryan Donovan, VP CA Operations



California Picnic—Old Fashioned Fun and Games with a Hawaiian Flair

States once again held their CA summer picnic at Yorba Regional Park on August 18th. The theme was Hawaiian—with many dudes in Hawaiian print shirts and wahines in colorful leis.

Everyone stuffed their bellies with "onolicious" barbecued beef, teriyaki chicken, rice and macaroni salad catered by L&L Hawaiian BBO. Tropical slushies, refreshing juices and Hansen's natural sodas quenched everyone's thirst.

There was a variety of activities to tucker out even the most energetic—from a bounce house and a giant slide, to craft kits—kohu'ole monkeys on surf boards and mermaids, to games and contests.

To beat the heat on this clear, sunny, 90 degree day, participants got pulu pe in the water relay. This crazy game involved a string mop head and a bucket

of water—just soak and toss over your head to your "brahs" - squeezing what's left into an empty bucket; the team to collect the most water wins the game. Although it was tricky to determine the winner, it was loads of fun!

The obstacle course was another big attraction, requiring participants to roll beach balls with their noses, hop into potato sacks, spin with their foreheads on inflatable baseball bats and run back to the finish line—a dizzying experience for all! Everyone looked mighty ho'omake'aka running crooked—most ended up falling on their okoles!

The limbo contest tested everyone's ability to pelu like a rubber band. Wouldn't you know, the tallest contestant won!

Kids and adults had plenty of le'ale'a playing games or just sitting around to "talk story".

Congratulations to all the winners. Raffle prizes included BBO's and fire pits purchased from Charbroil.

The Human Resource Department wishes to extend a special Mahalo to the following volunteers whose contributions helped to make this event a success: Donna Becker, Lori Beloit, Benny Calesti, Veronica Gomez, Frank Guido, Edie Koerner, Bill Martin, Eric Monson, Kevin Monson, Sharon and Monty Montford, Craig Railey, Arline Ramos, Ida Ruiz, Indiana Velasquez and Sean & Karen Walter. Aloha!

Translation Key: wahines—females, onolicious—great tasting, kohu'ole—silly, pulu pe—wet, brah—friend/buddy, ho'amake'aka—funny, okole—bottom/rear-end, pelu—bend, le'ale'a—fun, talk story—chew the fat/shoot the breeze, mahalo—thanks.

- Lisa Ramos, HR

Lucky Number Seven—Arizona Expansion

In September, States Logistics' Arizona operations began the first step towards a major expansion by opening Warehouse 507. The 160,000 square foot facility is located just a block away from our existing PepsiCo campus in Tolleson, making it an ideal location to share resources within the region.

After installing racking, the facility will house approximately 15,000 pallets with additional space allocated for re-packaging and value added services.

The need for an additional warehouse became necessary earlier this summer

when OmniMount Systems, Inc. and Sabare USA both selected States to be their logistics solutions provider.

OmniMount is the world's leading manufacturer of wall mounts and furniture used for home entertainment and electronics equipment. Sabare USA is a home furnishing textiles company, and is the world's largest manufacturer of body pillows.

States Logistics Services, Inc. will provide a significant amount of value added services including: manufacturing, packaging, assembly, price ticketing, and quality control.

Warehouse 507 now puts the Arizona region over 1 million square feet of warehouse operations, making States one of the largest 3PLs in Arizona!

The entire Arizona team has worked hard to put the company in a position to expand our operations. We are all looking forward to continued growth through hard work and dedication to a common goal of making States the premier logistics solution on the west coast!

- Tim Richards,

Customer Solutions Manager

Christy — Case Stack's Calm, Cool, and Collected CSR!



Christy Zulueta has been a valued employee of States Logistics since June of 2005. For over two years, Christy has worked at the Altura facility as a dedicated customer service representative servicing the multi-faceted Case Stack account.

With Case Stack's various product lines, Christy is able to juggle multiple deadlines efficiently. Christy's attention to detail, organization skills, and ability to manage many tasks, make her a valuable asset to the Altura customer service team.

Christy was born in the Philippines and moved to the Bay Area at the age of 13. She relocated to Los Angeles in 2005, when she started at States.

Christy enjoys spending time with her two children, Lerae, age 14, and Elden, age 7. Some of the things they enjoy doing together are going to the movies, the mall, Downtown Disney, Universal City Walk, and spending sunny days at the beach.

Christy likes that States Logistics is a family owned business and that everyone she meets is friendly and knows her name. She appreciates the supportive management team.

When Christy is not working or spending time with her family, she loves to scrapbook and do Sudoku puzzles. Christy, thank you for your dedicated service to States Logistics and to our customer!



Safety Committee Forming Now

The Safety Committee is on its way back!!!

As you might know, Safety Committees have been a proven way to set goals and objectives with regard to company safety, obtain valuable information from frontline individuals and, as a result, reduce workplace accidents and/or near misses.

In the past, States Logistics Services, Inc. has used tenured employees to form safety committees, and due to their experience, they were able to obtain huge results. In hopes of possibly improving the safety committee as well as the overall safety of every SLSI em-

ployee, the upcoming safety committee will be managed slightly different.

Along with some tenured employees, the next safety committee will also be comprised of some frontline employees from all Arizona and California States Logistics Services, Inc. locations.

Recently you might have received a Safety Committee selection form to complete if interested in serving on the Safety Committee. Several forms were returned and a selected group will be chosen to serve on the revived SLSI Safety Committee. This committee will serve for approximately 3-6 months at which time those who aren't on the committee will get a chance to see the

new and exciting challenges and accomplishments the safety committee is faced with, and how they too can make a difference on the Safety Committee.

If for some reason you missed the Safety Committee Selection form last month, or have changed your mind about serving on the safety committee and would like to be considered as a committee member, contact your manager who can lead you down the path to possibly serving on a fun, easy-going committee with one common goal—TO KEEP EVERYONE SAFE!!

- Craig Railey, Safety Manager

Give Yourself a Helpful Lift

Proper lifting techniques at home and at work pays huge dividends....

Improper lifting techniques can lead to back, leg and arm pain. Poor technique can cause both acute injury, and serious chronic effects. Learning the right way to lift will help you avoid these problems.

Here's How to Lift:

Plan ahead before lifting. Knowing what you're doing and where you're going will prevent you from making awkward movements while holding something heavy. Clear a path, and if lifting something with another person, make sure both of you agree to the plan.



Lifting and Your Back
Preventing Back Injury



Lift close to your body. You will be a stronger and more stable lifter if the object is held close to your body rather than at the end of your reach. Make sure you have a firm hold on the object you are lifting, and keep it balanced close to your body.

Feet shoulder width apart. A solid base of support is important while lifting. Holding your feet too close together will be unstable, too far apart will hinder movement. Keep feet about shoulder width apart and take short steps.

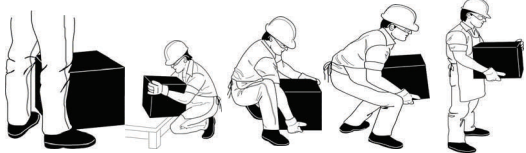
Bend your knees and keep your back straight. Practice the lifting motion before you lift the object, and think about your motion before you lift. Focus on keeping your spine straight—raise and lower to the ground by bending your knees.

Tighten your stomach muscles. Tightening your abdominal muscles will hold your back in a good lifting position and will help prevent excessive force on the spine.

Lift with your legs. Your legs are many times stronger than your back muscles—let your strength work in your favor. Again, lower to the ground by bending your knees, not your back. Keeping your eyes focused upward keeps your back straight.

If you're straining, get help. If an object is too heavy, or awkward in shape, make sure you have someone around who can help you lift.

Tips: Never bend your back to pick something up. Hold the object close to your body. Don't twist or bend. Keep your eyes up.



Follow these helpful guidelines to protect your back and lift safely.

- Craig Railey, Safety Manager

STATES LOGISTICS

An ESOP Organization

Securing our Future By Delivering Success!

States Logistics Services, Inc.

"Complete Warehousing, Transportation and Packaging Services"

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Our Mission:

"The mission of States Logistics Services, Inc. is to be recognized by our customers and employees as the ultimate logistics solution in our region. We will be customer focused and will strive for excellence in all of our actions. At all times, we will treat others with honesty, respect and integrity."

Employee News & Congratulations Corner

Scott and Kimber Watkins, from our Tolleson Arizona facilities, will be walking to cure diabetes on November 3, 2007, for their son's team "Rory's Ras-cals". You can visit their website at: <http://walk.jdrf.org/walker.cfm?id=86667446>. We wish you the best of luck!

Congratulations to Perry and Linda Hachler as they became Grandparents for the second time on September 11, 2007, to a baby boy, Michael Jacob.

Eric Monson and Eric Smith are walking to raise money for Children's Hospital of Orange County on Saturday, October 22nd.

Congratulations to Yvonne Starkey, from our Tolleson Arizona facility, for starting a Co-Ed softball league. If anyone is interested in joining and resides in the Arizona area, please contact Yvonne Starkey at extension 4122.

Donna Becker at our Dolly facility is raising money for breast cancer and will be participating in a 3-day walk, 20 miles per day, in November! Great job Donna, and we wish you luck!

Danny Gonzalez and Kevin Boothman from our Tolleson Arizona facility will be running the Race for the Cure for Breast Cancer 5K Event on October 14th. This will help them train to run in the Phoenix P.F. Chang's 1/2 marathon in January.

Rebecca Guerrero, Vivianne Herrod and Yvonne Starkey, also from our Tolleson and Phoenix facilities, will be walking the 5K to join in the fight for breast cancer. You can visit the website at: www.komenphoenix.org.

Thank you very much to all of our employees for their efforts to serve their communities and make a difference!

What interesting things are happening in your facility? E-mail Laurie in HR at lsagastume@stateslogistics.com.

