

# The California Merchant



June, 2008

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## Great rates for 2008!

As you probably know, your association, California Merchants Safety Association (C.M.S.A.), is no longer working with the State Compensation Insurance Fund. We have partnered with Heffernan Insurance Brokers to bring our members a new workers' compensation insurance program with **AMAZING** rates.

Check out the 2008 base rates comparison below and make sure to get a quote for your company A.S.A.P!!!

Workers' Comp Class Code	New Heffernan 2008 base rate*	Compare	SCIF 2008 base rate	Class Code Description
8017	\$4.52	<u>vs.</u>	\$6.52	Stores- Retail- N.O.C.
8018	\$7.61	<u>vs.</u>	\$10.98	Stores- Wholesale- N.O.C.
8387	\$5.44	<u>vs.</u>	\$7.86	Auto Service Stations
8389	\$5.92	<u>vs.</u>	\$8.54	Auto Repair Shops
8392	\$9.21	<u>vs.</u>	\$13.30	Auto or Truck Storage Garages
8061	\$5.69	<u>vs.</u>	\$8.21	Store, Groceries
8391	\$4.24	<u>vs.</u>	\$6.12	Auto Truck Dealers- employees
8324	\$6.08	<u>vs.</u>	\$8.77	Auto Gas Stations
9516	\$5.25	<u>vs.</u>	\$7.58	Television, Video, Audio Equip. - service/repair
9519	\$8.03	<u>vs.</u>	\$11.59	Household Appliance- service/repair
7198	\$11.28	<u>vs.</u>	\$16.28	Parcel Delivery Companies
7232	\$10.86	<u>vs.</u>	\$15.67	Mail Delivery Service Companies

\* All 2008 rates are the filed base rates and do not include any individually earned merits or credits. Actual rates may be lower.

**Our new workers' compensation program through Heffernan Insurance Brokers offers a substantial savings over the State Fund rates. To participate in this new program, be sure to get your quote today!!!**

Call **Heffernan Insurance Brokers** at: **(866) 500-6359** and let them know you are a member of Western Regional Master Builders Association. If you currently use a broker for your insurance needs, you may have your broker call **Tangram Insurance** to get the same program and rates, at **(800) 676-2213 ext. 662** and speak to **Riley Binford**.

**Don't miss out on these savings! Call today for a quote!!!**



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# Debt dilemma: Know when to get help

The party is over. Americans stuffed themselves on debt for two decades. They bought bigger houses and they spent with abandon at Wal-Mart and the mall. And how did they pay for it? By opening credit cards; Americans hold four cards each on average. Advice from expert financial credit counselors help debt ridden Americans deal with their credit debt in a tough economy. Author and credit counselor Howard Dvorkin offers insights to how people can rein in their debt.

Debt is crushing the American family. Many people are realizing that they can't pay all of their monthly bills on time and they start paying with credit cards, and then the credit cards get maxed and they start missing payments. Americans facing the credit crunch are embarrassed, frustrated and certainly don't feel like talking to their credit card issuers.

The statistics are harrowing--borrowing from cards and other unsecured lines of credit rose an annualized 11.3% in November to \$937.5 billion, according to the Federal Reserve. Consumer credit increased by \$15.3 billion in March, to \$2.56 trillion, the biggest monthly rise since November 2007 and more than double the amount it increased in February, not including home equity loans.

"Many people who call for help don't qualify because they have waited too long to contact us. There seems to be no sense of urgency," says Howard Dvorkin, founder of Consolidated Credit Counseling Services, Inc., a non-profit organization and author of *Credit Hell: How to Dig out of Debt*. "It would benefit people who are struggling with credit card debt to contact Consolidated Credit Counseling Services as soon as possible, before their cash flow gets negatively impacted and they start paying even



higher interest rates, penalties and fees on their credit cards," he continued.

## Consolidating debt vs. debt settlement

When people find themselves falling behind on their day-to-day payments and spiraling deeper into debt it would benefit them to call a credit counseling organization. They should be certain that the company is reputable, do their homework and research. A credit counseling agency will contact their credit card issuers and set up one monthly payment. They may also get lower interest rates and have many of the fees they owe waived. They may pay a fee to the organization but they will also get the proper education to prepare themselves for a more stable financial future. Many companies have free educational information that instructs consumers on how to save money, budget, and become overall better money managers.

Please visit your association,  
California Merchants Safety Association,  
at its new website.

[www.califmerchants.com](http://www.califmerchants.com)



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## LAW TALK

By Bruce Rudman  
Law Offices of Abdulaziz, Grossbart & Rudman



### How you can protect your business

About once a year, we write an article, discussing the basic steps you should take to protect your business—and by protecting your business, you protect your personal livelihood. This article is not a substitute for legal or tax advice and every business is different. However, for most businesses, there are things that can be done to protect the business. Some of these things may seem like common sense or “no-brainers” though it is surprising you to see how many people ignore obvious legal as well as practical requirements of their businesses.

First, is the way you do business. Have you considered incorporation? If you are incorporated, you should make sure that all leases, contracts, letterhead, purchases, and every single document you use for your business reflects the fact that you are a corporation. If you do not hold yourself out as a corporation, and you are sued, it is likely that you could be personally sued in addition to your corporation. This is one of the reasons why people incorporate, and by not holding yourself out as a corporation in every way, you can threaten that. If you are doing business under a fictitious name, you must file the appropriate Fictitious Name Statement with the county recorder, and it must be published. This is also a requirement if you ever need to file a lawsuit to collect your fees for services.

Next, is the place that you do business. If you lease your premises or equipment, you should know the expiration dates and plan ahead. Under a lease, unless there is an option for additional terms, your landlord may

have no obligation to renew your lease. You should know your rights and plan ahead. Also, when time comes to renew a lease, there may be neighboring properties that would value your rental business at a discount of your current rent. However, always keep in mind that moving expenses can be substantial, including the cost of moving equipment, telephone lines and advertising the change.

Your employee relationships and the protection of workers are each very important. You should make sure that you have the appropriate workers compensation coverage. More than likely, you should have an employee policy manual setting forth your rules and regulations of employment. Most workers compensation insurance companies as well as the Cal-OSHA laws require most employers to have written safety policies. Thankfully, there are a multitude of companies that offer customize safety manuals for a nominal cost. You should consult with an employment lawyer and/or your accountant to discuss benefits for your employees that not only help you retain employees, but help you save money by valuable deductions. Remember that there are substantial penalties and fines for noncompliance with the employment and immigration laws. All of your paper work should be in order with clear and concise files for easy review.

One area of increasing litigation is the subject of audits by workers compensation insurance companies against employers. Particularly in the trades where companies hire independent contractors, such as the construction trades, you could be subject to pay

additional insurance premiums if your subcontractors or persons you hire do not have licenses to do their work, where licenses are required.

Do you have sufficient liability insurance, including sufficient insurance for your company/owned or operated vehicles? Are your policies claims-made policies (which apply only where a claim is made without regard to when the incident that led to the litigation occurred), or occurrence-based policies (which protect you for a claim that occurred during the policy period). You should discuss your needs with your broker and be wary of policies that are substantially cheaper than others, as they may limit the type of claims or the circumstances in which coverage can be denied. On the same subject of insurance, if you have any employees or independent salespeople who use their own vehicles while conducting business for your company, they should name your company as additional insured on their own insurance policies, as you could find yourself the subject of a lawsuit if those persons get into an automobile accident while conducting business. To that end, you may also want to impose restrictions on the use of cell phones while conducting business in automobiles.

Last, but certainly least, are your customer relations. Do you have a good contract that complies with all consumer-protection laws as well as the rules and regulations that govern your particular vocation? Most licensed businesses have laws and regulations that require certain provisions

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# SAFETY MATTERS



## Using portable electric power tools safely

Failing to properly use and maintain electric-powered tools causes thousands of cuts, punctures, pinches, amputations, and electrocutions each year. Tools can seriously injure or kill the user if not properly maintained or used. Everyone who uses tools must learn to recognize the hazards associated with the different types of tools and the safety precautions necessary to prevent those hazards. The Occupational Safety and Health Administration has specific rules for using electric-powered tools. Following these guidelines, along with using your own good judgment will help keep you safe.

Before you use a tool:

- Verify that it bears an electrical test label to indicate it successfully passed inspection and tests for electrical safety within the previous six months.
- Know the application, limitation, and potential hazards of the tool. Operate according to the manufacturer's instructions.
- Inspect the cord for the proper type. Electric-powered tools must either have a three-wire cord with ground or be double insulated. Never use a plug that has its ground prong removed.
- Inspect the tool for frayed cords, loose or broken switches, and other obvious problems. Tools that fail this inspection must not be used. These must be removed from service and labeled "Do Not Use" until repairs are made.

When using the tool:

- Do not use electric-powered tools in damp or wet locations.
- Keep guards in place, in working order, and properly



adjusted. Safety guards must never be removed when the tool is being used

- Avoid accidental starting. Do not hold a finger on the switch button while carrying a plugged-in tool.
- Safety switches must be kept in working order and must not be modified. If you feel it necessary to modify a safety switch for a job you're doing, use another tool.
- Work areas should have adequate lighting and be free of clutter.
- Observers should remain a safe distance away from the work area.

- Be sure to keep good footing and maintain good balance.
- Do not wear loose clothing, ties, or jewelry when operating tools.
- Wear appropriate gloves and footwear while using tools.

Servicing and storing tools:

- Never modify a tool to use for a job it's not intended to do.
- Disconnect power tools while servicing or storing.
- Do not wrap the cord around the tool for storage.
- Store tools in a dry place.



## OSHA CORNER

Cal/OSHA Safety Publications

Please visit the following address on the web to download helpful safety posters, guides and pamphlets for a safer workplace.

<http://www.dir.ca.gov/dosh/PubOrder.asp>

# Good housekeeping is essential for safety

**W**hat does housekeeping have to do with safety? The answer is everything! Poor housekeeping is one of the major causes of employee injuries that include slips, trips, and falls, being struck by out-of-place objects, and injuries caused by using improper tools because the correct tools cannot be found.

Housekeeping is every worker's responsibility and a primary part in accident prevention. A general training program on housekeeping can help prevent hazards, such as, obstructed aisles and exits, debris on the floors, and tools and equipment that are not put away. Employees should be trained to routinely clean and organize their work areas to prevent hazards and promptly report and/or correct hazards in the workplace.

The California Code of Regulations Title 8 has established general requirements for housekeeping for all places of employment. In general, these requirements state that:

- All places of employment shall be kept clean, orderly, and in sanitary condition
- Workroom floors shall be kept clean and dry; where wet processes are used, drainage, false floors, platforms, mats, and/or other dry standing places should be provided where practicable
- Floors, working places, and passageways are to be free from protruding nails, splinters, holes, or loose boards

It also covers the following items:

- Solid and liquid waste
- Disposal of cleaners, oils, solvents, and rags



- Vermin control
- Eating and drinking areas
- Water supply, both potable and non-potable
- Toilet and washing facilities
- Sanitary storage

Improve general housekeeping with the implementation of a routine cleaning schedule and hold employees accountable for their work areas. Check lighting and clear aisle ways and exit routes. Remove hazardous objects. Stack materials and supplies and secure them to avoid falling objects. Provide an area for employees to store and maintain their personal protective equipment (PPE). Continuously update your Hazard Communication program including storage (never store hazardous substances with PPE), labels, Material Safety Data Sheets, and disposal of chemicals that you no longer use. Dispose of combustibles and flammables properly. As part of your IIPP, you are required to conduct safety inspections of your facility on an annual basis – as a minimum. But, as your insurance carrier, we recommend that you perform safety inspections monthly.

The benefits of good housekeeping include fewer accidents and injuries, more effective use of space, efficient equipment clean-up and maintenance, less exposure to hazardous substances, decreased fire hazards, and improved employee morale.



# Debt: Thousands of Americans are facing debt, foreclosure and financial adversity

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Debt settlement companies work in a different manner. Most people who contact a debt settlement company have waited much too long and are in collections. Some debt settlement companies will tell them to stop paying their bills and instead put the money they save into a trust - which the debt settlement company sets up. Once they save the negotiated amount of money that they owe the debt is paid off but their financial woes are not over. The company takes a hefty fee and they also harm the person's credit score. Most people will also likely get taxed on the difference that they owed and the amount settled upon. The IRS will send a 1099 form and they will be responsible for paying taxes on that money.

Debt settlement companies are better for old debts that must be paid off; they are best used only when people are most desperate. A credit counseling agency benefits those with recent debts and it may also help with credit scores because the people in counseling are paying off the debt they owe, not missing payments.

### Take Charge of your Debt:

No one is alone during these volatile times. Thousands of Americans

are facing debt, foreclosure and other financial adversities. The longer they wait the more serious their situation will become. If they are only making the minimum payments on their credit cards then they will be paying them off for what could be years and


most of their money will be going toward the interest.

"If a person decides not to make payments then they will face debt settlement or bankruptcy and they will be crippling their credit score. They should


contact someone who can help. At the very least they will get feedback on their financial situation and a few suggestions on what they can do to remedy their debt," advises Dvorkin.

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 (800) 823-4038**

## Five guidelines for effective environmental marketing

Americans misunderstand key phrases commonly used in environmental marketing and advertising, giving products a greater environmental halo than they deserve and creating a growing risk of backlash.

These are among the findings of the 2008 Green Gap Survey, conducted by Cone LLC and The Boston College Center for Corporate Citizenship.

### A Green Gap

According to the survey, almost four in 10 (39%) Americans are preferentially buying products they believe to be “environmentally friendly.” At the same time, almost half (48%) of the population erroneously believes a product marketed as “green” or “environmentally friendly” has a positive (i.e., beneficial) impact on the environment. Only 22 percent understand these terms more accurately describe products with less negative environmental impact than previous versions or competing products.

The survey clearly shows

that Americans do not realize this green gap exists:

47 percent trust companies to tell them the truth in environmental messaging

45 percent believe companies are accurately communicating information about their impact on the environment

61 percent of Americans say they understand the environmental terms companies use in their advertising

### Five Guidelines for Effective Environmental Marketing

People are listening to, interested in and positively affected by environmental messaging. Fully 38 percent say they feel informed by such messaging and another 11 percent feel empowered or inspired to act. Only 14 percent of the population says environmental messaging makes them either feel cynical or overwhelmed.

Cone LLC and The Boston College Center for Corporate Citizenship believe the research suggests several strategies companies should use to effectively and credi-

bly communicate about how their products or services impact the environment:

**Be precise.** Make specific claims that provide quantitative impacts.

70 percent of Americans say quantifying the actual environmental impact of a product or service is influential in their purchasing decisions. In addition, the more precise an environmental claim, the more convincing Americans believe it to be. For example, 36 percent found the message “environmentally friendly” credible when used to describe a paper product, but 60 percent found the message “made with 80% post-consumer recycled paper” credible.

**Be relevant.** Demonstrate a clear connection between the product or service and the environment.

74 percent of Americans say providing a clear connection between the product/service and the environmental issue (i.e., a hybrid car and lower emissions) influences their purchasing decisions.

**Be a resource.** Provide additional information for consumers in a place where they want it.

Americans say they are most likely to seek information online via a company’s Web site (54%), a third-party Web site (51%), a search engine (48%) or via product packaging (45%).

**Be consistent.** Don’t let marketing images send a signal that contradicts the carefully chosen words and facts you use. For example, showing an automobile parked in a virgin forest may be seen as insensitive, while a product growing out of a tree may be seen as exaggeration.

**Be realistic.** There are always more environmental improvements that can be made to a product or service, and they are but one piece of a much larger environmental journey for society. Communications that include some sense of context, as well as a “work in progress” tone, will be more credible and less subject to criticism.

## Business

### Continued from page 3

to be in your contracts. These laws change regularly. Even where people buy their forms from “national distributors,” we see occasions where the forms do not comply with California law. You should consider whether you want to have an alternative dispute resolution mechanism such as arbitration or mediation in your contracts with your customers. Requiring mediation before a party can file a lawsuit can save you

money. Requiring arbitration rather than a court suit can make it more expensive for smaller lawsuits to be brought, though that can also be beneficial to some businesses.

In conclusion, when running your business you should think of all of the possibilities and plan for the future. That is the only way to assure the continuation of your business.

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*a general nature and are intended to highlight areas of the subject matter and should not be used as a substitute for specific legal advice. You should seek the aid and advice of a competent attorney and/or accountant instead of relying on the presentation and/or documents. Bruce D. Rudman can be reached at Abdulaziz, Grossbart & Rudman, P.O. Box 15458, North Hollywood, CA 91615-5458; (818) 760-2000, Facsimile (818) 760-3908; or by E-Mail at [info@aglaw.net](mailto:info@aglaw.net).*

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## **DUES REMINDER... DUES REMINDER... DUES REMINDER...**

Annual C.M.S.A. membership dues are now due. To be sure that you remain a member and continue to receive this newsletter and all other membership benefits, your membership payment is due to the Association's office by July 1st, 2008. Please send in your annual fee of \$50.00 made payable to C.M.S.A.

Thank you!

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