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CEO LETTER



Sunland has spent the last eight months focusing on and preparing for the future. We have re-tooled our business to compete and win on a global scale. We have invested considerable time, effort, and resources into this process, and I am truly excited about the opportunities on the horizon. We are clearly pursuing our vision of *becoming a great 3PL company - where opportunity exists, people want to work, and customers want to buy.*

As many of you know, Sunland recently experienced a setback in losing one of our major customers. This was a long-term and valued client. We would like to thank Drive Automotive for their partnership over the years and wish them well in their future endeavors. Our primary goal was to ensure a smooth transition with limited risk to our customer. Although this has been challenging, we are committed to our vision of becoming a great company and feel this is a strong statement of our commitment to our customers, past and present.

Now on to our plan for today and into the future. We recently won substantial new business in both Charleston and in Greenville. In Charleston, we signed Sinomax, a very large retail client serving Wal-Mart with bedding products for the entire U.S. This company has grown 40% annually for the last four years, and we anticipate a strategic and long-term relationship that could include additional markets in the future.

In Greenville, Sunland secured two new automotive clients and received the designation as a foreign trade zone (FTZ #38, Site 22) at our headquarters here in Simpsonville. These clients will utilize the FTZ in support of their customer, BMW. We see the FTZ as an opportunity to bring in automotive clients from all over the world to support the OEM's in the southeast with a true competitive advantage.

Sincerely,

Arch Thomason, CEO

WELCOME TO SUNLAND

NEW CUSTOMERS

- SINOMAX

NEW EMPLOYEES

- BILL GATES, Chairman of the Board
- ELIJAH RAY, EVP of Customer Solutions
- ANGELA TUCKER, Director of Customer Solutions, Staffing Group
- LIZA TWERY McANGUS, Marketing Manager



PEOPLE

Sunland believes that the quality of our processes and the strength of our company are dependent on our ability to develop the talent and leadership skills of our employee base and to provide all the members of our team with a positive work environment. Beginning in 2011, Sunland implemented the **ICARE Program**, an associate incentive based program, rewarding performance excellence. Key initiatives of the ICARE Program are the following: training & safety, rewarding & recognizing excellent performance, and developing leadership skills.



ICARE WINNERS

LUCY CIEPLY

It is with great pleasure that we announce the winner of the ICARE award for the month of April, 2013 is Lucy Cieply from Sunland's Finance Department. Lucy is in charge of Accounts Payables and has increased the output at her functional desk by over 200%. With a great attitude, Lucy is always ready to help, to ask extra questions, to catch potential issues using her keen foresight, and to chase down the details. Her unmatched organizational skills, persistence, and work ethic have benefited the company. She is key to making Sunland's accounting closings on schedule. Bills are not lost, they are paid on time, they can always be found, files are labeled, discounts are taken, and charges are questioned. Lucy is truly an example of a Sunland employee who "Rises Above" in all occasions.

DALE STETZ

Please join us in congratulating the winner of the ICARE award for the month of June 2013, Dale Stetz of Sunland's Maintenance Department. Dale goes above and beyond to find ways to save the company money. He checks and rechecks all invoices and challenges billings, frequently resulting in credits to the company. Through his efforts, he has found several thousands of dollars in errors. Dale has also implemented procedures and streamlined the way the maintenance department performs and tracks information. Dale puts together and e-mails Sunland's weekly Safety & Maintenance Tips. He also helps to make sure forklift operators are following all safety procedures. Dale was very instrumental in the cleanup of the shop area and working with facility managers to properly store and handle material in the waste disposal area. He is a forward thinker and a great planner. He has organizational skills that are truly an asset to his department and to Sunland.



EMPLOYEE SPOTLIGHT

Lucy Cieply, Accounts Payable

Hire Date: 10/3/11

1. What do you enjoy the most about working for Sunland?

The people. I think everyone here is a team player, and nothing is beneath anyone. Arch has put together a great team and has an unfaltering vision. Arch is a true leader and is always positive no matter what is happening with the company. There is no doubt in my mind that he will succeed in leading the company to achieve its goals because he keeps his eye on the vision and makes everyone feel important. There's never a day that I wake up and don't want to come to work

2. What's the most challenging part about your job and how do you overcome those challenges and still perform well?

I juggle multiple responsibilities. But that's okay because I'm good at multi-tasking. I overcome it by being able to prioritize and motivate myself. Sometimes I play a little game to see if I can accomplish a certain task in x amount of time. My father ingrained a strong work ethic in me. He always said, "When you go to work you give it a 150%."

3. What do you like to do during your time away from work, what are your hobbies?

I love spending time with my family, going to concerts, and watching movies. Also, I really enjoy playing with my dogs...I love being woken up in the morning by two seventy pound labs.

4. What is something most people don't know about you?

I graduated from high school when I was 15 years old, and I put myself through college. I worked during the day and got my degree in business accounting in the evenings.

HAVE YOU HEARD?

QUALITY INITIATIVE

Under the leadership of Sunland's CEO, Arch Thomason, and our new Executive Vice President of Customer Solutions, Elijah Ray, Sunland has launched the Quality & Innovations Program aka QIP.

What are the Benefits QIP?

- A culture of service the customer will value
- Improved productivity & efficiency companywide
- Greater accuracy & minimization of waste
- Customer satisfaction & loyalty
- Employee satisfaction & retention
- Organic growth
- Employee empowerment & growth
- Consistent practices
- Great company



After the initial QIP kick-off meeting in the spring, the management team was energized and focused on brainstorming ideas for continuous improvement projects. During the follow up meeting in July, projects will be discussed and selected to implement.

Elijah Ray reflects on the launch of the new program, *"We are excited about the level of participation and engagement in our initial efforts to 'Help our customers do what they do better.' Practical application of continuous improvement and innovation tools will help us build loyalty with our customers while creating a rewarding work experience."*



SOON to be FTZ

Our VP of Automotive, Rick Graham, has been spearheading the effort to make Sunland a Foreign Trade Zone. After completing the first step of receiving approval from the U.S. Department of Commerce, the management received FTZ training in June, and we are now waiting to have our space "activated" by the U.S. Customs and Border Protection.



How does being an FTZ benefit our customers?

- Deferral or avoidance of import duty payments
- Potentially significant decrease on weekly customs and brokerage fees

OPERATIONS HIGHLIGHTS

OPERATIONAL READINESS

No doubt there is a lot for an operations team to stay on top of day in and day out in order to ensure KPIs are met and customers are happy. So, it can be easy for a 3PL to let operational readiness for handling emergencies get pushed to the backburner because it's a rare occasion that serious incidents occur. But operational readiness is critical. Sunland had the unique opportunity to prove we have sound policies, procedures, and documents that prepare us for emergency situations.

On Saturday, June 1st law enforcement official performing a site check noted what he thought was a suspicious smell and called in his concern. As a result, multiple public safety departments responded before Sunland was notified. Fearing the worst, officials from these departments donned proper PPE (i.e. Level B Haz Suits) to enter the facility. This situation had the potential to escalate to evacuations and would have done so had the proper documentation not been present to diffuse the situation. Because our MSDS were available and accurate, the site's Emergency Response Plan was up to date and accurate, and the smell was identified as being no threat to the environment or population. Sunland associates were able to communicate with department officials at the scene to further limit any additional concerns

By simply ensuring that our documentation and training were up to date and that our staff was knowledgeable of the products stored in their facility, what could have been a huge incident involving evacuations was instead essentially a training exercise for the various public safety departments (as well as a "live audit" of our Emergency Response Plan) and resulted in high praise for the readiness of Sunland's staff.



SAFETY MOMENT

THE TWO FOOT RULE

Any Fork Lift Operator (FLO) stopping to talk to an employee or truck driver should enforce the two foot rule, **requiring all pedestrians to maintain a minimum distance of two feet (or out stretched arm's length) between the lift and the pedestrian** being communicated with.

Always make sure the direction control is in neutral or motor is off. This can help prevent a pedestrian from being crushed, pinned, or run over. **Always make the pedestrian aware that the lift will be moving and they are clear.**



CELEBRATION

EMPLOYEE ANNIVERSARIES

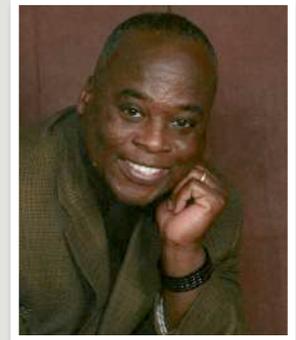
A special heartfelt thank you for all the hard work and dedication given to us by our employees celebrating their anniversaries serving Sunland.

Sunland Employee	Years of Service
Arch Thomason	18
Nathaniel Blandin	5
Michelle Ginieis	5
Mike Storrie	4
Shymaine Williams	4
Fred Johnson	3
Eugene McCarroll	2
Jerry Barrineau	2
Clark Peden	2
Melissa Gould	1
Michelle Green	1

WELCOME TO THE TEAM

ELIJAH RAY, EVP of Customer Solutions

Elijah Ray has over 25 years dedicated to the field of Logistics and Supply Chain Management with a focus on operations excellence, quality, and customer relationship development. Elijah served as CSCMP President from 2003-2004 and has worked with numerous companies such as Bausch & Lomb Distribution, Walmart, and Standard Corporation/UTi. He deployed quality strategies and led the sales efforts that ultimately grew an organization from a fifty million dollar company to a three hundred million dollar company from 1992 to 2010. He has been recognized in the industry as a leader in quality and for his ability to develop a culture of continuous improvement within organizations. He has earned a Six Sigma Black Belt and has received ASQ Certified Quality Manager training. Elijah joined the Sunland Team in January. As the Executive Vice President of Customer Solutions, he is chartered with growing Sunland from a regional 3PL to a national entity and will also be leading quality and innovations strategies.



BIRTHDAYS!

Corporate

Rob McElyea – July 28

Black Hawk

Leon Choice-June 13

Rob Calhoun-June 16

Charleston

Faye McKnown-June 20

Donaldson Center

Robert Love Jr.- June 10

Robert Brown- June 23

Anderson Road

Deborah Rossi-June 22

Trinity

Kenneth Watts-June 1

Elford Davis- June 10

Clarence Pearson- July 17

Van Batson- July 17

Sunland Staffing

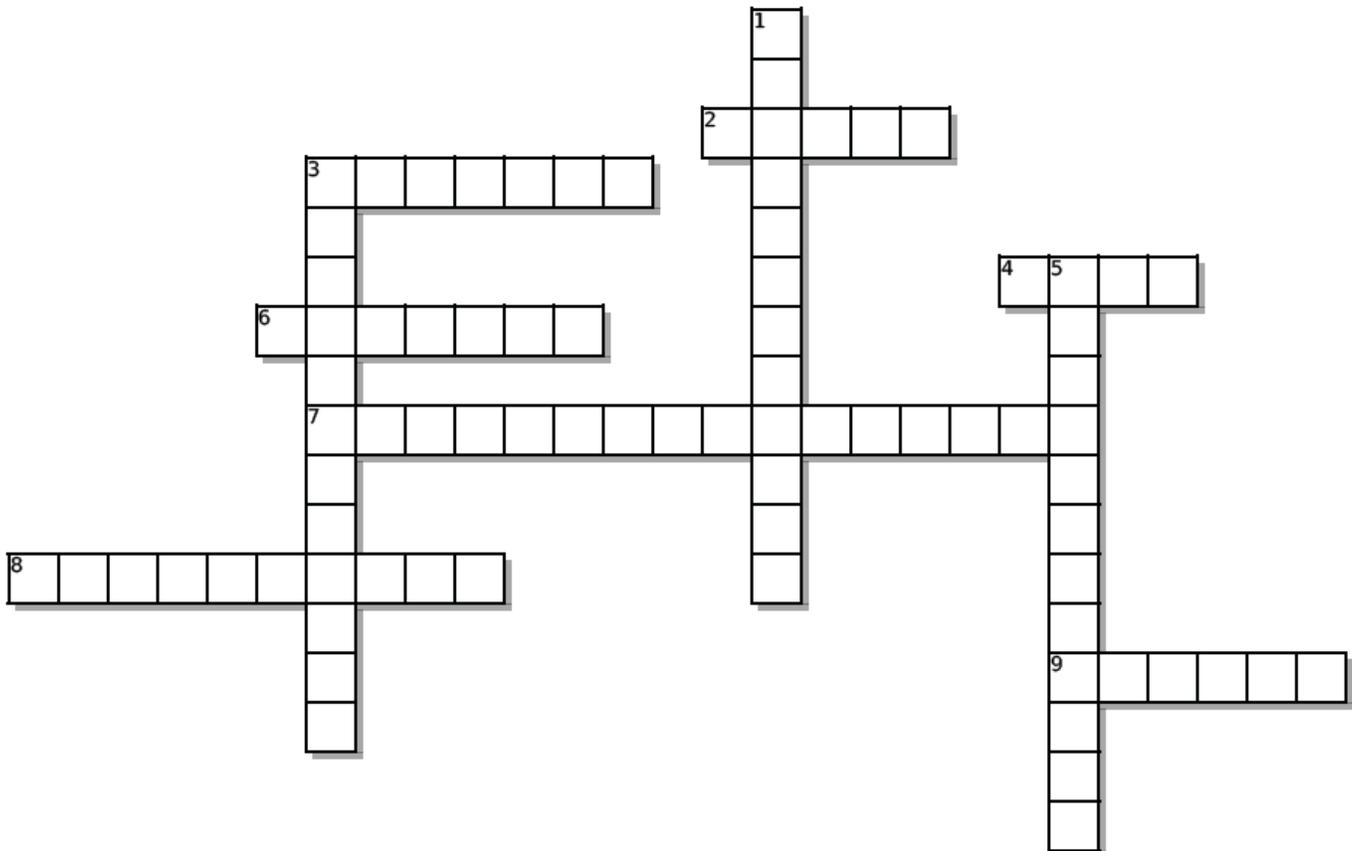
Vince Kisselbrack- June 25

SUNLAND CROSSWORD

Submit a completed crossword puzzle by August 15th and have the chance to earn a prize. All correct crosswords will be entered into a pool and one lucky winner will be randomly selected.

*Hint: The answers can be found within the content of the Sunlander.

Print > fill in the puzzle & submission form > scan > e-mail Liza Twery McAngus, Liza@sunlandls.com



ACROSS

- 2 Sunland's program designed to reward employees for performance excellence.
- 3 A welcomed new member of the Sunland family.
- 4 Sunland's June 2013 ICARE Winner.
- 6 The age Lucy Cieply was when she graduated from high school.
- 7 The long way of saying FTZ.
- 8 A way we can be exposed to chemicals.
- 9 Sunland's April 2013 ICARE Winner.

DOWN

- 1 Person celebrating 18 years with Sunland.
- 3 A QIP benefit for both customers and employees.
- 5 Director of Customer Solutions for Sunland's Staffing Group.