

Company Profile

***Description:** Air-Tro, Inc. is a \$7 million/year air conditioning contractor serving the Greater Los Angeles Area. We provide a full range of air conditioning, heating and ventilation services. We have in-house design engineers, fully equipped field installation crews and our own sheet metal shop for duct fabrication. We offer scheduled maintenance and on-call service to our customers.

History: John Helbing, a chemical engineer with a degree from Marquette and a former naval officer, founded Air-Tro in 1969. In 1975, John started a separate service department and began offering scheduled maintenance agreements. In ten years, service grew from two to fifteen employees.

John's oldest son Tony joined Air-Tro in 1985 after a successful career in office equipment sales in New York City. The younger son, Bob, came aboard in 1987 from the aerospace sector. John retired at the end of 1993 and the sons now own and run the firm.

Market: Air-Tro serves the Greater Los Angeles Area, including all of L.A. and Orange counties, as well as the metro areas of Riverside and San Bernardino counties. Our business includes residential (27%), industrial (34%), commercial (22%) and institutional (17%) customers. 68% of our volume comes from installing new equipment and systems; 32% is from maintenance or repair of existing units.

Staff: Our staff includes 64 full-time employees. We have nineteen service technicians and eighteen equipment installers. Our sales staff includes an engineer who holds a degree from Caltech. In addition to Tony and Bob Helbing, the management team includes Donn Capps and Jim Hunter. Donn and Jim between them have over 60 years of experience at Air-Tro and in the air conditioning industry. Our service salesman (Dave Grammer) is a former service technician who combine years of field experience with strong customer service skills.

Physical Plant: Air-Tro has been located at the same Monrovia address since 1979. The building is 11,000 sq. ft. and serves as offices, warehouse and sheet metal shop. Vehicles include 22 service vans, 9 Isuzu diesel flatbed trucks for the installers, 6 pickups and two stakebed trucks. All field employees carry cell phones for instant access, and all service calls are dispatched via computer to the phones built-in LCD display.

The sheet metal shop uses a computer-controlled plasma torch to speed fabrication of the ductwork. The office staff uses a UNIX microcomputer linked to 19 PC's for dispatching, accounting, payroll, lead tracking and scheduling, etc.

Our Crew Leaders

Curtis Mack

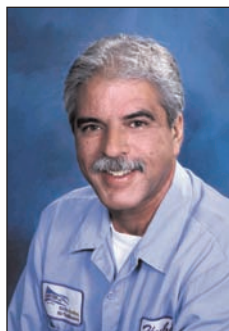
started with Air-Tro as a helper in 1989. A native of West Covina, CA, where he was born in 1967, Curtis has been working in the air conditioning field since he was 19. Curt has run his own crew since 1990.

**Douglas Schwarcz**

comes from West Covina. He began his career at Air-Tro in 1994, trained by Curtis Mack. His ability and experience rated him leading his own crew, which he has now done for over eight years.

**Huben Clemente**

first joined Air-Tro in 1979, working in our sheet metal shop. He gained more experience at other firms, and then returned to Air-Tro in 1996. Huben was placed in charge of his own crew two years later.

**Carlos Gonzalez** is

another El Monte native, though he now lives in Rancho Santa Margarita. Carlos joined Air-Tro in 1996 as a helper, but was quickly promoted to working on his own in 1997.

**Al Ramirez**

came to Air-Tro as a helper in 1998, but quickly showed the ability to run his own crew. Al was born in Mexico City and raised in L.A.



He has proven to be a talented and dedicated installer, and a fine addition to our staff.

Duct Tape Has Many Uses

TAPING DUCTS ISN'T ONE OF THEM!

Facts you should know about Duct Tape:

- Duration of the UL standard Attic Duct Tape Test: 60 days
Actual time the duct tape should last in your attic: 20 years
- Test weight used by UL in the attic Duct Tape Test: 9.5 pounds
Actual weight of standard 12" dia. Length of duct: 13 pounds
- First year UL published a standard for Duct Tape: 1996
Percent of home ductwork in LA County that complies: 2.8%
- Acceptable total leak area in properly installed ducts: 10 in²
Average leak area of typical tape-sealed ductwork: 43 in²
Typical system efficiency loss with 43 in² of leaks: 22%
- Payback time on upgrade to high efficiency units: 6.21 yrs*
Payback time on upgrade to mastic-sealed ductwork: 2.16 yrs*

*Based on using a 4 ton system for 1000 hrs/yr, with an electric rate of 23¢/kw-hr.
 High efficiency unit is 16 SEER, vs. 13 SEER for standard efficiency.

Sources:

Underwriter's Laboratories (UL) Standard 181B-FX (Duct Tape)
 California Energy Code (Title XXIV)
 Anchor Continental AC57 Specifications
 Florida Solar Energy Center Report Cr-397-91
 Transamerica Metroscan Survey: Los Angeles County 1999

Are You Getting What You Paid For?

When you shop for a furnace or air conditioning unit, there's a real good chance you'll get confused. You'll hear different names, numbers, abbreviations and acronyms used to describe the capacity and efficiency of the equipment. The Federal Energy Standards Act was enacted to help clear up some of this confusion and to give a home-owner some basis of comparison between different heating and cooling units. Two terms you will hear quite a lot if you do much shopping are the SEER and AFUE rating. The SEER (Seasonal Energy Efficiency Ratio) describes how much heat in BTU's (British Thermal Units) a particular unit will remove for each watt of electricity it consumes. Since you pay for your power bill on the watts you use, the higher the SEER, the less your electric bill is supposed to be.

An AFUE (Annual Fuel Utilization Efficiency) is an average of how much heat a furnace delivers for each \$1.00 you pay for fuel. So, again, the higher the AFUE, the lower the heating bill is supposed to be. But, does it really happen that way? Yes and no. There is a lot more to an efficient heating and cooling system than ratings. Equipment ratings are calculated in a laboratory setting. It includes no duct work, no consideration for installation, and no house. Obviously, this is not the real world. In reality, your chances of buying a 11 SEER unit and getting 11 SEER in your home may be less than 2 in 10. The biggest factor that will determine how close to the ratings the unit will perform is the design and installation. Some of the variables are; oversizing, poor duct design, improper refrigerant charge and improper control wiring.

What are the chances of a homeowner getting a system installed correctly? In 1990, a comprehensive field study was conducted to see how many systems had these problems. A large number of homes were selected and each location was visited by a team of specialists. After field investigation, it was found that every home in the study had major problems with the equipment, ducts system, or in the building shell itself. Two thirds of the homes had been serviced in the previous two years and the heating contractor did not identify any problems. Of the homes studied, 56% had improper refrigerant charge. Over 66% of the units had insufficient airflow inside the home. Improper refrigerant charge was estimated to waste about 12% in energy and compromise the equipment life. A deficiency of only 20% in indoor air flow on a heat pump or air conditioner degrades the SEER rating by 17%. This means a 10 SEER unit will operate as an 8.3 SEER unit. Duct leakage greater than 150 cubic feet per minute was found in 93% of the homes tested. Control problems were found in 63% of heat systems. House shell problems occurred in every home studied.

An average of 24% energy savings was accomplished by a program that diagnosed and repaired these problems. This study demonstrated that most heating and air conditioning contractors are not able to identify and solve

the problems that lead to high energy bills and discomfort. This may be attributed to a business environment that concentrates on low first cost and lowest bid with no regard for future operating cost.

"The contractor business is built on a low bid, least cost system that precludes you from spending the time to find out what's really wrong with a unit. It's economically impossible to do the job right. The field technicians may have been trained to do the job properly in a good school, but the workplace pressure is to do it fast and dirty. It's a major economic mistake for a customer to make the hiring decision based on cost instead of quality. But, of course, everyone does just that all the time, and you see bad work."

John Proctor, PE
Proctor Engineering Group
Project Engineer

Commercial General Liability Insurance



NEW REQUIREMENTS FOR CONTRACTORS

Home Improvement Contractors & General Liability Insurance

Pursuant to California Business & Professions Code §7159.3 (SB 2029), home improvement contractors must provide this notice and disclose whether or not they carry commercial general liability insurance.

- ☐ **Did your contractor tell you whether he or she carries Commercial General Liability Insurance?**

Home improvement contractors are required by law to tell you whether or not they carry Commercial General Liability Insurance. This written statement must accompany the bid, if there is one, and the contract.

- ☐ **What does this insurance cover?**

Commercial General Liability Insurance can protect against third-party bodily injury and accidental property damage. It is not intended to cover the work the contractor performs.

- ☐ **Is this insurance required?**

No. But the Contractors State License Board strongly recommends that all contractors carry it. The Board cautions you to evaluate the risk to your family and property when you hire a contractor who is not insured. Ask yourself, if something went wrong, would this contractor be able to cover losses ordinarily covered by insurance?

- ☐ **How can you make sure the contractor is insured?**

If he or she is insured, your contractor is required to provide you with the name and telephone number of the insurance company. Check with the insurance company to verify that the contractor's insurance coverage will cover your project.

- ☐ **What about a contractor who is self-insured?**

A self-insured contractor has made a business decision to be personally responsible for losses that would ordinarily be covered by insurance. Before contracting with a self-insured contractor, ask yourself, if something went wrong, would this contractor be able to cover losses ordinarily covered by insurance?

Air-Tro carries Commercial General Liability Insurance

The insurance company is QBE Specialty.

You may call the insurance company at (714) 221-5200 to verify coverage.

Insurance Policy # BA8537490

For more information about Commercial General Liability Insurance, contact the Contractors State License Board at www.cslb.ca.gov or call 800-321-CSLB (2752).



Checklist for Homeowners

Home Improvement

Pursuant to California Business & Professions Code §7159.3 (SB 2029), home improvement contractors must provide this notice.

☒ Check Out Your Contractor

- ☐ Did you contact the Contractors State License Board (CSLB) to check the status of the contractor's license?

*Contact the **CSLB** at 1-800-321-CSLB (2752) or visit our **web site: www.cslb.ca.gov**.*

- ☐ Did you get at least 3 local references from the contractors you are considering?

Did you call them?

- ☐ Building Permits—will the contractor get a permit before the work starts?

☒ Check Out the Contract

- ☐ Did you read and do you understand your contract?

- ☐ Does the 3-day right to cancel a contract apply to you?

Contact the CSLB if you don't know.

- ☐ Does the contract tell you when work will start and end?

- ☐ Does the contract include a detailed description of the work to be done, the material to be used, and equipment to be installed?

This description should include brand names, model numbers, quantities and colors. Specific descriptions now will prevent disputes later.

- ☐ Are you required to pay a down payment?

If you are, the down payment should never be more than 10% of the contract price or \$1,000, whichever is less.

- ☐ Is there a schedule of payments?

If there is a schedule of payments, you should pay only as work is completed and not before. There are some exceptions—contact the CSLB to find out what they are.

- ☐ Did your contractor give you a "Notice to Owner," a warning notice describing liens and ways to prevent them?

Even if you pay your contractor, a lien can be placed on your home by unpaid laborers, subcontractors, or material suppliers. A lien can result in you paying twice or, in some cases, losing your home in a foreclosure. Check the "Notice to Owner" for ways to protect yourself.

- ☐ Did you know changes or additions to your contract **must** all be in writing?

Putting changes in writing reduces the possibility of a later dispute.



Check The Contractors License

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In California, any job that costs \$500 or more for material and labor must be performed by a contractor who holds a current, valid license from the Contractors State License Board in the specialty for which he or she is contracting. The CSLB maintains a toll-free telephone line at (800) 321-2752 from which callers can obtain a variety of information, including license status. The same information can be obtained from the CSLB web site, at <http://www.cslb.ca.gov>. Do not hire an unlicensed contractor.

The CSLB was established in 1929, and licenses and regulates contractors in the construction industry. Licenses have been issued sequentially since 1929, and can give you a good guide as to how long a contractor has been in business.

Air-Tro is bonded by:
American Contractors Indemnity Co.
9841 Airport Blvd.
Los Angeles, CA 90045

Bond# 17027 for \$10,000

License #	Year Issued
100,000	1946
200,000	1960
250,000	1967
275,000	1972
300,000	1974
350,000	1977
400,000	1980
450,000	1983
500,000	1986
550,000	1988
600,000	1990
650,000	1992
700,000	1994
750,000	1998
800,000	2001
850,000	2004
900,000	2007
925,000	2008

Licensed • Bonded

State of California

Contractors State License Board

Pursuant to Chapter 9 of Division 3 of the Business and Professions Code
and the Rules and Regulations of the Contractors State License Board,
the Registrar of Contractors does hereby issue this license to:

AIR TRO INCORPORATED



to engage in the business or act in the capacity of a contractor
in the following classification(s):

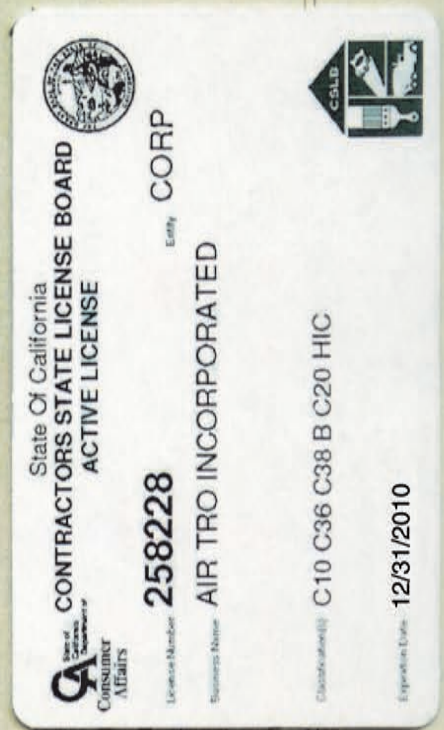
**C20 - WARM-AIR HEATING, VENTILATING AND AIR-CONDITIONING
HIC - HOME IMPROVEMENT CERTIFICATION**

Witness my hand and seal this day,

December 21, 2000

Robert M. King
Signature of Licensee

James Goldstene
Signature of License Qualifier



James Goldstene
James Goldstene
Interim Registrar of Contractors

258228

License Number

