

FROM THE CEO/PRESIDENT



*Merry Christmas
And
Happy New Year*

During this holiday season I believe it is important to reflect on the important things in life. I have attached a link that I felt was wonderful for all to view, and think about, in the busyness of life. My wish for all those who read this newsletter is to have a safe and happy New Year; and be thankful for all opportunities, both great and small, which present themselves to us.

Herb Haggard

(Control + click on the link below to view "The Interview")

[The interview](#)

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WHOLE NEW WORLD

Empowerment is all about letting go, so that others can get going.

Kenneth Blanchard

Haggard & Stocking Your One-stop distributor.

TECH TIPS....

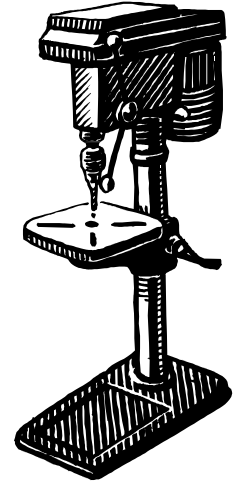
Milling Feed-rate Compensation -

When we apply end mills it is important that the metal removal rate is not too light, and the proper chip loads are maintained. Due to the nature of finishing operations the radial depth of cut is generally not more than 25% of the diameter of the end mill. In these cases the chip generated becomes much thinner than what it would be if the depth of cut were 50% of the end mill diameter. *The lighter the depth of cut, the more the feed rate must be increased to compensate.*

In the case of ball nose end mills, when only the ball nose is engaged in the cut the same chip thinning effect occurs when the axial engagement of the ball is smaller the actual cutting diameter. These cases should be compensated for in the same way.

The effective speed of a ball nose end mill also changes when the axial engagement of the ball is smaller than the actual cutting diameter, and should be adjusted based on the diameter of the ball at the axial depth of cut.

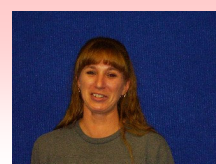
Making these adjustments in feeds and speeds when appropriate can dramatically improve productivity.



EMPLOYEE OF THE MONTH

September 2007 — Tammy Campos

Tammy works in the receiving department, in our warehouse in Indianapolis. Tammy was nominated for helping a customer out with a shipment in keeping him informed as to the disposition. In doing this she certainly helped out, not only the CSR, but the company as well, in providing feedback to the customer and making sure they received their order in the most convenient manner possible.



Congrats, Tammy!

4th Quarter 2007— Rachel Howard

Rachel was nominated by more than one person as being a “bright spot” to the entire H&S organization. Also, the ballot stated there was not just one instance where Rachel goes above and beyond, but she does this every day!!!! The customers love dealing with her and she has formed a strong relationship with Zimmer! She is always ready to learn more about our product-line and is always pursuing excellence!



Congrats, Rachel.

QUARTERLY SALES SPECIALS...

Check out our Website for special vendor promotions, as well as Close-out specials. (www.haggard-stocking.com)

Our specials will be updated monthly, so visit the site often; and call

your sales representative or inside sales contact to place your orders or get additional information.



A WORD FROM OUR EXECUTIVE VICE PRESIDENT...



Kevin Burnett, Executive Vice President

The New Year is upon us with a vast array of new challenges - a Presidential election, a housing/ mortgage crisis, an unpopular war, an uncertain marketplace and a stock market that puzzles most! What will we all make of this in 2008? I believe H&S is strategically positioned to

meet today's challenging marketplace. We are diversified in our customer base, focused on inventory and purchasing management, financially sound, expanding for the future and committed to value-added and continuous improvement principles!

We have, all too often, witnessed manufacturing decisions in this country that do not bode well for our future. The absolute quest for the lowest price (largely by American consumers) has given the green light to those in boardrooms across this country to export American jobs and capital. I believe our major challenge is to tell our story - an American story of quality and

product choices second to no other! The quality of American-made products in 2007 is unsurpassed and we have to deliver this message to the consumer!

Haggard & Stocking looks forward to 2008, and beyond, with optimism. We appreciate the support from our customers and manufacturing partners. There are a vast array of improved grades, coatings, and geometries that you will see in the New Year. Our commitment remains to deliver products and services - to you our customers - that assist in reducing your total operating costs! May the New Year bring you success and prosperity!

Mission Trip to Henderson Settlement...

For the past nine years, Herb and Marie Haggard, along with others from Mooresville First United Methodist Church, travel to Henderson Settlement in Frakes, Kentucky. Each year we select a home to do exterior remodeling. The group specializes in insulation, siding, windows, doors, porches and other outside work, excluding roof work. Our choice of sites have to meet several criteria. This year we selected a young single mother with three children. Her mother was living with her to help until she was murdered in a convenience store robbery, where she worked.

We try to show the residents there is hope and help to succeed, with our mission to improve their life-style. Our

mission group also works all year to raise funds for restocking the mission food bank, supplies to MIHOW (Material Infant Health Outreach Workers), pay care, after school programs, and the Opportunity Store (low cost clothing and house wares).

The Henderson Settlement started in 1925, and today employs over sixty workers (the largest employer), servicing the Eastern Appalachian area where unemployment is 60% and poverty is a way of life.



HAGGARD AND STOCKING

5318 Victory Dr 4102 Merchant Rd
Indianapolis, IN 46203 Ft. Wayne, IN 46818

Phone: 317-788-4661 260-490-4107
Fax: 317-788-1645 260-490-4407

Cook-off News...

Haggard and Stocking Indianapolis, hosted another Chili Cook-off on November 5th.

Although the weather wasn't as cool as it could have been, the chili was enjoyed by all the tasters. We only had two entries, which were both great chili recipes!!! Our winner was Rob Willmann, from our safety division. Congrats Rob, taking home winnings of \$44.00.

I would anticipate we may have another bake-off sometime around Easter.

Who's the Boss?

One question you could ask a thousand workers and never get the right answer — who's your boss? Earl Nightingale says there's only one boss. It's the customer. "Here is the one person who pays everyone's salary and decides whether a business is going to succeed or fail."

—Executives' Digest



We're on the web!
www.haggard-stocking.com

SALESMAN HIGHLIGHT— Bryan Prilliman

Bryan has been an employee of Haggard & Stocking for twenty years, starting as the warehouse manager in the summer of 1987. He was then promoted through the ranks and finally into sales in 1993, where he remains to date. Through the years he has developed a great deal of experience with helping customers identify problem areas and promote possible solutions. Bryan is a native of a small rural community in Northern Indiana, and relocated to the Mooresville area, Southwest of Indianapolis, in 1979.

- 1. Other parts of the country/world you have lived or traveled to?** I lived in Ft. Worth, Texas in the early 80's and worked on an oil rig for two different oil companies during this time. This was my "growing up" time, where I learned a great deal about hard work and perseverance. I have been to Hawaii two different times and have been several times to the Canadian Wilderness on camping and fishing trips. Between the two, I would choose Canada without hesitation. I am more of a woods person than I am a tropical in preference.
- 2. Number of children/grandchildren?** I have three children. Ashley is a junior in High School this year and is already searching for the right college to go to. Abbey is a 6th grader and is a very good athlete. Ethan is a 1st grader and thinks he is the brains and the most athletic in the family.
- 3. Favorite pastime or hobby?** I love to fish, especially in those out of the way fishing holes. This is my sanity maintenance. I spend a lot of time writing and arranging music for worship at church, which serves as my daily relaxation. I love to teach and actually enjoy studying. I spend a lot of time in the Scriptures striving to learn and grow.
- 4. Favorite quote?** I'm not sure who originally generated this quotation, but growing up a preacher's kid in a poor family it holds very special meaning. "There is nothing, NOTHING, better in this life than knowing Jesus Christ."
- 5. If you could have dinner with anyone of your choice (living or deceased), who would it be and why?** The obvious choice is Jesus Christ. Abraham Lincoln would be my second choice. He came from a poor background, as did I, and seemed to always strive to do what was right in spite of it's lack of popularity.

Haggard & Stocking Departmental Decorating Contest and Annual Christmas Luncheon—12/14/07

This year each department decorated for Christmas, with the theme being “Winter Wonderland”, with outside judging being done prior to our Christmas luncheon. The judges chose our Warehouse group as the winner, Accounting coming in second place, and Customer Service coming in third place. The winning department won a Pizza Party, but the decorating was enjoyed by all. I have inserted the department pictures below. On the following pages are other photos to enjoy of our H&S family!.



The winner of the contest, the warehouse! The train moving around on the puffy snow floor was great! Congratulations!

Second place went to Accounting. The bears rule in this holiday scene! Congratulations!



Third place went to Customer Service. This picture is only part of the department, with three Christmas trees and a real Santa not shown! Congratulations!

Haggard & Stocking Departmental Decorating Contest and Annual Christmas Luncheon—Cont'd.



Decorations by... the Purchasing Department.



...the Safety Division.



...the Aerospace Division.

Haggard & Stocking Departmental Decorating Contest and Annual Christmas Luncheon—Cont'd.



Santa and his helper! I guess all the girls and boys at H&S were good this year...what fun to have Santa visit!



The cooks had fun frying the turkey's, and Jeff Haggard enjoyed being the taste tester! Below, Herb Haggard had to get in on the action as well, with Rob McMATH (Lenox Rep), showing his carving technique! Watch out for that knife!!!



The food table seemed miles long, with various dishes pitched in and prepared by all of the employees. They were all delicious and made it very difficult to think of anything but a nap after lunch!



The employees, and guests, gather for the feast!

Haggard & Stocking—More fun for the holidays!



Fred Schwede, Purchasing Mgr. Boy did his employees get him! Notice the Grinch on the tree behind him.



Carrie Despain, Accounting. Carrie was all decked out with ears and nose!



Jeff Haggard, Sales Mgr. Santa or Scrooge...hmmm, let me think!



Mark Scott, IT, got in the spirit!



Our infamous Santa, Andrew Wood, CSR.



Everyone wanted to sit on Santa's lap! Left, Marie Haggard (Herb's wife), above, Paula Wells, Safety Division, and right, Evelyn & Joe Hankins, honorary guests at our luncheon (Joe retired from H&S, after retiring from Naval Avionics and Allison).

