

AED MAGAZINE

Vol. 92 · No. 10 · November 2026

A LOOK INSIDE

Fighting Fraud in the Age of AI: Why Equipment Dealers Must Treat Fraud as a Strategic Business Risk

State Elections Set the Stage for Equipment Policy in 2027

AI 101 – What Every Dealer Should Know

Agricultural Equipment Buyer's Guide

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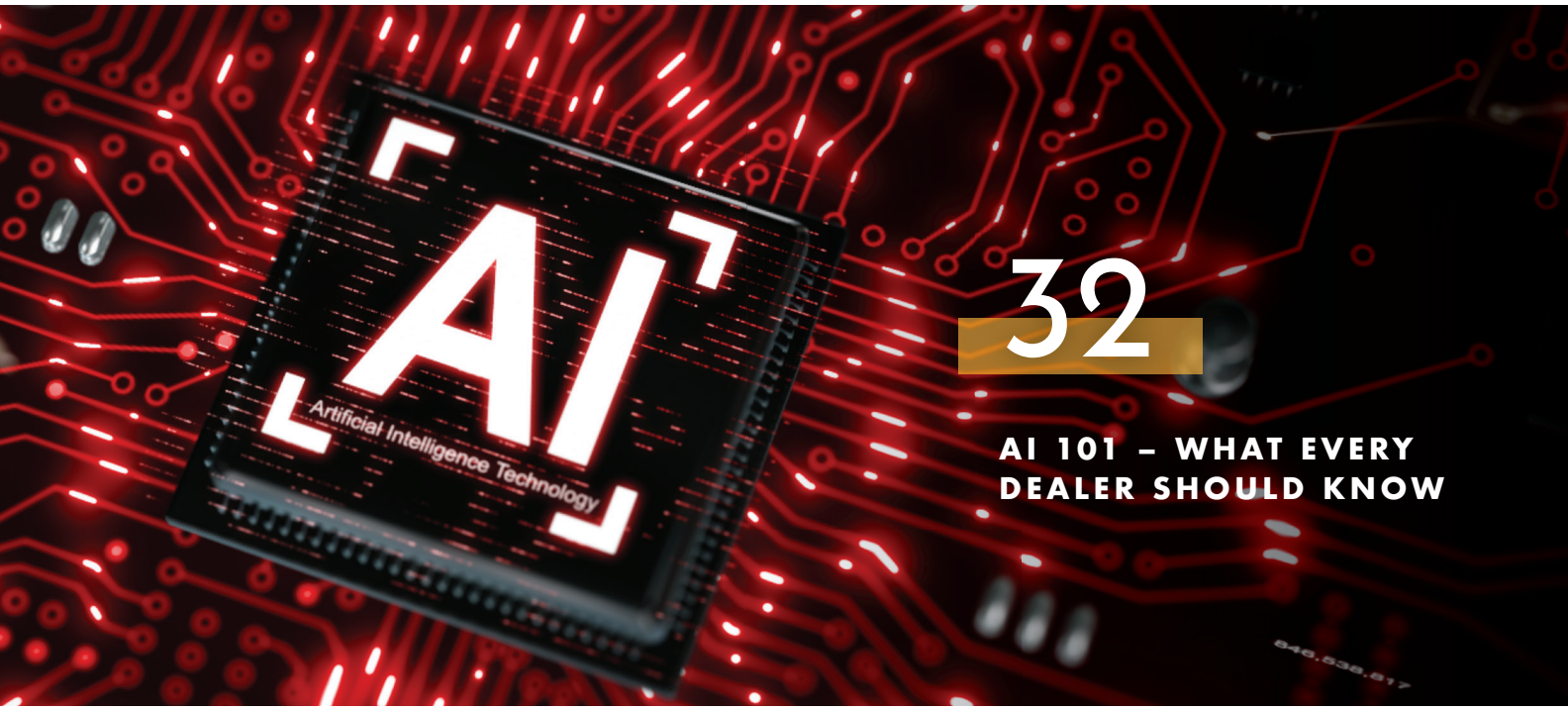
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STAFF

Editor-in-Chief
AMY WILL
awill@aednet.org

Design
PHOEBE MACGREGOR
pbmacgregor3@gmail.com

Advertising
STEVE WERNTZ
Business Development Specialist
630.286.1062
swerntz@aednet.org

KIRSTEN ERICKSON
Business Development Specialist
630.309.0612
kerickson@aednet.org

CONTRIBUTORS

Brian P. McGuire
AED President & CEO
James Ball
AED In Canada
Amy Will
AED
Rosie Curiel
First Financial Equipment Leasing
Jay Lucas
Jordan-Sitter Associates
P.E. MacAllister
Past AED President
Michael W. Skarda
JWL International
Jacob Asare
AED
John Schmeiser
Vi By VisorPro
Joey Carabetta
Aptean
Jerry Leemkuil
Federated Mutual Insurance Company
Matt Lamy & Nate Riggins
AED

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FROM THE

PRESIDENT

BRINGING THE EQUIPMENT INDUSTRY TOGETHER



BRIAN P. McGUIRE

As we look ahead to the 2027 AED Summit, I'm excited about what we have planned and the opportunities this year's event will bring to our industry. The Summit has always been about bringing people together, sharing ideas and helping equipment distributors succeed. For 2027, we've taken that mission a step further by listening to member feedback and making updates designed to deliver even more value to your experience.

One of the biggest improvements is our expanded educational program. This year, we've added two new dedicated education tracks: Agriculture and Artificial Intelligence (AI). These additions bring the total to more than 50 educational sessions, giving attendees even more opportunities to explore emerging technologies, learn from industry experts and gain practical insights they can put to work in their businesses. Whether your focus is leadership, sales, rental, product support, technology or management, the Summit offers valuable takeaways for professionals across the equipment industry.

The Summit is the premier networking event for our industry and the only one of its kind to bring dealers, manufacturers, service providers and industry thought leaders together under one roof. The Summit CONDEX will feature more than 200 exhibitors, giving attendees the opportunity to explore new products and services, discover solutions for their business and connect directly with the companies supporting our industry. These conversations and connections are an important part of what makes the Summit such a valuable experience.

This year we're also elevating The AED Foundation Gala. Our Casino Royale theme brings a new level of excitement to the evening, with black tie optional attire, a welcome reception featuring casino games, and a formal seated dinner followed by a live auction and entertainment. The Gala is an excellent opportunity to connect with industry colleagues while supporting The AED Foundation's workforce development efforts and the future of our industry. New this year, we are offering reception-only tickets, giving attendees another way to join the festivities and kick off their evening with us.

The value of attending Summit extends well beyond the few days we spend together in Orlando. My hope is that every attendee returns home with new connections, fresh perspectives and actionable information they can implement in their business. In an industry that continues to evolve, taking time to learn from one another and prepare for what lies ahead is more important than ever.

I encourage you to join us January 25–27, 2027, at the Rosen Shingle Creek Resort in Orlando, Florida. We've listened to your feedback and built a Summit designed to help you and your business move forward.

I LOOK FORWARD TO SEEING YOU THERE.

"The value of attending Summit extends well beyond the few days we spend together in Orlando. My hope is that every attendee returns home with new connections, fresh perspectives and actionable information they can implement in their business. In an industry that continues to evolve, taking time to learn from one another and prepare for what lies ahead is more important than ever.

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FIGHTING FRAUD IN THE AGE OF AI:

WHY EQUIPMENT DEALERS MUST TREAT FRAUD AS A STRATEGIC BUSINESS RISK



ROSIE CURIEL • VICE PRESIDENT OF CREDIT, FIRST FINANCIAL EQUIPMENT LEASING

Rosie Curiel is vice president of credit at First Financial Equipment Leasing, where she oversees credit underwriting, risk analysis and pricing. She has extensive experience in commercial credit, underwriting and portfolio management, including leadership roles at Pacific Premier Bank, Plaza Bank and Banc of California. Rosie specializes in helping organizations balance growth opportunities with sound credit and risk management practices.

Imagine closing a $450,000 equipment sale, delivering the machine and funding the transaction, only to learn weeks later that the customer never existed. The documents were forged. The business was fraudulent. The equipment is gone.

Scenarios like this are becoming increasingly common across commercial lending and equipment finance. What was once seen as an occasional credit issue has become a significant threat to dealer profitability, lender relationships and long-term growth.

Equipment dealers are increasingly being targeted by organized fraud rings using synthetic identities, stolen business credentials, counterfeit financial documents, and AI-generated communications to obtain equipment and financing under false pretenses. Heavy equipment is particularly attractive because of its high value, strong resale market, and portability across state and international borders.

The financial implications can be substantial. A dealer operating on a 10% net margin would need approximately $4.5 million in additional sales to recover from a $450,000 fraud loss. For many dealerships, a single successful fraud scheme can erase the profit generated by dozens of legitimate transactions.

As fraud schemes become more sophisticated and AI makes deception easier to scale, fraud prevention can no longer be viewed solely as a credit, finance or compliance function. It has become a business imperative that deserves the same attention as inventory management, pricing strategy and customer acquisition.

FRAUD IS NO LONGER SOMEONE ELSE'S PROBLEM

Traditionally, fraud was considered a lender issue. When financing is involved, dealers often assume lenders will identify suspicious activity during underwriting.

That assumption is becoming increasingly risky.

Today's fraud schemes frequently target the gaps between dealers, lenders, brokers, manufacturers and customers. Criminals know modern transactions move quickly and often rely on digital documentation and remote communication. They look

for opportunities where verification processes are inconsistent or where different parties assume someone else has performed the necessary due diligence.

The consequences extend far beyond a single lost transaction. Fraud losses can damage lender confidence, trigger additional scrutiny on future deals, consume valuable management resources and, ultimately, affect a dealer's ability to grow. For dealerships operating in an increasingly competitive market, those secondary impacts can be just as costly as the original loss.

THE GROWING THREAT LANDSCAPE

Equipment dealers today face a variety of fraud schemes, including vendor fraud, broker fraud, business impersonation, collateral fraud, identity theft and payment fraud. While tactics vary, these schemes share a common objective: exploiting trust and verification processes designed for a slower, less digital business environment.

Generative AI is accelerating that threat.

Fraudsters can now create convincing financial statements, business registration documents, invoices, websites and email communications in minutes. They can impersonate legitimate companies, create realistic online footprints and fabricate supporting documentation that appears authentic during routine review.

At the same time, rising equipment values have increased the potential payoff for criminals. A single successful transaction can produce substantial returns, which makes equipment dealerships attractive targets for organized fraud operations.

Competitive pressures create additional risk. Dealers want to respond quickly to customers and close sales efficiently. Fraudsters understand this dynamic and often manufacture urgency to discourage additional verification or independent review. When speed becomes the priority, controls can weaken and opportunities for fraud increase.

THE REAL COST OF FRAUD

The true cost of fraud extends well beyond the value of a machine or financing contract.

Dealers may incur legal expenses, investigative costs, insurance implications and operational disruptions while attempting to recover losses. Resources that should be invested in inventory, sales and customer service instead become tied up in fraud remediation efforts.

Reputational damage can be equally challenging. Customers, lenders and business partners expect dealerships to maintain effective controls and safeguard transactions. Even when a dealer is the victim, a prominent fraud event can create concerns among financing partners and customers who depend on the dealership's credibility.

For many businesses, the biggest impact is the legitimate revenue needed to replace profits lost to fraud. When margins are already under pressure, that recovery can take months or even years.

BUILDING A STRONGER DEFENSE

The good news is that disciplined verification processes and strong internal communication can significantly reduce fraud risk.

Dealers should consider several practical safeguards:

- Independently verify customer identities, business registrations and financial information.
- Validate equipment ownership, serial numbers, titles and collateral documentation using trusted third-party sources.
- Apply heightened scrutiny to broker-originated transactions and unfamiliar counterparties.
- Use technology designed to identify altered documents, manipulated metadata and other signs of digital tampering.



- Confirm wiring instructions, payment changes and unusual requests through established contacts using separate communication channels.
- Monitor company domains, email addresses, branding and online listings for evidence of impersonation or spoofing.
- Train sales, credit and finance teams to recognize AI-enabled fraud tactics and establish clear escalation procedures for when concerns arise.

No single control will eliminate fraud risk. However, layered defenses make dealerships much harder targets. Criminals typically seek the path of least resistance. Strong verification practices can often be enough to force them elsewhere.

A STRATEGIC PRIORITY FOR EVERY DEALER

Fraud is no longer a back-office issue or an occasional cost of doing business. It is a growing threat to revenue, profitability, lender relationships and brand reputation.

As AI continues to lower the barriers to deception, dealerships that rely solely on traditional verification methods will become increasingly vulnerable. Those that invest in stronger controls, employee training and cross-functional communication will be better positioned to identify suspicious activity before equipment ships or funds are released.

In today's market, fraud prevention is not simply about avoiding losses. It is about protecting margins, preserving trusted financing relationships and safeguarding the long-term health of the dealership. Dealers that recognize that reality now will be better prepared for the challenges ahead.

THE MOST EXPENSIVE MISTAKE DEALERS MAKE IN A TIGHT LABOR MARKET



JAY LUCAS
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The real reason your best people keep leaving and what to do about it

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Imagine you own a prized fish, vibrant, active and full of life. Now imagine placing that fish into a tank of cloudy, toxic water, with incompatible fish nipping at its fins. How long do you think it survives?

No matter how exceptional, expensive, rare or vibrant the fish is, the tank will eventually win. The water is the environment. The environment is the experience. And the experience will either sustain life or extinguish it.

Companies do exactly the same thing every day when they recruit talented professionals into dysfunctional organizational cultures. They invest thousands of dollars in sourcing, screening and signing top candidates, and then onboard them into a culture that is, to put it plainly, dirty. The water is contaminated. The tank is broken. And within 12 to 24 months, that talented hire is gone, taking their expertise and institutional knowledge with them.

After nearly 50 years conducting executive searches in the heavy equipment industry, Jordan Sitter Associates has observed this pattern with surprising consistency. The problem is almost never an organization's inability to attract talent. The problem is almost always its inability to retain it, and the root cause almost always comes back to culture.

THE WATER IS THE CULTURE. EVERYTHING ELSE IS JUST THE TANK.



WHAT MAKES THE WATER DIRTY

Culture is not a mission statement or a poster on the conference room wall. It is what actually happens inside the organization when no one is watching: how decisions get made, how people are treated, how policies are aligned, and whether stated principles are honored or quietly ignored. It is felt before it is seen, and experienced long before it shows up on a performance review. Several specific conditions contaminate culture in ways that no amount of recruiting investment can overcome.



WEAK OR INCONSISTENT LEADERSHIP

Leadership is the filtration system of any organization. When it is competent, principled and consistent, the environment stays clean. When it is not, toxins accumulate rapidly. Gallup research confirms what most experienced professionals already know: Managers account for 70% of the variance in team engagement. That is not a small variable; it is essentially the whole equation. Poor managers contaminate the culture around them, and the damage ripples outward through every interaction and every new hire who sits across from them. Even a single ineffective manager at the team level can drive top performers out regardless of what the organization offers elsewhere.

THE GAP BETWEEN STATED VALUES AND ACTUAL BEHAVIOR

There is no more corrosive cultural dynamic than the organization that says one thing and does another. When companies allow high performers to violate stated values without consequence, because they hit their numbers or because confronting them is uncomfortable, they communicate that integrity is optional. Aligned organizations hold people accountable to their principles regardless of performance metrics and are willing to part ways with those who undermine the culture, even when doing so is costly or painful. The result is an environment where employees trust the organization's word. Misaligned organizations breed cynicism, and no new hire, however talented or optimistic, is immune to its effect over time.

THE ABSENCE OF MEANINGFUL PURPOSE

Work that carries no sense of meaning beyond a paycheck is exhausting in a way that compensation cannot remedy for long. Research from Harvard Business Review confirms that employees who find their work meaningful experience 1.7 times higher job satisfaction and stay 60% longer than those who do not. In the heavy equipment industry, purpose is not difficult to find – this industry builds infrastructure, feeds populations and enables skilled workers to support their families. The failure is rarely a shortage of meaning. It is a failure on the part of leadership to connect people to it in a credible and consistent way.

MICROMANAGEMENT AND THE SUPPRESSION OF CONTRIBUTION

High performers want to make an impact, not just complete tasks. Organizations that strip their people of decision-making authority, prescribe every process in exhaustive detail, and funnel all credit upward through the hierarchy are running talent through a

system specifically designed to frustrate and repel the very people they most want to keep. When authority does not match responsibility, when employees are accountable for results they are not empowered to achieve, the psychological cost is significant and the cultural damage is lasting.

AN EMPLOYMENT BRAND THAT DOES NOT REFLECT REALITY

A company's employment brand is built not by marketing departments but by the daily experiences of the people inside the organization. High turnover, cautious responses from current employees, and consistent negative feedback on review platforms are not reputation problems to be solved with better messaging. They are symptoms of an environment that is not working. Recruiting aggressively into a culture that produces these signals does not solve the problem; it accelerates it. Talented candidates will eventually encounter the real culture behind the brand, and when the gap between what was promised and what is real becomes apparent, the outcome is predictable: disillusionment, disengagement and departure.

CHRONIC OVERWORK AND THE NEGLECT OF QUALITY OF LIFE

Sustained overwork is one of the most reliable culture-killers in any industry. Stanford research links workplace stress to approximately 120,000 deaths in the U.S. annually, and organizations with poor quality-of-life conditions experience 40% to 60% higher turnover rates. The pattern observed across thousands of executive searches follows a predictable arc: Year one, the new hire tolerates the conditions because the compensation is good; year two, fatigue sets in; year three, the money no longer matters and the employee leaves. Replacing that person costs an estimated 50% to 200% of their annual salary, and the cycle begins again.

RECRUITING TALENTED PEOPLE INTO A BROKEN CULTURE IS NOT A TALENT STRATEGY. IT IS AN EXPENSIVE REVOLVING DOOR.

WHAT CLEANS THE WATER

The encouraging reality is that culture, while stubborn, is not static. The conditions that make a workplace healthy and sustainable are well understood and largely within leadership's direct control. Cleaning the water requires intention, consistency and the willingness to prioritize culture with the same discipline companies bring to financial performance.

Invest seriously in manager (leadership) development; it is the single highest-return cultural investment an organization can make, and it means holding managers accountable for team engagement, not just production numbers. Live the stated values by making decisions consistent with organizational principles even when doing so is difficult, and remove those who undermine the culture regardless of their individual performance. Connect people to purpose by helping them see how their daily work contributes to something bigger than a quarterly target. Match authority to responsibility so that high performers are genuinely empowered to achieve what they are held accountable for. Protect quality of life by staffing appropriately and modeling sustainable work practices from the top. And invest in building an employment brand that accurately reflects the real culture – because the most effective branding strategy is simply creating a workplace worth talking about and letting the people inside it do the talking.

A FINAL WORD TO HIRING MANAGERS

The heavy equipment industry is facing a real talent challenge. The competition for experienced sales, product support, service managers, operations and technical leaders is intense, and it is not getting easier. The instinct to address that challenge by recruiting harder is understandable. But it is not sufficient on its own.

The most effective long-term talent strategy is not a better sourcing approach or a more competitive compensation package. It is a culture that makes talented people want to stay. Before your organization invests another dollar in recruiting, it is worth asking an honest question: If an exceptional candidate joined your company tomorrow, what would they actually experience? The fish does not fail the tank. The tank either supports life or it does not. The organizations that do the disciplined, unglamorous work of maintaining a healthy environment are the ones that will attract and retain the talent they need to compete and win in the years ahead.

FIX THE WATER. THEN GO FIND THE RIGHT FISH.



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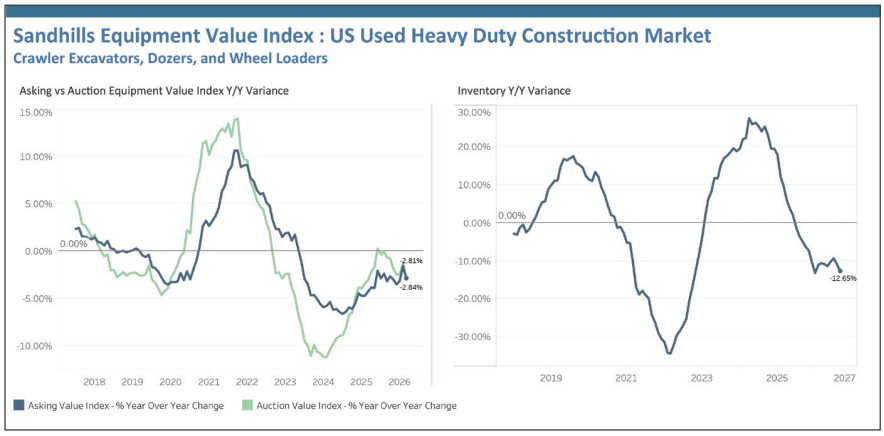
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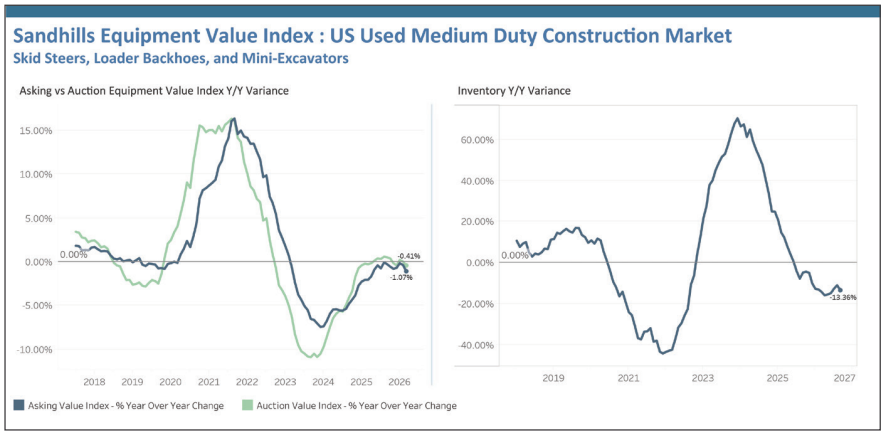
U.S. Used Heavy-Duty Construction Equipment

- Inventory levels in this market were down 2.29% month over month and 12.65% year over year in September and are trending down. Used wheel loaders had the largest inventory changes, down 4.51% M/M and 16.05% Y/Y.
- Asking values decreased 1.86% M/M and 2.84% Y/Y and are trending down for the fifth consecutive month. Used crawler dozers had the largest M/M asking value change, down 3.3%, while used crawler excavators had the largest Y/Y asking value change, down 4.14%.
- Auction values dipped 2.37% M/M and 2.81% Y/Y and are trending down. Used crawler dozers had the largest auction value changes, down 3.64% M/M and 3.18% Y/Y.



U.S. Used Medium-Duty Construction Equipment

- Inventory levels of used medium-duty construction equipment decreased 1.01% M/M and 13.36% Y/Y in September and are trending down. Used wheel skid steers had the largest M/M inventory change, down 3.71%, while used loader backhoes had the largest Y/Y inventory change, down 23.35%.
- Asking values decreased 0.98% M/M and 1.07% Y/Y and are trending down. Used mini excavators had the largest asking value changes, down 2.51% M/M and 3.34% Y/Y.
- Auction values decreased 0.91% M/M and 0.41% Y/Y and are trending down. Used loader backhoes had the largest M/M auction value change, down 1.06%, while used mini excavators had the largest Y/Y auction value change, down 2.04%.



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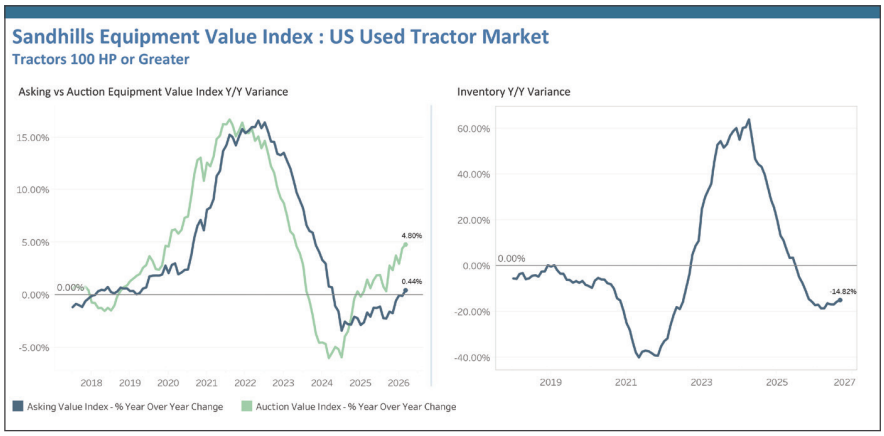
TractorHouse

About The Sandhills Equipment Value Index (EVI)

The Sandhills EVI is the key metric used in these reports. It is a principal gauge of the estimated market value of used assets—currently and over time—across the construction, agricultural, and commercial trucking industries represented by Sandhills Global platforms, including MachineryTrader.com, TractorHouse.com, and AuctionTime.com.

U.S. Used Tractors 100 Horsepower and Greater

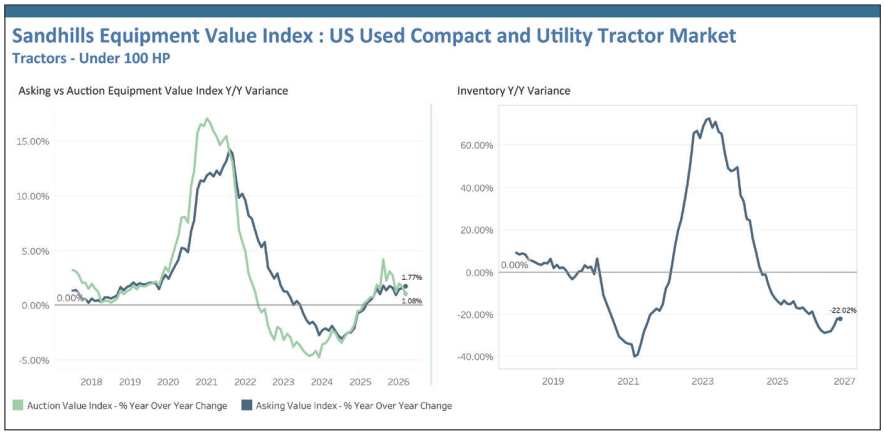
- Inventory levels in the used high-HP tractor market decreased 0.28% month over month and 14.82% year over year in September and are trending down for the 16th month in a row. Used tractors with 300 HP and greater had the largest M/M inventory change, down 1.16%, while used 100- to 174-HP tractors had the largest Y/Y inventory change, down 18.43%.
- Asking values decreased 0.53% M/M but inched up 0.44% Y/Y and are trending sideways. Used tractors with 300 HP and greater had the largest M/M asking value change, down 0.68%, while used 175- to 299-HP tractors had the largest Y/Y asking value change, up 3.28%.



- Auction values decreased 0.52% M/M but rose 4.8% Y/Y and are trending up. Used 175- to 299-HP tractors had the largest auction value changes, down 1.4% M/M and up 6.35% Y/Y.
- The EVI spread, which measures the percentage difference between asking and auction values, was 31% in September, unchanged from August.

U.S. Used Compact and Utility Tractors

- Inventory levels in this market increased 1.65% M/M in September but were down significantly Y/Y, by 22.02%, and are trending sideways. Used tractors with less than 40 HP had the largest inventory shifts, up 3.03% M/M and down 23.11% Y/Y.
- Asking values decreased 0.11% M/M but ticked up 1.77% Y/Y and are trending up. Used 40- to 99-HP tractors had the largest asking value changes, down 0.19% M/M and up 2.02% Y/Y.
- Auction values decreased 0.99% M/M but increased 1.08% Y/Y and are trending sideways. Used 40- to 99-HP tractors had the largest auction value changes, down 1.37% M/M and up 1.1% Y/Y.



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PRIVATE PLACEMENTS OF EQUITY SECURITIES

CONSIDERATIONS FOR EQUIPMENT DEALERS

MICHAEL W. SKARDA • MWS@JWLINTERNATIONAL.COM

Michael Skarda is a Senior Attorney at JWL International with extensive experience advising corporations, investment funds and financial institutions on complex corporate transactions, including mergers and acquisitions, private investments, capital markets transactions, and the purchase and sale of sophisticated financial instruments he can be reached at mws@jwlinternational.com

Equipment dealers and rental fleet operators – whether operating in the construction, agricultural, industrial or transportation sectors – face a distinctive set of capital formation challenges. The capital-intensive nature of inventory acquisition, the cyclicality of end-market demand, the frequent reliance on manufacturer floor plan financing and the increasing inability to obtain other lines of credit (be it from banking or other sources) may create the need for additional equity capital. For these businesses, the private placement of newly issued equity securities may offer a compelling avenue to obtain the capital needed to grow their business, including through acquisitions of other operators in the industry.

THE GROWING NEED FOR EQUITY CAPITAL FOR EQUIPMENT DEALERS

The equipment dealer industry is predominantly composed of privately held businesses – often multi-generational family enterprises or regional dealer groups – that have historically relied on retained earnings, bank credit facilities and manufacturer-provided floor plan financing to fund operations and growth. However, several structural factors have increasingly driven equipment dealers to seek outside equity capital, including:

- **CONSOLIDATION DYNAMICS:** Over the last decade many original equipment manufacturers (OEMs) have created pressure on smaller dealers to scale or exit, driving demand for equity capital to fund acquisitions of adjacent territories and competing dealerships.
- **INVENTORY FINANCING PRESSURES:** Rising interest rates on floor plan credit lines and tightening credit standards have increased the cost of carrying large equipment inventories, leading some dealers to seek equity financing to reduce leverage and improve balance sheet flexibility.
- **SUCCESSION AND ESTATE PLANNING:** Family-owned dealerships facing generational transition frequently require outside equity investors – including private equity sponsors and strategic partners – to provide liquidity to selling shareholders and fund ongoing capital requirements.
- **TECHNOLOGY AND PARTS & SERVICE INVESTMENT:** The growing importance of telematics, precision technology, and aftermarket parts and service revenue have increased capital requirements for dealers seeking to build out digital platforms and service infrastructure.

WHAT IS SECURITIES REGISTRATION WITH THE SEC AND ITS PROS AND CONS?

The offer and sale of securities in the United States is subject to the registration requirements of the Securities Act of 1933, as amended (the Securities Act), unless an exemption from registration is available. Registering securities with the Securities and Exchange Commission (SEC) is not like having to register your car with your state's DMV. It involves substantial cost (most likely in the seven-figures), time (most likely six months or more), and significant disclosure obligations (including three years of audited financial statements, the enumeration of material risks in the company's business and industry, information on the business owners, officers, and director and their compensation, and other information required by the SEC. Companies whose securities have been registered with the SEC typically have substantial back-office personnel in accounting, finance, legal and internal controls. (If you'd like to see an example of a registration filing and the lengthy disclosure obligations, go to www.sec.gov and in the search bar type "S-1" and you'll see a link to the latest securities registration filings.)

For a company to go through all the time, expense and effort, there is a significant advantage: Once registered, a company's securities may be purchased, and continue to be traded, by anyone. I used to tell my law students to think of it as the "widows and orphans" rule; that is, if a company registers its securities, even impoverished widows and orphans may purchase them.

WHAT IS A PRIVATE PLACEMENT OF EQUITY SECURITIES?

Congress recognized, when it passed the Securities Act, that certain categories of offerings – those involving sophisticated or institutional investors who do not require the protections afforded by full SEC registration – could be conducted outside the formal registration process. This recognition gave rise to the private placement exemption, provided the securities are offered and sold only to financially sophisticated persons capable of evaluating the merits and risks of a prospective investment.

Section 4(a)(2) of the Securities Act exempts from registration "transactions by an issuer not involving any public offering." For equipment dealers, Section 4(a)(2) is most commonly used in the context of negotiated equity investments by a single private equity sponsor, a strategic investor such as an OEM taking a minority stake, or a small group of institutional investors participating in a growth equity round. Prior to purchasing securities, these investors typically engage in extensive preparation:

- Financial due diligence
- Discussions with, and presentations from, company management
- The negotiation of detailed equity documentation between legal counsel to the company and the investors, including a stock purchase agreement and a shareholders agreement

Importantly, the company may not engage in general solicitation (i.e., public advertising) to offer and sell the securities, and the investors who purchase the securities must acquire them for investment purposes only and not for immediate resale.

REGULATION D: THE PRIMARY SAFE HARBOR FOR EQUIPMENT DEALER PRIVATE PLACEMENTS

The SEC, with its rule-making authority, promulgated "Regulation D" under Section 4(a) of the Securities Act to provide for a series of "safe harbors" from the registration requirements that are widely used in the equipment dealer industry. While issuers relying on Regulation D must file a Form D notice with the SEC within 15 calendar days after the first sale of securities, this document includes very limited information and can usually be completed in a few hours by legal counsel.

The three principal Regulation D exemptions are discussed below in the context of their practical application to equipment dealers and related entities.

A. RULE 506(B) — THE STANDARD PRIVATE PLACEMENT SAFE HARBOR

Rule 506(b) of Regulation D is the exemption most frequently relied upon by equipment dealers conducting privately placed equity securities, management buyouts and growth equity rounds. Rule 506(b) permits a company to raise an unlimited amount of capital from an unlimited number of "accredited investors" and up to 35 non-accredited, but sophisticated, investors, provided that no general solicitation or public advertising is used in connection with the offering. Offerings conducted under Rule 506(b) are preempted from state "Blue Sky" registration requirements under the National Securities Markets Improvement Act of 1996, which is a significant practical benefit for dealer groups operating across multiple states.

In the equipment dealer context, the most common categories of accredited investors participating in Rule 506(b) offerings include the following:

- Private equity funds and their affiliated co-investment vehicles, which are typically structured as entities with total assets in excess of $5,000,000 and qualify as accredited investors under Rule 501(a)(3) of Regulation D
- Family offices and high-net-worth individuals with net worth exceeding $1,000,000 (excluding their primary residence) or income exceeding $200,000 individually (or $300,000 jointly with a spouse) in each of the two most recent years
- OEM manufacturers and their captive finance or strategic investment subsidiaries participating as minority equity co-investors alongside financial sponsors
- Senior management teams of the dealership group participating in management equity programs, which may include stock option plans or restricted equity unit grants structured to fall within the Rule 506(b) safe harbor

(Note: On September 30, 2026, the SEC proposed new rules that, if enacted, would expand the ability of individuals to qualify for accredited investor status.)

It is important to note that OEM approval rights may be implicated when a dealership undergoes an ownership change in connection with a private placement. Most dealership agreements with OEMs require prior written consent of the manufacturer before a change of control (usually more than 50%). However, dealers should carefully review their OEM dealership agreements to determine if OEM consent is required for smaller equity transfers.

B. RULE 506(C) — GENERAL SOLICITATION AND PUBLIC ADVERTISING

Rule 506(c), adopted pursuant to the JOBS Act of 2012, permits issuers to engage in general solicitation and advertising in connection with a private offering, provided that all purchasers are accredited investors and the issuer takes reasonable steps to verify accredited investor status. For equipment dealer groups seeking to conduct a broader capital raise – for example, a well-capitalized regional dealer group seeking growth equity from a network of agricultural industry investors or infrastructure-focused family offices – Rule 506(c) may offer a useful alternative to the more restrictive Rule 506(b) framework.

The verification requirement under Rule 506(c) is more demanding than the self-certification approach used under

Rule 506(b). Dealers conducting Rule 506(c) offerings must implement formal verification procedures, which may include a review of tax returns, broker-dealer account statements, or written confirmation letters from licensed attorneys or CPAs. Given the operational complexity of these requirements, Rule 506(c) is less commonly used in traditional private equity transactions in the equipment sector but may be appropriate for direct-to-investor capital raises facilitated through online platforms or industry-specific investment networks.

C. RULE 504 — SMALLER OFFERINGS AND STATE-LEVEL CONSIDERATIONS

Rule 504 of Regulation D permits the offer and sale of up to $10 million of securities in any 12-month period and does not restrict participation to accredited investors. However, Rule 504 does not preempt state blue-sky laws, meaning that a dealer group raising capital under Rule 504 must separately qualify or register the offering (or identify an applicable state-level exemption) in each state where securities are offered or sold. For smaller single-location dealers or start-up equipment rental operations seeking modest equity financing from local investors, Rule 504 may provide a workable framework, though the state-by-state compliance burden often makes Rule 506(b) the more practical choice even for smaller offerings.

TYPES OF EQUITY ISSUED IN EQUIPMENT DEALER TRANSACTIONS

Private placements in the equipment dealer industry most commonly involve the issuance of one or more of the following equity instruments, each of which constitutes a "security" for purposes of the Securities Act and requires either registration or an applicable exemption:

- **COMMON EQUITY:** Issued to founders, management teams and long-term strategic investors, common equity in a dealer holding company typically carries voting rights and residual economic interest, and is the primary instrument used in management equity incentive programs.
- **PREFERRED EQUITY:** Private equity sponsors often receive convertible preferred stock or preferred units in LLC structures carrying liquidation preferences, anti-dilution protections and participation rights, structured to provide downside protection while preserving upside participation in the dealership's growth.
- **WARRANTS AND OPTIONS:** OEMs and lenders often receive warrants or options as part of a strategic investment or credit facility, entitling them to purchase equity securities at a fixed (often discounted) price upon the future occurrence of specified conditions.

The choice of equity instrument also has significant implications under applicable tax laws. Equipment dealers should consult their tax advisors to ensure compliance with the applicable tax treatment of equity issuances.

VI. RESALE RESTRICTIONS, REGISTRATION RIGHTS, AND LIQUIDITY PLANNING

Securities issued in a private placement under Section 4(a)(2) or Regulation D are "restricted securities" under Rule 144 of the Securities Act and are subject to holding-period requirements (generally six months for public companies and one year for non-reporting private companies) and other conditions before they may be freely resold. For private equity sponsors investing in equipment dealer groups, the restricted nature of the securities acquired in a private placement underscores the importance of negotiating contractual liquidity mechanisms at the time of investment.

In the equipment dealer context, liquidity for private equity investors is typically achieved through one of several exit mechanisms:

- A sale of the dealer group to a strategic acquirer (including consolidation by a competing dealer group or acquisition by the OEM)
- A recapitalization involving a secondary sale of the private equity investor's stake to a new financial sponsor
- An initial public offering of the dealer holding company, in which case the private equity investor's restricted shares would be registered in connection with the IPO or in a subsequent resale registration
- In the case of a larger, already publicly traded dealer group, registration of the resale of privately placed shares on a "shelf" registration statement with the SEC

CONCLUSION

The private placement exemptions available under the Securities Act – and particularly the Rule 506(b) safe harbor under Regulation D – provide equipment dealers, rental fleet operators and related industry participants with an efficient and well-established mechanism for raising equity capital from institutional investors, private equity sponsors, family offices and strategic co-investors. As the equipment dealer industry continues to consolidate and adapt to evolving OEM distribution strategies, the demand for private equity capital at the dealer level is expected to remain robust.

This article is for informational purposes only and does not constitute legal advice. Navigating a private placement requires careful coordination across multiple legal disciplines, OEM dealer agreement compliance, tax structuring and other financing arrangements. Equipment dealers and their owners are strongly advised to engage experienced securities and M&A counsel well in advance of any contemplated equity financing to ensure that all applicable legal requirements are satisfied and that the transaction is structured to achieve the issuer's capital formation, governance and liquidity objectives.

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Titan Machinery
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4Rivers Equipment
Admar Supply Co., Inc.
AIS Construction Equipment
Anderson Equipment Company
Bejac Corporation
BOK Financial
Butler Machinery Company
Coastline Equipment
Cowin Equipment Company, Inc.
Craig & Martha Burkert in memory of Bob & Florence Mullins
Dennis and Phyllis Washington Foundation in conjunction with Modern Machinery, Co.
DLL
Doosan Bobcat
Equipment Corporation of America
General Equipment & Supplies
Glenn & Karen Leppo Family Foundation
Highway Equipment Company
Holt CAT
IROCK Crushers, LLC
James River Equipment
Leppo, Inc.
Marshall Machinery
Michael Savastio in Honor of Lamar Light
RECO Equipment, Inc.
Ring Power Corporation
Southeastern Equipment Company
Stribling Equipment
Thompson Tractor Company, Inc.
Vermeer Canada
Vermeer MidSouth, Inc.
West Side Tractor Sales Co.

BUILDER $25K+

Atlas Bobcat
Beard Equipment Company
C.N. Wood Co., Inc.
Columbus Equipment Company
CraneWorks
Curtis Fort, Construction Credit & Finance Group
Ditch Witch Mid-States
Ditch Witch Midwest
In Honor of Earl K. Harbaugh
Equipment Sales & Service Limited
Federated Insurance
Frank Martin Sons, Inc.
Garton Tractor, Inc.
Gateway Dealer Network
Global Machinery
Heavy Machines, LLC
Hoffman Equipment Co.
Holt of California
In Memory of Allen H. Rodes
Monroe Tractor, Distributor of CE & Ag Equipment New York, MA, CT, & Vermont
Scott Machinery Company
Standard Equipment
Sunstate Equipment
Valerie Fort, Lienguard
Vermeer Heartland
Wood's CRW Corp.

LEADER $10K+

Bobcat of Omaha
Martin Equipment
Modern Group Ltd.
Miller-Bradford & Risberg, Inc.
Quinn Company
Vanda F. Henderson

AMBASSADOR <10K

BOMAG Americas Inc.
Century Equipment
CMW Equipment
Michael Vazquez
Road Machinery & Supplies Co.
Roland Machinery Co.
Wells Fargo Equipment Finance, Inc.

PERMITTING REFORM:

Critical for Equipment Dealers and Manufacturers, Your Customers and the Broader Economy

MATT LAMY & NATE RIGGINS
AED

As the 119th Congress ends, questions remain about what can get done in the lame-duck session following the midterm elections. However, one area that's gaining bipartisan momentum and is ripe for congressional action before the end of 2026 is reforming the federal permitting process.

Long-standing efforts to simplify the permitting process have failed due to Democrats' and Republicans' inability to agree on reforms. Democrats traditionally have opposed expedited permitting due to environmental concerns. However, after passage of the so-called "Inflation Reduction Act," green energy projects were delayed and stakeholders traditionally opposed to reforms signaled openness to discussion. With the national housing shortage and affordability being a chief concern, traditionally left-leaning stakeholders have joined the business community in discussions to reform the arduous permitting process.

A BIPARTISAN AGREEMENT

On September 30, Senate Environment and Public Works Committee Chair Shelley Moore Capito (R-W. Va.) and ranking member Sheldon Whitehouse (D-R.I.), along with Senate Energy and Natural Resources Committee Chair Mike Lee (R-Utah) and ranking member Martin Heinrich (D-N.M.), announced a long-awaited agreement on the most comprehensive permitting reform proposal to date.

The Bipartisan American Affordability and Jobs Act of 2026 (BAAJA) makes changes to the National Environmental Policy Act (NEPA), Clean Water Act, Endangered Species Act, and National Historic Preservation Act to expedite project delivery while maintaining existing environmental protections. The bill would not necessarily guarantee that more projects are funded or built, nor would it eliminate all permitting requirements. Instead, it seeks to change how federal agencies review projects, streamline approvals and handle certain challenges to permits that have already been issued.

Some of the most substantial changes in the legislation address NEPA reviews, which are required for major projects that need federal agency approval. If the BAAJA became law, federal agencies would need to respond to initial project permit applications within 60 days and determine if the project required more intensive environmental review within a subsequent 60 days, giving project sponsors an earlier indication of the review path ahead. Potentially more impactful is that federal agencies would be required to conduct their reviews concurrently when possible, which would significantly decrease the project review timeline.

The changes to the Clean Water Act would be especially useful for reducing permit wait times for infrastructure projects that affect waterways, wetlands or other covered waters. By extending the term of certain federal water permits from five to 10 years, contractors can operate with more long-term certainty when planning their investments. For projects that could affect protected wildlife or critical habitats, the BAAJA would ensure 30% shorter consultation periods under the Endangered Species Act. Stricter deadlines would be enforced under the National Historic Preservation Act, allowing project reviews to proceed when local officials or organizations did not respond within required time periods. Finally, the legislation would limit federal agencies' ability to revoke or suspend previously issued permits unless there were exceptional circumstances, such as certain legal violations, fraud, or urgent threats to public safety or national security.

WHAT DOES IT MEAN FOR THE EQUIPMENT INDUSTRY?

For equipment dealers, BAAJA would improve the predictability of project schedules and help customers better strategize equipment purchases, rental needs and workforce requirements. Contractors and public agencies that can operate with more certainty are able to better plan their investments. Clearer timelines would enable equipment dealers to purchase inventory with less lag time on sales and rentals down the road, helping lower overhead costs. Shortened timelines could also lead to more new construction, on top of the already existing demand for infrastructure across the U.S., increasing total sales for dealerships. Rental fleet demand would be easier to gauge, and equipment would spend less time sitting idly by while cumbersome permits awaited approval.

Rural communities would benefit from the streamlined permitting process for infrastructure projects. Counties would be considered cooperating agencies in the NEPA review process, ensuring that rural voices were heard from the beginning. Rural infrastructure, broadband and water projects would face shortened review timelines, and fewer projects would need to undergo NEPA reviews.

The American industrial machine has been hindered for many years under burdensome government regulations. Permitting reform, especially as sweeping as the changes included in the BAAJA, has the chance to revamp American infrastructure, energy, manufacturing and more. Important safeguards for the environment and the public will remain while economic investment across sectors grows. New energy projects, both traditional and green, will help the U.S. become more self-sufficient and rely less on foreign sources. Contractors and agencies will have the freedom to complete projects at an accelerated rate, leading to a growth in jobs across numerous industries. Permitting reform has a real opportunity to make a significant impact on the economy and fits well with AED's pro-growth agenda.



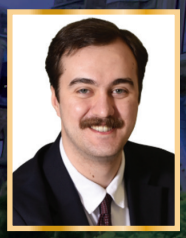
THE PATH AHEAD

While permitting reform is an area for bipartisan consensus, challenges remain. Tribal groups have expressed their opposition to the BAAJA, citing the shortened review timelines and decrease in legal triggers that require federal agencies to engage in consultations with tribal nations. This opposition is noteworthy, as tribal groups often have an outsized influence with their elected officials and may be able to sway Senate Democrats who are inclined to support the effort.

The legislation expands the federal government's authority to override state and local rejections to the routing of interstate electric transmission lines through rural areas, which has created tension with farmers and rural landowners. Certain left-leaning coalitions oppose the bill, believing a better deal, with a bigger emphasis on environmental protection and clean energy projects, can be achieved in the 120th Congress. Environmental protection advocates like the Sierra Club, the Natural Resources Defense Council and Earthjustice have raised concerns that changes to environmental laws and judicial review could limit the ability of states and communities to challenge projects that threaten waterways, wildlife and other natural resources.

Permitting reform would be a critical win for the U.S. economy, but politics and competing interests during the lame-duck session pose challenges. There are currently a number of priorities competing for time and attention in Congress, including the need to ensure that the federal government stays open into the new year, the farm bill, surface transportation reauthorization, and the National Defense Authorization Act, to name a few. Nonetheless, AED will continue to work with lawmakers and like-minded stakeholders to tout the benefits of comprehensive permitting reform, as further delay (pun intended) is unacceptable. •

CANADA & ALBERTA ANNOUNCE FIRST "NATIONAL INTEREST" PROJECT



JAMES BALL

At the beginning of October, the federal government, in partnership with the provincial government of Alberta, announced the first project ever designated in the national interest for fast-tracking approval.

With a group of Fort McMurray oil sands workers and a Komatsu dump truck covered with a Canadian flag behind him, Prime Minister Carney announced that the West Coast pipeline, which has now been officially named the Pacific Link pipeline, will be listed as a Schedule 1 project under the Building Canada Act. Under the Schedule 1 designation, the project, which will connect oil sands facilities at Bruderheim, Alberta, to shipping terminals in Roberts Bank, British Columbia, will shift the federal government's considerations away from whether the pipeline should be built to how it will be built and will consolidate the approval process to fast-track construction and completion.

Federal officials believe that the pipeline could help boost Canada's GDP by up to $30 billion annually, with $20 billion coming from the operation of the pipeline. Additionally, the shipping terminals at Roberts Bank would prioritize sending oil to a variety of trading



partners in Asia instead of the U.S., allowing Canada to charge a higher price for the oil and potentially providing an additional $10 billion in revenues. The project is also expected to create up to 140,000 jobs through construction, operation, and maintenance of the pipeline.

When the provincial and federal governments originally announced an agreement to support the development of the West Coast project, it was predicated on the idea that a private-sector proponent would step in to cover the cost, projected at between $35 and $43 billion. Instead, 45% of the project cost will be covered by the Alberta government, 45% will be covered by the federally owned Trans Mountain Corp., and the final 10% will be addressed by the Pembina Pipeline Corp., which has the option to purchase an additional 10% stake once the pipeline is operational.

While the project is currently 90% owned by the federal and provincial governments, there is the possibility for private investors to purchase a stake in it if they see progress on construction by 2032.

Conservative Leader Pierre Poilievre responded to the announcement by saying that he and his party strongly support a new pipeline, and he congratulated Premier Danielle Smith on her advocacy for the project. However, he criticized the federal government for taking too long to start construction.

The announcement of the fast-tracking of the Pacific Link pipeline comes as the prime minister looks to pass the Building Canada Strong Act, or Bill C-39. The act is one of the government's key priorities this fall and would create a one-year timeline for federal project decisions in order to further speed up approvals, create "national interest" zones to allow certain projects to be preapproved for construction, and change the rules allowing the jobs minister to intervene in labor disputes to limit the impact of strikes on the economy.

If delays push back deadlines and costs for the project balloon, the PM's efforts will have proven unsuccessful on his biggest domestic promise, giving the opposition an avenue to promote their plans as the right ones for Canada's economic growth.

Conservative opposition critics were largely in favor of the reduced timelines and faster approval rules included in C-39; however, they did voice serious concerns about the impact on workers and labor from the new powers that would be given to the jobs minister.

The Pacific Link pipeline may be the first project designated in the national interest, but it will likely not be the last, as the federal government and provincial governments across Canada have all come forward to promote projects that they consider to be in the "national interest" to develop. Additionally, with C-39, the federal government seems determined to further simplify approvals and prioritize construction. While the potential economic benefits for Canadians could be significant, Pacific Link will offer a critical, real-world case study for how effectively the Carney government has been able to prioritize project construction.

If delays push back deadlines and costs for the project balloon, the PM's efforts will have proven unsuccessful on his biggest domestic promise, giving the opposition an avenue to promote their plans as the right ones for Canada's economic growth. But if the Pacific Link pipeline can be completed successfully as envisioned, it will put the PM in a stronger political position to keep pushing his agenda.

STATE ELECTIONS SET THE STAGE FOR EQUIPMENT POLICY IN 2027

JACOB ASARE
AED

Most election coverage focuses on Washington. For equipment dealers, November's elections could bring equally important changes in state capitals across the country. The results will determine who sets the agenda on business regulation, workforce development, equipment policy and infrastructure spending in 2027.

As AED expands its state government affairs work nationwide, we are watching more than individual candidates. We are looking at how changes in governors' offices and legislatures could affect the policies our members face.

A NATIONAL MAP IN PLAY

Thirty-six states are holding gubernatorial elections this year. Republicans currently hold 26 governor's offices nationwide, and Democrats hold 24. Each party is defending 18 of the offices on the ballot.

Competitive races in Georgia, Ohio and Alaska give Democrats opportunities to win offices currently held by Republicans. Florida is also drawing attention as Democrats look to expand the number of states in contention. Along with closely watched races in Iowa, Michigan, Wisconsin, Arizona and Nevada, these contests could change the national balance of state leadership.

A Democratic gain in a governor's office can matter even if Republicans retain the legislature. Governors propose budgets, appoint agency leadership and can veto legislation. A change in that office can require lawmakers to negotiate with an administration that has different priorities.

LEGISLATIVE CONTROL MATTERS TOO

Some of the most important changes could happen without a governor's office changing parties.

A trifecta exists when one party controls the governor's office and both legislative chambers. Losing one of those chambers breaks that unified control and can make advancing an agenda more difficult.

Supermajorities also deserve attention. In many states, they give legislators enough votes to override a governor's veto. Losing that advantage can strengthen the governor's position even when the legislative majority remains unchanged.

In states such as North Carolina, Kansas, Iowa and Florida, the size of Republican majorities will be important to watch. Legislative contests in Michigan, Wisconsin, Pennsylvania and Minnesota could also help determine whether Democrats gain unified control.

The broader question is how much governing power each party will have after November – not simply how many races it wins.

WHAT A SHIFT COULD MEAN FOR DEALERS

Democratic gains could bring greater attention to priorities such as worker protections, wage requirements, paid leave, environmental regulation and consumer protections. For dealers, that could mean new employment obligations, additional emissions requirements, or renewed debates over right to repair and agricultural data.

These proposals do not always follow party lines, and their effects depend on how they are written. Our role is to explain where legislation could increase costs, create unnecessary requirements or interfere with serving customers.

There are opportunities as well. Workforce training, technical education and apprenticeships offer common ground. Dealers need technicians, and lawmakers want to help people find careers and help local employers fill jobs.

RECENT WINS, ONGOING DEBATES

Our work in Colorado on agricultural data and in California on emissions requirements brought important wins. Those debates showed how state policy can reach into everyday dealership decisions, from diagnosing equipment problems to planning fleet purchases.

An election does not settle those issues. Similar proposals can return with new sponsors, and ideas introduced in one state can spread to others. A change in political control can give them a different path forward.

STARTING THE CONVERSATION EARLY

Our state legislative facility visit program gives lawmakers a chance to meet employees and understand how dealerships support their communities. Those conversations help us explain industry concerns and identify opportunities to work together.

Whoever wins in November, we will work with members and industry partners to build those connections ahead of the next session. With the balance of power potentially changing across several states, dealers need a voice in shaping what comes next.



Birth of the Constitution

PART V – A NEW BEGINNING



P.E. MACALLISTER

The delegates had launched a new chapter in man's history. Yet, they left Philadelphia with more ambivalence than euphoria.

You might think the delegates experienced a sense of elation after constructing the U.S. Constitution. But when departing from Philadelphia, after signing the Constitution on Sept. 17, 1787, the delegates actually had mixed emotions about the whole exercise.

Their main concern was about the people's reaction when news of the document "hit the streets." Benjamin Franklin thought the Constitution "cheated democracy." Edmund Randolph said "indefinite and dangerous power" had been given a central government.

John Lansing was certain the people would never approve the new government because of the concentration of authority. Patrick Henry's reaction approached hysteria: "We had no need to surrender the vast powers of taxation to a central government, to organize a courts system…create a chief executive who would enslave America, destroy the states. Whither has the spirit of America fled?"

Added Richard Henry Lee, "The greatness of the powers given to this new government and the multitude of places to be created produce a coalition of monarchy men, military men, aristocrats and drones whose noises and impudence and zeal exceed all belief."

As usual, James Madison provided the most sensible words. About the contention that the people would not consent to the proposal, he snorted, "Nonsense. No one knows what the people want. Consider instead what is right and necessary."

Madison, Alexander Hamilton and, later, John Jay, had no intention of blowing this chance for union. Almost at once they began writing a series of essays called The Federalist Papers, which analyzed the Constitution, defended it against gainsayers and argued strongly for its ratification.

To some extent, perhaps the delegates had worried too much. Response to the new document was hardly an avalanche. Only fractional percentages of the populace were involved in the ratifying process. And, during the first national elections, the percentages who voted were in single digits. The delegates had performed a Herculean task in designing the Constitution, but no one seemed to give a damn as long as his own ox was not gored.

Beyond that, each delegate was satisfied that he had done his best. And, although the document was imperfect, no succeeding convocation would do any better. Besides, this Constitution was a major improvement over the Articles of Confederation, and, if not perfect, it at least created the union so desperately needed. The truth of the matter was that there never could be a document that all could completely subscribe to, so getting as close as possible to the ideal was the trick.

The delegates had come to Philadelphia to wrestle with one central question: What is the purpose of government? The answer, they concluded, was to unite people with a common purpose into a federal system that defined their obligations to society, the states and each other.

The delegates understood that the country required a product made by Americans for their personal use; one imported or borrowed would not work. The U.S. Constitution truly needed to be "of the people, by the people and for the people." By sharing the power, the Constitution bound the states into an indissoluble union that, in the most general terms, left most of the authority to them.

Yet, while some critics railed against the power given to a central government, others felt the authority given to the states was the document's main deficiency. Ther was no national Bill of Rights yet because many states had their own. Voting qualifications were established in each state, and nine states had already outlawed importation of slaves, the that issue had been "resolved."

In addition to sharing power between a federal government and the states, the Constitution also provided for an arbiter, the Supreme Court, so that unresolved issues wouldn't languish. Also included in the design were provisions to modify the document to fit future circumstances, which was the delegates' way of insuring that the blueprint stayed pertinent and relevant.

The Constitutional Convention was not truly representative because neither of the two great unwashed masses, women and slaves, were present. But there was no question that the colonies had sent their very best leaders. Every delegate was experienced in government service and familiar intricacies and essentials of successful politics.

Eight of the delegates had signed the Declaration of Independence, and five more could have had they not departed to join the Continental Army. Thirty had military service. Sixteen of the group were aristocrats, eight from "first families." Twenty were either well-to-do or very rich, 22 more of the modest or comfortable means. Generally, they were educated, with 26 possessing college degrees.

All of these background factors enabled the delegates to look at the big picture and the long haul rather than simply judging issues parochially. Perhaps, it was their confidence, security and experience that enabled them to rise above the class-caste fixation of the times and create a government that balanced what is best for society's total spectrum.

In order to found a republic, the parties used republican principles: The delegates were elected representatives who spoke an acted for their constituencies. As a result, our government was designed by the best brains available at the time, all dedicated to achieving the finest possible results. It made sense then, as it does now, to locate the enlightened, the thoughtful, the most able to perform the task assigned. Let us thank God for the process that got them there, because it was a once-in-a-lifetime pooling of talent.

The delegates' legacy remains one of Man's greatest wonders. This country was built in a miraculous system that permits extensive participation of the populace and encourages activity at several levels. Yet, technically we are governed by just a handful of men and women. That, perhaps, was the delegates' greatest achievement. From an ideal model they forged a working reality.

We, the people, created the United States Constitution. We keep the vehicle sensitive and alert. And, in the final analysis, we are the ones who permit it to remain still "Man's last, best (political) hope on earth." •

As the United States celebrates its 250th anniversary, AED Magazine is republishing a series of articles written in 1987 by P.E. MacAllister, one of AED's most influential leaders and the association's president in 1972. Originally published during the bicentennial of the U.S. Constitution, the articles explore the Constitutional Convention of 1787 and the advancing AED's advocacy efforts and encouraging dealer participation in the political process.

As relevant today as when they were first published, MacAllister's reflections principles that shaped the American system of government.

This article is the fifth and final piece of the five part series. MacAllister's commitment to civic engagement and political involvement helped lay the groundwork for AED's government affairs program. His legacy lives on through the annual P.E. MacAllister Democracy Award, which honors individuals who have demonstrated exceptional leadership in serve as a reminder of the important role informed and engaged citizens play in our democracy.



THE TECHNICIAN SHORTAGE IS COSTING DEALERS BILLIONS

JOHN SCHMEISER,
COO,
VI BY VISORPRO®

ABOUT THE AUTHOR

John Schmeiser is chief operating officer of Vi by visorPRO®, the AI-powered aftermarket platform built for equipment dealerships. A highly respected equipment industry leader, John previously served as president and COO of the North American Equipment Dealers Association and spent more than 25 years leading the Western Equipment Dealers Association and Canada West Equipment Dealers Association, representing thousands of equipment dealers across Canada and the United States. He also serves as executive director of the Canada Equipment Dealers Foundation and holds a Chartered Director designation from McMaster University's DeGroote School of Business.

North America is short thousands of equipment technicians. How can dealers keep up when the talent pipeline can't be rebuilt overnight? New 2026 workforce research from the Associated Equipment Distributors Foundation and the Canada Equipment Dealers Foundation makes the scale of the problem difficult to ignore. It also makes one thing clear: Dealerships can't recruit their way out of this challenge alone.

Across the United States, agriculture and construction equipment dealers face an annual shortage of approximately 10,000 diesel technicians, costing the industry an estimated US$7 billion in lost shop and parts revenue. Eighty percent of U.S. dealers say the shortage prevents them from meeting customer demand, 77 percent say it has hindered growth, and 72 percent report increased costs and operational inefficiencies.

Canadian dealers face the same pressure. The research estimates an annual shortfall of 1,263 technicians and CA$803 million in lost shop and parts revenue. Seventy-eight percent of Canadian dealers can't keep pace with customer demand, and 62 percent say the shortage has limited growth. On both sides of the border, open positions are now a direct constraint on dealership performance.

REBUILDING THE TECHNICIAN PIPELINE WILL TAKE YEARS

Recruitment remains essential. Dealers, manufacturers, educators and associations need to promote the career more effectively, create more work-based learning opportunities and align training with the technology technicians now encounter. Three-quarters or more of surveyed dealers in both countries identified work-based learning and internships as a leading policy solution.

The AED Foundation and the Canada Equipment Dealers Foundation are helping lead that work by connecting dealers, manufacturers and schools, expanding awareness of equipment-industry careers and supporting practical training pathways. The latest research gives the industry a clearer road map, but rebuilding the pipeline will take sustained effort.

The immediate operational problem can't wait. Many technician vacancies remain open for months. Turnover is especially

damaging between years two and five, when technicians have completed substantial training and are becoming highly productive. When they leave, the dealership loses capacity and often loses practical knowledge that has never been captured anywhere else.

YOUR TEAM HAS MORE CAPACITY THAN YOU THINK

The shortage is typically measured in unfilled positions, but dealerships feel it in lost time. A technician searches several disconnected systems for a repair procedure. A senior employee steps away from a complex job to answer a question that has been solved before. A service manager reconstructs incomplete notes for a warranty claim. A service advisor prepares a quote for a repair completed at another location but can't quickly find the labor time or parts used.

These moments rarely appear as vacancies on an organizational chart, but they consume the capacity of the people already on the payroll. When qualified technicians are scarce, removing that friction becomes a workforce strategy.

Start by identifying the repeatable tasks that pull skilled employees away from productive work. Look at diagnostic research, repair planning, parts identification, quoting, service-story documentation, warranty preparation and onboarding. Then establish a baseline. How long does each task take? How often does it occur? How much senior-employee time does it consume?

DEALERSHIP KNOWLEDGE SHOULD NOT LEAVE WITH AN EMPLOYEE

Most equipment dealerships hold more useful information than they realize. It exists across OEM and short line manuals, years of completed work orders, technical documents, service stories and the experience of employees across locations. The problem is that this knowledge is often difficult to find when someone needs it.

A proven diagnostic path, regional repair or accurate parts list should not remain with one person or one branch. Dealers need consistent habits for capturing that knowledge and practical ways for employees to search for it. This allows less-experienced technicians to learn from work the organization has already completed while senior technicians answer fewer repetitive questions.

Better access to knowledge can also improve retention. Compensation matters, and more than 70 percent of surveyed dealers in both Canada and the United States plan to raise technician pay this year. But the employee experience matters too. Good tools, accessible training, less unnecessary administration and a visible path to becoming more capable all affect whether a technician sees a future with the dealership.

TURN TIME SAVED INTO MEASURABLE GAINS

Technology can help dealerships create capacity, but only when it's tied to a real workflow and a measurable outcome. A useful pilot starts with one recurring problem and tracks the operational result for 60 to 90 days. Depending on the workflow, that could include research time, documentation time, billable hours, rework, parts accuracy or warranty cycle time.

The objective is not to remove technician judgment. It's to make the dealership's best information easier to use so employees can make informed decisions faster. If a tool does not save time, improve the quality of work or help the team serve more customers, it's not solving the workforce problem.

BUILD TOMORROW'S WORKFORCE WHILE STRENGTHENING TODAY'S

There is no single answer to the technician shortage. North America needs a stronger pipeline of people entering the trade, and the work led by AEDF, CEDF and their industry partners is essential. Dealers can contribute by building relationships with schools, offering meaningful work-based learning, and showing students how advanced and varied equipment technology has become.

At the same time, every dealership can improve how effectively its current team works. Capture the knowledge already inside the business. Reduce the time employees spend looking for answers or repeating completed work. Give newer technicians better access to the experience around them. Measure whether those changes create real capacity.

The shortage may be counted in open positions, but its business impact is also measured in delayed repairs, lost billable hours and knowledge that is difficult to replace. Dealerships that address both the talent pipeline and the productivity of the current team will be better prepared to grow while the industry builds its next generation of technicians. •

SOURCE: AED FOUNDATION AND CANADA EQUIPMENT DEALERS FOUNDATION, 2026 TECHNICIAN SHORTAGE RESEARCH REPORT.

Vi by VISORPRO®

ABOUT VI BY VISORPRO®

Vi by visorPRO® is the AI-powered aftermarket platform built for equipment dealerships. Trusted by more than 30 dealership groups worldwide, Vi brings together OEM and shortline manuals spanning more than 60 equipment brands, millions of work orders and dealerships' own knowledge. Built to work with any dealer management system and powered by the industry's first dealer-to-dealer work order intelligence network, Vi puts the right answer within reach of service, parts, sales, and customer support teams alike. With Vi, dealerships diagnose faster, capture more billable hours, and deliver the kind of service that keeps customers coming back.

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AI 101

WHAT EVERY DEALER SHOULD KNOW



JOEY CARABETTA
SENIOR SOLUTIONS ARCHITECT
APTEAN

Walk the floor of any equipment trade show right now, and you'll hear the same word start half the conversations: AI. Somebody is pitching an angle on it, somebody swears a competitor already has it figured out, and there's always at least one dealer standing off to the side wondering what any of it actually means for a business that still runs mostly on people, paper and instinct.

That gap between the buzz and the understanding is real, and it's bigger than most people admit out loud. A recent Aptean survey of 365 equipment dealer decision-makers found that 86% agree general-purpose AI tools can't handle the complexity of a large dealership operation. Less than 49% have actually put industry-specific AI to work. Dealers believe the technology matters. Most just haven't moved yet.

In my experience, that hesitation cuts along generational lines more than anything else. You can put most dealerships into one of two buckets: Has the next generation already taken over, or not? I go to trade shows where entire seminars are built around succession planning, because it's such a live issue right now. I have had leads tell me flat out that a new system isn't going into the business until the current owner steps back, or retires, or moves on. And I have talked to dealerships where the next generation has already taken the reins, where the old system is usually the first thing to go.

That second group has a real advantage. A younger technician coming into the trade doesn't want to fill out a paper time sheet or log into a green screen after years of doing everything else on a phone. Dealers who can't offer a modern system struggle to hire, and technicians are already the hardest people in this industry to find. Programs backed by The AED Foundation and similar groups are working to fix that at the source, funding technician programs at universities and high schools. But a dealership still has to give those graduates a reason to stay. A smaller dealership that embraces AI in its service department and at its parts counter can come off looking like a much larger, more polished operation, which levels a market that used to be won on scale alone.

GETTING THE BASICS RIGHT

You can't have a useful conversation about AI without a shared vocabulary, so let me define a few terms plainly, using real examples instead of textbook language.

Artificial intelligence, at its core, is software that can reason through information and make a recommendation, the way a person would. An AI agent takes that a step further: Instead of just answering a question, it actually does something inside your systems. A prompt is simply what you ask it, typed or spoken, and a more specific prompt gets you a more useful answer.

Machine learning is the piece that gets smarter the more it sees. A tool that recommends how many of a part to keep on the shelf is running on machine learning, because it gets more accurate the longer it watches your actual sales history of each part at that location. Generative AI is different; it creates something new, on request. I have watched technicians hand in service notes that are barely legible, in shorthand only they understand, that somebody else has to rewrite into something professional-sounding to provide to a customer. That's generative AI's job now. Feed it the notes, and it hands back a clean, polished description in a fraction of the time.

Here is what an AI agent looks like for an actual dealership. A technician photographs a piece of damaged equipment, and an agent can turn that photo into a parts list and a labor estimate, all before the technician leaves the site. On the telematics side, a machine can flag that its air filter is clogging, and an agent monitoring the performance data can generate the service order and get a technician dispatched, often before the customer even notices a problem. That's the difference between AI as a buzzword and AI as something doing real work in your service department.

WHERE THE VALUE ACTUALLY LIVES

Parts and rentals are where I would point a skeptical dealer first, because the value there is concrete and immediate. Dealers already using industry-specific AI are seeing significantly better results than dealers using general-purpose tools: 27% report a real improvement in waste reduction, compared with 18% on general-purpose AI, and 23% report a real improvement in customer retention, compared with 16%.

On the parts side, AI can recommend how much inventory to carry of a given part, factoring in seasonality by location, because a part doesn't sell the same way in Texas as it does in Illinois. It can also flag when a part has been superseded by a newer part number, and tell you to sell through the old inventory first rather than let it sit on the shelf while customers ask for the replacement.

Rentals are where I see the biggest blind spot. Every dealer looks at their utilization numbers and thinks their fleet is performing well. What they usually don't see is that the unit parked closest to the door gets rented every single time and needs constant repair, while a perfectly good machine sits untouched in the back corner because nobody in the yard took the time to bring it out. That's not a training problem. It's a visibility problem, and it's exactly the kind of pattern AI is good at surfacing.

None of this replaces a technician's judgment or a manager's experience. It removes the guesswork and the paperwork that get in the way of both.

WHERE THIS IS GOING

I will make a prediction here: I don't think dealers will need to worry about system integrations much longer. A machine's data today lives scattered across a telematics platform, an original equipment manufacturer (OEM) portal and your own systems, and dealers have spent years and real money getting them to talk to one another. My belief is that AI closes that gap directly, reading the data in each of those systems on its own and telling you what you need to know. You can already see an early version of this in precision agriculture, where a satellite tells a harvester the most efficient path across a field with perfect spacing with nobody in the seat. Extend that to a dealership, and you are moving toward managed service agreements, where AI watches every sensor on a machine and flags a problem before it causes downtime, not after a customer calls to report it. That's a real shift in what a dealership can promise, not just a faster quote.

None of this happens overnight, and dealers are right to ask hard questions about it. Ongoing maintenance and support costs are the top concern, cited by 43% of equipment dealers, and prioritizing AI against everything else is a close second at 37%. Those are fair concerns, not excuses. My advice: Don't try to solve everything at once. Pick one problem, whether it's quoting speed or rental utilization, get your technicians and counter staff involved before you decide, not after, and build from there. This vocabulary is going to be everywhere in this industry within a few years. What separates one dealership from another won't be whether they used it, but how deliberately they put it to work.

KEY TERMS: A QUICK REFERENCE

Artificial intelligence (AI): Technology that enables computers to perform tasks typically done by humans, including reasoning, pattern recognition and decision-making

Machine learning: A form of AI that improves over time by identifying patterns in data; becomes more accurate as it processes more information

Generative AI (Gen AI): AI that creates content, such as text, summaries and recommendations, based on context and instructions

AI agent: A specialized AI program built to execute specific tasks within your business systems; doesn't just ask questions, but takes action

Human-in-the-loop: A safeguard that keeps a human approval step in place before an AI agent takes a consequential action, such as updating a sales order or creating a purchase order



Celebrating 40 Years of Powerscreen of California

It has been 40 years since Paul Campbell started his Powerscreen dealership in Napa, having officially emigrated from Northern Ireland to Northern California in 1985. Previously working as a salesman for the Powerscreen factory, this was a massive leap for the entrepreneur. Today, this jump has turned into a lasting legacy on his business' team, community and region.

This impact was emphasized at the 40th anniversary event, where the 100-strong Powerscreen of California team gathered together to share their memories over lunch. While the equipment, facilities and territories may have changed, the culture and people have stayed consistent. Which is why 15 of the colleagues who attended the event have been working in the business for more than a decade.

Starting out supplying only Powerscreen screeners, crushers were bought into the range as part of a merger with Terex in 2009. Ecotec and Terex Washing Systems were added in 2012, then CBI in 2015 and EvoQuip in 2016. The most recent additions include Kobelco excavators (2023), Bell Trucks (2024), Hyundai wheel loaders and excavators (2024) and MAGNA crushers and screeners (2025).

This has allowed the business to adapt to the changing needs of the local industry and customers. Similarly, the expansion from one to six locations across California, Nevada, and Arizona hasn't just been a marker of the business's growth, but has allowed it to shape the face of West Coast industries.

Alongside long-standing relationships with a range of customers, the business has played a key role in some of the region's biggest infrastructure, construction, and environmental projects. This includes the development of the Giants' stadium and Apple headquarters, alongside the reconstruction of the Oroville Dam.

The impact made by the company only grew with the acquisition by Molson Group in 2022. Sharing the same values and customer-first focus, this opened up new investment and growth opportunities while keeping what made the business successful intact.

This will only continue as the business looks forward to the next 40 years. With sustainability and electrification appearing on the horizon, the company will continue to invest in supporting infrastructure and helping customers expand their capabilities, including advanced aggregate processing technologies.

Paul Campbell, Ambassador to Powerscreen of California, said, "Any success we've had is because of the people around us, the customers who trusted us, the employees who dedicated their careers to the company, and the partners who helped us grow. With their talent and support, we'll continue to succeed and make a positive impact on our local industry and communities."

Gary McConn, President of Powerscreen of California, who joined the business in 1997, added, "It's been a privilege to watch the company grow. It's the strength of our culture and the leadership we've had from Paul that has helped drive our success."

Leonard Announces Departure from Oakmont Capital Services After 27 Years; Lecy Named CEO & President



DARYN LECY



JOE LEONARD

Oakmont Capital Services (OCS), part of JA Mitsui Leasing Group, has announced that Joe Leonard, Founder, Chief Executive Officer & President, will depart the organization to pursue a new business venture after leading the company for more than 27 years. Daryn Lecy, currently Senior Vice President and Chief Operating Officer, has been appointed CEO & President, effective October 1. Leonard will remain in an advisory capacity through October 31 to support a seamless leadership transition.

Founded by Leonard in 1998 with just three employees operating out of a small office in Pennsylvania, OCS has grown into a nationally recognized equipment finance organization with offices in Pennsylvania and Minnesota, more than 90 employees, and over $1 billion in assets under management (AUM). Under Leonard's leadership, the company evolved from a small equipment finance brokerage into a direct lender serving businesses throughout the United States and Puerto Rico, culminating in its acquisition by JA Mitsui Leasing Group (USA) in 2024.

"Building Oakmont Capital Services has been one of the greatest privileges of my professional life," said Leonard. "What began as a small business with a vision and a handful of dedicated team members has become an organization filled with talented professionals who are passionate about serving customers, partners, and one another. I am incredibly proud of what we have accomplished together and confident the company is well-positioned for continued success."

Leonard's impact extends well beyond the growth of OCS. During a career spanning more than three decades in equipment finance, he has been an active advocate for the industry through leadership, mentorship, and service. A Certified Lease & Finance Professional (CLFP), Leonard has served on industry boards and committees, including the CLFP Foundation, National Equipment Finance Association (NEFA), and the Equipment Leasing and Finance Association (ELFA). Throughout his career, he has mentored countless equipment finance professionals, helping develop future leaders both within OCS and across the industry.

"Since joining the JA Mitsui Leasing Group family, we have had the opportunity to work closely with Joe Leonard and witness his leadership, vision, and commitment to Oakmont Capital Services," said Shoichi Koshimizu, President & Chief Executive Officer at JA Mitsui Leasing USA Holdings, Inc. "During our partnership with OCS, we have seen the strength of the organization he built and the culture he helped create. We thank Joe for his dedication and wish him continued success. We are confident that Daryn Lecy's experience and leadership will ensure a seamless transition, ensure continued value for OCS's customers and partners, and position OCS for continued growth."

Lecy brings more than two decades of equipment finance experience and has played a key role in OCS' expansion and operational transformation. Since joining the company's leadership team in 2018, he has helped scale the organization from approximately 20 employees to nearly 100, led major strategic initiatives and integrated technology enhancements, and helped navigate the company's successful acquisition by JA Mitsui Leasing Group. A former President of the National Equipment Finance Association (NEFA) and a Certified Lease & Finance Professional (CLFP), Lecy is widely respected throughout the industry for his collaborative leadership style and commitment to operational excellence.

"Daryn has been an instrumental part of Oakmont's growth and evolution," Leonard added. "His leadership, operational expertise, and commitment to our people and customers make him the right person to guide the organization through its next chapter."

"I am honored to step into this role and build upon the strong foundation Joe has created," said Lecy. "His vision, entrepreneurial spirit, and dedication to both the industry and the people of Oakmont have shaped this organization for nearly three decades. We remain committed to delivering exceptional service to our customers and partners while continuing to invest in our employees, culture, and long-term growth."



Bomag Americas Names David Madden Vice President of Service & Solutions

BOMAG Americas, a Fayat Company, announced that industry veteran David Madden has joined its team as vice president of Service & Solutions. In his new position, he will build strategies and lead the company's team members under the Service & Solutions umbrella – parts, training, warranty, UPTIME and the Equipment Readiness Center.

A technician by trade, Madden has been turning wrenches on equipment since an early age. He offers more than 30 years of service industry experience, spending time with original equipment manufacturers (OEMs) as well as heavy equipment dealers. He held various service and management roles at dealerships in Kentucky and Louisiana. He also worked as a regional product support manager and North American field service manager for a global manufacturer of construction, agricultural and industrial machinery. Most recently, Madden managed the regional service and aftermarket sales program for 22 states in the eastern United States and Canada for a leading global agricultural and construction equipment manufacturer.

"David offers deep, tenured experience for this position. Plus, his breadth of dealer and OEM knowledge gives BOMAG the preferred skill set to transform our Service & Solutions program and drive more uptime for our customers," says Brian Bieller, president of BOMAG Americas. "While in this position for only a short time, David already has framed ideas on how to enhance parts fulfillment efficiency, increase the robustness of our dealer training program and better involve our Service & Solutions team in the sales process."

Looking forward to the new opportunities ahead at BOMAG Americas, Madden added, "Throughout my career, I have helped teams execute strategies that management has developed for us. This new opportunity at BOMAG Americas gives me the ability to formulate strategic decisions, based on company objectives. A manufacturer can supply the best product on the market, but if it's not properly supported, this hurts the brand. I'm excited to have the opportunity to lead this team, who's passionate about optimizing equipment uptime for our customers and dealers."

AED FOUNDATION RECEIVES NATIONAL PROGRAM STANDARDS APPROVAL FOR REGISTERED APPRENTICESHIP PROGRAMS

The Associated Equipment Distributors Foundation (AEDF) has received National Program Standards approval from the U.S. Department of Labor for its Registered Apprenticeship Program (RAP), marking a significant milestone in efforts to strengthen the equipment industry's technician workforce.

Granted by the Department of Labor's Office of Apprenticeship in September 2026, the approval establishes a nationally recognized framework to help equipment dealers develop skilled technicians through structured on-the-job training, mentorship and supplemental education.



The program incorporates the key elements of Registered Apprenticeships, including paid employment, industry-led training, hands-on learning, related technical instruction and a nationally recognized credential upon completion.

"This approval is a major step forward for The AED Foundation and the equipment industry," Brian P. McGuire, president of the AED Foundation. "Having a nationally approved Registered Apprenticeship Program gives dealers another valuable tool to recruit, train and develop the next generation of equipment technicians while providing apprentices with a clear path toward a rewarding career."

The approval comes as equipment dealers continue to face significant workforce challenges. The AED Foundation's 2026 Technician Shortage Report found that agriculture and construction equipment dealers face a shortage of 10,000 technicians annually, costing the industry an estimated $7 billion in lost shop and parts revenue.

Through RAP, The AED Foundation will help connect employers with structured workforce development solutions, supporting dealers as they build their technician pipeline and helping apprentices gain the skills and experience needed for successful careers in the equipment industry.

BUILD YOUR WORKFORCE. KEEP YOUR FOCUS ON OPERATIONS.

The AED Foundation's nationally approved Registered Apprenticeship Program helps dealerships recruit, train and retain skilled technicians while providing support throughout the apprenticeship process.

How AED Foundation Supports Your Dealership

- **PROGRAM DESIGN AND REGISTRATION:** Guidance in developing your program and navigating Department of Labor registration
- **APPRENTICE RECRUITMENT:** Connecting you with AED Foundation Recognized High Schools and Accredited Colleges to reach emerging talent
- **COMPLIANCE GUIDANCE:** Support in navigating apprenticeship requirements
- **FUNDING OPPORTUNITIES:** Identifying potential federal and state funding to offset training costs
- **ONGOING SUPPORT:** Guidance throughout your apprenticeship program

What Your Dealership Gains

- Access to emerging talent and a stronger technician pipeline
- Improved employee retention through career development
- Hands-on training tailored to your dealership
- Potential funding to support workforce development

YOUR WORKFORCE. OUR SUPPORT.

Already have a Registered Apprenticeship Program? The AED Foundation can help you identify potential funding opportunities for your existing program, too.

LEARN MORE

Contact Bryna Ryan at bryan@aednet.org to explore apprenticeship and funding opportunities for your dealership.





2026 BUYER'S GUIDE

AGRICULTURE EQUIPMENT

1ST SOURCE BANK

1st Source Bank and its construction equipment finance team of experienced professionals will invest time in listening and providing solutions for your equipment financing needs.

1st Source Bank has a history dating back to 1863, and a Specialty Finance Group founded in 1976; we strive to help our clients achieve security, build wealth and realize their dreams through our equipment financing services. We are a $9.3 billion bank that is fiscally conservative and financially strong. We specialize in financing heavy equipment including cranes, paving equipment, wheel loaders, excavators, etc. as well as vocational trucks used in the construction industry.

WHAT DOES THIS MEAN TO YOU?

- You are dealing with a direct lender, not a broker or intermediary.
- You will be offered competitive rates and terms.
- We understand companies like yours and the equipment you operate.
- You can expect prompt, professional service from an experienced lending team.
- You get a long-term relationship with a stable and economically reliable finance partner.

1st Source Bank®



AIRDO WERWAS

ATTORNEYS AT LAW

Providing Solutions. Getting Results.

"Working with the Airdo Werwas law firm has been an exceptional experience. Their depth of knowledge—especially in dealership and equipment industry matters—is truly remarkable. They understand our business and the unique challenges of our industry without needing extensive background or explanation. Their insight, responsiveness, and strategic legal guidance consistently set them apart. We confidently recommend Airdo Werwas to any organization seeking sophisticated and highly effective legal counsel in this field."

– Marshall Anderson
Chairman, AED



AED
Associated Equipment Distributors

Airdo Werwas is a Member and AED's General Counsel

www.airdowerwas.com | Airdo Werwas, LLC | 312-506-4450 | 111 East Wacker Drive, Suite 500 Chicago, Illinois 60601

AGDIRECT®

2025 MACHINERY MARKET THEMES

Shaped by ongoing economic pressures, buying behavior in the 2025 agricultural equipment industry is undergoing a notable shift. Producers are approaching purchases with greater caution and discipline, prioritizing value and necessity over expansion.

As one of the nation's leading equipment financing programs, AgDirect closely monitors these trends through insights gathered by its team of territory managers located across the country.

While each market has its nuances, several consistent themes have emerged: cautious spending, value-driven purchasing, evolving financing strategies and strong interest in used equipment.

- Cautious spending: Since mid-2024, producers have become more selective, focusing on affordable equipment – typically under $180,000 – and replacing only what's necessary.
- Value-driven purchasing: As equipment values decline, producers are becoming value shoppers, timing purchases to maximize buying power.
- Evolving financing strategies: While low rates once encouraged borrowing, many farmers now prefer to buy outright – especially with financial incentives. At the same time, leasing has started to gain traction for its lower payments and tax benefits.
- Strong interest in used equipment: With new machinery prices remaining elevated, cost-conscious buyers are turning to the used market, where the value gap has become increasingly attractive.

POSITIONING CUSTOMERS FOR SUCCESS

For equipment dealers, awareness of shifting market forces plays an important role in building customer loyalty and positioning them for long-term success. Flexible and creative financing will be key as farmers and ranchers look for a range of terms to match their financial situation.

AgDirect's streamlined process, competitive rates and low down payments continue to support producers and equipment dealers, with customized loan, lease and refinancing options available for both new and used equipment.

As the machinery market evolves, so do financing needs.

Explore flexible equipment financing options at agdirect.com/financing (QR code)

AgDirect® is an equipment financing program offered by Farm Credit Services of America and other lenders, including participating Farm Credit System Institutions.

AgDirect®
Equipment financing made easy

For More Information:

Agdirect.com
888-525-9805



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AgDirect® gives you the flexibility to find the best deal for your customers. Fast decisions, human support, and competitive financing for farms and ranches. We're here to help you get more done.

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- Simple 10-minute application
- Fast credit decisions
- As low as $0 down*
- Ag-friendly terms and competitive rates

*Subject to approval. AgDirect is an equipment financing program offered by Farm Credit Services of America and other lenders, including participating Farm Credit System Institutions.

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ASSURANT

For more than 35 years, Assurant has helped equipment dealers, rental companies, and manufacturers protect the machines that power construction, agriculture, and forestry, along with the customer relationships behind them. Assurant combines the scale and financial strength of a global protection company with a commercial equipment team that understands dealership operations firsthand. Many members of its claims team have real-world dealership repair experience, enabling informed conversations with service managers, accurate claims decisions, and faster turnaround that gets customers back to work.

Assurant's protection programs are designed to support what matters most to today's dealers: customer loyalty, service absorption, and profitable growth across sales, rental, parts, and service. Its portfolio includes:

- Extended Service Contracts for new and used equipment, four coverage levels, no deductible, transferable coverage that supports resale value, and optional travel time and mileage for field repairs
- Physical Damage Insurance covering collision, theft, fire, weather, vermin infestation, and accidental damage
- Loss Damage Waiver programs that protect rental fleets while adding a high-margin revenue stream

Through its partnership with Evident, Assurant also offers the commercial equipment rental industry's first end-to-end risk management solution. It automatically verifies renters' insurance, flags coverage gaps before equipment leaves the yard, and enables instant enrollment in Assurant-backed Loss Damage Waiver coverage at the point of rental.

ASSURANT®

For More Information Scan the QR Code

ASSURANT®

Keep customers running and **drive performance** with flexible protection solutions.

Integrated protection

Revenue enablement

Customer assurance

Coverage that performs.
Support that delivers.
Confidence that lasts.

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MERLO AMERICA

PARTNERSHIPS THAT ELEVATE

MERLO AMERICA & BROOKS TRACTOR: CHANGE THE WAY YOU TELEHANDLER

For decades, telehandlers have been viewed as single-purpose lifting equipment. Merlo America is rewriting that narrative – and dealer partners like Brooks Tractor are proving that when you change the way you telehandler, you open entirely new revenue streams for your dealership.

Based in Wisconsin with seven locations, Brooks Tractor has served agriculture and construction professionals since 1945. When the dealership became a full-service Merlo partner, it did not just add another product line – it unlocked new markets. The most immediate success came from Merlo's Roto line, which broke Brooks Tractor into the tree service industry. As President Lew Brooks explains, "We recently sold a 50.30 ROTO to a new tree care customer, and he's absolutely thrilled with it. It has boosted his efficiency significantly, allowing him to earn more in less time." That success was so immediate that Brooks Tractor added two more tree service lines.

Behind every machine is a support network designed to protect dealer ROI. Merlo America operates a U.S.-based headquarters and distribution center in South Carolina, maintaining domestic parts inventory that eliminates overseas wait times. Factory-trained technicians and responsive sales support ensure customers stay productive and dealers stay profitable. The industry-leading 2-Year/2,000-Hour Standard Warranty, handled entirely through the U.S. team, gives both dealers and their customers added confidence.

Brooks Tractor's experience reflects what Merlo America delivers across its growing dealer network: versatile equipment that creates new customer relationships, responsive parts and service support that maximizes uptime, and a genuine partnership built for long-term growth. As Lew Brooks puts it, "What makes us last is our commitment to partnering with customers and never letting them down."

For dealers ready to change the way they telehandler, Merlo America offers the product innovation, parts availability, and dedicated support to make it happen. Get started at merloamerica.com.

MERLO

For More Information:

info@merloamerica.com
833-US MERLO
merloamerica.com



CHANGE THE WAY YOU SELL TELEHANDLERS



> ***"The most immediate success we had was breaking into the tree service industry with the Roto line. That was so successful that we added two more tree service lines."***
>
> *Lew Brooks, Brooks Tractor* BROOKS TRACTOR SINCE 1945

Elevate Your Operations

Our Dealer Partners are growing with us. Merlo America is changing the way operators think about telehandlers with a focus on versatility and productivity. Backed by our expert support team and domestic parts inventory, our partners can maximize uptime and their bottom line. Change the Way You Telehandler today and join the Merlo America Dealer Network.

Learn More About Joining Our Growing Dealer Network

MERLO AMERICA

MerloAmerica.com

TAX FAVORED BENEFITS

PREPARING FOR Q4 2026

A CHECKLIST FOR INVESTORS AND 401(K) PARTICIPANTS

As 2026 winds down, TFB Advisor Vance S. Wentz, CFP®, shares a few practical steps to close out the year on solid footing.

REVIEW YOUR CONTRIBUTION RATE

If you haven't maxed out your 2026 contributions, Q4 is your last chance. Check your year-to-date total against the IRS limit and adjust your paycheck deferral if you have room to contribute more before December 31.

REVISIT YOUR ASSET ALLOCATION

Elevated valuations, concentrated largely in AI-related mega-cap stocks, mean opportunities are harder to find across the broader market, and analysts expect continued volatility ahead. Confirm your target date fund or model portfolio still matches your time horizon and risk tolerance.

WATCH RATES AND INFLATION

The Federal Reserve has been cutting rates gradually, though a slower pace is expected amid mixed inflation and employment data. This affects both bond returns and cash-equivalent options in your plan lineup.

DON'T OVERLOOK DIVERSIFICATION

Emerging frameworks are integrating private market investments into defined contribution plans, and asset allocators are building more diversified portfolio solutions. If your plan offers new options, take time to understand them before making changes.

REBALANCE IF NEEDED

A strong year in equities can leave portfolios overweight in stocks. Year-end is a natural checkpoint to rebalance back to your target allocations.

CHECK BENEFICIARY DESIGNATIONS

Life changes throughout the year – marriage, divorce, new children – should be reflected in your plan records.

TALK TO YOUR ADVISOR

Before finalizing any moves, a conversation with your financial professional can help ensure your Q4 decisions align with your broader retirement strategy.

QUESTIONS ABOUT YOUR PLAN?

Reach out to your Advisor to discuss your account.

For general educational purposes only; not individualized investment advice. Consult your financial professional before making changes.

TFB ADVISORS

For More Information:

Vance Wentz, CFP®
Chief Executive Officer
vancew@ftbusa.com

TFB ADVISORS

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We serve as your fiduciary partner, managing the complexity of retirement plan administration so you can focus on your business and your people.



OUR SERVICES

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- Employee Participant Education
- Complete TPA Administration
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- Fiduciary Advisory Services
- On-site Participant & Trustee Meetings
- Dedicated Service Team at TFB

A great plan only works if employees use it. We provide personalized outreach, enrollment support, and ongoing financial education to help your workforce understand and maximize their retirement savings, and strengthen the value of the benefit you offer.

GET IN TOUCH

Corporate Office
4801 W. 110th Street
Suite 200
Overland Park, KS 66211

Website
www.tfbadvisors.com

Telephone
913-648-5526



Vance S. Wentz, CFP®
Chief Executive Officer
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"We don't sell products. We serve your plan, and the people who depend on it."

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AED
CALL COUNSEL PROGRAM

AIRDO WERWAS
ATTORNEYS AT LAW

AED CALL COUNSEL PROGRAM | AIRDO WERWAS

AED's membership services and benefits are designed to enhance and develop the profitability and continuity of equipment dealers by providing tools and resources. AED's legal hotline is a free member benefit provided by Airdo Werwas, LLC, AED's general counsel.

As a boutique trial and advisory law firm that specializes in dealer law issues, Airdo Werwas offers trusted legal guidance across a range of issues affecting AED members. Our experienced attorneys deliver practical, results-driven support to help members address legal challenges quickly and effectively. Learn more at www.airdowerwas.com.

Common Legal Topics We Address:

- Employment Law & HR Compliance
- Equipment Rental and Sales Liability & Risk Management
- Manufacturer Terminations and Repurchase Obligations
- Changes in Ownership and Management
- Security Interests and Equipment Recovery
- Contract Drafting, Review, and Negotiation
- Business Formation & Corporate Governance
- Litigation, Mediation & Emergency Response

Take advantage of this membership benefit today by visiting www.airdowerwas.com or call 312-506-4480.

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HELP YOUR DEALERSHIP STAY FLAME-FREE WITH A FIRE PREVENTION CHECKLIST



JERRY LEEMKUIL, EQUIPMENT DEALER SPECIALIST

FEDERATED MUTUAL INSURANCE COMPANY

Equipment dealerships have unique fire hazards that lurk around every corner. Help keep those hazards "in check" by using a fire prevention checklist during monthly facility walkthroughs at each of your business locations. Monthly walkthroughs can help you monitor common causes of fires, including poor housekeeping and deferred equipment maintenance. They are also a good way to regularly evaluate electrical systems and appliances, keep evacuation routes clear, and confirm fire protection systems are in good working order.

HEAVY EQUIPMENT

Industry-specific heavy equipment used at your company should be added to the monthly checklist. Fires involving heavy equipment are particularly hazardous when equipment is stored indoors. To help reduce the risk, consider following these steps:

- Disconnect batteries and other power sources after bringing equipment into the building for service and repair.
- Blow out dust or debris before operating equipment.
- Check for fuel, oil, and hydraulic leaks, and clean up any spills immediately.
- Ensure equipment power sources are equipped to handle the electrical load.

FLAMMABLE AND COMBUSTIBLE LIQUIDS

AED member businesses often have significant quantities of flammable and combustible liquids on hand. Safety precautions you can take to limit the chances of these materials igniting include:

- Store them in closed containers, away from open flames, ignition sources, and smoking areas.
- Avoid hot work in areas where these liquids or their vapors are present.
- Store only the minimum amount needed for one day's operations in service areas.
- Dispose of rags soaked with grease, oil, or solvents in a metal container with a self-closing lid.
- Install fire extinguishers in visible, accessible locations and train employees how to use them properly.

Fire hazards never "check out" and, when it comes to fire prevention, neither can you. A fire prevention checklist can help you reduce serious losses and protect your business from a devastating workplace fire. Reach out to your local Federated Insurance® marketing representative to learn more about risk management for AED members, including fire prevention resources.

This article is for general information and risk prevention only and should not be considered legal or other expert advice. The recommendations herein may help reduce, but are not guaranteed to eliminate any or all risk of loss. The information herein may be subject to, and is not a substitute for any laws or regulations that may apply. This information is accurate as of its publication date and is subject to change. Some of the services referenced herein may be provided by third parties wholly independent of Federated. Federated provides access to these services with the understanding that neither Federated nor its employees provide legal or other expert advice. All products and services not available in all states. Qualified counsel should be sought with questions specific to your circumstances and applicable laws.

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Helping Your Employees Stay Safe Behind The Wheel



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AED® Associated Equipment Distributors

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Federated DriveSAFE℠ Telematics can help your employees improve their daily driving habits. This combination of mobile app, in-vehicle tag, and online portal allows you to measure, rank, and provide feedback on employee driving behaviors so you can help them become safer drivers.

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Scan to learn more about Federated DriveSAFE℠ Telematics and how you can help your employee drivers stay safe behind the wheel.

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JANUARY 25-27

ORLANDO, FL

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270+ Dealers
275+ Exhibitors
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4 Industry-Leading, Thought-Provoking Keynote Speakers

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