



CUSTOMER SUCCESS STORY GEMAIRE GROUP

The Company

Gemaire Group, headquartered in Deerfield Beach, Florida, distributes HVAC- related equipment, parts and supplies to a nationwide network of contractors. Founded in 1969 as a single warehouse in Boca Raton, Florida, Gemaire Group employs nearly 1,000 people throughout its distribution chain of 92 showroom branches in Florida, Georgia, Iowa, Kansas, Missouri, Nebraska, North Carolina, North Dakota, South Carolina, South Dakota, Virginia, Texas, Mississippi, Western Louisiana and Alabama. Gemaire Group, through its operating divisions, holds distribution rights to Rheem, Carrier, American Standard, Frigidaire, Maytag, Bard, Westinghouse, Tappan, and Gibson HVAC equipment.

Gemaire Group is a part of Watsco (NYSE: WSO), the largest independent heating, air conditioning and refrigeration distributor in the United States. Watsco is ranked No. 903 in the Fortune 1000, with \$1.8 billion in revenues nationwide.

The Challenge

Gemaire Group's employee base is primarily made up of warehouse staff, including shipping, receiving and customer service. The company also maintains a delivery fleet of 273 trucks and drivers. Many Gemaire Group employees are "on-the-go" and the facilities are extremely busy, making it difficult to complete the necessary safety training without disrupting demanding distribution schedules.

To better meet its training requirements, Gemaire Group added new print and web-based safety training programs in 2005, including courseware and systems from PureSafety, JJ Keller and Tailgate Safety. While the new programs were a welcome addition, the company was still only achieving 20% compliance on its training initiatives for a number of reasons:

- The employees didn't take their safety training seriously
- Lack of follow up resulted in the safety training not being a part of the company's safety culture
- Spanish speaking employees weren't getting training in their native language
- Gemaire Group employees found it complicated to access different systems and programs to receive their required training
- Gemaire Group employees found it difficult to find the time to complete their required training

The Solution

When Tim Scott joined Gemaire Group as its new Safety Manager, his first major initiative was to assess the company's current safety program and determine how to improve it. After careful review with management and employees, Tim made the decision to reduce the number of deployed safety training programs from three to one in order to improve usability and overall training activity. Tim felt that PureSafety's online safety training solution, which had been in place since March 2005, offered the highest quality and most efficient program. He also believed that both the company and the employees would benefit greatly from a single platform approach.

Under Tim's management, PureSafety has become an integral component of Gemaire Group's comprehensive safety program, which includes:

- Monthly PureSafety training assignments
- Monthly conference calls with branch personnel
- Monthly branch visits and walkthroughs by Safety Manager
- A safety incentive plan rewarding the top five branches
- Monthly Action Plans outlining corrective actions that have been taken
- Safety audits to ensure compliance is met
- A Safety suggestion box

All Gemaire Group employees are required to complete a number of PureSafety courses annually and everyone takes refresher training every two years. Any employee who has an incident or accident on the job is required to obtain immediate recertification on the relevant training topic(s) through PureSafety.

In addition to PureSafety, Gemaire Group has created a national in-house training program through Basiloid, the company's forklift and lift equipment provider. And all of its training initiatives are tied to an incentive program that rewards the company's top five branch locations for maintaining an accident-free environment for 30, 250 and 360 days.



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Most importantly, Gemaire Group's safety program receives strong support from the company's regional managers and senior management team, including its President, Steve Combs, and Vice President of Human Resources, Paul Janke.

The Results

PureSafety's training solution has allowed Gemaire Group to meet its corporate and regulatory training objectives, as well as contributed to significant improvements in the company's safety and financial results.

Improved Training Completion and Employee Productivity

Before PureSafety was the sole training provider, many employees experienced problems with the training programs from the other providers. Courses that were estimated to be one hour often times took 2-3 hours to complete due to their high bandwidth requirements. Because PureSafety courses are optimized for an Internet connection as low as 56K, without sacrificing course interactivity and quality, Gemaire Group's training completion has gone from 20% to 100% under Tim's guidance and employees are spending less time in training, which results in improved productivity without sacrificing awareness and knowledge.

Improved Employee Satisfaction and Renewed Interest in Workplace Safety

Gemaire Group employees are providing positive feedback on their PureSafety training. Many are asking for additional courses to increase their safety knowledge and the company is already looking at adding new titles, including First Aid.

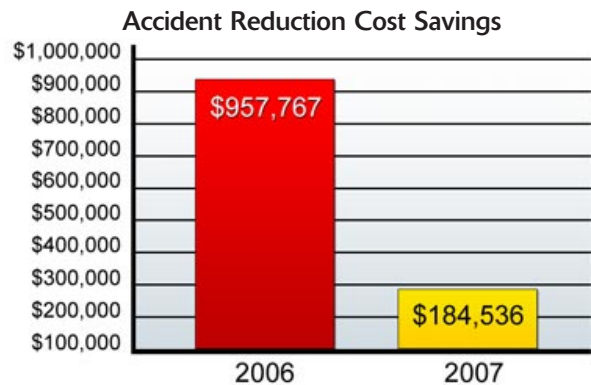
Reduced Injury Rates and Workers' Compensation Costs

Incident rates have dropped sharply since PureSafety was implemented in early 2005 and Gemaire has seen a 50% reduction in workers' compensation claims.

Lower Accident Costs

Gemaire Group's accident costs have been reduced from \$957,767 in 2006 to just \$184,536 in 2007. Tim attributes the bulk of the \$773,231 in savings to Increased employee safety awareness and improved training through PureSafety. Gemaire Group is self-insured for workers' compensation, so all of these savings go straight to the bottom line.

Gemaire Group is also part of a captive (Affinity Group) for workers' compensation, auto and general liability claims. The company had a hard time qualifying for the program in 2006 due to its high accident rates. That has changed drastically due to the reductions they have seen in 2007 and 2008.

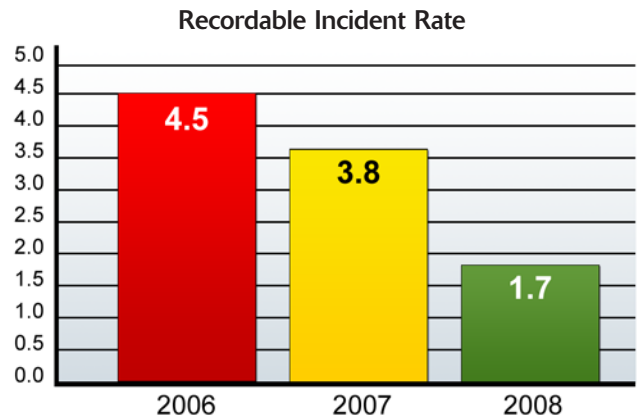


Drastically Reduced Back Injury Rates

Gemaire Group saw an 80% reduction in back injuries from 2006 to 2007, largely due to better back safety training through PureSafety and added Personal Protective Equipment.

Reduced OSHA Recordable Injury Rates

Gemaire has seen its recordable incident rate drop from 4.5 in 2006 to 1.7 in 2008. This downward trend in recordable incident rates has continued in 2009 YTD.





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Improved Branch Numbers

Gemaire has seen some of its worst branches related to accidents vastly improve in 2008:

- The Pompano Beach Service Center, which was the second worst in accidents in 2007, has gone 285 days without an accident.
- The company's third worst Service Center has gone 214 days without an accident, the fourth is at 258 and the fifth is currently at 228 days.
- In 2007, Gemaire Group's Orlando Service Center had the most accidents in the company. After implementing PureSafety, the branch went 234 days before its first recordable injury in 2008.

"PureSafety is an integral part of our safety program. Their high-quality safety courses and intuitive LMS have resulted in 100% compliance and a vastly improved safety culture. PureSafety's solutions empower us to **do more** throughout our program and achieve significant bottom-line business benefits."

Tim Scott, Safety Manager
Gemaire Group