



LELA FRANCO Naming Ceremony

By Marcus Babani

Thursday, July 30, Los Angeles, CA.

Harley Marine Services celebrated the naming of its newest assist tug, the LELA FRANCO. Over 300 members of the industry and community gathered on a beautiful, sunny California day at Millennium Maritime on Terminal Island.

The tugs LELA FRANCO and MICHELLE SLOAN dubbed “the women of valor” represent women in our community and our industry that demonstrate exemplary devotion in the face of diversity. A beacon of light toward upstanding guiding principles that anyone, from any walk of life, can appreciate and uphold.

These tugs were named as part of a sisterhood. The LELA FRANCO and MICHELLE SLOAN, built by Kurt Redd at Diversified Marine, are sister tugs, much as Lela and Michelle were sisters in friendship. The power of these women working in tandem was an inspiring combination of beauty, power, style, and grace.

The LELA FRANCO and MICHELLE SLOAN at Angels Gate Light.

This is what we aimed to achieve when building these tugs. Honoring their friendship while highlighting Harley Marine’s defining qualities; safety, reliability, responsibility, and efficiency.

On this day we were honoring the woman behind the name of our newest assist tug, Mrs. Lela Franco. She is a person of great loyalty to her community, family and friends. Born in Southern California with a rich Mexican heritage, Lela has always had a passion for education starting back when she taught English as a second language. She continues her interest in education by sitting on a University of Washington advisory board and keeps involved in various local Seattle schools.



Photographed left:

President, Founder, and CEO of Harley Marine Services, Harley Franco, speaks words of profound admiration and recognition towards his wife Lela Franco for her achievements and all she does for the community.

Additionally, she does all she can to better the quality of life for people suffering from chronic illnesses including but not limited to breast cancer, lung cancer, cystic fibrosis and juvenile diabetes. She always finds time and energy to help others with a bright smile and outstretched hand.

Our very own Kim Cartagena and Rosie Chavez were the masters of ceremony, introducing powerful women of the industry such as, Captain Jennifer Williams, Sector Commander and Captain of the Port for USCG Sector Los Angeles, who spoke of her admiration and respect towards these beautiful new tugs.



Pictured above: Captain Jennifer Williams.

Captain Williams said, “I feel like I already know Lela Franco” referring to both the vessel and the woman. The hard work and precise detail that went into building this tug as green, as safe, and as reliable as she is, can only speak to a woman just as powerful.

Executive Vice President of AWO Jennifer Carpenter-Kelly was also a keynote speaker. She spoke about the impression of empowered women in a male dominated industry, as well as the impact these tugs have on the Harbor, as the most environmentally conscious and technologically advanced assist tugs on the west coast.

The horns were blasting, both from our magnificent new tugs, and from the UCLA Band as well. Lela, a graduate from UCLA, is a die-hard Bruin fan, as well as a life-long Dodger fan.



Pictured above: The UCLA marching band playing the Bruin’s fight song.

When the band began the Bruin’s fight song, both the MICHELLE SLOAN and LELA FRANCO made their way down the aisle of an impressive gathering of vital port operators. United States Coast Guard, Los Angeles Port Police, Los Angeles Pilots, Long Beach Pilots, Los Angeles Fire Department, and Long Beach Fire Department all brought out a vessel to join the parade and help welcome the pair of tugs to their new home. This impressive collection of boats shows the dedication and respect Harley Marine Services has earned over the years operating in Los Angeles and Long Beach Harbors.



Pictured above: LELA FRANCO standing proud with a USCG cutter looking on through a mist from the Los Angeles Fire Boat.

It is said that a vessel takes on the personality of her name, for the LELA FRANCO that would be a blessing. Holding strong through the storm, never waning from the tough seas ahead, and never compromising to complete the mission ahead. This tug was custom built to exemplify the name that is welded to her hull.

We will enjoy seeing the LELA FRANCO and MICHELLE SLOAN as they bring beauty, power, style, and grace to their home of Los Angeles and Long Beach Harbors.



Pictured above: Mrs. Lela Franco aboard the LELA FRANCO just before the ceremonial breaking of the champagne bottle. The MICHELLE SLOAN spectating in the background.



Safety Corner

By Johnny Parckys—Mate on the OLYMPIC SCOUT

Fire Safety

Fire can pose serious threats to the safety of HMS employees, contractors and/or visitors. To help HMS manage this risk, we all must do our part in preventing fires and know how to respond in the event a fire emergency occurs. Training/Drills and a fire prevention plan are necessary to help protect your safety and the vessels safety.

Fire Alarm/General Alarm

In the event of a fire, it is extremely important to make everyone aware that there is a fire. This way, they will be able to take appropriate action, sound the “General Alarm” immediately and report to your muster station. These alarms should be tested regularly to ensure they will work properly in times of need.



This is the Fire Triangle otherwise known as a tetrahedron, because there are four elements that must be present for a fire to exist. There must be Oxygen to sustain combustion, Heat to raise the material to its ignition temperature, Fuel to support the combustion and a chemical reaction between the other three elements. The concept of fire prevention is based upon keeping these four elements separate.

Types of Fires



Class A fires are fires in ordinary combustibles such as wood, paper, cloth, trash, and plastics.



Class B fires are fires in flammable liquids such as gasoline, petroleum oil and paint. Class B Fires also include flammable gases such as propane and butane.



Class C fires are fires involving energized electrical equipment such as motors, transformers, and appliances. Remove the power and the fire becomes one of the other classes of fire.



Class D fires are fires in combustible metals such as potassium, sodium, aluminum and magnesium.



Class K fires are fires in cooking oils and greases such as animal fats and vegetable fats.

When to Fight the Fire

If the fire is small and contained. The time to use a fire extinguisher is in the early, or incipient, stage of a fire. Once the fire begins to grow or spread, it is best to evacuate the space, closing doors or windows behind you.

If you are safe from toxic smoke. If the fire is producing large amounts of thick, black smoke or chemical smoke, do not try to extinguish the fire. Also do not attempt to extinguish the fire in a confined space. Outdoors, approach the fire with the wind at your back. Remember that all fires will produce carbon monoxide and many fires will also produce toxic gasses that can be fatal, even in small amounts.

If you have a means of escape. You should always fight a fire with an exit or other means of escape at your back. If the fire is not quickly extinguished, avoid being trapped and look for the nearest escape route.

If your instincts tell you it's ok. If you don't feel comfortable attempting to extinguish it, **don't try—get out!**

Fire Extinguishers Use

It is important to know the locations and the types of extinguishers on your vessel prior to actually using one. Fire Extinguishers can be heavy, so it's a good idea to practice picking up and holding an extinguisher to get an idea of the weight and feel. Take time to read the operating instructions and warnings found on the fire extinguisher label. Not all fire extinguishers look alike. Practice releasing the discharge hose or horn and aiming it at the base of an imagined fire. Do not pull the pin or squeeze the lever. This will break the extinguisher seal and cause it to lose pressure.

When It Is Time To Use The Extinguisher On A Fire, Just Remember To P.A.S.S.

P: Pull the pin.

A: Aim the nozzle or hose at the base of the fire from the recommended safe distance.

S: Squeeze the operating lever to discharge the fire extinguisher agent.

S: Starting at the recommended distance, sweep the nozzle or hose from side to side until the fire is out. Move forward or around the fire area as the fire diminishes. Watch the area in case of re-ignition.



Pictured above: Crew of the Olympic Scout testing their fire extinguisher skills while dealing with smoke.

Putting Our Knowledge to the Test

Knowing your vessel is very important when an emergency takes place. In this case, we put our knowledge of the OLYMPIC SCOUT to the test.

In order to simulate a realistic fire scene, all the lights were turned out and a fog machine was used. Once the environment seemed representative of a true vessel fire, the crew members navigated their way from the state-room to an exit. Here are some photos from the drill!

Just Remember The Three A's

- Activate** the vessels Alarm or have someone else do this for you.
- Assist** any persons in immediate danger, or those incapable on their own.
- Only after these two are completed, should you **Attempt** to extinguish the fire.



Pictured above: Lights out drill with fog machine active on the Olympic Scout to test special awareness of the tug in diverse circumstances.

Building a Greener Future

By: Bowman Harvey

A large portion of what makes Harley Marine Services a leader in Environmental Stewardship, is our vigilance in reducing harmful emissions associated with our operations. Engines are a large contributor to emissions and are therefore, the area where we can see good room for improvement. This is by no means an easy fix. Building tugs with engines that exceed the federal Tier requirements constitutes a large financial commitment.

Pictured right: Engine room of the AHBRA FRANCO operating with Tier 3 CAT engines.



Pictured above: LELA FRANCO . Fitted with the most environmentally conscious equipment possible. All Millennium Maritime tugs use shoreside power when moored at the home dock to even further reduce emissions.

In terms of the environment, our spending on repowering tugs and building new builds, is a firm example of “putting our money where our mouth is.” Every one of our new ATBs and tractor tugs have Tier 3 engines and all of our repower efforts are Tier 2 and Tier 3 technology. Our fleet is becoming recognized as one of the most technologically advanced and environmentally responsible in the tug services in the industry. Part of this commitment to a greener future means constantly striving for cleaner energy. The EARL W REDD will be the first Caterpillar Tier 4 engine in a tugboat ever! Tier 4 is a government mandated reduction in harmful exhaust gases for diesel powered equipment. Tier 4 standards will require significant emission reductions of particulate matter (PM) and Nitrogen Oxides (NOx). PM is defined as the black smoke/soot found in engine diesel engine exhaust, and NOx is defined as nitrogen monoxide and nitrogen dioxide.

The recent addition of the Tier 3 MICHELLE SLOAN and LELA FRANCO represent cutting edge tug technology with a commitment to a green company. The EARL W REDD is a physical testament to HMS’ constant striving to lead the industry in creating a Greener future, rather than simply “following the pack”. Much of this commitment is echoed throughout the company, in our offices, our shops and on our barges. The company’s Green Team, like the EARL W REDD is an embodiment of the green philosophy through which employees can participate, contribute and add to an innovative future. In the months to come you will have the opportunity to participate in your company’s green future. This September we will be involved in a regional environmental project and in the months that follow, we will be offering Incentives for employee participation in shaping our environmental goals and objectives for 2016. Harley Marine is a leader because its Green culture is companywide; we hope to see your participation soon and thank you in advance for helping to shape our Environmental Program!



Pictured above: The EMERY ZIDELL and DR. ROBERT J. BEALL, one of the ATBs newly implemented into HMS fleet. Along with environmentally responsible engines and generators, the ATB allows for faster sailing speeds leading to faster deliveries, while burning less fuel, and reducing our carbon footprint.



Pictured above: Crew of the GYRFALCON from left to right; Bob Johnston, Mark Hurst, Tully McConnell, Paul Hanson, and Chris Iszler.

Mentoring Gains Traction

By Bowman Harvey

Mentoring is an intrinsic part of crewing on vessels. Since the beginning of civilization people have been engaged in commerce at sea. The longevity of this industry has produced a dynamic culture of mentoring, that we continue to capitalize upon today. Shoreside we have taken that tradition and developed it into a program that allows for flexibility of mentoring relationships, while still providing the framework for participants to create lasting connections. Crewing on vessels is almost more of a lifestyle than it is a 9 to 5 job. Sharing all the nuances of the at sea lifestyle can help new hires have longevity at HMS, as well as give veteran members of the company the opportunity to give back to the industry in a meaningful way.

Over the next few months, as the Mentor Program continues to gain traction, we will see several changes to how activity logs are submitted. On vessels, we are developing a drop down tab on the Wheelhouse page with a very simple text box. This will streamline the submittal process and put mentoring logs in a location that gets everyday use from the Captains and crew. In addition to the drop down tab, we are developing a smart phone “app” for all HMS employees, this is another simple way to submit you activity logs. These changes

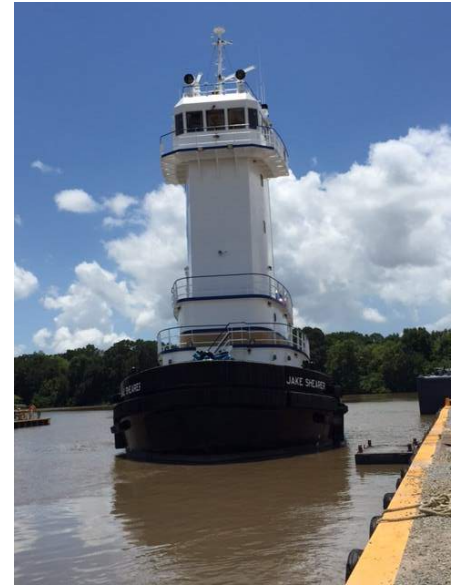
are an effort to increase participation so that everyone has a chance to benefit from our company’s Mentoring Program.

HMS’ Mentoring Program is one way Harley is addressing industry concerns of labor shortages, while giving new hires the support they need to be successful. This month we want to highlight the efforts of the Gyrfalcon for its commitment to achieving 100% participation in the program! The Mentor Program's success, like the industry’s success as a whole, hinges on how well knowledge is passed along to a new generation.

When I asked about what advice he would pass on to Captains trying to get 100% participation, Captain Chris Iszler responded: “Group mentoring is the most effective for us. Everyday someone is mentoring, just showing another employee how you do a project, install something, or even cook something is a style of mentoring, all you need to do is put it in the mentor log. Mentoring happens every day, recognize it, log it and continue to pass on your knowledge.” Good work Captain Iszler and congratulations to the crew of the GYRFALCON!

JAKE SHEARER Departs Louisiana

Harley Marine Services' Olympic Tug and Barge launches the newest Articulated Tug and Barge of the fleet. The JAKE SHEARER, departed from Conrad Shipyard located in Louisiana, and began her journey to the west coast on July 14th. The JAKE SHEARER will marry the FIGHT FANCONI ANEMIA for future ATB operations. In an ATB unit, the barge is constructed specifically for the corresponding tug to fit in the "notch" using an Arti-Coupler connection system. The EMERY ZIDELL and JAKE SHEARER are sister vessels and thus share the same revolutionary design paramount towards safety and protection of the environment. JAKE SHEARER is powered by two GE L250, Tier 3 engines that combined churn out nearly 4500 horsepower. This combination of dynamic design, and high efficiency engines, make delivery times faster while reducing fuel consumption and emissions. HMS is eager to marry the FIGHT FANCONI ANEMIA and the JAKE SHEARER getting this dynamic duo underway.



Pictured above: JAKE SHEARER just before departing the dock at Conrad shipyard.

LET'S GIVE A TUMBS UP

As you all know the FIGHT FANCONI ANEMIA barge (FFA) was received from Vigor the beginning of July. What many of you may not know is all the hard work that went into the final two weeks it was there getting it ready to sail up to Seattle.

Engineering, and Barge Operations had employees staying in Portland for those final two weeks working long days alongside the shipyard employees. All were tirelessly working to ensure the FFA would come out on time. The weather was extremely hot with multiple days over 100 degrees. Not all of us know what it is like to be on the deck of a barge that is painted black and has been roasting in the sun all day while having to work your tail off. You don't get to wear shorts and flip flops, its work-

ing pants, boots, shirt, hard hat and a lifejacket. There is nothing enjoyable about being completely soaked with sweat by 9A.M. and still having 8-9 more hours of work to do. Yet they all put in the hard work and long days necessary and the barge was finished and ready for delivery. All of the guys down there did a great job to make the FFA able to be signed off and ready to deliver.

The guys that were down there deserve an extra "atta boy" from all of us are listed in the box below.

Thank you!!

**Bryon Fletcher, Mike Coon, Sam Compton,
Justin Fuller, and Steve Halasz.**

HMS Medical Spotlight

National Immunization Month

This month is national immunization month. Immunizations or vaccines, are an incredibly effective way to protect yourself from a huge number of illnesses. The Wellness program and Harley Marine Services wants to make sure you have the information and resources to make the best decision for you and your family regarding vaccinations.

There are three age brackets where recommended vaccines and vaccination schedules tend to change. You should ask your physician which vaccines you may need based on your age bracket.

Birth—6 Years

Children are very susceptible to all kinds of illness as their immune systems are developing. Vaccinations can keep your child safe from illness and help build their immune system for the future.

7—18

As a child grows and is exposed to new things, it is recommended that they continue vaccination schedules in order to build their immune system and stay healthy through the years of growth and development.

19—65+

As an adult, doctors recommend keeping up with vaccinations in order to help prevent serious, life threatening illness. This is especially important to those entering their senior years.



HMS Wellness Potluck

In mid-July, the HMS Wellness team held a “HMS Wellness Potluck”. The goal of this event was to bring together a variety of healthy and tasty dishes. The HMS wellness team spent all morning baking healthy veggies and creating imaginative salads. Grill masters Elvis and Marcus cooked up everything from salmon and turkey burgers to delicious veal sausages. By noon we had a full blown feast on our hands. Some favorite, employee made dishes were Irene Dulay’s Strawberry-Kiwi Spring Rolls (see recipe below) and Sally Halfon’s White Chicken Chili. Thank you to everyone who brought food and helped prepare the feast.

Mango Strawberry Kiwi Rolls

Recipe from Irene Dulay

- 1 cup of chopped strawberries
- 1 cup of chopped kiwi
- 1 cup of mango strips
- 1 cup of cucumber strips
- 1/4 cup cilantro chopped
- 1 tbsp. lemon juice
- Rice Paper Wrap

Thai Chili Sauce (Optional)

- Sweet Thai chili
- 1 tbs. garlic, chopped
- 1 tbsp. lemon juice
- 1 tbsp. fish sauce
- Pinch of salt



Combine Strawberries and Kiwi, add 1 tbsp. of lemon juice. Fill a large baking dish with warm water. Soak the rice paper not more than 10 seconds. Arrange the mango and cucumber then a spoonful of the strawberry-Kiwi on top of the mango and cucumber. Fold one corner of the wrapper, then the sides, then roll.

July Fleet Cooking Challenge Winner:

Robert Anderson

Remember: Earn 5 SIP points per recipe by submitting *healthy* recipes cooked on the tugs!

1. Submit a photo and recipe of a healthy meal cooked on a vessel to: wellness@harleymarine.com
2. Name the cooks

*Use the ingredient of the month for an extra 5 SIP points

**At the end of each month a recipe will be picked as the most healthy and/or creative and featured in the *Soundings*. The cook will receive 15 SIP points

All recipes will be featured in a crew cookbook—to be released at the end of the summer.

August’s Ingredient Challenge:

Chiles

Use for an extra 5 SIP points!



Fish Supreme

Ingredients include:

- ½ lb. fillet of sole/cod
- 1 cup milk
- ¾ tsp. salt
- Speck of white pepper
- 2 Tbsp. butter
- 2 Tbsp. flour
- 2 Tbsp. sherry
- ¼ cup grated cheese

Place fish in shallow greased baking dish with milk, salt, and pepper. Bake for 30 minutes at 350 degrees. While fish is baking, melt butter in a double boiler and stir in flour. When the fish is cooked, pour off milk from dish and add it to butter and flour. Keep the fish warm. Cook sauce, stirring constantly until thickened. Add sherry and cheese and stir until cheese melts. Pour over fish, place under broiler and broil until brown.



SHOUT OUT!



Pictured above: Ben Spear.

The Human Resources Department would like to give a huge shout out to our intern Ben Spear. Ben spent a week in mid-July in New York donating Bone Marrow to a 23 year old woman with Leukemia. It is possible that because of Ben's donation, the recipient could make a full recovery and be cancer free for the rest of her life. Ben, we applaud your bravery and generosity and are glad to have you as part of the team!

Sincerely,

The Human Resources Department

Do you know about the Wellness Portal?

Great News! Employees participating in company health benefits have access to the confidential **Wellness Portal!** The **Wellness Portal** is a secure online site where you can store all of your health data and medical history for easy access.

On the wellness portal you can:

- ◆ Create reminders of doctor's appointments and record them on a calendar
- ◆ Access your personal health records and shared health information
- ◆ Listen to podcasts, watch videos or print materials on health topics
- ◆ Get the latest news on issues important to your health
- ◆ Check potential drug interactions



Go to www.wellnesswebtools.com to register!

What about the Company EAP Program?

The Work-life balance employee assistance program (EAP) is available free of charge through the Harley Marine benefit plan. The EAP program is provided through UNUM in partnership with the Ceridian Corporation.

- ◆ Childcare and/or eldercare referrals
- ◆ Personal relationship information
- ◆ Health information and online tools
- ◆ Legal consultations with licensed attorneys
- ◆ Financial planning assistance
- ◆ Stress management
- ◆ Career development

Help is Easy to Access ! Services Include:

Telephone Consultations: Speak confidentially with a master's level consultant to clarify your need, evaluate options and create an action plan.

Face to Face meeting: Meet with a local consultant up to three times per issue for short term problem resolution.

Educational materials: Receive information through an online library of downloadable materials and interactive tools.

Just Call Toll Free 1-800-854-1446

Visit www.lifebalance.net ID/Password are both life balance

Alternative Health

When you hear the words “alternative health,” what comes to mind? Yoga, green smoothies, expensive diets? While these fall into that category, alternative health can also include smaller changes to already formed habits. This month we’re putting a spin on alternative health by taking a look at the health choices you already make!

Take Advantage of Time Off

Weekend car camping or hiking trips are inexpensive and great for physical and emotional health. Studies show that spending time outside in nature reduces cholesterol, blood pressure and stress levels.



Improve your Mood and Mental Health at Work

Stay organized with a planner or checklist.



Take short walks or stretch on your breaks and lunch.

Create a bedtime routine. Going through a few relaxing activities before bed can help your body prepare for sleep.

Go to sleep at the same hour, for the same amount of time, every day. Studies show this can greatly improve physical and emotional health.

Bike to Work

Benefits: Avoid Traffic.

Avg. Annual Car Cost = \$8,946

Avg. Annual Bike Cost = \$308

Improve overall health and productivity.

Bicycle commuters lose on average 13 pounds in their first year.

Bikers save the local economy \$0.42 for each mile biked.



HMS Wellness is working to help improve the lives of our employees! Be on the lookout for future wellness articles, events and even opportunities to participate in the wellness program! Contact rhaykin@harleymarine.com if you would like join the wellness routing.

August New Hires

Harley Marine Gulf

Brian Brown—Port Captain
Bryan Wells—Port Mechanic
Chazsman Easton—Deckhand
Christopher Thibodeaux—Deckhand
Claude Hoy—Chief Mate
James West—Deckhand
Jon Chretien—Deckhand
Jon Hill—Regional Marine Safety Advisor
Louis Billiot—Deckhand

Harley Marine New York

Charles Grabois—Port Captain
Eugene Ashton—Barge Mate
James Fretwell—Barge Mate
Joseph Myatt—Captain
Joshua Morgan—Barge Mate
Peter Meyer—Licensed Engineer

Harley Marine Services

Bruce Appleton—Purchasing Agent
Bowman Harvey—Environmental Reg. and Mentoring Program Manager
Dawn Wade—Senior Financial Analyst
Sara Loyola—Receptionist

Westoil Marine Services

Jason Musgrave—Tankerman

Olympic Tug & Barge

Benjamin Kaestner—Dispatcher
Bryan Willis—AB Deckhand
Corey Cote—Engineer
Jeffrey Harrison—Port Captain
John Strong—Captain
Logan Cameron—AB Deckhand
Nicholas Ahrens—Captain
Ross Farr—Tankerman
Shawn Van Deusen—Mate
Travis Butler—Engineer

Pacific Coast Maritime

Luis Betancourt—Deckhand



Retirement Planning – Second Quarter 2015 Market Commentary

The first half of 2015 ended with a barrage of challenges to financial markets, including free falling Chinese stocks; fresh concerns about Puerto Rico's municipal bond debts; and the long simmering Greek debt crisis coming to a boil. Although these challenges come from abroad, the most direct speedbump for US investors may be yet to come as the Federal Reserve prepares to hike US interest rates, perhaps as soon as this coming Fall. Higher interest rates can reduce stock prices; cause a slowdown in economic activity; and increase the value of the US dollar, which increases the cost of US exports and causes additional drag on corporate growth.

Despite these headwinds, US investors have thus far been spared much pain as a stalemate between buyers and sellers continues. While various crises get the attention in the press, there are developments behind the headlines which we believe may be at least as important. The Eurozone Manufacturing Purchasing Managers Index rose again in June. This measure of European economic sentiment has been steadily rising since November and shows no signs of negative spillover from Greece. The oil-rig count in the US rose for the first time since December. This signals that oil prices may stay low and support solid consumer spending, which reacts favorably to low oil prices. In Britain, the inflation rate has risen back above zero, ending that economy's brush with deflation and potential recession; and in Japan, business surveys suggest that big companies plan to increase capital expenditures at the fastest pace in a decade. Attention may remain focused on Greece as events unfold in the coming weeks; however, other developments may prove equally significant to the direction of the stock market, so the stalemate between buyers and sellers is likely to continue.

Investment Market Results

US stocks were flat for the quarter. The S&P 500 squeaked out a 0.28% return, with low single digit losses and gains across style and market cap. The Large Cap stock sector had a modest gain of 0.53%, while Mid-Caps (down 1.21%) and Small-Caps (down 0.76%) both had mild losses. There was little difference between Growth and Value investment strategies in the Large and Mid-Cap spaces, but Growth investment strategies significantly outperformed Value strategies in the Small-Cap space. With regard to industry sectors, Utilities and Real Estate continued to stumble after leading the way in 2014, with losses of 6.31% and 9.40%, respectively. Communication Services, Financial Services, and Health Care led the quarter with gains of 4.91%, 4.32%, and 3.22% respectively.

International stock performance largely followed the US template, with the MSCI EAFE (Europe Asia Far East Index) gaining 0.84% and the MSCI Foreign Emerging Market Index gaining 0.82%. MSCI EAFE small caps did well, returning 4.50% for the quarter. International stocks got some relief as US dollar appreciation finally reached a peak and leveled out.

The bond and fixed income space suffered losses as interest rates rose in anticipation of possible Fed action. Riskier bonds like High Yield (flat 0%) and Emerging Market Debt (down 0.3%) continued to lead. US Corporate Bonds (down 2.9%) and US Treasury Bonds (down 1.6%) suffered the steepest losses, with the long end of the market in particular as represented by the Barclays Long Government & Credit Index suffering a 7.6% loss. Overall, the Barclays US Aggregate Bond Index lost 1.7% for the quarter.

Administrative Questions

If you have questions regarding your quarterly statement, participant website, or plan provisions, please contact your plan administrator:

Moran Knobel
www.moranknobel.com
425-451-9389
1-800-451-9389

Investment Questions

If you have questions or need guidance with the fund options in your retirement plan, please contact a plan investment advisor:

Kibble & Prentice
888-GET-401K
888-438-4015

Plan Eligibility

You are eligible to enter your retirement plan if you are a non-union employee, age 18 or older, and have completed 3 months of service.

Note: Union members (except employees of Starlight Marine Services and Harley Marine New York), non-resident aliens and ferry workers of Pacific Coast Maritime, Inc. are excluded from the company 401(k) plan

Payroll Calendar

Pay-period ending: 7/31/15

Pay-date: 8/7/15

Pay-period ending: 8/15/15 (Pay-date: 8/21/15)

Employee Deadlines:

- Employee due date to submit *planned* PAF's (Vacation/PTO): 8/10/15
- Employee due date to submit *unplanned* PAF's (bereavement/sick): ASAP or 8/15/15
- Any PAF's/travel time, etc. not approved by your supervisor(s) and received by the payroll department by 10AM PST on 8/17/15, will be included on the 9/8/15 paycheck.
- Please allow (up to) two days for bank processing.
- If you have questions on your paystub, please contact your supervisor.

Manager/Dispatch Deadlines:

- Approve dispatch logs: Daily (all entries must be out of "Dispatch/Supervisor Approval" by end of day on 8/17/15)
- Approve PAF's: Daily. (Deadline for inclusion in payroll is 8/17/15 10AM PST)

Pay-period ending: 8/31/15 (Pay-date: 9/8/15)

Employee Deadlines:

- Employee due date to submit *planned* PAF's (Vacation/PTO): 8/25/15
- Employee due date to submit *unplanned* PAF's (bereavement/sick): ASAP or 8/31/15
- Any PAF's/travel time, etc. not approved by your supervisor(s) and received by the payroll department by 10AM PST on 9/01/15, will be included on the 9/22/15 paycheck.
- Please allow (up to) two days for bank processing.
- If you have questions on your paystub, please contact your supervisor.

Manager/Dispatch Deadlines:

- Approve dispatch logs: Daily (all entries must be out of "Dispatch/Supervisor Approval" by end of day on 9/01/15)
- Approve PAF's: Daily. (Deadline for inclusion in payroll is 9/01/15 10AM PST)

August Birthdays

Harley Marine Gulf

Clement Mabile 8/5
 George Stone 8/8
 Sterling Kramer 8/8
 Gerald Jones 8/9
 James West 8/10
 Jon Hill 8/10
 Joshua Beebe 8/10
 Rodney Beachum 8/14
 Joseph Simmons 8/24
 Brian Brown 8/25
 John Collins 8/27
 William Struloeff 8/30
 Charles Bishop 8/31
 Michael Mayfield 8/31

Harley Marine NY

Eudoro Trillos 8/3
 Kristen Steffensen 8/3
 Thomas Roth 8/15

Harley Marine Services

John Saltsman 8/4
 Robert Franco 8/4
 Scott Manley 8/6
 Chad Engwer 8/9
 Maurice Roberts 8/9
 Rod Gullickson 8/11
 Holy Fulk 8/16
 Natalie Frank 8/19

Westoil Marine Services

Michael Zuanich 8/15
 Maurio Robello 8/18
 Anthony Beukema 8/19

Millennium Maritime

Mark Feutte 8/8
 Arianna Erceg 8/18

Olympic Tug & Barge

Aaron Jones 8/2
 John Lund 8/3
 James Sellers 8/4
 Kurt Zaverson 8/4
 Michael Ennenga 8/5
 Ryan Riegler 8/5
 Richard Edwards 8/6
 Brian Healy 8/7
 William Fox 8/7
 Joel Gerstenberger 8/8
 Chad Boulay 8/9
 Ritchie Vogel 8/10
 John Stromberg 8/13
 Steven Richards 8/15
 Larry Holland 8/16
 Hugh Maffett 8/17

Kelly Lindblom 8/19
 Kristina Arsenault 8/20
 Bryan Melnick 8/21
 Mark Main 8/23
 Gary Truman 8/25
 Sven Christensen 8/26
 Seth Johnson 8/28

Pacific Terminal Services

Gordon Overbaugh 8/4
 Burton Nye 8/16
 Kevin Buffum 8/22

Starlight Marine Services

Frank Dignon 8/1
 Matthew Fike 8/6
 Michael Limon 8/10
 William Robinson 8/11
 Robert Mather 8/15

August Anniversaries

Harley Marine Gulf

Anthony Burlington—3
Anthony Parker—1
Caleb Mettlen—1
Darris Jefferson—3
Gary Bush—2
Joshua Hall—3
Matthew Smart—1
Preston Stelly—4
Robert Twitchell—1
Timothy Picou—4
Warren Land—2

Harley Marine NY

Donald Brands—1
Eduardo Serrano—2
James Rogers—8

Harley Marine Services

Casey Prophet—4
James Flies—9
Michelle Belben—8
Natalie Frank—1
Rachael Haykin—1
Scott Manley—9
Steven Miller—2
Todd Prophet—18

Westoil Marine Services

Anthony Beukema—3
Chad Millikan—7
John Skow—24
Luis Alvarado—1

Starlight Marine Services

Frank Dignon—8
Jack Hutchins—1
Michael Maclachlan—2
Nadine Allali—3
Phillip Walcher—3
Todd Yeilding—1

Olympic Tug & Barge

Andrew O Donnell—21
Brandon Chafe—15
Chad Boulay—15
David Hanshaw—7
James Berge—11
James Buckhalter—2
James Whitney—2
Jason Esters—3
Mark Main—2
Mark Sanders—9
Richard Middleton—8
Robert Sortor—7

Pacific Coast Maritime

Mark Hurst—17

Pacific Terminal Services

Gordon Overbaugh—3

Millennium Maritime

Anthony Lobro—11
Charles Martin—7
Doug Houghton—15
Kirk Wilson—1

Welcoming our newest crewmembers!



Harley Marine would like to congratulate Chad and Jenny Engwer on their newest addition to their family.



Congratulations to OTB's Fred Chambers-Piper. A big Harley Marine Welcome on your baby daughter Keltie Chambers-Piper. Born on April 11th. Looking adorable in her Harley Marine onesie.



Harley Marine Services
A Full Service Maritime Company
www.harleymarine.com

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Olympic Tug & Barge would like to recognize **Russell Holmes** for employee of the month. On Sunday, July 12th, Russell stepped up to take a last minute trip to the BROOKLYN, to make sure that an Apex voyage stayed on track.

At a moment's notice, Russell drove from California to his home in Arizona, grabbed his sea bag in 5 minutes, and raced out to catch a plane to Tampa, Florida in order to crew up on the BROOKLYN, keeping the voyage on track and on time.

To say that what Russell did was 'above and beyond' would be an understatement. Russell's efforts on July 12th can only be described as 'Epic'.

A big Harley Marine thank you to Russell Holmes!

Olympic Tug & Barge would like to recognize **Don Cairney** for employee of the month. Don is constantly going the extra mile for Harley Marine vessels when they are in need of parts or supplies. There is no job too big or too small for Don. Always working hard but never without a smile on his face. Even when the shop is moving at a million miles a minute, he is always able to get everyone what they need. Don has even offered his personal time on weekends to come in to make sure the boats get what they need to keep our operation up and running smoothly.



Thank you Don! Your dedication and hard work for HMS and OTB is appreciated at every level.

HMS OUTFITTERS

OPEN MON - FRI 11 AM TO 1 PM
WWW.HARLEYMARINE.COM/STORE

