

NADA

JANUARY 2015

CONVENTION

M G A Z I N E



STATE OF THE INDUSTRY

AUTOMAKERS, SALES TRENDS

PAGE 20

MEET THE SPEAKERS

JAY LENO, JEB BUSH, BECK WEATHERS PAGE 11

+ NADA 2015

LEADING NADA, WHO'S WHO

PAGE 32

KEYNOTE SPEAKER:
JAY LENO



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NADA CONVENTION MAGAZINE

SAN FRANCISCO 2015

NADA in San Francisco

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Forrest McConnell III
NADA Chairman

UP FRONT

ENGAGING AHEAD

NADA DEPARTMENTS

nadainfo@nada.org
800.252.6232

American Truck Dealers
atd@nada.org

Charitable Foundation
foundation@nada.org

Convention
conven@nada.org

DEAC
deac@nada.org

Dealer Academy
academy@nada.org

Industry Relations
industryrelations@nada.org

Information Technology
it@nada.org

Legal/Regulatory Affairs
regulatoryaffairs@nada.org

Legislative
legislative@nada.org

Membership
member@nada.org

NADA University
nadauniversity@nada.org

NADART (Retirement Trust)
nadart@nada.org

NADA Guide Book
guideinfo@nada.com

Public Affairs
help@nada.org

20 Groups
nada20@nada.org

America's franchised new-car and -truck dealers have a lot to be proud of today. With more than 16.4 million new-car and -truck sales for 2014—that's \$700 billion-plus in revenue and more than \$13 billion in generated taxes—dealers proved exactly why they are the backbone of the nation's economy.



Meanwhile, on Capitol Hill, NADA worked tirelessly with members of Congress to advocate on your behalf—among other things gathering nearly 150 co-sponsors in support of preserving dealer-assisted financing and curbing the negative impact of excessive regulations.

NADA also launched multifaceted campaigns to show the press, the public and policymakers that the dealer franchise system—and its 17,800-dealer network—is indispensable and that auto dealers work hard for the benefit of their customers and manufacturers alike.

And NADA has shown for the 13th year in a row that our organization is all-inclusive, representing more than 90 percent of new-vehicle dealers across the country.

That was last year. Now it's 2015, and the NADA/ATD Convention & Expo is our first event of the year to help keep you connected and make your business stronger. There are more than 52 new workshop topics, 126 workshop sessions, 26 dealer-manufacturer franchise meetings and endless opportunities to network.

This issue of *NADA Convention Magazine* will help you navigate the convention, the industry and NADA. In “What's New at the Convention” (page 17), we showcase great ways to make the most of this year's show. Starting on page 20, we highlight the latest products from the major automakers. And in the “NADA 2015” section (pages 32-57), we look at, among other things, the association's plans to build its NextGen dealers program, and we profile my successor, Bill Fox of Auburn, N.Y.

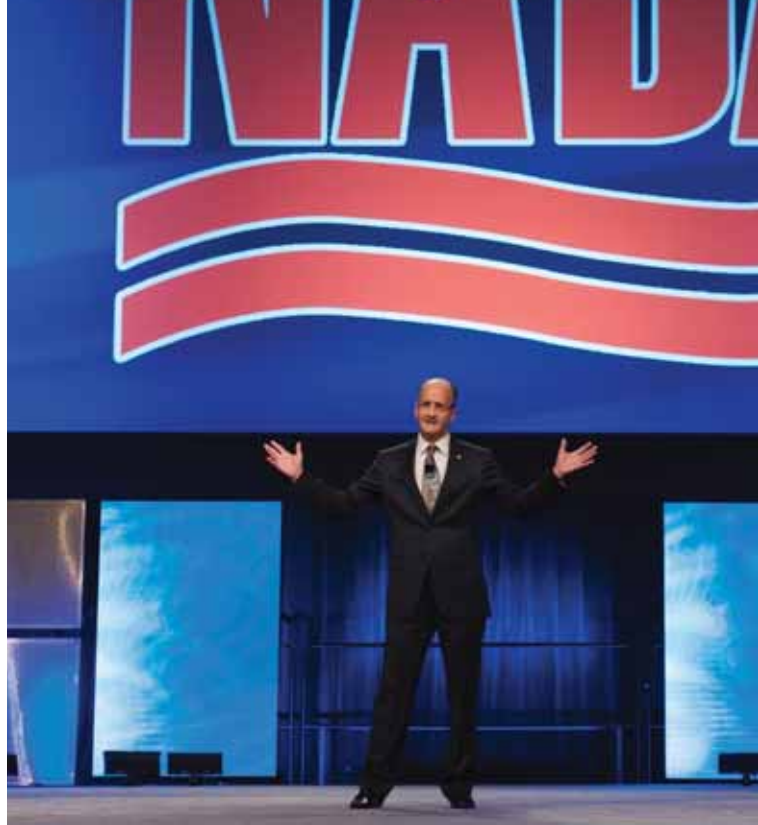
This convention—this moment—is here to celebrate you and your successes. Franchised auto dealers are a driving force in the national economy and their local communities. No matter what roadblocks you may face this year, we'll be here to help you along the way.

A handwritten signature in black ink that reads "Forrest McConnell III". The signature is written in a cursive, flowing style.



Year in Review

NADA highlights from 2014



LAST YEAR WAS FULL OF ROBUST VEHICLE SALES, a growing economy, and several legislative and regulatory actions that affected dealers and their stores. Here's a look at just some of the projects and initiatives that NADA accomplished in 2014.

JANUARY - FEBRUARY

- NADA host its 97th annual convention in New Orleans. Alabama dealer Forrest McConnell becomes 2014 chairman. Former U.S. Secretary of State Hillary Rodham Clinton praises dealers' role in the economic recovery during keynote address.
- At the 51st annual ATD convention in New Orleans, Eric Jorgensen becomes ATD chairman.
- NADA announces its optional Fair Credit Compliance program, designed to strengthen a dealer's ability to comply with fair-credit laws while preserving the competitive benefits of dealer-assisted financing.
- NADA predicts 16.4 million new-vehicle sales in 2014 because of increasing employment, reduced debt and rising housing prices.
- NADA Foundation and Ally Financial donate \$50,000 to Second Harvest Food Bank in New Orleans.

- NADA announces election of New Jersey's James Appleton as 2014 chairman of the Automotive Trade Association Executives.
- The U.S. House of Representatives passes H.R. 724, an NADA-supported bill that eliminates an outdated federal mandate requiring auto dealers to certify that new vehicles are Clean Air Act compliant. (President Obama signs the bill into law in June.)

MARCH

- NADA provides dealers with guidance on handling various types of new- and used-vehicle recalls.
- NADA Used Car Guide predicts used-vehicle values will peak this month—which they do—because of a sharp rise in the supply of late-model used vehicles.



MARCH
Used-vehicle values peak.



JANUARY

Forrest McConnell becomes 2014 NADA chairman.

APRIL

GM CEO Mary Barra speaks at the annual NADA/J.D. Power Automotive Forum in New York City.



APRIL

- Mary Barra, CEO of General Motors, and Joe Hinrichs, executive vice president and president of the Americas for Ford Motor Co., deliver keynote remarks during the annual NADA/J.D. Power Automotive Forum in New York City.
- NADA Chairman Forrest McConnell receives national media coverage for a major speech about franchised dealers providing price competition, safety and local economic benefits.
- An NADA commentary explains how dealers provide their customers with a safety net during recalls.
- NADA testifies at an OSHA hearing that dealers already have eliminated significant silica-dust exposure in their stores.

MAY

- NADA releases “The Fallacy of Flats” analysis, noting how lender programs that pay dealers a flat fee for arranging financing do *not* eliminate fair-credit risk for consumers or dealers.
- An NADA-sponsored report by the Center for Automotive Research finds that federal rules cost new-car dealerships more than \$3 billion each year. The report is featured on the “Fox News Channel.”
- *NADA Data 2014* shows America’s new-car dealers employ more than 1 million people because of a rebounding U.S. economy and rising auto sales.
- To address dealer concerns after a surge in safety recalls, NADA issues guidance on recall reimbursement for those expenses that are over and above the reasonable cost of fixing the vehicle.
- NADA provides a fact sheet on whistleblower anti-retaliation provisions.

JUNE

- NADA launches its “Get the Facts” initiative to promote the benefits of franchised dealers. The new initiative uses videos, fact sheets, research reports and other resources to educate the media, opinion leaders and policymakers. All resources can be found at nada.org/GetTheFacts.
- NADA releases *Auto Retailing: Why the Franchise System Works Best*, a study highlighting why the dealer franchise system is the most efficient and effective way for manufacturers to distribute and sell vehicles.
- NADA commissions *Consumer Benefits of the Dealer Franchise System*, a report by auto industry consultant Maryann Keller.
- A House committee approves a broad Consumer Financial Protection Bureau (CFPB) reform bill on a bipartisan basis—a major step forward for NADA’s efforts.
- NADA provides an at-a-glance document of its full Fair Credit Compliance program.

AUGUST

NADA assists dealers by providing timely information regarding record number of safety recalls this year.



SEPTEMBER

Dealers meet with their members of Congress during the annual NADA Washington Conference.

JULY

- NADA submits a letter to the FTC explaining that the agency's economic analysis—which called for the repeal of prohibitions on factory-owned stores—is flawed and that state laws against direct factory sales are necessary and appropriate.
- *Market Beat*, NADA's monthly financial update, reports auto sales in June had a SAAR (seasonally adjusted annual rate) of 16.7 million—the highest since August 2005.

AUGUST

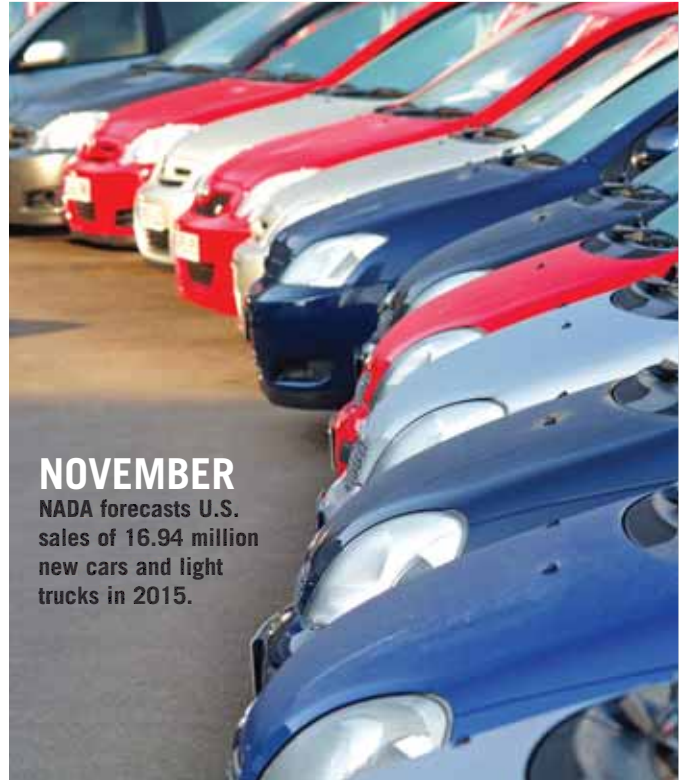
- NADA responds to a misguided *New York Times* editorial on auto financing by promoting how franchised new-car dealers deliver widely available and low-priced credit to a broad array of consumers.
- To help dealers handle recalls, NADA highlights NHTSA's new VIN (vehicle identification number) look-up tool for vehicle recall information and issues detailed fact sheets.
- NADA Chief Economist Steven Szakaly says new-car sales are increasing because of low interest rates, a stronger housing market and rising employment.

SEPTEMBER

- More than 400 dealers and association executives attend NADA's annual Washington Conference and hear from Rep. Marlin Stutzman (R-Ind.), sponsor of a CFPB reform bill, as well as from Rep. Steny Hoyer (D-Md.), Rep. Mike Kelly (R-Pa.) and Sen. Jerry Moran (R-Kan.).
- NextGen dealers meet in Washington to discuss public policy and grass-roots efforts.
- NADA urges Congress to pass H.R. 5403, a bipartisan bill that nullifies the CFPB's flawed guidance on auto financing and requires more transparency and accountability from the agency on future auto guidance. The bill eventually garners 149 co-sponsors.
- NADA testifies at a CFPB hearing on auto financing and issues a rebuttal in response to the CFPB's proxy methodology report.
- NADA issues FAQs on OSHA's repeal of certain exemptions regarding workplace injury and illness logs.

OCTOBER

NADA Chairman Forrest McConnell speaks to reporters at the Automotive Press Association luncheon in Detroit.



NOVEMBER

NADA forecasts U.S. sales of 16.94 million new cars and light trucks in 2015.

OCTOBER

- In remarks to the Automotive Press Association in Detroit, NADA Chairman Forrest McConnell offers a solution that addresses the CFPB's fair-credit concerns while preserving the robust competition for car buyers in indirect auto lending.
- As part of its "Get the Facts" initiative, NADA launches a video highlighting the benefits of price competition in auto retailing.
- For the second year in a row, NADA partners with Hiring Our Heroes, a program from the U.S. Chamber of Commerce Foundation that helps military veterans and their spouses find employment.

NOVEMBER

- Jim Lentz, CEO of Toyota North America, delivers keynote remarks at the annual NADA/J.D. Power Western Automotive Conference in Los Angeles.
- A comprehensive study of more than 8.2 million loan records by Charles River Associates concludes that the method used by the CFPB to measure for discrimination in an auto lender's portfolio is "conceptually flawed in its application and subject to significant bias and estimation error."
- NADA forecasts 16.94 million vehicles will be purchased or leased in the U.S. in 2015 because of rising employment and wages, continued low interest rates and lower gasoline prices.
- The NADA Foundation presents Hollins University with a \$7,000 donation for the emergency needs of students.
- NADA and other dealer groups issue a statement in support of automakers' commitment to protect consumer privacy.

DECEMBER

- NADA releases the *2014 Dealership Workforce Study Industry Report*, which covers dealership employee compensation, benefits, retention and turnover.
- NADA notifies dealers of FTC action against two auto-dealer chains for repeated advertising violations. This is the FTC's fourth enforcement action against dealers since 2012.
- Congress approves an NADA- and ATD-supported bill that will allow dealers and their customers to expense a larger portion of equipment purchases.
- As it did in June, ATD holds semiannual policy roundtable to discuss regulatory and legislative issues, including the federal excise tax on heavy-duty trucks.
- NADA increases membership and ends 2014 with 16,000 members, marking the 13th consecutive year the association has achieved more than 90 percent membership penetration.

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NADA HEADQUARTERS

8400 Westpark Dr., McLean, VA 22102
703.821.7155, 800.252.6232
fax 703.821.7234
nada.org

PRESIDENT: Peter K. Welch

VICE PRESIDENT, PUBLIC AFFAIRS: Jonathan Collegio

PUBLISHER AND EDITOR: Joe Phillips

SENIOR ASSOCIATE EDITOR: Charles Cyrill

ASSOCIATE EDITOR: Amanda Deluca

ART DIRECTOR: Terry Gallagher

PRODUCTION MANAGER: Lisa Jusino

CONTRIBUTING WRITERS/EDITORS: Peter Craig,
Nancy Dunham, Jill Jule, Debbie-Ann Sunga

ADVERTISING

- Joe Phillips, 703.821.7155,
jphillips@nada.org
- Michele Schaner, 703.821.7146,
mschaner@nada.org

2014 NADA OFFICERS

CHAIRMAN: Forrest McConnell III,
Montgomery, Ala.

VICE-CHAIRMAN: William C. Fox, Auburn, N.Y.

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TREASURER: George E. Nahas, Wildwood, Fla.

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REGIONAL VICE-CHAIRMEN:

Andrew Caldwell Jr., Conway, Ark.

Donald Hicks, Aurora, Colo.

David Shepherd, Fort Scott, Kan.

William H. Willis, Smyrna, Del.

ATD CHAIRMAN: Eric Jorgensen, Hartland, Wis.



SAN FRANCISCO

FAST FACTS

Although long occupied by Native Americans, the area of California that became San Francisco was first “discovered” by Europeans when a Spanish exploratory party claimed it for Spain in 1769. In 1821 the region became part of newly independent Mexico and took the name Yerba Buena (“good herb”) after the mint that grew nearby.

Yerba Buena’s first mayor renamed the place San Francisco, after Saint Francis de Assisi, in 1847—a year before gold was discovered at Sutter’s Mill. Soon came the California Gold Rush and San Francisco’s explosive growth from 469 residents to some 35,000 in four years. Meanwhile, Mexico lost its war with the United States, and California became a U.S. state in 1850.

Following are some other interesting facts about “Fog City,” also known as “Baghdad by the Bay”:

- Blue jeans were designed here by German immigrant Levi Strauss to offer gold miners clothing that was both rough and comfortable.
- The first Chinese fortune cookie was created at San Francisco’s Japanese Tea Garden in 1914.
- The Golden Gate Bridge, completed in 1937, is the second-longest single-span bridge in existence. By the time a work crew finishes painting it, it’s time to start over.
- San Francisco, where Irish coffee was invented, is the Coffee Shop Capital of the World, with more than 300 such shops.
- The city has the fourth-highest concentration of billionaires in the world.
- San Francisco’s Chinatown is home to the largest Chinese community anywhere—except for China itself, of course.
- World-famous Lombard Street may not be the crookedest street in the city. According to some studies, it’s Vermont Street on Potrero Hill.
- The public bathhouse Sutro Baths, at Ocean Beach, was built in 1894 by kooky former mayor Adolph Sutro, who later constructed Cliff House.
- Although numerous movies have been made about Alcatraz, only a handful involved any location shooting, including *The Birdman of Alcatraz* (1962), with Burt Lancaster, and *Escape From Alcatraz* (1979), with Clint Eastwood.

—Peter Craig





Vehicle Appraisal

Prepared For My Customer
Prepared By Sales Manager

Vehicle Information

2007 Honda Pilot Utility 4D
EX-L Navigation 4WD 3.5L V6
Color: Black
Mileage: 104,572
VIN: 2HKYF18727H123456
Installed Options: 4 Wheel Drive,
Leather Seats, GPS Navigation, Tow Package

NADA Motors
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McLean, VA 22102
855.874.8232
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\$9,905

This appraisal is valid until Jan 27, 2014

Appraisal Detail

NADA Value	\$9,905
Mechanical	-\$150
Body	-\$800
Wheels/Tires	-\$95
L.O.F.	-\$150
Detail	
Total	\$9,905

Condition Detail

Mechanical:

Body:

Wheels/Tires:

Brakes, clutches, engine light
Dent & scratches
Replace

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SPEAKERS/SCHEDULE

NADA CONVENTION EVENTS

(ATD Convention Events on page 12)



Jeb Bush was the 43rd governor of Florida, having served from 1999 to 2007. He is best known for having reformed education and cut taxes. Bush,

who now heads the consulting firm Jeb Bush and Associates, is the son of former President George H.W. Bush and the younger brother of former President George W. Bush. He is also co-author of *Immigration Wars: Forging an American Solution*. Bush addresses dealers Friday.



What's the one thing that's more fun than experiencing **Jay Leno's** comedy on TV? Experiencing it in person, of course! The longtime host of the award-winning "Tonight Show With Jay Leno," which ran for more than 20 years, has maintained his reputation as the King of the Car Guys with his Web program, "Jay Leno's Garage," and his collection of hundreds of vehicles. Leno addresses dealers Saturday.



If there were an all-time award for Most Determined to Survive, it would have to go to **Beck Weathers**. Left for dead during the violent 1996 storm on Mt. Everest that killed eight fellow climbers, including three professional guides, the 49-year-old stumbled into camp the next morning to the shock of other survivors, who had already informed his family of his demise. Weathers will inspire dealers Sunday.

THURSDAY, JANUARY 22

- 9:00 AM–6:00 PM Attendee Registration – Moscone West (Lobby, Level I)
- 10:30 AM–11:45 AM “Meet NADA” Orientation – Moscone West (Rooms 3002-3004)
- NOON–5:00 PM Lifestyle Experience – Moscone West (Level III)
- 12:15 PM–1:30 PM Workshops – Moscone West (Level III), Moscone South (Expo Level)
- 12:15 PM–2:15 PM Super Sessions – Moscone West (Level III)
- 2:00 PM–3:15 PM Workshops – Moscone West (Level III), Moscone South (Expo Level)
- 3:00 PM–5:00 PM Super Sessions – Moscone West (Level III)
- 3:45 PM–5:00 PM Workshops – Moscone West (Level III), Moscone South (Expo Level)
- 5:30 PM–7:30 PM J.D. Power Welcome Reception – Marriott Marquis (*tickets required*)

FRIDAY, JANUARY 23

- 7:30 AM–5:00 PM Attendee Registration – Moscone West (Lobby, Level I)
- 8:30 AM–5:00 PM Expo Open, Ribbon Cutting – Moscone North, South and West I & II
- 8:30 AM–5:00 PM Lifestyle Experience – Moscone South (Expo South), Moscone West (Level II & III Lobbies)
- 9:00 AM–10:15 AM Dealer Franchise Meetings – Marriott Marquis
- 10:30 AM–11:45 AM Workshops – Moscone West (Level III), Moscone South (Expo Level)
- 10:30 AM–11:45 AM Dealer Franchise Meetings – Marriott Marquis
- 2:00 PM–4:00 PM General Session: Formal Opening of NADA/ATD Convention & Expo – Moscone South (Esplanade Ballroom)

SATURDAY, JANUARY 24

- 8:00 AM–5:00 PM Attendee Registration – Moscone West (Lobby, Level I)
- 8:30 AM–5:00 PM Expo Open – Moscone North, South and West I & II
- 8:30 AM–5:00 PM Lifestyle Experience – Moscone South (Expo South), Moscone West (Level II & III Lobbies)
- 8:30 AM–9:45 AM Workshops – Moscone West (Level III), Moscone South (Expo Level)
- 8:30 AM–9:45 AM Dealer Franchise Meetings – Moscone South and Marriott Marquis
- 10:15 AM–11:30 AM Workshops – Moscone West (Level III), Moscone South (Expo Level)
- 10:15 AM–11:30 AM Dealer Franchise Meetings – Moscone South, Moscone North, Marriott Marquis
- 1:00 PM–2:30 PM Women Dealers Networking Power Event – St. Regis Hotel (Gallery Ballroom) (*tickets required*)
- 3:00 PM–4:30 PM NADA General Session – Moscone South (Esplanade Ballroom)

SUNDAY, JANUARY 25

- 8:00 AM–4:00 PM Attendee Registration – Moscone West (Lobby, Level I)
- 8:30 AM–4:00 PM Expo Open – Moscone North, South and West I & II
- 8:30 AM–4:00 PM Lifestyle Experience – Moscone South (Expo South), Moscone West (Level II & III Lobbies)
- 9:00 AM–10:15 AM Inspirational Program – Moscone South (Esplanade Ballroom)
- 10:45 AM–NOON Workshops, Dealer Franchise Meetings – Moscone West (Level III), Moscone South (Expo Level), Marriott Marquis
- 12:30 PM–2:30 PM Afternoon Delight: Dessert & Coffee Bar – Moscone North, South and West I & II (Expo Halls)
- 1:00 PM–2:15 PM Technology Town Hall: Twitter and Facebook – Moscone West (Level III)
- 2:30 PM–3:45 PM Technology Town Hall: Google and eBay – Moscone West (Level III)
- 4:00 PM NADA/ATD Convention & Expo closes

SPEAKERS/SCHEDULE

ATD CONVENTION EVENTS

(NADA Convention Events on page 11)

THURSDAY, JANUARY 22

- 9:00 AM – 6:00 PM Attendee Registration – Moscone West (Lobby, Level I)
 10:30 AM – 11:45 PM “Meet NADA” Orientation – Moscone West (Rooms 3002-3004)
 NOON – 5:00 PM Lifestyle Experience – Moscone West (Level III)
 1:00 PM – 2:45 PM Make Meetings – Moscone North (Room 123)
 3:00 PM – 5:00 PM ATD Super Workshop – Moscone North (Room 122)
 6:00 PM – 8:00 PM Welcome Reception – Marriott Marquis (Atrium) *(tickets required)*

FRIDAY, JANUARY 23

- 7:30 AM – 5:00 PM Attendee Registration – Moscone West (Lobby, Level I)
 7:30 AM – 9:00 AM Continental Breakfast – Marriott Marquis (Atrium) *(badge required)*
 8:00 AM – 10:00 AM Make Meetings – Marriott Marquis (Golden Gate, Salon C1-2)
 8:30 AM – 10:15 AM Make Meetings – Moscone North (Room 123)
 8:30 AM – 5:00 PM Expo Open – Ribbon Cutting – Moscone North, South and West I & II
 8:30 AM – 5:00 PM Lifestyle Experience – Moscone South (Expo South), Moscone West (Level II & III Lobbies)
 10:30 AM – 11:45 AM Workshops – Moscone North (Meeting Rooms)
 NOON – 1:30 PM Opening General Session and Luncheon – Moscone South (Gateway 103-104)
 1:45 PM – 3:30 PM Make Meetings – Moscone North (Room 124)
 2:00 PM – 4:00 PM NADA General Session – Moscone South (Esplanade Ballroom)
 4:30 PM – 6:00 PM Happy Hour – Marriott Marquis (Atrium) *(badge required)*
 5:00 PM – 6:00 PM NextGen Reception – Marriott Marquis (Mission Grille)
(Must meet requirements for ATD NextGen.)

SATURDAY, JANUARY 24

- 7:30 AM – 9:00 AM Continental Breakfast – Marriott Marquis (Atrium) *(badge required)*
 8:00 AM – 5:00 PM Attendee Registration – Moscone West (Lobby, Level I)
 8:00 AM – 10:15 AM, 10:00 AM – 11:45 AM Make Meetings – Marriott Marquis
 8:30 AM – 5:00 PM Expo Open – Moscone North, South and West I & II (Expo Halls)
 8:30 AM – 5:00 PM Lifestyle Experience – Moscone South (Expo South), Moscone West (Level II & III Lobbies)
 8:30 AM – 9:45 AM, 10:15 AM – 11:45 AM Workshops – Moscone North (Meeting Rooms)
 NOON – 1:15 PM Industry Networking Luncheon – Moscone South (Gateway 103-104) *(tickets required)*
 1:00 PM – 2:30 PM Women’s Dealer Networking Power Event – St. Regis Hotel (Gallery Ballroom) *(tickets required)*
 1:30 PM – 3:00 PM Make Meetings – Moscone North (Rooms 123-124)
 3:30 PM – 4:30 PM NADA General Session – Moscone South (Esplanade Ballroom)
 4:30 PM – 6:00 PM Happy Hour – Marriott Marquis (Atrium) *(badge required)*
 7:00 PM – 10:00 PM Gala – Marriott Marquis (Epic Roadhouse) *(tickets required)*

SUNDAY, JANUARY 25

- 7:30 AM – 9:00 AM Continental Breakfast – Marriott Marquis (Atrium) *(badge required)*
 8:00 AM – 4:00 PM Attendee Registration – Moscone West (Lobby, Level I)
 8:30 AM – 4:00 PM Expo Open – Moscone North, South and West I & II (Expo Halls)
 8:30 AM – 4:00 PM Lifestyle Experience – Moscone South (Expo South), Moscone West (Level II & III Lobbies)
 9:00 AM – 10:15 AM Inspirational Program – Moscone South (Esplanade Ballroom)
 10:45 AM – NOON Workshops – Moscone North (Meeting Rooms)
 12:15 PM – 1:30 PM General Session and Luncheon – Moscone South (Gateway 103-104)
 12:30 PM – 2:30 PM Afternoon Delight: Dessert & Coffee Bar – Moscone North, South and West I & II (Expo Halls)
 4:00 PM NADA/ATD Convention & Expo closes



Eric Jorgensen is chairman of the American Truck Dealers and president and CEO of JX Enterprises Inc., Hartland, Wis. He launched his career in 1990, working at his family’s Waukesha, Wis., store and has held positions throughout the organization in parts, accounting, service and human resources. Today the company has 16 dealerships, along with finance, lease, rental and graphics services, throughout Wisconsin, Illinois and Michigan. Jorgensen addresses dealers Friday.

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NOMINEES

TIME DEALER AWARD

Congratulations to the nominees for national *TIME* Dealer of the Year from NADA and all state and metro dealer associations. The winner will be announced at the opening session, Friday, January 23.

ALABAMA: *Ray Ingram*, Montgomery

ARIZONA: *Tom Johnson*, Safford

ARKANSAS: *Jim Ross*, Wynne

CALIFORNIA: *Paul Leader*, El Cajon; *R.J. Romero*, Tustin

COLORADO: *Scott Ehrlich*, Greeley

DELAWARE: *Joseph Sheridan*, Wilmington

FLORIDA: *Dwayne Hawkin*, St. Petersburg

GEORGIA: *Walter Lewis*, Savannah

HAWAII: *Niki van den Hurk*, Honolulu

IDAHO: *Gregg Middlekauff*, Twin Falls

ILLINOIS: *Brad Nikles*, Petersburg

INDIANA: *Andy Mohr*, Plainfield

IOWA: *Jack Scieszinski*, Albia

KANSAS: *Les Eck*, Wichita

KENTUCKY: *Don Moore*, Owensboro

LOUISIANA: *Foster Walker III*, Alexandria

MAINE: *Charles Gaunce*, Waterville

MARYLAND: *Donato Sauro*, Laurel

MASSACHUSETTS: *Scott Shulman*, Hingham

MICHIGAN: *Tim Kool*, Battle Creek;
Robert Shuman, Walled Lake

MINNESOTA: *Todd Snell*, Mankato

MISSISSIPPI: *Roger Bacon*, Picayune; *Bob Boyte*, Brandon

MISSOURI: *Frank Bommarito*, Ellisville

MONTANA: *Don Kaltschmidt*, Whitefish

NEBRASKA: *Tom Dinsdale*, Grand Island

NEVADA: *Charles Strahan*, Las Vegas

NEW HAMPSHIRE: *H. Andy Crews*, Manchester

NEW JERSEY: *Adam Kraushaar*, Toms River

NEW MEXICO: *Glen Tillery*, West Moriarty

NEW YORK: *David Karp*, Rockville Centre; *Steve Miller*, East Vestal

NORTH CAROLINA: *Greg York*, High Point

NORTH DAKOTA: *Gregg Jacobson*, Hettinger

OHIO: *Marianne Ballas*, Toledo; *James Brown Sr.*, Willoughby Hills; *Jim Evans*, Dayton;
Douglas V. Sweeney, Youngstown

OKLAHOMA: *Don Thornton*, Tulsa

OREGON: *Greg Goodwin*, Portland

PENNSYLVANIA: *Joseph Palmiero*, North Butler

RHODE ISLAND: *Charles "Brad" Scott*, East Providence

SOUTH CAROLINA: *David Herndon*, Lexington

SOUTH DAKOTA: *David Hersrud*, Sturgis

TENNESSEE: *Tom Lucas*, Columbia

TEXAS: *Raymond Palacios*, El Paso

UTAH: *Blake Strong*, Salt Lake City

VIRGINIA: *Stanley "Rick" Gallaer*, Hampton;
Charles Stringfellow Jr., Arlington

WASHINGTON: *Ron Claudon*, Auburn

WEST VIRGINIA: *Harry Green*, Clarksburg

WISCONSIN: *Michael Shannon*, Du Lac

WYOMING: *James Auge*, Jackson

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WHAT'S NEW AT THE CONVENTION

The 2015 NADA/ATD Convention & Expo is offering several new and improved features to make it easier than ever for attendees to network.

SOCIAL CONNECTION ZONE

The popular Social Connection Zone is back to help attendees learn the latest tech trends. The “Zone”—Moscone South, expo booth 1201—is an Apple Store-like hub for everything social media, complete with helpful technicians. There’s free wifi, plus a social media wall with live Twitter feed and streaming Flickr photos. Daily mini-sessions will feature trendy topics like “Social Ads Drive Sales.”

SOCIAL MEDIA CONTESTS

This year there will be three hot social media contests to turn you into a digital guru in no time. Participate in NADA-TV’s “Get Yourself(ie) and

GoPro” (for a free GoPro), NADA University’s “Tweet It to Win It” (for a free “Workshops to Go” package) and the “Engage & Explore” pedometer contest (see description below).

“ENGAGE & EXPLORE” CONTEST

This year, the convention is so popular it had to be spread across four buildings. But you can make every step count with the “Engage & Explore” pedometer contest. Each day, the two participants with the most steps win a Fitbit. At the end of the convention the participant with the most steps overall wins a grand prize of \$1,000.

NEW DIGITAL WORKSHOPS

Workshops on Thursday include two-hour Super Sessions: “Exceptional Experiences That Win Digital Buyers” and “NextGen Dealers Leading the Future Their Way, Today.” Also new: Technology Town Halls on Sunday,

which let attendees ask the automotive honchos at Ebay, Facebook, Google and Twitter for money-making tips.

“NADA 100”—BE A PART OF IT

Help celebrate NADA’s 100th anniversary in 2017 by providing vintage—and current—photos, videos and anecdotes related to your dealership. Stop by the “NADA 100” exhibit—located in the underground North/South corridor, between the North and South expo halls—to see a video timeline of major auto-industry events and to share your story (www.nada.org/nada100).

JUST DESSERTS

After another successful convention, NADA helps you wrap up the show on Sunday with a free dessert and coffee bar on the expo floor. “Desserts on Us” will be held from noon to 2:30 p.m.

Walk a mile: Attendees can win a Fitbit in the convention’s pedometer contest.





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ONE HUNDRED YEARS

Automakers 2015

Sales—and exciting new products—keep rolling in.

BY NANCY DUNHAM

LOWER FUEL PRICES, AN AGING VEHICLE population and high consumer confidence continue to propel auto sales, with small and midsize crossovers representing much of the volume.

But crossovers—though extremely popular—aren't the only game in town. Trucks and more performance-oriented fare have seen a resurgence, too. This just proves that each automaker's lineup has certain strengths and weaknesses, which can sometimes change overnight, such as—hello!—when there are suddenly record-low gas prices.

For dealers, the challenge is always about what's hot and what's not. Hot-selling product sells itself, of course—until a dealer is suddenly out of sizzling vehicles. Slow-selling product requires more of a balancing act, with incentives that only go so high or sales specials that only go so low before they don't make good business sense.

Of course, it helps that the average age of vehicles on the road remains at 11.4 years, the all-time high, according to IHS Automotive. Another plus: This year there are a bevy of stellar new vehicles, with more gee-whiz gizmos, glam amenities and fuel-saving features to help drive customers into showrooms.

Here's a look at what dealers can expect for the rest of 2015:

FORD BETS ON F-150

For the first time in years, Ford has seen a slip in U.S. sales because of several factors, including the automaker's decision to cut fleet sales.

Buyers delayed purchases of the F-150—long the best-selling vehicle in the United States—until the 2015 model launched late last year, which then created a dip in sales.

But while F-150 sales may be inching up, the pace has been faster for the stylish Fiesta and Focus compact sedans, as well as the popular Escape crossover and Fusion midsize sedan.

Also up: the upscale Lincoln MKC crossover. And Ford is betting on the Lincoln MKC Black Label and other models set to roll into dealer showrooms in 2015 to help stabilize its bottom line. One is the iconic Mustang, redesigned inside and out, with a smoother ride and nifty safety system that automatically notifies authorities if there is a crash and whether the airbag was deployed and the seat belts were fastened.

GM SALES INCREASE DESPITE CADILLAC DRAG

Although U.S. sales of luxury brands have been strong, only the Escalade has pulled in big numbers for struggling Cadillac. Consumer response to the new Escalade SUV has nearly dou-



Ford Mustang

bled sales for the full-size SUV, but Cadillac's sportier fare—the small ATS and midsize CTS sedans, as well as the SRS crossover and others—have failed to spark much consumer interest.

Other models GM hoped would kick-start sales—such as the Chevy Malibu and Buick LaCrosse sedans, and the Buick Enclave crossover—didn't perform as well as expected. Malibu sales were so sluggish that Chevy ordered an emergency refresh for 2014, then moved up the launch date of the next-gen model from 2017 to 2016.

GM's "sales numbers are still good despite some of these disappointments," says analyst Brandon Mason, the Americas leader of PwC's Autofacts. And he notes that the company "has done well despite recalls."

There also has been unexpectedly high demand for the redesigned Chevy Colorado and GMC Canyon midsize pickups. GM hopes this holds true with other haulers, such as the GMC Yukon, Chevy Suburban and Chevy Tahoe. And then there's the redesigned Chevy Cruze sedan, GM's best-selling nameplate globally. It's built on the same platform as the Buick Verano, Chevy Equinox, Opel Astra and other vehicles.

Alas, muscle-car fans will have to wait another year for a Chevy Camaro redo to compete with the new Ford Mustang.

CHRYSLER CONTINUES TO SOAR

The only concern Chrysler dealers seem to have about FCA (Fiat Chrysler Automobiles) Group chief Sergio Marchionne is his succession plan. That's because Chrysler—the perennial third-place contender among the Big Three automakers—is now "wildly successful" thanks, say dealers and analysts, to Marchionne's focus on quality and innovation.

Dealer David Kelleher, David Auto Sales, Glen Mills, Pa., who has been with Chrysler more than 22 years, had very strong sales last year as he oversaw a major expansion of his dealership.

"You don't just replace someone like [Marchionne] with one person," says Kelleher, who puts the FCA Group chief way above Apple's late founder Steve Jobs and other successful innovators.

Many industry watchers rave about the sales of the Chrysler 200, with its stylish sheet metal and tech-laden cabin, as well as Jeep's Cherokee and Renegade.

"Jeep is red-hot, Wrangler is red-hot and so is the Grand Cherokee," says AutoTrends analyst Joe Phillippi. He notes there seems to be no limit on how much people will pay for a Grand Cherokee.

HONDA STAYS STEADY

Don't count Honda out of the race for increased market share on these shores. Yes, the automaker trimmed its sales forecast last year, citing tough competition and recalls. But analysts expect the automaker to pull ahead this year.

The all-new Honda HR-V small crossover will compete with the Jeep Renegade and Nissan Juke. It's based on the popular subcompact Fit hatchback.

Another plus: Acura models—including the all-new Acura TLX compact sedan—are expected to boost the company's sales this year. But unlike some automakers, any redesigned models or refreshes are not knee-jerk reactions.

"Honda traditionally takes long stretches between launches of big-volume products," says Chris Travell, vice president of automotive research group MaritzCx. "They tend not to rush products to market if they feel they're not ready."

Instead, the company works methodically to build and refine products while relying on its "world-class engines" to boost reliability.

NISSAN KEEPS THE SALES RISING

Nissan sales have been bolstered by the Versa, Sentra and Altima sedans. The Nissan Leaf EV and many Infiniti models also have been holding their own in market share. Nissan credits lower gasoline prices and higher consumer confidence with boosting its sales, specifically for the small Rogue and midsize Murano crossovers. Both saw double-digit sales growth last year.

How confident is Nissan? For the first time since 1997, the automaker will return to the Super Bowl. And to show just how

edgy it can be, Nissan recently became a sponsor of "The Voice" and entered into a partnership with Maroon 5 singer Adam Levine.

"Nissan has had a very strong year, with a number of new and refreshed products that compete in key segments, including the Sentra and Altima, while more are expected in 2015," says Terese-An Nguyen, analyst for PwC Autofacts. "Meanwhile, their Infiniti brand is going through a significant transformation in terms of nomenclature, number of offerings and styling—so the future certainly appears bright for both brands."

TOYOTA WORKS TO REGAIN FOOTING

Toyota loyalists kept the automaker's U.S. sales strong in 2014, helping it become the world's top-selling automaker for the third year in a row. The best sellers: the RAV4 and Highlander crossovers, and the Camry and Corolla sedans.

Now Toyota may push ahead of the competition with this year's redesigned Camry—launched just three years after the last redo, so the automaker was obviously feeling the heat. Toyota upped Camry's game by giving it Avalon-like styling, a more refined, luxe-like interior and sport-trimmed models with a firmer suspension, more aggressive grille and racy paddle shifters.

Lexus is trying to wow customers with two all-new vehicles: the sporty RC 350, aka the "Radical Coupe," and the NX 200t, which will go toe-to-toe—or wheel-to-wheel—with the Audi Q5, BMW X3 and other upscale crossovers.

And Scion—with some dated product—is working hard to be known as a brand of small, increasingly premium vehicles to try and stand out from the competition.



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HYUNDAI AND KIA CONTINUE TO BUILD

The whiz brands of 2012 and 2013—Kia and parent company Hyundai—shifted into lower gear in 2014 but were still able to move some 8 million vehicles. Hyundai maintains strong worldwide sales, including in emerging markets like Brazil, China and India.

The U.S. sales picture is getting brighter, too, thanks to high demand for the Hyundai Tucson crossover, Sonata midsize sedan and Hyundai Genesis large sedan, as well as the Kia Optima sport sedan and Sedona minivan. Also highly anticipated: a fuel-cell-powered Hyundai Tucson and an electric Kia Soul.

SALES OF EUROPEAN BRANDS BOOM

Booming sales of imported luxury cars here mirror the overall recovery of European vehicle sales since the 2008 global recession. Yet while car sales in Europe are expected to taper off, the outlook for European vehicles sold here remains bright.

Take Mercedes, with strong performance from its new C-Class and large S-Class sedans, as well as the small GLA and midsize M-Class crossovers. Porsche also is getting a boost from its large Cayenne and small, all-new Macan crossovers.

Maserati is on fire, with the U.S. being its main market, followed closely by China. The automaker has said repeatedly, though, that it wants to cap sales to keep the brand exclusive.

Expect sales of BMW's 3-, 4- and 7-Series sedans to remain strong, versus the more tepid response to the automaker's cross-

overs. And Audi is ratcheting up sales with its new A3—available in gas or diesel, and choice of sedan or convertible—as well as its small, midsize and large crossovers: Q3, Q5 and Q7.

But the news wasn't positive for all imports. Volkswagen numbers have been down, due in part to poor sales of the much-ballyhooed Passat.

"It's not like they are doing a poor job by any stretch of the imagination," says MaritzCx's Travell. "They are competing in popular segments with strong, entrenched competitors, including Toyota, Nissan and Ford. It's difficult to lure customers away from those manufacturers. Their customers are very loyal to the brands."

CHINA, INDIA AND BEYOND

More globally, analysts hailed China and India as powerhouse growth markets in recent years, but auto sales have slowed considerably. Still, there are parts of those countries that are economically strong and translate into high luxury sales for Audi, Mercedes and other luxury brands.

Government restrictions, including as a cap on the number of new-car registrations in some countries, have limited growth in Shanghai, Beijing and elsewhere. And one of many major roadblocks to auto sales in India is its poor infrastructure.

But the year is young, and a lot can happen by 2016. ■

Nancy Dunham is a contributing writer of NADA Convention Magazine.

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What a Concept



Chevy Chaparral 2X Vision Gran Turismo: In this laser-powered virtual car, the “driver”—who lies face down with legs splayed—wears a helmet, and instruments are projected onto the visor.

Cars of the not-so-distant future.

BY JOE PHILLIPS

Infiniti Vision GT Supercar: With its shark-like grille and fin-like spoiler, this luxury GT also has slick gullwing doors and aerodynamic fenders that help control air flow under the car.



SOMETIMES FANTASY IS BETTER THAN reality, as automakers design some recent concepts with Gran Turismo gamers in mind. Expect certain styling cues—like swoopy curves and close-cut fenders—to find their way onto production models. Just don't look for the Kia Sorento X-Men—with three sets of Wolverine claws, no less—in showrooms any time soon. Not all of the concepts here are PlayStation wannabes, of course. But all offer cutting-edge designs, along with some of the latest high-tech engines and gadgets—a winning combination to help drive showroom traffic.



Lincoln MKX Concept: Nimbler and more muscular than the current model, this concept boasts big 21-inch wheels, a more macho profile and a sleeker grille.



Lexus LF-C2: Trying to erase memories of its dowdy ragtops, this low-slung Lexus features gleaming burnt-yellow paint, a massive grille and 40-spoke chrome wheels.



Audi Prologue: Audi's pillar-less coupe has a 605-hp twin-turbo V8 and "rear-wheel steering," which allows the rear wheels to be angled up to five degrees for better high-speed handling.



Mitsubishi XR-PHEV: Few compact crossovers can go 53 miles on electricity alone, but this one also has a three-cylinder engine and a real-time network that provides the most efficient routes.

Toyota C-HR: Known more for bland designs, Toyota has now created a hot hybrid hatchback, with chiseled cheekbones and sassy spoiler above the raised rear end.



Mercedes G-Code: It's only 161 inches long, but this tiny "sport-ute coupe" is full of surprises, including a holographic grille and multi-voltaic silver paint that acts like a solar panel.



VW GTI Roadster, Vision Gran Turismo: Small but mighty, this lightweight GT has 20-inch wheels, a top speed of 192 mph and a boffo engine that helps it sprint from 0 to 60 mph in just 3.5 seconds.

Sales Trends

U.S. vehicle sales—and the economy—keep accelerating.

BY NANCY DUNHAM

THE YEAR IS BRIGHT FOR U.S. AUTOMAKERS and dealers as auto sales continue to motor along, leaving 2009—when vehicle sales were the worst since 1987—in the industry’s rearview mirror.

NADA Chief Economist Steven Szakaly, who credits low interest rates, falling gasoline prices and rising employment with the growth, is forecasting U.S. new-vehicle sales to hit 16.94 million by year-end—about a 3 percent increase over 2014.

But while the economy will continue to grow as fundamental conditions improve, Szakaly says certain factors could lower the forecast somewhat. “Existing-home sales will remain sensitive to interest rate increases and could easily dampen new-home construction, and this would reduce sales of light trucks.”

Still, although economic factors are always variable, Szakaly remains optimistic about auto sales. “Gross domestic product should grow at 3.1 percent, with the potential for growth to exceed our forecast.”

New-vehicle sales might even rise above 17 million units in 2015, but Szakaly says to meet that target, automakers and dealers would need to boost incentives.

EMPLOYMENT, WAGES AND CREDIT

As for U.S. employment, dealers can expect it to shift up a gear. “Growth is now well above 200,000 jobs per month,” says Szakaly, “and our forecast is 242,000 new jobs on average per month the rest of the year.”

Such an improvement should boost wages and incomes, with disposable income rising by some 2.5 percent. Corporate profits also are on track to increase a healthy 6.7 percent.

But talk of increased wages often leads to fears of inflation. Szakaly says other factors will counter inflation, including a reduced demand “from emerging markets—such as China—for commodities and raw materials. This will ease pressure on prices for U.S. companies.” The stronger dollar also will dampen inflationary pressure, Szakaly says, “by maintaining downward momentum on import prices for goods and services.”

AUTO LOANS AND GAS PRICES

Consumers have responded to low interest rates and higher wages by spending more on new vehicles. The average price for a new car is about \$34,000, up from \$31,800 in 2013.

Although Szakaly expects long-term rates on auto loans to



rise steadily by 125 to 150 points this year, he says low oil and gasoline prices will help counter the rate increase.

“Lower oil prices, which translate into lower gas prices at the pump, increase household spending on other goods and services,” Szakaly says. So if oil and gasoline prices remain low through the year, consumers could return in even greater numbers to the light-vehicle market during the second half of 2015.

USED-VEHICLE OUTLOOK

Strong economic conditions and low interest rates fueled demand for used cars in 2014, marking five years of growth since the end of the recession in 2009, says Jonathan Banks, senior director of vehicle analysis and analytics, NADA Used Car Guide.

Yet there are storm clouds on the horizon: the rising number of off-lease vehicles, threats of higher new-vehicle incentives and lower pent-up demand. These factors, combined with more used cars on the market, will push used-car prices down in 2015. “Used-car price declines are part of a natural cycle as the economy recovers,” says Banks, “but expect a strong economy and better-quality vehicles to keep declines moderate.”

The positive, of course, is that the influx of high-quality,

late-model used cars may attract some consumers, especially those who find the purchase of a new car financially unfeasible. “NADA expects dealer participation in the used-vehicle market will continue to play a pivotal role in dealership profitability,” says Banks. “This will be supported by a record number of certified pre-owned models, and affordable used-vehicle prices.”

GLOBAL MARKETS AND OTHER RISKS

Of course, no forecast can account for all real-world risks. Szakaly cautions that there are some global and domestic concerns that could alter the GDP forecast in the United States.

In particular, he estimates the GDP growth rate in China will slow to 6.4 percent in 2015 and 5.9 percent in 2016.

In addition, Eurozone growth remains weak, with its GDP likely to grow at only 1.4 percent this year. The good news: Auto sales in Europe are slowly rebounding, with new-car registrations up by more than 6 percent last year.

For now, though, Szakaly notes that U.S. economic growth is on track and hasn't been derailed by interest rates or global conditions. For dealers, that means strong vehicle sales ahead. ■

Nancy Dunham is a contributing writer of NADA Convention Magazine.

SALES TRENDS

Average dealership profile

Light-Duty Vehicle Sales

In millions

	Oct. YTD 2014	% chg.	Full year 2013
Domestic cars	4.70	1.9%	5.4
Import cars	1.76	-1.4%	2.2
Total cars	6.45	1.0%	7.6
Light-duty trucks	7.19	9.7%	7.9
Total light-duty vehicles	13.64	5.4%	15.5

Balance Sheet Ratios (YTD Sept.)

Net debt to equity 0.99
(Total liabilities less floor plan to net worth + LIFO)

Current ratio 1.30
(Current assets to current liabilities)

Service and parts absorption 56.0%
(Service and parts gross profits divided by total fixed overhead expense)

Return on equity 33.1%

Source: NADA Industry Analysis Division

	YTD September 2014	YTD September 2013	Percent change
Total sales	\$33,678,587	\$31,420,026	7.2%
Total gross	\$4,478,259	\$4,256,592	5.2%
As % of total sales	13.3%	13.5%	
Total expense	\$3,642,600	\$3,469,711	5.0%
As % of total sales	10.8%	11.0%	
Net profit before taxes	\$835,659	\$786,881	6.2%
As % of total sales	2.5%	2.5%	
New-vehicle sales	\$19,318,240	\$17,872,113	8.1%
As % of total sales	57.4%	56.9%	
Used-vehicle sales	\$10,547,113	\$9,943,625	6.1%
As % of total sales	31.3%	31.6%	
Service and parts	\$3,813,234	\$3,604,288	5.8%
As % of total sales	11.3%	11.5%	
Advertising expense	\$333,173	\$320,754	3.9%
As % of total sales	0.99%	1.02%	
Per new vehicle retailed	\$594	\$599	-0.9%
Rent and equivalent	\$318,682	\$309,160	3.1%
As % of total sales	0.95%	0.98%	
Per new vehicle retailed	\$568	\$578	-1.7%
New-vehicle floor-plan interest	(\$59,774)	(\$43,980)	35.9%
As % of total sales	-0.18%	-0.14%	
Per new vehicle retailed	(\$107)	(\$82)	29.7%
Average new-vehicle selling price (retail)	\$32,226	\$31,391	2.7%
Gross as % of selling price	3.69%	3.82%	
Average gross profit	\$1,190	\$1,198	-0.7%
Average used-vehicle selling price (retail)	\$18,789	\$17,967	4.6%
Gross as % of selling price	12.68%	13.25%	
Average gross profit	\$2,382	\$2,380	0.0%

Average dealership profile

Light-Duty Vehicle Sales

In millions

	Nov. YTD 2014	% chg.	Full year 2013
Domestic cars	5.1	2.2%	5.4
Import cars	1.9	-2.5%	2.2
Total cars	7.0	0.9%	7.6
Light-duty trucks	7.9	9.7%	7.9
Total light-duty vehicles	14.9	5.3%	15.5

Balance Sheet Ratios (YTD Oct.)

Net debt to equity 0.98
(Total liabilities less floorplan to net worth + LIFO)

Current ratio 1.31
(Current assets to current liabilities)

Service and parts absorption 56.4%
(Service and parts gross profits divided by total fixed overhead expense)

Return on equity 32.7%

Source: NADA Industry Analysis Division

	YTD October 2014	YTD October 2013	Percent change
Total sales	\$37,321,711	\$34,824,092	7.2%
Total gross	\$4,967,287	\$4,717,730	5.3%
As % of total sales	13.3%	13.5%	
Total expense	\$4,045,264	\$3,851,920	5.0%
As % of total sales	10.8%	11.1%	
Net profit before taxes	\$922,023	\$865,810	6.5%
As % of total sales	2.5%	2.5%	
New-vehicle sales	\$21,349,878	\$19,775,273	8.0%
As % of total sales	57.2%	56.8%	
Used-vehicle sales	\$11,703,270	\$11,013,515	6.3%
As % of total sales	31.4%	31.6%	
Service and parts	\$4,268,563	\$4,035,304	5.8%
As % of total sales	11.4%	11.6%	
Advertising expense	\$371,264	\$358,124	3.7%
As % of total sales	0.99%	1.03%	
Per new vehicle retailed	\$601	\$608	-1.1%
Rent and equivalent	\$353,523	\$344,054	2.8%
As % of total sales	0.95%	0.99%	
Per new vehicle retailed	\$572	\$584	-2.0%
New-vehicle floor-plan interest	(\$68,292)	(\$51,814)	31.8%
As % of total sales	-0.18%	-0.15%	
Per new vehicle retailed	(\$111)	(\$88)	25.7%
Average new-vehicle selling price (retail)	\$32,335	\$31,501	2.6%
Gross as % of selling price	3.68%	3.81%	
Average gross profit	\$1,190	\$1,200	-0.8%
Average used-vehicle selling price (retail)	\$18,796	\$18,000	4.4%
Gross as % of selling price	12.60%	13.20%	
Average gross profit	\$2,369	\$2,375	-0.3%

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The Franchise Network

NADA's "Get the Facts" initiative: How franchised new-car dealers benefit consumers.

BY CHARLES CYRILL

IN A NUMBER OF STATES ACROSS THE COUNTRY, auto franchise laws have been at the forefront of the news and public debate. But what policymakers sometimes miss are the various reasons why car buyers, automakers and local communities benefit from—in fact, cannot really do without—the new-car dealer network.

"Dealers compete fiercely with one another on price, financing and service, which drives down costs for our customers," says 2014 NADA Chairman Forrest McConnell. "Automakers choose to sell new cars through their dealer retail networks because it's the most competitive, cost-effective and pro-consumer way to retail new vehicles."

In June, NADA launched its "Get the Facts" initiative to promote the benefits of franchised dealers. The program includes a website (nada.org/GetTheFacts), animated videos, marketing materials and research papers. NADA has worked closely with the ATAEs—the state and metro-area Automotive Trade Association Executives—and dealers to promote the program.

"Dealers have a great story to tell, about the benefits of price competition, warranty and recall accountability, competitive financing, and local economic benefits," says NADA

Vice President of Public Affairs Jonathan Collegio, "and the time has come for us to start telling it."

PRICE COMPETITION

Consumers spend an average of 11 hours shopping online for a new car. "Between e-mails to the sales manager and visits to the dealership, car buyers can leverage that competition to get great prices on vehicles. And lower prices result in more sales, for both dealers and manufacturers," says McConnell, a Honda and Acura dealer in Montgomery, Ala.

Within a 10-mile radius of most American cities and towns, multiple dealers compete with one another for business. "So when a dealer competes on pricing with the dealer down the street or online," McConnell says, "consumers, manufacturers and local communities all win."

James Lentz, CEO of Toyota North America, agrees. "Our dealers know their markets better than we ever can. They compete against one another to provide Toyota customers with the best buying and service experience possible." Lentz also stresses the sales and service expertise at dealerships. "Toyota, Lexus and Scion dealers are among our most valuable business partners. They are



Franchise facts:
nada.org/GetTheFacts is for
 consumers, policymakers
 and the media.

the experts at every aspect of selling and servicing our products.”

And contrary to popular belief, dealership profitability is razor thin, often remaining flat from year to year. Average net pre-tax profit at new-car dealerships has averaged about 2 percent each year, says *NADA Data*, the association’s annual report on dealership financial trends. As a percentage of total sales, the 2 percent figure represents sales in the new-vehicle, used-vehicle, and service and parts departments.

“Fierce price competition—whether from online research, a network of competing franchised dealers or compelling new vehicles—continues to dominate an industry with slim retailing margins,” says NADA Chief Economist Steven Szakaly.

AUTO FINANCING

Dealer-assisted financing provides great value and competitive advantages, which save car buyers billions of dollars each year, says McConnell. “The proof is in the numbers. Despite the fact that dealer-assisted financing is always optional, a large majority of car buyers still choose to finance their vehicles through dealers.”

Dealers provide customers with access to multiple banks and finance companies that they couldn’t otherwise access. The re-

sult: discounted rates on auto loans. “Not only can dealers typically meet or beat the rate a consumer gets from his or her own bank,” McConnell adds, “but dealers often get car buyers a better rate at their own bank than the buyers can get on their own.”

One of NADA’s top priorities for 2015 is to preserve the ability of new-car dealers to offer customers competitively priced auto loans right in the showroom. “America’s auto finance market is highly competitive for car buyers, and we want to keep it that way,” says 2015 NADA Chairman Bill Fox.

To keep auto loans affordable and accessible for car buyers, NADA is urging members of Congress to cosponsor legislation that will rescind the Consumer Financial Protection Bureau’s (CFPB) flawed auto-finance guidance, issued in March 2013.

“NADA’s optional Fair Credit Compliance Program for dealers is a central means of addressing the fair-credit concerns,” says Fox, a partner at Fox Dealerships, which sells Chevrolet, Chrysler, Dodge, Honda, Jeep, Ram, Scion, Subaru and Toyota vehicles in upstate New York.

“We’ll also work to ensure that any future guidance issued by the CFPB on auto finance is the result of a transparent and

(Continued on page 36)

A middle-aged man with grey hair, wearing a dark grey suit, white shirt, and patterned tie, is smiling and sitting at a desk. His hands are clasped in front of him. In the background, several cars are visible, suggesting a dealership or automotive setting. A blue circular graphic is in the top right corner.

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(Continued from page 33)

informed process,” Fox adds. “Many of the problems that resulted from the CFPB’s guidance could have been avoided had the process simply been more open and informed.”

SERVICE WORK AND ECONOMIC BENEFITS

Dealers also compete with one another on service, warranty and recall work, and have become more competitive in marketing their service operations. That’s why car owners often receive mailers or online ads for service from competing dealers.

“We need people in the individual communities to serve those customers; we couldn’t do that from a central location,” says Joseph Hinrichs, executive vice president and president, the Americas, Ford Motor Company. “And so our dealers are the embodiment of Ford Motor Company in their local communities—both in how they sell and service our vehicles to the consumers.”

Warranty work by new-car dealers was \$14.4 billion in 2013—all at no cost to the customer. And 2014 was a record year for recalls. More than 60 million vehicles were recalled for problems ranging from faulty ignition switches to defective airbags.

“New-car dealers play a vital role in ensuring that defective and nonconforming vehicles are fixed and made safe to drive,” says McConnell. “With wide distribution and service channels, franchised dealers can respond to recalls faster and more efficiently than a single manufacturer or factory store ever could. When dealers are called upon to address a recall, they help get their customers back on the road and restore confidence in the brand.”

New-car dealerships provide huge economic benefits to local communities, generating more than 15 percent of all state and local tax revenue. Nearly 96 percent of the country’s 17,800-plus new-car dealerships are locally and privately owned. New-car dealers employ more than 1 million people with well-paying jobs that cannot be outsourced or sent overseas.

“The system works well because there are entrepreneurs—dealer principals—investing in the facilities and the people locally, to serve customers,” Hinrichs says. “And it’s served us well for over 110 years, and will continue to serve us well in the future.”

New-car dealers bear the cost and risks of the retail investments—at virtually no cost to manufacturers. “U.S. dealers have collectively invested more than \$200 billion nationwide, signing their names to massive financial commitments,” says McConnell. “Dealers have real skin in the game.”

“Our dealers have invested so much of their hard-earned money—and sweat equity—into their businesses,” adds Toyota’s Lentz. “When they succeed, *we* succeed.”

PROMOTING THE FACTS

There has long been a disconnect between the business reality of the franchise system and what the public actually understands about it. NADA’s “Get the Facts” initiative seeks to set the record straight with consumers, policymakers and the media about the system’s benefits.

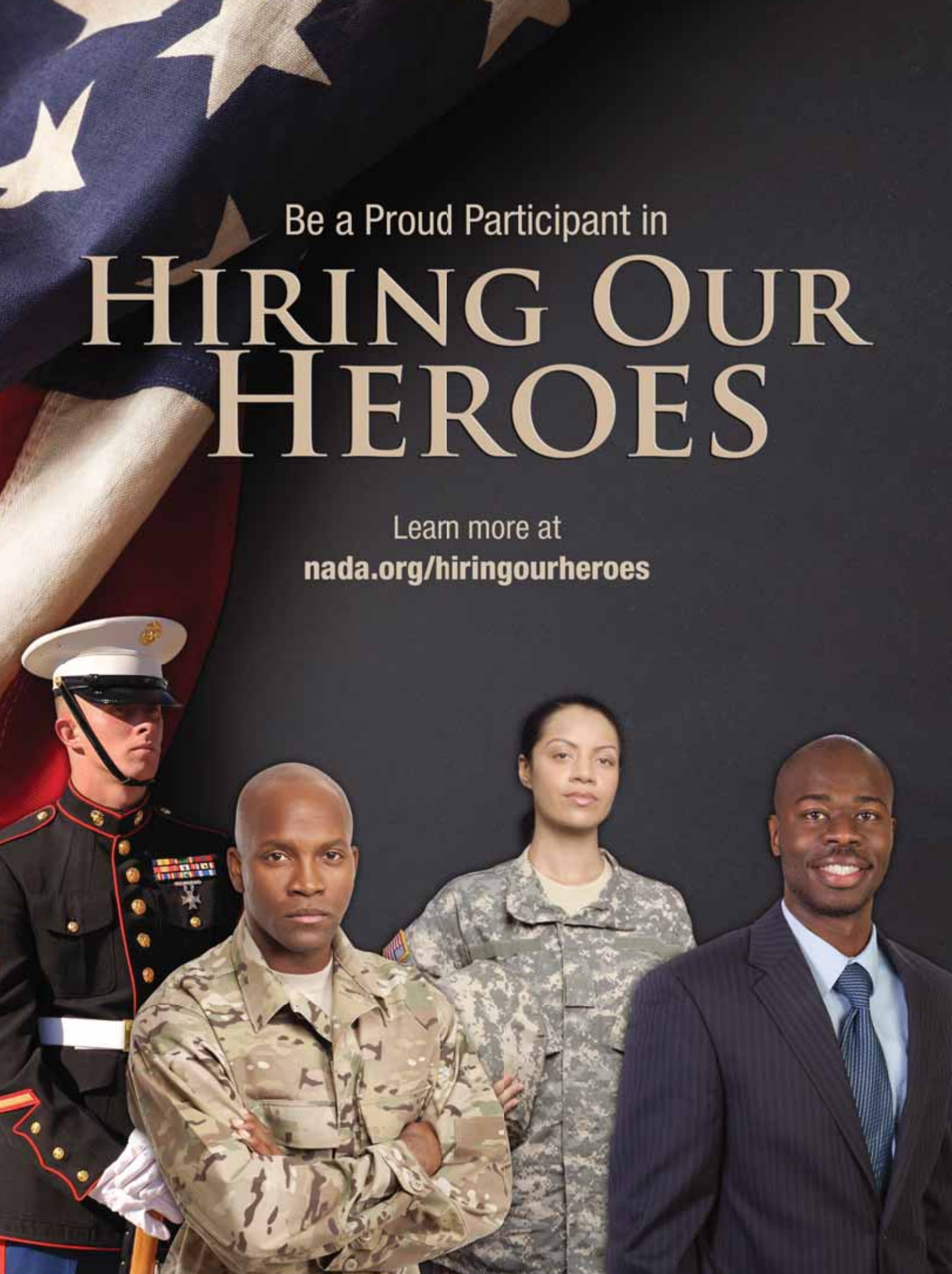
“Dealers need to be out there promoting the price competition, warranty and recall accountability, and local economic benefits that dealerships bring to communities everywhere,” says 2015 NADA Chairman Fox. “How many people know that dealers make only 2 percent on new-car sales because of fierce price competition? That competition by local same-brand dealers can lower prices by several hundred dollars? That dealers serve as an advocate for their customers in a warranty and recall claims? Or that dealers nationwide provide 1 million jobs, which pay an average \$53,000 per year plus benefits?”

Price competition on vehicle sales, financing and service is America’s real dealer franchise system. “When dealers compete, everyone wins,” McConnell says. “The dealer franchise system isn’t just a good deal for us. It’s a great deal for everyone.” ■

Charles Cyrill is senior associate editor of NADA Convention Magazine.

Dealer-assisted financing keeps loans affordable and accessible for car buyers.



A large American flag is draped across the top left of the image, with its stars and stripes clearly visible. The background is a dark, solid color.

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NextGen Dealers

New program is fueling the industry's future leadership.

BY CHARLES CYRILL

AS SOME BOOMER AND OLDER DEALERS get set to retire, a wave of Gen Xers and millennials—or Gen Yers—are about to step in. But are they ready?

The answer is yes...soon.

For decades, NADA and its American Truck Dealers (ATD) division have prepared future dealers and general managers to run their dealerships. The popular NADA and ATD Academy programs offer online courses and classroom training.

But NADA and ATD saw a need to cultivate future leaders who were younger, more tech-savvy and interested in becoming “influencers,” not simply in their social media spheres and dealerships, but also on Capitol Hill and in state legislatures.

The result is NADA's new NextGen program.

MENTORS, PEERS AND CAPITOL HILL

“Our NextGen program, which continues to evolve, offers various initiatives to help up-and-coming dealers and managers become successful business leaders in their communities and to get them more involved with their national trade association,” says NADA President Peter Welch. “They can learn from mentors, meet with peers at networking events, and learn about important industry, legislative and regulatory challenges facing dealers.”

Recognizing the need for diverse perspectives on issues, NADA and ATD have also appointed NextGen dealers to serve on several association committees.

And Academy students now attend a policy briefing in NADA's Capitol Hill office. They learn about regulatory and legislative issues that affect dealerships and how to be more involved in grass-roots efforts. They also take a tour of the U.S. Capitol.

“Just like in sales, when you're working on a legislative issue, you have to be persuasive, persistent and close the deal,” says Ivette Rivera, NADA vice president of legislative affairs. “The earlier we start in the policy process, the more successful we can be.”

NextGen dealers say the briefings are very helpful. Andrew G. Linn III, a second-generation dealer at Southland International Trucks in Homewood, Ala., says the topics discussed are key to dealers and their customers. “It is very important to highlight these issues with our elected officials so that they understand the impact they can have on our business and industry.”

GAINING CONFIDENCE AND KNOWLEDGE

During NADA's annual Washington Conference last fall, nearly 70 younger dealers attended a dedicated NextGen program, which included a networking reception, a legislative briefing on



key public policy issues, a workshop on how to lobby elected officials effectively, a luncheon with a member of Congress and a bus tour of D.C. monuments.

Nancy Tonkin-Zoucha, e-commerce director at Ron Tonkin Family of Dealerships, Portland, Ore., attended the Washington Conference and says the NextGen program creates a solid link between industry leaders and younger dealers. “These NextGen members can gain the confidence and knowledge they need to grow and shape the future of the industry.”

New for 2015: NADA’s political action committee, the Dealers Election Action Committee (DEAC), will launch a NextGen Leadership Club to encourage young dealers and dealership successors to get more politically involved.

ATD’S NEXTGEN PROGRAM

ATD launched its NextGen program three years ago. “The principles of our program are primarily education and networking for future truck dealers and managers,” says ATD NextGen Chairman Chad Remp, operations manager of Wheeling (W.Va.) Truck Center.

Remp, a fourth-generation dealer, says a major focus is growing the program by getting more people involved through

social media, holding networking events and offering NextGen workshops during the NADA/ATD Convention & Expo.

ALL ABOUT BEING A LEADER

Is the NextGen program having an impact? Last year, 387 students graduated from the Academy—an 18 percent increase from 2013. The curriculum—including the time now spent on Capitol Hill learning about legislative and policy issues—is so popular that Academy classes are nearly sold out for this year, so the Academy is taking registrations for 2016.

“The NextGen program has little to do with age or ownership,” says Allen Phibbs, director of the NADA and ATD Academy. “It has everything to do with leadership and who will lead the next generation of car and truck dealers. There are going to be more professional managers leading the industry than successors and private owners. That’s the direction we’re going.”

Young leaders can be involved as much as they want to in the NextGen program. And that’s a good thing for NADA, and for dealership leaders of the future.

(For more on NADA’s NextGen initiatives, contact Erin Fernandez at efernandez@nada.org.) ■

Charles Cyrill is senior associate editor of NADA Convention Magazine.

Leading the Team

2015 NADA Chairman William C. Fox knows how to play both offense and defense to help dealers succeed.

BY AMANDA DELUCA

BILL FOX HAS ALWAYS BEEN an avid car lover. “I love all cars,” he says. “It’s how I was raised. It is part of my genetic make-up. It’s in my blood.”

Fox, whose father was a used-car wholesaler, has spent his entire life going to auctions, which he says “is just as much fun now as it was when I was 18.” And along the way, he has built a dynamic, successful career as a new-car dealer.

Now Fox will be giving back to the industry he loves so much as the 2015 NADA chairman, taking office at the convention in San Francisco. “I want to make a contribution,” says Fox, owner of Fox Dealerships in the upstate New York cities of Auburn and Phoenix. “I want NADA to continue to shape the future of this important industry.”



Fox shooting hoops at a school near his dealership

BUILDING A CAREER

Fox attended Georgetown University in Washington, D.C., and played basketball—an experience he calls a “life-long lesson that served me well.” He went on to law school at St. Johns University in New York and practiced law for 12 years before joining the retail automotive business with his sister, Jane.

Today, they sell Chevrolet, Chrysler, Honda, Jeep, Ram, Scion, Subaru and Toyota vehicles at four different dealerships.

WORKING WITH NADA

Fox joined NADA in 1979, the year he became a new-car dealer. In 2006, he was elected to the NADA board of directors. “I wanted to make a difference,” he says of his decision to get involved with the association.

Bill Fox says the future is bright for dealers.



Fox has since participated in nearly every part of NADA. He has served as a trustee and finance chair of Dealers Election Action Committee, as chairman of both the public affairs and regulatory affairs committees, and then as NADA vice chairman.

“Being involved with NADA is a wonderful challenge that I look forward to every day,” Fox says.

Fox (no. 31) during his glory days on the basketball team at Georgetown University



NEXT UP

One of Fox’s top priorities for 2015 is promoting the dealer franchise system. “We are working with state and metro associations to show that the current system is the most cost-effective, professional way to distribute and service vehicles to the public,” he says.

Other imperatives on Fox’s list include mitigating the threat to dealers’ ability to discount financing and enforcing data security to protect consumer information.

Fox foresees several outside issues having an impact on the industry, including the 2016 election and health care. He emphasizes that the impact of excessive regulations is “enormous” and cannot be passed on to consumers.

“NADA has the responsibility and challenge to educate regulators,” says Fox. The auto industry is currently “under the biggest test” it has ever faced.

On the other hand, Fox believes the road ahead to be a promising and exciting one. “We have a great group of young people behind us who are going to do great things for the industry,” says Fox, who plans to ramp up the NADA NextGen program for up-and-coming dealers.

“This is our time to show that, without a doubt, dealers and the dealership network are the future.” ■

Amanda Deluca is associate editor of NADA Convention Magazine.

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(Massachusetts)



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Jack Kain Ford
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(Kentucky)



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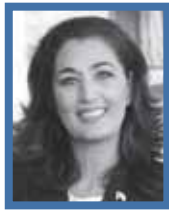
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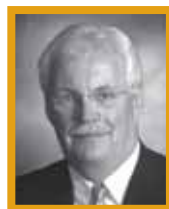
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Galpin Ford, Inc.
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(Arizona)

Century Dealers

For more than 100 years, these dealers have remained strong.

BY JOE PHILLIPS

MANY DEALERSHIPS WERE ORIGINALLY BLACKSMITHS or wagon makers before selling automobiles. The NADA Century Award celebrates those dedicated dealerships that have been in the transportation business for 100 years or more (to apply for the award, visit nada.org/centuryaward). Here is a look at current NADA Century Award winners.



1847 | **W. Hare & Son, Inc.**
Noblesville, Indiana



1852 | **Schaefer & Bierlein, Inc.**
Frankmuth, Michigan



1859 | **Reynolds' Garage & Marine, Inc.**
Lyme, Connecticut



1875 | **Kemmann Chevrolet, Inc.**
Lowden, Iowa



1875 | **Normandin Chrysler/Jeep**
San Jose, California



1885 | **Moser Motor Sales Inc.**
Berne, Indiana



1903 | **Tenvoorde Ford, Inc.**
St. Cloud, Minnesota



1895 | **Ferman Motor Car Co., Inc.**
Tampa, Florida



1897 | **Hill International Trucks, LLC**
East Liverpool, Ohio



1898 | **Eich Motor Co.**
St. Cloud, Minnesota



1900 | **Diehl Ford, Inc.**
Bellingham, Washington



1901 | **King BMW**
Freehold, New Jersey



1902 | **Suttle Motor Corp.**
Newport News, Virginia



1903 | Wentworth Chevrolet, Inc.
Portland, Oregon



1904 | Martens Cars
Washington, D.C.



1905 | Claude Nolan Cadillac
Jacksonville, Florida



1906 | Smart Chevrolet Co.
Pine Bluff, Arkansas



1907 | Butts Motors, Inc.
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1907 | Garber Buick
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1907 | Hulsizer Chevrolet
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1907 | Luck Chevrolet
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1908 | Goodwin Bros. Auto
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Madison, Wisconsin



1907 | Wegner Auto Co.
Pierre, South Dakota



1908 | Don Drennen Motor Co.
Hoover, Alabama



1908 | **I.G. Burton and Company, Inc.**
Milford, Delaware



1910 | **Grovert Motor Co.**
Newhall, Iowa



1910 | **Sames Motor Co.**
Laredo, Texas



1910 | **Tiffany Motor Co.**
Hollister, California



1910 | **The Hersrud Co.**
Sturgis, South Dakota



1911 | **Barry Motor Co.**
Danbury, Iowa



1911 | **Hight Auto Group**
Skowhegan, Maine



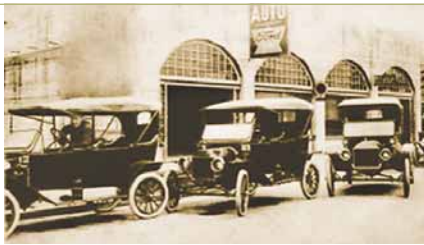
1911 | **Dahl Automotive**
Onalaska, Wisconsin



1911 | **Chuck Colvin Auto**
McMinnville, Oregon



1911 | **Schallau Motor Co.**
Van Horne, Iowa



1911 | **Kelleher Motor Co.**
Ellensburg, Washington



1912 | **C. Speck Motors**
Sunnyside, Washington



1912 | **Witt Buick**
Muskegon, Michigan

Service and Parts Department

- Clean Air Act
- Clean Water Act
- DOT hazardous-materials-handling procedures
- FTC Used Parts Guide
- IRS Core Inventory Valuation
- LIFO/FIFO inventory accounting method
- NHTSA tampering rules
- NHTSA tire rules
- OSHA asbestos standards
- OSHA Hazard Communication Standard
- OSHA lock-out/tag-out procedures
- OSHA workplace health and safety standards
- RCRA
- Safe Drinking Water Act
- Superfund
- UNICAP

All Departments (Customer)

- Americans With Disabilities Act
- CAN-SPAM Act
- Driver's Privacy Protection Act
- Electronic Funds Transfer Act
- FTC Privacy Rule
- FTC prohibition against deceptive and unfair trade practices
- FTC Safeguards Rule
- FTC Telemarketing Sales Rule
- FTC Written Warranty Rule
- IRS Cash-Reporting Rule
- Magnuson-Moss Act
- OFAC restrictions
- Telephone Consumer Protection Act
- USA PATRIOT Act

New- and Used-Vehicle Sales Departments

- American Automobile Labeling Act
- CAFE and GHGs Rules
- Diplomat vehicle purchases
- DOE/EPA gas-mileage guide
- Federal bankruptcy law
- FTC Door-to-Door Sales Rule
- FTC guidelines for fuel-mileage advertising and alternative-fueled-vehicle advertising and labeling
- FTC Used Car Rule
- Gray-market vehicles
- IRS treatment of salesperson incentives
- LIFO inventory accounting method
- Heavy-highway-vehicle excise tax
- Motor vehicle tax credits
- Monroney sticker (Price Labeling Law)
- NHTSA alteration and tire-placarding rules
- NHTSA odometer rule
- NHTSA recall regulations
- NHTSA safety belt/airbag deactivation
- NHTSA tire regulations
- School van sales
- UNICAP

F&I Department

- Dodd-Frank Financial Reform Law
- Equal Credit Opportunity Act
- Fair Credit Reporting Act
- FACT Act of 2003
- FTC Credit Practices Rule
- FTC Holder-in-Due-Course Rule
- Gramm-Leach-Bliley Act
- Producer-Owned Reinsurance Companies
- Truth in Lending and Consumer Leasing Acts

All Departments (General Management/Personnel)

- Affordable Care Act
- Age Discrimination in Employment Act
- Americans With Disabilities Act
- COBRA
- Electronic deposit of taxes
- Electronic records retention
- Emergency-response planning
- Employee drug testing
- Employee Polygraph Protection Act
- ERISA
- Employee Verification Rules
- Equal Pay Act
- Estate tax
- Family and Medical Leave Act
- Federal child-support enforcement regulations
- Federal Civil Rights Act
- FTC Repossession Rule
- Federal wage-hour and child labor laws
- Genetic Information Nondiscrimination Act
- Health Insurance Portability and Accountability Act
- IRS/DOL worker classification
- IRS treatment of demo vehicles
- IRS treatment of tool plans
- Mandatory workplace posters
- Mental Health Parity Act
- Miscellaneous record-keeping requirements
- Newborns' and Mothers' Health Protection Act
- NLRB Unionization Rules
- OSHA Blood-Borne Pathogens Rule
- OSHA injury and illness recording and reporting requirements
- Section 89 of the Tax Reform Act
- Section 179 expensing
- USERRA
- WARN

Body Shop

- Clean Air Act
- EPA hazardous-waste rules
- OSHA Hazard Communication Standard
- OSHA Respiratory Protection Standard
- OSHA workplace health and safety standards
- UNICAP
- VIN and parts marking

THE REGULATORY MAZE

Our annual list of major federal regulations; state and local laws also apply and sometimes include additional requirements.

IN ADDITION TO THIS LIST OF FEDERAL LAWS and regulations, be sure to consult www.nada.org/regulatory_affairs for more details.

All Departments (General Management/Personnel)

- **Affordable Care Act:** Extensive health-care reforms enacted in 2010 affect dealerships and their health-care plans. For example, most large dealerships (with more than 50 full-time employees) must have decided by January 1, 2015, whether they will offer health coverage that meets the federal requirements or pay a penalty. Many additional reporting, record-keeping and other duties apply to dealerships and other businesses. For more information, visit www.healthcare.gov.
- **Age Discrimination in Employment Act:** Protects older individuals against age-based employment discrimination.
- **Americans With Disabilities Act (ADA):** Dealerships with 15 or more employees must reasonably accommodate disabled workers and job applicants.
- **Consolidated Omnibus Budget Reconciliation Act (COBRA):** Requires dealerships with 20 or more employees to continue health-care coverage for ex-employees and their families for 18 to 36 months, depending on circumstances.
- **Electronic deposit of taxes:** Dealerships having more than a de minimis amount of aggregate depository taxes generally must deposit through the Electronic Federal Tax Payment System.



- **Electronic records retention:** Revenue Procedure 98-25 explains the IRS requirements for retaining computerized accounting records.
- **Emergency-response planning:** Federal, state and local laws require dealers to have emergency-response plans.
- **Employee drug testing:** Unionized dealerships must bargain with unions before implementing employer drug policies (not necessary for pre-employment drug testing). The ADA prohibits employers from discriminating against employees or applicants who have completed or are currently undergoing a drug treatment program, as long as they aren't currently abusing drugs.
- **Employee Polygraph Protection Act:** Prohibits dealerships from using polygraphs in pre-employment screening; allows use in limited cases where an employee is reasonably suspected of a workplace incident involving economic loss to the employer.
- **Employee Retirement Income Security Act (ERISA):** Dealers offering retirement or health plans must, among other things, provide employees with plan information, keep records, and abide by fiduciary responsibilities and other obligations.
- **Employment Verification Rules:** Dealerships must verify the employment eligibility of prospective new employees using I-9 form and proper support documentation. Use of E-verify is optional.
- **Equal Pay Act:** Prohibits wage discrimination on basis of sex.
- **Estate tax:** The top rate was 40 percent on amounts over \$5.34 million (for individuals) in 2014, and increased to \$5.43 million in 2015.
- **Family and Medical Leave Act:** Dealerships must post a notice informing employees of their right to take limited, unpaid leave for personal and family medical emergencies and must comply with appropriate requests for such leave. Special provisions apply to leave related to military service. Dealerships must display the revised Family and Medical Leave Act poster from February 2013.
- **Federal child-support enforcement regulations:** Requires states to govern liens put on personal property—including vehicles—for overdue child support. Dealerships should check that child-support liens don't exist on used cars, and must place liens on wages of employees who are delinquent on child-support payments.
- **Federal Civil Rights Act:** Bars employment discrimination on the basis of race, sex, color, religion or national origin. Prevents employers from asking job applicants certain questions (such as

age, marital status or childbearing plans). Prohibits workplace sexual harassment, including behavior that creates a hostile work environment.

- **FTC Repossession Rule:** Requires formal accounting of money collected for repossessed vehicles.
- **Federal wage-hour and child labor laws:** Address minimum-wage and overtime pay standards and exemptions as well as standards for employing minors, including teen driving restrictions. Federal minimum wage is \$7.25 per hour; state minimum wage rates may be higher.
- **Genetic Information Nondiscrimination Act:** Prohibits discrimination based on health-related employee DNA information.
- **Health Insurance Portability and Accountability Act:** Generally prohibits health insurers from denying coverage to workers who lose or change jobs and bars insurers from excluding coverage for preexisting conditions for more than a year.
- **IRS/DOL worker classification:** The IRS has launched a Voluntary Classification Settlement Program (VCSP) aimed at encouraging employers to admit to past worker misclassifications. When making worker classification decisions, dealerships should be careful, be conservative and be prepared to document their decisions. The IRS and the Department of Labor use multi-factor legal standards and tests to evaluate whether workers are "employers" or "independent contractors." Of greatest importance: the level of control employers exercise over workers as measured by the means and manner of the work performed.
- **IRS treatment of demo vehicles:** Revenue Procedure 2001-56 offers dealers alternative methods for determining the value of demo use by qualified salespeople and other dealership employees. It defines what constitutes limited personal use and streamlines record-keeping requirements.
- **IRS treatment of tool plans:** Tool and equipment plans for service technicians and other employees must comply with the IRS's requirements for business connection, substantiation and return of excess payment.
- **Mandatory workplace posters:** Notices, such as "Your Rights Under the FMLA," "Equal Employment Opportunity Is the Law," "Federal Minimum Wage" and "Notice: Employee Polygraph Protection Act," must be conspicuously displayed. Dealerships must display the revised Family and Medical Leave Act poster from February 2013.
- **Mental Health Parity Act:** Requires insurers and health plans to offer mental illness coverage comparable to that for physical illness. Group health plans may not set dollar limits on mental health care lower than limits for general medical and surgical services. Nothing requires dealerships to provide mental health coverage, and certain exemptions apply.
- **Miscellaneous record-keeping requirements:** A multitude of requirements govern the length of time records must be maintained. Examples: Personal and corporate income tax records must be kept at least three years; notification forms for underground storage tanks must be kept indefinitely; and copies of Form 8300 cash reports must be kept for five years.

- **Newborns' and Mothers' Health Protection Act:** Employers and insurers must provide minimum hospital-stay benefits.
- **National Labor Relations Board (NLRB) unionization rules:** Govern unionization activities, including employee rights, election rules, postings, unfair labor practices and others.
- **OSHA Blood-Borne Pathogens Rule:** Dealerships more than four minutes from an emergency health facility must have a program to respond to employees who suffer cuts. All dealerships should have proper first-aid kits.
- **OSHA injury and illness recording and reporting requirements:** Dealers with 10 or more employees are required to maintain a yearly log of work-related injuries and illnesses on OSHA Form 300. Dealers must also complete a report on each workplace injury or illness that occurs using OSHA Form 301. Even if no injuries or illnesses have occurred in a calendar year, all dealers with more than 10 employees must fill out and post an annual summary of work-related injuries and illnesses on OSHA Form 300A. Starting in 2015, dealers will have to report the following events to OSHA: all work-related fatalities; all work-related inpatient hospitalization of one or more employees; all work-related amputations; and all work-related losses of an eye.
- **Section 89 of the Tax Reform Act:** Dealerships are prohibited from discriminating against lower-paid employees in their employee benefits packages.
- **Section 179 expensing:** Generally, businesses can expense qualified Section 179 property, subject to phaseout. The total Section 179 deduction dropped from \$500,000 in 2014 to \$25,000 in 2015, and will remain at that level unless addressed by Congress during the year.
- **Uniformed Services Employment and Reemployment Rights Act (USERRA):** Governs the employment and reemployment rights of members of the U.S. uniformed services.
- **Worker Adjustment and Retraining Notification Act (WARN):** Dealerships must give 60 days' notice to workers before termination or store closings under certain circumstances.

All Departments (Customer)

- **Americans With Disabilities Act (ADA):** Prohibits discrimination against the physically handicapped in areas of public accommodation. Must make reasonable accommodations to facilities, such as by installing ramps and accessible parking spaces, drinking fountains, public toilets and doors.
- **CAN-SPAM (Controlling the Assault of Non-Solicited Pornography and Marketing) Act:** E-mailers must identify a commercial message as an advertisement or solicitation and provide their physical postal addresses and a mechanism to opt out of future commercial e-mails. If recipients opt out, senders must stop sending them commercial e-mail within 10 business days. The disclosure requirements don't apply to e-mails that relate to transactions or relationships, such as for warranty or recall-repair issues or the completion of transactions requested by the consumer. No one may send commercial e-mails to wireless devices unless recipients provide express prior authorization to receive them. So that send-



ers can recognize wireless addresses, the FCC maintains a list of wireless domain names at <http://transition.fcc.gov/cgb/policy/DomainNameDownload.html>. Commercial e-mailers must check the list monthly. (Additional provisions prohibit deceptive headers, misleading subject lines and other spam tactics.)

A text message may also be considered an e-mail and therefore subject to the CAN-SPAM Act if it is sent to an e-mail address—that is, if it has an Internet domain name after the “@” symbol (whether the e-mail address is displayed or not). This means that no commercial text message (deemed to be an e-mail), may be sent to a wireless device without “express prior authorization.” Merely having an “established business relationship” with the recipient is not enough.

- **Driver's Privacy Protection Act:** Denies access to personal information in state motor vehicle records except for limited purposes, such as driver safety, theft and recalls. Also restricts the release or use of personal info for marketing.
- **Electronic Funds Transfer Act (EFTA):** EFTA and its implementing “Regulation E” govern a variety of electronic transactions. Certain provisions of Regulation E apply directly to any “person” that engages in certain activities or transactions, regardless of whether the person is a financial institution. Examples of such transactions include: issuing access devices (such as debit cards, personal identification numbers [PINs] or payroll cards); issuing or selling gift cards; initiating electronic check conversions; pre-authorizing electronic fund transfers; or operating ATMs.
- **FTC Privacy Rule:** Dealers must issue notices of their privacy policies to their finance and lease customers and, in some cases, to consumers when the dealer discloses nonpublic information about consumers to third parties. The rule also restricts disclosures of nonpublic personal information and requires dealers to contractually limit their service providers' access to and use of that information. Dealers who correctly use a FTC model privacy notice receive safe harbor protection for the language used to describe their privacy policy.
- **FTC prohibition against deceptive and unfair trade practices:** Prohibits unfair and deceptive trade practices. For example, the FTC has found certain advertising practices to be deceptive, including recent claims related to teaser rates, prize promotions and the statement “\$0 due at lease inception.”

■ **FTC Safeguards Rule:** Dealers must develop, implement and maintain—and regularly audit—a comprehensive, written security program to protect customer information and must ensure that their service providers provide similar safeguards.

■ **FTC Telemarketing Sales Rule (TSR):** Imposes many of the TCPA restrictions (below) on dealers who telemarket across state lines. Requires dealers who sell, or obtain payment authorization for, goods or services during interstate phone calls to abide by the prohibition against numerous deceptive and abusive acts and to maintain certain records for 24 months. Prohibits prerecorded telemarketing calls without a consumer's express written agreement, requires such calls to provide a key-press or voice-activated opt-out mechanism at the outset of the calls, and requires the calls to ring for 15 seconds or four rings before disconnecting.

■ **FTC Written Warranty Rule:** Dealers must display warranties near products or post signs in prominent places telling consumers that copies of the warranties are available for review.

■ **IRS Cash-Reporting Rule:** Dealers receiving more than \$10,000 in cash in one transaction or in two or more related transactions must file IRS/FinCEN Form 8300 with the IRS within 15 calendar days and must provide written notice that the report was filed to the person named on the report by January 31 of the following year. "Cash" includes certain cashier's checks, traveler's checks, money orders and bank drafts.

■ **Magnuson-Moss Act:** Dealers must give consumers certain required information on warranties and limited warranties.

■ **Office of Foreign Assets Control (OFAC) restrictions:** Dealerships may not enter into transactions with certain sanctioned countries, governments, and specially designated organizations and individuals, including those appearing on an electronic list maintained by OFAC.

■ **Telephone Consumer Protection Act (TCPA):** Imposes numerous restrictions on telemarketing, including the national and company-specific do-not-call (DNC) rules, calling-time restrictions, caller ID requirements, fax advertising rules, and restrictions on the use of autodialers and prerecorded messages. Fax ads may be sent only to authorized recipients and must include a phone number, fax number and toll-free opt-out mechanism (each available 24/7) on the first page of the fax ad.

Requires express written consent prior to any prerecorded or auto-dialed telemarketing call to a cell phone or text message. And you cannot send any text message whatsoever to a cellular telephone number—solicitation or not, whether the number is on a DNC list or not—using an "automated dialer system" unless you have the called consumer's "prior express consent."

The FCC considers text messages to be "phone calls" under the TCPA. This means you cannot send a text message "solicitation" to a phone number on either the national DNC list (subject to the "established business relationship" and "prior express permission" exemptions to the national DNC rules) or your company-specific DNC list (to which there are no exemptions). See additional text message restrictions under "CAN-SPAM Act."

■ **USA PATRIOT Act:** Dealers must search their records and provide information about individuals or entities if requested by the federal Financial Crimes Enforcement Network with whom they conducted transactions or created accounts. Dealers are temporarily exempt from the law's anti-money-laundering program requirements.

New- and Used-Vehicle Sales Departments

■ **American Automobile Labeling Act:** New cars and light trucks must have a domestic-parts content label showing percentage of U.S. or Canadian parts; countries contributing more than 15 percent of the parts; origin of engine and transmission; and location of vehicle assembly. Dealers must ensure that labels remain on vehicles until sold.

■ **Corporate Average Fuel Economy (CAFE) and Greenhouse Gases (GHGs) Rules:** NHTSA and EPA rules on CAFE and GHGs govern the fuel-economy performance of all light, medium-duty and heavy-duty vehicles, which affects their design, performance and cost. The rules also impact the use of alternative technologies and fuels.

■ **Diplomat vehicle purchases:** The State Department's Office of Foreign Missions must approve a diplomat's vehicle purchase before that diplomat's tax exemption request may be honored.

■ **DOE/EPA gas-mileage guide:** Dealers must make this guide available to prospective new-vehicle buyers upon request. Download the guide from www.fueleconomy.gov and also download NADA brochure *Green Checkup: Maintenance Tips to Help You Save Gas* from www.nada.org.

■ **Federal bankruptcy law:** Dealerships should perfect security interests within 30 days after a customer takes possession of a vehicle, regardless of state law. Otherwise, if the customer files for bankruptcy within 90 days of when the financing agreement is signed, the bankruptcy trustee may avoid the lien. Dealerships failing to perfect liens in a timely manner may be liable for any loss.

■ **FTC Door-to-Door Sales Rule:** Gives consumers a three-day "cooling off" period only for sales not consummated at the dealership. Does not apply to auctions, tent sales or other temporary places of business if the seller has a permanent place of business.

■ **FTC guidelines for fuel-mileage advertising and alternative-fueled-vehicle advertising and labeling:** Dealer and manufacturer fuel-economy advertisements must state that the numbers are estimates and come from EPA; alternative-fueled vehicles must be properly labeled.

■ **FTC Used Car Rule:** "Buyer's Guides" are required on used-vehicle side windows, disclosing make, model, year, VIN, whether offered "as is" or with a warranty (and, if so, what kind of warranty), and service contract availability. Guides must warn that all promises should be in writing. For sales conducted in Spanish, the "Buyer's Guide" and the required cross-reference in the sales contract must be in Spanish.

■ **Gray-market vehicles:** EPA, Department of Transportation and Customs restrict the importation/sale of vehicles lacking safety or emissions certification.



- **IRS treatment of salesperson incentives:** Factory incentives paid directly to salespeople are not wages for tax purposes.
- **LIFO (last-in/first-out) inventory accounting method:** The use of the LIFO inventory method requires compliance with the conformity requirement.
- **Heavy-highway-vehicle excise tax:** A 12 percent excise tax generally applies to the first retail sale of (1) truck chassis and bodies with a gross vehicle weight rating (GVWR) in excess of 33,000 lb. (Class 8); (2) truck trailer and semitrailer bodies with a GVWR in excess of 26,000 lb. (Classes 7 and 8); and (3) “highway tractors,” unless they have a GVWR of 19,500 lb. or less (Class 5 and under) and a gross combined weight rating of 33,000 lb. or less. Dealers selling Class 5 vehicles with more than 33,000-lb. gross combined weight rating or Classes 6 or 7 vehicles should apply the “primary design” test to determine if a vehicle is a taxable tractor or a nontaxable truck.
- **Motor vehicle tax credits:** Consumers may be eligible for up to a \$7,500 personal federal tax credit when they buy a qualifying plug-in electric vehicle or dedicated electric vehicle at a dealership (“EV Tax Credit”). Eligibility for the EV Tax Credit is based on a taxpayer’s income and tax status.
- **Monroney sticker (Price Labeling Law):** Dealerships must keep stickers on new passenger cars showing the manufacturer’s suggested retail price, plus other costs, such as options, federal taxes, and handling and freight charges. Stickers also include EPA’s revised fuel-economy information and NHTSA NCAP revised crash-test star ratings. Dealerships that alter covered vehicles must attach a second label adjacent to the Monroney label, stating, “This vehicle has been altered. The stated star ratings on the safety label may no longer be applicable.” No size or form of this label is specified, only that it be placed as close as possible to Monroney labels on automobiles that (1) have been altered by the dealership and (2) have test results posted.
- **National Highway Traffic Safety Administration (NHTSA) alteration and tire-placarding rules:** Significantly altered new vehicles must have labels affixed identifying the alterations and stating that they meet federal safety and theft standards. Tire-placarding and -relabeling rules require a new tire information placard/label whenever parts or equipment are added that may reduce a vehicle’s cargo-carrying capacity, or when replacement tires differ in size or inflation pressure from those referred to on the original.
- **NHTSA odometer rule:** Prohibits odometer removal or tampering and misrepresentation of odometer readings. Requires record

keeping to create a “paper trail,” and odometer disclosures on titles. Vehicles with a greater than 16,000-lb. gross vehicle weight rating and those 10 model years old or older are exempt.

- **NHTSA recall regulations:** New vehicles and parts held in inventory that are subject to safety recalls must be brought into compliance before delivery.
- **NHTSA safety belt/airbag deactivation:** Dealerships may install airbag switches for consumers with NHTSA authorization. Dealerships must be responsive to consumer requests for rear-seat lap/shoulder safety belt retrofits in older vehicles.
- **NHTSA tire regulations:** Rule requires proper replacement or modification of the tire-information label when replacing tires or adding weight before first sale or lease. Also, consumers must be given registration cards when buying new tires or tires must be registered electronically. Other rules govern handling and disposal of recalled new and used tires.
- **School van sales:** Dealers may not sell, lease or give away large, new passenger vans with more than 10 seating positions if they know the vehicle will be used to transport students to or from school or school activities. Schools must purchase or lease a school bus or multifunction school activity bus for such purposes.
- **Uniform capitalization (UNICAP):** Dealers who (1) “produce” property or (2) acquire it for resale if their average annual gross receipts over the three preceding tax years exceed \$10 million must comply with the UNICAP requirements contained in Section 263A of the Internal Revenue Code. Revenue Procedure 2010-44 creates two safe harbor methods of accounting, which dealers may elect by filing Form 3115 with the IRS, that generally permit dealers to expense, instead of capitalize, all handling and storage costs at certain dealership facilities.

F&I Department

- **Dodd-Frank Financial Reform Law:** Comprehensive legislation enacted in July 2010 created a new, independent Consumer Financial Protection Bureau and granted it unprecedented authority to regulate financial products and services. Dealers engaged in three-party financing are excluded from the authority of the bureau and remain subject to regulation by the Federal Reserve Board, the Federal Trade Commission (which has been given streamlined authority to declare dealer practices as unfair or deceptive) and state consumer protection agencies. Finance sources, including dealers who engage in BHPH financing, are subject to the bureau’s jurisdiction. The Dodd-Frank law also created several new obligations for creditors, including additional disclosure requirements for risk-based pricing and adverse-action notices under the Fair Credit Reporting Act (Section-1100F). Plus, it contains a requirement to collect, report to the federal government, retain, and make available to the public upon request certain data collected in credit applications from small, women-owned and minority-owned businesses. Dealers are temporarily exempt from this requirement pending promulgation of specific regulations.

■ **Equal Credit Opportunity Act (ECOA):** Regulation B prohibits discrimination in credit transactions based on race, sex, color, marital status, religion, national origin, age and public-assistance status. The government interprets this prohibition as applying not just to intentional discrimination, but also to credit practices that result in a negative “disparate impact” on consumers based on one of these prohibited factors. The Consumer Financial Protection Bureau (CFPB) addressed disparate impact discrimination in March 2013 guidance to indirect auto lenders (CFPB Bulletin 2013-02). In addition, the dealer/creditor is required both to notify applicants in a timely fashion of actions taken on—and reasons for denying—applications, and to retain certain records. (See also “Dodd-Frank Financial Reform Law,” above, for a description of new small-business loan data collection requirements.) An optional ECOA compliance program template is available to dealers at www.nada.org/faircredit.

■ **Fair Credit Reporting Act (FCRA):** Dealers are restricted in their use of credit reports for consumers, job applicants and employees. Credit reports generally may be obtained only pursuant to consumers’ written instructions or if consumers initiate a business transaction (not if they merely talk with salespeople). Dealers must give job applicants and employees a separate document informing them that a credit report may be obtained and must obtain prior, written authorization to access the report. Dealers may not share credit information with affiliates unless they give consumers notice and the opportunity to opt out. If dealers take adverse action based on the report, they must notify consumers and follow additional procedures with job applicants and employees.

■ **Fair and Accurate Credit Transactions (FACT) Act of 2003:** This law significantly amended FCRA by adding several identity-theft prevention and other duties. Duties include: responding to requests for records from victims of ID theft and to fraud and active-duty alerts on credit reports; disposal requirements for credit report information; opt-out disclosure formatting requirements for prescreened credit solicitations; truncating the expiration date and all but the last five digits on electronically printed credit and debit card receipts provided to purchasers at the point of sale; the Federal Reserve’s Regulation FF restrictions on obtaining, using and sharing “medical information” in credit transactions; the FTC Red Flags Rule, which requires creditors and financial institutions to develop and implement a written Identity Theft Prevention Program that contains procedures to identify, detect and respond to “red flags” indicating the possibility of identity theft; the FTC Address Discrepancy Rule, which requires users of credit reports to develop and implement procedures to verify a customer’s identity when receiving a “Notice of Address Discrepancy” from a consumer reporting agency; the FTC Affiliate Marketing Rule, which generally requires a business to offer customers the opportunity to opt out of receiving solicitations from the business’s affiliates before affiliates may market to the customers; and the Risk-Based Pricing Rule, which generally requires initial creditors to issue either risk-based pricing notices to consumers to whom credit is granted but on

relatively unfavorable terms, or credit score disclosure exception notices to all consumer credit applicants. Additional requirements apply to businesses that furnish negative information about consumers to consumer reporting agencies.

■ **FTC Credit Practices Rule:** Dealers are required to provide a written disclosure statement to a cosigner before the cosigner signs an installment sale contract. Dealers cannot “pyramid” late charges (that is, add a late charge onto a payment made in full and on time when the only delinquency was a late charge on a previous installment).

■ **FTC Holder-in-Due-Course Rule:** Preserves the consumer’s right to raise claims and defenses against purchasers of consumer credit contracts (with automobile sales, it protects consumers who buy cars from dealerships on credit). When dealerships sell credit contracts to lenders, consumers are obligated to pay the lenders instead of the dealerships. Under the rule, if a dealership engaged in fraud or made misrepresentations in selling a car on credit, a consumer could raise the dealership’s conduct as a defense against the lender’s demand for payments. Dealerships must ensure that their credit contracts contain the precise disclosure required by the rule.

■ **Gramm-Leach-Bliley Act:** See “FTC Privacy Rule” and “FTC Safeguards Rule” under “All Departments (Customer).”

■ **Producer-Owned Reinsurance Companies (PORCs):** IRS Notice 2004-65 removed certain reinsurance arrangements as “listed transactions,” but states that the IRS will continue to scrutinize transactions that shift income from taxpayers to related companies “purported to be insurance companies that are subject to little or no U.S. federal income tax.”

■ **Truth in Lending and Consumer Leasing Acts:** Regulations Z and M cover consumer credit and consumer leasing transactions, respectively, specifying information to be disclosed to a consumer before completing the transaction, and information to be disclosed when advertising consumer credit transactions or leases. For example, dealers who advertise a lease down payment or monthly payment amount must disclose in lease ads that the advertised deal is a lease; the total amount due at lease signing; number, amount and period (for example, monthly) of payments; and whether a security deposit is required.

Service and Parts Department

■ **Clean Air Act:** Dealerships may not tamper with, replace or remove emissions-control equipment, such as catalytic converters. CFC recycling regs require dealership air-conditioning techs to obtain certification and to use certified recycling and recovery equipment to capture spent refrigerant, including HFC-134a and other non-ozone-depleting refrigerants. The act also regulates any fuels dealers store and dispense, as well as the alternative fuels motorists use, including gasohol. It restricts emissions from solvents and chemicals.

■ **Clean Water Act:** Sets standards for regulation of wastewater and storm water at dealerships and comprehensive rules governing aboveground oil storage tanks.

■ **Department of Transportation (DOT) hazardous-materials-handling procedures:** Require parts employees who load, unload and package hazardous products, such as airbags, batteries and brake fluid, to be trained in safe handling practices.

■ **FTC Used Parts Guide:** Prohibits misrepresentations that a part is new or about the condition, extent of previous use, reconstruction or repair of a part. Previously used parts must be clearly and conspicuously identified as such in advertising and packaging, and, if the part appears new, on the part itself.

■ **IRS Core Inventory Valuation:** Revenue Procedure 2003-20 creates an optional method for valuing core inventories for those using Lower of Cost or Market Valuation Method.

■ **LIFO/FIFO inventory accounting method:** Revenue Procedure 2002-17 provides a safe harbor method of accounting that authorizes the use of replacement cost to value year-end parts inventory.

■ **NHTSA tampering rules:** Prohibit dealerships from rendering inoperative safety equipment installed on vehicles in compliance with federal law.

■ **NHTSA tire rules:** Dealerships must report sales of defective tires when the tires are sold separately from vehicles, and must properly manage recalled tires.

■ **OSHA asbestos standards:** Dealerships must use certain procedures during brake and clutch inspections and repairs to minimize workplace exposure. Water, aerosol cleaners or brake washers may be used to comply with the standard.

■ **OSHA Hazard Communication Standard (right-to-know laws):** Dealers must inform employees about chemical hazards they may be exposed to in the workplace, keep chemical product information sheets on-site and accessible, and train staffers to properly handle the hazardous materials they work with. Also, EPA's community right-to-know rules require dealers to list annually with state and local authorities tanks holding more than 1,600 gallons.

■ **OSHA lock-out/tag-out procedures:** Explain what service departments must do to ensure machines, including vehicles, are safely disengaged before being serviced.

■ **OSHA workplace health and safety standards:** Extensive regulations cover a multitude of workplace issues and practices, from hydraulic lift operation to the number of toilets required. Example: Dealerships must determine if workplace hazards warrant personal protective equipment and, if so, to train employees on its use. Verbal reports must be made within eight hours of any incident involving hospitalization of three or more workers or any death.

■ **Resource Conservation and Recovery Act (RCRA):** Comprehensive environmental law regulating many dealership functions, including underground storage tanks and the storage, management and disposal of used oil, antifreeze, mercury products and hazardous wastes. Underground tanks must be monitored, tested and insured against leaks; leaks and spills must be reported to federal and local authorities and cleaned up. The law also regulates new-tank installations. Dealers must obtain EPA ID numbers if they generate more than 220 lb. per month (about



half of a 55-gallon drum) of certain substances and must use EPA-certified haulers to remove the waste from the site; dealers must keep records of the shipments. Used oil should be burned in space heaters or hauled off-site for recycling. Used oil filters must be punctured and drained for 24 hours before disposal.

■ **Safe Drinking Water Act:** To protect underground drinking water from contamination, dealerships may be barred from discharging waste liquids (such as used oil, antifreeze and brake fluid) into septic system drain fields, dry wells, cesspools or pits.

■ **Superfund (Comprehensive Environmental Response, Compensation and Liability Act [CERCLA]):** As waste generators, dealerships may be subject to Superfund liability. Carefully select companies to haul waste off-site. Dealers can deduct the cost of cleaning up contaminated soil and water in the year it's done. Dealers may qualify for an exemption from liability at sites involving used oil managed after 1993. The service station dealer exemption application (SSDE) requires dealers to properly manage their oil and to accept oil from do-it-yourselfers.

■ **UNICAP:** See "New- and Used-Vehicle Sales Departments."

Body Shop

■ **Clean Air Act:** National paint and hazardous air-pollution rules require reformulated, environmentally safer paints and finishes, special handling procedures, and record keeping.

■ **EPA hazardous-waste rules:** See "RCRA" under "Service and Parts Department."

■ **OSHA Hazard Communication Standard (right-to-know laws):** See "Service and Parts Department."

■ **OSHA Respiratory Protection Standard:** Requires written programs describing how to select, fit and maintain respirators to protect body shop workers from hazardous chemicals.

■ **OSHA workplace health and safety standards:** Extensive regulations affect body shops in many ways, including mandating the use and care of protective equipment such as face masks, gloves and respirators. The hex chrome standard limits air emissions during sanding and painting. (See also "Service and Parts Department.")

■ **UNICAP:** See "New- and Used-Vehicle Sales Departments."

■ **VIN and parts marking:** Dealers may not alter, destroy or tamper with vehicle identification numbers or anti-theft parts-marking ID numbers and should use only properly marked replacement parts. ■

Doug Greenhaus, Paul Metrey, Brad Miller and Lauren Bailey of the NADA Legal and Regulatory Affairs Department contributed to this article.

2015 Automotive Forum

Precedes Press Days at the New York International Auto Show



March 31, 2015
grand hyatt hotel
new york, ny

The 6th annual NADA/J.D. Power Automotive Forum will bring together leaders from auto manufacturing, retailing, supplying and the media to discuss how industry and economic conditions will shape the future. The full-day event is hosted by the New York International Auto Show.

The Retailer's Perspectives' panel will feature an exclusive interview with Warren Buffett and Larry Van Tuyl and moderated by CNBC's Becky Quick.



Larry Van Tuyl
Chief Executive Officer
Van Tuyl Group Inc.



Becky Quick
Co-anchor of
"Squawk Box" *CNBC*



Warren Buffett
Chairman of the Board and
Chief Executive Officer
Berkshire Hathaway Inc.



Johan de Nysschen
President, *Cadillac*, and
Executive Vice President
General Motors



Nariman Behravesh
Chief Economist
IHS



Bill Fox
2015 NADA Chairman
NADA



Sandy Schwartz
President
Cox Automotive



Bob Vail
Chairman
*Greater New York Auto
Dealers Association*



John Humphrey
Senior Vice President
Global Automotive
Practice *J.D. Power*

Confirmed speakers to date include:

Bill Fox, NADA chairman; Johan de Nysschen, president, Cadillac; Nariman Behravesh, IHS chief economist; John Humphrey, senior vice president, global automotive, J.D. Power; Adam Jonas, Morgan Stanley; Bob Vail, chairman, Greater New York Auto Dealers Association; Sandy Schwartz, president, Cox Automotive; and Peter Welch, NADA president. (Other industry speakers have been invited to participate.)

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By Peter Craig

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3 Birds Marketing, Chapel Hill, N.C., helps engage digital consumers and turn them into loyal customers by working with dealerships to manage blogs, landing pages, online reputations, email marketing, lead nurturing and more. Digital tools include fixed ops websites, data analysis and loyalty programs. Call 877.285.1094 or visit 3birdsmarketing.com. **(Booth 3805N)**

DEALERSHIP MARKETING



City Twist, Boca Raton, Fla., offers the Conquest Automotive program, which helps dealerships target new customers in their primary market areas through e-mails, and drive high-volume and high-quality traffic to dealer websites and the showroom floor. Call 866.798.2489 or visit conquestautomotive.com. **(Booth 5538W)**



APPEARANCE PRODUCTS

Natureshield, Marshall, Texas, has numerous vehicle-appearance products that can be used in the dealership or sold to customers. Products include Car Wash Concentrate, eco-friendly Citrus Degreaser, Wheel and Tire Cleaner, Prep-Solv (for stubborn deposits), All Purpose Cleaner and Odor Eliminator. For adding shine, there's Carnuba Cream Wax, Tire Shine, Glass Cleaner and spray-on Showroom Finish. Call 888.709.0223 or visit natureshield.com. **(Booth 6324W)**

PHONE TRAINING



Phone Ninjas, Charlotte, N.C., is an automotive phone training company that offers such services as phone coaching, "mystery shop coaching" (for critiquing and improving the performance of Internet sales reps), once-a-month two-hour phone training, daylong training seminars and business development center training. Call 866.993.6966 or visit phoneninjas.com. **(Booth 5152W)**

ARCHITECTURE AND DESIGN



Praxis3, Atlanta, an architecture and design firm, specializes in automotive, retail and other markets. Services include architecture, sustainable/LEED design, interiors, prototype design, comprehensive branding, environmental graphics/signage and graphic design. Call 404.875.4500 or visit praxis3.com. **(Booth 5733W)**

PROMO GOLF GLOVES



Millennium Logo Glove, Blaine, Wash., offers custom-fitted gloves sporting a dealership's logo for participants in the store's charity golf tournaments. Dealers fill out the Millennium order form—providing tournament date, number of participants, logo, approximate breakdown of male versus female golfers—and receive gloves in as little as 48 hours. Call 866.871.5837 or visit millenniumlogoglove.com. **(Booth 6717W)**

STORAGE SYSTEMS



Lista, Holliston, Mass., has the Storage Wall systems, allowing the dealership to keep both large and small items in one place for easy accessibility. The wall systems offer flexible configuration, custom shelving/partitioning, six standard heights of up to 10 feet for maximum use of available ceiling height and a variety of door options, including sliding, hinged and vertical tambour. Call 877.GO.LISTA or visit istaintl.com. **(Booth 4237N)**

MARKETING TOOLS



DealerVision, Rocklin, Calif., helps dealerships boost sales through Monroney-type window labels, buyer's guides, vehicle photos, inventory management, distribution and full-motion video. With the videos, the company will take a one- or two-minute clip from the dealership, add intro/exit clips, lay in audio, and upload it to the dealer website and YouTube. Call 916.632.1732 or visit dealervision.com. **(Booth 6427W)**

MANAGEMENT SOFTWARE



Procede Software, San Diego, offers truck dealers the Excede dealership management system, which provides direct access to dealership data through a familiar Microsoft Windows-based platform. Dealers can customize forms and folders, use various features and choose from numerous add-on modules. Dealers also receive extensive training and a range of support and professional services. Call 858.450.4800 or visit procedesoftware.com. **(Booth 4080N)**

Recognizing the Leaders and Best

The business and engineering faculty at the University of Michigan Tauber Institute for Global Operations are proud to help select the 46th annual TIME Dealer of the Year finalists.

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Wyoming

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CLOUD-BASED DATA SYSTEM



CP Handheld Technologies, LLC, Fort Lauderdale, Fla., has the CPH Unison system, a flexible, cloud-based platform that aggregates accounting and operational data from all over the store. The platform operates as the basis for solutions built to support internal and outsourced services, including detail services, deal flow and inventory/floor-plan reconciliation management. Call 812.759.6900 or visit cphandheld.com. **(Booth 5321W)**

PARTS STORAGE



Wildeck, Inc., Waukesha, Wis., a subsidiary of Holden Industries, offers space-efficiency solutions to ensure dealers have the correct parts inventory on hand. Before supplying a work platform and VRC (vertical reciprocating conveyor), Wildeck will measure the dealer's facility, plan the design and layout, choose the right equipment, and ensure code compliance. Call 800.325.6939 or 262.549.4000, or visit wildeck.com. **(Booth 5703W)**

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Benmatt Industries, Inc., Concordville, Pa., features stylized on-vehicle advertising products, such as license-plate frames and trailer-hitch covers. Also offered: promotional giveaways in a variety of styles and specs, including flashlights, Tote bags, lip balm, nail file and hand sanitizer. Call 877.BENMATT or visit benmatt.com. **(Booth 4219N)**

DEALER WEBSITES



DealerOn, Derwood, Md., builds clean, user-friendly dealership websites for both sales and service. Its FlexSites help drive qualified online sales traffic, convert leads and yield showroom visits to sell more cars. The company's Service Sites help boost service-related traffic from SEO and PPC, as well as provide coupons, rebates, specials and analytics to convert traffic into leads, and covert leads into service customers. Call 877.543.4200 or visit dealeron.com. **(Booth 5552W)**

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Tauber Institute for Global Operations (page 60)
www.tauber.umich.edu

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Dealers Election Action Committee (page 61)
www.nada.org/2014successfulstatechairs
800.252.6232

Hiring Our Heroes (page 37)
nada.org/hiringourheroes

nada.org (page 64)

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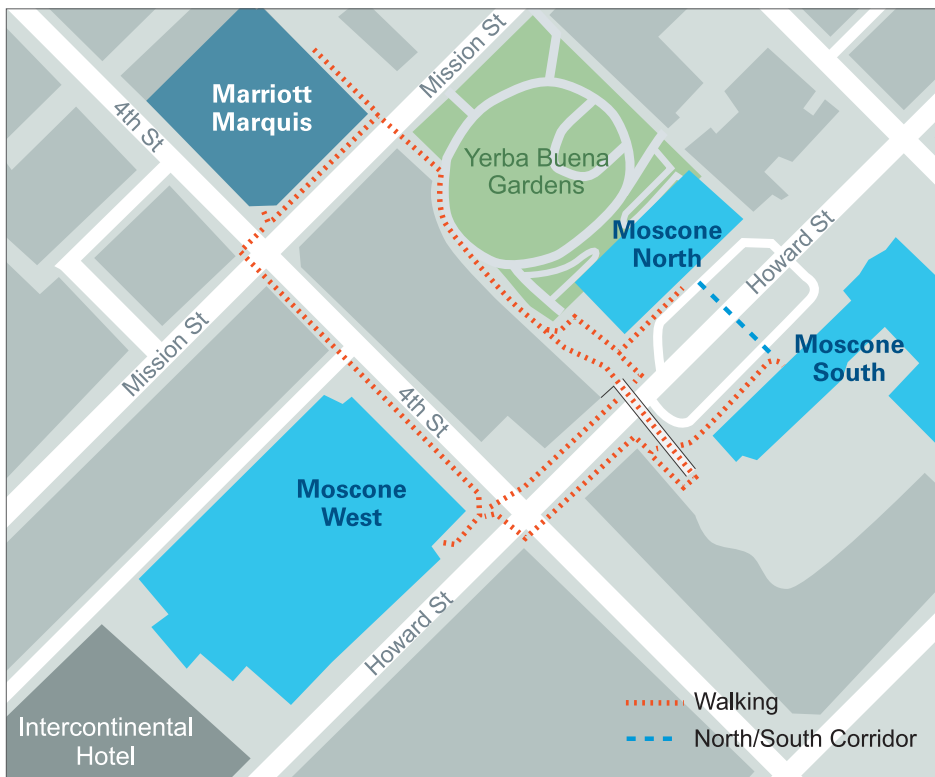
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