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# NADA CONVENTION MAGAZINE

LAS VEGAS 2012

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**Stephen W. Wade**  
NADA Chairman

## UP FRONT MOVING FORWARD

**T**his year, the auto industry began with its best sales outlook in years. Optimism is on the rise. And nowhere is such optimism more evident than at the 2012 NADA/ATD Convention & Expo in Las Vegas this month.

This is the first time NADA and its American Truck Dealers division have combined their conventions. The NADA and ATD shows are always the best opportunity for dealers to network and share ideas, and that's doubly true this year. There are more dealers, more exhibitors, and more workshops to help every dealer—small or large, young or old—become stronger and more profitable.

To truly appreciate this convention and the overall effectiveness of NADA, it's important to remember just how much your association accomplished in 2011:

- NADA sponsored the first-ever study of automaker image/facility programs.
- For the 10th year in a row, more than 90 percent of new-vehicle dealers were NADA members.
- Participation in NADA University training and online resources rose 75 percent.
- Monthly contributions to the Dealers Election Action Committee—NADA's political action committee—in November and December were the highest in its 36-year history.

Now we are in a new year that should be just as bright, so consider this issue of *NADA Convention Magazine* your road map for NADA 2012. In it you'll find what's in store for the convention, the industry, and NADA in the year ahead. In "Social Media" (page 19), we showcase the new NADA mobile app that the association launched recently, as well as apps for several NADA departments. Two features—"Automakers 2012" (page 22) and "Sales Trends" (page 28)—detail what's ahead for the auto industry. And in the "NADA 2012" section (pages 40-53), we look at the latest regulations affecting your store and profile my successor as NADA chairman, Bill Underiner of Billings, Mont.

We have faced many challenges, and we expect more. But we are moving forward with confidence, and the NADA/ATD convention is here to help dealers along the way.





# Year in Review

## NADA highlights from 2011



**2.11** Stephen Wade becomes 2011 NADA chairman.

**T**HERE WERE PLENTY OF NATURAL DISASTERS IN 2011, from the earthquake and tsunami in Japan to flooding here and in other countries. But the year ended on a high note, with strong vehicle sales and various legislative and regulatory actions spearheaded by NADA. Here's a look at how far we've come in just 12 months.

### JANUARY

- NADA chief economist Paul Taylor announces NADA's annual sales forecast for 2011 at the North American International Auto Show in Detroit.
- NADA helps spur record attendance by members of Congress at the Green Car Summit and Public Policy Day during the Washington (D.C.) Auto Show.

### FEBRUARY

- NADA hosts its 94th annual convention in San Francisco. Utah dealer Stephen W. Wade becomes 2011 NADA chairman.
- Jonathan Banks, executive auto analyst for the NADA Used Car Guide, predicts car shoppers will benefit from high trade-in values in 2011.
- NADA opposes regulations that would have removed the incentive for dealers to responsibly dispose of do-it-yourself oil. EPA backs off.
- NADA pushes back on an Obama plan requiring dealers to fund an electric-vehicle tax credit (to incentivize EV sales), then seek reimbursement from the IRS. The plan is eventually dropped.
- The Small Business Administration boosts the dealer floorplan loan guarantee program to \$5 million—the average cost of dealer inventory—thereby expanding the number of dealerships that qualify for the loan guarantee.

### MARCH

- NADA director Forrest McConnell testifies before Congress, explaining that duplicative fuel economy regs by NHTSA, EPA, and California will unnecessarily hike the cost of new vehicles, resulting in slow economic and job growth.
- Hours after the devastating earthquake and tsunami, NADA launches the Japan Relief campaign in conjunction with the American Red Cross.



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## APRIL

- The annual ATD Convention & Expo in Phoenix encourages grassroots involvement by dealers. ATD also launches its NextGen program, hoping to identify, motivate, and educate up-and-coming leaders in the retail truck industry.
- Ret. Army Sgt. Sam Cila is the first recipient of a trained service dog from the NADA Foundation through a partnership with the Wounded Veterans Initiative of Canine Companions for Independence.
- In Detroit, the Federal Trade Commission (FTC) conducts the first of three roundtable discussions examining dealer-assisted financing. NADA vigorously defends the extraordinary value and benefits that such financing provides consumers.
- Dan Akerson, GM chairman and CEO, speaks at the second annual NADA/IHS Automotive Forum in New York City.
- NADA promotes child passenger safety message on CBS Jumbotron in Times Square.
- The House passes dealer-supported H.R. 910, which would halt the Obama administration's ability to increase fuel economy and emissions standards without considering consumer demand and the added cost to car buyers.
- Consistent with NADA's recommendation, the SEC and federal banking agencies decide not to require dealers to retain risk in the credit contracts that dealers assign to captives and other auto securitizers.
- President Obama and Congress repeal the expanded 1099 tax reporting requirement for all transactions greater than \$600. NADA supports the elimination of this onerous paperwork provision.
- NADA expresses concern over the proposed NAT GAS Act, which would provide point-of-purchase incentives for buyers of natural-gas vehicles by requiring dealers to "float" funds and then potentially wait months for reimbursement.

## 4.11 GM Chairman and CEO Dan Akerson speaks at the annual NADA/IHS Automotive Forum in New York City.



---

## MAY

- The Emergency Relief Fund of the NADA Foundation assists dealership employees whose homes and communities have been devastated by tornadoes and flooding in the South.
- The Obama administration decides not to put arbitrary letter grades on new-vehicle window stickers, which NADA explained would unnecessarily confuse consumers.

---

## JUNE

- NADA opposes a provision in a Senate vehicle safety bill that would require dealers to remedy all outstanding recall issues before a used vehicle can be sold.
- NADA meets with the Department of Labor to push back on an announcement to apply overtime rules to service advisors.

**9.11** Attendees at the NADA Washington Conference hear from Speaker of the House John Boehner (R-Ohio) and other politicians.



**9.11** NADA Foundation Chairman Bob Mallon (second from left) at the “Evening of Remembrance” event in New York City.



## JULY

- NADA organizes the second annual Vehicle Finance Executive Forum in partnership with the American Financial Services Association.
- The House Appropriations Committee passes an NADA-supported amendment to put the brakes on duplicative and unnecessary fuel-economy regs from EPA and the state of California affecting MY 2017-2025 vehicles.
- NADA successfully defends the LIFO method of accounting, despite threats from President Obama’s budget proposal and during the debt ceiling debate.

## AUGUST

- The FTC conducts its second roundtable discussion of dealer-assisted financing in San Antonio, focusing on military consumers and fair lending. NADA responds to unfounded, anecdotal allegations against dealers and continues to emphasize the extraordinary value that dealer-assisted financing provides to consumers.
- NADA commissions an independent study to take an in-depth look at the cost-effectiveness of factory image/facility programs that require new-car dealers to invest billions of dollars each year.

## SEPTEMBER

- Scholarship America holds an emotional “Evening of Remembrance” in New York City to thank donors, including the NADA Foundation, that contributed \$1 million or more to support the educational needs of the 9/11 families.
- Consistent with NADA’s recommendation, the Fed indefinitely exempts dealer-assisted financing from an unprecedented data collection, reporting, retention, and public inspection requirement under the Dodd-Frank law.
- Nearly 500 dealers and association executives attend NADA’s annual Washington Conference and hear from Speaker of the House John Boehner (R-Ohio), Sen. Lisa Murkowski (R-Alaska), Reps. Terri Sewell (D-Ala.) and Mike Rogers (R-Mich.), as well as the FTC’s Chuck Harwood.
- NextGen dealers meet in Washington and are urged by Rep. Aaron Schock (R-Ill.), the youngest member of Congress, to become involved with public policy and grassroots efforts.
- NADA challenges risk-based pricing interpretation in federal court.





**10.11** NADA Chairman Stephen Wade speaks to reporters at the Automotive Press Association in Detroit.

**12.11** The new NADA mobile app



## OCTOBER

- In remarks to the Automotive Press Association in Detroit, NADA Chairman Stephen Wade outlines a study analyzing the cost-effectiveness of factory image/facility programs.
- NADA launches a mobile app for the iPhone and iPad.
- ATD continues to push for an incentive to increase the sales of new commercial trucks, including the elimination of the 12 percent federal excise tax.

## NOVEMBER

- The FTC conducts its third and final roundtable examining dealer-assisted financing practices. NADA exposes multiple flaws in consumer advocates' calls for additional regs and again demonstrates the numerous benefits that optional dealer-assisted financing provides to consumers of all credit tiers.
- NADA works with a large business coalition on the successful repeal of a 3 percent withholding tax on federal and state government contracts.
- The Obama administration introduces a proposal requiring a fleet-wide average of 54.5 mpg by MY 2025. NADA expresses serious concerns about the proposal for MY 2017–2025, noting that adding \$3,000 to the average cost of a car would price millions of Americans out of the market, thereby reducing fleet turnover and delaying environmental gains.
- *TIME* magazine features NADA's special section on the latest auto technology.

## DECEMBER

- Because of NADA's efforts, Congress rejects an attempt by the Department of Labor to roll back a decades-long overtime exemption for dealership service advisors.
- NADA University reports a 75 percent increase in subscriptions, with more than 23,000 people signing up for online training.
- Within two months, there are nearly 10,000 downloads for the new NADA mobile app.
- NADA continues to oppose the so-called Right to Repair legislation (which attempts to obtain automakers' parts data), and the association is successful in keeping the number of cosponsors in Congress to a minimum.
- NADA ends 2011 with nearly 16,000 members, marking the 10th consecutive year with more than 90 percent membership penetration.

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# LAS VEGAS

## FAST FACTS

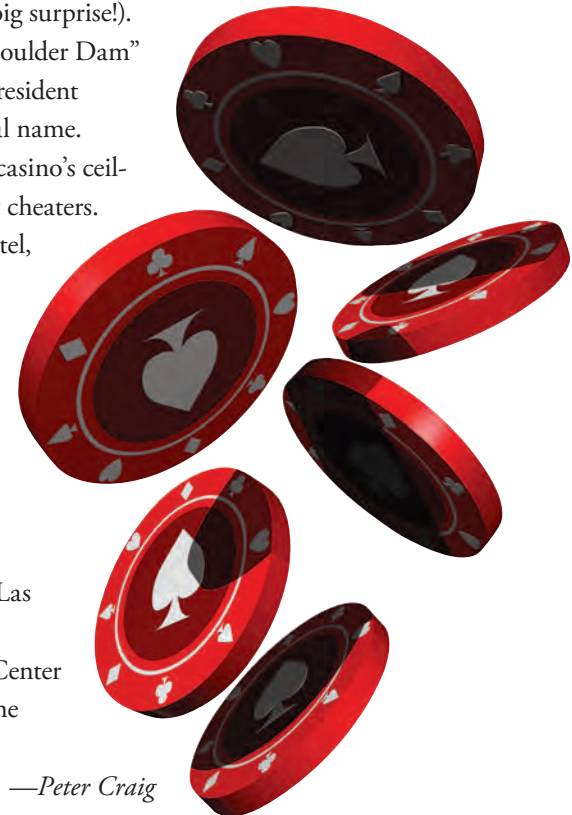
Las Vegas—the Disneyland for Adults—had innocent enough beginnings. Native American tribes knew for centuries about a handy little oasis in the middle of the brutal Mojave Desert. But it wasn't until 1843 that an American, expedition leader John C. Fremont, officially “discovered” the place.

A railroad depot was built there in 1904, bringing stores, boarding houses, saloons, and gambling. The town's first hotel-casino—the Golden Gate—opened two years later.


In 1941 hotel man Tommy Hull built the El Rancho Vegas Hotel-Casino, as the town drew crowds from nearby Nellis Army Air Corps base. Then mobsters like Bugsy Siegel got in on the act, and the ensuing decades saw hotel-casinos popping up like cactus.

Here are some other fast facts about this ultimate Wild West town:

- “Las Vegas”—named by 19-century Spanish traders—means “The Meadows.”
- The world's most powerful light beam, at the top of the Luxor hotel-casino, can be seen 250 miles away in Los Angeles.
- The number of rooms in the Bellagio—3,933—exceeds the number of citizens of Bellagio, Italy.
- Gambling tax revenues account for some 46 percent of Nevada's general fund.
- Nevada state flower: sagebrush (big surprise!).
- The Hoover Dam became the “Boulder Dam” during the F.D.R. administration. President Harry S. Truman restored its original name.
- Eye in the sky: Vegas lingo for a casino's ceiling-based mirror surveillance to spot cheaters.
- Vegas's first racially integrated hotel, the Moulin Rouge, opened in 1955. It was co-owned by former heavy-weight boxing champ Joe Lewis.
- Las Vegas regular Frank Sinatra not only starred in the original *Ocean's Eleven* (1960), about a Vegas casino heist, but had made his film debut in *Las Vegas Nights* (1941).
- The world-famous “Welcome to Las Vegas” sign was created in 1959.
- The first Las Vegas Convention Center opened in 1959 on the same site as the current one.



—Peter Craig



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# SPEAKERS/SCHEDULE

## NADA CONVENTION EVENTS

(ATD Convention Events on page 12)



### Sergio Marchionne

became CEO of the financially troubled Fiat Group SpA in 2004 and within two years had returned the company to profitability.

Next challenge: Chrysler Corp., which Fiat partnered with and eventually took over, helping to save it from liquidation. Marchionne addresses dealers Saturday.



### George W. Bush, the

43rd U.S. President, held office from 2001 to 2009. Faced with challenges from a terrorist attack to a global financial crisis,

he made difficult decisions that will shape the nation's course and world affairs for decades to come. President Bush addresses dealers Monday. (NADA or ATD badge required to attend General Session.)



### Aron Ralston is a

mountain climber who in 2003 survived a life-threatening hiking accident. After six days alone in a Utah canyon, his hand

pinned by a boulder, Ralston was forced to cut off his forearm with a pocketknife so he could escape. His story is told in his best-selling book, *Between a Rock and a Hard Place*, and in the movie *127 Hours*. Ralston inspires dealers Sunday.

### FRIDAY, FEBRUARY 3

- 10:00 AM–6:00 PM Early Convention Registration – Exhibit Hall N-2
- 12:15 PM–1:30 PM Workshops – North and South Hall Meeting Rooms
- 2:00 PM–3:15 PM Workshops – North and South Hall Meeting Rooms
- 3:45 PM–5:00 PM Workshops – North and South Hall Meeting Rooms
- 5:30 PM–7:00 PM Welcome Reception\* – Wynn, Lafite Ballroom

### SATURDAY, FEBRUARY 4

- 7:30 AM–9:30 AM Women Dealers Breakfast\* – Encore at Wynn, Brahms 1–3
- 7:30 AM–4:30 PM Convention Registration – Exhibit Hall N-2
- 8:00 AM–4:30 PM Expo Hall Open – Ribbon Cutting – Exhibit Halls C1–C5
- 8:00 AM–4:30 PM Lifestyle Experience – Exhibit Hall N-2
- 10:30 AM–11:45 AM Workshops – North and South Hall Meeting Rooms
- 2:30 PM–4:30 PM General Session: Formal Opening of NADA/ATD Convention & Expo – Exhibit Hall N-1 (Doors open 1:45 p.m.; NADA or ATD badge required.)

### SUNDAY, FEBRUARY 5

- 8:30 AM–3:30 PM Convention Registration – Exhibit Hall N-2
- 9:00 AM–10:00 AM Inspirational Program – Exhibit Hall N-1 (Doors open 8:30 a.m.; NADA or ATD badge required.)
- 9:00 AM–3:30 PM Expo Open – Exhibit Halls C1–C5
- 9:00 AM–3:30 PM Lifestyle Experience – Exhibit Halls N-2
- 10:30 AM–11:45 AM Workshops and Dealer Franchise Meetings – North and South Hall Meeting Rooms, LVH-Las Vegas Hotel & Casino, Pavilion 9–11
- 12:15 PM–3:30 PM Workshops and Dealer Franchise Meetings – North and South Hall Meeting Rooms, LVH-Las Vegas Hotel & Casino, Pavilion 9–11

### MONDAY, FEBRUARY 6

- 8:00 AM–5:00 PM Convention Registration – Exhibit Hall N-2
- 8:30 AM–5:00 PM Expo Open – Exhibit Halls C1–C5
- 8:30 AM–5:00 PM Lifestyle Experience – Exhibit Hall N-2
- 8:30 AM–9:45 AM Workshops and Dealer Franchise Meetings – North and South Hall Meeting Rooms
- 10:30 AM–11:45 AM Dealer Franchise Meetings – North and South Hall Meeting Rooms
- 1:00 PM–2:30 PM Image Programs: Findings of the 2011 NADA Study, North Hall Meeting Rooms N109–N110
- 3:30 PM–5:00 PM General Session – Exhibit Hall N-1 (Doors open 2:45 p.m.; NADA or ATD badge required.)

\* Tickets required.



# SPEAKERS/SCHEDULE

## ATD CONVENTION EVENTS

(NADA Convention Events on page 11)

### FRIDAY, FEBRUARY 3

- 10:00 AM – 6:00 PM Early Convention Registration – Exhibit Hall N-2
- 1:00 PM – 3:00 PM UD Make Meeting – North Hall Meeting Rooms N238–N240
- 3:15 PM – 5:15 PM Super Workshop – North Hall Meeting Rooms N107–N108
- 6:00 PM – 8:00 PM Welcome Reception – LVH-Las Vegas Hotel & Casino, Pavilion 9–11

### SATURDAY, FEBRUARY 4

- 7:30 AM – 4:30 PM Convention Registration – Exhibit Hall N-2
- 8:00 AM – 4:30 PM Expo Hall Open – Ribbon Cutting – Exhibit Halls C1–C5
- 8:00 AM – 4:30 PM Lifestyle Experience – Exhibit Hall N-2
- 8:00 AM – 11:00 AM Make Meetings – North Hall Meeting Rooms
- 10:30 AM – 11:45 AM Workshops – North Hall Meeting Rooms
- 12:15 PM – 2:15 PM Opening General Session and Luncheon – LVH-Las Vegas Hotel & Casino, Ballroom A–C (ATD badge required.)
- 2:30 PM – 4:30 PM NADA General Session – Exhibit Hall N-1 (NADA or ATD badge required.)
- 5:00 PM – 6:00 PM NextGen Reception – LVH-Las Vegas Hotel & Casino, Tempo Lounge

### SUNDAY, FEBRUARY 5

- 8:30 AM – 3:30 PM Convention Registration – Exhibit Hall N-2
- 9:00 AM – 10:00 AM Inspirational Program – Exhibit Hall N-1 (Doors open 8:30 a.m.; NADA or ATD badge required.)
- 9:00 AM – 3:30 PM Expo Open – Exhibit Halls C1–C5
- 9:00 AM – 3:30 PM Lifestyle Experience – Exhibit Hall N-2
- 10:30 AM – 11:45 AM Workshops – North Hall Meeting Rooms
- NOON – 1:15 PM General Session and Luncheon – LVH-Las Vegas Hotel & Casino, Ballroom A–C (ATD badge required.)
- 1:30 PM – 3:30 PM Make Meetings – North Hall Meeting Rooms
- 2:15 PM – 3:30 PM Workshops – North Hall Meeting Rooms
- 3:30 PM Super Bowl Gala\* – LVH-Las Vegas Hotel & Casino, Ballroom A–C

### MONDAY, FEBRUARY 6

- 8:00 AM – 5:00 PM Convention Registration – Exhibit Hall N-2
- 8:00 AM – 10:00 AM Make Meetings – North Hall Meeting Rooms
- 8:30 AM – 5:00 PM Expo Open – Exhibit Halls C1–C5
- 8:30 AM – 5:00 PM Lifestyle Experience – Exhibit Hall N-2
- 8:30 AM – 9:45 AM Workshops – North Hall Meeting Rooms
- 10:30 AM – 11:45 AM Workshops – North Hall Meeting Rooms
- NOON – 1:30 PM General Session and Luncheon – LVH-Las Vegas Hotel & Casino, Ballroom A–C (ATD badge required.)
- 3:30 PM – 5:00 PM NADA General Session – Exhibit Hall N-1p (NADA or ATD badge required.)



**Martin Daum** is president and CEO of Daimler Trucks North America LLC and its affiliated companies, including Freightliner Trucks, Western Star Trucks, Detroit Diesel Corp., and Axle Alliance Co. He was appointed in 2009. Daum addresses dealers Saturday.



**Mike Card** is president of Combined Transport, Inc., Central Point, Ore., which hauls building materials, glass, and heavy equipment in 48 states and Canada. Card is a past president of the Oregon Trucking Association and is currently first vice chairman of American Trucking Associations. Card addresses dealers Sunday.



**Capt. Gerald Coffee** (ret.), a former U.S. naval officer and prisoner of the North Vietnamese for seven years, is now a top inspirational speaker and author of *Beyond Survival: Building on Hard Times—A POW's Inspiring Story*. Coffee addresses dealers Monday.



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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, Saturday, February 4.

**ALABAMA:** *Chris Myers*, Daphne

**ARKANSAS:** *Robert Johnson*, Little Rock;  
*Harold Whitson*, Clarksville

**ARIZONA:** *Rocky DiChristofano*, Tucson

**CALIFORNIA:** *Fritz Hitchcock*, City of Industry;  
*Robert Ricks*, Redwood City; *Mike Weseloh*, Carlsbad

**COLORADO:** *Mike Shaw*, Denver

**CONNECTICUT:** *Jeff Aiosa*, New London

**DELAWARE:** *Charles L. Burton*, Milford

**FLORIDA:** *Scott Fink*, New Port Richey;  
*Joseph Gannaway*, Eustis

**GEORGIA:** *Steve Middlebrooks*, Athens

**HAWAII:** *Tom Griffin*, Honolulu

**IDAHO:** *Mike Hanigan*, Payette

**ILLINOIS:** *Geoff Isringhausen*, Springfield

**INDIANA:** *Robert Rohrman*, Lafayette

**IOWA:** *Scott Deter*, Atlantic

**KANSAS:** *Tom Holcombe*, Manhattan

**KENTUCKY:** *Dick Heaton*, Bardstown

**MAINE:** *Daniel R. Macdonald*, Bridgton

**MARYLAND:** *Geoffrey Pohanka*, Marlow Heights;  
*DeWalt Willard*, Frederick

**MASSACHUSETTS:** *Ann Regan*, Haverhill

**MICHIGAN:** *Hoot McInerney*, Southfield;  
*Randy Wise*, Flint

**MINNESOTA:** *Morrie Wagener*, Minnetonka

**MISSOURI:** *Randy Reed*, Kansas City

**MONTANA:** *Richard "Dick" Olson*, Great Falls

**NEBRASKA:** *Gene J. Steffensmeier*, Fremont

**NEW HAMPSHIRE:** *Donna Hosmer*, Belmont

**NEW JERSEY:** *Judith Schumacher-Tilton*, Little Falls

**NEW MEXICO:** *Mark Wiggins*, Albuquerque

**NEW YORK:** *Bruce Bendell*, Long Island City;  
*Mark Lacher*, Jackson Heights

**NORTH CAROLINA:** *Tim Ilderton*, High Point

**NORTH DAKOTA:** *William Wallwork III*, Fargo

**OHIO:** *Bernie Moreno*, North Olmsted

**OKLAHOMA:** *Marc Heitz*, Norman

**OREGON:** *Robert Lanphere Jr.*, Beaverton

**PENNSYLVANIA:** *Blaise Alexander*, Montoursville

**SOUTH CAROLINA:** *Vic Bailey III*, Spartanburg

**SOUTH DAKOTA:** *Mark McKie*, Rapid City

**TENNESSEE:** *John Murrey*, Pulaski

**TEXAS:** *Collin Sewell*, Odessa

**UTAH:** *Gail Miller*, Murray

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**WYOMING:** *Marty Bratt*, Powell

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# WHAT'S NEW AT THE CONVENTION

It's now even easier to network, shop, and stay in touch at the NADA/ATD Convention & Expo thanks to a number of firsts and some new-and-improved features.

## SOCIAL CONNECTION ZONE

The Social Connection Zone takes the hassle out of staying connected. Come to the "Zone" to charge up, sign on, and keep your vital e-mail conversations flowing. You'll also find plenty of space to chat in real time with other attendees as you unwind at the coffee bar. View the latest text and photos that flow onto the oversize screens of the Social Media Fountain. And check out the new Wayfinders, which map your destination in real time throughout the convention center.

## NADA WELCOME RECEPTION

NADA and J.D. Power and Associates have teamed up again on a ticketed welcome reception. Renew acquaintances and make new contacts on February 3 from 5:30 p.m. to 7:00 p.m. at the Wynn Las Vegas. Buy tickets when you sign up for the J.D. Power International Automotive Roundtable or during convention registration. For more, visit [www.NADAConventionandExpo.org](http://www.NADAConventionandExpo.org).

## NADA FOUNDATION

The NADA Foundation wants to show you how it has helped NADA members give back to the community through an array of humanitarian projects. Meet a Canine Companion for Independence, one of the highly trained assistance dogs for

wounded veterans and the disabled. Learn about the Japan relief efforts that have provided food, water, and shelter to those in need. And discover other real-life success stories made possible by the NADA Foundation.

## DEALERS DRIVING ROAD SAFETY

NADA's Dealers Driving Road Safety was so popular last year that we decided to bring it back. Come to NADA booth #2246 and talk to fellow dealers about how to easily and cost-effectively launch a driver-safety program in your community. Whether your customers and neighbors are most interested in boosting child passenger safety, keeping teen drivers and their passengers safe, or offering special tips for rural driving safety, the program's dealer-instructors can cover it.







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# SOCIAL MEDIA

## NADA APPS FOR SMARTPHONES & E-TABLETS

**N**ADA now offers a host of mobile apps to help improve your business and make your time at this year's convention even more valuable.

### THE NADA APP

The new NADA app provides the latest news and videos from the award-winning *NADA Headlines* e-newsletter, as well as a calendar of all upcoming events and a schedule of workshops and webinars from NADA University. The NADA app also features a comprehensive contact list for NADA products and member services and links to other NADA apps.

To download the NADA mobile app on either the iPhone or iPad, visit the App Store and search "NADA." (Expect Droid smartphone and other e-tablet versions of the NADA app later this year.)

### 2012 NADA/ATD CONVENTION & EXPO APP

Now you can track workshop speakers and sessions, find exhibitor profiles, and review a map of the expo floor on the NADA convention app. Perhaps best of all, you can sync your myNADAplanner to your app to put all of your calendar information right on your phone.

Android and iPhone users can download the app by searching NADA2012. (If you don't want an app, go to [chirpe.com/NADA2012](http://chirpe.com/NADA2012) and access the info from your browser.)

### NADA APPRAISAL PRO

The NADA Appraisal Pro app provides users with data from top industry sources, including NADA, AutoTrader.com, J.D. Power, and *Manheim Market Report*, to quickly and accurately determine the actual cash value of any used car or light-duty truck. Plus, it allows you to print your appraisal offer on an NADA-branded document, boosting your credibility with customers.

Smartphone users also can access this application's NADA VIN Scanner, which allows users to scan vehicle identification bar codes and obtain NADA vehicle values.

For more information, go to [www.nada.com/appraisal](http://www.nada.com/appraisal).

### APP ENHANCEMENTS

Look for updates to all these NADA apps throughout the year for the latest enhancements and features.





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# NADA FOUNDATION

## BENEFITING THOSE IN NEED

Take a look at the programs sponsored by the National Automobile Dealers Charitable Foundation (NADCF), and you will find very human threads running through each one.

Certainly, wounded veterans, the children of those killed during 9/11, and dealership employees who struggled to regain their lives after natural disasters have all been aided and forever changed by the generosity of the NADA Foundation.

Yet the story doesn't end there.

### CANINE COMPANIONS

Take the NADA Foundation's contributions to Canine Companions for Independence, an organization that trains service dogs. It's a relationship that was launched by a casual conversation.

NADA Foundation Chairman Robert P. Mallon was talking with NADA's former president Frank E. McCarthy, about the role Labrador retrievers played in each of their families. Not long afterward, a dealer approached the NADA Foundation about supporting Canine Companions.

What began as a onetime gift has turned into an ongoing program supported through the Frank E. McCarthy Memorial Fund after McCarthy's death in 2001. "I think Frank would be very pleased," says Mallon.

In 2011, the NADA Foundation, for the first time, presented three dogs in one year—two for wounded

vets and one for disabled children. One of those vets, Ret. Army Sgt. Sam Cila, is featured on the cover of the *Foundation News* publication, which accompanies this magazine.

### AMBASSADORS PROGRAM

Another NADA Foundation success story involves the Ambassadors program. Five years ago, Connecticut dealer Gary Reynolds joined an elite group of dealers as an Ambassador of the NADA Foundation. In the years since, Reynolds has enrolled his father, mother, grandfather, great-grandfather, and other family members—for a total of nine Ambassadors. Recently, Reynolds' daughter Kathryn was named the NADA Foundation's 500th Ambassador, setting the pace for the next goal of 1,000 Ambassadors within the next few years.

To become an Ambassador, a dealer, company, association, or individual pledges a tax-deductible donation of \$10,000 to the NADA Foundation in their own name—or in recognition of loved ones, living or deceased. That money is then given to organizations of the donor's choice in amounts of at least \$1,500 every three years—forever.

### THE ROAD AHEAD

At this year's convention, the NADA Foundation—in conjunction with NADA's "Dealers Driving Road Safety" program (page 17)—will be providing \$500 micro-grants to dealerships to support community education on child safety seats, teen driving (including distracted driving), and rural road safety.

The NADA Foundation offers numerous other programs, as detailed in *Foundation News*. For more information, visit [www.nada.org/CF](http://www.nada.org/CF).



**Compelling companions:** Ret. Army Sgt. Sam Cila, with his service dog, Gillian.

# Automakers 2012

**Sunny skies ahead for the auto industry.**

BY NANCY DUNHAM

**A** MAJOR TSUNAMI, EARTHQUAKES, AND other natural disasters wreaked havoc on automakers in 2011, but now pent-up demand is sending buyers to showrooms.

“If we want to think about where the market has gone from [a few years ago], it has been an interesting ride,” says Dan Montague, North American lead analyst for PwC Autofacts, Detroit. “Growth has been very methodical, very stair-step.... The incentives were pretty positive, the mix was good, and consumers were feeling fairly resilient.”

The picture is only getting brighter as supply chains are repaired and consumers continue to rebuild their credit.

Following is a rundown of what automakers have done right (or wrong) and what it all means for the rest of 2012.

## **FORD: HANGING TOUGH**

“I think the primary story is that Ford has been able to pick up market share for two consecutive years,” Montague says, adding that the automaker has had a lot to offer in two of the hottest segments: trucks and small cars. “That’s pretty tremendous when you consider Ford made some significant divestitures (such as eliminating Mercury).”

Ford’s decision not to go into bankruptcy or accept government aid scored big with consumers, say analysts. And Ford’s prudent decisions also are reflected “under the hood and in the cabin,” as shown by such high-tech, competitively priced models as the Focus. Expect some shifts, too, as Ford looks beyond its Escape hybrid technology to the all-electric Focus.

“They’ve also been very disciplined on pricing while boosting quality and investing in technology,” says Montague.

Looking ahead to next year, the redone Ford Escape is a dramatic departure from the past, says AutoTrends analyst Joe Phillippi. “The boxy truck-like model is...replaced by something very car-like, with more interior volume, an improvement in fuel economy, and a [new] transmission.”

## **GM: GETTING A SECOND WIND**

GM has continued the winning strategy that took it from crisis to conquest by ramping up looks and quality.

“The new products they brought out are solid quality,” says PwC Autofacts director Brandon Mason. “That’s causing consumers to take a second look and see that GM does have good-quality vehicles.”

Says dealer Diane Connell, Connell Chevrolet, Killeen Tex.,



Cadillac XTS

“The quality has gone up so much, and [the new models] make us more competitive than we have been in several years. We have a lot more people coming in that we probably wouldn’t have seen before because they bought foreign brands.”

The Chevy Cruze, Impala, and Malibu only add to the success, and Cadillac’s reinvention into a young, hip brand will get a big boost with the all-new XTS and ATS.

“There are a lot of models in the pipeline that haven’t been officially announced yet,” Mason says. “All of the upcoming small products are also global products for GM. They are using their strength as a global automaker to address any quality and design concerns.”

And despite image problems with the Chevy Volt, watch for GM to jump even more into this niche market when it rolls out the all-electric Chevy Spark, probably in 2013.

#### **CHRYSLER: HAPPILY MARRIED**

It was Chrysler’s marriage to Fiat that helped the perennial Detroit underdog gain market share, with improvements in styling, efficiency, and reliability.

“Chrysler is starting to look like the true comeback story,” says AutoTrends’ Phillippi, citing the continued high-volume sales of the Jeep Grand Cherokee and Ram trucks.

Refreshed versions of some niche vehicles, including the Dodge Challenger and Charger, also helped. Look for such vehicles to again boost Chrysler’s cache—and profits—this year, along with three distinct versions of the Chrysler 300.

The marriage has also greatly benefited Fiat, which has

been caught in the European debt crisis. The Italian automaker’s profits are now driven squarely by Chrysler.

#### **HONDA: LEARNING FROM ITS CIVIC LESSON**

The natural disasters that delayed production hit Honda hard as it sought to refresh an aging portfolio. But some analysts don’t blame everything on external forces. “We could argue all day about the impact of the tsunami [on Honda], but the fact is they have totally lost their mojo in terms of styling and in some respects performance,” says Phillippi, pointing to the disappointing refresh of the Civic. The Civic’s design and engineering missteps, he adds, “really hurt them with young buyers.”

Mistakes also plague Acura, which has been “criticized over and over again for the rounded style that is god-awful,” says Phillippi. The problem, some analysts say, is Honda’s relying too heavily on engineers in strategy and design, which has created too many niche vehicles.

Honda may see bright spots in 2012 with a quick refresh of the Civic and a redesigned CRV. “The CRV continues to be a super-high-volume vehicle,” says PwC Autofacts’ Montague. “It’s ready to go head-to-head with the new Escape in 2012.”

Dealer Ed Dreiband, Northwest Honda, Owings Mills, Md., believes the redone CRV will help Honda bounce back because it is updated but not over the top.

#### **NISSAN: THE ITCH TO NICHE**

Nissan and Infiniti saw a slight bump in market share, which has given the automaker some leeway to pursue more niche markets. That’s why Nissan has been using the Leaf—the



**Hyundai Veloster**



only all-electric vehicle in the marketplace—to gain green cred and distinguish itself from other automakers, says PwC Autofacts’ Mason. “They’ve spent lots of marketing dollars on promotion.”

Dollars have also gone to specialty vehicles, like the 12-seat NV3500 HD Passenger Van and commercial vehicles. Such specialized vehicles underscore Nissan’s innovation and help improve its image, says Mason.

Not that the automaker will ignore its mainstays. Expect refreshed versions of several models, including the Altima, Pathfinder, Frontier, and Xterra, as well as the Infiniti FX.

**TOYOTA: LOOKING FOR A WAY BACK**

No sooner did Toyota begin to dig out from the ill effects of natural disasters last summer than it had to recall 550,000 vehicles for steering issues.

“In terms of inventory loss, Toyota suffered more than Honda,” says Mason. For two or three months, he notes, it had no inventory to sell.

But this year Toyota will introduce several refreshed mod-

<b>U.S. Market Share</b>		
<small>(Percentage, by various automakers)</small>		
	<b>2010</b>	<b>2011</b>
<b>Domestics</b>		
Chrysler	9.3	10.7
Ford	16.5	16.6
GM	19.1	19.7
<b>Asian</b>		
Honda	10.6	9.0
Hyundai	4.7	5.1
Kia	3.1	3.8
Nissan	7.9	8.2
Toyota	15.3	12.9
<b>Europeans</b>		
Audi	0.9	0.9
BMW	2.3	2.4
Mercedes	2.0	2.1
VW	2.2	2.5

els—including the Rav4, Avalon, and Tacoma—which Mason believes will address “a lot of quality concerns and issues.”

Although the Prius hybrid and much-loved Camry are still auto sales leaders, it’s not clear whether Toyota can hold on to its world’s-largest-automaker crown.

**HYUNDAI/KIA: BUILDING ON SUCCESS**

Hyundai and Kia keep hitting home runs. Smart engineering and styling have kept quality and reliability high and prices low for both brands while offering plenty of room for profit. That and additional assembly facilities in this country have helped keep Hyundai and Kia very popular here.

“That car company has got it together,” says Wayne Phillips, vice president of operations for Alan Jay Automotive Network,

Sebring, Fla. “They have had supply problems like most imports, but we could sell twice as many Kias as we do if we could get the inventory.”

Recent highlights include the redone Kia Rio and Hyundai Elantra. But there is still room for improvement: Hybrid ver-

sions of the Hyundai Sonata and Kia Optima have received lukewarm reviews for lackluster performance and handling.

### THE EUROPEANS: MIXED REVIEWS AND SUCCESSES

Despite ongoing concerns about the Euro debt crisis, European automakers have remained fully committed to North America. Volkswagen, for example, is building the redesigned Passat at its new plant in Chattanooga, Tenn. And Audi, which had a record year in 2011, is looking for a site to open its own plant here in 2014.

Other European automakers haven't been as successful. While Fiat took a controlling interest in Chrysler, the automaker has had disappointing results with the Fiat 500—selling 70 percent fewer vehicles than planned. Fiat will rely on new products during the next three years to boost its presence here.

And then there is Saab, which worked its way through a divorce from GM and keeps bouncing from suitor to suitor in an effort to survive.

Yet while there are mixed reviews for European automakers overall, the industry itself is definitely on an upswing. And that's comforting for all automakers and their dealers. ■

*Nancy Dunham is a contributing writer of NADA Convention Magazine.*

## Auto Markets in China and India: Stalled for Now

What a difference a year—or two—makes. In 2010, China and India each saw their domestic auto markets explode by some 32 percent. Analysts predicted that the growth wouldn't slow anytime soon because of factors such as government incentives and consumers' growing wealth.

Last year, major shifts in the world economy led the Chinese and Indian governments to take various actions, like ending many incentives that fueled auto sales. So for now, at least, growth has stalled.

There are declines in auto sales in the two countries, says Sudarshan Mhatre of PwC Autofacts, but still positive growth. "It's just lower than we had seen." By the second half of 2012 or sooner, the governments should be able to get food inflation and other problems under control, he adds. "That's when you'll see these markets snap right back. It's not a question of whether you can achieve long-term growth potential; it's a matter of how they will get there."

## Diesel, Electric, Hybrid, Etc.: Fuel for Growth?

Ford's decision to make an electric vehicle—the Focus—and other automakers' similar commitments to alternative-fuel vehicles often seems more about positioning than satisfying demand.

After all, there still isn't much clamoring for such vehicles. Though hybrids have been available for years, they make up only 3 percent of the market, and half of them are Toyota Priuses. By the end of 2011, Nissan had sold only some 9,700 electric Leafs and Chevrolet had unloaded about 7,700 Volts. Plus, the Volt's image—and perhaps all EVs—was tarnished with battery quality-control issues. True, Tesla Motors is looking to sell sedans in the United States next year, but only about 6,500. A Morgan Stanley analyst, Adam Jonas, also cut his rating and price target for the car. It went from "overweight" to "underweight" as the analyst slashed his stock price target by 37 percent to \$44, saying the vehicles are "not ready for prime time," according to AP.

The automakers themselves admit that their alternative-fuel vehicles aren't right for everyone, especially in the United States, where car travel is generally long and on highways as opposed to short and on back roads, as is often the case in Europe.

Perhaps more important, Americans want point-and-shoot technology that requires lots of research and funding, especially for electric vehicles, which are arguably wedded to infrastructure such as charging stations. "Our customers who buy hybrids or electric vehicles want it to be like a cell phone and work without them having to think too much about the technology," says Ford spokeswoman Nancy Gioia.

Having infrastructure in place, Ford leaders agreed, would be key for customers. Which is probably why Ford will initially focus electric car sales in California and the New York metro area before expanding them to 19 total markets by the end of 2012.

But will Ford's and other automakers' new green technology end up being convenient—and cost-friendly—enough for consumers? Only time will tell.



# What a Concept

Cars of the  
not-so-distant  
future.

BY JOE PHILLIPS



**Kia GT:** High-styled sport sedan—with coupe-like styling—features rear-wheel drive, four bucket seats, and punchy 390-hp V6. Takes aim at Porsche Panamera, Audi 7, and Mercedes CLS.



**Honda EV-ster:** Possible replacement for the high-test S2000, this Tesla wannabe sports a carbon fiber body and zippy lithium-ion motor—though the production model may arrive with a gas-powered engine instead.

**A**utomakers keep hoping green cars turn into green cash. But, at least for now, it's not easy being green: Hybrids make up only 3 percent of the vehicle mix, range anxiety remains an overriding concern with EVs, and diesels—so popular in Europe and elsewhere—just can't seem to gain traction here. Still, design studios are churning out a record number of eco-chic concepts, with sleek aerodynamic styling, lightweight aluminum, durable carbon fiber, regenerative braking, and other fuel-friendly features. If nothing else, the green theme piques consumer interest and help drives showroom traffic. Here's a look at some of the latest enviro concepts.



**Nissan Pivo 3:** EV commuter car has motors in the wheels to allow maximum interior room and lets each wheel rotate so this three-seater can move sideways into tiny parallel parking spaces.





**Subaru BRZ:** Toyota and Subaru team up to build a saucy sportster, with rear-wheel drive, teeny steering wheel, and fiesty four-cylinder engine mounted low on the chassis for better handling and balance. Arrives this spring.



**Jaguar C-X16:** Luxo two-seat hybrid is about a foot shorter than the current XK coupe and features a clamshell hood, 21-inch alloys, and lots of aluminum and carbon fiber, as well as recessed door handles that emerge only via touch sensors on the door panels.



**Cadillac ELR:** Formerly the Converj concept, this Caddy is basically a Volt coupe, with an electric motor, lithium-ion batteries, and four-cylinder engine. Look for it in 2013 as a 2014 model.



**Suzuki Regina:** Curvy compact car weighs only 1,609 lb., attains 75 mpg, and has Citroën styling cues, with a white roof, rear fender skirts, and bug-eye headlights.



**Mazda Takeri:** With its long, low hood, highly arched wheel wells, and sharply slanted headlights, the styling on this diesel concept hints at the next Mazda 6.



**BMW i8:** Plug-in hybrid made of lightweight materials boasts laser headlights and 87 mpg, and can scoot from 0 to 60 mph in less than five seconds. Arrives 2013, along with the "pure electric" i3.

# Sales Trends

## Vehicle sales on the up and up.

BY NANCY DUNHAM

**T**WO THOUSAND ELEVEN WAS FULL OF floods, tsunamis, and all sorts of natural disasters that threatened to drown the industry in red ink. Yet automakers, suppliers, and dealers rose to meet those challenges—as well as a high U.S. unemployment rate that seems permanently stuck in neutral—and the outcome is strong sales that will likely grow stronger in the years ahead.

Auto sales were jump-started in the last months of 2011, culminating in December, when sales rose at the second-fastest pace in two years. Another plus: The increase wasn't bolstered by incentives, which always cut into profits.

The return to health, fueled by buyers' pent-up demand, has been so strong that many analysts are predicting auto sales of 13.8 million in 2012, 15.4 million in 2013, and 16.2 million in 2014. This would mark the first time in many years that auto sales hit "normal" numbers.

Or would it? NADA chief economist Paul Taylor cautions that "normal" is not the same as the approximately 17 million in U.S. annual auto sales during the 10-year period through 2007, right before the recession hit. So the forecast figures are healthy ones for a stable economy—a nice change from the past few years.

### AUTO INDUSTRY REACHES OUT

Much of the latest auto sales success leads directly back to dealers who offered aggressive incentives. High trade-in allowances boosted by shortages of used cars has also prompted some buyers to spend.

"Demand continues to remain strong for both new and used vehicles," says Jonathan Banks, senior analyst with NADA Used Car Guide, noting that consumer demand for small and midsize cars will shift from used cars to new. "We've seen a surprising strength [for those models] in the used market. We expected consumers to look for new vehicles instead of used, but we saw improvement in both markets."

Consumers with poor credit, along with those simply trying to save money, are driving used-car sales. For now, many dealers aren't sending trade-ins to auction because they're reaping \$1,000 to \$3,000 more per vehicle than they had in the past.

"A lot of this goes back to the average age of U.S. cars, which is 10.7 years old," says Banks. "As vehicles age, the owners are concerned about repair costs, so they need to get new vehicles or [newer] used vehicles."





### USED-CAR PRICES AND DEMAND REMAIN HIGH

The used-car supply continues to sag, because after galloping for eight years and reaching all-time highs, new-vehicle sales plunged to 13.2 million in 2008 and then to 10.4 million in 2009. That left the industry about 6 million used cars short.

The result? Prices for small and midsize used cars hit record levels, jumping by about 35 percent last summer and settling even higher by year-end.

“Higher used-car prices also will drive more car shoppers to choose new vehicles instead of used ones because monthly payments between new and used purchases are closer,” Banks says.

The supply of used cars in the United States will take years to stabilize, thanks to an estimated shortage of 5 million used cars or more.

### NEW-CAR SALES: STILL THE MAIN EVENT

Even with all the natural disasters and a teetering world economy, new-car sales continue to grow. Despite the many problems, there has been a rise in consumer confidence, and expect that to continue, says Taylor.

This comes at a time when the Detroit Three have an average of about 80 days’ supply, as opposed to the 60 days’ industry standard. Consumers likely will be treated to sweeter-than-expected incentives through at least the first part of the year.

The wild card is possible harsh winter weather, which could curtail some of the expected recovery. Increased demand for fuel oil usually spikes gasoline prices, adding more small cars—with their lower profit margins—to the mix.

### CONSUMER CREDIT SCORES REBOUND

The good news is that credit is basically back to normal for customers with good credit ratings. In addition, many consumers have repaired their damaged credit scores and have moved out of subprime purgatory.

And although the stock market has had its ups and downs, retail sales haven’t dipped as some expected.

All in all, the various economic indicators are pointing toward a solid—perhaps even robust—year ahead for the auto industry. ■

*Nancy Dunham is a contributing writer of NADA Convention Magazine.*





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# SALES TRENDS

## NADA NEWS

### Average dealership profile

#### Light-Duty Vehicle Sales

In millions

	Oct. YTD 2011	% chg.	Full year 2010
Domestic cars	3.5	10.8%	3.8
Import cars	1.6	1.1%	1.8
Total cars	5.1	7.7%	5.6
Light-duty trucks	5.4	12.4%	5.9
Total light-duty vehicles	10.5	10.0%	11.6

#### Balance Sheet Ratios (YTD Sept.)

**Net debt to equity** **0.97**  
(Total liabilities less floorplan to net worth + LIFO)

**Current ratio** **1.38**  
(Current assets to current liabilities)

**Service and parts absorption** **58.6%**  
(Service and parts gross profits divided by total fixed overhead expense)

**Return on equity** **31.4%**

Source: NADA Industry Analysis Division

	YTD September 2011	YTD September 2010	Percent change
<b>Total sales</b>	\$25,936,700	\$22,640,423	14.6%
<b>Total gross</b>	\$3,789,930	\$3,346,368	13.3%
As % of total sales	14.6%	14.8%	
<b>Total expense</b>	\$3,136,591	\$2,813,494	11.5%
As % of total sales	12.1%	12.4%	
<b>Net profit before taxes</b>	\$653,339	\$532,874	22.6%
As % of total sales	2.5%	2.4%	
<b>New-vehicle sales</b>	\$13,956,989	\$11,816,745	18.1%
As % of total sales	53.8%	52.2%	
<b>Used-vehicle sales</b>	\$8,520,642	\$7,643,071	11.5%
As % of total sales	32.9%	33.8%	
<b>Service and parts</b>	\$3,459,069	\$3,180,607	8.8%
As % of total sales	13.3%	14.0%	
<b>Advertising expense</b>	\$268,175	\$241,268	11.2%
As % of total sales	1.03%	1.07%	
Per new vehicle retailed	\$622	\$652	-4.5%
<b>Rent and equivalent</b>	\$302,693	\$281,253	7.6%
As % of total sales	1.17%	1.24%	
Per new vehicle retailed	\$702	\$760	-7.6%
<b>New-vehicle floor-plan interest</b>	(\$16,442)	(\$14,438)	13.9%
As % of total sales	-0.06%	-0.06%	
Per new vehicle retailed	(\$38)	(\$39)	-2.2%
<b>Average new-vehicle selling price (retail)</b>	\$30,309	\$29,428	3.0%
Gross as % of selling price	4.63%	4.60%	
Average gross profit	\$1,404	\$1,353	3.8%
<b>Average used-vehicle selling price (retail)</b>	\$17,146	\$16,321	5.1%
Gross as % of selling price	12.87%	13.85%	
Average gross profit	\$2,206	\$2,260	-2.4%

### Average dealership profile

#### Light-Duty Vehicle Sales

In millions

	Nov. YTD 2011	% chg.	Full year 2010
Domestic cars	3.8	11.4%	3.8
Import cars	1.7	1.6%	1.8
Total cars	5.5	8.2%	5.6
Light-duty trucks	6.0	12.5%	5.9
Total light-duty vehicles	11.5	10.4%	11.6

#### Balance Sheet Ratios (YTD Oct.)

**Net debt to equity** **0.96**  
(Total liabilities less floorplan to net worth + LIFO)

**Current ratio** **1.39**  
(Current assets to current liabilities)

**Service and parts absorption** **58.6%**  
(Service and parts gross profits divided by total fixed overhead expense)

**Return on equity** **31.1%**

Source: NADA Industry Analysis Division

	YTD October 2011	YTD October 2010	Percent change
<b>Total sales</b>	\$28,739,459	\$25,282,693	13.7%
<b>Total gross</b>	\$4,192,674	\$3,731,935	12.3%
As % of total sales	14.6%	14.8%	
<b>Total expense</b>	\$3,471,159	\$3,138,526	10.6%
As % of total sales	12.1%	12.4%	
<b>Net profit before taxes</b>	721,515	593,409	21.6%
As % of total sales	2.5%	2.3%	
<b>New-vehicle sales</b>	\$15,482,494	\$13,222,223	17.1%
As % of total sales	53.9%	52.3%	
<b>Used-vehicle sales</b>	\$9,427,957	\$8,506,922	10.8%
As % of total sales	32.8%	33.6%	
<b>Service and parts</b>	\$3,829,008	\$3,553,549	7.8%
As % of total sales	13.3%	14.1%	
<b>Advertising expense</b>	\$298,823	\$270,239	10.6%
As % of total sales	1.04%	1.07%	
Per new vehicle retailed	\$627	\$654	-4.2%
<b>Rent and equivalent</b>	\$335,560	\$314,212	6.8%
As % of total sales	1.17%	1.24%	
Per new vehicle retailed	\$704	\$760	-7.5%
<b>New-vehicle floor-plan interest</b>	(\$20,461)	(\$17,335)	18.0%
As % of total sales	-0.07%	-0.07%	
Per new vehicle retailed	(\$43)	(\$42)	2.3%
<b>Average new-vehicle selling price (retail)</b>	\$30,401	\$29,547	2.9%
Gross as % of selling price	4.62%	4.58%	
Average gross profit	\$1,406	\$1,352	4.0%
<b>Average used-vehicle selling price (retail)</b>	\$17,176	\$16,371	4.9%
Gross as % of selling price	12.76%	13.71%	
Average gross profit	\$2,191	\$2,245	-2.4%



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# Century Dealers

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

BY JOE PHILLIPS

**M**ANY DEALERSHIPS were originally blacksmiths or wagon makers before selling automobiles. The NADA Century Award celebrates those dedicated dealer families that have been in the transportation business for 100 years or more (to apply for the award, visit [nada.org/centuryaward](http://nada.org/centuryaward)). Here is a look at current Century Award winners.



**1852** | Schaefer & Bierlein  
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



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





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



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





**1903 | Wentworth Chevrolet, Inc.**  
Portland, Oregon



**1904 | Martens Cars**  
Washington, D.C.



**1905 | Claude Nolan Cadillac**  
Jacksonville, Florida



**1907 | Garber Buick**  
Saginaw, Michigan



**1906 | Smart Chevrolet Co.**  
Pine Bluff, Arkansas



**1907 | Butts Motors, Inc.**  
Seaside, California



**1907 | Wegner Auto Co.**  
Pierre, South Dakota



**1908 | Smart Motors, Inc.**  
Madison, Wisconsin



**1907 | Hulsizer Chevrolet**  
Montgomery, Pennsylvania



**1907 | Luck Chevrolet**  
Ashland, Virginia



**1908 | Don Drennen Motor Co.**  
Hoover, Alabama

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**1908** | **Goodwin Bros. Auto**  
New Castle, Indiana



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



**1910** | **Hight Auto Group**  
Skowhegan, Maine



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



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



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



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



**1911** | **Dahl Automotive of Onalaska**  
Onalaska, Wisconsin



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



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



**1911** | **I.G. Burton & Co.**  
Milford, Delaware



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





# **NADA Mobile app for iPhone and iPad**

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## 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

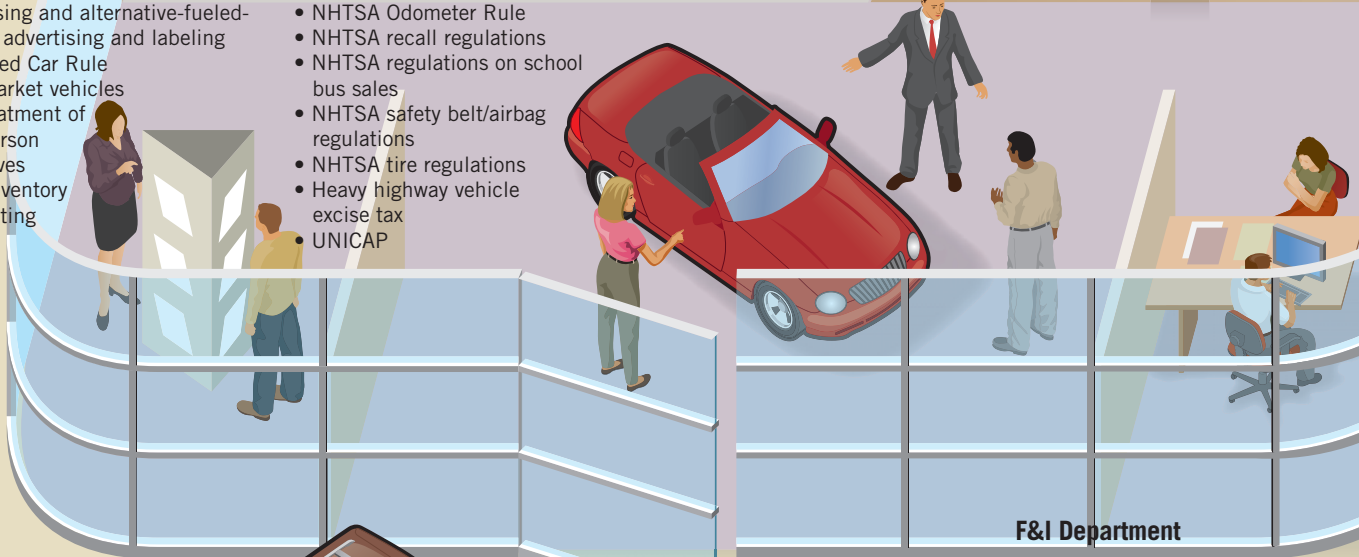
## Service and Parts Department

- Clean Air Act
- Clean Water Act
- DOT hazardous-materials-handling procedures
- IRS Core Inventory Valuation
- LIFO/FIFO Inventory Accounting Method
- NHTSA tampering regulations
- 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



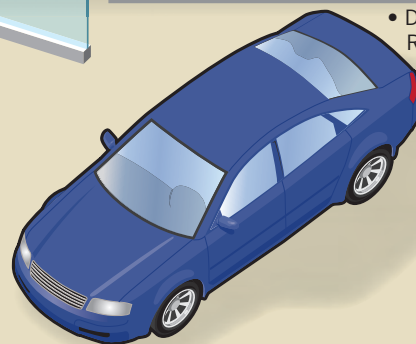
## New- and Used-Vehicle Sales Departments

- American Automobile Labeling Act
- DOE/EPA gas-mileage guide
- EPA emissions certification
- 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
- Motor vehicle tax credits
- Monroney sticker (Price Labeling Law)
- NHTSA alteration regulation
- NHTSA collision-loss guide
- NHTSA Odometer Rule
- NHTSA recall regulations
- NHTSA regulations on school bus sales
- NHTSA safety belt/airbag regulations
- NHTSA tire regulations
- Heavy highway vehicle excise tax
- UNICAP



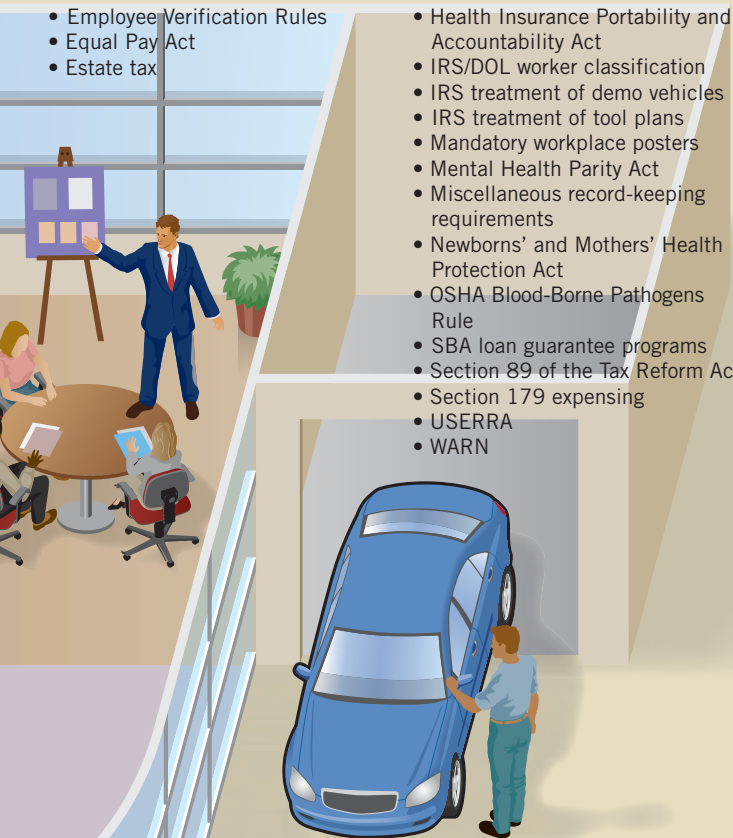
## F&I Department

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



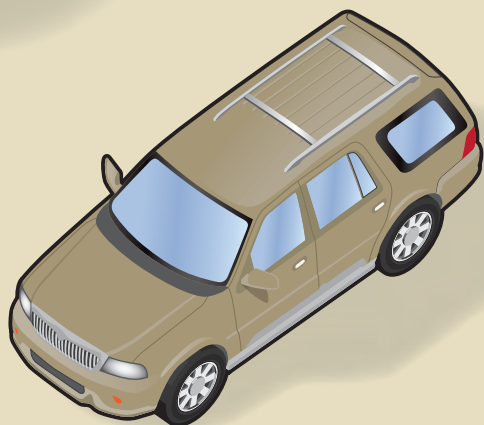
## All Departments (General Management/Personnel)

- 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 regs
- Federal Civil Rights Act
- Federal Health-Care Reform Mandates
- FTC Repossession Rule
- Federal wage-hour and child labor laws
- Genetic Information Nondiscrimination
- 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
- OSHA Blood-Borne Pathogens Rule
- SBA loan guarantee programs
- 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



Kopp Illustration

# THE REGULATORY MAZE

**Our annual update on major federal regulations; state laws also apply and sometimes include additional requirements.**

**I**N ADDITION TO THIS GUIDE TO LAWS AND regulations, be sure to consult the *NADA & ATD Federal Regulatory Compliance Chart* at [www.nada.org/regulations](http://www.nada.org/regulations) (requires member access). It lists federal laws and regulations by agency, notes to whom they apply, and offers Web addresses for further information.

## All Departments (General Management/Personnel)

- **Age Discrimination in Employment Act:** Protects older individuals against age-based employment discrimination.
- **Americans With Disabilities Act (ADA):** Businesses with 15 or more employees must reasonably accommodate disabled workers and job applicants.
- **Consolidated Omnibus Budget Reconciliation Act (COBRA):** Requires employers 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:** All employers 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. This isn't necessary for preemployment drug testing.



The ADA prohibits employers from discriminating against employees or applicants who have completed a drug treatment program or are currently undergoing such a program, as long as they aren't currently abusing drugs.

■ **Employee Polygraph Protection Act:** Prohibits employers from using polygraphs in preemployment screening; allows polygraph use only 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 info, keep records, abide by fiduciary responsibilities, and set up a grievance process.

■ **Employee Verification Rules:** Dealers 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 estate tax temporarily expired in 2010. For 2011 and 2012, the rate is 35 percent on amounts over \$5 million per spouse. Special rules apply regarding estates of a decedent who died in 2010.

■ **Family and Medical Leave Act:** Dealers must post a notice informing employees of their right to take this limited, unpaid leave for personal and family medical emergencies and must comply with appropriate requests for such leave. New provisions apply to leave related to military service.

■ **Federal child-support enforcement regs:** Requires states to have procedures under which liens can be put on personal property—including vehicles—for overdue child support. Dealers 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.

■ **Federal Health-Care Reform Mandates:** Extensive health-care reform laws enacted in 2010 contain numerous provisions affecting employers and health-care plans. For example, insurance companies may not drop coverage because of illness; impose lifetime maximums or dollar limits on "essential health benefits"; deny coverage to children (under 19) who have preexisting conditions; or bar dependent eligibility until the dependent's 26th birthday. More info: [www.healthreform.gov](http://www.healthreform.gov), or see the Webinar archive at [www.nadauniversity.com](http://www.nadauniversity.com).

■ **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:** 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 DOL use multi-factory 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," NLRB "Employee Rights," "Federal Minimum Wage," and "Notice: Employee Polygraph Protection Act," must be conspicuously displayed.

■ **Mental Health Parity Act:** Requires insurers and employers 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 employers to provide mental health coverage, and certain exemptions apply.

■ **Miscellaneous record-keeping requirements:** A multitude of requirements governs 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.

■ **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.

■ **SBA loan guarantee programs:** Small-business dealers seeking working capital, floor-plan, or real estate financing may be eligible for federal loan guarantees on loans up to \$5 million. SBA rolled out a new dealer floor-plan program in early 2011 with a 100 percent advance rate, five-year term, reduced fees, and guarantees of up to 75 percent. For all SBA loan programs, small-business dealers are those with 200 or fewer employees (100 for truck dealers) or a combined \$15 million net worth and \$5 million in net income.

■ **Section 89 of the Tax Reform Act:** Employers are prohibited from discriminating against lower-paid employees in their employee benefits packages.

■ **Section 179 expensing:** Qualifying businesses can expense up to \$500,000 of Section 179 property for tax year 2011 and (as of the date of this publication) \$125,000 for tax year 2012, amounts subject to phaseout. The definition of qualified Section 179 property (subject to a lower threshold) includes “qualified leasehold improvement property,” “qualified restaurant property,” and “qualified retail improvement property.”

The total depreciation deduction (including the Section 179 expense deduction) for a passenger automobile (not a truck or a van) that you use in your business and first placed in service in 2011 is increased to \$3,060. The maximum deduction for a truck or van that you use in your business and first placed in service in 2011 is increased to \$3,160. The first-year deduction for passenger automobiles is increased by \$8,000 (to \$11,060 for autos and \$11,160 for light trucks or vans) for vehicles that are qualified property for bonus depreciation purposes (i.e., were new and acquired and placed in service in 2011).

■ **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):** Requires dealers to 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. Dealers 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 Pornog-**

**raphy and Marketing) Act:** E-mailers must identify a commercial message as an advertisement or solicitation and provide their 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 senders can recognize wireless addresses, the FCC maintains a list of wireless domain names at [www.fcc.gov/cgb/policy/DomainNameDownload.html](http://www.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 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; preauthorizing 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, when the dealer discloses nonpublic information about consumers to third parties. The rule also restricts disclosures of nonpublic personal information. Dealers who correctly use a new 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 deceptive or unfair practices. For example, merchants must disclose to would-be buyers previous material damage.



More than half the states specify a dollar amount or formula for determining how much damage must have occurred to a new vehicle before disclosure is required.

■ **FTC Safeguards Rule:** Dealers must develop, implement, and maintain—and regularly audit—a comprehensive, written security program to protect customer information.

■ **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. An amendment to the rule 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 an 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:** Dealers 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 only be sent 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.

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 your dealership company-specific DNC list; 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); 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."

■ **USA PATRIOT Act:** Dealers must search their records and provide information about individuals or entities identified 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.

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### 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.

■ **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](http://www.fueleconomy.gov) and also download NADA brochure *Green Checkup: Maintenance Tips to Help You Save Gas* from [www.nada.org](http://www.nada.org).

■ **EPA emissions certification:** Dealers must provide a form to new-vehicle customers certifying the vehicle's compliance with emissions standards.

■ **Federal bankruptcy law:** A finance company (and the dealership acting on its behalf) should perfect security interests within 30 days after a customer takes possession of a vehicle, regardless of state law. Otherwise, if a 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 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.

■ **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 the individual taxpayer’s income and tax status.

■ **Monroney sticker (Price Labeling Law):**

Requires dealers to 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 and NHTSA NCAP’s 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 regulation:** Dealers who significantly alter new vehicles must affix a label identifying the alteration and stating that the vehicle still meets 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 collision-loss guide:** Dealers must make this guide available to prospective new-vehicle buyers.

■ **NHTSA Odometer Rule:** Prohibits odometer removal or tampering, as well as misrepresenting a true odometer reading. Forces record keeping to create a “paper trail,” and requires odometer disclosures on state titles. Vehicles with a greater than 16,000-lb. gross vehicle weight rating (GVWR) are exempt, as are vehicles 10 model years old or older.

■ **NHTSA recall regulations:** New vehicles and parts held in dealership inventory that are subject to a safety recall must be brought into compliance before delivery.

■ **NHTSA regulations on school bus 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.

■ **NHTSA safety belt/airbag regulations:** At-risk individuals can apply to NHTSA to have airbag switches installed. Dealerships may install switches for consumers with NHTSA authorization letters. Dealerships must be responsive to consumer requests for rear-seat lap/shoulder safety belt retrofits in older vehicles.



■ **NHTSA tire regulations:** Require proper replacement or modification of the tire-info label when replacing tires or adding weight before first sale or lease. Also, consumers must be given a registration card when buying new tires or tires must be registered electronically. Other rules govern handling and disposal of recalled new and used tires.

■ **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 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.

■ **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. On November 9, 2010, the IRS issued Revenue Procedure 2010-44, which creates two safe harbor methods of accounting for car and truck dealers. The new methods, which dealers may elect by filing Form 3115 with the IRS, 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 creates a new, independent Bureau of Consumer Financial Protection and grants it unprecedented authority to regulate financial products and services. Dealers engaged in three-party financing are excluded from the authority of the new 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 new disclosure requirements for risk-based pricing and adverse-action notices under the Fair Credit Reporting Act (Section 1100F) that took effect on July 21, 2011. It also contains a new 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 have



been temporarily exempted 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 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.)

■ **Fair Credit Reporting Act (FCRA):** Dealers are restricted in their use of credit reports for consumers, job applicants, and employees. Consumers’ 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. BHPH dealers have other responsibilities.

■ **The Fair and Accurate Credit Transactions (FACT) Act of 2003:** 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 info; opt-out disclosure formatting requirements for prescreened credit solicitations; a requirement to truncate all but the last five digits and the expiration date 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.

■ **FTC Credit Practices Rule:** Dealers are required to provide a written disclosure statement to a cosigner before the cosigner signs an installment sales 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).

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

■ **Holder in Due Course:** 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 dealers on credit). When dealers sell credit contracts to lenders, consumers are obligated to pay the lenders instead of the dealers. Under the rule, if a dealer engaged in fraud or made misrepresentations in selling a car on credit, a consumer could raise the dealer’s conduct as a defense against the lender’s demand for payments. Dealers must ensure that their credit contracts contain the precise disclosure required by the FTC Holder Rule.

■ **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 are prohibited from tampering with, replacing, or removing 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 dealers use and sell, including ultra-low-sulfur diesel. It restricts emissions from solvents and chemicals.

■ **Clean Water Act:** Sets standards for federal, state, and local

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.

■ **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 regulations:** Prohibit dealers from rendering inoperative safety equipment installed on used vehicles that are in compliance with federal law.

■ **NHTSA tire rules:** Dealers 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 info sheets on-site and accessible, and train staffers to properly handle the hazardous materials they work with. Also, under EPA's Community Right to Know regulations, dealers must list annually with state and local authorities any tank 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. One standard requires employers to 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, many dealerships are subject to Superfund liability. Dealers must be careful when selecting 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."

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### 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:** These extensive regulations affect body shops in many ways, including mandating the use and care of protective equipment such as face masks, gloves, and respirators. 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 antitheft parts-marking ID numbers and should use properly marked replacement parts. ■

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



# Planning for the Future

**2012 NADA Chairman Bill Underriner will draw from his experience both inside and outside of the auto industry.**

BY LAURA WITHERS

**B**ILL UNDERRINER IS BECOMING NADA chairman armed with nearly 30 years of solid auto retail experience. Who would have known that the dealer principal of Underriner Motors in Billings, Mont., started out in an entirely different career: running a restaurant and catering company? In fact, Underriner, 60, credits much of his success as a dealer to lessons learned during that time: Treat customers as you'd like to be treated, regularly give back to your community, and don't be afraid to take risks.

Now, as he prepares to take the reins at NADA, Underriner is using his 28 years of experience selling cars to ensure fellow dealers have the same chance to thrive. His first order of business: making sure dealers know just how helpful NADA can be.

Underriner grew up in Mt. Carmel, Ill., a small farming community on the eastern side of the state, one of six children in a close family led by his father, who owned a hardware store, and his schoolteacher mother. After college, he spent several years managing restaurants before meeting his wife, Mary, whose family had owned the Billings dealership since 1944. Mary's father "gave me an offer I couldn't refuse" to take over the family business in 1984, says Underriner. And since

becoming dealer principal in 2001, he has significantly grown the business, adding a Hyundai franchise and building a state-of-the-art LEED-certified dealership for his Honda operation in the west end of Billings.

## **WORKING WITH NADA**

In 2001, Underriner began his first term on NADA's board of directors, followed by three terms as treasurer and leadership roles on almost every NADA committee, including chairing the Convention, Dealership Operations, and Finance committees. Those positions gave him a deep appreciation for what the association does for its members, including heading off legislative and regulatory challenges and offering in-person consulting and online training through NADA University, which Underriner helped launch as chairman of the Dealership Operations Committee. "NADA can help a dealer do just about anything," he says.

As vice-chairman in 2011, Underriner was front and center for some of NADA's most important recent initiatives, such as the ongoing fight to protect dealer-assisted financing from over-regulation and an independent study of what drives the return on investment of automaker facil-





**Food for thought:** Underriner draws on lessons from his past experience in the restaurant industry.

ity image programs. He's also a strong supporter of NADA's call for a single national fuel economy standard that takes into account consumer demand.

Underriner says he will continue to focus on those priorities in 2012, as well as some new initiatives. For example, he chaired a long-range planning task force that took a look at the NADA convention of the future and how to attract younger generations to the auto industry. As a father of two (Blake, a district sales manager for American Honda Co., and Kyle, a senior at the University of Denver), Underriner has a particular interest in getting more NextGen dealers involved in the association, appointing them to each of the major committees.

"NADA will remain relevant to dealers by always looking forward," Underriner says.

The good news is that 2012 is shaping up to be much better for car and truck sales than 2011, giving NADA and dealers a chance to do some more long-term planning. "I'm honored that my peers have elected me to this position," Underriner says. "I'm looking forward to the challenges ahead." ■

*Laura Withers is a writer for NADA Public Affairs.*

At right: Underriner and wife Mary, with Colin Powell; below: the adventurous Underriner family on an outing.





# **Not** Everything That Happens in Vegas Stays in Vegas!

## Take home NADA's mobile apps!



NADA Convention Mobile app for Android, iPhone and iPad



[ Android ]



[ iPhone, iPad ]

# WHO'S WHO

## 2012 NADA OFFICERS & BOARD OF DIRECTORS



### OFFICERS



**Chairman**  
**William P. Underriner**  
Underriner Motors  
Billings, Mont.  
(Montana)



**Vice-Chairman**  
**David W. Westcott**  
Westcott Automotive  
Burlington, N.C.  
(North Carolina)



**Secretary**  
**Brian Hamilton**  
Midway Chevrolet/  
Cadillac/Buick/  
Chrysler/Dodge/Jeep  
Kearney, Neb.  
(Nebraska)



**Treasurer**  
**George E. Nahas**  
George Nahas Chevrolet  
Wildwood, Fla.  
(Florida)



**Immediate Past Chairman**  
**Stephen W. Wade**  
Stephen Wade Auto  
Centers  
St. George, Utah  
(Utah)



**President**  
**Phillip D. Brady**  
National Automobile  
Dealers Association  
McLean, Va.

### REGION I



**Vice-Chairman**  
**David B. Penske**  
Penske Buick/GMC  
Truck  
Shillington, Pa.  
(Eastern Pennsylvania)



**Peter W. Barry**  
Barry Automotive Group  
Newport, R.I.  
(Rhode Island)



**William C. Fox**  
Fox Imports, Inc.  
Auburn, N.Y.  
(New York State)



**Charles R. Gaunce**  
Central Maine Motors  
Auto Group  
Waterville, Maine  
(Maine)



**Neale A. Kuperman**  
Rockland Toyota  
Blauvelt, N.Y.  
(Metro New York)



**Marcy H. Maguire**  
Windsor Nissan  
East Windsor, N.J.  
(New Jersey)



**Gary H. Reynolds**  
Reynolds' Garage  
& Marine, Inc.  
Lyme, Conn.  
(Connecticut)



**Clarence B. "Bud" Smail Jr.**  
Smail Auto Group  
Greensburg, Pa.  
(Western Pennsylvania)



**Donald E. Sudbay Jr.**  
Sudbay Chevrolet/  
Buick/Cadillac/GMC  
Gloucester, Mass.  
(Massachusetts)



**Jack Tulley**  
Tulley Automotive Group  
Nashua, N.H.  
(New Hampshire)





**Wade D. Walker**  
Walker Motors, Inc.  
Montpelier, Vt.  
(Vermont)



**Jack Kain**  
Jack Kain Ford  
Versailles, Ky.  
(Kentucky)



**Richard Stephens**  
Stephens Auto Center  
Danville, W.Va.  
(West Virginia)



**David L. Cox**  
Hare Chevrolet &  
Son, Inc.  
Noblesville, Ind.  
(Indiana)



**William H. Willis Jr.**  
Willis Automotive Group  
Smyrna, Del.  
(Delaware)



**Michael C. Martin**  
Dudley Martin Chevrolet  
Manassas, Va.  
(Virginia)



**Annette Sykora**  
Smith South Plains  
FLM DCJ  
Levelland, Tex.  
(North Texas)



**Mark Birdnow**  
Birdnow Motor Trade  
Oelwein, Iowa  
(Iowa)

**REGION II**



**Vice-Chairman  
Ted Russell**  
Ted Russell Ford, Inc.  
Knoxville, Tenn.  
(Tennessee)



**Forrester McConnell  
III**  
McConnell Honda &  
Acura  
Montgomery, Ala.  
(Alabama)



**Ramsey T. "Bub"  
Way**  
Way Brothers, Inc.  
Hawkinsville, Ga.  
(Georgia)



**Thomas D. Ganley**  
Ganley Ford West  
Cleveland, Ohio  
(Metro Cleveland)



**Andrew "Jack"  
Caldwell Jr.**  
Caldwell Toyota  
Conway, Ark.  
(Arkansas)



**George E. Nahas**  
George Nahas Chevrolet  
Wildwood, Fla.  
(Florida)



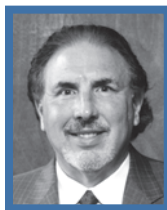
**David W. Westcott**  
Westcott Automotive  
Burlington, N.C.  
(North Carolina)



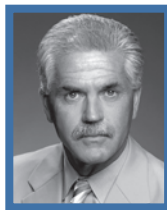
**Richard Genthe**  
Dick Genthe Chevrolet,  
Inc.  
Southgate, Mich.  
(Metro Detroit)



**Tamara Darvish**  
DARCARS Automotive  
Group  
Silver Spring, Md.  
(Metro Washington,  
D.C.)



**A. J. M. "Butch"  
Oustalet III**  
Butch Oustalet, Inc.  
Gulfport, Miss.  
(Mississippi)



**David K. Williams Jr.**  
Anchor Buick/GMC, Inc.  
Elkton, Md.  
(Maryland)



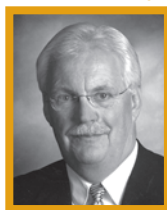
**Brian Hamilton**  
Midway Chevrolet/  
Cadillac/Buick/Chrysler/  
Dodge/Jeep  
Kearney, Neb.  
(Nebraska)



**Clifton C. Goodwin  
III**  
Goodwin Honda/  
Mitsubishi/WW  
Sumter, S.C.  
(South Carolina)



**Gene W. Smith Jr.**  
Gene Smith, Inc.  
Elk City, Okla.  
(Oklahoma)



**Vice-Chairman  
Donovan A. Bertsch**  
Theel, Inc.  
Bottineau, N.Dak.  
(North Dakota)



**H. Douglas Knust**  
Harry K. Chevrolet/  
Buick, Inc.  
Chamberlain, S.Dak.  
(South Dakota)



**Marshall H. Hebert**  
Hebert's Town &  
Country Dodge/  
Chrysler/Jeep  
Shreveport, La.  
(Louisiana)



**W. Carroll Smith**  
Monument Chevrolet  
Pasadena, Tex.  
(South Texas)



**James A.  
Auffenberg Jr.**  
Auffenberg St. Clair  
Auto Mall  
O'Fallon, Ill.  
(Illinois)



**William F.  
Reineke Jr.**  
Tiffin Ford/Lincoln, Inc.  
Tiffin, Ohio  
(Ohio)



**Mark N. Scarpelli**  
Raymond Chevrolet  
& Kia  
Antioch, Ill.  
(Metro Chicago)



**Peter E. Blackstock**  
Victory Dealership  
Group  
Seaside, Calif.  
(Northern California)



**Richard L. Morrison**  
Morrison Auto Group,  
Inc.  
Anchorage, Alaska  
(Alaska)



**AT-LARGE—EAST**  
**Michelle Primm**  
Cascade Auto Group  
Ltd.  
Cuyahoga Falls, Ohio



**William J. Schicker**  
McMahon Ford Co.  
St. Louis, Mo.  
(Missouri)



**Don Chalmers**  
Don Chalmers Ford  
Rio Rancho, N.Mex.  
(New Mexico)



**John C. Symes**  
Symes Automotive  
Group  
Pasadena, Calif.  
(Southern California)



**AT-LARGE—EAST**  
**Desmond A. Roberts**  
Advantage Chevrolet  
Hodgkins, Ill.  
(Illinois)



**David Shepherd**  
Shepherd Team Auto  
Plaza  
Fort Scott, Kans.  
(Kansas)



**Greg Galpin**  
Galpin Ford, Inc.  
Prescott, Ariz.  
(Arizona)



**Greg Taylor**  
Taylor & Sons Chevrolet  
Sandpoint, Idaho  
(Idaho)



**AT-LARGE—WEST**  
**Donald P. Hicks**  
Shortline Auto Group  
Aurora, Colo.



**Todd M. Snell**  
Snell Motors, Inc.  
Mankato, Minn.  
(Minnesota)



**Richard P. "Pete"  
Greiner Jr.**  
Greiner Ford/Lincoln  
Casper, Wyo.  
(Wyoming)



**Edward C. Tonkin**  
Ron Tonkin Dealerships  
Portland, Oreg.  
(Oregon)



**AT-LARGE—WEST**  
**Kathleen Sims**  
Coeur d'Alene Honda  
Coeur d'Alene, Idaho



**Kenneth C. Vance**  
Ken Vance Motors, Inc.  
Eau Claire, Wis.  
(Wisconsin)



**Joseph W. Hanley Jr.**  
Orchid Isle Auto Center  
Hilo, Hawaii  
(Hawaii)



**William P.  
Underriner**  
Underriner Motors  
Billings, Mont.  
(Montana)



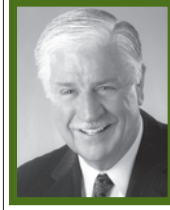
**AMERICAN TRUCK  
DEALERS**  
**Richard W. Witcher**  
Minuteman Trucks, Inc.  
Walpole, Mass.



**James E. Waldron**  
Jim Waldron Buick/  
GMC Truck  
Davison, Mich.  
(Michigan)



**Marlene "Marti"  
Hollenback**  
Dishman Dodge/  
Chrysler  
Spokane Valley, Wash.  
(Washington)



**Stephen W. Wade**  
Stephen Wade Auto  
Centers  
St. George, Utah  
(Utah)

**REGION IV**



**Vice-Chairman**  
**Jeffrey B. Carlson**  
Glenwood Springs Ford/  
Lincoln/Mercury, Inc.  
Glenwood Springs, Colo.  
(Colorado)



**James R. Marsh**  
Jim Marsh Automotive  
Las Vegas, Nev.  
(Nevada)

# The Dealers Election Action Committee



Pays Special Tribute To:

The DEAC State Chairmen/women & Their Dealer Associations  
Who Reached Their Fundraising Goals in 2011.



Bruce Limbaugh  
Alabama



Rick Morrison\*  
Alaska



Danny Ford  
Arkansas



Timothy Smith  
California South



Denny FitzPatrick  
California North



Don Hicks  
Colorado



Ed DeMarseille  
Connecticut



Terry A. Megee  
Delaware



Mike Bakich  
Florida



Anthony Jones  
Georgia



Joseph Hanley\*  
Hawaii



Con P. Paulos  
Idaho



Stan Moffitt  
Iowa



Jim Hattan  
Kansas



Danny Renshaw  
Kentucky



Richard Flick  
Louisiana



John J. Quirk  
Maine



Glenn Nordstrom  
Maryland



Ray Ciccolo\*  
Massachusetts



Mike McGrath  
Metro Chicago



William Perkins  
Metro Detroit



Bernard Wagnild  
Minnesota



Larry D. Clark  
Mississippi



William Schicker  
Missouri



Don Kaltschmidt  
Montana



Tim Markel  
Nebraska



Thomas Dolan  
Nevada



Andy Crews  
New Hampshire



Richard DeSilva  
New Jersey



Annette Dilorenzo-Thayer  
New Mexico



Michael Barnard  
New York



Gary Schimmerling  
Metro New York



Mike Johnson  
North Carolina



Renard Bergstrom  
North Dakota



Mark Moats  
Ohio



Marc Jacobson  
Metro Cleveland



Leonard Northcutt  
Oklahoma



Alan DeBoer  
Oregon



Andrew M. Scott  
Pennsylvania East



Tom Rohrich  
Pennsylvania West



Carol E. Saccucci  
Rhode Island



A. Foster McKissick III  
South Carolina



Darrel Kaiser  
South Dakota



Jerry A. White  
Tennessee



Sam Pack  
Texas North



Stacey Gillman-Wimbish  
Texas South



Timothy C. Dahle  
Utah



Allen Hall  
Vermont



J. Theodore Linhart  
Virginia



Tom Lane  
Washington



Dan Wharton, Sr.  
West Virginia



Todd Reardon  
Wisconsin



Martin Gubbels  
Wyoming



Jack Fitzgerald  
Metropolitan  
Washington, D.C.

\*NADA Director



By Peter Craig

# BUYER'S GUIDE

## NEW PRODUCTS & SERVICES

### ELECTRIC CAR



Wheego Electric Cars, Atlanta, is looking to expand its dealer network. It offers the 100-mile-per-charge LiFe (above), a two-seater that runs on 115-volt lithium batteries, can hit 65 mph, and costs \$32,995 (not including the \$7,500 federal rebate). Call 678.904.4795 or visit [www.wheego.net](http://www.wheego.net). (NADA booth #3765)

### VEHICLE SIDE MOLDING



Sportwing, Valley View, Ohio, has introduced ChromeLine Body Side Molding, painted to match the factory color with a chrome inlay. The OEM-quality molding features high-quality paint and 3M adhesives. Call 800.899.1516 or visit [www.sportwing.com](http://www.sportwing.com). (NADA booth #1584)

### WEB SITE SERVICES



Web service Carbase.com, Sioux Falls, S.Dak., supports car dealers' Internet marketing. It designs, or helps dealer clients design, Web sites that let buyers easily find what they want and that draw targeted sales leads. Call 866.999.1266 or visit [www.carbase.com](http://www.carbase.com). (NADA booth #3447)

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**SEARCH ENGINE OPTIMIZATION**



Cobalt/ADP Digital Marketing, a unit of ADP Dealer Services, Hoffman Estates, Ill., has the PowerSEO Web site, which offers dealers quick access to SEO performance reporting. Among its features: an assigned SEO specialist who develops and executes the dealer's SEO strategy. Call 847.397.1700 or visit [www.adpdealerservices.com](http://www.adpdealerservices.com). (NADA booth #2180; ATD booth #4209)

**VEHICLE LIFTS**



Rotary Lift, Madison, Ind., offers Shock-wave, a package of lift technologies that boost vehicle service speed to raise tech productivity. Using DC power, Shock-wave-equipped SmartLift in-ground lifts and two-post surface lifts are twice as fast as other lifts in rise and descent times. Call 800.640.5438 or visit [www.rotarylif.com](http://www.rotarylif.com). (NADA booth #718)

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**ENGINE FORMULA**

B.P. Lubricants USA, Inc., Lewiston, N.Y., has Castrol Edge with Syntec power technology, which provides superior protection for critical engine parts, helping cars to function efficiently at maximum power. It



neutralizes acids in the engine that can cause rust and corrosion on cylinders, bearings, and other vital engine parts. The product also provides stability and endurance under extreme conditions, like high heat or speed, that can cause conventional oils to break down. Call 800.255.4417 or visit [www.castrol.com](http://www.castrol.com). (NADA booth #630)



## CAR-THEMED SKIN CARE

FaceLube Ultra Masculine Anti-Aging Skin Care is a full line of automotive-themed, high-performance anti-aging skin care created especially for men. Formulated with cutting-edge American and European anti-aging technology, FaceLube combines organic natural super-botanicals with the latest science-based active ingredients to deliver results. Available for sale in dealership waiting rooms. Call 323.233.6688 or visit [www.facelube.com](http://www.facelube.com). **(NADA booth #3385)**



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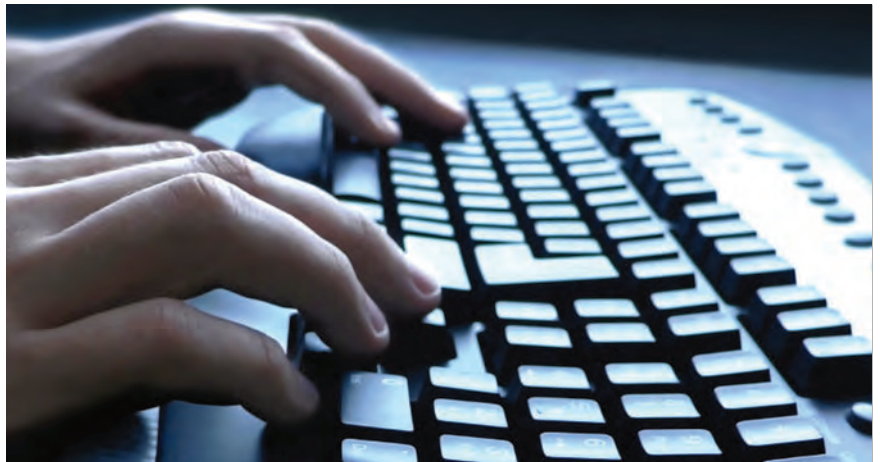
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## ONLINE SCHEDULING



Online scheduling service Timehighway.com, Naples, Fla., lets service customers set their own reservations and appointment times, helping to increase dealership CSI, client loyalty, and client retention. It also maximizes available appointment hours and boosts revenue. The service sends e-mail confirmations and reminders, and is free of charge to dealership clients. Call 239.513.9934 or visit [www.timehighway.com](http://www.timehighway.com). **(NADA booth #624)**



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## ROLL-OUT TRAY CABINET

Stanley Vidmar, Allentown, Pa., has introduced the Roll-Out Tray Cabinet as a cost-efficient way for customers to easily store and access their largest and heaviest items. The new product provides full access to all stored items at the same time, as well as the ability to fully extend its 400-lb.-capacity pullout trays. High-lights include adjustable tray height to



accommodate different item sizes. Call 800.523.9462 or visit stanleyvidmar.com/contact. **(NADA booth #3333)**

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### AFTERMARKET ACCESSORIES

Sportwing (page 56)  
sportwing.com, 800.899.1516

### AUTOMOTIVE STORAGE

Borroughs Corp. (page 58)  
www.borroughs.com

### DEalersHIP MANAGEMENT SYSTEMS

AutoSoft (page 10)  
www.autosoft-asi.com, 800.473.4630

Reynolds & Reynolds (page 8)  
http://bit.ly/docupad, 888.878.7049

### EMPLOYMENT SERVICES

Universal Technical Institute (page 16)  
UTI.edu/Employers, 866.961.4194

### FINANCE & INSURANCE SERVICES

Ally Auto (cover 3)  
888.919.ALLY, www.ally.com/dealer

CSO (page 55)  
www.cso.com, 888.453.5125

NADART (page 18)  
www.nadart.org, 800.462.3278

Sentry Insurance (pages 30-31)  
sentry.com, 877.373.6879

TD Auto Finance (page 13)  
www.tdafdealer.com, 800.200.1513

WoltersKluwer (page 57)  
wolterskluwerfs.com/dealers

Zurich (page 2)  
www.zurichna.com/NADA, 888.266.7527

### ONLINE SERVICES

AutoTrader.com (page 59)  
800.353.9350, WeWorkForYou.com/Alison

ebay Motors (cover 2)  
www.motors.ebay.com, 408.234.6429

Hertz Dealer Direct (page 37)  
www.HertzDealerDirect.com, 888.444.5386

Manheim (cover 4)  
manheimevents.com/nada/  
866.MANHEIM (626.4346)

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www.nada.com/deals, 866.974.6232

NADA Convention app (page 50)

NADAUniversity (page 20)  
NADAuniversity.com, 800.557.6232


### PROMOTIONS

NADA Dealers Election Action Committee  
(page 54), 800.252.6232

nada.org (page 57)  
800.252.6232

### SOCIAL MEDIA SERVICES

Digital Air Strike (page 33)  
www.digitalairstrike.com/spy, 480.320.3028

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