



ADA NEWS

AUGUST 2012

a publication of the Ohio Automobile Dealers Association

Green Pea Salesperson Training

A three-day comprehensive basic sales training course that emphasizes the “blocking and tackling” associated with sales so that your new hires are better prepared to embrace your sales system and be more productive faster. The struggle to find time to train new salespeople is OVER!

Can You Relate?

Several weeks ago we surveyed the membership seeking to determine the status of salesperson hiring and training in Ohio. The answers we received may or may not surprise you...

- Almost 86% of our respondents are looking to hire additional salespeople.
- Nearly 60% of our respondents spend two or more days training new hires.
- Overwhelmingly, this training consists of some combination of training by: the

manager (86%), utilizing DVDs/manuals (62%), assigning the new hire to a seasoned veteran (40%).

- 73% of our respondents were only “somewhat satisfied” or “dissatisfied” with the results of their new hire training.

Do you have good candidates with a ton of potential, but no experience? Do you find that you lack the time to train them properly? OADA and Nickelsen Solutions are here to help!

Due to the increased hiring of sales people throughout Ohio, OADA is partnering with Nickelsen Solutions to provide a 3-day sales training session, at three locations throughout the state. These sessions are geared to the green peas (the newbies) on your sales staff.

Nickelsen Solutions

Nickelsen Solutions, founded by Steve Nickelsen and based in Akron, Ohio has trained over 28,000 sales people throughout North America in the last thirty years. They are a group of sales trainers and consultants with a passion for process, implementation and learned success. They identify, create and share best practice ideas with dealers, general managers, sales managers and sales people. Over the years, they’ve learned that the key to any great management or sales plan is implementation. They work with each level of management and sales to implement proven techniques in technology, process, incentives and people development.

Nickelsen Solutions is constantly testing their sales steps against sales efficiency data. They use the latest in instructional design concepts with emphasis on student engagement and role-play.

The program is divided into three main segments:

Part 1—Charting the Course—Steve will help the student organize their goals to increase their motivation and participation in the workshop. The focus will be on the importance of attitude, skills and knowledge.

Part 2—Building the Business—Steve will show students what the best sales people do to grow their business—beyond waiting for prospects to just walk through the door. From the service lane to private sellers, Steve will teach the strategies and the tactics to help them build their business fast.

Part 3—Maximizing Sales Efficiency—Steve will teach and role-play the latest strategies for maximizing the sales from incoming sales calls, internet leads and showroom visitors. Focuses for the showroom include:

- Building trust with an interview
- A manager “hi” to welcome the prospect
- A great vehicle presentation and demonstration
- Building value in the dealership
- Providing “data” on the vehicle
- Building a buying environment
- Follow up for those that don’t buy on the first visit

The Training

- The curriculum is designed to support your current selling strategies, not to change them
- Trainees receive three full days of intense training, 9am-5pm each day
- Over 10 hours of “role-play” to build

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Green Pea Sales Training

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Dealership Record Retention

By Kathy Petrucci, Tax Shareholder, Schneider Downs

We get many calls from retail dealers asking how long they should keep their dealership records. Unfortunately, there is no simple and conclusive answer to this question. However, it is clear that records should be retained in accordance with the various governmental statutes and/or regulations overseeing the automobile industry.

The following table provides a suggested record retention schedule that should

provide some guidelines to general retention requirements. Please contact Kathy Petrucci at kpetrucchi@schneiderdowns.com with any questions concerning best practices in record retention for your dealership.

Schneider Downs provides accounting, tax, wealth management, technology and business advisory services through innovative thought leaders who deliver the expertise to meet the individual

needs of each client. Our offices are located in Pittsburgh, PA and Columbus, OH.

This advice is not intended or written to be used for, and it cannot be used for, the purpose of avoiding any federal tax penalties that may be imposed, or for promoting, marketing or recommending to another person, any tax-related matter. ■

Permanent

Accountants Audit reports
Articles, Bylaws, Minutes & Corporate Records
Cancelled Checks – Material Items
Capital Stock Book
Construction Contracts
Corporate Buy-Sell Agreements
Dealer License Data
Depreciation Schedules
Employee Benefit Plans
Employment Contracts
Environmental Testing & Cleanup Reports
Expense Ledger
Facility Blueprints
Financial Statements
Form 970 – LIFO Election
Forms 8300 -Cash Reporting
Forms 3115 – Change of Accounting Method
General Journal/Ledger
Gift & Estate Records for Owners
Government Contracts
Inventory Records (annual only)
Invoices for Fixed Asset Additions (until sold/retired)
Investment Purchase Documents (until sold/matured)
IRS & State Audit Reports
Journal Vouchers
Legal & Tax Correspondence
LIFO Inventory Index & Reserve Computations
Litigation Papers
OSHA Records
Property Appraisals & Other Property Records
Retirement & Pension Records
Real Estate Lease Agreements, Deeds, Mortgages & Easements
SBA Records
Sales and Cost of Sales Ledger
Underground Storage Tanks (testing results & DEP correspondence)

Ten Years

Accident Reports & Settled Claims
Car Purchase Orders
Customer Files
Correspondence Files
Duplicate Deposit Tickets
Federal & State Unemployment Tax Returns
Income Tax Returns (federal and state)
Insurance Policies, (expired)
Retain Installment Contract (assigned)
Service Contracts/Extended Warranties (expired)
State Annual Filing Reports
State Franchise Tax Returns
State and Local Sales & Gross Receipts Tax Returns

Seven Years

Accounts Receivable or Payable Ledger
Bank Drafts and Paid Notices Bills of Lading
Bank Statements & Reconciliations
Canceled Checks
Cash Disbursement & Cash Received Journals
Demo Agreements (and Tax Info for W-2 Incl.)
Disclosure of Damage to Motor Vehicle
Electronic Accounting Records*
Seven Years (cont.)
Employee Earning & History Records
Fixed Asset Purchase & Disposal Schedules
Income Tax Return Workpapers
Interdepartmental Sales Journal
Internal Repair Orders (office copy)
New Car Sales Journal
Notes Receivable Ledger
Parts, Accessories & Service Sales Journals
Purchase Journal
Salespersons' Commission Reports
Subsidiary Ledgers - other
Trial Balances

Used Vehicle Write-down Support
User and Repossessed Car Journal
Vendor Invoices

Six Years

Buyer's Guide - used car label
Credit Applications - approved
Car Invoices*
Credit Memos
New & Used Car Record Claim Register
Office Receipts
Purchase Orders
Register Sales Slip
Receiving Reports
Repair Orders (office copy)
Sales Invoices
Shipping & Receiving Reports
Sundry Invoices

Five Years

Odometer Mileage Statement
Employment Applications (5 years past termination)

Four Years

Petty Cash Records
Social Security Tax Returns, after tax paid/due
Withholding Tax Returns, after tax paid/due
Withholding Tax Statements (after the year they apply)

Three Years

Capital Lease Agreements
Factory Warranty Audit Documents
Uniform Hazardous Waste Manifests

Minimum of Two Years

Credit Application (denied)
Daily Sales Summary
Internal Repair Orders (hard copy)
Stock Requisitions
Time Tickets

* See Rev. Proc. 98-25 – Hold 7 years minimum. ■

Shop Drain Guidance

By KPA, OADA's endorsed provider for safety and environmental compliance services

Your drain leads somewhere...

Do you know where every drain in your shop leads to? More than likely it's going to one of the options below. If you do not know where your drains lead, or if you are using shop drains improperly, you could be violating state or federal waste regulations. More importantly you could be contaminating nearby surface or drinking waters.

- Oil-Water Separator
- Sanitary Drain
- Storm Drain
- Septic System
- Outside Grounds

Ideally, you want your drain to flow into an oil-water separator which eventually leads to a sanitary sewer. If your waste water leads to a storm drain that may eventually lead to waters of the state, you may be required to obtain a NPDES (National Pollutant Discharge Elimination System) permit. One more key point is to make sure shop drains DO NOT discharge outside onto the ground or into an injection well system such as a septic tank or dry well.

What should not go down the drain...

Your shop drain should not be a "catch all" for any liquid spilled on the shop floor. Many liquids could be classified as hazardous by the EPA, and are not allowed to go down a drain. Some examples of liquids you should prevent from going down the shop drains are gasoline, used oil, solvents or paints.

All waste streams generated at your facility must have a waste determination

documented on file. These determinations will provide confirmation that a given waste must be disposed of as either a hazardous or non-hazardous waste. A waste determination can be completed by one of the following methods.

- Generator Knowledge
- MSDS Review
- TCLP Test (testing for VOC & 8 RCRA Metals)

To prevent an incident at your facility it is important to have an emergency spill response kit on hand. This kit should contain items such as absorbent pads, absorbing floor sweep material and a drain cover. By limiting the materials that go down your drain, you will be saving yourself money when it comes time to perform the necessary maintenance and cleaning.

How to clean and maintain your drains...

Routine inspection and maintenance of shop drains is essential to prevent oil and/or sludge from accumulating and discharging with the wastewater. Sludge that has built up in the drains or an oil-water separator must be tested for toxicity and disposed of properly (hauled away by a licensed vendor). It's strongly recommended that you do not dispose of the sludge as general refuse. It is important to determine if all the shop drains are needed. Depending on what you find, it may be possible to cap any unnecessary drains. Also, make sure your drains are free from holes or missing pieces to prevent injuries. OSHA considers requires that any hole in the floor into which a person can accidentally walk shall be guarded, and could subsequently be cited by an inspector.

Records you need to keep...

A record of waste determination must be completed for the mixture in the drain. If sludge is tested for hazardous properties, then all chain of custody records and laboratory analytical records must be kept.

- If the waste is hazardous, then all hazardous waste manifests (including initial copies, land disposal restriction copies, and return to generator copies) must be matched and kept.
- If the waste is non-hazardous and pumped out by a waste hauler service, then the non-hazardous waste manifest must be kept.

All waste determination, analytical lab tests, hazardous waste manifests and non-hazardous waste manifest records must be kept on file for a minimum of 3 years.

- Editor's Note – This spring the city of Columbus sent out letters to all facilities with Oil-Water Separators requesting that monthly inspections be completed and documented. They also said that unannounced city inspections will begin at these facilities. While your community may not have sent out such a letter, it is an excellent reminder that these systems require periodic maintenance

This article is general in nature, and does not take into consideration all various state and municipal requirements. Make sure you are aware of and maintain compliance with all federal, state, and local regulations. If you have any questions regarding your shop's drains and the status or your compliance, contact Glorianna Cooley at 614-432-5044. ■

BCI&I and BMV Partnership to Provide More Efficient Background Checks

Results of background checks performed by the Bureau of Criminal Identification and Investigation (BCI&I) may now be received electronically, if no arrest record exists. Previously these results were mailed and had to be manually keyed and matched to the application submitted to the Bureau of Motor Vehicles (BMV) Dealer Licensing Unit for licensure.

Now upon receipt, if no other corrections are pending, the application will auto-process the same day that the no arrest record is received. Please note, results that produce an arrest record must by statute be mailed to our agency and will delay the application process.

Applicants must request "BMV Dealer Licensing" direct copy from the web-

check locations in order for the result to be sent electronically in lieu of a paper copy mailed to the BMV.

Thanks to the partnership efforts of BCI&I and the BMV, receipt of electronic background (no arrest) results are received and applications may be issued up to three weeks faster. ■

OADA Workers' Compensation Programs Generate Over \$5.6 Million in Premium Savings

By CareWorks Consultants Inc., OADA's endorsed provider of workers' compensation services

As we turned the page on the calendar to July, the Ohio Bureau of Workers' Compensation (BWC) ushered in the 2012 policy year, which will run through June 30, 2013. New workers' compensation rates took effect on July 1 and will apply to premium due in February and August of 2013.

For many OADA members, the new policy year means new rates through our endorsed group discount programs administered by CareWorks Consultants. Almost 300 dealers are participating in our traditional group rating program and saving over \$2.25 million in workers' compensation premium. Four out of every ten participating dealers – those with the lowest injury rates and associated costs - are receiving the maximum 53% discount allowed by the BWC.

While our traditional group rating program continues to be the foundation of our workers' compensation services, the OADA group retrospective rating program is growing in popularity. More than 100 dealers – several of whom were also eligible for traditional group rating - have enrolled in "group retro" and are projected to save as much as 75% on workers' compensation premium during the term of the program. Dealers in group retro initially pay premium based on their full individual merit rates, but have the opportunity to receive refunds of a portion of that premium

based on their ability to prevent workplace accidents and manage claim costs. Total estimated group retrospective premium savings are estimated to exceed \$3.3 million.

In addition to premium savings, OADA prides itself on offering a unique program to dealers when compared to other options in the marketplace. CareWorks Consultants provides OADA members a dedicated service team that offers comprehensive claims management, hearing representation, unemployment consultation, and risk management services. Ohio-owned and operated, CareWorks Consultants is the largest third-party administrator in the state which provides resources to meet the unique needs of each member.

As dealers are nearing the time of year when they begin to formulate budgets for 2013, now is the time to begin thinking about your workers' compensation rating options for next year. Put our team to work for you and find out how OADA can help increase the value of your dealership. For a no-cost, no-obligation program analysis, simply call OADA Program Manager Shawn Combs at (800) 837-3200, ext. 7264 or email him at shawn.combs@ccitpa.com. You may also submit an online application at www.careworksconsultants.com/groupratingapplication/OADA. ■

ADREVIEW corner

Back to Basics- What's the Penalty for Non- Compliance?

Every month this column discusses compliance with Ohio and federal laws related to advertising, but we haven't talked much about the price of non-compliance. Here's the scoop on what could happen if your advertisement doesn't comply with advertising laws.

Federal Penalties: The Truth in Lending Act, implemented through Regulations M and Z for leases and purchases, respectively, governs how we advertise and disclose certain information, like monthly payments, down payments, and APR. A failure to comply with TILA's requirements may give rise to actions brought by both the Federal Trade Commission or a consumer who has been harmed by the advertisement. According to the FTC's Business Publication, How to Advertise Consumer Credit and Lease Terms:

Advertisers of consumer credit and consumer leases under the FTC's jurisdiction are subject to enforcement actions that could result in remedies such as:

1. Orders issued by the FTC to cease and desist from violating the Act. Subsequent violations of the FTC order may result in a civil penalty of up to \$16,000 for each day the violation continues; or,

Ad Review Corner

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Shorts in the Shop?

The National Weather Service has reported that the first half of 2012 has been the hottest on record. Weather we would typically expect for a few weeks in August arrived in June and carried into July. With the rise in temperature is a corresponding increase in the requests to wear shorts by technicians. The question is – can they?

There are no regulations that specifically prohibit shorts from being worn by technicians in the shop. The first part of the Personal Protective Equipment regulation is below and states that if there is a hazard, the employee must be protected with personal protective equipment.

1910.132(a)

Application. Protective equipment, including personal protective equipment for eyes, face, head, and extremities, protective clothing, respiratory devices, and protective shields and barriers, shall be provided, used, and maintained in a sanitary and reliable condition wherever it is necessary by reason of hazards of processes or environment, chemical hazards, radiological hazards, or mechanical irritants encountered in a manner capable of causing injury or impairment in the function of any part of the body through absorption, inhalation

or physical contact.

Ultimately the decision is yours. If the dealership feels that wearing shorts does not pose a hazard to the employees,

then it is ok to allow the technicians to wear them. However, it is important to note that taking away that extra skin protection might expose employees' legs to cuts, chemicals, burns, etc. Therefore if the technician operates cutting tools, works in the body shop, or is exposed to chemicals in the detail area, this should be considered when implementing a policy.

If after the adoption of the policy the incidence of these types of injuries increases, the dealership may want to reassess the associated hazards and review the policy.

For more information on safety in and around the dealership, contact Nick Hardesty or Glorianna Cooley at KPA. Nick be reached at 262-510-7620, Glorianna at 614-432-5044. ■



OADA Legal Hotline: Help Is Just A Phone Call Away

As an OADA member, you have access to a unique benefit at no additional cost: the OADA Legal Hotline. The Hotline gives you a direct line to our legal staff, who will answer your questions on any topic that impacts your business or refer you to a specialist if necessary. Dealers who regularly use the Hotline know it saves them time and money. Particularly in today's tough economic climate, why aren't you using OADA's Legal Hotline?

The Hotline is staffed by OADA's own legal staff, Charlie Howard and Sara Bruce. Each week, the Hotline receives approximately 100 phone calls from dealers-members looking for answers to questions that impact their business. We regularly field questions involving dealer licensing, titling, sales tax, franchise law, employment law, environmental regulations, advertising and a host of other topics. There's never a shortage of new issues arising on the Hotline, and we're happy to help.

Dealers who take advantage of the

OADA Legal Hotline know it is a valuable resource for quick answers and/or referrals to professionals who specialize in a particular field. Not only does OADA's legal staff have a clear understanding of your business and the issues you face, but also our strong relationships with firms and regulators give us the ability to refer questions to professionals when expertise is needed. Did you know that the firms we work with usually answer simple questions free of charge for OADA members? They don't charge unless the questions you ask are complex and require a time commitment in excess of about 15 minutes. Who are these valuable partners?

- CareWorks
Managed Care Organization
- Careworks Consultants, Inc.
Workers Compensation (TPA)
- Stockamp & Brown, LLC
Franchise law, Civil Litigation
- Schneider Downs
Accounting
- KPA, LLC
Environmental & Safety Compliance

- Fisher & Phillips
Employment & Labor Law
- Van Kley and Walker
Environmental Law
- Spence Environmental Consulting
Environmental Engineering Consultants
- Benefits Administrators
Group Health and Life Insurance
- American Fidelity
Disability and Section 125 plans
- First Communications
Telecommunications

Plus, we regularly speak with NADA and regulators at the Bureau of Motor Vehicles, Ohio Department of Taxation and other state agencies to answer your questions.

Where else could you get so much expertise with one phone call? We encourage all of our members to use the Legal Hotline (1-800-686-9100). We look forward to answering your call. ■

Sales and Use Tax Questions Regarding Trade-Ins

By Fisher & Phillips

We receive a lot of questions about the sales tax and the trade in credit. Here's a quick reminder of when and how a trade in can reduce a customer's sales tax.

Question: When does a vehicle trade-in reduce the price when calculating sales or use tax?

Answer:

1. When a motor vehicle is traded for a new motor vehicle, all-purpose vehicle or off-highway motorcycle.
2. When a watercraft, outboard motor or personal watercraft is traded for a new/used watercraft, outboard motor, and/or personal watercraft and the seller (located in-state or out-of-state) is, at the time of sale, licensed as a watercraft dealer through the Ohio Department of Natural Resources, Watercraft Division.

Question: When does a vehicle trade-in not reduce the price when calculating sales or use tax?

Answer:

1. When a vehicle is under a valid

lease and the lessee is attempting to trade-in the vehicle that is titled in the name of the leasing company.

2. When a motor vehicle is traded for a used motor vehicle, all-purpose vehicle, or off-highway motorcycle.
3. When a watercraft, outboard motor or personal watercraft is traded for a new or used motor vehicle, all-purpose vehicle, or off-highway motorcycle.
4. When a watercraft, outboard motor, or personal watercraft is traded for a new/used watercraft, outboard motor, or personal watercraft and the seller (located in-state or out-of-state) is not, at the time of sale, licensed as a watercraft dealer through the Ohio Department of Natural Resources, Watercraft Division.
5. When a motor vehicle is traded for a watercraft, outboard motor or personal watercraft.

Question: Can a person trade in more than one motor vehicle on the purchase of a new motor vehicle and deduct the trade-in value of both vehicles?

Answer:

Yes. A person may trade in more than one vehicle and deduct their values from the price of a new motor vehicle. The combined value of the two or more vehicles given in trade can be used to reduce the price of the new motor vehicle. If the value of the traded in vehicles is less than the price of the new vehicle, tax is due on the difference. If the value of the traded in vehicles equals or exceeds the price of the new vehicle, no tax is due as the price would be reduced to zero.

Question: Can a third party who isn't part of the sales transaction trade their vehicle in as part of the transaction and get a trade in credit? For example, daughter is purchasing a car on her own. Mom will give the dealer mom's car. Does title need to transfer to daughter in order to get a trade in credit?

Answer:

A third party can transfer title directly to the dealer and the buyer will still be eligible for a trade in credit to reduce the sales tax when they purchase a new vehicle. ■

El Paso Auto Company to Pay \$797,000 in Back Wages

Source: U.S. Department of Labor's Wage and Hour Division
Reported by Fisher & Phillips

Viva Auto Group has agreed to pay \$797,405 in back minimum wages to 480 current and former sales employees following an investigation by the U.S. Department of Labor's Wage and Hour Division that found violations of the Fair Labor Standards Act at eight of the company's locations in El Paso.

"Employers need to understand that employees must be paid for all hours worked, which includes paying for required training," said Cynthia Watson, regional administrator for the Wage and Hour Division in the Southwest. "We are pleased these employees will receive the wages they have rightfully earned."

An investigation by the division's El Paso Field Office found that Viva

Auto Group made illegal deductions from employees' pay for training, which the employees were required to take, and for fees charged to reward customers for referring family or friends to the establishment.

Investigators also found that the company paid employees less than the federal minimum wage of \$7.25 an hour and did not pay them for all hours worked. Additionally, required record-keeping was not maintained.

Violations were found at the following locations: Viva Auto Group, Viva Chevrolet and Viva Kia on Montana Street; Viva Dodge on Gateway Boulevard East; Viva Nissan on Zaragoza Road; Viva Mitsubishi and Viva Collision Center on Magruder Street; and Bestway Auto on

Airway Boulevard.

The company has agreed to future compliance with the FLSA. Payment of the back wages owed is ongoing.

The FLSA requires that covered, nonexempt employees be paid at least the federal minimum wage of \$7.25 for all hours worked, plus time and one-half their regular rates, including commissions, bonuses and incentive pay, for hours worked beyond 40 per week. Additionally, employers must maintain accurate time and payroll records.

If you have questions regarding this article or other employment or labor issues, contact Melanie Webber at Fisher & Phillips in the Cleveland office. Melanie may be reached at 440-838-8800. ■

NADA News

A Message from Ohio NADA Director, Bill Reineke, Jr.

New NADA Task Force Sets Vigorous Agenda on Facility Image and Stair-Step Incentives

Factory-mandated dealership upgrade programs and stair-step incentives (or two-tier pricing) are two highly-contentious issues facing many new-car dealers. Some of these programs, as currently administered by the auto manufacturers, are also causing confusion among consumers and disrupting business.

To address these issues with auto manufacturers, the National Automobile Dealers Association has created an Industry Relations Task Force, which set a vigorous agenda at its first meeting in June. The work of the task force is a high-level priority and has been fast-tracked.

As each day passes, NADA recognizes that dealers are reaching deadlines to make huge financial decisions about investing in their facilities. Working on an expedited timeline, the NADA task force will meet face-to-face in Washington in early August to explore all options to support dealers.

In addition, Phase II of NADA's facilities image study, which is currently underway, will analyze return-on-investment. The results are expected to be completed by September. And questions that will evaluate dealer opinions and experiences with facility programs have been added to NADA's Dealer Attitude Survey for July. The survey is conducted twice a year.

NADA policy is clear: All dealers – large or small, urban or rural – should be treated fairly by their manufacturers. Automakers should be flexible and give all dealers an equal chance to benefit from these programs.

NADA Update

NADA: Though Constitutional, Health Care Law Still Hinders Dealers' Ability to Provide Good Benefits, Jobs

In response to the Supreme Court decision on June 28 to uphold the primary provisions of the Affordable Care Act (ACA), NADA released the following statement:

"Although the ruling by the Supreme Court appears to uphold the majority of the Affordable Care Act, it remains a flawed law. Keeping and retaining highly skilled and trained employees is a priority for all auto retailers. Dealers strive to provide their employees with the most affordable health care plans available that best fit their needs. Each year, it becomes increasingly challenging for dealers to find the most affordable health insurance plans with the best coverage.

"Since the passage of ACA, health insurance costs have continued to rise, and compliance has become more complex. The resources that dealers must put toward meeting these new health care mandates prevent them from growing their businesses and, in many cases, hinder their ability to offer quality health care plans to their employees. While the decision did not strike down most of the ACA, Congress should revisit this law to ensure that dealership employees are not forced out of employer-based health care plans."

NADA will provide the membership with further guidance after the impact of the Supreme Court's 193-page decision has been

fully analyzed.

White House 'Advanced Vehicles Summit' Should Also Address Consumer Concerns and Affordability

On June 27, the day of the White House's "Advanced Vehicles, Driving Growth" summit with automakers, environmentalists and government officials, NADA welcomed the Obama administration's continuing review of the proposed Model Year (MY) 2017-2025 fuel economy rules for cars and light trucks. The issues below should be raised during the ongoing debate:

Are consumers able and willing to pay almost \$3,000 [Obama administration estimate] more on average per vehicle in 2025 to get better fuel economy?

The cumulative average per vehicle cost of the MY 11, MY 12-16, and MY 17-25 fuel economy rules approaches \$3,000 per vehicle. (MY 11: 74 Fed. Reg. 14413 - \$95; MY 12-16: 75 Fed. Reg. 25635 - \$945; MY 17-25: 76 Fed. Reg. 74889 - \$1,896 - all prices adjusted to 2010 dollars.)

Will new graduates and working families still be able to buy a new car or truck?

Vehicles that currently cost \$15,000 and less could be regulated out of existence. (U.S. Energy Information Administration, "Annual Energy Outlook 2011," pg. 27)

With upwards of 90 percent of new vehicles financed in some way (auto loans and leases), how many fewer working families will still qualify for a loan in 2025?

NADA's research shows that 6.8 million Americans could no longer qualify for financing to purchase the most affordable new vehicles should prices escalate an additional \$3,000. Click here for the study.

Will there be broad consumer acceptance of hybrid and electric vehicles?

Hybrid sales have never been more than 3 percent of sales in any given year. For automakers to comply with the MY 17-25 mandates, 15 percent of the vehicles sold must be hybrids or electrics. (76 Fed. Reg. 74860)

When will families achieve the '\$8,200 in fuel savings over the lifetime of a new vehicle' that is promised?

To achieve \$8,200 in fuel savings, the EPA estimates that a consumer will have to drive the vehicle for 211,000 miles during its life. (Environmental Protection Agency, Draft Technical Service



Bill Reineke, Jr.
Ohio NADA Director

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Get Organized with Color-Coded Filing

You provide excellent customer service, so why worry about your filing system?

It's easy to let paper filing systems get out of control – don't let that be the factor that negatively impacts your customers' experiences with your dealership. Even if you provide top-notch service, customers don't want to wait around while you search for paperwork, which is exactly what can happen if files are misplaced, unorganized, or lost.

With a color-coded filing system you can save time, space, and energy. The color-coding method is a more efficient solution for staying organized throughout your dealership and promotes fast and accurate filing and retrieval.

Color-coded labels can help you

create opportunities by displaying a variety of information: vehicle model year, make of vehicle, digits of VIN, last service date, customer names, or lease expiration dates. For example, service dates can be used as a guide for mailing follow-up service reminders, and the vehicle make and model can be used for recalls. This system can also help you quickly purge inactive files.

Why does color-coded filing work?:

- The human eye recognizes colors and blocks of colors at a greater distance than it does letters or numbers.
- Bright, colorful, end-tab labels make misfiles obvious and virtually impossible to overlook.
- Users immediately recognize the sections they need, which is extremely beneficial

during warranty audits and times of high customer volume.

Other aspects to consider when organizing files are the floor plan and space requirements. Consider open shelf cabinets that provide more filing space than traditional cabinets and maximize visibility and access. Add roll-top security doors to help keep customer and business files safe.

Reynolds and Reynolds offers the ColorFile® Filing System – a high-quality, effective, and proven way to manage documents, designed specifically for automotive retailing. To learn more, or for assistance creating a filing strategy, contact your Reynolds Document Consultant, call 800.344.0996, or email IDS_Mktg@reyrey.com. ■

Miss an OADA Brown Bag Lunch Webinar? No Worries... Get it on DVD!

Have you ever seen one of our webinar schedule reminders and thought, "I would love to see that one but unfortunately I have a conflict with the date and time." Let's face it sometimes everyone's schedules just aren't quite in sync. That's why we record every one of our webinar offerings and make them available to you!

Whether you've missed the program, would like to review the material "one more time", or share it with others at the dealership, these DVDs make it easy to stay on top of the latest happenings in the motor vehicle industry. Our presenters are professionals and experts who work with dealers on a regular basis and understand the motor vehicle industry. Our featured presenters include long time partners with OADA and dealers across the state, as well as names you will recognize from OADA conventions, NADA conventions or 20 Group meetings. With our webinar series we have the capability of "bringing in" experts from across the country.

Our programs are one hour in dura-

tion, allowing you the ability to receive the information you need and then continue on with your day at the dealership. Staying up-to-date on the issues important to your business has never been easier, more convenient, or cost effective.

With nearly forty programs currently available (and more are being added every month) there is bound to be a topic of interest for nearly any department in the dealership. A partial list of titles includes:

- Selling an As-Is Vehicle in Today's Market
- Environmental Management – A Dealership's Guide to Waste Management
- Auto Dealers, Fair Labor Standards Act and the Ohio Minimum Fair Wage Standards Act
- See How Your Credit Applications and Credit Policies Score! Adverse Action, Risk Based Pricing, Red Flags and More
- How to Stretch Your Advertising Dollar in Four Easy Steps
- Facility Renovation & Construction:

How to Get the Most for the Investment

- Our Two Biggest Financial Risks: Data Security and Identity Theft
- DOT Hazmat Shipping rules Explained in Plain English
- Your Out of State Titling and Tax Questions Answered!
- Appraising Vehicles for Gen-Y Customers: This is Not Your Father's Appraisal Process
- Are You Legally Compliant In Your Service Department?
- Are Your Salespeople Stuck in 3rd Gear?
- Your State Sales tax Questions Answered
- Evaluating Your Lender Dealer Agreements
- Trends in Today's Buy/Sell Market
- AND MANY, MANY MORE TITLES AVAILABLE!

For a complete list of available titles go to www.oada.com or contact DeAnna Zahniser at OADA, 614-923-2231 or dzahniser@oada.com. ■

Document, pg. 4-17, Nov. 2011)

New NADA Bulletins on Safety, Fuel Economy Will Help Sales Staff, Consumers

Two new bulletins from NADA will help the new-vehicle sales staff at dealerships respond to consumer questions on safety and fuel economy:

- A two-page Q/A bulletin issued jointly by NADA and the National Highway Traffic Safety Administration aims to help sales employees respond to consumer questions on “stars-for-cars” safety information. This new information is required on Monroney labels starting with Model Year 2012 light-duty vehicles rated and manufactured after Jan. 31, 2012. The Dealer Guide to NHTSA’s 5-Star Safety Rating Label describes how vehicles are rated, what the new labels look like, and how consumers can compare between vehicles.
- A four-page Q/A bulletin, Revised EPA/NHTSA Fuel Economy Labels, addresses the revised fuel economy and emissions information required for MY 2013 and later vehicles. Designed to allow for better comparisons between vehicles, this revised information also typically will be set out on light-duty Monroney labels.

It’s important to note that while vehicle manufacturers are responsible for putting this information on Monroney labels, dealership personnel must not remove these labels prior to vehicle delivery.

(These bulletins are for informational purposes only. They work best when used electronically, but are also designed to be printed double-sided for distribution to new-vehicle sales personnel and interested customers, as needed.)

Report: Employment at New-Car Dealerships Up 4.6% in 2011

There were 933,500 workers employed at U.S. new-car and -truck dealerships in 2011, a 4.6 percent increase from the previous year, said Paul Taylor, NADA chief economist. The findings were released as part of NADA Data 2012, the association’s latest state-of-the-industry report on dealership financial trends. The

increase in the number of employees occurred as the number of dealerships, which had declined in recent years, continued to stabilize. In the first quarter of 2012, there was an increase of 66 dealerships on a net basis. “The arrival of new brands and new dealerships is a sign that even more vigorous competition is on the way in the U.S. vehicle marketplace,” Taylor said. “As new brands enter the U.S. market, the net dealership count may increase in future years of strong economic growth.”

In 2011, the average new-car dealership employed 53 workers and had an annual payroll of \$2.6 million. Dealerships also provided an average 14.5 percent of total retail payroll in their states in 2011. Taylor also noted that “franchised dealers are major employers as well as significant contributors to their communities’ economies, tax bases and civic and charitable organizations.” For the full report, visit www.nada.org/nadadata.

NADA Used Car Guide: Compact Car Depreciation Outpaces the Segment Field

Wholesale auction price movement through the middle of June was predominantly in line with NADA’s expectations in terms of both degree and direction, as overall prices continued to slip and compact car depreciation outpaced the segment field by a wide margin.

The month started out with market prices rebounding to mid-May levels before falling off and as a result, cumulative market prices declined by \$252 or 1.5 percent compared to May.

The steep cut in gasoline prices over the past two months – which AAA puts at about 40 cents from early April through mid-June – combined with the drop off in seasonal demand normally seen following the end of spring continued to place significant downward pressure on compact car prices, and the segment’s 2.9 percent fall was the highest of any segment. Prices for the remaining segments all fell with the smallest declines occurring on luxury segments with drops just under 2 percent.

Compared to last June, market prices were at a 1.2 percent disadvantage which isn’t a surprise since used prices remained elevated into late July last year because of new-vehicle substitute demand

stemming from Japan’s natural disasters. “We can expect to see this inverted relationship in prices remain in effect until at least until August, which is when market prices took a dive in 2011,” said Jonathan Banks, senior analyst with the NADA Used Car Guide.

NADA U Webinar Wednesdays (and a Thursday) Announced for August

Upcoming Webinar Wednesdays include both MarketINSIGHT and Learning Hub webinars. The informational MarketINSIGHT mini-webinars are free and can be viewed live or on-demand in NADA U’s Resource Toolbox. Learning Hub instructional webinars are available for purchase (\$199 for members) in the NADA U Store—they are included in the NADAvt subscription—and may be viewed live or on-demand for two years. All legal and regulatory webinars are free for NADA and ATD members. In addition, members may include their contracted professionals (e.g., attorneys, CPAs and financial advisors) as users within their NADA University accounts to view these member resources for free.

Here’s the upcoming schedule with all webinars (except Glider Kits*) beginning at 1 p.m. EDT:

- One-Price Selling: Its Time Has Come, MarketINSIGHT, The Rikess Group, Mark Rikess, August 1
- Applying FET to Truck Bodies, Learning Hub (Legal), Mark Sidman and Rose-Michele Nardi, Weiner Brodsky Sidman Kider PC; and Bradley Miller, NADA Legal Group, August 8
- Verizon’s Back-End Solutions, MarketINSIGHT, Verizon, Jennifer Horvath, August 15
- Five Steps to Boost Visibility, MarketINSIGHT, AutoTrader, Howard Polirer, August 22
- Tax Implications of Tangibles Regulations, Learning Hub (Legal), Dan Thompson and Bob Murphy, Boyer & Ritter; and Paul Metrey, NADA Legal Group, August 29
- Industry Trends: Parts, Service and Used Vehicles, Learning Hub (third in a four-part NADA-Google series offered free to members), Peter Leto, Google, and Les Abrams, NADA Academy, to be

Green Pea Sales Training

continued from cover

skills and confidence

- A complete workbook will be provided
- Sales managers that send students will be provided a special 30-minute webinar to explain the training and give them ideas on how they can maximize the chances for the sales person's success
- Following the workshop, the student and the student's manager will receive weekly emails for six weeks to reinforce the training and process strategies. Trainers will be available for personal coaching via email or phone
- All is designed to maximize closing percentages on the first visit—and overall

Each session will include three consecutive days of training, from 9am-5pm each days. Cost per person is \$485.00. This includes training with Steve, all related materials and workbooks, morning and afternoon refreshments, and all follow-up, including sales manager webinar and email and phone coaching for students. Attendees will be dismissed mid-day for lunch on their own, returning to the meeting site for the after-noon session. Any overnight accommodations will be the responsibility of the dealership. Contact DeAnna at OADA if you need assistance with overnight accommodations.

Session 1—Columbus

August 15, 16, and 17
Crowne Plaza Dublin
600 Metro Place North, Dublin
Phone (614) 764-2200

Session 2—Akron

September 19, 20, and 21
Hilton Akron Fairlawn (19th and 20th)
3180 W. Market Street, Akron
Phone (330) 867-5000
DoubleTree Hotel (21st)
3150 W. Market Street, Akron
Phone (330) 869-9000

* These hotels have common ownership, and are right next door to each other, with a shared parking lot.

Session 3—Cincinnati

October 1, 2, and 3
Cincinnati Automobile Dealers Association
6435 Centre Park Drive
West Chester 45069 ■

Ad Review Corner

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2. Injunctions issued by federal district courts against future violations. Violations of court-ordered injunctions may result in civil or criminal contempt proceedings.

In addition, any consumer damaged in a leasing transaction has a right to sue under TILA for:

1. Actual damages;
2. 25% of the total amount of monthly payments under the lease (but not less than \$100 nor more than \$1,000); and
3. Court costs and a reasonable attorney's fee.

State Penalties: The remedies available for violations of Ohio's regulations pertaining to advertising a sale or lease of a motor vehicle are included in the Ohio Consumer Sales Practices Act. Keep in mind that a violation of TILA is also a violation of the CSPA. Any remedy under federal law is in addition to any remedies available to a consumer pursuant to the CSPA.

If the Attorney General's office chooses to pursue a dealership for failure to comply with any of the regulations related to the sale and advertisement of motor vehicles, it may do any and all of the following:

1. Subpoena the dealer's records;
2. Issue a cease and desist letter;
3. File suit to enjoin the advertiser from further non-compliant behavior;
4. File a class action suit on behalf of all harmed consumers; and
5. Request a court to impose penalties of \$25,000 per violation of the CSPA.

A consumer may also file suit pursuant to the Ohio Consumer Sales Practices Act. The remedies available are either rescission of the transaction or damages. A customer who seeks damages may obtain:

1. Three times the customer's actual damages or \$200, whichever is greater;
2. \$5,000 for non-economic damages (emotional distress, etc.);
3. Reasonable attorney's fees;
4. An injunction to prevent future deceptive behavior

A consumer who participates in a class action may only recover actual damages, not trebled damages.

Conclusion: Failure to comply with advertising laws and regulations can be a costly error, both in terms of penalties paid to the consumer, legal fees that a dealer will pay its own counsel, and time spent focusing on the litigation instead of your business. An ounce of prevention can save your dealership unnecessary problems down the road. Please contact your counsel before running any advertisement of which you are unsure, or call OADA for assistance. ■

NADA News

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available on demand next month.

Week-Long Advanced Service Seminar Coming in August, Parts Seminar to be held in October

NADA U's acclaimed Advanced Service Management Seminar, led by NADA Academy instructor Bob Atwood, will be held at NADA's McLean, Va., headquarters from August 13 to 17. With a comprehensive agenda covering problem identification, situation assessment, personnel and production techniques, legal requirements, shop scheduling and loading, idea session and SWOT analysis and leadership techniques, participants are amazed at what they didn't know despite years of experience. This seminar will help participants analyze dealership performance and bring it to the next level.

Coming in the fall, an Advanced Parts Management Seminar will be held at NADA's McLean, Va., headquarters. From October 15 to 19, NADA Academy instructor Chris Bavis will help participants transform their parts department from the "black hole mystery" to the eye-popping profit center it can be. Each main topic on the agenda encompasses a host of detailed subtopics, such as perfecting the mix, profit centering, know the customer's needs, personnel techniques, a deep dive into the DMS, case study and SWOT analysis and best practices.

For more information or to register for one or both seminars, call Customer Service at (800) 557-6232 or log in to NADA University and go to the NADA U Store. ■



Brown Bag Lunch Webinar Series

presented by
The Ohio Automobile Dealers Association



Provisioning: The New Science of Used Vehicle Management and Merchandising

This Webinar is being hosted and moderated by OADA. Registration fee for OADA members is \$25 per connection. Non-member fee is \$50.00. **The Webinar is scheduled for Tuesday, August 14, 2012, from 11:00am to 12:00pm**

Are you having trouble managing your stock of used vehicles? Are you looking to maximize your sales potential in the used car department? Are you confused about the particular inventory that your dealership needs? If you answered yes to any of these questions, OADA is pleased to present Dale Pollak, chairman and founder of vAuto, Inc., for this informative presentation. Dale Pollak is one of the leading authorities on automotive dealership management strategies. Tap into Dale's experience, insight, and knowledge as he presents his view on inventory management.

The recent past, present and future has demonstrated consolidation in both the dealer and solution provider communities. In this informative session, Dale Pollak will outline the strategies and justifications behind many recent, high-profile mergers and acquisitions. Pollak will also demonstrate new approaches and techniques for stocking and sales of used vehicles using newly created tools and technologies.

Provisioning inventory is the new way to stock your lot in three clicks using an easy-to-understand grading system. You can see what types of vehicles in specific price ranges you need, what is recommended in your market, and where to purchase them at auction (and even proxy bid in some cases). Specifically, Pollak will explain a vehicle grading system using 7 distinctive characteristics of desirability. This new grading system will enhance upon previous methods by combining traditional inventory management metrics with new merchandising measurements. Attendees will learn:

- What are the 7 attributes of merchandising desirability?
- What are their respective meanings and weights?
- How to use the 7 new attributes of desirability to source vehicles

vAuto provides retail automotive dealerships with a better way to appraise, manage and price their pre-owned vehicle inventory. Registration fee for OADA members is \$25 per connection, with a \$50 charge per connection for non-member dealers. The webinar is scheduled from 11am-noon on August 14. Register today!

Registration Form

Provisioning: The New Science of Used Vehicle Management and Merchandising

Registrant

Name (s) _____

Position (s) _____

Dealership Name _____

Address, City, State & Zip _____

Telephone () _____

Fax () _____

E-mail _____

Registration fee for members is \$25 per connection. Non-member dealers pay \$50.00 per connection.

Please register me for the webinar. (Registrants must provide an email address)

I have already registered online for the webinar.

Return to: OADA • 655 Metro Place South, Suite 270 • Dublin • Ohio • 43017 **or fax to** 614-766-9600
You can also **register by logging onto the OADA web page** at www.oada.com, or by calling 800-686-9100 x109.



AKRON
September 19-21
 Hilton Akron Fairlawn
 3180 W. Market Street
 Akron

CINCINNATI
October 1-3
 Cincinnati Automobile Dealers Association 6435
 Centre Park Drive
 West Chester

COLUMBUS
August 15-17
 Crowne Plaza Dublin
 600 Metro Place N.
 Dublin

Part 1 - Charting the Course - Steve will help the student organize their goals to increase their motivation and participation in the workshop. The focus will be on the importance of attitude, skills and knowledge.

Part 2 - Building the Business - Steve will show students what the best sales people do to grow their business - beyond waiting for prospects to just walk through the door. From the service lane to private sellers, Steve will teach the strategies and the tactics to help them build their business fast.

Part 3 - Maximizing Sales Efficiency - Steve will teach and role-play the latest strategies for maximizing the sales from incoming sales calls, internet leads and showroom visitors. Focuses for the showroom include:

- Building trust with an interview
- A manager “hi” to welcome the prospect
- A great vehicle presentation and demonstration
- Building value in the dealership
- Providing “data” on the vehicle
- Building a buying environment
- Follow up for those that don’t buy on the first visit

The curriculum is designed to support your current selling strategies, not to change them. Trainees receive three full days of intense training, 9am-5pm each day. This includes over 10 hours of “role-play” to build skills and confidence, and follow-up including weekly emails and trainers available for personal coaching via fax and email. A follow-up webinar for managers is included.

Schedule and Costs

Each session will include three consecutive days of training, from 9am-5pm each day. Cost per person is \$485.00. This includes training with Steve, all related materials and workbooks, morning and afternoon refreshments, and all followup, including a sales manager webinar and email and phone coaching for students. Attendees will be dismissed mid-day for lunch on their own, returning to the meeting site for the afternoon session. Any overnight accommodations will be the responsibility of the dealership. Contact DeAnna at OADA if you need assistance with overnight accommodations.

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* These hotels have common ownership, and are right next door to each other, with a shared parking lot

Session 3 - Cincinnati

October 1, 2, and 3

Cincinnati Automobile Dealers Association

6435 Centre Park Drive, West Chester

Registration Form

Green Pea Sales Training

Please circle one: Columbus
August 15-17

Akron
September 19-21

Cincinnati
October 1-3

Registrant
 Name (s) _____

Dealership Name _____

Address, City, State & Zip _____

Telephone () _____

Fax () _____

E-mail _____

Registration fee is \$485 per person for the three day course.

Payment: Check No. _____ Credit Card: Visa/MC # _____ exp. _____

or Amex (plus 3 digit security code) _____

Return to: OADA • 655 Metro Place South, Suite 270 • Dublin • Ohio • 43017 **or fax to** 614-766-9600

You can also **register by logging onto the OADA web page** at www.oada.com, or by calling 800-686-9100.