



## Fast Facts Sponsor



The state suggests the following method to verify and report inventory. (This should take about 15 minutes.)

1.) **Print a report** of your current available inventory from the CVR computer. 2.) Verify the report by a **physical check of the actual inventory** to ensure that each plate or tab/permit is present. Sealed boxes do not need to be opened, simply check the labeling on each package. 3.) If there are no discrepancies between the printed report and the physical verification, **type the requested inventory numbers into the CVR computer:** beginning and ending numbers for plates and tabs and permits in inventory, as well as the total number of each (as shown on the available inventory report). 4.) **Submit** the report.

While dealers are given until Friday, January 14 to **submit** the

## CVR inventory count: January 10

Dealers participating in the CVR program are reminded that the count and physical verification of inventory must be taken **Monday, January 10 prior to any transactions being processed for the day.**

report, the inventory must be counted and verified on January 10 prior to any new CVR transactions being processed.

*Dealers who do not submit the required information are in violation of their agreement with the Michigan Department of State and risk losing the ability to use the CVR program. If you have questions, please contact your CVR account representative or CVR support at (800) 333-6995.*

## 2010 tabs must be returned to warehouse

Please note that 2010 tabs are now obsolete and must be returned by Friday, January 28. Please review these steps:

1.) Verify that your physical 2010 tabs in inventory match the printed report. 2.) **IMPORTANT:** Mark 2010 tabs as "obsolete" in inventory. 3.) Include your dealership name and license # (or a copy of the Inventory Available report) and mail along with 2010 tabs to the following address.

*UPS or FedEx:*  
MADA  
ATTN: Tommi or Ray  
1500 Kendale Blvd  
East Lansing, MI 48823

*US Mail:*  
MADA  
ATTN: Tommi or Ray  
PO Box 2525  
East Lansing, MI 48826-2525

## Risk Base Pricing reminder

January 1st marked the enforcement date for the new Risk Base Pricing Exception Notice, along with the Model Privacy Notice and Red Flags. The Risk Base Pricing Exception Notice must be given to all customers\* who apply for credit, regardless of whether or not they ultimately finance or purchase the vehicle. To complete the Exception Notice, you must have the consumer's credit score and the bar graph or the % ranking.

Many lenders are providing the information needed to complete an Exception Notice requirement, including the Notice with the consumer's credit score and bar graph (or the % ranking). In situations where the lenders are not providing

the Exception Notice with the customer's credit score and bar graph, dealers will be required to pull a credit report so they may receive the proper information to complete the Exception Notice requirements. Many vendors offer the Exception Notice information when purchasing a credit score, while other vendors may only offer the Exception Notice templates, which a dealer can use to input the credit score and complete the form. Contact your vendor for more information about their offerings. If you have questions or would like additional vendor information, contact MADA at (800) 292-1923.

*\*The Exception Notice is not required for sales to businesses.*

## North American International Auto Show in Detroit

The 2011 North American International Auto Show (NAIAS) opens next week at Detroit's Cobo Center. Following are a few brief reminders of event activities and dates. **Please see [www.naias.com](http://www.naias.com) for complete auto show and ticket information.**

The **Industry Preview** provides a unique networking opportunity that combines the latest automotive products and services with the key minds behind them all. The **Charity Preview** is your chance to be a part of one of the most exclusive, high profile events in the nation - all while benefiting various children's charities. Those attending the **Public Show** and ordering 30 or more tickets are reminded that any day passes/group tickets can be purchased online for a reduced rate of \$8 per ticket.

### **Industry Preview**, \$75 per person

- January 12 (noon - 9 p.m.)
- January 13 (7 a.m. - 9 p.m.)

### **Charity Preview**, \$250 per person

- January 14 (6 - 9 p.m.)

### **Public Show**, \$8 / \$12 per person

- January 15 - 22 (9 a.m. - 10 p.m.)
- January 23 (9 a.m. - 7 p.m.)



## Fast Facts Sponsor



## Dealer Plates

As a reminder, your current dealer plates will remain active through February 28, 2011. New plates will be mailed via UPS in mid February.

## SOS Holiday Closure

Secretary of State Ruth Johnson reminds dealers that all branch offices will be closed in observance of Martin Luther King Jr. Day on Monday, January 17.

## Some of MADA's newest associate members

MADA members have access to many valuable products and services through various companies specializing in auto dealerships. Please take a few minutes to learn more about what they offer and contact the company directly, or call MADA's Larry Parker at (800) 292-1923 for further information.

- **Fenton Insurance Group Inc.** - President, Jeffrey Phillips  
Phone (810) 750-6700 or [jeff@fentoninsurance.com](mailto:jeff@fentoninsurance.com)  
*Employee benefit specialist serving the dealer community for 20+ years. Find out about highly competitive rates on BCBS's new Simply Blue Program by contacting Jeff Phillips or Pete Serra ([pete@fentoninsurance.com](mailto:pete@fentoninsurance.com)).*
- **InvestWise Financial** - President, Ken Krausman  
Phone (248) 594-7040, ext. 203 or [kkrausman@investwisefinancial.com](mailto:kkrausman@investwisefinancial.com)  
*As independent 401(k) consultants, our team helps business owners improve the effectiveness of their retirement plans, while providing educational opportunities to assist employees in preparing for their retirement.*

## The Michigan Presidents' Reception

Dealers attending the NADA Convention are invited to join MADA President George Sharpe, Sr. and DADA President James Seavitt for the 2011 Michigan Presidents' Reception. MADA and DADA would also like to thank the Detroit Media Partnership for helping to sponsor this event.

The Presidents' Reception will be held Sunday, February 6 at 5:00 p.m. at The Westin St. Francis Hotel in San Francisco. **An invitation with additional details has been mailed to dealers who pre-registered for the convention.** If you have questions, please call MADA at (800) 292-1923 or DADA at (248) 643-0250.

## Your MADA officers are working hard for you

As our 2011 executive officers begin taking over their new responsibilities, we would like to thank our 2010 president, Mr. Garry Clift for his time at the helm of MADA. During his year as president, Garry took an active leadership role, especially in spearheading our MADPAC campaign. He was continuously working to expand and improve the association and get dealers throughout the state involved. We truly appreciate his dedication as president of MADA and look forward to continuing to work with Garry as he becomes one of our many supportive and active past presidents.

Mr. George Sharpe, Sr. is already planning for a successful year as the newest president of MADA. George has served MADA members in various positions for many years, including 2010 chairman of ADM, and we know his

experience will help continue to bring positive changes for dealers in Michigan. Our 2011 vice president, Mr. Wes Lutz and our second vice president, Mr. Doug Fox will work alongside Mr. Sharpe to ensure this association provides the best opportunities and resources to our members.

Please remember that if you ever have questions or suggestions, you are welcome to call any of your executive officers, the MADA Board of Directors, or contact MADA at [news@michiganada.org](mailto:news@michiganada.org) or (800) 292-1923. We look forward to your participation in 2011!

## Doc fee to be reevaluated for 2011

In accordance with Michigan's Motor Vehicle Sales Finance Act, OFIR is required to review the documentary preparation fee (doc fee) biennially. MADA has contacted OFIR to remind them of this review. The review takes into effect the cumulative percentage change in the consumer price index for the two immediately preceding calendar years. This index, provided by the U.S. Department of Labor, is based on a U.S. city average for urban consumers.

Once OFIR receives the final 2010 numbers (released by the U.S. Department of Labor in mid-January) they will complete their evaluation. We anticipate hearing from OFIR in February and will forward information to dealers at that time. The fee was last reviewed and increased to \$190 in February 2009.



## Fast Facts Sponsor



## Interested in saving 5¢ per gallon of fuel?

Make sure you're taking advantage of your MADA benefits and keeping your fuel costs down. Contact Larry Parker at (800) 292-1923 or [lparker@michiganada.org](mailto:lparker@michiganada.org) to learn more.

## IRS Form 8300 filings: inform customers by Jan. 31

The IRS requires Form 8300 to be filed if more than \$10,000 in cash was received from one buyer as a result of a single transaction or two or more related transactions. As a reminder, a written statement must also be provided to each person named on Form 8300 to notify them that the business has filed the form. **For 2010 transactions, dealers should provide a written statement to customers by January 31, 2011.** (If a letter was sent at the time of the transaction, a second letter is not required.)

The statement must include the following:

1. The name and address of the dealership, as well as a name and telephone number of a contact person;
2. The total amount of reportable cash received in a 12-month period; and
3. A statement that the seller is reporting the information to the IRS.

Additional information about Form 8300 requirements can be found within the *Links* tab at [www.michiganada.org](http://www.michiganada.org).

## Michigan International Auto Show opens in February

The Michigan International Auto Show, presented by the Grand Rapids New Car Dealers Association, will open its doors at DeVos Place in Grand Rapids with a Charity

the Helen DeVos Children's Hospital Foundation.

The public show begins on February 3. For more information or to purchase tickets, please visit [www.GRautoshow.com](http://www.GRautoshow.com).

### Charity Spectacular

Wednesday, Feb. 2 • 6:30 - 10:00 p.m.

*Tickets are \$150 per person.*

### Public Show Schedule

Thursday, Feb. 3 • 3:00 p.m. - 10:00 p.m.

Friday, Feb. 4 • 11:00 a.m. - 10:00 p.m.

Saturday, Feb. 5 • 10:00 a.m. - 10:00 p.m.

Sunday, Feb. 6 • 10:00 a.m. - 6:00 p.m.

*Tickets are \$10.00 for adults; children 6 to 14 are \$4.00; children 5 and under are free.*

Spectacular on February 2. This event offers attendees the opportunity to preview 2011 vehicles and awe-inspiring concept cars before the show opens to the public.

Entertainment features the famous Wallenda family with their dramatic cirque performance. They will defy gravity while climbing freestyle, hand-over-hand to the top of their towering sway-poles and will complete an unbelievable sway-pole exchange mid-air! Proceeds from the evening benefit

## Special events held during the NADA convention

There are many optional events and receptions held in conjunction with the NADA convention next month. Following are some special events dealers may be interested in attending.

- **Protective Reception** (MADA endorsed provider)  
Saturday, February 5, 2011 at 5:30 p.m.  
Top of the Mark at the InterContinental Mark Hopkins  
Please call Larry Parker at (800) 292-1923 or pre-register online at <http://us.ootoweb.com/protective2011nada>.
- **Michigan Presidents' Reception** (MADA/DADA event)  
Sunday, February 6, 2011 at 5:00 - 7:00 p.m.  
The Westin St. Francis, Victor's  
Invitations have been mailed to Michigan dealers who pre-registered for the convention.

- **Women Dealers' Breakfast**

Saturday, February 5, 2011 at 7:30 to 9:30 a.m.  
Fairmont Hotel

*Each year NADA invites one of the top female automotive executives to provide insights and breaking news about the industry. See <http://expo.nada.org> (schedule of events page) for more about this breakfast. (Tickets are required.)*

- **J. D. Power International Automotive Roundtable**

Friday, February 4, 2011, 8:00 a.m. to 5:00 p.m.  
The Palace Hotel

*A NADA Welcome Reception will follow at 5:30 p.m. at the Marriott Marquis hotel. See [www.jdpower.com/IAR2011](http://www.jdpower.com/IAR2011) for pricing and registration information.*



## Fast Facts Sponsor



## Upcoming events

Feb. 2-6 • **Michigan International Auto Show**  
Charity Spectacular, Feb. 2  
Public Show, Feb. 3-6  
[www.GRAutoShow.com](http://www.GRAutoShow.com)

Feb. 5-7 • **NADA convention** and expo in  
San Francisco, CA

Feb. 6 • **Michigan Presidents' Reception**,  
5:00 p.m. at The Westin  
St. Francis Hotel (come  
and watch the SuperBowl  
with the MADA and DADA  
presidents!)

Feb. 6 • **DealerTrack Post-Game Party** at AT&T Park  
(please call Larry Parker  
at (800) 292-1923 for  
pre-registration details)

## Plates are current through Feb. 28

Dealer plates marked "FEB 11" will remain active and in effect through February 28, 2011. New dealer plates will be sent via UPS in mid-February.

## Risk Based Pricing: Q&A

MADA has received many questions from dealerships relating to the Risk Based Pricing Rule and Exception Notice. We have answered some of the more common questions below. If you have additional questions or concerns that are not answered here, you may consult the NADA guide, *Driven: A Dealer Guide to Risk Base Pricing* (available at [www.NADAuniversity.com](http://www.NADAuniversity.com)) or call MADA at (800) 292-1923.

**Who do I have to provide a Risk Based Pricing Exception Notice to?** Any consumer who is extended credit is required to receive an Exemption Notice. If a consumer applies for and is extended credit, but ultimately does not finance the vehicle, he/she must still receive an Exception Notice. *Note: extension of credit to businesses does not fall under the Rule and thus does not require an Exception Notice.*

**When must the consumer receive the Exception Notice?** The Rule requires the consumer to receive the Exception Notice "as soon as reasonably practicable" but at the latest prior to entering into a retail installment contract. *Note: this timing is particularly important, especially for consumers who submit credit applications over the Internet or telephone. Please consult the NADA guide or your legal counsel for your specific situation.*

**Do I have to keep a copy of the Exception Notice?** The Rule does not require dealers to keep a copy of the Exception Notice. However, it is highly recommend that you do keep a copy of the Notice in the deal jacket. You may also ask the consumer to sign your copy of the Notice to verify receipt.

**I don't pull credit; do I still have to provide the Risk Base Pricing Exception Notice?** Yes. All dealers who extend credit, whether or not they assign the note, must provide this Notice to their consumer. Under the Rule, dealers are considered creditors and must provide all credit consumers with the Exception Notice.

In order to complete the form, you must have the following information: the consumer's credit score, the reporting agency, the date it was pulled, and either a bar graph or percentage ranking of how the customer's credit ranks among the general population. Some lenders may provide all of this information. If the lenders you use do not provide this information to you, you will need to contract with another source to obtain this information.

## Doc fee remains at \$190 for 2011-12

A MADA/DADA dealer advisory was distributed earlier this week notifying dealers of OFIR's biennial review of the doc fee. After reviewing the consumer price index (CPI), OFIR determined the doc fee will remain at \$190.00 for 2011 and 2012. It will be reviewed again in January 2013. An OFIR bulletin with additional details is linked on MADA's home page at [www.michiganada.org](http://www.michiganada.org).

It is worth noting that many other fees dependent on the CPI were adjusted to a lower rate this year. The laws regulating the doc fee are written so that it will not be lowered based on decreasing CPI calculations; it will either remain unchanged or be increased in \$10 increments.

Please call MADA at (800) 292-1923 if you have questions.



## Fast Facts Sponsor



## Upcoming events

Feb. 3-6 • **Michigan International Auto Show**  
[www.GRAutoShow.com](http://www.GRAutoShow.com)

Feb. 5-7 • **NADA convention** and expo in San Francisco, CA

Feb. 6 • **Michigan Presidents' Reception**, 5:00 p.m. at The Westin St. Francis Hotel (come and watch the SuperBowl with the MADA and DADA presidents!)

## Dealer and repair facility training sessions begin in March

The Bureau of Regulatory Services has announced the 2011 schedule for vehicle dealer and repair facility/mechanic training. Full details and registration information is available on the Secretary of State's Web site at [www.michigan.gov/sos](http://www.michigan.gov/sos) within the *Automotive-related Businesses* section (training links are within the blue bar at the right).

### Vehicle dealer training

Full-day sessions instruct licensed dealers, managers, sales and office staff about the Michigan Vehicle Code. Topics include:

- Vehicle ownership documents
- Wholesaling/retailing vehicles
- Application for title and registration/ statement of vehicle sale - RD-108
- TR-210/TR-209 secured interest change process
- Dealer records
- Dealer plate usage

Dates: Mar. 18, Apr. 20, Jun. 27, Aug. 2, Sep. 7 and Oct. 20.

### Repair facility/mechanic training

Three-hour sessions are designed for owners, managers, service advisers and technicians. Topics include:

- Repair facility manual
- Proper written estimates and final invoices
- Record keeping requirements
- Repair facility and mechanic responsibilities
- Common mistakes to avoid
- Other basic requirements

Dates: Mar. 21, Apr. 19, May 17, Jun. 28, Jul. 19 (Grand Rapids) and Aug. 16 (Wixom).

All sessions are held at the Operation Center in Dimondale (near Lansing), unless otherwise noted. Opportunities to ask questions are provided during all sessions. There are no course registration fees, but registration is first come, first served. Picture ID is required for entry into the buildings where training is held.

## Get to know MADA's associate members

MADA members have access to many valuable products and services through various companies specializing in auto dealerships. Following is information about two of our newest members. Please take a few minutes to learn more about what they offer and contact the company directly, or call MADA's Larry Parker at (800) 292-1923 for further information.

- **DealerTrack** - Senior Partnership Marketing Manager, Ernest Lattimer  
Phone (516) 547-2242 or [ernest.lattimer@dealertrack.com](mailto:ernest.lattimer@dealertrack.com)

*DealerTrack operates the industry's largest online credit application network, connecting approximately 17,000 dealers with over 900 lenders. Their solution set includes: DMS, DealerTrack AAX Inventory Management, Sales and F&I, and Compliance Solution.*

- **Auto-Wares Group** - Senior Director OE Solutions, Bill Atkinson  
Phone (800) 444-3121, Ext. 1758 or [batkinson@autowares.com](mailto:batkinson@autowares.com)

*The Auto-Wares Group of Companies distributes OEM and Aftermarket parts, paint, tools and supplies. Founded in 1976 Auto-Wares currently distributes in MI, WI, OH, IL and IN to support dealership growth and market share expansion.*

## NADA: top 5 factors that will boost auto sales in 2011

1. More new-car and truck choices
2. Available credit at historically low interest rates
3. Tax certainty leads to economic growth
4. Stock market rise boosts luxury car sales
5. Rising gasoline prices expand vehicle sales mix

*For additional details about each factor, visit [www.nada.org](http://www.nada.org) > newsroom.*



## Fast Facts Sponsor



## Thank you dealers!

We would like to thank the many dealers and guests who joined us for the Michigan Presidents' Reception this past Sunday in San Francisco. We always enjoy the opportunity to network with colleagues throughout Michigan.

We would also like to thank MADA President George Sharpe, Sr. and DADA President James Seavitt for their service and time during the reception. We appreciate all the work you do for Michigan's franchised new vehicle dealers.

The Detroit Media Partnership has been a long-time supporter and sponsor of this event. Their sponsorship was appreciated by all in attendance again this year. We thank them for their commitment to MADA and DADA members.

## DOT hazardous materials certification/re-certification class

As a reminder, the U.S. Department of Transportation (DOT) requires all businesses that package, transport/ship, handle or store hazardous materials to have at least one DOT HAZMAT certified employee at the location during all hours of operation. **Re-certification is required every three (3) years.** (An employee certified in 2008 or before, must attend a class to be re-certified.)

Hazardous materials referenced in these regulations include:

- flammable liquids
- compressed gas cylinders (ex: Acetylene, Oxygen, Freon)
- air bag modules
- seat belt with pre-tensioners
- paints, adhesives
- hazardous waste

MADSIF/CastleRock Safety & Health Staff is offering DOT Hazardous Materials Certification Classes at locations throughout Michigan in March. *These will be the only DOT HAZMAT classes specifically tailored to auto dealership employees offered in 2011.*

Class dates are as follows:

- March 8 (Gaylord)
- March 9 (Birch Run)
- March 10 (DADA/Troy)
- March 10 (Ann Arbor)
- March 16 (Lansing)
- March 17 (Grand Rapids)

Sessions are offered at 8:30 a.m. and 1:00 p.m. The cost is \$150 for the first person and \$95 for each additional attendee (from the same dealership). For additional information or to request a registration form, please contact Leslie Drake at (866) 919-9578 or [ldrake@madsif.com](mailto:ldrake@madsif.com).

## NADA University dealer resources

**Dealer 'Pain Points' Continue to Resolve Dealer Issues.** NADA University's "Dealer Pain Points" program is proving extremely popular with dealers. Each "pain point" addresses and resolves a particular issue, concern, or dealer compliance obligation in short video segments with NADA U experts. Because of its popularity, it will continue as a prominent regular feature. *The current feature addresses the EPA rules for body shop emissions.*

Each Dealer Pain Point is accompanied by information on the wealth of NADA U resources on the topic. Find the 27 Dealer Pain Points developed to date by clicking on the featured Pain Point on NADA U's home page at [www.NADAUniversity.com](http://www.NADAUniversity.com). After viewing the featured Pain Point, take a look at the rest by clicking "View Archives."

**NADA University Offers More Free Online Courses from Partners.** NADA and ATD members can now take advantage of additional free training at [www.NADAUniversity.com](http://www.NADAUniversity.com). (Log in, click the *Learning Hub* option then choose the topic of interest. You may need to scroll to see additional categories using the gray bar near the bottom of the screen.)

In the *sales, leasing and finance* section, NADA U Partner Ron Reahard offers "Great VSA Closes (\$3,000 Discount Close)," Grant Cardone offers "Time Closes," and Alan Ram offers "Phone Ups that Show Up."

In the *service* section, NADA U Partner Don Reed offers "How to Achieve 100% Service Absorption," while Jeff Cowan offers "The Four Points Walk Around."



## Fast Facts Sponsor



## IRS guidance

The IRS has published a Motor Vehicle Technical Advisor Automotive Alert providing a general overview of the UNICAP safe harbor methods. A link to the alert is posted on the MADA Web site at [www.michiganada.org](http://www.michiganada.org).

## Current dealer plates good thru Feb. 28; new plates to be mailed

**Dealers are reminded that dealer plates marked "FEB 11" will remain active through February 28, 2011.** The State of Michigan has informed MADA that new plates will begin shipping UPS on February 24.

To assist dealers, the State of Michigan offers the following reminders about proper dealer plate usage.

- Create a list of current dealer plates, printed on dealership letterhead (and keep a copy of this list in vehicles leaving the lot with a dealer plate).
- For law enforcement purposes, any time a vehicle leaves a dealer's lot on a dealer plate, the following should be in the vehicle: ownership document, proof of insurance and written authorization to drive the vehicle.

- Know where dealer plates are being used throughout the dealership and periodically audit dealer plates to ensure none have been lost or stolen. (Lost or stolen plates should be reported to MADA or the Michigan Department of State Licensing Unit.)

- Prevent unlicensed drivers or drivers with an expired license from using your dealer plates.

- Collect and properly dispose of your expired dealer plates. (One method of disposing plates is to cut the plates in half before discarding.)

If you have questions please contact Jean Quinn at (800) 292-1923 or [jquinn@michiganada.org](mailto:jquinn@michiganada.org).

## MADPAC golf: mark your calendar for June 6, 2011

Please save the date for the 2011 MADPAC Golf Outing, to be held Monday, June 6 at the Country Club of Lansing. (Additional information and a registration form will be mailed to dealerships this spring.)

Thanks to the very generous support of many sponsors, registration remains at \$250 per person, of which 100 percent goes directly to our MADPAC campaign in support of dealers' legislative activities.

We are looking forward to getting together with many of our annual golfers and excited for the opportunity to meet a few new golfers. The outing is open to all, so dealers are

encouraged to register family, friends and coworkers to join in for a game of golf.

The day begins with a dealer luncheon at 11:00 a.m., followed by a shotgun start at noon. The event concludes with an awards reception and giveaways.

Dealers who would like to register in advance may contact Tommi Nielsen at (800) 292-1923. Associate members who would like to help sponsor the event or donate player gifts should call Larry Parker at the same number. We look forward to seeing you in June!

## News from the Secretary of State's office

**SOS holiday closure.** Secretary of State Ruth Johnson reminds dealers that all branch offices and the Office of the Great Seal will be closed in observance of Presidents Day on Monday, February 21.

**Local elections.** Local elections will be held in 39 of Michigan's 83 counties on Tuesday, February 22. To find out if

there is an election in your community, visit the Secretary of State Web site at [www.Michigan.gov/sos](http://www.Michigan.gov/sos) and choose *Elections in Michigan* from the options at the left of the screen. The Michigan Voter Information Center at [www.Michigan.gov/vote](http://www.Michigan.gov/vote) can help residents determine whether they're registered to vote and direct them to their polling location.



## Fast Facts Sponsor



## Dealer legal notice

A Federal District Court judge issued an Opinion and Order dismissing an employee's wrongful termination suit filed under the Michigan Medical Marijuana Act. The judge concluded the act did not regulate private employment since it was intended to provide a potential defense to criminal prosecution or adverse action by the state. To view the complete dealer advisory on this issue, please visit the MADA Web site at [www.michiganada.org](http://www.michiganada.org).

Small Business Administration.

**NADA's position prevails in EPA attempt to over-regulate used oil.** On Wednesday, the EPA issued a rule reversing a proposal that would have undermined the ability of dealerships to burn used oil collected from do-it-yourselfers (DIY) in space heaters by requiring the testing of DIY used oil to ensure that it was "on-spec." A dealership's willingness to collect DIY oil is a key element of its eligibility for the NADA-supported federal Superfund exemption for used oil that issued in the 1990's.

Additional information from NADA is posted on the MADA Web site at [www.michiganada.org](http://www.michiganada.org).

**New SBA dealer floorplan pilot program.** After working closely with NADA and at lightning speed for the past five

## Michigan International Speedway ticket discounts

The Michigan International Speedway (MIS) is again offering promotional NASCAR ticket packages to MADA members.

Save up to \$45 on tickets and enjoy great benefits of free parking, pit access and a \$10 concession voucher. Savings are available for the NASCAR Sprint Cup Series Heluva Good! 400 on Sunday, June 19 and the NASCAR Sprint Cup Series 400 on Sunday, August 21. Those who purchase group tickets of 20 or 40 receive additional bonuses.

Advance tickets to the Great Lakes Wine Festival on May 21 are also available for \$25 (must be 21 or older). This event offers wine, beer, food, live entertainment, pairing seminars, pace car rides, camping and more.

Additional details about the various ticket packages can be found at [www.mispeedway.com/groupsales](http://www.mispeedway.com/groupsales). Or call Rob Hemmig with MIS at (517) 592-1134.

## Dealer feedback requested: what type of corporation are you?

Governor Rick Snyder's budget plan includes tax restructuring that could greatly affect your business. To give us a better understanding of how the changes could affect our members, MADA would like to get a count of how many members we have in each business category. Please take a minute to respond. (Only group totals will be collected, not individual dealer information.)

My dealership is a:

- C-Corp
- S-Corp or LLC

Please respond to:

E-mail: [news@michiganada.org](mailto:news@michiganada.org) or  
Fax: (517) 351-3120

## NADA regulatory updates

MADA would like to congratulate NADA on their recent efforts with the US Environmental Protection Agency (EPA), as well as the

months, the Small Business Administration on February 4 announced a new dealer floorplan program (DFP). Last year's Small Business Jobs Act established the framework for the new program. The old program ended at the end of last September.

More detailed information is available at [www.nada.org/regulatory\\_affairs](http://www.nada.org/regulatory_affairs).

**NADA opposes NLRB poster mandate.** NADA has filed comments with the National Labor Relations Board opposing its proposal to require dealerships to post a notice on rights under the National Labor Relations Act. One of the key concerns noted is that small-business dealerships should not be burdened with yet another poster mandate, especially given the massive cumulative federal, state and local regulatory burdens they already shoulder. The NLRB is expected to decide whether to move forward with its proposal later this year.

A copy of NADA's comments, as well as comments filed by the Coalition for a Democratic Workplace, is posted on the MADA Web site at [www.michiganada.org](http://www.michiganada.org).



## Fast Facts Sponsor



## Dealer license plates

At this time, most dealerships have received their new dealer license plates. Those dealerships that have not yet received plates are asked to contact Jean Quinn at (800) 292-1923 or e-mail [jquinn@michiganada.org](mailto:jquinn@michiganada.org). We will work with the state to resolve the issue.

**A Dealer Guide to Business Succession Planning** is posted in the Resource Toolbox section. (Click Driven Management Guides, then Dealer/Executive.) This is a free resource for NADA and ATD members. The guide discusses the five elements of business succession planning and provides detailed definitions of the entities and trusts that dealers may employ to protect their assets.

**NADA Convention workshop recordings** are available for purchase. 101 sessions covering 35 topics in ten different tracks were offered during the NADA Convention. Whether you're looking to increase profitability in sales, service and parts, optimize your online presence, or keep up with legal trends, NADA has a workshop to help you.

**Three new Learning Hub courses** are posted in the legal and parts categories.

- "Complying with the FMLA" explains the Family and Medical Leave Act and its provisions, and covers regular FMLA leave and military family leave.

## Your response is needed: what type of corporation are you?

Thank you to the many dealers and staff who responded to last week's survey question. We have received a good amount of feedback, but additional responses will allow us to have a better and more accurate reading of dealership business types in Michigan.

If you have not responded, please e-mail

[news@michiganada.org](mailto:news@michiganada.org) and let us know what business category your dealership falls under:

- C-Corp     S-Corp or LLC

This information will help us when speaking with legislators about the proposed tax restructuring.

## Dealer resources from MADA

**Doc fee customer handout.** MADA has developed a printable flier members can download and hand out to customers. The flier explains how the doc fee is regulated and what business costs are associated with the fee. Space is also provided so each dealership can personalize or stamp the flier with their own company information. The flier is available on the MADA Web site at [www.michiganada.org](http://www.michiganada.org) within the member section, or e-mail [news@michiganada.org](mailto:news@michiganada.org) and request a pdf copy.

**Rental vehicle agreement forms.** MADA also offers generic rental agreement forms. We print the forms in bulk, which allows us to provide them to dealers at a reduced cost. A pack of 25 forms (in triplicate) is available for \$7.50. Shipping and handling is a flat \$2.50, regardless of how many are ordered. To request forms or if you have questions, e-mail Summer at [skniss@michiganada.org](mailto:skniss@michiganada.org). If ordering, please note how many packs of 25 you would like.

## Now available at NADAuniversity.com

- "Overcoming Obsolescence" provides training in basic parts theory, and demonstrates how obsolescence occurs, how to stop it, and how to move obsolete parts.
- "Unlocking Frozen Capital" discusses how to free up cash - and keep it flowing - in all areas of the parts department.

Courses are available to NADAvt subscribers who have access to all Learning Hub online courses. NADAvt subscriptions as well as individual courses, workshops, and Webinars may be purchased online at the NADA U Store.

**Online training is now offered by DrivingSales.com founder and CEO Jared Hamilton.** An expert on Internet marketing, processes and social media for the automotive industry, Hamilton also draws on other experts in the online field to present up-to-the-minute, in-depth education designed to keep dealers ahead of the curve in their online operations.



## Fast Facts Sponsor



## 2011 board meetings

Mar. 23 • **MADA board meeting**, East Lansing

Jun. 6 • **MADPAC Golf Outing & MADA board meeting**, Lansing

Sept. 30 • **MADA board meeting**, Midland (held in conjunction with the Northwood Univ. auto show)

Dec. 7 • **MADA Annual Meeting & board meeting**, location TBA

## ASE testing: information and updates

ASE has begun the process of moving all ASE certification tests from paper-and-pencil written testing to computer-based format. Enhanced computer-based testing (CBT) for all ASE certifications will debut in July and August 2011. Beginning in January 2012 and going forward, CBT will be available eight months of the year in two month-on, one-

month-off cycles.

ASE will offer traditional written tests for the final two times in May and November 2011. The registration deadline for the next test is March 31, 2011. Please visit [www.ase.com](http://www.ase.com) for details. (Practice tests are also available on the site.)

## Compliance reminder: EPA body shop air emissions rule

As a reminder, **dealership auto body shops that came into existence before September 17, 2007 must submit a Notification of Compliance Status form no later than March 11, 2011.** (Unless a compliance certification was made in the Initial Notification Form due January 11, 2010.) A copy of the compliance form is on the MADA home page at [www.michiganada.org](http://www.michiganada.org).

1. Paint only inside filtered, ventilated paint booths or prep stations.
2. Use high transfer efficiency application equipment.
3. Clean guns with non-hazardous solvents, in gun-enclosed washers, or using a method that does not involve atomized spraying to the open air.
4. Have painters trained and certified every five years.
5. Keep basic records demonstrating compliance.

The rule also:

1. Allows a shop to petition for an exemption if it does not spray coatings with any of the HAPs of concern.
2. Does not apply to the spraying of coatings from hand-held guns with paint cups of 3.0 fluid ounces or less.

Also, paint stripping involving methylene chloride (MeCl) is significantly regulated for shops using more than one ton of MeCl per year (very rare). Where possible, body shops should avoid the use of strippers containing MeCl.

The EPA's rule governing hazardous air pollutants (HAPs) required existing body shops to achieve full compliance by January 10, 2011. Specifically, dealership body shops must:

## IRS ends some mailings due to growth of e-file

The Great Lakes office of the IRS would like to remind business taxpayers that they will no longer receive additional tax packages in the mail from the IRS. Most importantly, *Form 941, Employer's Quarterly Federal Tax Return*, will no longer be mailed. Businesses may go to [www.irs.gov](http://www.irs.gov), then click on *Forms and Publications* and follow the directions for getting this form.

The IRS took these steps due to the continued growth in electronic filing as well as to help reduce costs. Most business forms are also available through your tax professionals. For a list of other forms and publications no longer mailed by the IRS, please go to [www.irs.gov/businesses/small/article/0,,id=236738,00.html](http://www.irs.gov/businesses/small/article/0,,id=236738,00.html).

## 2011 ATD Convention & Expo April 15 - 18, 2011

The 2011 ATD Convention and Expo will take place April 15 - 18 in the heart of downtown Phoenix, Arizona at the Phoenix Convention Center. The headquarters hotel, the brand new Sheraton Phoenix Downtown, is conveniently located next door to the convention center. Additional information and registration details are available online: [www.atdconventionandexpo.org](http://www.atdconventionandexpo.org)



## Fast Facts Sponsor



NADA Charitable Foundation announced a \$100,000 donation to the Red Cross' special Japan fund. The Red Cross set up the fund to support disaster relief efforts in Japan after last week's devastating earthquake and tsunami.

Dealers wishing to make an online donation can go to <https://american.redcross.org>. If donating by check through your local Red Cross chapter, note on the check that the money should go towards Japanese earthquake relief efforts.

When considering organizations to donate through, the Better Business Bureau Wise Giving Alliance warns Americans to be sure disaster relief charities are legitimate and equipped to help. As has occurred following the tsunami in 2004, Katrina in 2005 and the earthquake in Haiti just last year - fraudulent

## Providing funds for earthquake relief in Japan

NADA is urging its 16,000 members to support the Japan Earthquake and Pacific Tsunami fund of the American Red Cross. To jumpstart the campaign, the

charities will likely emerge to try and scam donations from well-meaning Americans. **BBB of Western Michigan offers the following tips to help you decide where to direct donations:**

- Rely on expert opinion when it comes to evaluating a charity.
- Be cautious when giving online.
- Find out if the charity has an on-the-ground presence in the disaster impact areas.
- Find out if the charity is providing direct aid or raising money for other groups.
- Be wary of claims that 100 percent of donations will assist relief victims.
- Look for details when texting a donation.

The public can go to [www.bbb.org/charity](http://www.bbb.org/charity) to research charities and relief organizations to verify that they are accredited by the BBB and meet the 20 Standards for Charity Accountability.

## Preventing slips, trips and falls

*This article has been provided by MADSIF, MADA's endorsed provider of workers' comp insurance. MADSIF is a dealer-owned, group self-insurance fund, organized and operated by Michigan dealers. For information call (866) 919-9578.*

According to the National Safety Council there are 9 million disabling slip and fall injuries every year, resulting in over 9000 deaths per year. The slip and falls account for 95 million lost workdays per year and about \$3.5 million per hour every day of the year. Needless to say this area represents a significant opportunity to insurers and employers for reducing their costs through injury prevention.

Although we have seen improvement, slips, trips and falls remain a significant source of claims expense for MADSIF. Dealerships can reduce their MOD factors and premium payments by identifying the possible causes and taking corrective actions for these types of accidents. These savings increase the dealerships bottom line.

Slips, trips and falls are preventable by following the proper safety practices. This includes identifying and correcting the causes of slips and falls. Following is a list of common safety practices that are effective in preventing slip, trips and falls.

1. Ensure spills are cleaned up immediately. Ensure drain covers and exhaust port covers are in place and level with the floor. Ensure air lines, cords and other trip hazards are identified and secured.
2. Ensure all employees entering service areas are wearing work shoes/boots with oil resistant, non-slip soles.
3. Ensure sales and clerical employees are not unnecessarily entering or going through the service areas.
4. Ensure sidewalks and driveways are cleared of snow and salted to control ice
5. Ensure non-slip footwear is worn by all employees inside and outside
6. Post signs to warn of wet floors and slippery surfaces
7. Install handrails and non-slip coverings to stairs
8. Provide proper lighting in stairways and halls
9. Ensure employees ask for help carrying large and awkward objects
10. Fix broken walkways, warped floors, potholes and secure rug edges
11. Apply non-slip waxes and floor coatings



## Fast Facts Sponsor



## Driver's licenses

Driver's licenses that show as expiring on March 26 or March 27 will be considered valid through March 28.

Secretary of State offices will not accept driver's license applications and renewals, or process card corrections or replacements on Saturday, March 26, because a national computer system will be down for upgrades. Regular license service will resume Monday, March 28.

See the *News and Headlines* section at [www.michigan.gov/sos](http://www.michigan.gov/sos) for more information.

## Michigan revenue update, February 2011

The Michigan Senate Fiscal Agency recently released new state revenue numbers. Following are a few bullet points from that report.

- February tax collections were approximately \$35.8 million above the level expected in the Senate Fiscal Agency's estimate for the month, based on the consensus revenue estimates adopted in January 2011.
- Income tax withholding payments, which represented the majority of gross income tax revenue, were 7.1% above the year-ago level, as employment and wages have increased with the improvements in the economy.
- Sales tax receipts totaled \$447.1 million

in February, up 3.7% from the year-ago level. February marked the fifth consecutive month sales tax revenue has been above the year-ago level, and year-to-date sales tax collections are up 7.8%.

- Motor vehicle sales tax collections totaled \$52 million for the month, down a half percent from the year-ago level. The fiscal year-to-date total is \$236.6 million, which is up 4.5% from the year-ago level.
- Real estate transfer tax receipts fell 4.9% from the year-ago level in February and have exhibited year-over-year declines for eight consecutive months.

## Succession planning: the sooner the better

*The following article has been provided by Crowe Horwath LLP, one of MADA's associate members.*

To leave a legacy that will continue to be successful, automobile dealers need to focus not only on their estate plan but also on their succession plan. Succession planning focuses on transferring management (and ultimately control) from the current dealer to the successor dealer; estate planning focuses on transferring ownership of assets (including businesses

and other investments) to the intended beneficiaries using the most tax-efficient and administratively efficient methods possible. Succession planning is becoming a major focus not only for the manufacturers working with dealers, but also the financial institutions that lend to the dealers.

dealer is unplanned, the probability that the transition will affect the overall performance of the dealership is greater than when a succession plan is developed before the current dealer is gone.

One of the critical lending criteria of financial institutions is the relationship with the principal borrower, the current dealer. The day a succession event occurs, the financial institution loses the key person in that relationship, which might increase the institution's risk of potential losses on their loans. Borrowers implementing a succession plan can help financial institutions mitigate this risk – which in the end can help the dealership continue its access to the funds it needs to keep going.

To satisfy manufacturers and financial institutions – both crucial to a dealership's overall success – dealers should take the time now to implement a succession plan instead of waiting until it is too late. For more information, visit [www.crowehorwath.com/dealer](http://www.crowehorwath.com/dealer)

Tony Allison is with Crowe Horwath LLP in the Tampa office. He can be reached at (574) 236-8630 or [tony.allison@crowehorwath.com](mailto:tony.allison@crowehorwath.com).

Originally published in the January 2011 issue of Dealership Flash, a Crowe Horwath LLP publication.

Under U.S. Treasury rules issued in 2005, we must inform you that any advice in this communication to you was not intended or written to be used, and cannot be used, to avoid any government penalties that may be imposed on a taxpayer.

As manufacturers' dealer pools continue to age, they are looking to their dealers to develop a succession plan that puts the "right" person in place after the current dealer is gone – and does so in a smooth, efficient manner. Manufacturers realize that when the transition from current dealer to successor



## Fast Facts Sponsor



## NADA notice: scam alert

Dealers are receiving e-mail messages from NADA Dealer Services, (nadanews@nadadealerservices.com) which refers to an "AdTrack" survey described as an "NADA program" that rates automotive direct mail companies. NADA did not conduct such a survey and does not have an "AdTrack" program. Please know that the e-mail, Web site and survey have no connection with NADA.

## Requesting your current contact information

In an effort to keep our membership records current, MADA has mailed to all members a printout from its membership database of their business and contact information. This information includes addresses, phone and fax numbers, franchises sold, and Web site address, as well as dealership contacts. It is very important that we have at least one good

e-mail address for each dealership/company.

Please note any corrections, additions, and deletions on this report and return to MADA by fax to (517) 351-3120. If you have any questions about the report, you may contact Jean Quinn or Summer Kniss at (800) 292-1923.

## Newly designed Michigan driver's licenses

The State of Michigan has begun issuing a newly designed standard driver's license and personal identification card. The cards offer a new look and added security features, including:

- The state's Great Seal on the front viewable under black light.
- Tricolor image of a bridge on the front that appears and disappears when viewed from different angles.
- New two-dimensional bar code on the back with encoded information available for law enforcement use, in addition to the existing magnetic stripe and one-dimensional bar code.
- Cardholder's photo and date of birth also on the back viewable under black light.

- Laser-perforated word "MICH" on it.

Because licenses and ID cards are valid for four years, the existing card design will remain in circulation through 2015, with some vertical Graduated Driver License cards in circulation through 2016. Cardholders will be issued a new license when they renew or if they need to replace a lost or damaged card.

Additional information and images of the new licenses are linked on the MADA home page at [www.michiganada.org](http://www.michiganada.org). You can also go to [www.michigan.gov/sos](http://www.michigan.gov/sos) and scroll down to the *News and Headlines* section. (Links to the images are at the bottom of the news release.)

## IRS automotive tax center

The Great Lakes Area IRS office has asked us to remind dealers of the IRS automotive tax center Web page at [www.irs.gov/businesses/small/industries](http://www.irs.gov/businesses/small/industries). (A link is also provided within the MADA *Links* Web page.) The information on the automotive page is set up specifically for automobile dealers and includes information such as:

- Avoiding Problems (recordkeeping, misclassification of employees)
- Links to other automotive organizations
- Report of Cash Payments Over \$10,000 (Q&As and workbook)

- Tax Laws and Regulations (revenue rulings and court cases)
- Tax Tips (general information on subjects such as installment sales and how to value inventory)
- Trends and Statistics
- Dealership Audit Technique Guides (books and records and specific issues that exist, including extended service contracts, service technician tool reimbursements and other compensation issue)



## Fast Facts Sponsor



## In the news

According to an annual report recently released by the Better Business Bureau, new car dealers received **8.1 percent fewer complaints** over the previous year (24,698 complaints).

A breakdown of all complaints filed with the BBB is available at [www.us.bbb.org/statistics](http://www.us.bbb.org/statistics).

## Northwood University Scholarship Showcase

Northwood University's 14th annual Scholarship Showcase will take place the evening of May 17<sup>th</sup> in Detroit at The Fox Theatre. The Scholarship Showcase has been the signature event for Northwood in southeast Michigan since 1997 and has generated significant support for student scholarships.

The university would like to thank the alumni who have stepped up and provided additional support during especially challenging economic times. The hope is that more alumni, friends, and corporate partners will become involved this year.

Northwood is asking you to consider showing your support through the following:

- Be a sponsor at one of six levels (a portion is tax-deductible).
- Attend the event and bring guests (up to ten tickets are included with sponsorship).
- Provide an item(s) or package for the auction.

### Northwood University's 14th Annual Scholarship Showcase

The Fox Theatre in Detroit

Tuesday, May 17, 2011

6:30 p.m. VIP Sponsor Reception

7:00 p.m. Reception/Strolling Dinner

8:00 p.m. Program and Live Auction

*A program flier is posted on the MADA home page at [www.michiganada.org](http://www.michiganada.org).*

All net proceeds from the event go toward student scholarships to help even more young people learn from an institution that teaches the merits of free enterprise, entrepreneurship, and limited government and the importance of ethical behavior and individual responsibility.

For more information about this event and sponsorship opportunities, please contact Julie Felske or Karol Miller at Northwood University: (800) 622-1007 or (866) 282-4182 or e-mail questions to [ScholarshipShowcase@northwood.edu](mailto:ScholarshipShowcase@northwood.edu).

## Helping yourself stay in business

*The following article has been provided by Zurich.*

Preventing losses and protecting the bottom line of your automotive business requires active participation. While it is true that you can contact your insurance company for safety or loss prevention help, or request an inspection from OSHA, continuous inspection, monitoring and follow up by a designated employee are the best ways to help yourself stay in business.

One way to help accomplish this by establishing a self-inspection program. It's important to note, however, a self-inspection program is only part of a comprehensive safety program. A full safety program should also include safety meetings, accident investigation, training and workplace rules.

The primary objectives of a self-inspection program is to identify physical hazards and unsafe acts by employees, document these problems and allow for corrective measures to be taken.

Please review the complete article for essential elements of a self inspection program as well as inspection checklists: <http://hpd.zurichna.com/Newsletters/Zurich-LP-Business-Apr11.pdf>.

## Social media seminar from Plante & Moran on April 21

Plante & Moran would like to invite you to a free seminar on the nuts and bolts of social media. Topics include:

- Social media landscape and value
- Getting started with social media
- HR considerations and policies
- Security risks and concerns
- Best practices and effective strategies

**The program will be held Thursday, April 21 from 1:00 to 4:00 p.m. in Troy.** To register, please contact Laura Kopsch at (248) 223-3479 or e-mail [laura.kopsch@plantemorán.com](mailto:laura.kopsch@plantemorán.com).



## Fast Facts Sponsor



## Upcoming events

Jun. 6 • **MADPAC Golf Outing & MADA board meeting**, Lansing

May 17 • **Northwood University Scholarship Showcase**, Detroit

Jun. 19 & Aug. 21 • **NASCAR races at Michigan Int'l Speedway** (discounts available)

Additional event details at [www.michiganada.org](http://www.michiganada.org).

## DOL reviews the exempt status for service advisors

MADA has heard from many dealers questioning the recent overtime ruling from the U.S. Department of Labor (DOL). On April 5, 2011, the DOL issued revised regulations, which reverse their position on the exemption of overtime for dealership service advisors.

While for now the DOL has decided not to make the regulatory corrections it proposed in 2008 (see inset box), it has not yet formally revoked its opinion letter and enforcement policy on the issue. Thus, they are still in effect.

Many service advisors may still be considered exempt from overtime if they are categorized as commissioned employees and fit the qualifications for that class of employee. Dealership employees who earn over half of their compensation from commissions, and who earn at least one and one half times minimum wage for each hour worked likely are covered by a separate federal exemption from overtime.

NADA has met with the DOL and submitted

a letter requesting the new ruling be reconsidered. We will continue to keep you updated as more information becomes available. If you have questions, please call MADA at (800) 292-1923.

**Overtime exemption background.** For at least 32 years, the DOL has advised that service writers, service advisors, service managers, and service salesmen were exempt from overtime. Federal court cases dating back to 1973 have held likewise.

In 1987, the DOL indicated that it intended to correct its federal wage and hour rules to reflect its decades-long position on the matter. In 2008, the DOL published regulations to conform to their long-standing enforcement policy. However, the April 5, 2011 rule indicated that not only was it not going to correct its rules, but also that it intended to reverse its 32-year position on the matter.

## Positive feedback from FTC forum in Detroit

The Federal Trade Commission (FTC) held a roundtable in Detroit this week, which provided an opportunity for the FTC, dealers and dealer groups to discuss consumer protection issues, as they relate to dealers. Representatives from MADA, NADA and state regulatory departments were in attendance. The Detroit roundtable was the first of several being planned.

The roundtables are designed to assist the agency in determining how, if at all, it should exercise the authority it will soon assume under the Dodd-Frank Wall Street Reform and Consumer Protection Act to issue rules prohibiting unfair and deceptive acts or practices (UDAP) by motor vehicle dealers under the procedures contained in the Administrative Procedures Act. (The FTC currently can only issue UDAP rules under the more robust procedures contained in the Magnusson Moss Federal Warranty Act.)

Five panels of experts examined consumer protection issues related to various areas of vehicle sales and leasing. The FTC appeared very receptive to the information presented and we look forward to hearing more as the FTC continues to meet and discuss the issues.

## Used vehicle management best practices Webinar on May 10

DealerTrack invites MADA members to a free Webinar on **Tuesday, May 10 at 2:00 p.m.** Topics include:

- Used vehicle management industry trends and issues
- Best practices to help you more effectively source vehicles
- Overview of new technology to support your vehicle stocking, sourcing, pricing, appraising and merchandising procedures

**Registration link:** <https://www1.gotomeeting.com/register/547245720>



## Fast Facts Sponsor



## Upcoming events

Jun. 6 • **MADPAC Golf Outing & MADA board meeting**, Lansing

May 17 • **Northwood University Scholarship Showcase**, Detroit

Jun. 19 & Aug. 21 • **NASCAR races at Michigan Int'l Speedway** (discounts available)

Sept. 30 • **MADA board meeting**, Midland (held in conjunction with the Northwood Univ. auto show)

Additional event details at [www.michiganada.org](http://www.michiganada.org).

## SOS Johnson delivers first State of the Secretary of State address

Upon taking office, Secretary of State Ruth Johnson directed her team to evaluate nearly every aspect of Department of State operations to determine what practices were effective, what could be improved and where costs could be cut. Business leaders, financial experts and dozens of volunteers joined in the effort to scrutinize department operations.

In the first-ever State of the Secretary of State address this week, Secretary Johnson highlighted challenges facing the Department of State, discussed strategies to resolve those issues and outlined new initiatives to protect integrity in elections.

The administration's goals will be

accomplished with internal directive changes and by working with the Legislature on a comprehensive legislative agenda. They include:

- Streamlining operations and reducing wait times at branches.
- Requiring transparency and accountability in all aspects of our operations.
- Fighting for reforms that help safeguard election integrity.

A press release with more information about Secretary Johnson's plans for the department is available at [www.michigan.gov/sos](http://www.michigan.gov/sos).

## Page one management: a must for today's dealers

*Following is the April 2011 NADA dealer operations newsletter.*

People are talking about dealers online, but do you know what they're saying and where they're saying it? According to Les Abrams, NADA Academy Instructor, dealers must act to protect

right beneath the dealership's name. He showed a review that read, "Worst car service I have ever dealt with" and explained, "Customers have virtually no choice—they'll click on it to check the dealer out. Meanwhile, the dealer isn't even aware that this review is there!"

That's not an isolated instance. Abrams said web review sites make themselves very visible to the search engines.

So what should dealers do?

"Dealers can take charge of their Page One Management and create sites that will optimize better than these review sites," Abrams said. "An example would be videos. Google owns YouTube. If I were a dealer with a negative review, I would flood YouTube with quality videos."

Another Page One Management technique: Solicit written customer reviews to develop a library for future customers.

This article was adapted from NADA University's "Dealer Pain Points" series, in which various issues, concerns, and dealer compliance obligations are addressed in short video segments with NADA U experts. Visit [www.NADAuniversityblog.com/2011/01/brand-management](http://www.NADAuniversityblog.com/2011/01/brand-management) for this Pain Point and, if you wish, download a "Dealer Pain Point Meeting Guide" as a template for a productive meeting on the Pain Point topic. Find the entire library at [www.NADAuniversityblog.com](http://www.NADAuniversityblog.com).

their reputations. "Google is assembling the reviews it finds and putting them into Google Maps," Abrams said. "They're integrating Google Maps into Standard Google, so dealers and customers alike can see the reviews and ratings in one place. If you want to see what is being said about you, look at Google Maps."

He pulled Google Maps up on his screen. "Here's a review that reads, 'It was a wonderful experience.'" But here's another: "I wish I could rate this place even lower."

Abrams urges dealers to Google their dealership name regularly. They should see the map and what shows beneath their name. "We call it Page One Management," he said.

Abrams said that often you'll see a negative YELP review



## Fast Facts Sponsor



## DELEG becomes LARA

Effective April 25, the Dep. of Energy, Labor & Economic Growth (DELEG) was reorganized and renamed the Dept. of Licensing and Regulatory Affairs (LARA), reflecting the department's leadership role in reinventing the state's licensing and regulatory environment.

LARA oversees the Office of Financial and Insurance Regulation (OFIR), which handles installment seller licenses.

## MADPAC golf registrations are being accepted

Dealers are encouraged to sign up to play in the **20th annual MADPAC Golf Outing on June 6**. The outing is open to all so feel free to invite your employees and family, or treat your special customers and vendors. A buffet luncheon is provided before golf and there are many giveaways and prizes to be won.

Thanks to the support of many generous sponsors, 100% of your registration fee will go directly to support the legislative activities of our members.

Please call Larry Parker or Tommi Nielsen at (800) 292-1923 for more information, or go online to [www.michiganada.org](http://www.michiganada.org).

### Schedule of Events

**9:30 A.M.** ~ MADA board meeting  
(all dealers are welcome to attend)

**11:00 A.M.** ~ Buffet luncheon

**12:00 P.M.** ~ Tournament begins  
with a shotgun start

**4:30 P.M.** ~ Hors d'oeuvres,  
cocktails and prizes

Please go to [www.michiganada.org](http://www.michiganada.org)  
for a registration form.

## Signet Financial Group

MADA has been notified that Signet Financial Group, which sold aftermarket extended warranties through approximately 1,000 dealers nationwide, has ceased operations due to financial difficulties.

To meet their obligations, the company is required to refund the cost of the warranty if a customer did not use it. While there were limited dealers in Michigan who offered warranties through Signet Financial, there may be

some customers who are affected and will contact their dealership for more information.

Dealers who represented the product are encouraged to contact MADA at (800) 292-1923 or e-mail [news@michiganada.org](mailto:news@michiganada.org). We will collect your contact information and forward additional details on this issue as it is made available. If you have questions, please call MADA.

## State of Michigan resources for vehicle dealers

Dealers are reminded to occasionally check the Secretary of State's Web site at [www.michigan.gov/sos](http://www.michigan.gov/sos) (choose the *Automotive-related Businesses* tab at the left of the page) for dealer-related information and updates. Many documents and services are available online for your specific needs.

Some of the information you will find in this section:

- Dealer and Repair Facility/Mechanic Training (current training opportunities are available)

- Dealer Manual by Chapter (most recently updated in October 2010)
- Repair Facility Manual by Chapter
- MV-118 Vehicle Base Price Booklet (MSRP)
- Plate fee calculator
- Repeat offender inquiry

MADA is also happy to help with questions you may have about dealer licensing or your responsibilities as a vehicle dealer in Michigan. Feel free to call us at (800) 292-1923.



## Fast Facts Sponsor



## Upcoming events

May 10 • Free Used Vehicle Management Best Practices Webinar, from DealerTrack

Jun. 6 • MADPAC Golf Outing & MADA board meeting, Lansing

May 17 • Northwood University Scholarship Showcase, Detroit

Jun. 19 & Aug. 21 • NASCAR races at Michigan Int'l Speedway (discounts available)

Additional event details at [www.michiganada.org](http://www.michiganada.org).

## Installment seller license renewals have been mailed

This week, the Office of Financial and Insurance Regulation (OFIR) mailed dealerships' 2011 installment seller license renewals. You should have also received a separate MADA mailing, which includes a brochure and other information to help you properly complete and renew your license. To help you meet the state's requirements, MADA is once again offering our experience and assistance.

**Dealers are encouraged to mail their completed renewal to MADA.** A renewal with errors or missing information sent directly to the state will be held for corrections. Whereas by sending your renewal to MADA, we can review your paperwork and contact you immediately if there are areas of concern. If you have questions, please contact Jean Quinn at (800) 292-1923 or [jquinn@michiganada.org](mailto:jquinn@michiganada.org).

## Federated Insurance: Designated Risk Management Seminar, June 13 - 15

Federated Insurance is offering MADA members the opportunity to attend its 2½-day training seminar at its home office in Minnesota. The free program will cover strategic risk management topics relevant to our industry. (*Dealerships are responsible for travel and lodging expenses.*) Key agenda items include:

- Auto dealer industry losses
- Underwriting your business
- Industry input session
- MVRs/driver standards
- Hire, screen, retain
- Managing the ultimate risk
- Auto dealer claims handling
- Employment-related practices liability
- Risk managing your workers comp
- Federated's Shield Network<sup>SM</sup>

Registration is limited to 20 attendees and the cutoff date is May 13. For more details or to register, contact Royetta Spurgeon at (800) 533-0472 or [rlspurgeon@fedins.com](mailto:rlspurgeon@fedins.com).

## License plate registration: Recreation Passport

We would like to remind dealers that Michigan residents can purchase a Recreation Passport for \$10 (or \$5 for motorcycles). The Recreation Passport was instituted in late 2010 and replaces the state park sticker, which gets drivers into all 98 state parks and recreation areas.

Vehicle owners may pay the Recreation Passport fee with original and renewal motor vehicle registrations. **Customers have the option to purchase it through the dealership at the time of vehicle purchase.** It can also be purchased from a Secretary of State branch office. If a customer already has a Recreation Passport they may transfer the passport when they purchase a new or used vehicle and transfer the plate.

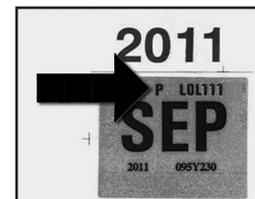
Vehicle owners may pay the Recreation Passport fee with original and renewal motor vehicle registrations. **Customers have the option to purchase it through the dealership at the time of vehicle purchase.** It can also be purchased from a Secretary of State branch office. If a customer already has a Recreation Passport they may transfer the passport when they purchase a new or used vehicle and transfer the plate.

**Dealers who sell the Recreation Passport** must include the fee on line 5 of the RD-108 under non-taxable items and list it under the remarks section of the RD-108. If a dealer affixes a note to the RD-108 stating the customer wants to purchase the

Recreation Passport with an original plate or renewal/transfer plate and includes the extra \$10, the Recreation Passport can be issued at the branch when processing the RD-108.

Please note: The state is currently working with CVR so that an upcoming programming update will provide CVR dealers an option to allow customers to add the Recreation Passport. Until then, the Recreation Passport indicator will carry forward on the record when a registration bearing the indicator is transferred through the CVR system.

*"Recreation Passport" will print on the registration.*



*The letter P will print on the year tab*



## Fast Facts Sponsor



## In memoriam

We regret to inform you that Robert D. Falk died on May 10, 2011, one day before his 90th birthday. He was the owner of the former Andy Falk & Son Motors in Port Huron and was a long-time member of MADA.

Visitation will be held at Karrer-Simpson Funeral Home in Port Huron on Sunday from 2-4 and 6-8 p.m. Funeral services will be at 11:00 a.m. Monday in Our Saviour Lutheran Church.

More information is available online at [karrersimpson.com](http://karrersimpson.com).

## Economic outlook and insight

Northwood University has recently developed a new monthly newsletter titled the *Northwood University Monthly Automotive Insight*. The automotive Insight is designed to provide a general overview each month of the U.S. and global economies as well as a pertinent insight into how to manage a dealership more effectively.

Following are a couple key points from the April newsletter:

- The Manufacturing sector of the U.S. economy was still strong at 61.2% even though it realized a slight decline of .2% in March.

- U.S. productivity remains among the highest in the world while U.S. non-financial corporations' cash reserves remain at nearly \$2 trillion dollars.
- Automobile, SUV and light truck sales were up in March versus February 2011 and more than 16% vs. March 2010.
- The publication also offers a current issues section discussing the first impression a dealership makes on a potential customer.

A link to the full newsletter is provided online at [www.michiganada.org](http://www.michiganada.org).

## Free online conference from AFIP & Automotive News: June 7-9

The Association of Finance and Insurance Professionals (AFIP) and Automotive News invite dealers to an online conference June 7 – 9, 2011. It's just like a real convention without the traveling or navigating a convention center. Ask questions online and get answers in real time. Browse materials in the virtual briefing center. Chat live online with presenters, vendors and other attendees. **For more information, go to [www.fandiweek.com](http://www.fandiweek.com).**

In this series of six live online sessions, you can attend as many of the following Webinars as you want – all at no cost to you.

- How to successfully navigate F&I rules and regulations
- Online F&I: the next frontier
- Menu selling 2.0
- The right choice: the latest F&I products and technology
- Getting the paper bought: lender relations and funding options
- Optimizing VSC and GAP penetration: tailoring products to buyer needs

## News from NADA: national fuel economy standard

Last month NADA expressed support for two bills seeking to reach a single, national fuel economy standard by prohibiting the Environmental Protection Agency and state of California from regulating tailpipe emissions.

A bill sponsored by Rep. Fred Upton (R-Mich.) cleared the U.S. House on April 7. The bill seeks to overturn a 2007 Supreme Court decision giving EPA and California authority to regulate greenhouse gases under the Clean Air Act. A similar measure in the Senate, sponsored by Sens. James Inhofe and Mitch McConnell, failed to garner the necessary 60 votes to pass.

NADA supported both efforts because they would return the nation to a single, national fuel economy standard, protecting consumer choice and ensuring vehicles continue to be available to the public. While the Senate bill did not pass, many legislators agreed with NADA's position that having three different agencies regulate fuel economy (EPA, California and the National Highway Traffic Safety Administration) does not make sense.

The Senate is expected to reconsider this legislation in the future, and NADA will continue to advocate for a single, national fuel economy standard.



## Fast Facts Sponsor



## SOS update

Services at all Secretary of State branch offices, as well as online services, were restored just before 4 p.m. yesterday. SOS officials have warned it will take some time to address the backlog created during the computer outage. To assist customers, all SOS branch offices will stay open later on Friday, Saturday and Monday. Additional information is posted at [www.michigan.gov/sos](http://www.michigan.gov/sos).

## NADA Webinar: FTC Model Privacy Notice: Review and Update, May 25

In a NADA Webinar on May 25 at 1:00 p.m., NADA attorney Brad Miller will review the FTC Privacy Rule and the new model privacy notice, discuss common issues dealers have faced in implementing the new model notice, and respond to questions.

To register, go to NADA University ([www.nadauniversity.com](http://www.nadauniversity.com)), choose NADA U Store, select "Webinars & Seminars" under "Products," and follow the ordering instructions. The cost is \$199.

As a reminder, the FTC and the federal banking agencies jointly issued a new model privacy notice that dealers and other financial institutions may deliver to their finance and lease customers as required by the 2001 FTC Privacy Rule. The new notice, while optional, is the only notice that will afford dealers safe harbor protection for the form and content of the notice. If they have not done so already, dealers must transition to the new model privacy notice if they wish to avail themselves of this protection.

## NHTSA insurance costs booklet

Dealers are reminded that the National Highway Traffic Safety Administration (NHTSA) requires all new vehicle dealers to provide information regarding comparative insurance costs (based on damage susceptibility and crashworthiness) for makes and models of cars, SUVs, light trucks, and vans. Dealerships should keep copies of the current-year NHTSA booklets in their showrooms so they can be given to prospective purchasers of new vehicles.

The *2011 Relative Collision Insurance Cost Information Booklet* is available at [www.nhtsa.dot.gov](http://www.nhtsa.dot.gov). (Type "2011 insurance costs" in the search form at the top of the page.)

Dealerships can also download copies of the *2011 EPA Fuel Economy Guide*, which must be provided to customers upon request. This guide is available online at [www.fueleconomy.gov/feg/dealers.shtml](http://www.fueleconomy.gov/feg/dealers.shtml).

## Temporary sales require licensing

To ensure the most success for your temporary sale, please make sure you have the necessary approval from the state. **Temporary sale locations must be properly licensed with the Bureau of Regulatory Services and are permitted only within a dealer's county of licensure.** Temporary sales may include a "tent sale" or a similar event during which vehicles may be displayed and sold for a specified length of time.

There is no cost to obtain licensing for a temporary sale. However, the following must be provided 15 days prior to the sale for BRS review and approval:

- Franchise approval (if new vehicles will be on display)

- Form AR-0066, Vehicle Dealer Supplemental Location License Application (signed by a corporate officer)
- Michigan Vehicle Dealer Closeout Statement - Temporary Location (used to cancel the supplemental license once the sale is over)

Please contact Jean Quinn at [jquinn@michiganada.org](mailto:jquinn@michiganada.org) or (800) 292-1923 to obtain the temporary sale forms. Completed forms can be returned to MADA via fax at (517) 351-3120 or return them via e-mail to Jean. Forms will be reviewed for accuracy and forwarded to the state.



## Fast Facts Sponsor



## SOS holiday closures

Secretary of State Ruth Johnson reminds dealers that all branch offices and the Office of the Great Seal will be closed on Monday, May 30 in observance of Memorial Day. Secretary of State SUPER!Centers normally offer Saturday hours but will be closed on Saturday, May 28.

## Effective July 1: PEOs operating in Michigan

*The following notice is provided by Plante & Moran.*

If your business model includes the operation of a Professional Employer Organization (PEO) or Employee Leasing Company (ELC), you should be aware of the changes in Michigan law that govern these organizations.

On December 22, 2010, the PEO Regulatory Act was signed into Michigan law. The new law provides, among other things, new definitions of a PEO, professional employer service and professional employer agreements. For dealers with PEOs (sometimes referred to as Employee Leasing Companies (ELC's), one of the key questions that they must ask

themselves is, "Does my PEO/ELC qualify for the PEO definition exception in the law?"

If yes, the new PEO regulatory act does not apply. If no, then your PEO/ELC would need to comply with requirements of the regulatory act. Some of these requirements include specific licensing, working capital and bonding requirements and require audited financial statements.

**This law is effective July 1, 2011.** Depending on whether or not your PEO/ELC qualifies for the exception, it may cause you to consider whether to continue or terminate your current PEO/ELC.

## Effective July 21: Truth in Lending and Consumer Leasing Acts

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Federal Reserve Board has adopted two rules that will

more than \$25,000 are generally exempt from TILA. The CLA requires lessors to provide consumers with disclosures regarding the cost and other terms of personal property leases (i.e. automobile leases). Currently, leases are exempt from the CLA if the consumer's total obligation exceeds \$25,000.

**Effective July 21, 2011,** the Dodd-Frank Act will increase the coverage of TILA and CLA to transactions less than or equal to \$50,000. Loans and leases in excess of \$50,000 will be exempt. This amount will be adjusted annually to reflect any increase in the consumer price index.

If you have questions, please call MADA at (800) 292-1923.

## MADPAC Golf Outing: limited spots available

We invite you to join us in Lansing for a game of golf, and stay for an afternoon reception with good friends, gifts and many prizes.

There are a few open spots remaining for those who would like to play in the MADPAC Golf Outing on Monday, June 6 at the Country Club of Lansing. This annual golf outing provides dealers and guests a wonderful opportunity to get involved with MADPAC in a fun and enjoyable way. Thanks to the very generous support of many sponsors, 100 percent of golfer registration fees go directly to our MADPAC campaign in support of dealers' legislative activities.

Please call Larry Parker at (800) 292-1923 if you would like additional information. We look forward to seeing you!

## OSHA recordkeeping Web tool

The U.S. Department of Labor has a new Web tool to help employers understand their responsibilities to report and record work-related injuries/illnesses under OSHA regulations. The *OSHA Recordkeeping Advisor* helps determine whether an injury or illness is work-related; whether it needs to be recorded; and which provisions of the regulations apply. To help employers in making these determinations, the advisor relies on responses to a series of pre-set questions. The advisor is available at [www.dol.gov/elaws/osharecordkeeping.htm](http://www.dol.gov/elaws/osharecordkeeping.htm).



## Fast Facts Sponsor



## NADA alert

A bogus Web site (<http://nadaguides.zxq.net/vehicle/purchase/protection>) has been set up to look like the legitimate site of NADAguides.com. The fraudulent Web page offers services for "Auto Purchase Protection" and facilitates the transfer of funds between buyers and sellers. This Web page has no connection with NADA or NADAguides.com. NADA is attempting to shut down the site, which appears to be hosted overseas.

## MADPAC Golf Outing: Monday, June 6 at the Country Club of Lansing

We look forward to seeing many MADA members at the 20<sup>th</sup> annual MADPAC Golf Outing on June 6! Please see the event schedule for details.

If you have questions about the event, please call Tommi Nielsen at (800) 292-1923.

- 9:30 a.m. ~ MADA board meeting  
(all dealers are invited)  
Golf registration begins
- 10:00 a.m. ~ Driving range opens
- 11:00 a.m. ~ Buffet luncheon
- 12:00 p.m. ~ Golf begins with a shotgun start
- 4:30 p.m. ~ Reception following golf

## Major changes coming to OSHA's hazard communication standard

Final action of comprehensive changes to OSHA's Hazard Communication Standard (HCS) is planned for August of 2011. These changes are a culmination of years of work by several agencies, with OSHA taking the lead.

OSHA will modify the current HCS to align it with provisions of the Globally Harmonized System (GHS) of classification and labeling of chemicals. These changes will affect the format of Safety Data Sheets (SDS) and container labeling systems requiring extensive retraining of all employees. Over 40 million workers and 5 million workplaces will be affected with compliance costs of the proposed standard of approximately \$97 million per year.

OSHA estimates that the revised standard will prevent 43 fatalities and 585 injuries/illnesses annually.

These changes will affect Michigan dealerships and your MADSIF/CastleRock Risk Management Department is on top of these changes. Dealerships may already be receiving information from safety companies urging them to attend or purchase their product. MADSIF/CastleRock is currently producing a program that will assist MADA members in compliance with these changes, which will be held later this year. Further updates will be provided. If you have any questions please call MADSIF/CastleRock at (866) 919-9578.

## Recognize new vehicle dealers for their community involvement

New vehicle dealers are well known for their community involvement and support of various organizations and programs. Please help us recognize Michigan dealers for their outstanding leadership and noteworthy contributions by nominating a deserving colleague for one of the following dealer awards.

**TIME Magazine Dealer of the Year Award.** This award calls attention to new car dealers in America who exhibit exceptional performance in their dealerships, combined with distinguished community service.

**Northwood Dealer Education Award.** Recipients of this award have made noteworthy contributions to education, inside or outside of the industry. They are people who are recognized for substantial dedication (over a number of years) to the educational process and the field of automotive marketing.

To nominate a dealer, download a nomination form with guidelines from the MADA Web site at [www.michiganada.org](http://www.michiganada.org). Nominations are due to MADA by July 1, 2011.



## Fast Facts Sponsor



## Upcoming events

Jun. 19 & Aug. 21 •  
**NASCAR races at  
Michigan Int'l Speedway**  
*(discounts available)*

Sept. 30 • **MADA board  
meeting**, Midland (held  
in conjunction with the  
Northwood Univ. auto  
show)

Dec. 7 • **MADA Annual  
Meeting & board  
meeting**, location TBA

Outing. The event raised more than \$33,000 for MADPAC, which will support the legislative activities and goals of Michigan's franchised new vehicle dealers.

We were also very honored to have Governor Rick Snyder join us during the MADA board meeting. The governor spoke to dealers about some of his current priorities and invited dealers to ask questions. We appreciate his willingness to meet with our members and we value his transparency in discussing his plans and goals for the State of Michigan.

MADA members who were unable to participate in the golf outing can still support the MADPAC campaign with a personal donation.

## Installment seller license renewals, reminders

The State of Michigan, Office of Financial and Insurance Regulation requests that installment seller license renewals be completed and returned by June 15, 2011. This allows adequate processing time to ensure your license is reviewed by the state and renewed prior to the expiration date.

Dealers are also reminded to take advantage of MADA's complimentary license renewal service. By sending your renewal to MADA, we can review the paperwork first and contact your dealership immediately to correct any area of concern before it is personally delivered to the state. (A renewal with errors sent directly to the state will be held for corrections.)

Dealers who have already returned their paperwork are encouraged to check the status of their installment seller license renewal and print a confirmation page once it has been renewed. (Many finance companies request a copy of this information.) To do this, please visit [www.michiganada.org](http://www.michiganada.org) and follow the links to the OFIR search page. To search, type your installment seller license number (i.e. 001234) into the "License Number" field and click the "search" button. Click on your dealership's name to open the detailed page with renewal status.

If you have questions about your renewal, please call Jean Quinn at (800) 292-1923 or e-mail [jquinn@michiganada.org](mailto:jquinn@michiganada.org).

## Thank you for your support and participation

We would like to thank the many dealers and sponsors who joined us on a beautiful Monday afternoon for the 20th annual MADPAC Golf

During times of change, MADA, DADA and the ADM work even harder to promote the legislative needs of our members. A MADPAC donation from every member will allow us to continue making progress on all our legislative activities. Please call MADA's Larry Parker at (800) 292-1923 for more information or download a contribution form online at [www.michiganada.org](http://www.michiganada.org).

## Event sponsors play an important part in the success of the MADPAC Golf Outing. Special thanks goes to our major and underwriting sponsors.

### Major Sponsors

- Automobile Dealers Accessory Corp.
- Blue Cross Blue Shield and Blue Care Network of MI
- Computerized Vehicle Registration (CVR)
- Enterprise Rent-A-Car
- Gadaletto Ramsby & Assoc.
- IGS Energy
- MADSIF

### Underwriting Sponsors

- ADP Dealer Services
- ADRS/MADSIF P&C
- American Fidelity Assurance Company
- DealerTrack
- Dealers Resources
- Freedom One Financial Group
- Governmental Consultant Services, Inc.

- Michigan Automobile Dealers Association
- Morgan Stanley Smith Barney
- Paul V. Engstrom & Co., LLP, CPAs
- Protective
- Smith & Johnson Attorneys, P.C.
- Zurich

A full list of sponsors is available at [www.michiganada.org/madpac](http://www.michiganada.org/madpac).



## Fast Facts Sponsor



## MADA Milestone

We would like to recognize and congratulate Jenny Acuña on 30 years with the Michigan Automobile Dealers Association!

Her many years of service to our members and this association are very much appreciated.

## Compare your dealership's energy usage

NADA has partnered with the EPA's ENERGY STAR program to learn more about average dealership energy use and the key drivers of dealership energy consumption. To help, dealers throughout the country are being asked to complete a *Dealership Energy Use Data Survey*. (A copy is available online at [www.michiganada.org](http://www.michiganada.org).) A 1-to-100 ENERGY STAR performance scale will allow dealerships to compare their energy use to others nationwide and publicize their accomplishments.

Dealerships with energy performance scores of 75 or higher will be eligible to earn

an ENERGY STAR designation. They will also receive a certificate of achievement, media coverage by NADA, and special recognition at NADA events.

**The survey must be completed by July 15, 2011.** Responses will be kept strictly confidential by NADA/ATD and EPA. For more information on the NADA Energy Stewardship Initiative, visit [www.nada.org/energystar](http://www.nada.org/energystar). Questions about the survey can be directed to Allison Harrison at (800) 292-1923 or [aharrison@michiganada.org](mailto:aharrison@michiganada.org).

## Notice: blank titles stolen in southern Ohio

On May 22 the Scioto County Clerk of Courts Title Office in southern Ohio reported the theft of 502 unused titles. The associated control numbers have been marked as stolen. Control numbers are pre-printed on the lower left corner of the title and range from %102867337

to %102867839. These titles could be used in attempts to obtain new titles to stolen (replated) vehicles in surrounding states. If a customer should present a stolen title, please contact local law enforcement.

## Brief overview of Michigan tax law changes

*The following has been provided by Edward Castellani of Fraser Trebilcock.*

On May 25, 2011, Governor Snyder signed a number of new tax bills to revise Michigan's tax structure. Following are some key changes for businesses:

1) The MBT is eliminated as of January 1, 2012. A new corporate income tax will be levied on C Corps at a tax rate of 6.0%. The method of computing the tax is similar to the income tax portion of the current Michigan Business Tax (MBT) Act. The tax is effective January 1, 2012.

2) S Corps, LLCs, partnerships and individuals are not subject to the corporate income tax.

3) Income will be apportioned to Michigan based on the ratio of Michigan sales to total sales.

4) Unitary filing is required for corporations under common control.

5) Companies with apportioned gross receipts of less than \$350,000 will not be required to file a return, as well as companies with a liability of less than \$100.

6) The small business credit is still available for eligible companies. The credit is available for qualifying "small business" (e.g. less than \$20 million in gross receipts and income less than \$1.3 million). There are additional limits based on compensation and directors fees to individual shareholders and officers.

7) All other credits provided for under the MBT are eliminated.

8) For those taxpayers that would like to continue claiming certificated credits, an election can be made to file under the

MBT Act instead of the new corporate income tax. Certificated credits include (but are not limited to) Brownfield Credits, MEGA Credits, The Media Production and Infrastructure Credit, and Renaissance Zone Credit. An election would be required to file under the MBT rather than the corporate income tax. Once made the taxpayer would be subject to the MBT until the credits have expired. Taxpayers claiming certificated credits would be required to pay a tax based on the greater of their Michigan business liability or a modified version of the liability under the corporate income tax.

*This is a brief summary of a complex new law and is provided for informational purposes only. Dealers should discuss their specific requirements with their tax specialists.*



## Fast Facts Sponsor



## Installment seller license renewals

We would like to thank the many MADA members who forwarded their installment seller license renewals to us. We have delivered your paperwork to the State of Michigan and your renewals have been processed. The few dealers who have not submitted renewal applications are reminded that **licenses will be cancelled July 1 if not received before then.**

We have also been informed there was a computer glitch at the state when scanning a very small number of renewal payments. These licenses have been renewed, but affected dealers may receive a call from the state requesting verification of payment.

from AutoMotive Services Inc. in Boynton Beach, Florida for a "new/pre-owned directory monthly maintenance charge." When calling the number on the invoice, callers are notified that the number has been temporarily disconnected. It appears dealers throughout the country have received identical invoices.

## New National Emission Regulations: are you in compliance?

*The following article has been provided by Zurich.*

In 2010, new regulations controlling air emissions from paint stripping and surface coating operations, referred to as National Emission Standards for Hazardous Air Pollutants (NESHAP), were set forward. These new emission standards held a legal requirement to demonstrate initial and continuous compliance by January 10, 2011. Now several months past the mandatory compliance date, is your business 100% compliant?

To know for sure if these new emission requirements apply to you, it's time to assess your compliance status. The "Summary of Regulations Controlling Air Emissions from Paint Stripping and Miscellaneous Surface Coating Operations," published by

the Environmental Protection Agency (EPA), shows this regulation applies to area sources that engage in:

- Paint stripping operations that use methylene chloride (MeCl)-containing paint stripping formulations;
- Spray application of coatings to motor vehicles and mobile equipment;
- Spray application of coatings to a plastic and/or metal substrate where the coatings contain compounds of chromium (Cr), lead (Pb), manganese (Mn), nickel (Ni), or cadmium (Cd).

To help you further assess your status, Zurich has created a compliance checklist, found online at [www.zurichna.com/zdu](http://www.zurichna.com/zdu). (Choose "online resources" then "loss prevention library.") Zurich also provides links to related EPA resources and information.

## Reminder to be aware of potentially fraudulent activity

MADA members have alerted us to new scams dealers should be aware of. Dealerships have recently received an unsolicited invoice

As with many similar scams, the invoices appear legitimate but the dealerships never requested a product or service from the company. Please remember to review all invoices to avoid paying for unsolicited services.

The BBB of Western Michigan has also notified us of an advanced fee loan scam from Ameristate United Financial, claiming to be located in Grand Rapids. After researching the offer, the BBB found that the realty company that leases the address listed in the offer does not have Ameristate as a tenant. In addition, the phone number is an international number, the fax number is in Detroit and the Web site appears to originate in Russia. Dealers and consumers can check [www.bbb.org](http://www.bbb.org) if they have concerns about a particular company.

## MADA welcomes three new associate members

Following is information about our newest associate members. Please take a few minutes to learn more about what they offer and contact the company directly, or call MADA's Larry Parker at (800) 292-1923 for further information.

- **Bank of America, N.A.** - Duane Blackport, Vice President  
Phone (616) 698-8486 or [duane.blackport@baml.com](mailto:duane.blackport@baml.com)  
*Indirect retail financing and floorplan financing for dealers.*

- **Dodson Group** - Jeff Dodson, Owner  
Phone (616) 575-0524 or [jeffd@dodson-group.com](mailto:jeffd@dodson-group.com)  
*Direct mail; business forms; promotional items; GPS tracking systems; single source dealer supplies.*
- **Eagle Ottawa** - Jason Chon, Director  
Phone (248) 364-7484 or [chonj@eagleottawa.com](mailto:chonj@eagleottawa.com)  
*Global supplier of automotive leather interior.*

# Friday Fast Facts



## Fast Facts Sponsor



## SOS holiday closures

Secretary of State Ruth Johnson reminds dealers that all branch offices and the Office of the Great Seal will close on Monday, July 4 in observance of Independence Day. SOS SUPER!Centers normally offer Saturday hours but will be closed on Saturday, July 2.

## News from the IRS: cash transactions and mileage rates

**New Form 8300 for reporting cash transactions.** The IRS has revised Form 8300, which is used when reporting receipt of cash in excess of \$10,000. The new form notes "Rev. June 2011" and must be used for transactions beginning July 1, 2011. (Any hard copies of the previous version should be thrown out.)

Please access the updated version online at [www.irs.gov/pub/irs-pdf/f8300.pdf](http://www.irs.gov/pub/irs-pdf/f8300.pdf). A link to the *IRS Automotive Tax Center* and additional information about reporting cash payments can also be found within MADA's Web site at [www.michiganada.org](http://www.michiganada.org). Choose the "Links" tab then scroll to the IRS section.

If you have questions, please call MADA at (800) 292-1923.

**Standard mileage rates.** The IRS has announced a mid-year increase in the optional standard mileage rates for the final six months of 2011 (see the following chart). Taxpayers may use the optional standard rates to calculate the deductible costs of operating an automobile for business and other purposes. Additional information is available at [www.irs.gov/pub/irs-drop/a-11-40.pdf](http://www.irs.gov/pub/irs-drop/a-11-40.pdf).

Purpose	1/1/11 - 6/30/11	7/1/11 - 12/31/11
Business	51¢	55.5¢
Medical/Moving	19¢	23.5¢
Charitable	14¢	14¢

## Summer sun tips for your 4th of July, provided by Blue Cross Blue Shield of Michigan



Nonprofit corporations and independent licensees of the Blue Cross and Blue Shield Association

The American Academy of Dermatology recommends that you avoid deliberate sunbathing and apply sunscreen on a daily basis, especially when you are directly exposed to the sun. Apply sunscreen 20 to 30 minutes before exposure to the sun to give it time to penetrate the skin. Give special attention to the areas most likely to become sunburned, such as the nose, ears, cheeks and shoulders. Make sure you use

enough. Most people apply too little sunscreen (the average adult requires 1 ounce of sunscreen per application).

Most products need to be reapplied every two hours, as well as immediately after swimming or strenuous activities that cause sweating. A waterproof sunscreen stays on for about 30 minutes in water. Remember, the symptoms of sunburn do not begin until two to four hours after the sun's damage has been done. Repeated sun exposure and suntans cause premature aging of the skin. More importantly, repeated sunburns increase the risk of skin cancer. Each blistering sunburn doubles the risk of developing malignant melanoma, which is the most serious type of skin cancer,

Want to know more about sun exposure? Blue Cross Blue Shield members can contact BlueHealthConnection at 1-800-775-BLUE (2583) to talk with our registered nurse health coaches 24 hours a day, seven days a week. Members can get additional information about sun exposure by accessing the Health and Wellness tab on [www.bcbsm.com](http://www.bcbsm.com) and going to the BlueHealthConnection Web site. Registration on *Member Secured Services* is required.

Source: American Academy of Dermatology, [aad.org](http://aad.org)

Learn about health care solutions for your business at [www.bcbsm.com/grow](http://www.bcbsm.com/grow) or call MADA at (800) 292-1923.



## Fast Facts Sponsor



## Upcoming events

Aug. 21 • NASCAR race at Michigan Int'l Speedway

Sept. 30 • MADA board meeting, Midland (held in conjunction with the Northood Univ. auto show)

Dec. 7 • MADA Annual Meeting & board meeting, Grand Rapids

Feb 3-6, 2012 • NADA/ATD Convention, Las Vegas, Nevada

## Michigan State Police to conduct traffic stops on CMVs

MADA has learned that Michigan State Police motor carrier officers will work specialized truck enforcement team operations until September 30, 2011. During this time, **officers will be checking driver credentials and vehicle equipment to ensure compliance with state and federal regulations.**

Motor carrier officers will conduct traffic stops on commercial motor vehicles (CMV) in

areas identified as having a high CMV crash rate. This will include pick up trucks towing trailers with a combined gross weight of 10,000 lbs or greater. The operations will focus on driver-related behaviors that have proven to contribute to CMV crashes. Motorists are likely to see officers working in and around rest areas and other safe enforcement sites throughout the state.

## CVR inventory count: July 12

Dealers participating in the CVR program are reminded that the count and physical verification of inventory must be taken **Tuesday, July 12 prior to any transactions being processed for the day.** The state suggests the following method to verify and report inventory. (This should take about 15 minutes.)

1.) **Print a report** of your current available inventory from the CVR computer.

labeling on each package.

3.) If there are no discrepancies between the printed report and the physical verification, **type the requested inventory numbers into the CVR computer:** beginning and ending numbers for plates and tabs and permits in inventory, as well as the total number of each (as shown on the available inventory report).

4.) **Submit** the report.

While dealers are given until Monday, July 18 to **submit** the report, the inventory must be counted and verified on July 12 prior to any new CVR transactions being processed.

*Dealers who do not submit the required information are in violation of their agreement with the Michigan Department of State and risk losing the ability to use the CVR program.* If you have questions, please contact your CVR account representative or CVR support at (800) 333-6995.

2.) Verify the report by a **physical check of the actual inventory** to ensure that each plate or tab/permit is present. Sealed boxes do not need to be opened, simply check the

## Upcoming ASE test dates and test-taking tips

**2011 testing schedule.** ASE's Summer Computer-Based Testing will run from July 18 - August 18. Registration opens July 11. ASE reminds dealers that the final pencil-and-paper tests will occur November 10, 15, and 17, 2010. After that, all ASE tests will be offered in computer-based format exclusively. Please visit [www.ase.com/cbt](http://www.ase.com/cbt) for more details.

**Free ASE test-taking webinar.** Standard Motor Products (SMP) will be offering "How to Take (and Pass) an ASE Test" on September 20, 2011. The 60-minute online seminar will feature John Tisdale, ASE Executive Director of Test Development Systems. It is designed to help those new to ASE tests prepare for the next ASE testing with a session full of test-taking tips. SMP webinars are free but you must first register with SMP. For more, visit <http://pts.smpcorp.com>. (Click "see all" from the upcoming training box then click on the ASE test box.)

## Michigan tax reform webinar

Plante & Moran will offer a free Michigan tax reform webinar on July 11 from 2:00-3:30 p.m.

The webinar will walk you through the new corporate income tax (CIT), changes to the individual income tax, and Michigan Business Tax (MBT) amendments, repeal and transition considerations. The webinar will explain how you and your business may be impacted now and in the future.

To register, go to [www.plantemoran.com/perspectives](http://www.plantemoran.com/perspectives). Choose "Webinars," then "Tax."



## Fast Facts Sponsor



## SOS website update

Secretary of State Ruth Johnson has announced that the Department of State website at [www.Michigan.gov/sos](http://www.Michigan.gov/sos) has been updated with a new streamlined look and feel and easier-to-read pages. Dealers can still easily access dealer-specific information by clicking the "automotive related business" graphic in the center or the tab at the left.

## Implementation of the Dodd-Frank Act

On July 21, 2011 the Dodd-Frank Wall Street Reform Act (DFA) takes effect. This Act encompasses a number of items which affect dealers.

**Risk-Based Pricing and Adverse Action.** Starting July 21, dealers issuing the Risk-Base Pricing Notice will need to include additional information in the Notice form. Additionally, the definition of "use" for both Risk-Base Pricing and Adverse Action has changed. Please refer to the DADA/MADA dealer advisory dated July 13 for specific information. To access the advisory online, log in at [www.michiganada.org](http://www.michiganada.org) and choose "advisories."

NADA also has a new publication, *A Dealer Guide to Adverse Action Notices*, which explains when dealers must issue an adverse action

with compliance. To access the guide, sign in or sign up at [www.nadauniversity.com](http://www.nadauniversity.com); once you have logged in, visit the Resource Toolbox, select "Driven Management Guides," then "Legal/Regulatory."

**Threshold covered by CLA and TILA.** The threshold amount covered by the Consumer Lease Act (CLA) and Truth in Lending Act (TILA) increases to cover all purchases of leases with total payments valued at \$50,000 or less, up from \$25,000. This change will cover most retail sales and leases of automobiles. CLA and TILA regulate what must be disclosed to consumers in advertisements and at point of sale.

**Data collection and reporting.** The DFA also includes a provision that requires creditors to collect certain information about minority and women owned business. However, *the Federal Reserve Board has provided a temporary exemption for motor vehicle dealer's collection of this information.*

**Debit card processing fees capped.** The Federal Reserve Board has decided to cap debit card swipe fees (also known as interchange rates set by Visa and MasterCard) at 21 cents effective *October 1, 2011*. They also allowed banks to tack on a small fee to pay for fraud costs. This amount is higher than what was outlined in the DFA, but lower than current rates. The statute exempts any debit card issuer that, together with its affiliates, has assets of less than \$10 billion.

If you have additional questions about the Dodd-Frank Wall Street Reform Act and your responsibilities, please call MADA at (800) 292-1923.

notice, what the notice must say, when dealers can rely on a finance source's notice, and other important issues. This guide utilizes numerous scenarios to aid understanding and includes a flow chart, sample notices, and other tools to assist dealers

## Fraudulent surety bond provided for payment

MADA has been informed of another potentially fraudulent issue dealerships should be aware of.

A gentleman from Michigan visited a dealership attempting to purchase a car using a Private International Surety Bond that is likely fraudulent. When the bond was reviewed by financial institutions, they noted the maturity date had passed so even if the bond were legitimate, it would no longer be valid. Following are other observations noted:

1. The name Timothy Geithner (U.S. Treasury Secretary) would not be used on any type of surety bond.

2. The language used sounds like someone overseas was trying to write American legalese.
3. Typically surety bonds are issued and backed by some type of collateral.

The dealership took the proper steps by having the document further reviewed. If you have questions or would like to alert dealers to a potentially fraudulent situation, please call MADA's Larry Parker at (800) 292-1923 or e-mail [lparker@michiganada.org](mailto:lparker@michiganada.org).



## Fast Facts Sponsor



**ZURICH**<sup>®</sup>



Save the date for the NADA/ATD Convention  
February 3-6, 2012 in Las Vegas, Nevada

Registration & housing opens July 25 at 9 a.m. EST

## NADA publications

NADA has released its **Summer 2011 Regulatory Review**, which provides an overview of the federal regulatory issues affecting dealerships. The review is available at [www.nada.org/Publications](http://www.nada.org/Publications) (You will need your username and password.)

NADA has also released **NADA Data 2011**, available on the NADA home page. This guide offers a report on the state of the industry.

## Northwood auto show: September 30-October 2

Please mark your calendars for the 48<sup>th</sup> Annual Northwood University International Auto Show (NUIAS) in Midland.

The theme for the 2011 show is *The Road to Innovation*. The show will focus on technology being incorporated in today's vehicles by automotive manufacturers in order to facilitate the ever-changing demands of the consumer.

With more than 600 participating students from all curriculums, the NUIAS is the largest student run new car outdoor auto show in North America.

Those who may be interested in supporting the event with a donation or a sponsorship opportunity can visit [www.northwood.edu/autoshow/donor.html](http://www.northwood.edu/autoshow/donor.html) for additional information.

### Auto Show Dates and Times:

- Friday, September 30 - 12 p.m. to 6 p.m.
- Saturday, October 1 - 9 a.m. to 6 p.m.
- Sunday, October 21 - 10 a.m. to 5 p.m.

There is no cost for admission. Dealers are also invited to attend the opening ceremony, which will take place in front of the Sloan Family Building for Aftermarket Studies at 11:45 a.m. Keith Crain will be the keynote speaker.

**Please also note:** the MADA board meeting will be held at Northwood on September 30, prior to the opening ceremony. All MADA dealers are invited to attend. Additional information will be provided in a future issue of *Friday Fast Facts*.

## Get to know MADA's new associate member

MADA members have access to many valuable products and services through various companies specializing in auto dealerships. Following is information about our newest member. Please take a few minutes to learn more about what they offer and contact the company directly, or call MADA's Larry Parker at (800) 292-1923 for further information.

- **Star Systems Services Inc.** - President, Linda Brenner  
Phone (248) 669-4000 or [linda.brenner@starsystems.co](mailto:linda.brenner@starsystems.co)

*Star Systems is a woman-owned employee screening business providing drug testing and background investigation services nationwide. Services are web based. A demo is available at [www.starsystems.co](http://www.starsystems.co).*

## Reminder: new IRS Form 8300 now effective

At the request of MADA, the local IRS field office has provided further information about the recent update to IRS Form 8300. According to their response, the sole substantive change to the June 2011 form was the change in the definition of a transaction. It now states that a transaction includes an exchange of cash for a negotiable instrument. Previously it read that a transaction includes the exchange of a negotiable instrument for cash - in other words cashing a check. The former wording was incorrect so the form was updated.

The new version is available at [www.irs.gov/pub/irs-pdf/f8300.pdf](http://www.irs.gov/pub/irs-pdf/f8300.pdf). Previous versions are no longer permitted.



## Fast Facts Sponsor



## Upcoming events

Aug. 21 • **NASCAR race at Michigan Int'l Speedway**

Sept. 30 • **MADA board meeting**, Midland (held in conjunction with the Northwood auto show)

Dec. 7 • **MADA Annual Meeting & board meeting**, Grand Rapids

## Local elections are Tuesday, and other news from the SOS

MADA reminds dealers to take part and vote in your local elections on August 2. Local jurisdictions, school districts, libraries and community colleges in 52 Michigan counties will be conducting an election. To find out if there is an election in your community, visit the Secretary of State website at [www.Michigan.gov/sos](http://www.Michigan.gov/sos) and click "Elections in Michigan." Residents can also view a copy of their sample ballot, find their polling place and locate their local clerk at [www.Michigan.gov/vote](http://www.Michigan.gov/vote).

In other news from the Secretary of State's office...

**Business Roundtable.** Secretary of State Ruth Johnson is actively working with and listening to the businesses her department regulates. Earlier this week, she joined business and industry leaders from across Michigan for the first meeting of her Business Roundtable, which is tasked with finding ways to promote public/private partnerships and

improve customer service while stretching every tax dollar further.

**Department of State facts at a glance.** The Department of State (DOS) has many responsibilities within the State of Michigan. Consider some of these facts about the DOS.

- Collected more than \$2 billion in fiscal year 2010 and expended less than \$182 million - about a 92% return on investment.
- Manages 132 branch offices: 7 SUPER! Centers, 48 PLUS offices and 76 traditional.
- Introduced bar code scanners in all branches to speed transactions
- Averages 50,000 branch transactions each day - about 13.6 million each year. An additional 1.5 million transactions per year are done online, which cost half of a face-to-face transaction.
- A record 5 million voted in the 2008 presidential election - 67% of registered voters.

## Michigan revenue update, June 2011

The Michigan Senate Fiscal Agency (SFA) recently released new state revenue numbers. Following are a few bullet points from that report.

- Revenue from Michigan's General Fund and School Aid Fund earmarked taxes totaled \$1.7 billion in June, up 1.8% from last year's level.
- Net income tax revenue totaled \$637.9 million in June 2011, a year-over-year increase of 2.2%. However, income tax withholding payments, which represented the majority of gross

income tax revenue, were 3.0% below the year-ago level.

- Sales tax receipts totaled \$597.0 million in June, down 0.6% from a year ago, although year-to-date sales tax collections remain 7.2% above last year's level, largely as a result of high levels of economic activity, particularly during February and March, in the motor vehicle manufacturing sector.
- Net Michigan Business Tax (MBT) revenue totaled \$189.2 million in June, up 27.7% from last year's level and \$23.8 million above the SFA's expectation for the month.

## NADA/ATD Convention & Expo: registration is now open

Advance registration for the NADA/ATD convention is now open. The 2012 event will be held February 3-6 in Las Vegas. Additional information, including registration instructions and hotel details are available within the new convention website at [www.nadaconventionandexpo.org](http://www.nadaconventionandexpo.org). MADA reminds dealers that **convention registration is required before reserving a hotel room**. Since hotel rooms fill quickly during the convention, it is recommended that dealers register for the event early to ensure they are able to reserve a room at the hotel they desire.

Some highlights of the 2012 convention include:

- February 4, ATD opening session: industry message from Martin, Daum, CEO of Daimler Trucks North America
- February 4, NADA opening session: featuring Sergio Marchionne with Chrysler, LLC, USA
- February 5: inspirational speaker Aron Ralston, mountain climber and inspiration for the film *127 Hours*
- February 6: keynote address from former president George W. Bush



## Fast Facts Sponsor



## Upcoming events

Sept. 30 • **MADA board meeting**, Midland (held in conjunction with the Northwood auto show)

Dec. 7 • **MADA Annual Meeting & board meeting**, Grand Rapids

Feb 3-6, 2012 • **NADA/ATD Convention**, Las Vegas, Nevada

## Fraudulent invoice reminder

It appears dealers are still receiving unsolicited invoices from Auto Motive Services (or AMS Inc.) in Boynton Beach, Florida for a "new/pre-owned directory monthly maintenance charge." **This round of invoices also adds on a previous balance due.** As MADA notified you in a previous issue of *Fast Facts*, dealers throughout the country have received unsolicited invoices from this company and it has been reported that when calling the number on the invoice, callers are notified that the number has been temporarily disconnected.

As with many similar scams, the invoices appear legitimate but the dealerships never requested a product or service from the company.

Please remember to review all invoices to avoid paying for unsolicited services. If you have questions or would like to pass along information about potentially fraudulent invoices or activity, call (800) 292-1923 or e-mail [news@michiganada.org](mailto:news@michiganada.org).

## Free SOS training sessions finish up this fall

Only a few dates remain on this year's schedule for dealer and repair facility/mechanic training sessions. These free programs are offered each

**The final repair facility/mechanic session will be held August 16.** Topics include the Repair Facility Manual, proper written estimates and final invoices, record keeping requirements, repair facility and mechanic responsibilities, common mistakes to avoid and other basic requirements.

year by the State of Michigan, Bureau of Regulatory Services.

**Final dealer sessions for the year will be held September 7 and October 20 in Lansing.** Topics include vehicle ownership documents, wholesaling/retailing vehicles, application for title and registration/statement of vehicle sale - RD-108 form, TR-210/TR-209 secured interest change process, dealer records and dealer plate usage.

All programs provide opportunities to ask questions. There are no fees, but registration is first come, first served. Picture ID is required for entry into the buildings where training is held. Please visit [www.michigan.gov/sos](http://www.michigan.gov/sos) and choose the "Automotive-related Businesses" tab for more details and to register.

## News from NADA: mobile VIN scanner

NADA Used Car Guide has added a VIN barcode scanner to its family of mobile products, which includes NADA AppraisalPRO, available for Apple and Android devices. The VIN scanner simplifies the vehicle decoding process by giving dealers the ability to scan and retrieve NADA vehicle values - including features like automatic adjustments for mileage and accessories - more efficiently and faster than ever before. The VIN scanner app is available for download to Android and iPhone mobile devices. For a free a trial subscription, go to [www.nada.com/scanner](http://www.nada.com/scanner) or call (866) 974-NADA.

## August 21 race: special MIS ticket offer

As a reminder, the Michigan International Speedway (MIS) has extended promotional pricing to MADA members and their employees. There is still time to take advantage of special ticket prices and event packages for the **August 21 Pure Michigan 400** NASCAR race at MIS - but you will want to order tickets soon!

Tickets can be ordered online at [www.mispeedway.com/groupsales](http://www.mispeedway.com/groupsales). A flier with additional details about this offer is available on our website at [www.michiganada.org](http://www.michiganada.org).



## Fast Facts Sponsor



## Upcoming events

Sept. 30 • **MADA board meeting**, Midland (held in conjunction with the Northwood auto show)

Dec. 7 • **MADA Annual Meeting & board meeting**, Grand Rapids

Feb 3-6, 2012 • **NADA/ATD Convention**, Las Vegas, Nevada

## Northwood University presents "A High Voltage Evening"

To kick-off of this year's 48<sup>th</sup> Annual Northwood University International Auto Show, Northwood will present "A High Voltage Evening." This inaugural gala will feature a live auction for a Chevy Volt and music from the Simone Vitale Band.

Proceeds from the event benefit the Town & Campus Endowed Scholarship Fund. For more information or to purchase tickets please call (989) 837-4356.

### **A High Voltage Evening**

Friday, September 30, 2011

Midland Country Club

1120 West St. Andrews Road in Midland

7:00 p.m. ~ cocktails and a strolling gourmet dinner

9:00 p.m. ~ dessert and dancing

[www.northwood.edu/townandcampus](http://www.northwood.edu/townandcampus)

## What's on the calendar at MADA?

### **2011 MADPAC campaign.**

MADA would like to thank the many dealers who have already given to MADPAC during the first half of our 2011 campaign. We are off to a great start!

We begin our fall campaign soon and look forward to

**MADA Annual Meeting.** This year's Annual Meeting offers a new and exciting format. We have listened to feedback from the last few years and dealers have suggested an educational program that makes the best use of your time.

Our December 7, 2011 event will begin a little earlier in the day (11:00 a.m.) with a very interesting and informative presentation about emerging technology and computer information. A condensed board and annual meeting will take place after lunch, followed by two more educational programs offering some forecasting about industry-specific issues. Dealers who are interested are invited to stay and network during the cocktails hour.

Additional details about speakers, presentation topics and registration information will be forthcoming in *Fast Facts* and by mail.

receiving contributions from the remainder of our membership. Your MADA directors, past presidents and MADPAC committee members will review our current progress and start making calls to members requesting support and answering any questions you may have about MADPAC and how it benefits you and your business. As always, we welcome your phone calls at (800) 292-1923.

## FTC issues auto warranty alert for consumers

The Federal Trade Commission recently issued a consumer alert titled *Auto Warranties, Routine Maintenance, and Repairs: Is Using the Dealer a Must?* The alert defines a warranty and offers tips to avoid warranty issues. Consumers are also reminded that they are not required to use the dealer for repairs and maintenance. The full alert is available on the FTC website at [www.ftc.gov/bcp/edu/pubs/consumer/alerts/alt192.shtm](http://www.ftc.gov/bcp/edu/pubs/consumer/alerts/alt192.shtm).

To find other FTC consumer publications related to buying, maintaining, financing, leasing, or renting a vehicle, visit the

FTC consumer automobile page at [www.ftc.gov/bcp/menus/consumer/autos.shtm](http://www.ftc.gov/bcp/menus/consumer/autos.shtm).

As a reminder, the FTC also has a *Business Center* web page geared toward automobile dealers. The page provides information about the Used Car Rule, labeling guidelines for alternative fueled vehicles and alternative fuels, and how the FTC's Privacy Rule applies to auto dealers. Links to various legal resources are also included. The business page is available at <http://business.ftc.gov/selected-industries/automobiles>.



## Fast Facts Sponsor



## Educational opportunities available for MADA members

MADA occasionally hears from dealers interested in information and training about certain business and operational topics. In an effort to provide additional resources for our members, we have added a page to our website with a wide range of general business and industry-specific webinars and other educational programs. Some programs are provided at no-cost and others are at-cost. **To view a list of upcoming programs, go to [www.michiganada.org/events/webinars.htm](http://www.michiganada.org/events/webinars.htm).** New webinars will be added as we find out about them. (Please note

that MADA does not endorse any programs, we are simply providing a list of opportunities for those who may be interested.) Following is a sample of some of the online programs available in August:

- **Auto Compliance in 2011: Is Your Dealership Protected?**  
August 24 (DealerTrack) *free*  
*DealerTrack Compliance Counsel Randy Henrick will discuss the compliance regulatory changes in effect this year and what safeguards your dealership can implement to protect your business.*
- **MarketINSIGHT: Buy and Sell Smart with Today's Mobile Tools** - August 24 (NADA University) *free*  
*Mobile devices can help you take advantage of more information at the auction, on the Internet, or on the lot. This webinar will teach you how to acquire, advertise, and sell your vehicles smarter and more profitably using mobile technology.*
- **Ask the Attorney: Your HR Legal Questions Answered**  
August 25 (KPA) *free*  
*Ask national recognized employment attorney, Jim Hendricks, your most pressing HR questions and hear what HR legal challenges other dealers are facing. Do salaried employees get overtime pay? Can I fire someone when I have never given them a disciplinary warning? Should employees be able to see the contents of their personnel file?*
- **Top 7 Mistakes Dealerships Make When Buying Phone Systems** - August 25 (DealersEdge) \$  
*Phillip Sherman will share what he believes to be the top mistakes dealers make in this important and costly decision. Find out which technology is critical for car dealers – and which is not. What technology works best for a multi-location dealer group? Learn about cell phone integration and how it can improve your CSI.*

## New associate member

MADA members have access to many valuable products and services through various companies specializing in auto dealerships. Following is information about our newest member. Please take a few moments to learn more about what they offer and contact the company directly, or call MADA's Larry Parker at (800) 292-1923 for further information.

- **CrossCheck Inc.** - Charles Dortch, Sales VP  
Phone (707) 483-9439  
E-mail [charlesd@cross-check.com](mailto:charlesd@cross-check.com)

*A cost-effective solution for check payment warranty. Fewer check declines for improved revenue; simplified claims submission procedures; exceptional and immediate customer service - with no fee for calls.*

## NADA Official Used Car Guide® Update

The following market summary is from NADA Used Car Guide's *August 2011 Guidelines*. The complete update is available at [www.nada.com/b2b](http://www.nada.com/b2b).

- July's new vehicle sales tally came in at 1.06M units, which was a 1% increase on both an annual and sequential basis.
- The seasonally adjusted annual rate of 12.2M units was 6% higher than June's SAAR of 11.5M.
- Trucks outsold cars by capturing a 53% share of the market, which was a 2% gain over June's share.
- July's month-end days' supply reached 49 days, or five days back of June's figure.
- Overall incentive spending was up by about 6% for the month.
- On a mileage and mix adjusted basis, Auction-Net wholesale prices for July were within +/- 1% of June, as car prices cooled just a bit and truck prices picked up.
- August Official Used Car Guide values for inter-mediate compact and mid-size cars are down on average 3% compared to July.
- Downward value adjustments for trucks were less than 1% in most cases.



## Fast Facts Sponsor



## Upcoming events

Sept. 30 • **MADA board meeting**, Midland

Sept. 30 - Oct. 2 • **Northwood Univ. Int'l Auto Show**, Midland

Dec. 7 • **MADA Annual Meeting & board meeting**, Grand Rapids

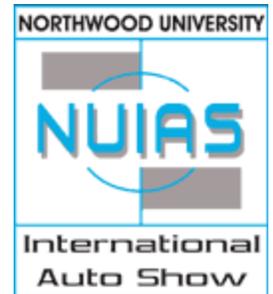
Feb 3-6, 2012 • **NADA/ATD Convention**, Las Vegas, Nevada

## Sponsorships available for inaugural Northwood Auto Show Gala

Northwood University invites dealers to become a sponsor of the inaugural Northwood University Auto Show Gala, to be held in Midland on Friday, September 30. The gala, which is held in conjunction with the 48<sup>th</sup> Annual Northwood University International Auto Show, will begin at 6:00 p.m. at the spacious new Midland Country Club.

Modeled after the very successful auto show preview and gala events around the country, the Northwood Auto Show Gala will feature an exciting evening of dinner, dessert, dancing and the highlight of auctioning to the highest bidder a 2012 Chevrolet Volt automobile.

Sponsorship opportunities range from \$500 Entrepreneur Sponsorships (includes 2 tickets) to a \$20,000 Diamond Sponsor level (includes 10 tickets). Individual tickets are available for \$150. Proceeds from the Gala will benefit student scholarships. Please visit the MADA home page at [www.michiganada.org](http://www.michiganada.org) for additional information about the various sponsorship levels and what they include.



## NADA dealer operations newsletter: Adverse Action legislation

Federal law prohibits discrimination in any aspect of a credit transaction. Under the Equal Credit Opportunity Act (ECOA), you cannot treat a credit applicant less favorably

2. Adopt adverse action notice procedures to ensure that you send adverse action notices when required. You should have a policy of sending notices whenever you are involved in making the credit decision or setting the terms of credit and adverse action is taken. If you send out simplified adverse action notices, designate a finance manager who is knowledgeable about adverse action law and trained in your dealership's adverse action notice procedures to respond to all customer requests for a specific statement of reasons.

3. Adopt and implement record-retention policies. In particular, ensure you keep records stating, or otherwise record, the specific reason why you did not provide financing on the requested terms. Your record retention policy should also include procedures for disposing of records as required by other applicable laws and regulations that are not discussed in this guide.

4. Adopt a formal practice of allocating responsibility for sending out adverse action notices. For example, consider including a statement in the dealer/finance source agreements that the finance source is responsible for sending out its own adverse action notices.

5. Conduct periodic, internal audits to ensure compliance with the policies and procedures you adopt.

This article is adapted from *A Dealer Guide to Adverse Action Notices*. Please sign in to [www.nadauniversity.com](http://www.nadauniversity.com) and visit "Resource Toolbox" to access this and other *Driven* guides.

because of color, religion, national origin, sex, marital status, age, or because the applicant relies on social security, welfare, or other public assistance. This law also requires you to give a notice, called an "adverse action notice," under certain circumstances, such as denying a request for credit. A related law, the Fair Credit Reporting Act (FCRA), also may require you to give an adverse action notice (which may be combined with the ECOA notice) if a credit report or information from a third party other than a consumer reporting agency (CRA) is involved in an adverse credit decision.

You should adopt policies and procedures to ensure that you are: (i) sending out timely and proper notices as required by the ECOA and the FCRA, and (ii) maintaining proper records. You should implement a policy that, at a minimum, includes the following:

1. A requirement to notify customers who apply for credit about the action you take—whether you accept, reject, make a counteroffer, or determine that the application is incomplete. Your policy should require that you give this notice within 30 days of receiving any credit application.



## Fast Facts Sponsor



## SOS holiday hours

Secretary of State Ruth Johnson reminds dealers that all branch offices and the Office of the Great Seal will close on Monday, Sept. 5 in observance of Labor Day. Secretary of State SUPER!Centers normally offer Saturday hours but will be closed on Saturday, Sept. 3.

## Dealer license renewals are in process

The State of Michigan, Bureau of Regulatory Services is in the process of mailing 2012 dealer license renewal applications. MADA members can expect to receive the following packets of information:

- Official dealer license renewal application - mailed directly from the State of Michigan. (September 6 is the expected mail date.)
- Informational packet with license renewal tips and bond renewal (if applicable). Mailed from MADA on September 1.

Please contact Jean Quinn at (800) 292-1923 or [jquinn@michiganada.org](mailto:jquinn@michiganada.org) if you do not receive your mailings or if you have questions about your renewal.

**As a benefit of MADA membership, MADA encourages dealers to send their completed renewals to us so we can review the paperwork for accuracy and personally deliver all documents to the State of Michigan.** We are pleased to say that nearly 500 dealers took advantage of this service last year. This is a benefit for dealers and the State of Michigan because it saves time by allowing MADA to help correct any potential areas of concern before the renewal reaches the state.

The state again offers an online renewal option that may be appropriate for dealers who have **no changes** to their application. However, even members with no changes are encouraged to use MADA's free renewal service, which allows quick and easy communication with the state in case an unanticipated problem arises.

## Lien affixed to a title

When dealerships take title paperwork to a Secretary of State branch office, it may be helpful to mention initially to the teller if there is a title with a lien affixed to it. The dealership employee should also review the SOS receipt paperwork before leaving the branch office to ensure the proper lien is listed.

Occasionally dealers have mentioned that when reviewing the paperwork at a later date, the branch office employee did not list the lien. This causes a significant problem for the

dealer, who is required to fix the title error despite it being a SOS oversight. (Dealers who use the Computerized Vehicle Registration/CVR program do not have this problem since the dealership inputs the information directly, avoiding potential human error of a SOS employee who is unfamiliar with the specific details of each dealership sale.)

If you have questions, please contact Larry Parker at (800) 292-1923.

## 2011 Annual Meeting is in Grand Rapids

This year's **MADA Annual Meeting will be held Wednesday, December 7 at the Amway Grand Plaza Hotel.** Since we will be in Grand Rapids this year, we thought it would be a nice opportunity to promote one of Michigan's communities and highlight some of the unique activities offered in and around the city. Occasionally in *Fast Facts*, we will include a section highlighting Grand Rapids-area activities. We hope this provides a few opportunities to consider next time you are looking for something new and different.

This week, we invite you to view the nationally publicized

"lip dub" video filmed in Grand Rapids. The nine-minute video was filmed in one take and incorporates thousands of community members and many Grand Rapids location, including our Annual Meeting location - the Amway Grand. The YouTube video is available at [www.youtube.com/watch?v=ZPjjZCO67WI](http://www.youtube.com/watch?v=ZPjjZCO67WI).

Grand Valley State University, with campuses in and around Grand Rapids, also produced a lip dub video to promote the school. The video, which includes more than 600 students, can be viewed at [www.gvsu.edu/lipdub](http://www.gvsu.edu/lipdub).



## Fast Facts Sponsor



## Employer Information Report due - Sept. 30

The EEO-1 Survey, which must be filed with the Equal Employment Opportunity Commission, requires employers to provide a count of their employees by job category and then by

The report must be filed by companies or "affiliated entities" with 100 or more employees. Affiliated entities are companies owned or affiliated with another company, or there is centralized ownership, control or management so that the group legally constitutes a single enterprise, and the entire enterprise employs a total of 100 or more employees. *Learn more: [www.eeoc.gov/employers/eeo1survey](http://www.eeoc.gov/employers/eeo1survey).*

ethnicity, race and gender. The filing deadline is September 30, 2011.

## Reminder: EPA SPCC plan due - Nov. 10

The EPA has made available on its Web site a template to help Tier 1 qualified facilities develop a self-certified Spill Prevention, Control, and Countermeasure (SPCC) Plan. Dealerships must fill out the self-certified SPCC plan template by November 10, 2011.

The template can be used by small facilities, including qualified dealerships, in lieu of a complex written plan. If the Tier 1 facility chooses to modify the template, the plan must include a section cross-referencing the location of each applicable requirement of the SPCC rule and ensure that the plan is an equivalent plan that meets all applicable rule requirements of 40 CFR 112.6(a)(3).

To meet the Tier I applicability criteria, a facility must have:

- A total aboveground oil storage capacity of no more than 10,000 U.S. gallons and a maximum individual oil storage container capacity of 5,000 gallons.
- In the 3 years prior to the date the SPCC Plan is certified, had no single discharge of oil to navigable waters or adjoining shorelines exceeding 1,000 U.S. gallons, or no two discharges of oil to navigable waters or adjoining shorelines each exceeding 42 U.S. gallons within any 12-month period.

*Learn more: [www.epa.gov/osweroe1/content/spcc/tier1temp.htm](http://www.epa.gov/osweroe1/content/spcc/tier1temp.htm).*

## Federal labor law poster update - Nov. 14

The National Labor Relations Board has issued a Final Rule that will require employers to notify employees of their rights under the National Labor Relations Act as of November 14, 2011.

MADA members receive a special discount when ordering all-in-one posters from the Federal Wage and Labor Law Institute (FWLLI) through its website at [www.fwlli.com/ada](http://www.fwlli.com/ada), or call Sharon West at (800) 767-9243. Dealers who are current in their subscription with the company's AutoComply service should automatically receive the poster update once it is available.

The new notice states that employees have the right to

act together to improve wages and working conditions, to form, join and assist a union, to bargain collectively with their employer, and to refrain from any of these activities. It provides examples of unlawful employer and union conduct and instructs employees how to contact the NLRB with questions or complaints. Dealerships will be required to post the employee rights notice where other workplace notices are typically posted.

*Learn more: [www.nlr.gov/news/board-issues-final-rule-require-posting-nlra-rights](http://www.nlr.gov/news/board-issues-final-rule-require-posting-nlra-rights).*

## Basic safety rules booklet available for a special MADA member price

MADA recently provided dealers a complimentary copy of *Basic Safety Rules for Automobile Dealers*, which can be used to supplement safety training and new hire safety orientation needs. The booklet has been designed to meet OSHA's "language literacy level" standard, and while OSHA does not endorse or recommend any product, they have purchased

these books for their own use.

Many MADA members have already ordered additional copies. Dealers who are interested in ordering copies of the booklet are reminded that they are available for a special MADA price of \$1.50 per piece.

Please call MADA at (800) 292-1923 for more information.



## Fast Facts Sponsor



## Upcoming events

Ongoing • **educational programs**, go to [www.michiganada.org/events/webinars.htm](http://www.michiganada.org/events/webinars.htm)

Sept. 30 • **MADA board meeting**, Midland (held in conjunction with the Northwood auto show)

Dec. 7 • **MADA Annual Meeting & board meeting**, Grand Rapids

## NADA Pain Points - a simple resource for your dealership

MADA recently learned more about a great resource available from NADA; we encourage dealers to check it out. With NADA Pain Point videos, a one-page handout, and a 30 minute meeting with a couple of your key employees, dealers have a simple and efficient method to tackle a variety of complex business issues. NADA Pain Points are a great resource to begin growing the business, reducing expenses, and ensuring legal and regulatory compliance. Get started at [www.NADAuniversityblog.com](http://www.NADAuniversityblog.com).

**Pain Point** | → "Their service writers are arrogant and rude, particularly Jerry."

### Online gossip about your store getting ugly?

*Resolution: actively defend your reputation online*

What's the old saying about publicity? Even bad publicity is good, as long as you spell my name right. That may be true for the bad boys and girls of Hollywood fame and misfortune but that's not the kind of reputation that bodes well for long-term success in the car business. As this Pain Point video demonstrates, with today's communication tools available to any disgruntled consumer, it's important to defend your reputation online.

## Review contracts for automatic renewal clauses

As the year starts to come to an end, so too do many vendor's contracts. MADA would like to remind you to review all your vendor

contracts for automatic renewal clauses (sometimes referred to as negative option clauses). Often, vendor's contracts will automatically renew for another period if no notice of cancelation is given. This can leave your dealership with unwanted bills if the agreement is not properly terminated. To be adequately prepared, review the vendor's contracts and know if notice of renewal must be given (if not automatically renewed) or when notice of termination must be given.

If you have questions, contact MADA at (800) 292-1923.

## EPA extends deadline on dealership energy survey - Sept. 30

NADA has announced that the Environmental Protection Agency has extended until September 30 the deadline for dealers to complete a new survey on dealership energy use that could earn them national and local recognition. NADA is urging its members to complete the short survey, whose results will be used to produce a 1-to-100 ENERGY STAR performance scale, allowing dealerships to compare their energy use to other dealerships nationwide. Dealerships with energy performance scores of 75 or higher will be eligible for an ENERGY STAR

designation, receive national and local recognition through NADA's Energy Stewardship Initiative with the EPA and learn additional ways to reduce energy use.

Dealers can access the survey on MADA's home page at [www.michiganada.org](http://www.michiganada.org). It takes 30 minutes or less to fill out and must be completed and returned by Sept. 30. Responses will be kept strictly confidential. Please submit your completed survey via e-mail to [energystar@nada.org](mailto:energystar@nada.org) or via fax to (703) 883-9494.

## Do Not Call rate increase - Oct. 1

The FTC has announced updated fees starting on October 1, 2011, for telemarketers accessing phone numbers on the National Do Not Call Registry. All telemarketers making calls to consumers in the United States are required to download the numbers on the Do Not Call list to ensure they do not call

consumers who have registered their phone numbers. The first five area codes are free. Telemarketers will now pay \$56 (an increase of \$1) for access to Registry phone numbers in a single area code. *Learn more: [www.ftc.gov/opa/2011/08/telemarketing.shtm](http://www.ftc.gov/opa/2011/08/telemarketing.shtm).*



## Fast Facts Sponsor



## 21st annual Michigan Harvest Gathering

Secretary of State Ruth Johnson has asked Michigan residents to take part in the annual Harvest Gathering by dropping off nonperishable items at any Secretary of State branch office through Dec. 16. Learn more at [www.michigan.gov/sos](http://www.michigan.gov/sos) or [www.feedmichigan.org](http://www.feedmichigan.org).

in today's vehicles by automotive manufacturers in order to facilitate the ever-changing demands of the consumer. Environmentally beneficial vehicles synced with today's technology allow a user to once again experience the adventure of driving. The students of Northwood University invite you to join them in the evolution of the automobile as we drive *The Road to Innovation*. Learn more at [www.northwood.edu/autoshow](http://www.northwood.edu/autoshow).

## A free webinar for dealers considering building upgrades

In today's economy, construction transactions are more complicated than ever. As a result, it is important to understand the construction choices that will dramatically affect how you make informed business decisions for your dealership.

To help dealers stay informed, MADA will offer members a **free webinar on October 13, 2011 from 10:00 - 11:00 a.m.** (Time will be provided at the end for questions.)

Webinar speaker Bill Heifner has over 30 years experience in the construction industry with an expertise in the automotive industry. He will provide a unique view of

the construction process and better prepare dealers for dealership and service center image upgrades, brand consolidations, or even new building projects.

A handout with additional information is available at [www.michiganada.org](http://www.michiganada.org). If you would like to participate please e-mail your name and dealership name to Allison Harrison at [aharrison@michiganada.org](mailto:aharrison@michiganada.org). Prior to the webinar, we will follow up with an e-mail and registration link so you can participate in the program. If you have questions, please call Allison at (800) 292-1923.

## Northwood University auto show opens Sept. 30

The theme for the 2011 Northwood University International Auto Show (NUIAS), *The Road to Innovation*, focuses on the technology being incorporated

### Auto Show Schedule

Friday, Sept. 30 - 12 p.m. to 6 p.m.  
Saturday, Oct. 1 - 9 a.m. to 6 p.m.  
Sunday, Oct. 2 - 10 a.m. to 5 p.m.

### Location

Northwood University Campus  
4000 Whiting Drive, Midland

The MADA board meeting will also be held on the show's opening day at 10:00 a.m. in the Sloan Family Building for Aftermarket Studies. All dealers are invited. Those attending the board meeting are reminded to RSVP so we have an accurate meeting count. You may call Cindy Sadler at (800) 292-1923 or e-mail [csadler@michiganada.org](mailto:csadler@michiganada.org).

## MADSIF/CastleRock offers training on OSHA changes

OSHA/MIOSHA has issued final action on comprehensive changes to the Hazard Communication Standard (Right to Know). These changes have been years in the making and mark the first major changes to the law since 1985. OSHA has modified the current standard to align it with provisions of the Globally Harmonized System of classification and labeling of chemicals. MADSIF/CastleRock Risk Management Solutions is offering a seminar to help dealerships come into compliance with the changes. These changes will affect the format of Safety Data Sheets (SDS's), container labeling and require retraining of all employees.

Morning and afternoon sessions are available on the following dates:

- Nov. 2 (Gaylord)
- Nov. 3 (Birch Run)
- Nov. 8 (Lansing)
- Nov. 8 (Ypsilanti)
- Nov. 9 (Grand Rapids)
- Nov. 10 (Troy)
- Nov. 10 (Kalamazoo/Oshtemo)

For additional details please review the registration form at [www.michiganada.org/events/webinars.htm](http://www.michiganada.org/events/webinars.htm) or contact Leslie Drake with MADSIF at (866) 919-9578.



## Fast Facts Sponsor



## FTC workshop on dealer practices

The FTC's third and possibly final roundtable on dealer practices will take place Nov. 17 in D.C. as the agency considers using its streamlined rule-writing authority over dealer-assisted financing. At least one panelist will be from NADA, which has been invited to appear.

policy happen to receive a moving violation.

Under a state law that became effective December 31, 2010, motorists ticketed for offenses such as speeding, improper passing or disobeying a stop sign may qualify to have points from the citation kept from going on their driving record by

## Michigan revenue update, August 2011

The Michigan Senate Fiscal Agency recently released new state revenue numbers. Following are a few points from that report.

- Revenue from Michigan's General Fund and School Aid Fund earmarked taxes totaled \$1.66 billion in August, up 4.2% from last year's level. More than three-fourths of the growth in revenue reflects higher sales tax collections.
- Net income tax revenue totaled \$585.5 million in August 2011, compared with \$568.1 million in August 2010, a year-over-year increase of 3.1%. Withholding payments were up 1.9% from the year-ago level.

- Sales tax receipts totaled \$633.3 million in August, up 8.0% from a year ago, and year-to-date sales tax collections are 7.5% above last year's level.
- Motor vehicle sales tax collections totaled \$78.6 million for the month, down 0.1% from last year.
- Net Michigan Business Tax (MBT) revenue totaled \$63.5 million in August, down 7.7% from last year's level.
- Real estate transfer tax receipts were up 1.0% from the year-ago level in August, the first year-over-year increase since April.

## Basic Driver Improvement Course

Dealers should be aware of a relatively new state law that could help maintain your dealership insurance costs, should an employee on your

completing a Basic Driver Improvement Course (BDIC) and paying court fines and costs. (Only those who meet several restrictions will receive notification of eligibility to participate in the program from the Department of State.) Upon successful completion of the BDIC through an approved provider, the Secretary of State will not make the points or information from the ticket available to insurance companies.

For more information, go to [www.michigan.gov/sos](http://www.michigan.gov/sos). Choose the "Drivers License and State ID" tab then click "Basic Driver Improvement Course."

## MADA Annual Meeting is December 7 in Grand Rapids

As we lead up to our Annual Meeting in Grand Rapids, we will occasionally highlight attractions and activities you may enjoy in and around the city. Following are a few special exhibits that will be taking place during December.

### Frederik Meijer Gardens & Sculpture Park

**Exhibition of work by emerging sculptors** (Sept. 21 - Dec. 31). Selected from across the United States and around the world, artists working three-dimensionally and through installations, will be included in this first annual event.

**Holiday traditions around the world** (Nov. 22 - Jan. 8). The Gardens will be transformed into a world of winter magic with the glow of 300,000 lights, more than 40 captivating international trees and displays, strolling carolers, horse-drawn carriage rides and more surprises.

[www.meijergardens.org](http://www.meijergardens.org)

### Grand Rapids Public Museum

**Stories from the Civil War** (Through May 2012). Marking the 150<sup>th</sup> anniversary of the start of the Civil War, this exhibit will unveil uniforms, weapons, photographs, letters, and more from the Museum's vast collection.

[www.grmuseum.org](http://www.grmuseum.org)

### Gerald R. Ford Museum

**Ben Franklin, in search of a better world** (Sept. 2 - Jan. 8.) Learn more about the many sides of Ben Franklin and discover his impact on your world in this electrifying new exhibit.

[www.fordlibrarymuseum.gov](http://www.fordlibrarymuseum.gov)



## Fast Facts Sponsor



## Fast Facts Extra!

Please review the following two pages for an overview of tax issues specific to dealers in Michigan, prepared by Kurt Beck with Plante Moran.

## CVR inventory count: October 10

Dealers participating in the CVR program are reminded that the count and physical verification of inventory must be taken **Monday, October 10 prior to any transactions being processed for the day.** The state suggests the following method to verify and report inventory. (This should take about 15 minutes.)

- 1.) **Print a report** of your current available inventory from the CVR computer.
- 2.) Verify the report by a **physical check of the actual inventory** to ensure that each plate or tab/permit is present. Sealed boxes do not need to be opened, simply check the labeling on each package.
- 3.) If there are no discrepancies between the printed report and the physical verification,

**type the requested inventory numbers into the CVR computer:** beginning and ending numbers for plates and tabs and permits in inventory, as well as the total number of each (as shown on the available inventory report).

4.) **Submit** the report.

While dealers are given until Friday, October 14 to **submit** the report, the inventory must be counted and verified on October 10 prior to any new CVR transactions being processed.

*Dealers who do not submit the required information are in violation of their agreement with the Michigan Department of State and risk losing the ability to use the CVR program.* If you have questions, please contact your CVR account representative or CVR support at (800) 333-6995.

## Considering a new facility or renovation? Don't miss this webinar

Dealers are reminded that MADA is offering a free

Construction Services 101 webinar on Thursday, October 13.

This program is designed for any dealer considering a building construction project - regardless of whether or not you have prior experience with upgrades or new facilities.

Our speaker will be Bill Heifner, president of Reiner Construction. Mr. Heifner is a general contractor seasoned in dealership facility image programs from a wide range of

domestic and import manufacturers. He will provide important information about the many aspects of the design, budgeting and construction process. He will also offer valuable insight on how to get the best value for your money while minimizing the risk involved.

Please call Allison Harrison at (800) 292-1923 or e-mail [aharrison@michiganada.org](mailto:aharrison@michiganada.org) if you have questions or would like to register for this webinar.

## Educational workshops and webinars this month

MADA continues to list upcoming training programs at [www.michiganada.org/events/webinars.htm](http://www.michiganada.org/events/webinars.htm). There are currently more than a dozen programs listed. Following are just a few:

- MarketINSIGHT: Dealership Valuation and Succession Strategies - Oct. 12 (NADA U) *free*  
*Get information on gift and estate tax law changes, including legislative updates through September 2011.*
- OSHA/EPA/DOT Minimum Program and Training Requirements for Dealerships - Oct. 13 (KPA) *free*  
*Learn about illness and injury prevention programs, environmental documentation, forklift safety programs, respirator protection programs, hazard communication, etc.*

- Protecting Your Dealership from Hackers & Cyber-Thieves - Oct. 13 (DealersEdge) \$  
*Learn why system security at most dealerships makes them a prime target for hackers and learn the prime areas in which your dealership is vulnerable.*
- Week-long seminars from NADA (on site in McLean, VA) \$
  - » General Manager Power Pack - Oct. 24 - 28: *Learn how to lead the business with a department-by-department focus on key performance indicators and profit-building ideas.*
  - » Advanced Service Mgmt Seminar - Oct. 31 - Nov. 4: *This is a hands-on, working session using your dealership's information to learn, plan, and act.*



## **MICHIGAN AUTOMOBILE DEALERS ASSOCIATION**

P.O. Box 2525 • East Lansing, Michigan 48826-2525 • (517) 351-7800 • (800) 292-1923 • (517) 351-3120 fax

# **Fast Facts Extra!**

*October 7, 2011*

### ***RE: Overview of tax issues specific to Michigan dealers***

*During our recent MADA board meeting on September 30, 2011 we invited Kurt Beck with Plante Moran to speak about year-end tax issues currently affecting dealers. The board found the information very interesting and informative and asked that MADA distribute an overview of the presentation to all members. The following is a summary of some of the items Kurt Beck discussed at the MADA Board Meeting.*

---

On May 26, 2011, Governor Rick Snyder signed House Bill 4361 and House Bill 4362, which enact the Corporate Income Tax ("CIT"), replacing the Michigan Business Tax and considerably altering Michigan's business tax system. The Michigan Business Tax will be effectively repealed December 31, 2011 with the CIT becoming effective January 1, 2012. This means that S corporations and other flowthrough entities will no longer be subject to a direct Michigan business income tax effective January 1, 2012.

Please consider the following planning strategies for 2011 in order to minimize the Michigan Business Tax effect on your business in its final year.

- Accelerate Fixed Asset Purchases located in Michigan: If your Company is considering purchasing capital assets in 2012, it may be beneficial to accelerate these purchases before the end of 2011. Advantageous for federal income tax purposes due to increased section 179 limits and 100% bonus depreciation available for 2011.
- Think strategically about any potential fixed asset dispositions that may be planned for the future. Recognize that any sale that occurs in 2011 will be subject to both the gross receipts and the income tax under the current Michigan Business Tax. Delaying disposals until 2012 may result in tax savings.
- Accelerate New Vehicle Purchases: A nonrefundable credit of .25% of expenditures for new motor dealer vehicle inventory. If your Company is planning to increase its inventory levels, it may be advantageous to do so prior to December 31, 2011. Consider the effect on LIFO, if applicable, for federal income tax purposes
- With the imposition of the CIT, many C Corporations may wish to explore the benefits of electing S Corporation status. Although the election to be taxed as an S Corporation avoids the Michigan CIT, there are other factors to consider before making the change.
  - LIFO recapture tax
  - Certain shareholder limitations
  - More than one class of stock outstanding
  - Elimination of double taxation
  - Reasonable shareholder compensation
  - Effect of Health Care Tax Act

There are many planning strategies to consider when determining how best to minimize your Michigan Business Tax liability in its final year. Please contact Plante Moran or your tax advisor to discuss how to achieve this goal.

## Federal Issues

Federal income tax rates are currently not slated to change between 2011 and 2012. In most cases this will mean that you can proceed with a federal tax strategy of deferring (delaying) income when possible, and accelerating deductions when possible. Make certain that you are taking advantage of the current 15% tax rates on dividends and capital gains, as well as the favorable bonus depreciation and section 179 expensing available on fixed asset acquisitions made during the current year.

The IRS did issue guidance in 2010 related to inventory capitalization rules (Section 263a) that we recommended you adopt when filing your 2010 dealership tax return. If you did not make these elections with your 2010 tax return, we recommend that you look closely at this for your 2011 tax return.

2011 and 2012 offer a tremendous opportunity for estate planning for all individuals. There is a \$5,000,000 lifetime exemption available to all individuals. The maximum allowed gifting during your lifetime has also increased to \$5,000,000. These higher limits are currently scheduled to drop back to \$1,000,000 in 2013. With depressed market values and low interest rates, now is a great time to be looking at your estate planning strategies to take advantage of these rules before they expire.

For more information, please contact MADA at (800) 292-1923 or call Kurt Beck at (517) 336-7492.

*Kurt Beck is a tax partner with Plante Moran. His practice focuses on helping automobile dealers with tax planning, tax structuring and building financial independence.*

*Kurt L. Beck, CPA  
Plante Moran, PLLC  
11111 Michigan Avenue  
East Lansing, MI 48823*



## Fast Facts Sponsor



## Construction webinar rescheduled for Oct. 19

Thank you to the many dealers and employees who signed up for the Construction Services 101 webinar. As we previously notified you, the webinar has been rescheduled for Oct. 19, due to illness of the presenter. We apologize for any inconvenience this may have caused, but are pleased that Mr. Heifner is now out of the hospital and recovering. We look forward to the upcoming program.

Those who would still like to register can call MADA at (800) 292-1923.

## MADA offers a workshop to help you use Google to its full potential

Google has quickly become the primary method for many people to search for information - including automotive research and vehicle purchase options and details. What you may not know is how much is going on behind the screen - and what's happening there can be a great benefit to you and your business if you know how to use it.

To help dealers navigate the online environment and learn new ways to connect with consumers, MADA is very excited to bring you a free workshop detailing the changing consumer landscape

for auto dealers, as seen through the lens of the Google Automotive Team. Time will be provided for dealer questions.

### Google 101: How to Reach Online Shoppers

Wednesday, November 9, 2011

10:00 a.m. - 1:00 p.m.

MADA Red Room, East Lansing

*(Please note: seating is limited.)*

Following is a registration form. Questions can be directed to Allison Harrison at (800) 292-1923 or [aharrison@michiganada.org](mailto:aharrison@michiganada.org).

## FBI has been made aware of fraudulent calls

MADA has been contacted by a member in the Ann Arbor area regarding a call received from a person claiming to be with FBI Internet Security. The dealer was not available so the caller spoke to an employee and stated that a particular person within the dealership had embezzled a very large sum of money through an online scam. The FBI was now involved and required repayment of the funds by the dealership or the business would be shut down. The employee was asked for dealership financial information to pay fines, but refused to provide any information. The employee was then provided the caller's phone, badge and case numbers and instructed that the

dealer principal must return the call the following day.

The dealer then contacted the local FBI office to question the issue and was informed it was a scam that had also been attempted at another local business. The dealer returned the call to the fraudulent FBI contact and passed all information learned through that call to the local FBI office, which is investigating the scam.

Dealers are reminded to do just as this dealer did and question issues that don't seem quite right. In this case, looking up the local FBI number in the phone book and calling directly confirmed that the first call from the "FBI" was fraudulent.

## MADA announces Time and Northwood dealer award nominees

The MADA winners of the Time Magazine Dealer of the Year and Northwood University Dealer Education awards were confirmed at the recent MADA board meeting. We would like to congratulate our **Time award winner, Mr. Randy Wise**, and our **Northwood award winner, Mr. Dan DeVos**!

Mr. Wise is president of the Randy Wise Automotive Group of dealerships in the greater Flint area. He is a current director-at-large on the MADA board and has been an active and involved member of his local Flint association, as well as various dealer councils. One of the many ways he supports his community is through the title sponsorship of The Randy Wise Junior Open,

a national tournament that supports Flint Junior Golf.

Mr. DeVos is the president/CEO of Fox Motors and Fox Powersports, representing 40 brands at 21 Michigan locations. His civic involvement and support of educational programs is far-reaching and diverse. It includes participation and support of organizations such as the Hope Network & Hope Network Foundation, West Michigan Sports Commission, Northwood University, Grand Valley State and Northern Michigan universities, as well as many others.

Congratulations to our winners and thank you to the MADA members who nominated a deserving dealer this year.



# Google 101: How to Reach Online Shoppers

Wednesday, November 9, 2011 ■ 10:00 a.m. - 1:00 p.m. ■ MADA Red Room, East Lansing

A free workshop from the Michigan Automobile Dealers Association

Find out how to use Google to better understand online shoppers, improve the customer experience and increase sales!

In the more than two decades since the advent of the World Wide Web, the vehicle shopping landscape has changed drastically. Dealers need more than an attractive store, friendly salespeople and a great promotion to get most buyers in the door. Dealers also need an impressive online presence and an effective way to communicate electronically with consumers.

As you know, Google has quickly become the primary method for many people to search for information - including automotive research and vehicle purchase options and details. However, what you may not know is what goes on behind the screen - and what's happening there can be a great benefit to you and your business if you know how to use it. To help dealers navigate the online environment and learn new ways to connect with consumers, we are very excited to bring you the changing consumer landscape for auto dealers, as seen through the lens of the Google Automotive Team.

This workshop will focus on providing industry insight, market research, trends and more to inform dealers how to best leverage Google tools in selling. Time will also be provided for dealer questions. Workshop topics will include:

- The digital revolution and consumer 2.0
- The new buying cycle and 'Zero Moment of Truth' for auto shoppers
- How the web and search fit into this buying cycle; how consumers utilize online sources in auto purchases
- How dealers have begun to respond and where they need to go next
- The Google solution for reaching/closing these new consumers and customers
- Google Paid Search, Google Display Network, YouTube and Mobile products
- Integration of other Google products, particularly Google Places, into your overall online strategy.
- Mobile landing page building tools

**About the speakers:** Scott Wedemeyer has been with Google for four years. He helps clients establish their online advertising strategy and has supported automotive companies for three years, focusing on dealerships and third party automotive websites. Patrick Cochrane has been with Google's New Business Acquisitions team for 2.5 years focusing on initial strategy and implementation.

**Dealers and management staff who would like to attend are asked to reply by November 1, 2011.** Fill out the information below and fax this form to (517) 351-3120 *OR* E-mail the requested information to aharrison@michiganada.org.

*Seating is limited so please register soon to guarantee your spot.*

**FREE! Google 101: How to Reach Online Shoppers**  
**November 9, 2011 ■ 10:00 a.m. ■ MADA in East Lansing**

Participant information (Please print)

Dealership:

Full name and e-mail address:

MICHIGAN AUTOMOBILE DEALERS ASSOCIATION



1500 Kendale Blvd. •  
P.O. Box 2525 •  
East Lansing, MI 48826-2525 •  
(800) 292-1923, phone •  
(517) 351-3120, fax •  
www.michiganada.org •



## Fast Facts Sponsor



## Upcoming events

Ongoing • **educational programs**, go to [www.michiganada.org/events/webinars.htm](http://www.michiganada.org/events/webinars.htm)

Nov. 9 • **FREE workshop, Google 101: How to Reach Online Shoppers**, East Lansing

Dec. 7 • **MADA Annual Meeting & board meeting**, Grand Rapids

Feb 3-6, 2012 • **NADA/ATD Convention**, Las Vegas, Nevada

## Dealer license and MADA membership renewals

**Dealer license and plate renewal.** Dealers who have returned their State of Michigan dealer license and plate renewal application are encouraged to check their renewal status online. For quick access to the state's licensed dealerships database and instructions for using the search form, please go to MADA's website at [www.michiganada.org](http://www.michiganada.org) and click the link included within the *Dealer license and plate renewals* bullet.

**As a reminder to those who have yet to return their renewal, the State of Michigan requests that renewal applications be completed and returned by November 1.** MADA encourages dealers to send renewals to our office for review and personal delivery to the State of Michigan.

**MADA membership renewals.** We would like to thank our dealers for their membership throughout the year. Your support of our association and participation in the various product and service programs available through MADA associate members makes it possible to provide many valuable dealer benefits.

Most dealers should have received their 2012 MADA renewal application in the mail this week. We look forward to continuing to work with you and, as always, we welcome your comments, questions or suggestions.

If you have questions about renewals, please contact Jean Quinn at (800) 292-1923 or [jquinn@michiganada.org](mailto:jquinn@michiganada.org).

### **NADA Pain Points**

View a 2-minute video, download a meeting guide and be on your way toward increased profits in your service department.

**Dollars and Cents of Nuts and Bolts.** A highly profitable service department saved more than a few dealers during the economic downturn. Once considered the back end of the business, it's now the backbone of a dealership. Two signs of a successful service department are busy techs and a steady stream of vehicles into your service drive. But just as important as increasing service revenue is keeping a lid on expenses. View the video at [www.nadauniversityblog.com](http://www.nadauniversityblog.com) for several ways to do just that.

## Using Google to better understand online shoppers • Nov. 9 workshop

MADA invites dealers and their staff to attend a free workshop that will provide the tools needed to better understand online shoppers and more effectively communicate with them.

Shoppers today look to the Internet for just about everything - and vehicle pricing and research is no different. Many of your potential customers are first going to the Internet to find out more about the makes and models they are interested in. They research available colors and options, and they have the resources right in front of them to find out what the cost is. With so much information available before a customer even reaches your showroom, you need the ability to communicate with these potential customers online. Having some background knowledge of individual shoppers is a definite plus. This is where it helps to understand how Google can work for you.

Some of the topics the Google Automotive Team experts will

address during this workshop include:

- The digital revolution and consumer 2.0
- How the web and search fit into the new buying cycle; how consumers utilize online sources in auto purchases
- The Google solution for reaching/closing these new consumers and customers
- Integration of Google product such as Google Paid Search, Google Display Network, YouTube, mobile products and Google Places into your overall online strategy.

This workshop, held at the MADA office on November 9, is free to MADA members and staff. A handout with more information is available online at [www.michiganada.org](http://www.michiganada.org). You may also contact Allison Harrison at (800) 292-1923 or [aharrison@michiganada.org](mailto:aharrison@michiganada.org).

**Seating is limited!**



## Fast Facts Sponsor



## Upcoming events

Ongoing • **educational programs**, go to [www.michiganada.org/events/webinars.htm](http://www.michiganada.org/events/webinars.htm)

Nov. 9 • **FREE workshop, Google 101: How to Reach Online Shoppers**, East Lansing

Dec. 7 • **MADA Annual Meeting & board meeting**, Grand Rapids

Feb 3-6, 2012 • **NADA/ATD Convention**, Las Vegas, Nevada

*Reminder: Free Google workshop registration deadline is Nov. 1. Call Allison Harrison at (800) 292-1923 for details.*

## Annual Meeting speaker highlight: Dale Pollak

Dale Pollak is the founder of vAuto and one of the leading authorities on automotive dealership management strategies. He draws from 13 years experience as a dealer principal and more than a decade as a high-technology executive serving the automotive retail industry. He provides profound insight into the everyday challenges faced by today's principals and managers.

In addition to his regular contributions to auto industry publications like *Dealer Magazine*, Pollak is the author of *Velocity: From the Front Line to the Bottom Line* and *Velocity 2.0: Paint, Pixels & Profitability*. These books serve as guides for the used car department and compile Pollak's more than 20 years of observations, best practices and strategies.

Pollak was awarded the 2010 Ernst & Young Entrepreneur Of The Year® award for Emerging

Companies in the Midwest Region. In 2009 and 2010, vAuto was named to the Inc. 500 list as one of the nation's fastest-growing, privately held companies in America. vAuto also ranked as the 17th fastest growing company in North America on Deloitte's 2010 Technology Fast 500. In February of 2011, Pollak was inducted into the Chicago Area Entrepreneurship Hall of Fame.

Mr. Pollak will be one of the afternoon speakers during the MADA Annual Meeting on December 7 (held at the Amway Grand Plaza in Grand Rapids). Please register for the event online or download a form at [www.michiganada.org](http://www.michiganada.org). Dealers may also register by phone by calling Cindy Sadler at (800) 292-1923.

*Please note: room reservations at the Amway Grand are required by Nov. 3!*

## Training programs on OSHA "Right to Know" changes begin Nov. 2

Dealers are reminded that MADSIF will offer training

programs throughout Michigan to help dealerships comply with recent OSHA changes related to the Hazard Communication Standard (Right to Know). OSHA has modified the current standard to align it with provisions of the Globally Harmonized System of classification and labeling of chemicals. Changes

will affect the format of Safety Data Sheets (SDS's), container labeling and require retraining of all employees.

For information about the training programs please review the registration form at [www.michiganada.org/events/webinars.htm](http://www.michiganada.org/events/webinars.htm) or contact Leslie Drake with MADSIF at (866) 919-9578.

## Online, no-wait Secretary of State makes its debut

On October 19, Secretary of State Ruth Johnson unveiled ExpressSOS.com, the newly expanded online destination for Secretary of State services. Some of the department's most popular services are now just a click away:

- Renew or replace standard driver's license or ID card
- Renew license plates/tabs
- Submit a change of address
- Obtain a replacement vehicle title or registration

The site also allows residents to print valid Secretary of State documents right from the Web, such as vehicle registrations and temporary operator's permits. Wait times and lines in branch offices are expected to be shorter as more and more people utilize the online services.

Check out the expanded menu of online Secretary of State services at [www.ExpressSOS.com](http://www.ExpressSOS.com).

# Friday Fast Facts

November 4, 2011 • Vol. 14, No. 44 • Page 1



## Fast Facts Sponsor



## Secretary of State reminders

**Nov. 8** - Residents are encouraged to vote on Tuesday, Nov. 8. Visit [www.Michigan.gov/elections](http://www.Michigan.gov/elections) for more information.

**Nov. 11** - All branch offices will be closed on Friday, Nov. 11 in observance of Veterans Day.

**Reminder! Google 101: How to Reach Online Shoppers.** There are a very limited number of seats remaining for the Nov. 9 Google workshop at the MADA office in East Lansing. This program is for dealers or staff who would like to learn more about Google and how it can help you be "found" by consumers. The workshop will also offer information to help you more effectively contact and communicate with potential customers. Please call Allison Harrison at (800) 292-1923 with questions or to register.

## Annual Meeting speaker highlight: Paul Mac Donald

Mr. Mac Donald has been in the automobile business since he began working at his grandfather's Detroit Chevrolet dealership in 1972. He later purchased his own Chevrolet dealership in Hays, Kansas.

In 1999, Mr. Mac Donald formed TriMac Automotive Advisory Group. With over 35 years of automobile retail experience, TriMac Automotive assists dealers with every phase of operations, including DMS options and technology for your business. Mr. Mac Donald and his family also own and operate Bountiful Mazda in Utah.

In addition to his dealership experience, Mr. Mac Donald has served on the NADA Small Dealer Task Force as well as the Information

Technology Task Force. He was the first Chairman of the NADA Information Technology Committee and was one of the author's on the NADA Management Education Guides "*Resolving the Year 2000 Problem*" and "*Contingency Planning for the Year 2000 Problem*." Mr. Mac Donald consults with dealers throughout the nation and has presented at multiple NADA and state workshops on technology and computer information.

He will be the 11:00 a.m. speaker at this year's Annual Meeting, held December 7 in Grand Rapids. Dealers may call Cindy Sadler at (800) 292-1923 to register. More information is also available at [www.michiganada.org](http://www.michiganada.org).

## — The 2011 Annual Meeting is quickly approaching on Wednesday, December 7! — — — —

The speakers attending the 2011 Annual Meeting are scheduled specifically to discuss some of the issues dealers have been asking about this past year.

- Learn about **new DMS options** and **technological advancements** in the auto industry and help your business stay up to date and operate as efficiently as possible.
- If you have questions about **financing/credit** issues such as floorplanning, financing expansions/remodels or other financial and credit issues, this year's event will provide a great opportunity to ask your questions to a panel of three national banking organizations.
- Hear from one of the leading authorities on automotive **dealership management** strategies and learn how to maximize profits from your vehicle operations.

*Find out more about the event and speakers online at [www.michiganada.org](http://www.michiganada.org).*

Final reminder! **Dealers and guests who will be needing a room** following the Annual Meeting on Wednesday, December 7 **have until 4:00 p.m. today (Nov. 4) to request a room.** The Amway has graciously agreed to hold our block of rooms through today. Please note that a very limited number of rooms remain. (All rooms for Tuesday night are already booked.) Please contact Cindy Sadler at (800) 292-1923 with questions.



## Fast Facts Sponsor



## Maintaining OFIR records on location

Do you have more than one installment seller license? If so, OFIR reminds you that records for each store must be housed within the licensed location.

Exceptions may be granted if the state receives a written request for records to be stored in an alternate location. If you have questions, please contact Jean Quinn.

## Annual Meeting highlight: financial panel

Today's dealers are working hard to balance their financial future, while also considering floorplanning options, building upgrades, and many other financial issues. This year's Annual Meeting will provide an opportunity to hear from and speak with three experts who work in the dealership financing industry. Our panel will discuss the past, present and future of the financial industry and offer an overall picture, as well as a specific dealer perspective. Dealers will have ample time to ask follow-up questions about credit and financing. The panel will feature:

**James A. Kucharski, Ally Financial.** Mr. Kucharski is vice president of Alliance Sales for Ally Financial Inc. In this capacity, he oversees the company's relationship with several OEMs, including General Motors, Suzuki and Saab, along with the special financing needs of electric vehicles. He joined GMAC in 1976 as a field representative in Chicago.

**Scott Stran, Bank of America.** Mr. Stran is a senior credit products officer with 18 years automotive financing experience, serving dealer clients in the Indiana, Illinois, Michigan, New York and Ohio markets. Prior to Bank of America, Mr. Stran worked for Ford Motor Credit Company managing major account relationships and a commercial portfolio in excess of \$5 billion.

**Donald Skipworth, Chase Financial.** Mr. Skipworth is a district manager with Chase Auto Finance, managing bankers in Troy, Grand Blanc and Grand Rapids. Since 1999, he has been responsible for Chase Auto Finance's direct relationships with franchised new vehicle dealerships for the state of Michigan. He joined National Bank of Detroit, a predecessor of JP Morgan Chase, in 1985 in the credit department.

## Tax limits for 2012 - provided by Freedom One Financial Group

as they relate to qualified retirement plans. It is important to stay updated with these limits to ensure that your 401(k), profit sharing, or other types of retirement plans are adhering to the IRS requirements. Many payroll systems can be automatically programmed with the annual maximum 401(k) limits for your convenience. If your payroll system allows for this programming,

Each year the IRS releases the cost-of-living dollar limits

please review the 2012 limits to ensure compliance. **Please note:** The Highly Compensated Limit (HCE) of \$115,000 for 2012 is used to determine the HCE status in 2013. An HCE in 2012 is determined by using the 2011 compensation total of \$110,000.

For more information please visit Freedom One's website at [www.freedomonefinancial.com](http://www.freedomonefinancial.com).

Limits	2011	2012
<b>401(k) Pre-Tax Contribution Limit.</b> The maximum amount your employees can defer pre-tax in 401(k) contributions.	\$16,500	\$17,000
<b>Annual Compensation Limit.</b> The maximum compensation that can be counted for all compliance testing and contribution allocation purposes.	\$245,000	\$250,000
<b>Highly Compensated Employee Limit.</b> The threshold limit for defining who is a highly compensated employee as defined by IRS regulations.	\$110,000	\$115,000
<b>Catch-Up Contributions.</b> The maximum additional contribution that employees age 50 and over may contribute after reaching the 401(k) annual contribution limit.	\$5,500	\$5,500



## Fast Facts Sponsor



## Thanksgiving holiday hours

Secretary of State Ruth Johnson reminds residents that all branch offices and the Office of the Great Seal will be closed in observance of the Thanksgiving holiday. Offices will be closed on Thursday, Nov. 24, Friday, Nov. 25, and SUPER!Centers will be closed on Saturday, Nov. 26.

The MADA office will be closed Thursday, Nov. 24 and Friday, Nov. 25.

## Michigan revenue update, October 2011

The Michigan Senate Fiscal Agency recently released new state revenue numbers. Following are a few points from that report.

- Revenue from Michigan's General Fund and School Aid Fund earmarked taxes totaled \$2.7 billion in October, up 5.1% from last year's level. On a year-to-date basis, General Fund collections are \$204.5 million higher, and School Aid Fund collections \$266.9 million higher, than expected based on the May 2011 consensus revenue estimates.
- Net income tax revenue totaled \$632.6 million in October 2011, a 13.0% increase over last year's level that reflects calendar factors that boosted withholding receipts.
- Sales tax receipts also were boosted by calendar factors and totaled \$570.2 million in October, up 17.7% from the year-ago level. Year to date, sales tax collections are 8.7% above last year's level and are \$274.3 million above the May consensus estimates.
- Motor vehicle sales tax totaled \$65.9 million in October 2011, an increase of 0.8% from last year. The FY total was \$810.9 million, down 0.2% from the year ago level.
- Michigan Business Tax revenue totaled \$316.9 million in October, a 29.6% increase from last year's level. Comparing year-to-date MBT revenue with the previous year does not currently provide meaningful information due to refunds issued in November 2010.
- Real estate transfer tax receipts were 46.0% above the year-ago level, but are still down 3.2% on a year-to-date basis.
- State Education Property Tax revenue was down 4.4% from October 2010, but is down only 1.2% on a year-to-date basis. Despite the declines in State Education Property Tax revenue, year-to-date collections are \$62.5 above the May consensus estimates.

## 2012 Fuel Economy Guide - now available

The EPA has posted a printable version of the newest *Fuel Economy Guide*

online at <http://www.fueleconomy.gov/feg/dealers.shtml>. This guide provides consumers important information about estimated fuel costs and mileage standards for model year 2012 vehicles. A message to automobile dealers from the EPA is also provided on this page.

As a reminder, EPA regulations require automobile dealers to prominently display the *EPA/DOE Fuel Economy Guide* booklets at each location where new automobiles are offered for sale and to make them available to the public at no charge (40 CFR 600.405-08 and 600.407-08). The regulations ensure that prospective customers have ready access to fuel economy information for current model year vehicles.

## New associate member

MADA members have access to many valuable products and services through various companies specializing in auto dealerships. Following is information about our newest member. Please take a few moments to learn more about what they offer and contact the company directly, or call MADA's Larry Parker at (800) 292-1923 for further information.

### • McDonald Modular Solutions Inc.

Bill Duffield, Vice President, Phone (248) 356-0366  
E-mail [bduffield@mcdonaldmodular.com](mailto:bduffield@mcdonaldmodular.com)

*McDonald Modular Solutions offers rental and sales of mobile offices and small buildings.*

Michigan Automobile Dealers Association's  
**Friday Fast Facts**

December 2, 2011 • Vol. 14, No. 47 • Page 1



**Fast Facts Sponsor**



dealer notice. (This notice will also be placed in dealer boxes at Secretary of State branch offices and e-mailed to dealers.)

*With input from law enforcement agencies, the Department has identified certain practices associated with fraudulent title transactions, including the use of the Department's Appointment of Agent form (form TR-128).*

*Effective immediately, if an individual purchasing a vehicle from your dealership is not available to sign the RD-108 and completes an Appointment of Agent form to have an agent sign the RD-108 on their behalf, the purchaser must provide a photocopy of their valid Michigan driver license or state ID card. The photocopy is submitted with the RD-108 title application along with the Appointment of Agent form. This change applies to both RD-108 title applications and TR-11L title applications.*

*A photocopy of an out-of-state driver license or state ID card can be accepted for nonresident purchasers. A photocopy is not required when the purchaser is not an individual (company, corporation, government agency, nonprofit agency, etc.).*

**Change in TR-128 Appointment of Agent form and procedures**

*The TR-128 Appointment of Agent form has been updated on the Department's website to include the following note just above the owner's signature:*

**NOTE: Owner must provide a photocopy of their valid driver license or state ID card to the agent listed above.**

A copy of the revised Appointment of Agent form with this change is available at [www.michigan.gov/sos](http://www.michigan.gov/sos) as a fillable PDF file (search using "TR-128"). For quick access, a link to the form has also been temporarily posted on the MADA home page at [www.michiganada.org](http://www.michiganada.org).

Special note: while the change in process is effective immediately for all new transactions, the SOS will review transactions in progress or underway before the implementation of this new procedure.

This new requirement was made to help reduce fraud and alleviate some of the problems dealers have with fraudulent ownership and title documents.

On a related note, dealers are reminded that it is good practice to also verify the ID of the appointed agent. If you have questions about any of these issues, please contact MADA at (800) 292-1923.

**MADA Annual Meeting: final reminders**

**Wednesday, December 7 ~ Amway Grand Plaza Hotel, Grand Rapids**

We look forward to visiting with many members and guests at the MADA Annual Meeting on December 7. Following are a few helpful reminders.

- Business attire is suggested throughout the day.
- The MADA registration desk is located in the Pantlind Lobby. Attendees can check in anytime after 10:30 a.m.
- The event will begin at 11:00 a.m. with a presentation from Paul Mac Donald.
- We will conclude with a networking reception at 5:00 p.m.

- **Please remember that pre-registration is required.**
- If you have questions about the event please call Cindy Sadler at (800) 292-1923.

**Amway Grand Plaza Address**

The Amway Grand Plaza is located at 187 Monroe Avenue NW in Grand Rapids. The hotel is within easy access of both US-131 and I-196.

Michigan Automobile Dealers Association's  
**Friday Fast Facts**

December 9, 2011 • Vol. 14, No. 48 • Page 1



**Fast Facts Sponsor**



Our day started with a presentation from **Mr. Paul MacDonald**. He provided a wealth of information about DMS programs and "cloud" resources and offered some information to help dealers navigate the many options and find the best solution for their needs.

**Mr. Scott Stran** with Bank of America, **Mr. Donald Skipworth** with Chase Auto Finance and **Mr. James Kucharski** with Ally Financial joined us for a very informative financial panel. They provided honest answers about many dealer financing and credit questions.

Our presentations concluded with **Mr. Dale Pollak**, who discussed strategy and culture shifts for profitable used car operations. He also provided insight into transforming dealership sales processes to maximize per unit gross and drive bottom line results.

**2012 MADA officers.** During the board meeting portion of the event, MADA first vice president Wes Lutz, announced the nominating committee's slate of officers for 2012. **Mr. Wes Lutz**, president of Extreme Dodge Chrysler Jeep in Jackson will be our new president. First vice president and treasurer will be **Mr. Doug Fox**, owner of Ann Arbor Automotive.

**Thank you attendees, sponsors and speakers**

We would like to thank the dealers, sponsors and guests who attended the MADA Annual Meeting this week. We know you have busy schedules and we appreciate your willingness to join us.

**Annual Meeting Sponsors**

Thank you for your continued support!

**Diamond:**

Blue Cross Blue Shield of Michigan & Blue Care Network  
Gadaletto Ramsby & Associates | Protective | Zurich

**Platinum:**

Auto Dealers Accessory Corp | MADSIF | CVR  
Governmental Consultant Services Inc AutoTrader.com

**Silver:**

Dealers Resources Inc | Bank of America  
Enterprise Rent-A-Car | vAuto  
Freedom One Financial Services

**Bronze:**

ADP Dealer Services | American Fidelity Assurance Co.  
Auto Dealers Risk Solutions Insurance Agency  
DealerTrack | Federated Insurance Co.  
Flint Auto Auction | Fraser Trebilcock Davis & Dunlap  
InvestWise Financial | Loftus & Associates  
UHY Advisors MI

We are very pleased to have **Mr. Randy Wise** join our executive committee as the 2012 second vice president. He is the owner of the Randy Wise group of dealerships in the Flint area.

We truly appreciate the commitment and participation of our executive committee, as well as all our MADA, ADA and ADM board members. Thank you.

**Car shuttlers and the Michigan unemployment tax**

Following is an excerpt of an article prepared by Edward Castellani J.D., C.P.A. of Fraser Trebilcock.

Dealers frequently use car shuttlers to deliver vehicles to a customer, auction, or another dealer. Dealers have historically treated the car shuttlers as independent contractors and have not paid Michigan Unemployment Tax on their compensation. The Michigan Employment Security Commission (MESC) has instructed its auditors to treat car shuttlers as employees, and compensation to them as wages subject to the Michigan Unemployment Tax. However, the MESC has acknowledged that although the MESC policy is that car shuttlers are employees, a car shuttler may nevertheless qualify as an independent contractor. In making its determination, the MESC will look at all of the facts and circumstances of each case to determine

whether a car shuttler is an employee or an independent contractor. In two cases, auto dealer car shuttlers were determined by the MESC to be independent contractors and not employees.

Dealers should familiarize themselves with the criteria that will increase the likelihood that car shuttlers will be treated as independent contractors for MESC purposes, and select car shuttlers that meet these criteria. (Please visit [www.michiganada.org](http://www.michiganada.org) for the full article and criteria.)

**Note from MADA:** This is an important and timely topic and dealers are encouraged to read the full article for more information about the factors the MESC found to be important in their determination.



## Fast Facts Sponsor



## Holiday closings

Secretary of State Johnson reminds residents that branch offices will be closed in observance of the Christmas and New Year's holidays. The closures are:

- Friday, Dec. 23, and Monday, Dec. 26. SUPER!Centers will be closed on Dec. 24.
- Friday, Dec. 30, and Monday, Jan. 2. SUPER!Centers will be closed on Dec. 31.

The MADA office will be closed Dec. 23, Dec. 26 and Jan. 2.

## Change to self-certification of vehicle ownership procedure

The State of Michigan has notified dealers, branch offices and CVR about a change in procedures related to the self-certification of vehicle ownership procedure (applies to vehicles worth

less than \$2,500). This change may affect some dealers and the state has asked us to help pass along the following information:

Effective immediately, the following changes are made to the self-certification of ownership procedure (use of the TR-205 Ownership Certification form for vehicles 6 or more years old/value \$2,500 or less):

### Eligibility

The procedure is limited as a last resort

- The procedure is limited as a last resort

- There must be a MI title record on system (or a title record found on microfilm). The self-certification procedure cannot be used for out-of-state vehicles or out-of-state titled watercraft. An out-of-state title (or surety bond) is required.

### Processing Applications

#### Dealers

Dealers may only use the self-certification requirement to replace a lost Michigan title. If the dealer loses an assigned out-of-state title, the dealer must obtain a replacement title from the previous owner.

Dealers must submit the following in addition to the RD-108 resale title application and TR-205 Ownership Certification:

- A copy of the page from their paper or electronic police book indicating how and when the vehicle was acquired for their inventory. [Examples of police book pages in both an electronic and a paper format are available at [www.michiganada.org](http://www.michiganada.org).]
- A BDVR-108 Odometer Mileage Statement completed by the dealer unless the vehicle is over 10 model years old.
- Copies of the front and back copy of the lost Michigan title.
- Purchase documents such as an auction receipt or a bill of sale confirming the vehicle is worth less than \$2,500 and qualifies for self certification, or, for a trade-in vehicle, a printed page from an on-line appraisal service (Kelly Blue Book, Edmunds, N.A.D.A. Guides, etc.).

If a dealer loses an assigned Michigan title for a vehicle that does not qualify for self-certification, the dealer must obtain either a surety bond or a replacement title from the previous owner.

This new procedure was created to alleviate fraudulent registration of titles and ownership. Please let MADA know if you have any difficulty with this process. If you have questions, please call (800) 292-1923.

when a vehicle title has been lost, destroyed, or stolen and the purchaser is unable to contact the previous owner for a duplicate title. Using the procedure as a customer convenience is not acceptable. In these cases, advise the purchaser they have two options:

- 1) have the seller obtain a duplicate title, or
- 2) both the seller and purchaser appear at the branch and process a duplicate/transfer transaction. The dealer would apply for a resale title in the dealership name.

## Please check the status of your license renewal

Dealers are encouraged to check their dealer and plate renewal status online. For quick access to the state's licensed dealerships database, please go to MADA's website at [www.michiganada.org](http://www.michiganada.org) and click the link included within the *Dealer license and plate renewals* bullet.

Licenses which have been renewed will read "Active 12/31/2012." If your renewal status does not read "Active,"

please contact Jean Quinn at (800) 292-1923 or [jquinn@michiganada.org](mailto:jquinn@michiganada.org). She would be happy to communicate with the state on your behalf and help with the renewal process.

As a reminder, new dealer plates will be mailed in mid to late February 2012. If you have questions about renewals or dealer plates, please contact Jean.



## Fast Facts Sponsor



## Upcoming events

Ongoing • **educational programs**, go to [www.michiganada.org/events/webinars.htm](http://www.michiganada.org/events/webinars.htm)

Jan 11-22, 2012 • **North American Int'l Auto Show**, Detroit

- Industry Days, 11-12
- Charity Gala, 13
- Public Show, 14-22

Jan 25-29, 2012 • **Michigan Int'l Auto Show**, Grand Rapids

- Charity Spectacular, 25
- Public Show, 26-29

Feb 3-6, 2012 • **NADA/ATD Convention**, Las Vegas, Nevada

## Reminder: holiday closings

Secretary of State branch offices will be closed as follows:

- Friday, Dec. 23, and Monday, Dec. 26. SUPER!Centers will be closed on Dec. 24.
- Friday, Dec. 30, and Monday, Jan. 2. SUPER!Centers will be closed on Dec. 31.

The MADA office will be closed Dec. 23, Dec. 26 and Jan. 2.

## Form 8300 and reporting cash payments over \$10,000

As a reminder, if your dealership receives more than \$10,000 in cash from one buyer as a result of a single transaction or two or more related transactions, you are required to file Form 8300 with the IRS by the 15th day following the transaction. **Dealerships must also furnish each person whose name is included in Form 8300 a written statement by January 31 of the year following the transaction.** (For cash transactions occurring in 2011, statements must be provided by January 31, 2012.)

This statement must include the name, address, contact person, and telephone number of the business filing

Form 8300, the aggregate amount of cash the business reported to the IRS, and a statement that the business provided this information to the IRS.

Penalties for violation of the Form 8300 filing and furnishing requirements have been increased by the Small Business Jobs and Credit Act of 2010.

Additional details and answers to frequently asked questions specific to dealers are available within the IRS website at [www.irs.gov](http://www.irs.gov). Quick links are also temporarily available on the MADA home page, or available year-round at [www.michiganada.org/fedlinks.html](http://www.michiganada.org/fedlinks.html).

## 2012 standard mileage rates, most rates remain the same

The IRS has issued the 2012 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes. Beginning on January 1, 2012, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 55.5 cents per mile for business
- 23 cents per mile driven for medical or moving purposes

- 14 cents per mile for service of charitable organizations

The rate for business miles driven is unchanged from the mid-year adjustment that became effective on July 1, 2011. The medical and moving rate has been reduced by 0.5 cents per mile. For more information, please view the IRS newsroom at [www.irs.gov/newsroom](http://www.irs.gov/newsroom) and click the appropriate link.

## Holiday Wishes from MADA...

*The MADA staff would like to wish you and your family a wonderful holiday season. We value your membership, support and participation and look forward to a happy and prosperous 2012.*