



## January Fast Facts Sponsor

Computerized Vehicle Registration  
[www.cvrreg.com](http://www.cvrreg.com)

## Upcoming events

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  
- The Mich. Presidents'  
Reception, Feb. 5 at 5pm

## Cindy Sadler to retire from MADA after 44 years

MADA meetings & facilities director Cindy Sadler is retiring from MADA on January 20, 2012, following 44 years with the association. With many hugs and a few tears, she announced her decision during the MADA Annual Meeting on December 7.

Cindy is the association's longest serving employee and has served in many positions within the organization. At 18 years old, she began working in the MADA recap department where she helped review and categorize RD-108s to create a database of all vehicle sales

in the state. (Recap was later taken over by Cross-Sell.) Over the years, she has become a good friend to many of our members. Some of these dealers have asked to honor her with a gift from the membership. Any dealer who may be interested in participating is asked to call Jenny Acuña at (800) 292-1923 for more information. MADA will also honor Cindy with a retirement gift from the association.

We appreciate Cindy's dedication to our association and wish her a wonderful retirement with her family and friends.

## North American International Auto Show (NAIAS) in Detroit

The 2012 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 help benefit children's charities, while attending one of the most high-profile, exclusive events in the nation. 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**, \$95 per person

- January 11 (noon - 9 p.m.)
- January 12 (7 a.m. - 9 p.m.)

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

- January 13 (6 - 9 p.m.)

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

- January 14 - 21 (9 a.m. - 10 p.m.)
- January 22 (9 a.m. - 7 p.m.)

## CVR inventory count: January 10

Dealers participating in the CVR program are reminded that the count and physical verification of inventory must be taken **Tuesday, January 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 Monday, January 16 to **submit** the report, 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.

### 2011 tabs must be returned to warehouse

Please note that 2011 tabs are now obsolete and must be returned by Friday, January 27. Please review these steps:

1.) Verify that your physical 2011 tabs in inventory match the printed report. 2.) **IMPORTANT:** Mark 2011 tabs as "obsolete" in inventory. 3.) Include your dealership name and license # (or a copy of the Inventory Available report) and mail along with 2011 tabs to the following address.

UPS or FedEx: MADA • ATTN: CVR Returns  
1500 Kendale Blvd • East Lansing, MI 48823



## January Fast Facts Sponsor



Computerized Vehicle Registration  
[www.cvrreg.com](http://www.cvrreg.com)

## Dealer plates

As a reminder, your current dealer plates will remain active through February 29, 2012. 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 16.

## 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 about two of our newest members. For more about what they offer, contact the company directly, or call MADA at (800) 292-1923.

- **Pinnacle Insurance Partners LLC** - Russ Manz  
Phone (616) 458-8990 or [tracip@pipgrmi.com](mailto:tracip@pipgrmi.com)

*An expert in auto dealer insurance since 1980, Pinnacle provides the coverage you need by utilizing insurance companies that specialize in auto dealer and offer property, liability, workers comp, professional liability and errors & omissions.*

- **MPi** - Director of Marketing, Jeff Greenfield  
Phone (800) 997-1674 x2119 or [jgreenfield@mpi-edge.com](mailto:jgreenfield@mpi-edge.com)

*MPi provides products and services to help manage the vehicle inspection process to increase revenue and improve customer retention.*

## The Michigan Presidents' Reception

Dealers attending the NADA Convention are invited to join MADA President Wes Lutz and DADA President Bob Shuman for the 2012 Michigan Presidents' Reception. MADA and DADA would also like to thank Detroit Media Partnership for helping to sponsor this event.

The Presidents' Reception will be held Sunday, February 5 at 5:00 p.m. at Bally's Las Vegas Hotel, Skyview Room 3. **An invitation with additional details will be 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 2012 executive officers begin taking over their new responsibilities, we would like to thank our 2011 president, Mr. George Sharpe, Sr. for his time at the helm of MADA. During his year as president, Mr. Sharpe took an active role within the association, helping guide association activities and bring positive change for dealers. We appreciate his dedication as president of MADA and look forward to continuing to work with Mr. Sharpe as he gains the respected title of MADA Past President.

Mr. Wes Lutz has eagerly begun planning as our newest president of MADA. Mr. Lutz has served MADA members in various positions for many years and has always been willing to work

diligently to promote the needs of Michigan's dealerships. Our 2012 vice president, Mr. Doug Fox and our second vice president, Mr. Randy Wise will work alongside Mr. Lutz 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 2012!

## Online dealer resources

MADA reminds members that we provide links to various informational guides and forms within the member section of the MADA website ([www.michiganada.org](http://www.michiganada.org)). Some of the resources include:

- LIFO, new item categories
- Doc fee handout
- Demo affidavit form
- Records retention guide
- Franchise Act, updated version

Our FAQ page at [www.michiganada.org/faq.htm](http://www.michiganada.org/faq.htm) also provides many valuable links and resources to answer many common dealer questions. Please call our office at (800) 292-1923 if we can be of assistance with any other information.

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

January 20, 2012 • Vol. 15, No. 3 • Page 1



**January Fast Facts Sponsor**

**CVR**

Computerized Vehicle Registration

[www.cvrreg.com](http://www.cvrreg.com)

**Upcoming events**

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

Jan 14-22, 2012 • **North American Int'l Auto Show**, Detroit

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  
- The Mich. Presidents' Reception, Feb. 5 at 5pm

**Michigan International Auto Show opens next week**

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 Spectacular on January 25.

This event offers attendees the opportunity to preview the latest automobiles and the Million Dollar Motorway before the show opens to the public. The event also offers cocktails, a strolling dinner and wine tasting with Fenn Valley, Cascade Winery and Tabor Hill. Entertaining and highly skilled performance acts will be found throughout the event, leading up to a grand finale with the famous Dominguez Family Stunt Riders and their Globe of Death. Proceeds from the evening benefit the Helen DeVos Children's Hospital Foundation.

The public show begins on January 26. For more information or to purchase tickets, please visit [www.GRautoshow.com](http://www.GRautoshow.com).

**Charity Spectacular**

Wednesday, Jan. 25 • 6:30 - 10:00 p.m.  
*Tickets are \$150 per person.*

**Public Show Schedule**

Thursday, Jan. 26 • 3:00 p.m. - 10:00 p.m.  
Friday, Jan. 27 • 11:00 a.m. - 10:00 p.m.  
Saturday, Jan. 28 • 10:00 a.m. - 10:00 p.m.  
Sunday, Jan. 29 • 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.*

**Federal and state workplace poster requirements**

MADSIF would like to remind dealerships that businesses are not required to purchase workplace posters; all federal and Michigan required workplace posters are available free of charge. Some dealerships do choose to purchase posters, such as "all-in-one" styles, and this is also acceptable.

To receive contact information regarding what posters are required and how to receive these required posters, please contact your MADSIF safety representative or call Leslie at (866) 919-9578.

As a secondary reminder, the National Labor Relations Board (NLRB) posting requirement has again been delayed until April 30, 2012.

**CVR dealers: 2011 tabs must be returned to MADA**

CVR would like to remind dealers that **2011 tabs are now obsolete and must be returned to the CVR warehouse by January 31, 2012. (Please do not return 2011 tabs to Jodie Root or mail with your title and registration paperwork.)** To return inventory, please follow the steps outlined below:

1. Log into Inventory and run an Inventory Available report.
2. Verify the series numbers for the 2011 tabs on the report.
3. Verify that your physical 2011 tabs match the report.
4. Mark the 2011 tabs as "OBSOLETE" in inventory (this is an important step as the 2011 tabs will remain in your inventory if they are not marked obsolete).
5. Please include the name of your dealership and dealer

license number or a copy of your Inventory Available report in the mailing envelope to ensure your return is recorded properly.

Return your 2011 tabs to:

US Mail:	UPS or FedEx:
MADA	MADA
Attn: Ray or Tommi	Attn: Ray or Tommi
PO Box 2525	1500 Kendale Blvd
East Lansing, MI 48826-2525	East Lansing, MI 48823

If you have any questions or concerns regarding this process, please contact your CVR Account Executive or contact our support center at (800) 333-6995.



## January Fast Facts Sponsor



Computerized Vehicle Registration  
[www.cvrreg.com](http://www.cvrreg.com)

## Plates are current through Feb. 29

Dealer plates marked "FEB 12" will remain active and in effect through February 29, 2012. New dealer plates will be sent via UPS in late-February.

## Upcoming events

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

Jan 26-29, 2012 • **Michigan Int'l Auto Show**, Grand Rapids

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

Feb 5 • **The Michigan Presidents' Reception**, 5-7 pm at Bally's Las Vegas Skyview Room 3 (held in conjunction with the NADA Convention)

## Secretary of State policy regarding gifts

As we know, dealers are some of the most generous and thoughtful business owners in Michigan. They recognize those who have helped them in a variety of ways, occasionally in the form of gifts.

While Secretary of State employees truly appreciate the recognition, the office would like to remind dealers that it is against Secretary of State policy for employees to accept gifts or rewards of any sort. This policy applies to both branch office employees and staff working within the licensing division. Violations of the policy can result in employee

discipline, an unintended consequence we're sure you want to avoid.

However, recognition or acknowledgement is always appreciated and can be given through the state's online comment form. To access this form, go to [www.michigan.gov/sos](http://www.michigan.gov/sos) and click the "Contact SOS" tab at the top.

Your comments will be forwarded to the person or office they were directed to and are often posted within the office and on the Secretary of State's intranet site. If you have any questions, please feel free to call MADA at (800) 292-1923.

## Group rates on dealer programs and services

MADA realizes you manage a busy operation. With that in mind, we have researched many companies that provide products and services for the dealership industry. When we find a company that meets our standards, we work with them to create a cost-effective offering of products to MADA members. Following are some of the companies we have endorsed. Additional information is available by calling MADA at (800) 292-1923.

- **401(k) retirement services**, *Freedom One Retirement Services*: Ranked as Michigan's largest full-service plan provider.
- **Check guarantees**, *Certegy Check Services, Inc.*: Enhanced Warranty, SettleSmart and Elec Check programs to meet your needs.
- **Credit bureau access and OFAC compliance**, *700Credit*: Leading provider of credit reports, consumer information and compliance solutions designed for the automobile industry.
- **Credit/debit card processing**, *MADA Bankcard Advantage*: Saving your dealership money with a group rate on card processing.
- **Electronic vehicle registration**, *Computerized Vehicle Registration (CVR)*: Streamline the licensing and titling process and alleviate errors by delivering plates and registration right at the point of service.
- **Finance & Insurance Protection**, *Protective Life Corporation*: Providing all three legs of the F&I package - credit related insurance, GAP and vehicle service contracts.
- **Fuel savings**, *SuperFleet program*: Members can receive a 5¢ per gallon discount on fuel at participating Speedway, Marathon and Rich Oil locations.
- **Health, dental and vision, plus COBRA administration**, *Blue Cross Blue Shield of Michigan*: We will work with you to design a benefit plan that meets your needs and lowers costs. We also offer cost-effective COBRA management.
- **Secure document disposal**, *Iron Mountain*: Provides secure storage and disposal services to help dealers stay in compliance with federal safeguarding regulations.
- **Voluntary insurance benefits and services**, *American Fidelity Assurance Company*: Disability income, limited benefit cancer expense life, accident only, section 125 administration services.



## February Fast Facts Sponsor



[www.protective.com](http://www.protective.com)

## Plates are current through Feb. 29

Reminder: Dealer plates marked "FEB 12" will remain active and in effect through February 29, 2012. New dealer plates will be sent via UPS in late-February.

## Upcoming events

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

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

Feb 5 • **The Michigan Presidents' Reception**, 5-7 pm at Bally's Las Vegas Skyview Room 3 (held in conjunction with the NADA Convention)

## Join MADA & DADA in Las Vegas this weekend

You are invited to join DADA President Bob Shuman and MADA President Wes Lutz in Las Vegas on February 5<sup>th</sup> for

### *The Michigan Presidents' Reception.*

SUNDAY, FEBRUARY 5, 2012

5:00 - 7:00 P.M.

BALLY'S LAS VEGAS HOTEL

SKYVIEW ROOM 3

3645 S. LAS VEGAS BLVD.

This reception is sponsored in part by the generous support of Detroit Media Partnership and held in conjunction with the NADA Convention.

Invitations were mailed in January to dealers pre-registered for the NADA Convention. Any person not affiliated with a MADA or DADA dealership is asked to present their invitation for entrance to the event. If you have questions, please call MADA at (800) 292-1923.

## Training opportunities

Dealers are reminded to visit [www.michiganada.org/events/webinars.htm](http://www.michiganada.org/events/webinars.htm) for a continuously updated list of dealership training opportunities. Following are a few upcoming programs.

NADA University and Google are presenting a series of four webinars at **no charge** to members. Visit [www.nadauniversity.com](http://www.nadauniversity.com) for additional information.

- **The Smartphone Revolution** - available on-demand in Learning Hub (Internet category).
- **The Google+ Project for Dealers**, Feb. 29 live at 1:00 p.m. *Take an in-depth look at the social evolution of the Internet, focusing on how Google+ is affecting the retail automotive industry.*
- Other dates and topics to be announced.

**Google Analytics 101 for Car Dealerships**, Feb, 9 at 1:00 p.m. (DealersEdge, \$99). *How to use this tool to get background on your customers and their online path to your website.*

**Learning Hub: Internet/BDC Techniques that Increase Sales**, Feb. 15 (NADA U, \$199). *Real-world techniques to improve return-call percentages and produce more kept appointments.*

**When Hiring- Pre-Employment Process - Pick the Right Candidate**, Feb. 15 at 1:00 p.m. (DealersEdge, \$99). *Pre-Employment is the time to really get to know the candidate - Learn from what they tell you and what they want to hide.*

**Service Advisor Breakthrough**, Feb. 16 at 1:00 p.m. (DealersEdge, \$99). *In this intensive webinar, service advisors will get specific, usable tools that they can implement immediately to help improve sales and profits.*



## February Fast Facts Sponsor



[www.protective.com](http://www.protective.com)

## 2012 MADA Board Meeting Schedule

Mar 21 • **MADA board meeting**, East Lansing

Jun 4 • **MADPAC golf & MADA board meeting**, Country Club of Lansing

Oct 5 • **MADA board meeting**, Northwood University

Dec 11 • **MADA Annual Meeting & board meeting**, location TBA

## SOS holiday closure

Secretary of State Ruth Johnson reminds residents that all branch offices and the Office of the Great Seal will be closed in observance of Presidents Day on Monday, Feb. 20.

## Dealer and repair facility training sessions begin soon

The Bureau of Regulatory Services has announced the 2012 schedule for vehicle dealer and repair facility/mechanic training. Full details and registration information are 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: Feb. 28, Mar. 29, Apr. 20, May 8, Jun. 12, Jul. 25, Aug. 28, Sept. 12 and Oct. 4.

### 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. 27, Apr. 17, Jun. 14, Jul. 19, Oct. 18 and Nov. 7.

All sessions are held at the Operations 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 building where training is held.

## NADA Pain Points

View a 2-minute video, download a meeting guide and be on your way toward increased profits at your dealership.

**Restructuring for Online Sales Success.** Car dealerships have been operating for more than a century. There's a wealth of knowledge about how to organize the store to succeed in the physical world. But what about the virtual world? The Internet created a whole new game, one that constantly evolves and involves a lot more than your website. Is your team organized to play? Do you have people to fill the new positions on the field of play? View the video at [www.nadauniversityblog.com](http://www.nadauniversityblog.com) and hear a leading expert discuss restructuring your store for online success

## Thank you dealers!

MADA, along with DADA Executive Vice President Rod Alberts, would like to thank the many dealers and guests who attended The Michigan Presidents' Reception this past Sunday in Las Vegas. We always enjoy the opportunity to network with colleagues throughout Michigan. We would also like to thank MADA President Wes Lutz and DADA President Bob Shuman 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.



## February Fast Facts Sponsor

**Protective**  
Doing the right thing is smart business.®

[protectiveassetprotection.com](http://protectiveassetprotection.com)

## SOS holiday closure

Reminder: SOS branch offices and the Office of the Great Seal will be closed in observance of Presidents Day on Monday, Feb. 20.

## Current dealer plates good thru Feb. 29; new plates in the mail

**Dealers are reminded that dealer plates marked "FEB 12" will remain active through February 29, 2012.** The State of Michigan has informed MADA that new plates have begun shipping via UPS.

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 (MSO /copy of signed title), 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).

## Posey Logistics: new MADA associate member

MADA's associate members help enhance your membership by offering a wide-range of products and services tailored to your business. Please take a few minutes to learn about our newest member. For more about what they offer, contact the company directly, or call MADA at (800) 292-1923.

- **Posey Logistics** - Rochelle Hall

Phone (248) 394-3014 or [rochelle@poseytrans.com](mailto:rochelle@poseytrans.com)

*Started in 1997 as a small car hauling operation moving cars within the Metro-Detroit area, Posey has expanded into a nation-wide vehicle transporter. The company is fully insured and specializes in dealer trades.*

## Michigan revenue update, January 2012

The 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 \$2.1 billion in January, up 4.4% from last year's level. January tax collections were approximately \$45.9 million below the level expected in the Senate Fiscal Agency's estimate for the month
- Net income tax revenue totaled \$875.8 million in January 2012, a 7.6% increase over last year's level. Withholding payments (which represented the majority of gross income tax revenue) were 7.9% above the year-ago level but \$11.1 million below the predicted level.
- Sales tax receipts totaled \$597.1 million in January 2012, a 9.0% increase from the prior year. Between the tax changes affecting the income tax and calendar factors affecting sales

tax collections, it is difficult to accurately compare the growth rates of the two taxes, but it appears January may represent the first month since March 2011 that income tax withholding has grown more rapidly than sales tax collections.

- January sales tax collections from motor vehicle transactions were down 5.1% from one year ago.
- Michigan Business Tax revenue totaled \$303.8 million in January, a 5.1% decline compared with January 2011, but still \$41.0 above the level expected based on the revised revenue estimates. The increases in MBT collections reflected a 73.4% year-over-year increase in annual payments. Quarterly MBT payments were down 11.3% from last year's level
- Real estate transfer tax receipts were 2.5% below the year-ago level in January. Year-to-date real estate transfer tax collections are now running 8.4% below last year's level.

# Michigan Automobile Dealers Association's Friday Fast Facts

February 24, 2012 • Vol. 15, No. 8 • Page 1



## February Fast Facts Sponsor



## FCC update

The FCC recently approved a Report and Order which amended the Telephone Consumers Practices Act regulations. The changes affect prerecorded messages and auto dialing. If you or a vendor leave prerecorded messages, you must now obtain expressed written consent from the consumer before calling. Details of the changes are available on the MADA home page at [www.michiganada.org](http://www.michiganada.org).

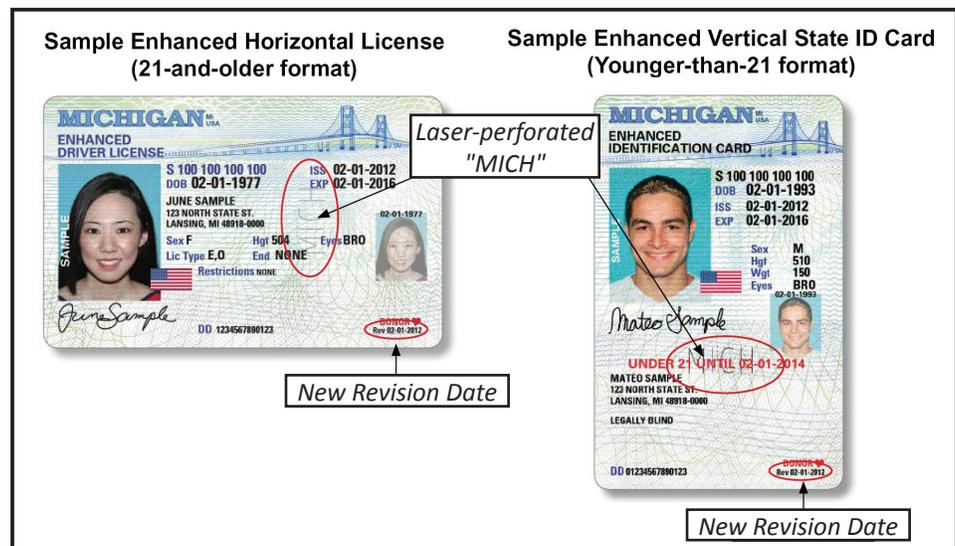
## Enhanced driver's licenses offer new features

The State of Michigan will begin issuing an enhanced driver's license and state identification card with a few new features this month. (Existing enhanced licenses and ID cards will remain valid until their expiration dates.) Features of the redesigned license and ID card include:

- Laser-perforated abbreviation "MICH" is cut into card and can be viewed from either the front or the back.

- Card stock and laminate are slightly thinner than on previous enhanced licenses and ID cards.
- A new revision date of 02-01-2012 is printed on card to reflect these latest changes.

For more information visit the Secretary of State website at [www.michigan.gov/sos](http://www.michigan.gov/sos) and choose the "Driver's License & State ID" image.



## Group rates on even more dealer programs and services

As we mentioned in a previous issue of *Fast Facts*, MADA has researched many companies that provide products and services for the dealership industry. We work with a select group of companies to create a cost-effective offering of products to MADA members. Following are a few more companies we have endorsed. Additional information is available by calling Larry Parker at (800) 292-1923.

- **Business forms**, *Reynolds and Reynolds*: Preferred source for business forms.
- **Employee-pay services**, *LegalShield*: Employee-pay program offering identity-theft services and legal assistance.
- **Group life, short-term disability and critical illness insurance**, *Fort Dearborn Life Insurance Co*: Competitive rates and in-force life discounts; guarantee-issue amounts with no medical underwriting.
- **Office supplies**, *OfficeMax Partnership Advantage*: Benefits include a low-price guarantee on a huge selection of office products and free, next-day delivery on in-stock orders.
- **Sales and registration reports**, *Cross-Sell*: Market and competition activity through vehicle registration reports.
- **Secure disposal**, *Iron Mountain*: Shredding services to help dealers comply with federal safeguarding rules.
- **Workers' comp insurance**, *MADSIF*: A dealer-owned group self-insured workers' comp fund organized and operated by Michigan dealers.

*Friday Fast Facts* is distributed to MADA members for educational purposes and should not be construed as legal advice. Unauthorized copying and distribution of the publication is prohibited. For permission, please contact [news@michiganada.org](mailto:news@michiganada.org). © 2012, Michigan Automobile Dealers Association. All rights reserved.

E-mail: [news@michiganada.org](mailto:news@michiganada.org) • Phone: (800) 292-1923 • Fax: (517) 351-3120 • Web: [www.michiganada.org](http://www.michiganada.org)



## March Fast Facts Sponsor



The workers' compensation provider endorsed by MADA.

[www.madsif.com](http://www.madsif.com)

## 2012 MADA Board Meeting Schedule

Mar 21 • MADA board meeting, East Lansing

Jun 4 • MADPAC golf & MADA board meeting, Country Club of Lansing

Oct 5 • MADA board meeting, Northwood University

Dec 5 • MADA Annual Meeting & board meeting, location TBA

## 401(k) summit from Freedom One

Freedom One Financial is offering the opportunity to attend a no-cost, in-depth seminar designed to share fiduciary insights from industry professionals. This will also be a chance to network and learn best practices from others in similar fiduciary roles. Topics include:

- Translating participant fee disclosure regulations into retirement readiness
- How will Europe's financial crisis affect the stock markets?
- Washington 401(k) regulatory update
- Featured plan trustees - best practices
- Discussion forum

## 401(k) Summit

Thursday, March 15, 2012

8:00 a.m. to 1:00 p.m.

Management Education Center  
811 West Square Lake Road in Troy

This event is free, but seating is limited so please reserve your seat now!

- Online: [www.freedomonefinancial.com/Workshops/2012-03-Registration.html](http://www.freedomonefinancial.com/Workshops/2012-03-Registration.html)
- Phone: Jennifer Perkins (248) 620-8026
- [jperkins@freedomonefinancial.com](mailto:jperkins@freedomonefinancial.com)

## Consumers are talking about you-- are you in on the conversation?

*Following is an excerpt from NADA's dealership ops newsletter. The full article is available within the training section of MADA's website.*

Consumers are talking about dealerships online

every day. Are you listening? According to Jared Hamilton, CEO and founder of DrivingSales.com and guest lecturer at NADA Academy, dealers need to determine what listening devices they will use to "really get the noise that's coming from the web."

Of the variety of tools available - some of them industry specific, some not - he said that the best way to start is Google. "Go to Google and search all your names and set up your alerts. It takes just a few seconds to set up a single alert. You'll want to have several of them," Hamilton said. After setting up Google Alerts, "You should get notifications whenever Google finds something online containing your key phrases - which should include your name, your dealership name, your brand name, your brand name in your city - whatever you want to track.

"Your online reputation is a metric you need to manage. You should be managing your online reputation, your ratings, your reviews, and your online presence," he said.

## MADA endorsed provider offers legal and identity theft assistance

MADA would like to remind our members about a great program available to you and your employees. MADA endorses LegalShield (formerly Pre Paid Legal), which offers employees the opportunity to pay a small monthly fee for identity-theft services and legal assistance. As a MADA member, your employees can receive a reduced rate for coverage.

It has unfortunately become increasingly common to hear of people's identities being stolen, and the person often doesn't find out until their credit history has been severely damaged. The LegalShield Identity Theft Shield plan helps by providing both credit monitoring and full restoration services through licensed investigators at Kroll (the world leader in risk management).

LegalShield also offers a cost-effective way for your employees to have access to legal protection - no matter how trivial, no matter how traumatic. No other legal plan offers 24/7 access to attorneys in covered emergency situations. From real estate to divorce advice, identity theft and beyond, LegalShield has the rights of your employees covered.

For more information, please call MADA's Larry Parker at (800) 292-923 or LegalShield's Dennis McVittie, Jr. (the exclusive representative for MADA members):

- Cell: (248) 622-1532
- E-mail: [dennis72@prepaidlegal.com](mailto:dennis72@prepaidlegal.com)
- Online: [www.prepaidlegal.com/hub/dennis72](http://www.prepaidlegal.com/hub/dennis72)



## March Fast Facts Sponsor



The workers' compensation provider endorsed by MADA.

[www.madsif.com](http://www.madsif.com)

## MADSIF offers DOT hazardous materials certification classes in April

MADSIF would like to remind dealers that the U.S. Department of Transportation (DOT) requires all businesses that package, transport/ship, handle or store hazardous materials to have at least one

Please have appropriate employees check their certifications to ensure they are current. An employee certified in 2009 or before must attend one of these classes to be re-certified.

MADSIF/CastleRock is offering DOT Hazardous Materials Certification Classes at locations throughout Michigan in April 2012. These will be the only DOT Hazmat classes specifically tailored to auto dealership employees offered in 2012.

Please visit the *training opportunities* page within the MADA website for more information, or contact Leslie Drake at (866) 919-9578 or [ldrake@madsif.com](mailto:ldrake@madsif.com).

DOT HAZMAT certified employee at the location during all hours of operation. **Re-certification is required every three years.**

## MADPAC golf: mark your calendar for June 4, 2012

Please save the date for the 2012 MADPAC Golf Outing, to be held Monday, June 4 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 call and invite another dealer, an employee or friend who doesn't typically attend.

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!

## NADA now offers all legal/regulatory webinars at no charge

**All legal/regulatory webinars to be provided at no charge to members.** NADA University is committed to providing assistance to NADA and ATD members in their efforts to meet legal and regulatory compliance requirements. NADA University is offering all legal and regulatory webinars, live and on-demand, as a member benefit (complimentary) beginning in March 2012. It includes all past legal/regulatory webinars whose information is current.

In addition, dealers may extend their no-cost member benefit to their CPAs, attorneys and other contracted professionals who work with them on compliance matters. Dealers can simply add those professionals as sponsored users within the dealership's NADA U accounts, automatically providing complimentary access to member benefits.

The legal/regulatory webinars are provided in addition to other NADA U member benefits, such as 10 Learning

Hub programs, Driven guides, NADAPerks, MarketINSIGHT webinars and all resources in the Industry Information section of Resource Toolbox.

**Also from NADA. On-demand: NADA-Google learning hub series offered at no charge to members.** NADA University and Google are presenting a series of four webinars, offered at no charge to NADA and ATD members only. The first two webinars, "The Smartphone Revolution" and "The Google + Project for Dealers" are activated on-demand for members in NADA University, Learning Hub, in the Internet category. Other dates and topics will be announced.

*For a list of some programs from NADA, please visit the training opportunities page within MADA's website at [www.michiganada.org/events/webinars.htm](http://www.michiganada.org/events/webinars.htm).*



## March Fast Facts Sponsor



The workers' compensation provider endorsed by MADA.

[www.madsif.com](http://www.madsif.com)

## NADA Dealership Workforce Study launches March 21

NADA is embarking on a brand-new study that can help you determine the right compensation and benefits package for current and prospective employees. This study will also provide MADA

with vital data and trends to enable us to better communicate with state officials on behalf of our membership. But it will only work if many Michigan dealers participate. **The greater the participation, the more detailed and localized the data will be reported to benefit us all.**

The all-new NADA Dealership Workforce Study, launching this month, will capture, analyze, and tabulate dealership workforce data from calendar year 2011, with a variety of reports to be issued in summer 2012. (The study replaces the biennial NADA Compensation Study.)

Dealers who participate will receive follow up materials and information customized to their dealership and can learn how their dealership compares to others in terms of compensation, benefits, retention, turnover and other factors. This allows participants to fine-tune their pay plans and benefits packages to enhance recruitment, motivation, and retention efforts.

Your participation is the only way for you to receive:

- Dealership-specific Comparison Report (complimentary)
- Complimentary *Driven Guide* (fee for non-participants)
- Enhanced Dealer Report with additional franchise-specific and market data (nominal upgrade fee)

The survey opens to NADA and ATD members on March 21. A flyer with additional information is available on the MADA home page at [www.michiganada.org](http://www.michiganada.org). NADA will also contact members via e-mail with details.

## Notice: FTC enforcement against auto dealers

Recently, five car dealers throughout the US agreed to Federal Trade Commission (FTC) settlement orders that require them to stop running ads in which they promise to pay off a consumer's trade-in no matter what the consumer owes on the vehicle.

The FTC charged that the ads, which ran on the dealers' websites and on sites such as YouTube.com, deceived consumers into thinking they would no longer be responsible for paying off the loan balance on their trade-in, even if it exceeded the trade-in's value (i.e., the trade-in had "negative equity"). Instead, the dealers rolled the negative equity into the consumer's new vehicle loan or, in the case of one dealer, required consumers to pay it out of pocket.

In addition, in three of the cases the FTC alleges violations of

the Truth in Lending Act (TILA) and its implementing Regulation Z for failing to disclose certain credit-related terms. (i.e. the dealer used a monthly payment but failed to disclose the APR, the down payment required for the loan and the length of the loan necessary to achieve that monthly payment.) Two of the cases allege violations of the Consumer Leasing Act (CLA) and its implementing Regulation M for failing to disclose certain lease related terms.

The proposed orders settling the FTC's charges against the dealers are designed to prevent them from engaging in similar deceptive advertising practices in the future.

A link to the FTC's new consumer guide about this issue and more details about this settlement can be found on the FTC news page at [www.ftc.gov/opa/index.shtml](http://www.ftc.gov/opa/index.shtml).

## MADA thanks all for the group effort with dealer plates

We would like to thank the dealers who contacted us to make us aware that some dealerships did not initially receive their new dealer plates. After forwarding this information to the Michigan Department of State, it was determined that a computer glitch overlooked a group of dealers and plates were not mailed to that group.

After diligent work of many Michigan Department of State employees, the error was corrected and dealer plates were

shipped to those dealers who did not initially receive them. MADA thanks these state employees for their hard work and regularly communicating with us to keep us informed and updated, so we could in turn provide our members with status updates.

At this time, all dealers should have received their plates. If for some reason you have not, please contact Jean Quinn at (800) 292-1923 or [jquinn@michiganada.org](mailto:jquinn@michiganada.org).



## March Fast Facts Sponsor



The workers' compensation provider endorsed by MADA.

[www.madsif.com](http://www.madsif.com)

## Speaker requests?

As we consider potential educational topics and meeting speakers for this year, please let us know if there is anything or anyone you would like to learn more about. If you have a speaker or topic suggestion call (800) 292-1923 or e-mail [skniss@michiganada.org](mailto:skniss@michiganada.org).

costs (based on damage susceptibility and crashworthiness) for makes and models of cars, SUVs, light trucks, and vans.

## The new NADA workforce study is now live

MADA encourages all NADA & ATD dealers to participate in NADA's Dealership Workforce Study. There are benefits for MADA when a large number of our members participate, and even more benefits for the dealers who submit their information. Participating dealers will receive a Basic Report comparing their individual dealership data with aggregated data from other dealerships, plus a Driven Management Guide summary report at no charge. Dealers can also purchase an Enhanced Report, which provides additional data specific to their franchise and their market. (Non-participating dealers can *purchase* the Driven guide, but they will not be able to get the basic or enhanced reports.)

Please participate online at [www.nadaworkforcestudy.com](http://www.nadaworkforcestudy.com).

## NHTSA releases 2012 relative collision insurance costs

The National Highway Traffic Safety Administration (NHTSA) recently released the *2012 Relative Collision Insurance Cost Information Booklet*.

Dealers are reminded that NHTSA requires all new vehicle dealers to provide information regarding comparative insurance

Dealerships may want to keep copies of the current-year NHTSA booklets in their showrooms so they can be given to prospective purchasers of new vehicles upon request.

A link to this booklet is available at [www.nhtsa.gov](http://www.nhtsa.gov) (search "2012 insurance costs"). A temporary link is also available on the MADA home page at [www.michiganada.org](http://www.michiganada.org).

Dealerships can also download copies of the *2012 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).

## Reminders and updates from NADA

**UNICAP safe harbor.** On Nov. 9, 2010, the IRS issued Revenue Procedure 2010-44, which created two optional safe harbor methods of accounting for motor vehicle dealerships. Dealers should speak with their tax practitioners soon about whether they should elect the UNICAP safe harbors for the 2011 tax year. Additional information is available within MADA's website. Please go to [www.michiganada.org](http://www.michiganada.org) >> FAQ >> Federal compliance topics, then scroll to the IRS links at the bottom of the page.

**Complimentary legal/regulatory webinars.** NADA U is now offering all of its legal and regulatory webinars - live and on-demand - at no cost to NADA and ATD members, their staffs, and their contracted professionals as an added membership benefit. Sign in to NADA U ([www.nadauniversity.com](http://www.nadauniversity.com)) to access on-demand webinars in the Learning Hub.

**Upcoming Webinar Wednesday programs.** These and additional NADA U programs are listed within the *training opportunities* page at [www.michiganada.org](http://www.michiganada.org).

Subprime Financing (Learning Hub)  
March 28, 1:00 p.m. | Bill Adkins of NADA Academy

Green Programs Will Bring in Greenbacks (MarketINSIGHT)  
April 4, 1:00 p.m. | Eric Schmitz of KPA

Tactics to Close More Internet Deals (Learning Hub)  
April 11, 1:00 p.m. | Cory Mosley of Mosley Auto Training

The Truth About Quick Lanes (MarketINSIGHT)  
April 18, 1:00 p.m. | Jeff Cowan of Jeff Cowan's Pro Talk

*There is no cost to NADA members for MarketINSIGHT webinars. Learning Hub instructional webinars may be purchased online at [www.nadauniversity.com](http://www.nadauniversity.com).*



## March Fast Facts Sponsor



The workers' compensation provider endorsed by MADA.

[www.madsif.com](http://www.madsif.com)

## MADPAC golf: June 4

Dealers who would like to register for the MADPAC golf outing can now download an advance copy of the registration form at [www.michiganada.org](http://www.michiganada.org). More information will be mailed next month.

## Please help us recognize deserving MADA members

It is well known that dealers are very generous within their communities. Even during our most recent board meeting, Lt. Governor Brian Calley acknowledged that our members often sponsor community events and participate in community projects.

Please help us recognize two MADA dealers who exemplify what it means to be upstanding community members. Review the dealer nomination form (available on the MADA website) and nominate a dealer you believe deserves to be recognized for one of the following awards.

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

**TIME Magazine Dealer of the Year Award.** In addition to exhibiting exceptional performance in their dealerships, TIME Dealer of the Year nominees perform heroic community service and are strong advocates for improving the world around them.

## Hearing on Chrysler letters of intent

This week Federal District Court Judge Cox, ruled on several key issues effecting Chrysler dealers who lost their franchise in bankruptcy

In his ruling, Judge Cox also determined:

- the Consolidation Appropriation Act of 2010 (which granted the right to arbitration) did not provide for monetary damages;
- the Appropriation Act nor the Federal Arbitration Act provide for judicial enforcement of the arbitration decision; and
- the Appropriation Act does not pre-empt state franchise law.

Several of the dealers contested that the Letters of Intent they were issued were not "usual and customary." Judge Cox is holding a hearing in May to make a ruling on this issue.

If dealers have questions, please call Allison Harrison at (800) 292-9123 or e-mail [aharrison@michiganada.org](mailto:aharrison@michiganada.org).

## Temporary sales require licensing

To ensure the most success for your temporary sale, please remember to first obtain the necessary approval from the state.

**Temporary sale locations must be properly licensed with the Bureau of Regulatory Services (BRS) 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:

- A letter showing franchise approval to sell new vehicles, or self-certify that you have authorization. If only selling used vehicles, provide a letter signed by the owner stating

this. (See a sample letter at [www.michiganada.org](http://www.michiganada.org) >> FAQ >> licensing issues >> temp sales.)

- 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 call Jean Quinn at (800) 292-1923 or e-mail [jquinn@michiganada.org](mailto:jquinn@michiganada.org) to obtain 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.

# Michigan Automobile Dealers Association's Friday Fast Facts

April 6, 2012 • Vol. 15, No. 14 • Page 1



## April Fast Facts Sponsor

**FREEDOM ONE**  
FINANCIAL GROUP

Uncommon Loyalty. Objective Advice.

Providing 401(k) services to more than 200 auto dealerships.

[www.freedomonefinancial.com](http://www.freedomonefinancial.com)

## NADA study reminder

The Dealership Workforce Study is now open for participation. Please visit [www.nadaworkforcestudy.com](http://www.nadaworkforcestudy.com) to include your dealership in this groundbreaking study.

Sealed boxes do not need to be opened, simply check the labeling on each package.

## Use CRM to boost be-backs and closing ratios

Following is an excerpt from NADA's dealership operations newsletter.

Is your sales department giving up after the first try? Of course, it's not your policy to give up. But sometimes practices and procedures—or the lack of them—produce the same result. Managers and employees need to know that the store's success—and their jobs—depend on getting a second chance with people who didn't buy on their first visit.

Who's keeping track of the "be-backs"? Who's finding out why people left the store without buying?

Noting that dealers and managers are accustomed to keeping track of things—vehicle inventory, parts, and cash flow among them—NADA Academy Instructor Bill Adkins said it's just as important to keep track of people—your customers who got away.

"If you're not tracking in some way," Adkins said, "you're just wasting money and people's time." You need to follow up with the people you don't sell, he said—"get them back in to find out why they didn't buy, or to find out what else you

## CVR inventory count: April 10

Dealers participating in the CVR program are reminded that the count and physical verification of inventory must be taken **Tuesday, April 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.

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, April 16 to **submit** the report, inventory must be counted and verified on April 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.

## Reminder: hazmat certification classes

DOT Hazardous Materials Certification Classes offered through MADSIF begin next week. These will be the only DOT hazmat classes specifically tailored to auto dealership employees offered in 2012.

April 10 (Ann Arbor)	April 12 (DADA/Troy)
April 17 (Gaylord)	April 18 (Birch Run)
April 24 (Lansing)	April 25 (Kalamazoo)
April 26 (Grand Rapids)	

Please visit the *training opportunities* page within the MADA website for more information.

can do to get them to do business with you.

"These people are going to buy something eventually. It comes down to whether they're going to buy from you or from someone else."

You've already spent money on ads. That can't be the sum total of your sales process.

To read the full article, please go to the training section of MADA's website at [www.michiganada.org/events/webinars.htm](http://www.michiganada.org/events/webinars.htm). You can also watch the video of this Pain Point at [www.nadauniversityblog.com/crm/](http://www.nadauniversityblog.com/crm/) to learn more.



## April Fast Facts Sponsor

**FREEDOM ONE**  
FINANCIAL GROUP

Uncommon Loyalty. Objective Advice.

Providing 401(k) services to more than 200 auto dealerships.

[www.freedomonefinancial.com](http://www.freedomonefinancial.com)

## Damage disclosure

Reminder: dealers must disclose damage to the consumer if the amount exceeds 5 percent of the MSRP or \$750 for surface coating repairs, corrosion restoration or a combination of the two. The disclosure must be made before the consumer signs the RD-108.

Find this and other reminders and FAQs within the MADA website at [www.michiganada.org/regfaq.htm](http://www.michiganada.org/regfaq.htm).

## Vehicle dealer training

The Bureau of Regulatory Services reminds dealers that vehicle dealer training is currently in progress and seating is still available. (Registration is full for all scheduled repair facility/mechanic training classes.)

Full-day dealer training 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

## Multi-state auto theft investigation

The Michigan State Police and Ohio Highway Patrol are jointly working together in an effort to identify and apprehend two suspects who have been taking dealership keys and returning later to steal vehicles. The thefts have taken place in mid and southeast Michigan, as well as northwest Ohio.

Dealers are asked to be aware of the situation and contact police if you have any information regarding this criminal activity. Any surveillance footage captured of these suspects would also be appreciated to assist with criminal prosecution.

The suspects have commonly been described as two heavy set black males, one short and one substantially taller. **Please note, while the state police is providing a photograph of the suspects to dealers, this information should not be provided to the media at this time.** The police do not want the suspects to know they have been photographed. (Please contact MADA to receive an e-mail copy of the photo.)

According to the police bulletin, the suspects go to dealerships and ask to look at vehicles. While "kicking the tires," one of the suspects distracts the salesperson and the other switches the real vehicle key from the key ring with one that is very similar. The suspects rarely test drive the vehicles that are eventually stolen. When the suspects have given identification, it is later determined to be fraudulent. The suspects return several hours later and steal the vehicles of which they had obtained the keys to.

The Michigan and Ohio auto dealer associations have been notified of this activity. Anyone with information is urged to contact D/Sgt. Kyle McPhee, Michigan State Police Lansing Post at (517) 322-1909 or e-mail [mcpheek@michigan.gov](mailto:mcpheek@michigan.gov).

## NLRB poster must be displayed by April 30, 2012

Barring further delays, the National Labor Relations Board (NLRB) employee rights notice must be posted alongside other required workplace notices by April 30, 2012. The 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.

One source for updated posters is the Federal Wage and Labor Law Institute (FWLLI). FWLLI offers MADA members a discount on all-in-one posters through its website at [www.fwlli.com/ada](http://www.fwlli.com/ada). More about the poster and a downloadable copy is available at [www.nlr.gov/poster](http://www.nlr.gov/poster).

Remaining dates include: Apr. 20, May 8, Jun. 12, Jul. 25, Aug. 28, Sept. 12 and Oct. 4.

There are no course registration fees, but registration is first come, first served. Full details and registration information are available 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).



## April Fast Facts Sponsor

**FREEDOM ONE**  
FINANCIAL GROUP

Uncommon Loyalty. Objective Advice.

Providing 401(k) services to more than 200 auto dealerships.

[www.freedomonefinancial.com](http://www.freedomonefinancial.com)

## Upcoming Events

Jun 4 • **MADPAC golf & MADA board meeting**, Country Club of Lansing

Oct 5 • **MADA board meeting**, Northwood University

Dec 5 • **MADA Annual Meeting & board meeting**, location TBA

## Vehicle title issues from IN and AZ

### Fraudulent Indiana titles

It has been brought to our attention that several fraudulent Indiana titles have been presented by customers applying for Michigan titles. In the instances discovered, the Indiana titles were the older-style 7" x 8" design. The vehicles being titled were generally newer models, sometimes in a company name. Several of these transactions involved the use of a TR-128 Appointment of Agent form.

**If a customer presents an older-style 7" x 8" Indiana title, please contact DSIC at (877) 378-3742.** DSIC staff will process a inquiry immediately to determine the authenticity of the title.

### Blank titles stolen in Arizona

Earlier this month the Arizona Department of Transportation reported the theft of 2,500 blank titles. Arizona Certificates of Title are printed on 8" x 10" security-featured paper. **Control numbers of the stolen Arizona titles are printed in red ink in the upper right corner and range from 21023001 - 21025500.** (A list of stolen titles dating back to 2002 is available within the member section of the MADA website.)

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

## News from NADA: NLRB poster implementation halted

NADA, through its membership in the Coalition for a Democratic Workplace (CDW), has succeeded in its recent challenge to a National Labor Relations Board (NLRB) requirement that dealers and others prominently display a new "employee rights" poster. The CDW's request for an injunction has been granted, delaying the new poster requirement until the court has a chance to hear arguments and rule on CDW's appeal of a lower D.C. court's ruling that upheld the NLRB's poster requirement.

This injunction comes on the heels of a federal district court in South Carolina decision striking down the NLRB's notice posting rule in response to a challenge by the U.S. Chamber of Commerce. According to CDW, it means the April 30 implementation date is delayed. The NLRB has not yet issued specific guidance on the issue, but NADA will provide updates on the status of this requirement as they become available.

Additional information is available at [www.nlr.gov/poster](http://www.nlr.gov/poster).

## New NADA Road Safety Grant Program

The National Automobile Dealer Charitable Foundation (NADCF) now offers a new Road Safety Grant Program. This program supports dealer community involvement in educating customers about road safety issues, such as child passenger safety, teen driver safety, distracted driving, rural road safety or senior driver safety.

NADA member dealers are qualified to receive a one-time grant of up to \$500 toward sponsorship of a road safety event to be held at their dealership. The grant will be made as a matching contribution to actual funds disbursed by the dealer for expenses incurred to hold the event(s).

Dealers are also reminded that the NADCF has a medical grant program that provides CPR training manikins to various community organizations. If you know of an organization that may have a need for a training manikin and you would like to sponsor the donation, please contact the organization and suggest they complete and submit an application. (Dealers must be a NADA member in order to be a sponsor.)

More information about these grant programs is available at [www.michiganada.org/regsfaq.htm](http://www.michiganada.org/regsfaq.htm).



**April 20, 2012**

*Vol. 15, No. 16*

## **E-mail only extra: extended test drives**

A southwest Michigan dealer has made MADA aware of a potentially fraudulent situation other members should be aware of.

A customer came to the dealership looking to purchase a used vehicle. He convinced the dealer to allow an extended test drive of the vehicle after telling a story about how his business burned (assuming along with his vehicle) and he had to pick up his daughter from school. The dealer agreed to an extended test drive and offered a used sedan. The customer was gone longer than he initially said, but the dealer was able to contact him via the number provided. The customer claimed he had a flat tire and it was taking a while but he would be back eventually. After an extended period of time, the dealership started to get suspicious and told the customer he would call the police if the vehicle was not returned. The customer then gave the location of the "flat tire" for the dealer to pick up the car.

When the dealership personnel got to the location, the vehicle had been abandoned and all dealership identification (stickers, plate frames, window clings, etc.) had been removed, along with the spare tire. The dealership then contacted the police. It turns out the vehicle the gentleman initially drove to the dealership was also a "test drive" vehicle from another Southwest Michigan dealership. It too was a used sedan with all identifying marks removed, and he parked away from the showroom. The authorities suspect the customer is going from dealer to dealer taking extended tests drives as a means to transport materials.

MADA has also been contacted by the public safety department. They describe the suspect as an average build, white male. He has blue eyes, closely cropped hair, he is around six-foot tall and heavily tattooed. The driver's license he gave to the dealership had a commercial endorsement on it and a Jackson, MI address. At the first Southwest Michigan dealership he was assisted by a white female, 5'4" tall, dark brown shoulder length hair, slim build, 25-30 years old with freckles.

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

April 27, 2012 • Vol. 15, No. 17 • Page 1



#### April Fast Facts Sponsor

**FREEDOM ONE**  
FINANCIAL GROUP

Uncommon Loyalty. Objective Advice.

Providing 401(k) services to more than 200 auto dealerships.

[www.freedomonefinancial.com](http://www.freedomonefinancial.com)

#### Upcoming Events

Jun 4 • **MADPAC golf & MADA board meeting**, Country Club of Lansing

Oct 5 • **MADA board meeting**, Northwood University

Dec 5 • **MADA Annual Meeting & board meeting**, location TBA

#### MADPAC golf registrations are being accepted

Dealers are encouraged to sign up to play in the **21st annual MADPAC Golf Outing on June 4**. 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.

#### Upcoming training opportunities

Dealers are reminded to visit [www.michiganada.org](http://www.michiganada.org) for a frequently updated list of dealership training

**Heavy-Duty Truck Sales to Local Government**, May 9 at 1:00pm (NADA). Determine which government entities qualify for tax-free sales; determine the registration requirements for tax-free government sales; and determine the documentation requirements for tax-free government sales.

**Internet Ups: Guiding the Prospect from E-mail to Phone to Showroom**, May 10 at 12:00pm (DealersEdge). All too often it is the e-mail-to-phone transition that is the dead end to the sale. This webinar will help you convert online shoppers to showroom customers with specially-designed processes and a well-developed skill set. (Speaker Jennifer Suzuki presented at the 2009 MADA Annual Meeting.)

opportunities. Following are a few upcoming programs:

**Presidio Group's M&A Report**, May 2 at 1:00pm (NADA). Determine which franchises are of the greatest interest to buyers today; determine the key drivers of today's active dealership M&A market; and determine current blue-sky multiple ranges from major franchises.

#### Rehmann: new MADA associate member

MADA's associate members help enhance your membership by offering a wide-range of products and services tailored to your business. Please take a few minutes to learn about our newest member by contacting the company directly, or call MADA at (800) 292-1923.

- **Rehmann** - Jim Goerlich Jr.  
Phone (248) 614-6401 or [jim.goerlich@rehmann.com](mailto:jim.goerlich@rehmann.com)  
Rehmann has provided one-on-one financial services to businesses throughout Michigan since 1941. The company offers a specialized team of business consultants, corporate investigators tax service providers & dealership CFOs who understand the unique needs of auto dealers.

#### NASCAR Sprint Cup - 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 free parking, a pre-race pit pass and a \$10 concession voucher. Savings are available for the Sunday NASCAR Sprint Cup Series races on June 17 and August 19. Additional details about the various ticket packages can be found at [www.mispeedway.com/groupsales](http://www.mispeedway.com/groupsales). Or call Rob Hemmigh with MIS at (517) 592-1134.



## May Fast Facts Sponsor



Blue Cross  
Blue Shield  
Blue Care Network  
of Michigan

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

Let ADA work with you to get the most out of your coverage, whether it's medical, dental or vision.

## Upcoming Events

Jun 4 • MADPAC golf & MADA board meeting, Country Club of Lansing

Oct 5 • MADA board meeting, Northwood University

Dec 5 • MADA Annual Meeting & board meeting, location TBA

## State of Michigan news: licensing and voting

### Installment seller license renewals

This week, the Office of Financial and Insurance Regulation began mailing dealerships' installment seller license renewals. You should have also received a separate MADA mailing, which includes information to help you properly complete and renew your license. If you do not receive both mailings within a few days please contact Jean at (800) 292-1923 or [jquinn@michiganada.org](mailto:jquinn@michiganada.org).

**MADA is once again offering our experience and assistance; we encourage dealers to mail their completed renewal to us.** If you have questions, please contact Jean.

### Local elections are May 8

Secretary of State Ruth Johnson is urging Michigan citizens to vote on Tuesday, May 8. Communities and school districts in 70 counties are holding local elections. To find out if there is an election in your community, visit [www.Michigan.gov/elections](http://www.Michigan.gov/elections).

In addition, the Michigan Voter Information Center can help direct residents to their polling location. The website is [www.Michigan.gov/vote](http://www.Michigan.gov/vote). Polls are open 7 a.m. to 8 p.m. on Election Day.

## ADP Dealer Solutions Expo - May 15 or 16

ADP Dealer Services will be hosting a Dealer Solutions Expo on **May 15<sup>th</sup> in Detroit**

and **May 16<sup>th</sup> in Grand Rapids**. Dealers and staff are invited to attend one of the complimentary events to learn how to use ADP flexible workflow solutions and tools to help drive productivity,

reduce costs and drive more profit to the bottom line. ADP Product Subject Matter Experts will be on hand to demonstrate and answer questions on all products and solutions. Complete information is available within the MADA training web page, at [www.michiganada.org/events/webinars.htm](http://www.michiganada.org/events/webinars.htm).

## Your techs can fix any make or model - why not let them?

*Following is a portion from NADA's monthly dealership operations newsletter.*

NADA Academy Instructor Robert Atwood has a surefire prescription for keeping your shop busy: Service all makes and models - not just the vehicles you sell.

Atwood said that opening your shop to all vehicle makes and models can keep technicians motivated and productive while leading to increased service and parts revenue.

He said that some stores have signs in the service write-up area advising customers that "We want to service your other car too" or advertising "Complete Auto Service, Domestic and Foreign." But signage won't close the sale. The service advisor has to ask for the business: "Do you have any other vehicles that we can service and maintain?"

"I believe the dealership technician is far superior to the independent shop," Atwood said. "And independents have been servicing and maintaining all makes and models for years.

"We're selling used cars, the majority of which are not franchise-specific. They're already coming through dealership shops. Why don't we simply enlarge upon that and work on all makes and models?"

Atwood said this idea does not pose a real challenge to the parts department. Dealership techs know they can get parts for other brands delivered within an hour.

He suggested using service advisor business cards to promote service by incentivizing current customers, who receive discounts if they pass the cards on and bring new business to the dealership.

To view a brief video with additional information about this topic go to <http://nadauniversityblog.com/service-all-makesmodels>. The full article is also available at [www.michiganada.org/events/webinars.htm](http://www.michiganada.org/events/webinars.htm). (Choose the NADA featured training and resources link.)

# Friday Fast Facts

May 11, 2012 • Vol. 15, No. 19 • Page 1



## May Fast Facts Sponsor



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

Let ADA work with you to get the most out of your coverage, whether it's medical, dental or vision.

## Upcoming change

MADA will be soon be moving to a great new program for distribution of *Fast Facts* and other electronic dealer notices. The board has reviewed the program and found it is simple to use, reads well and ultimately provides the same value of information in a more cost effective manner. We anticipate a June roll out of the new program.

regarding unfair and deceptive Internet advertising.

A few weeks ago, the FTC settled with five dealers over alleged advertising violations regarding negative equity in their online advertising (including YouTube videos and online newspaper "print" ads). While the investigation was limited to online advertising, the consent agreement requiring compliance covers all mediums; meaning any future violation of advertising laws, be it print or online, will be a violation and can result in heavy fines.

## Dealer surety bonds are available through MADA

MADA has heard from a few dealers whose regular bonding companies have recently stopped providing the dealer surety bond service, which is required for licensing in the State of Michigan. MADA has been pleased to help these dealerships obtain a new bond.

As a reminder, dealers can obtain a \$10,000 bond through MADA. Through our agent, Dealers Insurance Agency (DIA), we offer

dealer surety bonds for a very low \$100 annual cost. All bonds are underwritten by Merchants Bonding Company. This rate is also available to new car dealers who own an independent used car dealership.

DIA also offers several other bonds for your business needs. For more information, please contact Jean Quinn at (800) 292-1923 or [jquinn@michiganada.org](mailto:jquinn@michiganada.org).

## MADPAC golf - limited spots available

It's hard to believe June is just three short weeks away, which also means the annual MADPAC Golf Outing is just around the corner! At this time, we have a very limited number of spots open for golfers. If you are planning to play, please contact Larry Parker or Tommi Nielsen at (800) 292-1923 soon so we can finalize foursomes. (We are happy to help arrange a

foursome if you need additional players.)

A luncheon, plus time on the driving range and putting green is available before the shotgun start at noon.

If you have questions, please call MADA or view additional information about the outing at [www.michiganada.org](http://www.michiganada.org).

## FTC awareness of advertising requirements

It appears the Federal Trade Commission (FTC) is ramping up awareness and enforcement activity

To further review online advertising guidelines and policies, on May 30th the FTC is holding a day-long workshop considering rule changes for so called "dot com disclosures." The agenda will discuss the disclosures necessary online and on mobile devices.

This increased attention to advertising should be a warning to all businesses nationwide to ensure compliance with all federal and state ad regulations. It's now easier than ever for federal agencies to monitor advertising - they can be located thousands of miles away and still access your Internet ads. If you have questions about your dealership's advertising, please contact MADA at (800) 292-1923 or call your local Better Business Bureau.

## Distribution of MADA communication materials

In an effort to reduce costs and provide information in a more efficient method, MADA is asking dealers on our fax distribution list if they would be willing to transfer to the e-mail distribution list. If we can move you to the e-mail version of Fast Facts, advisories and dealer notices, please provide the following:

Name: \_\_\_\_\_  
Dealership: \_\_\_\_\_  
E-mail: \_\_\_\_\_

Fax to (517) 351-3120 or e-mail [skniss@michiganada.org](mailto:skniss@michiganada.org).



## May Fast Facts Sponsor



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

Let ADA work with you to get the most out of your coverage, whether it's medical, dental or vision.

## SOS holiday closures

Secretary of State Ruth Johnson reminds residents that all offices and the Office of the Great Seal will be closed on Monday, May 28 in observance of Memorial Day. Secretary of State SUPER!Centers normally offer Saturday hours but will be closed on Saturday, May 26.

website at [www.michiganada.org](http://www.michiganada.org). Click FAQ >> State of Michigan licensing issues >> scroll down.

As a reminder, to apply for a temporary sale in the same county (out-of-county sales are not permitted), the following must be provided to the state at least 15 days prior to the sale:

- Vehicle Dealer Supplemental Location Application

## Recognize deserving MADA members

Please help us recognize MADA dealers who exemplify what it means to be upstanding community members. Review the dealer nomination form (available at [www.michiganada.org](http://www.michiganada.org)) and nominate a dealer you believe deserves to be recognized for one of the following awards.

**Northwood Dealer Education Award.** Recipients of this award have made noteworthy contributions to education, inside or outside of the industry. They are recognized for

## \$6 million auto/diesel training facility coming to Baker Owosso

Later this year, Baker College of Owosso will open a brand new, 43,000 sq. ft. auto facility that will offer the latest in technologies and industry advancements. The new facility will include two fully equipped automotive labs, three diesel labs, several engine and transmission labs as well as several lecture classrooms.

In addition, Baker can now claim it is the only college in the State of Michigan that is NATEF accredited for Diesel Service. NATEF, The National Automotive Technicians Education Foundation Inc., is the premier professional accreditor in the nation for automotive and diesel educational programs.

Lynn Rogers, the director of the Auto/Diesel Institute of Michigan at Baker College of

Owosso, was a speaker at this week's medium and heavy duty truck dealers meeting, held in East Lansing. He discussed the new facility, as well as the significance of the accreditation.

To receive the accreditation, the school had to show strong commitment to excellence in diesel service training for all eight areas for NATEF Master Accreditation: Diesel Engines; Suspension & Steering; Brakes; Electrical/Electronic Systems; Preventive Maintenance; Drive Trains; Heating, Ventilation & Air Conditioning; and Hydraulics. The program will extensively train individuals to work on medium and heavy duty systems.

More about The Auto/Diesel Institute is available at [www.autodieselinstitute.com](http://www.autodieselinstitute.com).

## Find it online: temporary or off-site sales

For information about temporary or off-site sales and links to sample letters and necessary State of Michigan forms, please go to MADA's

- Michigan Vehicle Dealer Close Out Statement for Temporary Location
- Enclose either a franchise approval to sell new vehicles at the sale location, or self-certify that you have authorization to sell new vehicles at the sale location during the dates specified. If only selling used vehicles at the off-site location, you will need a letter signed by the owner stating that the dealership will only be selling used cars.

Forms are linked online, or contact Jean Quinn ([jquinn@michiganada.org](mailto:jquinn@michiganada.org)) for additional information. For quick and efficient processing, please e-mail completed forms to Jean.

substantial dedication to the educational process and the field of automotive marketing.

**TIME Magazine Dealer of the Year Award.** In addition to exhibiting exceptional performance in their dealerships, TIME Dealer of the Year nominees perform heroic community service and are strong advocates for improving the world around them.



## May Fast Facts Sponsor



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

Let ADA work with you to get the most out of your coverage, whether it's medical, dental or vision.

## Holiday reminder

In observance of Memorial Day, Secretary of State branch offices will be closed Monday, May 28. SUPER!Centers will also be closed Saturday, May 26. MADA will be closed Monday.

## Michigan youth employment standards

As a reminder, Michigan changed its youth employment law last year related to minors 16 years of age or older. If the minor is a student in school and school is in session, he/she cannot work more than 24 hours per week. This modifies the previous requirement of a 48 hours per week **combined** school/work total with no set total calculated for the school hours.

Additional regulations stipulate that these minors cannot work more than the following periods:

- Six days in a week
- An average of eight hours per day during a week
- 10 hours in one day
- 48 hours per week (when school is not in session)

In addition, a minor cannot work between the hours of 10:30 p.m. and 6:00 a.m. (except on Fridays and Saturdays, school vacation periods, or when the minor is not regularly enrolled in school; in these situations the minor can work until 11:30 p.m.)

More about this act is available online at [www.legislature.mi.gov/documents/mcl/pdf/mcl-act-90-of-1978.pdf](http://www.legislature.mi.gov/documents/mcl/pdf/mcl-act-90-of-1978.pdf).

Dealers should review their labor law posters to ensure the current notice is posted. If a new poster is needed, one source for posters is the Federal Wage and Labor Law Institute (FWLLI). FWLLI offers MADA members a discount on all-in-one posters through its website at [www.fwlli.com/ada](http://www.fwlli.com/ada).

## Customer privacy issues related to trade-in vehicles

We all know privacy is a large concern for customers. It's why we have extra forms in the F&I office and locks on our file cabinets. But, have you considered privacy issues on trade-in vehicles? It used to be that all you needed to do was check the glove box for old repair receipts. Now, you need to check the glove box, center console, clear the in-board navigation system, cancel On Star contracts, erase pre-programmed garage door openers and the list goes on.

With all of these sources of information in the vehicle, it's very easy to miss a step. However, forgetting to clear data

or throw out a receipt can create unnecessary headaches from customers and federal regulators. It's imperative that you ensure the previous owner's privacy is protected to keep customers happy and federal lawsuit at bay. As a reminder, take a minute to talk with your vehicle prep team about the information that needs to be cleared and how important their job is to your businesses success.

If you have questions, please contact Allison Harrison at (800) 292-1923.

## Constellation Energy: new MADA associate member

MADA's associate members help enhance your membership by offering a wide-range of products and services tailored to your business. Please take a few minutes to learn about our newest member by contacting the company directly, or call MADA at (800) 292-1923.

- **Constellation Energy** - Tracie Genaw  
Phone (810) 385-1211 or [tracie.genaw@constellation.com](mailto:tracie.genaw@constellation.com)  
Online: [www.constellation.com](http://www.constellation.com)

*Constellation is a national leader in providing competitive energy supply to state and local agencies and businesses from Main Street to the Fortune 100.*

## ATD moves 2013 convention to Orlando

Responding to many positive comments following a post ATD convention survey, the leadership of the American Truck Dealers has decided once again to hold its 2013 Convention and Expo in conjunction with the NADA annual event in Orlando, Florida next February. The two events will run simultaneously at the Orange County Convention Center in Orlando from February 8-11, 2013. For more information, visit [www.nadaconventionandexpo.org](http://www.nadaconventionandexpo.org).



## June Fast Facts Sponsor



Document Solutions

MADA's preferred source  
for business forms.

## Upcoming Events

Jun 4 • **MADPAC golf & MADA board meeting**, Country Club of Lansing

Jun 17 & Aug 19 • **MIS NASCAR races**, Brooklyn

Oct 5 • **MADA board meeting**, Northwood University

Oct 5-7 • **Northwood Univ. Int'l Auto Show**, Midland

Dec 5 • **MADA Annual Meeting & board meeting**, location TBA

## MADPAC Golf Outing: Monday, June 4 at the Country Club of Lansing

We look forward to seeing many MADA members at the 21<sup>st</sup> annual MADPAC Golf Outing on June 4! 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<br><i>(all dealers are invited)</i><br>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   |

## NADA U Webinar Wednesdays for June

NADA's upcoming Webinar Wednesdays include both MarketINSIGHT and Learning Hub webinars.

MarketINSIGHT webinars are informational in nature. They are open to all and free, and may be viewed live or on demand in NADA U's Resource Toolbox.

Learning Hub instructional webinars are available for purchase (\$199 for members) in the NADA U Store - they are included in the NADAvt subscription - and may be viewed live or on demand for two years.

Here's the schedule (all webinars begin at 1:00 p.m. EDT):

- The Impact of Customer Tracking and Follow-up, Learning Hub, NADA Academy, Steve Lane, June 6;
- Use the Power of Your Data!, MarketINSIGHT, VinSolutions, Sean Stapleton, June 13; and
- What is Your Website Hiding?, MarketINSIGHT, VinSolutions, Kendall Billman, June 27.

Additional educational programs from various sources are linked within the MADA website at [www.michiganada.org/events/webinars.htm](http://www.michiganada.org/events/webinars.htm).

## Remind staff of key management policies

MADA encourages all dealers to review the policies you have in place regarding key management and ensure all sales staff and management are aware of your policies. The State of Michigan Police has informed us that 22 cars have now been stolen off dealer lots in recent months using the key switch method.

As we notified dealers previously, two or three suspects have been visiting dealerships late in the day to look at cars. While one suspect is talking with the sales person, the other switches the vehicle key with a similar-looking key. The suspects return later the same day and steal the vehicle. Most of the vehicles have later been found stripped.

The police are asking all dealerships to be aware of this situation and immediately contact D/Sgt. Kyle McPhee at (517) 322-1909 if you may have been visited by the suspects.

The police are working diligently to stop these thefts, but dealer participation and awareness is very important right now. If the suspects have visited your dealership, the police may be able to set up a sting to catch the suspects when they return to steal the vehicle.

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

# Friday Fast Facts



## Fast Facts Sponsor

**GDALETO, RAMSBY  
& Associates**

Thank you for your many years of support and service to MADA and our members.

## Upcoming Events

Jun 17 & Aug 19 • **MIS NASCAR races**, Brooklyn

Oct 5 • **MADA board meeting**, Northwood University

Oct 5-7 • **Northwood Univ. Int'l Auto Show**, Midland

Dec 5 • **MADA Annual Meeting & board meeting**, location TBA

## 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, 2012. 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 Monday afternoon for the 21st annual MADPAC Golf Outing. The event raised more than

MADA and DADA, through the ADM, are continuously working to promote the legislative needs of our members. Your MADPAC donations allow us to continue making progress on these important legislative activities. Please call MADA's Larry Parker at (800) 292-1923 for more information.

\$34,000 for MADPAC, which will support the legislative activities and goals of Michigan's franchised new vehicle dealers.

We were very honored to have Attorney General Bill Schuette join us during the MADA board meeting. The attorney general 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.

## 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
- Auto Dealers Risk Solutions
- American Fidelity Assurance Company
- Bank of America
- Comerica Bank
- DealerTrack
- Dealers Resources
- Freedom One Financial

- Governmental Consultant Services, Inc.
- MADA
- Manheim's Detroit Auto Auction, Inc.
- Morgan Stanley SmithBarney
- Paul V. Engstrom & Co., LLP, CPAs
- Smith & Johnson Attorneys
- Zurich

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



## June Fast Facts Sponsor



Document Solutions

MADA's preferred source  
for business forms.

## Upcoming Events

Jun 17 & Aug 19 • **MIS  
NASCAR races**, Brooklyn

Oct 5 • **MADA board  
meeting**, Northwood  
University

Oct 5-7 • **Northwood  
Univ. Int'l Auto Show**,  
Midland

Dec 5 • **MADA Annual  
Meeting & board  
meeting**, location TBA

## Vehicle transportation: what dealers need to know

*Following is an excerpt from an article provided by Posey Logistics in Lake Orion.*

Many dealerships struggle with finding the right solution for transporting their vehicles. Shipping to customers, purchasing from auctions, and dealer trades can be a huge source of stress if proper precautions are not taken.

Most dealerships are aware of the ways to transport a vehicle: generally, through a broker, carrier, or driveaway service. Each method has its advantages and disadvantages, but choosing a method based solely on price may not be the best solution. Dealerships, like most businesses, have survived the past few years by learning how to operate on a shoestring budget. So, what is the best method for each of your vehicle moves?

**Carriers & Load Boards.** Whether you're picking up a load of vehicles from an auction or shipping a car to an impatient customer, there's no room for error when transporting inventory. Hiring a carrier directly may seem economical, but this exposes your dealership to liability for hiring the wrong carrier. Whether

you have been using a carrier for years or you use load boards to find a carrier, it may not be possible to qualify them as a quality carrier unless you have specialized knowledge of the transportation industry. Carriers are also limited to the number of trucks that they have and the lanes that they travel.

**Benefit of a Broker.** Because brokers have independent contractors all over the United States, they are always able to give you the solution for your vehicle move, based on the time frame that you need. They have the capabilities of checking safety ratings, insurance certificates, and workman's compensation waivers. It may seem easy to check these things yourself, but without proper training on what is current and required by industry standards, it may be very difficult to verify all data accurately.

*To read the complete article please go to [www.michiganada.org/links.html](http://www.michiganada.org/links.html) then scroll down to Posey Logistics. For more information about Posey, please contact Rochelle Hall at (248) 394-3014 or [rochelle@poseytrans.com](mailto:rochelle@poseytrans.com).*

## News from NADA

**New Bulletins on Safety, Fuel Economy.** Two new NADA bulletins will help new vehicle sales staff respond to consumer questions on safety and fuel economy:

- A two-page Q/A bulletin, "Dealer Guide to NHTSA's 5-Star Safety Rating Label," issued jointly by NADA and the National Highway Traffic Safety Administration aims to help sales staff respond to consumer questions on "stars-for-cars" safety information.

- A four-page Q/A bulletin, "Revised EPA/NHTSA Fuel Economy Labels," addresses the revised fuel economy and emissions information required for MY 2013 and later vehicles.

Please note: these bulletins are for informational purposes only. The bulletins are available within MADA's website at [www.michiganada.org/fedlinks.html](http://www.michiganada.org/fedlinks.html). For more information, please contact NADA Regulatory Affairs at (703) 821-7040 or [lbailey@nada.org](mailto:lbailey@nada.org).

## Action against Dealer for Alleged Data Security Violations.

The FTC has announced an enforcement action against, and a proposed settlement agreement with, a franchised dealer for allegedly (i) violating the FTC Privacy Rule, (ii) violating the FTC Safeguards Rule, and (iii) engaging in an unfair or deceptive act or practice (UDAP). The enforcement action alleges that, as a result of the dealership's failure to implement reasonable security measures to protect its customers' personal information (including names, addresses, social security numbers, dates of birth and driver's license numbers), the personal information of 95,000 consumers was made available on a peer-to-peer (P2P) network. The FTC announcement is available at [www.ftc.gov/opa/2012/06/eprn-franklin.shtm](http://www.ftc.gov/opa/2012/06/eprn-franklin.shtm).

In conjunction with its announcement, the FTC posted a blog on the topic of P2P file sharing software, available at <http://business.ftc.gov/blog/2012/06/peer-pressure>.



## June Fast Facts Sponsor



Document Solutions

MADA's preferred source  
for business forms.

## Hot item for thieves

It appears that Dodge Challenger wheels are the new hot ticket item in the eyes of thieves - even when the vehicle is displayed in the front row under lights. Please be aware and let us know if you have any other awareness tips to pass along to dealers.

## Reminder: MDOS compliance inspections are ongoing

New vehicle dealers have a good working relationship with the Michigan Department of State (MDOS) and always strive to be compliant - in all areas of business. We would therefore like to remind dealers that the MDOS has 14 investigators who regularly handle dealership compliance inspections. Inspections are conducted as a regular part of business licensing; dealerships are not selected for inspections based on complaints.

### What to expect during an inspection?

- Investigators most often show up unannounced. The person should offer identification, which includes a metal badge with number, stating "Michigan Department of State, Investigator." Agents also carry photo identification indicating they are with the MDOS. Most agents also carry business cards.
- Agents are conducting general compliance inspections of dealer records and inventory and are authorized to inspect all license

types, including repair facility licenses. (i.e. review of Police Books to ensure all proper information is being recorded.)

- If all dealership records are in order, the inspections can be conducted in a timely manner.
- Upon completion of the inspection, the investigator will do an exit interview.

Dealers are asked to contact MADA's Allison Harrison at (800) 292-1923 following your inspection so we can review. Please also let us know if you have any concerns or receive any write-ups. When MADA is aware of recurring compliance concerns we can work with the MDOS to get a better understanding of potential problems and pass along updated information to dealers. We know dealers work diligently to be in full compliance of all their various requirements and your individual experiences will provide valuable information to other members.

## Five types of fraud dealerships can prevent with better internal controls

A dealership controller in Pennsylvania recently made headlines for embezzling \$10 million over a number of years. While obviously an extreme and rare case, we thought this may be a good time to offer some suggestions to help avoid internal fraud within your dealerships. Crowe Horwath has prepared a follow up article on this specific case, detailing five types of fraud dealers can prevent. A portion of this article follows:

**1. Electronic Transfers.** The controller in this case transferred funds electronically via ACH transactions from the dealership's payroll bank account into the controller's personal bank account.

**Related Controls:** To address fraudulent ACH transactions, dealerships should have a call-back procedure in place with their bank for all ACH transactions. In a call-back procedure, when one person in the dealership authorizes and initiates an ACH transaction, the bank calls back another individual at the dealership to confirm the ACH transaction is proper.

Another control is to have someone other than the person initiating the ACH transaction independently review the payroll amounts submitted for payment. Individual department heads typically review and approve the payroll for their departments, but a different individual should then review all of the departments' payroll to verify they've been reviewed and appear to be reasonable.

A third control is to complete an independent review for reasonableness of year-to-date wages in the payroll register. A dealer can look at the year-to-date wages on a periodic basis to reconcile the employees in the payroll register and the amount of wages those individual are receiving...

*This article was published in the March 2012 issue of Crowe Horwath's Dealership Flash. To read the full article go to [www.crowehorwath.com/folio-pdf/RET12903B2\\_DFFraudArticle\\_lo.pdf](http://www.crowehorwath.com/folio-pdf/RET12903B2_DFFraudArticle_lo.pdf). For more information contact Tony Allison with Crowe Horwath at (574) 236-8630.*



## June Fast Facts Sponsor



Document Solutions

MADA's preferred source  
for business forms.

## SOS holiday closure

Secretary of State Ruth Johnson reminds dealers that all branch offices and the Office of the Great Seal will close on Wednesday, July 4 in observance of Independence Day.

Environmental Quality (DEQ) regarding operator certification testing and compliance.

Under the 2005 Energy Policy Act, all federally regulated Class A and B Underground Storage Tank (UST) owners/operators must have appropriate staff certified through successful completion of the new DEQ UST exam by August 8, 2012. Beginning August 9, the Hazardous Materials Storage Tank Inspectors will be checking for compliance with the certification requirements as part of their inspections. Enforcement actions in response to failure to comply will begin in January 2013, at which time any facility found to be in non-compliance with the certification requirements will be subject to red-tagging.

## NADA U Webinar Wednesdays for July

Following are a few webinars NADA is offering in July. MarketINSIGHT webinars are informational; they are open to all for free, and can be viewed live or on demand in NADA U's Resource Toolbox. Learning Hub instructional webinars are available for purchase (\$199 for members) in the NADA U Store and may be viewed live or on demand for two years.

Here's the schedule (all webinars begin at 1:00 p.m. EDT):

- Strategies for Connecting with Hispanic Car Buyers, MarketINSIGHT, Univision Communications, Sara Hasson, July 11

## Call for nominations

Dealers are reminded that we are still accepting nominations for dealer awards. If you know dealers who go out of their way to support the community or educational programs, we would like to recognize them.

Please review following award criteria and complete a nomination form (available at [www.michiganada.org](http://www.michiganada.org)). If you have questions call MADA at (800) 292-1923.

**Northwood Dealer Education Award.**  
Recipients of this award have made noteworthy

contributions to education, inside or outside of the industry. They are recognized for substantial dedication to the educational process and the field of automotive marketing.

**TIME Magazine Dealer of the Year Award.** In addition to exhibiting exceptional performance in their dealerships, TIME Dealer of the Year nominees perform heroic community service and are strong advocates for improving the world around them.

## New requirements: underground storage tank operator certification

Dealers who own and operate an underground storage tank should have received a letter in May from the Michigan Department of

The UST exam may be difficult for some dealers/operators who have only one tank and do not use USTs as a primary part of their business. For this reason it is suggested that operators participate in an exam-preparation and review course. MADA will be offering training courses to our members in the coming weeks; more information will be provided once dates and locations have been finalized.

While this course will not satisfy the state requirement for certification, it will help you prepare for the required exam to comply with the August deadline. Due to the potential impact failure to pass the exam may have on maintaining compliance for your operation, the exam preparation course is highly recommended.

If you have an underground storage tank and would like more information about requirements, exam review classes or other information, please call MADA at (800) 292-1923.



## July Fast Facts Sponsor

# SuperFleet®

Saving dealers 5¢ per gallon at participating gas stations.

## Upcoming Events

Aug 19 • MIS NASCAR race, Brooklyn

Oct 5 • MADA board meeting, Northwood University

Oct 5-7 • Northwood Univ. Int'l Auto Show, Midland

Dec 5 • MADA Annual Meeting & board meeting, location TBA

## CVR inventory count: July 10

Dealers participating in the CVR program are reminded that the count and physical verification of inventory must be taken **Tuesday, July 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 Monday, July 16 to **submit** the report, inventory must be counted and verified on July 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.

## Parts inventory: pay attention to parts, or your bottom line will need fixing

*Following is the featured article from NADA's monthly newsletter.*

NADA recommends that your First-Time Fill Rate at the parts counter should be 90%. Your Technician Proficiency score should be 100%. If you're not meeting those two guides, you're not operating efficiently and the reason may be not enough parts in inventory.

Too few parts can also cost you when consumers take their business elsewhere or become unhappy due to the wait. Bavis put it simply: "That customer is the bill-payer. The customer is the one you have to take care of. And the only way to do that is to have parts on hand. It doesn't mean you have to have a lot of them, but you need to have the ones that sell most often."

Managing inventory is a perpetual balance of keeping it lean while have enough parts on hand to keep the techs busy and customers happy.

To learn more, watch the video on this Pain Point at <http://nadauniversityblog.com/parts-turn/>. 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. The experts "resolve" each Pain Point and then the viewer is directed to the wealth of NADA U resources on the topic. Find the entire library at [NADAuniversityblog.com](http://NADAuniversityblog.com).

NADA reports that the average dealer has \$274,000 invested in parts inventory. Are you getting the most for your money?

Chris Bavis, who teaches the parts class at NADA University's Academy, says the key is turn. "The name of the game is the turn," Bavis said. "On the used-vehicle side, you make the most money when you turn the car within the first ten days. It's very similar in the parts department. It's all about how quickly you convert inventory to cash, and how often you do it." NADA's parts turn guideline is 6 to 9 times a year

"Most of our dealers these days are on a Daily Stock Order, a DSO, which means that they can get parts overnight so you don't have to have a lot of depth in your inventory," Bavis said. "The shorter the depth, the quicker the inventory turns."

While overnight deliveries are convenient, they can be a costly crutch. "A lot of parts managers perceive that if they can get it overnight, they don't have to stock it," Bavis said. "But that could mean a technician is just standing around waiting. We advise having the part in inventory so you can get it installed today rather than tomorrow." It costs money when service techs can't do the job because they're waiting for a part.



## July Fast Facts Sponsor

# SuperFleet®

Saving dealers 5¢ per gallon at participating gas stations.

## Upcoming Events

Aug 19 • **MIS NASCAR race**, Brooklyn

Oct 5 • **MADA board meeting**, Northwood University

Oct 5-7 • **Northwood Univ. Int'l Auto Show**, Midland

## News from NADA

**Report: Employment at New-Car Dealerships Up 4.6% in 2011.** There were 933,500 workers employed at U.S. new-car and -truck dealerships in 2011, a 4.6 percent increase from the previous year, said Paul Taylor, NADA chief economist. The findings were released as part of NADA Data 2012, the association's latest state-of-the-industry report on dealership financial trends. The increase in the number of employees occurred as the number of dealerships, which had declined in recent years, continued to stabilize. In the first quarter of 2012, there was an increase of 66 dealerships on a net basis. "The arrival of new brands and new dealerships is a sign that even more vigorous competition is on the way in the U.S. vehicle marketplace," Taylor said. "As new brands enter the U.S. market, the net dealership count may increase in future years of strong economic growth."

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

**NADA U Wants Your Story.** Did you discover an idea at the Academy or a 20 Group meeting that spurred a change, such as fixing a problem or improving your bottom line? Did a webinar or workshop, Driven guide or online course help you improve business operations? NADA U wants to hear you tell your "60-Second Success Story." NADA U is looking for YouTube-quality videos with real-life examples. Go to [www.NADAUAllStars.com](http://www.NADAUAllStars.com) to learn more.

## Merchant account for processing credit card transactions - caveat emptor

*Following is a portion of an article provided by John Mayleben with the Michigan Retailers Association (MRA).*

As a merchant you are also a consumer, and one service you buy is a merchant account for processing credit card transactions. It is likely that salespeople approach you on a regular basis, attempting to sell you this service or get you to switch processors. My advice: *caveat emptor*—buyer, beware.

As a national leader in providing this service, we at the Michigan Retailers Association (MRA) often hear reports about how others are selling merchant processing. We hear about the frustrations some merchants face when establishing an account or dealing with these other processors. With that in mind, here are some merchant account "landmines" so that you, too, can beware.

First, to establish a merchant account you will be asked to sign a contract. Read it carefully and understand it – all contracts are not alike. Some contracts have a clause requiring a term of two to four years and have an early termination fee (ETF), sometimes called "liquidated damages." This clause states the processor will calculate the estimated lost revenue that it would have made from the account and assesses all or some

percentage of it as an ETF. One of our regional marketing reps recently spoke to a small retailer who had an ETF of more than \$15,000.

You should also understand the various fees that some processors assess.

**"Rates as low as X"** A number of credit card processors are selling their programs with a very good (sometimes too good) "base" rate...

*To read the complete article, go to [www.michiganada.org/links.html](http://www.michiganada.org/links.html) and scroll down to Michigan Retailer Services.*

John Mayleben CCP is Michigan Retailers Association senior vice president, technology and product development, and a national expert on electronic payment processing. He is the first person in Michigan and among the first in the nation to receive the Certified Payments Professional designation from the Electronic Transactions Association.

Through MRA, MADA members have access to a group rate on credit card processing, which can save your dealership thousands of dollars. For information, call Larry Parker at (800) 292-1923.



## July Fast Facts Sponsor

# SuperFleet®

Saving dealers 5¢ per gallon at participating gas stations.

## The benefits of a BCBS or BCN health care plan

Being an association member gives your business the resources, advocacy and community support needed to build and grow your business. It also gives you another advantage - health care plans

from Blue Cross Blue Shield of Michigan and Blue Care Network. With association-sponsored health care plans, your employees benefit from these advantages:

**More provider choices.** With access to the Blues' unmatched statewide networks, your employees will have the flexibility to choose from a wide variety of providers to meet their individual health care needs.

**Worldwide acceptance.** Blues coverage doesn't stop at the state line. With BlueCard® protection, your employees' coverage extends across the country and around the world. No other card is as recognized and accepted as the one that carries the Cross and Shield.

**A dedication to wellness.** Good health means a healthier bottom line. Blues health plans include wellness resources that support your employees in achieving wellness goals such as losing weight or stopping smoking - at no additional cost to you or them.

**Easy online resources.** With just a click, employees can order ID cards, check eligibility, view their explanation of benefit payments statement or simply find a physician close to home — seven days a week, 24 hours a day.

**Servicing close to home.** Taking a regional approach to servicing helps us better understand and respond to the different needs of individual communities, businesses and members.

**Member discounts.** Who doesn't like saving money? By showing their ID card, your employees can do just that through money-saving discounts on injury-prevention equipment and complementary health services, such as acupuncture and wellness and fitness centers.

**A commitment to you.** Being nonprofit is important to the Blues and a commitment we'll keep. It means that instead of paying dividends to stockholders like other insurance carriers, we put more money back into Michigan — helping keep health care as low as possible for small businesses like yours.

**Not Covered?** Benefit from the advantages of an association membership. Call MADA at (800) 292-1923 for more information.

## NADA publications

Dealers may be interested in reviewing some of the various economic and other publications NADA offers on its website at [www.nada.org/nadadata](http://www.nada.org/nadadata), including the recently released *NADA Data 2012*.

Also available are the following:

- *Paul Taylor's Economic Update*
- *Monthly Sales Recap Reports*
- *Dealership Financial Profiles*
- *Historical Dealer Count*
- *Driving State Economies*



Save the date for the NADA Convention  
February 8-11, 2013 in Orlando, Florida  
**Registration opens Monday, July 23**

## Free SOS training programs finish up this fall

Only a few dates remain on this year's schedule for dealer training sessions. These free programs are offered each year by the State of Michigan, Bureau of Regulatory Services. **Final dealer sessions for the year will be held August 28, September 12 and October 4 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. *(Please note: while the SOS also offers repair facility/mechanic training programs, all these sessions are full for the year.)*

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.



## July Fast Facts Sponsor

# SuperFleet®

Saving dealers 5¢ per gallon at participating gas stations.

## F&I training workshop

Loftus & Associates is hosting a workshop in August, presented by George Angus of Team One Research & Training. This program is the top producing F&I training program in America - and it is available free to MADA members.

The basic training program will be held August 7 in the MADA Red Room. An advanced workshop follows on August 8. For more details or to register, please visit [www.loftusinc.com](http://www.loftusinc.com) or call Raylene at (810) 732-1700.

## Dealer alert: fraudulent activity reminders

**Identity theft.** A MADA member in west Michigan informed us of an individual purchasing vehicles using a stolen identity. The dealership sold a vehicle to a "customer" with the stipulation that he would return to provide a final piece of documentation. When the individual did not return and staff called the phone number provided, the dealership ended up speaking with the actual owner of the identity and learned his identity had been stolen to purchase several vehicles in the past weeks.

To avoid similar situations, dealers are encouraged to remind staff of Red Flag Rules and ensure all paperwork is in proper order before selling or releasing any vehicle.

**Key swap theft.** Another dealership, this time in the Saginaw area, had a vehicle stolen following the same key swap method we have mentioned in past issues of *Fast Facts*. Two or three suspects visit the dealership late in the day to look at cars. While one suspect is talking with the sales person, the other swaps the vehicle key. They return later the same day and steal the vehicle. Most have later been found stripped.

Dealers are asked to pass this information along to all your sales people so they are aware these suspects are still in operation. If you have been visited by the suspects immediately contact Michigan State Police D/Sgt. Kyle McPhee at (517) 322-1909.

## News from NADA: House passes repeal of obsolete mandate

The U.S. House of Representatives has passed a NADA-supported bipartisan bill (H.R. 5859) which would repeal an obsolete provision regarding insurance cost reporting. The bill repeals a requirement that dealers make available a NHTSA booklet entitled "Relative Collision Insurance Cost Information." Under current law, auto

dealers are required to provide the booklet to prospective purchasers upon request or face penalties. However, a recent NADA survey revealed that for 96 percent of dealers, no customer had ever asked to see the booklet. NADA will be seeking Senators to sponsor a companion bill.

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

Advance registration for the NADA/ATD convention is now open. The 2013 event will be held February 8-11 in Orlando. Additional information, including registration instructions and hotel details are available within the convention website at [www.nadaconventionandexpo.org](http://www.nadaconventionandexpo.org) or [www.atdconventionandexpo.org](http://www.atdconventionandexpo.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.

Convention speakers include:

- Feb. 9, industry message: John Krafcik, President & CEO, Hyundai
- Feb. 10, ATD general session: Bob Costello, Chief Economist and Vice President for the ATA
- Feb. 10, inspirational program: Captain Mark Kelly, Commander of the Space Shuttle Endeavour's Final Mission
- Feb. 11, ATD general session: Dennis Snow, Former Disney University Instructor

## NASCAR ticket discounts

Dealers are reminded that the Michigan International Speedway (MIS) is still offering promotional ticket packages for the August 19 NASCAR Sprint Cup race. Save up to \$45 on tickets and enjoy free parking, a pre-race pit pass and a \$10 concession voucher. 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.



## August Fast Facts Sponsor

**Dominion**  
CROSS-SELL REPORT

The dealer's source for market and competition activity through vehicle registration reports.

## Upcoming Events

Aug 19 • **MIS NASCAR race**, Brooklyn

Oct 5 • **MADA board meeting**, Northwood University

Oct 5-7 • **Northwood Univ. Int'l Auto Show**, Midland

## MADA Annual Meeting: location and speaker announcements

We would like to thank the dealers who offered topic and speaker suggestions for the 2012 MADA Annual Meeting. We are excited to announce that we have been able to meet many of your requests, which will ensure a very informative and educational event.

**This year we will hold the event on Wednesday, December 5 at the Kellogg Hotel & Conference Center in East Lansing.**

We will continue with the redesigned meeting format and begin with a morning speaker presentation. The MADA business session will follow, including the board meeting and annual meeting. Lunch with a guest speaker will be provided.

The keynote speaker will be **Tommy Gibbs, president of Tommy Gibbs & Associates,**

specializing in leadership skills and used vehicle management. He has over 23 years experience as a new car dealer and is a frequent 20 Group and convention speaker.

The Annual Meeting will conclude with a networking reception. (Please note that again this year there will be no dinner program.) This event is a great opportunity to learn more about what is going on in our industry and network with other Michigan dealers. The time conscious agenda allows us to wrap up early, which also makes this a great event for GMs or used car managers.

Additional details about speakers and general event details will be forthcoming in *Fast Facts*. Registration details will be mailed nearer to the event. If you have questions, please call MADA at (800) 292-1923.

## NADA U Webinar Wednesday's for August

Following are a few webinars NADA is offering in August. MarketINSIGHT webinars are informational; they are open to all for free, and can be viewed live or on demand in NADA U's Resource Toolbox. Learning Hub instructional webinars are available for purchase (\$199 for members) in the NADA U Store and may be viewed live or on demand for two years.

Here's the schedule (all webinars begin at 1:00 p.m. EDT):

- Applying FET to Truck Bodies, Learning Hub (Legal), Mark Sidman and Rose-Michele Nardi, Weiner Brodsky Sidman Kider PC; Bradley Miller, NADA Legal Group, August 8

- Verizon's Back-End Solutions, MarketINSIGHT, Verizon, Jennifer Horvath, August 15
- Five Steps to Boost Visibility, MarketINSIGHT, AutoTrader, Howard Polirer, August 22
- Tax Implications of Tangibles Regulations, Learning Hub (Legal), Dan Thompson and Bob Murphy, Boyer & Ritter; and Paul Metrey, NADA Legal Group, August 29
- Industry Trends: Parts, Service and Used Vehicles, Learning Hub (third in a four-part NADA-Google series offered free to members), Peter Leto, Google, and Les Abrams, NADA Academy, available on demand.

## MADA offers bonds for your business needs

MADA reminds dealers that we offer various bonds to meet your business needs. All bonds are offered through our subsidiary company, Dealers Insurance Agency (DIA), and underwritten by Merchants Bonding Company. For more information please call Larry Parker at (800) 292-1923.

**Vehicle dealer surety bonds** - the State of Michigan requires all dealerships to have a surety bond in order to maintain a dealer's license. Through MADA, dealers can obtain a \$10,000 bond for a very low \$100 annual cost.

**Title bonds** - dealers must obtain a title bond when replacing a lost vehicle title. The bond is good for three years and is worth twice the value of the vehicle. The cost of the bond varies depending upon the type and value of the vehicle.

**Purchaser's bonds** - the State of Michigan requires dealerships to have a purchaser's bond before accessing the state's online driving, vehicle, RV records, etc. This includes information such as registration history, title history, and plate or VIN information. These bonds are \$250 annually.



## August Fast Facts Sponsor

**Dominion**  
CROSS-SELL REPORT

The dealer's source for market and competition activity through vehicle registration reports.

## Associate member event, Aug. 21-22

A 2-day Financial Services Management Workshop is being offered by Great Lakes Companies on Aug. 21-22 in Kalamazoo. The course covers the newest financial products, presentations, objection handling and compliance obligations all in a simple downsized format. For more information, visit [greatlakeslearning.com](http://greatlakeslearning.com).

have in place a self-certified Spill Prevention, Control, and Countermeasure (SPCC) Plan template.

The template can be used by 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

## Fraudulent invoices; other reminders

MADA members have alerted us to another unsolicited invoice to be aware of. Dealerships have recently received an invoice from Dealer Inc. in Clearwater, Florida for a "Dealer Directory Insertion/Dealer Digest." When calling the number on the invoice, the caller may hear a beep, followed by a brief announcement, then nothing further.

As with 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.

Other activities dealers or police have informed us of:

- Suspects break into a dealership after closing to steal navi-

## Notice to dealers with underground storage tanks

As you have previously been notified, new regulations require owners/operators of Class A and B Underground Storage Tanks (UST) to have appropriate staff certified through successful completion of a new DEQ UST exam.

The DEQ has delayed enforcement actions until January 2013 to allow time for proper training. However, Hazardous Materials Storage Tank Inspectors are now checking for compliance with the certification requirements as part of their inspections.

The UST exam may be difficult for some dealers/operators who do not use USTs as a primary part of business. To assist in training,

MADA is currently planning test-preparation courses for our members. **Please contact Larry Parker at (800) 292-1923 if you have an underground storage tank and will need training** so that we can schedule courses accordingly. (If you have previously informed us your name is already on our list.)

While this course will not satisfy the state requirement for certification, it will help you prepare for the required exam to comply with the new regulations. Due to the potential impact failure to pass the exam may have on maintaining compliance for your operation, the exam preparation course is highly recommended.

## Reminder: aboveground tanks and self-certified SPCC plans

As NADA and MADA have previously reminded, dealerships that store more than 1,320 gallons of oil aboveground and qualify as a Tier 1 facility should now

and ensure the plan is an equivalent that meets all applicable rule requirements. Tier 1 qualified facilities are those that:

1. Have 1,320 to 10,000 gallons aggregate aboveground oil storage capacity, with no individual oil storage container capacity above 5,000 gallons; and
2. For the three years preceding SPCC plan certification, have no single discharge of oil to navigable waters exceeding 1,000 gallons, or two discharges of oil to navigable waters each exceeding 42 gallons within any 12-month period.

*Additional information and templates: [www.epa.gov/osweroe1/content/spcc/tier1temp.htm](http://www.epa.gov/osweroe1/content/spcc/tier1temp.htm).*

gation systems, remove wheels, etc. (We have been hearing about these type of thefts more and more often.)

- Two heavy-set, African-American males visit the dealership to look at a vehicle. While looking, they swap the dealer key with a similar key and return after closing to steal the vehicle. This theft ring has been ongoing for months and the number of stolen vehicles continues to climb. Please immediately call Michigan State Police D/Sgt. Kyle McPhee at (517) 322-1909 if you may have been visited by these suspects.

If you would like to make other dealerships aware of potentially fraudulent activity please call MADA at (800) 292-1923.



## August Fast Facts Sponsor

**Dominion**  
CROSS-SELL REPORT

The dealer's source for market and competition activity through vehicle registration reports.

## Dealer notice: preventing ID theft

MADA has been made aware of another professional crime ring dealers should be aware of. Out-of-state customers have been visiting dealerships late in the day or near closing to purchase vehicles using stolen

identities. They provide very realistic-looking - yet fraudulent - materials, including driver's licenses. These suspects use the stolen identity to purchase a number of items in the same day, which means that even when the dealership does their due diligence and checks credit bureaus, the previous purchases may not show up.

Randy Henrick with DealerTrack suggests the following tips to verify a customer's identity:

- Examine the customer's personal identity documents to look for forgeries. Try to get at least two photo IDs.
- Look for unusual patterns of recent activity on a credit file.
- Use an electronic identity verification service that matches information the customer gives on their credit application and drivers license to databases of identity fraud.
- When you have doubts, get knowledge-based authentication or "out-of-wallet" questions from the electronic identity verification service. (Questions derived from information broker's databases and public records and not likely to be known from a lost wallet or a real person's credit report.)

*For additional information and tips, please read the complete article by Mr. Henrick, available at [www.michiganada.org](http://www.michiganada.org). (Links tab, scroll to DealerTrack.)*

## Rental vehicle agreements and owner's liability

*Colombo & Colombo has revised the Rental Vehicle Agreement to take into consideration a recent court decision. Please read the following from Colombo for additional information.*

Recently there has been some confusion over the issues surrounding owner's liability relating to the use of rental vehicles and the proper use of the forms relating to these vehicles. In a recent court decision, a Macomb County Circuit Court judge held that a dealer who provided a vehicle to a customer while the customer's car was in for service was in the "business of leasing motor vehicles" for the purpose of Michigan's owner liability statute, even where the rental car agreement showed that no money was paid by the customer for the use of the rental vehicle. The case adopted the ruling issued by the Michigan Court of Appeals case of Joe Panian Chevrolet v Young from 2000. Essentially, this reinforces the fact that a dealer's liability in situations such as these will be limited to \$20,000 under Michigan's owner liability statute, MCL 257.401.

Accordingly, where the dealer in the Macomb County Circuit Court case was using a version of the Rental Vehicle Agreement, we recommend that dealers use the new form instead of other forms that may be in current use or circulation. Additionally, we have revised the Rental Vehicle Agreement to ensure that all costs, if any, associated with the use of the rental vehicle or "courtesy car" as most dealers refer to it, will be paid by either the customer, manufacturer and/or insurance company and that any damage to the vehicle and costs associated therewith

is acknowledged by the customer upon return of the vehicle.

The only way that a dealer could possibly be absolved from all liability with respect to damage or injury caused by a customer while driving a rental vehicle provided by the dealer would be to form a completely separate and distinct entity that only conducts business as a rental car company. The separate rental car company would be required to charge a rental fee for the use of its vehicles even where the customer has his or her vehicle in for service with the dealership. The rental fee can be paid by the customer, or a third party such as an insurance company or manufacturer under warranty. By following these guidelines, this separate entity would then be considered a rental car company under the Graves Amendment, a federal law, exempting it from owner's liability under Michigan's statute.

**As a reminder, a rental vehicle is considered a service vehicle and dealers are prohibited from using dealer plates on service vehicles.**

If you have questions, please call MADA at (800) 292-1923 or contact Colombo & Colombo at (248) 645-9300.

*Copies of the form, in triplicate, can be purchased through MADA for \$7.50 each (per pack of 25), plus \$2.50 shipping/handling. (Shipping rate remains the same regardless of quantity ordered.) To order, please contact Summer Kniss at [skniss@michiganada.org](mailto:skniss@michiganada.org) or (800) 292-1923.*



## August Fast Facts Sponsor

**Dominion**  
CROSS-SELL REPORT

The dealer's source for market and competition activity through vehicle registration reports.

## Annual Meeting speaker addition

MADA is looking forward to having **Mr. Tim Skubick** join us on December 5 in East Lansing for another Annual Meeting political update. As a follow up to the presidential election this November, Skubick, one of Lansing's most recognized political correspondents, will provide the inside scoop on Michigan and US politics, plus anticipated changes for our state.

renew online for up to four years. (The multi-year renewal option is not available when renewing by mail.) While a multi-year renewal may be a good option for some dealers, it is not for everyone. The most significant issue to consider is that all fees for the number of years you select must be paid in advance, and the state will not offer refunds at a later date for any reason. *Example: your one year cost for plates and license renewal is*

## Dealership thefts and burglaries on the rise

Several dealers, as well as various police departments, have contacted MADA to warn dealers of increased activities targeted at dealerships. Recent thefts and burglaries appear to be professional, and the frequency has been increasing. We have been informed that thieves break into the rear window of SUVs to steal navigation systems, they have gotten through locking systems to remove air bags, and wheels and rims have been another target. Grand Rapids and west Michigan

dealers have been a recent target.

To assist local police departments and auto theft teams, MADA has agreed to pass along information to our dealer members, as necessary. Dealers are urged to be aware of these recent thefts and take precautions.

We would like to thank the dealers who have been keeping us informed. Please contact us at (800) 292-1923 if you have information or questions.

## New options for your 2013 dealer license renewal

The State of Michigan will begin mailing 2013 dealer license and plate renewal applications following the Labor Day holiday. MADA will also be sending information to our dealers, prior to the state's mailing.

**Please carefully read both packets of information as there are new renewal options.** The state will now offer dealers the ability to

*\$450. You will pay \$1,800 (4 years x \$450 = \$1,800) up front to renew for a four-year period. If you sell your dealership or close a location two years into the renewal period you forfeit the fees paid in advance.*

When speaking to members of the board, dealers had a few questions and concerns regarding multi-year renewals. MADA's mailing will answer many of these questions; we strongly urge you to review the information.

Of course, **dealers who would like to continue renewing annually by mail** can still do so. (This method is recommended if you have any changes to your renewal.) If using this method, MADA encourages you to send your completed information to us. We will review it for accuracy before personally delivering it to the state. Please review next week's MADA mailing for more information.

Regardless of your choice, MADA is happy to assist with any renewal questions you may have. If you have questions or concerns after receiving your renewal packets, please e-mail Jean Quinn at [jquinn@michiganada.org](mailto:jquinn@michiganada.org) or call (800) 292-1923.

## Free webinar from NADA: IRS's New Tangibles Regulations

**Understanding the Consequences of the IRS's New Tangibles Regulations.** This webinar will be presented Aug. 29 from 1 to 2:30 p.m. EDT. It is free for NADA and ATD members and their contracted professionals, such as attorneys, CPAs and financial advisors. Speakers Dan Thompson, Bob Murphy and Greg Hamm, senior partners at the dealer accounting firm Boyer & Ritter, along with Paul Metrey of NADA's Legal Group, will help dealers and their tax practitioners understand what the new tangible regulations require and when they take effect.

Here's some background: In Dec. 2011, the IRS issued temporary "tangibles" regulations that address the appropriate tax treatment of amounts businesses pay to acquire, produce or improve tangible property. These complex regulations address a number of issues, including whether expenditures are repairs (which may be currently expensed) or capitalized improvements (which must be depreciated), and they could require every dealer to change his or her current accounting method. To register, contact NADA U at (800) 557-6232.



## August Fast Facts Sponsor

**Dominion**  
CROSS-SELL REPORT

The dealer's source for market and competition activity through vehicle registration reports.

## SOS holiday closures

Secretary of State Ruth Johnson reminds customers that all branch offices and the Office of the Great Seal will close Monday, Sept. 3, in observance of Labor Day. Secretary of State SUPER!Centers normally offer Saturday hours but will be closed on Saturday, Sept. 1.

dealers are often quoted a great base rate for a dealership's preferred, qualified customers. Unfortunately, most customers don't qualify for the great base rate so the dealer's overall processing costs are considerably higher than anticipated. MADA's Bankcard Advantage program offers a different option for members.

Two MADA members recently received an analysis of their previous credit card processor, compared to the estimated savings with the MADA Bankcard Advantage program.

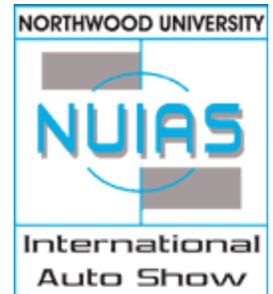
## Northwood offers "Rhythm N' Blues" auto show weekend

Northwood University invites dealers to become a sponsor of the 2nd Annual Northwood University Gala, to be held in Midland on Friday, October 5. The gala, which is held in conjunction with the 49<sup>th</sup> Annual Northwood University International Auto Show, will begin at 6:00 p.m. at the Midland Country Club.

The Northwood University Gala was created to provide a fun new event for Northwood's friends, alumni, and community partners to enjoy. Due to the extreme success of last year's event, the organizers plan to celebrate the Rhythm N' Blues by bringing back The Simone Vitale Band. Attendees are asked to honor the "blues" and "Northwood" by wearing or accessorizing in blue!

Sponsorship opportunities range from \$500 "Blue" Sponsorships (includes 2 tickets) to a \$10,000 "Platinum" Sponsor level (includes 8 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 event, as well as the various sponsorship levels and what they include.



## Member savings spotlight

When getting estimates for credit card processing,

Consider these numbers:

- Dealership with a \$60,000 monthly volume - annual savings of \$5,200 by switching to MADA's program.
- Dealership with a \$22,000 monthly volume - annual savings of \$1,400 by switching to MADA's program.

With an apples-to-apples comparison from MADA, dealers will get more than just an estimate based on your qualified customers. Dealers will receive a full analysis of current processing costs, compared to a fair comparison of processing fees through MADA's program. If you would like to receive a free cost analysis, please call Larry Parker at (800) 292-1923.

## News from NADA: ATD Convention speaker

**Navistar's Troy Clarke to Provide Industry Keynote Address at 2013 ATD Convention.** Troy A. Clarke, president of truck and engine operations for Navistar, Inc., will provide keynote remarks at the 2013 ATD Convention and Expo in Orlando, Fla., next February. The full lineup of keynote speakers for the 50th annual ATD convention, which will be held Feb. 8-11 at the Orange County Convention Center, includes Clarke; Bob Costello, chief economist and vice president of the American Trucking Associations; Dennis Snow, a former Walt Disney World consultant, who now trains executives how to improve

customer service, develop employees and establish leadership goals; and ATD Chairman Richard Witcher. The ATD Convention will once again run concurrently with the NADA Convention and Expo in Orlando.

### Important Dates and Deadlines for the ATD Convention:

Deadline to receive the early bird registration rate - Oct. 5

Deadline for hotel reservations through ATD - Jan. 31

*(Please note NADA Convention deadlines may be different.)*



## September Fast Facts Sponsor

### CERTEGY®

Offering MADA member discounts for Enhanced Warranty, SettleSmart and Elec Check.

## Availability of state renewal website

The State of Michigan has notified us that the online renewal website (for dealers, repair facilities, mechanics) will not be available the following days due to required server upgrades:

- Sept 7th - 5 pm till Sept 10th - 9 am
- Sept 14th - 5 pm till Sept 17th - 9 am

## Would you prefer to receive additional information via e-mail?

MADA is asking dealers on our fax distribution list if they would be interested in transferring to the e-mail format. With e-mail we are able to provide direct links, last minute updates, Michigan legislative news and dealer alerts we don't have space for in this one-page fax. (Recent examples: dealership theft/scam notices and economic/financial reports.) If you or a staff member would like to move to the e-mail version of *Fast Facts*, advisories and dealer notices, please provide the following information:

Name: \_\_\_\_\_

Dealership: \_\_\_\_\_

E-mail: \_\_\_\_\_

Fax to (517) 351-3120 or e-mail [skniss@michiganada.org](mailto:skniss@michiganada.org).

## Tommy Gibbs: Is it really worth it?

*The following is a portion of an article from Tommy Gibbs, keynote speaker at the 2012 MADA Annual Meeting.*

I was contacted recently by a general manager whose dealer was putting pressure

lower price cars are bringing to the table, but he also wants the higher F&I income. I get it, I really do.

However, it's possible the dealer is missing the big picture or he is doing what dealers sometimes do; he's working the management team. Been there and done that and there's nothing wrong with it unless it totally screws up the heads of the members of the management team. It may also be he's trying to create an environment of "If you think you can, you can."

The first thing that has to be realized is achieving high gross profit and doing volume is a contradiction. It goes against Tommy's laws of nature.

I'm not saying it can't be done but I will say it's very unusual, and there has to be a very special set of circumstances for it to happen with consistency. If it's going to happen in today's market it's because the dealership has amazing talent or they exist in a very unique market.

To keep reading, go to [www.tommygibbstraining.com/special\\_article/really\\_worth\\_it.php](http://www.tommygibbstraining.com/special_article/really_worth_it.php).

on him because the average F&I gross was falling. Here's the specific question as it was presented to me:

"We have been selling more and more inexpensive cars (many that have over 100,000 miles) and the volume definitely has increased and our turn is much better, but that being said our backend averages have dropped. We are selling fewer products because the cheap cars are not eligible for product. My owner is putting tremendous pressure to keep backend averages up, but due to us pushing prices down and selling these older cars our averages are falling. Basically the numbers are telling me we are doing a poor job in used car F&I. Your thoughts?"

You have to believe the dealer likes the volume that these

## 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 ethnicity, race and gender. The filing deadline is September 30, 2012.

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).



## September Fast Facts Sponsor

### CERTEGY®

Offering MADA member discounts for Enhanced Warranty, SettleSmart and Elec Check.

## UPDATE: availability of state website

The State of Michigan server upgrade scheduled for September 14 - 17 has been postponed.

**The revised upgrade will take place from September 21 (5:00 pm) to September 24 (9:00 am).** During this time, the online renewal website (for dealers, repair facilities, mechanics) will be unavailable due to required server upgrades.

A down for maintenance message will be posted during these times.

Embassy Suites, JW Marriott and Ritz-Carlton. The Rosen Center is nearly sold out.)

The 96th annual NADA convention will be held at the Orange

## Professional theft ring continues to target navigational systems

A mid-Michigan dealer would like to warn others that thieves continue to steal navigational systems from vehicles on dealership lots. The suspects appear to be professional. They break the rear windows to gain access and remove navigational systems from both new and used vehicles. Recent thefts seem to be specifically targeting Chrysler vehicles. Local police have been notified. (One dealer, knowing others

in the area had been hit, chose to remove the navigational systems in all dealership vehicles to avoid theft.)

We continue to hear of professional wheel and rim thefts as well.

MADA reminds dealers to be aware of this activity and contact us if you have other information to pass along to dealers.

## Early-bird registration discount for NADA convention ends Sept. 14

NADA dealers and their managers planning to attend the NADA Convention and Expo in Orlando are encouraged to register by Friday, Sept. 14 to take advantage of early-bird registration rates - a \$100 discount off the on-site rate.

As a reminder, dealers should also register in advance to book the hotel rooms of their choice. (Six out of 21 NADA convention hotels have already sold out. They include the Westin, Hilton, Peabody,

County Convention Center from Feb. 8-11, 2013. The American Truck Dealers (ATD) Convention and Expo will once again run concurrently with NADA.

Keynote speakers include John Krafcik, president and CEO of Hyundai Motor America; inspirational speaker Mark Kelly, space shuttle commander of Endeavour's final mission; NADA Chairman Bill Underriner; and incoming NADA Chairman David Westcott.

Dealers will have an opportunity to meet face-to-face with top automaker executives at 26 dealer franchise meetings to discuss their marketing plans, sales outlook and new product launches. NADA University will be offering dealers and their managers 26 new workshop topics, totaling 120 workshop sessions covering 45 topics. More than 500 companies are expected to exhibit on the expo floor.

To register for the NADA convention, please visit [www.nadaconventionandexpo.org](http://www.nadaconventionandexpo.org).

## September training opportunities for MADA dealers

MADA members have access to a wide variety of informational and educational programs. Please occasionally visit our website at [www.michiganada.org/events/webinars.htm](http://www.michiganada.org/events/webinars.htm) for a listing of free or reasonably priced programs for your dealership. Following are a few programs this month:

- **KPA:** Richard Valenta (September 19) *Five things you must have to market to the 20% of people connecting with you through a mobile device.*
- **KPA:** John Boggs (September 20) *Learn how to manage problem employees and decrease your liability in the event of termination.*

- **DealersEdge:** Sandi Jerome (September 20) *How lead controllers/CFOs can master the management of multiple dealer group locations and staffs.*
- **Great Lakes Companies:** Compliance Seminar, on-site in Kalamazoo (September 25) *In-depth review of the laws that govern dealership procedures.*
- **DealersEdge:** John Fisher & Marc Newman (September 27) *Affordable Health Care Act implementation for car dealers - what you should be doing right NOW!*



## September Fast Facts Sponsor

### CERTEGY®

Offering MADA member discounts for Enhanced Warranty, SettleSmart and Elec Check.

## Voter registration deadline

October 9, 2012 is the last day to register to vote in the November 6, 2012 election.

## Oct. 5: Northwood Univ. auto show opening, MADA board meeting

MADA reminds dealers that the completely student-run Northwood University International Auto Show begins Friday, October 5, with an opening ceremony at noon. We hope you are able to visit the show and show your support for the future dealers and automotive professionals who work hard to present this show each year.

The theme for the 2012 show is "Driving the Dream," and focuses on realizing the "Dream" experience for each individual product in the show. Especially in today's market, automobile manufacturers are working to increase the enjoyment owners get out of their cars. The

show hopes to evoke the specific personality of each product as well as each individual.

Show schedule:

- Friday, Oct. 5, 2012 - 12 p.m. to 6 p.m.
- Saturday, Oct. 6, 2012 - 9 a.m. to 6 p.m.
- Sunday, Oct. 7, 2012 - 10 a.m. to 5 p.m.

The MADA board meeting will take place at 10:00 a.m. at the Sloan Family Building for Aftermarket Studies (Room 210). All members dealers are welcome to attend. If coming, please RSVP to MADA at (800) 292-1923 or e-mail [news@michiganada.org](mailto:news@michiganada.org).

## MADA Annual Meeting information - check your mail

We have an exciting and informative day planned for the dealers and management staff who attend this year's MADA Annual Meeting. All costs associated with this educational and networking event are underwritten by various sponsors - allowing us to provide this event as a free dealer benefit. Please join us!

### 2012 MADA Annual Meeting

Wednesday, December 5

Kellogg Hotel & Conference Center in East Lansing

Additional details and a registration form will be mailed to dealers next week; please keep your eyes open for them.

Following is a brief overview of the day's activities:

- We will begin with a morning session at 11:00 a.m., providing timely information on issues that will be important to your business in 2013.
- Lunch and the official MADA business meetings will take place at noon.
- As a follow up to the upcoming November elections, Lansing's most recognized political correspondent will provide the inside scoop on Michigan and national politics, plus anticipated changes for our state.
- The keynote speaker will offer key strategies that are critical to improve your used-car business in today's highly competitive market.

## Secretary of State offices collect food for Harvest Gathering

Secretary of State Ruth Johnson has announced that residents can donate nonperishable food items at local Secretary of State branch offices, continuing a long-standing tradition of giving to families in need. Speaking on behalf of Secretary Johnson, Department of State chief of staff Mike Senyko helped kick off the 22nd annual Michigan Harvest Gathering campaign at the state Capitol alongside Michigan Attorney General Bill Schuette, who co-founded Michigan Harvest Gathering, and Kareemah El-Amin, executive director of the Food Bank Council of Michigan.

The 2012 goal is 300,000 pounds of food and \$1 million.

In 2011, Michigan Harvest Gathering collected more than 140,000 pounds of food and \$531,000. People are asked to donate food items such as canned meats, dry beans, soups, beef stew, pasta products, peanut butter and tuna. They can also donate baby food or formula, diapers, soap, toothpaste and toothbrushes. Financial donations may be made online at [www.feedmichigan.org](http://www.feedmichigan.org).

The Harvest Gathering campaign runs through Oct. 15. However, donated items can be dropped off at any Secretary of State branch office through Nov. 30.



## September Fast Facts Sponsor

### CERTEGY®

Offering MADA member discounts for Enhanced Warranty, SettleSmart and Elec Check.

## ASE fall testing

Reminder: ASE fall testing starts on October 1 and ends on November 30. You can register online anytime at [www.myASE.com](http://www.myASE.com).

## NADA parts seminar to be held in October

NADA will offer an Advanced Parts Management Seminar at its McLean, Va., headquarters from October 15 to 19.

NADA Academy instructor Chris Bavis will help attendees transform their parts department from the "black hole mystery" to improving profitability. Each main topic on the following agenda encompasses a host of detailed subtopics, such as perfecting the

mix, profit centering, know the customer needs, personnel techniques, deep dive into the DMS, case study and SWOT analysis and best practices.

To register, contact NADA University customer service at (800) 557-6232 or log into NADA University and go to the NADA U Store.

## Dealer workshop: underground storage tanks, exam preparation

MADA and the Michigan Associated Food & Petroleum Dealers are hosting an exam-preparation workshop on

October 18 for dealers who need to be informed about the new UST certification and enforcement requirements. If your dealership will be regulated by these new requirements, it is recommended that you attend this workshop.

As a reminder, under the 2005 Energy Policy Act, all federally regulated Class A and B Underground Storage Tank owners/operators must have appropriate staff certified through successful completion of the new DEQ UST exam. **Hazardous Materials Storage Tank Inspectors are currently checking for compliance** with the certification requirements as part of their inspections. Enforcement actions in response to failure to comply will begin in January 2013, at which time any facility found to be in non-compliance with the certification requirements will be subject to red-tagging.

While this workshop will not satisfy the state requirement for certification, it will help you prepare for the required exam to comply with the deadline.

If you have an underground storage tank and would like more information about requirements, exam review classes or other information, please call MADA at (800) 292-1923.

Thursday, October 18

Time options: 8am-12pm or 1-5pm

MADA Red Room in East Lansing

Cost \$70 per person (special member rate)

Registration deadline: October 12

Call Larry Parker at (800) 292-1923

## Statewide ballot proposals

Voters have a lot of issues to consider at the voting booth on Tuesday, November 6, including ballot proposals that could potentially change the state constitution. Following are the statewide proposals voters will be asked to vote on. To get more details about each proposal, please go to [www.michiganada.org](http://www.michiganada.org) and click the ballot language link.

- Proposal 12-1: a referendum on public act 4 of 2011 the emergency manager law.
- Proposal 12-2: a proposal to amend the state constitution regarding collective bargaining.
- Proposal 12-3: a proposal to amend the state constitution to establish a standard for renewable energy.

- Proposal 12-4: a proposal to amend the state constitution to establish the Michigan quality home care council and provide collective bargaining for in-home care workers.
- Proposal 12-5: a proposal to amend the state constitution to limit the enactment of new taxes by state government.
- Proposal 12-6: a proposal to amend the state constitution regarding construction of international bridges and tunnels.

*Reminder: October 9, 2012 is the last day to register for the November 6, 2012 election.*



## October Fast Facts Sponsor

 **American Fidelity Assurance Company**

A member of the American Fidelity Group.

Offering options for disability income, limited benefit cancer expense life, accident only and section 125 administrative expenses.

## Upcoming Events

Oct 5-7 • **Northwood Univ. Int'l Auto Show**, Midland

Dec 5 • **MADA Annual Meeting & board meeting**, East Lansing

Feb 8-11 • **NADA/ATD Convention**, Orlando

## Early-bird registration discount for ATD convention ends Oct. 5

Commercial truck dealers and their managers planning to attend the ATD Convention and Expo in Orlando, Fla., in February are encouraged to register by Oct. 5 to take advantage of early-bird registration rates - a \$150 discount off the onsite rate. "Orlando is hosting several events next February, so hotel rooms will fill up quickly," said Joe Jenkins, chairman of ATD's convention committee. "We're encouraging ATD members to regis-

ter early and reserve the hotel rooms of their choice." Seven out of 21 convention hotels have already sold out. The 50th annual ATD convention, which will be held at the Orange County Convention Center from Feb. 8-11, 2013, will once again run concurrently with the NADA Convention and Expo. To register, including hotel reservations with discounted rates, visit [www.atdconventionandexpo.org](http://www.atdconventionandexpo.org).

## CVR inventory count: October 10

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

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, October 15 to **submit** the report, 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.

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.

## 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 today's MADA board meeting. We would like to congratulate our **Time award winner, Mr. Ralph Shaheen**, and our **Northwood award winner, Mr. Jim Waldron**!

Mr. Shaheen is the president of Shaheen Chevrolet in Lansing. He is a past president of MADA and has served in various MADA leadership positions for more than 10 years. Mr. Shaheen is very active in and around the Lansing community, as evidenced through his community and civic involvement, as well as his financial support to a wide range of organizations.

Mr. Waldron is the owner of Jim Waldron Buick-GMC Truck in Davison. He is a current NADA director and has served in a leadership position with MADA for nearly 15 years. Mr. Waldron strongly believes in giving back to the community, as shown through support - both financial and time - to Davison schools. His contributions include major contributor to Davison sports program, the Jim Waldron \$5,000.00 scholarship, now in its 11th year, underwriting Davison Schools summer camp and donating scoreboard to Davison's Cardinal Stadium.

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



## October Fast Facts Sponsor

 **American Fidelity Assurance Company**

A member of the American Fidelity Group.

Offering options for disability income, limited benefit cancer expense life, accident only and section 125 administrative expenses.

## Upcoming Events

Dec 5 • **MADA Annual Meeting & board meeting**, East Lansing

Jan 16-27 \* North American Int'l Auto Show, Detroit

Jan 30-Feb 3 \* Michigan Int'l Auto Show, Grand Rapids

Feb 8-11 \* NADA/ATD Convention, Orlando

## MADA thanks Mr. Jim Waldron for his commitment to MI dealers

MADA would like to sincerely thank **Mr. Jim Waldron** for his six years of service as the outstate Michigan director for NADA. During his tenure, he has been a strong and outspoken advocate for Michigan dealers on many issues relating to national legislation and regulation. He gladly attended various legislative hearings in Washington, DC to speak on behalf of Michigan dealers, and he frequently worked with NADA and other state and regional directors to discuss plans and progress for all dealers throughout the country.

MADA and our members have been well represented with Mr. Waldron as our NADA director and we truly appreciate all the effort he has put forth on our behalf.

He will continue to serve as MADA representative until his tenure expires next February during the NADA Convention. NADA has announced that Mr. Wes Lutz won the recent election and will take over as the outstate Michigan director at that time.

## NHTSA issues air bag safety advisory

The National Highway Traffic Safety Administration (NHTSA) has issued a consumer safety advisory to alert vehicle owners and repair professionals to the dangers of counterfeit air bags. NHTSA has become aware of a problem involving the sale of counterfeit air bags

**to have their vehicle inspected at their own expense and their air bag replaced if necessary. The full list of call centers and additional information are available at [www.SaferCar.gov](http://www.SaferCar.gov).**

In a press release from NHTSA, Administrator David Strickland is quoted as saying "it's critical that vehicle owners work with their automotive dealers and repair professionals to ensure they use the appropriate, original equipment parts in the event they need to replace their air bag."

Dealers may want to be prepared for a number of requests from consumers who need an inspection of their air bag. It is recommended that air bags within any vehicle that may have had repairs done outside of a new car dealership in the past three years should be verified.

"Dealers will play a critical role in identifying and removing suspected counterfits as well as easing the fears of consumers not affected by this issue," said Frank Borris, who directs NHTSA's Defects Investigation office.

For more information, please go to [www.nhtsa.gov](http://www.nhtsa.gov) and click the appropriate link in the *Latest Headlines* section.

for use as replacement parts in vehicles that have been involved in a crash. NHTSA testing showed consistent malfunctioning ranging from non-deployment of the air bag to the expulsion of metal shrapnel during deployment.

**Consumers whose vehicles have been in a crash and had their air bags replaced by a repair shop that is not part of a new car dealership within the past three years or who have purchased a replacement air bag online should contact the call center that has been established by their auto manufacturer**

## CVR offers Recreational Passport

Next week, the State of Michigan and CVR will release a new version of the electronic registration program that will allow customers to purchase and transfer Recreational Passports as part of their electronic registration through CVR.

This program has been developed and tested over the past 10 months and will allow significantly more transactions to be processed through CVR. We know many Michigan drivers want the Recreational Passport, which provides the ability to visit Michigan's many state parks and facilities. This option will be

a welcome upgrade to the system.

**Interested dealers should contact their CVR account representative next week to request the new download so they can implement the upgraded system.**

This is an exciting update for the CVR program and we know many dealers and customers will be pleased that the Recreational Passport can be managed immediately at the time of vehicle purchase. If you have questions, please call your CVR representative.



## October Fast Facts Sponsor

 **American Fidelity Assurance Company**

A member of the American Fidelity Group.

Offering options for disability income, limited benefit cancer expense life, accident only and section 125 administrative expenses.

## State website maintenance notice

Please note that the State of Michigan's online renewal website for dealers, repair facilities and mechanics will be down for maintenance beginning at 5:00 p.m. on Friday, October 19 through 9:00 a.m. on Monday, October 22.

been hit with significant losses due to professional wheel and tire thefts. The thieves have specifically targeted Ford Edge and Taurus, Buick Enclave, Chevrolet Traverse, and other SUV style vehicles equipped with oversize chrome style wheels.

## Premises security for dealers

*The following is a portion of an article from Zurich's Loss Prevention Library.*

Vehicle theft, burglary, assault, pilferage and vandalism are significant problems. When employees, customers, vehicles and other property are at risk, the importance of effective premises security can't be overemphasized. All aspects of physical security must be assessed including lot protection, key control, vehicle security, inventory control and building security.

### Lot Protection

- Install a six foot chain link fence topped with three strands of barbed wire to enclose property.
- Close or secure unused entrances to channel traffic through controlled points.
- Install three to six inch diameter posts four to ten feet apart with chain or cable between posts.
- Use landscaping and natural terrain - ditches and embankments - to enclose storage lots and display areas,

## NHTSA, NADA offer guidance for dealers re: counterfeit air bags

The National Highway Traffic Safety Administration (NHTSA) encourages dealers to review the *Recommended Dealer Guidance for Managing Counterfeit Air Bags*, available at [www.nhtsa.gov](http://www.nhtsa.gov), or posted on the MADA home page at [www.michiganada.org](http://www.michiganada.org).

The guidance provides customer interview questions (which can be done by phone) to determine if an appointment and air bag inspection is necessary. Also included is a list of visual clues that may indicate if an air bag is counterfeit.

NADA understands OEMs will be issuing their

own guidance to their dealers, addressing how to detect and manage counterfeit air bags. NADA has prepared guidance for dealers when responding to counterfeit air bag questions. The NADA information is available at [www.nada.org](http://www.nada.org), and also posted on the MADA home page.

Dealers will want to closely follow this issue as additional information is provided by your OEMs. NADA and MADA will also continue to follow up with dealers as more information is made available.

## Michigan State Police bulletin re: wheel and tire thefts

As I'm sure you have read in the news these past two months, dealerships throughout the state have

The Michigan State Police, along with multiple local and county police agencies, have formed an investigative task force in an effort to identify and apprehend the suspects. (DADA and MADA e-mailed additional information about this issue to dealers yesterday. To be added to the e-mail list, please e-mail [news@michiganada.org](mailto:news@michiganada.org).)

If you suspect anything, please call D/Sgt. Kyle McPhee with the Michigan State Police at (517) 322-1909.

if aesthetics are a concern.

- Consider installation of intrusion alarm systems on fences and gates.
- Illuminate all areas with exterior lighting, leaving no shadows or dark areas.
- Hire a contract security service to patrol the facilities during non-working hours.
- Request the local police or sheriff's department to increase patrols of the premises.
- Consider installation of closed-circuit surveillance cameras.
- Stop and question any person who enters restricted areas and assist them to the proper area. Confirm any story.

This full article, including additional suggestions for key control, inventory control and building security is available within the Zurich Loss Prevention Library.

# Michigan Automobile Dealers Association's Friday Fast Facts

October 26, 2012 • Vol. 15, No. 43 • Page 1



## October Fast Facts Sponsor

 **American Fidelity  
Assurance Company**

A member of the American Fidelity Group.

Offering options for disability income,  
limited benefit cancer expense  
life, accident only and section 125  
administrative expenses.

## Fuel savings program

MADA reminds dealers that you can save money on your business fuel costs simply by signing up for the MADA/SuperFleet program. Consider these numbers:

- \$148,837.30: 2012 YTD savings for the group
- 207: 2012 member participants
- Per gallon discounts for first 3 months for new applicants (10¢ at Speedway and 5¢ cents at Marathon)
- After first 3 months, continue to receive a 5¢ per gallon discount

## Secretary of State policy regarding gifts

As we know, dealers are some of the most generous and thoughtful business owners in Michigan. They recognize those who have helped them in a variety of ways, occasionally in the form of gifts.

While Secretary of State employees truly appreciate the recognition, the office would like to remind dealers that it is against Secretary of State policy for employees to accept gifts or rewards of any sort. This policy applies to both branch office employees and staff working within the licensing division. Violations of the policy can result in employee

discipline, an unintended consequence we're sure you want to avoid.

However, recognition or acknowledgement is always appreciated and can be given through the state's online comment form. To access this form, go to [www.michigan.gov/sos](http://www.michigan.gov/sos) and click the "Contact SOS" tab at the top.

Your comments will be forwarded to the person or office they were directed to and are often posted within the office and on the Secretary of State's intranet site. If you have any questions, please feel free to call MADA at (800) 292-1923.

## Tommy Gibbs: Are you "all in?"

*The following is a portion of an article from Tommy Gibbs, keynote speaker at the 2012 MADA Annual Meeting. (Edits have been made to this version due to space restrictions.)*

Being "all in" is the most important thing you can do when implementing change. I recently did some training and consulting for a dealer who has 3 new car dealerships that are doing very well. Prior to being a new car dealer he was a very, very successful used car dealer. Though he's made good money with his new car deal his used car business hasn't reached its full potential.

With his permission I'm sharing an e-mail

he sent me this past week: "Ok Tommy Gibbs, my stores are all in with your program. Service managers have bonuses based on keeping average cost of repair orders down, Service managers have volume bonuses to keep their speed up, Salespeople are on a flat pay plan. We are buying the right used cars...ALL I CAN SAY IS THIS BETTER WORK!!!! And so far it has. Been running full speed for about 2 weeks now and so far, I repeat so far it looks like we are on track to DOUBLE our used car volume in all our stores..."

Read more about this dealer's implementation strategy and results at [www.michiganada.org](http://www.michiganada.org).

## November training opportunities for MADA dealers

MADA members have access to a wide variety of informational and educational programs. Please occasionally visit our website at [www.michiganada.org/events/webinars.htm](http://www.michiganada.org/events/webinars.htm) for a listing of free or reasonably priced programs for your dealership. Following are a few programs next month:

- **DealersEdge** (Nov. 1) *How to analyze your DMS billing and systematically reduce costs.*
- **KPA** (Nov. 1) *Green, clean and in compliance - practical advice for waste management at auto dealerships.*
- **Plante & Moran** (Nov. 8) *Learn what to do in the current year given the threat of new, higher income tax rates scheduled to take effect in 2013.*

- **Great Lakes Companies** (Nov. 9) *Credit insurance facts and sales training - overcoming objections as well as product knowledge and regulatory issues. (Fee waived for MADA dealers.)*
- **RouteOne** (Nov. 13) *Compliance: 2012 summary and what lies ahead for 2013.*
- **ASE Reminder:** *Fall registration is underway through November 21st and testing continues through November 30th. Register at [www.myASE.com](http://www.myASE.com) or call (877) 346-9327.*

Many additional programs will be offered in November 2012. Please visit the MADA website to learn more.



## November Fast Facts Sponsor



Leading source of credit reporting and compliance solutions designed for the auto industry.

## MADA Annual Meeting: hotel reservations due

### Notice to guests attending the MADA Annual Meeting and requiring hotel accommodations:

Dealers are reminded that the room block and **special MADA room rate ends Sunday, November 4**. For overnight accommodations at the Kellogg Hotel & Conference Center, please call the hotel directly at (800) 875-5090. Mention MADA code 120412 to receive a special room rate of \$97.00++.

To register for the meeting, please call MADA at (800) 292-1923.

## SOS holidays and Election Day reminders

**Election Day (Nov. 6).** Residents are urged to make their voices heard by voting on Tuesday, November 6. Please visit [www.michigan.gov/elections](http://www.michigan.gov/elections) for more information. (As a reminder, MADA has posted the full text of the statewide proposals on our home page.)

**Branch office schedule for Election Day.** Secretary of State Ruth Johnson has announced that all SUPER!Centers as well as select PLUS and traditional offices will remain open on Election Day for customers who must conduct urgent business on that day.

Most state government offices will be closed on November 6, because of a 2004 agreement with labor unions that makes Election Day a state employee holiday.

**Veterans Day (Nov. 12).** All branch offices will be closed on Monday, November 12 in observance of Veterans Day.

For additional information, please go to [www.michigan.gov/sos](http://www.michigan.gov/sos) and click the *News and Headlines* link.

## UST test-prep workshops added

At the request of dealers, additional dates have been added to the schedule for underground storage tank (UST) exam-preparation workshops.

MADA and the Michigan Associated Food & Petroleum Dealers (AFPFD) are hosting exam-preparation workshops in November for dealers who need to be informed about the new UST certification and

The following workshops are available to MADA members for a special member rate of \$70 per person.

November 13 or 27  
Time options: 8am-12pm or 1-5pm  
MADA Red Room in **East Lansing**

November 15, 20 or 29  
Time options: 8am-12pm or 1-5pm  
(Nov. 15 is 1-5pm only)  
AFPFD Headquarters in **West Bloomfield**

To register, please call Larry Parker at (800) 292-1923.

enforcement requirements. If your dealership will be regulated by these new requirements, it is recommended that you attend a workshop.

## NADA Foundation mobilizes Emergency Relief Fund to assist victims of Hurricane Sandy

In the aftermath of Hurricane Sandy, NADA will be working with the state and metro dealer associations in affected areas to notify dealers and their employees that financial assistance from the Foundation's Emergency Relief Fund is available.

It's too early to know the extent of the damage to auto dealerships from the storm. Widespread power outages have disrupted communications, including phone service, in many of the hardest hit areas. It will likely take days or even weeks

before NADA gets a clear picture of what is needed for storm relief.

Since the fund was established in 1992, nearly \$5 million has been provided to more than 7,700 dealership employees in need.

**To learn more or donate to the fund, visit the NADA website at [www.nada.org/CharitableFoundation/EmergencyReliefFund](http://www.nada.org/CharitableFoundation/EmergencyReliefFund).**



## November Fast Facts Sponsor



Leading source of credit reporting and compliance solutions designed for the auto industry.

## Want quick access to complete articles?

Consider switching to the electronic version of Fast Facts with direct links and more info. Simply send your e-mail address to [news@michiganada.org](mailto:news@michiganada.org).

## 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.

## Slip and fall season is almost here

*The following article is provided by the MADSIF Risk Management Team.*

According to the National Safety Council there are 9 million disabling slip and fall injuries every year. These

increase the dealerships bottom line. The most common causes of slip and falls:

1. Poor or improper floor maintenance - Grease, oil or other slippery products on walking surfaces. Potholes, broken steps, rug edges and other uneven surfaces. Failure to use non-slip wax on floors.
2. Improper indoor/outdoor footwear - Workers wearing slippery soled shoes.
3. Unauthorized Entrance - Ensure sales and clerical employees are not unnecessarily entering or going through the service areas.

To read the complete article with additional causes of slips and falls, plus safety practices effective in preventing slip, trips and falls, please go to [www.madsif.com](http://www.madsif.com).

## NADA offers 10 inspection tips to detect flood-damaged vehicles

Once the clean-up, reconditioning and rebuilding begins, NADA is concerned that water-damaged vehicles may return to the marketplace. Nefarious individuals may buy these vehicles, thoroughly clean them and attempt to resell them.

**While there is no sure way to know if a vehicle has been damaged by flooding, NADA offers 10 inspection tips that may be used to detect water damage. A prospective buyer can spot a flooded vehicle by following these simple steps:**

1. Check the vehicle's title history by VIN through commercially available vehicle history reports like Carfax ([www.carfax.com](http://www.carfax.com)), Experian's Auto Check ([www.autocheck.com](http://www.autocheck.com)), or through the National Insurance Crime Bureau's VinCheck ([https://www.nicb.org/theft\\_and\\_fraud\\_awareness/vincheck](https://www.nicb.org/theft_and_fraud_awareness/vincheck)). The report may state whether a vehicle has sustained flood damage.

2. Examine the interior and the engine compartment for evidence of water and grit from suspected submersion.
3. Check for recently shampooed carpet.
4. Look under the floorboard carpet for water residue or stain marks from evaporated water not related to air-conditioning pan leaks.
5. Inspect for rusting on the inside of the car and under interior carpeting and visually inspect all interior upholstery and door panels for any evidence of fading.
6. Check under the dashboard for dried mud and residue, and note any evidence of mold or a musty odor in the upholstery, carpet or trunk.

To view the complete list of inspection tips, please go to [www.nadafrontpage.com/NADA\\_Offers\\_Advice\\_on\\_Flood\\_Damaged\\_Vehicles.xml](http://www.nadafrontpage.com/NADA_Offers_Advice_on_Flood_Damaged_Vehicles.xml).



## November Fast Facts Sponsor



Leading source of credit reporting and compliance solutions designed for the auto industry.

## Thanksgiving holiday closings

Secretary of State Ruth Johnson reminds dealers that all branch offices will be closed in observance of the Thanksgiving holiday.

Offices will be closed on Thursday, Nov. 22, Friday, Nov. 23, and SUPER!Centers will be closed on Saturday, Nov. 24.

The MADA office will be closed Nov. 22 and 23.

## State website maintenance notice

Please note that the Michigan Department of State's online renewal website will be down for maintenance beginning at 5:00 pm on Friday, November 16 through 10:00 am on Monday, November 19.

The renewal sites will display a down for maintenance message during this time.

## The 2012 Annual Meeting is quickly approaching. Join us Dec. 5!

With all the anticipated and unforeseen changes in the automotive market, as well as the political and regulatory landscape, this year's Annual Meeting is an event all MADA dealers should attend. We have scheduled speakers specifically to discuss some of the issues dealers have been asking about this past year, and provide some insight into what dealerships can expect as we near 2013. **All MADA dealers are invited to attend this complimentary year-end event. You may also want to consider bringing your used car manager or other key staff member.**

Hear from one of the leading economic consultants in the automotive field. **Patrick Anderson is the principal and CEO of Anderson Economic Group (AEG)**, which provides consulting and research services to those in the automotive industry. His firm offers dealers an enhanced understanding of the marketplace, and opportunities to improve performance. Mr. Anderson will break down the requirements of "areas of responsibility" and "retail sales index" that manufacturers are requiring today. **Scott Watkins** with AEG will also be in attendance.

Politics and anticipated changes for Michigan and the U.S. has been played

out in the media for months. Now that voters have decided, find out what **Lansing's most recognized political correspondent, Tim Skubick**, has to say about some of the upcoming changes.

The used car market has become critical for new car dealers, and various issues influence your department's strategies-including the recent hurricane. Nationally recognized used-car expert, **Tommy Gibbs of Tommy Gibbs & Associates** will offer his knowledge and experience to demonstrate strategies to improve your used-car business in this highly competitive world.

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

Please call Tommi Nielsen at (800) 292-1923 to register, or register online at [www.michiganada.org/AMreg.html](http://www.michiganada.org/AMreg.html).

## Senate revenue update, October 2012

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

• Net income tax revenue totaled \$656.1 million in October 2012, a 3.7% increase over last year's level. Withholding payments (which represented the majority of gross income tax revenue) were 2.8% above the year-ago level, despite tax changes enacted last year that have generally resulted in much higher year-over-year collections.

• Sales tax receipts totaled \$621.1 million in October, up 4.2% from the year-ago level. Primarily due to weak collections in July, year-to-date sales tax collections are 2.8% above last year's level but are \$36.2 million below the May consensus estimates.

• Real estate transfer tax receipts were 5.3% below the year-ago level, but are up 15.6% on a year-to-date basis.



## November Fast Facts Sponsor



Leading source of credit reporting and compliance solutions designed for the auto industry.

## Zurich to host income development seminar

Zurich will be hosting an income development seminar Dec. 12-14 in Detroit. The featured content will be Zurich's Streamlined Selling System, which is taught at the NADA Dealer Academy and considered to be an NADA best practice. The system is designed to increase F&I product sales and profit, deliver superior customer satisfaction and retention as well as help keep you legally compliant.

To register, contact your local Zurich representative or Debbie Guerin at (248) 263-2412.

## Reminder: flood-damaged vehicles

There has been a lot of discussion about flood damaged vehicles following Hurricane Sandy. Please be advised that NADA and other organizations strongly recommended that a Carfax (or similar) report be pulled for any vehicle taken in on trade from the northeastern portion of the country hit by the recent hurricane. In addition, dealers may want to consider asking the customer directly if the vehicle has had any water damage, and

document the answer.

As a reminder, NADA has prepared 10 inspection tips that may be used to help detect water damage. MADA reprinted this information in the November 9, 2012 issue of *Fast Facts*. Dealers may also access the tips on NADA's website at [www.nadafrontpage.com/NADA\\_Offers\\_Advice\\_on\\_Flood\\_Damaged\\_Vehicles.xml](http://www.nadafrontpage.com/NADA_Offers_Advice_on_Flood_Damaged_Vehicles.xml).

## 2013 standard mileage rates up 1 cent per mile

The Internal Revenue Service has issued the 2013 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, 2013, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 56.5 cents per mile for business miles driven
- 24 cents per mile driven for medical or moving purposes
- 14 cents per mile driven in service of charitable organizations

The rates for 2013 increase one cent from the 2012 rate.

The standard mileage rate for business is based on an annual study of the fixed and variable costs of operating an automobile. The rate for medical and moving purposes is based on the variable costs. Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

For more information, please visit the IRS newsroom at [www.irs.gov/newsroom](http://www.irs.gov/newsroom) and click the appropriate link.

## MADA Annual Meeting: final reminders

### Wednesday, December 5 ~ Kellogg Hotel & Conference Center, East Lansing

We look forward to visiting with many members and guests at the MADA Annual Meeting on December 5. Following are a few helpful reminders.

- Business attire is suggested throughout the day.
- The MADA registration desk is located by the Big 10 Rooms. Attendees can check in anytime after 10:30 a.m.
- The event will begin at 11:00 a.m. with a presentation from Patrick Anderson and Scott Watkins.
- We will conclude with a 5:30 p.m. networking reception.

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

### Kellogg Hotel & Conference Center

The Kellogg Center is located at 219 S. Harrison Road in East Lansing. If you would like directions please visit our website at [www.michiganada.org](http://www.michiganada.org) or call MADA at (800) 292-1923.



## December Fast Facts Sponsor

**DEALERS  
RESOURCES  
INC.**

"A Personal Commitment"

Offering F&I products  
to auto dealers.

## Thank you attendees, sponsors and speakers

We would like to thank those who attended the Annual Meeting on Wednesday. It was a wonderful event with a great turn out and excellent speakers.

Our day started with a presentation from **Mr. Patrick Anderson and Mr. Scott Watkins**. They discussed areas of responsibility and retail sales index that manufacturers are requiring today. **Mr. Tim Skubick** joined us during the luncheon to offer his insight into the political and legislative arena.

Our presentations concluded with keynote speaker, **Mr. Tommy Gibbs**. His presentation offered some key strategies to

help improve dealerships' used-car businesses in today's highly competitive and ever-changing used-car world.

**2013 MADA officers.** During the board meeting portion of the event, MADA president Wes Lutz. announced the nominating committee's slate of officers for 2013. **Mr. Doug Fox**, owner of Ann Arbor Automotive will be our new president. First vice president and treasurer will be **Mr. Randy Wise**. We are also very pleased to have **Mr. Otto Belovich** join our executive committee as the 2013 second vice president. He is the owner of Traverse Motors and Cherry Capital Cadillac Subaru in Traverse City.

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

## Annual Meeting Sponsors *Thank you for your continued support!*

The following companies provided financial support to help make the 2012 Annual Meeting possible. We appreciate their continued support of MADA and its members and encourage you to learn more about these companies and the products and services they offer. Please call MADA at (800) 292-1923 if we can be of assistance.

**Diamond:** Blue Cross Blue Shield of Michigan & Blue Care Network | Protective

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

**Silver:** American Fidelity Assurance Co. | Bank of America Merrill Lynch | Dealers Resources Inc. | Enterprise Rent-A-Car | Federated Insurance | Freedom One Financial Group | Zurich

**Bronze:** ADP Dealer Services | Auto Dealers Risk Solutions Insurance Agency | DealerTrack | Flint Auto Auction  
Fraser Trebilcock Davis & Dunlap, PC | IGS Energy, Inc. | PNC Bank - Dealer Finance Group | Loftus & Associates  
UHY Advisors MI

## Federal updates and reminders from NADA

**Tangible property regulations.** The IRS announced that the tangible property temporary regulations issued in 2011 will be optional for 2012 and 2013, and it expects to issue final regulations on the topic in 2013 that will have a Jan. 1, 2014 effective date. These regulations address whether expenditures for tangible property are considered repairs, which may be currently expensed, or capitalized improvements, which must be depreciated. Consult your accountant for additional details.

**TILA and Consumer Leasing Act thresholds.** The Federal Reserve Board and the CFPB announced that the dollar thresholds in Regulation Z (Truth in Lending) and Regulation M (Consumer Leasing) for exempt consumer credit and lease transactions will increase to \$53,000 beginning Jan. 1, 2013. This means that beginning Jan. 1, 2013, consumer credit transactions and consumer leases at or below \$53,000 are subject to the protections of the regulations. These increases are consistent with the Dodd-Frank Act amendments to the Truth in Lending Act and the Consumer Leasing Act to adjust these thresholds annually by the annual percentage increase in the Consumer Price Index.

## Misrepresented mailing

We recently heard from MADA dealers who received postcards that claimed to be about the dealerships' surety bonds. The mailing read *Michigan Uniform Motor Vehicle Dealer Bond* at the top, listed a December 31<sup>st</sup> expiration date, and was made to appear as though it was affiliated with the State of Michigan. Please be aware that this is not an official state mailing. It is simply a company trying to get you to obtain a bond through their organization.

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



## December Fast Facts Sponsor

**DEALERS  
RESOURCES  
INC.**

"A Personal Commitment" →

Offering F&I products  
to auto dealers.

## Upcoming Events

### North American Int'l Auto Show, Detroit

- Jan 16-17: Industry Preview
- Jan 18: Charity Preview
- Jan 19-27: Public Show

Visit [www.naias.com](http://www.naias.com) for details & ticket information.

### Feb 8-11 \* NADA/ATD Convention, Orlando

- Feb 10: Michigan Presidents' Reception

## 2013 Fuel Economy Guide - now available

The EPA has posted a printable version of the newest *Fuel Economy Guide* online at [www.fueleconomy.gov/feg/pdfs/guides/FEG2013.pdf](http://www.fueleconomy.gov/feg/pdfs/guides/FEG2013.pdf). This guide provides consumers important information about estimated fuel costs and mileage standards for model year 2013 vehicles. A message to automobile dealers from the EPA is also provided on the MADA website at [www.michiganada.org](http://www.michiganada.org).

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.

## Fraudulent U.S. DOT mailing

A MADA member would like to make you aware that businesses are again receiving fraudulent letters that appear to be sent from the U.S. Department of Transportation Procurement Office. This scam has been reported in the past, but it was often targeted at trucking

These fraudulent letters request that current or potential contractors register by submitting their company's financial information on a release form entitled, "Authorization to release financial information." Please be aware that DOT does not require any financial information to be submitted in order to be eligible for procurement.

For additional information from the DOT regarding this ongoing scam, please go to [www.oig.dot.gov/fraud-alert](http://www.oig.dot.gov/fraud-alert).

companies. It seems car dealerships may be a new target.

## Michigan economic indicators, October 2012

The Senate Fiscal Agency recently released key economic indicators for October. Following are a few points from that report. (The full report is available at [www.senate.michigan.gov/sfa](http://www.senate.michigan.gov/sfa).)

- In the U.S., seasonally adjusted total vehicle sales declined 4.6% in October 2012 from the September level, but were 6.6% above the level one year ago. Light vehicle sales were down 4.4% from September's level (7.0% above the 2011 level), to a 14.2 million unit annual rate, and heavy vehicle sales were down 12.3% from September's level (10.0% below the 2011 level). While the October declines appeared to reflect the effect

of Hurricane Sandy, October sales were still consistent with average monthly sales through the first nine months of 2012.

- Seasonally adjusted Michigan motor vehicle production increased 15.7% in October from the September level and was 11.4% above the level in October 2011. Compared with one year ago, automobile production was up 43.5%, while truck production decreased 0.5%. Despite strong production performance over the previous month and year-ago level, October was the second-lowest-producing month for the State in 2012 (with September as the lowest).

## Could you help in an emergency situation?

Most of us have walked by the Red Cross signs in various buildings indicating where a heart machine is located, and maybe dealers even noticed the AED unit outside our meeting room at the Kellogg Center this past week. But how many of us know how to use it?

The HeartRescue Project has created an excellent video that can assist people who may one day find themselves in a situation where life-saving skills are needed. Please consider taking a few minutes to view the brief video at [www.heartrescuenow.com](http://www.heartrescuenow.com).



## December Fast Facts Sponsor

**DEALERS  
RESOURCES  
INC.**

"A Personal Commitment"

Offering F&I products  
to auto dealers.

## Upcoming Events

### North American Int'l Auto Show, Detroit

- Jan 16-17: Industry Preview
- Jan 18: Charity Preview
- Jan 19-27: Public Show

Visit [www.naias.com](http://www.naias.com) for details & ticket information.

### Feb 8-11 \* NADA/ATD Convention, Orlando

- Feb 10: Michigan Presidents' Reception

## Reminder: holiday closings

Secretary of State branch offices will be closed as follows:

- Monday, Dec. 24, and Tuesday, Dec. 25, for Christmas. SUPER!Centers will be closed on Saturday, Dec. 22.
- Monday, Dec. 31, and Tuesday, Jan. 1, for New Year's. SUPER!Centers will be closed on Saturday, Dec. 29.

The MADA office will be closed Dec. 24, Dec. 25 and Jan. 1.

*The MADA staff would like to wish you and your family a wonderful holiday season. This has been an interesting year in the car business, and we have enjoyed every opportunity to work with our members and board of directors in an effort to support your businesses. We value your membership and participation and look forward to a happy and prosperous 2013. As always, if there is ever anything we can assist with, do not hesitate to call us at (800) 292-1923.*

## 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 2012, statements must be provided by January 31, 2013.)

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).

## Special thanks to the ADM board

We would like to give special thanks to Auto Dealers of Michigan, LLC Legislative Director Kurt Berryman, as well as the ADM board, led by Chairman Douglass Fox. As referenced in the year-end update e-mailed to dealers earlier this week, Mr. Berryman and the board have done a lot of work this year and have made great progress on some important dealer issues - specifically, the Sales Tax on the Difference (STOD) legislation. The STOD legislation made it further this legislative session than any past years when it had been

introduced. Our ADM leaders worked with the Speaker of the House during the recent lame duck session to address some of the governor's concerns with STOD, and we are hopeful to have a path to victory in early 2013.

We also appreciate the many Michigan dealers who have supported our legislative efforts through communication with their local legislators.

We look forward to many more legislative successes in 2013!