



# CATA Bulletin



a biweekly newsletter

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## *Donations top \$2.1 million* **Louisiana dealer group gives thanks for Katrina help**

The National Automobile Dealers Charitable Foundation has completed distribution of more than \$2.1 million raised to help Hurricane Katrina victims who are dealership employees. Donations by CATA members surpassed \$30,000, and that figure was matched by the association.

The NADCF distributed 4,201 debit cards worth \$500 each. One thousand of the cards were delivered within three weeks of the Aug. 29 disaster that ravaged parts of Louisiana, Mississippi and Alabama.

“There is no need for me to describe what you have seen on television except to say that what you saw does not come close to the real impact,” Louisiana Automobile Dealers Association Executive Vice President Bob Israel wrote in a letter to his dealer association counterparts.

“More families than you can possibly imagine lost 100 or more years of family history in one day. Katrina cut down people at every level—rich and poor, young and old. No one escaped. There is one common denominator: heartbreak.

“There was, however, a shining beam of light throughout the disaster: the overwhelming generosity of indi-

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## *Help promote the show!* **Materials coming for 2006, auto show**

Materials will ship late this week to all members of the Chicago Automobile Trade Association in good standing, to help them get through the coming year and to help publicize the Chicago Auto Show, Feb. 10-19 at McCormick Place. It's your show; please promote it.

Packages sent via United Parcel Service to dealer principals and company presidents include the following:

- 1 CATA-member 2006 window decal;
- 1 three-ring 2006 CATA Bulletin binder; and
- 1 form to photocopy to order free supplies of odometer statements, used-

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### **CATA membership dues up-to-date?**

A nice chunk of free and discounted tickets to attend next month's Chicago Auto Show will be sent shortly to CATA members whose memberships are in good standing.

Like seemingly every other benefit offered by the association, the value far exceeds the \$400 annual membership dues.

Have a question about what all of those benefits are? Call the CATA staff at 630-495-2282. They'd be happy to identify them.

## **CATA office closed Feb. 3-19 for auto show**

The office of the Chicago Automobile Trade Association will close in Oakbrook Terrace Feb. 2 and not reopen till Feb. 20.

Far from taking a two-week cruise, the CATA staff will relocate to McCormick Place to produce the 2006 Chicago Auto Show.

Because the CATA office will be closed, association members must make the following adjustments:

- Dealership personnel responsible for securing any forms provided by the



CATA—odometer statements, used-car buyer's guides, used-car limited warranty statements, and emission control equipment statements—must

place orders by Jan. 30 to ensure the orders can be processed by Feb. 1. Don't be caught with an empty supply shelf.

- Use of meeting rooms at the CATA is suspended Feb. 3-17.

Calls to the CATA office will automatically be forwarded to CATA staff at McCormick Place.

## Luxury buyers more likely to secure direct financing: J.D. Power

Direct lending has gained popularity, particularly among luxury new-vehicle buyers, where more than one in five secure financing without assistance from the dealer, according to the J.D. Power and Associates 2005 Consumer Financing Satisfaction Study.

The study, now in its 10th year, measures customer satisfaction with the vehicle financing process. Four factors are examined to determine customer satisfaction with an automotive finance provider: provider offering, application/approval process, payment/billing process and customer contact experience.

The study, released Dec. 20, finds that 22 percent of luxury new-vehicle buyers secure a loan without the assistance of the dealer—an increase of 8 percent from 2004. Banks are pursuing vehicle shoppers with aggressive marketing campaigns that include direct mail pieces, rebates and other incentives in an effort to encourage consumers to finalize their loan prior to visiting the dealership.

As a result, captive finance providers are simultaneously pursuing banking charters that enable them to offer a full spectrum of banking products.

“The vehicle loan financing market is becoming even more crowded, and as banks, credit unions and independents become more aggressive with their direct-lending programs, captive providers will be challenged more than ever to defend their turf and retain their customer base,” said J.D. Power’s David Lo.

“With nearly one-half of direct-lending customers and

## Materials

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car buyer’s guides, used-car limited warranty statements, and emission control equipment statements.

Also, to promote the 2006 Chicago Auto Show, the shipment includes:

- 4 Chicago Auto Show easel cards;
- 2 Chicago Auto Show posters;
- 1 First Look for Charity poster;
- 2 CATA member tickets good for admission throughout the auto show;
- 50 Employee Appreciation Day admission tickets, valid Feb. 10 and 13; and
- 200 discounted admission vouchers to offer to customers.

Don’t forget to **purchase** additional admission tickets to the auto show as well as any First Look for Charity tickets.

Any member who does not receive the UPS shipment by Jan. 16 should notify the CATA. The shipments can be tracked, to help resolve problems.

one-third of indirect customers researching their financing options online, the Internet has become an effective tool to attract and convert shoppers into buyers.”

Ford Credit ranks highest in non-luxury lease and luxury lease satisfaction. The 2005 study marks the fourth straight year Ford Credit ranks highest in non-luxury lease satisfaction. In non-luxury leasing, Ford Credit performs well above the industry average in three of the four factors examined within the study, including provider offering, application/approval process, and payment/billing.

In luxury leasing, Ford Credit had exceptional ratings from consumers in provider offering and payment/billing, both thought to be key factors in achieving overall satisfaction.

Improving 23 index points over 2004, GMAC ranks highest in luxury loan satisfaction. GMAC performs particularly well among luxury loan customers in all key areas of satisfaction, including variety of payment options, reasonableness of financial terms, timeliness of the first statement and clarity of billing statements.

Honda Financial Services (HFS) ranks highest in the non-luxury loan segment, performing well in payment/billing, provider offering and application/approval process. HFS is one of the only captive finance providers to improve in the non-luxury loan segment compared to 2004. HFS sets the benchmark in satisfaction with the competitiveness of non-luxury loan interest rates.

The study also finds that the proportion of leases to loans has increased for the first time in five years. The proportion of luxury buyers who leased their vehicles with the assistance of the dealer increased 9 percentage points from 2004 to 64 percent. Among non-luxury buyers, 22 percent leased their vehicles, up from 18 percent in 2004.

Leasing is becoming more popular in part due to rising interest rates. The average interest rate paid on loans among non-luxury vehicle buyers has increased from 4.2 percent in 2004 to 5 percent in 2005. Among luxury buyers, the average interest rate paid increased to 4.5 percent in 2005.

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 18W200 Butterfield Rd. Oakbrook Terrace, IL 60181-4810  
 630-495-CATA [2282] phone 630-495-2260 fax

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Review past editions dating to 1998 or search by subject at <http://cata.drivechicago.com/>

**Jerry H. Cizek III** President, Publisher  
**Erik K. Higgins** Editor, Director of Dealer Affairs

## On the road to a business's secure computer network

There are many aspects to consider when creating a business's secure computer network. What many dealers fail to realize is that threats from within the organization are much greater than from a source outside. It therefore is important to attend to the company's network interior as well as the perimeter.

Important focus areas include but are not limited to the following:

### **PC Anti-Virus and Anti-Spyware agents (Norton Enterprise or McAfee Enterprise)**

#### One-Time Setups

- Select software vendor and appropriate server hardware to do enforcement
- Identify and install agent on machines within the network which would qualify for installation (PCs, Servers, Linux boxes, Macintosh)

#### Ongoing Tasks

• Monitor client update status. Make sure that all of the monitoring machines have the latest virus and spyware definitions

- Perform routine "full scans" of all drives on each machine's setup through the server and/or client settings
- Review logs to monitor the quarantine lists, identifying who are the biggest offenders and taking corrective actions

### **"Strong" firewall appliances (PIX or SOHO at a minimum) monitoring incoming and outgoing traffic**

#### One-Time Setups

• Depending on the size of the organization and network, the type of Firewall will depend on budgets and what is deemed appropriate. A Cisco PIX 515 firewall with VPN, Voice, etc. will exceed \$5,000 after consulting and setup fees are factored in. A SOHO (Small Office Home Office) appliance (under 150 users) such as a Sonicwall will cost less than \$2,000 with Anti-Virus and Anti-Spyware Enforcement.

#### Ongoing Tasks

- Monitor traffic and logs to identify potential problems, intrusions, etc.

### **Acceptable Use Policies signed by all employees**

#### One-Time Setups

• Create a policy to serve as an addendum to the Employee Handbook. Policy should be specific enough to provide examples to anyone who may have access to a computer, but general enough for loose interpretation. Policy should be signed by employees.

#### Ongoing Tasks

- Review and document with employees yearly or in annual reviews

### **Web and Email Content Filtering Engines (i.e. Surf Control or Websense)**

#### One-Time Setups

• Appliances and software such as Surf Control ([www.surfcontrol.com](http://www.surfcontrol.com)) or Websense ([www.websense.com](http://www.websense.com)) would sit on the network and monitor all e-mail (content, recipients, attachments) and Web traffic

- Applicable Black Lists and White Lists to support the company's usage policies for Internet and Email usage

#### Ongoing Tasks

- Monitor logs and individual use as it relates to productivity
- Ensure a non-hostile work environment by prohibiting different forms of content (i.e. receiving, forwarding, and printing of off-color jokes from e-mail, inappropriate Web content that could offend other employees)

### **Safeguarding Non-Public Information (GLB Compliance) and being able to document such actions (regular Network Vulnerability Assessments and Intrusion Detection monitoring with reporting)**

#### One-Time Setups

• Appliances similar to those above which would report on traffic, incoming and outgoing of any kind of data. Ensuring that NPI (Non Public Information) is being protected

- Hire a third party to perform a Network Vulnerability Audit and report on findings so that corrective steps can be taken

#### Ongoing Tasks

- Document and correct those actions regularly monitored (at least quarterly) and filed with all compliance and safeguard information

## Area towing company charged with diverting, selling donated vehicles

The owner of an auto towing company with offices in Wheeling and Naperville has been sued for selling thousands of donated cars that the company picked up for area charities.

Dwayne Ronczkowski of Royal Auto and Towing faces a civil suit for not sending payment to the charities after apparently being authorized to pick up 3,834 donated cars. Ronczkowski has several convictions involving car titles, theft, deceptive practices and fraud.

His company was hired by Car Program, a California-based company acting as a middleman for 1,500 charities nationwide. Car Program alleges Ronczkowski wrote a check in 2003 to

cover some of the cars in question, but it bounced.

Ronczkowski and Royal Auto have since been fired from Car Program's donation program, but at least one charity is still using Royal's services. Cars donated to Kars4Kids have been found on Ronczkowski's lot.

Kars4Kids also uses the towing services of O'Hare Kars, a Melrose Park company run by a convicted felon. There are no regulations in Illinois requiring background checks or any monitoring of who a charity retains to deal with donated cars.

William Zuccaro of O'Hare Kars, who has a felony conviction of weapons violations, allegedly owes charities

payment for more than 400 cars. The company has been shut down by the Illinois Secretary of State's special police force.

When Tracy Kaczynski learned her donated 1992 Plymouth Acclaim never made it to its intended charity, she was crushed. The daughter of an Alzheimer's victim, Kaczynski donated the car to the Alzheimer's Association of Greater Illinois, hoping to raise at least \$1,000 for research of the disease.

"I didn't think I was giving the car to a criminal," she said.

Officials from the charities involved said they had no idea they were pilfered on payment until they learned of the Cook County probe.

## Charitable giving by automobile dealers hits new record in 2005

Charitable giving by new car and light truck dealers reached a record level of more than \$4.1 million in 2005, according to the National Automobile Dealers Charitable Foundation.

"The overwhelming response by America's dealers to help those in need is a testament to the extraordinary generosity of the men and women who make up our industry," said Robert P. Mallon, NADCF chairman. "Dealers have a long and proud history of charitable giving and service that goes far beyond the showroom, and that trend is only growing."

To assist dealership employees affected by the recent hurricanes, NADCF set up an emergency relief fund that has generated contributions totaling more than \$3.8

million. They include donations by state and metro dealer associations, individual dealers, the National Automobile Dealers Association and others. More than \$3.5 million have been distributed to date to help over 6,300 dealership employees in the affected Gulf coast region states.

In addition to hurricane relief, NADCF continued to assist communities in a wide variety of ways in 2005, including:

- Providing \$89,000 in financial support to educational institutions, emergency medical organizations and institutions involved in economic education through the foundation's Ambassador's Program. To be recognized as an Ambassador, a dealer, company, association or any individual

would contribute \$10,000 to the NADCF, which in turn guarantees that a grant of at least \$1,000 will be presented every three years in perpetuity to an entity the Ambassador selects.

- Providing 153 manikins worth nearly \$120,000 for cardiopulmonary resuscitation training for a wide variety of health, civic and educational organizations;

- Extending scholarships worth \$57,000 to families of the victims of the Sept. 11, 2001, terrorist attacks;

- Granting \$56,000 to private/independent colleges and universities to help students with emergency needs and to further the study of ethics;

- Helping people with disabilities through canine assistance dogs, valued at \$30,000.

### Katrina

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vidual, civic and church groups, car-truck state and metro associations, dealerships from across the country and the NADCF.

"At no time in the 30-year history of the NADCF have the members responded so universally and benevolently. You, the new-car and -truck dealers of the most generous nation on earth, did something very special.

"To all, I pass along heartfelt thanks from the sometimes tearful, always smiling, faces of the grateful employees of the Katrina dealers. They will never forget you."