



CATA Bulletin

DRIVE **CHICAGO** .COM
official Web site of CATA dealers

a biweekly newsletter

Volume 99, No. 15

August 5, 2002

‘Vitality Report’ on Page 4

The seminannual roll call of dealers in the eight-county area of the Chicago Automobile Trade Association and the car lines they handle appears on Page 4 of this newsletter.

Jacobs gets nod for Time’s 2003 TMQDA

Bill Jacobs was selected by directors of the Chicago Automobile Trade Association as the CATA’s nominee for the 2003 Time Magazine Quality Dealer Award, advancing from among six local candidates. National winners will be named next February at the opening session of the National Automobile Dealers Association convention

in San Francisco.

The TMQDA recognizes new-vehicle dealers in the United States for exceptional performance in their dealerships combined with distinguished community service. State and metro auto associations nominate candidates, and finalists are chosen by a

SEE JACOBS, PAGE 3

Union, dealer negotiators agree on new Local 731 contract

Negotiators for Teamsters Local No. 731 and most local dealers who employ workers represented by that union tentatively agreed to a new four-year pact July 29, two days before the existing contract expired. The new collective bargaining agreement covers four years, until July 31, 2006.

The 731 union represents stockroom attendants, garage attendants, drivers and utility employees such as porters.

One hundred thirty-four area dealerships reportedly employ Local 731 workers. David Radelet, a partner with Franczek Sullivan, represented 120 of those dealers in the negotiations.

“I think he (Radelet) did a great job of negotiating with the union and handling the dealers,” said Lee Drabek, a CATA board member and chairman of the board’s employee relations committee.

Franczek Sullivan will provide a detailed summary of the new contract to the dealers affected by the pact.

The firm also secured four-year contracts recently with two other unions that represent employees at area dealers: I.A.M. District Lodge Nos. 377 and 1749. The 377 contract (Chicago Heights area) is effective until June 14, 2006, and the 1749 contract (Joliet area) expires July 14, 2006.

Forgery ring targets local dealers with bogus checks; one arrested

A Chicago man arrested July 20 for passing a fraudulent check in Indiana is the reputed leader of a gang that used homemade certified checks to purchase used vehicles at two area dealerships.

Another suspected member of the gang told investigators that he and James Grady visited about 10 area dealerships in the past six weeks, using bogus checks they drafted with a personal computer to buy the cars.

Jack Griffin, a private investigator hired by one of the affected dealers, recovered all the stolen vehicles. He said the suspect, against whom charges are pending, had business cards from four other area dealerships in his pocket when he was stopped.

Griffin advised dealers to call banks to verify any certified checks before giving possession of a vehicle to a customer.

The suspect had secured an Illinois identification card with the address of Roosevelt University, 425 S. Wabash Ave. He told Griffin that the theft ring targeted used vehicles priced from \$15,000 to \$20,000. The ring reportedly used the bogus checks solely to purchase cars.

Grady is charged with theft by deception, a felony. Police are pursuing the remaining members of the ring.

A STAR is born

NADA initiative to simplify computer operations, cut related IT costs

A dealership's success historically has been based on vehicle sales and service and the development of "up close and personal" customer relationships. But many dealers face a dilemma when their computer technology must be updated for them to remain competitive. They feel they are not fully in control of their Information Technology operations.

An organization named STAR, developed to help dealers reduce their IT-related costs, has been founded by the National Automobile Dealers Association, auto manufacturers (OEMs) and dealer system providers. Collectively, the group develops industry standards and researches emerging technologies to benefit dealers.

The mission of STAR, which stands for Standards for Technology in Automotive Retail, is to "Establish voluntary industry standards for the exchange, management and integration of information that support the management, delivery and evaluation of retail automobile products and services. Specifically, to create flexible, cost effective standards and methodologies for interoperability between IT systems."

STAR establishes a voluntary standard format, or common "language," to be used by dealer-related businesses, including manufacturers and DSP vendors. Implementation of the standards will consolidate the DCS hookups that currently differ among manufacturers and their multi-franchise and single-point dealers.

Dealers who participate will have one "persistent" Internet connection—available at any time—with enough bandwidth

'Hazmat' papers must be kept 10 days more

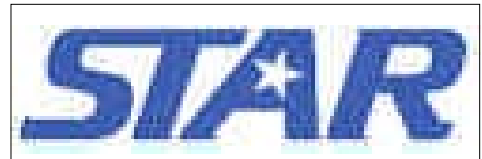
Effective Aug. 12, dealers who ship hazardous materials must retain copies of shipping papers for at least 375 days, a 10-day increase to account for the average time hazmat is in transit.

Copies of hazardous waste manifests still must be kept for three years. The retention period begins on the date the hazmat is accepted by a carrier.

Hard copies or electronic images of shipping papers must be kept at the dealership's primary place of business and must be made available for inspection upon request and at a reasonable time and location by federal, state or local agencies.

"A Dealer Guide to the Federal Hazmat Transportation Regulations," published by the National Automobile Dealers Association, can be ordered from the NADA at 800-252-6263, ext. 2.

to carry the data constantly streaming between them and the OEMs.



The dealers' customer relations and back-office technology also will benefit because the DSPs and others employ the STAR standards, available at no cost.

The NADA has appealed to dealers, asking them to encourage their automotive partners to adopt the STAR standards. The sooner everyone implements the standards, the sooner everyone will benefit.

"We will do whatever we can to inform our members about STAR. It's a breakthrough achievement that clearly is in the best interests of our dealers," said Rod Alberts, president of the Automotive Trade Association Executives.

Dealers and their IT managers who have specific or technical questions about STAR can contact the NADA's Dick Malaise at 703-821-7125 or rmalaise@nada.org

Northwood offers accounting course

Northwood University will present "Automotive Dealership Accounting," a weeklong course on the financial management of dealership operations, at two Michigan locations in late August.

A four-day program will be offered Aug. 27-30 in Troy, Mich., and a five-day program, including a lab session, meets Aug. 26-30 in Midland, Mich. Both programs cost \$1,595, which includes a practice set.

The course teaches the know-how to trace transactions from the source document to the operating statement.

For more information and to enroll, call Northwood toll-free at 800-684-2786.

The CATA Bulletin is published by the
Chicago Automobile Trade Association

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Oakbrook Terrace, IL 60181-4810

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The CATA Bulletin is published and mailed every other Friday except during the Chicago Auto Show, when it is not published.

Listings of items for sale are subject to the approval of the CATA. Candidates for employment must submit a full résumé to the Editor.

Review past editions at <http://cata.drivechicago.com/>

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Olds dealers offered tax relief under federal bill

A Senate bill introduced July 12 would ease the tax burden faced by Oldsmobile dealers over the demise of the brand.

Payments made to Olds dealers following General Motor's phase-out decision would be treated by the legislation as an involuntary conversion under an existing section of the Internal Revenue Code. The bill (S. 2726) would allow Olds dealers to defer federal tax consequences by reinvesting the transitional payment from GM into other dealership opportunities within two years.

New Mexico Sen. Jeff Bingaman introduced the legislation, saying that allowing Olds dealers to reinvest the entire payment received from GM into replacement dealership property gives those dealers an opportunity to continue family-owned businesses and greatly benefits local economies.

A similar House bill (H.R. 2374) introduced last year provides additional opportunities for legislators to attach the measure to a tax measure.

Marketplace

Office manager Ambitious, results-oriented, more than 26 years experience in industry as office manager and controller. Experienced in Ford Motor Co. and Reynolds & Reynolds accounting systems. Lawrence J. Juskiewicz, 847-398-5875.

Résumé on file at the CATA.

Dealers pleased with finance providers: J.D. Power study

Fueled by zero-percent financing and accelerated auto sales, dealer satisfaction with automotive finance providers is at a record high, according to a new satisfaction study by J.D. Power and Associates.

The study finds that 73 percent of dealer principals are satisfied with their financial providers, tying the previous record high set in the 1995 study by J.D. Power.

Captives lead the way in dealer satisfaction, with 86 percent of dealers indicating they are "very" or "somewhat" satisfied with their financial provider—the highest rating in the nine-year history of the study.

"The captives were the first to offer zero-percent financing, which helps get people into the dealerships, and the dealers love that," said David McKay of J.D. Power. "What also helps captives fare so well is that they generally are quicker at processing applications, they're more accessible and responsive to dealers and they have more consistent and predictable credit policies."

Among the other finance provider segments, dealer satisfaction with banks increased the most, to 75 percent, compared with 73 percent in the 2001 study. Satisfaction with independents and credit unions also increased in 2002.

Based on responses from more than 5,700 dealer principals, the study measures satisfaction levels with finance providers in four areas: prime retail credit, non-prime retail credit, retail leasing and floor planning.

Audi Financial Services ranks highest in both dealer satisfaction in the prime retail credit satisfaction and retail leasing. VW Credit ranks highest in floor planning, which is associated with the dealer's ability to finance and insure their dealer inventory.

Jacobs

CONTINUED FROM PAGE 1

faculty panel from the University of Michigan Graduate School of Business Administration.

One Time Magazine Dealer of the Year is named from among the finalists.

Jacobs, principal of seven area dealerships, was named in May as one of seven winners of the 2002 All-Star Dealer Award, an award similar to the TMQDA that is presented by the American International Automobile Dealers Association.

The All-Star Dealer Award honors the notable contributions that automobile make to their communities through civic volunteerism and charitable giving.

Over the past five years, Jacobs raised more than \$1.5 million to found the Rush Neurobehavioral Center, which deals comprehensively with the issues faced by children with learning disabilities.

Other CATA dealers who were TMQDA candidates this year for their achievements at the dealerships and in their communities are

- Pat Fitzgibbon of South Holland Dodge;
- Joe Gentile of Joe Gentile Chrysler in Barrington;
- Horst Korallus of Infiniti of Lisle, Volvo of Lisle, and Honda of Lisle and Joliet;
- Larry Roesch, proprietor of six dealerships that bear his name; and
- Thomas Wehmeier of Community Pontiac-GMC-Mazda in Oak Forest.

Franchised New Car Dealers in the 8-county CATA area as of 1 July 2002

Car Line	Chicago only Ill.	Rest of Cook Cnty. Ill.	Lake Cnty. Ill.	DuPage Cnty. Ill.	McHenry Cnty. Ill.	Kane Cnty. Ill.	Will Cnty. Ill.	Lake Cnty. Ind.	Porter Cnty. Ind.	Total [prior] 1/1/2002	Total [present] 7/1/2002
Acura	0	4	2	3	0	0	0	0	0	9	9
Aston Martin	0	0	1	0	0	0	0	0	0	1	1
Audi	1	3	1	2	0	0	0	1	0	8	8
Bentley	0	0	0	1	0	0	0	0	0	2	1
BMW	1	5	1	3	1	0	0	0	0	11	11
Buick	5	13	5	6	4	1	3	2	2	41	41
Cadillac	1	9	2	2	1	1	1	2	1	19	20
Chevrolet	7	22	8	9	5	5	7	6	2	71	71
Chrysler	7	14	6	4	4	3	3	5	2	46	48
Daewoo	1	4	1	1	1	0	1	2	0	14	11
Dodge	5	15	6	4	3	3	3	4	2	44	45
Ferrari	0	0	1	1	0	0	0	0	0	2	2
Ford	8	22	7	9	4	4	6	5	2	67	67
GMC	1	13	3	4	3	1	2	2	2	31	31
Honda	4	10	3	2	1	2	1	2	0	25	25
Hummer	0	1	1	1	0	0	0	1	0	2	4
Hyundai	3	7	3	3	0	0	1	1	0	18	18
Infiniti	1	3	1	1	0	0	0	0	0	6	6
Isuzu	0	7	1	1	1	1	1	2	0	16	14
Jaguar	1	3	1	2	0	0	0	1	0	7	8
Jeep	7	14	4	3	3	3	3	5	2	43	44
Kia	2	7	3	4	1	0	1	2	0	20	20
Lamborghini	0	0	0	1	0	0	0	0	0	1	1
Land Rover	0	2	2	1	0	0	0	0	0	5	5
Lexus	1	4	1	2	0	0	0	0	0	8	8
Lincoln	2	12	5	5	1	1	2	3	1	31	32
Lotus	0	0	0	1	0	0	0	0	0	2	1
Mazda	1	7	4	2	1	1	1	1	0	17	18
Mercedes Benz	1	5	1	2	0	0	0	1	0	10	10
Mercury	2	12	6	5	2	1	3	3	2	35	36
Mitsubishi	1	6	1	2	1	0	1	1	0	13	13
Nissan	3	12	3	4	1	1	2	2	1	29	29
Oldsmobile	1	9	4	1	4	2	4	2	2	29	29
Panoz	0	0	1	1	0	0	0	0	0	2	2
Pontiac	4	13	5	4	3	2	2	4	2	39	39
Porsche	1	2	1	1	0	0	0	0	0	5	5
Rolls-Royce	0	1	0	0	0	0	0	0	0	2	1
Saab	1	3	2	1	0	0	0	0	0	7	7
Saturn	1	6	2	2	0	2	1	1	0	15	15
Subaru	1	7	2	1	1	1	1	1	0	15	15
Suzuki	0	5	1	2	0	0	1	1	0	10	10
Toyota	4	12	2	4	1	1	1	2	1	28	28
Volkswagen	2	9	3	2	1	1	1	1	0	20	20
Volvo	1	4	3	1	0	0	0	1	0	11	10
# of Car lines	82	305	110	111	48	37	53	67	24	804	837
# of Outlets	60	206	70	81	20	23	26	44	12	547	542

NOTE: The difference between car line and outlet figures is the result of outlets that handle more than one car line. The increase in the number of car lines this period largely is attributed to the identification of GMC, with 31 dealerships, as a separate line item.