



Upcoming DealersEdge webinars

The Chicago Automobile Trade Association has established a partnership with DealersEdge to provide high-quality training and informational webinars that offer the content to CATA member dealers at a significantly discounted rate.

The rate for CATA members for the weekly presentations is \$149, half what is charged to users who do not subscribe to DealersEdge. Webinars premiere on a near-weekly basis.

Even for dealers who hold an annual membership with DealersEdge, the new relationship with the CATA represents a savings because DealersEdge offers its Webinars to its own members for \$198. Regular annual membership fees are \$397, and normal webinar fees are \$298 for non-DealersEdge members.

Once purchased, DealersEdge webinars and accompanying PDF files can be downloaded and viewed later—and repeatedly. No matter how many people watch at your location, each connection costs a CATA member just \$149. A telephone connection is not needed; and the fee includes both PowerPoint slides and audio.

To register for any of the DealersEdge webinars, go to www.cata.info. On the tan bar across the top of the screen, click on Education/Careers and follow the dropdown menu to CATA-DealersEdge webinars.

Coming topics:

Premiering Thursday, Jan. 9 at 12 p.m. CST

“How to ‘Read Your Service Customer’s Mind’ to Promote Retention and Satisfaction” Learn the tricks of a mind reader and gain the sixth sense that allows you to know your service customer’s wants and needs before they verbalize them. Add the WOW factor to your ser-

SEE **WEBINARS**, PAGE 2

Cars may face flood brand even if they weren’t harmed by hurricane

A hurricane disclosure statement revised in December by the Illinois Secretary of State’s office is causing at least three area dealers to worry that the cars they bought at auction were undamaged by 2012’s Hurricane Sandy but still might get labeled as flood vehicles.

The revision, according to a state official, is an attempt to focus more on where a vehicle is when a hurricane hits and less on whether it sustains damage.

Completing the Hurricane Disclosure Statement, said a representative of the secretary of state’s vehicle services department, “is not based on an inspection, but on certifying the history of the vehicle, ... whether it was there (during a hurricane) or whether it wasn’t.”

The official said the statement was revised to overcome confusion when seeking an Illinois title for a vehicle that previously was registered in an area subject

to a flood. Current dealer-owners no longer can affirm whether such vehicles sustained water damage.

The official noted one Illinois dealer who bought a number of vehicles from a rental agency whose corporate offices are in one of the Hurricane Sandy flood counties. But documentation confirmed the cars all were in Oklahoma when the hurricane struck.

But an area dealer said he called one New Jersey dealership for history details of one car “and I basically was told to pound sand. No one will cooperate, for privacy reasons.”

Of the revision, the dealer said: “It doesn’t actually ensure the cars were not in floods. Auctions do pre- and post-sale inspections to confirm conformity of resale standards. Why the heck isn’t that enough?”

The Illinois Vehicle Code [625 ILCS 5/3-117.1(b)] de-

SEE **FLOOD**, PAGE 4

Webinars

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vice drive, to improve customer retention, sales and profits!

All too often service advisors are not focused on the customer and her needs, and more importantly her wants. Learn how to read the customer so that it will look like you knew what was on their mind even before they arrived. Learn to use all your senses in “reading the customer” — delivering the WOW factor of Exceptional Service Practices. You will learn:

- How to dip into a “mind reader’s” bag of tricks and use a defined greeting and write up process can provide the clues you need to beat your customer’s expectations
- How the proper presentation of service recommendations can use the same feedback to prepare the customer for services they are not yet aware they need
- How to remind the customer of items overlooked or deferred from the past
- Best practices for email and other communications to convey important information to the customer

Premiering Thursday, Jan. 16 at 12 p.m. CST

“How to Match Service Marketing to Your Service Process for Maximum ROI” If you take care to match your service marketing efforts to your overall department goals and organization ... you’ll get improved return on your marketing investment along with improved customer and employee satisfaction.

All too often service marketing is simply repeating the last effort, and often it does not take into account service department goals and objectives, not to mention the management processes that are to guide you success. Don Reed examines how you can get a maximum return on your promotional budget by coordinating the marketing efforts to an improvement plan that takes into account your capacity and goals for growth. You will learn:

- How to prepare a performance pro forma based on marketing goals
- How to evaluate staffing level requirements in conjunction with the marketing plan
- Tips for training service advisors and managers to properly handle the additional customers your marketing efforts are expected to produce
- How to install and use daily performance evaluations to measure marketing results

Marketplace

Large inventory of four-drawer, letter-size file cabinets, \$50 each. Contact Debbie Gawel at Gerald Nissan, dgawel@geraldauto.com.

Form 8300 notice is due Jan. 31

As a reminder, dealers by Jan. 31 must contact any purchaser for whom they were required to file a Form 8300 (Cash Reporting) in 2013, and tell them that the form has been filed with the Internal Revenue Service.

Potential language of the written statement:

“Dear Customer:

We are required by the Internal Revenue Service to report transactions involving more than \$10,000 in cash and “cash equivalents,” under the provisions of 25 U.S.C. 60501. We have filed a Form 8300 with the IRS on (month, day, 2013), indicating that you provided us with (dollar amount) in connection with the purchase of your (year, make, model). We wanted you to know that we have complied with this federal reporting requirement. Again, we thank you for your patronage.”

Dealerships should make sure they are using the most recent Form 8300, revised in July 2012.

Display new fuel economy guide

The Environmental Protection Agency and the U.S. Department of Energy have released a preliminary 2014 Fuel Economy Guide which is available for download and print at www.fueleconomy.gov/feg/download.shtml

Dealers selling new vehicles with a gross vehicle weight rating less than 8,500 pounds are required to prominently display paper copies of the guide at each location where new vehicles are offered for sale. The guides must be available free upon customer request. Beginning with the 2008 model year vehicles, city and highway estimates account for conditions such as higher speeds and faster accelerations, air conditioning use and cold temperature operation. Further details regarding the determination of gas mileage (mpg) ratings are available at www.epa.gov/fueleconomy.

The annual fuel cost estimates in the electronic fuel economy guide are updated weekly to match the Energy Information Administration’s current national average prices for gasoline and diesel fuel.

Paper copies of the guide no longer are mailed automatically. To request a paper copy of the guide, call the DOE’s Energy Efficiency and Renewable Energy Information Center at (877) 337-3463 or www.fueleconomy.gov/feg/printguides.shtml

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The CATA Bulletin is distributed via blast e-mail every other Friday except during the Chicago Auto Show, when it is not produced.

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

Review past editions dating to 1998 or search by subject at www.cata.info.

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Important vehicle, equipment tax benefits expired at year's end

BY MARK SCARPELLI

CHICAGO METRO NADA DIRECTOR

Important tax benefits for dealers and their business customers expired at the end of 2013. Qualifying businesses no longer can immediately expense certain equipment and software purchases, but must depreciate the cost over several years.

Under Section 179 of the Internal Revenue Code, businesses had been able to deduct a total of \$500,000 of certain equipment purchases made in 2013, subject to certain restrictions and a phase out. Additionally, 50 percent bonus depreciation on equipment purchases had been in effect until the end of 2013.

It is important to note that the availability and combination of these incentives are subject to complex rules. For example, the vehicle bonus depreciation is subject to certain vehicle type, business use and weight restrictions. Therefore, dealers are encouraged to speak with their accountants and should encourage their business customers to do the same regarding the expiring incentives.

In other news ...

- The U.S. Department of Justice on Dec. 20 filed a complaint (http://images.magnetmail.net/images/clients/NADA/attach/Ally_Complaint.pdf) in federal district court against Ally alleging **disparate impact discrimination** against African Americans, Hispanics and Asians and Pacific Islanders who obtained indirect auto loans.

At the same time, the DOJ and the Consumer Financial Protection Bureau announced that Ally has entered into a proposed consent order (http://images.magnetmail.net/images/clients/NADA/attach/Ally_Consent_Order.pdf) to settle the complaint. If approved by the court,

the consent order will, among other things, require Ally to pay \$80 million in restitution to affected consumers and \$18 million in penalties; file within 60 days a dealer "Compliance Plan" that must be reviewed and approved by both the CFPB and DOJ; and strictly monitor compliance of dealer participation rates.

Notably, the proposed consent order does not require Ally to adopt a flat fee compensation system.

The NADA issued the following press statement in response: "(The NADA fully supports our nation's fair lending laws and the commitment of federal agencies to eliminate discrimination in the marketplace. Regrettably, in today's announced enforcement action, the CFPB continues to withhold the secret methodology it uses to determine whether unintentional discrimination has occurred.

"The public still does not know whether the Bureau takes into account legitimate factors that can affect finance rates — for example, a dealer's ability, regardless of race, to lower the interest rate to meet a customer's monthly budget. The CFPB's failure to reveal its approach is particularly troubling given the repeated and recent requests from bi-partisan members of both houses of Congress for this essential information.

"We are encouraged that today's announcement does not mandate any form of a dealer flat fee compensation system. A flat fee system would eliminate consumers' right to save money by negotiating lower interest rates with their local car dealers."

In NADA news ...

- The NADA has named Steven Szakaly as its **new chief economist**.

"Steven brings several years of experience working in economics and the auto industry," said NADA President Peter Welch. "As the industry and

economic environments continue to change, his analytical-thought leadership will benefit the membership as well as add to public policy discussions."

Szakaly brings more than 10 years of forecasting and industry analysis experience to the NADA. Prior, he led economic forecasting at Cliffs Natural Resources in Cleveland, Ohio. He has worked with General Motors in powertrain forecasting in Detroit and was an economist with the Center for Automotive Research in Ann Arbor, Mich.

Szakaly began his career as an associate economist with the Federal Reserve Bank of Chicago.

- Sixty-four workshops will be presented by 100 speakers at 174 sessions of the **2014 NADA Convention & Expo**, Jan. 24-27 in New Orleans.

"The workshop program is one of the great attractions of the NADA convention, and this year's program is the most comprehensive and information-packed ever offered," said Kenneth C. Vance, chairman of the NADA's Dealership Operations Committee, and a new-car dealer in Eau Claire, Wis. "Nearly half of the speakers are new to the convention workshop program."

Organized by NADA University Online, the online education and training arm of NADA, the sessions are designed to give new-car and -truck dealers the information and training needed to succeed in an increasingly competitive and rapidly changing retail market.

"There is no other one-stop-learning opportunity like this anywhere for dealers and their managers to gain the insights and ideas they need to drive up performance and profitability as soon as they get back to their stores," Vance added.

Women buying pricier cars, researchers say

When it comes to car shopping, women are returning to the driver's seat.

Women were responsible for more than 39 percent of all money spent on new cars in December, CNW Market Research reported Jan. 2. That's down from 45.5 percent in 2006, but it's above the 36 percent spent by women during the worst of the recession.

Since 2007, unemployment among men outpaced that of women. In 2010, 10.5 percent of men and 8.6 percent of women were unemployed. As of November, the most recent month of data, unemployment affected 7.3 percent of men and 6.7 percent of women. It's showing up in car-buying patterns.

"During the recession, women bought some of the least expensive cars, if they bought a new car at all," CNW President Art Spinella said. "What we're seeing now is that the women who are coming back to market now are start-

ing to buy midlevel — when it comes to accessories and bells and whistles — as opposed to entry-level variations of those models." Men still pile on the options, though.

"Guys tend to want to put everything on them," Spinella said. "Women almost kind of reined them back into some sort of reality."

That influence comes even as men think they're in the driver's seat. A poll among new-car owners by the Alliance of Automobile Manufacturers in December 2012 found 72 percent of men believe they had the most influence over the purchase, but 60 percent of women thought they had the most say.

Who's right? The jury's still out. But CNW's numbers suggest women's clout at the dealership has grown. "Women influence car buying more now," Spinella said. "At the same time, they influence pricing of the cars that are bought more now."

Flood

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fines a flood-damaged vehicle thusly: "A flood vehicle is a vehicle that has been submerged in water to the point that rising water has reached over the door sill or has entered the passenger or trunk compartment."

A standard letter which is generated by the secretary of state when a hurricane disclosure statement is challenged indicates additional details should be furnished within 90 days or an Illinois title with the flood brand would be issued. The official said that deadline is not absolute, that a subsequent notice would be issued after 90 days.

But the area dealer said, "If you're waiting 90 days to get something that you are not legally entitled to get, you will wait forever."

Used-car price index reached all-time high in November: NADA

After falling by 3.5 percent in October, the rate of used-vehicle depreciation slowed substantially to 1.5 percent in November, pushing the NADA seasonally adjusted used-vehicle price index to its highest point, 125.6.

The index, which measures the change in prices for used vehicles up to 8 years old, is up 1.8 points from October's figure of 123.8, surpassing the previous high of 125 set in December 2012.

"November's decline in the rate of depreciation can be credited to favorable market conditions, lower unemployment, moderating gas prices and advantageous credit conditions, including the end of the federal government shutdown in October," said Jonathan Banks, executive automotive analyst of the NADA Used Car Guide, in the December edition of Guidelines, a monthly report on new and used vehicle sales trends and price movement.

Member-discounted tickets to 2014 auto show on sale now

Tickets and vouchers that admit the holder to the 2013 Chicago Auto Show free or at a reduced price can be ordered by CATA members using the order form (right), which is posted at www.CATA.info.

The passes promote goodwill with customers and even can help persuade a prospect to close a deal. Two kinds of passes are available, General Admission ticket and Weekday Discount voucher. The former, which costs CATA members \$600 for 100 tickets, admits the holder to the auto show free, without a box-office wait.

The Weekday Discount voucher costs members \$100 for 100 and admits the holder for \$6 during the week. Regular admission is \$12.

A minimum 100 passes must be purchased with either order. All CATA members in good standing will receive a package in early January that includes, among other things, 200 complimentary Weekday Discount vouchers.

2013 CHICAGO AUTOSHOW
MEMBER DISCOUNT

General Admission
 \$60 per 100 tickets to include:
 Admission to the event
 Unlimited parking
 Member discount (off of \$12 regular admission price)
 \$125.00 admission per ticket
 NO OTHERS
 ABOUT \$ _____

Weekday Discount Voucher
 \$100 per 100 vouchers to include:
 Admission to the event
 Admission to the event for \$6 during the week
 \$125.00 admission per ticket
 NO OTHERS
 ABOUT \$ _____

Member discount for select tickets to the 2013 Chicago Auto Show
 100 General Admission tickets
 100 Weekday Discount Vouchers

Name or Club Card: _____ Address or Club: _____
 I will purchase the amount of \$ _____ admission
 I will purchase the amount of \$ _____ (Please print name)
 Authorized by: _____ (Please print name)

Please type or print the following information:
 Club Company name: _____
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 Address number: _____
 City: _____ State: _____ Zip: _____
 Phone number: _____ Fax: _____ Email: _____
 Name of Member: _____
 Please mail to: CATA, 1000 N. Dearborn St., Chicago, IL 60610

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