



Volume 107, No. 13

July 12, 2010

## Interact with state lawmakers at 1st CATA Town Hall meeting, July 21

Dealers can provide a better understanding of how their businesses work to state legislators, and better understand how political sausage-making works, at the first CATA Town Hall meeting, 11:30 a.m.-1 p.m. July 21 at the association's Oakbrook Terrace office.

Several lawmakers have confirmed their attendance, including Senate Republican Leader Christine Radogno of LaGrange. The gathering is coordinated by CATPAC,

the political action committee of the CATA.

"We envision a meeting with a free exchange of ideas rather than a finger-pointing session," said CATA CATPAC Chairman Mike McGrath Jr. "We're optimistic that it will be the first of an ongoing series of sessions that ultimately will benefit us as dealers, and benefit our legislators by knowing what small business owners face on a daily basis."

Dealers and their manag-

ers are encouraged to attend and to invite their state lawmakers to join them.

"The more participation we have from our legislators, the better they'll understand our story," said CATA Chairman Steve Foley Jr.

A buffet lunch will be served at 11:30 a.m., followed by panel discussion at 12 p.m. The event is expected to conclude about 1 p.m., but all guests will have the opportunity to speak.

"This is not going to be

a 'firing line' format," McGrath stressed. "Nothing gets accomplished in anger, and we feel that this format can grow into a valuable series to benefit our dealers and employees and, ultimately, our customers.

"We want dealers who are interested in what legislators have to say and who have ideas to contribute, as well."

To help planning, dealers who plan to attend should notify the CATA at (630) 495-2282.

## New CATA partnership offers training Webinars at slashed prices

The Chicago Automobile Trade Association has begun 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, or half what is charged to viewers who do not subscribe to DealersEdge. And to help introduce a new audience to them, DealersEdge will permit CATA members to view one of the next three Webinars free. 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 fees are \$298 for non-DealersEdge members.

And once purchased, the DealersEdge Webinars and accompanying PDF file are available for download and can be viewed later. Each connection, no matter how many in attendance at your location, costs a CATA member just \$149. The fee covers the Internet connection - which includes both audio

and PowerPoint slides. There is no need for a telephone connection to participate.

Upcoming Webinars:

- **"Best Practices for Selling New & Used on eBay Motors"** Find out how other dealers are using this sales channel with much success, 12 p.m. CDT Thursday, July 15.

- **"Your Online Inventory is Under Attack; How to Fight Back"** Your online inventory is being "borrowed" and costing you sales, 12 p.m. CDT Thursday, July 22.

SEE WEBINARS, PAGE 2

## Some AutoTrader Buying Center ads fraudulent, say AG and BBB

Illinois dealers participating in the AutoTrader.com Trade-In Marketplace program are committing an unfair or deceptive act under the state's Consumer Fraud Act, the Illinois attorney general's office and the Better Business Bureau announced July 1.

The program advertises that consumers receive a "guaranteed offer" or "guaranteed trade-in" amount, valid for 72 hours at authorized AutoTrader.com Buying Centers.

But use of the word "guaranteed" is misleading because the initial value established for a consumer's vehicle is

likely to change upon inspection, and the program itself anticipates that, advising that final offers can be different than the guaranteed amount.

The initial guaranteed price is established under an algorithm that considers many factors after information is provided by the consumer on an online form. A vehicle can be used as a trade-in on the purchase of another vehicle, or purchased by dealers--the Buying Centers--with no sale of another vehicle to the consumer.

But Patricia Kelly, senior counsel of the BBB-Chicago, said the AutoTrader program is misleading because

the guarantee extends only to dealers, not to consumers.

"AutoTrader represents to the dealer that it will pay the dealer the difference between the first and second price and, consequently, the dealer will never suffer a loss due to the reduced value of a consumer's vehicle after inspection," said Kelly.

"Thus, the dealer is protected but the consumer is not. Only the price after inspection, not the original price established pursuant to the algorithm, is the actual amount a consumer will realize.

"The initial value established for the consumer's ve-

hicle is likely to change upon inspection and the program itself anticipates this result," she said. "Therefore, the amount determined under the algorithm is not guaranteed because there is a further and final price determination after inspection."

Kelly said the BBB is sending letters of violation to those dealers who advertise the price "guarantee" without fully explaining to consumers how the program works. Under the BBB-CATA Advertising Review Program, such dealers who do not correct their ads after five days are referred to the attorney general's office.

## Auffenberg is new Illinois NADA director; Metro Chicago also voting

Downstate dealer Jamie Auffenberg has been elected to serve as NADA director representing dealers in most Illinois counties. He will serve until February 2012, to complete the term of his predecessor, Rick Gregg, whose Joliet dealership closed in March.

Auffenberg, president of the Auffenberg Dealer Group of Illinois, near St. Louis, represents dealers in 99 of Illinois's 102 counties. A Metro Chicago NADA director represents dealers in Cook, Lake and DuPage Counties.

The latter position also is undergoing change. Dealers in those three counties

have until July 16 to postmark a ballot to elect either Rob Paddor, principal of Evanston Subaru in Skokie, or Mark Scarpelli, who owns Raymond Chevrolet-Kia in Antioch.

The winner will succeed Ray Scarpelli Sr., who has held the post since 2003. Mark Scarpelli or Paddor will take office for a three-year term that begins in February 2011.

Mark Scarpelli last month completed a nine-year tenure on the CATA board of directors, where he rose to chairman. As a CATA director, Scarpelli lobbied in Springfield on legislation affecting

dealers and other small businesses. He also has been a director for the Better Business Bureau since 2001.

Paddor, who has been in dealerships since 1977, is a member of the Chicago Metro Subaru Dealer Advisory Board. He previously held positions with the Nissan Chicago Advertising Committee and Hyundai's Chicago Advertising Committee.

Auffenberg holds franchises with seven manufacturers: Ford, Hyundai, Kia, Mazda, Mitsubishi, Nissan and Volkswagen. His stores are in O'Fallon and Belleville.

## Webinars

CONTINUED FROM PAGE 1

• **"Improving Service Menus Without Giving Away the Profit"** An engineer's approach for using small changes to bring about big profit improvements, 12 p.m. CDT Thursday, July 29.

For more details and to register, visit the CATA/DealersEdge Webinar page at [www.CATA.info](http://www.CATA.info). On the tan bar across the top of the home page, click on Education/Careers and follow the drop-down menu to CATA-DealersEdge Webinars.

The CATA Bulletin is published by the  
**Chicago Automobile Trade Association**  
 18W200 Butterfield Rd. Oakbrook Terrace, IL 60181-4810

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](http://www.cata.info).

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## The auto world of the future: Who will rule?

Former Merrill Lynch analyst John Casesa extrapolated automobile production trends from 2005 to 2009 to see what the auto world would look like in 2018 and discovered a radically changed global landscape.

He said Toyota, which only displaced GM as the world's number one automaker in 2008, would drop from the top spot down to No. 3.

Casesa sees Volkswagen passing Toyota to become the new No. 1, followed by Hyundai/Kia in second place. Both companies are expanding quickly in North America and doing well in developing markets.

Casesa's calculations contain some other big surprises: He sees General Motors slipping from second to 10th in the world, and Ford falling from fourth to eighth.

That may be a little harsh. GM's market share in North America with its four remaining brands seems to have stabilized, while Ford has been gaining share.

The rest of Casesa's Top 10 has Renault Nissan in fourth, Honda in fifth, Fiat-Chrysler in sixth, and France's Peugeot — a remarkable survivor given its concentration in its home country and

its shunning of mergers — in seventh.

Another surprise makes Casesa's list at number nine: China. The Chinese government is likely to force the merger of several smaller companies to create one global competitor.

But there is more than one way to divine the future. IHS Global Insight, which produces economic and market forecasts, uses a more data-intensive method. It makes a bottom-up forecast by looking at each company's production plans, factoring in market strength and economic growth, and making some educated guesses.

This more incremental approach produces a ranking of top global players relatively unchanged from today.

Toyota, IHS forecasts, remains No. 1, GM is the runner-up, and VW comes in third.

Rounding out the top six: Renault/Nissan in fourth, Ford in fifth, and Hyundai/Kia in sixth.

The problem with all forecasts is that they can't anticipate discontinuous events. Mercedes-Benz, for instance, would have shot up the list after the DaimlerChrysler merger in 1999, and then dropped down again after the merger was dissolved.

## Xchanging deflects unemployment claims

One hundred forty-one CATA dealer members reported a combined 809 unemployment claims during the second quarter of 2010 to Xchanging, which has been serving CATA dealers under various names since 1979. The company's efforts saved those dealers a total of \$1.3 million in benefits by contesting the claims.

Xchanging monitors any unemployment claims against its clients and contests all unwarranted claims and charges. The company counts about 230 CATA dealers among its clients. Claims that can be protested and subsequently denied help minimize an employer's unemployment tax rate. The rate can vary between 0.65 percent and 7.250 percent of each employee's first \$12,520 in earnings. The 2010 average unemployment tax rate among Illinois employers is 3.35 percent, or about \$419 annually per employee (\$381 in 2009).

"With the downturn in the economy, unemployment at record highs (12.2 percent in Illinois) and a drain on the Illinois Department of Employment Security trust fund, we can expect markedly higher tax rates for 2010 and probably for a couple of years after that," said Paul Schardt, an Xchanging senior vice president.

"The unemployment tax is really the only controllable tax, in that it's experience-driven," Schardt said. An employee's claim affects the employer's tax rate for three years.

For new enrollees, client fees amount to \$2.20 per employee, per fiscal quarter. For the fee, Xchanging monitors all unemployment claims; files any appeals; prepares employer witnesses for hearings, as necessary; represents the client at any hearings; verifies the benefit charge statements; and confirms the client's unemployment tax rate.

To discuss retaining the company, call Schardt at (847) 824-4325.

## In Memoriam

**Anthony "Tony" Laperuto**, who for 21 years operated Lape Ford in Countryside, died July 6. He was 90.

Lape Ford was open 1964-1985. Mr. Laperuto also was a member of the LaGrange Country Club and the LaGrange Rotary Club.

He is survived by a daughter, Christine; and a son, David. Memorials appreciated to the American Cancer Society, (312) 372-0471.

**John M. Kerr**, who over a 50-year career owned 15 new-vehicle franchises in northwest Indiana, lastly Lake Shore Motors in Burns Harbor, died April 29 at age 87.

After serving as a U.S. Army captain in World War II, Mr. Kerr started selling cars in the late 1950s. He was a 1991 recipient of the Time Magazine Quality Dealer Award.

Mr. Kerr is survived by his wife of 63 years, Nancy; sons John and Robert; and five grandchildren. Memorials appreciated to the Juvenile Diabetes Research Foundation, (800) 533-CURE, or to the VNA/Lukach Memorial Scholarship Fund, (219) 462-5195.

## Franchised New-Car Dealers in the 8-county CATA area as of 1 July 2010

Car Line	Chicago only Ill.	Rest of Cook Cty. Ill.	Lake Cnty. Ill.	DuPage Cnty. Ill.	McHenry Cnty. Ill.	Kane Cnty. Ill.	Will Cnty. Ill.	Lake Cnty. Ind.	Porter Cnty. Ind.	Total [prior] 1/1/2010	Total [present] 7/1/2010
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	1	1	0	1	0	0	0	0	0	2	3
BMW	1	4	1	3	1	0	0	1	0	11	11
Bugatti	1	0	0	0	0	0	0	0	0	1	1
Buick	2	10	3	4	4	1	3	2	3	32	32
Cadillac	1	7	2	2	1	0	1	2	0	16	16
Chevrolet	4	15	6	7	4	5	7	4	2	55	54
Chrysler	3	10	4	3	3	3	2	3	1	33	32
Dodge	4	11	4	4	3	3	2	3	1	36	35
Ferrari	0	0	1	1	0	0	0	0	0	2	2
Ford	3	14	6	7	3	4	5	4	2	48	48
GMC	1	10	2	4	3	1	2	2	2	28	27
Honda	4	10	3	2	1	2	1	2	0	25	25
Hummer	0	2	1	0	0	0	0	1	0	4	4
Hyundai	2	10	3	3	1	1	1	2	0	23	23
Infiniti	1	4	1	1	0	0	0	0	0	7	7
Jaguar	1	3	1	2	0	0	0	1	0	8	8
Jeep	3	9	4	3	2	3	2	3	2	31	31
Kia	1	7	3	4	1	0	1	2	0	19	19
Lamborghini	1	0	0	1	0	0	0	0	0	2	2
Land Rover	1	3	1	2	0	0	0	0	0	7	7
Lexus	1	4	1	2	0	0	0	1	0	9	9
Lincoln	1	8	5	3	1	1	1	1	1	22	22
Lotus	0	0	1	1	0	0	0	0	0	2	2
Maserati	0	0	1	1	0	0	0	0	0	2	2
Maybach	0	1	0	0	0	0	0	0	0	1	1
Mazda	0	7	3	3	1	0	1	1	1	17	17
Mercedes	1	5	1	2	0	1	0	1	0	11	11
Mercury	1	8	5	3	2	1	2	1	2	27	25
Mini	0	1	1	1	0	0	0	0	0	3	3
Mitsubishi	0	3	1	3	1	0	2	1	1	11	12
Nissan	2	12	3	4	1	1	1	2	1	26	27
Panoz	0	0	1	1	0	0	0	0	0	2	2
Pontiac	2	10	2	4	3	1	2	3	2	29	29
Porsche	0	3	1	1	0	0	0	0	0	5	5
Rolls-Royce	0	1	0	0	0	0	0	0	0	1	1
Saab	1	3	2	2	0	0	0	1	0	9	9
Scion	4	11	3	4	1	1	1	2	1	28	28
smart	0	1	1	0	0	0	0	0	0	2	2
Spyker	0	1	0	0	0	0	0	0	0	1	1
Subaru	1	5	2	2	1	1	1	1	1	15	15
Suzuki	0	3	3	3	0	0	0	1	0	11	10
Toyota	4	11	3	4	1	1	1	2	1	28	28
Volkswagen	2	7	3	4	1	0	1	1	0	19	19
Volvo	1	3	2	1	0	0	0	1	0	8	8
# of Car lines	56	245	94	108	40	31	40	53	24	712	691
# of Outlets	32	156	54	77	18	20	24	33	12	443	426

NOTE: The difference between car line and outlet figures is the result of outlets that handle more than one car line.