



CATA Bulletin

DRIVE **CHICAGO** .COM
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Some dues payments shifting to July

Members of the CATA whose annual dues are payable each January will have their dues period shift to July, the association's controller said last week.

Tom Hunt said the adjustment balances the months that members pay their dues and therefore allows the CATA to spread out payment collections over the year.

"It seems the dues of most of the 800 CATA members are payable from December to February, which is the office's busiest period," Hunt said. "Shifting many of those payments to July eases a burden."

About June 1, affected members will be mailed a dues invoice for \$100, half the annual payment. Remuneration will place the member in good standing through June 30, 2003.

Nominations for Time Magazine award due June 28

Nominations for the annual Time Magazine Quality Dealer Award, which honors new-car dealers for their business acumen and community service, must be received by the CATA by Friday, June 28.

All nominations should be submitted using the nomination ballot included with this newsletter. Criteria for eligible nominees appear on the ballot.

The Civic and Dealer Relations Committee of the CATA board of directors will review all nominations and submit the name of one CATA candidate for consideration.

National winners are selected by a panel of faculty members from the University of Michigan Graduate School of Business Administration.

Damage disclosure legislation awaits governor

A bill to expand the list of components on a new vehicle which can be repaired without triggering damage disclosure passed the Illinois General Assembly May 8. It now heads to Gov. George Ryan, to be signed or vetoed.

After the measure, **Senate Bill 1851**, is delivered to Ryan, he has 60 days to act on it.

Dealers now must disclose new-ve-

hicle damage when the cost to repair the damage exceeds 6 percent of the vehicle's MSRP. However, damage to glass, tires, bumpers and in-dash audio equipment can be replaced with OEM equipment without triggering disclosure. The pending legislation adds video and telephonic elements to that list.

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Revised odometer forms available to members

The Odometer Disclosure Statement provided free to dealers by the CATA has been modified slightly in response to a member's recent encounter with the Illinois secretary of state's office.

The revision furnishes one additional line for a co-buyer to print and sign his name.

A west suburban dealership indicated that the secretary of state's vehicle services department would not complete a title and registration application without the written signature and printed name of the buyer's spouse. The odometer statement previously pur-

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Recent TMQDA winners

2002	Bill Stasek
2001	Bill Hawkinson
2000	John Guido
1999	Lee Weinman
1998	Ray Scarpelli
1997	Jack Haggerty
1996	Ron Colosimo
1995	Steven X. Foley
1993	Douglas A. Rockenbach
1992	Irwin Grossinger
1991	Richard C. Hoskins
1990	Joseph J. Hennessy

Post 9/11 e-mail continues to haunt international automakers

By Susan Stellan
NEW YORK TIMES

Messages spread quickly in cyberspace, too quickly sometimes for the truth to catch up.

Shortly after Sept. 11, an unknown individual composed an e-mail that purported to list the donations that various automobile companies had made to relief efforts. The message cited CNN Headline News as the source of the information, and contrasted large gifts said to have come from Detroit-based companies with negligible, or nonexistent, contributions from foreign automakers.

That e-mail gathered momentum as recipients forwarded it to friends. At some point, the message made the jump from electronic media and was cited in opinion pieces in local newspapers. It was cited in at least one radio advertisement as a reason to buy American cars.

The message that has been more difficult to spread is that the e-mail is riddled with errors. CNN says it never did a segment on gifts from the auto industry to 9/11 charities, and many of the companies the e-mail cited as giving nothing have, in fact, made sizable contributions, both from their own coffers and through contributions from employees.

Several of the foreign automakers portrayed as deadbeats have issued press releases detailing their charitable contributions, updating their Web sites to feature prominent links to pages describing their 9/11 philanthropy and responding to each individual who inquires about the erroneous e-mail. Despite these efforts, the message continues to circulate.

"It has been plaguing our industry for months," said Lori Barnes, vice president for public affairs at the American International Automobile Dealers Association in Alexandria, Va. "It's a classic case of an Internet rumor gone amok. We were thinking it would go away, and it didn't; it just grew and grew and grew."

Although no one can say for sure whether the message was composed out of malice or misinformation, it concludes by encouraging recipients to consider the companies' charitable records when buying or leasing a new vehicle, and to "give more consideration to a car manufactured by an American-owned and/or American based company."

Jeffrey Smith, senior manager for corporate communications at the American Honda Motor Company, one automaker singled out in the e-mail as giving nothing, suggested that pro-American sentiment might have helped propel the message. "It would take someone to be proactively behind it for it to spread that wide," he said. "But that's just my speculation."

Honda issued a press release on Feb. 1 outlining more

than \$1.5 million the company and its employees had given to relief organizations, in addition to donations of vehicles and equipment.

As for the e-mail's reference to CNN, Megan Mahoney, a network spokeswoman, said the only material she was able to find even remotely related to the topic was text that scrolled across the television screen on Sept. 14 listing donations from various companies and individuals.

"It was a random sampling of contributions and pledges to relief funds based on information available at the time," she said, adding, "This was just an item on the ticker."

Representatives of Honda and Toyota, another company that the e-mail erroneously said had given nothing, said the incident might change how they communicate about philanthropy. "We'd given without much fanfare out of respect for the lives of those affected," said Xavier Dominicis, a spokesman for Toyota Motor Sales U.S.A.

"Since we hadn't made much fuss, we might have fallen victim to our own discretion." In mid-November, Toyota issued a news release that said the company, employees and dealers had donated more than \$1.9 million to relief funds.

The e-mail message divided automakers into two camps—foreign and domestic—although such distinctions are no longer easy to make.

"The lines between foreign and domestic just don't exist anymore," said Eron Shosteck of the Alliance of Automobile Manufacturers in Washington. "You've got foreign automakers that have plants in the United States and American-based automakers that have plants in other countries."

"That e-mail is pure and simple disinformation," Shosteck said, another reason "for people to be very wary of the e-mails they get."

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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/>

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

Relieve for dealers on Treasury's anti-money laundering rule

The U.S. Treasury Department has temporarily exempted automobile dealers from the requirement in the USA PATRIOT Act that each financial institution must establish a formal anti-money laundering program.

The USA PATRIOT Act is the post-Sept. 11 federal measure to strengthen law enforcement's ability to investigate and penalize money laundering and to disrupt terrorist financial networks. Section 352 of the law requires "financial institutions" (which includes automobile dealers) to establish an anti-money laundering program with four minimum elements:

- the development of internal policies, procedures

and controls;

- the designation of a compliance officer;
- an ongoing employee training program; and
- an independent audit function to test programs.

The Interim Rule defers this requirement for automobile dealers and other industries, which never were required to develop anti-money laundering programs, for up to six months.

During this period, the Treasury intends to analyze each temporarily exempted industry and delineate minimum anti-money laundering program standards tailored to that particular industry.

A Treasury Department statement indicated: "The need for a temporary exemp-

tion is a practical one. . . . In the six months since the enactment of the Act, Treasury and the Financial Crimes Enforcement Network have not had sufficient time and opportunity to analyze the nature of the businesses of [these] financial institutions.

"An inadequate understanding of the affected industries could result in poorly conceived regulations that impose unreasonable regulatory burdens with little or no corresponding anti-money laundering benefits."

The temporary exemption does not affect the Treasury Department's ongoing requirement to file IRS Form 8300/FinCEN Form 8300 when a business receives more than \$10,000 in cash in

one transaction or two or more related transactions. A redesigned cash reporting form has been in effect since Jan. 1. The new form resembles IRS Form 8300 and may be accessed on the IRS Web site, www.irs.gov/

The Treasury's temporary exemption also does not extend to FinCEN's proposed rule implementing section 314(a) of the USA PATRIOT Act.

This proposed rule would require dealers (and other financial institutions) to respond to information requests from FinCEN on persons the dealer has entered into a transaction with or with whom the dealer previously or presently maintains an account.

Dealers see improved demand for ragtops

Through the first four months of this year, sales of convertibles are up 28 percent compared with the same period a year ago, according to industry sales figures. Convertibles have become a bright spot for car dealers who have seen passenger car sales trail SUV sales in recent years.

It's the economy, according to Art Spinella, of CNW Marketing Research in Bandon, Ore.

"Whenever the economy gets better, sales of convertibles gets better because it's a toy, an extravagance," Spinella said.

The Ford Mustang convertible is the best selling ragtop among a small field of contenders. Ford convertibles—Mustang and the redesigned Thunderbird—control 17.5 percent of the market.

Chrysler sold 5 percent more

Sebring convertibles in the January-April period than it did during the first four months of 2001. General Motors so far is the lone the exception, experiencing a sales drop of 700 convertibles, or about 6.9 percent, so far this year.

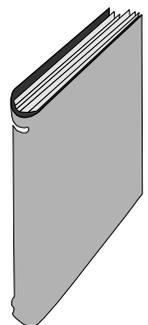
For dealers, the improved demand for convertibles translates to lower floor plan costs and higher gross profits. J.D. Power and Associates has found that convertibles spend much less time on dealers' lots before they're sold.

A Mustang coupe stays in stock an average of 44 days, while it takes just 38 days to sell the convertible.

The days-to-turn difference between the Chrysler Sebring coupe and convertible is even more dramatic: 117 days for the coupe, only 67 for the convertible, according to the J.D. Power report.

CATA annual directory prepping for printer

Watch for a special mailing to all CATA members to confirm the accuracy of the association's database. The query reviews dealership/company president names, street and Web addresses, phone numbers and the like.



The project is performed in preparation of the the CATA's annual report and directory.

The directory is printed each July, and each member receives one complimentary copy. Additional copies are \$10 each, to defray printing and postage costs.

In Memoriam

George B. Sailor, proprietor of the former Sailor Pontiac in Cicero (1971-78), died April 4 at age 62.

Survivors include his ex-wife, Judy; daughters Susan, Debbie and Jennifer; sons Douglas and William; and 11 grandchildren.

Donations can be made to Hospice Care of Southeast Florida.

Marketplace

Accounting Office Manager

Extensive automotive training and experience, including hiring and training of all office personnel. Experience with payroll, billing, license and title, monthly closings, more. Jeneane Moinuddin, 708-389-3919.

Résumé on file at the CATA.

CATA annual meeting June 10 at Cog Hill

Tickets to participate in the annual CATA meeting and golf outing can be ordered using the flyer included in this newsletter.

The daylong event takes place June 10 at Cog Hill Golf Club in Lemont. Each CATA member may order two tickets at the member rate of \$30 each, and any number of tickets at the guest rate, \$60.

Payment covers greens fees and a cart, lunch, dinner and a gift. The outing also features many prizes, includ-

ing \$10,000 for select holes-in-one.

The involvement of CATA allied members as event sponsors has enabled ticket prices to remain at 1994 prices. Be sure to thank the sponsors as you replace your divots.

Several sponsorship opportunities remain. Call the CATA's Sandi Potempa for details at 630-424-6065.

The outing culminates with the announcement at the dinner meeting of balloting results for the CATA board of directors.

Scam alert

A local dealer reported receiving a nebulous invoice that neither defines the products purchased nor lists a telephone number to inquire about the charges.

Lawson Products, Inc. of Chicago

billed the dealer for two "Item No. P50087," for \$13.44 each.

The dealer, who has never conducted business with the company, even is assigned an account number on the invoice.

Legislation

FROM PAGE 1

Another bill on May 8 was scheduled for a third and final vote in the Senate. **House Bill 4353**, which cleared that chamber in April, would make it illegal for anyone to install or reinstall in a vehicle any object in lieu of an air bag which is designed specifically for the make, model and year of that vehicle, according to federal safety regulations.

Lawmakers are scheduled to adjourn the spring session on May 17. Other legislation advocated this session by lobbyists for the CATA appears unlikely to pass before adjournment.

Proponents of Senate Bill 1851 should write letters to the governor. Address them to:

The Honorable George Ryan
Governor of Illinois
State House
Springfield, IL 62706

Odometer

FROM PAGE 1

chased by the CATA does not contain a line for co-buyers.

A small supply of the original form remains in stock and will be dispensed by the CATA until it is exhausted.

The form revision is another example of how the CATA responds to the needs of its members. The association offers several forms free to its dealer members.

In addition to the Odometer Disclosure Statement, the

CATA offers:

- Used-Car Buyer's Guide, a form required to be displayed on all used vehicles for sale.
- Used-Car Limited Warranty Statement.
- Emission Control Equipment Statement.

The CATA also has secured a small quantity of the various labor posters required to be displayed by the federal and Illinois and Indiana state governments. When supplies are exhausted, they must be obtained by the appropriate agencies.

Call the CATA to order the supplies.