



CATA Bulletin

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

a biweekly newsletter

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April 14, 2003

Save the date!

Circle June 9 on your calendar to participate in the CATA annual meeting and golf outing. The event marks its second year at Cog Hill Golf and Country Club in Lemont. New this year: a shotgun format on three courses and limited tee times on the fourth course, the renowned Dubsdread. Sign-up forms will appear in this newsletter beginning in the April 28 edition.

Nominations for Time Magazine award for dealers due June 20

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 20.

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 for the national award.

Winners are named next winter at the NADA convention in Las Vegas. National winners are selected by a panel of faculty members from the University of Michigan Graduate School of Business Administration.

Recent TMQDA nominees

2003	Bill Jacobs
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 Sr.
1993	Douglas A. Rockenbach

Pickups on Lake Shore Drive bill stalled

An amendment to state legislation that would permit pickup trucks on Chicago's network of boulevards, including Lake Shore Drive, so severely altered the measure that its original intent has vanished.

Rep. Kevin Joyce (D-Worth), who

sits on the House Transportation & Motor Vehicles Committee, introduced House Bill 3527 in February, then amended the measure in March. On April 4, Joyce essentially mothballed the bill by assigning it to the House

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NADA offers seminar on new Safeguards Rule

A two-hour seminar to help dealers comply with a new federal regulation on safeguarding customer information will be conducted on the Internet on April 24.

Compliance with the new FTC requirement is mandatory beginning May 23. Dealers must develop, implement and maintain a comprehensive written Information Security Program.

The "Standards for Safeguarding Customer Information," or Safeguards Rule, is in addition to, yet independent of, the FTC's Privacy Rule, which took effect in 2001.

In essence, the Privacy Rule regards how financial institutions, including dealerships, share any information they obtain from consumers who secure or

merely apply for financial products or services. The Safeguards Rule addresses how that information is protected.

To prepare dealers for the compliance date, NADA attorneys will outline dealer obligations under the Safeguards Rule, including:

- designating an Information Security Program coordinator,
- conducting a risk assessment,
- developing and implementing information safeguards,
- overseeing service providers, and
- reevaluating the program periodically.

Registration is \$99. For more information and to register, visit www.nada.org or call 800-252-6232.

AIADA Automotive Congress May 20-21 in Washington, D.C.

International nameplate dealers will converge on Washington, D.C., May 20-21 for the American International Automobile Dealers Association's 26th annual Automotive Congress. Held each May in our nation's Capital, the Congress gathers dealers, dealership personnel and industry executives for the industry's largest legislative conference.

Registration is \$495 for dealers and \$250 for each additional dealership employee. To register, call 1-800-GO-AIADA. Activities are at the J.W. Marriott in Washington, D.C.

Attendees receive up-to-the-minute briefings on top issues, then meet with their congressional representatives. Two AIADA accolades, The All-Star Dealer Award and the Minuteman Award, are presented during the Congress to outstanding dealers.

The All-Star Dealer Award calls attention to the fact that automobile retailers do more than sell and service vehicles. In the cities and towns where their businesses are located,

they also are outstanding community and business leaders who generously contribute their time and financial support to local civic, youth and charitable organizations.

The Minuteman Award recognizes dealers for outstanding political activism, organizational and leadership skills, responsiveness and exceptional enthusiasm. Named for the fast-acting Minutemen of the Revolutionary War, the award credits a dealer's ability to respond at a moment's notice when called upon for grassroots action.

Founded in 1970, the AIADA works to preserve a free market for international automobiles in the United States by advocating this mission before the federal government and is dedicated to increasing public awareness of the international automobile industry's value to the American economy.

NADA minority dealer elections near

Nominating ballots for NADA directors at-large will be mailed to minority and women members May 2. Larry T. Brown, an incumbent director and principal of Star Toyota in Merrillville, Ind., is seeking re-election.

Brown, first elected in 1997, is seeking another three-year term representing minority members east of the Mississippi River. There are four NADA at-large directors, two from each side of the divide.

Nominating ballots must be returned not later than May 23 in the pre-addressed, postage-paid envelope that will accompany the ballots. Ballots postmarked after May 23 will not be counted.

The names of all nominees who appear on at least 10 percent of all ballots cast shall be placed on election ballots. Those election ballots would be sent to minority and women members June 27. If only one candidate receives at least 10 percent of the votes on the nomination ballots, that nominee shall be declared elected without further balloting.

Correction

An article in the March 17 edition of this newsletter about employees who are on military leave contained certain information relating to pension obligations that requires further explanation.

Specifically, CATA dealers who are signatory to the standard labor contracts with IAM Local 701 or Teamsters Local 731 are not required to make pension contributions for employees represented by those unions while the employees serve in the military. Governing plan documents specifically provide that the Local 701 and 731 Pension Funds, not individual dealers, are liable for those required contributions.

Questions regarding pension contributions for employees working under other union contracts, or who are not represented by a union, should be directed to Franczek Sullivan P.C., as the answer will depend on the specific plan and contract language at issue. Franczek Sullivan represents CATA dealers in labor and employment matters.

The Chicago law firm has prepared a detailed memorandum outlining what CATA dealers should know about their obligations to workers serving in the military. For a copy, call Mike Palmer at 312-786-6571.

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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://www.cata.info/>

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

Dealer participation vital for success of AYES

Facing a depressed economy and wartime uncertainties, many employers have slowed—or frozen—hiring activity. But spring inevitably follows winter, and the current economic state will turn.

An important season is about to bloom for the Automotive Youth Educational Services program, with high schoolers enrolled in AYES prepared to embark on yearlong technician internships. However, many more local dealers are needed to participate.

“If you’re looking for techs in 2004, it’s time to look to the schools now and grow them yourself,” said Jim Butcher, the AYES manager for Illinois. “Do you build when you’re slow or do you build when you’re busy?”

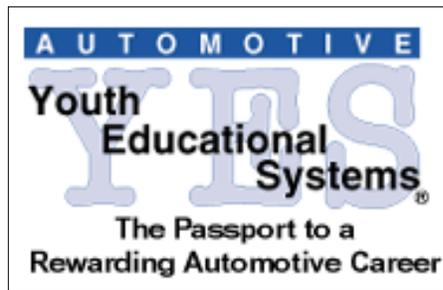
The industry is facing an estimated shortage of 65,000 technicians. Nearly all automobile manufacturers support AYES, which operates at more than 250 schools in 41 states.

Convertible sales dip slightly, but still strong

Chicago represented the fourth biggest market for convertible sales in 2002, and of the 10 best-selling markets, five are in the nation’s Rust Belt, statistics from R.L. Polk & Co. show.

Total convertible registrations in the United States last year reached 302,320, a drop of 2.7 percent from 2001. Despite the drop, 2002 was just the second year since 1973 that convertible registrations topped the 300,000 mark.

The Chrysler Sebring topped the list of ragtop sales in 2002, after a two-year hiatus. The Ford Mustang and Thunderbird placed second and third,



Internships begin each June for students who will become high school seniors in the fall. The AYES program is important because 25 percent of 18-year-olds say they already have selected a career path. Exposing the interns to dealership work could sway them to a career there.

To learn more about AYES, call Butcher at 630-424-6020. Butcher works at the CATA in Oakbrook Terrace and coordinates activities between the area’s five AYES high schools and participating dealers.

respectively.

Los Angeles scored as the top market for convertible sales. Colder weather cities with strong sales included New York (2nd), Philadelphia (6th), Washington, D.C. (8th), and Detroit (9th).

“Convertible sales are not restricted to warm weather climates,” said Polk’s Lonnie Miller. “Larger DMAs around the country are important convertible markets. However, when we look at retail convertible registrations as a percentage of overall passenger car sales, warmer weather markets come to the top of the list.”

Senators lobbied over class action suit bill

The Senate Judiciary Committee was scheduled April 10 to debate legislation designed to push more class action cases into federal courts, to help unclog state courts and ensure defendants and plaintiffs are treated fairly. Under the bill, cases involving more than \$5 million, or ones in which any of the plaintiffs live in a different state than the defendant, could be sent to a federal court.

Senate Bill 274, nicknamed the Class Action Fairness Act of 2003, could reach the floor of the Senate in June. The American International Automobile Dealers Association has followed the measure closely. The AIADA urges all dealers to appeal to their senators to support the bill.

Sen. Peter Fitzgerald (R-Illinois) has indicated he would back the bill. Dick Durbin (D-Illinois) has not voiced support, but he reportedly would consider that.

Class action reform is important to dealers who, as highly visible business owners, are vulnerable to frivolous lawsuits brought by unscrupulous lawyers seeking to make large profits. And manufacturers and other businesses, if relieved of the threat of frivolous lawsuits, would be encouraged to introduce new products and contribute to the economy through job opportunities and overall business expansion.

The Class Action Fairness Act of 2003 would establish a consumer class action bill of rights, including a provision for judicial review and approval of noncash settlements, and standardized settlement notification information.

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Industry will remain strong: Esmond

The 16.8 million new vehicles sold in the United States in 2002 did represent a decline from the prior year's total. But Donald Esmond said any doomsayers fail to mention that the top four sales years ever occurred in the past five years.

"There's plenty of business out there, but every dealer will have to work harder and smarter to get it," Esmond, senior vice president and general manager of Toyota Division, told a gathering of Illinois and Missouri dealers in late March.

"Customers want good products and they're continuing to buy them in numbers unprecedented a few years ago," he said. Sales remain strong even in a wartime economy, he added, be-

cause customers see improved value in today's vehicles.

Esmond said successful dealers will adapt to shifting demographics. He said disposable income is expected to grow, leaving more money for car purchases; the number of affluent households will increase, helping sales of upscale vehicles; and the Generation Y population in seven years will outstrip Baby Boomers. Esmond pointed to Toyota's launch of Scion to capture the attention of the younger generation's influential trend-setters.

"In the auto industry," Esmond said, "the road to prosperity is paved with good relations. As long as we are responsive to our customers, our business will grow."

Legislation

CONTINUED FROM PAGE 1

Rules Committee.

The bill originally intended to allow pickups, vans and recreational vehicles that weigh up to 8,000 pounds to be registered as first division vehicles and display passenger vehicle license plates. Chicago cur-

rently bans B-plated vehicles from operating on Lake Shore Drive and boulevards.

In its present state, HB 3527 concentrates on license plates for persons with disabilities.

Chicago and CATA officials will meet to discuss sticking points in the bill's earlier draft and try to revive the bill's original focus.

Marketplace

Billor/License & Title Professional attitude, creative, detail-oriented. Capable of handling multiple tasks in a fast-paced, high-pressure environment. Microsoft Word, Excel; WordPerfect; Lotus Notes; ADP; type 67 words/minute. Joan Welsch, 708-614-6423. Résumé on file at the CATA.

In Memoriam

William "Billy" Shields, president and owner of The Ad People, an automotive advertising agency and a CATA allied member, died April 6 of a heart attack. He was 52.

Seven years before opening his own agency in Skokie in 1989, Shields and Danny Gustafson co-founded Gustafson-Shields Advertising in Chicago.

Shields is survived by his wife, Marianne; daughter Rebecca; and sons Brian, Robert and Brett.

Memorials may be made to the American Diabetes Association Research Foundation, 800-676-4065.

Congratulations!

DaimlerChrysler named 120 dealership employees nationwide to its Service Contracts' Inner Circle, for extraordinary commitment to customer service, superior product knowledge and top sales satisfaction index. Local winners include

- **Juan Aguilar** and **Scott Cogan**, Larry Roesch Chrysler-Jeep
- **Gus Babalis**, **Lukas Domagala** and **Mark Schiff**, Sherman Dodge
- **Philip Berg**, Mancari's of Orland Hills
- **Dominic Ford**, Elmhurst Dodge
- **Ben Neeley**, Mancari's Chrysler-Jeep

Acura Division of American Honda Co. named three area dealerships as part of its 2002 Acura Precision Team, for high marks in sales, service and customer satisfaction. Among the 78 dealers nationwide are **McGrath Acura** in Glenview, **McGrath Acura of Westmont**, and **Acura of Libertyville**.

Two area dealers—**William Madden** (Knauz Continental Autos in Lake Bluff) and **Michael Rosengarden** (Autohaus on Edens in Northbrook)—are among 64 Mercedes dealers nationwide to be named in the 2002 Mercedes-Benz "Best of the Best" Dealer Recognition Award, for professional excellence.

Seventy-six U.S. Cadillac dealerships were named as 2002 Cadillac SFE Platinum Dealers, for achieving the best sales, service and customer satisfaction, including four local dealerships: **Ettleson Cadillac-Oldsmobile**, Hodgkins; **Steve Foley Cadillac**, Northbrook; **Patrick Cadillac**, Schaumburg; and **Weil Cadillac**, Libertyville.