



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 drop-down menu to CATA-DealersEdge Webinars.

Coming topics:

Thursday, April 21 at 12 p.m. CDT

“Physical Parts Inventory Nightmares” Nothing stresses a dealership parts manager more than the prospect of the annual physical inventory. Perpetual inventory efforts and monthly reconciliations notwithstanding, the annual physical count can be a white-knuckle experience

SEE **WEBINARS**, PAGE 2

Bill to create dealer trust fund moves from House to Senate

A three-member board, including one person representing dealers, would oversee the proposed Dealer Recovery Trust Fund, as details of the legislation take shape in Springfield.

That person would be selected by Illinois Secretary of State Jesse White and Attorney General Lisa Madigan or their delegates, who would constitute the other two-thirds of the board.

Illinois House Bill 880 now rests with the Senate, after the lower chamber passed it 91-19 on April 15.

The dealer-subsidized fund is sought by Madigan’s office to help consumers hurt by other dealers who close without paying off trade-in liens.

Under terms of the bill, The Dealer Recovery Trust Fund would add a \$500 charge to the annual license fee of the main place of business of each new- and used-vehicle dealer and each motorcycle dealer, plus \$50 for each additional place of business. At that rate, the secretary of state’s office SEE **RECOVERY FUND**, PAGE 4

Chevy dealer Alfirevich appointed to CATA board of directors

A Tinley Park dealer has been appointed to the CATA board to serve the remainder of the term of another director who resigned.

John Alfirevich of Apple Chevrolet will complete the term of Dan Roesch, who was elected to the three-year office in June 2009.

“We’re very excited to have John bring his insights and energy to the CATA so that they can be shared with the entire dealer body that the association represents,” said board Chairman Steve Foley Jr.

Roesch stepped down SEE **ALFIREVICH**, PAGE 2

Alfirevich

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from the board because of a new venture he embarked on with another CATA board member. The CATA bylaws state that no dealers "who are partners or financial participants in the other's automobile agency may serve concurrently as a Director of the Association." Roesch and Ed Burke recently partnered to open the new Roesch Ford in Elmhurst. Burke, who also owns Naperville Jeep-Dodge in Lisle, has been on the CATA board since 2008.

Dealers can serve up to three three-year terms on the board, meaning Alfirevich will be eligible to run two more times beginning in 2012.

Webinars

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for parts managers. Learn best practices for a successful parts physical count. This won't be your run-of-the-mill listing of the tasks parts managers should be doing to get ready for the physical, although some of those tasks are inescapable.

For instance, when should dealers outsource the physical inventory and when should they keep it in-house? How much should you expect to pay someone to conduct the physical? Why in some cases a full actual count is not what is called for? New technology solutions will also be reviewed.

Thursday, April 28 at 12 p.m. CDT

"Anatomy of a Killer Dealership Facebook Page"

Take steps to build a killer Facebook page that engages your customers! The presentation dissects what makes an effective Facebook page for a dealership; one that engages your customers and has them checking again and again for what is new and exciting.

Too many dealership Facebook pages are done in amateurish fashion and never get to the important stuff - information and features that will bring your customers back again and again. Use your Facebook page to market your dealership and its products and services.

Thursday, May 5 at 12 p.m. CDT

"A Candid Comparison of the Top DMS Systems" A

Webinar hosted by Paul Gillrie, who since 1992 has been a trusted source by a multitude of dealers seeking to upgrade or replace their dealership management systems.

2010-2011 CATA Board of Directors

Officers

| | | |
|------------------------------|----------------|-----------------------------|
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| | | |
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Board members welcome any questions and comments from their fellow CATA members!

5th annual International Auto Industry Summit is May 25-26

The American International Automobile Dealers Association's gathering at the Capital Hilton in Washington, D.C., will bring together auto dealers, industry leaders and Washington insiders to provide attendees with the tools needed to successfully advocate on behalf of their businesses, brands, and employees. To register to attend, call (800) 462-4232.

During 2010, international nameplates occupied 54.8 percent of the market and were up 9.3 percent for the year. But challenges exist in the form of protectionist rhetoric, federal regulation, and other legislative hurdles.

To combat these attacks, international dealers must build relationships with members of Congress and Washington's policy makers. It is the ONLY way to ensure the voices of dealers are heard. Get the information you need to do that.

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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.

David E. Sloan
Erik K. Higgins

President, Publisher
Editor, Director of Dealer Affairs

Chicagoland Dealers Care can help dealers' favorite nonprofits

Illinois charities, already struggling in a weak economy, face added fiscal pressures caused by delinquent state funding. Dealer members of the CATA can turn to the association for supplemental help via Chicagoland Dealers Care.

The 3-year-old program provides up to \$1,500 in matching grants to supplement a dealer's contributions to local charities. Grant requests can be for a variety of causes: academic programs, cultural arts, performing arts, medical research, and even humanitarian needs.

As a part of the program, the CATA also continues in its partnership with NBC 5 Chicago to spotlight the positive things that new-car dealers do regularly in their communities.

Some initiatives have been developed into 15-second spots broadcast on NBC 5, and all are trumpeted on the CATA's weekly radio show, "Drive Chicago," at 8 a.m. Saturdays on WLS 890 AM; and on the association's Web site, ChicagolandDealersCare.com.

To discuss this program in more detail, contact the CATA's Sandi Potempa at (630) 424-6065 or spotempa@cata.info.

BBB sees scam alert

California businesses reported receiving calls from an accented man who said he represented the Better Business Bureau. The caller number, (876) 580-1176, is registered in Jamaica and is not related to the BBB.

The man tells the businesses they won \$250,000, but that to claim the prize, bank account information must be provided to cover shipping and handling. The BBB does not participate in such contests and would not request banking information.

Area businesses that receive a similar call should notify the BBB-Chicago at (312) 832-0500.

2nd annual CATA Dealer Meeting & EXPO is June 22

Plans are beginning to crystallize for the 2nd annual CATA Dealer Meeting & EXPO on June 22. Last year, the association headquarters was transformed, with booths located throughout the facility for 40 CATA allied member companies to showcase their latest offerings and newest programs in the B-to-B event. Dealers also attended five repeating educational seminars that touched on current hot-button topics.

Informational seminars, CATA allied-member exhibits, and a hearty bar-beque lunch await CATA dealers and their managers at the event that is free to attend.

Allied members should watch for e-mailed information about exhibiting at the EXPO. Attendee details, including "best practice" seminar topics, will be included in coming editions of this newsletter.

Jobs recovery to bolster auto sales: analysts

U.S. automobile sales this year may rise faster than first anticipated, with analysts saying that an improving job market will prevent higher gasoline prices and supply disruptions in Japan from derailing the industry's recovery.

Total sales of cars and light trucks may rise to 13 million this year, the average of 18 analysts' estimates compiled by Bloomberg. The average estimate was 12.9 million in a Bloomberg survey of 17 analysts in January. Light-vehicle sales last year rose to 11.6 million from a 27-year low in 2009.

Auto sales ran at seasonally adjusted annual rate of 13.1 million in the first quarter, the fastest pace since the quarter ending June 2008, according to Autodata Corp. Demand held up while gasoline prices rose to the highest in more than two years and Japan's earthquake disrupted production and tightened inventories of some models.

"Despite it all, people still need cars," said Jessica Caldwell, an analyst at industry researcher Edmunds.com, which kept its estimate at 12.9 million. "There's still that issue of pent-up demand we see in the marketplace that you can't ignore."

The U.S. economy added jobs for six straight months through March, with payrolls rising by 478,000 in the first

quarter, and the unemployment rate fell to a two-year low of 8.8 percent, according to Labor Department figures.

Seven analysts raised their estimates for full-year auto sales since the beginning of the year. IHS Automotive lowered its estimate to 12.9 million vehicles, from as high as 13.3 million in February, citing higher oil prices and disruptions following Japan's earthquake.

Oil Prices, Japan

The higher cost of oil accounts for a 150,000-vehicle reduction in IHS's estimate, and Japan-related production losses account for the remainder, said George Magliano, a New York-based senior economist for the researcher.

"We're a little more optimistic on the job market, which we think has finally turned," Magliano said. "Credit has begun to loosen up a bit more. That made us feel better about where the year was going. Now, we've got two things working against us."

U.S. consumer borrowing rose for a fifth straight month in February on an increase in non-revolving credit, which includes borrowing for autos, the Federal Reserve reported April 7.

Creditors are again warming to consumers, and consumers are doing everything to improve their standing so the two hopefully can meet in the middle.

Recovery fund

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estimates the fund would collect more than \$2.2 million in its first year.

The legislation provides that when the fund balance reaches \$3.5 million as of Aug. 31, collection of the fee would be suspended the following year for dealers who did not have a claim paid from the fund; or a suspended or revoked license; or have any civil penalties assessed against them during the previous three years.

Consumers and dealers could file a claim against the fund if they buy a vehicle on or after Oct. 1, 2011, from a dealer who goes out of business without settling a trade-in lien. A claim could not exceed \$35,000. A three-member Dealer Recovery Trust Fund Board would consider such claims.

Among recent changes to the House bill, the three-member board would

consist of Secretary of State Jesse White and Attorney General Lisa Madigan, or their delegates; and someone selected by White and Madigan or their delegates to represent Illinois automobile dealers.

The Illinois Automobile Dealers Association would serve as fund administrator and would maintain a list for White's office of all dealers who paid the annual fee. White could suspend or revoke the license of a dealer who fails to pay the fee.

Proceeds in the fund could be used only to help victims of dealership closings, and any interest generated by the fund must be deposited into the fund—language that would prevent the General Assembly from using the interest money to shore up the state budget.

The attorney general's office estimates unpaid liens of \$5 million statewide. The office is suing seven closed dealers to recoup some of that.

Xchanging deflects unemployment claims

One hundred forty-two CATA dealer members reported a combined 807 unemployment claims during the first quarter of 2011 to Xchanging, which has been serving CATA dealers under various names since 1979. The company's efforts saved those dealers a total of \$920,894 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 250 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 0.7 percent and 8.4 percent of each employee's first \$12,740 in earnings. The 2011 average unemployment tax rate among Illinois employers is 3.8 percent, or about \$485 annually per employee (\$420 in 2010).

"With the downturn in the economy, unemployment remains at record highs (10 percent in Illinois) and a drain on the Illinois Department of Employment Security trust fund, markedly higher tax rates for 2011 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 ex-employee's claim affects the employer's tax rate for three years.

For new enrollees, client fees amount to \$2.60 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 (773) 824-4325.

Health care's 1099 tax-reporting rule repealed

President Obama on April 14 signed into law a measure that repeals the unpopular 1099 tax-reporting provision of the national health-care law.

The move marked the first successful effort by Congress to repeal a portion of Obama's signature health-care legislation. Businesses would have been required to notify the Internal Revenue

Service about payments to other businesses for goods of \$600 or more annually.

Repeal of the tax-reporting provision followed eight months of talks by lawmakers about how to pay for the repeal, which would result in the loss of an estimated \$22 billion over the next decade.

Congratulations!

Autobarn Volkswagen in Countryside is one of 16 dealerships named as winners of Volkswagen's 2010 generationBest award.

The 2010 Mercedes-Benz Best of the Best Dealer Recognition Award was bestowed upon James Hub, Paul Tamraz and Mick Austin of **Mercedes-Benz of Hoffman Estates** and upon 39 other U.S. Mercedes-Benz dealerships.

Five area dealers won Ford Motor Co.'s 2010 President's Award : **Arlington Heights Ford**, **Buss Ford Sales** (McHenry), **Court Street Ford** (Bourbonnais), **Wickstrom Ford-Lincoln** (Barrington), and **Willowbrook Ford**.

Bosak Honda in Highland, Ind.; and **Valley Honda** in Aurora were named winners of Honda's 2010 President's Award. Both are multiple-time recipients of the award.

Hyundai Genuine Parts named Craig Farrell of **Patrick Hyundai** (Schaumburg) as one of the top performing Hyundai parts managers.