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Completed ballots due June 7

6 candidates running for 5 seats on the CATA board of directors

Six candidates, including two incumbents, have been nominated to fill five openings on the board of directors of the Chicago Automobile Trade Association. Each term last three years beginning next month.

Election ballots will be sent May 24 to all CATA dealer members whose association dues are up-to-date. Completed ballots must be

received by 12 p.m. June 7 by the CATA's auditing firm, Crowe LLP, which will tally the submissions. Results will be announced at the CATA's annual meeting, June 11 at Cog Hill Golf & Country Club in Lemont.

Incumbents on the ballot include **Dan Marquardt** (Marquardt of Barrington); and **Kelly Webb Roberts** (Genesis of Highland [Ind.];

Webb Chevrolet, Oak Lawn; Webb Chevrolet of Plainfield; Webb Hyundai, Highland, Ind.; and Webb Hyundai-Mitsubishi, Merrillville, Ind.).

Also on the ballot, **Dan Heller** (Heller Ford, El Paso; Heller Lincoln-Chrysler-Dodge-Jeep-Ram, Pontiac); **Joe Massarelli** (Liberty Chrysler-Dodge-Jeep-Ram-Subaru, Libertyville); **Scott**

Muller (Muller Auto Group: Acura, Honda, Subaru, Volkswagen); and **Steve Phillipos** (Chevrolet of Homewood).

A director can serve a maximum of three terms. Marquardt and Webb Roberts are seeking their second terms. The CATA board's executive committee met last month to identify candidates for nomination.

BBB: Stop including limited rebates in advertised prices, payments

**BY PATRICIA KELLY, SENIOR COUNSEL
BETTER BUSINESS BUREAU OF CHICAGO**

The BBB has noticed a significant uptick in advertised prices that contain limited rebates, including finance rebates. The same is true for payment amounts for lease and finance. The problem has generated many letters to dealers as well as referrals to the Illinois Attorney General's office. It is well known among dealers that this practice is a zero tolerance issue as decided in 2014 by the CATA Board of Directors. As such, the BBB refers those matters to the AG for appropriate action.

The BBB is aware, through its discussions with individual dealers, that

manufacturers play a role in infractions by including limited rebates in prices and payments for dealer websites, since the content is prepared for nationwide use. Illinois dealers must make sure to change price and payment amounts to make sure that only dealer discounts and rebates available to all consumers are included to be in compliance with Illinois law.

Because the BBB receives so many referrals on this specific issue, we decided to investigate and shop certain dealers to test advertised prices. The results of the investigation show that advertised prices often are available only to customers who finance the deal; cash

buyers often pay higher prices.

The BBB also found that advertised prices and payments can include many additional limited rebates, even when the disclosures say that only rebates available to all consumers are included. All dealers who are shopped are referred to the AG's office when they engage in this practice.

Some dealers advertise two prices: a price that includes the dealer discount and general rebates and then a "conditional price" with limited rebates.

Rule 475.530, Rebates, is clear. It states in part (b): "It is an unfair or deceptive act to advertise a price or amount

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Alfirevich toasted for 2019 Dealer of the Year award victory

John Alfirevich, president of Apple Chevrolet in Tinley Park, was feted at his dealership May 9 for being named the 2019 winner of the Time Dealer of the Year award, one of the industry's highest honors.

He is the 50th winner of the award that underscores "the important role of auto dealers in their communities," said Tammy Linkfield, a senior vice president of Ally Bank, which partners with Time magazine in sponsoring the award. He won the award in January at the annual industry convention, NADA Show.

Alfirevich described the Dealer of the Year award as the Heisman Trophy for dealers, and said that winning it "has changed my life. I read all the bios of the other nominees, and I am so honored."

In remarks, Alfirevich thanked a long list of employees and not-

ed their loyalty, and he said the 243 vendors the dealership interacts with "are really more like partners" in the store's success.

For his winning, Ally pledged to give \$10,000 to the charity of Alfirevich's choice and another \$5,000 to the Chicago Automobile Trade Association for having nominated the winner. He elected to divide the total among three nonprofits:

- \$3,000 to the COURAGE Program, which helps women through unexpected pregnancies and the issues of single-parenting;

- \$7,000 to the Do It Stevie's Way Foundation, in honor of Steven Bajenski, of Mokena, who died at age 17 in 2009, at the outset of his senior year at Mount Carmel High School; and

- \$5,000 to the USO of Illinois, beneficiary of the annual Barbecue for the Troops



John Alfirevich, right, is joined by Ally Bank's Tammy Linkfield (from left), IADA President Pete Sander, CATA Chairman Tony Guido, and USO of Illinois CEO Alison Ruble for the presentation of a \$5,000 donation to the USO on May 9.

fundraisers.

In turn, Alison Ruble, the president and CEO of the USO of Illinois, gave Alfirevich a Challenge Coin, which the organization presents to persons in recognition of special achievement.

Over the last year, Apple Chevrolet has donated to nearly 100 organizations, including the American Legion Auxiliary; the

Better Business Bureau Educational Foundation; the Colon Cancer Coalition; Gigi's Playhouse Down Syndrome Achievement Centers; JDRF; The Salvation Army; and Special Olympics; as well as many schools, churches and sports teams.

"I believe dealers play an enormous role in their communities by donating to many

great causes to advance the well-being of their communities," Alfirevich said. "We really receive by giving."

State and metropolitan dealer associations each can nominate one dealer for the annual award. There were 51 nominees for 2019. The CATA and the Illinois Automobile Dealers Association both nominated Alfirevich for the award.

'18 EEOC wage data due May 31

Dealers with 100 or more employees are subject to the U.S. Equal Employment Opportunity Commission's EEO-1 Survey filing mandate. The EEOC enforces federal laws that make it illegal to discriminate against a job applicant or employee because of race, color, religion, sex, national origin, age, disability or genetic information.

The EEO-1 Survey for 2018 data is due May 31 and must include demographic data on race, gender and ethnicity by job category (information known as "EEO-1 Survey Component 1 data").

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The CATA Bulletin is distributed via blast email 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/publication/bulletins.

David E. Sloan
Erik K. Higgins

President, Publisher
Editor, Director of Dealer Affairs

Take steps to avoid secret recordings at the dealership

With the intent to harm the dealership, someone reportedly went to an area new-car dealership recently and secretly recorded an employee during a private conversation on the showroom floor.

The CATA's general counsel, Dennis O'Keefe, noted that Illinois law, 720 ILCS 5/14, provides that a person commits "eavesdropping" when he or she knowingly or intentionally uses an eavesdropping device, in a "surreptitious" manner, for the purpose of transmitting or recording all or any part of any "private conversation" to which he or she is a party, unless he or she does so with the consent of all other parties to the private conversation.

"Surreptitious" means obtained or made by stealth or deception, or executed through secrecy or concealment. Accordingly, unless both parties are aware of the recording, it would likely be deemed surreptitious.

tious.

"Private conversation" means any oral communication between two or more persons, whether in person or transmitted between the parties by wire or other means, when one or more of the parties intended the communication to be of a private nature under circumstances reasonably justifying that expectation. Accordingly, the "expectation of privacy" created probably includes any one-on-one conversations at a desk or in an office made in negotiating the sale or financing of a vehicle; however, it might not include statements made in more open settings, such as the showroom floor, service lane, or parking lot, where other people are customarily present and in close enough proximity to reasonably hear any conversation.

For a first offense, eavesdropping is a Class 4 felony; for a second or any subsequent offense, eavesdropping is a Class 3 felony.



To alert customers that unauthorized recording is a criminal offense in Illinois, the CATA recommends that dealers consider placing signage in the showroom to this effect:

"Pursuant to Illinois Law, 720 ILCS 5/14, and to protect the privacy of our customers and employees, no audio or video recording is permitted on business premises without prior written authorization of management. Violation of this provision is a felony. Violators will be prosecuted accordingly."

1 year in, and no sign of an auto tariff resolution: AIADA chairman

By HOWARD HAKES

2019 AIADA CHAIRMAN

While new tariffs on Chinese goods — which will indeed impact the auto sector — are in the spotlight this week, those of us in the auto industry are still carefully watching another trade crisis unfold: We are hitting the 90-day mark from when the Department of Commerce submitted to the White House the results of its national security investigation into imported autos and auto parts.

The report was never made public, but President Trump has suggested that the findings give him the authority he needs to impose stiff tariffs on our industry.

According to the Trade Expansion Act of 1962, the president should make a decision on tariffs within a 90-day time frame or request more time for analysis. In reality, there are no binding deadlines, and the Trump administration could easily draw this process out for months or even years.

Where does that leave dealers? In the same place we've been since this investigation was first announced almost exactly one year ago: limbo land.

Uncertainty over tariffs is a shadow over our stores, our manufacturers, and our customers. We've already seen steel

tariffs bump up prices on cars. If 232 national security tariffs are placed on our products, we can expect prices to rise by up to \$7,000 per vehicle — more than enough to drop the SAAR by 2 million units and put hundreds of thousands of Americans (including dealership employees) out of work. Not exactly the jolt our already slumping industry needs.

I don't claim to be an economist, but a few decades in the auto retail industry have taught me two undeniable truths: Uncertainty is a business killer and tariffs are taxes on the American consumer. Americans will be far better off when President Trump concludes once and for all what we already know. Our products are NOT a national security threat.

Thanks to the hard work of dealers who attended our AIADA fly-in last month and urged their legislators to sign onto a letter condemning the 232 tariffs, 159 members of Congress — including 78 Democrats and 81 Republicans from 37 states — sent a bipartisan letter this month to Economic Policy Council Director Larry Kudlow, urging the Administration not to damage the auto industry and the U.S. economy by imposing harmful tariffs. It was a huge victory for dealers, who now have to continue to keep the pressure on the administration to pull back from tariff threats.

Sedgwick deflects Q1 2019 jobless claims

One hundred forty CATA dealer members reported a combined 264 unemployment claims during the first quarter of 2019 to Sedgwick Claims Management Services, Inc., which has been serving CATA dealers under various names since 1979. The company's efforts saved those dealers a total of \$489,346 in benefit charges by contesting the claims.

Sedgwick monitors any unemployment claims against its clients and contests all unwarranted claims and charges. The company counts about 237 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 0.475 percent and 6.4 percent of each employee's first \$12,960 in earnings.

The 2019 average unemployment tax rate & new employer rate for Illinois employers is 3.175 percent, or about

\$411.50 annually per employee (\$418 in 2018). The rate has inched down each year from 2007, as the Illinois economy continues to improve.

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

For new enrollees, Sedgwick client fees amount to \$2.85 per employee, per fiscal quarter. For the fee, Sedgwick 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.

For more information and information on how to retain Sedgwick's unemployment services, contact Kijewski at (773) 824-4322 or Bruce.Kijewski@Sedgwick.com.

Ads

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of an installment payment, wherein rebates have been deducted, unless every consumer seeking to purchase or lease the advertised vehicle is eligible for the rebate."

The rule goes on to state in part (c): "The availability of a limited rebate may be advertised if the terms of the limitation are clearly and conspicuously disclosed. It is an unfair or deceptive act to advertise a price or amount of an installment payment in which limited rebates have been deducted, or to advertise a total amount of rebate if a portion of the total consists of a limited rebate."

Dealers in Illinois are obligated to advertise prices and payments that are available to all consumers. Of course, consumers must be credit-worthy enough to qualify for finance and lease options but, if they do, consumers cannot be denied because they fail to qualify for a rebate or rebates.

Congratulations!

Autohaus on Edens (Northbrook), **Mercedes-Benz of Chicago**, and **Mercedes-Benz of Orland Park** were named 2018 Value Partner Award winners by Mercedes-Benz Financial Services.

Liberty Kia (Libertyville), **Southlake Kia** (Merrillville, Ind.), **Thomas Kia of Highland** (Ind.), and **Willowbrook Kia** were recognized for operating more than 20 years as Kia franchisees.

Ed Burke Jr., of **Naperville Chrysler-Jeep-Dodge-Ram**, is a 2019 graduate of FCA US LLC's Future Dealer Development Program.

Among recipients of Acura's 2018 Precision Team award, **McGrath Acura of Westmont** and **Muller's Woodfield Acura** (Hoffman Estates) marked 17 years as recipients. **Arlington Acura in Palatine** was an 8-year recipient of the award, and **Muller Acura of Merrillville** (Ind.) was a 3-year recipient.

Continental Audi of Naperville was named one of 16 members of the 2018 Audi Magna Society Elite. **The Audi Exchange** (Highland Park) and **Audi Hoffman Estates** were named members of Audi's Magna Society.

Ford's 2018 President's Award winners include **Arlington Heights Ford**, **Heller Ford** (El Paso), **Art Hill**

Ford (Merrillville, Ind.), and **Wickstrom Ford** (Barrington).

Wickstrom Lincoln (Barrington) is a recipient of the 2018 Lincoln President's Award.

Lexus of Highland Park, **Lexus of Merrillville** (Ind.), **Lexus of Orland** (Orland Park), **McGrath Lexus of Westmont**, and **Woodfield Lexus** (Schaumburg) are among winners of the 2018 Elite of Lexus award.

Ford Motor Co.'s Employee Excellence (e2) Program recipients include Banaan Alammar, **Bob Rohrman's Schaumburg Ford**; Dael Bernahl, **McCarthy Ford** (Chicago); Michael Castro, **Ron Tirapelli Ford**, (Shorewood); Raul Castro, **Metro Ford Sales & Service** (Chicago); Greg Head and Gregory Helken, **Heller Ford Sales** (El Paso); Darko Jasnic, **Paul Heuring Motors** (Hobart, Ind.); Christine Keultjes, **Webb Ford** (Highland, Ind.); Frank Oswald, **Wickstrom Ford** (Barrington); Paulie Rapier, **Bull Valley Ford** (Woodstock); Ronald Reynolds, **Westfield Ford** (Countryside); Nick Sfikas, **Golf Mill Ford** (Niles); Jeffrey Swank, **Court Street Ford** (Bourbonnais); Aldo Utria, **River View Ford** (Oswego); Joseph Venditti, **Hawk Ford of Oak Lawn**; and Lawrence Wagner, **Smith Ford of Lowell** (Ind.).