



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.

Premiering Tuesday, Dec. 2 at 12 p.m. CST

“Internet Ups: Guiding the Prospect from Email to Phone to Showroom” In this presentation, rescheduled from Oct. 2, get a practical guide to keep your prospects “in the net” until you can greet them on the showroom floor.

An alarming number of Internet prospects — up to

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AG acting against dealers who violate ‘zero tolerance’ categories of advertising regulations

As reported in September, a series of changes to the BBB/CATA advertising review program was approved this year by the Chicago Automobile Trade Association’s board of directors, to combat concerns that some dealerships have been playing the system to commit repeated program infractions without penalty.

The changes reduce the time dealerships have to correct violations in their ads, and tighten the standards under which a violating dealer is referred to the Illinois attorney general’s office for discipline.

One result of the changes: The attorney general is acting against offending dealerships, including one case that almost certainly will result in a fine for violating one of five “zero tolerance” categories of the Illinois Motor Vehicle Advertising Regulations.

Previously, when BBB re-

viewers spotted a dealer ad that was not compliant with the Illinois Motor Vehicle Advertising Regulations, they would send notice to the offending dealer, who was given five days to respond. If the dealer did not respond, the process was repeated, meaning a noncompliant ad could be circulated up to 10 days before the attorney general’s office was notified.

Those timelines have been reduced to four days following the first notice and three days after the follow-up notice, or seven days total until the matter is referred to the AG.

In addition, dealers had been able to violate the same rule twice in a 12-month period without the attorney general’s knowledge. Only upon the third such violation was the AG notified. A dealer theoretically could violate every rule twice a year without the AG becoming

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New York dealer to lead NADA



Fox

Upstate New York dealer Bill Fox has been elected the 2015 chairman of the National Automobile Dealers Association. His term begins in January at the next NADA Convention & Expo.

“It is a true honor to serve this industry and this board,” Fox said upon his election in September. “This is an exciting time for the auto industry and this board and for dealers across

the country.

“We will continue to advocate strongly for dealers and the franchise system, which is the best and most efficient model for consumers, dealers and manufacturers alike.”

The chairman-elect's Fox Dealerships sell Chevrolet, Chrysler, Dodge, Honda, Jeep, Ram, Scion, Subaru and Toyota brands in Auburn and Phoenix, N.Y.

A Colorado dealer, Jeff Carlson, was elected the NADA's 2015 vice chairman. Another New York dealer, Neale Kuperman, is the incoming treasurer; and Kansas dealer David Shepherd is the secretary-elect.

475.320

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the low price is limited to just a few vehicles or even one.

In addition, a disclosure such as “36 available at various prices” informs consumers that the advertised model line, while offered at a low price and disclosed as to the number of vehicles available at that price, is also available at higher prices to the extent of 36 total in stock.

Since the BBB is seeing this confusion played out in complaints, it is important for dealers to think about Rule 475.320 and inform their advertising agencies to be aware of it.

As the BBB does pre-publication advertising review, we point out to agencies the Rule and confirm that necessary disclosures are made, to correct the problem as we see it.

However, we want to educate dealers, as well, so that dealers do not experience customer frustration based upon impressions created in advertisements, when the impressions can be so easily corrected.

The BBB continues to be very active in dealer advertising, to assist those desiring review before an advertisement is published and in leveling the marketplace playing field for all dealers.

To discuss a pre-publication review, contact my colleague, Michael Boyadjian, our advertising review specialist, at (312) 245-2515 or mboyadjian@chicago.bbb.org.

Happy Thanksgiving!

The CATA office will be closed Thursday and Friday, Nov. 27 and 28, to commemorate the Thanksgiving holiday.

Business hours resume Dec. 1.

Webinars

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95 percent, by some estimates — never make it into the showroom. Some aspect of the experience turns them off to your dealership. All too often, it is the email-to-phone transition that is the dead end to the sale.

Converting online shoppers to showroom customers requires specially-designed processes and a well-developed skill set. Mark Rodriguez, of Auto Client Care, Inc., has developed just such a game plan for auto retailers and he will share it with DealersEdge members during this special webinar presentation.

Premiering Thursday, Dec. 4 at 12 p.m. CST

“Fixing the F&I Bottleneck to Satisfy the Customer's Needs and Demands Without Killing Profit”

How to speed up the process without damaging F&I profit opportunities. Learn to engage the F&I process with the customer's needs front and center!

It's a cardinal rule of F&I selling: You must present every product to every customer, every time. But forcing customers through our selling process to facilitate these presentations often just makes them angry and often sorry they did business with you. And it's not so much the presentations as it is the delays in just getting on the road in their new vehicle. The bottleneck created by a structured F&I process is the problem.

If you agree, listen in to Becky Chernek as she describes ways you can better understand and qualify your customers ... helping to create a new process that still makes the presentations, but also respecting the customer's desire to complete the transaction quickly.

You will learn:

- How to create a smooth transition from sales to finance — meeting the customer on her terms
- How a better transition can help reduce resistance once in the F&I office
- How to gather quick and reliable credit information and credit history to speed the process
- And more!

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18W200 Butterfield Rd. Oakbrook Terrace, IL 60181-4810

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
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BBB sees infractions of Advertising Limitations, Rule 475.320

BY PATRICIA KELLY, LEGAL COUNSEL
BETTER BUSINESS BUREAU CHICAGO

The BBB has recently become aware of consumer confusion in connection with the availability of certain vehicles at advertised prices.

We have received complaints from consumers who responded to an area dealer's advertised price, assuming the price is generally available, and who are told in the store by a salesperson that only one unit was available at that price and it was sold.

We want to clarify the application of Rule 475.320 to advertised prices. The rule states that any limitations on the

availability of the advertised price must be clearly and conspicuously disclosed. This includes the availability of a single vehicle or number of vehicles in stock and any other restrictions on the price.

Advertisements often claim certain vehicles, either with or without stock numbers, are offered at specific prices, such as "Honda Odysseys EX-1 \$22,900, 20 available" or "New 2015 Kia Soul \$12,490."

Neither claim is entirely clear as to how many vehicles are actually available at the advertised price.

When dealers offer certain vehicles at specific prices, there is a known

quantity of vehicles actually available in inventory. The availability of the number of vehicles at the advertised price must be disclosed per Rule 475.320.

Dealers often advertise the lowest price for a model line and include a stock number for a vehicle. However, this does not tell the reader that only one is available or at least a very limited number are available for that model line.

The advertised price should include a disclosure near the price that says "X available at this price" or "1 available at this price" so that readers understand

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Advertising

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involved, giving dealers substantial opportunities to fail to correct themselves, and leading to unfair competition with respect to dealers who abide by the regulations.

Now, a dealer with any two rule violations, not just the same rule, within a 12-month period will be referred to the attorney general. Also, a third violation of any rule in a 24-month period may result in a referral.

Further, multiple franchises under one rooftop will be treated as the same dealer pursuant to the new program policies; the violations will be counted against the entire operation, not separate brands.

Important, while the BBB refers appropriate matters to the Attorney General, that office has complete and independent authority to handle all matters as it sees fit in light of enforcement priorities and resources.

Reviewers from the Better Business Bureau noted that several advertising rules have been violated repeatedly recently. Violations that occur in the following areas will be given **zero tolerance**, and the matters will be referred immediately to the attorney general:

Rule 475.310. This rule is being widely violated in two ways. First, disclosures, particularly on websites, contain amounts deducted from advertised prices over what the rule allows which is tax, title, license and a doc fee only. No other amounts, such as freight, destination, environmental, "dealer fees," and such are allowed in Illinois. Second, advertised prices are not available to all consumers primarily due to the inclusion of limited rebates.

Rule 475.530. This rule allows dealers to advertise prices wherein rebates available to all consumers have been deducted, resulting in a price lower than MSRP. General dealer

discounts available to all consumers can lower the price even more.

The rule specifically prohibits dealers from advertising prices where limited rebates have been deducted. Limited rebates must be advertised separate from price. The terms of the limitation must be clearly and conspicuously disclosed so that consumers can readily understand what rebates apply to them.

Reviewers are seeing many advertisements where limited rebates are pulled out of prices. We also are seeing advertised prices that are not actually available to any consumer at all because the rebates are bundled. However, only one is available to the customer. Such a price is completely fictitious. This is an egregious practice and unfair to any dealer competing fairly.

Rule 475.540. Dealers continue to advertise that they will pay an amount equal to or over a book value for consumers' trade-ins. Some dealers purport to desire to merely purchase consumers' vehicles without selling them vehicles in an effort to skirt the rule. This claim has been rejected as a way to avoid a violation.

Rule 475.590. Free gifts, prizes and other incentives are being used extensively in connection with the sale of motor vehicles. Often items of significant value are being combined with offers of minor value. Dealers are assigning a money value to customer loyalty programs such as car washes. Whatever the value, dealers are prohibited from offering anything to consumers in connection with selling vehicles where the price is negotiated.

Consumer Fraud Act, section 2 (j) (1). This provision prohibits dealers from using coupons in the sale of a motor vehicle. BBB reviewers have seen coupons, or vouchers, used extensively in connection with specific trade-in amounts and offers of trade-in assistance.

Connexion named CATA approved member energy efficient lighting partner

Responding to a growing list of reasons for dealers to consider switching from their current lighting systems to newer more energy efficient and cost conscious solutions, the CATA has selected Connexion as an Approved Member Partner.

Connexion offers a complete suite of services — including design, supply, installation, project management,

incentive management, financing and maintenance materials — aimed at providing dealers a one-stop solution and a great lighting upgrade experience.

The selection of Connexion completes a several months' process through which the Member Benefits Committee reviewed a number of potential partners representing virtually all of the

major players when it comes to dealership lighting solutions. Connexion's product agnostic approach set the company apart in their ability to source the highest value product at the most competitive price meeting each individual dealer's needs.

The CATA will be sending a letter to dealers outlining the details of the Connexion agreement within the next

few weeks. In the meantime, you can contact Brian Earl, Connexion general manager at (847)499-8314 or bearl@connexiones.com.

For questions or more information about the association's Approved Member Partner program, contact CATA Director of Marketing Tim McBride at tmcbride@drivechicago.com or (630)424-6085.

CATA, Reynolds Document Services introduce LAW[®] F&I Library

The CATA and Reynolds Document Services are proud to announce the LAW[®] Illinois F&I Library, a comprehensive library of standardized, legally reviewed F&I documents that will benefit CATA members and Illinois dealers.

"The documents included in the LAW Library are proven and trusted tools to help dealers meet compliance standards, improve business efficiency, lower risk, and improve the car-buying experience for their customers," said Jerry Kirwan, senior vice president and general manager of Reynolds Document Services.

The LAW Illinois F&I Library was created and is

maintained by the combined legal expertise of Reynolds Director of Compliance Terry O'Loughlin, Reynolds AFIP certified compliance legal specialists, and the CATA.

"We are continually looking for products and services that help new-car dealers and their customers achieve a more efficient, effective, and pleasing end-to-end automobile retailing experience," said Dave Sloan, CATA president.

The LAW Illinois F&I Library documents are available to order now. Start protecting your business today by talking to your Reynolds Document Consultant, or call (800) 344-0996 to speak

to your customer service representative

With more than 85 years of experience, Reynolds Document Services is the leader in serving automobile dealerships nationwide with standard and custom business forms to help dealers manage their operations more efficiently and serve their customers more effectively.

Visit Reynolds online at www.reyrey.com.

About Reynolds Document Services, a CATA Approved Member Partner Since 2013

Reynolds is the sole provider of the trusted and proven LAW 553 Retail Installment Sale Contract. The LAW 553 is reviewed regu-

larly by Hudson Cook, LLP, to keep pace with changes in automotive finance laws and is accepted by virtually every financial institution, so you can use one contract to finance deals through multiple lending institutions. Contact the Reynolds sales support team at (800) 654-6768 or order online at www.reyresource.com.

Contact Information

Call the sales support team at (800) 654-6768

Contact your local Reynolds representative:

- Steve Fleishman, (847) 456-2895
- John Koeneman, (847) 370-7474
- Sue Scheive, (630) 430-0145

Order online at www.reyresource.com.

2015 fuel economy guide now available for download, display

The Environmental Protection Agency and the U.S. Energy Department have released a preliminary 2015 Fuel Economy Guide, which is available for download and print at www.fueleconomy.gov/feg/download.shtml.

Dealers who sell new vehicles with a gross vehicle weight rating under 8,500 pounds are required to prominently display paper copies of the guide at each location where new vehicles are offered

for sale. The guide must be available for free upon customer request.

Beginning with 2008 model year vehicles, city and highway estimates account for conditions such as higher speeds and faster accelerations, air conditioning use and cold temperature operation. Further details regarding the determination of gas mileage (mpg) ratings are available at www.epa.gov/fueleconomy.

The annual fuel cost estimates in

the electronic fuel economy guide are updated weekly to match the Energy Information Administration's current national average prices for gasoline and diesel fuel.

Paper copies of the guide are no longer mailed automatically. To request a paper copy of the guide, call the DOE's Energy Efficiency and Renewable Energy Information Center at (877) 337-3463.