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## First Look for Charity to sparkle Feb. 11

A redesigned 2010 Chevrolet Equinox—a great-looking compact crossover that delivers a best-in-segment EPA-estimated 32 mpg—is just \$225 away for someone who attends this year's First Look for Charity.

But everyone who attends will feel like a winner. The black-tie gala on Feb. 11, held the evening before the Chicago Auto Show opens its 10-day public run, directly benefits 18 important Chicago area charities. Last year, the event raised nearly \$2 million.

First Look for Charity, now in its 19th year, is a unique and elegant way to peruse the nation's largest auto show before the throngs enter with their elbows aflyin'.

About 8,000 people are expected to attend First Look for Charity, a fraction compared to an average daily at-



2010 Chevrolet Equinox

tendance during the show's public days. First Look attendees are treated to a wide variety of hors d'oeuvres; champagne, wine, beer and soft drinks.

Tickets are \$225 each and can be ordered at [www.chicagoautoshow.com/firstlook](http://www.chicagoautoshow.com/firstlook) or by calling (708) 237-6444. For corporate packages, call the CATA's Erik Higgins at (630) 424-6008.

Purchasers can designate their ticket proceeds to benefit any or all of the participating charities.

The Equinox is compliments of Chicagoland & Northwest Indiana Chevy dealers.

## CATA office closed Feb. 5-21 for auto show

The office of the Chicago Automobile Trade Association will close in Oakbrook Terrace Feb. 4 and not reopen till Feb. 22.

Far from taking a two-week cruise, the CATA staff will relocate to McCormick Place to produce the 2010 Chicago Auto Show.

Because the CATA office will be

closed, association members must make the following adjustments:

- Dealership personnel responsible for securing any forms provided by the CATA—odometer statements, used-car buyer's guides, used-car limited warranty statements, and emission control equipment statements—must place orders by

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## 1 Ruffino, 2 Ruffino

*Man convicted of theft said he didn't approach Elgin dealer*

An Addison man contends he was not the Nicholas Ruffino who offered an Elgin dealer a faulty telephone number and then angled for a spot delivery, as described in the Jan. 11 edition of this newsletter.

Nicholas Ruffino, 32, of Addison, was convicted last month of theft stemming from a 2008 transaction at a Barrington dealership. He describes himself as 5 feet 7 inches tall and about 285 pounds. But Ruffino said he never approached the Elgin dealer in late December.

"I didn't do that. I learned my lesson," he said.

The Elgin dealer said the Nicholas Ruffino he encountered never visited the store, instead limiting correspondence to e-mail. The prefix of the address is nicholasruffino.

"He states that he works off his Blackberry and is in meetings all day and that e-mail works best for him, so he avoids giving a phone number," the Elgin dealer said. "We did press him and finally got a phone number; it was bad.

"He also stated that he is closing on

SEE **RUFFINO**, PAGE 4

## Final risk-based pricing rule released by FTC, Federal Reserve

Sweeping rules that generally apply to dealers who obtain a consumer's credit report and then enter into a credit transaction with that consumer have been finalized. The long-awaited Final Risk-Based Pricing Rule, constructed jointly by the Federal Reserve Board and the Federal Trade Commission, takes effect in 2011.

Risk-Based Pricing refers to the practice of setting or adjusting the price and other terms of credit provided to a particular consumer based on the consumer's creditworthiness.

The final FTC/FRB Rule provides creditors with several methods for determining which consumers must receive Risk-Based Pricing Notices (RBPB).

As an alternative to providing risk-based pricing notices, the final Rules permit

creditors to provide consumers who apply for credit with a free credit score and information about their score. Today, most consumers must pay a fee to obtain their credit score.

The new rule generally applies to creditors that engage in risk-based pricing and use a credit report to set the terms on which credit is extended to consumers. The rule does not apply to extensions of business credit or to lease transactions.

Dealers and other creditors who use credit reports will have to deliver a RBPB to consumers whom the dealer will extend credit but on "material terms that are materially less favorable than the most favorable terms available to a substantial proportion of consumers from or through that person."

The National Automob-

ile Dealers Association has pledged to disseminate a comprehensive summary of the new rule later this year.

The new Risk-Based Pricing Rule is the latest duty mandated by the Fair and Accurate Credit Transactions Act of 2003. Also, the RBPB requirement is entirely separate from the new Model Privacy Notice that the FTC and the federal banking regulatory agencies issued recently under the FTC Privacy Rule.

The RBPB requirement is intended to improve the accuracy of credit reports by alerting consumers whose credit applications have been approved (but generally on less favorable terms) to the existence of negative information in their credit reports which they can check for accuracy and, if warranted, challenge.

This is meant to "comple-

ment" the Fair Credit Reporting Act's adverse action notice requirement, which requires creditors who deny a consumer's credit application based in whole or part on information in a credit report to provide information about credit reports to those consumers.

Because of the difficulty in determining which customers fit into this ill-defined category, NADA recommended—and the agencies adopted—an Exception Notice that dealers and other creditors may issue in lieu of the RBPB.

The criteria for using the Exception Notice and other elements of the Risk-Based Pricing Rule and associated model forms are in the 202-page final rule, at [www.ftc.gov/os/2009/12/R411009riskbasedpricingfrn.pdf](http://www.ftc.gov/os/2009/12/R411009riskbasedpricingfrn.pdf)

## Consider 'adopting' a school for next month's Chicago Auto Show

Dealerships can plant a benevolent seed with students by sponsoring a school group's visit to the 2010 Chicago Auto Show. The measure can be a community relations plum and establish customer loyalty with young consumers.

Under the Adopt-A-School Program, a dealership can purchase tickets at \$5 each for students in a group. There is no minimum or maximum potential group size.

High schoolers at or near driving age are logical students for a dealership to pair itself with. There are hun-

dreds and hundreds of high schools in the Chicago area, probably more than one within each dealer's relevant market area.

In the program, dealers contact a school's principal or assistant principal to arrange the weekday field trip. Wheeling dealer Bill Stasek has participated in the program for several years.

"The schools look forward to the auto show so much, and they wouldn't be able to go without this program," Stasek said. "They really appreciate it, so it creates a lot of goodwill with the

schools."

In the program, dealers contact a school's principal or assistant principal to arrange the weekday field trip. Stasek met groups at McCormick Place and even popped

for lunches for everyone.

Dealers interested in "adopting" a school should contact the Chicago Automobile Trade Association's Donna Young for more details, at (630) 424-6045.

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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](http://www.cata.info).

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## President's 2010 spending bill includes dealer rights provision

By **RAY SCARPELLI SR.**

METRO CHICAGO NADA DIRECTOR

President Obama's 2010 Spending Bill, which he signed in December, contains a provision granting certain GM and Chrysler dealerships and former dealerships the right to demand binding arbitration with GM or Chrysler to determine whether that manufacturer must be required to restore the dealership to the manufacturer's dealer network.

Congressional passage of the bill and the subsequent signing by the president was the culmination of months of work by the NADA and other dealer groups to obtain a fair and meaningful arbitration process for affected dealers. The NADA praised members of Congress, including Majority Leader Richard Durbin (D-Ill.), for their efforts to gain a fair resolution for dealers.

"The NADA commends the Senate and House leaders who fought to keep the dealer rights amendment in the spending bill," the association issued in a statement. "The dealer rights provision will provide affected General Motors and Chrysler dealers and their respective automakers with a fair arbitration process to resolve ongoing concerns about recent dealership closures."

### **NADA Protects Auto Dealer Exclusion in House Financial Reform Bill**

Led by the NADA's strong grassroots efforts, auto dealers would be exempt from oversight by a new Consumer Financial Protection Agency (CFPA) under a sweeping overhaul of the nation's financial regulatory system passed by the U.S. House of Representatives on Dec. 11.

An amendment supported by the NADA and sponsored by Rep. John Campbell (R-Calif.), to exclude auto dealers from CFPA jurisdiction, gained broad, bipartisan support; while a separate amendment that would have included auto dealers under the jurisdiction of the CFPA was withdrawn by its sponsor, Rep. Mel Watt, (D-N.C.). The 1,279-page bill passed by a vote of 223-202.

To address concerns from Rep. Watt and other committee members, the NADA worked with Rep. Campbell to clarify the scope of the exemption. Under the bill, banks and finance companies that fund and service auto loans arranged by dealers for their customers would be regulated by the CFPA, including dealerships that operate "buy here, pay here" lots.

"It is quite clear that representatives on both sides of the aisle realized auto dealers were not part of the problem that caused the economic downturn," said David Westcott, chairman of the NADA's Government Affairs Committee and a multi-franchise dealer from North Carolina. "Dealer-

assisted financing is already effectively and efficiently regulated at both the federal and state levels."

The financial reform legislation will be considered by the Senate Banking Committee in early 2010.

### **In other legislative and regulatory news . . .**

As part of a statutory mandate to develop a more understandable template for privacy notices issued by dealers and other financial institutions, the Federal Trade Commission and the federal banking regulatory agencies jointly issued a **new model privacy notice** that, effective Dec. 31, 2009, serves as a safe harbor for the language used in the notice for financial institutions that choose to adopt it.

Dealers who continue to provide their finance and lease customers with a privacy notice that uses language from the sample clauses contained in Appendix A to the text of the original Privacy Rule (which required compliance since 2001) will lose safe harbor protection for the language used in those notices after Dec. 31, 2010. Accordingly, dealers should consider transitioning to the new notices before the end of 2010. For more information, see the NADA's announcement of this amendment to the FTC Privacy Rule at [www.nada.org/regulations](http://www.nada.org/regulations) (click on "Search Regulatory Topics by Government Agency" and then click on "GLB Act: Privacy Rule" under Federal Trade Commission).

### **In NADA news . . .**

- NADA Compensation Study 2009 mailed

This year's guide contains two valuable additions: NADA Chief Economist Paul Taylor has significantly expanded the introductory analysis section to provide greater insight into the data; and an entirely new section is provided on pay plans. Employee compensation and benefits are among dealers' most significant expenses, and a motivated and skilled staff is critical to dealers' business success. The NADA Compensation Study 2009 serves as a resource to help dealers assess their situation and balance those needs.

- NADA Management Guides to be delivered online

With the February launch of NADA University, member publications no longer will be printed and mailed; they'll be available online only at NADA University's Resource Toolbox. The new, easier-to-use format provides an executive summary, electronic routing to staff, and online tracking to ensure the material was reviewed and understood. NADA University includes significant new training, resources, and technology – much of which will be provided free to NADA and ATD members and their staffs. We need current, correct email addresses in order to deliver this unprecedented new training and education resource. Be there when we launch NADA University!

## River Oaks Ford dealer Hennessy works for juvenile diabetes cure

BY ALEX NAVROTSKI  
CATA COMMUNICATIONS INTERN

John Hennessy of River Oaks Ford in Calumet City is leading a charge to make a major contribution to the Juvenile Diabetes Research Foundation. John and his family participate in the Lisle JDRF Walk every October as a part of team Left Eye, which raised more than \$10,000 in 2009. Of the team's contribution, more than half came from River Oaks Ford and its friends and vendors.

The Juvenile Diabetes Research Foundation is dedicated to finding a cure for type 1 diabetes. Especially for children, the numerous painful finger pricks to monitor blood sugar; and the insulin shots required for treatment

can be unbearable.

"The amazing fact about JDRF" said Hennessy, "is over 80 percent of the money raised goes to finding a cure. I don't know of any other foundation that does that."

John's dedication and contribution caught the attention of Chicagoland Dealers Care, a Chicago Automobile Trade Association program that matches local car dealers' charitable contributions.

Chicagoland Dealers Care matched the River Oaks Ford donation, contributing an additional \$1500 to JDRF.

"We are impressed by the organization's effectiveness and dedication to its mission," said CATA President Dave Sloan. "Supporting or-



**Patrick Reedy, left, executive director of the Illinois chapter of the Juvenile Diabetes Research Foundation, accepts a \$1,500 Chicagoland Dealers Care contribution from CATA director Mary Dolan. Also pictured, from right: CATA President Dave Sloan; John Hennessy, vice president of River Oaks Ford; and Katy Orender, JDRF Chicago walk manager.**

ganizations of this caliber is precisely what our Chicagoland Dealers Care fund is all about," said CATA President Dave Sloan.

For news on other non-profits helped by Chicagoland Dealers Care, see the Web site, [chicagolanddealerscare.com](http://chicagolanddealerscare.com).

### In Memoriam

Albert Johnson, who in 1967 became the first black new-car dealer for General Motors when he bought an Oldsmobile store in Chicago, died Jan. 13 at age 89.

Mr. Johnson began selling cars door to door near St. Louis because he wasn't welcome on the dealership showfloor. He came to be known as "the man who sold cars from a briefcase."

In addition to Al Johnson Oldsmobile, Mr. Johnson opened Al Johnson Cadillac in the city.

He also was a leader in the effort to elect Chicago Mayor Harold Washington, and he helped Barack Obama's early run for the state Senate.

Mr. Johnson is survived by his wife, Marion; and sons Albert Jr., Donald and Antoine; and six grandchildren.

### Ruffino

CONTINUED FROM PAGE 1

a property, so he can't put the vehicle on contract, but he plans on paying cash. His business manager is writing a check for the entire amount.

He then suggested spotting the vehicle to him on a promissory note."

The Elgin dealer stopped the

### Move

CONTINUED FROM PAGE 1

Feb. 2 to ensure the orders can be processed by Feb. 4. Don't be caught with an empty supply

deal. But Nicholas Ruffino of Addison said he worries that he will have difficulty working a deal when he decides to trade in his current car. When the Elgin dealer entered Ruffino's name in an Internet search, a 2008 article from the CATA Bulletin surfaced, reporting his actions then.

"I'm not the person I was in 2008," Ruffino said Wednesday. "It's not going to happen again."

shelf.

- Use of meeting rooms at the CATA is suspended Feb. 4-22.

Calls to the CATA office will automatically be forwarded to CATA staff at McCormick Place.

### The CATA working for you . . .

Your \$400 annual membership dues pays for itself in many ways. Among them: the new-year kit sent this month contained complimentary Chicago Auto Show tickets worth \$550, discounted tickets totaling \$800, and two VIP admission tickets that can be used every day of the 10-day show.