



CATA Bulletin

DRIVE **CHICAGO** .COM
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Nominations for Time Magazine award for dealers due June 11

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 11.

All nominations should be submitted using the nominating 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 the full board will submit the name of one CATA candidate for consideration for the national award.

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

Recent TMQDA candidates nominated by the Chicago Automobile Trade Association

2004	Dan Feeny
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

Dealers warming to BBB's new binding arbitration agreement

Dealers have been receptive to the binding arbitration agreement introduced last month by the CATA and the Better Business Administration of Chicago and Northern Illinois. Irv Capitel, senior counsel of the BBB-Chicago's alternative dispute resolution division, said he thinks he knows why.

"Court systems are set up where resolutions take forever," Capitel said. "With motions for re-hearings and motions to reopen, there can be 14 appeals before a case even reaches the appellate process."

The BBB agreement, by contrast, offer resolutions that are "quick, inexpensive, fair and ethical," he said.

"The arbitration forum eliminates the frustration on both sides and concludes matters when everything's still fresh. Decisions are reached within 60 days after notifying the BBB," said Capitel. "And when you talk

about resolving things in 60 days, attorneys can't talk about charging \$25,000 in fees."

Dealers have increasingly embraced binding arbitration agreements with their customers; some won't sell a vehicle to a customer unless the buyer signs the pact. But few forums share the BBB's twin advantages: a reputable institution and modest fees.

Under the agreement, if a customer demands arbitration over a dispute, he must pay \$100 to the BBB to cover the arbiter's expenses. The dealer, in turn, must pay \$900, or \$700 if the dealer is a BBB member. Most hearings can be concluded in two hours, Capitel said. Charging a fee to both parties can deflect frivolous claims, he added.

Copies of the agreement can be downloaded from the CATA Web site, www.cata.info/ From the

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Shotgun!

Registration is underway for the annual CATA golf outing, June 14 at Cog Hill Golf and Country Club in Lemont. See the flyers in this newsletter.

Happy July 5? Holidays for non-union employees in line with unionized workers

All unions that represent area dealership employees will observe upcoming holidays thusly: Memorial Day on May 31 and Independence Day on July 5. (July 4 is a Sunday.)

In 1999, when July 4 last fell on a Sunday, three-fourths of area dealers elected to hold regular or limited sales and office hours on July 5; the remaining dealerships closed entirely to mark the holiday. No service departments were open.

Dealers should remember the rights of their employees as they relate to holiday pay. As a general matter, the vast majority of Chicagoland dealers adhere to highly similar terms regarding holiday compensation. Holiday pay procedures largely depend on the policies and/or practices in place at individual dealerships.

With respect to unionized dealerships, some specific rules and restrictions are imposed on union workers. In all cases, unionized employees must work on their regularly scheduled days both immediately before and after a holiday in order to qualify for holiday pay, unless the employee is off-work or on an employer-approved vacation or leave.

Holiday pay eligibility for probationary employees varies among the unions. Employers should consult their union agreements to confirm employee eligibility. Also, dealers may agree with members of IAM Local 701—technicians, apprentices, semi-skilled employees and lube rack technicians—to substitute July 5 for another day off during the year.

Summarized, the holiday pay for unionized employees breaks down as follows:

IAM Local No. 701

Pay equal to one day's regular pay at hourly (not booked) rate.

Teamsters Local No. 731 Pay equal to one regular day.

Mechanics Local No. 1749 Pay equal to 8 hours pay at hourly minimum rate or flat minimum rate.

Teamsters Local No. 179 Pay equal to 8 hours at minimum hourly rate.

Machinists Local No. 377 Pay equal to 8 hours at straight-time hourly minimum rate. Employees who work 10-hour days receive 10-hours pay at that rate, unless the holiday is the employee's normally scheduled day off, in which case 8 hours of pay at the straight-time minimum rate is due.

Dealers with questions should call the CATA's labor relations counsel, Franczek Sullivan, at (312) 986-0300.

'Drive Chicago' changes radio times

"Drive Chicago," the weekly, hour-long radio show of the Chicago Automobile Trade Association, has moved its broadcasts one hour earlier, to 8-9 a.m. Saturdays on WLS-AM 890.

Since the program premiered in 1996, the show's host, CATA Communications Director Paul Brian, has shared the microphone with a soup-to-nuts lineup of industry and dealer personalities.

It is the nation's only radio program produced by a dealer association and was recognized in 1998 and 1999 as the nation's best automotive program by the International Automotive Media Association.

"We wish to thank all our CATA dealers and their manufacturers for being a part of the show," Brian said. "The dealer body has proven to be a valuable resource in getting straight information to consumers about the purchase, lease, service and maintenance of their vehicles.

"I also think the time change will enable more dealers and their employees hear the show, since many of them embark on sales meetings at 9 a.m."

Arbitration

CONTINUED FROM PAGE 1

splash page, click on the box that reads "New! Dealer Forms."

The agreement currently appears in English only, but the CATA is arranging for its translation into Spanish, Polish, Korean and Russian. Those translated versions also will appear on the Web site.

Disputes eligible for BBB mediation involve the purchase, lease, servicing or repair of a new or used vehicle; and any service contracts purchased or provided at closing.

The BBB retains independent arbiters who are expert in various industries, such as automotive, construction and insurance. As a public service organization, BBB arbitration rates are lower than nearly every competitor.

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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 or search by topic at www.cata.info/

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NADA bringing seminars for service, parts departments to Rosemont

Retaining service customers and running the parts department profitably and efficiently are topics of two upcoming NADA seminars at the Hyatt Regency O'Hare in Rosemont.

"Take Control of Your Service Department," May 18-21, will examine everything from customer indifference to the explosion of independent repair shops as challenges to retaining service customers. Robert Atwood, a management instructor at the NADA's Dealer

Candidate Academy, will cover shop scheduling and loading; merchandising and advertising the dealer's shop; and service manager checklists concerning delegating, recruiting, training and pricing.

Registration for the four-day course is \$1,750 for NADA members, \$2,250 for nonmembers.

"Parts Management and Profitability," June 3-4, reviews accounting and inventory procedures that are critical

to successful parts department management. Exercises focus on employee productivity, familiarization with computer management reports, and how to calculate and analyze monthly sales costs.

Registration for the two-day course is \$695 for NADA members, \$995 for nonmembers.

To register for either seminar, call the NADA's management education division at 800-252-6232 ext. 2.

Check bouncer Gooch gets 18 months for con

A McHenry County judge sentenced Betty Gooch, the 75-year-old grandmother accused of bouncing checks for new cars at more than a dozen area dealerships, to 18 months in prison Wednesday, after she pleaded guilty of the crime.

Gooch admitted she issued a bad check for \$22,095 to a Crystal Lake dealership in January 2003, then drove the SUV 2,000 miles before the dealer retrieved it. Authorities said she had only about \$50 in her checking account at the time.

Authorities said Gooch, who appeared in court in a wheelchair and who requires kidney dialysis, likely will serve only a few months in prison.

While free on bail, Gooch was arrested on felony charges in Cook County for writing two bad checks to an Elgin dealer. Her next scheduled court date in Cook County is May 5.

Elgin police Detective said he is aware of 10 thefts committed by Gooch, but there probably are more. "A lot of (dealers) don't report it. They just want to get their cars back."

Gooch typically visited a dealership two or more times to develop a rapport with the salespeople. When she used checks to pay the vehicle's full price, she would ask the employees to wait a week or two before cashing it, to al-



Betty Gooch

low her time to transfer funds. She sometimes appeared at dealerships carrying a portable oxygen tank and using a cane.

Gooch and her daughter reportedly went on a similar spree three years ago, bouncing checks to obtain nine cars at seven dealerships over a 12-month period. Prosecutors did not pursue charges then.

Hal Stinespring, Gooch's defense attorney—her third defender—called Gooch a "grandmother who made some bad choices." The McHenry County prosecutor characterized her as "a convicted felon."

Stinespring replaced a McHenry County assistant public defender. Gooch's first lawyer said he withdrew from Gooch's case for several reasons, one being that her check for his services bounced.

Legislative Conference May 3-4 in Springfield

The annual Spring Legislative Conference hosted by the Illinois Automobile Dealers Association is May 3-4 in Springfield.

To attend, call the IADA at 217-753-0220.

A golf outing and evening reception on May 3 precedes visits to the state capitol on May 4 to meet with key legislators. The conference concludes with a reception at the IADA offices.

Call CATA to recoup IADA convention fees

CATA dealer principals who attended the recent convention of Illinois Automobile Dealers Convention in Orlando, Fla., should call the CATA for reimbursement of the convention's registration fees.

The CATA board of directors voted last November to reimburse this year's fees, an \$809 savings, to help bolster the convention's turnout and to add to the value of dealers' CATA memberships.

The annual convention includes members of the IADA and the Missouri Automobile Dealers Association. Next year's trip is March 15-20 to San Diego.

Hastert fund-raiser at CATA May 3 Unemployment claims deflected

House Speaker Dennis Hastert will appear at the CATA May 3 for a reception hosted by the American International Automobile Dealers and the Chicago Automobile Trade Political Action Committee.

Tickets to the reception, 5:30-7:30 p.m., are \$1,000 each, payable to "Hastert for Congress Committee." Payment may be made with personal checks only. Business attire is requested.

The AIADA mailed invitations last week to area dealers who are members of the AIADA and/or the CATA. Dealers who did not receive the invite may call the CATA for a copy. Dealers who cannot attend also can contribute to the Hastert for Congress Committee.

Safeguards Rule: 1 year later

A telephone conference to review the FTC's year-old "Standards for Safeguarding Customer Information," or Safeguards Rule, will be hosted by the NADA on May 25. Registration is \$99 for NADA members, \$169 for nonmembers.

The teleconference, 12-2 p.m. CDT May 25, will be conducted by staff of the dealer association in conjunction with a panel of attorneys from the FTC. The review roughly coincides with the 1-year anniversary of the Safeguards Rule's implementation.

The rule requires dealership to develop, implement and maintain a comprehen-

sive, written information security program to protect their customer information. Many dealer uncertainties remain about exactly what the rule requires.

After opening comments by the attorneys, the remainder of the two-hour teleconference will be devoted to questions.

To register, call the NADA Fax-on-Demand number, 800-778-7209, and request the registration form, Document 27, which would be delivered to a designated fax machine.

The registration fee gives dealers a site license, so any number of employees may listen to the presentation.

One hundred twenty-two CATA dealer members reported a combined 545 unemployment claims to the Martin Boyer Co. during the first quarter of 2004. The company's efforts saved those dealers a total of \$1.12 million in benefits by contesting the claims.

Martin Boyer monitors any unemployment claims against its clients. About 200 CATA dealers are clients of the company.

Claims that can be protested and subsequently denied help minimize an employer's unemployment tax rate. The rate can vary between .06 percent and 6.8 percent of each employee's first \$9,000 of earnings. The average unemployment tax rate among Illinois employ-

ers is 3.1 percent, or \$279 annually.

"The unemployment tax is really the only controllable tax in that it's experience-driven," said Paul Schardt, senior vice president of Martin Boyer. An ex-employee's claim affects the employer's tax rate for three years.

Client fees amount to \$2.10 per employee, per fiscal quarter. For the fee, Martin Boyer monitors all unemployment claims, files any appeals, represents the client at any hearings, verifies the benefit charge statements and confirms the client's unemployment tax rate.

Martin Boyer has represented CATA members since 1979. To retain the company, call Schardt, 312-381-8241.

Congratulations!

DaimlerChrysler identified the top 100 Chrysler-Jeep and the top 100 Dodge dealers of 2003 and named them to the Pacesetters Club and the Chargers Club, respectively.

Local members of the Pacesetters Club include **Frank Mancari** of **Mancari's Chrysler-Jeep** (Oak Lawn); **Alan Siegel** of **Mancari's of Orland Hills**; and **Herman Weinberger** of **Continental Chrysler-Jeep** (Countryside). To the Chargers Club, the manufacturer named **David Dickens** of **Sherman Dodge** (Skokie); and **Dennis Guest** of **South Oak Dodge** (Matteson).

BMW's 2004 Center of Excellence Award was presented to 31 dealers nationwide, including **Peter Hasselquist** of **Motorwerks BMW** in Barrington. The annual award is presented to dealers who achieve the highest customer satisfaction levels.

Three local dealers received American Honda Motor Co.'s 2003 President's Award: **McGrath Honda of St. Charles**, **Muller Honda** in Highland Park, and **Planet Honda** in Matteson.

Marketplace

Wanted Four-post Lift Rack, 16,000 pound capacity, with turning plates for truck servicing. Alignment equipment optional. Call Jack Cindric, Jacobs Twin Auto Plaza, 773-889-3030, ext. 5083.

Wanted Hunter front-end alignment rack, less than 5 years old with CD drive. Call Bob Becker, Schimmer Pontiac, 815-539-9343.