



108th Chicago Auto Show completes 9-day run

The 2016 Chicago Auto Show on Feb. 21 concluded a successful edition that featured more than 20 vehicles making their global debut, a dazzling array of concept cars, participation from every volume manufacturer and three indoor test tracks.

“If the interest and excitement in the Chicago Auto Show is a barometer of the direction in which the auto industry continues to head, we’re in remarkable shape,” said 2016 Chicago Auto Show Chairman Colin Wickstrom.

“Chicagoans are extremely fortunate to have the nation’s largest auto show right in their backyard, as this particular show attracts fans from across the country and garners worldwide atten-



a record 17.4 million new light vehicles were retailed, up 5.8 percent from 2014, according to WardsAuto. The National Automotive Dealers Association forecasts another year of growth in 2016, estimating more than 17.7 million new light vehicles will be purchased or leased, about a 2 percent increase from 2015, to set back-to-back records.

Widely known as the “consumer auto show,” the Chicago Auto Show sparks interest among attendees and, ultimate-

SEE **AUTO SHOW**, PAGE 2

Auto show’s charity event raises \$2.6M

The 2016 Chicago Auto Show on Feb. 12 raised more than \$2.6 million for area charities, and the two people who won new vehicles both needed just seconds to claim their prizes. That came after two other people failed a five-minute deadline and new winners had to be selected.

Chicagoans Dorothy White and Michael Doherty happily took the keys to a 2016 Jeep Renegade and a 2016 Lincoln MKX, respectively. The ticket stubs of attendees are entered into a drum from which to draw for the prizes. For the first two stubs drawn, the time limit lapsed without the winners approaching the prize stage.

The event raised \$2,610,280, the

SEE **CHARITY**, PAGE 4

Oberweis makes another run at Sunday operations for dealerships

For the third time since he became an Illinois state senator in 2013, Jim Oberweis is attempting to open Illinois new-car dealerships on Sundays.

The latest legislation, Senate Bill 2860, is named the Religious Equality Act and allows a dealer to operate any six days of the week of his

choosing. For dealers who worship on a day other than Sunday, the bill would allow them the opportunity to operate on Sundays.

Oberweis, R-Sugar Grove, introduced the bill Feb. 17 and quickly gained two Democratic co-sponsors in the Senate, Chicagoan Heather Steans and Daniel

Biss of Evanston. But the road ahead for the bill looks bumpy.

Sen. Martin Sandoval, D-Chicago, who heads the Transportation Committee, has indicated the Oberweis bill would not be called for a vote but would receive a subject matter hearing only. That was the fate of three similar

bills Oberweis introduced last year.

The Oberweis Dairy magnate in 2015 drafted three bills that attempted to open dealerships on Sundays, each from a different angle. The most far-reaching bill called for lifting the Illinois blue law, which took effect

SEE **SUNDAYS**, PAGE 2

Sundays

CONTINUED FROM PAGE 1

in 1984 and which prohibits new- and used-vehicle sales on Sundays. Another would have allowed the sale of motor vehicles for not more than two hours on Sundays, and a third would have permitted Sunday sales by a dealer who observes a religious day of worship other than Sunday. None of the bills earned a vote in the Senate.

Oberweis now appears focused on the religiosity of dealers operating on Sundays, and some think he might try to move the bill in a committee other than transportation. If that happens, the CATA and others who oppose the legislation will mobilize.

Few dealers support lifting the state's blue law on auto sales. Instead, they favor giving employees that day off, especially since banks are not able to finance vehicles on Sundays. Lifting the ban on Sunday sales also would increase dealership costs without increasing sales, which could lead to higher prices for consumers.

"Our dealers like the current law," said Mike McGrath, chairman of the CATA. "Every state around Illinois is closed Sundays for car sales. Salespeople really like (to have) that day off."

McGrath added that some customers enjoy roaming dealer lots on Sundays at their leisure, with no employees present. The Illinois Automobile Dealers Association developed a list of reasons consumers prefer dealers to be closed on Sundays.

Auto show

CONTINUED FROM PAGE 1

ly, ignites sales in time for the spring market. Show organizers continue to work with automakers to bring prestigious global debuts, dazzling displays and top concept cars, which continue to engage show attendees.

The 2016 show surely didn't disappoint, boasting more than 20 global debuts including the Kia Niro, Ram Power Wagon, Nissan Armada, Toyota Tacoma TRD Pro, Chevrolet Trax, Hyundai Santa Fe and Infiniti Q50, among others. More than a dozen concept cars also took center stage including the Acura Precision, Buick Avista, Genesis Vision G, Kia Telluride and Nissan Murano Winter Warrior.

Taking advantage of the large number of attendees, the Chicago Auto Show also is a leader in technology and social media activations. The show again provided free Wi-Fi to all attendees and engaged fans via its official mobile app. Fans who downloaded the mobile app even had a chance to win an all-new Buick Encore, and the more they utilized the app on the show floor, the more chances they had to win.

In addition, the mobile app incorporated cutting-edge beacon technology designed to message attendees as they approached significant vehicles or sponsor-activation areas, while also collecting important data for show organizers and exhibitors.

The Chicago Auto Show continues

to engage with its fans on social media, reaching millions. The show's #CAS16 was again a top trending hashtag on Twitter during the Media Preview and directly reached 40 million people totaling 25,000 tweets, up significantly over 2015. Fans could also view their tweets and Instagram posts on a social media wall within a hub where the social media team also hosted a series of Twitter chats and blogger meet-ups throughout the show.

"Our social media strategy is to amplify the news and messaging of our exhibitors by tapping into our thousands of social media fans and attendees to help spread the word," said Chicago Auto Show General Manager David Sloan. "We encourage fans to share pictures and videos through their social media platform of choice by rewarding them with prizes throughout the show, and utilize that engagement in aggregate to identify trends — similar to the structure of a focus group — and improve the show in the future."

Consumers also have a voice at the Chicago Auto Show. In the 11th annual Best of Show balloting, attendees selected the following winners in five categories.

- Best All-New Production Vehicle: Lexus LC 500
- Best Concept Vehicle: Buick Avista
- Best Green Vehicle: Chevrolet Volt
- Best Exhibit: Chevrolet
- Vehicle I'd most like to have in my driveway: Ford GT

Marketplace

Controller Oversee and able to do all aspects of accounting office. Effectively manage cash flow, and process accurate and timely financial statements. ADP/CDK proficient. Knowledge of Microsoft office and quicken. Manage expenses to budget or below. I take pride in accurate accounting and enjoy this business. Blanche Migel, (847) 854-2167.

The CATA Bulletin is produced by the
Chicago Automobile Trade Association
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
Editor, Director of Dealer Affairs

What to expect from regulators in 2016

There could be new curves for dealers to navigate this year on the regulatory road, a path that can sometimes wind and change course with little notice.

Some of those twists in 2016, said Randy Henrick of Dealertrack Technologies, may involve ramped up regulation of dealership after-market products, continued focus on deceptive advertising, and increased pressure from state attorneys general — a group dealers are more likely to hear from than federal agencies.

During a webinar last month, Henrick outlined regulatory enforcement by various agencies, looking back on their activities from the past year while also forecasting what may be on their respective radars this year.

About 20 minutes into the webinar, after recapping the 2015 actions from a couple of agencies and giving dealers some compliance tips, Henrick turned to what he called the “good news portion of our program.”

Believe it or not, that news was about the Consumer Financial Protection Bureau.

“We are winning the war on indirect auto dealer disparate impact credit discrimination, and rate participation is not going to go away,” Henrick said. “I’ve been saying that for two years, and it’s true.”

The CFPB, he said, had a rough 2015. And the start to 2016 wasn’t much better.

In fact, on the day of the Jan. 20 webinar, the U.S.



House of Representatives reported there were CFPB documents indicating that the number of people in protected classes was over-estimated in a 2014 settlement the bureau made with Ally Financial.

Henrick also referenced House Resolution 1737 — the Reforming CFPB Indirect Auto Financing Guidance Act — that was passed by the House of Representatives in November.

“The House of Representatives voted on a bipartisan basis, 332-96 — When have they ever voted in that number before? — to repeal that 2013 auto finance guidance that claimed dealer rate participation was credit discrimination,” he said.

“I am told they have approximately 60 votes in the Senate,” Henrick said. “It’ll get passed in the Senate; it’ll go to President Obama’s desk. He’ll probably veto it, but it sends a message to the CFPB.” The legislation currently is before the Senate Committee on Banking, Housing, and Urban Affairs.

He also pointed out that the CFPB “backed down

from the 2013 guidance” in both of its consent decrees from 2015. The guidance, Henrick explained, had said flat fees were the only way to halt credit discrimination.

“Both of those consent decrees allowed for dealer rate participation,” he said. “Now, they’ve limited it to 125 basis points on contracts up to 60 months, and 100 basis points on longer contracts. Now the door is open; it doesn’t have to be just flat.”

The CFPB also has “backed down” on not allowing for a legitimate business justification for lowering a rate, Henrick said. This lets dealers go below a finance company’s buy rate for competitive reasons.

However, bear this in mind: As of this past summer, the CFPB gained regulatory oversight of 34 finance companies, where previously their oversight was only banks with assets of more than \$10 billion, Henrick said.

“So, they’re going to go after these finance companies, which are going to play along like the banks did, even though they know

this is all nonsense,” he said. “And you’re going to be hearing from these finance companies wanting audits, wanting information.”

Additionally, the CFPB said in 2015 that it planned to issue a rule that would ban waivers of class actions in the arbitration clauses of vehicle installment contracts.

“They are going to issue rules in early 2016 under the Administrative Procedure Act, which comments on the rules. The final rule will get put out some time in 2017,” Henrick said.

Though he acknowledges this would be “down the turnpike a little,” Henrick said this move is on the way and would be a “major blow” to not have waivers of class action in arbitration clauses.

What’s next for CFPB?

Well, given the profit dealers can make from after-market products, Henrick said, that is likely the bureau’s next target.

The CFPB will likely “try to impute bad contact by dealers in selling aftermarket products (from) lenders and try the disparate impact theory that way,” he said. “Try and get you on an aftermarket product

“They’ve already done some of this in other consumer products,” Henrick said. “Here’s the ones they particularly don’t like: credit repair, identity protection, payment packing of credit insurance and service contracts. These are the ones they’ve most targeted.”

Charity

CONTINUED FROM PAGE 1

most in one year for the black-tie benefit since 2008. About 9,100 people attended First Look for Charity, which is held the evening before the auto show opens its nine-day public run.

“First Look for Charity, now in its 25th year, is a great instrument for the area’s new-car dealers to show the positive impact they have on their community,” said Colin Wickstrom, chairman of this year’s auto show. “All the benefiting charities are involved locally, so the money that’s raised in Chicago stays in Chicago.”

As the name of the event implies, those who attend First Look for Charity are part of the premier viewing of each year’s Chicago Auto Show. Tickets to the fundraiser are \$250 each, and purchasers can elect to have their proceeds equally benefit all 18 of the participating charities, or any of those for which they have an affinity. For the event, the auto show floor is replete with live entertainment and a variety of elegant food and

beverage stations.

White wanted the proceeds of her ticket purchase to be shared by all the nonprofits; Doherty requested his funds be shared by six of them. A highlight of the evening is the drawing for the new vehicles, which are the event’s grand prizes and the auto show’s official vehicles.

Participating organizations in 2016 included 100 Club of Chicago, Advocate Health Care, Boys & Girls Clubs of Chicago, Catholic Charities of the Archdiocese of Chicago, Catholic Charities of the Diocese of Joliet, and Clearbrook.

Also, the Cradle Foundation, Franciscan Community Benefit Services, Franciscan St. James Health, the Ray Graham Association for People with Disabilities, Illinois Spina Bifida Association, JDRE, and the Ann & Robert H. Lurie Children’s Hospital of Chicago.

And, March of Dimes, Misericordia, Special Olympics Illinois, Turning Pointe Autism Foundation, and the Jesse White Tumbling Team.

The 2017 event will be Feb. 10.

Sedgwick deflects Q4 2015 jobless claims

One hundred twenty-three CATA dealer members reported a combined 511 unemployment claims during the fourth quarter of 2015 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 \$768,179 in benefit charges by contesting the claims.

Sedgwick CMS monitors any unemployment claims against its clients and contests all unwarranted claims and charges. The company counts about 235 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 0.55 percent and 7.75 percent of each employee’s first \$12,960 in earnings.

The 2016 average unemployment tax rate & new employer rate for Illinois employers is 3.55 percent, or about \$460 annually per employee (\$486 in 2015). The rate continues to inch down from 2007, as the Illinois economy continues to improve.

“The unemployment tax is really the only controllable tax, in that it’s experience-driven,” said Paul Schardt of Sedgwick. An ex-employee’s claim affects the employer’s tax rate for three years.

For new enrollees, 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.

To discuss retaining the company, call Schardt at (773) 824-4325 or Bruce Kijewski at (773) 824-4322.

In Memoriam

Herman George Weinberger, who with his brother led one of the largest dealership groups in Illinois, died Feb. 22. He was 82.

After service in the Korean War, Mr. Weinberger worked at Heinz Bros. Motor Co., a Ford dealership in Brookfield. In 1962, he and his brother, John, established Continental Motors Group, which specialized in sales and service of imported cars.

Their repair shop came to the attention of Triumph Motor Car Co., and as a result they became an authorized Triumph dealer. Soon after, MG & Jaguar franchises were added. In 1967, Toyota Motor Co. offered them the franchise in Brookfield, where they operated it briefly before relocating to Countryside. There now are 10 Continental franchises at

eight locations.

Mr. Weinberger enjoyed racing cars as a young man, then turned his passion and talent to competitive golf. He played and won his class in several club championships at LaGrange Country Club, then continued playing at Pelican Marsh Golf Club, in Naples, Fla.

Services in Naples were scheduled for Feb. 27, with a memorial service in Illinois to follow. The family suggests memorial contributions to Sisters of St. Joseph, in LaGrange Park, at (708) 354-9200; and AMITA Health Cancer Institute, in Hinsdale, at (630) 286.5500.

