



CATA Bulletin



a biweekly newsletter

Volume 103, No. 3

January 30, 2006

Carfax accident report bill still kicking in Springfield

For the third spring session in four years, state legislators will consider a bill that would make available in electronic form any accident reports related to a vehicle offered for sale in Illinois. If the measure becomes law, companies that sell vehicle history reports would add such information to their reports, which would harm the values of used vehicles, including customer trade-ins.

Carfax remains the impetus behind the measure. The Fairfax, Va., company wants access to the admittedly inaccurate records maintained by the Illinois Department of Transportation.

As part of its latest push, Carfax has established the Used-Car Buyers Right-to-Know Coalition, and a Web site,

www.protectcarbuyers.org/ The coalition includes Carfax and a hodgepodge of unrelated entities such as the Illinois Coaches Association and the Illinois Coalition for Immigrant and Refugee Rights.

Detractors of the legislation, Senate Bill 1839, have cited several problems, notably the imprecision of Transportation Department records and the fact that Carfax does not guarantee the accuracy of any accident information in its history reports.

It is vital for all Illinois dealers to contact their state senators, to derail SB 1839 in the senate chamber. To identify a senator, see the Web site of the Illinois State Board of Elections at www.elections.state.il.us/

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NADA, AIADA: 1 too many PACs?

Dealers could inadvertently violate federal election law if they donate to the political action committee of the National Automobile Dealers Association and to the newly created PAC of the American International Automobile Dealers Association.

Under federal election law, two kinds of PACs exist: connected and non-connected. The PACs of both dealer associations are con-

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Chicago Auto Show revs engines for 98th edition, Feb. 10-19

"Make no little plans"—Daniel Burnham

The Chicago Auto Show, the world's third-largest auto show and the largest on a continuous floor, opens Feb. 10 for a 10-day public run in the North and South halls of McCormick Place. Show-goers will have to cross 1.3 million square feet of display space to touch it all.

The displays of several manufacturers—General Motors, Chrysler, Dodge, Jeep, Toyota, Lexus, Hyundai, Nissan and Infiniti—will be the largest exhibits those automakers erect anywhere in the world.



"I can't think of another venue anywhere that has this kind of flexibility. And with a business-friendly city like Chicago to support it, everyone comes up a winner," said 2006 Chicago Auto Show Chairman Arthur Kelly. "It's what some might call an embarrassment of riches."

Chicago media coverage of the show will go bumper-to-bumper. Watch for a live 60-minute special from NBC5 Chicago at 6 p.m. Feb. 11, followed by an hour-long special on SuperStation WGN-TV. The WGN show will reach 65 million U.S. households, and an edited version of the NBC5 telecast subsequently will air in 13 other markets, including New York, Los Angeles and Philadelphia.

Superlatives about the show will not be limited to English; Telemundo Chicago will present a special tentatively scheduled for 5 p.m. Feb. 11, and

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Carfax

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Searches to identify senators can be conducted by name or by the constituent's district number or street address.

Inaccuracies related to accident reports are common. Police officers who complete the reports rarely are expert at determining the extent of damage or the costs to correct the damage. Also, a VIN entered wrongly on the report or transposed later by a typist would assign any damage to a different vehicle.

The Carfax Web site states "An error made at the data source may appear on the Carfax Report," and "we will not know about an error until it is brought to our attention." Carfax itself reportedly discards more than 40 percent of the accident reports it reviews in other states because of inaccuracies in the transcripts.

Still, prosecuting attorneys in other states already point to Carfax reports as containing definitive information.

A dealer who sells a used vehicle without disclosing prior damage—known or unknown—can face demands of a refund by the purchaser or a lawsuit.

In Memoriam

Jay "Bud" Van Dahm Sr., who was a Chicago area dealer for 63 years, died Jan. 16 at age 95.

He owned and operated South Racine Nash-Rambler, at 6935 S. Racine Ave., Chicago, from 1935 to 1970. In 1965, he opened Van Dahm Lincoln-Mercury, at 10201 S. Cicero Ave., Oak Lawn, with his sons Jay Jr. and George. That dealership operated until 1998.

Van Dahm also served on the board of directors of Chicago Christian High School and Trinity Christian College, both in Palos Heights.

He is survived by his wife, Evelyn; sons Jay Jr. and George; a daughter, Joan; nine grandchildren and 16 great-grandchildren.

Memorials can be made to Calvary Church of Orland Park, 708-429-2200.

Alan Jacobs, who operated a namesake Buick-Mazda dealership in Countryside from 1985 to 1998, died of cancer Jan. 4 in Naples, Fla. He was 77.

Survivors include his wife, Nancy; daughters Ellyn, Carolyn and Leslie; six grandchildren; and twin brother Harold, who is the retired president of the Jacobs Twin franchises in Chicago.

A memorial service was held Jan. 29 in Naples. Contributions can be made to the Alan Jacobs Memorial Fund, Northern Trust Bank, 375 5th Avenue South, Naples, FL 34102-6549.

Northwood degree goes online

Candidates for a Northwood University bachelor's degree in automotive marketing and management now can complete coursework online.

"The online program," said Marcella Matzke, Northwood's distance education program center manager, "provides dealership employees the convenience of 24/7 access to real management and retail automotive education that they can immediately apply to improve their performance as well as the competitiveness of their dealership."

Northwood also allows for workplace experience to earn credit for up to one year's classes, through a Work-Life Learning evaluation. The university's longstanding relationship with the NADA Dealer Academy also enables Northwood to grant Academy graduates with even more credits toward degree completion.

Curriculum for the automotive marketing associate degree requires 90 hours of coursework, and all online classes represent four hours, at \$190 a class. To review the program, and to complete a Work-Life Learning evaluation, see the university's Web site, www.northwoodonline.org/

PAC

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nected, meaning they solicit funding from only their members. Federal law forbids a connected PAC even from soliciting contributions from a business owner or employee unless that entity has granted written permission for such solicitation.

Important, a dealer who holds memberships in both the NADA and the AIADA can grant solicitation permission to only one connected PAC a year, effectively banning the dealer from donating to both.

The NADA's political action committee is named the Dealer Election Action Committee, or DEAC. The AIADA's political action committee is named AIADA PAC.

The CATA Bulletin is published by the
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The CATA Bulletin is published and mailed every other Friday except during the Chicago Auto Show, when it is not published.

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 dating to 1998 or search by subject at <http://cata.drivechicago.com/>

Jerry H. Cizek III President, Publisher
Erik K. Higgins Editor, Director of Dealer Affairs

Consider more when hiring a worker than what's on the résumé

A dealership has its own values, strategy and culture. Its best employees fit that culture, largely because they share the same qualities. When hiring, a manager must identify those qualities, then hire candidates who exhibit those key attributes.

How important is “attitude”? Certainly, an employee with a positive attitude, even a can-do attitude, is attractive. How about teamwork? Is it desirable to foster a sense that every employee is part of a team? Or is a “rugged individualist” preferable?

Consistency, follow-through, enthusiasm for the job . . . Must an employee be self-motivated, or is it sufficient that a worker can simply follow directions correctly? How productive is “productive”? How important is it for an employee to insist on quality in whatever piece of the business he “owns”? Moreover, how important is it to a manager that his employees take ownership of their work?

Responses to all those questions—and others, added by hiring authorities as they consider the workplace and who they want working there—identify the attributes that should be sought in job candidates. Proper evaluations result in smart hiring decisions.

A candidate need not excel in every identified trait. Certain qualities can be developed. As a guide, identify six to

10 key attributes for each position, and make sure the person who gets hired possesses at least the top four. Assuming a hire has the basics—the résumé items—skills can be trained.

Hiring smart means hiring on data. Interviewing for key attributes supplies data additional to—and often more important than—the technical data that prove the candidate has the skills for the job. Be wary of first impressions that are overly favorable or unfavorable, and be sure to interview top candidates a second time.

Provide all candidates a consistent job description, and don't oversell or undersell the job. Tell the candidates what they can expect, over and above the pay.

Once the hiring choice is made, take care of the employee. Have open lines of communication, provide appropriate training, and conduct regular performance evaluations.

Have hiring authorities review themselves also. After the new worker has been on the job for six months, review all documents from the interview. Would the same key attributes still be identified, or would adjustments be warranted?

The article was adapted from an NADA publication, “Hiring Smart (ER15).” Check the NADA Management Education's catalog for the full publication, www.nada.org/mecatalog/

Auto show

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Univision returns with a special airing a 9 a.m. Feb. 11.

The Spanish language specials acknowledge a Chicagoland Hispanic community that spends nearly \$1 billion on vehicles annually. Said Ed Fernandez, Telemundo Chicago's vice president and general manager, “¡Prepare para un programa magnífico!”

New to the show this year, and adding to the magnificence, is an opportunity for the public to vote for their favorites on the show floor in five categories:

- Best All-New Vehicle
- Best Concept
- Best Exhibit
- Best Chicago “World Introduction”
- Vehicle I most want to see in my driveway

A panel of industry and media ex-

perts will identify 10 finalists in the first four categories; the fifth category allows consumers to write in their favorites.

“This show is renown for its consumer impact and its focus on the buying public, who express their opinions with their dollars in dealership showrooms,” Kelly said. “‘Best of Show’ will give the consumer a multitude of methods to express their opinions on the direction they see our industry going.”

Voting will be conducted Feb. 10-18 at www.chicagoautoshow.com, at www.drivechicago.com, and by calling a telephone number managed by U.S. Cellular, a sponsor of the show.

The show's public days actually are the Chicago Auto Show's third segment, preceded by the Media Preview and the black-tie First Look for Charity event.

Watch for news of nearly 20 world

and North American introductions during news conferences Feb. 8 and 9.

First Look for Charity hopes to improve on the record \$2.7 million raised in 2005 for 19 area charities. To order tickets, call 630-424-1636 or see www.chicagoautoshow.com/firstlook

The Automotive Youth Educational Systems (AYES) schools will staff two booths at this year's show. In addition to the AYES booth, the group will again partner with the Chicagoland & north-west Indiana Chevrolet Dealers to host the Chevy Cobalt “Tuner” Booth.

The high school and college-level students will install and remove “tuner” parts from the Chevy Cobalt and HHR series vehicles. All Snap-on tools used in the booth will be donated to the AYES schools at the conclusion of the Chicago Auto Show.

Look for the displays in the show's North hall. For more information, call Jim Butcher at 630-424-6020.

Records Retention Checklist

Crowe Chizek & Co., an accounting firm in Oakbrook Terrace and an allied member of the Chicago Automobile Trade Association, has developed a schedule for recommended retention of dealership financial records. Dealers should check with their automakers for recommendations on how long to keep franchise records.

	Retention period		Retention period
Accident reports and claims (settled cases)	10 years	Internal reports, miscellaneous	3 years
Accounts payable ledgers and schedules	7 years	Inventories of products, materials and supplies	7 years
Accounts receivable ledgers and schedules	7 years	Invoices to customers	7 years
Audit reports of accountants	Permanently	Invoices from vendors	7 years
Bank reconciliations	7 years	Invoices, vehicles	10 years
Bank statements	7 years	Journals	Permanently
Capital stock and bond records; ledgers, transfer registers, stubs showing issues, record of interest coupons, options, etc.	Permanently	Minute books of directors and stockholders, including bylaws and charter	Permanently
Cash disbursement journal	7 years	Notes-receivable ledger and schedules	7 years
Cash receipts journal	7 years	Odometer statements	7 years
Chart of accounts	Permanently	OSHA records	6 years
Checks (cancelled, but see exception at end*)	7 years	Payroll register	Permanently
Checks (cancelled for important payments, i.e., taxes, purchases of property, special contracts, etc.) The checks should be filed with the papers pertaining to the underlying transactions.	Permanently	Petty-cash vouchers	3 years
Contracts and leases (expired)	7 years	Property appraisals by outside appraisers	Permanently
Contracts and leases in effect	Permanently	Property records—including costs, depreciation, reserves, end-of-year trial balances, depreciation schedules, blueprints and plans	Permanently
Correspondence (general)	5 years	Purchase orders	7 years
Correspondence (legal and important matters only)	Permanently	Repair orders	7 years
Credit application, denied	2 years	Retail installment contracts, assigned	10 years
Credit application, approved	No requirement	Retail installment contracts, not assigned	11 years after expiration
Customer files	10 years	Retirement and pension records	Permanently
Deeds, mortgages and bills of sale	Permanently	Service contracts/extended warranty	10 years after expiration
Depreciation schedules	Permanently	Shipping and receiving reports	7 years
Deposit slips	7 years	Stock and bond certificates, cancelled	Permanently
Duplicate deposit slips	2 years	Subsidiary ledgers	7 years
Employee personnel records (after termination)	6 years	Tax and legal correspondence	Permanently
Employee withholding records	7 years	Tax returns and worksheets, revenue agent's reports, and other documents relating to determination of income tax liability	Permanently
Employment applications	6 years	Tax Form 8300	5 years
Expense analyses and expenses distribution schedules	7 years	Voucher register and schedules	Permanently
Financial statements (end of year, other months are optional)	Permanently	Vouchers for payments to vendors, employees, etc. (including allowances and reimbursement of employees, officers, etc., for travel and entertainment expenses)	7 years
General and private ledgers (end-of-year trial balances)	Permanently	Underground storage tanks	Permanently
Gifts, records of made/received	Permanently	Uniform hazardous-waste manifests	3 years
Group disability reports	8 years	Unemployment tax returns and work papers	5 years
Incorporation records made or received	Permanently		
Insurance policies, expired	4 years		
Insurance policies, reports and claims, current	Permanently		
Internal audit reports (In some situations, longer retention periods may be desirable)	3 years	*Cancelled checks, deposit slips, bank statements	6 years



The CATA-owned radio program, "Drive Chicago," hosted by Paul Brian, Saturdays 8-9 a.m. on WLS Newstalk 890 AM.

The CATA-owned Web portal, DriveChicago.com, featuring a relentlessly local, highly promoted stable of new and used vehicles, 24/7 on a computer near you.