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Colorado Automobile Dealers Association

BULLETIN



Volume 07 No. 3

September 2007



Colorado Automobile Dealers Association

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NADA Director**CADA ADVANCES PRO-ACTIVE POSTURE**

Bob Ghent, CADA Chairman



The CADA board of directors and staff are focused on some new industry challenges, at least new to us in Colorado. As you may know, an increasing number of dealerships in Colorado and around the country are defending against **aggressive class-action status in personal injury litigation filings**. With the often-proven concept that the best defense is a good offense, we have moved forward in many ways to inform and educate our membership about these new and emerging risks.

The recent **Colorado Dealer Management and Leadership Summit**, conducted Aug. 15, serves as shining example of the quality and innovative way CADA can react to new issues—in a relatively short amount of time, provide valuable and vitally important information to the managers and leaders of our dealership operations. Within about three months, we were able to conceptualize, develop and successfully market the Summit in a way that generated more than 80 participants. The high quality and content-rich educational sessions were well-received and served as a wake-up call to many of our industry's key managers and leaders in Colorado.



I think it would have been nearly impossible to have packed another 10 minutes of information in the already jam-packed 10 ½ hours worth of sessions (17 hours if each breakout session would have stood alone). I hope that you had the opportunity to participate or send a key person or more to attend. If so, you should feel better for your efforts. No one likes to have to remain so attuned to new legal developments within the industry, but with the high cost of defending against aggressive litigators and the growing complexities of layer upon layer of state and federal statutes and regulations, it is incumbent on us to stay abreast or risk losing everything if we don't.



Just 12 days after the maiden Summit, we hosted the third annual **CADA Member Golf Event** at Valley Country Club in Aurora. Each year attendance grows, with more than 90 people registering for the Aug. 27 event. The Member Golf Event, made possible this year through our partnership with **General Electric Auto Warranty Services**, is our no-cost member entertainment activity. It is a very popular activity—one that is looked forward to each year. For the third year in a row, **Enterprise Rent-A-Car** sponsored the beverage cart.



Your involvement in CADA is important for the successful operation of your dealership. We trust you see the value in the projects and events we offer. As always, let us know if you have any ideas, and we look forward to seeing you and providing valuable member services for you and your dealership throughout the year.

Summit In Review

The recent Colorado Dealer Management and Leadership Summit was a resounding success. The feedback and participant comments have been extremely positive and complimentary. The incredible speaker lineup included:

Jim Ziegler, Ziegler SuperSystems ♦ Shawn Mitchell, State Senator
 Bill Walters, Walters Law Firm ♦ Todd Fredrickson, Otten Johnson
 Rob Cohen, Auto Advisory Services ♦ Jim Minnis, NADA Legal Office
 Aaron Jacoby, Venable LLP ♦ Jack Tracey, NADC Association
 Laura Udis, Colorado UCCC ♦ Annette Sykora, NADA
 Dick Brusio, Heard Above ♦ Attorney General John Suthers
 Michael Dommermuth, McGloin, Davenport, Severson and Snow, PC
 Tom Hudson, Hudson Cook, LLP



Reviews and accolades regarding the Summit

"Outstanding event. Just disappointed we did not have every dealer there. We need to do a Summit every year."

- *The general manager I sent to the Colorado Dealer Summit just raved about it. It was very well done, very thorough, very beneficial.*
- *Everyone thought the Summit was absolutely spectacular!! I was happy to see so many people participate.*
- *The Summit was a very good meeting and very informative. Now we are going to do a meeting with all our senior managers and go over everything the Summit covered.*
- *I just wanted to thank you for including me in the Dealer Summit. It was good to see old friends and everybody. It was also a very well-run, very educational and important seminar. So I appreciate that and I just wanted to tell you. Good to see you guys again and good to be a part of a great seminar.*
- *I was unable to attend the Summit however I did send two of my senior managers. They have been sharing information with me all morning. I just wanted to say 'thank you' for your hard work in putting together such a complex program. This is the kind of training that we all need.*
- *Great event, outstanding speakers/presenters, nice job! Almost too much information...I have been telling our other managers about the Summit.*
- *I already had a lengthy voice mail this morning about the Summit. Our manager really liked the meeting yesterday...said how great a meeting it was.*
- *I wanted to take a moment and thank you for having me at the Colorado Dealer Summit meeting yesterday. This was the first time I was able to attend a CADA function, and I was very impressed with the meetings that were held, and overall with the way CADA conducts business. Again thanks for the day and good luck.*
- *Great meeting...the Colorado Dealer Summit. Great information though kind of scary! I just pity any dealer who was not able to attend. How does someone navigate the treacherous regulatory environment without this information?*



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Legislative Policy Committee (LPC) Co-Chairman

Don Hicks, Shortline Auto, Denver
Legislative Policy Committee (LPC) Co-Chairman

As we examine the legislative landscape both at the state and federal level, it is apparent that we will have a busy, challenging and exciting **2008 legislative session in Colorado**. Our focus will be divided into defensive issues as well as offensive issues.

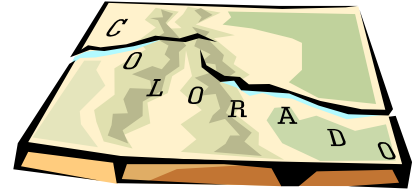
Defensively, we recognize the significance of a crossroads within our industry as **carbon emissions and fuel efficiency** are heavily debated. With the growing popularity of “green living” and various developing fuel efficiency technologies, this is truly a monumental time within the industry. At the federal level, Ed Markey (D-Mass.) has proposed an aggressive set of fuel efficiency laws to require all vehicles to adopt a 35 mpg rating by 2020. However, an alternative—known as the Hill-Terry bill—has gained significant momentum. This alternative has the support of auto manufacturers, auto retailers and many moderates and conservatives on both sides of the aisle. Since Hill-Terry has been introduced its co-sponsorship has grown from 75 Members of Congress just three weeks ago to 169, on pace to surpass the original Markey bill. In response, Markey has been forced to soften his proposed legislation to accommodate heavy criticism relating to the economic and practical impossibilities of enforcing such laws.

In a tactical strategy, Markey withdrew his bill for later consideration to bolster additional support. In order to succeed, Pelosi and Markey will have to overcome John Dingle (D-MI) Chairman of the Energy and Commerce Committee, who has well established auto industry ties.

Locally, Rep. Jack Pommer (D-Boulder) expressed interest in sponsoring state specific legislation similar to what California and twelve other states have enacted. Our position on behalf of Colorado dealers is that any fuel standards should be preempted by a national federal standard to ensure a single and uniform set of laws rather than establishing 50 separate state standards.

Offensively we intend to address several issues related to the **Colorado Franchise Act**. While the CADA Board of Directors will ultimately prioritize the issues to be addressed, there are likely to be several key tightening factors proposed.

We look forward to a spirited and successful legislative session in 2008. It is important that we lay the proper groundwork now in order to maximize our success during this challenging and transitional time in the auto industry.

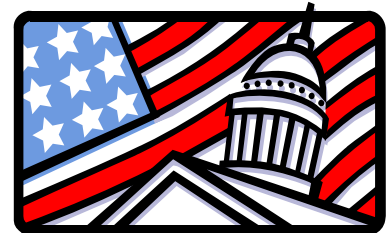


AUTO INDUSTRY DEALERS AND MANUFACTURERS WORK TOGETHER

Dealership profitability was an overriding topic at the recent quarterly dialogue meeting in Detroit between NADA's General Motors industry relations team and General Motors executives, including Mark LaNeve, Brent Dewar, and Bill Powell. At the meeting, dealers pointed out that:

- ◆ Cash flow is a critical issue in all stores;
- ◆ They want holdback paid monthly and incentives paid more quickly; and
- ◆ General Motors needs to be more competitive regarding incentives, especially those on trucks, where competition has been stiff.

NADA and General Motors reps said the NADA-sponsored dealer “fly-ins” to Washington this summer were a good example of how dealers and their manufacturers can work together. About 200 dealers arrived in Washington to lobby their legislators to support the Hill-Terry CAFE proposal, an alternative to stricter fuel economy bills pending in Congress. The fly-ins resulted in stronger congressional support for the Hill-Terry legislation.



CLASS ACTION LAWSUITS (AND OTHER NOT SO MYTHICAL CHARACTERS)

By Emily Marlow Beck*

If you've been reading *Spot Delivery* long enough, you've heard that **class action lawsuits are no joke**. You've also heard that class action lawsuits can be crippling and sometimes deadly. But, so are dragons, giants, and other mythological creatures, right? After all, aren't tales of class action lawsuits against car dealers just lawyerly folklore, embellished to sell books (sorry, Tom Hudson) and keep dealers up at night?



Well, how 'bout asking the Missouri dealer that may have to cough up over \$3 million following a class action lawsuit involving the dealer's sale of service contracts. According to a news report in the *Kansas City Star*, a Clay County jury awarded more than \$3.4 million in actual damages against a Missouri Honda dealer following a class action lawsuit involving a "100 percent money-back guarantee" that the dealership offered as an inducement to buy one of its service contracts. The "class" was made up of 1,186 customers who bought contracts from Jan. 1, 1997, to December 22, 2003, and who got the money-back guarantees and made no claims under the contracts.

According to the news report, jurors initially awarded \$8.4 million (gulp!), but Missouri law adjusted the amount given for punitive (or, "punishment") damages. They also returned two separate verdicts for punitive damages against the dealership in the amount of \$5 million. That amount may be reduced when the judgment is entered by the court, and the news article reported that the plaintiffs' lawyers will ask for prejudgment interest, attorneys' fees and a separate amount for the class representatives who filed the lawsuit.

So, what did the dealership do to get into this predicament? The *Star* reported that the customers who brought the suit bought a service contract from the dealership for \$1,335 when buying a used Honda. The customers said the dealership's representatives told them if they did not use the service contract during the contract period, the full price of the service contract would be refunded. However, when the customers requested the refund after the contract expired, the dealership told them the money-back guarantee applied only if the service contract owner bought an additional vehicle from the dealer.

Now, it's important to note that I'm getting the information about this case from a news report, so there's a whole lot I don't know about it. But, I do have a few thoughts and some things that I'm just plain curious about.

For one, I wonder if the dealer used an **arbitration agreement** containing a class action waiver. Maybe he did. Maybe he didn't. **But, I'd bet dollars to donuts that this case would have had a much different outcome if the dealer had been able to rely on a class action waiver to keep the case as a "one versus one" and not a "one versus 1,186" situation.**



I also wonder what the real story is here. Was this extended service contract "money-back guarantee" something marketed by the dealer? Or, was it a little something extra that the employees used to close the sale? Or, maybe this "guarantee" was something marketed by the third-party plan administrator (yes, there are some companies like that out there). I also wonder whether the "money-back guarantee" was in writing, and whether the customers received a copy of the terms before they bought the service contract.

But, regardless of the scenario, the lesson is the same - your dealership should honor any "guarantees," "return policies," or similar programs you offer. It seems simple enough, but you'd be surprised how often we read cases where the opposite happens. Some dealers never intend to honor these promises, others make these promises "gambling" that customers will forget to assert their rights, and other dealers simply forget they ever made these promises in the first place.

If you're offering any sort of return, guarantee, or similar program, consider putting it in writing, including any exclusions or restrictions, and have these materials reviewed by your lawyer (after all, some such programs are regulated under state law). Or, you may learn the hard way that class action lawsuits are all too real.

*Emily Marlow Beck is a lawyer in the Maryland office of Hudson Cook, LLP. Prior to starting her legal career, she spent years working in a family-owned dealership. Emily can be reached at 410.865.5438 or by e-mail at ebeck@hudco.com Thomas B. Hudson, Esq. is the Publisher of *Spot Delivery*®, a bi-monthly legal newsletter for auto dealers, and the Editor in Chief of CARLAW®, a monthly report of legal developments in all states for the auto finance and leasing industry. *Spot Delivery* and CARLAW are produced by CounselorLibrary.com, LLC. For information call 410-865-5400 or visit www.counselorlibrary.com. The above article is presented for informational purposes only and does not represent CADA or Reynolds' endorsement of viewpoints or organizations associated with the article. This publication is designed to provide accurate and authoritative information regarding the subject matter covered. It is provided with the understanding that the publisher and editor are not engaged in rendering legal counsel. If legal advice is required, the service of a competent professional should be sought. Copyright © 2007 CounselorLibrary.com, LLC. All rights reserved.

HIGHLIGHTS FROM THE ANNUAL GOLF EVENT

More than 90 golfers played in CADA's annual member golf event on Monday, August 27, 2007 at Valley Country Club in Aurora. Awards for 1st, 2nd, and 3rd place winners were given (see list below), plus valuable door prizes were handed out to participants. Go ahead and mark your calendar for **next year's event: Monday, Sept. 8, 2008 Columbine Country Club.** Come join in the fun!

Victors: 2007 CADA Annual Golf Event

Congratulations to the winners of this year's golf tournament! Each winning team member received a photo plaque and a gift certificate in the noted denominations to The Inverness Pro Shop.

FIRST PLACE: [\$75 gift certificates] →

Brent Wood, Go Dodge SW
 Mike McKinnon, Go Dodge SW
 Richard Thompson, Go Nissan Arapahoe
 Adam Cline, Enterprise Rent-A-Car

SECOND PLACE: [\$50 gift certificates]

Todd Kleinman, Don Massey Cadillac
 Del Swanagon, Don Massey Cadillac
 Chris Hall, Christophers Dodge World
 Darrin Hall, Christophers Dodge World

THIRD PLACE: [\$35 gift certificates]

Fred Emich, Emich Volkswagen
 Fred Emich, Jr., Emich Volkswagen
 Mark Wahlin, Abra Auto Body & Glass
 Jason Winchester, GE Money Warranty Services



- **Longest Drive (Women)** Hole #15 Patty Ford, Stevinson Automotive
- **Longest Drive (Men)** Hole #3 Mike McKinnon, Go Dodge SW
- **Closest to the Pin** Hole#16 Mike Moxley, Rickenbaugh Cadillac



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PRESIDENT'S COLUMN

Tim Jackson, CADA President



On the heels of the recent Colorado Dealer Management and Leadership Summit, CADA is ramping up for several additional dealership staff training and education programs.

Already on the calendar or in the planning stages are:

- Sales Management Training by Jan Kelly – Oct. 16 and 17 at William D. Barrow Building (CADA Headquarters)
- Ten CADA Regional Meetings across Colorado (see calendar in this issue of CADA Bulletin for more information)

Planning for the future, you can expect to see more training programs for:

- | | |
|---|-----------------------------|
| ■ Controllers | ■ Fixed-operations managers |
| ■ Salespersons | ■ Parts managers |
| ■ F&I managers | ■ Service managers |
| ■ Title clerks | ■ Body shop managers |
| ■ HR managers | ■ Dealer principals |
| ■ Dealer counsel (staff and/or outside attorneys) | ■ General managers |



CADA strives to provide timely, high-quality and extremely pertinent training programs that enhance dealership operations and provide pro-active information toward risk and cost reduction.

Please contact Tammi McCoy at tammi.mccoy@cadaonline.org or 303.282.1449, or me at tim.jackson@cadaonline.org or: 303.282.1448, if you have ideas or comments regarding the training seminars that CADA offers.

WAYS TO IMPROVE YOUR DEALERSHIP'S LEGAL COVERAGE

Today's automobile dealerships face legal challenges that run the gamut from compliance to regulatory oversight by numerous agencies, to employee disputes, to franchise and manufacturer issues. Most dealerships retain one or more lawyers to address the issues.

Assuring the proper level of legal coverage is critical and requires as much management attention as other important aspects of the dealership. You want your lawyer to be up to speed on what is needed to protect your interests.

More and more dealers are finding that an excellent way for their counsel to keep abreast of the many legal issues facing a dealership is by having them join **the National Association of Dealer Counsel (NADC)**. NADC has hundreds of attorneys whose legal practice centers on automobile dealership law. NADC members communicate daily through a members only e-mail list serve. They are able to consult peers about issues and questions that affect your business and to obtain quick and informed advice.



NADC schedules workshops and conferences throughout the year so your attorney has the opportunity to hear prominent dealership counsel and industry leaders speak on relevant topics that help them protect you. These programs provide continuing legal education credit that attorneys need in order to maintain their bar membership. NADC education allows your attorney to get this education in areas that benefit you, not in some general program that relates little to your dealership.

Tell your attorney that he or she should join the National Association of Dealer Counsel. Information about NADC can be obtained on the web at www.dealercounsel.com or by calling 410-712-4037. Now is the ideal time to join as the NADC Fall Workshop is scheduled for Oct. 15-16 in Nashville, Tennessee.

NADA News

NADA Joins Latin American Dealer Association

NADA has joined the Latin American Dealer Association (ALADDA), which represents dealers in 14 Latin American countries who sell more than 3 million vehicles annually. "In an increasingly global economy, it's essential that dealers in the U.S. and worldwide work together to advance the interests of our industry," said NADA chairman Dale Willey. "We are very pleased to join the leading dealer association in Latin America to exchange expertise and ideas in an effort to help dealers succeed throughout the Americas." NADA has been active in international affairs for years, but has stepped up its international outreach recently with a newly established International Affairs Department.

NADA Promotes 'Green' Initiative to Help Consumers Lower Fuel Costs

NADA has produced a brochure, *It's Easy to Be Green: 8 Simple Steps to Lower Your Fuel Costs*, to help consumers lower fuel costs by driving more efficiently. NADA's AutoExec magazine published its first "Green Issue" in July, offering dealers advice on how to run more energy-efficient and cost-effective businesses. The "Green Issue" looked at solar dealerships, recycling tips, the best ways to sell alternate-fueled vehicles, how to cut lighting costs, and where to buy green products for the dealership. A copy of the *It's Easy to Be Green* brochure was included in the magazine, and dealers who want free copies to hand out to consumers can order brochures online at www.nada.org/green-brochure.

NADA Chief Economist Recognized at Automotive Outlook Symposium

The Federal Reserve Bank of Chicago recognized Paul Taylor, NADA's chief economist, with two forecasting awards during the 14th annual 2006 Automotive Outlook Symposium held May 31 and June 1. Taylor received certificates for the Best Oil Price Forecast and the Best Housing Starts Forecast.



NADA DIRECTOR'S COLUMN

Jeff Carlson,
Glenwood Springs Ford
Colorado NADA Director
Chairman, NADA Public Affairs
Committee

Adverse Action Notices: What You Need to Know Timely Web-Based Seminar

It's the law. The Equal Credit Opportunity Act (ECOA) requires "participating creditors" to issue "**adverse action notices**" when they deny a request for credit. Another federal law, the Fair Credit Reporting Act (FCRA), requires adverse action notices when such action is taken based on information from a credit-reporting agency or other third party.

But how do the requirements apply to dealers? When must you issue an adverse action notice, what information has to be included, is there a specified manner of delivery, and when can you rely on a finance source's notice?

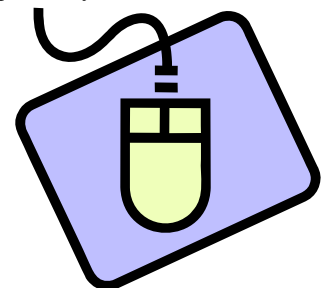
You have received NADA Management Education's publication, *A Dealer Guide to Adverse Action Notices*, which was mailed in June. The guide uses examples, scenarios, and a flow chart to examine the requirements and explore the many questions surrounding dealers' compliance obligations. The guide also contains sample notices and forms that you can use as templates to create documents that fit your business.

Now, *from your own computer*, you can take advantage of a *web-based, real-time seminar*, providing up-to-the-minute information on your compliance obligations in this evolving area of the law. Plus, you'll have the opportunity to submit your own questions to the experts.

"Adverse Action Notices: What You Need to Know," will be presented Tuesday, Oct. 23, from 11 a.m. to 1 p.m. MST.

Presenters will include the authors of the Management Education guide and NADA's director of regulatory affairs, attorney Paul Metrey. Lead author Fortney is recognized as one of the leading experts in the nation in this legal area.

The fee for one web-based seminar is \$199 per computer connection. Register for "Adverse Action Notices: What You Need To Know" at www.nada.org/seminars. Email any questions to seminars@nada.org or call 703-821-7273.



Know Whether Your Techs are AC Certified

Even if dealership technicians do all the right things when working on vehicle air-conditioning systems, the Environmental Protection Agency can still cite dealers whose technicians lack proper certification.



A number of dealers have been fined tens of thousands of dollars for alleged AC refrigerant-recycling violations. EPA enforcement officers may pull repair orders and compare technicians' photocopied certification cards against them. When they don't find a match—or when no certification is on hand—every repair order is considered a violation. Fines can amount to as much as \$32,500 per day.

All technicians who repair or service motor vehicle air conditioners must:

- Be trained and certified by an approved program
- Use only approved recover/recycle equipment.

Certification is required only once and stays with the technician. Service managers should keep in mind that because of technician turnover, some techs who changed stores may have forgotten to take their certification with them.

In addition, stores also need to certify their equipment. More information is available at www.epa.gov/ozone/title6/609, or at eseries.nada.org, where you'll find *A Dealer Guide to the EPA Mobile Air Conditioning Coolant Recycling Regulation*, which contains the form required for certifying equipment.

Minority Dealers Encouraged to Be More Active in NADA

At the **Minority Profitability Conference** held at NADA headquarters earlier this summer, dealers discussed the problems of keeping some minority-owned dealerships viable and getting more minority dealers appointed. Attendees included NADA chairman Dale Willey, vice chairman Annette Sykora, and directors-at-large Larry Brown and Dale Early; National Association of Minority Automobile Dealers (NAMAD) president Damon Lester; and representatives from the minority dealer associations of each of the Detroit Three. Willey encouraged minority dealers to be more active in NADA, starting with state and metro associations. Also at the meeting:

- Dealers heard from a Small Business Administration official about the possibility of changing the size standards for SBA-guaranteed loans, since only 44 percent of dealers qualify under the current gross receipts standard. NADA supports basing the standard for the definition of a small business on the number of employees, with a 100-employee cap.
- Participants discussed updating *NADA's A Dealer Guide to Diversity as a Business Imperative* and issuing a statement highlighting the importance of diversity to NADA and the industry overall.

NADA News

NADA's IR Meets With Chrysler

NADA's Industry Relations Chrysler team, led by Chairman Chuck Eddy, Austintown CJD Inc., Youngstown, Ohio, met recently with Chrysler Group leaders, including CEO Tom LaSorda, Executive Vice President Steven Landry and Sales Vice President Darrell Jackson. LaSorda said many joint projects between Daimler and Chrysler in vehicle design and engine technology will continue under new owner Cerberus Capital Management, L.P. He also reaffirmed his commitment to rebuilding the relationship between Chrysler and its dealers. The recent inventory problems will not happen again, he said, and Chrysler plans to help boost dealership profitability with such moves as better aligning its mix of vehicles with consumer demand and simplifying vehicle incentives.

NADA President Addresses SkillsUSA Gathering

At the SkillsUSA competition this summer in Kansas City, Mo., NADA President Phil Brady participated in a panel discussion with educators and business leaders on workforce development. "Dealers have a significant need for talented young men and women to enter the automotive technology profession," said Brady, citing a recent Harris poll that found 108,800 job openings at new-car dealerships across the country. "One solution is Automotive Youth Educational Systems." Brady, who is AYES chairman, highlighted the mentoring program's benefit to automotive technology students.

Lyboldt Named NADA's Vice President of Dealer Services

John R. Lyboldt is NADA's new vice president of dealer services, replacing Carl Ragsdale, who retired after nine years. Lyboldt will direct NADA's Management Education, 20 Group, Dealer Academy, Membership, and Conventions programs. He was president of the Rochester, New York, Automobile Dealers Association for the last 17 years. In 2005, Lyboldt was president of the Automotive Trade Association Executives, which represents 112 state and metropolitan dealer associations in the U.S. and Canada. Lyboldt has been actively involved in NADA through the years, serving on many of the association's committees.

DEALERSHIP HIGHLIGHTS, MILESTONES, & TRANSITIONS

ANNOUNCING NEW GENERAL MANAGERS AND OWNERS

Congratulations to the following new general managers and recently named owners of several dealerships across Colorado:

- **Dave Allen**, General Manager for Infiniti of Littleton
- **Todd Bondy**, General Manager at Murray Motor Imports
- **Anthony Brownlee**, General Manager, Lithia VW in Thornton
- **John Chavez**, General Manager, Burt Ford on Broadway
- **Brian Cueny**, General Manager at Lithia Colorado Springs Chrysler Jeep
- **Tom Daniels**, owner and General Manager, Landmark Lincoln Mercury
- **Sterling Dixon**, General Manager, Courtesy Acura
- **Dave Dunn**, General Manager, Lithia Cherry Creek Dodge
- **Justin Franks**, General Manager at Mike Shaw Chevrolet Saab
- **George Gillette**, original developer of Vail Resort, now owns:
 - Vista Chevrolet, formerly Two Rivers Chevrolet in Glenwood Springs
 - Vista Honda, formerly Canyon Honda in Glenwood Springs
 - Vista Nissan Subaru, formerly Red Mountain Nissan Subaru
 - Vista Chrysler Jeep Dodge, formerly Silverthorne Motors in Silverthorne
- **Paul Giovoni**, General Manager, Lithia Centennial Chrysler Jeep
- **Steve Harbor**, General Manager at Saturn of Highlands Ranch
- **Mike Heusser**, General Manager at Mike Naughton Ford
- **Bill Stanton**, General Manager, Mercedes Benz of Colorado Springs
- **Jeff Jennerjohn**, General Manager, Lithia Chrysler Jeep (Havana Street in Aurora)
- **Mike Peebles**, General Manager, Freeway Ford
- **John Roberts** has sold John Roberts Motor Works in Gunnison. The new owner is **Mike Marquez**, a longtime employee of the dealership who worked with John Roberts for many years.
- **Scott Rodulphi**, General Manager, Saturn of Denver
- **Clark Staton**, General Manager, Broadway Dodge

- **Jeff Steinke**, General Manager at Steamboat Motors
- **Kevin Steward**, General Manager, Mercedes Benz of Westminster
- **Dave Solon** and **Gerald Gleason**, new owners of Longmont Kia (formerly Cowboy Corral); **Timothy Dillon**, General Manager
- **Jeff Thorpe**, General Manager, Go Chevrolet (North Broadway--an AutoNation store)



TWO LOCAL DEALERS FEATURED ON COVER OF NATIONAL MAGAZINE

Colorado auto dealers have two cover models in our midst--**Christina Dawkins** and **Ryan Ferrero** of Motorplex in Centerra can be seen gracing the cover of the May issue of NADA's *AutoExec* magazine.



If you are not familiar with the new Motorplex, it is the region's first master-planned auto park located in Loveland, offering more than 100 acres of retail space for dealers, as well as a nearby planned community of homes, stores, restaurants and even a hospital.

Dawkins recently moved her BMW location from Fort Collins and saw her customer base triple. Ferrero's Chrysler/Jeep/Dodge store moved from a cramped space four miles away to a space twice as big.

According to the article, Ferrero's dealership "went from a mom-and-pop small-town store to being a regional superstore."

The Motorplex has plans for 11 dealerships in all. The auto park is located at the interchange of Crossroads Boulevard and I-25, near Fort Collins which was named last year by *Money* magazine as the No. 1 small city to live in America.



RED NOLAND NAMED NO. 1 IN CUSTOMER SATISFACTION

Congratulations to **Red Noland Cadillac of Colorado Springs** for being named No. 1 in

customer satisfaction from among 1,600 dealers nationwide. Opened in March of 1974 by Red Noland, this dealership is now owned by Mike Jorgensen and Thom Buckley, who serve as vice presidents and partners. The Red Noland Auto Group includes Cadillac, Saab, Infiniti, Jaguar, Land Rover, and a collision center. For more information, visit their website at www.rednoland.com.



VIDMAR HONORED FOR 30TH ANNIVERSARY AS HONDA DEALERSHIP

Vidmar Motor Co. celebrated 30 years as a Honda dealer on Friday, June 22, with a ceremony and presentation of a plaque by American Honda executives to management of the Pueblo dealership.

Founded in August 1945, Vidmar Motor Co. was one of the first auto dealerships in Colorado to represent Honda. Last year the company strengthened its presence by moving the Honda dealership to a larger building at 600 N. Albany Ave., next to its Volkswagen store and across the street from its Chrysler/Jeep dealership.

Vidmar has invested more than \$1.2 million in remodeling the sales and service facility, and it now dovetails with the Honda corporation's most recent building retail image. A grand opening will be celebrated in October, in conjunction with the launch of the all-new, 2008 Honda Accord.

The 30-year anniversary marks another significant step in the evolution of Vidmar Motor Co. After opening the dealership to sell Oldsmobiles, the late **Jake Vidmar** added Jeep in 1963, and then Honda. Jake's son **William** began working at the dealership after graduating from Colorado State University. In 1986, Bill and his wife **Barbara** directed construction of a new Honda facility across the street from Jake Vidmar's original building, and Barb took the reins as the Honda store's general manager.



Barb took the reins as the Honda store's general manager.

Their son **Derek** began working at the dealership in 1999, and was named General Manager in 2004 after graduating from NADA dealer candidate school and shortly after Bill and Barb retired.



Daughter **Shawn** headed the information technology program when she started with the dealership in 1999, and then

became fixed operations director after also graduating from the NADA dealer candidate school. She continues to help with fixed operations while serving as a teacher at Colorado State University-Pueblo and Pueblo Community College.



HONDA

Members of the Vidmar family have long served their industry in a number of key regional and national posts with automobile dealership organizations.

Jake was a member of the board of directors for CADA and a member of Oldsmobile's Dealer Advisory Board.

Bill also served on the CADA board, and was director for Colorado for NADA. He was also a member of the dealer advisory boards for Chrysler and Oldsmobile.

Barb was a board member of the American International Automobile Dealers Association (AIADA), and served as its chairwoman in 2000. She has served on the board of the NADA Charitable Foundation for almost 20 years, and is a district director on CADA's board. In 2000, Automotive News named her one of the top 100 women in the North American auto industry.

Having stepped away from day-to-day management at Vidmar Motor Co., Barbara ran for and was elected to the Pueblo city council in 2006, and is now its vice president.

For more information on Vidmar Motor Co., visit their web site at www.vidmarmotor.com.



UNITED WAY CAMPAIGN EFFORTS

Is your organization participating in this year's United Way fundraising efforts or any other such events? Let us know what your folks are up to in regards to United Way fundraising and any other outstanding



community service activities. Please send us a brief write-up of the award or event along with any other information to milestones@cadaonline.org. Also include your contact information for further follow-up.

Kathie Krautschun, payroll/human resources manager, collected \$25,185 from the employees of Weld County

Garage and their affiliate, Herbies Auto Sales, for their local United Way campaign. This beat the previous record set last year by approximately \$4,000.



COLORADO SPRINGS LEXUS DEALER GRADUATES FROM NADA/ATD DEALER CANDIDATE ACADEMY

George Black, Lexus of Colorado Springs, recently graduated from the Dealer Candidate Academy of NADA. This specialized training curriculum is designed to prepare dealer-successors and key management personnel to operate a new car or truck dealership. Black plans to use the skills developed at the Academy to prepare for further management responsibilities.

NADA/ATD Dealer Candidate Academy is an intensive, 12-month apprenticeship course in dealership management. Six

weeks of classroom study are combined with 45 weeks of in-dealership training to prepare students for dealership management positions. For more information on the NADA Dealer Academy, go to www.nada.org/TrainingEvents/DealerAcademy.



SHARE YOUR ACCOMPLISHMENTS!

We want to recognize dealership accomplishments. Please send us a brief write-up of the award or event along with any other information to milestones@cadaonline.org.

Please also include your contact information for further follow-up.

NEW NADA DIRECTORS ELECTED FOR 2008

Three dealers have been elected to the NADA board of directors:

- Forrest McConnell, III, McConnell Honda & Acura, Montgomery, Ala.;
- Charles R. Gaunce, Central Maine Motors Auto Group, Waterville, Maine; and
- Donovan A. Bertsch, Theel Inc., Bottineau, N.D.

Each will begin a three-year term at NADA's annual convention, which will be held Feb. 9-12 in San Francisco. Fifteen directors were re-elected: Jack Caldwell, Arkansas; Tom Ganley, metropolitan Cleveland; Ray Scarpelli, metropolitan Chicago; Dale Willey, Kansas; Jack Kain, Kentucky; David Westcott, North Carolina; Ed Tonkin, Oregon; Bud Smail, western Pennsylvania; Annette Sykora, Northern Texas; Carroll Smith, Southern Texas; Stephen Wade, Utah; Wade Walker, Vermont; Michael Martin, Virginia; Marti Hollenback, Washington; and Pete Greiner, Wyoming.

Special elections are being held for directors in Indiana and Mississippi, and for an at-large director representing women dealers east of the Mississippi River. Marcy Maguire, Windsor Nissan, East Windsor, N.J., who held that position, has been elected to represent New Jersey dealers on the board. In a special election in South Dakota, H. Douglas Knust, Harry K. Chevrolet/Oldsmobile/Pontiac/Buick Inc., Chamberlain, S.D., will take office immediately to serve the remaining portion of Kevin Randall's term, which expires in February 2009.

NADA Convention & Exposition

General Motors Chairman and CEO Rick Wagoner will give the keynote address at the NADA 2008 Convention & Exposition, which will be held Feb. 9-12 in San Francisco. Other speakers include Jay Leno, Bob and Lee Woodruff, and Tom Brokaw. *As of mid-August, seven hotels had already sold out for the convention:* The Fairmont, Mark Hopkins, Ritz-Carlton, W San Francisco, Westin, Palace, and Palomar. For more information on the convention — themed "Focus on Profitability!" — and to register online, visit www.nada.org/convention.

F&I RESOURCE CENTER TRAINING

Many CADA members have requested more training for your sales associates to help build a stronger hand off to F&I and to help your customers have the best possible purchase experience, both of which drive bottom-line profits. This two day course is exactly what is needed to cover these important areas and much more.



- Discover the necessary strategies and techniques to stay at the controls of the sales
- Address the sales cycle missteps that prevent good salespeople from making the sale.

Sales Associate Training and Education by Jan Kelly of Kelly Enterprises Inc. Oct. 16-17 from 8:30 a.m. to 4:30 p.m. both days

William D. Barrow Building (CADA headquarters), 290 E. Speer Blvd, Denver 80203



- Day 1** *Prospecting* ~ Creative ways to expand your customer pipeline
Web Tracks ~ Turning cyber leads into brick & mortar customers
Phone Scripts ~ Increasing floor traffic with on-target messages
- Day 2** *Road to a \$ale* ~ 10 quick steps to the Sale and Success
Negotiation ~ Playing by the rules that let everyone win
Getting Results ~ the **S•M•A•R•T** approach to the numbers game

REGISTRATION: Contact **Chad Julius** at 303.319.8039 or chad.julius@cadaonline.org today for more information and/or to reserve your spot for this CADA member-only training. Register online for this or any CADA training seminar at www.cadaonline.org/registration. **Reservations must be made by Oct. 5.**
Don't delay...call today and reserve your spot!

2007 PINNACOL ASSURANCE POLICYHOLDER SEMINARS

PINNACOL ASSURANCE

Pinnacol Assurance's seminars are designed to help our policyholders learn how to keep their employees safe, return employees to work if they are injured and keep their workers' compensation costs down. The following list shows seminars available for the remainder of the calendar year. To register and see the dates and description of the course, go to www.pinnacol.com and click on "Seminars for Employers."

October

- ♦ Accident Investigation and Analysis
- ♦ Office Ergonomics: Train the Evaluator
- ♦ Office Ergonomics: Train the Evaluator (Western Slope)
- ♦ OSHA 10-hour Construction
- ♦ OSHA 10-hour General Industry (Western Slope)

November

- ♦ Modified Duty Identifying Tasks (Western Slope)
- ♦ OSHA 10-hour Construction
- ♦ Understanding the Workers' Compensation Process

December

- ♦ Construction Safety Management (Western Slope)



Don't miss NADA's **Child Passenger Safety Month**, held each September, when new-car dealers around the country host free child safety seat inspections at their stores. NADA has all the materials and information you need to host and promote a child seat event. A "tool kit" called "**Building Child Passenger Safety Awareness in Your Community**" provides step-by-step guidance on hosting an event, as well as advice on generating media coverage.

For more information or to download the tool kit, visit www.nada.org/boostforsafety or call 703.760.7562.



CADA CALENDAR

UPCOMING SEMINARS

To register online for any CADA educational or training seminar, please visit www.cadaonline.org/registration


TOPIC	CITY	DATE/TIME	LOCATION
Sales Associate Training and Education by Jan Kelly of Kelly Enterprises Inc.	Denver	Tuesday, Oct. 16 and Wednesday, Oct. 17 8:30 a.m. to 4:30 p.m. both days	William D. Barrow Building (CADA Headquarters) 290 E. Speer Blvd, 80203 (SW Corner of Grant/Speer) To register, contact Chad Julius at 303.319.8039 or chad.julius@cadaonline.org
Adverse Action Notices: What You Need To Know NADA Webinar	Online	Tuesday, Oct. 23 11 a.m.-1 p.m. MST (1-3 p.m. EST)	To register, go to www.nada.org/TrainingEvents/MEseminars . The fee is \$199 per computer connection. Email any questions to seminars@nada.org or call 703.821.7273.

Title Processing Manual Available for Dealerships



CADA's summer series of Title Processing seminars has concluded, but the in-depth Title Processing manual developed for those sessions is still available to dealerships. Key materials, forms, procedures, processes, are available in this comprehensive *Title Processing Manual*. Binder includes a copy of the state administrative title procedures manual that outlines state procedures to the counties. This manual will be updated on an ongoing basis with changes from the various counties and the state as CADA is made aware. Updates for the remainder of this year will be provided as part of the initial cost; future years will require some annual maintenance cost that has not yet been defined. Please contact CADA at 303.831.1722 to order a copy.

UPCOMING EVENTS

TOPIC	DATE/TIME	LOCATION
NADA Washington Conference	Sept. 11-12	Grand Hyatt Hotel, Washington, DC
CADA Regional Meetings, 2007	<p>Sterling Sterling Country Club 5:30 p.m., Tuesday, Sept. 25</p> <p>Colorado Springs Garden of the Gods Club 11:30 a.m., Wednesday, Oct. 10 <i>* Attendees register through CSADA—719.473.1465</i></p> <p>Pueblo Pueblo Country Club 5:30 p.m., Wednesday, Oct. 10 <i>* Attendees register through PADA—719.544.7336</i></p> <p>Durango Season's Restaurant 11:30 a.m., Thursday, Oct. 11</p> <p>Grand Junction Chateau at Two Rivers Winery 5:30 p.m., Thursday, Oct. 11</p> <p>Loveland Budweiser Events Center 11:30 a.m., Wednesday, Oct. 17</p> <p>Boulder Flagstaff House 5:30 p.m., Wednesday, Oct. 17</p> <p>Craig Craig Holiday Inn 11:30 a.m., Thursday, Oct. 18</p> <p>Glenwood Springs Hotel Colorado 5:30 p.m., Thursday, Oct. 18</p>	<p>Ten meetings for dealers across Colorado</p> <p>This fall's regional meetings have been set. There will be 10 meetings throughout the state, providing an ideal time for CADA members to network, meet new board members, and hear briefs about the association's current activities.</p> <p>Attendees can register through CADA via phone, fax or email . P: 303.831.1722, F: 303.831.9100 or E-mail: rsvp@cadaonline.org</p> <p><i>* Please note different RSVP for Colorado Springs and Pueblo meetings.</i></p> 
MDADA Annual Membership Meeting <i>(more details to follow soon)</i>	Denver Cherry Hills Country Club 11 a.m., Tuesday, Nov. 27	
NADC (National Association of Dealer Counsel) Fall Workshop	Oct. 15-16 <i>NADC membership required. CADA strongly encourages membership in NADC.</i>	Hermitage Hotel, Nashville, TN <i>Visit www.dealercounsel.com for more information..</i>
NADA 91st Annual Convention & Expo	Feb.9-12, 2008	Moscone Center, San Francisco, CA
Denver International Auto Show	March 26-30, 2008	Colorado Convention Center, Denver



CADA offers a FREE weekly e-newsletter, **Open Road**, which is e-mailed to registered members every Wednesday. **Open Road** features important dealer news, management alerts, seminar and event information, legislative status reports, regulatory updates, industry news and trends, local dealer milestones, and more. **If you would like to subscribe to this FREE service, go to www.cadaopenroad.org.**

So far, many dealers have commented on how worthwhile this service is and how it has brought significant benefit to their operations. However, if you have subscribed to receive this service but are not receiving it, please keep in mind many email service providers and business networks have SPAM blocking software that may preclude your receipt of Open Road. More information on how to correct such blocking or problems is available on our subscription page at the above web site.

Regular features and information contained in **Open Road** include the following:

- Dealer News
- Legislative Status Reports
- Regulatory & Legal Updates
- Upcoming Seminars
- Calendar of Events
- Dealer Milestones, Highlights & Transitions
- Archives (Open Road, Bulletin, Auto Outlooks)
- Membership Resources
 - Speaker and Educational Resources
 - Endorsed Vendors / Programs Listing
 - Allied Members Listing
- Government Resources (web links)

AUTO INDUSTRY RESOURCES

Auto Industry Division: 303.205.5746
www.revenue.state.co.us/dlr/home.asp

Titles/Registration: 303.205.5608
www.revenue.state.co.us/MV_dir/wrap.asp?incl=titlereg

Bulletin Questions or Comments? If you have questions about items in this bulletin or ideas/suggestions for future article topics, please contact: **Tammi L. McCoy** or **Tim Jackson** (see *staff list*, page 3).

DISCLAIMER: CADA is not authorized to dispense legal advice. The Information contained in this newsletter is for informational purposes only. CADA advises that dealers consult legal counsel on the specifics of any law or regulation to ensure full compliance.

LIST OF ENCLOSURES TO THIS BULLETIN

- Flyer and registration form for two-day F&I Resource Center Sales Associate Training and Education Seminar by Jan Kelly, Oct. 16-17
- CADA Regional Meetings registration form
- 2007 Annual Golf Event: Victors, Thanks to Sponsors and Photos
- Mountain States Employers Council Bulletins - August and September