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## Finance Reform, excluding dealers, passes Congress

Obama poised to sign bill he sought promptly

The Senate signed onto sweeping financial overhaul legislation yesterday, making the passage of Finance Reform by Congress official, and delivering to President Obama another "check off" on his ambitious public policy agenda. The House had already passed the bill before the July 4 recess.

The good news for franchised automobile dealers with the passage of this extensive banking legislation, of course, is the *exclusion* from it of dealership F&I operations, which were originally part of each version of the bill. Had F&I remained in the legislation, dealerships would have been thrown in with credit extenders, and then subject to oversight of the Bureau of Consumer Finance Protection (BCFP), which the new Finance Reform law will establish. Predictably, this would have had a devastating impact on dealership F&I, given the wide ranging, independent regulatory reach the BCFP will have. Accordingly, NADA's leadership of the successful lobbying effort to take dealers out of Finance Reform is a huge win for dealers.

Republican Sens. Susan Collins (Maine), Olympia Snowe (Maine) and Scott Brown (Mass.) joined all but one Democrat in support of the legislation. Sen. Russ Feingold (Wis.) was the lone Democrat opposed to the measure, which he said was not tough enough on the banking industry.

The president is poised to sign the bill into law within days, a little less than two years after the worst financial crisis since the Great Depression enveloped the broader economy.

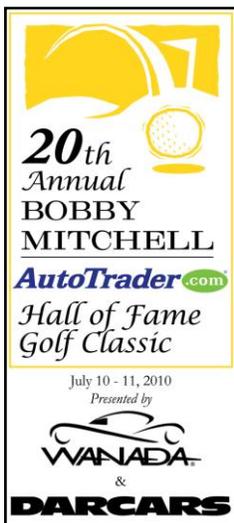
The bill is very similar to legislation Obama proposed last year to regulate the \$600 trillion derivatives market: create a new council of regulators to assess risks across the financial system; create a new system to manage failing financial firms; and create a vast consumer protection agency to oversee products like home loans and credit cards.

Just how this is all going to be done will have to await the writing of regulations, but consumer advocates and financial lobbyists are already preparing for years of debate before the federal regulatory agencies that will implement Finance Reform.

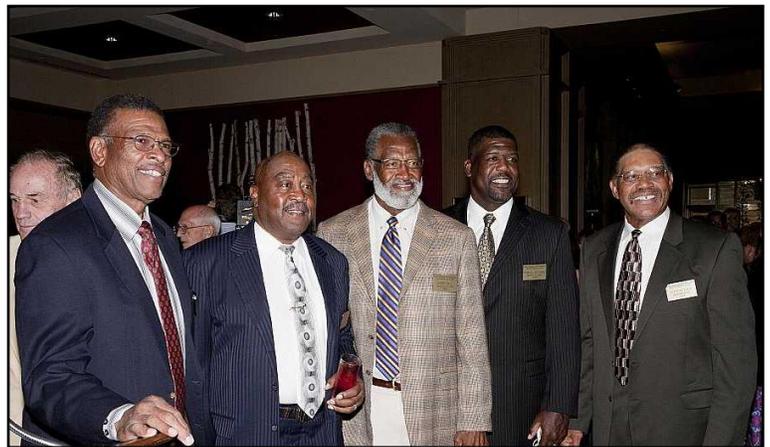
“Serious work remains; the proof of the bill's worth will come not from what is written in the bill, but how the regulators interpret it, write the rules and then enforce them,” said John Taylor, president and CEO of the National Community Reinvestment Coalition. “Based on the job they did for the past decade, I will believe reform is here when I see it.”

Meanwhile, franchised auto dealers can breathe a sigh of relief, knowing that their comprehensive effort to stave off misdirected regulation has succeeded. WANADA commends NADA for a *job well done*.

## Twentieth Anniversary of Bobby Mitchell Classic delivers big payday for blood cancer research and a memorable golf weekend



WANADA members and the Washington regional automobile business enjoyed another memorable and successful Bobby Mitchell Hall of Fame Classic (BMC) at Lansdowne Resort last weekend. It was the 20<sup>th</sup> anniversary for the event which has raised millions in support of the



Hall of Famers (from the left) Ken Houston, Leroy Kelly, Bobby Bell, Randall McDaniel and Elvin Bethea

Leukemia and Lymphoma research. This year’s fund raising approached, or eclipsed, \$600,000.



WANADA has been the presenting sponsor of the BMC for 10 years, bringing together Hall of Fame football and basketball legends with supporters of the Leukemia and Lymphoma Society for an incomparable weekend of golf and social networking.

Correspondingly, Tamara Darvish of DARCARS has led the event as chairman for 10 years, gaining Todd Heavner of Enterprise as her co-chair in 2007.

Several hundred Washingtonians signed up for this year’s BMC and were joined by nearly 50 Hall of Famers, including Lem Barney of the Detroit Lions, Bobby Bell of the Kansas City Chiefs, Sam Huff of the Washington Redskins and Sam Jones of the famed 1960s Boston Celtics, to name just a few.

Six-year-old Ryan Darby, this year’s BMC Patient Hero, is joined on the stage at the BMC banquet by his mom Mollie.

The real stars of the weekend's activities, however, were the young patient heroes represented this year by six-year-old Ryan Darby of Bethesda, Md. Ryan was diagnosed with Pre-cursor B, Acute Lymphoblastic Leukemia on December 23, 2009. Ryan is the middle child of a three boy family and the son of Chris and Mollie Darby. Ryan is currently in remission due in no small part to the scientific breakthroughs and successes made in treating pediatric leukemia over the past 20 years.

### A Darvish evening at the BMC banquet



WANADA's John O'Donnell (L) with BMC honorees Judy and John Darvish at the banquet

Judy and John Darvish, DARCARS, were recognized by the Bobby Mitchell Hall of Fame Golf Classic (BMC) this past weekend for their "outstanding commitment and dedication to the Greater Washington Area community." Making the presentation to the Darvishes at the BMC banquet, Bobby Mitchell cited the Darvishes for "consistently reaching above and beyond to improve the lives of others." In particular he noted the Darvishes' decade long support of the BMC to fund Leukemia

and Lymphoma research, as well their ongoing contributions to dozens of regional charities and community outreach organizations, including: The Children's Inn at NIH, the Parkinsons Research Association, Georgetown Hospital Lombardi Center, and the Potomac United Methodist Church.

The Darvishes received the recognition on the 20<sup>th</sup> anniversary of the Bobby Mitchell Hall of Fame Golf Classic, an event they have supported for a decade and one they supported again this year with a donation of \$25,000.

Correspondingly, The Leukemia and Lymphoma Society honored BMC chairman Tamara Darvish with its *Dr. Kenneth B. McCredie Award*. The award recognizes the commitment of individuals who have been major supporters of LLS for at least five years and who have raised



Tamara Darvish, DARCARS, (Center) is joined by the Darby boys, Ryan (leftmost), Brennan and Sean and flanked by (L to R) Todd Heaver, Enterprise and co-chair of the event; Hall of Famers Tommy McDonald, Bobby Mitchell, Art Monk and Darrell Green

more than \$1 million to support the mission. Dr. McCredie was a long time member of the Texas Gulf Coast Chapter and the National Board of Directors.

Presented at the Bobby Mitchell banquet by Donna McKelvey, executive director of the National Capital Area Chapter of LLS, Ms. Darvish was recognized for her “tremendous success with fund raising for the Bobby Mitchell Hall of Fame Classic and her energy, passion and drive to raise funds to support the mission of LLS.”

## Tamara Darvish recognized by AN as an “all-star”

Hot on the heels of the Leukemia\Lymphoma Society spotlighting her contributions as a leader, *Automotive News* named Tamara Darvish of DARCARS as one of its 25 All-stars. *AN*, known as the “bible of the auto industry,” cited Darvish for her work as co-leader of the Committee to Restore Dealer Rights and her ongoing efforts to restore and protect dealer rights both with OEMs and the federal government.

Said *Automotive News*: “**She had not yet begun to fight:** After getting her franchise termination letters, Darvish, 46, gave rejected General Motors and Chrysler dealers a face, a voice and a fighting presence on Capitol Hill. Along with committee co-leaders Jack Fitzgerald and Alan Spitzer, she lobbied for a law mandating arbitration for terminated dealers. She spent \$100,000 of her own money on the rejected-dealer cause. She worked the phones 24/7 to funnel information and support to hundreds of dealers struggling for their livelihoods. And she won. Never has a female dealer exercised such influence.”

WANADA salutes Tammy Darvish, its immediate past chairman and NADA director, on the well deserved recognition!

## Sign up for Flu shot program by August 15

WANADA has again negotiated with Norvar Health Services to provide onsite seasonal flu immunizations.

To participate, dealerships must fill out and sign the *attached sign-up sheet* and fax it to WANADA at (202) 237-7779, by August 15, 2010. A minimum of twenty (20) participants at each location is required to schedule an onsite flu shot program. The cost per shot, which protects for all three major flu strains (H1N1 [swine flu], H3N2 and Brisbane/60/2008), is \$23. This is a substantially improved flu shot product!



Seasonal influenza infects 35-50 million individuals in the USA each year and is responsible for over 250,000 serious hospitalizations and almost 40,000 deaths. The average duration of the illness and recovery is approximately one (1) week.

WANADA will assist member employers in contacting Norvar Health Services to schedule dealership flu shots. Please complete the attached form and fax it back to the flu shot fax line where it will be forwarded to Norvar. If you have multiple locations requiring onsite visitations,

please forward an addendum listing the address and information for each location. A representative from Norvar will then contact your designated coordinator about flu shot administration logistics.

WANADA does not schedule the dates for the flu shot program, nor can WANADA be responsible for ensuring supplies of the vaccine. The program, accordingly, is on a first come, first served basis. Please bear this in mind when signing up!

## **Chrysler, GM dealer arbitration deadline passes, but cases remain**

The federally mandated deadline for settling GM and Chrysler dealer arbitration cases passed this week (July 14), but a number of arbitrations remain to be heard and it will likely be next week before those are completed. If the arbitration experience so far is any indicator, most cases will be settled in favor of the automakers.

According to the American Arbitration Assn., as of July 9, arbitrators had decided for Chrysler in 54 of the 73 cases completed with more than 125 of the 418 filed arbitration cases dismissed, withdrawn or abandoned. Fewer than 10 cases remain to be arbitrated.

At GM, it's a different story; at least as far as its wind-down dealers are concerned. Of the approximate 1,100 dealers whom GM chose to discontinue or "wind down," 666 were offered letter of intent (LOIs) or reinstatement. Some 600 of those have already accepted that offer, but more than 300 were reported to be in arbitration as of early May. Fewer than 100 of those arbitrations were projected to be completed by the July 14 deadline.

Exactly how many discontinued GM dealers will return to the fold is still a matter of conjecture, but in a late-June investors meeting, GM told investors it will have about 4,500 U.S. dealers within a few months, down from 6,150 before bankruptcy.

Chrysler's goal is to have 2,300 dealerships by the end of 2011. The automaker now has 2,315.

In bankruptcy court last year, Chrysler and GM said they had too many dealers to be competitive, because their networks were constructed when they had a much bigger share of the U.S. market, and that they needed to whittle down to compete against Toyota and Honda with scaled down networks.

As a result of court-ordered restructuring last year, Chrysler and GM initially said they would shed some 2,800 dealerships as part of their reorganizations. The Committee to Restore Dealer Rights (CRDR), NADA, the Automotive Trade Associations network (ATAE) and dealers from around the country mounted a vigorous and successful legislative campaign in Congress, however, to force the automakers to arbitrate those forced dealer closures, which resulted in the arbitration process that is now winding down. Some 1,160 rejected GM dealers and 418 rejected Chrysler dealerships filed for arbitration.

According to the American Arbitration Association, all remaining arbitrations should be completed by July 23.

## Smartest Americans live in Washington region

The Washington region has the best-educated population in the country. That's the word from the Brookings Institute, which regularly studies these things.

In a report issued this week, the Institute says the metro region has more adults over 25 with bachelor's degrees than any other major metro area in the nation, and that 46.8 percent of adults living here have bachelor's degrees.

The Institute data is for the year 2008 but D.C. also held the No. 1 ranking in 1990. Demographers have ranked the area the best-educated for at least 40 years.

Here are the metro areas ranked in the top 10:

1. Washington-Arlington-Alexandria, D.C.-Va.-Md.-W.Va.
2. Bridgeport, Conn.
3. San Jose-Sunnyvale-Santa Clara, Calif.
4. San Francisco-Oakland-Fremont, Calif.
5. Boston-Cambridge, Mass.-N.H.
6. Raleigh, N.C.
7. Madison, Wis.
8. Austin, Texas
9. Minneapolis-St. Paul, Minn.-Wis.
10. Denver-Aurora, Colo.

The Brookings Institute study also found that while employment rates for college-educated people tend to be in the 80 percent to 90 percent rate for all of the top 100 metro areas, the D.C. region ranks No. 4 when it comes to employing adults who have no more than a high school diploma. D.C.'s employment rate for people with high school diplomas is 74.3 percent. In the top three spots are Des Moines, Iowa (76 percent), Omaha, Neb. (74.6 percent) and Madison, Wis. (74.4 percent).

**Position wanted:** *Body Shop Manager/Estimator.* Local dealership professional with multiple years of experience with estimator systems and in various dealership functions is seeking a body shop management position. Please contact John O'Donnell at WANADA for more information at 202-237-7200 or jod@wanada.org.

### Staying ahead...

Every man is a damn fool for at least five minutes every day; wisdom consists in not exceeding the limit.

--Elbert Hubbard



**DEALER EMPLOYEE  
ON-SITE FLU SHOT PROGRAM  
FALL, 2010**

Our dealership is interested in participating in this year's On-Site Flu Shot Program. We understand that shots will be administered on-site by Norvar Health Services medical professionals beginning October 1, 2010, at a cost of \$23.00/shot. Norvar Health Services will order enough vaccine for my organization if we commit to this program by August 15, 2010. After this date, price/availability is subject to change. We understand that a minimum of twenty (20) participants per location is required to schedule an on-site flu shot program.

**DEALER ORGANIZATION**

**ADDRESS WHERE PROGRAM IS TO BE HELD**

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**POINT OF CONTACT NAME**

**PHONE #**

**FAX#**

**E-MAIL**

**ESTIMATED NUMBER OF FLU SHOT PARTICIPANTS**

**BEST DAY OF WEEK FOR PROGRAM**

**ALTERNATIVE DAY OF WEEK**

**BEST TIME OF DAY FOR PROGRAM**

**ALTERNATIVE TIME OF DAY**

**WE HAVE NO PREFERENCE FOR DATE(S) OR TIME(S)**

**OTHER COMMENTS**

**SUBMITTED BY \_\_\_\_\_ TITLE**

**FAX BACK TO Flu Shot Fax Line (202) 237-7779**

**AS YOU ARE AWARE, THE CENTER FOR DISEASE CONTROL (CDC), AS WELL AS SLOW AND/OR DISRUPTED MANUFACTURING PROCESSES, HAVE INTERRUPTED THE VACCINE SUPPLY SEVERAL TIMES IN RECENT YEARS. WANADA CANNOT BE HELD RESPONSIBLE FOR INTERRUPTION IN THE SCHEDULING SHOULD THIS OCCUR AGAIN THIS YEAR. SHOULD RESCHEDULING BECOME NECESSARY FOR ANY REASON, THE RESCHEDULING IS DONE BY MUTUAL AGREEMENT BETWEEN YOUR DEALERSHIP AND NORVAR HEALTH SERVICES.**