

# THE WANADA BULLETIN

NEWS AND INFORMATION FOR AND ABOUT FRANCHISED NEW CAR DEALERS IN THE WASHINGTON AREA

WANADA Bulletin # 43-16

**Annual Meeting Special!**

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## 2016 WANADA Annual Meeting

### **Keynote speaker Scott Brown slams CFPB, praises Trump**



Sen. Scott Brown

In speaking at WANADA's Annual Meeting and Luncheon November 2, former Senator Scott Brown touted not just his conservative credentials but also his longtime support of auto dealers.

"I'm the guy who got you out of the Consumer Financial Protection Board," he said. By law, the CFPB does not regulate dealers. "They want to regulate everything you do."

Throughout his talk, Brown, a Massachusetts Republican who replaced Ted Kennedy in the U.S. Senate, spoke passionately about the regulatory fever in Washington, and said the system is riddled with inequities. Tesla, for instance, does not have to follow the same rules as other auto manufacturers. China, being exempt from U.S. regulations, offers unfair competition.

"The people in Washington – they don't get it," Brown said. "They're regulating industries where they have no clue." WANADA President John O'Donnell said earlier that National Highway Traffic Safety Administrator Mark Rosekind had told him that 90 percent of the NHTSA staff who would write the regulations for autonomous vehicles had never ridden in one.

Brown shared some of his personal story and how he came to hold his conservative beliefs. He admitted he got caught stealing record albums at age 12. The judge sent young Scott to jail and had him write a 1,500-word essay about how he had let down his brothers and sisters because they enjoyed watching him play basketball, and they couldn't do that because he was in jail.

“That judge saved my life,” Brown told the WANADA crowd. The adult Brown was shaped by his experience growing up with a mother on welfare who worked two jobs to keep a roof over her children’s heads. “[Welfare is] there as a safety net, not a lifetime entitlement,” he said.

Turning to the presidential election, Brown said he was one of the first people to support Trump.

“I want someone to go down there and knock some heads,” said Brown. The former senator said choosing Trump was a “no brainer.” Trump understands the military, he’s going to close the border – and “Mexico’s going to pay for it” – and to lower taxes and deal with the deficit.

“I want our allies to trust us again and our enemies to fear us,” Brown said. “This is a pivotal time in our country’s history.”

Media bias is “unlike anything I’ve ever seen,” he said. Voter fraud is rampant, he added.

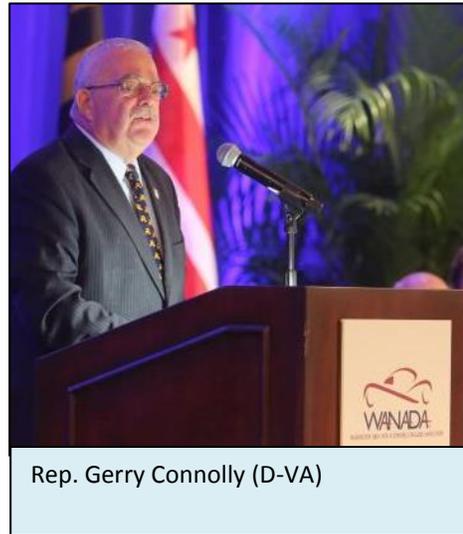
Brown urged the assembled dealers to vote, no matter what their views. “Invite your local elected officials to your dealership. Be involved in Washington because those are the people who are trying to take your stuff.”

## A view of the political landscape from Rep. Gerry Connolly

Rep. Gerry Connolly (D-VA), a seasoned member of U.S. the House of Representatives, was invited to sit at the head table at the WANADA Annual Meeting as a supporter of regional dealers.

“We will continue to be receptive to the dealers’ agenda,” Connolly told the crowd. “You’ve got a lot of friends in the U.S. Congress.” He noted that 300,000 new cars and trucks would be sold in the Washington metropolitan area this year, with national sales on track to set a record of 17.5 million and that “the automotive sector is vast and important.”

On the political front, Connolly said Hillary Clinton would likely win the presidency, with “paper-thin majorities” in both houses of Congress. The Senate would likely come under Democratic control (former Sen. Brown disagreed). As for the House, Connolly said the Republicans should retain control, but he suggested that dealers send a “sympathy card” to Paul Ryan, who will have the Freedom Caucus “breathing down his neck.” Connolly added, “It’s shaping up to be a very unstable situation.”



Rep. Gerry Connolly (D-VA)

## WANADA Report spotlights strong market, regulator over reach, Public Policy Auto Show

In WANADA’s report to the membership, incoming WANADA Chairman Charles Stringfellow reviewed the highlights of the past year. They included continued record recalls for defective Takata airbags, more regulatory overreach by the Consumer Financial Protection Bureau (CFPB), and the triumph of the 2016 Washington Auto Show during a record snowstorm. Stringfellow spoke in place of outgoing Chairman Dick Patterson, who was recovering from a medical procedure (and reported to be doing well).



Charlie Stringfellow,  
2017 WANADA chairman

Stringfellow began on a positive note. “Our auto industry is back where it was 15 years ago, with the promise of sales continuing to rise with a market stamina that defies gravity, and has proven to be a bright spot in an otherwise sluggish economy,” he said.

But the industry has challenges. One is Tesla’s ongoing effort to sell directly to the public. “The high end automaker continues to run afoul of vehicle retail licensing laws in state after state – including Virginia,” Stringfellow said. “These laws simply call for dealer retailers to package, deliver and service new cars for consumers – no more, no less.” Chinese automaker Geely, which owns Volvo, has said it may emulate Tesla’s dealerless retail model.

No dealer of any brand can forget Volkswagen’s illegal activity in intentionally sidestepping U.S. clean air equipment requirements, making much of its diesel fleet noncompliant. NADA’s guidance to dealers on recalls has proved “indispensable,” Stringfellow said.

When manufacturers said that *used* cars had to be grounded, VADA and MADA, with WANADA’s support, sprang into action. Virginia and Maryland passed model recall legislation specifying the automakers’ obligations to their dealers and customers for the affected used cars. Dealer associations around the country enacted similar laws or are planning to do so.

The Consumer Financial Protection Bureau has continued its effort to limit dealer-arranged loans, by pressuring the financial institutions it regulates to restrict their agreements with dealers arranging loans. The agency has told banks that dealers are systematically discriminating against minorities, who get less favorable loan rates – a statement Stringfellow called “rubbish.”

NADA has succeeded in getting legislation passed in the House of Representatives that would reverse instructions CFPB gave the banks aimed at curtailing indirect financing by dealers, Stringfellow said. To accomplish that, NADA worked with groups including the National Association of Minority Automobile Dealers. The dealer legislation has moved to the Senate and is being pushed by WANADA and other dealer associations across the country.

NADA and others have created a Fair Credit Compliance Policy Program offering best practices for dealers to use in the F&I department. WANADA, with Kindred-line member JM&A, continues to run invaluable best practice seminars regionally for F&I professionals in WANADA dealerships.

WANADA also offered dealer briefings over the past year for dealer principals and key executives on new laws. Last summer, for example, lawyers from NADA joined WANADA lawyer consultants Mike Charapp and Mike Johansen in a panel discussion of timely legal information, such as the revised overtime rule and minimum wage changes through the U.S. Department of Labor and the states.

Another new statute helpful for dealers is the spot delivery law that MADA got enacted with WANADA’s support in the Maryland General Assembly. The legislative established in law the longstanding practice of conditional sales of vehicles with dealer-arranged financing.

Maryland MVA Administrator Chrissy Nizer has been especially helpful with spot delivery and with the Dealer Advisory Forum that she operates out of her office. Stringfellow called the Forum “a splendid example of public/private sector collaboration on dealer matters.” WANADA has worked with the equivalent body in Virginia, the Motor Vehicle Dealer Board, with recently

appointed administrator William Childress, who attend the Annual Meeting. In DC, WANADA is working with the DC DMV director Lucinda Babers and her staff on the city's newly established electronic titling system.

Stringfellow spotlighted some important WANADA programs: the ADEI Technician Development Program and Dealer Employer Benefits. The ADEI Technician Development Program operates at Montgomery College in Rockville and, in Fairfax County, at Marshall Academy and Springfield High School. In the insurance area, WANADA staff is expert on all aspects of employee benefits and the ins-and-outs of the Affordable Care Act.

WANADA's efforts on growing the Washington Auto Show has born much fruit for all concerned, too, Stringfellow said. The annual event has become known as the industry's Public Policy Show and has been certified by the Organization of International Automakers, headquartered in Paris. Evidence of the show's stature occurred recently when the U.S. ambassador to France honored WANADA's delegation to the Paris Motor Show with other industry notables at a reception for the Washington Auto Show at the embassy's residence.

Looking ahead, Stringfellow invited the assembled crowd to WANADA's Centennial celebration at the Mayflower Hotel on April 1, 2017. "Just as it's done for the industry over the past 100 years, WANADA will continue to successfully advance the interests of Washington area dealers," said Stringfellow, promising "Save the Date" cards on the Centennial Celebration shortly.

## Stringfellow is 2017 WANADA chairman, with five dealers voted onto Board



Chip Lindsay, Lindsay Automotive, acting Nominating Committee chairman

At the Annual Meeting part of the WANADA Luncheon, Charles Stringfellow of Malloy Hyundai took over from Dick Patterson, RRR Automotive as WANADA chairman. Five other dealers were elected to the WANADA Board for three-year director terms. They are: Chip Doetsch, Apple Ford/Lincoln (second term); Robert Farrell, Penske Automotive (new); Robert Fogarty, Jr., Sport Automotive (second term); James Gramm, Safford Automotive (who served on WANADA's Board previously); and Dick Patterson, RRR Automotive, reelected as immediate past chairman.

The total slate was put forth by the Nominating Committee to the WANADA Membership at the Annual Meeting by Chip Lindsay, stepping in as acting chairman for Danny Korengold, who could not be there.

Members voted "aye" by voice acclamation from the floor on the slate of directors recommended by the Nominating Committee. There were no "nays."

The 2017 Executive Committee will be made up of Stringfellow, chairman; John Bowis, Chevy Chase Cars, vice chairman; Kevin Reilly, Alexandria Hyundai, secretary; Chip Doetsch, Apple Ford, treasurer; Dick Patterson, immediate past chairman; Ralph Mastantuono, Mercedes Benz Arlington and Mercedes Benz Alexandria, chairman, Insurance Committee; Geoff Pohanka, Pohanka Automotive, chairman, Washington Auto Show; and John O'Donnell, president/CEO, WANADA.

The other directors constituting the 18 member WANADA Board are John Altman, Land Rover Alexandria; Lou Cohen, BMW Rockville; Jamie Darvish, DARCARS; Dottie Fitzgerald,

Fitzgerald Auto Malls; Melanie Funkhouser, Fair Oaks Chrysler/Jeep/Dodge; Daniel Jobe, Capitol Cadillac; Alex Perdikis, Koons Ford/Silver Spring, and Tony Santy, Chesapeake Petroleum (Kindred-line representative).

Two 2016 Board members rotated off the Board at the meeting as Stringfellow thanked them for their service: Danny Korengold, Ourisman of Virginia, and Frank McCarthy, Sheehy Auto Stores. Board members are elected for three years and may run for a second consecutive three-year term.

Geoff Pohanka is also the NADA director for Metropolitan Washington. In that capacity, his role is to keep the Board informed of NADA business while keeping WANADA supportive of NADA leadership initiatives and programs. NADA has 58 geographic director seats plus several *at large* seats. In addition to WANADA's Metro Washington area represented on the NADA Board, there are several other major metro areas and all 50 U.S. states, with several states given more than one seat. WANADA director Daniel Jobe is also on the NADA Board representing Maryland.

The WANADA organization consists of the trade association, a business services corporation, the Auto Dealers Education Institute (ADEI) and the WANADA Community Support Foundation. Among other functions, WANADA produces the Washington Auto Show; WANADA Business Services houses the insurance agency, F.B.O. WANADA employer members; and ADEI oversees the Technician Development Program.

### 2017 WANADA Board of Directors with Sen. Scott Brown, keynoter, at WANADA Annual Meeting and Luncheon



From the left: Jamie Darvish, DARCARS; James Gramm, Safford Automotive; Melanie Funkhouser, Fair Oaks Chrysler/Jeep/Dodge; Chip Doetsch, Apple Ford/Lincoln; Kevin Reilly, Alexandria Hyundai; Sen. Scott Brown; Charles Stringfellow, Malloy Hyundai; John O'Donnell, WANADA; Alex Perdikis, Koons Ford of Silver Spring; John Bowis, Chevy Chase Cars; Robert Fogarty, Jr., Sport Automotive; Geoff Pohanka, Pohanka Automotive; and Ralph Mastantuono, Mercedes Benz of Alexandria. (Not pictured: John Altman, Land Rover Alexandria; Lou Cohen, BMW Rockville; Robert Farrell, Penske Automotive; Dottie Fitzgerald, Fitzgerald Auto Malls; Daniel Jobe, Capitol Cadillac; and Kindred-Line Rep Tony Santy, Chesapeake Petroleum).

## 2017 Auto Show MobilityTalks International plans revealed

“Nobody expected Washington regulatory matters to be cool, sexy and hip,” WANADA president and CEO John O’Donnell told the attendees at WANADA’s Annual Meeting and Luncheon. “But that’s where we are with autonomous vehicles.”

During the MobilityTalks International<sup>SM</sup> at the 2017 Washington Auto Show, show planners will assemble leaders from the UK, France and Italy, among other vehicle producing nations, to discuss the technology and regulations for autonomous vehicles. Among the speakers will be Rep. Debbie Dingell (D-MI), Sen. Gary Peters (D-MI), the CEO of the Consumer Electronics Show, and representatives from the American Center for Mobility in Michigan, from Carnegie-Mellon University and Massachusetts Institute of Technology.



WANADA CEO John O’Donnell presenting the MobilityTalks plan for the 2017 Washington Auto Show

## Chicago Chicago Cubs win World Series the same day as WANADA’s Annual Meeting, Nov 2

As fate would have it, the ever beloved Chicago Cubs, Northside residents of Wrigley Field, won the 2016 World Series on WANADA’s Annual Meeting “game day” last Wednesday, Nov. 2. And what an exciting game, culminating a neck-and-neck World Series between the Cubs and the Cleveland Indians—7th game, in an extra 10th inning, with a score of 8 runs to 7!

This is the 3rd World Series title for the Chicago Cubs, the first two titles being back-to-back wins over another iconic ball club, the Detroit Tigers, in 1907 and 1908.

Whether you’re a Chicagian or not, a third World Series Championship after 108 years made us all Cubs fans last week! And there’s a enough good Karma to go around from last Wednesday, given the success of WANADA’s Annual Luncheon earlier in the day.



**What Follows is a Collage of the 2016 Annual Meeting & Luncheon**



From left to right: Peter Kitzmiller, MADA; Lou Cohen, BMW Rockville; Michael Johansen and Brad Rifkin, Rifkin Weiner Livingston LLC



Vince Sheehy, Sheehy Auto Stores



From left to right: Jamie Darvish, John Kennedy and Michael Fastman, all of DARCARS



From left to right: Dudley Dworken, Better Business Bureau; Conrad V. Aschenbach, King Automotive; Jack Fitzgerald, Fitzgerald Auto Malls; and George Doetsch, Apple Ford/Lincoln



From left to right: Charlie Stringfellow, Malloy Hyundai, WANADA chairman; Kevin Reilly, Alexandria Hyundai, WANADA secretary; Cody Lusk, president, AIADA; and Peter Welch, president, NADA

## WANADA is grateful to its 2016 Annual Meeting and Luncheon Sponsors!

For the second year running, three WANADA Kindred-Line members stepped forward to sponsor the Washington Area New Automobile Dealers signature membership event, the Annual Meeting and Luncheon. WANADA greatly appreciates the solid support and generosity of the 2016 Annual Meeting and Luncheon sponsors:

Armatus Dealer Uplift (formerly Armada) represented by Joe and Jordon Jankowski; BG Products and Services, represented by Corky Crovato & Tom Layden; and SunTrust represented by Roger Clore.



Formerly Armada



### Thought for Election Day...

I am making a collection of the things my opponents have found me to be and when this election is over, I am going to open a museum and put them on display.

—Lyndon Johnson

