

THE WANADA BULLETIN

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

WANADA Bulletin #13-02

April 1, 2002

Save the Date! July 13 & 14

WANADA Takes Over as Primary Sponsor of Bobby Mitchell Hall of Fame Classic

Goal is to Raise \$500,000 for The Leukemia & Lymphoma Society

After last year's smashing success with the Bobby Mitchell Hall of Fame Golf Classic, WANADA has agreed to enlarge its role as the *primary* sponsor of this year's event. Renamed the **Bobby Mitchell Washington Auto Dealers Hall of Fame Classic**, the high profile event will be held July 13 & 14, 2002, at the Lansdowne Resort in Leesburg, Virginia.

"Last year we raised more than \$425,000 for The Leukemia & Lymphoma Society, making it the most successful Classic ever, said Tamara Darvish, who will again be chairing the event. "Our goal this year is to top \$500,000, with WANADA committed to raising \$150,000 of this total from our vendors, kindred line members, and dealer members.

(See **Golf Classic**, page 2)



Last year's Bobby Mitchell/Chrysler-Jeep Hall of Fame Golf Classic at Lansdowne Resort drew 38 football and basketball Hall of Famers and raised over \$425,000 for the Leukemia and Lymphoma Society.

Fitzgerald is USA TODAY/NADA Dealer Innovation Award Winner

Fitzgerald Auto Malls of Gaithersburg, MD was announced last week as winner of the first annual Dealer Innovation Award sponsored by USA TODAY and NADA. The award, which was presented in conjunction with the New York Auto Show, recognizes franchised new vehicle dealers who have positively impacted their dealerships through the use of technology.

Fitzgerald Auto Malls won for its use of a Matrix Pricing system, which is a software application that automatically updates new vehicle prices to reflect market changes and ensure consistency on inventory pricing across Fitzgerald Auto Malls' Web site and showroom floor.

John J. Fitzgerald, chairman of Fitzgerald Auto Malls, received the award last week in a presentation on the floor of the New York Stock Exchange. The award will be presented by Tom

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Truth in Lending Development:

Court Favors Dealer in Retail Installment Sales Case

WANADA has received a recent heads-up from its government relations advisors, Charapp, Deese & Weiss, LLP, concerning a recent development on truth in lending cases affecting Virginia and Maryland dealers.

Over the last two years, a great deal has been written about the case of *Polk v. Crown Auto*, the case decided by the United States Court of Appeals for the Fourth Circuit which consumer lawyers contend requires dealers to hand a fully completed but unexecuted copy of the retail installment sale contract (RISC) to the customer before the customer signs.

Even though dealers have been advised to give customers a fully completed unexecuted copy of the RISC before having the customer sign it, Charapp, Deese & Weiss has disputed that the case requires this. In January, the same court issued a decision in a case involving a Washington area dealer that dismissed claims by a plaintiff who sought a judgment for the dealer's failure to provide to the customer a completed but unexecuted copy of the RISC prior to signature. The plaintiff claimed that was a violation of the law. But, to his surprise, the court did not agree.

The court found specifically

that placing multiple copies of the form contract which contained the required disclosures in front of the customer giving him an opportunity to review the contract was sufficient to meet the law's requirement that the disclosures be made before credit is extended. While the court did not refer to the *Polk* case at all, the decision clearly shows that the Fourth Circuit does not subscribe to the consumer lawyers' view that a completed copy of the RISC *must be* handed to the customer before signature.

The Court, in essence, held that the dealer practice of most of placing the contract before the customer, giving him or her the opportunity to review it, and then having the customer sign it complies with the law.

To clarify the issue, the Federal Reserve Board is considering a proposed regulation that says the law is satisfied by placing the completed RISC before the consumer and giving him or her an opportunity to review it. "When that is finalized — we hope sometime this summer — Maryland and Virginia dealers will no longer have the burden of handing an executed copy of the RISC to the customer," said Michael G. Charapp.

Until that regulation is final, it is prudent, according to Charapp, for dealers to follow the practice of handing a completed but unexecuted copy of the RISC to the consumer before it is signed.

Frank McCarthy Inducted into The Automotive Hall of Fame

Former NADA President Frank McCarthy was one of seven industry leaders inducted last week into the Automotive Hall of Fame. McCarthy served as president of NADA from 1968 until his death in March, 2001. For his many achievements in a distinguished career, he was also awarded the 2001 Freedom of Mobility Award at last year's NADA Convention.

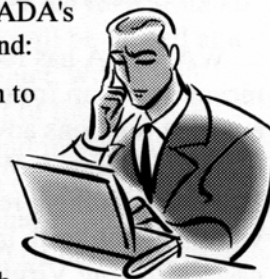
The Automotive Hall of Fame Inductee class of 2002 also included FIAT founder Giovanni Agnelli (1866 - 1945), auto designer Giorgetto Giugiaro, Michelin Company founders Andre Michelin (1853 - 1931) and Edouard Michelin (1859 - 1940), NASCAR champion Richard Petty and renowned Chrysler engineer Owen Skelton (1886 - 1969).

The Inductees were announced today at the International Motor Press Association meeting at the New York Auto Show. Formal induction ceremonies will take place near Detroit, Michigan on October 15, 2002.

What Are Consumers Looking for on Dealer Web Sites?

Who is shopping on automobile dealers' Web sites these days? What information are shoppers looking for, and how do shoppers evaluate their experiences with dealer Web sites? This is what Friedman-Swift Associates, in conjunction with NADA and The Cobalt Group, asked in a survey of visitors to NADA's www.DriversSeat.com and the Cobalt Group's www.DealerNet.com. Here's what they found:

- 32 percent of buyers plan to purchase a vehicle within the next month; 17 percent plan to buy in one to two months, 21 percent in three to six months.
- 48 percent of shoppers are looking at both new and used vehicles, while 30 percent are shopping for a new vehicle only.
- New-car shoppers are most interested in researching vehicle options on a dealer's Web site. Important to both new- and used-car shoppers: MSRP and dealer invoice price comparisons, pictures of cars in inventory and NADA Used Car Guide/Kelley Blue Book price comparisons.
- 70 percent of shoppers are somewhat satisfied with the dealership Web sites they visited, but only 24 percent were very satisfied. Overall appearance ranked high (70 percent excellent or good rating); visual impact and ease of navigation ranked lower.
- Only 14 percent of consumers are willing to spend more than five minutes searching for price-related information on a dealers' Web site; 39 percent are willing to spend only a minute or less, with similar numbers for inventory searches.



Complete results of the Friedman-Swift survey, "What Shoppers Want from Dealer Web Sites: A Look at New and Used Vehicle Shoppers," are available on www.nada.org; click on Member Services, then Technology.

Last Chance! Sign Up Now!

Free Internet Dealer Training Seminar ***April 10, Ritz-Carlton, Tysons Corner***

Dealers wanting to fine tune their Internet and profit skills won't want to miss WANADA's Internet Dealer Training Seminar, sponsored by AutoTrader.com, one of the largest Internet classified advertising companies. The seminar will be held Wednesday, April 10, 8:30 am to 1 pm, at the Ritz-Carlton, Tysons Corner, VA, and will feature Jack Simmons, a leading national speaker on the retail automotive business who has been a featured speaker with Jim Ziegler and at NADA. Admission is free to WANADA members courtesy of AutoTrader.com. See the flyer enclosed with this *WANADA Bulletin* for details and registration.

Thought for the Week...

*I'm like Baby Huey, big, fat and ugly. Hit me and knock me down
and I bounce right back up. I never go away.*

—Bill Clinton

Waxing autobiographically
with Newt Gingrich in 1995

Enclosure

Internet Dealer Training Seminar flyer & registration form