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2010 WANADA OPEN

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**The
2010 WANADA Open
May 10, 2010**

White House, Senate Dems. Dial Up Heat on Finance Reform Dealer Assns. Meeting Next Week in DC to Keep F&I Out of the Legislation

The White House reiterated this week that it *opposes* efforts by NADA to have franchise auto dealers exempted from oversight by the proposed consumer watchdog agency that is part of the administration's Finance Reform package before Congress.

The statement was made by Diana Farrell, deputy director of the White House National Economic Council, who said loans made by auto dealers should be considered no different than those made by banks. Franchise auto dealers, of course, don't make loans, but arrange them.

The distinction seemed to be lost on Farrell, however, as she went on to suggest that auto dealers who "offer good, transparent, fair financing products to their customers have nothing to worry about." Including auto dealers in the oversight of the proposed Bureau of Consumer Finance Protection (BCFP) Farrell believes will prevent "a race to the bottom" among lenders, an apparent reference to unfair and deceptive trade practices.

Farrell is one of the key people NADA is trying to reach in its all out lobbying effort to have the Senate accept an amendment to be offered by Sen. Sam Brownback (R-Ks) to exclude franchise dealers from the BCFP. NADA was successful in exempting dealers from agency oversight in the House version of Finance Reform. WANADA dealer members are urged to contact their Maryland and Virginia senators to support the measure *without delay!*

NADA next week is flying in more than 100 auto dealers and dealer association executives to visit Capitol Hill to lobby directly in support of the amendment. NADA aims to make the point that franchise dealers already are covered by federal and state laws that bar fraudulent loan practices and that "adding another layer of regulation will reduce availability of credit and increase costs to consumers."

At the Obama administration's behest, the Pentagon last month said it supported efforts to create a BCFP that would oversee automobile sales and financing to "prevent members of the armed services from being preyed upon by unscrupulous auto dealers." It argued that the "financial difficulties created for soldiers by such actions diminished the fighting readiness of their units."

Keep the Heat on senators to Adopt the Brownback Amendment on Financial Reform:

In Maryland, contact,

Sen. Ben Cardin (D-MD) <http://cardin.senate.gov/contact/email.cfm> or (202) 224-4524;

Sen. Barbara Mikulski (D-MD) <http://mikulski.senate.gov/Contact/contact.cfm> or (202) 224-4654.

In Virginia, contact,

Sen. Mark Warner (D-VA) <http://warner.senate.gov/public/index.cfm?p=Contact> or (202) 224-2023;

Sen. Jim Webb (D-VA) <http://webb.senate.gov/contact.cfm> or (202) 224-4024

40th Anniversary of Earth Day Recognized in Various Automotive Circles this Week around Washington

As certainly as the first men to walk on the moon staked out their turf on the lunar landscape in 1969, so too did the environmental movement stake out its turf in the consciousness of people everywhere when the first Earth Day was proclaimed forty years ago this week, April 22, 1970. The day each year set aside to focus on preserving the natural beauty and resources of Spaceship Earth was marked locally last week in Gaithersburg, MD, by WANADA dealer member Jack Fitzgerald who hosted a Wednesday morning ribbon-cutting on his new dealership facilities, which have been certified as “LEED compliant” by the U.S. Green Building Council.

LEED is an internationally recognized green building certification system, providing third-party verification that a building has been designed and built using strategies aimed at improving performance across all the metrics that matter most: energy savings, water efficiency, CO₂ emissions reduction, improved indoor environmental quality, and stewardship of resources and sensitivity to their impacts.

LEED provides building owners and operators a concise framework for identifying and

implementing practical and measurable green building design, construction, operations and maintenance solutions, which in Fitzgerald’s case resulted in a near zero-emission facility. Joining Fitzgerald for the occasion was Montgomery County Executive Isaiah Leggett and Sen. Jennie Forehand from the Maryland General Assembly.



Montgomery County Executive Isaiah Leggett (L) joins state senator Jennie Forehand (C) and Jack Fitzgerald (R) along with children from the nearby elementary school to cut the ribbon on the new Fitzgerald LEED compliant dealer facilities in Gaithersburg.

Later in the day at the National Press Club in Washington, DC, Mike Stanton, the president of the Association of International Automobile Manufacturers (AIAM) explained to reporters and members of the Washington Automotive Press Association how the auto industry will nearly reach near zero tailpipe emissions as it complies with federal standards in 2015 set at 35.5 miles per gallon on a fleet wide basis. AIAM is a stakeholder of The Washington Auto Show whose OEM member companies regularly showcase cutting edge fuel economy, emissions and safety advances in new cars and trucks.

Meanwhile over on Capitol Hill, the Electric Drive Transport Association (EDTA) conducted a half day seminar with members of Congress and staff on how electric drive was changing transportation as we know it. EDTA, also a partner with The Washington Auto Show, featured two panel discussions at the event held in the Dirksen Senate Office Building. The first panel, entitled, “Electric Drive Today,” was a symposium discussion on what the market can expect in the next year in terms of investment in electric vehicle production, vehicle deployment and charging grid preparation. The second panel focused on what is likely to happen in the field over the next decade. Speakers at the event included Sen. Byron Dorgan (R-ND), Sen. Orrin Hatch (R-Ut.) and Sen. Jeff Merkley (D-OR).



The VW all-electric taxi prototype, with a range of nearly 200 miles, introduced at the Hanover Auto Show last week. An example of how the auto industry is moving aggressively to reduce mobile sourced CO2 emissions.

Rounding out the week’s events on The Mall in Washington, Ford hosted a ride-and-drive event for members of Congress, senior hill staff and the media featuring its battery electric (BEV), hybrid (HEV) and plug-in hybrid vehicles (PHEV). Ford also rolled out its advanced, fuel-efficient technologies like its Eco-Tech drive products. On the Senate side of the Capitol, in a closed-to-traffic street next to the Dirksen Office Building, other OEMs to include General Motors, BMW and Volkswagen, showcased various hybrid and total electric technologies, some of which, like the Chevrolet Volt, will be on the street in Washington next fall.

All in all, it was an impressive showing by an industry targeted 40 years ago as part of the problem for Spaceship Earth.

VA General Assembly Passes Laws to Define Spot Delivery and Clarify “new” and “used” Vehicles

Consumer Disclosures Required July 1

To define once and for all the long standing automobile business practice of “spot delivery,” VADA, with WANADA’s support, got legislation through the Virginia General Assembly and signed into law to accomplish this. Additionally, legislation successfully passed into law to more appropriately set forth the legal definition of “new” vehicles versus “used” vehicles. All of these changes to clarify the law will require written disclosures, from dealer to consumers, when the changes go into effect July 1, 2010. Here are the details:

New Vehicle Definition The governor signed into law a bill ascertaining that a vehicle with less than 7,500 miles on the odometer cannot be considered “used” until it has been titled. Correspondingly, new vehicles become used only when titled or when they accumulate 7,500 miles or more. A dealer selling a car or light duty truck with more than 750 miles on the odometer can sell it as new with this notice to the consumer:

Notice: This new motor vehicle has accumulated mileage in excess of 750 miles as the result of use as a demonstrator and/or as the result of delivery to a prior prospective purchaser who never took title to it and who returned it.

This disclosure must be given to a buyer by the dealer either on the buyer’s order or in a separate document commencing July 1. If it is in the buyer's order, it must be in type no smaller than 10 point. If given separately, the document must contain only the disclosure in type no smaller than 14 point, along with the actual odometer reading at time of sale, and a signature by the buyer(s).

Spot Delivery Language Last year, Virginia enacted a bill specifically recognizing and permitting spot delivery and revising the notice that must be given to a buyer. The spot delivery notice in the buyer’s order of the right to rescind a transaction must comply with the wording of the statute. This language replaces both the notice giving the customer a right to rescind and the notice giving the dealer a right to rescind. Dealers were permitted to change the language last year, and many dealers have already adjusted their buyer’s orders. For a dealer that has not, here is the notice that must be in buyer’s order form by July 1 in bold face type, no smaller than 10 point:

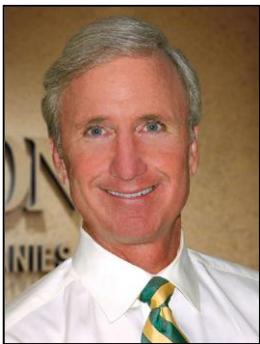
IF YOU ARE FINANCING THIS VEHICLE, PLEASE READ THIS NOTICE. YOU ARE PROPOSING TO ENTER INTO A RETAIL INSTALLMENT SALES CONTRACT WITH THE DEALER. PART OF YOUR CONTRACT INVOLVES FINANCING THE PURCHASE OF YOUR VEHICLE. IF YOU ARE FINANCING THIS VEHICLE AND THE DEALER INTENDS TO TRANSFER YOUR FINANCING TO A FINANCE PROVIDER SUCH AS A BANK, CREDIT UNION OR OTHER LENDER, YOUR VEHICLE PURCHASE DEPENDS ON THE FINANCE PROVIDER'S APPROVAL OF YOUR PROPOSED RETAIL INSTALLMENT SALES CONTRACT. IF YOUR RETAIL INSTALLMENT SALES CONTRACT IS APPROVED WITHOUT A CHANGE THAT INCREASES THE COST OR RISK TO YOU OR THE DEALER, YOUR PURCHASE CANNOT BE CANCELLED. IF YOUR RETAIL INSTALLMENT SALES CONTRACT IS NOT APPROVED, THE DEALER WILL NOTIFY YOU VERBALLY OR IN WRITING. YOU CAN THEN DECIDE TO PAY FOR THE VEHICLE IN SOME OTHER WAY OR YOU OR THE DEALER CAN CANCEL YOUR PURCHASE. IF THE SALE IS CANCELLED, YOU NEED TO RETURN THE VEHICLE TO THE DEALER WITHIN 24 HOURS OF VERBAL OR WRITTEN NOTICE IN THE SAME CONDITION IT WAS GIVEN TO YOU, EXCEPT FOR NORMAL WEAR AND TEAR. ANY DOWN PAYMENT OR TRADE-IN YOU GAVE THE DEALER WILL BE RETURNED TO YOU. IF YOU DO NOT RETURN THE VEHICLE WITHIN 24 HOURS OF VERBAL OR WRITTEN NOTICE OF CANCELLATION, THE DEALER MAY LOCATE THE VEHICLE AND TAKE IT BACK WITHOUT FURTHER NOTICE TO YOU AS LONG AS THE DEALER FOLLOWS THE LAW AND DOES NOT CAUSE A BREACH OF THE PEACE WHEN TAKING THE VEHICLE BACK. IF THE DEALER DOES NOT RETURN YOUR DOWN PAYMENT AND ANY TRADE-IN WHEN THE DEALER GETS THE VEHICLE BACK IN THE SAME CONDITION IT WAS GIVEN TO YOU, EXCEPT FOR NORMAL WEAR AND TEAR, THE DEALER MAY BE LIABLE TO YOU UNDER THE VIRGINIA CONSUMER PROTECTION ACT.

Note that the required notice applies only to retail installment sales. To cover leases, this language should be *added* to a buyers order, following the language quoted above.

IF YOU ARE LEASING THIS VEHICLE, THE SAME PROCEDURES, RIGHTS, AND OBLIGATIONS APPLICABLE TO A TRANSACTION INVOLVING A RETAIL INSTALLMENT SALES CONTRACT STATED ABOVE APPLY TO THIS LEASE TRANSACTION.

While not required by the statute, the above disclosure may be helpful to a dealer trying to avoid misunderstandings with customers.

Jim Koons Honored by Northwood University



Northwood University has honored one of its foremost automotive program graduates, Jim Koons of Jim Koons Automotive, who is a recipient of the 2010 Outstanding Alumni Achievement Award,

The Award is given annually to those alumni exhibiting the highest levels of achievement and dedication in their respective careers; who support and involve themselves in their local communities; and who support the *Northwood Ideal* of commitment and furtherance of the free enterprise system.

Koons, whose successful multi-franchise dealer organization is well represented in Maryland and Virginia, received the award along with four other recipients at a ceremony at Northwood's Midland, Mi. campus last week.

WANADA congratulates Jim Koons on the well earned recognition!

Jack Fitzgerald Honored by *The Maryland Record* Baltimore based publication names him among "Influential Marylanders of 2010"

Jack Fitzgerald, founder and owner of Fitzgerald Auto Malls has been named by the business publication, *The Maryland Record*, as one of the "Influential Marylanders of 2010." He opened his first Maryland automobile dealership in 1966, and since then has received numerous civic awards, including ISO certification for exemplary customer service in business and the National Capital Business Ethics Award. He has also become well known and regarded in the halls of the Maryland General Assembly, no less than the U.S. Congress for his advocacy of dealer rights.



WANADA salutes Jack Fitzgerald on this well deserved recognition!

It's Official: Alfa to Return to U.S.

Fiat president Sergio Marchionne has *officially* confirmed that the Alfa Romeo brand will make a return appearance to the United States starting in 2012.

The first vehicles that should hit Chrysler dealerships will be the midsize Giulia, which will come in both sedan and wagon versions, along with a compact SUV built in the U.S. using European Giulietta hatchback underpinnings.

One year later, Alfa plans to begin offering a five-door version of the stylish MiTo hatchback, which will be joined by a new Alfa Romeo Spider two-seater that could look something like the 2uettottanta concept (right) shown this year at the Geneva Auto Show.



In 2014, these vehicles will be joined by a redesigned compact Giulietta hatchback and a second, larger SUV built in America using architecture borrowed from the next-generation Jeep Liberty.

Just 10 Days Left to Sign Up!

The 2010 WANADA OPEN - May 10, 2010

The 2010 WANADA Open will be played this year at Lakewood Country Club on Monday, May 10. The registration fee is \$225 per golfer and \$100 for those only coming for cocktails and dinner.

Register *Today!* by calling or e-mailing Kristina Henry, WANADA's director of events at (202-237-7200, ext. 18) or kh@wanada.org, or click [here](#) to download the registration form.

Note: With only one course in play this year, golf positions are available on a first come, first served basis.

Position Wanted: General Manager. An individual with extensive and complete dealer executive experience to include strategic planning and all aspects of financial management is looking for a position as a general manager in a Washington area dealer organization.

The individual has relocated here from Texas and holds a bachelor's degree.

Anyone interested can contact John O'Donnell in the WANADA office at 202-237-7200, for further information.

Staying Ahead...

Fear is natural and normal, but sometimes you've just got to saddle up and ride out anyway.

--John Wayne