



THE WANADA BULLETIN

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

WANADA Bulletin #17-04

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DC DMV UPDATE:

New Car Dealerships Exempt From DC Ban on Temporary Tags *WANADA and DC DMV Also Work to Improve Dealer Office Processes*

As a result of its continuing discussions with the District's Department of Motor Vehicles, WANADA was able to gain an exemption for new franchise dealers from the well publicized 120-day moratorium on temporary tags put in place last week by the DC DMV.

WANADA leadership was able to craft an exemption by convincingly demonstrating that its DC dealer members were not contributing to the rampant problem of illegal sales and misuse of temporary tags in DC.

DMV records show that the temporary plates, issued primarily by DC's 242 used car dealers, more than doubled in the past two years from 36,237 in 2002 to 79,467 in 2003 — far outdistancing actual used car sales.

A series of sting operations launched by D.C. police officers in the past year showed that 139 District used car dealers are im-

plicated in the improper distribution of temporary tags, according to The Washington Post.

"Officials said the buyers ranged from criminals who drive stolen cars to owners who cannot register vehicles because of problems with inspections or outstanding violations," said The Post.

Anne Witt, director of the

DC DMV, said the four-month suspension will choke the underground market and provide a real estimate of how many used cars are sold in the District.

In the meantime, the only place new and used car buyers can obtain temporary tags is at the DC DMV or from DC situated new car dealerships.

DC DMV Offers More Tips to Improve Dealer Office Processes

An ongoing review of the DC DMV's Dealer Office processes, has "discovered several issues which impact our ability to efficiently and effectively process the dealer drop-off registration/title work," says the agency. To improve processes, the DC DMV is advising dealers on the following changes and corrections, which will result in fewer rejections and quicker turn-around:

- **Checks written to "DC Treasurer."** Checks are being received written to "DC DMV" or "DC Treasurer, Office of Finance." All the DMV needs on the "Pay To" line is "DC Treasurer." Checks not properly filled out will be rejected.

- **Checks not matching print quote corrections.** To take advantage of the practice of the "print quote" to amend paperwork errors, checks must be written individually to match each print quote. This is needed because each print quote results in a fee requirement; therefore, the check must be entered into the system to complete the transaction. However, when one check is written for several print quotes, the DMV cannot enter the check into its "telecheck" system more than once.

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Court Upholds Dealer's Right To Block Automaker's Demand for Arbitration

In the first reported court decision to apply a relatively new statute concerning factory-dealer disputes, a federal court in New Hampshire held that DaimlerChrysler could not compel its dealer to arbitrate a dispute even though the dealer agreed to mandatory arbitration in the dealer agreement.

(DaimlerChrysler Vans, LLP vs. Freightliner of New Hampshire, Inc.)

The statute, which resulted from NADA and dealer lobbying efforts, provides that automakers cannot insist on arbitrating disputes with dealers unless both parties agree to arbitration after the dispute arises. A central issue in this case was whether the new provisions applied to cases where the dealer agreement was entered into prior to the November 2002 enactment of the law. On that point, the court ruled that the

dealer agreement had been amended subsequent to the passage of the law through the institution of new annual volume objectives. Consequently, the court held that the statute applied and prohibited DaimlerChrysler from enforcing the arbitration provision in the original agreement.

Patrick Kavanaugh of Hamilton and Hamilton, LLP,

counsel for WANADA, said that while this is an important victory for dealers as it is the first decision by a court regarding this new law, the ruling is not binding outside of New Hampshire. Future litigation can be expected until a broad legal consensus emerges as to the law's effect on pre-November 2002 dealer agreements.

Small-Facility Exemption in Works on Above Ground Tanks

NADA reports that EPA has signaled it will issue rules on a small-facility exemption from certain Spill Prevention, Control, and Countermeasure requirements. Some dealers probably will be exempt from drafting SPCC plans. Others will be able to self-certify their plans (versus hiring a professional engineer). NADA expects EPA to issue an extension to the Aug. 17 deadline. Bottom line: dealers with above ground tanks may want to hold off on hiring professional engineers to amend their SPCC plans.

DC DMV Offers More Tips to Dealers

(Continued from page 1)

- **Transmittal sheets containing both print quote and non-print quote transactions.** Once a print quote is produced, the DMV can quickly process the work once it is resubmitted with the check because it is not necessary to review documents and input data. For quick turn-around, it is recommended that dealers separate these transactions from newly submitted work (including new work with the checks attached).
- **Use of current title applications.** The DMV recommends the use of the current title application (Rev 07/03) due to the old applications not containing all the necessary information, which slows down the processing while DMV staff search for the information in the registration/title package.
- **Failure to annotate RPP, 1 year/2 year registration, and/or leased vehicle.** The DMV does not currently have a registration form for including this information but is in the process of creating one. In the meantime, it would help the processing time if this information is indicated on the transmittal/title application.
- **Lienholder name and address.** The finance contracts received by the DMV never include the lienholder name and address that is on the title application. As legal instrument examiners, it is important that the DMV have the ability to verify that the documents and information being presented is accurate. Therefore, the agency needs some documentation supporting the lienholder name and address which is on the title application.
- **Lien amount.** The lien amount written on the title application should represent the "total payments" of the financed amount. This includes the interest payments.

For more information or questions, contact Lucinda M. Babers, Deputy Director, D.C. Department of Motor Vehicles, 301 C Street, NW, Room 1018, Washington, DC 20001; (202) 724-2034 (office), (202) 727-5017 (fax); lucinda.babers@dc.gov

NADA MONTHLY DEALER OPERATIONS COMMENTARY**Multiple Sources of Prospects = Multiple Sources of Income**

The closing ratio of walk-in customers is between 12 and 15%, while scheduled appointments are as high as 50%. You've done your part in the form of advertising; now what is your sales staff doing with the traffic you're generating?

According to statistics presented by 2004 NADA Convention Workshop speaker George Dans, 90% of the effectiveness of your ads is dependent on how well your people answer the phone.

If your personnel are content working as retail, living from "up" to "up," there could be a failure in leadership that is working to perpetuate a costly and inefficient cycle. What kind of prospecting policies, if any, do you have to focus the energies of your salespeople?

Dans noted that 97% of the time the salesperson never sets a definite appointment.

Above and beyond the telephones and your salespeople, efficient prospecting is going to be a marriage of dealership resources, each working in tandem to capture information and then use it to optimize customer retention. A well-maintained database and a person in charge of correspondence can communicate with many potential and repeat customers with little investment of time and money.

Most dealerships do not have an aggressive e-mail marketing plan to stay in touch with their customers, according to Dans.

At the 2004 NADA Convention in Las Vegas, George Dans of George Dans and Associates presented a workshop entitled, "How to Develop Multiple Sources of Prospects which will Equal Multiple Sources of Income." Dans offers solutions to the prospecting issues facing dealerships, and the tools to construct procedures by which your sales force will be dealing with the most receptive customers.

To order an audio or videotape of the Dans workshop and other workshops given at the 2004 NADA Convention, contact PlaybackNow toll free at (800) 241-7785 or by fax at (770) 447-0543. Log on to www.nada.org/mecatalog for a full range of training materials from NADA Management Education.

NADA Summary: First Quarter Sales: 2004 vs. 2003

Some sales are hot, some not compared with last year, according to NADA's chief economist Paul Taylor. "But I believe we'd see a significant change in vehicle selection (sales) if gas would get to \$2.50 a gallon, and the increase was expected to persist," he said. Taylor offered the following summary of first quarter sales, 2004 vs. 2003:

HOT!

- Toyota Prius +62.4%,

thanks to sexy new design, increased practicality and aerodynamics.

- Honda Civic Hybrids, down 0.9% but record sales this March, up 7.6% over March 2003.
- CUVs +19.7%.
- SUVs +10.8%
- Pickup trucks +6.2%
- Vans +5.4%

WARM:

- Stock market recovery, a big 6.6% gain this March vs.

2003 pushed first quarter luxury car sales up 1.5% at 301,740.

- Mid-size cars down 0.4% at 829,162

COOL:

- Honda Insight, down more than 50% from 2003 as buyers opt for Civic.
- Small cars down 7.1%, at 528,948.
- Large-size cars down 5.8% at 109,882.

All other categories of cars are down vs. first quarter 2003.

WANADA INSURANCE UPDATE**WANADA Named "Select Broker" for MAMSI/United HealthCare**

As a result of the recent merger of our regional health insurance company, MAMSI, with one of the largest national health carriers, United HealthCare, a large number of local insurance brokers did not make the cut, and, effective immediately, will no longer be able to sell MAMSI/United HealthCare's products. WANADA, however, is pleased to report that it did and is to be named as a "Select Broker" with full access to the MAMSI/United HealthCare product line.

Dealerships not currently taking advantage of the many benefits of WANADA's growing insurance agency program – which can custom tailor insurance plans from any carrier to fit individual dealership needs for health, life, disability and dental insurance – should contact John O'Donnell at WANADA, (202) 237-7200, ext. 30; e-mail jod@wanada.org.

REMINDERS!**2004 WANADA Open, Monday, May 10**
David Brenner to Provide Dinner Entertainment**THERE'S STILL TIME! SIGN UP NOW!****2004 WANADA Open at Lansdowne Resort, Monday May 10.**

This year's event gets a fabulous new venue featuring two professionally designed golf courses – Lansdowne and Raspberry Falls. A 6:30 p.m. cocktail reception will be followed by a dinner show with popular comedian and frequent late night TV host David Brenner. Plus prizes and great giveaways! Don't miss it! Register today!

A WANADA Open information and registration form is enclosed with this WANADA Bulletin. For more information, call Barbara Martin at (202) 237-7200, ext. 18.

**David Brenner****Online Registration Now Available For May 25 NADA Teleconference**

Dealers may now register online for the May 25th NADA telephone conference with the Federal Trade Commission, "Safeguarding Customer Information, One Year Later." Go to www.nada.org/safeguarding to register; the deadline is 12 noon Eastern time, Friday, May 21. Other resources on the subject are also available on the site. To receive a registration form by fax, call (800) 778-7209 and request Document #27. Price is discounted for NADA members.

Staying Ahead...*You may all go to hell, and I will go to Texas.***Davy Crockett** to his constituents upon not being re-elected to Congress**Enclosure**

WANADA Open information and registration form