

WANADA Bulletin # 18-08

May 9, 2008

CALLING ALL DEALERS!

“State of the Union” Dealer Business Meeting, June 12

WANADA Gov’t Relations Advisors & NADA to Present Array of Legal & Regulatory Topics

In a letter to all WANADA dealer members last week, WANADA Chairman Tamara Darvish called a “State of the Union” Dealer Business Meeting for June 12, 2008, at the Ritz Carlton in Tysons Corner (continental breakfast, 8:00-9:00 am; meeting, 9:00 am-12:30 pm).

WANADA has partnered with NADA, Charapp & Weiss, and other government relations advisors to cover a variety of important legal and regulatory issues that confront dealer managers every day in the normal course of business. The meeting is complimentary to WANADA dealer representatives (up to 4 per member store), courtesy of AutoTrader.com. Others, including Kindred-Line members, may attend @ \$50 per person.

As Ms. Darvish explained, “the meeting was developed from the premise that it is imperative that all of our WANADA dealers be up-to-date

and conversant with the wide variety of legal and regulatory matters that impact us.” The *State of the Union* presents an opportunity, she says, for WANADA members to hear firsthand from experts “so you will know what you can do *immediately* to protect your business and yourself.”

Significant topics to be addressed include: The New FTC “Red Flags” Rule on Identity Theft; Adverse Action Notices; Cash Reporting and How to Prevent Money Laundering; Rights to Privacy; Safeguarding

Customer Data; Dealer Rights in Factory Audits; and New Vehicle Export Restrictions. There will also be a discussion on the relationship of state tax policy to transportation policy and how CAFE fits into the current Greenhouse Gas frenzy. Chairman Darvish will also report on other WANADA activities and programs in conjunction with association committee leaders.

“These legal and regulatory issues are *very* real, and are *very* present in our industry and market, as some area dealers

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SIGN UP TODAY!

2008 WANADA Open
Monday, June 2, Lansdowne Resort
 Comcast SportsNet’s Jill Sorenson to MC Dinner



A mainstay on the Comcast SportsNet news desk, Jill Sorenson has signed on to be this year’s MC at the WANADA Open Awards Dinner, Monday, June 2 at Lansdowne Resort in Leesburg, VA. Formerly an anchor/reporter with Fox5, and a sports anchor at NBC 4, Jill’s sparkling personality and sports knowledge will be an added attraction at the Open.

So be sure to join us for a day of golf on *two of the best* courses in the Washington, DC area. Stay for cocktails and the Awards Dinner Buffet. It’s a great opportunity to get some fresh air with good natured competition and a chance to network with friends and associates. Don’t miss the golf and fellowship! But note: registration this year will be restricted to the first 256 golfers who register, so sign-up early!

An information and registration sheet is enclosed with this WANADA Bulletin. Or, participants may *register online* at www.wanada.org. For more information call WANADA Events Director Kristina Henry at (202) 237-7200.

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REGULATORY UPDATE

Labor Dept. Considering Sweeping Changes to FMLA

Dealers will want to keep an eye on a fierce debate raging over sweeping revisions proposed by the Bush administration to the 15-year-old Family and Medical Leave Act.

“Under proposals being considered by the Labor Department, workers would have to tell their bosses in advance when they take non-emergency leave, instead of being able to wait until two days after they left,” reported The Washington Post. “They would have to undergo ‘fitness-for-duty’ evaluations if they took intermittent leave for medical reasons and wanted to return to physically demanding jobs. To prove that they had a ‘serious health condition,’ they would have to visit a healthcare provider at least twice within a month of falling ill. What’s more, employers would have the right to contact healthcare providers who authorized leave.”

The Labor Department had received more than 4,000 comments on the proposal as of Friday, April 11, the deadline for the public to weigh in.

Any changes would have widespread impact, according to The Post. In 2005, the last year for which the Labor Department has data, nearly 7 million people used the FMLA, which allows for as much as 12 weeks of unpaid leave. Workers rely on the FMLA, which applies to companies with at least 50 employees, because many companies do not offer paid sick leave or disability coverage.

In addition to revisions in the

FMLA, Democrats in Congress have introduced a number of bills that would guarantee more time off when family needs arise. The Healthy Families Act, for one, would give workers seven days of paid sick leave to care for their own medical

needs as well as those of a family member. The Balancing Act would provide paid family medical leave, benefits for part-time workers and time off for activities that require parental involvement, such as medical appointments.

FMLA & Federal Compliance Posters Available

As we reported in the April 18, 2008 Bulletin, on January 28th, 2008, the Family and Medical Leave Act was amended to extend leave protections to the families of U.S. Armed Forces members. All covered employers are required to post the most recent FMLA poster along with the five other required Federal Posters. Failure to display all required State and Federal posters can lead to fines of up to \$17,000.

Progressive Business Compliance has produced a “Complete Compliance” Federal poster that combines **all six** mandatory posters from all six Federal Agencies in one convenient poster, ensuring that dealers are in compliance.

And don’t forget your STATE Posters. Your state labor office has its own mandatory posting requirements, which change frequently.

To order these posters online and see if you are in full compliance go to <http://www.pbcompliance.com>.

For a mandatory posting consultation for both your Federal and State mandatory posting needs call Progressive Business Compliance at (800) 226-2327.

CALLING ALL DEALERS!

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have discovered firsthand,” Darvish said in reference to high dollar regulatory fines, related attorneys fees and significant business disruption.

Darvish urged dealers, general managers, finance directors and controllers to “take these matters seriously” and attend this unique and purposeful meeting. “We assure you that you will leave this meeting with a lot of important information and tools you can implement upon returning to your dealership.”

Register online at www.wanada.org or use the enclosed information and registration form. For more information and meeting details, contact Kristina Henry at WANADA: (202) 237-7200 or kh@wanada.org.

FROM THE NATIONAL DESK**NADA to Provide Members with Free “Red Flags” Educational Guide**

Dealers and other creditors and financial institutions must comply with the FTC Red Flags Rule by Nov. 1, 2008. To assist dealers with this new requirement, NADA will mail to its members a free educational guide by August 1, 2008 that will explain dealers' responsibilities under the new rule and provide a template to assist dealers in preparing the required written Identity Theft Prevention Program. Additional information will be available from fee-based webinars that NADA will conduct from 1-3 pm EST on August 26, 2008 and Sept. 23, 2008 (registration information will be announced soon).

IRS to Issue Guidance on Special 50% Depreciation Allowance

The Economic Stimulus Act of 2008 includes more than direct payments to individuals. It also provides several incentives to businesses, including a special 50-percent depreciation allowance for 2008 purchases, an increase in the depreciation limits on business vehicles, and an increase in the "Section 179" small business expensing limitation.

The 50-percent "bonus depreciation" allowance for qualifying purchases is available to all businesses and applies to most types of tangible personal property and computer software acquired and placed in service in 2008. It allows taxpayers to deduct 50 percent of the cost of qualifying property in addition to the regular depreciation allowance that is normally available.

The IRS recently announced that it will issue guidance on how the special 50-percent depreciation allowance can be used to make capital investments this year (as well as guidance on the new increased businesses expensing limitation.) Recognizing that there will be questions in the meantime, the IRS stated that businesses may rely on the regulations previously issued regarding bonus depreciation (found at Treas. Reg. Sec. 1.168(k)-1) until the guidance is issued.

Automotive Careers Online Offers Job Postings at a Discount

Automotive Careers Online is NADA's dedicated job board—and the automobile retailing industry's exclusive resource for online employment connections. Just launched, Automotive Careers Online is a brand new benefit of NADA membership. Only NADA members may post jobs—for a fraction of the cost of commercial boards and newspapers that don't necessarily reach the dealership audience. Job posting packages start as low as \$200 for a 30-day listing. Email alerts advise you when candidates matching your skills criteria post their resumes.

The job board is open to all job seekers, who can post their resumes and search available jobs absolutely free. Since this is a dedicated service, candidates are looking specifically for dealership jobs and are likely to be highly qualified. To learn more, post jobs, and search listings, visit www.automotivecareersonline.com.

NADA Joins with AutoTrader.com for Seminar Series

New in May, NADA is joining with AutoTrader.com to offer a special 8-week virtual seminar series, *Automotive Internet Marketing: A Traditional Approach to Non-Traditional Media*. The series covers a variety of relevant web-related topics, including building a website, advertising online and tracking web traffic. Each workshop is designed to provide new information about the changing online marketplace and presents a specific step to developing an Internet marketing plan. Participants can access the archives for every seminar, including any seminars missed, for up to six months.

To learn more about this series, visit www.nada.org/InternetMarketing or call 1-888-667-0482.

KINDRED KORNER

Post's Big Automotive Special Section to Run Memorial Day Weekend

The Washington Post's Big Automotive Special Section (a.k.a. "The Big A.S.S.") Weekend is back! From Friday, May 23 to Monday, May 26, The Post is once again pulling out all the stops to help make Memorial Day weekend a rousing success for your dealership.

The Post will kick off a massive consumer promotional push on Monday, May 19th featuring a **car giveaway contest**. It will be everywhere, from an extensive radio and print campaign to email blasts to grass roots giveaways at Metro stations. And in order to win, car shoppers will be picking up the Automotive sections all weekend long.

As a way to get the dealers' participation started, the Post is offering every local franchised dealer a **free 1/8th page ad** in Maryland or Virginia on Saturday, the 24th — no strings attached! Your Washington Post representative will be in touch to discuss how you can use The Big A.S.S. Weekend to your advantage. Or you can contact Ethan Selzer, Manager of Automotive Advertising, at (202) 334-7778 or selzere@washpost.com.

Isabel Garcia, Celebrating 20 Years at WANADA

On April 27, 2008 Isabel Garcia, WANADA's vice president of financial affairs, celebrated her 20th anniversary at WANADA. A Cuban refugee who came to America as a young woman on December 3, 1980, Isabel had just become a U.S. citizen the same month she joined WANADA as a computer programs coordinator. Talk about WANADA's "family tree," she was pregnant at the time with son Immanuel, who last year joined WANADA part time as a web programmer/developer.

"It has been a long road, many audits, many newsletters, many auto shows, many insurance renewals," says Isabel. "But it has been great!"

It has, indeed, Isabel.



Isabel Garcia and son, Immanuel, 20 years later

Forbes Ranks DC Area for "Worst Commute"

So you think LA is the king of bad commutes? Think again. Washington, D.C. eclipses LA and other regions with 28.3% commutes longer than 45 minutes and 60 hours in annual delays per traveler. Following D.C. was Atlanta, 24%/60 hours; Los Angeles, 19%/72 hours; San Francisco, 20%/60 hours; and Houston, 17.3%/56 hours.

To determine the cities with the toughest commutes, Forbes took the country's 75 largest metro areas and looked at congestion data from the Texas Transportation Institute to see how long travelers were delayed over the course of a year. They also looked at U.S. Census Bureau data on how many residents had a commute over 45 minutes.

Staying Ahead...

When I was younger I could remember anything, whether it had happened or not.

—Mark Twain

In Memoriam: Ed Friedson, formerly of Capitol Nissan (memo to the membership enclosed).

Other Enclosures:

- WANADA State of the Union Dealer Business Meeting, June 12, registration form
- WANADA Open registration and information form, June 2, Lansdowne Resort