

THE WANADA BULLETIN

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

WANADA Bulletin #19-04

May 10, 2004

STATE LEGISLATIVE UPDATE:

VA Lawmakers Strike a Deal, Finally Adjourn *Marathon Session Produces \$1.36 Billion Tax Plan, But No Title Tax!*

Finally, after nine weeks in a bitter, name-calling special session, Virginia legislators adjourned last Friday, leaving in their wake a compromise \$60 billion two year budget that includes \$1.36 billion in additional state taxes – *but no vehicle title tax hike*, which was strongly opposed by VADA and WANADA.

Although dealers dodged a bullet on the proposed increase in the titling tax from 3% to 4.5% during this session, this should be cold comfort, because the issue is apt to resurface next year when the legislature is forced to deal a plan for transportation – a high priority issue for Northern Virginia that was virtually ignored this year. Also at risk next year will be higher gas taxes, vehicle registration fees and possibly even an increase in safety inspection fees.

The potentially devastating proposal to drop the sales tax

exemption on advertising also went down.

As agreed upon by the feuding parties – the *no-tax* House of Delegates, the tax-increase Senate with Governor Mark Warner in the middle – the final budget calls for a half-cent increase in the sales tax to 5%, a jump in the ciga-

rette tax to 30 cents a pack, and a highly controversial \$950 million a year cap on the state's program to cut the car tax, beginning in 2006.

However, Virginia dealers were successful in gaining passage of the following bills:

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IN MEMORIAM

Former WANADA CEO Mike Murphy Dies

The passing of Maurice J. "Mike" Murphy last week, who served as CEO of the Automotive Trade Association National Capital Area, the forerunner to WANADA, from 1955 to 1982 was sad for the many friends he'd acquired over his long life. He was 94 when he passed in his sleep on May 5th.

A lifelong Washingtonian who personally experienced most of the 20th Century, Mike Murphy followed in the footsteps of his father, Richard J. Murphy, who served as the association's first paid executive director from 1932 to 1955. Mike Murphy was succeeded by his son, Gerard Murphy, in 1982, who is currently CEO of WANADA.

During his 27 years as chief of staff, Mike Murphy oversaw the expansion of the association's activities into such areas as education and training, consumer affairs and fair advertising. From the late 1950s through the 1970s, The Washington Auto Show, then held at the DC



Mike Murphy at the 1995 Snow Ball.

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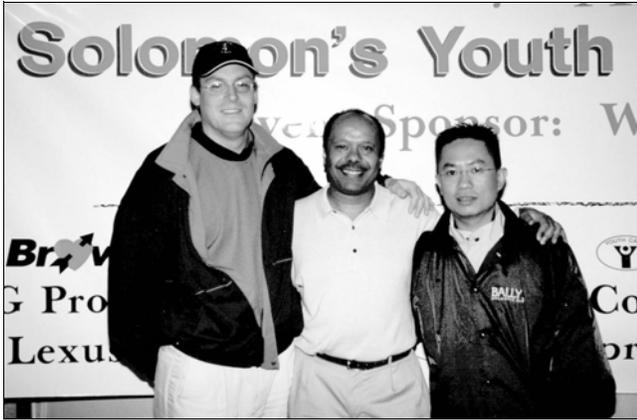
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DEALERS IN THE SPOTLIGHT

Brown's Automotive Executive Hosts Benefit For Area and African Youth



From left, Oscar Morganstern of Brown's Arlington Nissan, Solomon Teklu of Brown's Fairfax Nissan and Lam Trieu of Brown's Sterling Nissan at the recent Solomon's Open.

Washington area franchised dealers have long been noted for the many charitable and civic contributions they make to their community. But Solomon Teklu, president and partner of Brown's Fairfax Nissan, has taken that giving spirit one step further with an *international* project to benefit both area youth and the young people of his native Eritrea, Africa.

Teklu is the founder and driving force behind Solomon's Outing, an annual golf tournament to benefit his Youth Camp to Africa Foundation. The 7th annual outing, held April 27 at Lansdowne Resort, drew 168 participants from numerous area dealerships and related businesses, and raised over \$50,000 for the foundation, which will sponsor a trip to Africa for 100 area urban youth, ages 12 to 22. In Africa, the youth will provide equipment, assistance and education to blind and deaf students, orphans and victims of AIDS.

"As a teenager, I emigrated from Africa to the United States to advance my education. In America, I have experienced opportunity and good fortune that has exceeded my grandest expectations," said Teklu.

One of the valuable lessons he learned while working his way up from salesman to a partner in the Brown organization was "to give back and share my success with others, and I've been very fortunate that the car business has afforded me an opportunity to do exactly that.

"Through the Summer Youth Camp in Africa program, many youth have been given a lifelong learning experience that has enriched their understanding of the

world abroad and also given them a deeper appreciation of their own culture," he explained.

While experiencing the history and beauty of Eritrea, American youth are asked "to leave Eritrea a little better than when they arrived, and I am happy to report that they have tackled these tasks admirably," said Teklu.

Traveling with 48 kids in 2002, the group provided audiotapes and braille books for a school for the blind and video cameras for a deaf school. They also were deeply moved by the terrible impact that AIDS/HIV has had on Eritrea, particularly the plight of orphans. So, this year, there are two special projects designed to help:

- AIDS/HIV education stations will be established at each major city in Eritrea, which will include desperately needed computer technology as well as programs and information designed to slow the spread of the disease.
- The program will also begin its first "adoptions" of children who have become orphans as a result of losing both parents to AIDS/HIV. "Our goal is to not only provide for their basic necessities but also open the lines of communication between these orphans and their sponsors in the United States," said Teklu.

Upon learning of his efforts, Teklu's "friend, partner and mentor," Brown's Automotive Group Chairman William Schuiling, generously donated the seed money for the "Orphan Adoption" project. Teklu will raise additional funds on his own to finance the project.

"To all of my friends over the years who have contributed to my outings – with your time, your money, and your love, I cannot thank you enough. Your actions save lives and for that you should be commended," said Teklu.

For more information on the Youth Camp to Africa Foundation, or for those wishing to make a tax deductible contribution to this very worthy cause, contact Solomon Teklu or J. R. Stanley at Brown's Fairfax Nissan, (703) 591-8009, or Email: jstanley@brownscar.com.

Mike Murphy *(continued from page 1)*

National Guard Armory, grew in popularity and stature and drew some of the top talents of the day, including Ed Sullivan, Bert Parks, Vic Damone, Rosemary Clooney, Peggy Lee, Patty Paige, Pete Fountain and Al Hirt. Mr. Murphy stayed on as consultant to The Washington Auto Show after it was moved to the Washington Convention Center in the early 1980s, a role he played until just a few years ago.

It was also during Mike Murphy's tenure that WANADA began an employee benefits program, which, like The Washington Auto Show, operates successfully today. WANADA also stepped up its government relations activities, and responded to the consumer movement of the 1970s by forming AUTOCAP, which has gained area dealers national recognition from the White House on down.

He served as president of the Automotive Trade Association Executives in 1969 and chaired the DC Citizens Traffic Board, which helped set in motion many of the regional transportation plans that are in place today.

A graduate of DC's old Central High School, Mr. Murphy earned a degree in business at the University of Maryland in 1932. During World War II, he served as a Lieutenant Commander in the US Navy. He remained a lifelong supporter of the Maryland Terrapins and a contributor to the US Navy memorial.

Mr. Murphy was an active member of the Rotary Club of Washington, DC for 40 years. Proud of his Irish heritage, he was a member of the Society of the Friendly Sons of St. Patrick in Washington. He was also an active parishioner of Little Flower Catholic Church and a longstanding member of Kenwood Golf and Country Club in Bethesda.

Besides Gerry, Mike is survived by his wife of 65 years, Marguerite, and daughter, Rosemary Walsh, of Rockville, MD. He also leaves five grandchildren and two great grandchildren.

Memorial contributions may be directed to The Rotary Foundation of Washington, D.C., Hotel Washington, 15th Street and Pennsylvania Ave., NW, Washington, D.C. 20004.

VA Legislature Adjourns

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- **“Cure Offer” (HB 231/SB 324)**, VADA-sponsored bill designed to expedite conflicts between merchants and customers under the Virginia Consumer Protection Act. The central idea behind the legislation is the “Cure Offer” which the merchant must send to the consumer early in the dispute. The Cure Offer must compensate for the consumer's loss or damages and must contain an additional sum of money to cover any expenses and inconvenience of the buyer prior to the offer. If the consumer accepts the Cure Offer, the controversy ends quickly and with little expense. If the consumer rejects the Cure Offer and the VCPA award to the consumer is less than the value of the Cure Offer, the consumer will be responsible for his or her own attorney's fees and court costs from the date of the offer. The measure passed both houses early on and has been signed by the governor. It will become law July 1, 2004.

- **HB 85 Motor vehicle safety inspections; certain new vehicles exempt.** Exempts new motor vehicles with less than 6,000 miles indicated on their odometers from initial safety inspections.

- **HB 180 Motor vehicle odometer readings; disclosure.** This bill conforms Virginia's odometer disclosure provisions to the Federal Odometer Act by recognizing the exemption of heavy trucks (16,000+ GVW). Most states conform to the federal act and do not require a disclosure.

- **HB 86, Drivers License**, exempts employees and officers of banks and other financial institutions from the prohibition on photographing or otherwise copying a driver's license, provided the copying is done in connection with the bank's or other financial institution's customer identification program.

More information on the legislative session will be presented at VADA's upcoming convention next week at the Greenbrier in West Virginia, May 18-21.

FOOTNOTES

“Doing Good While Doing Well”

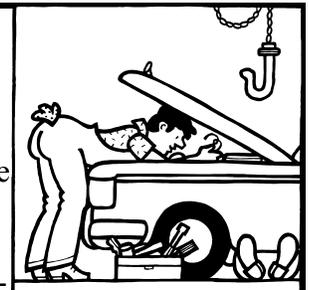
Morty Zetlin (right) of the American Service Center, accompanied by his wife Cindy, proudly shows off his dealership's Ambassador obelisk to NADA past president and Foundation trustee Ron Tonkin and his wife, Marcy (both Ambassadors themselves), at the recent National Auto Dealers Charitable Foundation Trustee Meeting at NADA. Becoming an Ambassador requires a pledge of \$10,000, which, once fulfilled, yields a grant of \$1,500 to a charitable or educational organization every three years in perpetuity.

Morty credited long time friend Ron for getting him enrolled as an Ambassador. “I believe any dealer who has been successful should take part in this very worthy Foundation program. It makes NADA look good, automobile dealers in general look good, and makes the individual dealer look good while doing well,” said Morty, who plans to continue to support local educational programs with the dealership's Ambassador grants. WANADA members Jack Fitzgerald and Geoff Pohanka are also NADCF Ambassadors.



REMINDER: All Dealers Invited to May 20 Kickoff Meeting For WANADA Apprenticeship Training Program

Dealers of all brands are invited to attend the spring kickoff meeting for WANADA's highly successful Apprentice Training Program. Previously available only to Ford products dealerships, the program is now available to *all* dealerships seeking skilled auto technician trainees. The meeting will be held on Thursday May 20, 2004 at Kenwood Country Club in Bethesda. A coffee and danish presentation is scheduled for 9:30 AM until 11 AM, where dealers will hear from fellow dealers, fixed operations managers, educators, and, of course, technicians who have been brought into this training program. For more information see the flyer and registration sheet enclosed with this WANADA Bulletin or call Barbara Martin at WANADA, (202) 237-7200.



Legislative Alert:

Senate Amendment Seeks to Block Overtime Regulations.

Last week the U.S. Senate passed the Harkin Amendment, which would block portions of the new Labor Department overtime regulations for white collar workers, virtually halting the scheduled enactment of the rules for August 2004. The amendment is now attached to the JOBS Bill, otherwise known as FSC/ETI. AIADA, NADA and other business groups are hopeful that when the provision is voted on in a conference committee the Harkin amendment will be eliminated, allowing the rules to become effective as scheduled. Through AIADA and NADA, the WANADA Bulletin will continue to monitor these events and inform area dealers of any future developments.

Thought for the Week...

Nothing is ever wholly lost. That which is excellent remains forever a part of this universe.

—R. W. Emerson

Enclosure

WANADA Apprenticeship Training RSVP form