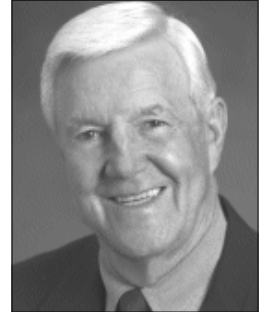


WANADA Bulletin # 41-05

October 12, 2005

HURRICANE RELIEF UPDATE

NADA Chairman Calls for National Database For Vehicle History and Title Information



Jack Kain

To help protect consumers from hurricane-related fraud, NADA is calling on Congress to draft legislation creating a national online database where shoppers can search a vehicle's title history and determine whether a new or used car has been flooded or in a wreck.

In a speech last week to Detroit's Automotive Press Association, NADA Chairman Jack Kain said vehicle history and title information should be readily available to protect consumers and dealers from purchasing vehicles damaged by Gulf Coast floods or other causes.

"We will all benefit when complete title information gets to dealers and consumers more quickly. The integrity of the entire system is at stake," Kain said. "All we need is a list of VINs for totaled vehicles, and the insurance companies should provide this."

"Every time an area floods, we tell car buyers to beware," Kain said. "But there's a big difference this
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NADA Hurricane Relief Fund Surpasses \$2.5 Million *WANADA and Its Dealers Pledge Over \$340,000 to Relief Efforts*

As of last week, NADA and state and metro dealer associations, as well as individual dealers, have donated or pledged more than \$2.5 million thus far to the Emergency Relief Fund of the National Automobile Dealers Charitable Foundation for hurricane victims. About \$1.6 million has already been disbursed to dealership employees who lost property to Hurricane Katrina. But relief requests have still outpaced resources, and NADA says "it is imperative that those who have pledged contributions send them in as soon as possible."

WANADA has pledged to match its member dealer contributions to the NADCF Relief Fund up to \$50,000. To date, \$25,050 has been contributed by WANADA dealer members to the

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DC Dealer Services Hours Extended

Effective Monday, October 17, 2005 the DC Department of Motor Vehicles Dealer Services hours for 301 C Street, NW will change. The DMV will now offer services Monday through Friday instead of the current Tuesday through Saturday schedule. Dealer Services will be closed on Saturday, October 15, 2005 in order to transition to the new hours of operation.

All of the changes have been updated in the Dealer Services Newsletter enclosed with this WANADA Bulletin. Questions should be directed to Rasheen L. Coleman, supervisor, Dealer, Taxi, & Temp Tag Office (202) 727-6710; Fax: (202) 727-7006; e-mail: Rasheen.Coleman@dc.gov.

HURRICANE RELIEF UPDATE

Experian and NADA Offer Free Title Information to Dealers

Experian Automotive, in cooperation with NADA, has instituted a toll-free number and e-mail address for NADA members to obtain free branded title and other information to check vehicles for hurricane damage. Dealers concerned that a vehicle might have been damaged by Hurricane Katrina or Hurricane Rita may access these free services by calling (800) 509-5489 or e-mailing stormsupport@experian.com.

The national offer, which will run through the end of 2005, provides branded title and dealer-reported damage information on up to 25 vehicles per dealership. The title information will indicate whether the title reflects any storm

damage, as this information becomes available, and whether the vehicle was titled within the last 12 months in Louisiana, Mississippi, Alabama or Texas.

"We urge dealers to take the steps necessary to avoid purchasing vehicles damaged by these devastating storms, and a title report will help do that," said NADA chairman Jack Kain.

Dealers are encouraged to contact Experian to register their own storm or flood-damaged vehicles. This dealer-reported information will be included in the storm check and provided along with the title records.

NADA and Experian also urge consumers to take steps to avoid inadvertently purchasing a flood-damaged vehicle. For consumer tips on spotting such vehicles, visit www.nada.org.

National Database

(Continued from page 1)

time around. Many of these cars sat in contaminated water for days and should be entirely junked. The current system invites fraud."

He proposed the following steps be taken:

- Insurance companies should make vehicle identification number-based information on totaled vehicles accessible to the public.
- Automobile manufacturers should disclose the VINs of the cars and trucks totaled by Hurricanes Katrina and Rita, as well as future storms or other causes.
- State Department of Motor Vehicle offices should work with private data vendors to create an electronic vehicle title data system that is uniform and easily accessible.

Kain's call for a national electronic database could help prevent consumers from purchasing potentially dangerous vehicles. "We could eliminate a great deal of title fraud right now if consumers could run a Web search of title information from all 51 jurisdictions," he said.

Kain also urged Congress to take action by using incentives to make state vehicle title laws more uniform. He said the law should encourage the states to carry forward brands. "No one should be able to wipe a title clean simply by obtaining a title from another state," he said. "The front of each title should carry all the brands of the states where that vehicle has been titled."

Relief Fund Pledges

(Continued from page 1)

NADCF Relief Fund. In addition, WANADA dealers have contributed more than \$271,000 directly to the American Red Cross, and another \$45,240 to other Hurricane Katrina relief programs — for a very impressive total of more than \$341,000.

With the need still great, however, additional contributions are still requested. So, to *double* your contribution via WANADA, see the box below on how you can help.

Ways to Help With Hurricane Katrina Relief Efforts

NADCF Emergency Relief Fund

Care of

WANADA Community Support Foundation

Make checks payable to WCSF and fax back the response form enclosed with this WANADA Bulletin, or call Barbara Martin at (202) 237-7200.

- Dealerships interested in hosting a hurricane relief event as part of AIADA's Rev-Up America program, going on October 10-22, 2005, can call (800) GO-AIADA or visit: www.aiada.org/rev-upamerica.

- Also, any WANADA dealers interested in offering jobs to Gulf Coast dealership employees impacted by Hurricane Katrina should contact Barbara Martin at WANADA, (202) 237-7200.

IMPORTANT NOTICE**Sign up Now for WANADA Negative Equity Legal Briefing, Oct. 21**

With more and more vehicle buyers coming to the marketplace with vehicles to trade that are encumbered with debt, the issue of negative equity is becoming an important consideration in today's automobile business. When a consumer brings his trade-in debt into the next vehicle transaction, dealers need to make certain that Truth-in-Lending laws are being observed and that consumer protection laws aren't being violated.

Increasingly, consumer protection regulators and plaintiffs' lawyers are looking at dealer sales transactions where financing and trade-ins are involved to see whether the dealership has done everything it is supposed to. In situations where Truth-in-Lending and consumer protection laws have been disregarded, regulators and consumer lawyers can pose problems for dealers.

To get WANADA dealers and finance company representatives on the same page with negative equity, WANADA has scheduled a briefing on the subject for Friday, Oct 21 at 9:30 am, Kenwood Country Club. WANADA counsel Patrick Kavanaugh will host the presentation by NADA legal department lawyer Paul Metrey and dealer lawyer Michael Charapp. In addition to the dealer principal, sales and F&I managers should attend, as should finance company representatives of WANADA's kindred line.

The enclosed Meeting Notice and RSVP were faxed to members last week. Call Barbara Martin for additional information at (202) 237-7200.

September Sales: Full-Size SUVs Down, Large Cars and Crossovers Rise

NADA reports that rising gas prices hurt sales of large sport-utility vehicles last month, with GM and Ford hit particularly hard. Truck-based SUVs were down 32.9 percent in September over the same period last year, and are down 10.3 percent year-to-date. Overall, U.S. light-vehicle sales fell 7.6 percent in September.

NADA chief economist Paul Taylor said the shift away from SUVs and toward crossovers and large cars was already happening before gas prices hit \$3 a gallon after Hurricane Katrina. "The higher gas prices just accelerated a trend that was already taking place," Taylor said. "It shows that people are having a sensible, rational adjustment to the gas prices. It's not like the 1970s when people were limited on how many gallons of gas they could buy. People are still buying vehicles that meet their needs."

September new-car sales show strength remains in sales of crossovers and large cars, Taylor said. Large-car sales were up 27.5 percent this September over last September, and are up 34.3 percent year-to-date. Crossovers were up 6.7 percent for the month over last September, and are up 18.6 percent year-to-date. Small-car sales were up 16.9 percent this September over last, and are up 4.5 percent year-to-date.

New Pro-Domestic Group Launched

A new pro-domestic grassroots group, the Level Field Institute (LFI), was launched last week. AIADA reports that the group, founded by former Commerce official Jim Doyle, announced its formation in a full page ad in the Capitol Hill newspaper, Roll Call. LFI started a website at <http://www.levelfieldinstitute.org/index.php> which contains a copy of the ad, press releases, a mission statement and newspaper briefs.

The Level Field Institute alleges that some sales by international automakers in some countries may violate U.S. sanctions against terrorist nations. LFI's website says the group is a grassroots organization established by retirees and families of GM, Ford, DaimlerChrysler, and the suppliers and dealers that support them. It states that as Toyota, Hyundai, Nissan, BMW, Honda and others seek to sell more cars by praising themselves as good neighbors and employers. Americans families must hold them accountable, says LFI, to the same standards set for and by American automakers.

AIADA says it will continue to monitor the group and work closely with the American International Automobile Manufacturers (AIAM) and OEMs to develop a response.

FOOTNOTES**Technician/Service Writer Impersonator
Tries to Hijack Repair Shop Business**

The Montgomery County Police Department has notified WANADA that two auto repair scams have been reported recently at different auto repair centers in the Bethesda area. In each case, a suspect, dressed as a technician, approached a female customer waiting to have her vehicle serviced. The suspect asked the owners to go on a test drive with him in order to identify the problem. Afterwards, he offered to repair the vehicles at *his* shop for a lesser fee, payable in *cash only*. In both instances, the owners declined and the repairs went forward with the original shop.

The subject is described as a black male in his 30's, 6'2"-6'5" tall, weighing 230-250 lbs. He is missing a top front tooth and is dressed like a mechanic.

Dealers should be aware of this potential scam and be on the lookout for any suspicious individuals not employed by their company. Contact the Montgomery County Department of Police, Bethesda Investigative Section, 301-657-0112; 7359 Wisconsin Avenue, Bethesda, MD 20814. Investigator: Det. M. Drotos, Case # B05-050753 & B05-050147.

Coming Soon: Automotive Career Week, Oct. 24-29

NADA reminds dealers that Automotive Career Week is October 24-29. A Career Week job fair or event is the perfect opportunity to find your next young dealership team and share your excitement about the dynamic automotive retail business. There is still time to sign up, and NADA is offering a free kit to help you plan and publicize an event for middle and high-school students in your community. To order a kit or for more career resources, visit www.nada.org/careers or call (800)252-6232, Ext. 2.

NADA 2006 Convention Update

NADA's 2006 Convention and Exposition in Orlando, Feb. 11-14, will feature more than 500 exhibitors and a full program of workshops on a wide variety of topics designed to improve the performance of your business. Speakers include Tom Purves, chairman and CEO of BMW U.S. Holding Corporation; retired General Colin Powell, former secretary of state; and Frank Abagnale, an FBI lecturer and best-selling author whose life inspired the 2002 film *Catch Me If You Can* and who has emerged as one of the world's most respected business consultants.

There is still time to register online at www.nada.org/convention and secure a hotel room, but the following hotels are already sold out: Disney's Boardwalk Inn, Disney's Yacht and Beach Club, Hard Rock Hotel, JW Marriott Grande Lakes, Peabody Orlando, Portofino Bay Resort, Renaissance Orlando Resort, Ritz Carlton Grande Lakes, Rosen Centre Hotel and Rosen Plaza Hotel.

Staying Ahead...

*Middle age is when you've met so many people that every new person
you meet reminds you of someone else.*

—Ogden Nash

Enclosures:

- Response Form for WANADA Member Hurricane Katrina Relief Effort
- DC DMV Dealer Services Newsletter
- WANADA Legal Briefing on Negative Equity Response form