

WANADA Bulletin # 6-12

\*\*\* NADA Convention Special \*\*\*

February 15, 2012

### Headlines...

Nothing but "Aces" in Las Vegas as industry sees improved sales ahead MADA/VADA/WANADA celebrate in Las Vegas at NADA/ATD Convention Allied dealer associations convene to review national dealer agenda with NADA leadership Missouri multi-franchised scion is new AIADA chairman Washington area dealers recognized at the NADA/ATD Convention in Las Vegas In memorium – Norman Bernstein, Peacock Buick Thought for the Week...

# Nothing but "Aces" in Las Vegas as upbeat dealers convene 2012 NADA/ATD Convention

Optimism tempered by franchise and government relations matters

WANADA dealer members joined their counterparts from across the U.S. in Las Vegas, NV last week for the 2012 NADA/ATD Convention that was more upbeat than any the industry has seen for some years. From the general sessions, numerous management workshops and record-sized auto and truck dealer exposition, dealer attendees were indeed *bullish* on their industry and more than pleased the "Great Recession" that had forced many of their colleagues out of the business was in the rearview mirror.

Emblematic of the recovery in the industry, the keynote address at the



Sergio Marchionne, CEO FIAT/Chrysler LLC opens the 2012 NADA/ATD Convention

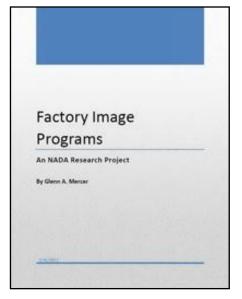
convention was delivered by Sergio Marchionne, the globetrotting CEO of FIAT/Chrysler LLC, who took over the helm of Chrysler in the midst of the company's bankruptcy reorganization in 2009. The plain talking CEO lauded Chrysler dealers for "saving" the company, noting it was *they* who sold its product and got the company back on course. And speaking of "back on course," later in the convention President George W. Bush said he would "do it all again," when asked if he favored the government "bailout" of GM and Chrysler.

In his opening remarks Marchionne also chided NADA for its opposition to pending fuel economy standards that call for year-over-year increases in CAFE to 54.5 mpg between now and 2025. "Those standards are 14 years away," Marchionne said. "If we can't plan for 14 years ahead, we should get out of this business and do something else."

In the same opening session, "the gavel passed" from outgoing NADA chairman Stephen Wade, a multi-franchised dealer from Utah, to Bill Underriner, a multi-franchised dealer from Billings, Montana.

Wade focused his remarks on a new NADA dealership facilities study, which was looking at current manufacturer inspired facilities requirements with an eye toward developing a process that is "more rational, informed and fact driven."

The study, performed by a former McKinsey and Company partner who interviewed a broad range of industry participants, was launched by NADA in August 2011. "The study found that unreasonably high and frequently changing market area volume forecasts, as well as outdated capacity formulas can lead to overbuilding and waste," said Wade. It also found that manufacturers should work with smaller dealers to come up



with facilities requirements more suitable to them and work with all dealers to better analyze future business models before pressing facility upgrades. Wade said that NADA has shared its findings with many OEMs, all of which seemed receptive to the findings.



NADA chairman Bill Underrinner Incoming Chairman Underrinner said that NADA would not give up on its longstanding tradition of advocating for vehicle affordability on behalf of consumers, a role the association has had since its inception in 1917, when 30 auto dealers travelled to Washington to convince Congress not to impose a luxury tax on automobiles - - an idea clearly ahead of its time given the luxury tax on cars Congress ultimately passed in the 1980s.

Taking exception with advocates inside and outside the industry who believe the 54.5 mpg standard by 2025 is reasonable, including Chrysler's Marchionne, Underrinner expressed the dealer association's concern that be CAFE mandate could price many people out of a new car. "Without a

the CAFE mandate could price many people out of a new car. "Without a car you are less likely to have a job and the ability to move up the economic ladder," said Underrriner. "All NADA wants is a full and fair public debate on the underlying assumptions of the CAFE rule, which we believe will add significantly to the cost of a new vehicle," he said.

# MADA/VADA/WANADA celebrate Paris in Las Vegas at NADA/ATD Convention

Joint associations' reception yields record attendance and kudos from attendees

Las Vegas is America's foremost party town, and that's exactly what members of WANADA,MADA, and VADA thoroughly took advantage of at the joint associations' reception held at the *Chateau* Nightclub & Gardens at the Paris Hotel beneath its "Eiffel Tower," during the 2012 NADA/ATD Convention.



Indeed, there was good cause to celebrate this year with forecasters predicting the industry headed for 14 million new vehicle sales, along with a recovery in the stock market and an improving jobs picture. What follows is a *photo gallery* of some of the partygoers enjoying Saturday night at the Convention:





"PARIS In Las Vegas"



MADA Chairman Marisa Shockley with Harold Redden, Fitzgerald AutoMalls

WANADA Chairman Chip Lindsay, Lindsay Automotive (left) and VADA Chairman Burke O'Malley, Sterling Chevrolet

### MADA/VADA/WANADA Reception at the 2012 NADA/ATD Convention in Las Vegas: Photo gallery, cont.



Geoff Pohanka, Time Dealer of the Year and family, pictured second from right, with wife Anne, and daughter Laura. Sons Kevin (far left) and Erich "bookend" the photo.



Robert Fogarty, Sport Automotive (L) and Kevin Reilly, Alexandria Hyundai, chairman and vice-chairman, Washington Auto Show, respectively

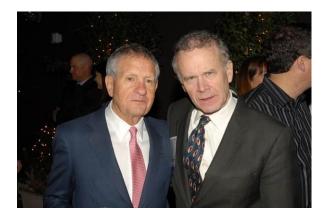


Lower three photos clockwise, starting above: Bailey Woods, NADA (L) with Jack Fitzgerald, Fitzgerald AutoMalls; Dealer lawyers Mike Charapp (Reception sponsor) (L) and Andy Koblenz, NADA chief counsel; Vince Sheehy, Sheehy Auto Stores (L), and wife Mimi with Jackie Murphy, WANADA, and Geoff Pohanka.





### MADA/VADA/WANADA Reception at the 2012 NADA/ATD Convention in Las Vegas: Photo gallery, cont.



Clockwise from above; Conrad Aschenbach, King Automotive (left) with Gerard Murphy of WANADA; Pat McCarthy, NADA Charitable Foundation and Frank McCarthy, Jr, Sheehy Auto Stores; Paul Ritchie, Hagerstown Honda (L), Peter Kitzmiller, MADA (center, left) Sam Weaver, Chevy Chase Nissan, and Mike Johansen, Rifkin/Livingston (Sponsor) (R); Jim Gramm, Safford Automotive and wife Donna.







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MADA/VADA/WANADA Reception, at the NADA/ATD Convention.

"Paris in Las Vegas" Photo gallery, cont.





Clockwise from upper left: Fred Frederick, Fred Frederick Chrysler and wife Betty Anne; Doug Greenhaus, NADA (L), Lynn Kitzmiller, MADA, and Paul Metrey, NADA. Association CEOs Don Hall, VADA (L), Peter Kitzmiller, MADA, and Gerard Murphy, WANADA; Dennis Stough, SunTrust (Reception sponsor), (L), Jim Tortorella, Councilor/Buchanan. Bortie Twiford, B&R Associates (L), with David Jenkins, Scott Ascher and Scott Addison, Fitzgerald AutoMalls





### MADA/VADA/WANADA Reception at the 2012 NADA/ATD Convention in Las Vegas- Photo gallery, cont.

On the right: Sponsor Kyle Wannemacher, LoJack (L), with George Doetsch, Apple Ford. Bottom left, Reception organizers *extraordinaire*, Ethel Biensach, MADA (L), Natalie Toler, VADA, and Kristina Henry, WANADA (R).





MADA, VADA and WANADA are most appreciative of their joint NADA/ATD Convention Reception sponsors:

SunTrust, Charapp & Weiss, CVR, Chesapeake Petroleum, Rifkin,Livingston, Levitan & Silver JM&A, ADP, Rosenfield & Co., LoJack, HELION, and Dixon Hughes Goodman

## Allied dealer associations at NADA/ATD Convention convene to review national dealer agenda with NADA leadership WANADA recognized for reaching goals on NADA membership and DEAC participation

The Automotive Trade Associations network (ATAE) representing metropolitan, state and regional dealer associations across the U.S. and Canada, held their Annual Meeting at last week's NADA/ATD Convention in Las Vegas, to review with NADA leadership the state of the industry, along with a variety of regulatory and legislative matters. As it always does, the Annual Meeting of ATAE also provided affiliated dealer associations, like WANADA, the opportunity to compare notes with sister organizations on public policy matters, no less than member services and programming. WANADA and other ATAE dealer associations were recognized by NADA for their efforts in 2011 assisting with national dealer association membership and their support of the Dealer Election Action Committee (DEAC), where WANADA took top honors on both projects in all categories for its work with dealers in the Metropolitan Washington area. Metropolitan Washington is one of 57 NADA "states" and it is represented on the NADA Board of Directors by Tamara Darvish of DARCARS.

# Missouri multi-franchised scion is new AIADA chairman

Ray Mungenast, the son of AIADA co-founder Dave Mungenast, and president of the St. Louis-based Mungenast Automotive Family, was elected 2012 chairman of the American International Automobile Dealers Association (AIADA). Mungenast operates the Acura, Honda, Hyundai, Lexus, and Toyota multi-franchise operation with his brothers. He has been a member of AIADA's board of directors since 2008, served as the head of the association's political action committee and is a member of Acura's Dealer Product Advisory Committee.

"At some level, we all want our businesses to be our legacies and we want people to remember us for the jobs we created, the customers who trusted us, and the communities we helped build," he said. "We want our names to last on the stores we opened and the charities we founded or simply to be remembered

for what we stood for," Mungenast said. "In 2012, we will have the opportunity to stand together as leaders and add to that legacy." Mungenast delivered his remarks to the AIADA Annual Meeting & Luncheon, February 6 at the NADA/ATD Convention in Las Vegas.

Also at the meeting, AIADA recognized Rick and Rita Case with the 2012 David F. Mungenast Lifetime Achievement Award for their charitable efforts and support of more than 30 causes since they started the Rick Case Automotive Group 50 years ago.

Jack Fitzgerald, Fitzgerald AutoMalls represents Metropolitan Washington on AIADA's 20 member Board.

# Washington area dealers recognized for their success at the NADA/ATD Convention in Las Vegas

## Geoff Pohanka named a Time Dealer of the Year

Considered the auto industry's most prestigious retail honor, the annual TIME Magazine Dealer of the Year Award recognizes outstanding franchised new car dealers-selected by state and metro dealer associations across the country who have met high business standards and been leaders in their communities.



AIADA chairman Ray Mungenast



Geoff Pohanka

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Geoff Pohanka, a third-generation dealer and head of the multi-franchise Pohanka Automotive group with locations throughout the Washington region was recognized as one of 50 such dealers at this year's annual NADA/ATD convention.

Active in his industry and market as well as the civic arena, Mr. Pohanka served as chairman of WANADA in 1998-1999 and as NADA director representing metropolitan Washington from 2003 -2009. Previously, he served as vice chairman of NADA's Project 2000 Committee and on the NADA/GM Dealer Advisory Committee from 1993 through 1996. He was also a member of the Saturn Franchise Operations Team from 1993 through 1995 and a past director of the National Institute for Automotive Service Excellence (NIASE) from 1987 through 1994. He also chaired The Washington Auto Show in 1994.

In 1991, Mr. Pohanka was named the winner of the American International Automobile Dealers Association (AIADA) Sport Illustrated All-star Dealer Award to honor professional excellence and community leadership. He received the Northwood University Dealer Education Award in 1997. Mr. Pohanka is a trustee of the Saint James School and supporter of the Oxon Hill, MD Boys and Girls Club.

## Chip Lindsay Honored by Northwood University

Northwood University honored WANADA Chairman Chip Lindsay, Lindsay Automotive and six other automobile dealers from around the world at its Annual Dealer Education Awards Breakfast at the NADA Convention last week. The dealers were recognized for their contributions and efforts to improve education, particularly in the career realm.

Lindsay inherited his dedication to educational advancement from his father, Terry Lindsay, himself a winner of the Northwood Education Award. That dedication was reinforced at the United States Naval Academy from which he graduated into the Marine Corps where he served as an officer and a gentleman before entering into the family business.



WANADA chairman, Chip Lindsay

As President of Lindsay Cadillac, Chip Lindsay has committed his support over many years to such causes as Autism Speaks, the Alexandria Boys and Girls Club, the U.S. Naval Academy Alumni Foundation, the Marine Corps Scholarship Foundation, the Marine Corps University Foundation, the Marine Corps Heritage Foundation, and The First Tee of Washington, DC that inspires the underprivileged to learn the game of golf. He is also a supporter of Mater Dei School, the Georgetown Visitation Fund, and the Semper Fi Fund.

An active leader in his industry, Lindsay is a gubernatorial appointee to Virginia's Motor Vehicle Dealer Board. And, besides chairing WANADA, he also serves on the Board of VADA and Cadillac's National Dealer Council. He is a former chairman of the Washington Auto Show.

# In Memorium

# Norman Bernstein,

# formerly of Peacock Buick

Longtime Washington area dealer Norman Bernstein, formerly of Peacock Buick in Vienna, VA, passed away last week at the age of 96. He operated Peacock Buick from 1967 to the early 1980s, being succeeded by his son Michael Peacock, who took over the business. Besides Michael, he is survived by his other son Jim Burns and daughter Joan Smith, who is married to Jim Smith of Rosenthal Automotive.

Graveside funeral services were held at Adas Israel Congregation Cemetery in SE, Washington, DC where contributions in his memory can be directed.

WANADA extends its sincerest sympathies to Michael, Jim and Joan for their loss.

## Thought for the Week...

"All that matters now is what's ahead, how do we come from behind, how do we come together and how do we win. Detroit is showing us it can be done, and what's true about them is true about all of us. This country cannot be knocked down with one punch."

--Clint Eastwood, spokesman for Chrysler during Super Bowl XLVI, Feb 5, 2012

## Washington Area New Automobile Dealers Association