

THE WANADA BULLETIN

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

WANADA Bulletin # 49-15

Annual Meeting Special!

December 14, 2015

Headlines...

Laura Ingraham says Republicans can win in 2016; immigration, trade are pivotal

Chairman Patterson highlights recalls, CFPB and Auto Show

WANADA recognizes Bruce Gould, retiring from Va. MVDB

Dick Patterson will continue as WANADA chairman

Tweet of the Week...

Laura Ingraham says Republicans can win 2016 elections; immigration, trade are pivotal

Scores hear her at WANADA Annual Meeting and Lunch Dec. 8, Ritz/Tyson's

Political commentator and radio talk show host Laura Ingraham keynoted the WANADA Annual Meeting and Luncheon last week as the media was abuzz about Donald Trump's proposal to bar all Muslim immigrants from the U.S. But in talking about what she called the "Trump phenomenon," Ingraham said, "It's not about the personalities. It's about the politics that have failed the American people."

Trump has attracted followers because he is talking straight about trade and immigration, two major issues for the nation, Ingraham said. "No one signed up for this mass migration into the U.S.," she said, then quoted her former boss Ronald Reagan: "A nation without borders is not a nation."

"What kind of country do we want to live in?" Ingraham asked. "I come from working people. My mother was a waitress until she was 75. My brothers and I picked fruit, waited tables, whatever it took to get through college. So I don't like hearing there are jobs Americans won't do."

Speaking of trade, Ingraham slammed the Trans-Pacific Partnership and the idea of trading with China for the "cheap junk" we import from there. We now have a \$347 billion trade deficit with China, and we lost millions of jobs to cheap, overseas competition.

Ingraham presented herself as the champion of business and business people. "There's a real opportunity for all of us together to show that business can work," Ingraham said. "CEOs can save this country."



Laura Ingraham spoke about the "Trump phenomenon" and major issues like the Trans-Pacific Partnership at WANADA's Annual Meeting and Lunch.

“You guys are incredibly powerful,” she told the dealers. “You’re an engine of growth. I want more businesspeople to run [for office]. If you have not run a business in America, I don’t see how you can manage anything in government.”

On Twitter, she posted, “Wonderful car dealers from Metro DC area—loved meeting so many business owners who get it!” Her 606,000 followers have seen that.

Among Republicans, Donald Trump, Ted Cruz and Ben Carson have 66 percent support, and establishment candidates just 17 percent, Ingraham said. That should not come as a surprise. “Think about how the Republican party has treated Americans in the past 15 years....If the establishment had taken one step toward the people, Trump wouldn’t be a factor.”

Even after the Republicans won big in 2014, they accomplished little. This year House Speaker John Boehner panicked at the idea of shutting down the government. But Ingraham was happy when, during the October 2013 shutdown, only *essential* government employees reported to work. She thought the shutdown was a great way to trim the bloated bureaucracy.

“People should believe the government works for them,” Ingraham said. “Today, the majority of Americans believe the American dream is out of reach and the American government does not work for the people....We haven’t had a wage increase for the middle class in almost 15 years, and that’s not going to hold.

“Most people think America has wandered,” Ingraham said. “A lot of Republicans could do well against Hillary [Clinton] if they have the right values.” Jeb Bush doesn’t look like a good choice since he hired his brother’s foreign policy advisors. Ted Cruz can do well, and Carly Fiorina and Chris Christie are very smart.

“If the GOP wants to, it can win,” said Ingraham, but not likely with an establishment candidate.

“People are really worried, and they have a right to be,” she said. “The establishment has failed them.”



Laura Ingraham poses with WANADA CEO, John O'Donnell.

Chairman Patterson highlights recalls, CFPB and Auto Show



Dick Patterson, RRR Automotive, delivers the Chairman’s Report to WANADA Annual Lunch.

Speaking at the Annual Meeting, Chairman Dick Patterson highlighted the year’s ups and downs for Washington area dealers and the auto industry overall. They ranged from the biggest recall ever (Takata airbags) to a successful bill NADA helped get through The House of Representatives to curb the regulatory overreach of the Consumer Financial Protection Bureau.

Patterson began by spotlighting the steady climb in auto sales. “From the low point of the recession in 2009, new vehicle sales have risen in the U.S., year over year, and are poised to be higher than ever in the industry’s history,” he said.

As for industry challenges, Patterson said that when 11 automakers had to respond to NHTSA over the recall of Takata

airbags, “NADA came up with guidance to dealers, which has been very helpful.”

On the subject of recalls, generally, Patterson talked about NHTSA’s effort to control the way dealers handle their used car inventory. “Dealer associations across the country are moving to write recall legislation at the state level to lay out dealer responsibilities in handling vehicles with open recalls,” he said. “Such legislation will be introduced next month in Maryland and Virginia, where WANADA will be working closely with MADA and VADA to ensure that dealers are on sound footing.”

The doings of the CFPB has been a topic of great interest for dealers this year with Patterson referencing its actions toward dealers as “nothing short of outrageous. With the goal of limiting, or eliminating, the dealers’ time-honored role in arranging auto loans for car buyers,” he said. “CFPB has brought pressure to bear on the financial institutions it *does* regulate to restrict their agreements with dealers on arranging auto loans.” The CFPB has told banks that dealers are systematically discriminating against minorities – a contention that Patterson called “rubbish,” but one against which he said it is difficult to mount a defense.

In response, NADA worked with the National Association of Minority Auto Dealers and other associations to get HR 1737 passed in the House of Representatives by an overwhelming margin. The bill requires CFPB to reverse its instructions to banks aimed at curtailing indirect financing by dealers and sets up a goal of greater regulator accountability. NADA has also worked with others to create a Fair Credit Compliance Policy Program, to ensure that dealers use best practices in the F&I department.

In the region WANADA has offered tools to help dealers use best practices. The association, with Kindred-line member JM&A, runs quarterly best practice seminars for Finance & Insurance professionals. Recently, WANADA, VADA and dealer lawyer Mike Charapp presented a dealer briefing covering the best practices dealers can adopt to handle recalls.

On the state legislative front, WANADA, supporting MADA, got legislation passed in Maryland to clarify the practice of spot deliveries. Correspondingly, the Maryland MVA has been working with state dealers through a newly created Dealer Advisory Forum operated by MVA Administrator Christine Nizer, who was attending the Annual Lunch and was acknowledged by Patterson for her leadership.

Patterson spoke of some of WANADA’s accomplishments in the past year – starting with another successful Washington Auto Show. “It has become one of the foremost annual events of its kind on the global industry circuit,” he said. Washington has distinguished itself as the Public Policy Show and been certified by the Paris-based Organization of International Automakers. Washington now has one of the top five auto shows in the U.S. and one of the foremost in the world.

The ADEI (Auto Dealer Education Institute) Technician Development Program is another successful WANADA initiative. The program now operates at Montgomery College in Rockville and in Virginia, at Marshall Academy in Falls Church and Springfield High School adult education center. “This process of developing or *home growing* the next generation of dealership auto techs has been hailed as a solution to the industry’s technician shortage crisis,” Patterson said.

He also singled out for praise WANADA’s Insurance Program for dealers and Kindred-line members. Its role in providing employee benefits in dealerships “has never been any more important than today with the continual ups and downs of the Affordable Care Act.”

WANADA recognizes Bruce Gould, retiring from Va. MVDB

On behalf of WANADA's membership, Chairman Dick Patterson presented a special Board Resolution praising Bruce Gould, who will retire as executive director of the Virginia Motor Vehicle Dealer Board in the spring. Gould established the Board and has run it for 19 years.

The Resolution states, "the unprecedented level of public/private sector collaboration between Virginia auto dealers and regulators in the Commonwealth through MVDB during Mr. Gould's tenure has substantially improved the retail automobile business."

"Under his leadership, MVDB has become a model motor vehicle dealer board in the U.S.," said Patterson, "and dealers statewide and their customers benefited mightily by his fair approach."



Bruce Gould, Va. MVDB, receives a Resolution from the WANADA Board for his tenure in the industry.

Dick Patterson will continue as WANADA chairman *Seven return for another term on The Board*

Dick Patterson will continue for another term as WANADA chairman. At the Annual Meeting, seven dealers were elected to stay on the Board for a three-year director term. They are John Bowis, Chevy Chase Cars; Lou Cohen, BMW of Rockville; Melanie Funkhouser, Fair Oaks Chrysler/Jeep/Dodge; Ralph Mastantuono, Mercedes-Benz of Alexandria; Alex Perdakis, Koons Ford, Silver Spring; Kevin Reilly, Alexandria Hyundai, and Charles Stringfellow, Malloy Hyundai. Newly elected to the Board is John Altman of Don Beyer Motors. Board members are elected for three years and may run for a second consecutive three-year term.

The Executive Committee will remain the same: Patterson, chairman; Charles Stringfellow, vice chairman; John Bowis, secretary; Kevin Reilly, treasurer; Ralph Mastantuono, chairman, Insurance Committee, and Geoff Pohanka, Auto Show chairman.

Pohanka is also NADA director for Metropolitan Washington. In that capacity, his role is to keep the Board informed of NADA business while keeping WANADA supportive of NADA leadership initiatives and programs. NADA has 58 geographic director seats plus several at large seats. In addition to WANADA's Metro Washington area represented on the NADA Board, there are several other major metro areas and all 50 U.S. states, with several states given more than one seat (i.e. California, Pennsylvania and Texas.)

The WANADA organization consists of the trade association, a business services corporation, the Auto Dealer Education Institute (ADEI) and the WANADA Community Support Foundation. Among other functions, WANADA produces The Washington Auto Show; WANADA Business Services houses the insurance agency, F.B.O. WANADA employer members; and ADEI oversees the Technician Development Program.



Board members Alex Perdikis, Koons Ford (left) and Tony Santy, Chesapeake Petroleum



Conrad Aschenbach, King Automotive, posing question to Laura Ingraham during the Q&A session



New WANADA Board at the Annual Meeting, December 8, 2015

(From left): John Altman, Don Beyer Group; Daniel Jobe, Capitol Cadillac; Melanie Funkhouser, Fair Oaks Chrysler; Frank McCarthy, Sheehy Auto Stores; Robert Fogarty, Jr., Sport Automotive; Tony Santy, Chesapeake Petroleum; Dick Patterson, RRR Automotive; John O'Donnell, WANADA CEO; Dottie Fitzgerald, Fitzgerald Auto Malls; Kevin Reilly, Alexandria Hyundai; Charles Stringfellow, Malloy Hyundai; Chip Doetsch, Apple Ford/Lincoln; John Bowis, Chevy Chase Cars; Alex Perdikis, Jim Koons Automotive Companies; Danny Korengold, Ourisman Automotive of Virginia; Geoff Pohanka, Pohanka Automotive; Ralph Mastantuono, Mercedes-Benz of Alexandria; and Lou Cohen, BMW of Rockville. Not pictured: Jamie Darvish, DARCARS



Dealer association chiefs at Annual Lunch: Don Hall, VADA, speaking with Thomas Moorehead, BMW of Sterling (left); John O'Donnell, WANADA, speaking with Peter Kitzmiller, MADA



Daniel Jobe, Capitol Cadillac (left) with Bob Yoffe, Auto Show director and Chip Lindsay, Lindsay Automotive



2015 WANADA Annual Meeting and Luncheon, Ritz/Tysons Corner, December 8

Special thanks to WANADA's 2015 Annual Meeting and Lunch Sponsors



Tweet of the Week...

*"Wonderful car dealers from Metro DC area –
I loved meeting so many business owners who get it!"*

--Tweet from Laura Ingraham
after keynoting
WANADA's Annual Lunch