



CONNECTICUT AUTOMOTIVE RETAILERS ASSOCIATION

36 Trumbull St Hartford, CT 06103 Tel: (860) 293-2500 Fax: (860) 527-2582

IN THIS ISSUE:

JUNE 2009

1. Cash For Clunkers
2. Beware Cash For Clunkers Scams
3. Small Business Administration Floor Plan Loans
4. Members - Watch For Faxes and Emails
5. DMV Updates
6. Hiring Teen Drivers For The Summer
7. WARN Act Reminder
8. Your Questions Answered
9. Enclosures

ATTACHMENTS:

- A. Communication Authorization Form
- B. Request To Continue Business As An On-Line Dealer
- C. Dealer WARN Act Q&A

ENCLOSURES:

1. American Fidelity: Dependent Audits
2. DMV Retirements

ROUTE:

GENERAL MANAGER _____	SALES MANAGER _____
BUSINESS MANAGER _____	NEW CAR MANAGER _____
SERVICE MANAGER _____	USED CAR MANAGER _____
F & I MANAGER _____	PARTS MANAGER _____
TITLE CLERK _____	OTHER _____

**1.
CASH FOR CLUNKERS**

The President signed the Cash for Clunkers bill into law yesterday afternoon (Wednesday June 24). However, the Department of Transportation (DOT) still has to develop the regulations for the program. Therefore, it will be at least 30 days until dealers and customers can actually participate in the program. Dealers are cautioned that any "clunkers" transactions completed before the DOT publishes the program's rules may not qualify for reimbursement. Over the next several weeks, NADA and CAR will be reaching out to dealers with more information on how to register and participate in the program.

NADA has stated that it will conduct a series of Webinars to educate dealers on how the program works and how to comply with its rules once DOT has developed regulations. In the meantime, NADA is working closely with the DOT as the rules for the clunkers program are created.

**2.
BEWARE CASH FOR
CLUNKERS SCAMS**

Cash for clunkers has only just been signed into law, but already criminals and some unscrupulous car dealers are using it to dupe consumers. CNN Money reports that some purported "cash for clunkers" Web sites are asking consumers to provide personal information, including names, addresses, and social security numbers, so they can "register" for the program. Other Web sites tell car shoppers they will put them in touch with authorized "Cash for Clunkers" dealers in their area, they said. Car dealers will have to register to participate in the program, but the registration process has not begun yet. In fact, the NHTSA hasn't even determined how the registration process will work. There will be no need for consumers to register at all. One clue that Web sites aren't real is if they use the name "cash for clunkers." That is not the real name of the program, which is officially known as the Car Allowance Rebate System. NHTSA has set up an official Web site at www.CARS.gov to provide information about the program. The agency also has a hotline at 888-327-4236. Consumers can visit that Web site or call the hot-line number to get official information about the program.

**3.
SMALL BUSINESS
ADMINISTRATION
FLOOR PLAN LOANS**

On May 28, 2009, the Small Business Administration (SBA) lifted its prohibition on using 7(a) proceeds for dealer floor plan loans. Under a pilot program, which begins July 1, 2009 and runs through September 30, 2010, eligible dealers may obtain guarantees of up to 75% for as much as a \$2 million loan. At the time the pilot program ends, the SBA will consider whether or not to extend it.

SBA CONTINUED . . .

The SBA Program also has higher guarantees – 90% for up to \$1.5 million, then declining to 75% for amounts from \$1.5 million to \$2 million – as provided for in the federal stimulus legislation enacted earlier this year. These higher guarantees, along with elimination of borrower fees, are in effect until December 31, 2009.

To be eligible to apply for an SBA 7(a) guaranteed loan, dealers typically must:

- Have a need for SBA loan guarantee assistance (i.e. must be unable to secure conventional financing); and
- Be a “small business”. As defined by the SBA, a dealer of cars and light trucks (NAICS 441110) is a “small business” if its total annual receipts are less than \$29 million.

Approval of an SBA 7(a) guaranteed loan application will depend upon the availability of funds, an applicant’s particulars and the financial decision of the participating lender and the SBA.

The application process begins with a commercial lender. Dealers may apply to any financial institution that handles SBA 7(a) guaranteed loans. A list of lenders participating in the SBA’s Preferred Lenders Program (PLP) can be found on the SBA website listed below and clicking on “PLP Lenders” <http://www.sba.gov/services/financialassistance/7alenderprograms/plp/index.htm>

Additional information regarding changes to the SBA 7(a) Guaranteed Loan Program can be found at www.nada.org/sbaloan.htm.

**4.
MEMBERS – WATCH
FOR FAXES AND
EMAILS**

There are numerous times communications are sent from the CAR Association **only** via electronic methods. In many cases, these messages cannot be delivered due to fax machines being turned off, the email addresses on file are invalid or we simply do not have accurate fax or email information for you. As the business climate continues to change, it is **IMPERATIVE** that the CAR Association is able to disseminate information to you in a timely fashion, be it broadcast e-mail and/or fax. Please make sure that you have provided the CAR Association with a fax number and email address where information can be sent **24/7** to the dealer principal/main contact person at your business by using the attached form (**ATTACHMENT A**) and returning it to the association via fax 9860) 527-2582 or email (cara@ctcar.org). You can’t take the chance of not getting the information CAR provides!

5.
DMV UPDATES

Request to Continue as an On-Line Dealer

Attached is a request form (**ATTACHMENT B**) to continue business as an on-line dealer when changing license information but not personnel [*i.e. change of corporate name, new car to used car dealer*].

6.
HIRING TEEN
DRIVERS FOR
THE SUMMER

As the school year ends, the CAR Association reminds dealers of the following concerning the hiring of teen drivers during the summer months. The Federal Labor Standards Act (FLSA) sets the minimum age and activities for minors. Penalties for child labor infractions range up to \$10,000 per violation. The Department of Labor has amended its regulations governing teen driving to implement the Drive for Teen Employment Act of 1998.

Employees 16 years of age and under **MAY NOT DRIVE** motor vehicles on public roads as part of their jobs – even if they possess a valid state drivers license.

Employees 17 years of age may drive cars and small trucks on public roads as part of their jobs **ONLY** in limited circumstances where all the following criteria are met:

- The driving is limited to daylight hours;
- The 17 year-old holds a state license valid for the type of driving involved in the job performed;
- The 17 year-old has successfully completed a state approved driver education course and has no record of any moving violations at the time of hire;
- The automobile or truck is equipped with a seatbelt for the driver and any passengers and the employer has instructed the youth that the seatbelts must be used when driving the vehicle;
- The automobile or truck does not exceed 6,000 pounds gross vehicle weight; AND
- Such driving is only occasional and incidental to the 17 year-olds employment. This means that the youth may spend no more than 1/3 of the work time in any workday and no more than 20% of the work time in any workweek driving.

Additional information can be found at www.youthrules.dol.gov.

7.
WARN ACT
REMINDER

Dealers whose franchise agreements are being cancelled, those who are closing their facilities, or those who are downsizing need to be reminded of a federal law that requires them to provide advance notice to employees. The Worker Adjustment and Retraining Notification (WARN) Act generally requires 60 calendar days' notice when there is to be a mass layoff or closing. We have attached the US Department of Labor WARN Act Fact Sheet for your review (**ATTACHMENT C**).

8.
YOUR QUESTIONS
ANSWERED

Q. Our employees earn paid vacation time, which accrues monthly. They are allowed to use vacation time they have not yet earned, provided that by years end they have actually earned all the time they used during that year. However, with the economy in turmoil and downsizing possible, we are concerned that we might lay off employees after they have taken unearned vacation time. Can we recover unearned vacation pay from a departing employee's final paycheck?

A. Yes, as long as you have obtained the employee's written authorization and have properly documented the transaction. Deductions from a final paycheck for unearned vacation pay advances must be documented in writing on a form approved by the Connecticut Department of Labor (DOL). This particular transaction is so common that the DOL provides a sample form for it. Go to their Forms page at www.ctdol.state.ct.us/wgwkstnd/forms-wwws.htm and click Authorization for Repayment of Advance for Vacation Pay, which will lead you to the sample form and a link for requesting approval for its use. Once you receive approval, you can use the form in similar situations in the future.

As in this case, other deductions from employees' paychecks are closely regulated by state law and are generally divided into three categories: (1) Payroll taxes must be deducted as mandated by state and federal law, and no employee authorization is needed. (2) Paycheck deductions for employee contributions to group health premiums must be authorized by the employee in writing, but the employer is free to use any form that adequately sets out the amount and timing of deductions. Note: Don't forget to update the authorizations as premium amounts change. (3) All other deductions, including for recovery of unearned vacation pay advances, must be documented as described above.

Failure to use an approved form where required may lead to an employee complaint, followed by a DOL inquiry, possible invalidation of prior deductions, and repayment to the employee of all unauthorized deductions. That would leave you in a position to seek repayment from the employee directly, which would be difficult at best. Getting the proper DOL approval is easy and can prevent costly headaches later on.

9.
ENCLOSURES

Please take a moment to review the following enclosures to this newsletter:

1. ***Dependent Audits Can Save You Money***: with rising medical costs now is the perfect time to conduct a Dependent Verification Audit.
2. With the state's "early out" program in effect as of July 1, 2009, several DMV employees the Association and our dealer members have worked closely with over the years will be retiring. As we are notified we will provide you with the reservation forms for their retirement dinners in case you'd like to attend. ***Enclosed please find reservation forms for Peter Rosso and Lee Telke – we will miss working with them and wish them well.***

CONNECTICUT AUTOMOTIVE RETAILERS ASSOCIATION

36 TRUMBULL STREET
HARTFORD, CONNECTICUT 06103

James T. Fleming
President

Telephone: (860) 293-2500
Facsimile: (860) 527-2582

ATTACHMENT A

FACSIMILE & EMAIL COMMUNICATION AUTHORIZATION

To: CAR Association Members
From: CAR Association Offices
Date: June 26, 2009

The Connecticut Automotive Retailers Association is required to obtain written authorization from its members before sending electronic communications.

Therefore, in order to receive faxes and emails from the CAR Association members must return this form to the Association via fax at (860) 527-2582 or email to cara@ctcar.org.

Thank you.

Dealership/Organization: _____

Fax Number: _____

Email Address: _____

By providing the fax number and email address above, the undersigned agrees to receive electronic communications from The Connecticut Automotive Retailers Association.

Signature _____

Title _____

Date _____

**REQUEST TO CONTINUE BUSINESS
AS AN ON-LINE DEALER**

STATE OF CONNECTICUT
DEPARTMENT OF MOTOR VEHICLES
DEALER PROCESSING UNIT



PREVIOUS DEALER LICENSE INFORMATION

NAME OF PREVIOUS DEALER

ADDRESS OF PREVIOUS DEALER

PREVIOUS DEALER LICENSE NUMBER

NEW DEALER LICENSE INFORMATION

NAME OF NEW DEALER

ADDRESS OF NEW DEALER

NEW DEALER LICENSE NUMBER

REASON FOR APPLICATION

- Change of Corporate Name
- Closed Old Business *(This is a new license)*
- Change of New Dealer to Used Dealer License.
- Location is different than previous license.
- Add or Drop DBA

ADDITIONAL COMMENTS

I am applying to continue operations as an on-line dealership. I will adhere to all policy and procedure regarding the issuance and transfer of motor vehicle registrations and will maintain and safeguard all inventories of state issued indicia. I am retaining employees who are trained in the operation of the on-line registration system.

SIGNATURE OF OWNER

DATE SIGNED

X

DMV APPROVAL

This request may be approved when the other license is issued and the proper forms for issue/transfer are filed in the new license name. The existing inventory will be reconciled and reissued.

YES NO

SIGNATURE OF AUTHORIZED DMV OFFICIAL

DATE SIGNED

X

The Worker Adjustment and Retraining Notification (WARN) Act generally requires dealers with 100 or more employees to provide notice 60 calendar days in advance of a dealership closing or mass layoff. Advance notice gives workers and their families time to adjust to the employment loss, to seek other jobs, or to enter training or retraining.

Most dealership employees are entitled to notification, as are employee representatives, local chief elected officials, and state dislocated worker units. Notices of less than 60 days may be given under certain circumstances.

I. What Is A Covered Dealership Closing Or Mass Layoff?

Dealership Closing: Generally, when a dealership location (or one or more facility or operating units at a dealership location) is to be shut down for more than 6 months, resulting in an employment loss for 50 or more employees in any 30-day period.

Mass Layoff: Generally, a layoff of 6 months or longer affecting either:

1. 500 or more workers; or
2. At least 33 percent of the workforce, if it affects between 50 and 499 workers. The number of affected workers is the total number laid off during a 30-day period.

When determining coverage, do not count employees who have worked less than 6 of the last 12 months, or who work less than 20 hours a week, on average.

Notice also must be given if the combined employment loss for 2 or more groups of workers reaches one of the threshold levels during a 90-day period, unless the result of separate and distinct actions/causes.

II. What If The Covered Dealership Is Being Sold?

If part or all of a covered dealership is being sold, the following requirements apply:

1. If the sale will result in a closing or mass layoff, at least 60 days notice must be given.
2. The selling dealer must provide the notice if the closing or mass layoff occurs up to and including the date/time of the sale.
3. The buyer must provide the notice if the closing or mass layoff occurs after the sale.
4. Employees of the selling dealer on the date/time of the sale become, for purposes of WARN, employees of the buyer immediately following the sale.

III. What is An “Employment Loss”?

“Employment loss” includes:

1. Employment termination, but not discharge for cause, voluntary departure, or retirement;
2. A layoff exceeding 6 months; or
3. An hours of work reduction of more than 50% in each month, for any 6-month period.

“Employment loss” does *not* include employees who:

1. Refuse to transfer to a different site within reasonable commuting distance.

2. Accept a transfer outside a reasonable commuting distance, within 30 days after it is offered, or within 30 days after the covered closing or mass layoff, whichever is later.

In either case, the transfer offer must be made before the closing or mass layoff, there must be no more than a 6 month break in employment, and the new job must not be deemed a constructive discharge. These “employment loss” exceptions apply only if the closing or mass layoff results from a relocation or consolidation of the dealership.

IV. Who Must Receive Notice?

Written notice must be given to:

1. Employees reasonably expected to experience an employment loss.
2. The chief elected officer of the exclusive representative(s) or bargaining agency(s), if any, of affected employees.
3. Employees who may lose employment due to “bumping” or displacement by other workers, to the extent they can be identified when notice is given.
4. The state dislocated worker unit and chief elected official of the local government where the dealership is located.

V. When Must Notices Be Given?

Notices generally must be timed to reach the above parties at least 60 days before a closing or mass layoff. When employment separations for a closing or mass layoff occur on more than one day, notices are due to the representative(s), state dislocated worker unit, and local government official at least 60 days before each separation. If the workers are not represented, notices are due at least 60 days before each worker's separation.

The exceptions to 60-day notice are:

- (1) A faltering dealership. This narrowly construed exception covers situations where new capital or business is being sought in order to stay open, and giving a notice would ruin the opportunity to get such new capital or business. It applies only to plant closings;
- (2) Unforeseeable business circumstances. This exception applies to closings and mass layoffs caused by business circumstances not reasonably foreseeable at the time a notice would otherwise have been required; and
- (3) Natural disaster. This exception applies where a closing or mass layoff is the direct result of a natural disaster, such as a flood, earthquake, drought or storm.

Dealers providing less than 60 days advance notice based on one of these exceptions bear the burden of proving that necessary conditions have been met. Give the notice as far in advance as practicable with a statement of the reason for reducing the notice period.

VI. What is the Required Form and Content of the Notice?

No particular notice form is required, but notices must be specific and in writing. Any reasonable delivery method designed to ensure receipt 60 days before a closing or mass layoff is acceptable. Notices may be conditioned upon the occurrence or non-occurrence of an event when the event is definite and its occurrence or nonoccurrence will result in a covered employment loss less than 60 days after the event.

For specifics of what must be included in a WARN notice, see www.dol.gov/dol/allcfr/ETA/Title_20/Part_639/20CFR639.7.htm

Additional information is required if the date(s) or 14-day period(s) for a planned plant closing or mass layoff are extended beyond the those announced in the original notice.

VII. Is Recordkeeping Required?

No particular recordkeeping is required, and information used to determine whether, to whom, and when notice must be given is usually kept in the ordinary course of business.

VIII. Are Their Penalties and Enforcement for Noncompliance?

Violations of WARN requirements risk potential liability including back pay and benefits for aggrieved employees for the period of violation (up to 60 days). Any potential liability may be reduced by wages paid during the violation period and by other voluntary and unconditional payments made. Failing to provide a local government notice may trigger a civil penalty of up to \$500/day. This penalty may be avoided if the liability to aggrieved employees is satisfied within 3 weeks after a closing or mass layoff is ordered. Violations are subject to civil enforcement. Also, workers, employee representatives, and units of local government may bring individual or class action suits where the court, in its discretion, may award reasonable attorney's fees and costs to prevailing parties.

IX. Further Information

For further information, call DOL at: 877.872.5627 or go to:

1. WARN compliance: www.doleta.gov/layoff/pdf/EmployerWARN09_2003.pdf
2. State laws and assistance: www.doleta.gov/layoff/rapid_coord.cfm
3. Unemployment insurance: www.workforcesecurity.doleta.gov/unemploy/

If it appears a WARN notice may be required, dealers are advised to contact local or labor counsel.



Retirement Party for Lee Telke After 26+ years of State Service

Friday, September 11, 2009

**Chowder Pot IV (The Promenade)
165 Brainard Road
Hartford, CT 06114**

**Cocktail Hours 6:00 pm- 7:00 pm
Dinner served at 7:00 pm**

Choice of Entrée:
Slow Roasted Prime Rib of Beef
Breast of Chicken Francaise
Baked Stuffed Scrod
Dinner includes: Garden Salad, Pasta with Marinara Sauce, Dessert, Coffee

Tickets: \$50.00

To purchase tickets please contact:

**Lori Munson (860)263-5450 Lauren Hangland (860)263-5012 or Cindy Zuerblis
(860)263-5070**

By September 2, 2009

(Please Return with Payment)

Name: _____

Dinner Selection: (please mark choice)

Prime Rib Chicken Francaise Baked Stuffed Scrod

Please make checks payable to: Lee Telke Retirement Dinner

Please return to: Department of Motor Vehicles
60 State Street
Wethersfield, CT 06109
Attention: Cindy Zuerblis



**Retirement Party for
Peter Rosso
After 32+ years of State
Service**

Friday, September 25, 2009

**Hawthorne Inn
2421 Berlin Turnpike
Berlin, CT 06037**

**Cocktail Hours 6:00 pm- 7:00 pm
Dinner served at 7:00 pm**

Choice of Entrée:
Prime Rib of Beef Au Jus
Baked Stuffed Filet of Sole
Lemon Chicken

Dinner includes: Garden Salad, Pasta with Marinara Sauce, Dessert, Coffee

Tickets: \$50.00

To purchase tickets please contact:

**Lauren Hangland (860)263-5012, Vanita Smith (860)263-5480 or Cindy Zuerblis
(860)263-5070**

By September 16, 2009

(Please Return with Payment)

Name: _____

Dinner Selection: (please mark choice)

___Prime Rib of Beef Au Jus ___Baked Stuffed Filet of Sole ___Lemon Chicken

Please make checks payable to: Peter Rosso Retirement Dinner

Please return to: Department of Motor Vehicles
60 State Street
Wethersfield, CT 06109
Attention: Cindy Zuerblis