



**STILL A FEW  
SPOTS LEFT!**

**REGISTER  
TODAY!**

PLEASE JOIN US FOR THE

## CONNECTICUT AUTOMOTIVE RETAILERS ASSOCIATION

### 2<sup>ND</sup> ANNUAL STEPHEN F. GABRIEL MEMORIAL GOLF CLASSIC

TUESDAY  
OCTOBER 6, 2009  
AT  
THE FARMS COUNTRY CLUB  
WALLINGFORD, CONNECTICUT

**You Could Win An Extraordinary Trip For Two or \$25,000 Cash!**

Lake Of Isles Golf Package Giveaway

Putt-Off Contest

Closest To Pin Contests

Longest Drive Contests

*And Much More!*

***Plus* ~ a portion of every registration fee as well as funds from special prize holes will be contributed to the Stephen F. Gabriel Memorial Foundation for the benefit of cancer research!**

#### Agenda

8:30 AM REGISTRATION  
8:30 AM PUTT-OFF  
9:00 AM BREAKFAST BUFFET  
10:30 AM SHOTGUN START  
3:30 PM AWARDS BANQUET

#### Dress Code

SOFT SPIKES ONLY  
NO JEANS  
BERMUDA SHORTS  
COLLARED SHIRTS  
NO HATS IN CLUBHOUSE

## CONNECTICUT AUTOMOTIVE RETAILERS ASSOCIATION

36 TRUMBULL STREET HARTFORD, CT 06103  
TELEPHONE: 860-293-2500 FACSIMILE: 860-527-2582



**FAX YOUR REGISTRATION TO  
(860) 527-2582**

**TUESDAY, OCTOBER 6, 2009  
THE FARMS COUNTRY CLUB  
WALLINGFORD, CONNECTICUT  
REGISTRATION SHEET**

---

---

**You May Sign Up as a Foursome or We Will Match You Up**  
**Complete and Return With Your Check To:**  
**CAR Association Golf Classic, 36 Trumbull Street, Hartford, CT 06103**  
**FEE: \$160.00 Per Player**

Name \_\_\_\_\_  
Organization \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Phone \_\_\_\_\_  
Handicap \_\_\_\_\_ or Approximate Score \_\_\_\_\_

Name \_\_\_\_\_  
Organization \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Phone \_\_\_\_\_  
Handicap \_\_\_\_\_ or Approximate Score \_\_\_\_\_

Name \_\_\_\_\_  
Organization \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Phone \_\_\_\_\_  
Handicap \_\_\_\_\_ or Approximate Score \_\_\_\_\_

Name \_\_\_\_\_  
Organization \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Phone \_\_\_\_\_  
Handicap \_\_\_\_\_ or Approximate Score \_\_\_\_\_

*Confirmation and Directions to follow.*

**Please remember to give us your handicap or approximate score.**

---

**CONNECTICUT AUTOMOTIVE RETAILERS ASSOCIATION**  
36 TRUMBULL ST HARTFORD, CT 06103 TEL: (860) 295-2500 FAX: (860) 527-2582



# CONNECTICUT AUTOMOTIVE RETAILERS ASSOCIATION

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

## IN THIS ISSUE:

SEPTEMBER 2009

1. New IRS Memo Addresses UNICAP Compliance
2. Red Flags Rule Postponed To November 1, 2009
3. 2009 EEOC Report Due September 30
4. Reminder Regarding Pre-Recorded Telephone Calls
5. IRS Reminds Dealers About state Sales Tax Deductions
6. Chrysler Financial Revises Its "Reserve Account" Policy
7. GM 60-Day Return Program
8. Transportation Department Begins Clunker Audits
9. Dealers - Get Ready For Flu Season

## ENCLOSURES:

1. Confidential Warranty Reimbursement Survey

## ROUTE:

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

**1.  
NEW IRS MEMO  
ADDRESSES UNICAP  
COMPLIANCE**

The National Automobile Dealers Association has recently notified its members of a new IRS memo addressing uniform capitalization (UNICAP) compliance for auto dealerships.

There are ongoing talks and negotiations regarding this subject and we feel the issue is too erratic to provide our members with absolute information at this time.

Please be assured that the CAR Association is following the situation closely ourselves and with appropriate partners and should the need arise, we have already arranged to bring you detailed information and professional seminars covering the UNICAP Compliance issue.

Dealers should consult with their tax practitioner for more specific information.

**2.  
RED FLAGS RULE  
POSTPONED TO  
NOVEMBER 1, 2009**

The Federal Trade Commission (FTC) has just announced that it is again delaying enforcement of the Red Flags Rule – this time until November 1, 2009.

The Red flags Rule requires dealers to develop comprehensive procedures to prevent identity theft, including the development, implementation, and administration of a written identity theft prevention program.

**3.  
2009 EEOC REPORT  
DUE SEPTEMBER 30**

Dealers with more than 100 employees must file the annual Employer Information Report (EEO-1 Report), with the U.S. Equal Employment Opportunity Commission (EEOC) by September 30, 2009.

Dealerships with several locations or centralized ownership, control or management must count all the employees at each location to determine if they meet the 100-employee threshold. Multi-establishment dealerships will have to file multiple reports: 1) a headquarters report; 2) establishment reports (one for each establishment with more than 50 employees); and 3) a consolidated report.

EEOC has indicated that the **preferred method** for completing the 2009 EEO-1 reports is the web-based filing system. Online filing requires you to log into your company's database with a Login ID and Password, which you should have received with filing materials in mid August. If you cannot locate your Login ID and/or Password, contact the EEO-1 Reporting Committee via email at [e1.techassistance@eoc.gov](mailto:e1.techassistance@eoc.gov).

Online filing is completely web-based and requires no software installation. Data from the previous year is transferred using secure encryption and populates the report as frequently as possible to speed up data entry.

**4.  
REMINDER: FTC  
AMENDMENTS  
REGARDING PRE-  
RECORDED CALLS  
EFFECTIVE 9/1/2009**

The Federal Trade Commission (FTC) has amended its rules regarding the regulation of pre-recorded calls designed to induce the purchase of goods and services. Pursuant to the amendment, **effective September 1, 2009**, pre-recorded telemarketing calls will be prohibited, except where the recipient has provided the caller with a signed, written consent to receive such calls.

The consent must clearly and conspicuously disclose that the purpose is to allow the seller to place pre-recorded calls to the consumer and must include the telephone number to which the calls can be made. Sellers may not require that a consent form be signed as a condition of a transaction. In addition, in the event a seller obtains consent, the pre-recorded calls must include an interactive automated opt-out response, as described below.

Since December 1, 2008, sellers and telemarketers have been required to include an interactive automated opt-out mechanism, such as a key-press or voice-activated system in all messages. Sellers and telemarketers must ensure that messages terminate immediately after an opt-out mechanism is used. The message must also include a toll-free number that consumers may call to place a do-not-call request by key-press or voice-activation system.

These requirements apply to all pre-recorded telemarketing calls, whether answered by a live person, and answering machine or a voicemail service.

Visit <http://ftc.gov/opa/2009/08/robocalls.shtm> for more information.

**5.  
IRS REMINDS  
DEALERS ABOUT  
STATE SALES TAX  
DEDUCTION**

Recently, Cash For Clunkers has garnered all of the headlines, but there is another important incentive that dealers can highlight when a car buyer enters their showroom. The American Recovery and Reinvestment Act, which passed earlier this year, includes a deduction for state and local sales and excise taxes when consumers purchase a new car, light truck, or motor home or motorcycle through December 31, 2009. The deduction is limited to the first \$49,500 of the vehicle's purchase price and the amount of the deduction starts phasing out if a consumer makes more than \$125,000 individually, or \$250,000, if they file a joint return.

**6.  
CHRYSLER FINANCIAL  
REVISES ITS NEW  
"RESERVE ACCOUNT"  
PAYMENT POLICY**

When Chrysler Financial (CF) exited the floorplan market, many Chrysler dealers had to find a new floorplan finance source. At the same time, CF sent Chrysler dealers (including those not floored with CF) demands for sizable payments to fund a "Reserve Account" to cover certain contingent chargeback obligations related to outstanding retail paper purchased by CF. Unless dealers made these payments, CF refused to terminate the Uniform

**CHRYSLER  
FINANCIAL  
CONTINUED...**

Commercial Code (UCC) financing statements. Chrysler dealers had numerous concerns about these payments, but in many cases, felt constrained to pay them as they generally could not obtain alternate floorplan financing without the release of the UCC liens.

After receiving complaints from automotive trade associations throughout the country about the policy, NADA Regulatory Affairs carefully analyzed the relevant documents and identified several legal concerns relating to the payment demand and the basis for the payment calculation. NADA outlined these concerns in a detailed, strongly worded letter to CF and in communications to the Presidential Auto Task Force.

While continuing to defend the legal sufficiency of its Reserve Account payment policy, CF responded by announcing a major policy change that took effect immediately. In short, Chrysler dealers now have two options: 1) they can still make a one-time (substantially lower) payment to settle all such contingent liabilities, or 2) they can continue to pay the chargeback liabilities on a monthly “pay-as-you-go” basis. Importantly, CF has confirmed that, under either option, CF will terminate the UCC filings upon payment of the dealer’s outstanding loans with CF. Dealers who had already paid under the original program will be able to make the same choice and obtain any refund in the difference of the amount due.

*NADA and CAR would like to acknowledge and thank NADA Chrysler Industry Relations Chair Chuck Eddy of Ohio for his perseverance and successful efforts to provide relief to Chrysler Dealers across the country.*

**7.  
GM 60-DAY  
RETURN PROGRAM**

We have fielded many dealer calls regarding sales tax and the new GM 60-Day Return Program.

Since the consumer would be returning the vehicle prior to the 90-day cut-off imposed for the vendor refund of sales tax, it is a very simple procedure. The dealer would simply refund the full sales tax amount directly to the customer and record the refund under line item 52 - Taxed goods returned within 90 days at 6% (.06) rate on their monthly Form OS-114 Sales & Use Tax Return.

We will immediately advise our GM members via facsimile and email when we receive the required procedure to follow for returned vehicles (registrations, titles) from the Department of Motor Vehicles

**8.  
TRANSPORTATION  
DEPARTMENT  
BEGINS CLUNKER  
AUDITS**

In order to audit compliance with the recent Cash for Clunkers program, the federal government is beginning to make random, unannounced visits to dealerships. The Cash for Clunkers legislation gave the Transportation Department the authority to audit dealerships.

**TRANSPORTATION  
DEPARTMENT  
AUDITS  
CONTINUED . . .**

Dealers are advised to first verify the credentials of the auditors and then provide the individuals with the information requested. Dealers must make sure that all transaction paperwork is in order. Auditors will be looking at paperwork such as the title of the trade-in, insurance, registration and the vehicle identification numbers for both vehicles.

The Transportation Department auditors' focus is on possible fraud when disposing of trade-in vehicles. Auditors will also be physically inspecting the vehicle identification numbers of disabled vehicles that haven't been picked up by disposal facilities, trying to start the cars, and verifying that the engine disablement sticker was attached to the engine.

Violations of the CARS regulations are subject to civil penalties of up to \$15,000 per violation. **Dealers should continue to keep records of all transactions under the Cash for Clunkers program and a copy of the regulations for a period of five calendar years from the date on which they were generated or acquired.**

**9.  
DEALERS:  
GET READY  
FOR FLU SEASON**

The U.S. Centers for Disease Control (CDC) has issued new guidance that recommends actions that non-healthcare employers should take now to decrease the spread of seasonal flu and 2009 H1N1 flu in the workplace and to help maintain business continuity during the 2009-2010 flu season. The Guide can be viewed by visiting [www.cdc.gov/h1n1flu/business/guidance/](http://www.cdc.gov/h1n1flu/business/guidance/).

The main points are as follows:

- Sick persons should stay home
- Sick employees at work should be asked to go home
- Cover coughs and sneezes; wash hands frequently
- Clean surfaces and items more likely to have frequent hand contact
- Encourage employees to get vaccinated
- Prepare for increased numbers of employee absences due to illness

**Enterprise Rent-A-Car Uncovers Potential Problem with Impalas Sold to Dealers**

Enterprise Rent-A-Car recently learned they sold approximately 745 Chevrolet Impalas from model years 2006, 2007 and 2008 on the company's Car Sales Web site that were said to be equipped with side air bags when, in fact, they were not.

Enterprise encourages dealers who may have purchased any Impalas through Enterprise or on the wholesale market to make sure they have correctly identified their equipment levels. The 7<sup>th</sup> digit of the VIN on 2006, 2007 and 2008 Chevrolet Impalas indicates whether the vehicle is equipped with side air bags. If the 7<sup>th</sup> digit is an "8", the vehicle is equipped with side air bags. If it is a "5", the vehicle is not equipped with side air bags.

# CONNECTICUT AUTOMOTIVE RETAILERS ASSOCIATION

36 TRUMBULL STREET  
HARTFORD, CONNECTICUT 06103

James T. Fleming  
President

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

## CONFIDENTIAL SURVEY

PLEASE COMPLETE AND RETURN VIA FAX TO 860-527-2582 OR VIA EMAIL TO CARA@CTCAR.ORG

Name: \_\_\_\_\_

Dealership(S): \_\_\_\_\_

\_\_\_\_\_

Manufacturer(S): \_\_\_\_\_

\_\_\_\_\_

Have you submitted a request to your manufacturer for improved parts and labor rates on warranty work as now permitted due to enhancements made this year to the Connecticut Franchise Act?

\_\_\_\_\_ Yes \_\_\_\_\_ No

*If yes . . .*

When did you submit your request? \_\_\_\_\_

How long did it take to receive a response from your manufacturer? \_\_\_\_\_

\_\_\_\_\_

What was your manufacturer's response to the request? \_\_\_\_\_

\_\_\_\_\_

*If no . . .*

Do you plan to apply to your manufacturer for these improvements? \_\_\_\_\_

Do you plan to attend the instructional seminar on November 5, 2009 for assistance in applying for these improvements? \_\_\_\_\_

Is there anything we can do to assist you in your application for these improvements? \_\_\_\_\_

\_\_\_\_\_

**PLEASE BE ASSURED ALL SURVEY RESPONSES WILL BE  
KEPT STRICTLY CONFIDENTIAL.**