



CONNECTICUT AUTOMOTIVE RETAILERS ASSOCIATION

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IN THIS ISSUE:

FEBRUARY 2010

1. CAR/GHADA Affiliation
2. Toyota's Recall Can Impact All Dealerships
3. Be Careful With Emergency Measures And Extra Hours
4. Reminder: Body Shops Required To File With EPA By 1/11/10
5. Final Risk-Based Pricing Issued By FRB and FTC
6. What To Know About Social Media
7. On The Dealer Front . . .
8. ASE Tests
9. What Our For E-mails About Scams

ATTACHMENTS:

- A. CAR Proxy Statement
- B. GHADA Proxy Statement
- C. Web 2.0/Social Media Seminar Announcement

ROUTE:

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

**1.
CAR/GHADA
AFFILIATION**

On January 14th the Boards of the Greater Hartford Automobile Dealers Association and its Foundation (**GHADA**) and the Connecticut Automobile Retailers Association (**CARA**) unanimously voted to formally affiliate both organizations with a new common board of directors made up of members of both boards. Under the by-laws of both associations and pursuant to state statutes the individual members of the CARA and GHADA must vote to ratify this affiliation.

The boards of these organizations have voted to affiliate for several reasons. The boards believe that this affiliation will strengthen all three organizations and allow them to better fulfill the purposes of both CARA and GHADA. This affiliation will continue the Foundation's charitable works, maintain the GHADA scholarship program and preserve the advocacy and member service programs of CARA; it will achieve needed economies of scale for the organizations and enhance the success of the Connecticut International Auto Show.

We have previously sent you, for your review, the resolutions, by-laws changes and affiliation agreement and for your convenience have attached to this newsletter (**ATTACHMENT A & B**) a proxy statement that will enable you to vote via fax or, if you prefer, by attending a meeting called for this purpose on March 8th 2010 at 3:00 PM at the offices of GHADA and CARA 36 Trumbull Street Hartford, Connecticut.

If you agree with the decision of the CARA and GHADA boards please sign the attached proxy statement (***Attachment A for CAR Association only Members and both Attachments A & B if you belong to both CAR and GHADA***) and fax to (860) 527-2582 or, if you wish to vote in person, RSVP your attendance at the meeting on March 8th to Ann via email cara@ctcar.org or telephone (860)293-2500.

**2.
TOYOTA RECALL
CAN IMPACT ALL
DEALERSHIPS**

As you are aware, Toyota suspended the manufacture of eight (8) of its most popular models because of an unresolved mechanical flaw causing unwanted and uncontrolled vehicle acceleration.

While this situation is potentially devastating for Toyota dealers, even non-Toyota dealers are impacted through vehicles in their inventories which are part of the recall.

Although the federal Motor Vehicle Safety Act does not specifically prohibit the sale of a used vehicle subject to a manufacturer's recall, a dealer who sells a used vehicle with an un-remedied recall defect runs the risk of significant

**TOYOTA
CONTINUED . . .**

liability in the event of personal injury involving an accident related to the unremedied defect. In such cases, the dealer can be sued for negligence for selling the vehicle with a defect it knew (*or should have known*) was subject to a manufacturer's recall. NHTSA has advised manufacturers they should "encourage" their dealers to ensure that used vehicles subject to a manufacturer's recall have all applicable recall work completed before reselling such vehicles to the public.

The CAR Association has previously provided Connecticut's Toyota dealers with two memos regarding the manufacturer's massive recall and its implications made available specifically to our dealers by Attorney Len Bellavia of Bellavia Gentile & Associates and Attorney Jeffrey M. Thomen of the local firm of McCarter & English. The Association thanks both these attorneys for their quick response to our requests for guidance.

Any dealer wishing a copy of these memos may contact the Association office (860) 293-2500 with their request.

**3.
BE CAREFUL WITH
EMERGENCY
MEASURES AND
EXTRA HOURS**

The Toyota Recall situation brings up a host of interesting issues that, at one time or another, will likely affect all dealers. It may be affecting all dealers now because of used vehicles subject to the recall. These are issues you should consult your own counsel about since they are a minefield of possible liability and financial problems.

- If you must go to extended service hours (some dealers even 24/7) to service customers; who will be working which shifts and which employees are subject to overtime? Are you providing appropriate breaks and working conditions for the extra hours? If techs have to spend more time on lower paid work, how will you compensate for that? How will you ensure both quality repairs and safety of workers? You can't discipline an employee for refusing to work in unsafe conditions which could include fatigue of that employee or co-workers.
- What is your public relations plan for your customers? How will you explain how the fixes work and restore confidence in their vehicles? How are you training your staff to say the right thing? Don't forget about the frontline people who answer the phones. What printed materials should you have that could be handed out to customers?
- Your Dealer License with the Connecticut Department of Motor Vehicles requires that every vehicle you sell be "fit for the road" or that you mark the title "unfit for the road" so it is made fit before registration and use on Connecticut's roadways. No piece of paper signed by a consumer will protect a dealer in the case of a known possible defect and subsequent accident where proper branding did not take place.

**EMERGENCY
MEASURES
CONTINUED . . .**

- Trade-in values are obviously a sticky issue, and many auctions are not accepting the cars subject to the recall.
- Communications are obviously critical, with your manufacturer, with your employees and with your customers. Staying positive, having a legally compliant plan and keeping tight control will clearly help you weather these kinds of storms.

**4.
REMINDER:
BODY SHOPS
REQUIRED TO
FILE WITH EPA**

As we informed you in our January Newsletter the Environmental Protection Agency's (EPA) rule governing hazardous air pollutants (HAPs) requires existing body shops to file an Initial Notification Form by January 11, 2010. Full compliance, due by January 11, 2011, requires that dealership body shops:

1. Paint only inside filtered, ventilated paint booths or pre stations
2. Use high transfer efficiency application equipment
3. Clean guns with non-hazardous solvents, in gun-enclosed washers, or using a method that does not involve atomized spray to the open air.
4. Have painters trained and certified every five years.
5. Keep basic records demonstrating compliance?

The rule also:

1. Allows a shop to petition for an exemption if it does not spray coatings with any of the HAPs of concern.
2. Excludes the spraying of coatings from hand-held guns with paint cups of 3.0 fluid ounces or less.

Also, paint stripping involving methylene chloride (MeCl) is significantly regulated for shops using more than one ton of MeCl per year. Where possible, body shops should avoid the use of strippers containing MeCl.

For more information, please see bulletins and forms found at www.nada.org/bodyshop (login required). Questions on the new rule may be directed to NADA Regulatory Affairs at regulatoryaffairs@nada.org or (703) 821-7040.

**5.
FINAL RISK-BASED
PRICING ISSUED
BY FRB AND FTC**

The Federal Reserve Board (FRB) and the Federal Trade Commission (FTC) have issued their final joint Risk-Based Pricing Rule, concluding a six-year effort to implement Section 311 of the FACT Act of 2003.

The final rule takes effect on **January 1, 2011**. It applies to any dealer who obtains a credit report regarding a customer and enters into a credit transaction with that customer.

The rule requires a covered dealer to issue a Risk-Based Pricing Notice (RBPB) to those customers to whom the dealer extends credit on terms that are “materially less favorable” than those entered into with a “substantial proportion” of the dealers’ other credit customers.

However, because of the compliance challenges that exist in trying to determine which credit customers fit into this ill-defined category, NADA recommended, and agencies adopted, an “Exception Notice” that dealers and other creditors may issue in lieu of the RBPB.

The exception Notice essentially only needs to include three categories of information:

1. The consumer’s credit score;
2. Certain information to put the credit score in context; and
3. Additional boilerplate information explaining the importance of credit scores and credit reports and how credit reports may be obtained.

Additionally, because the Exception Notice will be issued to all of the dealer’s consumer credit applicants, this alternative compliance option removes the need for a dealer to make the difficult determination regarding which subset of its credit-approved customers must receive notices.

NADA has prepared a preliminary summary of the new notice requirement and will distribute more comprehensive guidance later in the year. NADA’s summary is available on the CAR Website at www.ctcar.org.

**6.
WHAT TO KNOW
ABOUT SOCIAL
MEDIA**

Not long ago, having a dealership Website was enough to keep customers in the loop – and a strong Website is still one of the best sources of information about your dealership, what it offers, and how customers can reach you.

Now, many dealerships are communicating with current and potential customers by using free social media networking sites, which allow people to interact, network and share information. According to a Washington DC media research group, 25.5% of new car dealerships have a Facebook page, and 10.9% communicate with customers on Twitter.

SOCIAL MEDIA
CONTINUED . . .

Here's a list of some of the top sites and an example of what they can do for dealers:

Twitter

Twitter is a short messaging service that allows users to send messages of 140 characters or less, through Websites, smart phone applications, or text messages. The posts are called tweets. Your service department might send a tweet announcing a special (i.e. **Oil Change & Tire Rotation \$35** with either an email address or phone number so it is easy for the customer to book the service.)

Facebook

Facebook is a site that lets people connect with coworkers, friends and others who share common interests. Users create profiles where they can post photos, updates and event invitations. People and organizations connect by becoming friends and fans. Dealership sales departments can use Facebook to invite customers to a special event in the showroom, or tell fans how excited they are about a new model.

LinkedIn

LinkedIn is a business-oriented network of contacts that helps users exchange information, ideas and business opportunities. Members invite others to be "connections" and can then view their connections' networks. Dealer principals might use LinkedIn to stay in touch with industry colleagues.

Blogs

A blog is an online journal where people or businesses can post entries about interests, experiences or areas of expertise. Most blogs include text, images, links to Websites and other blogs, and related information. Dealers who blog often discuss and show off new models and concepts, encourage customers to come in for service, and tell readers about their community service activities.

Dealers who take advantage of social media should have policies in place to prevent inappropriate postings. Contact Ann at the Association office (860) 293-2500 akish@ctcar.org for a copy of a sample social media policy.

These are just a few of the many free social media sites dealerships should be taking advantage of and only a few ways in which they can enhance your business.

The CAR Association is bringing its members a Web 2.0/Social Media seminar on Tuesday, April 6, 2010 at the Rocky Hill Marriott. We are pleased to be able to bring back Darcy Knapp of Leap Frog Marketing as our presenter. Darcy presented at our 2009 Dealer Symposium and was so well-received we had overwhelming requests to bring her back for a full three-hour Social Media Seminar. Space is limited and we expect this session to fill up quickly so use the Attached Announcement (ATTACHMENT C) to Register Today!

7.
ON THE
DEALER FRONT . . .

Dealer Rights Arbitration

There were 1,573 arbitration filings under the Dealer Rights bill championed by NADA. This represents 74.5% of the rejected Chrysler and wind-down GM dealerships. In Connecticut there were 16 arbitration filings representing 89% of the 18 affected Chrysler and GM dealerships.

Warranty Reimbursement Declarations

The Association has held several manufacturer specific meetings regarding the new enhanced Connecticut Franchise Law warranty parts and labor reimbursement declarations. We have heard that hundreds of New York dealers who went through this procedure several months before Connecticut have won their warranty parts increases. Most manufacturers are paying increases to their dealers that properly request the increased reimbursement. Chrysler has now joined the long list of manufacturers in New York who are now paying retail rates for warranty reimbursement.

While many manufacturers are paying increased rates for warranty reimbursement, many inconsistencies between brands remain. We realize the importance of dealer comfort and “invisibility” which is why we began the group meetings so you could file your declarations in groups so we urge you to take advantage of the group submission.

We have had many calls referencing the letter that New York Nissan dealers received advising them not to file declarations and we want to let our Nissan dealers know that we and several of the attorneys we work with have discovered no history of retaliation by Nissan and, in fact, they are beginning to award New York Nissan dealers their increased warranty rates.

To end, your Association has had discussions with the Attorney General’s office on behalf of the dealers and they will work with the Association to rectify any situations where Connecticut law is not being upheld.

If you have any further questions on the Warranty Reimbursement issue, or would like to schedule a specific manufacturer meeting please call the Association office at (860) 293-2500

Bass Sox Mercer

The law firm of Myers & Fuller is now known as Bass Sox Mercer. Congratulations to Attorney Rich Sox with whom many of you work on his partnership. Please make a note of the name change and be advised that all other contact information remains the same.

**8.
ASE TESTS**

The National Institute for Automotive Service Excellence (ASE) has announced its spring testing schedule. The deadline for test registration is March 31, 2010. Tests will be administered May 6, 11 and 13. You can register three ways – online at www.ase.com/e; toll-free at 1-866-427-3273; and Information line at 1-888-ASE-TEST.

**9.
WATCH OUT FOR
E-MAILS ABOUT
SCAMS**

Watch out for the latest e-mail scam: unscrupulous companies or individuals who make their fraudulent messages appear genuine by having them warn against scam e-mails.

For example, you might receive an e-mail from your bank warning customers about scam e-mails sent in its name, and telling you that your accounts have been “locked” to prevent anyone from losing money. The messages tell you that you can “unlock” your accounts by calling a phone number.

Don't make the call! If you do, you'll be asked for your account numbers, passwords and other confidential information to “verify” your identity – giving the scammer all the information he needs to commit theft.

Think the message is legitimate? Look up the bank's phone number yourself and call it directly.

IN MEMORIAM

It is with great sadness we inform you of the passing of Richard Dunbar Wagner, owner of Wagner Ford Nissan in Simsbury, on December 17, 2009.

Mr. Wagner served his country in World War II as a US Army Captain flying B24 bombers from India over the Himalayas to Burma. He was twice a prisoner of war in the Burmese jungles and escaped both times.

In 1954 he became the youngest ever Ford franchise owner. He expanded his operations over the years and served for ten years on the Boards of the Connecticut and National Dealership associations. He served as President of CATA for two years and was instrumental in passing one of the nation's first "lemon laws". He was elected NADA Time Magazine Dealer of the Year for business and philanthropic excellence.

He is survived by his wife of 63 years, Madeline, his son Richard, Jr., two grandsons, one great-grandson and several other close family members. He was predeceased by his daughter Georgette.

The officers, members and staff of the CAR Association extend their deepest sympathy to the entire Wagner family.

**MEETING OF THE MEMBERSHIP
OF
CONNECTICUT AUTOMOTIVE RETAILERS ASSOCIATION, INCORPORATED
PROXY STATEMENT**

The undersigned, Member of Connecticut Automotive Retailers Association, Incorporated, a Connecticut nonstock corporation ("CARA"), hereby constitutes and appoints James Fleming and Mary Ellen Hadelman, each of them (with full power to act without the other), the true and lawful attorneys, agents, and proxies of the undersigned, with full power of substitution and revocation, and with all powers which the undersigned would possess if personally present, to vote in the name, place and stead of the undersigned on all matters which the undersigned is entitled to vote, at the Special Meeting of the Membership of CARA to be held on March 8, 2010, and at any adjournment or adjournments thereof, for those matters identified in the notice of the meeting and for the transaction of any other business to come before the meeting.

Please print and sign your name, and add the date, in the places provided below.

Dated: _____, 2010

Printed Name

Signature

**MEETING OF THE MEMBERSHIP
OF
GREATER HARTFORD AUTOMOBILE DEALERS ASSOCIATION, INC.
PROXY STATEMENT**

The undersigned, Member of Greater Hartford Automobile Dealers Association, Inc., a Connecticut nonstock corporation ("GHADA"), hereby constitutes and appoints James Fleming and Mary Ellen Hadelman, each of them (with full power to act without the other), the true and lawful attorneys, agents, and proxies of the undersigned, with full power of substitution and revocation, and with all powers which the undersigned would possess if personally present, to vote in the name, place and stead of the undersigned on all matters which the undersigned is entitled to vote, at the Special Meeting of the Membership of GHADA to be held on March 8, 2010, and at any adjournment or adjournments thereof, for those matters identified in the notice of the meeting and for the transaction of any other business to come before the meeting.

Please print and sign your name, and add the date, in the places provided below.

Dated: _____, 2010

Printed Name

Signature

Connecticut Automotive Retailers Association

Trumbull Street Hartford, CT 06103 Telephone (860) 293-2500 Facsimile (860) 527-2582

CAR ASSOCIATION SPRING SEMINAR SERIES

Web 2.0 - The Age Of Social Media . . . How to Take Advantage of All that Free Social Media Offers!

Presenter: Darcy Knapp, Leap Frog Marketing

Date: Tuesday, April 6, 2010

Time: 9:00 AM to 12:00 Noon

Fee: \$75.00 Per Person

ATTACHMENT C

Our Spring Seminar Series begins with *Web 2.0 – The Age Of Social Media*

Not long ago, having a dealership Website was enough to keep customers in the loop – and a strong Website is still one of the best sources of information about your dealership, what it offers, and how customers can reach you. But now, many dealerships are recognizing the need and the advantage of communicating with current and potential customers by using *free* social media networking sites, which allow people to interact, network and share information.

According to a Washington DC media research group, 25.5% of new car dealerships have a Facebook page, and 10.9% communicate with customers on Twitter.

In this Seminar we will Review the top interactive Social Media sites and their impact on the automotive sector and tell you what you need to do to be part of the Social Media Wave. We will tell you how to position yourself on the various Websites, why and how to blog and provide in-depth coverage of Facebook, LinkedIn, Twitter, Ping, Google & Google Reviews as well as give an overview of YouTube and YouTube video Strategy.

Don't be left out of the Social Media Movement – learn how to take advantage of the best Free Tool accessible for businesses who know how to use it.

Register Today - Space is limited for this session!

REGISTRATION SHEET

SEMINAR

Web 2.0 - The Age Of Social Media . . . How to Take Advantage of All that Free Social Media Offers!

at the

ROCKY HILL MARRIOTT
100 Capital Boulevard
Rocky Hill, Connecticut

AGENDA

8:30 – 9:00 AM	Continental Breakfast
8:30 AM	Registration
9:00 AM	Seminar Begins
10:30 AM	Break
12:00 NOON	Seminar Adjourns

Fee: \$75.00 PER PERSON

Please print or type name as you wish it to appear on badge – make photocopies for additional attendees

Attendee _____

Dealership _____

Address _____

City _____ State _____ Zip _____

Contact _____
(if different from attendee)

Telephone _____ Extension _____

* Please specify any additional questions you would like addressed at this seminar:

Seating is Limited for this Seminar – Registrations cannot be processed without payment made payable to CAR Association. Send your registration with check to:

CAR Association, 36 Trumbull St, Hartford, CT 06103.

Registration cut-off is Friday March 31, 2010 - No Refunds CAN BE issued after that date.