Dealers Issues
Race To The Finish
2010 Legislative Session
Comes to an End

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GRASSROOTS EFFORT PAYOFF

Without notice on the morning of Thursday, May 6, State Rep. Paul Weissmann (D-Louisville) attempted to amend a bill with the intention of eliminating Colorado’s ban on Sunday sales. This motion didn’t even fit under the title of the bill he wanted to amend … very sneaky! The amendment failed by a margin greater than 2:1. The reason it failed can be directly attributable to ongoing grassroots efforts made by CADA staff and dealers who meet local legislators for breakfast, lunch and dinner which has been our standard “MO” over the past few years. Had this education “process” not taken place, it is likely that amendment would have passed and we would be open for business on Sunday. However, we can’t rest on our laurels. We have to keep the pressure on and take time out of our schedules to meet with our legislators to educate them on issues that are important to us. Just “showing up” at these breakfast, lunch or dinner meetings ensures your local representative know you care and are paying attention this is more powerful and effective than most people know.

CADA Saves Dealers (YOU) Money

I had the opportunity to speak with a dealer last month who just finished a warranty audit of their store. The manufacturer determined that the dealership owed $162,000. When the dealer pointed to recently passed legislation, HB 10-1049, the manufacturer, after verifying the law, reduced the chargeback to $99,000. While that is still pretty stiff, the dealership saved $63,000 thanks to the efforts of CADA through this recent legislation.

I asked another dealer about a different provision of HB 10-1049 that passed into law regarding “Exporting of Motor Vehicles”. This high-line dealer indicated that if they were found in violation of improperly selling vehicles intended to be shipped outside the U.S., the chargeback could run as high as $8,000 per unit exported. Before HB 10-1049, the manufacturer didn’t have to prove that the dealership knew the vehicle was going to be exported prior to imposing any penalties or withholding inventory, which means additional opportunity loss of gross profit.

HB 10-1049 has other provisions pertaining to dealer cancellations that we have yet to see the fruits. Yet, the above two examples can demonstratively prove new car dealers save tens of thousands of dollars. Add this to the success of our grass-roots efforts on Sunday sales and the benefits dealers receive make CADA dues look paltry. Being involved with CADA provides impressive value to your dealership. Thanks for your participation!

CADA Innovative Dealer Summit

Mark your calendar for Sept. 8 to attend the Innovative Dealer Summit hosted by CADA. This year’s event will concentrate on the ever-changing technology arena and how we communicate with our customers. You may have attended “digital” conferences in the last year or so, but things change quickly in this area. The nice thing about the Innovative Dealer Summit is that it is local and easy to attend; not in some other state. Keep up-to-date and give it a try by showing up in Denver on Sept. 8.
SECOND DEALER RIGHTS BILL OF THE SESSION HEADED TO GOV. RITTER

SB 201 by Sen. Shawn Mitchell (R-Broomfield) and Sen. Chris Romer (D-Denver), which substantially increases penalties against automakers that do not comply with HB 1049, passed out of the House of Representatives on third reading and final passage on Friday by a vote of 54-11. The legislation passed out of the Senate 35-0 last week.

In a last minute move and without notice to CADA, House Majority leader Paul Weissmann (D-Louisville), ran an amendment to SB 201 to eliminate the ban on Sunday Sales of motor vehicles. After debate by both proponents and opponents of the amendment, the amendment failed by a wide margin. Rep. Weissmann then ran a second amendment that would have increased the punishment against any dealer operating on Sunday. This amendment similarly failed by a large margin.

SB 201 provides authority for the Executive Director of the Department of Revenue to impose fines between $10,000 and $25,000 per day on any automaker who refuses to honor Colorado statutes specific to dealers that were terminated in bankruptcy. The bill now heads to Gov. Ritter for his signature. Once signed, the bill will become law immediately.

CALL TO ACTION!

Please contact Senators Mark Udall & Michael Bennet to urge them to SUPPORT the Brownback Amendment

Senator Mark Udall Contact Info:
Hart Office Building Suite SH-317
Washington, DC 20510
Phone: 202.224.5941
Fax: 202.224.6471
Call toll-free: 877.7.MUDALL (877.768.3255)

Senator Michael Bennet Contact Info:
702 Hart Senate Office Building
Washington, DC 20510
Phone: 202.224.5852
Fax: 202.228.5036

SB 201 provides authority for the Executive Director of the Department of Revenue to impose fines between $10,000 and $25,000 per day on any automaker who refuses to honor Colorado statutes specific to dealers that were terminated in bankruptcy.

Melissa Kuipers, Esq.
CADA Vice President,
Government Relations & Communications
ASSOCIATION AGENDA SHIFTS FOR SUMMER SEASON

Legislative Victories Tallied
The single greatest value and most important service that CADA delivers to member dealers, arguably, is that of legislative advocacy. Colorado’s 2010 session of the General Assembly adjourned, Sine Die, Wednesday, May 13. Within in the pages of this CADA Bulletin you will find a summary of the major outcomes of the 2010 legislative session. Your CADA Legislative Policy Committee (LPC) and staff worked fervently to ensure that the most important dealer protections were enacted and previously enacted protections were strengthened.

Over the past couple of years, Colorado’s dealer franchise protections have ramped up significantly, compared to where we were prior to the improvements. Specifics of the legislative victories will be detailed more clearly later in the year at the annual CADA Regional Meetings as well as operationally during planned training seminars.

The always-controversial (at least for certain specific legislators) ban on Sunday sales has to be defended almost every year, sometimes numerous times each year. This year, the challenge came in the form of attempted amendments by traditional foe, Rep. Paul Weissmann (D-Louisville). Yet, to our benefit and credit, the amendment mustered fewer than 20 votes to open dealers on Sunday. About 45 representatives voted to keep dealers closed Sundays. We attribute that solid showing of dealer support to be directly attributable to CADA’s grassroots action.

Other victories go largely unnoticed. While killing bad bills is usually as important as passing good ones is just the reality, killing bills doesn’t usually get the attention that passing legislation does. There were a number of proposed bills that would have been bad for business if enacted into law. CADA provided assistance by working with Colorado Association of Commerce and Industry (CACI), National Federation of Independent Business (NFIB) and other pro-business groups. CADA’s 2010 Legislative Summary will include mention of several of these. Stay tuned.

Building Improvements
Several changes are underway at the William D. Barrow Building, CADA headquarters, based both on facility maintenance and technology improvement needs. The building was finished and the association moved in twelve years ago, August 1998. The windows and doors have worn more rapidly than expected and more-so than normal. Almost all exterior doors and windows will be replaced. The awning cover over board room patio lasts about five to six years. It is due replacement. New exterior paint, stucco, signs and roof and guttering repairs are being made.

The most significant change will be the transition of the lower level training room to a fully interactive media room. The changes will benefit member meetings, committee

Mark your calendar for Wednesday, Sept. 8 at Denver Marriott South on Park Meadows Drive. Please plan to send key dealership operations staff to attend the Innovative Dealer Summit. More information will be available soon.
meetings, LMG meetings and training seminars. We expect an open house will be conducted on Monday, Aug. 2 in order for dealers and friends of the association to see the improvements first-hand.

Innovative Dealer Summit
For the past three years, CADA has hosted an annual educational conference called Dealer Management and Leadership Summit. The primary focus has been providing information to better enable dealers with tools to avoid legal and consumer liability. The Dealer Summit has been very popular and has drawn decent participation.

Plans are underway to evolve the meeting into a sales, the marketing, technology and innovation conference entitled Innovative Dealer Summit. Mark your calendar for Wednesday, Sept. 8 at Denver Marriott South on Park Meadows Drive. Please plan to send key dealership operations staff to the Innovative Dealer Summit. More information will be available soon.

**APPRAISING AND BIDDING ON AUCTION VEHICLES**

This article is adapted from A Dealer Guide to Auctions: Controlling Inventory, Increasing Profits (SL17), available through NADA University’s Resource Toolbox. For more on auctions, join NADA and Manheim Online Solutions for the free MarketINSIGHT mini-webinar Maximizing In-lane and Online Auctions to Save Time, Save Money and Get the Best of Both Worlds March 24.

Bidding on vehicles at auction without first appraising them is a big mistake. Unless you have done your homework, how can you possibly know what to bid?

Before even leaving the dealership, you should examine your inventory needs and check recent auction reports. What price did the vehicles you need bring at auction? How do they compare to wholesale valuation books and guides? Are they in a range that seems reasonable to you, or are they higher or lower than you expected? If prices don’t seem compatible with prices you would have bid, try to find out why. Is your own market research current, or has it been a while since you last studied your market?

On the day of the auction, go early. Auction personnel will give you the lane schedule, a list of the vehicles that will be offered at the sale. The vehicles will be grouped according to the lane in which they will be sold and the time that particular auction will begin. Armed with your inventory “wish list,” look over the lane schedule and place a check mark next to the vehicles that interest you. Recognize that others will be bidding on the same cars and that your bid might not always be the winning bid. If you plan to buy five cars, select at least ten cars to appraise.

You are encouraged by auction personnel to look over the vehicles before the sale begins, and you should take advantage of this opportunity. When appraising vehicles at the auction, use the same used-vehicle appraisal form you use in the dealership and the same appraisal procedure. The more you do it, the easier it will become and the faster you will be able to complete the appraisal. Being able to appraise thoroughly but quickly is essential if you plan to become a successful auction “regular.”

Accomplished auction buyers suggest that you write down the top price you’re willing to spend on a particular car and refuse to bid more than $200 above that. The excitement of the auction is contagious, and it can be hard to stop if the bidding’s still going strong. Remember, however, that you have carefully calculated the value of the vehicle in your market. The competing bidders may be able to get more for the same car in their markets. For that reason, they may be able to spend more. Know your limits and stay within the boundaries you have set.

First-time auction buyers might wish to do a “Select Ten” exercise. This “stress free” visit will prepare you to buy on your second visit. Before the auction begins, select 10 cars that interest you (preferably of the type you’d want to buy for your dealership). Using your dealership appraisal form, appraise each selected vehicle to determine the price you’d be willing to pay. When the auction begins, don’t bid, just watch the action. When the hammer falls on one of “your” vehicles, write down the sale price. Later on, compare your estimated buying price with the actual sale price of the vehicle. This exercise will help you see if you’re ready to buy next week or if you need to spend a little more time studying guide books, auction reports, and market values.
Special Invitation for
Allied and Endorsed Members of CADA

- - Luncheon with CADA Board of Directors - -

11:30 am – 12:45 pm, Thursday, June 10

An opportunity to meet with CADA leadership in an open forum to discuss CADA’s priorities and how we can best work together with you and your business. We seek opportunities that enhance the value of your Allied Membership and ways that we can provide the most effective resources for dealers.

A G E N D A

DATE/TIME: 11:30 am to 12:45 pm, Thursday, June 10, 2010 (lunch provided)
LOCATION: William D. Barrow Building (CADA Offices), 290 E. Speer Blvd, Denver, 80203
- Welcome and introduction from Mike Faricy, Chair of the Board, Colorado Automobile Dealers Association (CADA)
- CADA Today – Organizational structure, projects and priorities, introduction of staff
- Introduction of CADA Board of Directors
- Introduction of CADA Allied members and Endorsed Service Providers
- Allied member background and services
- Ideas and discussion of how CADA’s Allied Member relationships can be enhanced

TO REGISTER, PLEASE RETURN THIS FORM:

DUE TO SPACE LIMITATIONS WE CAN ONLY ACCEPT ONE PERSON PER ALLIED OR ENDORSED MEMBER FOR THIS MEETING. SIMILAR OPPORTUNITIES WILL CONTINUE TO BE PROVIDED IN THE FUTURE.

REGISTRATION DEADLINE: FRIDAY, JUNE 4, 2010
RETURN THIS FORM TO: 290 EAST SPEER BLVD, DENVER, CO 80203 OR FAX: 303.831.9100
RSVP VIA EMAIL TO: LAUREN.STADLER@COLORADOdealERS.ORG OR PHONE: 303.457.5123

NAME: __________________________________________ TITLE: __________________________
BUSINESS NAME: _______________________________ E-MAIL: _______________________
ADDRESS: ______________________________________ CITY/ZIP: ___________________/ 
PHONE: ________________________________________ FAX: _______________________
CONTACTS: TIM JACKSON, 303.282.1448 TIM.JACKSON@COLORADOdealERS.ORG
LAUREN STADLER, 303.457.5123 LAUREN.STADLER@COLORADOdealERS.ORG
Seminar: One Toke over the Line? Medical Marijuana at Work
The HIRE Act: Employer Tax Breaks for Hiring Unemployed Workers

- Notice the recent media attention given to medical marijuana in Colorado? Wonder what it means for your company, employees and zero tolerance employment policies?
- Hiring Incentives to Restore Employment Act (the HIRE act). This jobs incentive bill contains more than $17 billion in tax credits to stimulate employment. Do you have positions that qualify?

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<tr>
<td>Denver</td>
<td>Tues., June 22, 2010 7:30am to 9:30am</td>
<td>William D. Barrow Building (CADA Headquarters) 290 E. Speer Blvd (SW Corner of Grant/Speer), Denver, CO Phone: 303.831.1722</td>
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<tr>
<td>Colorado Springs</td>
<td>Wed., June 23, 2010 12:00pm to 2:00pm</td>
<td>Location to be determined **Colorado Springs dealers should register directly with CSADA, Ann Winslow, 719.473.1465 <a href="mailto:abwinslow@comcast.net">abwinslow@comcast.net</a></td>
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Part I: One Toke Over the Line! Medical Marijuana at Work
- Can your employees use or possess marijuana in the workplace?
- What should you do if a drug test comes back positive for medical marijuana?
- What if the employee is "disabled"? How are Medical Review Officers handling positive tests for marijuana?
- Can your employee brag to other employees about their medical marijuana use?
- You’ll hear latest legal guidance on medical marijuana vs. laws.

Part II: The HIRE Act: Tax Breaks for Hiring Unemployed Workers
- You will learn what is needed for a new hire to qualify for immediate payroll tax exemption
- You will learn what is needed for the employer to receive a tax credit for retained workers

TO REGISTER, PLEASE RETURN THIS FORM AND PAYMENT OF $129/1ST PERSON AND $99 / ADD’L PERSON
CADA, 290 East Speer Blvd, Denver, CO 80203, Fax: 303.831.9100 [Checks payable to “CADA”]

Register for this and other CADA events ONLINE at: www.coloradodealers.org/registration
INVEST IN YOUR FUTURE WITH NADA, CHAIRMAN TONKIN TELLS DEALERS

In a letter to all NADA members, Chairman Ed Tonkin urges dealers to invest in the future of their dealerships and their industry by renewing their NADA membership in 2010. Tonkin outlined the association’s key achievements in 2009, including: initiating the “cash for clunkers” program and securing an additional $2 billion in funding; freeing TALF funds for inventory floorplanning; providing wind-down and terminated dealers recourse through arbitration; and providing substantial input leading to a dialing back of GM’s requirements for go-forward dealers. “Now that the economy is improving and our industry has begun to stabilize, NADA is still working just as hard on your behalf – taking on dealer issues, ensuring fairness in the marketplace, and protecting us from overreaching legislation,” Tonkin writes. In order to maintain and enhance the level of service and value NADA members have come to expect, an increase in membership dues is necessary, Tonkin explains. “We have worked hard to make this increase as small as possible while still meeting our responsibilities to you,” he writes. Questions about 2010 dues can be directed to the NADA Membership Department at (703) 821-7113 or member@nada.org.

TEXT MESSAGING: REGULATIONS FOR DEALER COMMUNICATIONS WITH CUSTOMERS

Communications with prospective customers or others via “text messaging” may be subject to a number of federal regulations. The legal landscape covering text messaging was crafted before such technology existed. A text message may be deemed to be a phone call, an email, or perhaps even both under federal law. To read the issue summary from NADA, please visit the Feb. 23 issue of Open Road at www.cadaopenroad.org.

NADAFRONTPAGE.COM CONTINUES TO GAIN READERS

NADAFrontPage.com, NADA’s new online magazine, is fast becoming the go-to source for timely and comprehensive news about the auto industry. More than 44,000 visitors went to NADAFrontPage.com in its first month of operation. The online magazine is a hybrid site, combining news aggregation with original reporting. NADAFrontPage.com features expanded coverage of auto industry news, quotes from industry leaders and auto stock quotes. It complements the association’s daily e-newsletter, NADA Headlines, which has become a must-read for thousands of dealers. More than 36,000 people—including thousands of industry followers, such as automakers, suppliers and the media—now subscribe to NADA Headlines.

FTC ISSUES GUIDELINES ON ENDORSEMENTS AND TESTIMONIALS

The Federal Trade Commission recently announced guidance for advertisers regarding the use of endorsement and testimonial ads. The guidance addresses endorsements by consumers, experts, organizations and celebrities, as well as the disclosure of important connections between advertisers and endorsers. Dealers should consult this guidance before using a celebrity or consumer endorser in their advertisements. Also, the revised guides add new examples to illustrate the principle that “material connections,” such as employment, payments or free products between advertisers and endorsers — connections that consumers would not expect — must be disclosed. As a result, dealers, dealership employees or anyone who receives any payment or free product from the dealer must consult these guides before blogging about their own dealership or competitors, or perhaps even commenting on a “blog” or other online forum about their own business or their competitors. For details on the new guidelines, please visit the Feb. 16 issue of Open Road at www.cadaopenroad.org.
LEARN MORE THAN EVER BEFORE

NADA University Opens Free Enrollment
NADA and ATD members who enroll in NADA University will receive substantial instruction and resources free of charge. Those complimentary benefits include the Resource Toolbox’s complete online series of Driven management publications and Learning Hub’s six essential online courses that address cash reporting, cash flow management, diversity education, the FTC “Red Flags” Rule, OSHA safety requirements and EPA standards for hazardous air pollutants. Members also receive discounted rates on subscription services, such as NADAvt (NADA virtual training), the industry’s most comprehensive online training package, which includes more than 50 NADA and ATD convention workshops, more than 10 NADA Webinars that will be produced in 2010 and an expanding menu of online courses. Members can enroll today by visiting www.NADAuniversity.com and entering their dealership (company) member ID. Members will then receive a confirmation e-mail that details how to create usernames for all dealership employees or to identify an administrator to take charge of that task.

NADA University Now Publishes Driven Management Series Online
A Dealer Guide to Preventing and Detecting Fraud teaches dealers, general managers, controllers and CFOs how to detect and prevent employee fraud. The various types of fraud are covered in detail, with specific real-life scenarios and detection methods. Also discussed are the internal controls necessary to prevent fraud, insurance coverage, leading indicators of white-collar criminals, and recent statistics on workplace fraud. Available only through the NADA-ATD Resource Toolbox, one of NADA U’s four “automotive centers of excellence,” the Driven publications continue to be free to members and are now offered with features that allow dealers to quickly determine which employees would benefit from the information. Dealers can then assign those employees to read the publication, and follow their progress through a testing and tracking system. NADA and ATD members must first enroll in NADA University to gain access to the Driven publications. To view the latest Driven guide once you’re enrolled, login to NADA U and go to the Training Center, then Resource Toolbox, then Driven. You’ll find A Dealer Guide to Preventing and Detecting Fraud in the Business Management category.

NADA Marks Milestone with Academy Graduation
NADA marked an important milestone March 12 when Chairman Ed Tonkin and immediate past Chairman John McEleney celebrated the graduation of their children, Nancy Tonkin and Drew McEleney, from the NADA-ATD Academy. Nancy Tonkin and Drew McEleney represent the fourth generation of their respective family businesses. Both graduates currently hold leadership roles in their dealerships and plan to become even more involved in years to come. The event marked the first time a current NADA chairman and former NADA chairman have ever had children graduate from the academy at the same time. It was also historic because Tonkin and McEleney are the first NADA chairmen to have been preceded by their fathers in the position. Tonkin’s father, Ron Tonkin, was head of NADA in 1989. And McEleney’s father, Warren McEleney, led the organization in 1971. “You are today’s young lions and lionesses,” Tonkin said. “You bring skills and knowledge to this industry that we’ve never seen before.” McEleney also struck a positive tone, telling the graduates “you’ve lived through a very difficult time, and I think [because of that] the education you received will mean more to you.”
NADA UNIVERSITY OFFERS RED FLAGS HELP AS JUNE 1 ENFORCEMENT DATE DRAWS NEAR

With the revised June 1, 2010, enforcement date* for the FTC Red Flags Rule rapidly approaching, dealers should make sure that their required Identity Theft Prevention Programs (ITPPs) incorporate all of their covered accounts; include all relevant Red Flags; contain effective response and detection procedures; address all of the Rule’s other requirements; and are appropriately tailored to their particular operations. NADA University has three resources to help you determine if your dealership is adequately prepared:

- Driven Management Series: A Dealer Guide to the FTC Red Flags and Address Discrepancy Rules: Protecting Against Identity Theft: This 90-page guide explains the two rules, focusing on the Red Flags Rule, and provides detailed information, FAQs and a step-by-step compliance chart. The guide includes a sample ITPP, worksheets, and other materials to assist dealers in developing and maintaining written ITPPs specific to their dealerships. Driven guides are free to NADA and ATD members. After completing your free enrollment in NADA University, go to the Training Center, click on NADA-ATD Resource Toolbox, then the Driven tab. You’ll find the “Red Flags Guide” under “Legal.”

- Online Course: Red Flags: Stopping Identity Thieves Before They Strike: This new online course takes an interactive approach to teaching all aspects of the Red Flags Rule, utilizing activities, visual enhancements and testing to reinforce learning. Free in 2010 to NADA and ATD members, the course offers members-only downloads of a sample ITPP, sample compliance report, and two sets of worksheets dealers can use to accomplish account identification and risk assessment and to identify, detect and respond to Red Flags. After completing your free enrollment in NADA University, go to the Training Center, click on NADA-ATD Learning Hub, then “Legal/Regulatory.”

- Webinar Archive: A Deeper Dive Into the FTC Red Flags Rule: This 2009 webinar features attorneys from the FTC’s Division of Privacy and Identity Protection, which drafted and enforces the Red Flags Rule, along with NADA Regulatory Affairs Director Paul Metrey. The panel recap the required elements of the Rule, focusing on implementation considerations for dealers. During a Q&A session, webinar attendees pose their questions directly to the FTC attorneys. This webinar archive is available through the NADA U Store for $99 for dealers who do not have a NADAvt subscription.

- A NADAvt subscription is available for $199/month per rooftop with annual new-vehicle volume less than 300 units. The NADAvt and $399/month for rooftops with volume over 300 units, a NADAvt subscription gives you and all your employees access to all NADA and ATD online courses (20+ by year-end), all NADA and ATD convention workshops, all educational webinars produced—and more. Visit www.NADAUniversity.com for details, or call NADA U Customer Service at 800.557.6232.

* Please keep in mind this is an enforcement date—dealers are expected to already be in compliance.

ADVERTISING COMPLIANCE REMINDER

Internet Postings MUST Include D&H

A reminder to all dealerships that Colorado advertising rules require that D&H be included in “advertised” prices – and that includes any Internet based posting or listing. Below is an excerpt from a Jan.10, 2007 alert on this topic. Visit the the May 4 issue of the Open Road at www.cadaopenroad.org for more information.

Overall, keep in mind that “advertisement” is defined very broadly and includes Internet postings:

C.R.S. (Colorado Revised Statutes) 12-6-102(1.5). Means any commercial message in any newspaper, magazine, leaflet, flyer, or catalog, on radio, televisions or public address system, in direct mail literature or other printed material, on any interior or exterior sign or display, in any window display, on a computer display, or in any point-of-transaction literature or price tag that is delivered or made available to a customer or prospective customer in any manner whatsoever: except that such term does not include materials required to be displayed by federal or state law.

D&H can NOT be added to an advertised price (if an advertised price is negotiated below the advertised price, D&H can only be added, IF the final price does not exceed the advertised price. Rule 13. Advertising the price of a vehicle without including all costs to the purchaser at the time of delivery, except sales tax, finance charges, cost of emissions test, and transportation costs, incurred after sale, to deliver the vehicle to the purchaser at the purchaser’s request.)
PREVENTING DEALERSHIP FRAUD

This article is adapted from A Dealer Guide to Preventing and Detecting Fraud (BM42), the first publication to be delivered to members online upon the launch of NADA University in February. Available only through NADA University’s Resource Toolbox, all publications will include an executive summary, electronic routing to the staff you choose, and online tracking to ensure the material was reviewed and understood.

The opportunity to commit fraud, plainly stated, is a weakness in a company’s internal controls that has been exploited by the fraudster. Whenever fraud occurs, there are three aspects prevalent—the incentive to commit fraud, the rationalization of one’s actions, and the opportunity to commit fraud. While incentive and rationalization are difficult to control, management can prevent many opportunities for fraud by monitoring and updating its system of internal controls. Preventive controls are put in place before a transaction is entered into the company’s books, and include:

- Segregation of Duties – Ensure no one individual has complete control over any one process.
- Policies and Procedures – Address appropriate behavior, expectations, and consequences.
- Spending Limits – Assign based on the individual’s role within the company. Thresholds for a second or third reviewer should be defined in company policies and procedures.
- Preapprovals/Required Approvals – Outline the circumstances under which purchases and/or decisions are approved in advance.
- Budgets – Establish and prepare on a department-by-department basis.
- Passwords – Should never be shared or written down; should be of appropriate length and consist of a combination of letters, numbers, and special characters. Passwords should be changed periodically—typically every 90 days.
- Document Control Numbers – Pre-number invoices and receipts and account for every number.
- Computer Backups – Back up data on a regular basis and periodically verify the reliability of the backup.
- Job Rotation – Rotate jobs periodically to ensure adequate coverage in the event of employee turnover, as well as to change who is handling sensitive information on a regular basis.
- Drug Testing – Conduct before an individual is hired, upon promotion, or on a random basis. An individual with a drug problem will need money to purchase drugs.
- Credit Check – Conduct before an individual is hired or promoted into a more sensitive position. If hiring for a financial position, be wary of hiring an individual with bad credit—he/she will be coming into the company with incentive to commit fraud.

If you implement one new control, let it be the perception of increased detection and the assurance that the company is willing to impose consequences appropriate to the situation, up to and including prosecution.
DEALERS TELL SENATORS: ‘WALL STREET REFORM BILL HURTS CONSUMERS, LOCAL DEALERSHIPS AND ECONOMIC RECOVERY’

More than 100 new-car dealers were in Washington earlier this month to take an important message directly to their Senators: that over-regulating auto dealers and imposing new fees and other burdens will curb access to credit for middle-class families that need to buy a car or truck to get to work. It will also slow the economic recovery.

Senate Democrats and Republican leaders last week agreed to start debate on the Wall Street reform bill, including an amendment sponsored by Sen. Sam Brownback, R-Kan. The Brownback amendment would preserve the ability of dealers to provide affordable financing for their customers. Proponents of the proposed Bureau of Consumer Financial Protection want to include dealers in the agency’s oversight, which would likely limit or eliminate dealer-assisted financing, says NADA Legislative Affairs.

“We are up against very powerful forces, with the Obama administration, Department of Defense and consumer groups attempting to give senators the impression that dealer-assisted financing is detrimental to consumers,” says David Regan, NADA vice president of legislative affairs.

Dealers are responding by making it clear that they aren’t banks but simply connect car buyers with willing lenders. Moreover, dealers on the Hill told senators they had nothing to do with the problems caused by Wall Street and big banks.

“Shouldn’t the Wall Street reform bill focus on those who were responsible for last year’s credit fiasco?” said NADA Chairman Ed Tonkin. “We were victims of that crisis, not the cause.”

Tonkin added that there are already strict state and federal laws in place which seek to stamp out discrimination, protect consumers’ privacy and prevent abusive business practices.

“These same regulations will remain under the Brownback amendment,” Tonkin said. “What’s more, all the banks, finance companies and credit unions that actually make car loans will have to comply with the rules of the BCFP.

“With too many unnecessary rules and restrictions, dealers might simply give up providing on-site financing options, and who does that hurt? The average Joe and Jane Car-Buyer,” Tonkin said. “This is just one of the unintended consequences that many fail to recognize.”

With the Senate moving soon to consider amendments to the bill, NADA Legislative Affairs is urging every dealer to call both of their senators and ask them to support the Brownback amendment. Senators can be reached through the Capitol switchboard at (202) 224-3121. Dealers are also urged to provide NADA with examples of how they have helped their customers find reasonably priced financing. Send these anecdotes to NADA at legislative@nada.org. For more information on the Brownback amendment, visit www.nada.org/brownback or call (202) 547-5500.
Entrepreneurial Spirit’ Leads Nation’s Truck Dealers through Crisis, ATD Chairman Says at Convention in Orlando - Like many in the U.S. trucking industry, the nation’s new heavy- and medium-duty truck dealers were hit hard by the recession, the chairman of the American Truck Dealers (ATD) told attendees at the 47th annual ATD Convention & Expo in Orlando, Fla., on April 24. But the dealers’ “incredible entrepreneurial spirit” led them through the worst, said ATD Chairman Kyle Treadway, president of Kenworth Sales Co. in Salt Lake City, Utah. (Click here for the full text of the speech.) “We’re here today because each of us learned over the past three years to assess the situation, inventory our resources, prioritize the needs and plan accordingly,” Treadway said. And despite the many hardships still facing the industry – with more than 4,000 fleets in bankruptcy and 160,000 trucks sidelined – truck dealers have emerged stronger and better positioned to succeed, he said. “The crisis also afforded dealers a rare opportunity to shed light on the important role they play in their communities, states and the nation as a whole,” he said. Other news emerging from the convention: Commercial truck dealer John “Jack” Saum of Maryland was named the American Truck Dealers/Heavy Duty Trucking Truck Dealer of the Year; The 2011 Hino 268 and Peterbilt Model 384 were named winners of the ATD Commercial Truck of the Year awards for medium- and heavy-duty trucks for 2010.

Academy Graduates 21st ATD Class at ATD Convention - Richard Sweebe, 2009 Truck Dealer of the Year, addressed the ATD Academy 2010 graduating class at the ATD Convention in Orlando on April 23. This class is the 21st to complete the Academy curriculum for truck dealers and managers. The Academy has revised its curriculum to meet today’s industry challenges and is introducing the use of the new 20 Group online composite as a valuable analysis and business planning tool throughout the 11-month program. The Academy is accepting enrollment applications now for the limited available space in classes starting in May and June. May 10 is the start date for DCA class 166, and May 17 begins GDM 082. DCA 167 begins on June 7, and ATD 023 begins June 21. Go to www.NADAUniversity.com for more information.

NADA-ATD 20 Group Offers Sample Composites Online - Now prospective 20 Group members can see for themselves what NADA's Online Composite and Management Tools can do. Car dealers can explore a demo composite at www.nada20group.org. Just go to the Member Login section, enter username 331153841 and password @81689. Truck dealers enter username 331154949 and password 3241*6. New 20 Groups are forming: A new Kia group is being launched this month, and an Infiniti group is launching in July. An Audi group, an Acura group, and a Lexus General Managers and General Sales Managers group are being formed. NADA-ATD 20 Group is working with several OEMs to develop additional 20 Groups.

NADA 20 Group Expanding

The NADA 20 Group Program launched a new Body Shop Manager’s group and a new Hyundai group in April 2010, and expects in coming months to add new Kia, Audi, Infiniti and Acura groups as well as a Lexus General Managers and General Sales Managers group. The new Heavy Duty All Truck Group will have a new online All Truck Composite that allows users to put any truck franchise in the composite. The NADA online composite continues to draw favorable comments, while improved market conditions and more effective marketing help the program grow.
OFFICERS
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The Faricy Boys, Colorado Springs

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Wilcoxson Buick Cadillac GMC
Pueblo – District #9

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Morehart Murphy Regional Auto Center
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Fuoco Motor Company
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Colorado NADA Director

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Murray Motor Imports

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Clear the Air Foundation
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Website: www.coloradodealers.org
## Calendar of Upcoming Events & Seminars

For the most current list of CADA seminars and events, please visit the CADA online calendar at www.coloradodealers.org/calendar

<table>
<thead>
<tr>
<th>EVENT DESCRIPTION</th>
<th>DATE/TIME</th>
<th>LOCATION</th>
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</thead>
<tbody>
<tr>
<td>Maximixing Technologies in Automotive Computing</td>
<td>Monday, May 24 11:30 a.m. to 1:30 p.m.</td>
<td>Holiday Inn &amp; Suites Grand Junction Airport 2751 Crossroads Blvd., 81506 970.424.5888</td>
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<tr>
<td>Grand Junction</td>
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<tr>
<td>Maximixing Technologies in Automotive Computing</td>
<td>Tuesday, May 25 7:30 to 9:30 a.m.</td>
<td>Embassy Suites Loveland 4705 Clydesdale Parkway Loveland, 80538 970.593.6200</td>
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<td>Loveland</td>
<td>Breakfast included</td>
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<tr>
<td>Maximixing Technologies in Automotive Computing</td>
<td>Tuesday, May 25 12:30 to 2:30 p.m.</td>
<td>Department of Motor Vehicles Powers Office 5650 Industrial Place (SE corner of Powers Blvd. and Airport Road) **Colorado Springs dealers should register directly with CSADA, Ann Winslow, 719.473.1465 or <a href="mailto:abwinslow@comcast.net">abwinslow@comcast.net</a></td>
</tr>
<tr>
<td>Colorado Springs**</td>
<td>Lunch included</td>
<td></td>
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<tr>
<td>One Toke over the Line? Medical Marijuana at work</td>
<td>Tuesday, June 22 7:30 to 9:30 a.m.</td>
<td>William D. Barrow Building (CADA Headquarters) 290 E. Speer Blvd (SW Corner of Grant/Speer), Denver, CO Phone: 303.831.1722</td>
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<tr>
<td>The HIRE Act: Employer Tax Breaks for Hiring Unemployed Workers</td>
<td>Reg. open @ 7 a.m.</td>
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<tr>
<td>Denver</td>
<td>Breakfast included</td>
<td></td>
</tr>
<tr>
<td>One Toke over the Line? Medical Marijuana at work</td>
<td>Wednesday, June 23 12 to 2 p.m.</td>
<td>Location to be determined **Colorado Springs dealers should register directly with CSADA, Ann Winslow, 719.473.1465 or <a href="mailto:abwinslow@comcast.net">abwinslow@comcast.net</a></td>
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<td>Lunch included</td>
<td></td>
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<tr>
<td>Colorado Springs</td>
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<tr>
<td>Are You Prepared to Service Hybrid Vehicles?</td>
<td>Trainings Available</td>
<td>Arapahoe Community College Automotive Department 5900 South Santa Fe Drive Littleton, CO 80120 Call 303.734.3701 to register!</td>
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<tr>
<td>Littleton</td>
<td>May through August</td>
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<tr>
<td>CADA 2010 Golf Event</td>
<td>Monday, Aug. 9 11a.m.-12 Noon – Registration/Practice Reception to follow</td>
<td>Lakewood Country Club 6800 W. 10th Avenue Lakewood, CO 80214 More details coming soon!</td>
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<tr>
<td>Lakewood</td>
<td></td>
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<tr>
<td>Innovative Dealer Summit</td>
<td>Wednesday, Sept. 8</td>
<td>More details coming soon!</td>
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<tr>
<td>Denver</td>
<td></td>
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<tr>
<td>CADA Regional Meetings</td>
<td>September, October and December</td>
<td>More details coming soon!</td>
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<tr>
<td>Colorado</td>
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</tbody>
</table>
SAVE THE DATE!

CADA Annual Member Golf Event

Monday, Aug. 9
Lakewood Country Club

11 a.m.-12 Noon  Registration, practice range
12 Noon  Shotgun start; scramble format
After Play  Cocktail Reception
           Awards/Door Prizes

More details coming soon!

AUTO INDUSTRY RESOURCES

- Titles/Registration: 303.205.5608, www.colorado.gov/revenue/dmv (Select “Title - Register a Vehicle” link)
- Department of Revenue Taxation: www.colorado.gov/revenue/tax

Bulletin questions or comments? If you have questions about items in this newsletter or suggestions for future articles, please contact Lauren Stadler at 303.457.5123 or e-mail to lauren.stadler@coloradodealers.org.

DISCLAIMER: CADA IS NOT AUTHORIZED TO DISPENSE LEGAL ADVICE. THE INFORMATION CONTAINED IN THIS NEWSLETTER IS FOR INFORMATIONAL PURPOSES ONLY. CADA ADVISES THAT DEALERS CONSULT LEGAL COUNSEL ON THE SPECIFICS OF ANY LAW OR REGULATION TO ENSURE FULL COMPLIANCE.