



Colorado Automobile Dealers Association

The voice of franchised new automobile dealers in Colorado.

BETTER BY ASSOCIATION

Executive Memo

*A timely message from
CADA's president,
Tim Jackson*



Dealer Victories Achieved – Are You Aware?

October 20, 2010

Dear Colorado Dealer,

Your Colorado Auto Dealers Association has many priorities, which have lead to multiple victories for you. Missing out on these victories or failing to capitalize on them can be costly for your dealership.

A main priority of CADA is to enact favorable dealer legislation into law, benefiting your operations by helping save you money, protecting your investment, and boosting your bottom line. Another priority is to ensure that you know about and are able to operate in a way that takes full advantage of CADA's proactive legislative victories. However, you can only gain full financial advantage of CADA's legislative victories if you claim your rights under the law and stay abreast of the key victories. When you do so, you become "Better by Association!"

The first step to gaining full financial victory of franchise protection victories is to know that they exist and how they positively impact you and your dealership. CADA has enacted significant improvements in Colorado's franchise laws in both 2009 (seven-part bill) and 2010 (five-part bill). The changes are intended to better protect the significant investments you've made in your dealership operations. Being actively engaged in CADA helps ensure you leverage these wins for your bottom line.

Value of Franchise Protections

Here's a quick (and easy) quiz to see how much you know about new Colorado franchise protections:

- How many months back can a manufacturer look when conducting a dealership audit of warranty claims and/or sales incentives (hint — this has already saved an individual dealer more than \$60k)?
- If/when a dealership terminates a franchise agreement with his or her manufacturer, are there any rights under Colorado law to gain credit for unsold inventory, both cars and/or parts (hint — this has already saved an individual dealer \$150k+)?
- Does a manufacturer have the ability to penalize a dealership when the dealer had no way of knowing a car was going to be exported beyond U.S. borders (hint — this can potentially save an individual dealership \$80k+)?

How did you do? If you have questions about these and other dealer rights under Colorado law, you should attend CADA's upcoming franchise protection seminar series planned for six geographically diverse locations across Colorado in early November.

Rich Sox, a leading national dealer franchise attorney CADA engaged to provide counsel on each of the legislative proposals enacted in Colorado, will lead the seminars. Join colleagues and peers to learn what is happening in Colorado's legislative and regulatory arena, and what CADA is doing to proactively address problems that affect dealer survivability, profitability, and rights under the law.

For more information about these and other seminars, see recent mailings from CADA covering the upcoming franchise protections scheduled for November 7 to 9, 2010, or visit www.coloradodealers.org/registration

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NEW Risk-Based Pricing Rule

In fewer than three short months, the Federal Trade Commission will begin enforcement of its newly enacted risk-based pricing rule. NADA's legal department has been heavily involved in advocacy efforts on behalf of dealers to ensure that a manageable rule was enacted. Still, the rule—as in all other areas of F&I compliance—requires management guidance and full compliance by your dealership. Are your dealership personnel knowledgeable and ready to implement and remain compliant within the new FTC risk-based pricing rule?

CADA will offer F&I education and training, presented in a seminar near you, November 16 to 18. The seminar will cover the new Risk-Based Pricing Rule, the Red Flags Rule, and all other legal aspects of finance and insurance compliance within your dealership. The series will be presented at six locations, geographically targeted across Colorado. They will be led by dealer attorney **Shawn Mercer** of the nationally renowned firm **Bass Sox Mercer**. You cannot afford to miss this seminar designed to inform you about major federal regulatory changes and common errors you need to avoid. For more information on this and other seminars, go to www.coloradodealers.org/registration

Regional Meetings – Ten Down, One to Go!

This fall CADA leadership and staff traveled throughout the state to update member dealers on issues of importance and provide information on legislative action and CADA efforts in Colorado and NADA work in Washington, DC. Overall, we have had very good turnout for these events, yet we recognize that due to manufacturer's dealer meetings and other schedule conflicts, several dealerships have not been represented.

Good news! There remains one more CADA Regional Meeting opportunity. The final regional meeting will begin at 7:30am Tuesday, November 23, at the recently opened Four Seasons Hotel Denver at 1111 14th Street, Denver. **Ivette Rivera-Hays** will represent NADA at this final Regional Meeting. Ivette is traveling from the nation's capitol to see you. We hope you will find a way to spend a couple of hours with us and get this important update. Register now for this and other important events at www.coloradodealers.org/registration

Become Part of Future Victories!

With all the important legislative initiatives—both at state and federal levels—and with the significant public policy victories by NADA and CADA, it becomes vitally important for dealers to engage and participate through the opportunities provided with association membership. The victories are enabled through your association membership. The opportunity to be informed better about what is at stake is available through your association membership. ***These victories and the opportunity to know and understand them, provide further evidence that you are Better By Association.***

Sincerely,

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