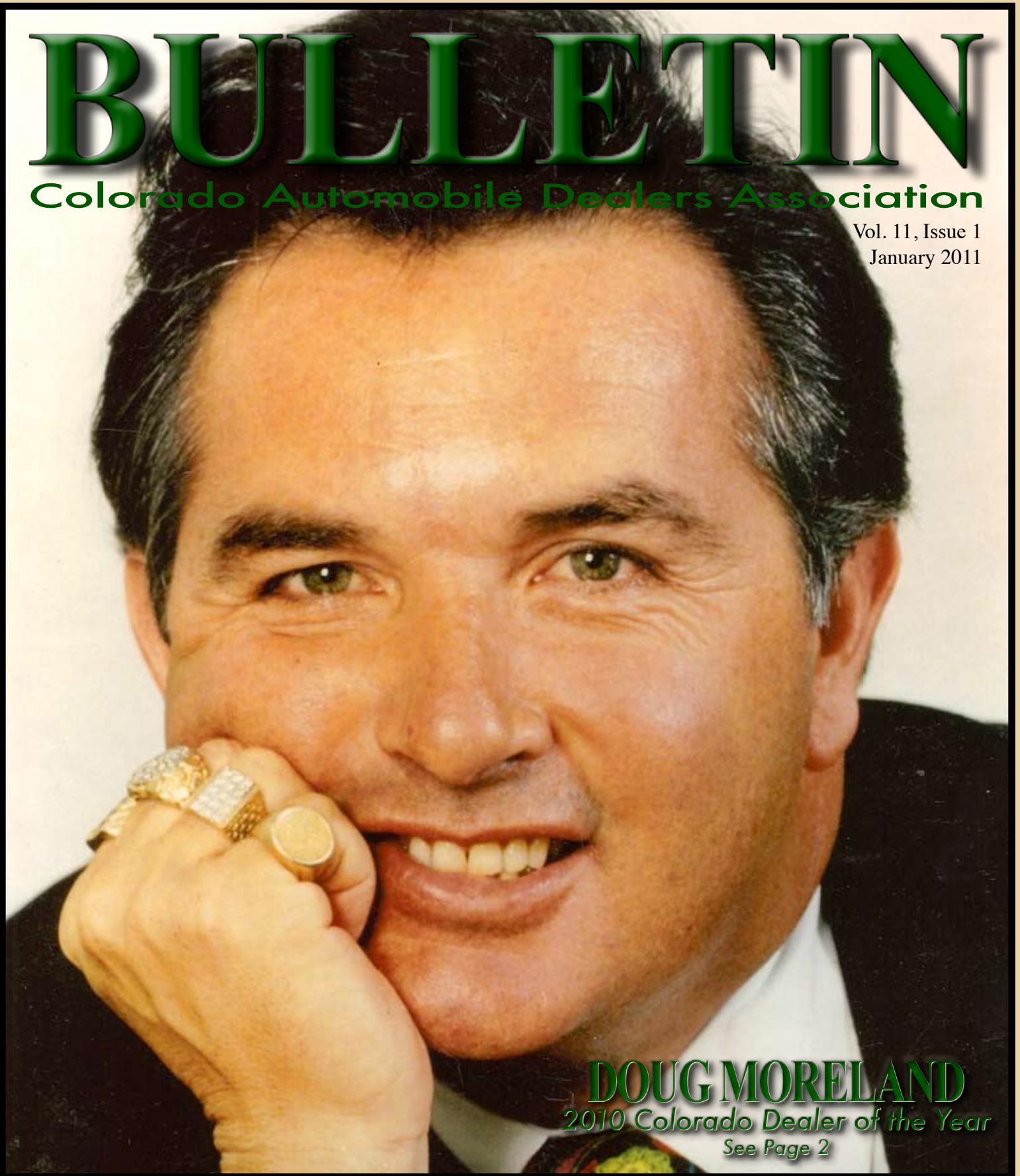


BULLETIN

Colorado Automobile Dealers Association

Vol. 11, Issue 1

January 2011



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2010 Colorado Dealer of the Year
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Don Gerbaz
CADA Chair

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OPENING THE DOORS TO 2011

Here we are in a new year and while business improved in 2010, as new car dealers we still face many ongoing challenges. Even in the face of those challenges, though, dealers have found ways to survive and, yes, many have found ways to thrive. This makes it only that much more impressive that Colorado dealers are of the highest quality through involvement in our businesses, communities and our association's priorities.

Thanks to all the dealers and key dealership employees who contributed to Colorado's success with DEAC in 2010. We have tremendously effective associations in NADA and CADA. Through these associations we as dealers open the doors and of halls of the Capitol and of Congress. Yet we as dealers have the keys to those doors. Our many legislative and regulatory successes come as a result of our support for our associations. That support can include both our time and our money.



The relationships that are built in Washington and the Colorado Capitol are important to our businesses, paying ongoing dividends by promoting understanding of our industry by legislators. When it comes to getting the work done that leads to our legislative and organizational success, there are those dealers who are always there to help pull the wagon (association). And there are the others who are always in the wagon being pulled. Our goal is to involve more dealer members in helping pull the wagon. When CADA arranges meetings with legislators, it only takes at most a couple hours of our time to show up and provide the support that makes the relationship building so much more meaningful. Between DEAC and the time given to let legislators know what is happening in our corner of Colorado's economy, we have gained immeasurable benefit for our dealerships, our industry and ourselves.

I look forward to a year filled with opportunity as Chairman of CADA and want to express my sincere appreciation for everyone who keeps our incredible association charging ahead. We are blessed with incredible staff and terrific dealers that support the goals of CADA, minimizing the risks and maximizing the results for all.

...IN NADA NEWS...

Registration for Convention in San Francisco Up 15 Percent – Advance registration for the 2011 NADA Convention & Expo in San Francisco is up 15 percent compared to the same time last year. All but two hotels have sold out, and the expo floor is full. "Participation in the NADA convention is often a bellwether for the overall health of the auto industry, and the brisk registration is just another sign the industry is making a comeback," says Jack Caldwell, chairman of NADA's convention committee and a Toyota-Scion dealer from Conway, Ark. In addition to franchise meetings, workshops and several hundred exhibits, the 2011 NADA convention will feature industry speakers Jim Lentz, president and chief operating officer of Toyota Motor Sales, U.S.A.; NADA Chairman Ed Tonkin, and NADA Vice Chairman Stephen Wade. Other speakers include former U.S. Secretary of State Condoleezza Rice and airline pilot "Sully" Sullenberger.

Dealer Academy Accepting Applications for 2011 Classes – The NADA Dealer Academy is accepting enrollments for classes starting in 2011: two for Dealer Candidate Academy (DCA) and two for General Dealership Management Academy (GDM). Individual Academy classes (e.g., Financial, Parts, Service and Variable Parts 1 & 2) are also open to department managers, who may attend a week of classes even if they don't have a student in the Academy program. Call 800.557.6232, ext. 2, or e-mail academy@nada.org to get an application.

TIME MAGAZINE AND GOODYEAR HONOR COLORADO DEALER DOUGLAS MORELAND WINS NATIONAL RECOGNITION FOR COMMUNITY SERVICE AND INDUSTRY ACCOMPLISHMENTS AT NADA CONVENTION

Douglas Moreland, President of Colorado Springs Dodge, a Dodge dealership in Colorado Springs, Colorado, has been honored for his nomination for the 2011 TIME Dealer of the Year award. The TIME Dealer of the Year award is one of the automobile industry's most prestigious and highly coveted awards for new-car dealers. Recipients are among the nation's most successful auto dealers, but they must also demonstrate a long-standing commitment to effective community service.



Moreland, 62, was chosen to represent the Colorado Automobile Dealers Association in the national competition--one of only 52 automobile dealers, from 17,000 nationwide, nominated for the 42nd annual award. The award is sponsored by TIME in association with Goodyear, and in cooperation with NADA. A panel of faculty members from the Ross School of Business at the University of Michigan selects one finalist from each of the four NADA regions and one national Dealer of the Year.

"To be selected as the candidate from Colorado by my fellow dealers to be TIME Magazine Dealer of the Year is extraordinary," says Moreland.

Moreland graduated from San Ramon (CA) High in 1966, and attended Brigham Young University, 1966-67, and the University of Nevada Reno, 1967-69, where he pursued a degree in business before launching his career in the automotive business in 1969 at Reno Dodge, where he started as lot tech and had moved up to general manager by the time he left in January 1980. "I started working for my future father-in-law in 1969," says Moreland, "but I left Reno Dodge for an opportunity to own a dealership in Denver."



Explains Moreland: "I entered into a buy/sell with Hank Torian for the purchase of Cherry Creek Dodge and finished the buy/sell in 1985. I built up the dealer group to fifteen dealerships, and in May 1999, I sold seven of the dealerships to Lithia Motors, and retained eight of them under private ownership." Moreland was regional vice president of Lithia Motors Rocky Mountain Division for three years, during which time he sold a few of the other dealerships. "In 2009," he says, "I entered into a deal with Lithia Motors to buy back five dealerships I sold to them in 1999, four of the dealerships with Chrysler brands. And I have just acquired a Dodge Dealership and Mazda."

In the area of community service, Moreland has a distinguished record. He is a board member of the Denver-based Cancer League of Colorado, and has been donating vehicles for the Cancer League since 1992. "My work with the Cancer League is what I am most proud of," explains Moreland, "having lost my sister, Jennifer, in 1992 to cancer – this is a disease for which we must find a cure." In honor of his late sister, he also established the Jennifer Moreland Scholarship at Eaglecrest High in Centennial. "In May 2011," Moreland adds, "my family and I will receive the first annual Champions of Hope Award; I am very honored, but there are others I would like the recognition to go to."

Moreland has also been named a Colorado Association of Officers D.A.R.E. Man of the Year (D.A.R.E. is the police officer-led series of classroom lessons that teaches children from kindergarten through 12th grade how to resist peer pressure and live productive drug and violence-free lives). In 2000, he was the Rocky Mountain region retail award winner of the Ernst & Young Entrepreneur of the Year. Moreland supports the DECA scholarship at Cherry Creek High in Greenwood Village, CO; DECA prepares emerging leaders and entrepreneurs for careers in marketing, finance, hospitality and management in high schools and colleges around the globe. With a donation of two vehicles in the summer of 2010, Moreland helped raise more than \$120,000 for the Boys & Girls Club of Colorado.

Nominated for the TIME Dealer of the Year award by Tim Jackson, President of the Colorado Automobile Dealers Association, Douglas Moreland and his wife, Carol, have four children, Romi Moreland-Cooney, Brandi Moreland-Briggs, Tamson and Brandon, and five grandchildren. Moreland also represents Buick, Chrysler, Dodge, GMC, Hyundai, Jeep, Kia and Mitsubishi at his five other dealerships in Colorado.

Moreland will be one of a select group of dealers from across the country honored at the 94th annual National Automobile Dealers Association (NADA) Convention & Exposition in San Francisco. The announcement of this year's Dealer of the Year and finalists was made by Kim Kelleher, Publisher of TIME, and Johann Finkelmeier, Vice President & General Manager - Original Equipment N.A. Consumer Tire, The Goodyear Tire & Rubber Company, at the formal opening of the convention, which is attended by more than 15,000 individuals involved in the automobile industry.

UNIFORM CONSUMER CREDIT CODE (UCCC) ANNUAL NOTIFICATION FILING AND FEES: DUE JANUARY 31 LATE FEES BEGIN MARCH 1

The Colorado Uniform Consumer Credit Code (UCCC) is a state law that regulates the terms and conditions of consumer credit in the State of Colorado. It sets maximum rates and charges for some fees, requires disclosure of the cost of credit so consumers may shop for the best rates, and provides remedies for consumers on default.

Dealerships, as retail merchants that regularly extend consumer credit and “arrange financing” (even if all paper is ultimately assigned to a lender) are included in the UCCC requirement to annually file with the state. The UCCC is enforced by an Administrator within the Attorney General’s office.

New laws went into effect starting last January so that ALL “creditors” (which includes dealerships that arrange financing) MUST file a notification form and fee with the state, regardless of how long any paper is held. The previously hard-to-determine volume fee was also eliminated at that time.

**The annual notice fee is now \$100 (an increase from last year’s \$50 fee).
LATE FEES: The filing fee is due by January 31, 2011 (there is a 30-day grace period; late fees of \$5 per day apply starting on March 1st).**

Go to the Dec. 28, 2010, issue of Open Road at www.cadaopenroad.org to download the following items for this filing:

- UCCC/AG’s Office Memo (12/22/2010)
- Notice Filing Form (PDF) (DOC) updated for \$100 fee change). See notes on line-items below:
 - Line-Item#5 regarding “supervised loans” refers to DIRECT consumer loans over 12% APR; most dealers do <not> make direct loans, but simply “arrange” loans that are subsequently assigned. You do <not> need to obtain any type of lender or supervised lender license unless you are making direct loans to consumers.
 - This filing needs to be completed just once for each separate legal company or LLC -- individual trade names or DBAs under the same legal entity do not need to file separately (though should be listed separately on Line-Item#2). The UCCC office looks at the Secretary of State filings under the “View Trade Names” option to check this.
- List of Assignees form (PDF) (DOC) (list of lenders to which you assign contracts). If you utilize a centralized entity that then selects and assigns to many other lenders (e.g., “Credit Union Direct”), you do not have to enter their complete list of all ‘possible’ lenders.

NEW MINIMUM WAGE AND POSTING REQUIREMENT IN COLORADO

The Colorado Constitution requires Colorado’s minimum wage to be adjusted annually for inflation, as measured by the Consumer Price Index. Colorado Minimum Wage Order Number 27 is effective as of January 1, 2011. This Wage Order, issued by the Colorado Department of Labor, will increase the minimum wage from \$7.24 to **\$7.36 per hour** for all Colorado employees. As a result, Colorado’s minimum wage will once again surpass the federal minimum wage of \$7.25 per hour. Employers are always obligated to pay the higher of the two.

The Department of Labor has also published a revised poster to reflect the change. This is a mandatory change, so all Colorado employers need to update their posters. A Spanish version of the poster is available, but is not considered a mandatory posting. The Department makes these posters available along with a Wage Order fact sheet at the following link: www.colorado.gov.

Employers who are in need of new employment law posters can order them by emailing MSEC at posters@msec.org or by calling 303-223-5466.



IRS MILEAGE RATE FOR 2011



The IRS has announced that the standard mileage reimbursement rate for business-related driving will be \$0.51 per mile in 2011. This is a one cent increase from 2010. Employer reimbursements to employees for work-related driving are not taxable as long as the rate is at or below this level.

REMINDER: SALES/USE TAX CHANGES EFFECTIVE JANUARY 1, 2011

A reminder that various tax changes take place on January 1st of each year. Visit the December 7, 2010 issue for more information – a few key tax changes were:

- Boulder County, sales and use tax rates increased from .65 to .8%
- Castle Rock, motor vehicle sales and use tax rate increase from 3.6% to 4%
- Fort Collins, city sales and use tax rates increased from 3% to 3.85%
- Bachelor Gulch Metropolitan District Tax is located in a portion of Eagle County and imposes a sales tax rate of 3%



Double check these recent tax rate changes in the database you are utilizing – to register and use a free third party, certified tax rate locator by address, go to <http://taxco.g1.com> (select “New Registration”). This is the Group1/Pitney Bowes service.

The updated DR 1002 is also available from the state at www.colorado.gov/revenue/tax (select “Tax Forms” and “Forms by Number”).

COMPLIANCE REMINDER: EPA BODY SHOP AIR EMISSIONS RULE

The Environmental Protection Agency’s rule governing hazardous air pollutants (HAPs) requires existing body shops to achieve full compliance by January 10, **and file a Notification of Compliance status form by March 11**. Specifically, dealership body shops must:

1. Paint only inside filtered, ventilated paint booths or prep 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 spraying 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 above-listed 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 (very rare). Where possible, body shops should avoid the use of strippers containing MeCl.



For more information, please read the Regulatory Bulletin and download the following forms available in the Jan. 11, 2011, Open Road at www.cadaopenroad.org (all .pdf).

- Regulatory Bulletin: Compliance with EPA’s Body Shop Hazardous Air Pollutant Rule
- Initial Notification Form
- Notification of Compliance Status
- Exemption Petition Form
- Notification of Changes Report

A training course is available through NADA University. Questions on the new rule can be directed to Regulatory Affairs at: regulatoryaffairs@nada.org or 703.821.7040. Also contact CADA endorsed provider KPA for assistance on this rule: Patric Timmermans, 303.228.8772, ptimmermans@kpaonline.com



CITY OF CENTENNIAL: GUIDANCE ON LEASE TAX COLLECTIONS



The City of Centennial, Tax Department requested that we distribute a guidance sheet to Colorado dealers regarding sales and use tax collections in Centennial. Centennial is a self-collected, Home Rule city, which means they are not subject to the jurisdiction of the Department of Revenue.

The City of Centennial previously sent a letter to Arapahoe County (the county serves as the agent to collect a home rule city’s taxes) regarding the requirements for collection its sales/use tax on leases that caused some confusion. Some dealerships and leasing companies have been collecting the sales tax on the entire lease amount instead of in the monthly payments. For more information, go to the Jan. 11, 2011, Open Road available at www.cadaopenroad.org.



Tim Jackson
CADA President

**Clearly, we
at CADA have
maintained a
strong position
and tradition
of legislative
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And we raced
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TRANSITION TIME FOR CADA LEGISLATIVE ARENA

Colorado dealers understand that much has transpired within the industry over the past two to two-and-a-half years. The industry has gone through a major transformation resulting largely from the economic downturn. Manufacturer bridge-loan requests were followed by the creation of the Auto Task Force and a first-ever federal car czar, which was followed by forced bankruptcy filings and re-structured dealer networks. Dealer investments across Colorado and across the country were in jeopardy. These federal level issues overlaid an aggressive state legislative priority agenda which called for ramped up dealer protections in 2009 and led to more in 2010. Some observers described Colorado dealer protections as going from worst to first. That probably exaggerates the status some on both sides of our efforts. Yet, without doubt, significant gains were made in the protection of dealer assets.

In 2009, a seven-part Colorado bill was advanced and all seven parts were enacted. In 2010, a five-part bill was proposed and all five parts were passed into law by overwhelming votes. CADA had staffed-up for the effort with the addition of Melissa Kuipers as Vice President of Government Relations. Previously, Melissa worked for Colorado Trial Lawyers Association (CTLA). She was the right person at the right time for CADA. We had restructured lobby operations to comply with Amendment 41 and separated lobbying activities in a way that necessitated a registered lobbyist, either on staff or under contract. Additionally, we continued engagement of contracted lobby services with the support of Mike Feeley. Together, we have had a winning team, succeeding on everything that was industry specific. The only areas of losses were in general business issues such as losing the sales tax vendor fee. Even on that, we have a date certain when it will return. And the change affects all business, not just auto dealers.

Clearly, we at CADA have maintained a strong position and tradition of legislative effectiveness. And we raced to the front of the line in many areas of dealer law. Melissa has demonstrated great legislative advocacy skills, carrying the respect of the dealer body and members of the General Assembly. She has been effective on the federal level as well, traveling to Washington, DC many times with member dealers, advocating for dealer rights, support for bridge loans, exclusion from the CFPB and other national dealer priorities.

For employees and their future, I've always held the position that if someone can improve themselves with better compensation or greater opportunities elsewhere, they should do that. Melissa has been given such an opportunity to improve herself, command a greater position for herself, represent one of Denver's most powerful and effective law firms—Brownstein Hyatt Farber and Schreck—and lobby for multiple clients. This is truly too good an opportunity for Melissa to pass on. We cannot recommend her to do anything other than seize the opportunity.

**Brownstein | Hyatt
Farber | Schreck**

While Melissa will no longer serve on staff of CADA, we have reached an agreement under which both Melissa and Mike will fulfill CADA lobby services through their Brownstein Hyatt Farber and Schreck firm, in order to complete our established 2011 legislative agenda and priorities. Those priorities include a planned two-part franchise protection update and a date certain that auto lenders are required to release a lien after dealer pay-off of trade-in. While this is a marked change in CADA operations, I am confident that the arrangement will be successful for us. Several other key Colorado Capitol lobby interests are successful using outside contract lobbyists, including (but not limited to) Colorado Restaurant Association, Colorado Bankers Association, Colorado Medical Society, Colorado Hospital Association, several chambers of commerce and many others. A primary difference with us is that until Amendment 41 was enacted by voters in 2006, all of our lobby operations were handled directly through my office and with me at the Capitol daily. Another primary key to our success is that we have the absolute strongest grassroots operation of any association or lobby interest in Colorado. That remains intact and supported by the lobby team. So, in a way, this arrangement means the best of both worlds; strong dealer-centric grassroots and a “mighty” outside contract lobby. Together, I predict, we will continue to win our key objectives. Stay tuned and stay involved.

~ SAVE THE DATE ~

DEALER BRIEFING @ THE CAPITOL FEBRUARY 22, 2011

- 7:00 a.m. - Donuts and Coffee
- 7:15 a.m. - Meet @ the Capitol, Room #0112
- 7:30 a.m. - Legislators to address the dealers. Hear from:
Senate Minority Leader Mike Kopp,
House Majority Leader Amy Stephens,
House Minority Leader Sal Pace
Representative Larry Liston
- 9:00 a.m. - Dealers visit floor action in House and Senate
- 10:00 a.m. - Program concludes

**For more information and to RSVP,
please contact Lauren Stadler at
lauren.stadler@coloradodealers.org
or 303.457.5123.**

www.coloradodealers.org



Released: January 2011

Covering data thru December 2010

Colorado Auto Outlook™

Sponsored by:



Comprehensive information on the Colorado automotive market

Colorado Automobile Dealers Association

Quick Facts

New vehicle registrations increased 12.2% in December '10 vs. 2009. Used vehicle market off 0.6% (vehicles seven years old or newer).

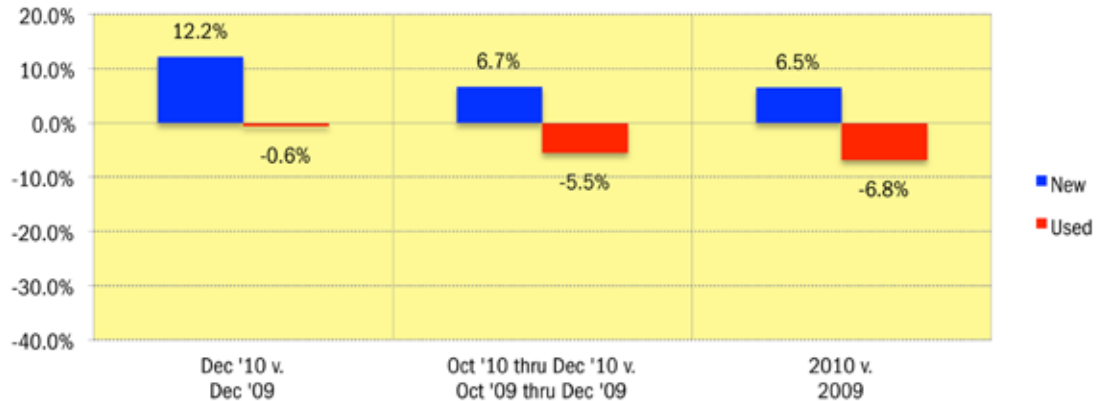
Retail used vehicle registrations declined 6.8% from 2009 to 2010. New vehicle market was up 6.5%.

Two and six year old vehicle market share increased 1.9 share points from 2009 to 2010.

Buick, Cadillac, Volkswagen, Ford, Subaru, and Land Rover new vehicle registrations increased more than 20% from 2009 to 2010.

Note: Historical figures were updated based on revised data made available by AutoCount. For this reason, year-to-date figures differ slightly from those released in previous reports.

**Percent Change in Colorado New and Used Retail Light Vehicle Registrations
(Used registrations only include vehicles seven years old or newer)**



**Colorado New and Used Vehicle Markets Summary
(Used registrations only include vehicles seven years old or newer)**

	Three Months (October thru December)					
	Retail New Vehicle Registrations			Retail Used Vehicle Registrations		
	Oct '09 thru Dec '09	Oct '10 thru Dec '10	Percent Change	Oct '09 thru Dec '09	Oct '10 thru Dec '10	Percent Change
Total	27,331	29,160	6.7%	46,159	43,600	-5.5%
Cars	11,900	11,693	-1.7%	20,351	18,928	-7.0%
Light Trucks	15,431	17,467	13.2%	25,808	24,672	-4.4%
Japanese Brands	13,681	13,666	-0.1%	14,448	14,349	-0.7%
Detroit Three Brands	9,134	10,445	14.4%	24,666	22,462	-8.9%
European Brands	2,648	2,994	13.1%	4,696	4,413	-6.0%
Korean Brands	1,868	2,055	10.0%	2,349	2,376	1.1%
	Annual Totals					
	Retail New Vehicle Registrations			Retail Used Vehicle Registrations		
	2009	2010	Percent Change	2009	2010	Percent Change
Total	105,747	112,665	6.5%	184,674	172,127	-6.8%
Cars	47,002	47,037	0.1%	78,519	75,442	-3.9%
Light Trucks	58,745	65,628	11.7%	106,155	96,685	-8.9%
Japanese Brands	50,913	53,945	6.0%	56,230	56,103	-0.2%
Detroit Three Brands	38,068	39,436	3.6%	101,096	90,053	-10.9%
European Brands	9,770	11,110	13.7%	18,391	17,106	-7.0%
Korean Brands	6,996	8,174	16.8%	8,957	8,865	-1.0%

Data Information

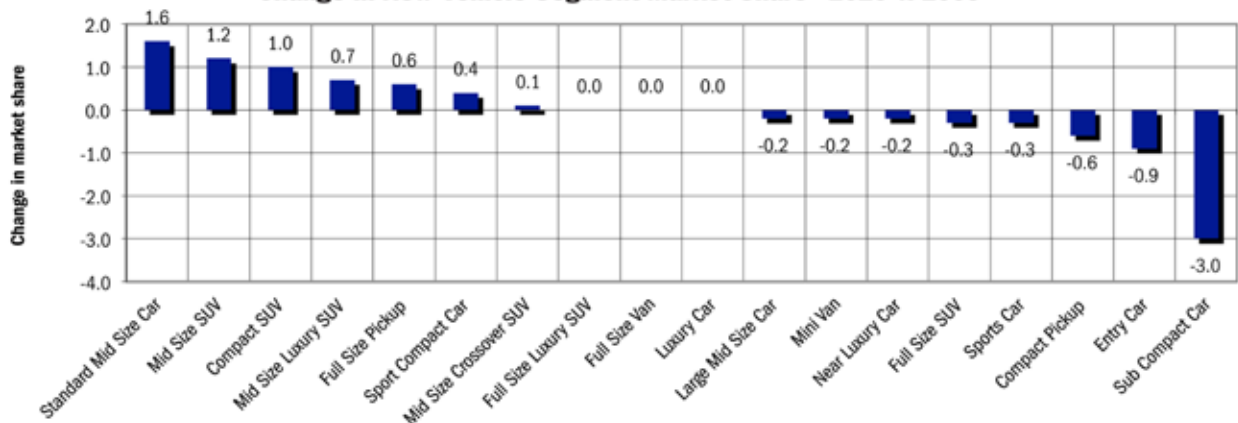
All data represents new and used vehicle retail registrations in Colorado and excludes fleet and wholesale transactions. Used vehicle data only includes vehicles seven years old or newer and excludes private party transactions. Please keep in mind that monthly registration figures can occasionally be subject to fluctuations, resulting in over or under estimation of actual results. This usually occurs due to processing delays by governmental agencies. For this reason, the year-to-date figures will typically be more reflective of market results. Green shaded areas in tables represent the top ten ranked brands.

Data Source: AutoCount data from Experian Automotive.

New Vehicle Market Brand Registrations

Colorado New Retail Car and Light Truck Registrations																
	December				Three Month Period Oct '10 thru Dec '10				Annual Totals				Annual Market Share (%)			
	Colorado		U.S.		Colorado		U.S.		Colorado		U.S.		Colorado			
	2009	2010	% chg.	% chg.	Yr. Ago	Current	% chg.	% chg.	2009	2010	% chg.	% chg.	2009	2010	Chg.	
															2009	2010
TOTAL	10,118	11,349	12.2%	20.5%	27,331	29,160	6.7%	15.7%	105,747	112,665	6.5%	6.9%				
Acura	146	153	4.8%	43.8%	332	370	11.4%	30.3%	1,135	1,334	17.5%	23.1%	1.1	1.2	0.1	
Audi	162	167	3.1%	33.4%	422	440	4.3%	17.8%	1,493	1,752	17.3%	19.0%	1.4	1.6	0.2	
BMW	211	216	2.4%	48.7%	450	515	14.4%	29.9%	1,638	1,903	16.2%	11.2%	1.5	1.7	0.2	
Buick	92	112	21.7%	21.0%	199	295	48.2%	36.9%	689	1,031	49.6%	43.1%	0.7	0.9	0.2	
Cadillac	79	118	49.4%	41.4%	212	277	30.7%	35.5%	752	1,041	38.4%	35.1%	0.7	0.9	0.2	
Chevrolet	836	805	-3.7%	-0.8%	2,147	2,068	-3.7%	5.1%	7,933	8,692	9.6%	5.3%	7.5	7.7	0.2	
Chrysler	57	64	12.3%	15.7%	164	140	-14.6%	25.2%	914	652	-28.7%	-23.8%	0.9	0.6	-0.3	
Dodge	371	521	40.4%	46.4%	1,125	1,269	12.8%	40.1%	5,948	4,694	-21.1%	-10.1%	5.6	4.2	-1.4	
Ford	1,165	1,486	27.6%	14.5%	2,982	3,960	32.8%	20.0%	11,295	14,248	26.1%	17.0%	10.7	12.6	1.9	
GMC	377	391	3.7%	14.3%	828	919	11.0%	19.9%	2,993	3,474	16.1%	21.6%	2.8	3.1	0.3	
Honda	930	920	-1.1%	24.5%	2,582	2,323	-10.0%	11.4%	10,401	9,717	-6.6%	4.1%	9.8	8.6	-1.2	
Hyundai	297	445	49.8%	82.2%	1,007	1,067	6.0%	54.5%	3,745	4,412	17.8%	30.4%	3.5	3.9	0.4	
Infiniti	86	81	-5.8%	59.9%	245	243	-0.8%	34.5%	862	972	12.8%	29.0%	0.8	0.9	0.1	
Jaguar	4	3	-25.0%	42.4%	13	9	-30.8%	14.4%	53	56	5.7%	5.7%	0.1	0.0	-0.1	
Jeep	307	489	59.3%	66.6%	800	1,306	63.3%	68.5%	4,159	4,433	6.6%	3.3%	3.9	3.9	0.0	
Kia	248	372	50.0%	67.7%	861	988	14.8%	57.2%	3,251	3,762	15.7%	28.0%	3.1	3.3	0.2	
Land Rover	58	61	5.2%	47.4%	123	124	0.8%	20.9%	352	433	23.0%	19.5%	0.3	0.4	0.1	
Lexus	269	245	-8.9%	12.6%	680	645	-5.1%	3.4%	2,191	2,403	9.7%	9.3%	2.1	2.1	0.0	
Lincoln	57	59	3.5%	0.6%	151	135	-10.6%	-2.2%	586	507	-13.5%	-1.2%	0.6	0.5	-0.1	
Mazda	154	231	50.0%	17.7%	516	609	18.0%	19.1%	2,214	2,446	10.5%	13.6%	2.1	2.2	0.1	
Mercedes	148	170	14.9%	31.2%	413	421	1.9%	17.6%	1,378	1,584	14.9%	16.8%	1.3	1.4	0.1	
MINI	42	57	35.7%	49.3%	142	148	4.2%	8.5%	593	585	-1.3%	0.8%	0.6	0.5	-0.1	
Mitsubishi	38	67	76.3%	61.8%	112	151	34.8%	35.4%	586	611	4.3%	-2.1%	0.6	0.5	-0.1	
Nissan	644	704	9.3%	35.0%	1,793	1,902	6.1%	16.6%	6,406	7,509	17.2%	14.4%	6.1	6.7	0.6	
Porsche	22	40	81.8%	89.1%	52	90	73.1%	55.0%	242	287	18.6%	20.5%	0.2	0.3	0.1	
Saab	3	9	200.0%	-7.8%	14	24	71.4%	32.5%	96	53	-44.8%	-43.8%	0.1	0.0	-0.1	
smart	12	4	-66.7%	-42.4%	43	15	-65.1%	-52.3%	302	85	-71.9%	-66.1%	0.3	0.1	-0.2	
Subaru	930	1,211	30.2%	6.8%	2,538	3,019	19.0%	15.5%	8,801	10,940	24.3%	20.7%	8.3	9.7	1.4	
Suzuki	81	79	-2.5%	8.9%	262	190	-27.5%	-15.8%	1,060	733	-30.8%	-43.1%	1.0	0.7	-0.3	
Toyota/Scion	1,720	1,575	-8.4%	5.7%	4,612	4,214	-8.6%	0.6%	17,228	17,270	0.2%	1.3%	16.3	15.3	-1.0	
Volkswagen	311	370	19.0%	31.3%	753	989	31.3%	24.6%	2,710	3,468	28.0%	18.1%	2.6	3.1	0.5	
Volvo	90	97	7.8%	-10.7%	213	210	-1.4%	-14.1%	858	854	-0.5%	-10.5%	0.8	0.8	0.0	
Other	171	27	-84.2%	-68.7%	545	85	-84.4%	-59.5%	2,883	724	-74.9%	-69.2%	2.7	0.6	-2.1	

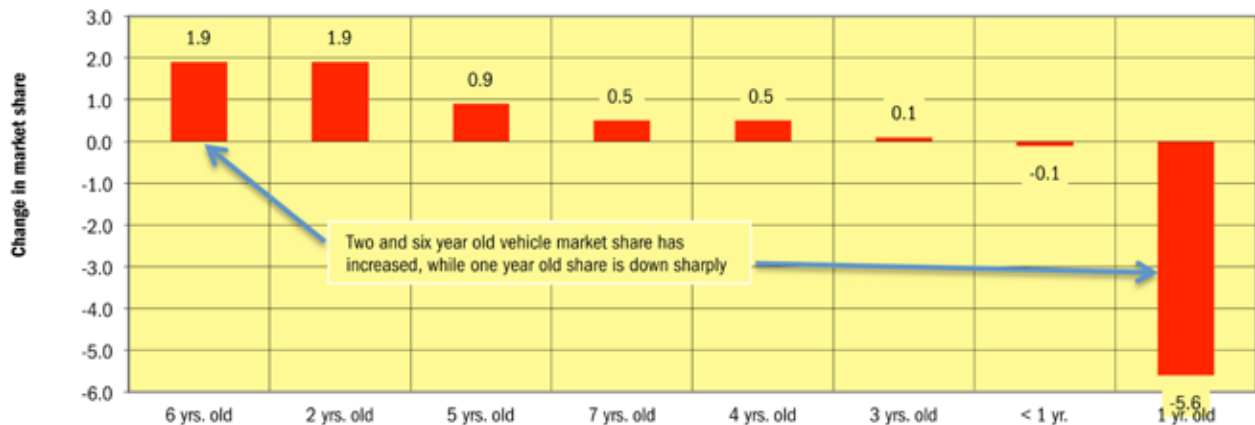
Change in New Vehicle Segment Market Share - 2010 v. 2009



Used Vehicle Market Brand Registrations (only includes vehicles seven years old or newer)

Colorado Used Retail Car and Light Truck Registrations												
	December			Three Month Period Oct '10 and Dec '10			Annual Totals			Annual Market Share (%)		
	2009	2010	% chg.	Yr. Ago	Current	% chg.	2009	2010	% chg.	2009	2010	Chg.
TOTAL	16,744	16,650	-0.6%	46,159	43,600	-5.5%	184,674	172,127	-6.8%			
Acura	207	276	33.3%	572	637	11.4%	2,413	2,252	-6.7%	1.3	1.3	0.0
Audi	256	270	5.5%	688	670	-2.6%	2,740	2,407	-12.2%	1.5	1.4	-0.1
BMW	363	345	-5.0%	943	873	-7.4%	3,456	3,421	-1.0%	1.9	2.0	0.1
Buick	180	151	-16.1%	490	424	-13.5%	1,939	1,614	-16.8%	1.0	0.9	-0.1
Cadillac	228	250	9.6%	633	630	-0.5%	2,775	2,529	-8.9%	1.5	1.5	0.0
Chevrolet	1,921	1,851	-3.6%	5,465	4,955	-9.3%	22,300	19,720	-11.6%	12.1	11.5	-0.6
Chrysler	575	463	-19.5%	1,598	1,277	-20.1%	6,494	5,341	-17.8%	3.5	3.1	-0.4
Dodge	1,344	1,324	-1.5%	3,842	3,477	-9.5%	16,239	13,981	-13.9%	8.8	8.1	-0.7
Ford	2,064	1,998	-3.2%	5,664	5,334	-5.8%	22,967	21,443	-6.6%	12.4	12.5	0.1
GMC	474	495	4.4%	1,230	1,291	5.0%	5,042	4,975	-1.3%	2.7	2.9	0.2
Honda	768	873	13.7%	2,218	2,241	1.0%	8,703	8,803	1.1%	4.7	5.1	0.4
Hummer	100	113	13.0%	298	266	-10.7%	964	1,003	4.0%	0.5	0.6	0.1
Hyundai	511	487	-4.7%	1,459	1,251	-14.3%	5,232	4,860	-7.1%	2.8	2.8	0.0
Infiniti	160	170	6.3%	434	461	6.2%	1,682	1,847	9.8%	0.9	1.1	0.2
Jaguar	23	19	-17.4%	91	48	-47.3%	354	221	-37.6%	0.2	0.1	-0.1
Jeep	994	997	0.3%	2,688	2,655	-1.2%	11,269	9,931	-11.9%	6.1	5.8	-0.3
Kia	303	428	41.3%	889	1,125	26.5%	3,714	4,005	7.8%	2.0	2.3	0.3
Land Rover	129	103	-20.2%	325	286	-12.0%	1,161	1,139	-1.9%	0.6	0.7	0.1
Lexus	292	285	-2.4%	784	758	-3.3%	2,816	2,982	5.9%	1.5	1.7	0.2
Lincoln	105	119	13.3%	260	305	17.3%	1,130	1,119	-1.0%	0.6	0.7	0.1
Mazda	299	305	2.0%	852	848	-0.5%	3,127	3,497	11.8%	1.7	2.0	0.3
Mercedes	167	216	29.3%	510	536	5.1%	2,184	2,104	-3.7%	1.2	1.2	0.0
Mercury	110	104	-5.5%	294	280	-4.8%	1,296	1,079	-16.7%	0.7	0.6	-0.1
MINI	50	67	34.0%	131	176	34.4%	469	613	30.7%	0.3	0.4	0.1
Mitsubishi	187	143	-23.5%	506	382	-24.5%	1,991	1,677	-15.8%	1.1	1.0	-0.1
Nissan	973	952	-2.2%	2,634	2,529	-4.0%	10,159	10,294	1.3%	5.5	6.0	0.5
Pontiac	538	310	-42.4%	1,304	859	-34.1%	4,868	4,221	-13.3%	2.6	2.5	-0.1
Porsche	39	45	15.4%	111	103	-7.2%	472	436	-7.6%	0.3	0.3	0.0
Saab	103	79	-23.3%	236	175	-25.8%	976	683	-30.0%	0.5	0.4	-0.1
Saturn	292	262	-10.3%	800	654	-18.3%	3,391	2,845	-16.1%	1.8	1.7	-0.1
Subaru	654	760	16.2%	1,791	1,981	10.6%	6,440	6,896	7.1%	3.5	4.0	0.5
Suzuki	108	120	11.1%	385	313	-18.7%	2,488	1,269	-49.0%	1.3	0.7	-0.6
Toyota/Scion	1,587	1,610	1.4%	4,202	4,162	-1.0%	16,161	16,441	1.7%	8.8	9.6	0.8
Volkswagen	355	401	13.0%	1,042	1,032	-1.0%	4,116	3,927	-4.6%	2.2	2.3	0.1
Volvo	203	210	3.4%	603	493	-18.2%	2,396	2,056	-14.2%	1.3	1.2	-0.1
Other	82	49	-40.2%	187	113	-39.6%	750	496	-33.9%	0.4	0.3	-0.1

**Change in Used Vehicle Market Share by Age of Vehicle
2010 v. 2009**



New Vehicle Market Percent Change in Brand Registrations 2010 v. 2009 (Top 30 selling brands)



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WHO ARE MY TOP COMPETITORS?
-BY MARKET AREA?

WHAT NEW AND USED CARS SELL WELL IN MY MARKETS?

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Jeff Carlson
Glenwood Springs Ford
Colorado NADA Director

New-vehicle sales, which are a key indicator of economic growth, were strong in November and will continue to show signs of strength over the next couple of months, says Paul Taylor, NADA chief economist.

NADA ECONOMIST: SEVERAL FACTORS WILL SUSTAIN NEW-VEHICLE SALES INCREASES IN FUTURE MONTHS

Guide Book: Wholesale Prices Outperforming Seasonal Expectations

New-vehicle sales, which are a key indicator of economic growth, were strong in November and will continue to show signs of strength over the next couple of months, says Paul Taylor, NADA chief economist.

“Several economic factors, such as an aging U.S. fleet, strong trade-in values and an improving stock market, are helping to sustain new-vehicle sales,” Taylor says.

On average, cars and trucks on the road today are more than 10 years old. “Many consumers simply will feel the need to buy a new car or truck as the mileage on their current vehicles move beyond 120,000 miles,” Taylor says.

According to data from the NADA Guide Book, the run up in used-vehicle prices is also pushing some shoppers into the new-vehicle market. Wholesale prices in November continued to outperform seasonal expectations.

“The used-vehicle market will remain short of low-mileage cars and trucks, which for car owners will increase their trade-in equity when buying a new vehicle,” Taylor says. “This is another key economic factor that will sustain new-vehicle sales increases in future months.”



Strong used-vehicle pricing has also improved the market for automotive asset-backed securities – a positive sign, especially for this time of year, says Jonathan Banks, executive automotive analyst for the NADA Guide Book. “We expect to see an uptick in January as used prices follow seasonal patterns and supply and demand continues to create a healthy used-car market,” Banks says.

For more analysis from the NADA Guide Book, visit www.nada.com/b2b/ and click on “Guidelines” under “What’s New” in the right-hand column.

NADA Weighs in On Fuel-Economy Labeling as Members of Congress Express Concern

Members of Congress on both sides of the aisle expressed concern over an Obama administration proposal to add letter grades to the fuel-economy stickers displayed on new cars and trucks. In a letter to the Environmental Protection Agency and Transportation Department in December, 53 House members said the proposal was biased toward electric vehicles and would hurt vehicle sales. “Changing this system to a letter grade would cause consumer confusion and tip the scales unfairly against many fuel efficient SUVs and trucks, relegating them to a C or C+ grade,” said Rep. Dale Kildee, D-Mich. In response, NADA said it is pleased that Members of Congress clearly reject the EPA’s attempt to use an arbitrary letter grade to tell consumers which cars and trucks to buy. “It is especially significant that so many members of the House Energy and Commerce Committee, which has jurisdiction over EPA, object to the government creating another regulation when new-car buyers already have clear and visible fuel economy numbers printed on the window sticker,” says Doug Greenhaus, director of Environment, Health and Safety for NADA Regulatory Affairs. In comments to the Administration, NADA expressed its support for

an approach that retains the current label’s focus on miles per gallon and annual fuel costs. For plug-in labels, NADA supports displaying information on all-electric and total-vehicle range and battery charge time, but opposes a kilowatt-per-hour consumption metric.

IRS Helps Small Employers Claim New Health Care Tax Credit; Forms and Additional Guidance Now Available

The Internal Revenue Service this month released final guidance for small employers eligible to claim the new small business health care tax credit for the 2010 tax year. For more information from NADA University on this issue, the recording from the Federal Health Reform Webinar held last May is available for free to NADA members at www.NADAuniversity.com. After logging on, click the “Market Insight” tab on bottom panel and scroll down to select the Webinar “Federal Health Reform.”



NADA Opposes Sale of E-15 ‘Gasohol’



NADA plans to submit comments this month to the Environmental Protection Agency on its October decision to allow the sale of fuels with up to 15 percent ethanol. NADA and several other organizations, including the Alliance of Automobile Manufacturers and the Association of International Automobile Manufacturers Inc., have opposed the move saying allowing the sale of E-15 “gasohol” poses a risk of reduced engine and fuel system performance, or worse yet, permanent damage. For several years, most light- and medium-duty, gasoline-engine motor vehicles sold and serviced by dealerships have been designed to accommodate gasohol blends containing a maximum of 10 percent ethanol, with some dual- and flexible-fueled vehicles designed to use E-85, a gasohol blend containing 85 percent ethanol. “NADA consistently has raised concerns about the negative impact that unreasonable fuel mandates and poor fuel quality can have on vehicle performance and customer satisfaction,” says Doug Greenhaus, director of Environment, Health and Safety for NADA Regulatory Affairs. “NADA opposes rules which may result in the use of fuels in engines for which they were not designed.”

CADA ANNOUNCES OIL, SERVICE CHEMICALS AND RECONDITIONING PRODUCT PROGRAM FOR MEMBERS!

We are pleased to announce that your association has endorsed Siegel Oil Company. This new program will provide CADA members with group discounts on many service related products, rebate opportunities, and also Siegel Oil’s strong marketing program support. Through this new program, you can obtain the best price and service possible on a wide range of service products!

Siegel Oil, a family-owned, Colorado-based business has been serving Colorado dealerships for more than 83 years. Key benefits of your new association program with Siegel Oil include:

- No long-term supply contracts. Don Siegel does not believe in long-term contracts or liquidated damage provisions. He strives to win your business by performance and service through various value-added programs on all servicereLATED products.
- Discounted pricing as follows:
 - Service Chemicals & Additives: 20% off list price
 - Lubricants: Customized
 - Reconditioning Products: 15% off list price
 - Auto Parts: 15% off list price
- Value-added programs. Siegel can offer multiple brands of lubricants, including API licensed and approved lower-cost alternatives to the more expensive national brands. SKY™ is an environmentally responsible oil for customers who want this option; marketing materials and support are available as well. Equipment repair is provided by Siegel—not a third-party—and quarterly preventative maintenance inspections are also provided. Plus more...contact Don Siegel, President/CEO, for a consultation at 303.807.1567.
- Siegel’s track record speaks for itself – Over 60 CADA members currently work with Siegel Oil. Siegel has consistently achieved 5-8% sales growth during difficult economic times. By adding value-added services in light of strong manufacturer “incentives” to utilize other providers, Siegel Oil provides more than just products.
- Strong support of dealerships – During the bottom of the car industry downturn, Siegel Oil offered a “Cash For Cars” incentive program for employees to purchase a vehicle from their new car dealer clients. In 2009, this program contributed to over 20 new car purchases from CADA Members. Siegel was previously a successful CADA-endorsed company in the 1980s.



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EVENT DESCRIPTION	DATE/TIME	LOCATION
2011 Digital Marketing Strategies Conference <i>Napa, California</i>	February 1-3, 2011	<i>For more information, go to www.digitalmarketingstrategies.org/digital-marketing-strategies/registration/</i>
NADA Convention & Expo <i>San Francisco</i>	February 5-7, 2011	<i>For more information, go to www.nadaconventionandexpo.com/</i>
Dealer Day at the Capitol <i>Denver</i>	February 22, 2011 7:30-10:30am	<i>SAVE THE DATE!</i> <i>See page 7 for more details!</i>
Denver Auto Show <i>Denver</i>	Wednesday, March 30 to Sunday, April 3, 2011	Colorado Convention Center 700 14th Street, Denver, 80202 <i>For more details visit www.denverautoshow.com</i>

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



NADA U Webinar Archives Include the Latest Webinars on Hot Topics – The NADA University Learning Hub offers the following archived Webinars:

- The New Risk-Based Pricing Rule
- Transitioning to the New Model Privacy Notice
- The New UNICAP Safe Harbor Methods and What They Mean for Dealers
- Comprehensive Safety Analysis – Are You Ready?
- Managing Your Four Vital Cash Accounts

To view any of these Webinars, visit www.NADAUniversity.com and sign in then visit the NADA U Store, select “Webinars & Seminars” under “Products,” and follow the ordering instructions.

NADA University Partners with Online HR Trainer – NADA University has teamed up with online human resources trainer EZ-HR to expand its HR training programs. NADA U now offers dealers a selection of sessions focused on key HR functions, such as hiring and retention strategies, creating job descriptions and performance evaluations, developing HR policy handbooks and meeting legal requirements. A Learning Hub Webinar entitled “Recruiting and Hiring Strategies for Today’s Dealers” is available at www.NADAuniversity.com in the archive. In addition, HR Essentials, a comprehensive resource that includes job description templates and policy and performance evaluation samples, is in the Resource Toolbox. A new online course, “Complying with the FMLA,” is coming soon to the Learning Hub.

New to NADA U: Dealer Pain Points – NADA University has created a feature called “Dealer Pain Points,” in which a particular issue, concern or dealer compliance obligation is addressed in short video segments with NADA U experts. The experts “resolve” each Pain Point and then the viewer is directed to the wealth of NADA U resources on the topic. To date, 21 Dealer Pain Points have been developed. Find them by clicking on the featured Pain Point on NADA U’s home page at www.NADAuniversity.com. After viewing the featured Pain Point, take a look at the rest by clicking “View Archives.”



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- Auto Industry Division: 303.205.5746, www.colorado.gov/revenue/AID
- 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.

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