Minnesota Dealer Outlook

A Minnesota Automobile Dealers Association Publication

CONSUMER FINANCE PROTECTION

Stalking Dealer-Assisted Finance

Inside this issue:

Dealership Showcase

Ken Waschke
Auto Plaza

Industry Spotlight

John Hawkins
& Aly Quinn

Fall 2013 www.mada.org Volume 10 • Issue 1

MADA
Minnesota Automobile Dealers Association

Build customer loyalty by offering the best financing.

Market-leading vehicle loans

Partner with Wings Financial Credit Union to offer your customers the best vehicle loan in the Twin Cities. Our GreatRate loan combines the area's lowest rate with the flexibility to purchase most any vehicle, new or used.

Drive sales with GreatRate loans.

Contact David Passolt, Indirect Lending Sales

952 997-8227 | dpassolt@wingsfinancial.com

Membership now open to the entire Twin Cities!

Wings Financial Credit Union is federally insured by NCUA.

REAL VALUE. EVERY DAY.

Wings FINANCIAL

Minnesota Dealer Outlook

An Official Publication of the Minnesota Automobile Dealers Association

MADA
Minnesota Automobile Dealers Association

2013 Executive Committee

President
Steve Brimhall, Minnesota Motor Company
President Elect
Morrie Wagener, Morries Automotive
Treasurer
Greg House, House Chevrolet
Secretary
Mike Saxon, Inver Grove Ford Lincoln
Immediate Past President
Paul Walser, Walser Automotive Group
Executive Vice President
Scott Lambert

EDITORIAL STAFF
Scott Lambert, Publisher
Ginger Lemke, Editor

PHOTOGRAPHY
Jim Mims, Mims Photography

SUBSCRIPTIONS
Minnesota Dealer Outlook is an official Minnesota Auto Dealer Association publication, provided Quarterly to Members of the Minnesota Automobile Dealers Association.

SUBMIT ADDRESS CHANGES TO:
Minnesota Automobile Dealers Association
200 Lothenbach Avenue
West St. Paul, MN 55118-3505
Phone: 651.291.2400 • Fax: 651.291.2894
Toll Free: 1.800.652.9029
Email: brom@mada.org

ADVERTISING SALES:
Ginger Lemke
Phone: 651-291-2400
Email: ginger@mada.org

IN THIS ISSUE

10 Cover: Consumer Finance Protection

33 Dealership Showcase: Ken Waschke Auto Plaza

34 Industry Spotlight: John Hawkins & Aly Quinn

Table of Contents

NADA News
NADA Endorses Hiring Our Heroes Program...7
MADA Minutes
Recent Dealership Performance Awards...9
On the Cover
Consumer Finance Protection.....10
Dealers Are Good Neighbors
Good News.....16
C&S News
Pheasant Hunt.....18
Minnesota Auto Outlook
Comprehensive New & Used Vehicle Information on Minnesota's Automotive Market.....19
Dealership Showcase
Ken Waschke Auto Plaza 33
Industry Spotlight
John Hawkins & Aly Quinn 34

On the Cover:

*Our heroine on the cover is **Cindy Wagener Robin** of Morries Automotive who has turned the tables on would-be psycho **Scott Lambert**.*

Data Source Information for Minnesota Auto Outlook on pages 19 - 33

Exclusive source for new vehicle registration data presented in Minnesota Auto Outlook is R. L. Polk and Company, a leader in providing detailed new and used vehicle sales and registration statistics. Data is available on a timely basis on the internet.

For more information visit www.polk.com

Advertising Directory

Blue Cross Blue Shield MN 25
CVR..... 9
CliftonLarsonAllen 6
MADA Business Cards 29
MADA Direct Mail 8
MADA Endorsed Services and Vendors..... 8
Protective.....Back Cover
Reliable Plus..... 25
Schmit Towing 25
Super America..... 5
StarTribune.....Back Inside Cover
Wings Financial .....Inside Front Cover
WIPFLI LLP 30

MADA MINUTES
Minnesota Automobile Dealers Association

Recent Dealership Performance Awards

Minnesota dealerships fare quite well in attracting national recognition for providing the best shopping experience, service and ownership experience. These recent awards represent the top 10% of the most coveted national distinctions for dealerships.

Ryan Chevrolet Cadillac, Buffalo, received GM Mark of Excellence awards for both Chevrolet and Cadillac. Of 4,500 Chevy Buick GMC dealerships nationally, only the top 7% of dealerships win this award.

Fury Motors Inc., South St. Paul, received the Walter P. Chrysler Club Award for overall sales and Mopar parts sales performance. Only 44 awards were given nationally of 2,498 dealerships.

Maplewood Toyota received the Toyota President's Cabinet Award for recognizing operations, sales and outstanding customer service. The award is limited to 12 dealerships in the country.

Mills Honda of Brainerd earned the Honda President's Award for exceptional performance. More than 1,000 Honda dealerships nationally competed for the title, with 112 dealerships earning the award.

In a surprise at the summer national meetings, NADA's Chief Lobbyist Michael Harrington awarded Executive Vice President Scott Lambert a copy of the bill signing that repealed the need for dealerships to distribute insurance information. The bill was passed by Congress late in 2012 through the help of MADA and Senator Amy Klobuchar. The framed document comes with the signature of the Speaker of the House, the President Pro Tempore of the Senate and President Barack Obama and includes a Presidential pen. It now hangs proudly in the offices of MADA.

David Luther is named 2014 TMQDA Nominee

MADA is proud to announce David Luther as Minnesota's 2014 TIME Magazine Quality Dealer (TMQDA) Award Nominee.

The TMQDA 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 who have also demonstrated a long-standing commitment to effective and generous community service.

David is the owner of Luther Automotive Group which includes 26 dealerships that are members of the Minnesota Auto Dealers Association.

Congratulations and good luck, David!

©2013 CliftonLarsonAllen LLP

ENVISION THE FUTURE

Plan for a new generation of owners under the guidance of experienced professionals who understand your dealership.

CliftonLarsonAllen

Audit ► Tax ► Outsourcing ► Advisory

Scott Gorden
612-376-4751 | CLAconnect.com/dealerships

MADA NEWS

NADA Endorses Hiring Our Heroes Program

The men and women of the U.S. armed forces, who bravely served and fought for our country, are facing huge hurdles when trying to find employment after leaving the military. There are 800,000 veterans without jobs, and with more than 1 million service members expected to leave the military over the next five years, we are called to help serve those who have served us.

Veterans deserve a fighting chance when they return home. And that starts with finding a job. To join in this effort, the National Automobile Dealers Association has partnered with Hiring Our Heroes to raise awareness of career opportunities available at new car and truck dealerships.

Hiring Our Heroes, sponsored by the U.S. Chamber of Commerce Foundation, is a nationwide effort to help veterans and their spouses find jobs in communities across America.

Why hire a military veteran? Veterans possess real-world experience and skill sets that can only enhance our industry. They are team players who have proven leadership skills in the most diverse environments and demanding situations.

To help expand career opportunities for military personnel and their families, we're encouraging dealers to embrace the Hiring Our Heroes program by attending job fairs, posting dealership job openings on military employment websites and engaging in other media outreach initiatives.

So far, Hiring Our Heroes and its partners have hosted 600 job fairs across the country. These job fairs have provided accessible jobs to 20,200 men and women. And nearly 1,200 businesses have participated in the program to hire veterans and their spouses. To participate in a local job fair and find out dates and locations, visit www.uschamber.com/hiringourheroes/events.

NADA encourages you to spread the word about the partnership. Inform your community that you're a "Proud supporter of Hiring Our Heroes" by branding your website. For examples, visit www.nada.org/heroesbranding.

Post comments on your social media platforms – with a link to NADA's Hiring Our Heroes campaign at www.nada.org/hiringourheroes – and promote it throughout the year.

We encourage you to become a supporter of Hiring Our Heroes and get involved today.

Dave Westcott
NADA Chairman
Read more: http://bit.ly/19IHEEF

MADA Services Incorporated

MADA Endorsed Services & Vendors

Computerized Vehicle Registration
- CVR

Dealership Marketing
- Visible Customer

F&I Products
- Protective

Group Health Insurance
- Blue Cross Blue Shield of MN
- Delta Dental
- ReliaStar Life

Workers Compensation
- Ensure Agency
- Midwest Family Mutual

Dealer Bond Program
- Ensure Agency

Collections
- Springer Collections

Check Guarantee/Credit Card Processing
- Certegy / FIS

Disability Income Insurance & Section 125 Cafeteria Plans
- American Fidelity Assurance

OSHA, EPA & DOT Compliance/Training
- ComplyNet Corporation

Fleet Fueling Program
- SuperAmerica

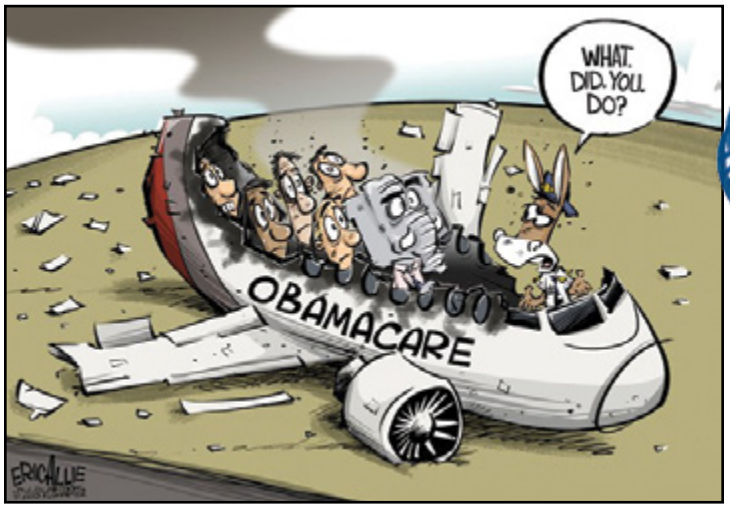
Office Supplies
- S & T Office Products

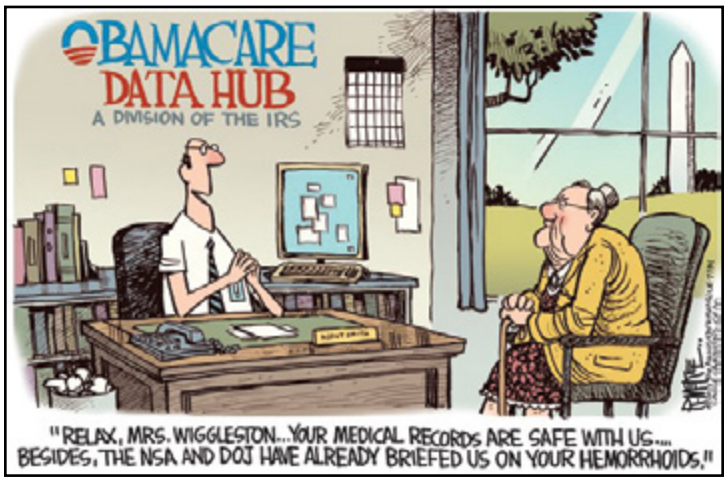
Uniforms and Linen Services
- AmeriPride Linen and Apparel Services

Hole-In-One Insurance
- Hole-In-One-USA

Pre-Paid Legal, Jim Gavin
- Identity Theft Shield & Pre-Paid Legal Services

COMIC CORNER





I think I'll do something nice for my customers... like CVR

Benefits of CVR:

- Increase CSI scores
- Accurate fees
- Flexibility with plate assignments
- Increased revenue

Contact MADA today to get in touch with CVR.

MADA CVR COMPUTERIZED VEHICLE REGISTRATION

CONSUMER FINANCE PROTECTION

Stalking Dealer-Assisted Finance

Afraid of Norman Bates? He's the boogeyman Alfred Hitchcock created in the classic slasher movie, *Psycho*. You recall Norman – so soft-spoken and unassuming in appearance and manner but in reality a monster - isolated, out of control and so fixated on something he couldn't possess that he destroyed it.

We're an industry still on the road to recovery seeking security and shelter after the most tumultuous economic collapse that most of us can

Jim Schutjer
Legal Counsel

remember. We're being stalked. We should be afraid. An actor – as dangerous and out of control as Norman – is fixated on us. A knife is raised at an industry that thought it was safely outside the grasp. As you may have guessed, our boogeyman is the Consumer Finance Protection Bureau – the CFPB.

We Thought We Escaped. Unlike the unsuspecting movie victim, Janet Leigh, the auto industry saw the danger coming. Congress was passing a sweeping Wall Street reform bill in 2010 to fix the home mortgage industry's excesses and abuses that contributed to the collapse of the economy in 2009. Part of the reform bill was to create a brand new, independent agency with unprecedented regulatory powers.

Auto dealers fought hard and won an exemption from the grasp of the newly-created Bureau of Consumer Financial Protection. In spite of stiff opposition to the exemption by the White House, Pentagon, Department of Treasury and other groups, Congress agreed that dealer-assisted financing is already well-regulated. Creating a new set of rules and regulations would have undoubtedly made it harder and more expensive for consumers to access auto credit.

Auto dealers fought hard and won an exemption from the grasp of the newly-created Bureau of Consumer Financial Protection.

Isolated and Out of Control. Most policy-making federal agencies with the power to tell people and businesses what to do are directly accountable to our elected representatives in Congress. Accountability is typically achieved in two ways:

1. *Governing body* The Federal Trade Commission and the National Labor Relations Board are good examples. The FTC is headed by

five Commissioners, nominated by the President and confirmed by the Senate, each serving a seven-year term. No more than three Commissioners can be of the same political party. The NLRB has five members appointed by the President to five-year terms, again confirmed by the US Senate.

2. *Power of the purse* Most Federal agencies are dependent on periodic Congressional appropriations to fund their activities.

Neither of these methods of Congressional control and accountability apply to the CFPB. Why?

1. Structurally, the agency "sits" as part of the US Department of Treasury's Federal Reserve System. However, there is no governing board or political link back to Congress. There's no commission or board of governors. There's one strong man – the "Director." Current Director, Richard Cordray – a former Ohio State Attorney General with solid Democratic credentials - is pretty much untouchable for five years. By law, he can be removed only by the President and then only for "inefficiency, neglect of duty, or malfeasance in office."

Congressional oversight? No way. Federal Law specifically PROHIBITS any oversight of the funding requisitions by House and Senate Appropriations committees.

2. For funding, the CFPB unilaterally claims funds from the Federal Reserve Board. For 2013, the Director may requisition up to $597,600,000 for operating expenses. Congressional oversight? No way. Federal Law specifically PROHIBITS any oversight of the funding requisitions by House and Senate Appropriations committees.

EEOC Disparate Impact Guidance. In March of this year, the CFPB took an indirect swipe at dealers. The Bureau can't attack dealers directly but it can threaten our business partners, the regulated lenders. In a Guidance Document, the CFPB advised regulated lenders that they will be held legally liable if their dealer reserve and dealer compensation policies could somehow result in higher average interest rates for consumers because of race, religion, national origin, sex, age, etc. Due

to the risk of discrimination, the recommended guidance to lenders was to eliminate dealers' discretion to mark up buy rates and instead compensate dealers on a flat fee per transaction basis.

Viewing Disparate Impact through a Prism of Reality.

Freedom and Equality are two of the most cherished words in the American lexicon. People and nations throughout history have fought and died to achieve or preserve some measure of both. But do Freedom and Equality go hand in hand? They may, but not always. Sometimes my freedom comes at your expense. In fact, it is fair to say that total, unbridled freedom yields total absence of equality. The strong and privileged would exercise total dominion over the world at the expense of the weak and disenfranchised. On the other hand, imposing absolute equality would, by its nature, obliterate all freedom of action.

So, how do we deal with the paradox? Society invented laws and government to try and sort things out. But the task is far from easy. Government and lawmakers often end up balancing competing goals and interests. They make quantitative and qualitative decisions about how much freedom of action should be sacrificed and how much regulatory overhead should be imposed to achieve some incremental measure of equality. Tough job, huh?

The government is less likely to thrust its influence into the decisions we make in our personal lives. For example, no law governs discrimination in dating. I can exclusively ask Norwegians to dinner and tell all the Swedish girls to take a hike. However, the government is far more aggressive, insisting on equality in commercial transactions. Most of us would agree that this is a proper regulatory goal of government. Discrimination in commerce is bad. Government should act.

Let's stay with the Swede / Norwegian analogy. I'm a Norwegian. I'm a car dealer. I don't like Swedes. I'll sell a sell a car to one of those rutabagas, but it costs them an extra $500. Discrimination? Sure. That's easy. It's wrong. It's illegal.

Let's take a little different tack. I'm a car dealer. I really don't care about Swedes one way or another. I care about selling cars. However, some government agency starts snooping around my books, crunches a

bunch of numbers and comes to the conclusion that Swedes, as a group, are being charged more on average at my store than the rest of my customers. This type of discrimination is called "disparate impact." It's based on statistical analysis. The concept is that discrimination doesn't have to be purposeful in order to be wrong.

Proxies and Statistical Significance. Two very interesting questions flow from the Disparate Impact discussion above. How do we differentiate Swedes from the rest of the dealer's customers? Second, assuming we could identify Swedes as a group, how much disparity of pricing is significant? $500 on average? Sure, that's significant. $50? Perhaps. $5 average price difference? Probably not.

In a letter dated June 20, 2013, 35 members of Congress - including Michele Bachmann - expressed concern with this CFPB guidance and formally requested that the Bureau provide a full set of details about the methodology of its statistical disparate impact including:

1. "Proxies" used to determine the background of consumer credit applicants;
2. Factors held constant to isolate the applicant's background as the sole reason for any alleged pricing disparity;
3. Metric used to measure whether pricing disparities exist (e.g., basis points, the dollar amount of the finance charge, etc.); and
4. Numerical threshold at which it was determined that a pricing disparity on a prohibited basis constitutes an ECOA violation.

The Bureau's vague response is that customers are classified by race and national origin based on surnames and geographic residence indicators. In our example, perhaps "Lundgren" might be a typically Swedish surname. However, the Bureau offered no indication of exactly *which* surnames were used as proxies nor how many basis points of interest rate disparity were judged as relevant.

The Assault on the Marketplace is Real The CFPB's suggested response shows government at its worst - stealing freedom without regard to cost.

Instead of punishing wrongdoers and preserving the benefits of freedom for a hugely successful marketplace, the CFPB wants to severely limit the freedom dealers have - in cooperation with their lenders - to set competitive motor vehicle interest rates. It suggests instead that lenders switch to paying dealerships flat fees for arranging loans instead of allowing dealers to mark up the loan.

In 2012, 15.7 million auto loans were made, and the total amount of auto loan debt was $783 billion. Despite vigorous competition by banks and credit unions for direct loans, 80 percent of car buyers choose to finance their purchases through the dealership.

Why? Dealer financing is successful because of price, availability and service.

However, the Bureau offered no indication of exactly which surnames were used as proxies nor how many basis points of interest rate disparity were judged as relevant.

The National Automobile Dealers Association is vigorously defending dealer freedom and argues that switching to flat fees would turn the highly successful indirect lending model on its head. NADA's Chairman David Westcott and President Peter Welch are taking every opportunity to sound off in opposition to the CFPB anticompetitive tampering.

NADA says the CFPB's initiative eliminates the potential for a credit customer to get a dealer to "meet or beat" a best credit offer. Instead, it incentivizes dealers to select the finance source contract with the highest flat fee – rather the best interest rate for the customer. The CFPB initiative actually weakens rate competition which must drive up the cost of credit for all consumers.

According to a statement by Peter Welch to industry publication, *Automotive News*, "You've taken a market that naturally, competitively, served to lower rates, and … we think that now that's all upside down. Why would they want to take 17,000 price discounters out of the market?"

Dealers Are Good Neighbors

MADA salutes Minnesota new vehicle dealerships and dealership employees who make their communities a better place to live.

The Big Brothers Big Sisters program is grateful for the support received from ***Luther Honda of St. Cloud***. The dealership has served as the lead sponsor at the "Magic Moments Ball" fundraiser for the program and regularly helps spread the word about what is needed even more than funding. That ongoing need is for mentors for the hundreds of children still waiting for someone to step up and help.

Zumbrota Ford teamed up with the Goodhue County 4-H club for a Drive 4 UR Community event. The 364 test drives by community members raised $6,000 for the 4-H club.

Tom Clusiau's Walker Ford teamed up with the Northern Cass County Relay for Life through the "Drive 4 UR Community" event in June. For every test drive completed, $20 is contributed to the organization.

Walker Ford's General Manager Josh Loney (second from right), handed the "big check" for $1,880 to Relay for Life Chair Christy Johnson (second from left) and Rachel Johnson (left), team captain for the Walker Cancer Crusaders. Also pictured are Walker Ford employees Char Moore and Kyle Cyr.

Hawkins Chevrolet, Fairmont, raised $3,350 for the American Cancer Society with a series of activities and promotions. A co-ed softball tournament, silent auction, donations for test drives and vehicle purchase were just some of the many ways funds were raised.

Nelson Auto Center had been working toward the goal of 485 test drives during June and July. As the goal was met, a $2,000 check was presented to the Fergus Falls community Food Shelf. Another $500 was donated to the Battle Lake Food Shelf.

Dahl Automotive Lube-A-Thon event contributed over $7,000 for the Family and Children's Center of Winona. The annual event offered guests a free oil change with a minimum $10 donation to the charity. Over 450 guests received oil changes at either ***Dahl Toyota*** or ***Dahl Chevrolet, Buick, GMC Inc.***

Over 90% of the team members from Dahl Toyota and Dahl Chevrolet donated their time to this year's Lube-A-Thon.

Education

The Willmar High School Music Department has received $5,620 for its participation in the Ford "Drive One 4 UR School" event at ***Mills Ford of Willmar.***

Chevy Youth Baseball Program and ***Lewiston Auto Company, Inc.*** are supporting the Little League baseball organizations in the area. As part of Chevrolet's nationwide commitment to support Youth sports, the dealerships are providing monetary and equipment donations. ***Dan Welle's GM & Chrysler*** dealership is partnered with the Sauk Centre Youth Baseball in the same Chevrolet program. The sponsorship includes t-shirts, bags, youth clinics featuring current and former MLB/MiLB players, coaches and instructors and a cash donation.

Jeremy Sunderman of Dan Welle's gathers with players from Sauk Centre's Youth Baseball Association.

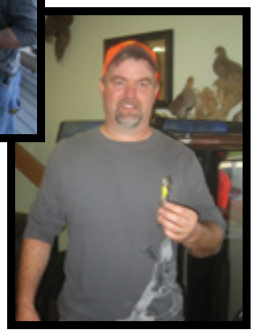
Send YOUR good news to Sandy at brom@mada.org

C&S NEWS

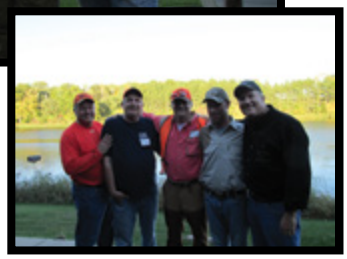
C&S Pheasant Hunt

MADA Collision & Service Council

After a spectacular fall afternoon packed with successful pheasant hunting, great food, and wonderful camaraderie, we can confidently say the Council's first annual event was a huge success. From comments like, "I've known this guy for seven years, and I learned some really great things about him when we were on the hunt,".....to, "This beats a golf tournament any day!" .... and, "This was a fantastic event and it was great meeting so many of these guys today," the Council is already looking at scheduling this event again for next year.



The photos show just a fraction of the story. Be sure to RSVP early for next year. Space will be limited!



MINNESOTA AUTO OUTLOOK

Comprehensive Information on the Minnesota Automotive Market

FORECAST

State New Vehicle Market Improves 16.6% thru August of 2013

Market predicted to increase for fifth consecutive year in 2014

In 2009, when new vehicle sales tumbled to their lows, many industry pundits were downbeat on the prospects for prolonged recovery. And most thought that there was little chance that the market would ever return to peak levels reached in the early to mid 2000's. Auto Outlook disagreed. At the time, our viewpoint was that the incredibly low sales levels would only add momentum to the market, as pent up demand took hold. Add in the long term prognosis for low interest rates, escalated trade in values due to tightened supplies of used cars, eventual improvement in household balance sheets, and significant across-the-board improvement in new products, and we thought new vehicle sales were sure to head higher. And indeed, thru the half way point of 2013, that is exactly what has transpired.

Here are the numbers: In 2009, Minnesota new retail light vehicle registrations were only 128,088 units, while last year's total was 183,863, a 44% increase during the three year period. And Auto Outlook is predicting that for 2013, the total will exceed 200,000 units, well above 2008 levels. What lies ahead for 2014? We think the market will increase again next year. However, the percentage increase is expected to be lower than this year. Here's why:

Pent up demand is easing. The vehicle fleet in the U.S. is still at record-high levels, which will help keep the market moving in a positive direction, but the boost supplied by pent up demand will subside somewhat during the next 18 months.

Interest rates are likely to increase. It shouldn't be a big jump, but the consensus view of economists is that interest rates will be heading gradually higher for the foreseeable future. Higher rates would lead to higher monthly payments, hampering consumer affordability for new vehicles.

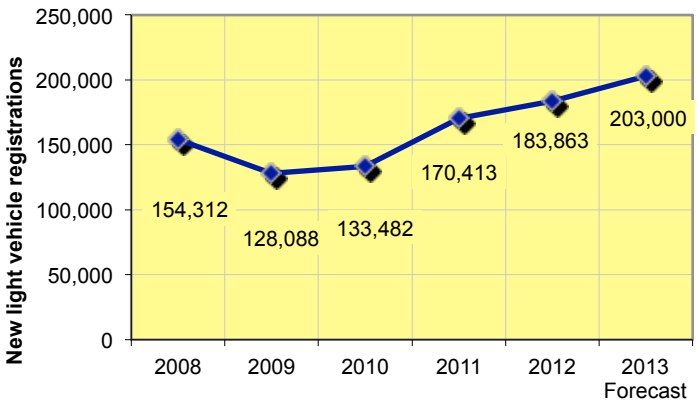
Used car prices have reached their peak. Most used vehicle analysts believe that used vehicle values will reach their peak during 2013. Softening used car prices reduces trade in values, thereby increasing the net cost of a new vehicle purchase.

Bottom line outlook for the Minnesota new vehicle market for the rest of this year and 2014: Continued growth, but at a slower pace.

Change in Data Source

Effective with this release, the data source for Auto Outlook is R.L. Polk and Company. This change was made to improve the accuracy and reliability of the data presented. Historical figures will change slightly from those presented in previous issues. If you have any questions, please contact Auto Outlook. Thank you!

Annual Trend in Minnesota New Vehicle Market



Data Source: Polk

Market Review

	YTD '12 thru Aug	YTD '13 thru Aug*	% Chg. '12 to '13	Mkt. Share YTD '13
TOTAL	111,613	130,190	16.6%	
Car	49,088	55,243	12.5%	42.4%
Light Truck	62,525	74,947	19.9%	57.6%
Detroit Three	57,330	67,579	17.9%	51.9%
European	8,072	8,908	10.4%	6.8%
Japanese	36,697	44,359	20.9%	34.1%
Korean	9,514	9,344	-1.8%	7.2%

Detroit Three consists of vehicles sold by GM, Ford, and Chrysler.

Data Source: Polk

Brand Registrations Report
Minnesota New Retail Car and Light Truck Registrations

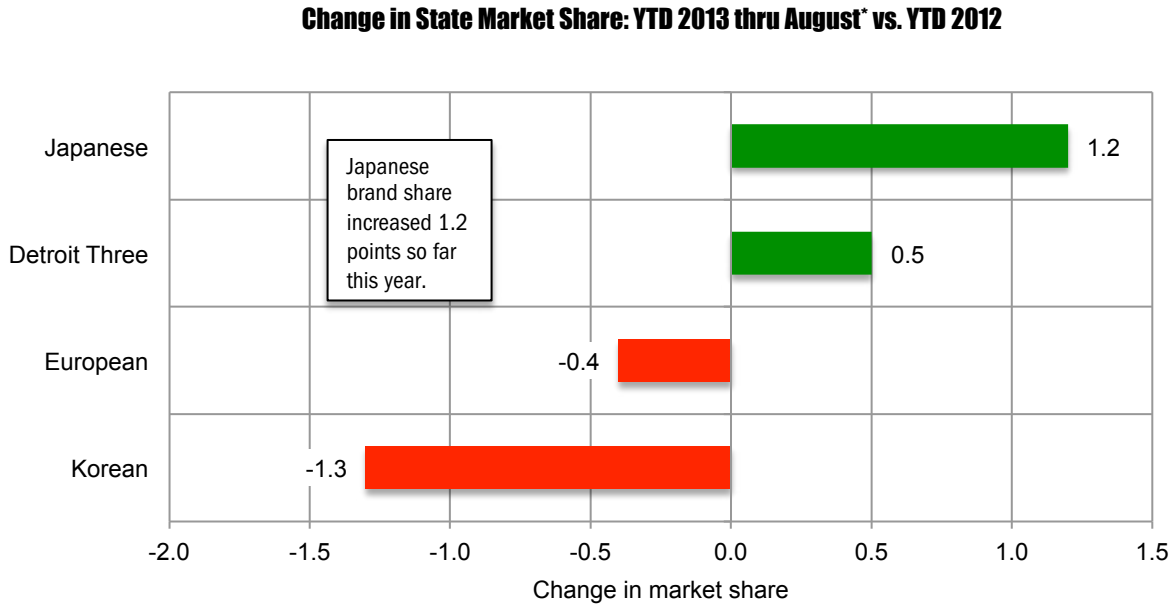
	Previous Three Months (June thru August*)						Year to date thru August*					
	Registrations			Market Share (%)			Registrations			Market Share (%)		
	2012	2013	% change	2012	2013	Change	YTD '12	YTD '13	% change	YTD '12	YTD '13	Change
TOTAL	40,294	48,463	20.3				111,613	130,190	16.6			
Cars	17,957	20,837	16.0	44.6	43.0	-1.6	49,088	55,243	12.5	44.0	42.4	-1.6
Light Trucks	22,337	27,626	23.7	55.4	57.0	1.6	62,525	74,947	19.9	56.0	57.6	1.6
Domestic Brands	19,846	23,930	20.6	49.3	49.4	0.1	57,330	67,579	17.9	51.4	51.9	0.5
European Brands	3,003	3,340	11.2	7.5	6.9	-0.6	8,072	8,908	10.4	7.2	6.8	-0.4
Japanese Brands	14,004	17,666	26.1	34.8	36.5	1.7	36,697	44,359	20.9	32.9	34.1	1.2
Korean Brands	3,441	3,527	2.5	8.5	7.3	-1.2	9,514	9,344	-1.8	8.5	7.2	-1.3
Acura	327	387	18.3	0.8	0.8	0.0	798	968	21.3	0.7	0.7	0.0
Audi	315	356	13.0	0.8	0.7	-0.1	866	943	8.9	0.8	0.7	-0.1
BMW	447	645	44.3	1.1	1.3	0.2	1,339	1,795	34.1	1.2	1.4	0.2
Buick	794	938	18.1	2.0	1.9	-0.1	2,090	2,611	24.9	1.9	2.0	0.1
Cadillac	263	388	47.5	0.7	0.8	0.1	732	963	31.6	0.7	0.7	0.0
Chevrolet	5,697	7,094	24.5	14.1	14.6	0.5	17,591	20,231	15.0	15.8	15.5	-0.3
Chrysler	948	963	1.6	2.4	2.0	-0.4	2,888	2,657	-8.0	2.6	2.0	-0.6
Dodge	1,176	1,598	35.9	2.9	3.3	0.4	3,299	4,577	38.7	3.0	3.5	0.5
FIAT	73	72	-1.4	0.2	0.1	-0.1	199	208	4.5	0.2	0.2	0.0
Ford	7,103	8,320	17.1	17.6	17.2	-0.4	19,975	24,007	20.2	17.9	18.4	0.5
GMC	1,391	1,627	17.0	3.5	3.4	-0.1	4,029	4,640	15.2	3.6	3.6	0.0
Honda	3,628	4,710	29.8	9.0	9.7	0.7	9,765	11,406	16.8	8.7	8.8	0.1
Hyundai	1,637	1,613	-1.5	4.1	3.3	-0.8	4,313	4,403	2.1	3.9	3.4	-0.5
Infiniti	215	186	-13.5	0.5	0.4	-0.1	503	532	5.8	0.5	0.4	-0.1
Jaguar	7	14	100.0	0.0	0.0	0.0	26	33	26.9	0.0	0.0	0.0
Jeep	1,199	1,260	5.1	3.0	2.6	-0.4	3,257	3,361	3.2	2.9	2.6	-0.3
Kia	1,804	1,914	6.1	4.5	3.9	-0.6	5,201	4,941	-5.0	4.7	3.8	-0.9
Land Rover	62	82	32.3	0.2	0.2	0.0	182	239	31.3	0.2	0.2	0.0
Lexus	514	604	17.5	1.3	1.2	-0.1	1,183	1,419	19.9	1.1	1.1	0.0
Lincoln	266	274	3.0	0.7	0.6	-0.1	660	719	8.9	0.6	0.6	0.0
Mazda	784	1,021	30.2	1.9	2.1	0.2	2,045	2,621	28.2	1.8	2.0	0.2
Mercedes	398	463	16.3	1.0	1.0	0.0	1,015	1,205	18.7	0.9	0.9	0.0
MINI	129	163	26.4	0.3	0.3	0.0	410	509	24.1	0.4	0.4	0.0
Mitsubishi	105	221	110.5	0.3	0.5	0.2	369	558	51.2	0.3	0.4	0.1
Nissan	1,947	2,512	29.0	4.8	5.2	0.4	5,120	6,182	20.7	4.6	4.7	0.1
Other	101	63	-37.6	0.3	0.1	-0.2	300	219	-27.0	0.3	0.2	-0.1
Porsche	41	58	41.5	0.1	0.1	0.0	120	149	24.2	0.1	0.1	0.0
Ram	986	1,415	43.5	2.4	2.9	0.5	2,760	3,676	33.2	2.5	2.8	0.3
Subaru	1,238	1,859	50.2	3.1	3.8	0.7	3,558	4,949	39.1	3.2	3.8	0.6
Tesla	0	23		0.0	0.0	0.0	0	59		0.0	0.0	0.0
Toyota	5,187	6,162	18.8	12.9	12.7	-0.2	13,189	15,638	18.6	11.8	12.0	0.2
Volkswagen	1,335	1,259					3,315	3,248				
Volvo	177	199	12.4	0.4	0.4	0.0	516	524	1.6	0.5	0.4	-0.1

*August figures were estimated. Source: Polk

Top ten ranked brands in each category are shaded green.

MARKET TRACKER: BRAND MARKET SHARE

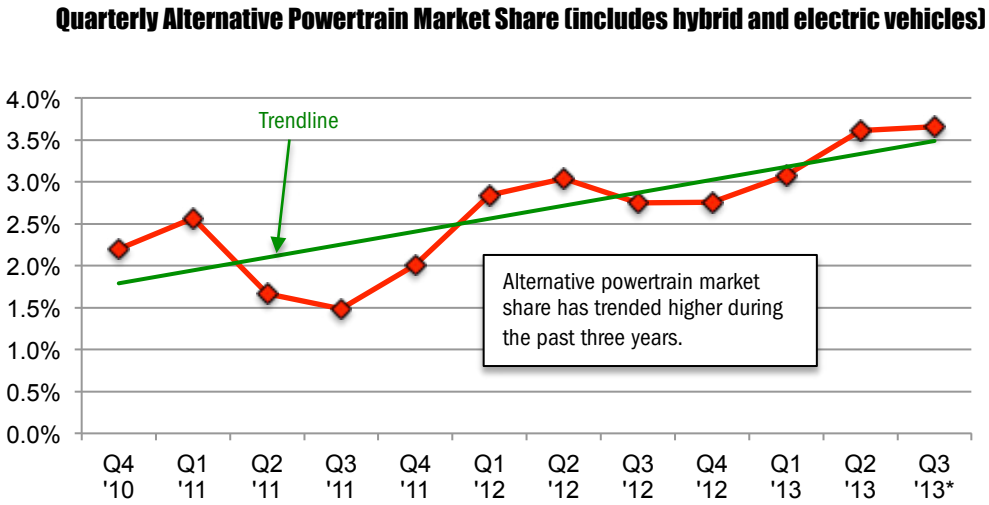
Japanese and Detroit Three Gain Market Share in 2013



Source: Polk. *August 2013 figures were estimated by Auto Outlook.

MARKET TRACKER: HYBRID AND ELECTRIC VEHICLES

Hybrid & Electric Share Heads Higher in 2013



Source: Polk. *Third Quarter 2013 includes July figures only.

BRAND SCOREBOARD - PART ONE

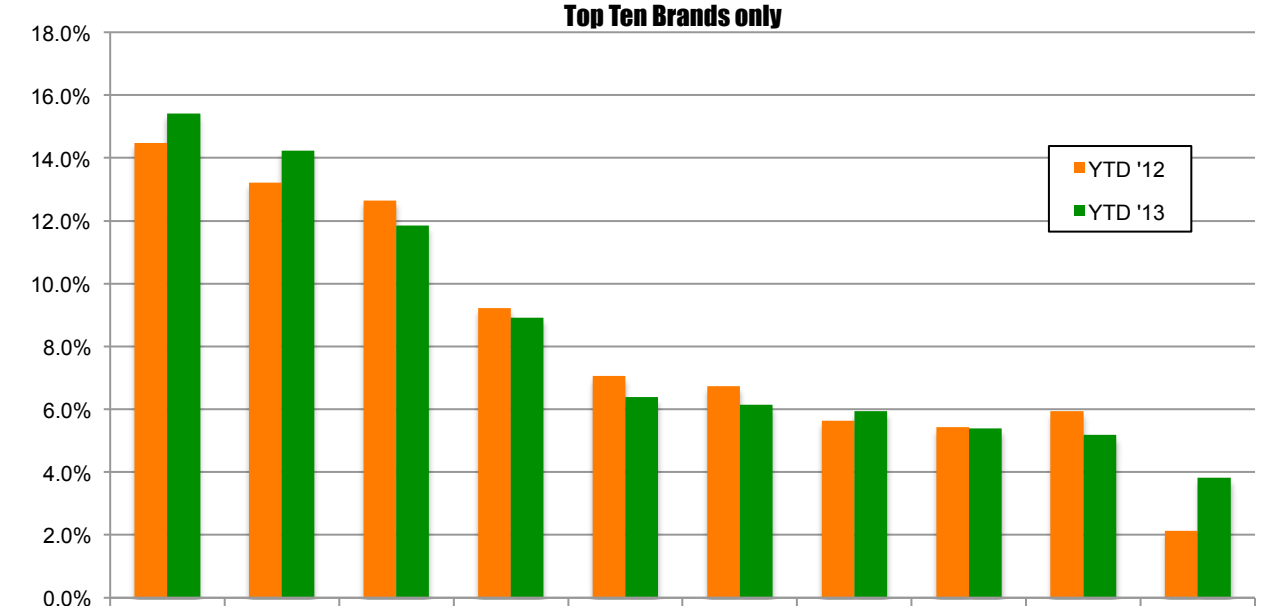
Toyota is State Car Market Share Leader

Ford leads for light trucks; Dodge car market share moves higher

The two graphs below show market share for the top ten car and light truck brands for the first eight months of 2012 and 2013. Brands are shown from left to right on each graph based on ytd 2013 market share.

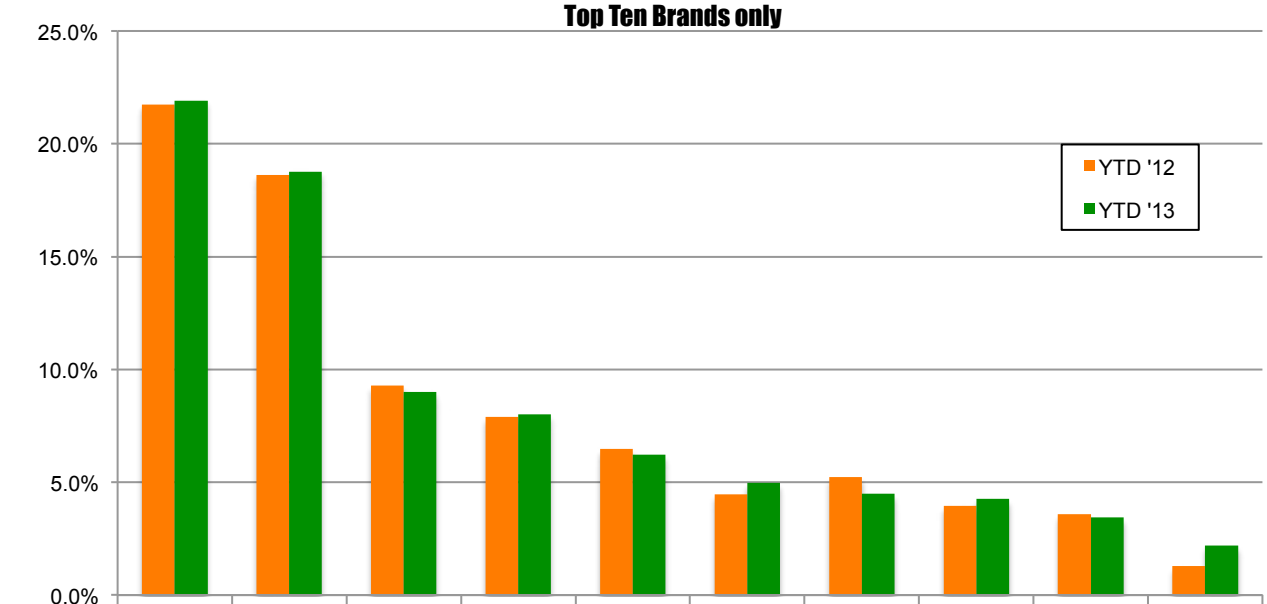
Note: August 2013 figures were estimated by Auto Outlook. Source: Polk.

Brand Market Share in State Car Market - YTD 2012 and YTD 2013, thru August*
Top Ten Brands only



	Toyota	Ford	Chevrolet	Honda	Hyundai	Kia	Subaru	Nissan	VW	Dodge
YTD '12	14.5%	13.2%	12.7%	9.2%	7.1%	6.7%	5.6%	5.4%	5.9%	2.1%
YTD '13	15.4%	14.2%	11.9%	8.9%	6.4%	6.1%	5.9%	5.4%	5.2%	3.8%

Brand Market Share in State Light Truck Market - YTD 2012 and YTD 2013, thru August*
Top Ten Brands only



	Ford	Chevrolet	Toyota	Honda	GMC	Ram	Jeep	Nissan	Dodge	Subaru
YTD '12	21.7%	18.6%	9.3%	7.9%	6.5%	4.5%	5.2%	3.9%	3.6%	1.3%
YTD '13	21.9%	18.8%	9.0%	8.0%	6.2%	5.0%	4.5%	4.3%	3.4%	2.2%

Data Source: Polk. *August 2013 figures were estimated by Auto Outlook.

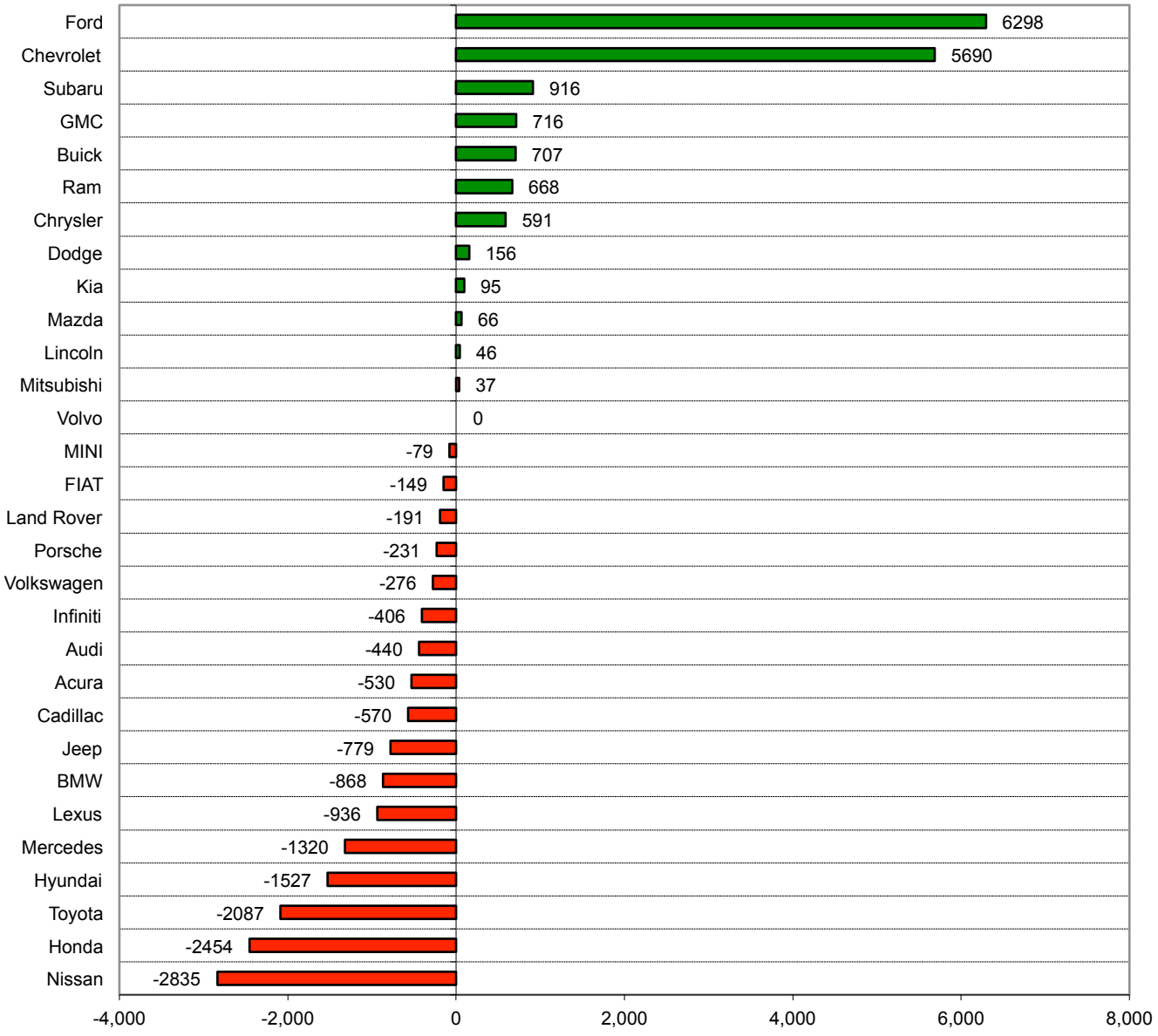
BRAND SCOREBOARD - PART TWO

Ford and Chevrolet Are Relatively Strong Performers in State

Subaru, GMC, Buick, Ram, and Chrysler also rank high

The graph below provides an indicator of brands that are popular in Minnesota (relative to the National standard), and those that are not. Here's how it works: for the top 30 selling brands in the state, each brand's share of the U.S. market is multiplied by retail registrations in the state during the first eight months of 2013. This yields a "target" for the state market. Target registrations are subtracted from actual registrations to derive the measurement of sales performance. Brands at the top of the graph (i.e., Ford, Chevrolet, Subaru, GMC, Buick, and Ram) are relatively strong sellers in the state, with actual registrations exceeding the calculated target by a large margin. For instance, Ford registrations exceeded the target by 6,298 units. Note: figures for August 2013 were estimated by Auto Outlook.Source: Polk.

Minnesota Retail Market Performance based on registrations for YTD 2013 thru August*
Actual registrations minus target (state industry registrations times U.S. market share)



Actual registrations minus target (area industry registrations times U.S. market share)

Data Source: Polk.

SEGMENT WATCH

Pickup Segment Share Moves Higher in State

Compact and Luxury SUVs also post gains

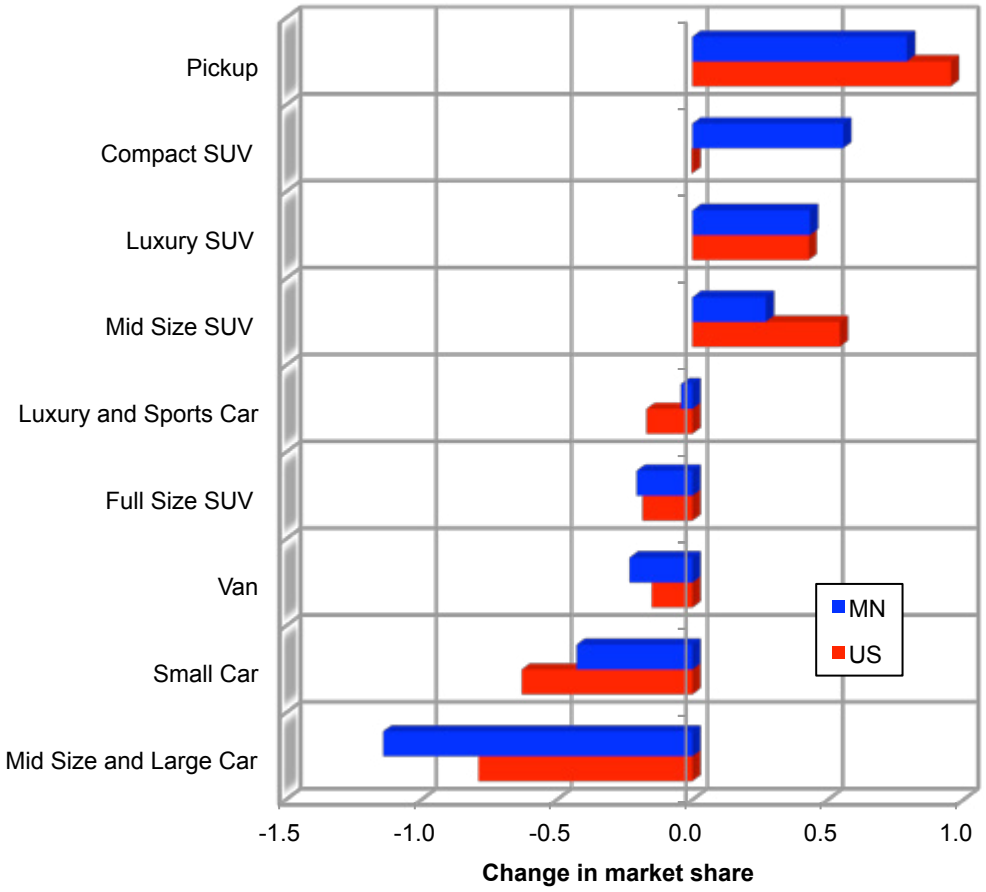
Change in Segment Market Share
YTD 2013 thru August*
versus
YTD 2012

Minnesota and U.S. New Vehicle Markets

Typical models in segments:

Small Car: Hyundai Elantra
Mid Size & Large Car: Toyota Camry
Luxury & Sports Car: BMW 3-Series
Pickup: Ford F-Series
Van: Honda Odyssey
Compact SUV: Jeep Liberty
Mid Size SUV: Jeep Grand Cherokee
Full Size SUV: Chevrolet Tahoe
Luxury SUV: Lexus RX

Source: Polk.
* Figures for August 2013 were estimated by Auto Outlook.



MADA Dealer Outlook Switches Data Vendor

For more than 10 years, MADA has published comprehensive new and used vehicle sales figures for the state of Minnesota. The numbers are published in both the MADA Newsletter and this quarterly magazine, MADA Dealer Outlook.

MADA recently changed its data source. Our analyst is the same, but small differences in the way the data is processed between different providers can create differences in market share numbers.

MADA reviewed the new report and believes that it fairly reflects Minnesota vehicle sales figures. However, we caution against comparing the numbers in our last magazine to these, since the sources are different. Please let us know if you have questions or concerns about our new data reporting.

BETTER TOGETHER

BlueCross BlueShield Minnesota

Welcome to Blue Cross and Blue Shield of Minnesota. Together, the Minnesota Automobile Dealers Association and Blue Cross are offering you and your employees:

- **More choice –** The largest network of providers in the state delivers value and preserves provider choice
- **Better value –** More benefit plan options make it easy to choose a plan that fits your health care needs and your budget
- **Bigger savings –** Working with providers, Blue Cross rewards quality of care to deliver you bigger savings
- **Added convenience –** From retail clinics to online care options, we make it convenient for your employees to get the care they need

FIND OUT HOW TO ACCELERATE YOUR HEALTH CARE SAVINGS.

Contact your Blue Cross sales representative or call MADA Insurance at **(651) 291-2400** or **1-800-652-9029**.

Blue Cross® and Blue Shield® of Minnesota and Blue Plus® are nonprofit independent licensees of the Blue Cross and Blue Shield Association.

Serving Metro Area Dealers Since 1983

SCHMIT Towing

Professional & Courteous
Local & Long Distance • Fully Insured
For information please contact Steve Schmit 612-366-0525

763-253-1568
www.schmittowing.com

The Best of Both Worlds:
Soft-touch & Touch-free now on one machine.

Introducing the Mark VII Choicewash XT®. Decades of proven **Aquajet® Touch-free** technology **and** the unsurpassed efficiency and effectiveness of a **Softwash XT® Soft-touch automatic—truly two machines in one! Choicewash XT®** is an industry first . . . One machine that can deliver a top quality wash in either mode and it's your customer's choice!

For more information on upgrading your car wash—

Reliable Plus

Call Reliable Plus today
800.782.8793
reliableplus.com

Minnesota • Wisconsin
North Dakota • South Dakota

MODEL SCOREBOARD

Toyota Camry is on Top of Standard Mid Size Car Segment

Ford Edge is best-selling 2 row, Mid Size SUV

The table below shows the top five selling models during the first seven months of 2013 in 16 primary market segments. In addition to unit registrations, it also shows each model's market share in its respective segment. Toyota Camry was the best-selling Standard Mid Size Car, with a 15.5% share. Ford Focus was first among Sub Compact Cars, followed by Chevrolet Cruze and Toyota Prius. BMW 3-Series remained at the top as the best seller among Near Luxury Cars. Chrysler Town and Country and Chevrolet Equinox were the best selling Mini Van and Compact SUV, respectively. Ford F-Series was at the top for Full Size Pickups. Lexus RX was the best-selling Luxury SUV.

Top Selling Models in Each Segment - Minnesota

New Retail Registrations - YTD 2013 thru July

Cars

Entry			Sub Compact			Sporty Compact			Standard Mid Size		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Kia Soul	1257	33.8	Ford Focus	2550	14.0	Chevrolet Camaro	387	36.4	Toyota Camry	2890	15.5
Ford Fiesta	584	15.7	Chevrolet Cruze	2279	12.5	Ford Mustang	333	31.3	Ford Fusion	2482	13.3
Chevrolet Sonic	451	12.1	Toyota Prius	1923	10.5	Dodge Challenger	178	16.7	Honda Accord	2148	11.5
Honda Fit	417	11.2	Honda Civic	1825	10.0	Hyundai Veloster	100	9.4	Subaru Outback	1743	9.4
Kia Rio	252	6.8	Toyota Corolla	1670	9.1	Subaru BRZ	45	4.2	Chevrolet Malibu	1708	9.2
Large Mid Size			**Entry Luxury**			**Near Luxury**			**Luxury and Sports**		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Ford Taurus	863	24.4	Lexus Ct200H	75	28.3	BMW 3-Series	570	22.4	BMW 5-Series	264	16.4
Chevrolet Impala	675	19.0	Acura TSX	73	27.5	Mercedes C-Class	298	11.7	Mercedes E-Class	209	13.0
Buick Lacrosse	597	16.8	Acura ILX	71	26.8	Lexus ES	280	11.0	Cadillac XTS	163	10.1
Toyota Avalon	474	13.4	BMW 1-Series	23	8.7	Infiniti G	221	8.7	Audi A6	101	6.3
Dodge Charger	338	9.5	Volvo C30	17	6.4	Audi A4	209	8.2	Chevrolet Corvette	81	5.0

Light Trucks

Compact Pickup			Full Size Pickup			Van			Compact SUV		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Toyota Tacoma	421	51.6	Ford F Series	7748	38.4	Chrysler Town & Country	1424	23.0	Chevrolet Equinox	3662	19.4
Honda Ridgeline	163	20.0	Chevrolet Silverado	6464	32.1	Dodge Caravan	1347	21.7	Ford Escape	3236	17.2
Nissan Frontier /Xe	144	17.6	Ram	3311	16.4	Honda Odyssey	1101	17.8	Honda CRV	2968	15.7
Chevrolet Colorado	61	7.5	GMC Sierra	1887	9.4	Toyota Sienna	1100	17.8	Toyota RAV4	2245	11.9
GMC Canyon	11	1.3	Toyota Tundra	392	1.9	Chevrolet Express	321	5.2	Nissan Rogue	1180	6.3
Mid Size SUV (2 rows)			**Mid Size SUV (3 rows)**			**Full Size SUV**			**Luxury SUV**		
Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share	Model	Regs.	Share
Ford Edge	1540	29.3	Toyota Highlander	1542	15.3	Chevrolet Tahoe	410	24.3	Lexus RX	550	12.4
Jeep Grand Cherokee	1482	28.2	Ford Explorer	1486	14.8	Chevrolet Suburban	410	24.3	Buick Encore	329	7.4
Subaru Forester	997	19.0	Honda Pilot	1169	11.6	GMC Yukon	368	21.8	Lincoln MKX	309	7.0
Hyundai Santa Fe Sport	460	8.8	Kia Sorento	1144	11.4	Ford Expedition	207	12.3	Acura RDX	298	6.7

MINNESOTA MARKET VERSUS U.S.

Increase in State Market is Stronger than U.S.

Detroit Three market share in state is 11.4 points higher than in the Nation

The accompanying table provides a comparison of results in both the Minnesota and U.S. markets. New vehicle registrations in the state improved 16.6% during the first eight months of 2013, while the U.S. market increased 10.9%. Car market share in Minnesota was 8.2 share points lower than in the Nation. Detroit Three market share in Minnesota was 51.9%, up slightly from a year earlier, and well above the 40.5% share in the Nation.

DSource: Polk

	Minnesota Market		U.S. Market *	
Change in registrations % change in registrations YTD 2013 thru August vs. YTD 2012*	16.6%		10.9%	
Car Market Share Car share of industry retail light vehicle registrations - YTD 2013 thru August*	42.4%		50.6%	
Detroit Three Brand Market Share Domestic brand share of industry retail light vehicle registrations - YTD 2013 thru August*	51.9%		40.5%	
Top selling light vehicle brands and market share - YTD 2013 thru August*				
First	Ford	18.4%	Toyota/Scion	13.7%
Second	Chevrolet	15.5%	Ford	13.1%
Third	Toyota	12.0%	Chevrolet	10.8%
Fourth	Honda	8.8%	Honda	10.6%
Fifth	Nissan	4.7%	Nissan	7.2%
Sixth	Kia	3.8%	Hyundai	4.7%
Seventh	Subaru	3.8%	Kia	3.8%
Eighth	GMC	3.6%	Dodge	3.3%
Ninth	Dodge	3.5%	Jeep	3.3%
Tenth	Hyundai	3.4%	Subaru	3.1%

*Figures for August 2013 were estimated by Auto Outlook

Data Source: Polk

RECENT RESULTS IN MINNESOTA USED VEHICLE MARKET

Minnesota Used Vehicle Market Recovers in 2013

Used vehicle registrations increased 31% in first seven months of the year

Below is a list of key trends in the Minnesota retail used vehicle market:

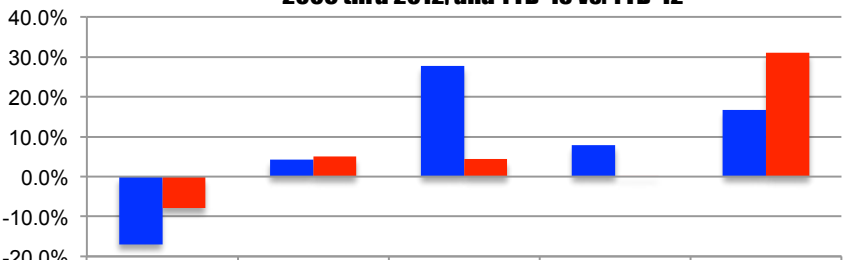
- Retail used registrations in the state increased a reported 31% during the first seven months of this year versus a year earlier.
- As shown on the graph below, the new vehicle market grew at a faster pace than the used market in 2012, while both markets were up this year.
- The sharp decline in new vehicle sales for 2009 has led to short supplies of four year old vehicles, leading to the 6.6 market share point drop in four year old vehicle registrations.
- Used light truck registrations were up 34.1%, while cars increased 28.3%.
- Chevrolet Impala was the best-selling model in the state for vehicles six years old or newer.

Minnesota Retail Used Light Vehicle Registrations YTD thru July

	Registrations		% Change	Market Share	
	YTD '12	YTD '13	'12 TO '13	YTD '12	YTD '13
TOTAL	354,977	465,180	31.0%		
Cars	186,616	239,337	28.3%	52.6%	51.5%
Light Trucks	168,361	225,843	34.1%	47.4%	48.5%
Detroit Three	256,690	329,400	28.3%	72.3%	70.8%
European	19,909	27,444	37.8%	5.6%	5.9%
Japanese	70,208	96,508	37.5%	19.8%	20.7%
Korean	8,170	11,828	44.8%	2.3%	2.5%

Source: Polk

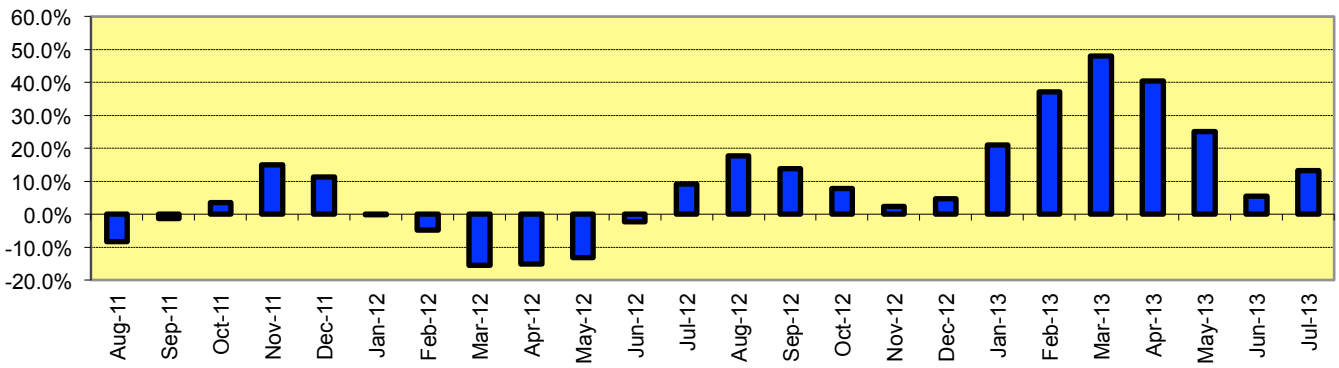
% Change in Retail New and Used Vehicle Markets 2009 thru 2012, and YTD '13 vs. YTD '12



	'08 to '09	'09 to '10	'10 to '11	'11 to '12	YTD '12 to YTD '13
New	-17.0%	4.2%	27.7%	7.9%	16.6%
Used	-7.8%	5.0%	4.3%	0.0%	31.0%

Year-to-date period for used vehicle registrations is thru July. New vehicle registrations are thru August. August 2013 figures were estimated.

Minnesota Retail Used Vehicle Registrations - Percent Change in Three Month Moving Average (Aug '11 thru July '13)



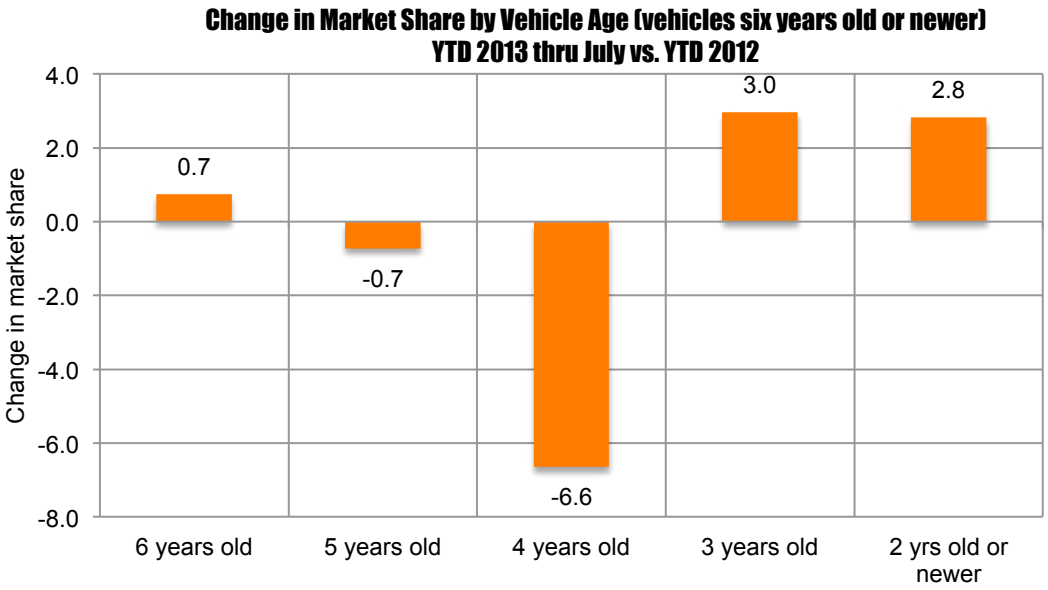
Source: Polk.

USED VEHICLE SALES BY AGE

Nearly New Vehicle Sales Move Higher

Four year old market shares heads lower

Tight supplies of 2009 model year vehicles led to the 6.6 market share point decline for four year old cars and trucks during the first seven months of this year (see graph below). Three year old or newer share increased. The recovery in new vehicle sales during the past three years will lead to increased supplies of nearly new used vehicles in 2013, which has been a contributing factor to the increase in used vehicle registrations. Source: Polk



NEED TO GET MORE MILEAGE OUT OF MY DEALERSHIP. When your business isn't hitting on all cylinders, let Wipfli Dealership Consultants run a diagnostic. They're trained experts at providing accurate and actionable insights into your company's process, people and profitability. Their power of focus can put you back on the road to success.

WIPFLI LLP
CPAs and Consultants

Steve Hewitt
952.548.3355

www.wipfli.com

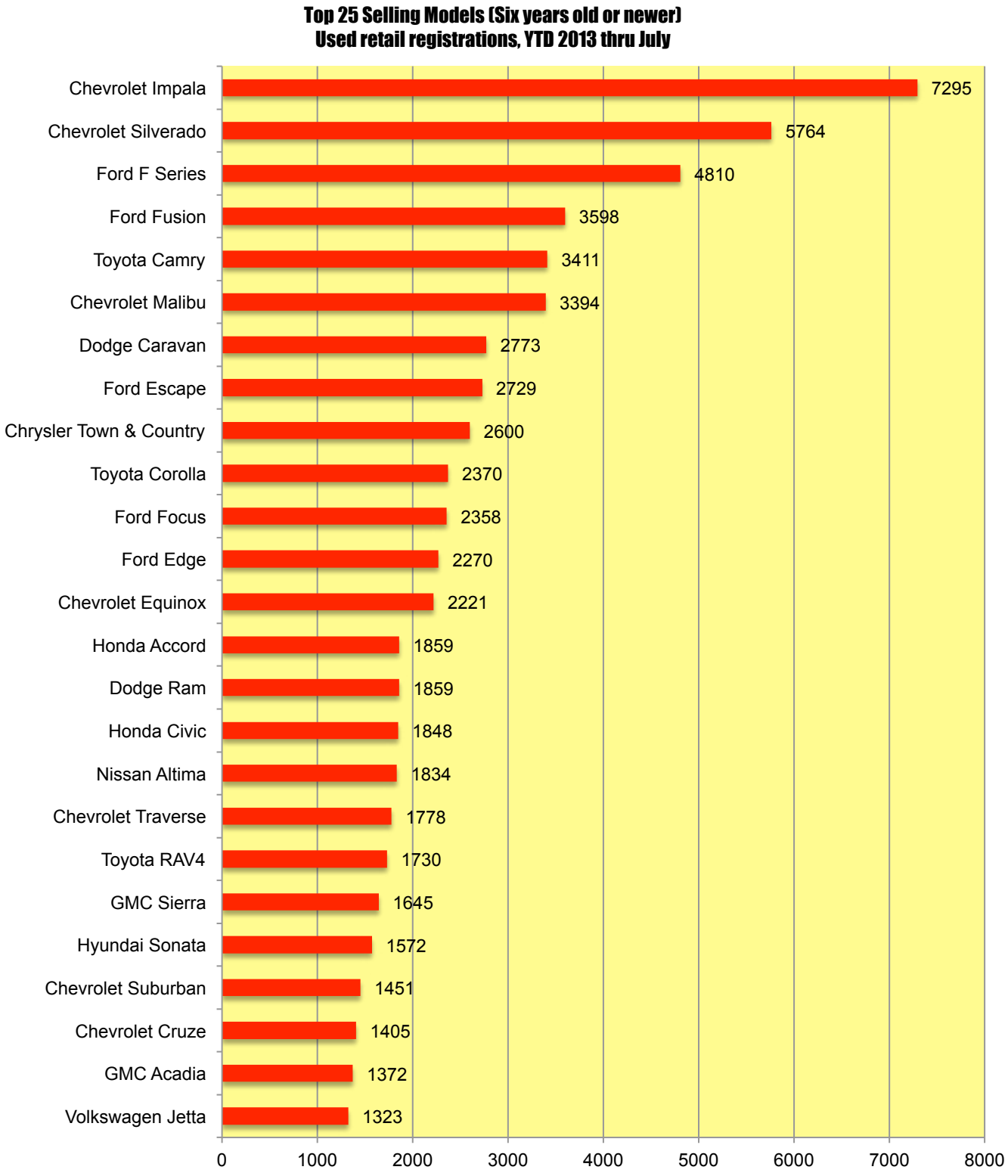
© 2013 Wipfli LLP All Rights Reserved

TOP SELLING MODELS

Impala Tops the Used Vehicle Sales Chart

Silverado, F-Series, and Fusion also ranked high

The graph below shows top selling models in state for vehicles six years old or newer. Source: Polk.

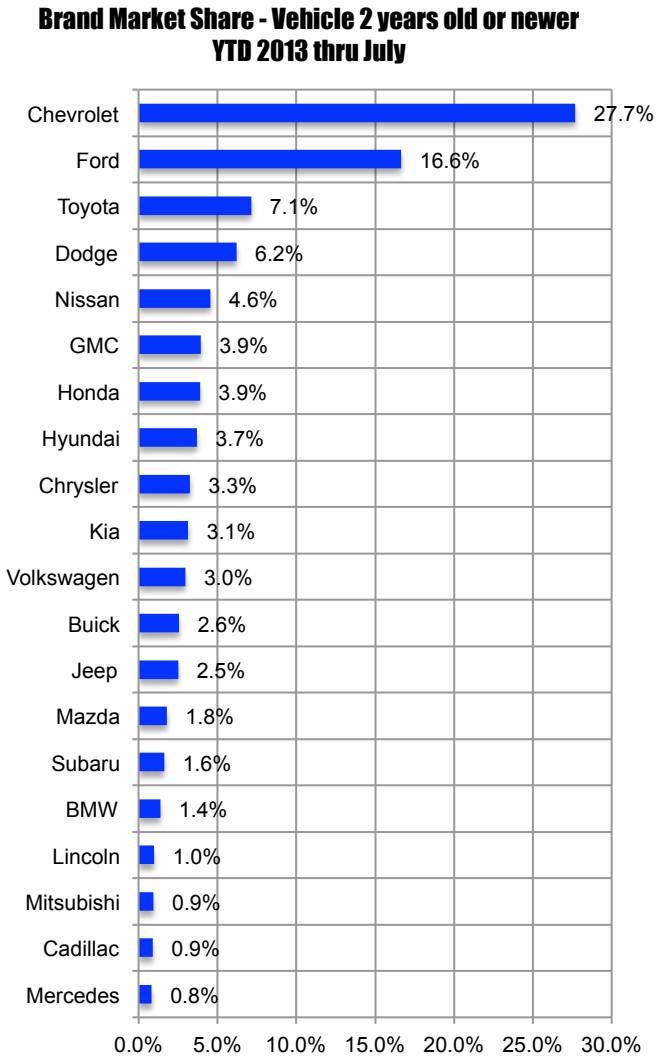


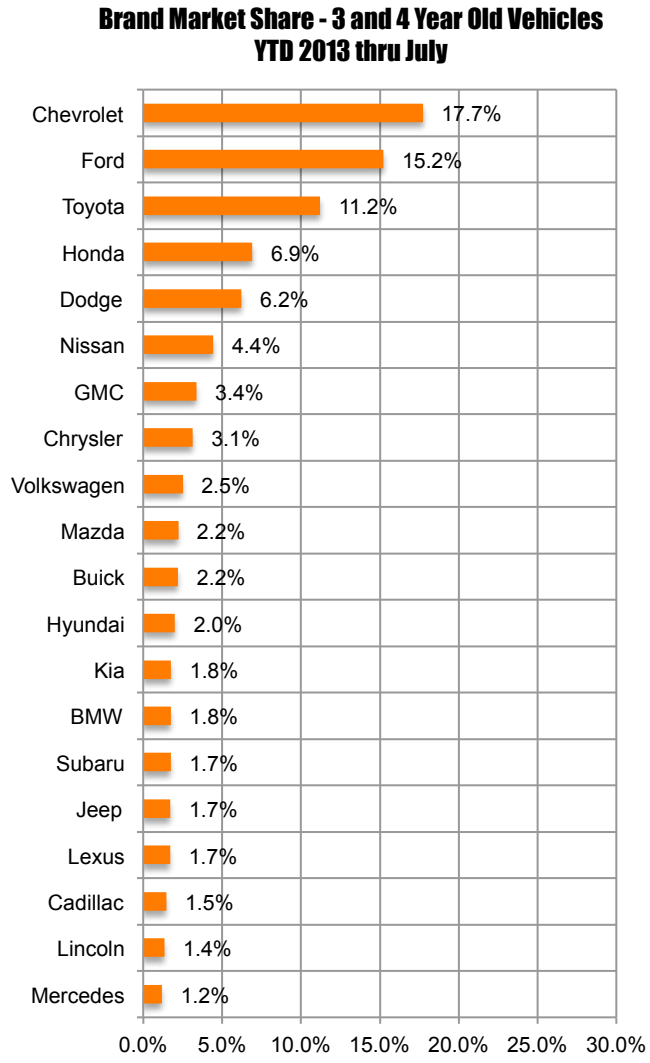
BRAND MARKET SHARE BY VEHICLE AGE

Chevrolet and Ford Stay on Top of State Used Vehicle Market

Toyota and Honda rank third and fourth for 3 and 4 year old vehicles

The two graphs below show brand market share leaders for vehicles two years old or newer, and for three and four year old vehicles. Chevrolet, Ford, and Toyota/Scion were ranked first, second, and third in both age categories. Honda had a 6.9% share for three and four year old vehicles, compared to 3.9% for vehicles two years old or newer. Source: Polk.





visit us online at
www.mada.org

DEALERSHIP SHOWCASE

KEN WASCHKE AUTO PLAZA

Ken Waschke Auto Plaza recently completed the GM Facility Image project and are quite proud of their new digs. "From the time a guest drives onto the lot and in through the doors, we want them to feel our commitment to their experience," said Ken Waschke.

You would think the 20-year old building is a brand new store. Every guest touchpoint has been improved by the extensive remodel including the New Vehicle Delivery center and extremely comfortable lounge. Parents and kids alike really appreciate the special area where kids can be kids.

Though it's obvious that they've made a considerable investment, their guest experience is more than the brick and mortar, fancy facade and a comfy lounge--it's the Waschke Family commitment that's 30 years in the making.

In 1983, Ken and Mary Waschke partnered in what began as Waschke Williams in Eveleth, selling and servicing Oldsmobiles and Cadillacs with eight staff members. Times were tough, interest rates were 23% and employees of the Iron Mines--the primary industry on the Iron Range--were experiencing major layoffs. It wasn't an easy market in which to start a car dealership, but it grew rapidly. In 1989, the Waschke Family built a new facility and added the Buick, Pontiac and GMC franchises.

Thirty years later, 48 people work at Ken Waschke Auto Plaza, selling and servicing Cadillacs, Buicks and GMC Trucks with 511 collective years of service. It's no wonder the dealership can deliver consistent service to their guests. The average employee has 11 years with the Waschke Family; a handful started at the beginning. Ken states that "The people who work here are a very important part of the success of Ken Waschke Auto Plaza. They are working hard, day in and day out, to assure that our guests' expectations are exceeded. We've been lucky that way!"

Despite ups and downs in the economy, the Iron Range community has been a wonderful place to establish the dealership. "There are a lot of small cities on the Iron Range, but be certain that it offers big opportunities for everyone who works and plays here," Ken continued. The community is an important part of where the Waschke Family chose to plant its roots and why Ken Waschke Auto Plaza gives back through support of numerous foundations, organizations and activities in the area.

The Waschke Family expanded their market area by buying established stores in Cook and International Falls during the past seven years. With three stores now, the Waschke Family of Dealerships is able to offer all General Motors franchises and efficiently serve their regional markets.

Ken Waschke Auto Plaza has held strong convictions and evolved with the constantly changing business. Ken and Mary's daughter Kerry is the second generation to proudly carry on the tradition and confidently step into the future of the automotive industry. The team at Ken Waschke Auto Plaza is second to none.

John Hawkins & Aly Quinn

CVR
Territory Manager
& Account Executive

The CVR program was created by statute in 2005 and set into operation in early 2008. Throughout the process of moving to easy, electronic title transfers we have had to overcome skeptical F&I Managers, Deputy Registrars, title clerks, bureaucrats and just general 20th century naysayers. We even suffered the indignity of a state shutdown in the summer of 2011. But throughout these challenges, the product has shown steady and continued growth. Now, nearly a third of the state's new car dealers use CVR on a daily basis, and we are fast approaching the 10,000 transactions/month mark. Given this important milestone, MADA's Executive Vice President Scott Lambert sat down recently with the two people most responsible for the program's success: CVR's Territory Manager John Hawkins and its Account Executive Aly Quinn.

SL ***From a dealer's standpoint what's the best thing about CVR?***
AQ (without hesitating) It improves their CSI.

SL ***Why is that?***
AQ Because the customers love it, and they give the dealers extra marks for quick titles and plates.

SL ***So what's the biggest roadblock to setting it up?***
JH The F&I Manager.

SL ***Why?***
AQ That's the funny part, they think it's the opposite. The F&I Managers are certain that the customer will never pay for the service. But once they see the customers' acceptance and the stronger CSI, they become converts.

SL ***Who else has seen the light?***
AQ Title Clerks.

SL ***I assume they like the push button aspect of this?***
AQ What they really like is that the banks are happy and don't call as often.

SL ***Why's that?***
JH With our process, we issue titles in less than two weeks versus 60 days through the old process. This means they are getting titles to customers and liens recorded a whole lot faster. Banks like to know where their stuff is.

SL ***Aly, how many clients do you cover?***
AQ 180 in Minnesota and Western Wisconsin.

SL ***This explains why we never see you in our offices. What about the deputies?***
JH There are 53 Deputy Registrars around the state signed up to take this business.

SL ***Why should a Deputy Registrar be on the program?***
AQ If you have a big dealer who wants to be on CVR, the deputy runs the risk of losing the dealer's business if they don't accommodate him.

SL ***Have you ever seen a dealer not get on the program because the deputy refused to work with CVR?***
JH Occasionally. But I've also seen deputies lose a lot of business to other CVR-ready deputies because of their stubbornness.

SL ***What are the biggest myths about the CVR program?***
JH Deputy Registrars will lose their fee – Not true

Deputy Registrars will lose the dealer business – Not true

Customers don't want it – They do

Customers won't pay for it – They do

We can't do used cars or out of state vehicles – We can

It takes 20 minutes to process a single transaction in the F&I office – It takes 2 minutes

It's a Government Program – it's a private program that works with the state.

SL ***At least they don't think it's a factory program. That would kill it for sure.***
AQ That's what I gather.

SL ***What's next for CVR?***
JH We plan to release a 50-state fee calculator very soon. This should make it far easier to sell to out of state customers and help them with their title processing and tax payments.

SL ***How would you describe your jobs here?***
JH I'm on new accounts and am installing two to three a month right now.

AQ I'm here to help the dealers with the utilization of the program.

SL ***And you're both Minnesota people, correct?***
AQ and **JH** We both live here.

JH This is kind of unique to CVR nationally to have two reps like us parked in one state.

SL ***And we're richer for it, thanks.***

Customers come standard.

In Minnesota, Star Tribune rules the road.

Over 3.2 million Minnesotans visit us online every month. And our newspaper circulation is growing, reaching over 1.3 million people every week. Massive reach. Pinpoint targeting. Let us help you rev up your sales and reach more car buyers in your area today.

- Mobile & apps
- Geotargeting
- Audience targeting
- Search engine marketing
- E-mail marketing

Turbocharge your advertising. Call Steve Engelhart at 612-673-4950 or Tim Haley at 612-673-7026.

StarTribune

3253815R/7/12 *Source: Omniture May 2012.*

We offer more than products. We offer solutions.

When you work with Protective you offer customers more than products; you offer solutions – solutions that allow people to embrace all today has to offer by protecting their tomorrow.

Protective provides F&I solutions that simplify the selling process with easy to understand products, advanced training and reliable customer care and claims service. We are committed to your profitability by serving the increasing number of car buyers that are unprotected from the costs of future mechanical expenses.

Like you, we believe in doing the right thing for the customer. Help your customers protect tomorrow and embrace today with F&I solutions from Protective Asset Protection.

Learn more at protectiveassetprotection.com

MADA
Minnesota Automobile Dealers Association

Protect Tomorrow. Embrace Today.™

Vehicle Protection Plans | GAP Coverage | Credit Insurance | Limited Warranty Products
Dealer Participation Programs | F&I Training | Advanced F&I Technology

Contact Protective's Minnesota representative, James Mercer at 866 927 2908

Protective®
Asset Protection

Limited Warranty Products, Vehicle Protection Plans (VPPs) and GAP are backed by Lyndon Property Insurance Company in all states except NY. In NY, VPPs are backed by Old Republic Insurance Company, Limited Warranty Products are backed by Western General Insurance Company and GAP is not available. Credit Insurance is backed by Protective Life Insurance Company in all states except NY, where it is backed by Protective Life and Annuity Insurance Company.