

### CSC News

## Minnesota Kids Jumpstart Auto Repair Careers at NitroX



Launch and success! MADA's Collision & Service Council (CSC) completed its inaugural automotive summer camp, NitroX, on June 19, ending fast and furious...with racing cars (RC), that is. After a week of taking apart, re-building, designing and painting their cars, this group of middle schooler's finally got to put their gas-powered RC vehicles on the track and make 'em go. Up to 50 mph!

**the Council wanted to find an avenue to reach middle school-age kids to give them hands-on experience**

Why NitroX? Addressing the serious workforce shortage of auto mechanics and technicians, the Council wanted to find an avenue to reach middle school-age kids to give them hands-on experience that they could really relate to while having fun. And fun they had!



The week-long day camp, held at St. Cloud Technical & Community College, was packed with a curriculum of experiences ranging from fuel and ignition lessons to suspension, transmission and electronics education, from tire rotations and oil changes to booth painting

Minnesota Kids Careers... *continued on page 2*

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NADA Update from Paul Walser

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### upcoming events

sep 15 Certified Title  
Minneapolis

sep 15 Title Basics  
Minneapolis

visit  
[www.mada.org](http://www.mada.org)  
for details, registration  
and a complete list of  
Upcoming Events and  
Training

Minnesota Kids Careers..... *continued from cover*

and off-site tours. The kids looked under hoods, inside engines, examined spark plugs and brakes, removed dents and welded bumpers. After five days, it didn't take any time to see the appreciation these 12-14 year-olds had for the vehicles they had adapted. Although the RC vehicles stay with the college, the translucent shells each camper decal and painted were theirs to keep. The best-in-show and team (of two) race winners were awarded trophies at camp's end.

To see more photos from the camp and watch the news clip from KARE11, go to [www.madacsc.org](http://www.madacsc.org)

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The Council would like to thank those supporters who helped make this camp a great success: Axalta Paint, 3M, Luther Automotive, Miller Auto Plaza and Freightliner.

If you'd like to know how you can get involved next year, please contact [denise@mada.org](mailto:denise@mada.org).

## Legislative News

### Minimum Wage Goes Up August 1

All MADA new vehicle dealerships are subject to the "Large Employer" minimum wage requirements. Effective August, 1, 2015 the general minimum wage for large employers goes to \$9.00 per hour. The rate for minor employees 17 years old and younger remains at \$7.25 per hour. There is a special rate of \$7.25 for ages 19 and under during their first 90 days of employment.

### Second Filing Fee Required to Clear Dealer Conditional

Effective July 1, 2015, a second \$10 filing fee is required for dealer initiated conditional registrations. A filing fee has always been required when dealers filed a conditional registration with their Deputy Registrar. The new law requires a second filing fee when a dealer files the paperwork to clear the conditional. It is effective for transactions cleared on or after July 1 - even if the original conditional was filed prior to July 1.



**Minnesota Automobile Dealers Association**

*The Minnesota Automobile Dealers Association is a non-profit trade association dedicated to the progress of the retail auto industry in Minnesota.*

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## Legal News

# FTC Reins in Dealer Ads

On June 29th, the Federal Trade Commission announced settlement of deceptive advertising claims against two Las Vegas dealerships. Planet Hyundai and Planet Nissan were charged with running ads that misrepresented vehicle purchase and lease offers.

Many of the FTC's deceptive advertising claims against the Planet dealerships were similar to those alleged in some 20 other cases brought against dealerships nationwide since 2012. The FTC charged that the dealerships misrepresented down payments and confused purchase and lease offers.

However, one of the deceptive ad claims in the most recent action is different. It involves conditional pricing. The FTC found the following Planet Nissan ad deceptive:

New 2015 Nissan  
**VERSA S**

**PURCHASE!  
NOT A LEASE!**

**FREE  
REGISTRATION**

**\$500  
NISSAN  
HOLIDAY BONUS  
CASH**

WAS ~~\$12,888~~ NOW **\$9,977**

#11165, 2 or more at this price. \$1,000 Trade Assistance and \$600 VPP/Active Military discount, and \$600 College Grad discount

(Disclaimer reads in part: "\$1000 Trade Assistance and \$600 VPP/Active Military discount and \$600 College Grad discount")

The rationale for the deception claim laid out in the FTC complaint is that the vehicle is not "generally available to consumers" at the "prominently advertised price."

The FTC signaled this position with comments to the press earlier this year. According to Jessica Rich, director of the FTC's Bureau of Consumer Protection, "Dealerships can avoid violating the law by simply posting accurate prices available to all consumers and avoiding fine print... Dealers think that if they put the real price of something in really fine print, that's not deceptive. That is deceptive, and it violates the law."

MADA will work with the Dealer Steering Committee and the Better Business Bureau to determine if the BBB Advertising Standards need retooling.

## MN Appeals Court Decides Franchise Relocation Case

On June 15th, the Minnesota Court of Appeals ruled against Wayzata Nissan in a dispute with Nissan Motor Company over moving the Nissan point in Bloomington to Eden Prairie. A parallel appeal in federal court was also dismissed.

The dispute arose in the spring and summer of 2014 when Nissan Motor Company exercised a right of first refusal and facilitated the sale of Feldmann's Nissan franchise in Bloomington to Steve McDaniels. Nissan's approval was conditioned on the point being moved to Eden Prairie. McDaniels closed the purchase in late July, 2014, operated the Nissan point from the Feldman location through October, 2014 and then

moved it to an Eden Prairie location approximately eight miles away from Wayzata Nissan.

Wayzata Nissan filed suit attempting to block the move to Eden Prairie. The question before the Court was whether the Eden Prairie location was a "new" point where Wayzata Nissan should have been afforded a ten-mile protected radius or was it a relocation of an "existing dealer" where only a five-mile protected radius is provided by law.

The Court of Appeals decided in favor of McDaniels and Nissan holding that the move to Eden Prairie was a move of an "existing dealer" where the five-mile rule applies.



## An Update Interview with Minnesota's NADA Director Paul Walser

**You've been on the job for over a year now, how's it going?**

It's a lot of airplanes. Going to Detroit and Washington, DC mainly. The meetings

go all day and often into the evening, but I get something out of every one.

**What's been your main impression so far?**

NADA has got a bunch of professionals leading it, and we're lucky to have them.

**What's the number one issue dealers should know about right now?**

The CFPB [Consumer Financial Protection Bureau] is out to get us. Their Director Richard Cordray and Senator Elizabeth Warren (D-Massachusetts) are full speed ahead and are looking to get at us any way they can.

**What should dealers do?**

Dealers need to take this seriously. They should help NADA's legislative team pass HR 1737 to curb CFPB authority, and their F&I departments should follow the NADA guidelines.

**I can tell this has made an impression.**

It has. There's a high level of risk here. The process used to help consumers with financing is important. We need to use a new vernacular that focuses on the discounts we achieve for consumers and keep good notes in the deal jackets on why any discounts were granted.

**Got it. Everyone stay focused on CFPB.**

**What else is happening at NADA?**

I'm very impressed with the President, Peter Welch. He's highly effective and is getting NADA's house in order. The moves to sell the guidebook and re-orient NADART to Empower were the right things to do, and Peter did a great job getting everyone to that position.

**Anything bubbling up on the horizon?**

Data Protection is probably the next big thing. Otherwise its GPS protection systems, telephone protection for consumers, and overtime protections. But those are down the road. The important thing every dealer should remember is that everyone has an eye on our industry.

**Are you glad you became the Director?**

Yes. I thought I was pretty up to speed on issues before, but this experience has been eye opening.

## Legal News

### Tire and Wheel Thefts

Thieves hit two Bloomington dealerships early this month stealing tires and rims from GM and Chrysler SUV's. Tire and wheel thefts are a long term chronic problem throughout the State of Minnesota.

There are some precautions that dealerships can take to reduce the likelihood of being a target:

- Use locking lug nuts;
- Park higher risk vehicles with alloy wheels in more visible areas;
- Park higher risk vehicles with their front wheels turned to make removal more difficult; and
- Update your security cameras and lighting.

MADA and GMADA continue to look for ways to try and curb these thefts. However patterns are difficult to discern and more than one crook is involved.

# Minnesota Auto Outlook

Released by:  
**Minnesota Automobile  
Dealers Association**

Covering the Minnesota automotive market

Data thru May 2015

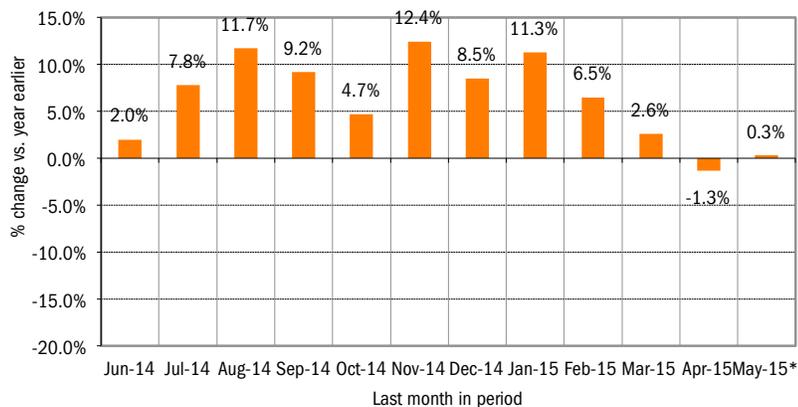
## Minnesota New Retail Car and Light Truck Registrations

	Most Recent Two Months			YTD thru May*			YTD Market share (thru May*)		
	4/14 & 5/14	4/15 & 5/15*	% change	2014	2015	% change	2014	2015	change
	Industry Total	34,935	37,239	6.6%	79,442	82,907	4.4%	38.0	35.7
Cars	14,065	13,943	-0.9%	30,177	29,577	-2.0%	62.0	64.3	2.3
Light Trucks	20,870	23,296	11.6%	49,265	53,330	8.3%	34.6	34.6	0.0
Japanese Brands	12,380	13,335	7.7%	27,516	28,666	4.2%	12.4	12.2	-0.2
Toyota	4,597	4,876	6.1%	9,817	10,125	3.1%	9.3	9.0	-0.3
Honda	3,567	3,715	4.1%	7,427	7,486	0.8%	5.3	5.4	0.1
Nissan	1,637	1,818	11.1%	4,187	4,448	6.2%	7.7	8.0	0.3
Other	2,579	2,926	13.5%	6,085	6,607	8.6%	52.9	53.5	0.6
Domestic Brands	17,926	19,320	7.8%	42,060	44,354	5.5%	21.4	22.0	0.6
General Motors	7,116	7,657	7.6%	16,975	18,254	7.5%	18.8	18.8	0.0
Ford	6,391	6,762	5.8%	14,957	15,597	4.3%	12.7	12.6	-0.1
Chrysler	4,384	4,863	10.9%	10,061	10,415	3.5%	0.1	0.1	0.0
Other	35	38	8.6%	67	88	31.3%	6.0	5.8	-0.2
European Brands	2,236	2,271	1.6%	4,731	4,781	1.1%	3.0	2.8	-0.2
Volkswagen	1,146	1,167	1.8%	2,380	2,335	-1.9%	1.3	1.2	-0.1
BMW	447	412	-7.8%	1,040	1,030	-1.0%	1.0	1.0	0.0
Mercedes	420	448	6.7%	805	867	7.7%	0.6	0.7	0.1
Other	223	244	9.4%	506	549	8.5%	6.5	6.2	-0.3
Korean Brands	2,393	2,313	-3.3%	5,135	5,106	-0.6%			

Brands included above: Domestic Brands: GM (Buick, Cadillac, Chevrolet, and GMC), Ford (Ford and Lincoln), Chrysler (Chrysler, Dodge, Jeep, and Ram). Japanese: Toyota (Toyota, Lexus, and Scion), Honda (Honda and Acura), Nissan (Nissan and Infiniti), Other (Mazda, Mitsubishi, and Subaru). European: VW (Audi, Bentley, Porsche, and Volkswagen), BMW (BMW, Rolls Royce, and MINI), MB (Mercedes Benz and smart), Other (Alfa Romeo, Aston Martin, Ferrari, Fiat, Jaguar, Land Rover, Lotus, Maserati, and Volvo). Korean: Hyundai and Kia.

\*Figures for May 2015 were estimated by Auto Outlook. Data Source: IHS Automotive.

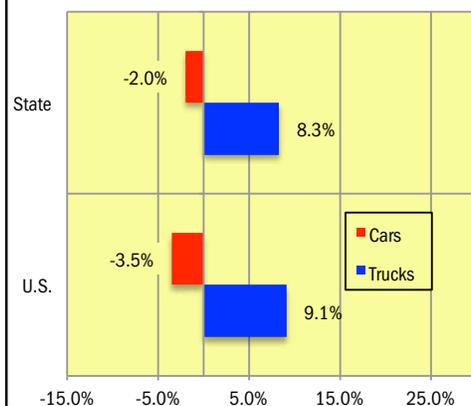
### Percent Change in Three Month Moving Average of New Retail Registrations versus Same Period Year Earlier



The graph above provides a clear picture of the trending direction of the state market. It shows the year-over-year percent change in the three month moving average of new retail light vehicle registrations. The three month moving average is less erratic than monthly registrations, which can fluctuate due to such factors as the timing of manufacturer incentive programs, weather and title processing delays by governmental agencies.

\*Figures for May 2015 were estimated by Auto Outlook. Data Source: IHS Automotive.

### Percent Change in State and U.S. New Retail Light Vehicle Markets YTD '15 thru May\* vs. YTD 14



The graph above compares the change in new retail car and light truck registrations in both the area and U.S. markets.

\*Figures for May 2015 were estimated by Auto Outlook.

Data Source: IHS Automotive.

### Data Information

All data represents new vehicle retail registrations in Minnesota and excludes fleet and wholesale 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.

Data Source: IHS Automotive.

Minnesota New Retail Light Vehicle Registrations					
	Registrations			Market share	
	YTD '14 thru May	YTD '15 thru May*	% change	YTD '14 thru May	YTD '15 thru May*
TOTAL	79,442	82,907	4%		
Acura	688	689	-1%	0.9%	0.8%
Audi	683	739	8%	0.9%	0.9%
BMW	879	843	-4%	1.1%	1.0%
Buick	1,493	1,515	1%	1.9%	1.8%
Cadillac	559	527	-6%	0.7%	0.6%
Chevrolet	11,945	12,871	8%	15.0%	15.5%
Chrysler	1,219	1,649	35%	1.5%	2.0%
Dodge	2,763	2,246	-19%	3.5%	2.7%
FIAT	101	72	-29%	0.1%	0.1%
Ford	14,540	15,115	4%	18.3%	18.2%
GMC	2,978	3,341	12%	3.7%	4.0%
Honda	6,729	6,789	1%	8.5%	8.2%
Hyundai	2,442	2,262	-7%	3.1%	2.7%
Infiniti	349	356	2%	0.4%	0.4%
Jaguar	25	24	-4%	0.0%	0.0%
Jeep	3,333	3,559	7%	4.2%	4.3%
Kia	2,693	2,872	7%	3.4%	3.5%
Land Rover	138	188	36%	0.2%	0.2%
Lexus	842	965	15%	1.1%	1.2%
Lincoln	417	456	9%	0.5%	0.6%
Mazda	1,659	1,747	5%	2.1%	2.1%
Mercedes	793	845	7%	1.0%	1.0%
MINI	161	180	12%	0.2%	0.2%
Mitsubishi	793	816	3%	1.0%	1.0%
Nissan	3,838	4,106	7%	4.8%	5.0%
Other	84	57	-32%	0.1%	0.1%
Porsche	98	133	36%	0.1%	0.2%
Ram	2,746	2,957	8%	3.5%	3.6%
Subaru	3,627	4,082	13%	4.6%	4.9%
Tesla	27	62	130%	0.0%	0.1%
Toyota	8,975	9,149	2%	11.3%	11.0%
Volkswagen	1,599	1,464	-8%	2.0%	1.8%
Volvo	216	231	7%	0.3%	0.3%

Data source: IHS Automotive.

Top ten ranked brands in each percent change category are shaded green.

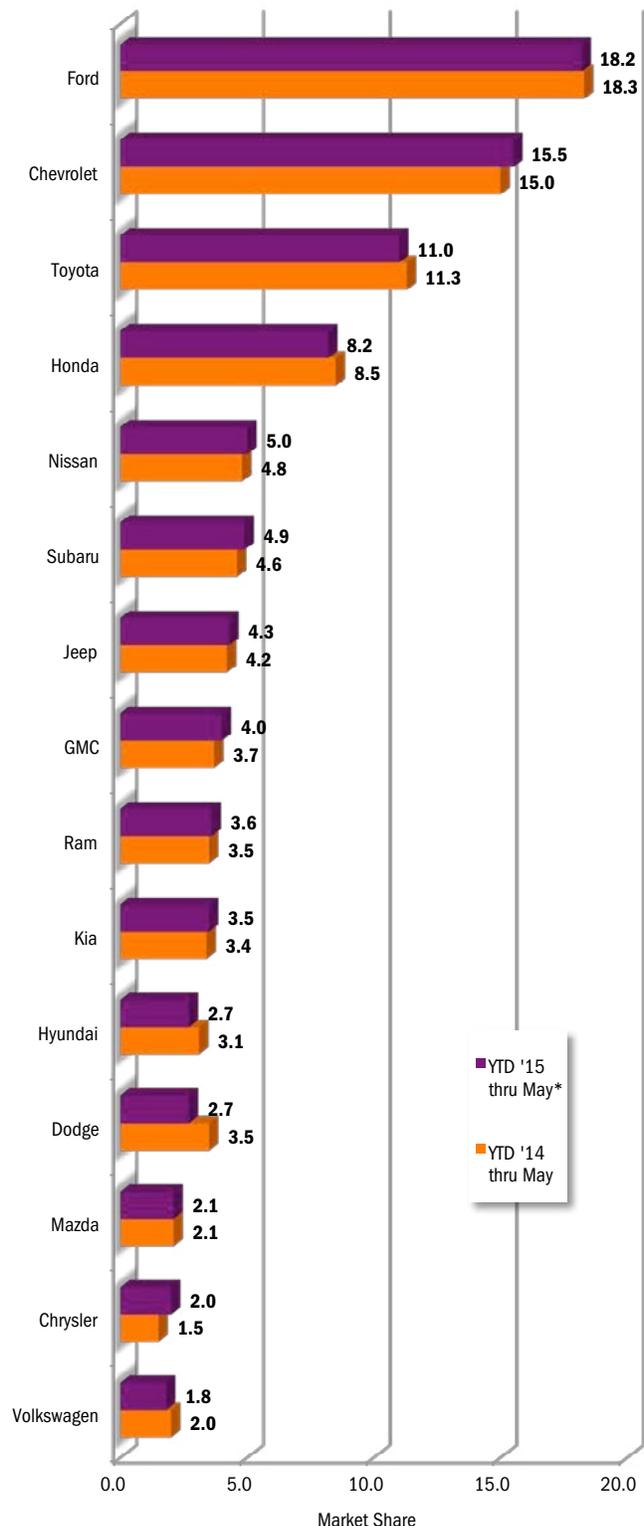
\*Figures for May 2015 were estimated by Auto Outlook.

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State Market Share for Top 15 Selling Brands  
YTD '15 thru May\* vs. YTD '14



Data source: IHS Automotive.

\*Figures for May 2015 were estimated by Auto Outlook.

## MADA News

# MADA's Dealer Bond Program Renews August 1<sup>st</sup>

MADA's bond program is heading for a successful renewal on August 1. We have well over 300 dealer bonds in force and want to thank all MADA members who participate in this excellent program. If you have not sent in your premium yet, please do so today so we can keep your bond in place for the renewal.

REMINDER FOR ALL DEALERS – Any time you make any corporate changes to your business name, address, dba, ownership, etc., IT IS IMPERATIVE that you make appropriate changes to both your dealer license and your dealer bond. To fully comply with state law, all changes need to be reported to the state dealer unit and the bonding company agent. Failure to report changes puts you at risk for a host of potential tax and coverage problems! KEEP YOUR DEALER LICENSE AND BOND IN COMPLIANCE!

## Political News

# Help us PAC it in!

You know about Minnesota's two seasons: winter and road construction? In Minnesota politics, there are also two distinct seasons: the legislative session and fundraising. Since legislators have returned home for the summer, the onslaught of requests for campaign dollars has begun in earnest. MADA needs your help in fulfilling them.

We are effective in both St. Paul and D.C. not only because of our effective lobbying and grassroots, but also because we help support pro-dealer political candidates through our political action committees (PAC), the Committee of Automotive Retailers (CAR) at the state level and the Dealers Election Action Committee (DEAC) at the federal level. Running for office has become an increasingly expensive endeavor, and candidates need significant resources to run a compelling campaign. Our PACs help us to elect officials who want to work with the industry, not against it. With threats at the state level to eliminate the Sunday Closing law and eliminate dealer financing at the federal level, your donations to our PACS are more valuable than ever.

Contribution requests were sent to dealer principals at the end of June. Please respond with a donation so we can continue to keep pro-dealer majorities in St. Paul and Washington.



### Endorsed Service & Vendors

*Check Guarantee/Credit Card Processing*  
FIS / Certegy

*Collections*  
Springer Collections

*Computerized Vehicle Registration*  
CVR

*Dealer Bond Program*  
Ensure Agency

*Dealership Marketing*  
Visible Customer

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

*F&I Products*  
Protective

*Fleet Fueling Program*  
SuperAmerica

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

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

*Lighting*  
LED Supply Company

*Office Supplies*  
Innovative Office Solutions

*OSHA, EPA & DOT Compliance/Training*  
ComplyNet Corporation

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

*Uniforms and Linen Services*  
AmeriPride Linen & Apparel  
Services

*Workers Compensation*  
Ensure Agency



MADA Services sells a wide variety of products directly to the dealers including business forms, clothing and promotional items. For a full review of options, contact your sales representative at 651-291-2400 or go to [www.mada.org](http://www.mada.org)

ADVOCACY ▪ EXPERTISE ▪ EDUCATION ▪ COMMUNICATION

MADA NEWS ▪ July 2015

### Services News

## Shine Brighter for Less with LED Supply

MADA Services, Inc. is pleased to introduce LED Supply Company as its newest endorsed vendor.

LED Supply is a full service lighting distributor, focused entirely on LED lighting and supporting nearly all of the major LED manufacturers. LED lighting can provide a dramatic opportunity to effectively reduce one of the largest expenses at an auto dealership by as much as 75%. LED Supply has established themselves as the provider of choice for MADA members due to their consultative approach, expertise, vast

product offerings, turnkey installation, rebate maximization, as well as many other value added services. They are here to help you determine your energy savings opportunities, and in turn, your ability to redirect utility expenses into new revenues. Please see the enclosed flyer for more information, contact info, and to schedule a preliminary meeting in regard to your site(s).

**MADA**  
Services Incorporated