DEALER POINT

Official Publication of the Wisconsin Automobile & Truck Dealers Association | 1928-2018 | Volume 49 Spring 2018

Prestige Auto's Dan Mattoon Serves at 2018 Winter Olympics

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A publication of the Wisconsin Automobile & Truck Dealers Association focusing on the human side of the membership and trade.

Our Mission:
The Wisconsin Automobile & Truck Dealers Association, an organization of licensed dealers of new and used motor vehicles, is dedicated to advancing the common good of its members, consumers and their communities by promoting professionalism and prosperity through education, advocacy, information and service.

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FEATURE

DEPARTMENTS

The FOUNDATION
OF THE WISCONSIN AUTOMOBILE & TRUCK DEALERS ASSOCIATION

Cover photo: Dan Mattoon and Dr. Andy Chen, US Olympic Ski Jump & Nordic Combined doctor

The Hills Are STILL ALIVE

BY CHRYSTE MADSEN

As a curious seven-year-old, whose family had little money to spare for fun, he discovered something interesting behind his Eau Claire grade school. The very high hill seemed a great place for a young boy to sled. It was…until the ski jumpers caught him and let him know he was ruining their ski hill. Ski jumpers take the condition of their hills very seriously. They are groomed for one purpose! Fortunately, one of the old coaches kindly gifted the kid with an old pair of skis and a world class ski jumper was born.

The kid is now a grown-up Dan Mattoon, who with his wife, Lisa, owns and operates Prestige Kia and Mitsubishi in Eau Claire. There is no straight line connecting Dan from ski jumping to the car business. When you talk to Dan and Lisa you find their lives, careers, love, sports, children and philanthropic endeavors all knit together like a blanket. Easy to see how it keeps you warm and comfortable, but hard to explain how it got that way.

Dan was mentored by many others with a love of ski jumping after his introduction to the sport on Mount Washington in Eau Claire. He joined sometimes as many as 70 others in the Flying Eagles Ski Club and by age 10 was traveling all over the Midwest to competitions at other ski hills. Around that same time his family turned to dairy farming which meant Dan had growing responsibilities at home. But, after milking, his dad would drive him back to town to allow him to get in practice on the hill.

By the time Dan reached 15 or 16, transportation, as it usually does around then, became an issue. His first transportation purchase was, put mildly, unpleasant. We all remember the 1975 Chevy Vega. Dan paid $900 for it, drove it 500 miles and the engine blew up. His father helped him implant a Chevy Monza engine into the Vega to bring it back to life. Someone once described a Monza as a Vega dressed up to go to the disco so implanting its heart seemed a fitting means to add another seven years of life to the vehicle. The car had an attribute that Dan couldn't part with…his skis fit perfectly from front to hatchback in that car! "When it came time to part ways seven years later," Dan said, "I pulled the Monza engine out of the car and sold it for a couple of hundred dollars." That might have been the first "seed" of a career in our industry.

In 1982, the summer Dan graduated from high school, he began to realize that buying "prestige" (hence the basis for the future business name Prestige) cars, like a '66 Mustang (which he still owns) or a Chevy Impala would bring more money. His buying and selling began to grow in earnest.

In the summer of 1984, Lisa was pursuing her dream of making the national figure skating team in Lake Placid, New York. "The ski jumpers were bored that day (July 4th)," Lisa remembered, "so they sat in the cool ice rink and bet on how old the figure skaters were. That night we were walking on Main Street and when we passed each other, Dan said, 'I lost a dollar on you.' The rest is history." The funny part of the story is that Lisa was a Wisconsin girl, born in Baraboo and growing up in South Milwaukee. She began figure skating when she was 8. She and Dan were both in Lake Placid that summer training with their respective sports' top coaches. They carried on what Lisa called "one of those old fashioned long- distance relationships. The kind where you wrote letters because your parents wouldn't let you make long distance calls." Lisa was still in high school, so they could only date in the summers as they pursued their respective sports until she came to school in Eau Claire, where from 1987 to 1990 she concentrated on college and teaching ice skating. Unfortunately, unlike ski jumping where Dan was mentored for free by many people just because of their love of the sport, coaches for figure skating charged a great deal. Despite Lisa's talent, the time came when her family could not afford the top coaches and Lisa's dreams had to morph into different directions.

By 1987, when Dan was 23, his life was incredibly full. Lisa was in his life, he was dabbling in the car business, he was working summers for Menards at $3.93 an hour, he was going to UWEC working toward a career in finance and still on the US Ski Team, trying just once more to make the Olympic team. He missed by two people.

A huge turning point came for Dan when he bought a '57 Chevy Bel Air convertible and lovingly restored it to original form. When he drove that classic through the Antique Car Auction and suddenly netted $5,000, bells and whistles went off in his head and he was hooked on our industry and never looked back. When Dan told the story he laughed and said, "I

was so nervous driving the car through the auction I couldn't get the switch to work to make the top go up and down… I probably could have gotten another grand if I had!" It certainly was better than Menard's $3.93 an hour.

Dan opened his first dealership as a used car dealer on Menomonee Street in Eau Claire in 1988. In 1990, the same year Lisa and Dan married, he moved to Lake Hallie and expanded the independent dealership. In 1999 the dealership moved again to Hwy 93 and became a franchised location with Kia. A year later Kia was joined by Mitsubishi. In January of 2013 they moved into a much more modern building more centrally located on Hwy. 93 and completely remodeled it. They remain there today operating a thriving business.

Lisa talked about working together in the business, "We have a great partnership at the dealership and at home. Early on we set the stage and split up the responsibilities. Mainly I did the accounting and he did most everything else. People will ask me for something and I'll direct them to Dan, as it's in his area. Otherwise we are doubling up or complicating our work environment."

If you ask them about their most amazing accomplishment, though, they will give you four answers – their four children. Natasha, who is now 24, followed by Nick, 22, Nathan, 19 and Natalia, 17 now in her Junior year of high school.

Anyone familiar with our business must ask how, especially in the early years, it was possible to raise four children, work an outside accounting job (Lisa), teach ice skating (Lisa), judge/teach ski jumping nationally and internationally (Dan) and work along your husband/wife running a dealership. We thought Lisa's answer encapsulated it well. "As I was in the middle of it all, I just didn't think about how exhausting it all was. I also had support from our day care providers who now claim our children as their grandchildren. When Dan was gone there were times where I would go pick the kids up and they would have dinner ready for all of us. I also kept color coded calendars so that I could easily tell which child had to go where or what appointment Dan or I had to make. In those days, I would say I was pretty efficient, but not as much anymore. I definitely like a slower pace now."

The office walls at the dealership are filled with giant pictures of sports figures, skiers, skaters, etc. Upon closer inspection you find the people in the images are the Mattoon children. Dan quickly stated, "We never wanted to push our passions on our children," a feeling closely echoed by Lisa. "We always wanted them to do what they wanted." Each of the Mattoon offspring seem to have followed their own paths, but it seems safe to say "passion" runs in the family. Here's what the children have to say about their childhoods, parents and lives so far.

Natalia, their youngest, talked about growing up in the Mattoon household and her own journey through sports. "My parents always encouraged us to be active and do what we love to do." Natalia began, "I started at a young age skiing, skating and playing soccer. From there it progressed to gymnastics, dance and pole vaulting, which I do today."

Natalia continued to describe how her life was impacted by the dealership. "As I grew, so did the dealership. I have been able to see all the effort that goes into the dealership from all the late nights my parents put in. Through the dealership my parents taught me hard work truly does make a difference. My dad is honestly one of the most caring people I have ever met. He gives to others constantly never expecting anything in return. My mom is eternally patient. They both work so hard! I think they tried to teach that same attribute to us all. When I was young, during the Silvermine Ski Jumping Tournament, we would house 15 ski jumpers in our home while trying to run a ski jump tournament. It was hectic, but it was a fun atmosphere to grow up in. I learned from my parents how to handle all kinds of situations. It made me want to reach a point in my life where I could also help others as I've watched my parents do."

L-R: Natalia, Nathan, Natasha, Nick. Seated, Lisa, Dan

The high parenting praise continues from the male side of Mattoon offspring, too. Nick shared, "…my parents are my role models. I am in awe of what they have been able to do as business owners but more so as parents. I'm humbled to be their kid and strive to achieve what they have both in business and in family life. They have supported me and my brother all through our ski jumping careers. They are my heroes. I plan to work in the car industry. From my side I know I have a lot to learn about the car industry and also life. Understanding people's needs and giving back to the community is our main goal at Prestige. I plan to do this to the best of my ability in the future."

Eldest daughter, Natasha Mattoon shares her thoughts and memories of her childhood and parents. "…growing up we were always a very busy family. We were all involved in a lot of different sports and I'm not sure how my parents kept up with us and the business. They are the most hard-working

people I know. There was a time when my parents were so busy with work I remember making dinner and trying to help around house as much as I could."

Natasha continues, "Growing up I played multiple sports; figure skating, cross country skiing, ski jumping, soccer and basketball. After high school I began coaching figure skating and ski jumping. I attended UWEC for three years and was then offered a job coaching ski jumping in Anchorage, Alaska. I love being up here and have entered into some new activities; rock climbing, backcountry skiing and ice climbing. Last year I was able to transfer to Alaska Pacific University in Anchorage and graduated with a Sustainability Studies Major, Business Administration minor and an Environmental Science major. This Fall I will be traveling to New Zealand on a work visa to experience another part of the world. My parents have always encouraged me to be open minded and curious about the world and different cultures around me. Without their guidance, I would not be where I am today. Yet, having been away for almost four years I always look to my parents for advice." The next generation of the Mattoon family seems as well grounded as the first.

The Mattoon's, as are most of their peers, are generous in giving back to their community. Many of the fortunate recipients are well known, such as the Boys and Girls Club, Big Brothers Big Sisters, Junior Achievement, the YMCA, the Eau Claire Community Foundation, Chippewa Valley Free Clinic and, of course, the Flying Eagles Ski Club among others. Two, however, that were created by Dan and Lisa for very personal reasons deserve to be noted.

Each year, in the month of July, the dealership hosts a Customer Appreciation event for 700-800 people. The event itself is huge and takes place at the dealership, and if you've ever fed 700 people at a time, you may have an inkling as to how difficult it is to put on the event. In conjunction with that, the dealership, throughout the month, donates $100 per car sold which raises between $15,000 and $19,000. That money is then donated to between seven and nine local Veterans organizations. The presentation of the donations takes place at this event and the recipients are given time to speak about their cause and the benefits to the Veterans.

Donations to Veterans groups are not new but what we found interesting and moving was the reason this is Dan's favorite event. While his father and uncle served in the armed forces, he was unable to do so, and this event is his way of giving back what he can. Many of us have motivators, but few of us follow through in such a big way.

Lisa, too, has her priority which is the Grad's Good Choice Award. All area school graduation seniors, 17 years old or older, who attend their school's senior lock-in party are eligible to register and win either a one-year lease of a new Kia or ownership of a pre-owned vehicle provided by Prestige Auto valued at $6,000. Finalists are selected from each school and these finalists are involved in an elimination process at Prestige with the final remaining contestant named the winner. Consolation prizes are awarded during the grand prize event. "With four kids of our own," said Lisa, "keeping all kids safe is a priority for us."

Lisa and Dan made very clear that their success, their opportunities and their children's, would never have been possible but for the team effort that most endeavors are. Lisa said, "It was hard early on, but as our children grew and got their driver's license, they were asked to help with driving their other siblings when necessary. To have the opportunities they received, they had to contribute so we could work to support them. We also have some amazing managers that allowed us to take the time to be with our kids. If it wasn't for our GM, Matt Berube, our GSM Jamie Klimek and Office Manager Annie Gerlach we would never have been able to support our children's efforts the way we have and grown the dealership to the level we have. Both Dan and I recognize and appreciate everyone's efforts through the years."

First generation dealers are a rarity in Wisconsin and our industry. Independent dealers transitioning successfully to a franchised dealer are also a rarity. Having watched Dan and Lisa move forward from 1990, their success is not surprising; not with all that hard work.

It would be tempting to end by saying that Dan has come a long way from his ski jumping beginning but that would be the furthest statement from the truth. He's still as absorbed in the sport as ever which is evidenced by his continued involvement. Consider our sidebar story. It demonstrates the Mattoon family lives are truly comprised of that "patchwork" we mentioned in the beginning of our story…sports, dealership, love, children, philanthropy all knit together throughout time for a life continuing to be well-lived. ●

AN OLYMPIC ADVENTURE

Dan's involvement in ski jumping nationally and internationally has taken many turns since the early days when he was competing. For example, he is a trained judge of the sport now and has done so at some of the most prestigious events; seven World Cup Events in Japan and Germany including The Four Hills and World Ski Flying Championships along with officiating in five other countries.

However, this past February Dan was assigned to quite a different role. The FIS (Federation Internationale de Ski), the world's highest governing body responsible for winter sports, assigned him to the Landing Crew at the 2018 Pyeongchang Olympic Games in Korea.

In ski jumping, and in this case, there were two hills, the normal hill and the large hill, to be readied for competition. The hills consist of the in-run, where the jumper generates speed for sufficient flight to remain airborne until he reaches the landing area. Beyond the landing area is the flat or outrun where the skier comes to a stop.

There were 250 Korean college students, along with six Canadians, one Norwegian and Dan assigned to the Alpensia Ski Jump complex during the games. Dan said, "Our job was to coordinate with our Korean friends a safe field of play for the Olympians. I absolutely loved the Koreans passion to put on the best Olympic games ever!" ●

Dan and Tim Zilkowsky and Andreas Andreson, both jumpers (like Dan) from Canada.

WHAT CAN WATDASI DO FOR YOU?

BY CHRYSTE MADSEN

WATDASI or Wisconsin Automobile & Truck Dealers Association Services, Inc., comprises a wide umbrella of services for both dealer members and non-members. Their for-profit corporation is an extremely busy one which generates over a million dollars of gross revenue a year. Forms, lot supplies, ad specialties, wearables, the Vehicle Details WI Buyers Guide program, and endorsed services all fall under the auspices of WATDASI. Their wonderful staff of five handles all sales, both inside the office and on the road.

The endorsed services are chosen based on the needs of our members and are listed on the website, www.watda.org with descriptions and contact information for each. The companies chosen, after much consideration, are based on service to the members along with reputation, quality and value. Right now, there are endorsements providing insurance needs, marketing analysis and development, hiring services, long and short-term disability services, vehicle reports, new advancements in paint protection, credit reporting, F&I products, bonds, vehicle registrations, credit card processing, office supplies and the WISCO co-op. The dealers use of these services has a positive added effect for members, too. The association has not raised dues in ten years because of the members use of the endorsed services. WATDASI receives, without a cost to the members, a small fee from endorsees for each member sale. The endorsees, in turn, find value in being a partner of WATDASI and WATDA. Endorsements are, and will always, be reviewed and change based on member satisfaction.

Pete Dorsch
Dorsch Ford Kia in Green Bay

WATDA members have been very loyal customers through the years for WATDASI. Consider this quote from Pete Dorsch- Dorsch Ford Kia in Green Bay; “We have been buying from WATDASI for over 20 years because their service and quality products are outstanding. The pricing is always competitive, and the money comes right back to us dealers." Customers like Pete and his staff are much appreciated.

At the helm of WATDASI Forms is Vice President of Member Services, Sue Miller. Sue will soon celebrate her 26th anniversary with WATDASI and the Association. When Sue isn’t busy working with daily or month-end WATDASI duties you’ll find her sharing her vast knowledge of the industry answering a myriad of dealer questions, preparing for educational seminars or planning for future on-line education.

Meghan Hruska, WATDASI Manager, recently celebrated her 5th year with WATDA in April. Having Meghan on staff has been a breath of fresh air for everyone and her co-workers are so happy to have celebrated her new marriage and new life working at her side. Her quick and cheerful grasp of our customers’ needs has been remarkable. Meghan handles not only WATDASI management duties but also heads up the dealer bond program.

John Strange, Account Manager, is the face you see most often in your dealerships. John is an excellent resource regarding compliance issues and came to WATDASI 16 years ago with huge knowledge of the printing industry following his tenure as manager of a printing business. His talents go far beyond this as his care, concern and honesty in serving the members is legendary. However, if you’re in a hurry, don’t ask him if he’s played golf recently.

John and staff received the following testimonial; “WATDA is by far the best resource and partner any Wisconsin dealer could have. We use all of their services regularly and exclusively. From apparel, promotional materials and forms, they consistently provide wonderful service and highly competitive pricing. Additionally, I greatly value the ability to ask questions regarding legal and DMV questions at any time. Their staff is always willing to listen and assist in any matter we might have. I will always use and support the WATDA! “ Nolan Campbell – Bell Ford, Arlington

Nolan Campbell
Bell Ford, Arlington

Barb Lumina, one of the excellent customer service staff Nolan referred to, is a most treasured WATDASI employee as she has been here for 30 years. The majority of those years were spent with the WATDA Insurance Corporation as one of the exemplary Claims Examiners. She brings those same well-developed customer service skills and incredible attitude to serve the customers in WATDASI.

Ryan Symdon
Symdon Chevrolet

Ryan Symdon of Evansville's Symdon Chevrolet had this to say about WATDASI products and service: "Symdon Chevrolet has been using WATDA for a long time. They have always had great products at very competitive prices. It also is a good feeling knowing the money you are spending with WATDA is going back into helping Wisconsin auto dealers. The products we receive are always on time and exactly what we ordered. In addition, the customer support is top notch and you never have trouble reaching someone. I would highly recommend for other dealers to look into WATDA for future product purchases. We look forward to continuing to do business with WATDA for many years to come!"

WATDASI does not take these kind words and testimonials lightly. Every day they strive to better serve the dealers of Wisconsin. They are the incredibly hard-working people at the other end of the phone or computer you and your staff contact for a variety of needs. We hope this article has given you a bit more information about them and what they do. And how much they appreciate your business and your success means to them! ●

Editor's note: Chryste Madsen is the fifth staff member contributing to WATDASI, though she was too modest to mention it in the story. In addition to her duties at Membership Director, she serves as our expert on the Vehicle Details program, traveling around the state to demonstrate and assist dealers with the product, which makes significant contribution to WATDASI success. She also actively supports and promotes our Endorsed Services program vendors, and plans an annual thank you event for these important partners.

Meghan Hruska, WATDASI Manager

Meghan has been with WATDA for 5 years this April.

Fun Fact: "I was a pharmacy technician for seven years."

Barb Lumina, Customer Service

Barb has been with WATDA for 30 years.

Fun Fact: "I was a Health Claims Examiner for the WATDA Insurance Trust for 24 years."

Sue Miller, VP Member Services

Sue has been with WATDA for 25 years (26 in October).

Fun Fact: "I tend to name my favorite inanimate objects, like Amy, my car."

John Strange, Account Manager

John has been with WATDA for 16 years.

Fun Fact: "I once played golf every month in Madison for over three years straight. Even in the winter."

This represents a sampling of products available from WATDASI; we offer competitive pricing and great service!

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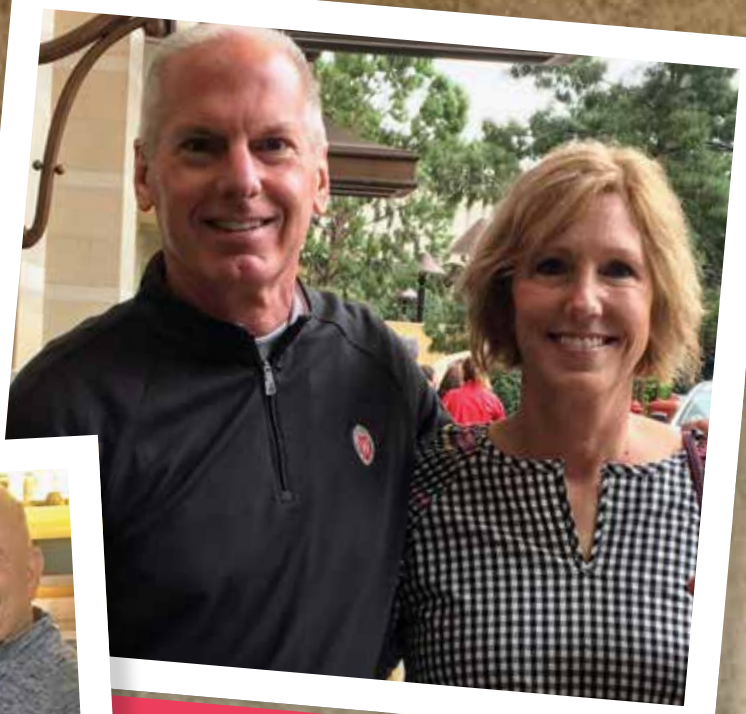
NADA SHOW 2018



Paul and Nancy Schlagenhauf

Pete and Carol Mueller and luggage guru, Stu Winarski with wife Kathy preparing for re-entry to Wisconsin.

Gloria Larson & Vendor

The multi-hatted Bob Pietroske smiles for the camera following the NADA Convention.

Craig Toycen showed up onscreen at the Ford exhibit .

Frank & Cindy Porth

Mark Fillback and his longtime GM, Brent Bussan, relax on the convention floor after a long day.

Bill and Lori Agnew.

Words of Wisdom.

During the NADA Convention, at the beautiful Las Vegas Country Club, WATDA sponsored the 1st Annual Badger Bash Bloody Mary Bar for WATDA members. Attendees declared it to be quite a success with a huge variety of fixin's available for build-it-your-way Bloody Mary's. Mimosas, soft drinks, coffee and other assorted snacks rounded out the offerings. President Bill Sepic greeted guests and thanked our sponsors, Boardman Clark and Baker Tilly for sponsoring the event.

Don Sommer and Jeff Rabas

Jim and Barb Kolosso; Bill and Karen Kolosso

Wilde Automotive Group w/Mike Mader; Mike, Jorge Hildalgo, Scott Nugent, Heidi Nugent, Pat Donahue

WATDA Badger Bash Bloody Mary Bar sponsors Eric Baker, Boardman & Clark and Mike Mader, Baker Tully.

Les Mack, Bob Clapper, and WATDA Chair Mike Shannon enjoy the Wisconsin Badger Bloody Mary Bar!

WATDA Dealer, Wally Sommer,

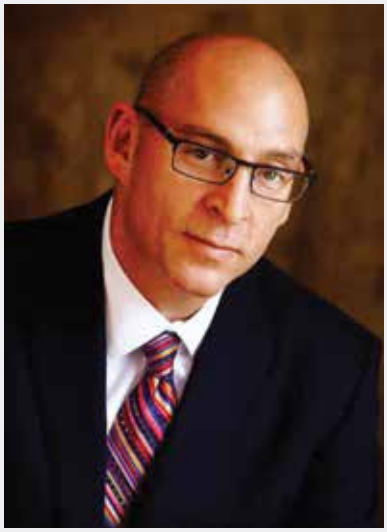
is the Time Quality Dealer of the Year Midwest Finalist!

Once again, a Wisconsin auto dealer has not only represented his peers impressively as a TDOY nominee, but he has managed to become one of the finalists for the top award, winning the Midwest Region.

Wally Sommer, of Sommer's Automotive, Mequon, was awarded the Wisconsin nomination by his peers and joined the nations' other nominees on stage at the 2018 NADA Convention in Las Vegas. Dealers from across the country are nominated for their business excellence and contributions to their respective communities and associations. From this group of 49, only four are chosen as finalists; one for each region of the country. The process is decided at the University of Michigan.

Wally and his brother and partner, Don, have followed the lead of their father, Wally, Sr., in giving back to the community where their family first put down roots in 1848. They have a strong belief in "making an impact locally" and certainly have lived up to that principle. The awards they have been given in return are too numerous to mention. The third generation of Sommers is now joining them in the highly successful Subaru, Buick and GMC business.

All the TIME Dealer of the Year nominees represent the elite of our industry and exemplify all that is right and good in the dealer body. Wally Sommer is the epitome of that statement, as are so many of our WATDA members. A fact proven as we look back at the past four years of the TIME Dealer of the Year Awards… Mike Shannon, Keith Kocourek and now Wally Sommer have ALL won the Midwest Region. Please join us in congratulating Wally on a well-deserved win. ●



TIME DEALER OF THE YEAR
IN PARTNERSHIP WITH ally

Jack Salzman

Regional Finalists

Brent Brown
Orem, UT

William Fenton
East Swanzey, MH

Wally Sommer
Mequon, WI

TIME Quality Dealer Wally Sommer and his lovely wife Debbie.

Duane Rolkosky and Belinda Foster, Sommer's Controller, at Wally Sommer's TIME DOY dinner.

Bob Clapper, Grant Sommer, Thor Gilbertson, Wally Sommer, Michael Shannon, Jr., Mike Shannon, Sr.

CenterStage

AWARDS, HONORS, MILESTONES

Don Johnson Auto Group Wins WI Family Business Award

The 15th Annual *Wisconsin Family Business of the Year Award* celebrates the accomplishments and the impact that family-owned businesses have on our economy and our communities. The award for large companies (100 plus employees) was presented to Don Johnson Auto Group of Rice Lake. Twenty-three companies were nominated for the awards; winners are selected by an independent panel of judges.

With the fifth generation currently at the helm; Don Johnson Auto Group was started in 1915, in Star Prairie, Wisconsin, by J.P. Johnson, great-grandfather of the current CEO, Josh Johnson. The family business passed down from father to sons or sons-in-law, occasionally changing locations or name. But from the beginning, one thing never changed: a "family first" culture that treats customers, the salesforce and even auto manufacturers with the same respect one would treat a beloved family member. In fact, customers are called guests, and sales people are called team members.

From the first job interview, everyone who works for the company learns the "28 fundamental behaviors" that serve as a daily road map. These fundamentals, such as "always do the right thing," "honor commitments," and "be a great listener," guide every aspect of the business. Sales teams are noncommissioned to help avoid potential conflicts of interest with guests. This is almost unheard of in the auto sales industry. And as a family-first business, the company provides flexible schedules that allow staff to attend important family events or care for an ill relative.

Community involvement is part of the company's everyday landscape. Each dealership location has a community room available for public use 24/7. The organization also donates a 15-passenger van to the local Boys and Girls Club. The company has sponsored car seat clinics, and contributes to a variety of local youth baseball, hockey, and soccer teams.

L-R: Connie and Don Johnson, Uncle Dwight, lifetime GM employee and Josh and Laura Johnson.

WILDE East Towne Honda Receives Awards

American Honda Motor Co., Inc., is proud to announce that Wilde East Towne Honda is now an esteemed member of the 2017 Council of Parts & Service Professionals.

The Honda Council of Parts & Service Professionals, introduced in 2016, recognizes the best parts and service departments in Honda dealerships across the country. Only 150 Honda dealerships, out of more than 1,000 nationwide, receive this annual honor for excellence in parts and service operations.

L-R: Jim Hergenroether, Service Manager; Jorge Hidalgo, Principal Partner; Chad Everts, Parts Manager; Terry Trickett, General Manager

Please submit your awards, honors and milestones to: jfarmer@watda.org

For the fifth consecutive year, Wilde East Towne Honda has earned the coveted President's Award by American Honda Motor Co., Inc., which distinguishes dealerships that excel in all facets of operations.

"We are honored to be recognized with the Honda President's Award for the fifth consecutive year since opening in 2013, placing us among the top two percent of Honda dealers nationwide," said Jorge Hidalgo, Wilde East Towne Honda principal partner. "Our success is a direct result of our team's dedication to excellence and consistently exceeding customer expectations."

The Wilde East Towne Honda team proudly displays their 2018 DealerRater Dealer of the Year banner

Wilde East Towne Honda has earned the 2018 DealerRater Wisconsin Honda Dealer of the Year Award, marking their fourth consecutive year to receive the award. The annual award recognizes automotive dealers across the U.S. and Canada who deliver outstanding customer service, based on consumer reviews of dealership experiences shared on DealerRater.com

L-R: Jim Hergenroether, Wilde East Towne Honda Service Manager; Peter Bothe, Wilde East Towne Honda New Car Manager; Clifton Yessik, American Honda 8D District Manager; Jorge Hidalgo, Wilde East Towne Honda Principal Partner; Jim Sliter, American Honda Zone 8 Assistant Zone Manager; Alex Moore, American Honda Zone 8 Analyst; Sean Palmer, American Honda Zone 8 Parts & Service Manager

Sleepy Hollow Provides Funds for Child Seats

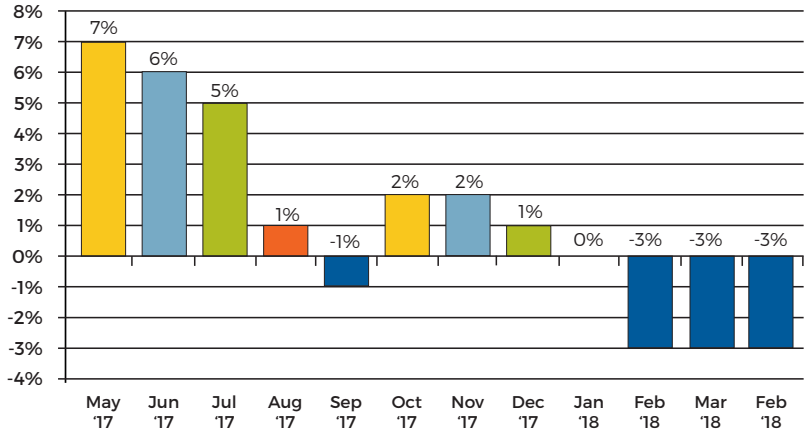
Vernon County low income families are benefitting from a donation by Sleepy Hollow and other local businesses providing funds for child passenger seats. Available on a first-come, first-served basis; these families could not otherwise afford these vital safety seats for their children. Sleepy Hollow is also hosting several safety seat checks in conjunction with the Vernon County Buckle-Up Task Force to insure proper installation of the seats. ●

New Vehicle Sales Trends

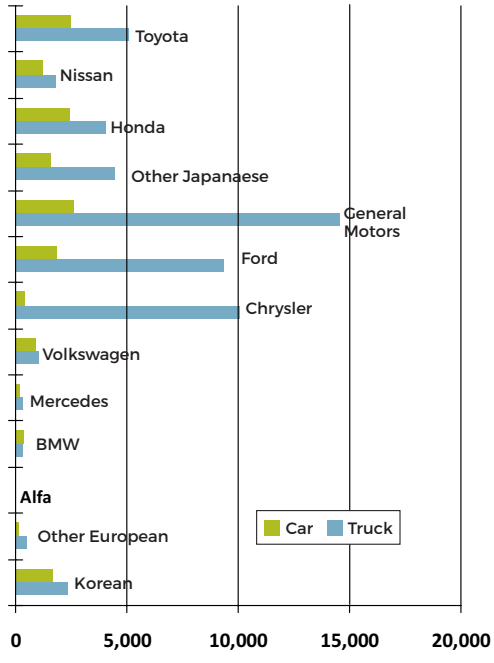
Wisconsin New Vehicle Trends: April 2018

	Previous Two Months			Year to Date			Year to Date Market Share		
	3/17 -24/17	3/18 -4/18	% change	'17 YTD	'18 YTD	% change	'17 YTD	'18 YTD	change
Industry Total	38,278	37,785	1.3%	70,648	69,815	1.2%	100.0%	100.0%	0.0%
Car	10,946	8,725	20.3%	19,504	15,923	18.4%	27.6%	22.8%	4.8%
Truck	27,332	29,060	6.3%	51,144	53,892	5.4%	72.4%	77.2%	4.8%
Japanese	13,314	12,379	7.0%	24,293	23,060	5.1%	34.5%	33.0%	1.5%
Toyota	4,483	4,142	7.6%	8,061	7,570	6.1%	11.4%	10.8%	0.6%
Honda	3,542	3,553	0.3%	6,551	6,467	1.3%	9.3%	9.3%	0.0%
Nissan	2,029	1,467	27.7%	3,710	2,993	19.3%	5.3%	4.3%	1.0%
Other	3,260	3,217	1.3%	5,971	6,030	1.0%	8.5%	8.6%	0.1%
Domestic	20,608	21,094	2.4%	38,457	38,875	1.1%	54.5%	55.6%	1.1%
General Motors	9,018	9,151	1.5%	16,591	17,196	3.6%	23.5%	24.6%	1.1%
Ford	6,057	6,215	2.6%	11,710	11,206	4.3%	16.6%	16.0%	0.6%
Chrysler	5,533	5,728	3.5%	10,156	10,473	3.1%	14.4%	15.0%	0.6%
European	1,962	2,044	4.2%	3,817	3,838	0.6%	5.4%	5.6%	0.2%
Volkswagen	1,021	1,056	3.4%	2,012	1,940	3.6%	2.8%	2.8%	0.0%
BMW	316	341	7.9%	624	699	12.0%	0.9%	1.0%	0.1%
Mercedes	285	257	9.8%	548	483	11.9%	0.8%	0.7%	0.1%
Alfa Romeo	13	15	15.4%	14	36	157.1%	0.0%	0.1%	0.1%
Other	327	375	14.7%	619	680	9.9%	0.9%	1.0%	0.1%
Korean	2,394	2,268	5.3%	4,081	4,042	1.0%	5.8%	5.8%	0.0%
Other	2,394	2,268	-5.3%	4,081	4,042	1.0%	5.8%	5.8%	0.0%

3 Month % Change – and view annual trend. Compares most recent 90 days vs. same 90-day period from last year.



YTD Registrations by Vehicle Type.



April Trend Report from Scott Quimby

NADA Director's Report

BY BOB HUDSON

Again... some good news!

An End to the CFPB's Attack on Dealer Financing

We Wisconsin dealers have much to celebrate this year. After a long hard-fought battle to fend off the Consumer Financial Protection Bureau's attack on dealer reserve, there is a positive resolution in sight. Earlier this month, the U.S. Senate passed **S.J. Resolution 57** by a bipartisan vote of 51-47. This resolution is set to effectively rescind the CFPB's 2013 auto finance guidance.

NADA has long-fought for our consumers' right to save money during the auto finance process and for dealers to retain the ability to discount credit. For years, WATDA and NADA have worked hard to educate members of Congress **on how our business operates and how dealer-assisted financing benefits our customers—not harms them**. In December 2017, the Government Accountability Office issued an opinion finding that the CFPB's guidance is a "rule" subject to the Congressional Review Act (CRA). And on March 22, Senator Jerry Moran (R-Kan.) and 15 Republican Senators introduced **S.J. Res. 57**—the joint resolution to ***disapprove*** the Consumer Financial Protection Bureau's flawed 2013 indirect vehicle financing guidance. We are now waiting on the House vote that would affect us immensely: the existing CFPB guidance would have no force, and the CFPB cannot re-issue a similar guidance to our industry—effectively ending the attacks on dealer-assisted financing. This is good news so far, but we dealers need to keep a close eye on where this ends up.

Autonomous Vehicles Will Impact our Industry

While autonomous vehicles will certainly impact the dealer business, personal ownership of these vehicles is healthy and robust. NADA performed a study in which 1,200 consumers were surveyed in March of this year, including an oversample of millennials. NADA's research revealed that **the majority of consumers had very little interest in giving up their keys in favor of moving exclusively to ridesharing**. In fact, only 11% said they were willing to give up their personal cars. No matter how much technology changes, the automobile remains essential to the American lifestyle.

Last year, the House Energy & Commerce Committee approved the "Self DRIVE Act." NADA stood as the first line of defense in D.C. to advocate for our state franchise laws. We are continuing to advocate that Congress ensures this legislation explicitly preserves our state franchise laws. Moreover, we are also closely monitoring updates on the Environmental Protection Agency's mid-term review for fuel economy standards in the next 5-year period. The new standards are expected to be released this spring. NADA and WATDA are advocating that the new ruling address lower gasoline prices and a shift in consumer preferences for larger and less fuel-efficient vehicles. NADA has long supported a data-driven and informed process for determining greenhouse gas and fuel economy rules. We have advocated time and time again that standards alone are not enough; we need smart standards that maintain affordability and encourage fleet turnover so that dealers can maximize the number of cleaner, safer and more fuel-efficient vehicles on the road.

Thank You WATDA

There are many more issues on the horizon including OEM stairstep programs and implementing the latest tax reform changes. I'm happy to say that the auto industry remains stronger than ever. I'd like to thank all my fellow Wisconsin dealers for their engagement, hard work, and time toward WATDA and NADA.

The results so far this year show that this is a team effort and I am always proud to advocate for this amazing team.

As many of you know, I filled in for the remaining term of an extraordinaire director and friend Ken Vance from Eau Claire. I then served another three year term as your elected director. I have long held the belief that fresh blood, new energy and passion is the life blood of our industry. So as I wind up my final year representing all of you, I want to say to all of you thank you! It has been an honor and a privilege.

Have a successful spring and best-selling wishes for all of 2018! ●

NADA has long-fought for our consumers' right to save money during the auto finance process and for dealers to retain the ability to discount credit.

What's in your High School?

BY DAN KLECKER, ASE EDUCATION MANAGER

Jennifer Garner's commercial asking what credit card is in your wallet prompted me to encourage you to ask what automotive tasks are being taught in your local high school? I know some dealers are actively involved with the high schools in their communities by serving as members of advisory boards, hosting students for job shadows and mentoring youth apprentice students into the industry. Many of you may not be aware of what is and is not being taught in your local high school. Your involvement with your local school district can make the difference between keeping a high school automotive program open or seeing it converted into a ceramics studio!

We are fortunate to have many school districts in the state who have recently invested in their technology education (Tech Ed) facilities, specifically automotive. School District referendums have been passed in Grafton, McFarland, Baraboo, Mount Horeb, Barron, Oconomowoc, Elkhorn, Cudahy, and Germantown that have invested in improving or restarting the automotive programs. These referendums passed in part due to the support of the local businesses.

Oconomowoc high school closed their automotive program 15 years ago, but this summer construction will begin to reopen the program for the 2019-20 school year. Brian Ewald, of Ewald Automotive, lives in the district, and has been instrumental in getting this program started. Ewald will continue to steer the program as a founding member of the school's automotive advisory board. "We are on a constant mission looking for good talent and the best place to find that talent is with youth. Businesses need to commit a budget to assist education and show youth the career opportunities available in their own communities." according to Ewald.

Delavan-Darien High School has also reopened their previously shuttered automotive program this school year. Greg Kunes, of Kunes Country Automotive, has been generously fulfilling tool and equipment wish lists to jump start the automotive program.

Sheboygan school district did not even go to referendum to make dramatic improvements to both district high schools' tech ed programs. This charge was led by Randy Romanoski of Sheboygan Auto who also recruited other businesses to make the necessary contributions to remodel and equip the entire Tech Ed program.

Cedarburg High School is in the process of developing plans for a new Technology and Engineering Center. Automotive continues to be part of those plans thanks to the involvement of Chad Curran, Newman Chevrolet, and Roman Weninger, 5 Corners Truck & Auto in Cedarburg.

Green Bay East High School is now host to City Stadium Automotive thanks in large part to the many area automotive dealers in Green Bay. There are too many contributors to mention in this article, but I encourage you to google "City Stadium Automotive" and look at the extensive list of partners who contributed to the school district to make this outstanding high school automotive program possible.

My goal is to encourage you to find out "What's in your high school" pertaining to automotive education. If the school has an automotive program is it sending students your way, in the form of job shadows and youth apprentice students that you hire and mentor? Even schools without an automotive program should have a pathway for students to explore careers in the automotive industry. Your participation with the high school can make that pathway an opportunity for you to bring students into your business so you can show them the advantages of a local automotive career.

If you are unsure of how to connect with your high school or are having trouble reaching someone at the school who will work with you feel free to contact The Foundation for assistance. I regularly visit high school automotive programs around the state and will gladly investigate the high school in your area on your behalf. You can reach me at dklecker@watda.org or phone 608-692-7054 ●

From Around the State

Please send your news From Around the State to jfarmer@watda.org

Griffin Acquires 2nd Jefferson County Dealership

Havill Motors in Jefferson has been renamed Griffin Chrysler Jeep Dodge Ram in recognition of new owner Jim Griffin. Griffin acquired Havill-Spoerl Ford Lincoln in Fort Atkinson last year. In both transitions, employees were retained to continue serving the communities. These two locations join the other Griffin stores; Griffin Ford in Waukesha; Griffin's Hub Chrysler Jeep Dodge Ram in south Milwaukee and Griffin Chevrolet on the Milwaukee/Menomonee Falls border.

Russ Darrow Plans Relocations to Metro Auto Mall

Russ Darrow Honda on 91St and Brown Deer Road, and Russ Darrow Chrysler Jeep Dodge Ram on 76th Street will be moving to the Metro Auto Mall, just south of Good Hope Road and east of Highways 41/45. All new state-of-the-art buildings are being constructed and completion is planned for mid-2019.

Grand Opening of Russ Darrow West Bend

Russ Darrow Nissan celebrated the official grand opening in the city where Russ Darrow Group began more than fifty years ago, joining the West Bend Chrysler Dodge Jeep Ram and Toyota dealerships. As a part of the event, Russ Darrow Group announced a three-year commitment to the Volunteer Center of Washington County to donate $10,000 per year to support its *Do Good Bus and the Hub Coffee Shop*. Volunteer Center Executive Director Sue Millin said, "Thanks to their unrelenting support and encouragement, we are engaging volunteers at a level we've never dreamed of!"

Holiday Mazda Grand Re-Opening Celebration

Holiday Mazda in Fond du Lac recently hosted a grand opening celebration. The event marks completion of a major remodeling project and the formal unveiling of a new contemporary look and feel for the facility.

"We're all very excited to have reached the finish line for this project," states Holiday Mazda General Sales Manager Jeff Gravelle. "To celebrate we are extending an invitation to our Mazda owners and fans to come see the significant changes inside and out—from the handsome new exterior with expanded customer parking area and traffic flow improvements, a new service drive-in lane, reception desks and customer lounge. The new interior features an open concept floor plan with new vehicle display areas, offices and new vehicle delivery area, all with a gallery feel that features more glass and natural materials." ●

Holiday Mazda staff and leadership were joined by representatives from Mazda North American Operations Midwest Region and ambassadors from Envision Greater Fond du Lac for a ribbon cutting ceremony to celebrate the Grand Re-Opening Event. Holding the scissors is Holiday Automotive President Thor Gilbertson, flanked by VP Michael Shannon Jr (left), and General Sales Manager Jeff Gravelle (right).

Jefferson Car Show

The FOUNDATION
OF THE WISCONSIN AUTOMOBILE & TRUCK DEALERS ASSOCIATION

WRITTEN BY: PAM CHICKERING WILSON OF THE DAILY JEFFERSON COUNTY UNION

JEFFERSON — All but one are seniors and won't personally benefit from the proceeds, but Jefferson High School's Advanced Automotive students want to leave a legacy for future classes by establishing a new auto show to benefit the automotive program.

Not to be confused with the Jefferson community's well-established car show and swap meets and community cruise nights, the new show is set for Saturday, May 26, in the Jefferson High School student parking lot, located on the east side of the school near the Eagle mascot statue.

The show will run from 9 a.m. to 3 p.m.

The capstone Advanced Automotive class has been working on the event for the entire school year, securing sponsors, putting together publicity and hammering out the details of how the show will work.

The class is made up of six students, five seniors and one junior, all of whom have reached the highest level of automotive training available at Jefferson High School. The six are among the school's current 14 ASE-certified students — that's an industry-standard certification overseen by the National Institute for Automotive Service Excellence.

"It's all for the school, not for us," said class member Carl Ehrke, a senior. "Most of us will be gone by next year. We are just donating our time to create something lasting for the school and for this program."

The student organizers hope that they can recruit a lot of participants and spectators from Jefferson and the surrounding communities, with the idea that any proceeds will go toward a very good cause — installing a specialized auto paint booth in the auto shop.

This is not a simple process of just buying a piece of machinery and placing it in the room. Rather, it involves a series of infrastructure upgrades, including the installation of appropriate ventilation and fire protection.

That's why the paint booth has been a longtime goal of the automotive program, going back many years.

However, given the way school budgets are decreasing state- and nationwide, it would be a hard sell to ask the district to shell out money for this project, said automotive teacher E.J. Pilarski.

The Advanced Automotive students got the idea of targeting this goal from local attorney and parent Tom Monogue.

Monogue asked the students what kind of legacy they wanted to leave for future generations at Jefferson High School and in the community.

Putting on a car show seemed like a feasible way of earning the money to finally bring an auto paint booth into the auto shop, and the idea was to start a tradition that could continue to raise money for the auto program and its future needs for many years to come.

"All year, we've been working on the event," Ehrke said.

Pilarski was able to give the students some tips, as his college auto club at the University of Wisconsin-Stout, for which he served as vice president, had hosted a long-running auto show.

While he's able to provide some guidance, Pilarski noted that the students themselves are doing all the legwork to coordinate the show and solidify the details. With no club budget to provide starter funds for such an endeavor, the auto show organizers have been going about the process somewhat differently.

The UW-Stout show raised some $2,400 a year to support that program. Organizers of the Jefferson High School show have no specific goal set, but they're hoping to raise a solid amount, between entry fees, spectator fees, and community sponsorships.

The class members said that it's amazing how much support area businesses have been willing to provide the fledgling auto show, although there were some that seemed to be holding back this first year until the show has a track record. However, others were eager to step in to run the show.

That won't happen, Pilarski said, emphasizing that this will remain a student-organized, student-run event.

"We're working hard to get sponsors and spread the word," said student Hayden Massey, also a senior. "I think we've really developed our speaking skills by going out and talking to people."

"These young men have done a great job talking to businesses in the community," Pilarski said.

He noted that depending on their level of contribution, sponsors will be recognized on the event T-shirts and banners that will be hung on the fence during the event.

The student organizers have secured T-shirts and trophies for the show. There will be three prizes awarded in each of eight different classes, plus a 4-foot-tall "Best of Show" award for the top entry overall.

They're working on getting a banner to be hung over Main Street downtown.

In addition, they have put in a lot of logistical work to assure that the event goes smoothly, designating the north and east entrances of the student lot for foot traffic only. Participants will be pulling into the south access lot.

Concessions at the event will be provided courtesy of River's Edge Catering.

The event also will feature a 50/50 raffle with numerous prizes donated by area businesses.

It will cost $15 to register a vehicle for the show, and the show entry fee for spectators will be $5.

The class debated whether to charge entry fees, and decided on a modest fee, feeling that community members would understand that it was a fundraising event to support the local automotive program, not some private owner or group. ●

WISCO is there for you

BY JOHN HACKMAN

WISCO is owned by and operated for its customers. WISCO's members receive the benefits of WISCO and its buying power. They are who we answer to and are the reason we open our doors every morning. They receive all the profits and proceeds from WISCO's operations. Over $625,000 this year which will go out to WISCO members with their year-end rebate in direct proportion to how much they bought from WISCO. WISCO members can expect to see their rebate checks in June. The great thing is the $625,000 is just the gravy. The true savings is what you save on the original invoice and then you get the rebate amount on top of that. We can keep this great thing going for WISCO members, and we can grow, if you use us and we have your loyalty.

WISCO for 46 years has stated we are only in business to save you money on your purchases. Since we are a cooperative owned completely by its members we are here to serve you, not profit from you. To further prove that any profits we do earn are paid back to our members anyway. This is done in direct proportion to how much they bought from us. In 2017 the amount of rebates paid to our membership in our history went over the 20 million dollar mark. As I stated before the 20 million dollars in rebates is just the gravy. The main savings is on the invoice when you purchase from WISCO.

> ...we are a cooperative owned completely by its members **we are here to serve you, not profit from you.**

WISCO'S mission is to save you money on the items you are going to purchase for your dealership. We are in a unique position in that our customers are also our owners and bosses. I can't think of another company where this is the case. You have of course heard the phrase "Customer is King." Well with WISCO you are not only our customer treated like a king, but the owner of our company. The staff's only allegiance is to our membership. Everything we do is geared towards our membership. Who else do you buy from that is only in business to add to your bottom line? No one I am aware of.

One of our biggest challenges is educating our members on the many items WISCO offers. When you call in to our office our experienced staff tries to help you find the items you are in need of. WISCO, with a few exceptions, carries everything a dealership uses except the vehicles. We have some customers who buy just a busload of a certain line, and that is great. We appreciate it, but what about the rest of their needs? What about accessories, supplies, equipment, batteries, parts, reconditioning, uniforms, rest room supplies? The list goes on. Look at the various products you use and think of WISCO. You have to use us for us to help you and the more you use us the stronger we become for you! Let us help you improve your bottom line.

Also, our annual meeting and golf outing will be held on Tuesday June 26th at the Lake Arrowhead Country Club. Information will be sent out as it gets closer but keep the date open and plan to attend.

OPIOIDS: A CULTURAL CRISIS AND A BUSINESS RISK

BY CINDY VAN ASTEN

PARTNER AND SENIOR ACCOUNT EXECUTIVE AT M3 INSURANCE, WORKING OUT OF THE GREEN BAY OFFICE. ADDITIONALLY, SHE SERVES AS THE DIRECTOR OF M3'S HEALTHCARE PRACTICE GROUP.

The national opioid epidemic is a public health crisis which has potential health and economic ramifications for employers. Since being introduced as a non-addictive painkiller in the late 1990s, opioids have become widely misused to the point of a public health emergency being declared by the Department of Health and Human Services in 2017.

With the shocking news that life expectancy in the United States fell for the second year in a row in 2016, driven partially by opioid overdoses, both the government and the business community have begun taking measures to curb the epidemic.

Early measures:

Like any emerging risk, stakeholders are in the early stage of addressing the issue. Federal and state government entities are implementing regulations and providing resources to tackle the problem. Health and dental care providers have identified preventative and detection processes to reduce opioids prescribed to patients. And pharmacy benefit managers are reducing a patient's access to opioids via their prescription drug plans.

Things you should know:

Like most initiatives, we are seeing positive, yet uneven results. Most providers are taking the suggested steps to reduce the problem, but implementation does come with a learning curve.

An example of that learning curve comes with provider drug screenings. The medical community is in agreement to leverage proactive screenings for controlled substances as a barrier for being prescribed for certain medications. This practice began prior to a new Wisconsin state law requiring the test, with health insurance carriers potentially not covering the cost of such a test. An employer does have the ability to include the screening as part of their health insurance plan design.

The effects of opioids can also be seen in your workers' compensation costs. Injured employees who are prescribed opioids can experience costs 4 to 8 times that of a worker not prescribed those types of pain relievers. The total expense can't be blamed solely on opioids, as the severity of injury plays the larger role. However, opioid use can be the cause of an employee's loss of complete control, therefore increasing the odds of re-injury or an entirely new injury.

Things you can do:

As an employer, you have a few things you can do to help minimize the effects of opioids on your employee population. The first thing you can do is promote a culture of safety. Think holistically, from creating safe work conditions to promoting a robust Employee Assistance Program (EAP) that provides your employees with resources in the event they need help with an addiction.

You can also work with your insurance partners to make sure your plans are updated to meet the opioid crisis. Your partners can help you identify responsible pharmaceutical partners, negotiate good health and dental coverages, and provide you with data on your employees' overall usage of opioids.

Takeaway:

As we move forward, expect efforts to address this crisis to intensify. If you feel it is in your best interest as an employer, work with your business partners to minimize this risk at your workplace. ●

Legal & Legislative Update

BY CHRIS SNYDER

STATE

Direct Sales (Electric Vehicles)

This bill was given a joint Senate/Assembly Transportation Committees hearing and that was that. They (bill proponents) did have about 12 legislators sign onto the bill, there was a lot of press and a well-publicized bill introduction, complete with about 60 electric owners swarming the capitol and letting legislators and their staff drive around the square. However, this bill stalled rather quickly, mainly because it was poorly written. As written it would have allowed manufacturers of solely electric vehicles sell direct to the public. With almost every manufacturer announcing they have solely electric vehicles ready to be rolled out within the next few years, most legislators saw the dangers of the probability of existing franchised manufacturers peeling those vehicles off into new franchises. Frankly, it does not look like legislators are ready to embrace manufacturers owning and operating dealerships just yet.

Standard Pre-Owned

Standard Pre-Owned was a multi-point Buy-Here-Pay-Here dealership whose inventory consisted mainly of consignment vehicles. They started jumping titles, not paying off liens on vehicles they sold and not informing the owners that their vehicles had been sold. All told, they ripped off many customers.

The Fox Valley and Northeast Wisconsin legislators tried to pass a couple of bills to address consignment sales. One bill by Senator Cowles (R-Green Bay) would have given DOT the authority to immediately suspend/revoke a dealer's license if they 1) violated anything in 218.0101 to 0163 in the course of a consignment sale; 2) engaged in unlicensed sales activity (suspending or revoking a license that doesn't exist….I know); or 3) intentionally engaged in any prohibited title, registration or odometer disclosure activity or improperly use or disclose customer's personal private information. Currently, if DOT finds a dealer engaged in any such activities they must prove that activity before an administrative law judge before suspending or revoking a license. This bill passed the Assembly, but failed to be scheduled for a vote in the Senate.

The other bill was sponsored by Rep. Shankland (D-Stevens Point). That bill would have required that anyone whose income is derived from at least 90% consignment vehicles, would have to secure a $500,000 bond, transact all title and registration paperwork manually and pay off any underlying loan or secured interest prior to transferring ownership to the new buyer. This was bill was obviously unworkable and never received a hearing.

In the end, Senator Cowles bill passed through committees and the Assembly, but did not get scheduled for a senate vote.

DATCP Bill

We did not hear about this bill until there was a week left in the session. The bill was offered on behalf of a dealer who has encountered a number of DATCP investigations due to engaging in direct mailer prize offerings. The bill attempted to make some changes to the direct mailer prize offering statute so that would make it easier to comply with the law, whiles still protecting consumers.

This is something we plan to look at in the beginning of next session.

FEDERAL

CFPB

The U.S. Senate passed a joint resolution that rescinds a 2013 CFPB Guidance Letter, wherein they state that because dealers have discretion in finance markup, they discriminate against protected classes. The bill also requires the CFPB in the future, to publish public notice, supporting data and allow for public comment before issuing any industry guidance. It also reminds them that they do not have the authority to regulate car dealers. By the time this magazine is out, It is assumed that the House will have taken up the resolution and passed it (they did overwhelmingly last fall, 2017 [which unfortunately was a different congressional session]) and the President will have signed it.

Future

Look for Congress to take a stab at passing an infrastructure bill, making the tax cuts permanent and maybe another stab at healthcare.

ELECTIONS

Bluewave vs. Sound economy

Democrats seem to believe that everyone hates the president as much as they do and a vote for them means throwing him out or at least neutering him until his term is over. There will be a vote for U.S. Senator and each of the eight House

of Representatives is up for re-election. Speaker Paul Ryan is stepping down, so the 1st congressional district is up in the air.

U.S. Senate Race

Senator Tammy Baldwin (Democrat) is up for re-election; she does not have a challenger in the primary, which marks the second time she has not had to spend any money working a primary election. Senator Baldwin has a history of not supporting dealer issues There are two main Republicans seeking her senate seat.

Newcomer, Kevin Nicholson, is a Marine Corps veteran who served combat tours in Iraq and Afghanistan between 2007 and 2009. After returning to the United States, he received master's degrees in public and business administration from the Harvard Kennedy School of Government and Dartmouth Tuck School of Business. Nicholson works as a management consultant for financial firms and other companies. We had a meet and greet with Mr. Nicholson and he was very impressive with his command of the issues and understanding of the importance of locally owned businesses such as dealerships.

The other republican candidate is Leah Vukmir. She has been in the state legislature since 2003, serving in the Assembly from 2003-2010 and the Senate from 2010 to present. She has a strong history of voting against the dealers and has no regard for their businesses or what they do in the community, as evidenced by her request for a roll call vote in 2011 so she could be on record as the only senator voting against the franchise bill.

Statewide Elections

Former U.S. Attorney General Eric Holder and his political action group, the National Democratic Redistricting Committee, sued the state of Wisconsin for not filling two open legislative seats. At the end of December of 2017, State Senator Frank Lasee and Representative Keith Ripp, took positions with the Office of the Commissioner of Insurance and the Department of Agriculture Trade and Consumer Protection respectively. The Governor chose not to call for an election of the two vacant seats out of practicality. Both legislators are republicans. Republicans have a comfortable majority in each house. The legislature had announced plans to be finished with all committee meeting and floor votes by the end of March.

Holding a special election in each of the former legislator's district costs the states and local communities a lot of money and the winners in any election were not going to be seated before the close of the legislative session. But Mr. Holder didn't want to miss an opportunity to flex his biased muscles and a special election was order by a Dane County judge. So, in the 1st State Senate District (Door County) and 42nd Assembly District (just north of Madison) will have primaries in May and a general

election in June and then another set of primaries in August and the general election in November.

Elsewhere in Wisconsin

All 99 Assembly seats and **eleven** Senate seats are up for election. The primary elections are August 14. It will be interesting to see if there is much change over. Both sides in each state house think they have a good chance at either keeping or taking the majority.

LEGAL

Genesis

Hyundai wants to get into the luxury brand market and they believe (maybe rightfully so) that they need to establish a new franchise to do it. However, they chose to do it by taking an existing model and peeling it off and establishing a new franchise. The states of Texas, Florida and Louisiana all told them that their plan was illegal because they have a provision in their franchise law that states that franchised dealers are entitled to sell every model offered by that franchise (Wisconsin has that provision also). Another problem with the new business model was, they were going to have 48 dealerships and some states (Wisconsin being one of them) would not have any Genesis stores and therefore anyone who already owns a Genesis would have nowhere in the state to have warranty work performed.

After much thought and a contentious dealer meeting at the NADA Show, Hyundai decided to change course, at least for now. They are putting the roll out of their standalone luxury brand on hold and offering the Genesis to any dealer already authorized to sell them. For those dealers who want the Genesis buyout and continue to sell Hyundai, they have that option too.

Service Fees on Lease Buyouts

Dealers received a notice from Ally Financial about eight weeks ago stating that they could no longer charge service fees to customers buying out their lease. About two weeks ago GM Financial followed suit. The issue is, Ally and GM Financials' lease contracts do not provide notice to customers that service or documentary fees can be assessed when they buy out their lease. Therefore, they assume that there could be a truth-in-lending violation by dealers charging the additional fee onto the purchase price.

Apparently, there are some manufacturer captives and lenders that do provide such a notice, that those fees may be added when exercising the right to purchase. GM stated in a recent communication that they will be adding the disclosure on lease forms sometime in the 4th quarter 2018. ●

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