DEALER POINT

Official Publication of the Wisconsin Automobile & Truck Dealers Association | 1928-2018 | Volume 50 Summer 2018

INSIDE: ELECTION PREVIEW

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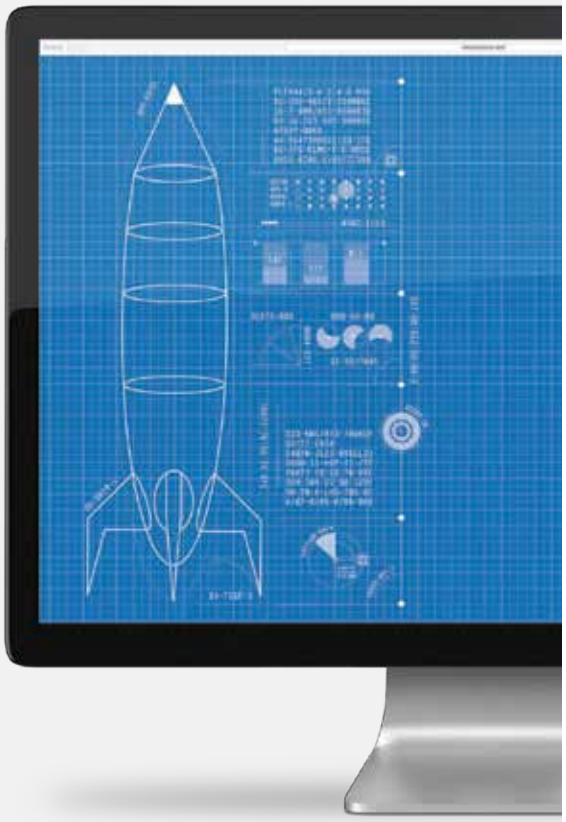

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COX AUTOMOTIVE™

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

Election Preview

BY BILL SEPIC

The sprint to the November elections is on! The primary elections are over, and we have a short period of time before the November 6, general elections. The results of the August primaries did not provide many surprises if any. Let us look at some key races around the state;

District 1 – Speaker Ryan

The seat has been occupied by a strong proponent of the dealers. Speaker Ryan will be missed as he understood the need for the preservation of LIFO, the need for reduced estate taxes, the concerns surrounding tariffs and much more. The race is now between Randy Bryce (D) and Bryan Steil (R). Candidate Steil has sought meetings with our office and dealers within the 1st Congressional district and has received NADAPAC money. Steil is behind on the ball regarding money as the Speaker announced his resignation later in the campaign season. Outside attention will make this a competitive race and one that cannot be taken lightly. Steil has shown an understanding of dealer issues and pledges to support Wisconsin jobs in the actions he would take as a Congressman. This race is said to lean towards the Republicans.

District 2 – Congressman Mark Pocan

When we talk about safe seats, this is a safe seat. The Congressman has been very assessible to our staff and our members but has not voted with the dealers since his election. The Congressman does not have an opponent and the district is ranked as the 76th most Democratic in the nation. we look forward to working with him in the years to come.

District 3 – Congressman Ron Kind

Congressman Kind has been a strong advocate for the automobile dealers. The Congressman has shown leadership regarding the elimination of the FET, concern over the CFPB and exercised fiscal common sense. The Congressman has received NADAPAC money and meets with us regularly. Although the Congressman has an opponent, Steve Toft (R), this race going to the incumbent.

District 4 – Congresswoman Gwen Moore

Another Congressional seat that won't change. The Congresswoman has been critical of our dealers and even voiced frustration on the House floor. We continue to make efforts to meet with the Congresswoman as to find commonalities and areas of which we might be able to agree on, but it has been challenging. The Congresswoman has a challenger, Tim Rodgers (R), but this seat will easily be retained.

District 5 – Congressman Jim Sensenbrenner

The dean of our delegation is independent and generally supportive. He has been assessable to our office and our members. If the dealers have a need, and the Congressman agrees with us, there is no better advocate. The Congressman receives NADAPAC money and meets with the dealers regularly. The Congressman does have a challenger, Tom Palzewicz (D), but this is an extremely Republican district and the Congressman will be back for his 21st term.

District 6 – Congressman Glenn Grothman

The Congressman is in his toughest race yet. We have been very pleased with the actions of Congressman Grothman over the past four years and would be delighted to work with him for another term. Most recently the Congressman supported dealers in their concerns over Highly Autonomous Vehicles making sure potential legislation did not preempt state's rights. He is assessible, supportive of our dealers and has received NADAPAC support. The Congressman is being challenged by Dan Kohl (D), nephew of former Senator Herb Kohl. Although this is going to be a close race, it is likely to stay with the incumbent.

District 7 – Congressman Sean Duffy

Congressman Duffy has been relentless in his opposition to the CFPB, he has stood beside us on tax relief and has understood trade issues. Congressman Duffy has made himself available to dealers as well as WATDA staff and has received NADAPAC support. The Congressman has a challenger,

Margaret Engebretson (D), a retired military veteran. This seat leans heavy towards the Republicans and we see the incumbent retaining the seat.

District 8 – Congressman Mike Gallagher

This freshman Congressman came in and filled some awfully big shoes. Following Congressman Reid Ribble was going to be a task for anyone. Congressman Gallagher came in and did an artful job continuing Ribble's legacy yet blazing his own trail. The Congressman has supported dealers, learned the issues and signed onto bills in support of the dealers. We have enjoyed unprecedented access to the congressman, he regularly meets with dealers and receives support from NADAPAC. The Congressman is challenged by Beau Liegeois (D). Never should a freshman congressman take re-election for granted. This seat leans Republican and should be retained by the incumbent.

Senate – Senator Tammy Baldwin

The Senator is seeking her first re-election as a U. S. Senator. Voting history would show that the Senator hasn't supported dealer's issues often. She was very supportive during bankruptcy and the recession, 10 years ago. The Senator is often underestimated, and she most often comes out on top. Her challenger is Senator Leah Vukmir (R). Vukmir has a checkered past with the dealers having supported tax changes, job growth and Republican issues. But she was the only Senator to vote against our 2011 Franchise Bill Amendments and did not provide her support to our anti-surcharge legislation this session. The Cook Political Report has this race likely going to the incumbent and we have little reason to challenge that assumption.

Gubernatorial – Governor Scott Walker

A very pro-dealer Governor has come out of the primaries swinging and for good reason. His popularity is not over the top, his initial poll numbers are upside down and this race will almost certainly go by the way of turn-out. His opponent, Tony Evers (D), is viable and will give the Governor a close race. The Governor has hovered right around 52% in each of his elections. If the citizens of Wisconsin are enjoying the prosperity that the last eight years have brought, one would figure the Governor will achieve re-election. But this is politics. This race is leaning Republican and we believe the Governor will get a third term.

Irony –

Yes, we did pick all the incumbents. That means we picked Senator Baldwin and Governor Walker. Conventional wisdom would say that isn't likely. We believe the swing voters will reward both the present state of the economy. A conventional call, NO. But this is politics.

The financial ask $$$

As these and all your local politicians sprint to November, it goes without saying that they will be asking for your support. To make sure the politicians stay in the news and you don't, please refresh yourself with contribution limits.

Federal (U. S. Senate and Congressional)

An individual may give $2,700 per person, per election. That means that you could give $2,700 from November 9, 2016 to August 14, 2018 (the primary election). On August 15, 2018 the limit re-sets and you can again give $2,700 between August 15, 2018 and November 6, 2018. For PAC or Party contribution limits, please call our office.

State (Governor, Senate, Assembly)

An individual may give up to $20,000 over a 4-year period to the Governor. That is cumulative and includes everything donated from November 4, 2014 until November 6, 2018. The primary race does not reset political giving for the State elections.

An individual may give up to $2,000 over a 4-year period to a State Senator. That is cumulative and includes everything donated from November 4, 2014 until November 6, 2018. The primary race does not reset political giving for the State elections.

An individual may give up to $1,000 over a 2-year period to an Assembly member or candidate. That is cumulative and includes everything donated from November 8, 2016 until November 6, 2018. The primary race does not reset political giving for the State elections.

Individual contributions to PAC's, Party Committees, and Conduits are unlimited. For other limits regarding elected positions please contact our office.

**If you made it this far, please read the Legal & Legislative update from Chris Snyder and heed his advice to engage your local candidate or official before blindly providing campaign support.* ●

CenterStage

AWARDS, HONORS, MILESTONES

Russ Darrow 30 years with Honda

Mike Darrow, President and Chief Operating Officer, and Russ Darrow, Chairman of the Russ Darrow Group, accept the 30-year Honda Dealer Award from Bruce Lee, Zone Manager-North Central US of the American Honda Motor Company, Inc. Russ Darrow Honda of Milwaukee began in 1988.

Larsen Auto Center goes to bat for Webster Schools

Larsen Auto Center partnered with the Chevrolet Youth Baseball program to provide new equipment, invitations to free instructional clinics and an opportunity for community members to earn donations for their league via a test-drive fundraiser. The Webster School District received bat packs, scorebooks, industrial strength batting tees, ball buckets and T-shirts from Chevrolet as well as a check from Larsen Auto Center to the school district.

Darrow Group Contributes to Kettle Moraine YMCA

Russ Darrow Group's Chrysler Jeep Dodge RAM, Nissan and Toyota dealerships in West Bend contributed a portion of their vehicle sales during the month of May to the Kettle Moraine YMCA campaign. Darrow's donation of $7,500 provided local kids in need with the opportunity to attend Y Summer Day Camp.

Standing behind Y campers holding the check (L-R): Rob Johnson, Kettle Moraine YMCA CEO; David Hildebrandt, General Manager of the Chrysler dealership; Glenn Leinen, General Manager of the Nissan dealership; and Jenny Zaskowski, Kettle Moraine YMCA Director of Donation Development. ●

Felton Honored as Outstanding Alum UW Richland

Lavon "Spanky" Felton was chosen as an outstanding Alumni of UW Richland by their alumni association. Felton obtained an associate of science degree from UW Richland in 1989, and then attended UW LaCrosse where he majored in business and marketing. Felton in the president of the Sleepy Hollow Auto Group in Viroqua, as well as president of the Viroqua Development Association.

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

A Special Sign

BY MEGAN MARKANICH

The Wisconsin Automobile and Truck Dealers Association has been supporting the needs of the car and truck dealers of Wisconsin, since 1929. Over the years the association has accumulated a long list of achievements. From its' inception, WATDA has eliminated the annual property tax on dealer inventory, created the nation's first motor vehicle franchise law and eliminated the 12% interest rate cap on financing, just to name a few.

Many members are well-aware of these achievements. However, not everything the association has acquired over the years can be listed as an achievement or found in a law book. WATDA has also been honored in other ways, examples of such can be found hanging here, along our office walls.

About 8 years ago the WATDA offices received a facelift and the Association reached out to the members to help decorate the walls with industry symbols. Through the years WATDA has been loaned and gifted pieces of dealership history to put on display. We take great pride in these displays; each piece provides a representation of who and what the association is dedicated to.

Members of the association have attended meetings in WATDA's conference room and this is where one of our biggest pieces has been custom hung. Our guests of the auto industry feel right at home with the Oldsmobile Service sign that looks over the Lake Mendota view. WATDA member John O'Malley from O'Malley's of Wausau, loaned us this Oldsmobile sign. Due to its size John did not have a proper place to put it on display; knowing we had the space, we were delighted to have the opportunity to show it off.

Vern Trecek opened his Chevrolet and Oldsmobile dealership in Portage, Wisconsin in 1982. Vern, a former WATDA Chairman, was gifted a hand-made, heavy-duty metal cast Oldsmobile plaque. Recognizing that Oldsmobile was one of America's oldest brands, possibly your father's favorite trademark, ending its 106 years of production in 2004. We are very fortunate to have this symbol of that automobile history hanging here.

From dealership owners to an architect; Glen H. Scholz's handiwork can be found in our Lakeside conference room. This picture is an artistic depiction of the Krause Oldsmobile dealership of Milwaukee, that he designed. Glen's son, Brandon Scholz, is a government affairs colleague of WATDA, who has given us this architectural beauty on loan. The Krause Oldsmobile Franchise was located on West Appleton Avenue and was eventually purchased by John Amato Sr., in 1980.

In keeping with the theme of "former franchises" and not to be outdone by Oldsmobile, we have a sizeable Pontiac piece, courtesy of Wisconsin State Assembly member, Ron Tusler (R-Harrison). Having a family background in the automotive industry, Representative Tusler has been an advocate for dealer's issues since 2016. During a discussion at an event, Rep. Tusler was informed that WATDA was looking for dealership swag to gussy up our walls. The Representative stated that he had a piece in his law office, that he would lend to the cause. Tusler's Pontiac of Fox Valley was founded by his grandfather Scottie Tusler and his father Bob Tusler, is a third-generation car salesman.

Not to be overshadowed by defunct GM brands, Plymouth, which made its debut in 1928, was a high-volume seller until the late 1990's. Mitch Merten, from Merten's Garage in Medford, bestowed the association with a vintage illuminated Plymouth sign. Merten's Garage originated in 1946 and after 72 years in the automotive industry, they have closed their doors. Merten's Garage may be gone, but a piece of Merten's will continue to light up staff and visitors here at WATDA.

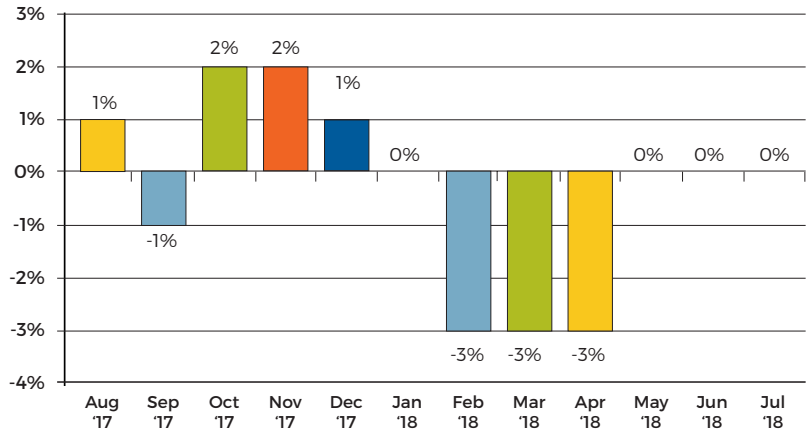
Winding up this written tour of our picturesque office space; we encourage you with this reminder: we always have room for more piece of auto art! Using the word "appreciate" to describe all the charming pieces we are fortunate to exhibit is an understatement. To have these reminders of what the association has and will continue to strive for, is a special treat. ●

New Vehicle Sales Trends

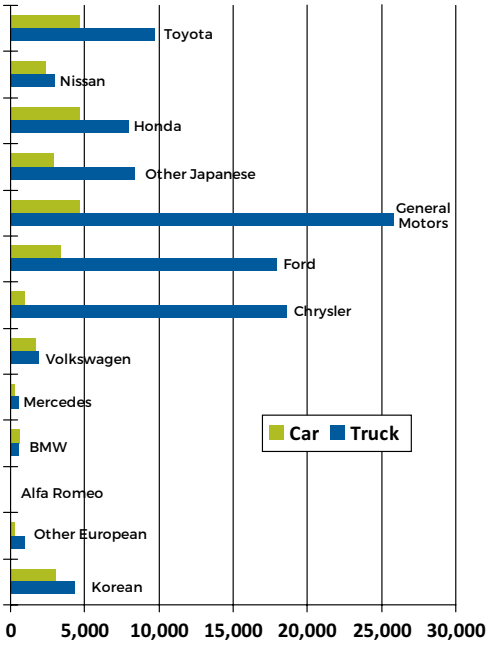
Wisconsin New Vehicle Trends: July 2018

	Previous Two Months 6/17 -7/17	6/18 -7/18	% change	Year to Date '17 YTD	'18 YTD	% change	Year to Date Market Share '17 YTD	'18 YTD	change
Industry Total	39,602	39,130	1.2%	130,371	129,319	0.8%	100.0%	100.0%	0.0%
Car	11,282	9,123	19.1%	36,954	29,825	19.3%	28.3%	23.1%	5.2%
Truck	28,320	30,007	6.0%	93,417	99,494	6.5%	71.7%	76.9%	5.2%
Japanese	14,261	13,675	4.1%	45,519	43,599	4.2%	35.0%	33.7%	1.3%
Toyota	5,224	4,581	12.3%	15,620	14,351	8.1%	12.0%	11.1%	0.9%
Honda	3,971	4,077	2.7%	12,494	12,635	1.1%	9.6%	9.8%	0.2%
Nissan	1,822	1,593	12.6%	6,474	5,346	17.4%	5.0%	4.1%	0.9%
Other	3,244	3,424	5.5%	10,931	11,267	3.1%	8.4%	8.7%	0.3%
Domestic	20,743	21,202	2.2%	69,904	71,345	2.1%	53.6%	55.1%	1.5%
General Motors	8,851	8,693	1.8%	29,868	30,455	2.0%	22.9%	23.5%	0.6%
Ford	6,573	6,518	0.8%	21,729	21,300	2.0%	16.7%	16.5%	0.2%
Chrysler	5,319	5,991	12.6%	18,307	19,590	7.0%	14.0%	15.1%	1.1%
European	2,041	2,076	1.7%	7,038	6,923	1.6%	5.4%	5.3%	0.1%
Volkswagen	1,063	1,116	5.0%	3,714	3,591	3.3%	2.8%	2.8%	0.0%
BMW	330	348	5.5%	1,127	1,203	6.7%	0.9%	0.9%	0.0%
Mercedes	265	238	10.2%	987	846	14.3%	0.8%	0.7%	0.1%
Alfa Romeo	14	17	21.4%	40	59	47.5%	0.0%	0.0%	0.0%
Other	369	357	3.3%	1,170	1,224	4.6%	0.9%	0.9%	0.0%
Korean	2,557	2,177	14.9%	7,910	7,452	5.8%	6.1%	5.8%	0.3%
Other	2,557	2,177	14.9%	7,910	7,452	5.8%	6.1%	5.8%	0.3%

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.



July Trend Report from Scott Quimby

From Around the State

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

Brickner's of Wausau is Expanding

Brickner's of Wausau is expanding on Grand Avenue with a new showroom and service center. Once the new buildings are completed the current building will be razed to add more visible space for inventory in front of the new facilities. The newer body shop building will remain.

Bergstrom Jaguar Land Rover of Appleton Grand Reopening

Bergstrom Jaguar Land Rover of Appleton announced the grand reopening of the newly renovated dealership; part of Bergstrom Premier Motorcars that also represents Volvo, Maserati and Alfa Romeo. The new facility is a single-story grey and silver rectangular structure featuring separate, brightly-lit pillar-less showroom windows for each brand.

Van Horn Automotive Group Grows

Van Horn Automotive Group of Plymouth has purchased Stevens Point Nissan from the Home Run Auto Group. This is the first Nissan dealership for the Van Horn Group, which now has 13 locations in Wisconsin and Iowa.

Gross Auto Group Purchases Urban Sales & Service

Gross Auto Group has purchased Urban Sales & Service in Neillsville. The long-term plan is to merge that location with the new Ford store they will be building in Neillsville to house both Ford and Chrysler-Jeep-Dodge-Ram dealerships, along Hwy 10, east of the current General Motors dealership. ●

NATIONAL AUTOMOBILE DEALERS ASSOCIATION

NADA SHOW 2019

JANUARY 24-27

SAN FRANCISCO

ATTENDEE REGISTRATION AND HOUSING IS NOW OPEN.

DRIVE YOUR DEALERSHIP INTO THE FUTURE.

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Legal & Legislative Update

BY CHRIS SNYDER

Hold That Check, We Need to Talk

The 2017-18 Wisconsin legislative session ended in frustration for the Wisconsin Automobile and Truck Dealers Association. However, there are some very valuable takeaways to keep in mind in the immediate and protracted future.

The main piece of legislation that WATDA pushed this session was an anti-surcharge bill. If passed, it would have added a provision to the motor vehicle franchise law that would prohibit manufacturers from assessing surcharges on vehicles dealers purchase from the manufacturer, to compensate the manufacturer for following the law regarding warranty reimbursement. There are currently 18 states that have such provisions.

But alas, a few Milwaukee-area "free market" republicans decided allowing manufacturers to go unchecked and engage in the practice of punishing their dealers via a surcharge, purely for utilizing the law in seeking fair compensation for warranty work, should be left up to negotiation between dealers and their manufacturers. Many stating, "if the dealer doesn't like the way their manufacturer is treating them, then they should just sell and get out of the business." The irony here is that these are legislators who view themselves as pro-business and economic development champions and yet they supported an out-of-state company that no longer has a presence in Wisconsin, over long-standing local dealerships that pay local property and state payroll and income taxes while employing over 28,000 Wisconsinites throughout the state.

We didn't ask for this fight. In 2011, WATDA worked to pass a franchise bill that made several amendments to the law. The provisions within that bill were the product of negotiation and compromise between the dealers and manufacturer representatives. The warranty reimbursement formulas for both parts and labor were a part of that compromise and agreement. There were several amendments made to the bill during its legislative passage (including taking out an anti-surcharge provision) and the warranty reimbursement formulas were never an issue. Four years later, in the end of October 2015, GM informed WATDA that they did not like the warranty reimbursement formula for labor and demanded that we agree to repeal the law.

After consulting with the WATDA Executive Committee, a few select multi-point dealers and the full Board of Directors, it was decided that one manufacturer should not dictate changes to a law that was working. As the 2015-16 legislative session came to an end, WATDA agreed to amend a provision in the law, but that was not enough for GM, who continued to demand a repeal of the formula. Senate Majority Leader Scott Fitzgerald (R-Juneau) asked us to try and work something out with them over the legislative break. However, GM had no intention of negotiating or compromising and in September of 2016 they threatened their dealers who were receiving warranty reimbursement under the state formula, that they would be surcharged $389 per vehicle. Some of those dealers joined together and filed a lawsuit in federal court to challenge GM's surcharge. The question to be answered by the court is not whether GM can surcharge, but who can they surcharge. Can they cherry pick individuals or do they have to surcharge their whole dealer body in Wisconsin. (That case currently does not have a decision)

Under that setting, WATDA, asked Representative Joan Ballweg (R-Markesan) and Senator Luther Olsen (R-Ripon) to sponsor a bill that would prohibit a manufacturer from surcharging dealers. With the help of five different dealers testifying and many more making calls to their legislators, the bill passed unanimously through both the Assembly Consumer Protection and Senate Transportation committees and passed the full Assembly on a voice vote. However, in the senate, despite securing 27 out of 32 possible votes, we ran into road blocks in the form of unwritten party rules and free market philosophies and the bill never made it to the senate floor for a vote.

In this day and age, especially in Wisconsin, party politics rules. The unwritten rule is, to get a bill to the floor for a vote, it must have the support of enough legislators within the majority party to pass. In other words, Wisconsin has 33 senators, so you need to have 17 republican senators support a bill to have it considered to reach the floor for a vote. In our situation, one republican senator took an administration job leaving 32 senators, 18 republicans and 14 democrats. The problem in the senate consisted of four express no votes from free market senators.

It is not the typical practice of WATDA to be so candid about the sausage making process that working a bill through the legislature is, however, we do here to educate our members about who in the legislature supports your business and who does not. Legislators and hopeful candidates are going to be calling and mailing you seeking your support to help them with their campaign. When you are solicited by candidates, talk to them, ask them about their position on franchise laws.

When speaking to legislators, find out how much they really know about the franchise system. They may not be aware that your Sales and Service Agreement is a take it or leave it document that manufacturers reserve the right to unilaterally modify from time to time as they see fit. In which case, the Wisconsin Motor Vehicle Franchise Law is the only mechanism you have, to effectively negotiate with the manufacturers. Walking away from your franchise investment is not a practical solution.

Every state has a motor vehicle franchise law for a reason. Franchise laws regulate the dealer manufacturer relationship, the dealer and customer relationship and the manufacturer and customer relationship. They ensure fair intra-brand and Interbrand competition throughout the state, which directly enables smaller dealers in more rural areas to survive and service those communities.

Wisconsin motor vehicle dealers are a vital component to a strong and consistent local economy. There are currently over 525 franchised dealer locations throughout the state. These are independent business entities who employ over 28,000 Wisconsinites with living wage jobs. Further, the franchised dealer system is the foundational support for the inventory supply chain that feeds the 2,000 plus independent (used vehicle) dealers, they partner with local lenders and insurance agents to fuel affiliated industries. Lastly, because of individual, localized ownership, dealers are a vital part of their communities, sponsoring and hosting local charity events.

Warranty reimbursement is a major factor in the franchised dealer's business model. As motor vehicles advance technologically, the cost to dealers for manufacturer-imposed facility standards, personnel training, special manufacturer mandated tools, diagnostic equipment and personnel, continues to rise. While some manufacturers compensate their dealers fairly, others view it as purely an expense that needs to be constantly monitored, controlled and reduced.

Forty states have provisions that require the manufacturer to reimburse their dealers at the average customer pay rate. Twenty-seven states use the same formula for warranty parts reimbursement that Wisconsin does. While most dealers accept

the reimbursement formula that their manufacturer has decided is fair, others have opted to choose to be reimbursed under the statutory formula. The franchise law guarantees the dealers a choice. It's just a shame that some legislators feel that it's OK to let manufacturers punish a dealer for exercising that choice (a choice they voted to provide you).

In the upcoming months WATDA staff will be traveling throughout the state and meeting with our dealers. We are hoping that when we are in your area, you take the time to come and meet with us. It is a great opportunity for both WATDA staff and our members to meet and discuss the issues that are affecting your business.

Dealers Have Until October 1, to Have Manufacturers begin issuing MSO/MCO's in the Dealer's Legal Corporate Name

Many of you may have recently experienced an issue with processing transactions due to the dealer's trade name or an abbreviation being listed on the Manufacturer's Statement/ Certificate of Origin (MSO/MCO). The DMV has a long-standing policy of requiring that the dealer's formal corporate name be listed on all Buyer's Guides, Purchase Contracts, MV-11's and MSO/MCO's. Through an internal auditing process, DMV has discovered that many manufacturers are sending dealers MSO/MCO's with the dealer's trade name or abbreviations listed and not the full legal name.

The result is, many dealers have been informed that transactions have been put on hold and the dealer was instructed to contact their manufacturer to reissue an MSO/MCO listing the dealer's legal name. In the meantime, the customer's transaction was not being processed. WATDA has been in contact with DMV about this situation and we are working with DMV to rectify the issue as quickly and painlessly as possible.

DMV has informed WATDA they will process all transactions (all pending and going forward). However, to facilitate compliance with the policy, DMV is attempting to communicate with each manufacturer to inform them that they need to title their MSO/MCO's in the dealer's legal name. This process will take some time.

Therefore, DMV will allow dealers to process MSO/MCO's with the dealer's trade name or abbreviations on MSO/MCO's issued prior to October 1, 2018. All MSO/MCO's issued after October 1, 2018 MUST HAVE the DEALER'S FULL LEGAL NAME listed to process the transaction. While DMV is reaching out to each manufacturer, dealers can help expedite the process by contacting your manufacturer with any information they are going to need to change their records and process.

Below is a sample Wisconsin Motor Vehicle Dealer License. The arrow indicates where the dealership's legal name is listed. Please check your records.

STATE OF WISCONSIN
DEPARTMENT OF TRANSPORTATION
DIVISION OF MOTOR VEHICLES

MOTOR VEHICLE DEALER - RECREATIONAL VEHICLE DEALER
SALES FINANCE - MANUFACTURER - DISTRIBUTOR

LICENSE CERTIFICATE

This license and your license plates cannot be assigned or transferred.

LICENSE NUMBER
MV-00

ISSUED
09/01/2018

EXPIRES
07/31/2020

BRANCH / SUBLOT
BRANCH: 4822 MADISON YA'DDI WAY

MAKES
HOND
GMC
FORD
AUDI
BMC
INFI
MERZ

BCSU AUTO SALE INC
BCSU INFINITI OF MADISON
4802 SHEBOYGAN AVE
MADISON WI 53713-2329

POST IN A CONSPICUOUS PLACE

Changes Coming to The Temporary License Plate Process

Soon, after the implementation of eMV PARTNER, dealers will have the ability to print temporary license plates from the dealership. This has several benefits. Most notably, the temporary plates will now be accessible by law enforcement. Additionally, dealers will no longer need to maintain a temporary license plate log. The new system will create the log automatically.

This style of temporary license plate has been available since 2012 in WisDOT's eMV Public System. In January, this style of temporary plate was implemented in the emission testing program and this past month all DMV service centers began issuing this type of plate as well.

Attention: Avoid Fraud Scheme Involving Vehicles Shipped to Greater Chicago Area

The Chicago Police Department has requested that NADA disseminate the following information:

We are requesting that motor vehicle dealers throughout the nation exercise extraordinary diligence in verifying the identity of customers who attempt to purchase vehicles via the internet and have them shipped to the Chicagoland area (which includes the city of Chicago, its suburbs, and Northern Indiana). We are seeing an epidemic of vehicles being purchased via identity theft and shipped to the Chicago area from around the country. The vehicles are usually valued at $50,000 or more. The transactions usually start via an internet search. Credit applications and other paperwork are either filled out on-line or sent to the dealership via FedEx after they are requested to be sent to an address in the Chicago area (often times a vacant building). The offenders create a phony email account in the victim's name as well as a fake driver's license with the victim's information, and they use Google Voice or other applications whose phone numbers are not traceable. The offenders oftentimes seek to arrange their own transportation for the vehicles to be shipped.

This is an elaborate scheme that can be stopped if dealerships conduct a thorough examination of on-line loan applications and related paperwork and institute a waiting period before shipping the vehicle. This will help protect both the dealership and innocent persons whose identities are being stolen. In every incident that we have investigated, there are several red flags that the dealership should have caught prior to shipping the vehicle. The Chicago Police Department is fielding at least three requests a week to investigate and recover vehicles that were purchased via identity theft and shipped to Chicago from out of state. In most cases, the credit application was initially approved and the vehicle was shipped. Upon further review of the credit application, inconsistencies were identified and credit was declined. We have recovered vehicles shipped to the Chicago area from several states including Utah, Florida, Texas, Delaware and Pennsylvania.

If you have questions or concerns, contact: Sgt. Keith A. Blair, Commanding Officer, Chicago Major Auto Theft, Investigative Unit, Central Investigations Division — Unit #606, Chicago Police Department, 3151 W. Harrison St., Chicago, IL 60612 or keith.blair@chicagopolice.org.

NADA note: The Federal Trade Commission's Red Flags Rule requires dealers who offer or maintain consumer credit (including retail installment sale contracts and vehicle leases) and dealers who offer business credit where a reasonably foreseeable risk of identity theft exists to maintain a written Identity Theft Prevention Program that (i) identifies relevant red flags that indicate the possible existence of identity theft, (ii) contains reasonable procedures to detect and respond to those red flags, and (iii) is updated periodically to reflect new identity theft risks. Information on the full scope of duties is available in NADA's A Dealer Guide to the FTC Red Flags and Address Discrepancy Rules: Protecting Against Identity Theft. ●

Reducing Expenses

BY JOHN HACKMAN

In the automotive industry today auto dealers are looking to reduce expenses in their dealerships. As a dealer wouldn't it be nice of instead of buying from whomever, whenever, and at whatever price, you could combine with 650 other dealers and buy from a source that took advantage of that buying power and sold to you at better prices than you could ever get alone? Wouldn't it be nice if that source handled everything a dealership needed from the biggest equipment in the shop to the toilet paper in the rest rooms and saved you money on all of it? Wouldn't it be nice to be able to reduce the number of vendors you did business with every month? Wouldn't it be nice if you could trust that something you bought from this source was a quality product at a good price? What if that source would make sure that on every one of your invoices from them that the manufacturer or supplier was giving you the correct pricing and program? On top of all that what if the source at the end of the year paid you cash for doing business with them? Seem too good to be true? Members of WISCO have all of this and more. WISCO is owned by and operated for its members. Using group buying power we save our members money on their purchases. The only reason we exist is to serve our membership and help their bottom line. WISCO sells to its membership almost anything a dealership needs other than the vehicles. Since the member dealers own the co-op, all end of the year profits are paid to them. This is paid with the WISCO year-end rebate paid in direct proportion to how much the member purchases from WISCO. Members save on the original invoice, get paid a rebate at the end of the year, and have the peace of mind they are buying from someone who is working for them. **Who else do you buy from that is only in business to add to your bottom line!**

If your dealership is one of the very few who is not a member of WISCO check us out at wisco.com or call 800-274-2319. If your dealership is a member of WISCO, make sure you and your managers are using WISCO as much as possible. Your reminders to your buyers to check with WISCO are invaluable to us! WISCO has the programs in place but you have to use them to take advantage of your membership and reduce expenses in your dealership.

Cybercrime: The Next Iteration

BY DEREK LACZNIAK, DIRECTOR OF CYBER LIABILITY, M3 INSURANCE

Data Security is a focal point for virtually every organization – and individual – these days. There continues to be considerable concern about how we manage sensitive data in both our professional and personal lives. However, it is critical to understand that much of the financial losses that are trending today are not "data breach in nature". Instead, they are more often related to cybercrime, in which computers and the internet are just the mediums for how the crime is carried out.

Rather than reminding organizations and individuals to be sensitive to how they handle data, this article serves as a reminder that there is still a growing trend in the amount of traditional cybercrime taking place and cyber criminals preying on our culture of email reliance.

The Basic Cybercrime Tactic

One of the first trends in cybercrime started around five years ago. It has been called a number of things, such as social engineering, CEO fraud, or CFO manipulation. In this situation, a threat actor (thief) builds an understanding of the players within an organization through the use of public website access, i.e., company directory, LinkedIn, Facebook, to understand the organization's structure.

The threat actor then creates an entirely "spoofed" email account (account where it appears to be legitimate, but upon hovering over the email as a recipient, it's clear that it's a generic, free account) that looks like it belongs to the CEO or other organization leader. Using that account, the threat actor sends emails targeted at financial staff, including the CFO, to try to induce them into sending an urgent wire transfer. Cybercrimes like this have been widely reported and discussed.

The Next Cybercrime Wave

We reference this basic cybercrime tactic because the newest trend we're seeing uses the same type of tactic, but in a different way. Again, the threat actor, building a profile from public-facing web information, creates a "spoofed" email address, but this time it is something along the lines of accountsreceivables@abccompany.com. Then, using the same profile they created, or after a successful phishing campaign to the email server, they use this email address to target customers of ABC Company to let them know that it has changed its banking relationship and that future invoices should be routed to new banking information. Often times, the emails will contain completely fraudulent letterhead from the president or CEO announcing the change in banking relationships.

This new tactic has the potential to go on for months without ABC Company noticing, primarily because many organizations offer their customers generous credit terms, and any follow up for non-payment may not take place until multiple legitimate invoices go unpaid. At that time, when a true accounts receivable employee reaches out to the customer, multiple payments have been made to the fraudulent banking information. This tactic has proven challenging for organizations because of the uncomfortable situation it creates for both ABC Company and the customer.

Under traditional crime and cyber insurance policies, ABC Company would not be able to file a claim because they haven't suffered a financial loss. The money never reached their account. Often times the customer doesn't have the appropriate crime or cyber insurance to respond to their social engineering crime loss either, and may hold ABC Company accountable for the fact that they were "hacked." The lack of insurance policy clarity has put undue stress on these critical relationships.

This type of cybercrime has been growing in frequency and severity in 2018. It is seemingly targeting organizations with wide customer bases operating in industries where there is an assumption of regular payments being made, including service providers and manufacturers among others.

The insurance marketplace has responded by developing endorsements to crime and cyber insurance policies to be endorsed onto ABC Company's existing policies. The endorsements protect ABC Company's losses when their customers are manipulated. Losses can also be covered on a first-party basis by having social engineering coverage on the customer's policies.

Recommendation:

Organizations that potentially have this exposure are encouraged to issue a memo from their financial teams to all of their customers acknowledging this threat and confirming that they are not looking at any banking alternatives at this time. Any information customers receive to the contrary should be reported to their representative immediately. In addition, the memo should outline the steps the organization would take if it ever did decide to change banking relationships. These steps could include a personal call from the organization's finance department directly to the customer. ●

Tribute

LeRoy "Lee" E. Markquart, 87, died peacefully at home on May 29 after a six month battle with pancreatic cancer.

Lee was born on his grandparents' farm in MN to Ed and Ede Markquart, the second of four children in where he graduated from Jackson High School in 1949; and Macalester College in 1953. He then served the South Dakota Air National Guard as a radar observer on a two-man plane.

Lee and Mary Hagberg were married on July 20, 1957 and made their home in Jackson until 1970 when they moved to Eau Claire to build Markquart Motors and raise their family. They were married for almost 53 years when Mary died of ovarian cancer in June 2010.

Lee and Mary were largely responsible for bringing the Boys and Girls Club to Eau Claire; over the years he poured his heart and soul into ensuring the club would remain a place to take care of youth in the Chippewa Valley. They were also involved in the Society of Founders at the Eau Claire Community Foundation, and avid supporters of the University of Wisconsin Eau Claire.

Lee was preceded in death by his wife Mary, and sister Rene (Tom) Hawkins. Lee is survived by his beloved companion of more than seven years, Sue Kristo; his sons David (Michelle), John (Terri), Paul (Melissa) and daughter Jeanne (Andrew) Hartfield; his grandchildren, and step-granchildren; eight great grandchildren; his sister Bev (Will) Larsen and brother Ed (Jan) Markquart, as well as an abundance of friends and extended family.

WATDA President Emeritus Gary Williams had the following to say about Lee Markquart:

"Lee was 2001 WI Dealer of the Year/TIME Dealer nominee; involved in the formation of our Foundation, (serving on the board from 1992-1997; as chairman in 1995); a WATDA board member(1972-1981) who declined going up the ladder; ran exemplary dealerships; had the foresight to convince Ken Vance to quit the Convention and Visitors Bureau and join him; then helped to set Vance up as a competitor; he gave tutorials at the NADA conventions on how to be a customer-based organization; and on. Lee helped me to understand things I had no clue about…but he knew I should know."

"Lee could ask a sharp, challenging question ever so respectfully. If he disagreed with something, he was always there with an alternative that made sense. He was a leader and a coach."

From the WATDA staff's viewpoint; "Lee was the epitome of what we would hope for in a member: engaged, supportive and always a class act." ●

John Stenbroten, age 92, longtime auto dealer and Monticello resident passed away July 21. John was born on July 12. 1926 in Bagn Valdres, Norway, the son of Oluf and Olga Stenbroten. The family migrated to the United States on May 5, 1927; and settled in the Argyle-Blanchardville area. John was at 1944 graduate of Blanchardville High School.

John married Bernice Voegeli of Monticello June 22, 1946 and they farmed until moving to Monticello in 1954 to join Leon A. Voegeli, his father-in-law at Voegeli Chevrolet Buick. The Stenbroten family purchased Karlen Ford in 1995 and began Monticello Ford.

A very active community member, John served the village board for 26 years, 22 of those years as the Village President; the Bank of Monticello board for 29 years, 14 years as President. He was also active in many civic organizations such as Sons of Norway, Zor Shrine, Masonic Lodge, the Monitcello Historical Society and Zwingli United Church of Christ.

John is survived by four sons, Jack (Sally), Jim, Steve (Cindy) and Dan (Mary); grandsons, great grandchildren, sister-in-law Lila Stenbroten; cousins, nieces, nephews and special friend Evelyn Larson.

He was preceded in death by his parents; a daughter in 1947, his wife Bernice in2005, brothers Olin and Donald; sister and brother-in-law Ruth and Paul Duerst. ●

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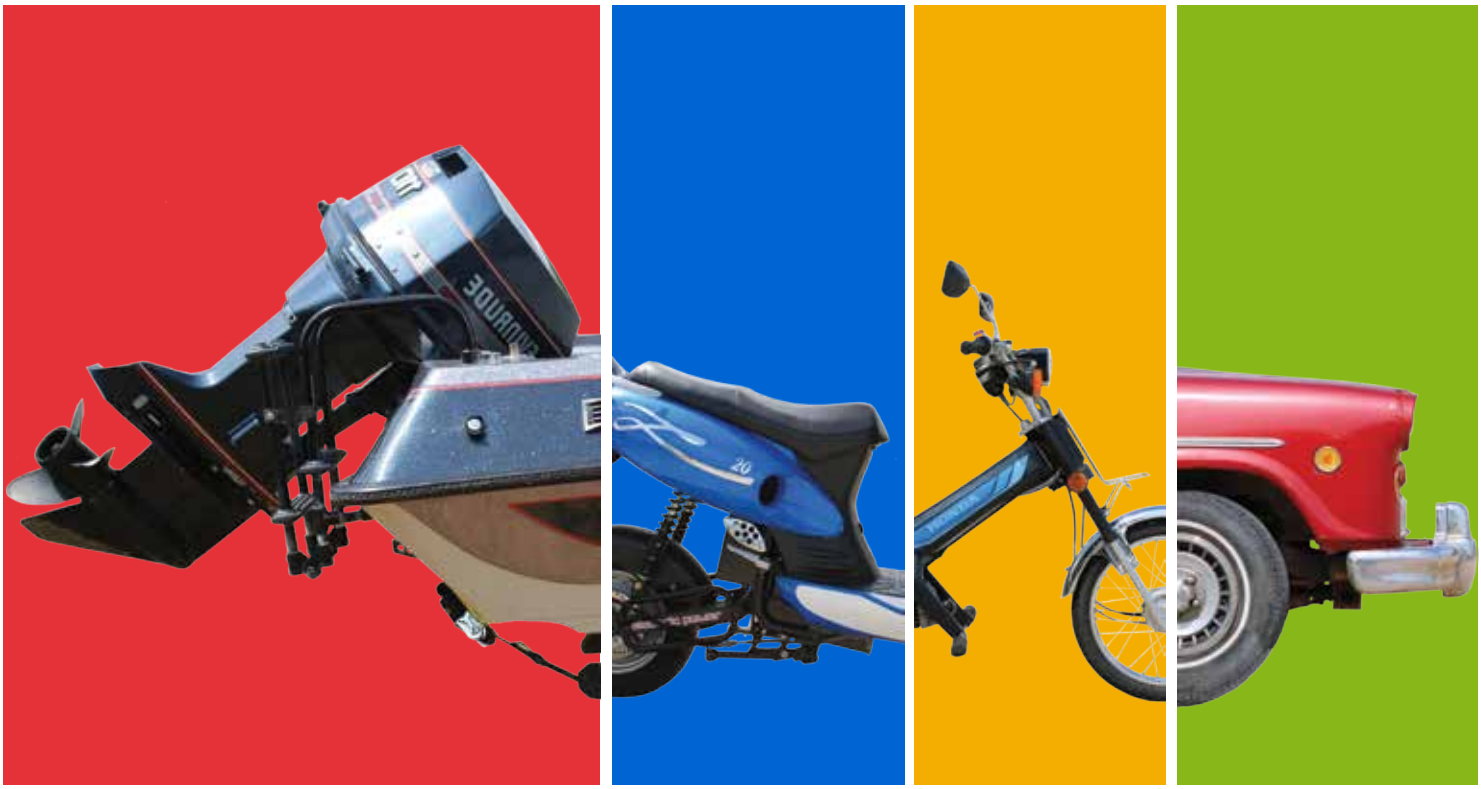

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Nitro-X Middle School Summer Camps...On Your Mark... Get Set...Go!

BY KARA S. NANIA

When you have multiple moms coming up and saying, "This is the coolest and best thing my son has ever done," you can chalk it up as a win. When you have a parent pull you aside to point out her son because he is so introverted and is constantly bullied, and she wants you to see him smile and laugh with the friends he made so that you know that you made a difference well… well there are no words.

So, ends our first series Nitro-X Middle School Summer Camps and the results were beyond what we could have ever expected. Our goals were to expose kids to the industry and to hope to create some passion. The fact that we ran both camps at max capacity, with waiting lists and interest for next year, says we hit our mark.

This summer the Foundation of WATDA brought in a summer camp idea from Minnesota and launched the inaugural camps at Gateway Technical College (GTC) and Waukesha County Technical College (WCTC). They were week-long day camps where the campers got to work on RC (remote control) methane engine vehicles learning to rebuild and repair the engines along with all aspects of repair. During that time the campers also went onsite to auto dealers, heavy-duty truck dealers, RV dealers and auto body/collision repair shops with the intention to get hands-on experiences in as many different types of jobs they could at these difference types of dealerships. Our goal was to expose them to as many aspects of our industries as we could.




The camps wrapped up with attendees showing off their vehicles and customized paint jobs to their parents and extended family members, as they were all invited out to the technical college for Race Day. When the kids showed off their driving skills competing to take home trophies designed by the school; let me tell you the competition was fierce. GTC even had a pair of identical twins battling it out in their finals!

To answer the question, "Was a passion was created?" truly only time will tell; but let me share this, as we were waiting for the trophies to be awarded at the end of one of the camps, an argument broke out among the kids as to what is cooler, trucks or RVs? Not bad for a week-long day camp.

Please follow Nitro-X Summer Camps Wisconsin Facebook page to see pictures from this year's camps, get updates and information on new locations for on next year's camps. ●



World Class Technician Teacher

The FOUNDATION
OF THE WISCONSIN AUTOMOBILE & TRUCK DEALERS ASSOCIATION

BY DAN KLECKER, STATE EDUCATION DIRECTOR

John Hayes, automotive instructor from Beloit Memorial High School, was recognized by the president of ASE, Tim Zilke, at the ASE Instructor Training Conference for achieving World Class Technician status.

The Auto Care Association and National Institute for Automotive Service Excellence (ASE) work together to recognize professional technicians who have tested and obtained ASE certification in 22 specialty areas. World Class Technicians have earned certifications in A1-A8 (automotive), T1-T8 (medium/heavy truck), B2-B5 (collision repair), along with advanced areas of L1, and L2.

- There are an estimated 879,000 technicians in the U.S.
- Over 300,000 techs are ASE certified
- The World Class Technician recognition was established more than 30 years ago
- Less than 2000 driven techs have earned World Class status!

John has worked as a technician, service manager and owned his own shop before he transitioned to education. He will be starting his third year of teaching the ASE accredited automotive program at Beloit Memorial HS.

The ASE Instructor Training Conference, held in Frisco TX, was attended by over 300 transportation instructors from around the country. Training was sponsored for automotive, truck, and collision sessions by manufacturers such as Subaru, Snap-on, FedEx Freight, Toyota, Polyvance, and Daimler Truck. Instructors had the opportunity to receive industry training that counts towards their 20 hours/year requirement to maintain program accreditation.

The Foundation covers the cost of the conference registration for instructors at our ASE accredited high schools in WI. The high schools are expected to cover the Instructor's remaining costs to attend the national conference. ●

Sleepy Hollow Academy Graduates First Class

BY CHUCK KELLER, CESA

Wouldn't it be wonderful if every school had a nationally accredited automotive tech program? Unfortunately, in Wisconsin this is not the case. In reality, many rural schools cannot even support a Technical Education program. So how do students in these districts obtain exposure to the career readiness skills they need? One answer is a unique program developed in partnership between Sleepy Hollow Auto, The WATDA Foundation, Western Tech and CESA 3,4.

In May of this year, thirteen students from eight schools in southwest Wisconsin were the first to graduate from the Sleepy Hollow Auto Technician Academy. The Academy was developed to address a critical shortage of students entering the automotive technician career pathway. Students traveled to Sleepy Hollow Auto in Viroqua on Wednesday nights between September 1 and May 30. Students were taught by Evan Nelson, certified Auto Technician employed by Sleepy Hollow, and earned dual credits at their high school and at Western Technical College. The Academy provided these junior and senior students with the academic and technical skills needed to gain entry level employment in the automotive industry. The need for this program was acute, many of these students came from schools that did not posses a hoist or other essential equipment. It is very difficult to train students basic auto maintenance without the proper tools.

The program will be expanding for the fall of 2018. Mark Fillback, President of Fillback Family of Dealerships, will be hosting 24 local students in two of his dealerships using the Academy model. The classes will be taught by Fillback employees with dual credit opportunities with Southwest Tech. These students in addition to 12 more students in Viroqua will bring the number to 36 students actively engaged. With more dealerships positioned to come on line in 2020 the number of students participating will continue to grow. If you would like more information on this program, please contact Kara Nania at the Foundation or Chuck Keller at CESA 3 in Fennimore Wi. ckeller@cesa3.org ●

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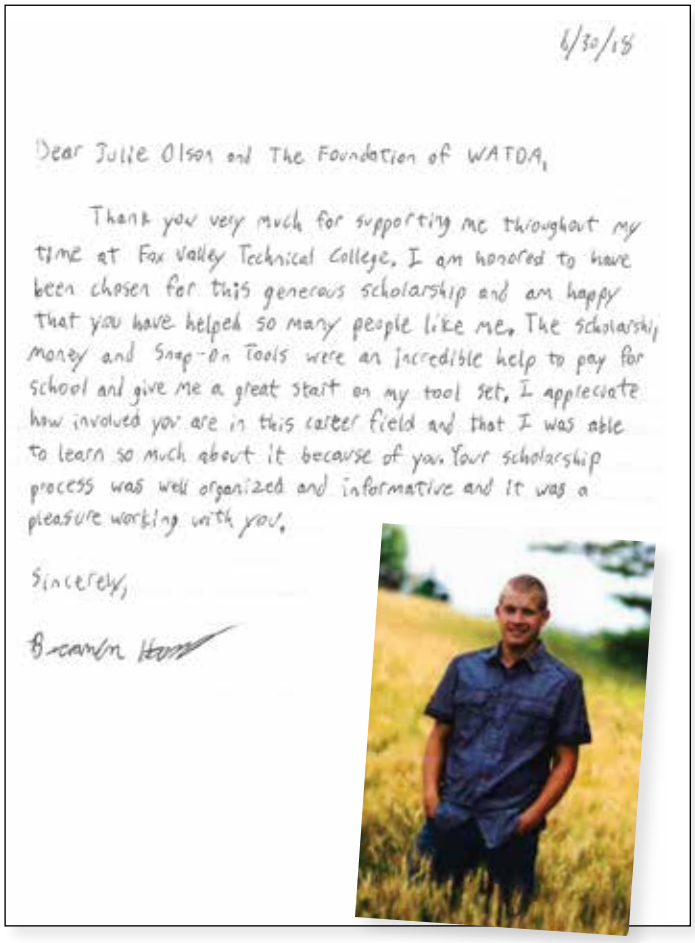
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Dear Julie Olson and The Foundation of WATDA,

Thank you very much for supporting me throughout my time at Fox Valley Technical College. I am honored to have been chosen for this generous scholarship and am happy that you have helped so many people like me. The scholarship money and Snap-On Tools were an incredible help to pay for school and give me a great start on my tool set. I appreciate how involved you are in this career field and that I was able to learn so much about it because of you. Your scholarship process was well organized and informative and it was a pleasure working with you.

Sincerely,

Brandon Hess

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