

ILLINOIS

AUTOMOBILE DEALER NEWS



The **Big** Lie

Page 12



Woodward & Associates, Inc.

1707 Clearwater Avenue · P.O. Box 1584 · Bloomington, IL 61702
(309) 662-8797 · Fax (309)662-9438 · Email woodwardassoc@cpaauto.com
· <http://www.cpaauto.com>

Located in Central Illinois, we serve the entire state.

We specialize in automobile dealers in the following areas:



*Certified Public
Accountants*

- Dealership valuations
- Automobile dealer legal support
- Buy-Sells for dealerships
- LIFO inventory computations
- Financial statement analysis
- Corporation Income Tax returns
- Personal Income Tax returns
- CPA prepared financial statements
- Dealer estate planning
- Employee theft consulting
- Internal control studies and audits
- Profit consulting
- Training office managers/CFO's
- 401K Audits

Memberships in:

AUTOCPA Group

The American Institute of Certified Public Accountants

The Illinois CPA Society

*Serving more than 250 Automobile Dealers
throughout the United States*



**EXCLUSIVE.
STRATEGIC.
RESULTS.**

*Exclusively representing
the unique business
interests of automobile
dealers for over
30 years.*

CONCENTRATIONS:

Dealership Mergers & Acquisitions
Dealership Franchise Law
Business Litigation / Motor Vehicle Review
Board Disputes
Manufacturer / Franchisor Relations
Business & Commercial Law
Advertising Compliance Review
Consumer Complaints
Dealership Succession
Add Points
Real Estate Law
Employment & Labor Law
Federal & State Regulatory Compliance

BACKGROUND:

Principal, Private Law Firm
Former, IADA Legal Counsel
Former, Illinois Assistant Attorney General,
Deputy Chief, Consumer
Protection Division
Drafted Illinois Motor Vehicle Franchise
Act Amendments Creating Motor
Vehicle Review Board
Drafted Illinois Motor Vehicle
Advertising Regulations



LAW OFFICE OF
Julie A. Cardosi, P.C.

Julie A. Cardosi, Esq.
3040 Spring Mill Drive, Suite B
Springfield, IL 62704
(217) 787-9782
jcardosi@autocounsel.com
www.autocounsel.com

Results that transform

Secure your today and innovate for your tomorrow by turning your dealership challenges into opportunities. Contact us today for services in:

- Audit and accounting
- Tax
- Strategic planning
- Operational assessments
- Talent management
- Change management
- Business transition
- Cybersecurity

wipfli.com/dealerships

WIPFLI

Results **DRIVEN** by Zurich.

THE ZURICH ADVANTAGE **INNOVATIVE**

Backed by the strength of a global organization, we embrace the opportunity to inspire the growth and success of our dealer customers. We are focused on driving technology and services that can keep your business evolving and thriving in a dynamic industry.

Bring Zurich's innovation to your dealership.

Contact Colleen Rogers at 708-846-9061 or visit zurichna.com/automotive.

**ZURICH INSURANCE.
FOR THOSE WHO TRULY
LOVE THEIR BUSINESS.**


ZURICH®

This is intended as a general description of products and services available to qualified customers through the individual companies of Zurich in North America and is provided solely for informational purposes. Nothing herein should be construed as a solicitation, offer, advice, recommendation, or any other service with regard to any type of insurance or F&I product underwritten or distributed by individual member companies of Zurich in North America, which include Zurich American Insurance Company and Universal Underwriters Service Corporation (1299 Zurich Way, Schaumburg, IL 60196). Certain restrictions may apply. All products and services may not be available in all states. Please consult with your sales professional for details. © 2020 Zurich American Insurance Company. All Rights Reserved.

- 6** IADA President's Message
- 8** Counselor's Corner: An Eruption Ahead? Pent Up Dealership Buy-Sell Activity in a Post COVID-19 Future
- 10** Consultant's Corner: A Training Plan That Matches the Team
- 12** The Big Lie
- 16** Consumers Will Lose Under State's Law Enforcement
Auto Dealers Sue Illinois Secretary of State



ILLINOIS

AUTOMOBILE DEALER NEWS

2021 OFFICERS

Chairman

Mr. Rick Yemm / 309.344.2727
Yemm Chev-Buick-GMC-Chry-Dodge-Jeep, Inc.
2195 Henderson Street, Galesburg, IL 61401

Vice Chairman

Mr. Sean Grant / (217) 862-5300
Landmark Chrysler Jeep & Ford
2331 Prairie Crossing Dr., Springfield, IL 62711

Secretary/Treasurer

Mr. David Parkhill / (217) 352-4275
Sullivan Parkhill Automotive
Champaign, IL 61822

President

Peter J. Sander / 217.753.0220
Illinois Automobile Dealers Association
300 W. Edwards, P.O. Box 3045, Springfield, IL 62708

Illinois Automobile Dealers Association
300 West Edwards Street, Springfield, IL 62708
T 217.753.0220 • F 217.753.3424
www.IllinoisDealers.com

Illinois Automobile Dealers Association

300 West Edwards Street | Springfield, Illinois 62704
T 217.753.0220
F 217.753.3424
www.IllinoisDealers.com





IADA **PRESIDENT'S Message** | BY PETER J. SANDER

I want to encourage each of you to become more involved in the legislative process to help our industry. Reach out to your legislators and advocate on behalf of our industry. These are the people who will make decisions that will have an impact on our industry and your dealership. If you don't know who represents you, you know it is time to introduce yourself! We are already beginning to see a record number of legislative introductions which we are tracking and scheduled to testify on. Your grassroots efforts are more important than ever and will help us make sure the dealer voice is heard in our State Capitol. The following bills need your action now:

Senate Bill 58: Trade-in Credit Bill

Passed Out of Senate — House Contacts Needed

Senate Bill 58, which would restore the full sales tax trade-in credit, passed out of the Illinois Senate on March 10 on a vote of 53-0. IADA expresses our thanks to the Senate sponsor, Senator Tony Munoz. This is the second year in a row that Senator Munoz has sponsored this legislation after COVID forced the cancellation of most of last year's session. Next, Senate Bill 58 will move to the Illinois House. Please reach out to your State Representative ASAP and encourage him/her to vote "YES" and restore the full sales tax trade-in credit.

HB3940 — Fair Labor and Consumer Protection Amendment

Passed the Labor and Commerce Committee – House Contacts Needed

The Warranty Work Reimbursement Bill would amend the Motor Vehicle Franchise Act (815 ILCS 710/) to define and expand upon how motor vehicle manufacturers are required to "adequately and fairly" compensate each of its motor vehicle dealerships for labor and parts associated with warranty work.

The bill adjusts manufacturers' calculations for time allowances, labor rates, and parts prices for warranty work.

HB 3940 passed out of the House Labor and Commerce Committee by a 21-2 vote. Please contact your House Member today and urge them to vote "YES" on HB 3940. We also encourage you to pass this along to your service technicians and suggest they contact their House Member as well.

Other important dealer Issues for 2021:

- Defending the dealer franchise system and protecting consumers from challenges presented by manufacturers selling directly to the public and manufacturers that try subverting their sales and service agreements with dealers by rebranding product lineups. (Lawsuit filed against Sec. of State, Rivian and Lucid, support Volvo dealer protest).
- Reversing the Military APR rate cap that impairs the sale of vehicle protection products like GAP waivers and service contracts.
- Fighting to retain the retailers' sales tax collection allowance.
- Extending the out-of-state driveaway permit from 30 to 90 days and creating a dealer title to use when title reassignment lines are full.
- Fighting attempts to cut the doc fee in half.

As you can see, your support of IADA is more important than ever! ■

Sincerely,

Peter J. Sander
IADA President

Making business easier for auto dealers. Especially now.

Running a dealership comes with its share of uncertain terrain. But one thing is certain. Our Dealer Financial Services team is dedicated to being by your side with the resources, solutions and vision to see you through.

Mike Fairchild
mike.fairchild@bofa.com
630.780.8418

Jennifer Lozzio
jennifer.lozzio@bofa.com
224.288.9231

bofaml.com/dealer

BANK OF AMERICA 

"Bank of America" and "BoFA Securities" are the marketing names used by the Global Banking and Global Markets divisions of Bank of America Corporation. Lending, other commercial banking activities, and trading in certain financial instruments are performed globally by banking affiliates of Bank of America Corporation, including Bank of America, N.A., Member FDIC. Trading in securities and financial instruments, and strategic advisory, and other investment banking activities, are performed globally by investment banking affiliates of Bank of America Corporation ("Investment Banking Affiliates"), including, in the United States, BoFA Securities, Inc. and Merrill Lynch Professional Clearing Corp., both of which are registered broker-dealers and Members of SIPC, and, in other jurisdictions, by locally registered entities. BoFA Securities, Inc. and Merrill Lynch Professional Clearing Corp. are registered as futures commission merchants with the CFTC and are members of the NFA.

Investment products offered by Investment Banking Affiliates: Are Not FDIC Insured • May Lose Value • Are Not Bank Guaranteed.

An Eruption Ahead? Pent Up Dealership Buy-Sell Activity in a Post COVID-19 Future

By Julie A. Cardosi, Law Office of Julie A. Cardosi, P.C.



Making the 2021 annual list of the National Association of Dealer Counsel's (NADC) top legal trends for automobile dealers is again, buy-sell activity. As reported by dealers and brokers, after the chaotic business climate of 2020 — a steady upswing of dealership buy-sell activity in the latter half of 2021 is expected. Pent-up buy-sell transactional activity appears to be a further fallout of the COVID-19 pandemic with experts speculating that valuations will reach record highs for nearly all brands. If your business is considering a buy-sell transaction, either as a buyer or as a seller, will you be adequately prepared?

There are numerous considerations for a proposed buyer or seller to think about before entering a buy-sell transaction. The best time to enlist the assistance of competent automotive counsel and any other advisors is at the consideration stage, well before the implementation stage and prior to any negotiations. Important legal, tax and planning considerations exist which can impact the unique structure of each transaction differently.

Parties aspiring to put together a buy-sell will often eagerly engage in discussions, reach preliminary understanding of material terms and only after key terms are set, consider engaging lawyers to prepare required contracts and memorialize the

parties' intentions. Too often, early stage negotiations impact material and financially consequential terms of the deal and can compromise the parties' rights. If the parties do not involve counsel until the point when binding agreements are drawn up, they should be wary of potential problems they may create for themselves, and at a minimum, be mindful of a few points during this initial phase.

First, discussions should be documented. Prospective parties to a transaction commonly get together, in person or over the telephone to talk about their desired deal, which might include price terms and other aspects of the proposed transaction. It is prudent to take thorough, contemporaneous notes of these conversations. These notes should include the dates of the conversations, participants, and as much detail as possible. These notes should be placed in a separate easily accessible file. Be organized. This may be helpful should the need arise down the road for clarification or in the event of a disagreement. These notes will often become the framework for a letter of intent (LOI), and while a LOI is not a substitute for the formal buy-sell agreement nor can a LOI satisfy manufacturer approval requirements, a LOI can serve as a most useful roadmap to completion of the buy-sell agreement. Naturally, it is advisable to consult with an attorney before executing a LOI.

Second, the importance of collecting necessary information and documents cannot be overstated. This might include franchise agreements and all addenda, lists of inventories, customer records, existing environmental reports, appraisals, records of pending litigation and the like. A seller should compile this information before any negotiations occur. Relegating this important aspect to the end often causes undue delay, misunderstandings between the parties and can even jeopardize a closing.

Third, most dealerships have executory contracts, existing agreements, leases and even non-cancelable contracts with vendors and third parties (e.g., computer equipment/software maintenance contracts, agreements for uniforms, advertising, etc.). It is important that these agreements be identified and reviewed early on in the buy-sell process to allow the parties to determine if they are being assumed by the buyer and to determine any assignment requirements. Failure to identify and address these obligations can prove costly and adversely impact the buy-sell closing.

Fourth, the parties should evaluate how to address any due diligence inspections of the business, records, assets and any real estate and improvements, including who will bear inspection costs and the consequence of inspection findings that are not satisfactory. Early determination of these issues could facilitate avoidance of delay, keep the deal together, or allow a party to determine whether to proceed to closing.

Fifth, the structure of the selling dealership is often a corporation or other legal entity. Though the buyer may have been

Parties aspiring to put together a buy-sell will often eagerly engage in discussions, reach preliminary understanding of material terms and only after key terms are set, consider engaging lawyers to prepare required contracts and memorialize the parties' intentions.

dealing with the seller's majority owner all along, minority shareholders may have rights under the law and the corporation's governing documents which can impact the buy-sell process. Determine early in the process the rights, if any, of minority shareholders to avoid unnecessary delay and secure required approvals.

Given the prospect of an uptick of buy-sell activity, dealers considering either buying or selling should retain competent legal counsel as early as possible prior to commencing this process. Before principals participate in discussions about a prospective deal with interested parties or take other affirmative steps, consideration of the above five points, consultation with counsel and other advisors to address specific circumstances will serve to avoid pitfalls that could adversely result in the undoing of the coveted deal, prove costly to the parties, or impact the parties' legal rights and protections. ■



Julie A. Cardosi is an attorney and president of the private firm, Law Office of Julie A. Cardosi, P.C., of Springfield, Illinois. She has practiced law for 35 years and represents the business interests of franchised new vehicle dealers. Formerly in-house legal counsel for IADA, she concentrates her practice in the areas of mergers and acquisitions and other transfers of dealer ownership, franchise law, commercial law, state and federal regulatory compliance matters, including employment and other areas impacting day-to-day dealership business operations. She has also served as former Illinois Assistant Attorney General and Deputy Chief of the Consumer Fraud Bureau of the Attorney General's Office. The material discussed in this article is for general information only and is not intended as legal advice and should not be acted upon as such. Dealers should consult their own private legal counsel for application to their specific circumstances. For more information, Julie can be reached at jcardosi@autocounsel.com, or at 217-787-9782, ext. 1.

A Training Plan That Matches the Team

By Joel Kansanback, Executive Vice President, Brown & Brown Dealer Services



When you construct a sales forecast and build a training plan around it, you need to consider the talent level on your team. The entire talent and experience level will dictate how complex you can make your plan and what level of execution you can expect. Many times, keeping it simple is just better.

Recently I was reminded of coaching a youth football team made up of third graders — yes, that's a team of eight-year olds. Football requires a lot of teamwork, and each player affects the others' ability to do their job. When children are eight, they don't know much about the game. They are lucky if they know their job let alone what someone else's responsibility is. They for sure don't know why they are being asked to do what they are being asked to do. On TV, they see throwing, catching and running, for sure not blocking.

The coaches in youth football usually played at some level and they have a love and passion for the sport. They can't wait to share their knowledge and passion with their child. Commonly this passion and enthusiasm is directed at winning or having a kid make a big play. At the beginning of the year, the coaches vow to make it fun, educational and safe for the kiddos. Winning will be a secondary goal and success will be measured by how many children come out for football next year.

When the first practice comes around, we were overwhelmed by what it took to get a group of eight year old's to do anything in a coordinated effort. Regardless we ran drills and repeated the same plays over and over. The coaches maintained their focus on safety and having fun.

As a leader in your dealership, I'd ask you to look at your team and consider that some of them have no more experience selling cars than my little children had playing football. To be successful, you will have to have a simple plan.



Then the first game came around. The old ball coach has his adrenaline kicked into full gear and we want to win! Having fun and safety is out the window. Patience and understanding are lost virtues. Grown men could be heard screaming at third graders for someone to make a block or save a touchdown by chasing down a ball carrier from behind. Patience is tested, tears fall, mothers get upset, and some children lose interest and want to quit.

As a leader in your dealership, I'd ask you to look at your team and consider that some of them have no more experience selling cars than my little children had playing football. To be successful, you will have to have a simple plan. You will have to have plenty of practice and drilling before game time — which is when they make a phone call or take an up. If you don't give them the training and repetition, what can you really expect? If training for you is telling stories about how you used to sell three cars every Saturday and you led the dealership in gross every month, please consider that you might be akin to the former High School Football star telling war stories to third graders. That's not training, and it's not helpful.

Explain the process to them in detail. Demonstrate it, explain why it is done this way. Then have them try and repeat. Repetition is the mother of learning; that's not going away. Alternatively, you can keep hiring new people. Provide them limited training and be frustrated when they leave after four months. Repeat this until you're convinced training doesn't work, and you must find the right people.

Sometimes what a salesperson needs is someone to offer them encouragement and understanding rather than war stories about how you used to do it. The likelihood is that the business has

changed from when you were selling. The customers are more sophisticated, they have higher expectations, and will recognize an untrained sales professional immediately. If you want to reduce turnover and sell more cars, have your Sales Professionals know that your No. 1 job is to help them be successful. That doesn't mean doing it for them. But it does mean offering the training before game time as well as some encouragement when the breaks don't go our way.

We could never have that third-grade team hike the ball on two. Inevitably someone from our own team would jump offsides, causing a penalty and backing us up. For an entire season, we went on one. The other teams learned this and had a nice advantage on the defensive side of the ball. But taking this source of frustration out of the mix allowed us to focus on the other things. It provided an environment where they could learn a new sport, have fun and be safe. Oh yes, and win quite a few games.

If you have less experienced teammates, ask yourself are there ways to simplify processes for them until they've had enough practice to take on more. How you react to their shortcomings and failures will determine if they will remain coachable in the future. That doesn't mean let them do whatever they want. But it does mean checking yourself on if enough explanation and training has taken place that your expectation is reasonable. Save your war stories for another time. They aren't helpful, and they for sure aren't training. ■

For more information, please contact Francis Fagan with Brown & Brown Dealer Services at 312-608-4979 or ffagan@bbins.com. Francis is the Regional Training Director for Illinois and Indiana. At Brown & Brown Dealer Services we put the emphasis on training. Visit our website for our training calendar and to meet our nationally renowned trainers. bbdealerservices.com

The Big Lie

By Mike Stanton, president and CEO of the National Automobile Dealers Association



As someone who has dedicated his career to advocating on behalf of America's franchised auto dealers, I've embraced the reality that one of my chief roles is to serve as Myth Buster In Chief.

For years, one of the great myths that have persisted about the auto industry has been that franchised dealers don't want to sell electric vehicles. It's long past time to put this myth out to pasture. And it's time to call it out for what it is: A lie about franchised dealers, propagated by the handful of companies that want to destroy the franchise system.

Before we get into why this myth persists and why it's morphed into such a blatant lie, let's acknowledge something right at the outset. More than a decade ago, there was indeed some dealer uneasiness about battery-electric vehicles. The EVs of the early and mid-2000s were — let's face it — by and large compliance cars. They had inadequate range, took forever and were a pain to recharge, did not perform well, had terrible resale value and were extremely expensive.

But it wasn't that dealers didn't want to sell them to willing customers. Dealers didn't want to be force-fed vehicles that OEMs were manufacturing largely in response to regulatory pressures as opposed to actual market demand. Given the imbalance in the OEM-dealer relationship, which gives dealers little capacity to avoid any such OEM force-feeding, you can hardly blame dealers for this early trepidation.

But that was a long, long time ago. The world has changed considerably, these vehicles have changed considerably, and they are hardly compliance cars any longer. The level of investment and commitment that traditional automakers have made in battery-electric technology is night-and-day different from what it was even five years ago, and it shows in the product. Several other things have also changed. Across the country, more charging stations with faster-charging capability are popping up almost every day, and the federal government may appropriate billions of dollars to grow the nation's recharging infrastructure significantly. On top of this, we are rapidly approaching price parity. Owning an EV for the long haul is



For years, one of the great myths that has persisted about the auto industry has been that franchised dealers don't want to sell electric vehicles. It's long past time to put this myth out to pasture. And it's time to call it out for what it is: A lie about franchised dealers, propagated by the handful of companies that want to destroy the franchise system.

now a vastly different proposition than it used to be. These are hugely positive developments.

One other major thing that has changed dramatically over the years? Dealer attitudes toward selling and servicing EVs. Franchised dealers aren't at all EV-reluctant and haven't been for years. And they certainly aren't anti-EV. Anyone that tells you differently just isn't telling the truth.

How do we know this? Cadillac.

Last fall, after Cadillac announced plans to abandon internal combustion engines altogether and move entirely to battery-electric drivetrains, the nation's 880 Cadillac dealers faced a choice.

If they bought into Cadillac's vision for an all-electric future, they could pony up a minimum of \$200,000 of their own capital for the in-store charging infrastructure, tooling and training that Cadillac was mandating. Conversely, if they either didn't

want to be part of that all-electric future or didn't want to make the required investment, they could accept a buy-out from the automaker and wind down their franchises.

What happened next wasn't surprising to anyone who understands dealers and how their thinking has evolved.

More than 80% of Cadillac dealers said they were all in — not just to sell EVs, but to sell EVs exclusively, and they backed up that commitment with significant capital investments that will take time to mature.

Most of the 20% that opted out were small stores in markets where Cadillac hasn't performed well, and most of these dealers accepted the buy-out because of economic conditions on the ground, not out of concern about the brand's future product plans. And certainly not because they were anti-electric. For example, one Cadillac dealership in northern Minnesota took the buy-out because it sells fewer than 50 new cars per year, and the required \$200,000 investment was too steep given the small size of its market.

Direct sales have never once benefited consumers with lower prices, more convenience or better service and maintenance, despite the marketing. And they never will because direct sales are ultimately only about creating a vertical channel for manufacturing, sales and service that allows a single entity to control everything, including prices and margins, to the obvious detriment of consumers.

And so, in one fell swoop, America's Cadillac dealers completely debunked the myth that franchised dealers don't want to sell and service electric vehicles. Because if this myth were even remotely true, virtually every Cadillac dealer out there would have gladly taken the buy-out and done so in a heartbeat.

What's more, the enthusiasm toward EVs among the franchised dealer body is hardly unique to Cadillac. Franchised dealers of other brands with EVs in their lineups have been making these same commitments and investments for years — and not reluctantly. They have done so because they don't want to lose sales to other brands as more and better EVs — and more EV customers — come to the market.

So why does this myth persist? I think it's simple. EVs still don't sell in the numbers that environmentalists want, and many groups feel as if they need a boogeyman to blame for fledging sales. They can't blame consumers for thus far being cool to zero-emission vehicles because it's not exactly a winning public relations strategy to blame your customers for the fact that your preferred product isn't flying off the shelf. They can't blame the automakers because there would be precisely no zero-emissions vehicles available for sale, to begin with, without them. Dealers became an easy and convenient scapegoat.

And the myth lingered. However, it's taken a new and more dangerous life as a lie designed to take down the franchise system. Rivian, Lucid and Lordstown Motors seem to have hung their entire pitch for direct sales on this lie about franchised dealers and their supposed reluctance and inability to sell EVs.

We know that nothing could be further from the truth, but it isn't hard to unpack why this is their attack line.

Direct sales have never once benefited consumers with lower prices, more convenience or better service and maintenance, despite the marketing. And they never will because direct sales are ultimately only about creating a vertical channel for manufacturing, sales and service that allows a single entity to control everything, including prices and margins, to the obvious detriment of consumers.

If direct sales were adopted for EVs, then EV buyers — and only EV buyers — would be denied the service network and price competition that ICE-vehicle buyers have enjoyed for decades.

Direct sales are not needed for EVs. In fact, over time, direct sales could cripple EV adoption as more and more EV owners are forced to deal with higher prices and the headache of longer and longer wait times for even basic service.

But do you know what is needed for sustainable EV sales to consumers up and down the price point chain? A large, expansive network of retailers and service providers who are marketing experts locally, and invested in the future sales and service opportunities that these products promise.

Fortunately for automakers, consumers and policymakers alike, that network already exists.

Dismantle the big lie about EV sales, and what you are left with is a clear truth: Franchised dealers aren't an obstacle to EV sales; they are essential to them. ■

We put your legal solutions in motion.



K | H Kelleher + Holland ATTORNEYS AT LAW

Comprehensive Capabilities + Tailored Solutions = Peace of Mind

25+ Attorneys Licensed In

*Arizona | California | Florida | Illinois
Missouri | Texas | Wisconsin | Wyoming*



Selected as
Leading Lawyers

North Barrington, IL | Hinsdale, IL | Waukegan, IL | Naples, FL
847-382-9195 | www.kelleherholland.com



Consumers Will Lose Under State's Lax Enforcement

Auto Dealers Sue Illinois Secretary of State

By Colleen Dudgeon, Serafin



Seeking to protect consumers who buy new cars in Illinois, leading trade associations filed suit on March 25th against the Illinois Secretary of State and two vehicle manufacturers asking that a Cook County judge enforce existing state laws regulating sales.

The Illinois Automobile Dealers Association (IADA) and the Chicago Automobile Trade Association (CATA) were forced to turn to the court after the Secretary of State “turned a blind eye” to unlicensed and unregulated sales of vehicles by Rivian Automotive, Inc. as well as potential future sales

by Lucid U.S.A., Inc., according to the lawsuit. Illinois law requires new vehicle sales be conducted by licensed franchised dealers, not directly by manufacturers.

“We have no choice but to file this lawsuit, both to protect consumers as well as the hundreds of franchised dealers across the state who contribute to the local economy,” said Pete Sander, President of the IADA. “We warned the Secretary of State’s office that consumers will be the losers if it does not enforce the laws it is required to enforce.”

Over the past several years the two dealers associations have sought enforcement from the Secretary of State's office. The state agency initially granted Tesla a license to sell electric vehicles from a small number of locations in Illinois.

At issue are the benefits to consumers and the Illinois economy generated by more than 700 dealers operating 2,300 franchises across the state. Those benefits include:

- **Consumer protection:** Dealers maintain service centers with trained staff to perform all recall and warranty repairs, where the dealers act as advocates for the consumers with the manufacturers.
- **Availability of parts and service:** Dealers maintain an inventory of parts and provide timely service to consumers who depend on the daily use of their vehicles.
- **Price competition:** Consumers have many choices, with the competition among dealers saving buyers money. Direct sales from manufacturers result in a monopoly that offers no price benefit.
- **Community benefits:** The franchised dealers are long-established local businesses that generate millions of dollars of revenue and economic development, employ 42,000 people across the state and support many local causes and events.

"We welcome new manufacturers to Illinois, especially those who are building innovative vehicles," said David Sloan, President of the CATA. "Our franchised members already sell dozens of electric and hybrid vehicles. We ask that manufacturers sell them in Illinois according to state law. We're not demanding they cease operations in the state, just that they franchise a dealer."

Over the past several years the two dealers associations have sought enforcement from the Secretary of State's office. The state agency initially granted Tesla a license to sell electric vehicles from a small number of locations in Illinois. The associations agreed to a settlement on the Tesla issue only if the Secretary of State vowed to strictly enforce the law going forward.

That promise from the state agency now appears to be in jeopardy. In the lawsuit, the groups charge that the office has made "excuses to avoid its enforcement duties" and has "walked a thin line" between enforcement while eroding the requirements regarding new companies seeking to sell in Illinois.

In recent months, the Illinois Attorney General's office has issued an informal opinion that directly conflicts with state laws,

according to the IADA and the CATA. As a result, the auto dealers associations are now seeking a court order requiring the Secretary of State to enforce existing state laws regulating the sale of new vehicles. The lawsuit also seeks an injunction halting further issuance of dealer licenses to vehicle manufacturers.

"Our patience has run out," said IADA President Sander. "It is time for everyone to step back and let the court decide what is in the best interest of the people of Illinois. There are too many conflicting signals coming from those who are charged with regulating our industry as well as protecting consumers and Illinois employers."

The economic impact of automotive sales in Illinois is significant. Each year the industry generates \$34.4 billion in sales resulting in \$2.2 billion in state sales tax, which is 14 percent of all state sales tax generated annually. In addition to the 42,000 directly employed, the industry indirectly supports another 50,500 jobs.

The IADA and CATA were joined in the lawsuit by the Peoria Metro New Car Dealers Association and the Illinois Motorcycle Dealers Association, as well as numerous franchised dealerships. The lawsuit was filed in Cook County Circuit Court. ■

Contact: Colleen Dudgeon, Serafin
Colleen@serafin.com, 773-805-0353

About IADA:

The Illinois Automobile Dealers Association is a trade organization that has been protecting and promoting all franchised car and truck dealers in Illinois for over 100 years. IADA's primary mission is to represent franchised dealers before the Illinois Legislature and various Regulatory Agencies. IADA is located in Springfield, IL. For more information about the organization, please visit: illinoisdealers.com.

About CATA:

Founded in 1904 and located in Oakbrook Terrace, the Chicago Automobile Trade Association is comprised of more than 400 franchised new-car dealers and an additional 150 allied members. The group's dealer members employ about 19,000 people in the metropolitan area. The association has produced the world famous Chicago Auto Show since 1935. For more information, please visit CATA.info.

LET REDMOND BE YOUR PARTNER



YOUR FULL-SERVICE PARTNER:
 CONSULTING
 REAL ESTATE
 BROKERAGE
 BRANDING
 DESIGN
 CONSTRUCTION

*Contact Redmond today!
 262.549.9600*

Redmond works as your advocate in the implementation of the Manufacturer's Facility Standards.

By blending experience with insight and innovation, Redmond helps clients elevate their efficiency, cost-savings initiatives, and impact in the market.



w w w . T h e R e d m o n d C o . c o m

Serving Illinois Dealers For More Than 21 Years!



*Julie Douglas,
 President, Sales Lady
 Extraordinaire*

Increase sales, customer retention, and operational efficiency with Dealer Pay's card and check processing, POS solutions, contact-less transactions and more.

Let's take a **closer** look ...

	 Dealer Pay	Your Bank	Other Processors
Dealer-Specific Solutions	★★★★★	★★	★★
Modern / Secure Tech	★★★★★	★★★	★★
Hands-On Service / Support	★★★★★	★★	★★★
Transparent / Flat-Rate Pricing	★★★★★	★	★
Smart Rate Optimization	★★★★★	★	★
Reputable References	★★★★★	★★	★



Call, text, or email to schedule a demo. 314-578-3142
 julie@dealer-pay.com dealer-pay.com/request-a-demo/

We ♥ Dealers!

NO COMPROMISE & NO EXCUSES FOR YOUR F&I PROGRAM



BEST INCOME DEVELOPMENT AND BETTER REINSURANCE

Resources Management Group will improve your dealership's F&I operations through Training, Recruiting, Compliance, and Process Improvement, while embracing Digital F&I Technology to ensure you succeed in the face of any disruption.

Increased Profitability AND the most Dealer-Centric Reinsurance approach in the industry:

- Dealer Direct Investments and chooses financial institution.
- Ability to borrow up to 75% of the unearned reinsurance premiums.
- Guaranteed Service Retention: dealership claims tie-back.
- Lower chargebacks and F&I products that deliver more profits to your dealership and reinsurance company.
- True Transparency – No Hidden Fees – Accountability.
- Over 2.1 Billion Dollars of Assets Created for more than 1,700 U.S. Auto Dealers.
- The only provider that has received a top ranking in the Dealers' Choice Awards for Reinsurance every year since 2008.

**Contact us today for a confidential dealership & reinsurance analysis.
Greg Hoffman • 800.761.4546 • ghoffman@corprm.com**





Why Choose ATC for Out-of-State?

- Fastest Industry turnaround times (Even during COVID)
- Full visibility for each transaction. From once the file leaves your dealership all the way till the plates are delivered to the driver
- Most accurate fees possible. ATC has a dedicated data team that works with every DMV in the country to ensure the fees we calculate are as accurate as possible

Interested in Taking ATC for a Drive?

Here are the next steps for signing up and getting all of your questions answered:

1

Sign Up

You can sign-up for a 15-day free trial at <https://autotitling.com/avrs/sign-up>

2

Explore the Platform

Grab a OoS file you have and run it through the platform. See just how easy it is!

3

Attend a Demo/ Q&A

Our team offers a Webinar covering the platform and questions every Wednesday at 12 pm CST. Please join us at <https://zoom.us/j/91693586982?pwd=Qkwybk1nNk54R0s3R041bktxT0Fxdz09>

You Hold the Keys

Confidently place people behind the wheel of your company vehicles with the help of driver screening tools and risk management resources.



Scan to learn how to help your company drivers make it home safe today.



Please make it home safe today.



Commercial Insurance Property & Casualty | Life & Disability Income | Workers Compensation | Business Succession and Estate Planning | Bonding
Federated Mutual Insurance Company and its subsidiaries* | federatedinsurance.com | Ward's 50® Top Performer | A.M. Best® A+ (Superior) Rating

21.01 Ed. 1/21 *Not licensed in all states. © 2020 Federated Mutual Insurance Company



ONE LAST THING ...

Did you know that you can enjoy your association news anytime, anywhere?

The new online article build-outs allow you to:

- Stay up to date with the latest association news
- Share your favorite articles to social channels
- Email articles to friends or colleagues

There is still a flipping book for those of you who prefer swiping and a downloadable PDF.

Check it out!



Scan the QR code or visit:
illinois-auto-dealer-news.thenewslinkgroup.org

ADVERTISER INDEX

ILLINOIS

AUTOMOBILE DEALER NEWS

Accounting

Woodward & Associates, Inc.....	IFC
WIPFLI.....	Page 4

Architecture and Construction

The Redmond Company.....	Page 18
--------------------------	---------

Attorney

Julie A. Cardosi, P.C.....	Page 3
Kelleher + Holland.....	Page 15

Banking/Finance

Bank of America.....	Page 7
----------------------	--------

Consulting and Dealership Compliance

Brown & Brown Dealer Services.....	OBC
Dealer Pay.....	Page 18

Dealership Services

ATC + CVR.....	Page 20
----------------	---------

Income Development

Resource Management Group (Portfolio).....	Page 19
--	---------

Insurance

Federated Insurance.....	Page 21
Zurich American Insurance Co.....	Page 4

Mergers and Acquisitions

Federated Insurance Companies.....	Page 21
------------------------------------	---------





Magazines offer
the kind of **tactile
engagement**
you cannot find
anywhere else.

Reach your customers with print.
To advertise in this magazine, contact us today.

THE newsLINK
 **group**

801.676.9722 | 855.747.4003
4049 South Highland Dr.
Holladay, UT 84124
thenewslinkgroup.org

The Broker for the Dealer

A PERFORMANCE IMPROVEMENT COMPANY



Does your F&I provider:

- Help you sell more cars?
- Train all your employees, not just your F&I team?
- Offer Commercial Insurance and Employee Benefits?
- Help keep you on the cutting edge of the industry and provide a process to maintain absolute integrity and compliance 100% of the time?



We help dealers to get better results through training and coaching their employees on our Proactive Selling System® for Sales, Service, F&I and BDC/Phone Skills. Our training has a three-prong approach:

1. Offsite Workshops
2. Onsite coaching
3. Online (on-demand) training

2020 Diamond Winner for F&I Training

Winner of 16 Consecutive Dealers' Choice Diamond Level Awards from Auto Dealer Today and F&I and Showroom magazines.

Diamond is the top award as voted on by dealers & dealer management. Recognized as a top compliance provider for the past six years via the same survey.

BBDS is an award winning and industry recognized leader in automotive dealership sales and service training.

BBDS is a full-service agency with a broad selection of offerings. We take the time to learn about your dealership, your challenges, and to create a cohesive approach to reach your goals.

