



News FROM IIADA

August 2020

Administrative Office.

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Auction News

Dealer's Choice AA

www.dcaa.com

Plaza Auto Auction

www.plazaaa.com

Tri-State AA – Cuba City

www.tsaaonline.com

Manheim Omaha AA

www.manheim.com

Adesa Des Moines

www.adesa.com

Manheim-Minneapolis-MAA

www.manheim.com

Manheim Northstar

www.manheim.com

Des Moines Auto Auction

www.dsmaa.com

SUPPORT FOR THE MIDWEST
AUTO AUCTIONS IS GREATLY
APPRECIATED.

IIADA ADMINISTRATIVE OFFICE

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IIADA SCHOLARSHIP DONATIONS NEEDED:

With the uncertainty for the time frame of the Annual Meeting, we are looking at other ways to generate monies for the 11 scholarship applicants this year. We are encouraging members to donate cash instead of items for the Scholarship Auction this year. Thank you for your support. Please send your donation to the IIADA P.O. Box 356 West Branch, Iowa 52358

MEMBERSHIP DUES NOW PAYABLE BY CREDIT/DEBIT CARD:

You can pay IIADA Membership Dues on-line at www.iowaiada.com. Click the "MEMBERSHIP DUES" tab. This will direct you to the secured site to pay your membership dues. Just another option for the IIADA members.

Your IIADA membership also includes membership in the NIADA

The National Independent Automobile Dealers Association (NIADA), founded in 1946 has represented quality independent automobile dealers for over 70 years. NIADA is here to assist its members in becoming more successful within the used motor vehicle industry. Through membership in NIADA, you join with over 20,000 other professional auto dealers who share your dream of financial prosperity for your business. NIADA is your legislative advocate -- protecting your business interests. The association consistently brings you industry education, valuable information, services and benefits designed to prepare members for an ever-changing marketplace. The simple and better way to keep pace in the used motor vehicle industry is to join NIADA...a highly respected organization dedicated to your success!

<https://www.niada.com/about.php>



WE'RE GOING *Virtual*

THE PREMIER USED CAR INDUSTRY VIRTUAL EVENT



**2020 NIADA | NABD
VIRTUAL CONVENTION & EXPO SERIES**

SEPTEMBER 22 | SEPTEMBER 29 | OCTOBER 6

\$299



VIRTUAL SOLO

\$399



VIRTUAL GROUP

INCLUDES 5 VIRTUAL
REGISTRATIONS

Join us for the most comprehensive event in the used vehicle industry and a true one-stop shop for the best in dealer education, networking, and products and services. The NIADA | NABD Virtual Convention & Expo Series will also provide an Expo Hall where you can find the vendors and solutions you need to run your business more efficiently and profitably.

JOIN US ONLINE

EDUCATION SESSIONS to serve the needs of all independent dealers. Whether you are in Retail, BHPH, LPH, or even Wholesale, we have training just for you. We are offering three education tracks:

- VEHICLE ACQUISITION & WHOLESALE MARKET CHANGES
- ONLINE RETAILING & CONTACTLESS TRANSACTIONS
- CASH, CREDIT & FINANCIAL MARKETS

VIRTUAL EXPO HALL will feature the industry's best vendors, offering the latest state-of-the-art products and services to help keep you on the forefront of our competitive industry.

[Iowa](#)

Promo Code: IA2020

Direct Link: <https://na.eventscloud.com/561641?discountcode=IA2020>

Vanity URL: iowa.niadaconvention.com



DEALER EDUCATION CLASSES FOR SEPTEMBER 2020

With the state opening up to 50% capacity the Community Colleges that provide venues for the 5 hour dealer education classes have gotten creative. Several colleges will offer virtual classes while others will offer traditional classes with a limited number of seats available. Where possible, select Community Colleges will offer a combination of live and virtual. Check with your Community College for local options.

Auto Dealer: 5 Hour Renewal Courses August 2020 Classes

CHECK ALL DEALER EDUCATION TIMES AND LOCATIONS AT

www.iowaiada.com (Dealer Education Tab)

September 11, 2020 - Friday Iowa Central Community College

Fort Dodge 101 12:00PM - 5:00PM

September 14, 2020 - Monday Northeast Iowa Community College

Manchester 101 12:00PM - 5:00PM

September 15, 2020 - Tuesday Northeast Iowa Community College

Manchester 102 8:00AM - 1:00PM

September 18, 2020 - Friday Iowa Valley Community College

Marshalltown 101 12:00PM - 5:00PM

September 21, 2020 - Monday Des Moines Area Community College

Class will be held through Zoom Video Conferencing 101 12:00PM - 5:00PM

September 21, 2020 - Monday Southwestern Community College

Creston 101 12:00PM - 5:00PM

September 28, 2020 - Monday Iowa Western Community College

Council Bluffs 102 12:00PM - 5:00PM

September 29, 2020 - Tuesday Iowa Western Community College

Council Bluffs 101 8:00AM - 1:00PM

Auction News

Adesa – Sioux Falls

www.adesa.com.

Manheim Kansas City

www.manheim.com

Greater Rockford AA

www.graa.net

Quad City Auto Auction

www.qcaa.com

Lincoln Auto Auction

www.lincolnautoauction.com

IIADA EVENTS:

2020 Annual Meeting

TBA - 2020

NIADA EVENTS:

June 15-18, 2020

NIADA Convention

Las Vegas – MGM Grand

KEEP US INFORMED

DON'T FORGET TO LET

IIADA KNOW IF YOUR

E-MAIL, ADDRESS OR

PHONE NUMBER CHANGES



Online License Renewal 2020

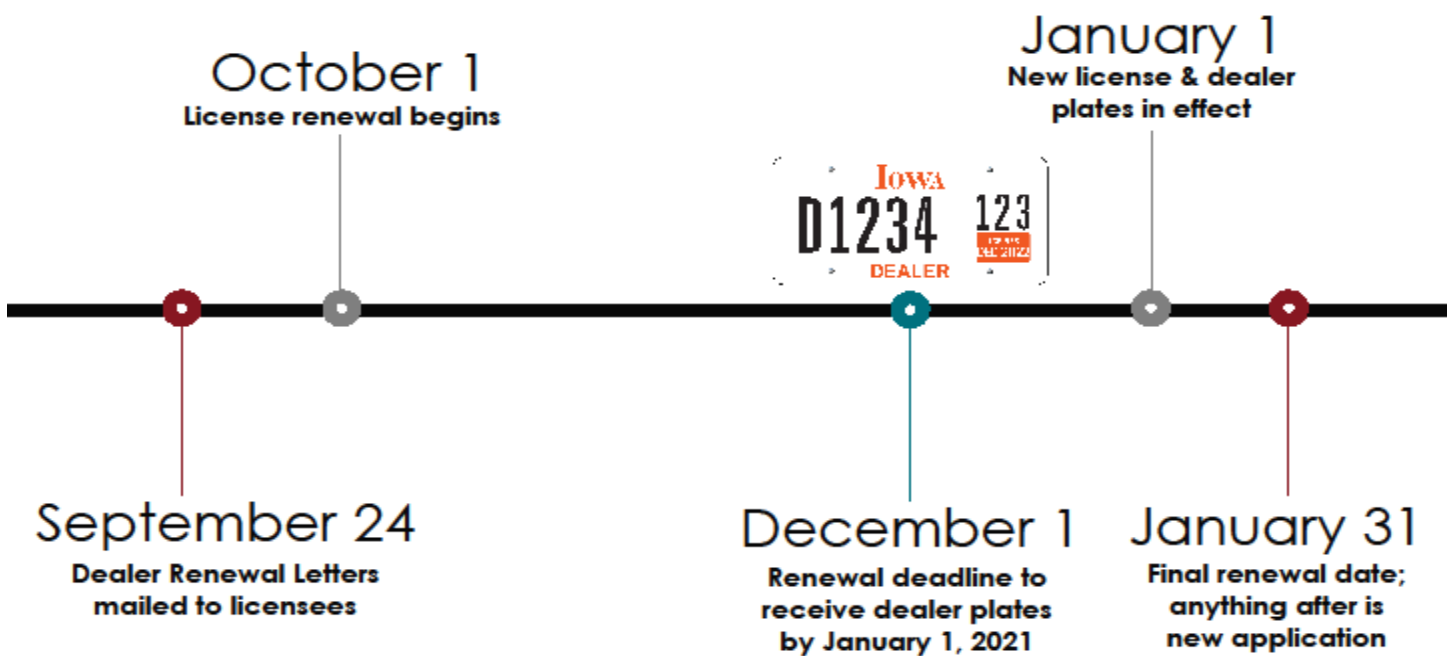
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Online License Renewal 2020

We have upgraded the functionality for online license renewal. See how simple it is to renew and pay for your license online.

Among other functions, the new online renewal process allows you to:

- 1 Change number of dealer license plates
- 2 Update select business & contact information
- 3 Pay online
- 4 Save & print license



Online Renewal Access

- Easy, familiar log-in from Dealer Renewal Letter
 - Receive web address and license-specific PIN in the mail

For this renewal, use the below signon information to log into the web site. (Note: Compatible browsers are Microsoft Edge, Chrome, Firefox. For IE see Appendix A)

Web address: <https://arts.iowadot.gov/dealerrenewallogin.aspx>

Dealer Number: **D ###**

Pin: **#####**

* Online renewal works well on Chrome, Microsoft Edge and Firefox. There is a workaround for those needing to use Internet Explorer (IE).

Update Select Business Details

- Have you wanted to change business hours or required landline?
- Help deter internet fraud by informing the DOT of your official web site

Business Hours

Time must be entered in 12 hour III:MM AM/PM format

Monday:	<input type="text" value="10:00 AM"/>	<input type="text" value="08:00 PM"/>
Tuesday:	<input type="text" value="10:00 AM"/>	<input type="text" value="08:00 PM"/>
Wednesday:	<input type="text" value="10:00 AM"/>	<input type="text" value="08:00 PM"/>
Thursday:	<input type="text" value="10:00 AM"/>	<input type="text" value="08:00 PM"/>
Friday:	<input type="text" value="10:00 AM"/>	<input type="text" value="09:00 PM"/>
Saturday:	<input type="text" value="10:00 AM"/>	<input type="text" value="09:00 PM"/>

Phone Number:

Official Website:

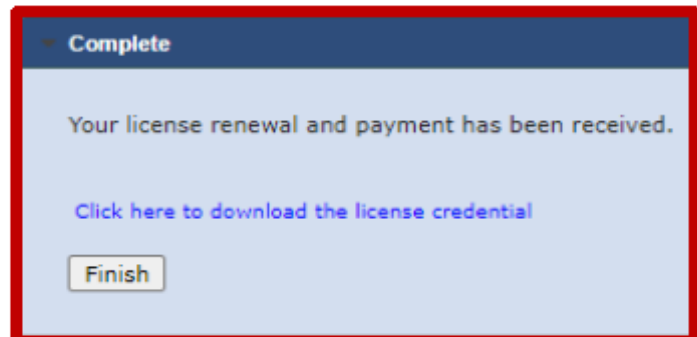
Ordering Dealer Plates

- Add/subtract dealer plates by type for each license
- Renewal applications should be submitted by December 1, in order to receive your plates by January 1; temp plates may be issued after Dec 1.

Fee Name	Quantity	Unit Fee	Total Fee
Motor Vehicle Dealer License Fee - 2 Year-Renewal			= \$ 70.00
Motor Vehicle Dealer Registration Fee - 2 Year-Renewal			= \$ 70.00
Dealer Plate Large (car/truck)	<input type="text" value="8"/>	x \$ 40.00	= \$ 320.00
Dealer Plate Small (motorcycle/trailer)	<input type="text" value="4"/>	x \$ 40.00	= \$ 160.00
Dealer Haul & Tow Large (car/truck)	<input type="text" value="1"/>	x \$ 750.00	= \$ 750.00
		TOTAL	= \$ 1370.00

Completed in Minutes

- Conveniently pay the renewal fees online at the end of the application
- Save your own license certificate
- Print the license as soon as you're done!
 - No need to compete with bulk mail from the election, holidays and COVID-19.

Other Notes

- Renewal applicants can still fill out the paper application attached to the Dealer Renewal Letter
- Important:
 - Save license certificate as file upon completion of renewal application
 - license will have to be requested through Vehicle Services once renewal application is closed (web browser)



Approved Benefit Providers

www.iowaiada.com

"As Is"? Maybe Not!

By Patricia E.M. Covington*

Access Systems

Advanced Business Products

AutoJini.com

Auto- Owners Insurance

Associations Marketing Group, Inc.

Automotive Finance Corporation – AFC.

Citizens Community Credit Union

CU Direct (CUDL)

The Cyclone Agency.

Erikson Solutions Services, LLC

Frazer-Dealer Management Software.

First Interstate Bank

Follow-Up Plus

Globe Acceptance, Inc.

Greater Iowa Credit Union

Innovative Dealer Services

Preferred Warranties, Inc.

ProSource Finance.com

Veridian Credit Union

Reynolds & Reynolds Inc.

S & C Automotive, Inc.

U Drive Acceptance Corp.

Green State Credit Union

Wilson Distributor Service

Some states let dealers sell vehicles "as is," while others do not. States that permit as-is sales require specific language in transaction documents to put the buyer on notice of the limitation on remedies. If a dealer includes the required provisions, the buyer should lose the ability to seek a remedy if there is a problem or one later develops. Or not.

A couple of recent decisions illustrate how facts matter and how as-is provisions are not guarantees in protecting dealers. Here's what happened in those cases.

Jerry Villalobos bought a used truck from Atlanta Motorsports Sales, LLC. Villalobos asked the salesperson about the truck's history, and the salesperson allegedly stated that the truck was "in good condition" and was "a good running truck with no problems."

After the purchase, the truck leaked oil. The cost to repair the problem allegedly exceeded the truck's value. Villalobos revoked his acceptance of the truck, but Atlanta Motorsports refused to honor the revocation.

Villalobos sued Atlanta Motorsports, alleging fraud, rescission of the contract, revocation of acceptance, and violations of the Georgia Fair Business Practices Act, the Georgia Used Car Dealer Act, and the law of gravity (just kidding about this last one). The trial court granted Atlanta Motorsports' motion for judgment on the pleadings, concluding that the merger clause and the as-is provision in the parties' contract prevented Villalobos from relying on any oral representations that did not become part of the written contract. Villalobos appealed.



The Court of Appeals of Georgia affirmed the trial court's decision in part and reversed it in part. The appellate court found that the parties' sales contract contained a merger clause that explicitly stated that Villalobos "is not relying on any representation that is not contained in this Agreement." In addition, the contract contained an unequivocal disclaimer stating that Villalobos was buying the truck as is with no warranty and a statement that Atlanta Motorsports "hereby expressly disclaims all warranties, either express or implied, including any implied warranties of merchantability or fitness for a particular purpose."

The appellate court also noted that Villalobos did not allege that he was prevented from reading the contract through fraud or otherwise. The court concluded that Villalobos could not justifiably rely on the alleged oral misrepresentations by the salesperson that contradicted the contract terms, noting that the salesperson's representations were statements of opinion not actionable as fraud. Therefore, the appellate court affirmed the trial court's dismissal of the fraud and rescission claims. It also affirmed dismissal of the FBPA and UCDA claims because those claims stemmed from Villalobos's allegations of fraud.

However, the appellate court concluded that the trial court erred in granting Atlanta Motorsports judgment on the pleadings with respect to the revocation of acceptance claim, noting that although the sales contract contained an as-is provision, revocation is an available remedy even where the seller has attempted to limit its warranties by using as-is language.

Interesting. Maybe a deal isn't done once the documents are signed and the customer drives off the lot.

Let's review the facts of another case.

Silverstar Automotive, Inc., doing business as Mercedes-Benz of Northwest Arkansas, was looking to sell a used 2007 Ferrari F430. Before selling the car, Silverstar hired Boardwalk Ferrari to do a pre-purchase inspection of the car.

Boardwalk gave Silverstar a list of recommended repairs. Silverstar approved some but declined others, including an exhaust header repair. After a potential buyer decided not to buy the car and notified Silverstar that individuals on a Ferrari forum described the exhaust header as a potential safety problem, Silverstar began negotiating with Hamid Adeli, a Virginia resident, who expressed an interest in buying the car.

During calls and text messages, Silverstar employees described the Ferrari as being in "turnkey, excellent condition" and told Adeli about the inspection and that all necessary repairs had been made except to the car's Tire Pressure Monitoring System. There was no mention of the exhaust header issue.

Adeli decided to buy the car, and he and his wife signed a Buyer's Guide acknowledging that the car was being purchased as is, an invoice stating that "the dealership hereby expressly disclaims all warranties, either express or implied," an odometer disclosure statement, and a notice that Arkansas had no cancellation period for used car purchases.

Shortly after buying the car, Adeli smelled gasoline emitting from the car. He had it towed to a mechanic who made numerous repairs, including one to a leaky exhaust manifold.



Adeli sued Silverstar for breach of express warranty, fraud, and violation of the Arkansas Deceptive Trade Practices Act. Silverstar moved for summary judgment, and the trial court denied the motion. A jury awarded Adeli \$20,201 in compensatory damages and a whopping \$5.8 million in punitive damages.

Silverstar renewed its pre-verdict motion for judgment as a matter of law and separately moved to alter or amend the judgment, arguing that the punitive damages award was unconstitutionally excessive. The trial court denied the renewed motion for judgment as a matter of law but reduced the jury's punitive damages award to \$500,000.

Silverstar appealed both the denial of its motion for judgment as a matter of law and the partial grant of its motion to alter or amend the judgment, claiming that the trial court should have reduced the punitive damages award further. Adeli cross-appealed, claiming that the trial court should not have reduced the jury's punitive damages award at all. The U.S. Court of Appeals for the Eighth Circuit affirmed.

Silverstar argued "that the as-is clause and general disclaimer of warranties preclude[d] Adeli's fraud claim as a matter of law" because an as-is buyer cannot, as a matter of law, justifiably rely on any representations made by the seller. The appellate court disagreed. The appellate court noted that an as-is clause does not bar a buyer's claims based on fraud. Moreover, even though Adeli was an experienced buyer of used cars, he could not be faulted for failing to identify the car's defects, especially where he was making the purchase from out of state.

The appellate court went on to address punitive damages. The appellate court held that punitive damages were warranted because Silverstar's conduct was reprehensible, though not enough to justify the jury's \$5.8 million. The possibility of catastrophic harm was too speculative to support the 1:287 ratio between the jury's compensatory damages and punitive damages. However, the appellate court found that the trial court's reduction in the amount of punitive damages to a ratio of 1:24.75, while still high and greater than the single-digit ratio that Silverstar requested, "neither shocks the conscience nor demonstrates passion or prejudice."

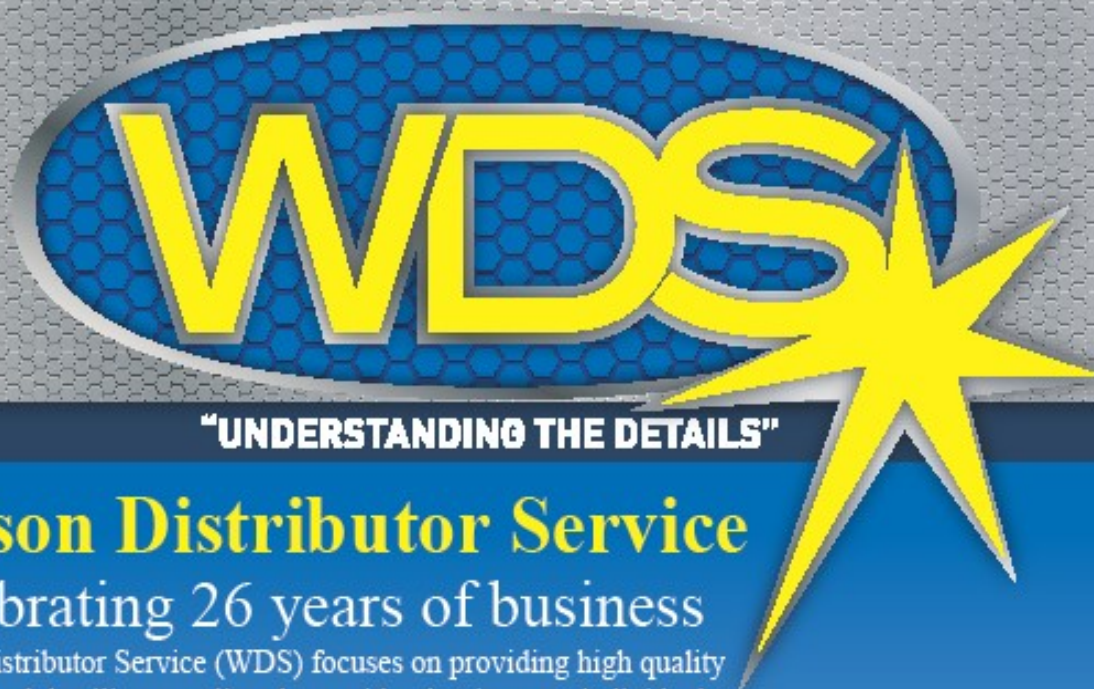
Takeaways here? *Villalobos* says that an as-is sale buyer still has, at the very least, the remedy of revocation of acceptance of the vehicle, and *Adeli* reminds us that an as-is provision doesn't preclude a fraud claim.

So, to be perfectly clear, "as is" means "as is," except when it doesn't.

Villalobos v. Atlanta Motorsports Sales, LLC, 2020 Ga. App. LEXIS 306 (Ga. App. June 3, 2020); *Adeli v. Silverstar Automotive, Inc.*, 2020 U.S. App. LEXIS 16206 (8th Cir. (W.D. Ark.) May 21, 2020).

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"UNDERSTANDING THE DETAILS"

Wilson Distributor Service

Celebrating 26 years of business

Wilson Distributor Service (WDS) focuses on providing high quality cleaning and detailing supplies along with other items to individuals, businesses, car dealerships and other auto-related businesses. Our mission is to meet the needs of our customers with excellent service and quality products. We truly do understand all of the details!

- *Home and Industrial Cleaning Supplies*
- *Auto Cleaning & Detailing Supplies*
- *Harper Brooms & Squeegees*
- *Vacuum Sales & Service*
- *Janitorial Supplies*

All in one local place



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Jason & Lisa Goody – Owners

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