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March/April 2007

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## SMCDA Presents \$500,000 Pledge for SCCTT

*Commitment will help allow Cerritos College to realize technology training center*

SMCDA presented Cerritos College with a \$500,000 pledge during its annual gala on January 18 at the Cerritos Performing Arts Center.

President John Dinsmore of Penske Toyota presented Cerritos College President Dr. Noelia Vela with a check toward the college's launch of the Southland/Cerritos Center for Transportation Technologies (SCCTT). The \$500,000 pledge includes two past donations of \$100,000 in 2005 and in 2006; a donation of \$100,000 for 2007; and a promise of two \$100,000 donations in 2008 and 2009, combining for a total participation on the part of SMCDA of a half million dollars.

"Southland dealers and our employees have benefited for years from Cerritos College's training programs," said Dinsmore.

"Cerritos College is the finest and

most comprehensive automotive technology program in the state, and we want to support the growth of the SCCTT. This new, advanced facility

will add even further value to the industry, which is looking for trained technicians to hire into high-growth, high-wage positions."

The college and SCCTT affiliates, with support of the Cerritos College Foundation, are entering into a \$4.8 million capital campaign for private support to help augment local bond funds provided for the \$15 million expansion of the center. The proposed SCCTT will include a \$9 million renovation of the existing three-acre auto complex and a new \$6 million automotive partners building that will focus on management education for the auto industry. When completed in 2009, the center will play a large role in filling the ever-changing, highly



SMCDA President John Dinsmore presents Cerritos College President Dr. Noelia Vela with a check for \$500,000.

The Southlander is an official publication of



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Long Beach, CA 90807-2022  
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Fax: (562) 988-1460

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## Message from the President

John Peterson is a tough act to follow. What energy and enthusiasm! Due to his service as president of the SMCDA for the past year, it is easy for me to announce that 2007 is off to a great start. Thank you, John. The membership has elected two new board members, Greg Timmons from Timmons Volkswagen and Subaru of Long Beach, and Gary Russo, a fellow Toyota dealer with stores in Long Beach and Norwalk. Both gentlemen replace Ron Charron and Mike Gilligan, whom I also thank for their years of service to the SMCDA.



John Dinsmore  
*Penske Toyota*

It was tremendous to see so many of you at our annual dinner at the Cerritos Center for the Performing Arts. If you weren't there—we had a great time with a performance by Bob Newhart, and we accomplished quite a bit in the educational arena. Not only did we have a good group of dealers represented, but we were also honored by the presence of many influential policy makers and educators who want to ensure that we are supplied with a well-educated workforce. As you read this newsletter, you will note that the Southland Cerritos Center for Transportation Technologies (SCCTT) project on the Cerritos College campus has reached several significant milestones. The campus has given the "green light" for the \$15 million project (plans are expected to reach the state office of architecture in the next few months); Northwood University is teaching its second semester of students on campus, and we have officially kicked off the \$4.8 million capital campaign with a \$500,000 commitment from the SMCDA. The next 30 months we will be busy raising the additional \$4.3 million, so any contact or influence you have with your manufacturers would be greatly appreciated.

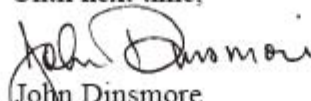
Congratulations to Randy Sopp, who was recently honored with the Time Magazine Quality Dealer Award at the NADA convention. I don't think I know anyone who has given back more to his community than Randy. Good job!

It's never too early to make a golf reservation, so mark your calendars for the July 23, 2007 SMCDA Scholarship Golf Tournament at Sea Cliff Country Club in Huntington Beach.

Also, please note that the NADA compensation survey is available online and is customized to the Southland area. Access it at [www.enetrix.com/nada](http://www.enetrix.com/nada) and remember to identify SMCDA as your association.

A couple of other milestones have occurred on the personnel front: Dianna Docton our administrative assistant, recently celebrated 10 years with SMCDA and Todd Leutheuser celebrated the same anniversary on March 1. We are lucky to have two dedicated individuals supporting our needs.

Until next time,

  
John Dinsmore  
SMCDA President



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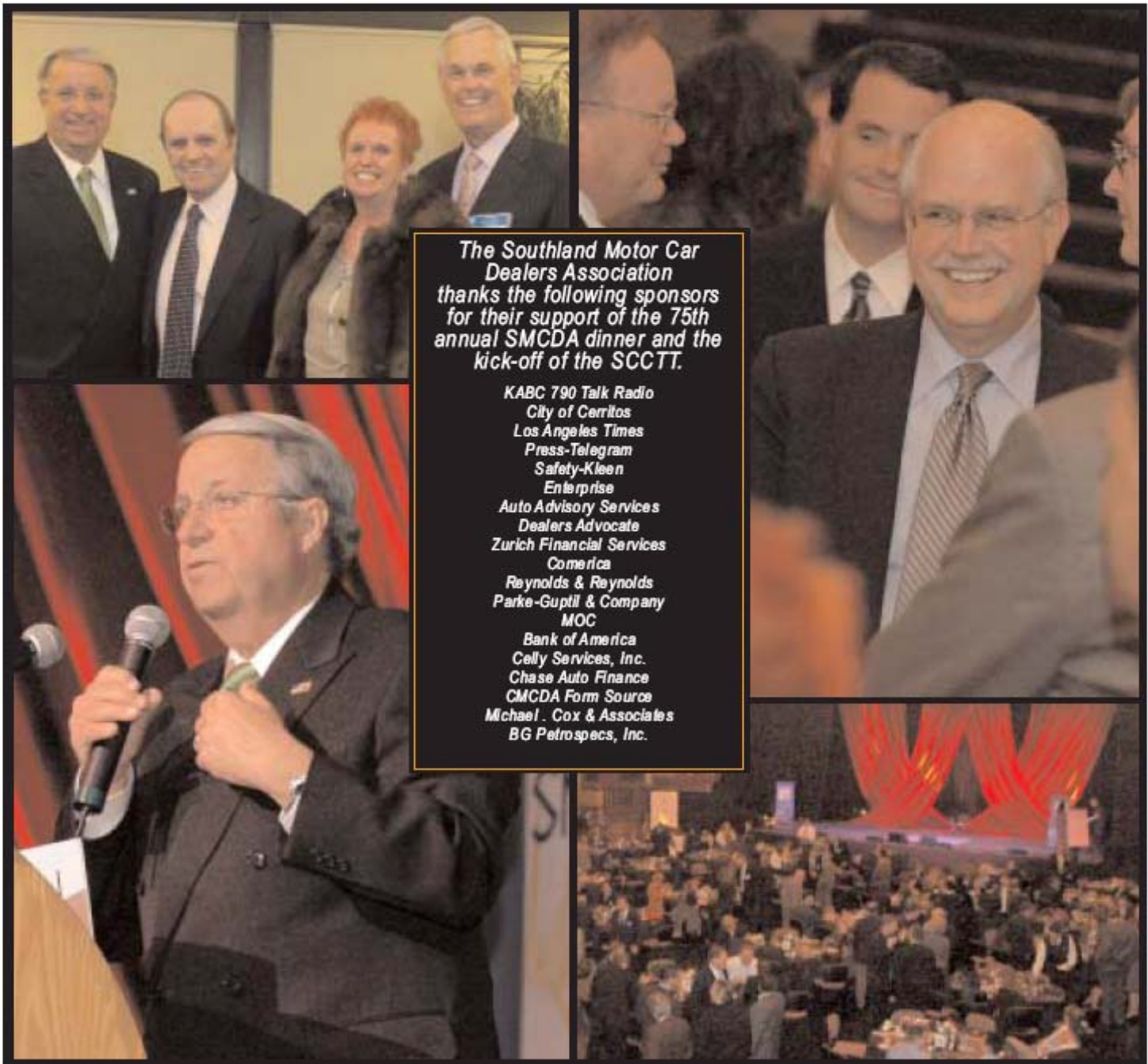
skilled employment needs of the auto industry.

Key features of the SCCTT will include a state-of-the-art Hybrid and Alternative Fuels Training Center, three manufacturer-sponsored technician apprentice programs, and Northwood University's west coast program center that offers a bachelor's degree in automotive management for full-time students and working adults.

"We truly value the Southland Motor Car Dealers Association's commitment, confidence and support of

our expanding programs," said Cerritos College's President Vela.

"This financial assistance from our corporate partners will allow Cerritos College to develop and provide the necessary training for a career ladder of opportunities for individuals and will provide a solution to an ever-growing industry need for employees. We're excited about the future we're building for employees and employers alike."



*The Southland Motor Car Dealers Association thanks the following sponsors for their support of the 75th annual SMCDA dinner and the kick-off of the SCCTT.*

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# Kelly's Korner | Privacy Policy Pointers

By Jan Kelly, president of Kelly Enterprises

A rash of recent questions about the "Privacy Policy" lead me to believe that it may be time to review this important aspect of the Graham-Leach-Bliley Act. I do so along with the reminder that none of the information that follows is intended as legal advice. Please consult your attorney for compliance matters concerning your own dealership.

## What is the Privacy Policy?

The Privacy Policy is the first part of the Graham-Leach-Bliley (GLB) Act. The Privacy Policy stipulates that businesses who collect information about their clients, customers and/or consumers must provide notification about what they will do with the information supplied to the busi-

ness. This includes who will receive the customer information, as well as why and how the information will be shared.

## How does the Privacy Policy apply to dealerships?

When dealerships finance vehicle purchases and sell their customers a variety of policies and services, it becomes necessary to share certain information gathered with third parties in order to secure funding and to process the policies and services which the customer chooses to purchase.

Some states require that the privacy form must include an opt-out and/or an opt-in choice for the customer. You will need to check with your

dealership's legal counsel to determine what your privacy policy should contain.

## When should the customer receive the Privacy Policy?

It is my understanding that the Privacy Policy should be given to each customer immediately after obtaining the credit application. Most privacy policies I have seen are two-part NCR (No Carbon Required) forms. The forms have a place for the customer to sign an acknowledgment. The original stays with the deal. The copy goes to the customer.

## What happens when the customer refuses to sign?

I recommend that you note on the

*Continued on next page*



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form that the customer refused to sign and that a copy of the form was given to the customer for later review.

**What else should I know about the Privacy Policy?**

Many privacy forms state that the dealership takes steps to protect the NPI (Non-Published Information) through physical and electronic safe-keeping measures. This statement seems to tie the Privacy Policy to the Safeguards Rule, which is the second part of the GLB Act.

If your dealership uses an online credit application, you should also have an online version of the Privacy Policy. Your association and Reynolds & Reynolds are great sources of sample forms and information. Compliance with the Privacy Policy of the GLB Act is not optional. For the well being of your personnel and your business, be sure to confirm with your legal counsel that you are in full compliance with both the Privacy Policy and Safeguards Rule contained in the GLB Act.

*"Kelly's Korner," Oregon LADA Newsletter, January 2007.*

## SMCDA in the News



Cerritos College students working at Glenn E. Thomas Dodge were recently filmed and interviewed for an ABC7 piece that aired in late February. Pictured above, left to right, is dealer Bob Davis, an ABC7 cameraman, and reporter Dave Kuntz.

The ABC segment focused on careers in the auto industry. More than 50 percent of Bob Davis' technicians either came from or

went through the Cerritos College Chrysler Apprentice Program. Earlier in February, Leon Kaplan, KABC AM-790's "Motor Man" visited the campus and subsequently did a profile on the campus on his Sunday morning radio show. During the show, he announced the start of a listener scholarship fund he is starting to help young people get into the industry.

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## TIME Magazine Honors Randy Sopp for Community Service, Industry Accomplishment

Randy Sopp, president of Sopp Chevrolet in Bell, received the 2007 TIME Magazine Quality Dealer Award (TMQDA) on February 3 during the National Auto Dealers Association (NADA) convention in Las Vegas. The announcement was made by Ed McCarrick, TIME's president and worldwide publisher, and Johann Finkelmeier, vice president and general manager of Original Equipment Tires, North America, at the Goodyear



Tire and Rubber Company. Sopp is one of only 60 auto dealers, from more than 19,500 nationwide, nominated for the 38th annual award. "The TIME Magazine Quality Dealers Award is the automobile industry's most prestigious and highly coveted award for car dealers, and we are proud to sponsor this award, which stands for excellence and

community involvement," said McCarrick.

TMQDA recipients must demonstrate a long-standing commitment to effective community services and be among the nation's most successful auto dealers. The award is sponsored by TIME in association with Good year, and in cooperation with NADA. A panel of faculty members from the University of Michigan Graduate School of Business Administration selects TMQDA finalists.

A graduate of Earl Warren High School, Sopp began selling vehicles at Sopp Chevrolet in 1967 while a student at the University

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of Southern California. Now known as Maurice J. Sopp & Son, it is one of the oldest Chevrolet dealerships in the western United States. In 1972, at the age of 25, Sopp was added to the dealership as dealer and operator with his grandfather and father—the youngest person at the time to be named as a Chevrolet dealer in Los Angeles. When the original Sopp Chevrolet location burned to the ground in 1988, Sopp purchased his closest competitor, Bellwood Chevrolet, and combined the two dealerships into one location.

In addition to his business successes, Sopp and his dealership have also supported a wide range of organizations and causes. He has served as president of the Kiwanis Club of Huntington Park and the Friends of the Bell Foundation. He is also the long-time chairman of the Southeast-

Rio Vista YMCA, which was founded by his grandfather in 1925 and serves a low-income Hispanic community with more than 300,000 residents. Sopp has raised more than \$2.4 million for the organization since 1979, which he cites as his most meaningful civic achievement. He also takes pride in bringing young Hispanics into careers in his dealership.

“Since 1982, Sopp Chevrolet has sponsored more candidates in the GM Automotive Service Education Program at Cerritos College than any other GM dealers,” Sopp said.

Nominated for the annual TMQDA by Todd Leutheuser, executive director of the Southland Motor Car Dealers Association, Sopp lives in Palos Verdes Estates with Catherine, his wife. They have three children and four grandchildren.

**Save the Date!**  
**SMCDA**  
**Scholarship Golf**  
**Tournament**  
**July 23, 2007**

## **SMCDA** **Welcomes** **New Board** **Directors**



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*Norwalk/Long Beach*  
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**Greg Timmons**  
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## Creating an Energy-Efficient Dealership

One excellent way to learn about potential energy efficiency improvements is from industry peers. Such success stories can reveal details of the work, time and investment involved and the improvements achieved.

Evidence of the potential for dealership energy efficiency improvements is a Virginia Acura, Lexus and Chevrolet dealership, visited in conjunction with the development of an NADA guide referenced at the end of this article. The sprawling auto campus has three dealerships and a number of service buildings adding up to a quarter million square feet of space.

The successes achieved at this facility were made possible due to the efforts of the dealership group's facility manager, with the support of the dealer-owners. Various dealer-

ship personnel are involved in the improvements, as are several outside product and service providers, including lighting professionals. Some of the improvements include:

*"Many opportunities exist for cost-effective energy efficiency upgrades at dealership facilities."*

**Building Shell**—A master switch that shuts down the entire facility at closing, except

for select security lighting.

**Showrooms**—Metal halide lamps in areas with high ceilings.

**Parts/Service Areas**—Suspended and looped compressed air-distribution systems

**Vehicle Washing and Detailing Areas**—Greater than 50 percent water reclamation.

**Dealership Lot and Building Exteriors**—Exterior lighting incor-

porating photocells to reduce day burning.

**Body Shop**—T5HO lighting for the bodywork examination area.

To achieve similar results, consider contacting appropriate professionals to review or energy audit your facilities for potential energy savings.

Many opportunities exist for cost-effective energy efficiency upgrades at dealership facilities. In addition, even more fruitful opportunities exist for dealerships involved in new construction or major facility renovations. These opportunities will only become more numerous and attractive in the future as energy costs increase, and new technologies and strategies become available.

*Adapted from A Dealer Guide to Energy Star® Putting Energy into Profits (BM31), available online at [www.nada.org/mecatalog](http://www.nada.org/mecatalog). More information at the ENERGY STAR® Small Business Network at [www.energystar.gov/smallbiz](http://www.energystar.gov/smallbiz).*

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# Cash Management Best Practices

The key element to cash flow is timing. If you receive a payment of a contract in transit before you have to pay the floor plan, lien payoff on the trade-in, and sales commission—then your cash flow is okay. Unfortunately, the timing is not always right, and it may be compounded by such circumstances as a customer using a trade-in to pay for a portion of his vehicle purchase. That trade-in can stay in your inventory for months, reducing your cash flow. Creating best practices and policies will enable you to correct the issues that harm your cash flow.

The following are best practices for getting your cash into the bank faster. They might not work in every dealership, and they might require additional training and policies to be put in place, but experience has proved that many of these solutions are effective in turning your receivables and inventories into cash faster.

- Have the F&I office pull and submit the contracts.

- Use a post office box for receiv-

ing checks in the mail. Receipt them in and deposit the same day to a deposit clearing account. Have the clerks distribute the payments to the various accounts from the receipt and check stub instead of holding the checks.

- Have a policy for used-vehicles that you will carry in stock by year, make, and model. If a unit comes into stock outside of that policy, wholesale immediately and adjust the Actual Cash Value (ACV) of the car deal that took it in trade.

- Use sweep accounts to move excess cash from your checking accounts into investment accounts and include the payroll account to earn on that account's "float."

- Issue a daily report of all Contracts in Transit and Vehicle

Receivables to the sales department. Don't wait for accounts to become past due to collect.

- Issue a weekly report of all Accounts Receivable and Warranty Claims to the service and parts managers. The best person to collect the funds is the department manager who created the receivable.

*...Experience has proved that many of these solutions are effective in turning your receivables and inventories into cash faster.*

This article is adapted from NADA Management Education's *A Dealer Guide to Cash Flow Management* (BM33). The guide, which explains and defines cash flow, and provides worksheets you can use to help manage your dealership's cash flow, can also be ordered online at [www.nada.org/mecatalog](http://www.nada.org/mecatalog) or by calling NADA at 800-252-NADA, ext. 2

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## High Schools Compete in Auto Tech Challenge

*Southeast ROP and Agoura High School Students Advance to National Competition in NYC*

Cerritos College's Automotive Technology Department hosted a High School Auto Tech Competition sponsored by the Southland Motor Car Dealers and the Greater Los Angeles New Car Dealers Association (GLANCD) on Saturday, February 10.

Agoura High School students Michael Amodio and John Theodsiou, and Southeast ROP students Nathaniel Haugh and Jared Hindman distinguished themselves from among 15 other area high school teams and won an opportunity to compete in the 2007 National Automotive Technology Competition April 10 and 11 during the New York International Auto Show. GLANCD and SMCDA

and will each sponsor Agoura HS and Southeast ROP, respectively, in representing the association's region at the nationals.

MATCO Tools donated \$6,000 worth of prizes to the winning students teams. SMCDA also gave \$500 MATCO Tool gift certificates to students enrolling at the Cerritos College Automotive Tech Education Program this fall and an



*Southeast ROP students Nathaniel Haugh (left), Jared Hindman (right) and their advisor Israel Andrade. Haugh and Hindman won an SMCDA-sponsored trip to the national competition in New York.*

additional \$500 cash toward tuition for those continuing their education in the auto program in spring 2008.

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