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Los Angeles Times
reader.**



■ **More than half of SoCal
new-vehicle buyers
read The Times.**

Our readers buy a lot of cars, and they're willing to go the distance to do it. Most Times readers traveled more than 10 miles to purchase their last vehicle and more than 850,000 Times readers plan to buy a new or used vehicle in the next 12 months.

 **Los Angeles Times** | latimes.com.

Source: 2006 JD Power New Vehicle Buyer Survey; Scarborough Release 1 2006.

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the Southlander
YOUR ASSOCIATION NEWS UPDATE



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November/December 2006

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**OC Auto Show a Hit With
New Theme and Name**

48% of Attendees say they will Buy Within the Year



The newly named Orange County Auto Show was held October 4-8 at the Anaheim Convention Center and was a big hit with a nearly 15 percent increase in attendance. If the attendee surveys are correct, they should bode well for car sales, as 47.75 percent of survey respondents said they plan to buy a car within the next 12 months.

"Part of the success of the show was due to our new marketing approach,"

said Auto Show Co-Chair John Peterson.

"We focused a lot of our marketing effort on areas within 30 miles of the Convention Center and we

themed the event as

"more than an auto show."

We supported the theme by

bringing in the

70's band Foghat, host-

ing a Hawaiian Tropic beauty contest, and inviting the California Fuel Cell

Partnership to let attendees drive Hydrogen-powered fuel cell vehicles.



Continued on page 3

The Southlander is an official publication of



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To advertise in an upcoming issue, please contact
Todd Leutheuser at (562) 595-4326.

Scholarships are Key to Success

As you know, our association places a high priority on supporting automotive students who are preparing for dealership careers. SMCDA is very involved in supporting automotive programs at Cerritos College and Northwood University, which now has a west coast campus at Cerritos College. It costs a full-time student roughly \$500 per semester to enroll into the one of the classes at Cerritos College and an additional \$12,000 to take the fourth year of school at Northwood University. We are fortunate to have students interested in pursuing a career in our industry and we shouldn't let the cost of education get in the way of their dreams.

Luis Espindola is an example of someone we want to encourage to seek higher education (see the story on the accompanying page). Luis is planning to get his bachelor's degree and is seeking a career in the auto industry, but cost will determine whether he decides to go to Cal Poly Pomona or to Northwood University.

The SMCDA is doing our share by offering scholarships and getting the word out to students about their availability, but I think we as dealers can do a better job of letting our young, enterprising employees know about these opportunities.

Two known scholarships currently available are run by the CMCDA scholarship foundation and the SMCDA scholarship fund. If you have an employee who is student at Cerritos College and could be a candidate for a scholarship, let them know about it.

In other news, we have included the third quarter *Southland Auto Outlook* with this issue of *the Southlander*, and we are working on details for our annual installation dinner and Southland Cerritos Campaign Kickoff which is currently scheduled for the evening of January 18. We strongly encourage you to attend and to invite your factory representative to this worthwhile meeting. At this point, the schedule for ground breaking will be the summer of 2008, and we need to encourage our manufacturers to be part of this project.

Sincerely,

John Peterson, Jr.



John Peterson, Jr.
Cormier Chevrolet/Hyundai

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(left to right: Todd Leutheuser (SMCDA Executive Director), Lowell Hunsald (UUG Regional Claims Manager), Rex Lyon, Jr. (UUG Regional Sales Manager), and Bud Collins (UUG Regional Underwriting Manager).)

The Southland Motor Car Dealers Association Endorses Universal Underwriters Group

We are pleased to be continuing our partnership with Universal Underwriters Group on programs which benefit Southland automobile dealers. As a result of this partnership, the SMCDA renewed its endorsement of Universal Underwriters' products and services, including:

- Property & Casualty Insurance
- Business Life Insurance
- Credit Life Insurance
- Vehicle Service Contracts

Since 1922, Universal Underwriters Group has demonstrated strength and stability as the leader in dealership insurance. The SMCDA urges its member dealers to consider a winning partnership with Universal Underwriters. Join other SMCDA members who count on Universal, not only for insurance protection, but also to put more profit in their business. They are the only company that offers the whole package.

It's a powerful combination no other company can match. Call Regional Sales Manager Rex Lyon, Jr. at 800.435.8842 or visit their website at www.UniversalUnderwriters.com.



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Kelly's Korner

Concerning Your Area of Influence

By Jan Kelly, president of Kelly Enterprises

Q The number of regulatory issues has grown to the point that I am afraid of being an F&I manager. While I love the business, I also want to go home at night without worrying about being arrested.

A We are all concerned about the compliance issues that face our industry. We strive to do the right things every day, not just because we have to, but also because it is simply good business practice to do so. It is easier to carry the weight of compliance matters when you focus on your own area of influence. Your area of influence encompasses what you do during a business transaction, and this is what you are held accountable for.

~ Do you present facts with the benefits?

~ Do you fully disclose all the terms and conditions of the transactions before you obtain signatures from the customer?

~ Do you handle the customer's private non-published information in a discreet, professional manner?

~ Do you use a crosscut shredder to dispose of private information?

You are responsible for the actions you take within your own sphere of influence, as you carry out compliance policies and procedures established by dealership management.

Regulations concern all of us. When you focus on those that belong to you, you are taking care of the compliance that matters.

**Stay Tuned:
Annual Meeting
and Cerritos
College Capital
Campaign Kickoff
Announcement
Coming Shortly**

**Remember to
Vote!
Ballots for the
2007 Board of
Directors will be
mailed out the
last week in
December.**

Continued from cover

We specifically partnered with radio stations to get the news out about each one of our promotions to people within that radio demographic."

Nissan used the show for the launch of its first hybrid vehicle, the Nissan Altima. Other all-new or redesigned 2007-models making a debut at the show included the newly unveiled Lamborghini Mucielago LP640, as well as the Ferrari F430, Ford Mustang GT500, BMW M6, Mercedes-Benz GL450, Land Rover LR2, Ford Edge, Nissan Versa, Saturn Outlook, Toyota Yaris, Volkswagen Eos and a variety of hybrid vehicles including the Lexus GS, Toyota Camry and Saturn Vue Green Line.

Attendees also received a sneak-peek at models yet to hit the dealer showrooms, including the pre-production Ford F250 Super Duty, Chevrolet Tahoe Hybrid and Infiniti G35 Sedan.

"Each year, we see this event growing and attracting a wider audience," said SMCDA President John Peterson, Jr.

"Our sincere appreciation goes out to our members who were instrumental in helping to make the show successful."



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"Automotive Accounting Specialists"

Cerritos College Automotive Students Receive Scholarships

In November, the Leutheuser family presented Cerritos College students, Jimmy Nguyen and Luis Espindola, each with \$500 Scholarships for their outstanding achievement in the vocational auto tech courses. Nguyen works for Huntington Beach Chrysler-Jeep and Espindola is a technician at South Bay Ford. Both young men are planning to pursue bachelor's degrees in business management in preparation for a career in dealership management.

Rick Evans, owner of Huntington Beach Chrysler-Jeep, said, "Jimmy is possibly my best tech I got through the Cerritos College Chrysler Apprentice Program."

That says a lot, considering more than half of Evans' technicians have gone through the program. Both students indicate that they want to earn their bachelor's degree through the Northwood program at Cerritos College.

The award was established in 2004 by SMCDA Executive Director and Cerritos College Foundation Trustee, Todd Leutheuser with his brother Pete. Pete Leutheuser created the scholarship in memory of his long time friend Jeannie Yang. The Jeannie M. T. Yang



Pictured above, left to right, are Todd Leutheuser, Jimmy Nguyen and Luis Espindola, students in Cerritos College's Automotive Technology program, and automotive instructor Kevin Taylor.

Scholarship awards a total of \$2,000 each year to four promising students in the automotive department at Cerritos College. Dr. Jeannie M.T. Yang, was a community college professor originally from mainland China who had a great love for education.

Dealers Fined for Clean Air Act Violations

By Sam Celly, Celly Services Inc.

The U.S. Environmental Protection Agency has fined three Bay Area auto repair shops a collective \$35,000 for alleged violations of the federal Clean Air Act.

Hayward Ford of Hayward, South City Motors of South San Francisco and Broadway Motors of Oakland failed to comply with the requirements of the Clean Air Act's regulations for mechanics who service and repair automobile air conditioning systems.

Hayward Ford has agreed to pay a \$10,000 penalty; South City Motors has agreed to pay a \$20,000 penalty; and Broadway Motors has agreed to pay a \$5,416 penalty.

The Clean Air Act requires that air conditioning mechanics pass an EPA-

certified training and testing course. The EPA training is required regardless of any other training or certification mechanics may have. The facility must also maintain adequate records to demonstrate EPA certification of their mechanics and refrigerant recovery and recycling equipment.

The training regulations help ensure the proper handling of ozone-depleting and global warming substances that go into a car's air conditioner, thereby minimizing the release of these chemicals into the atmosphere. The adverse effects of ultra-violet radiation from a thinning ozone layer include skin cancers, cataracts and immune system suppression.

"It is important to take every precaution to prevent Freon and its alterna-

tives from escaping into the atmosphere," said Deborah Jordan, director of the Air Division in the EPA's Pacific Southwest regional Office in San Francisco.

"Mechanics who service these systems play a key role in preventing the release of these potentially harmful chemicals, and need to be properly trained."

The EPA alleged that Hayward Ford and South City Motors employed two and four non-EPA certified mechanics, respectively. The EPA also alleged that Hayward Ford, South City Motors and Broadway Motors each failed to maintain proper records.

For more information, visit: <http://www.epa.gov/ozone/title6/609/justfax.html>

for qualified staff, all the way from the service department to management areas. Today's automotive students have a more defined career ladder available to them," Jaramillo noted.

"The fact is, manufacturers are making better cars, and we have to train our students to keep up with new and advancing technologies in the industry. Proper vehicle service and repair requires computer knowledge as well as math and even some engineering skills, so there's a perception out there that needs to be adjusted. Students who come out of our program are better equipped for jobs in the industry, and they have more opportunities for growth and development, particularly through our articulation agreement with Northwood University."

Jaramillo holds a bachelor's degree in industrial arts, a master's degree in vocational education and a master's degree in educational administration, all from California State University, Los Angeles. He began his career in the William S. Hart and Alhambra School Districts, teaching automotive tech-

nology and auto body repair. In his new role, Jaramillo also will work to build the alternative-fuels program.

"Within 5-10 years, our vision is for Cerritos College to be the

using alternative fuels and/or alternative power in one form or another. Our students will be ahead of the curve by becoming familiar now with advanced transportation technologies."



Chinese educators learn from Cerritos College Automotive Program. In November, a group of visitors from General Motors, China, toured the Cerritos College Auto Technology Program facilities. The new SCCTT is poised to enable partnerships and best-practices exchange between local programs and international manufacturing sites, such as China, where auto production and sales have spiked dramatically in recent years.

benchmark relative to alternative fuels," he said.

"Compressed natural gas engines, hybrids and hydrogen fuel cells all bring us closer to a day when a majority of new vehicles will be

For more information about the SCCTT at Cerritos College, please contact Eli Jaramillo at ejaramillo@cerritos.edu or at (562) 860-2451 ext. 2934.



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New Director Heads Southland/Cerritos Center for Transportation Technology

Cerritos College has announced the appointment of Eli Jaramillo as director of the Southland/Cerritos Center for Transportation Technology (SCCTT), which has become a world-class automotive training center on the college's campus. The program offers a unique career ladder for automotive students and dealer employees from across the Southern California region. Jaramillo joins Cerritos College after a 22-year career at Nissan North America, Inc.

During the next five years,

Cerritos College plans to invest \$15 million in the SCCTT for the expansion and renovation of existing automotive technology training facilities. The new, forward-looking automotive partners building will include state-of-the-art classrooms and training facilities, program offices for Northwood University and the Southland Motor Car Dealers Association, and fully equipped meeting facilities. Jaramillo will oversee development of the center and its affiliated programs.

"To be able to join a school that has this much world-wide recognition is exciting" Jaramillo explained. "Just this week we gave



tours to a contingent of educators from China and hosted people from a community college in the Boston area." My vision is to have a turnkey center where we develop training modules to meet dealers' training needs for existing and new dealership staff,"

"Once realized, the SCCTT will be able to fill a dealership's needs

Clean Air Act Tightens Refrigerant Recycling

Since July 1992, regulations promulgated under the CAA require that motor vehicle air conditioning refrigerant be recycled. Last week, auto dealers in San Francisco area were penalized for violations arising under this act. See email attached. We must note that these CAA regulations are federal regulations and are applicable to all auto dealers in the US and not to San Francisco dealers alone. To achieve compliance under this regulation, dealers must act as follows:

Clean Air Act Section 609 Technician Certification Program: All employees working on A/C systems must be trained and tested by a program approved by EPA on how to properly recover and recycle refrigerant (such as Freon 12, HFC-134(a) or any other approved by EPA approved refrigerant).

Clean Air Act Section 609 Approved Equipment: Must utilize EPA approved recycling equipment and mail a completed USEPA Refrigerant or Recycling Device Acquisition Certification Form to EPA.

Technician Certification: All shop employee's repairing/servicing/diagnosing or working in any way on A/C

systems must receive training and certificate from an EPA approved training program. The list of training programs is available on www.epa.gov/title6/609/technicians/609certs.html.

We note that training programs on A/C systems provided by auto manufacturers are a requirement to repair and service automobiles but they *do not* in any shape or form help in compliance with this law. Training programs provided by other government bodies such as the South Coast Air Quality management District also *do not* help achieve compliance with this law. The training program undertaken by the employees must be on the EPA approved list.

We note that the dealers who have settled the fines (as listed in the attached email) had reportedly been assessed penalties in the range of \$22,700 per technician and the EPA was requesting records going back three years. We do not know why these three Ford dealers were subject of enforcement but the substantial penalty requires action on your part. Under the EPA demand of certification records, you may have to provide train-

ing for a technician that was hired three years ago and left employment two years ago. Locating the certification document for such can be tough if you are not diligent.

We recommended that you *do not allow any employee without training* to work on A/C repair or service unless the employee has provided the management with a copy of certification from an EPA approved body. A copy of the certificate should be retained in the Black Box under the file "Air Quality" and a copy sent to Human Resources (Business Office) for retention in the employee file. You may need a copy of the certification three years beyond the date of departure of the tech!

Approved Equipment: Section 609 mandates that technicians must use EPA approved equipment to perform the refrigerant recovery and recycling. For all the existing and new recycling machines, you must complete a USEPA Refrigerant or Recycling Device Acquisition Certification Form (OMB 2060-0256) and mail it to the Regional EPA office. Please keep a copy of the form in your file on "Air Quality" in the Black Box.

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NADA Director's Column

Every Dealer Matters

By Southern California NADA Director John Symes of Symes Auto Group, Pasadena

Today's market conditions are tough on many dealers, but NADA is here to help. The association now offers a free, confidential telephone-based financial consulting service for all dealerships—the Lifeline consulting hotline. For advice on improving your store's operations and financial stability, call (888) 672-5140 (9 a.m. - 8 p.m. Eastern time, Monday-Friday). You'll speak with one of NADA's industry-leading 20 Group consultants or Dealer Academy instructors, all of whom have real-world experience in dealership operations.

During a call, the dealer and the

consultant may discuss the store's financial status, and the consultant will advise the dealer on fixing trouble spots. If further analysis is required, the dealer can send the consultant the store's financial statement, and the consultant can then provide an in-depth, customized action plan in a follow-up phone call. This service will only be available for a limited time, so dealers should act quickly. For more information, visit www.nada.org/lifeline.

In other NADA news: NADA members can bring a manager or another attendee for free to one of the association's fall seminars.

Upcoming seminars include "How to Create a 'Super Controller'" (October 10-11, Rosemont, Ill.); "How to Turn Parts Into Profit" (October 11-12, San Diego; October 24-25, Seattle); "Fast Track for Effective General Managers" (October 17-20, San Francisco); "The Financial Statement: Your Road Map to Profitability" (October 23-26, Phoenix); and "Jump-Start Your Service Department Profits" (October 23-27, Hartford, Conn.).

At www.nada.org/seminars, dealers and other prospective NADA seminar participants can see detailed seminar listings,

download flyers, and register more than one employee at a time online, and registrants can download needed course materials. For more info, call 800/252-6232, Ext 2.

Online advance registration for the 2007 NADA Convention and Exposition in Las Vegas, Feb. 3-6, is open through Dec. 22, 2006.

Register now: Several hotels, including the Bellagio, Wynn, Paris, and Venetian, are already sold out. To register online or download a registration form, visit www.nada.org/convention or call the convention department at 703/821-7188.

In a speech to the Latin

American Automobile Dealers Association in Quito, Ecuador, NADA chairman William Bradshaw reviewed the current state of the U.S. auto industry, highlighting automakers' differing fortunes here: High oil prices have

"Whether you're doing well or struggling, it's important for dealers to not only consider the short-term but also look down the road."

**NADA Chairman
William Bradshaw**

hurt the domestics' truck and SUV sales, but most Japanese and Korean makers are rolling a long. Whether they're doing well or struggling, Bradshaw said it's important for dealers to not only consider the short-term but also look down the road. He credited dealers' "hard work, passion, and vision" for their success.

NADA director of international affairs Albert Gallegos accompa-

nied Bradshaw on the first international trip for NADA since the formation of the new International Affairs Department.

In legislative news: The recent one-year anniversary of Hurricane Katrina was a reminder of the damage that can be caused by these horrific storms. Insurance companies total many vehicles flooded or destroyed by storms. Unfortunately, unscrupulous rebuilders and resellers sometimes overhaul these cars, scrub the titles, and then resell them to unsuspecting consumers. Right now, insurance companies are not required to "red flag" problematic vehicles.

That is why NADA supports S. 3707, the Passenger Vehicle Loss Disclosure Act, which will require insurance companies to make the VINs of totaled cars publicly available. This information will give consumers and dealers more complete vehicle histories prior to purchase, allowing them to make informed decisions about the safety and fair market value of used cars.

NADA encourages all dealers to write their senators to encourage them to cosponsor S. 3707. The association offers draft letters dealers can customize and fax to their senators.

For more information, please contact the NADA Legislative Affairs Office at (800) 563-1556 or legislative@nada.org.

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