



the Southlander

Fall 2010

Partners Building Grand Opening Marks a New Era

*10,000 square-foot Automotive Partners Building at
Cerritos College Opened May 21*

More than 300 auto industry representatives, community leaders, students, faculty and administrators celebrated the official grand opening of the 10,000 square-foot Automotive Partners Building at Cerritos College on Friday, May 21.

The event, held inside the facility's glass-lined showroom, marked the culmination of years of planning, fundraising and collaboration between the college, public officials and local auto dealers.

In a surprise announcement, Conant Automotive Retail Group made a \$100,000 donation towards the facility.

Pictured at right, top to bottom, is the new building; members of the Cerritos College board of trustees, President Linda Lacy and Todd Leutheuser cutting the ribbon in dedication of the new Southland/Cerritos Center for Transportation Technologies in May 21; and, from left to right, Ron Charron, CFO Boulevard Buick, GMC in Signal Hill; Randy Sopp, Sopp Chevrolet in Bell; Warren Mault, Northwood University. ■



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PRESIDENT'S MESSAGE

By Greg Timmons,
*Timmons Volkswagen/Subaru
Long Beach*

Lately you may have noticed a lot of activity with the Southland Motor Car Dealers Association. Our visibility has increased significantly since our move to the Automotive Partners Building at the Southland/Cerritos Center for Transportation Technologies on the Cerritos College campus.

Since we cut the ribbon last May, the SCCTT has hosted numerous events and activities, most recently including a meeting of area Cadillac dealers and a GM tech training session last month. Next on the event calendar are NADA's training sessions, which begin with the Parts and DMS Management series held October 11-15--just one of three week-long seminars. Additionally, Mitsubishi will highlight an electric vehicle to the alternative fuels class on Oct. 12; Buick dealers will use the SCCTT for its dealer ad group on Wednesday, Oct. 13; and BMW will be training 85 parts and services managers in the facility on Oct. 14. And this is just a list of industry events! The building is used on a daily basis for Cerritos College and Northwood University classes.

Check out photos of the facility and individual room features such as enhanced presentation technology, connectivity and video-conference capabilities by visiting www.scctt.org. You can also browse the events calendar located at scctt.org/calendar. If you are interested in hosting a dealership or manufacturer event at the facility, we would love to roll out the red carpet for your group. Just call Dianna at the SMCDA office, and we will lock in the date.

I'd like to also remind you that Northwood University is starting a new group of Automotive Management students in January. If you have any employees who are currently considering getting a college degree, the Northwood bachelor's degree in Auto Marketing and Management might be a good opportunity for them to consider. Keep in mind that there are scholarship funds available for auto students as well.

I wish you the best this fall and look forward to talking with you at our annual meeting in January.




Greg Timmons
SMCDA President



Scholarship Golf Tournament Raises \$23,000



SMCDA's scholarship golf tournament raised more than \$23,000 toward student scholarships on Monday. The winning foursome shot a 57 (15 under par!) and included Bill Renwald, Joe Geleris, Jonathan Forgy and Dan Duir (pictured here, left to right).

At the end of the tournament, \$5,000 scholarship checks were presented to Northwood University and Cerritos College. Since becoming a scholarship tournament in 2006, the event has contributed more than \$115,000 in scholarship funds to students and educational programs. Proceeds from Monday's tournament will directly support students during the 2010-2011 school year. Thank you sponsors, contributors, and attendees, for your support! ■

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2010 Tournament Results
SMCDA 2010 Golf Tournament Results

1st Place Team—Score 57 and -15 under
Dan Duir
Jonathan Forgy
Bill Rehrwald
Joe Geleris

2nd Place Team—Score 59 and -13 under
Matt Reynolds
Ray Muro
Mike Kistemaker
Matt Browning

3rd Place Team—Score 61 and 11 under
John Symes
David Braun
Mark Claman
Bruce Nowel

Putting Contest Winner
Eric Solorzano "6"

Closest to Pin #13
Paul Kim

Longest Drives
Mike Kistemaker
Shelly Jackley

Closest to Pin #11
Caroll Unpingco

Closest to Pin #5
Bill Rehrwald

Poker Rally Winners
1st Place—Craig Cleaver Full House (Aces)
2nd Place - Greg Timmons Full House (Kings)
3rd Place—Brian Amorelli 4 Kings





By Sam Celly, president of Celly Services, Inc.

New Workers' Comp and MPN Requirements

New regulations take place October 8, 2010

Beginning October 8, 2010, California employers must provide certain updated documents to employees related to Workers' Compensation. California has approved amended regulations governing the basic workers' compensation notice materials that employers must use to inform employees of their rights and obligations under California workers' compensation law. The revisions are as follows:

- new hire pamphlets,
- the posting notices that must be displayed at employee notice board,
- the DWC-1 claim form/Notice of Potential Eligibility (NOPE)
- new Medical Provider Network (MPN) notice requirements,

Insured and self-insured employers are subject to the posting notice and pamphlet requirements, and failure to provide current information to employees can lead to loss of medical control [LC §3550 (e)], civil penalties of up to \$7,000 for each violation of the posting requirement [LC §6431] and the tolling of the statute of limitations for filing claims. State law allows pri-

vate entities to prepare and publish the posting notice or pamphlets if they are approved in advance by the DWC, and for many years, insurers, employers and others have depended on California Workers' Compensation Institute (CWCI) to produce these materials and keep them current. The latest amendments to the notice regulations require additional

California has approved amended regulations governing workers' comp materials

information on MPNs, eliminate references to vocational rehabilitation (which is no longer available), revise the state's website references and make other changes intended to streamline the forms.

Because of the short time frame for implementation, the community must gear up quickly, so following the approval of the regulations last month, the Institute updated its pamphlets and posting notices to reflect the latest changes. The changes have been approved by the state. The CWCI has translated the pamphlets and posting notices into Spanish as

required by law, printed the materials, and are ready for distribution to customers. In the meantime, insurers, employers, TPAs, agents and brokers, and others who wish to order the revised pamphlets, posting notices, and the revised 5-part claim forms may visit the online "Store" at www.cwci.org and place order. For further information, call Fran Perry at CWCI (510) 251-9470.

The contents are for general information purposes only. For further information regarding issues addressed in this publication, please contact sam@cellysolutions.com. ■

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By Sam Celly, president of Celly Services, Inc.

MPNs and Other Workers' Compensation Issues

Medical Provider Network (MPN) providers was a key element of the 2004 California Workers Comp (W/C) reform legislation and became effective January 1, 2005. Many clients have not really implemented an MPN—we wish to provide more information on this matter. The MPN allows employers to be more proactive and exercise control over their work-related injuries and hence reduce the costs related to injuries at the workplace.

What does MPN do for you? MPNs work in a similar fashion to HMOs in the healthcare industry. Just like in an HMO, where a sick employee must seek coverage from a physician under the HMO, an injured employee must seek treatment from a physician under the MPN. An MPN is an entity or group of health care providers set up by an insurer or self-insured employer and approved by DWC's administrative director to treat workers injured on the job. Under state regulations, each MPN must include a mix of doctors specializing in work-related injuries and doctors with

expertise in general areas of medicine. MPNs are required to meet access to care standards for common occupational injuries and work-related illnesses. The regulations also require MPNs to follow all medical treatment guidelines established by the DWC and allow employees a choice of provider(s) in the network after their first visit. Injured employees can be covered by an MPN set up by the W/C carrier or the self-insured.

The coordination between the MPN, insurance company, and the employer brings improved cost management and better efficiency. In certain circumstances well known to many employers, the MPN prevents an injured employee from shopping around for an opinion stating exaggerated claims and unwarranted expensive medical procedures. An employee is allowed to change physicians within the MPN, and even obtain referral to specialists. In summary, cost containment and efficiency are the main drivers for employers to elect MPN.

Continued on next page

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Like in an HMO, an injured employee must seek treatment from a physician under the MPN.

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As an employer, you must take affirmative steps to implement an MPN. Else, an employee can choose a physician of his or her choice for treatment. Many times, this free choice of physician results in prolonged treatment that is much more expensive than would normally be warranted under the circumstances, not to mention the fact that the injured employee gets extended an period of disability time, further adding to the costs of the claim. MPN gives you better control, and therefore is the obvious choice of many employers. If you wish to implement an MPN, contact your insurance company/broker immediately and take steps as directed by them.

Employees may pre-designate their personal doctor of medicine (M.D.), doctor of osteopathic medicine (D.O.), or a medical group to treat them for a workplace injury or illness if: the employer offers group health coverage; the doctor has treated the employee in the past and has their medical records; prior to the injury the doctor agreed to treat the employee for work injuries or illnesses and; prior to the injury the employee

provided the employer with the notice of the pre-designation in writing, along with the personal physician's name and business address. One reason this pre-designate was put into effect was to ensure the employee receives continued treatment from the physician for a preexisting injury.

We at Celly Services, Inc. believe that this is a win-win situation for both employers and employees. Employers using an MPN can keep claim costs lower and insurance rates down. Injured employees can get efficient treatment within the MPN pool with a broad range of physicians and specialists. Some carriers have had an MPN available for a few years. Others are starting to get their act together now. Employers must keep availability of an MPN in the selection criteria when choosing a W/C insurance provider.

The information provided above is very general in nature. Detailed information and legalese on implementation procedures must be obtained from the carrier and closely followed. Authority cited: California Code of Regulations, Title 8, Section 9767. ■

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Introduction to Cash Reporting

Every dealership that receives more than \$10,000 in cash in one transaction or in two or more related transactions must file IRS/FinCEN form 8300, Report of Cash Payments Over \$10,000 Received in a Trade or Business,

with the IRS within 15 days of the date on which the cash was received. Dealers also must notify customers in writing that a cash report was filed with the IRS. This notice must be given by January 31st of

the year following the calendar year in which the cash was received. A sample form is available for this purpose at www.nada.org/regulations.

Any transactions conducted between a customer (or agent) and the dealer in a 24-hour period are related transactions. Transactions are considered

Dealerships that receive more than \$10,000 in cash in one transaction or in two or more related transaction must file a report with the IRS within 15 days.

related even if they occur over a period of more than 24 hours if the dealer knows, or has reason to know, that each transaction is one of a series of connected transactions. Dealers should closely consider cash sales of vehicles to the same wholesaler. Depending on the facts, the sales may be related and subject to the Form 8300 filing requirement.

For example, if on one day a dealer sells three vehicles to the same wholesaler, who pays cash for one of the vehicles on the day of the sale and two days later pays cash for the other two vehicles, and the total cash received is over \$10,000 for the three vehicles, a Form 8300 is required. However, if that

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wholesaler buys one car with cash on each of three non-consecutive days, and no single transaction exceeds \$10,000, the transactions are not considered to be connected and are not required to be reported even though the dealer received more than \$10,000 for the three cars combined.

A dealer may be subject to civil penalties for failure to file a complete and accurate Form 8300 on time if it cannot be shown that the failure was

due to reasonable cause. As a general rule, dealers that are audited by the IRS for the first time for Form 8300 compliance have been subject to the lesser failure to file penalty of \$50 per violation when the IRS has found substantial compliance with the Form 8300 filing requirements but occasional violations. On subsequent audits, the IRS will frequently assess the \$25,000 per violation penalty for intentionally disregarding the cash reporting requirement. For a period of time, the IRS assessed the \$25,000 penalty on the first audit. The penalty should be based on the nature of the violation and the facts and circumstances of each situation. Intentional disregard violations may also be subject to criminal prosecution, resulting in imprisonment and fines of up to \$250,000 for individuals and \$500,000 for corporations or both.

This article is adapted from A Dealer Guide to Federal Tax Issues, available through NADA University's Resource Toolbox. For further information on cash reporting and money laundering compliance information, be sure to take NADA's online course The Buck Stops Here, available through NADA University's Learning Hub. ■

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Save the Date

NADA University will host the following four-and-a-half-day seminars at the SCCTT this fall. For more information, please visit www.scctt.org.

Parts & DMS Management, Oct 11-15
Instructor: Chris Bavis, NADA Academy

Advanced Service Management, Nov 1-5
Instructor: Robert Atwood, NADA Academy

By the Numbers Financial Management, Nov 8-12
Instructor: George Grabowski or Steve Lane, NADA Academy

NU Grad Serves as Chrysler Tech Trainer

Noemi Castro graduated a year ago with an automotive marketing major from Northwood University at Cerritos College.

Born in Mexico, Castro grew up in the small town of Janesville, north of Sacramento, where her parents worked in a strawberry field.

When Castro was a sophomore, she joined the SkillsUSA automotive program, a high school program that helps students to develop their knowledge and skills in trade, technical and skilled service occupations. She became very involved in

the program and she served as a state and national officer for the program. Castro received a scholarship and enrolled in the Chrysler Automotive Program at Miramar College in San Diego. She received her associate degree in automotive technology in 2005, and worked as a Chrysler certified automotive technician for five years.

Castro found out about the Northwood University program at Cerritos College from a teacher at Chrysler's annual training session. He knew that Castro was interested in getting her bachelor's degree

in the automotive field and showed her a flyer of the Northwood program. In 2007, she moved to Norwalk to attend Northwood University at Cerritos College. It was a perfect fit for Castro. The accelerated six-week classes helped her reach her academic goal quickly, the teachers who brought in real life experiences were valuable, and, most importantly, the convenience of taking all necessary classes at Cerritos College and paying only community college tuition until the third year was a significant savings.

She graduated in December 2009 with a bachelor's degree in business/automotive marketing. After graduation, Castro worked as a lead research analyst for Polk in Long Beach, where she researched prices and specifications for new cars. Recently, Castro began working for Chrysler Group, LLC as a technical training instructor.

It has been very busy," she reports. "I am starting to teach some classes within the curriculum, such as Cam In Block and Cam In Head. So far it has been almost two months and it has gone by very quickly!"

Castro works out of Livermore, Calif., which is the San Francisco training center within the network. Several other professionals work alongside Castro and help form part of the West/Denver training area.

"Training technicians has been great," Castro says. "It's an important part of dealership operations. Not only does it help the dealer meet their standards, but ultimately it trickles back to the customer and their vehicles. Trained technicians help the dealer help the customers and at the same time can keep up with technology, as it is constantly changing!" ■



Noemi Castro addresses the Northwood class of 2009

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

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