

READING & RESPONSE

June 2006

“Kelly’s Korner” Column
Oregon IADA *Squeaky Wheel* Newsletter
June 2006

F&I Assurance: The What If Solution

By
Jan Kelly

Q: Why is it important to assure that F&I products are backed by an insurance company?

A: While no one has 100% future vision, we can minimize potential monetary risk through insurance. Insurance is what we rely on when the unthinkable happens. It is our *what if* solution.

Every F&I product sold represents a certain amount of contingent liability for the dealership. If a policy administrator goes out of business before a policy expires, it falls on the insurance company backing up the product or service and ultimately, the dealership, to assist the customer who made the purchase. I believe that selling uninsured products in the F&I process is risky business. It just makes sense to limit dealership liability by ensuring that F&I products are backed by an “A” rated insurance company.

A.M. Best Company, the worldwide insurance-rating and information agency (www.ambest.com) issues “Best’s Ratings”, the industry standard for assessing insurers’ financial strength. These ratings can change when a company is experiencing financial difficulties. You want the company insuring your F&I product or service to have an “A” rating, indicative of a company with strong finances. A “C” rating or “No” rating means that you will most likely have difficulty securing lender approval for including the company’s product in an installment contract.

When you are approached about offering an F&I product, ask the representative for a certificate of insurance. Your due diligence now can protect the dealership’s liability later. The time you take and effort you make to verify the financial backing of the F&I products you offer will give you confidence in the products and gain your customers’ confidence in your presentation. An A+ solution for everyone.

Article written by: Jan Kelly, President of Kelly Enterprises. She is a sales trainer and consultant, convention speaker, and writes frequently for industry publications. For information about training opportunities telephone 800.336.4275 or contact Kelly Enterprises at www.JLKelly.com.

Kelly Enterprises Financial Center (F&I) Seminar Schedule

- Tampa, FL	June 12-16
- Portland, OR	July 10-14
- Irvine, CA	August 14-18
- Baltimore, MD	September 18-22
- Portland, OR	October 9-13
- Dallas, TX	November 13-17
- Vancouver, WA (USA)	December 11-15

LEGAL, LEGISLATIVE AND REGULATORY SUMMARY

April 2006

By: Whann & Associates,

LLC

- *Federal Legislative Developments*

While issues such as port security and the overhaul of lobbying rules took precedence in the press, the Nation's financial picture dominated the Congressional Agenda during March. The Senate adopted the Fiscal 2007 Budget Resolution the same day it cleared a \$71 billion increase in the debt limit and House Leaders succeeded in passing a \$91.9 billion supplemental Spending Bill. The President also realized his goal of extending 16 provisions of the Patriot Act that were set to expire on March 10th. It remains to be seen whether he will be as successful when it comes to other priorities, such as passing legislation permitting drilling in the Arctic National Wildlife Refuge and passing the long stalled Tax Package.

President Bush Signs the Patriot Act into Law

After months of debate and negotiation, the task of dealing with 16 expiring provisions of the Patriot Act ended on March 2nd with a vote that cleared the Conference Report on H.R. 3199. The vote followed an agreement by the White House and a handful of Senators that raised privacy and civil rights issues to make three minor changes to the records seizure provisions. Those changes were rolled into S. 2271, which the Senate passed on March 1st. In the end, 14 provisions were made permanent; two others, the FBI's power to seek roving wiretaps and the authority to seize business records with a court order, were extended until 2009. On March 9th, President Bush signed both H.R. 3199 and S. 2271 into law. Even as the Legislation headed to the White House, a new effort was in the works to re-examine the Patriot Act. The Senate Judiciary Chairman, who was also the Senate's chief negotiator in the House-Senate Conference, indicated that he intends to file a Bill seeking additional protections for civil liberties, many of which were included in the Senate version of the Legislation passed by the Senate last July.

Passing a Final Budget Resolution with ANWR will be an Uphill Battle

Opening Alaska's Arctic National Wildlife Refuge (ANWR) was the most contentious issue before the full Senate when it came to a vote the week of March 13th. The Senate Budget Committee set up the floor showdown when it adopted the Fiscal 2007 Budget Resolution with a single Reconciliation Bill that would generate \$3 billion in revenue over five years from the leasing of energy drilling rights in ANWR. The move was done in part to protect the controversial ANWR provision from a filibuster. On March 9th, nineteen Senators sent the Majority Leader a letter reiterating their opposition to including ANWR drilling in the Budget Resolution. Senate Leaders were able to win adoption of the Budget with the language, however, by negotiating a deal with Senator Landrieu that would reserve up to \$10 billion in funding from ANWR lease revenue and other sources for Gulf Coast relief. They also negotiated with and secured the vote of Senator Snowe. Despite this victory, opening ANWR will be a tougher sell in the House. The House Budget Chairman has said that he does not plan to include ANWR in the House Budget Resolution and, with at least two dozen anti-drilling Republicans threatening to block the Budget if it does include the provision, House GOP Leaders will still have to look to pro-drilling Democrats for help. Thirty Democrats voted against an amendment to the Energy Bill last year that would have stripped ANWR leasing from the House Bill.

Offshore Drilling Proposal Advances in the Senate

The Senate Energy and Natural Resources Committee voted to pass S. 2253, which would open approximately 3 million acres in the Gulf of Mexico to oil and gas drilling within a year. The proposed drilling area, known as the Gulf's Lease Sale 181 area, is about 100 miles from the coast of Florida (south of Alabama and the Florida panhandle) and is estimated to contain 5 trillion cubic feet of natural gas. The Bill is likely to meet tough resistance on the floor though. One Florida Lawmaker, Senator Nelson, has promised to lead a filibuster to prevent a vote on the Bill when it reaches the full Senate. He has joined with Senator Martinez from Florida to file a Bill, S. 2239, that would limit new drilling in the Gulf to a 740,000 acre area farther from Florida and would establish a larger buffer zone off the State's shores. Senator Landrieu joined five others in introducing a separate Bill, S. 2384, to give Louisiana, Alabama, and Mississippi half of the leasing revenues. Meanwhile, the House Resources Committee Chairman is waiting to see how the issues play out in the Senate before deciding whether to try again this year to pass Legislation to allow Coastal states to opt-out of the federal moratorium on offshore energy exploration.

Bills to Curb Identity Theft Continue to Move in Both Chambers of Congress

On March 29th, the House Energy and Commerce Committee considered the latest in a series of Bills working their way through the House and Senate that are designed to curb identity theft. H.R. 4127 incorporates changes to the version approved by the Subcommittee on Commerce, Trade and Consumer Protection in November. The Measure has a narrower definition of data broker, a lower threshold for triggering consumer notification, and would require data brokers to verify the accuracy of the information they sell. Consumers could also access their information files each year and flag, change or delete incorrect data. Earlier in the month, on March 16th, the House Financial Services Committee approved H.R. 3997, which would be less stringent than most state laws. It would allow businesses to take into account the risk of identity theft when deciding whether to notify customers and make public that the information had been compromised, but it would also allow victims of identity theft to freeze their accounts. At least five Committees, three in the Senate and two in the House, have already taken up or are expected to take up identify theft legislation this year. The primary issues are the standard that will trigger notification to consumers, whether consumers will be able to freeze their accounts and to what extent state laws should be pre-empted. While business groups support a federal standard that would pre-empt state standards, consumer groups have expressed concern that a federal standard may displace stronger state laws.

Senate Passed Measure Would Give FTC New Authority to Combat Online Fraud

The Senate passed a Bill on March 16th that would give the Federal Trade Commission (FTC) the ability to work with foreign law enforcement officials in combating online fraud. S. 1608 would permit the FTC to share confidential information in its consumer protection files with foreign law enforcement agencies and provide them with investigative assistance. The goal is to give the FTC the ability to protect American computer users from online scams that originate abroad, such as spam, identity theft and spyware programs that can track online activity and access sensitive personal data. The Commerce, Science and Transportation Committee approved the Bill by voice vote in December. The Legislation has been a top priority for the FTC. If passed, the Agency could seek court orders requiring third parties, such as Internet service providers, to provide confidential information without notifying targets of an investigation, share information with federal regulators to track proceeds of fraud and other illegal practices sent through U.S. Banks, and work with the Justice Department to freeze overseas assets and enforce U.S. court judgment.

FCC Amends Rules to Implement Junk Fax Prevention Act

In January of this year we reported that the Federal Communications Commission (FCC) had requested comments on how best to implement new requirements under the Junk Fax Prevention Act of 2005 pertaining to the established business relationship exemption and the opt-out notices. On January 18th, we filed comments on behalf of NIADA to protect the interests of NIADA, its State Affiliates and their members. The FCC announced on April 5th, that it has adopted Final Rules to implement the provisions of the Act. The Rules will become effective 90 days after publication in the Federal Register and will: (1) codify the exemption to allow fax advertisements to be sent to parties with whom the sender has an established business relationship (EBR); (2) require that, even in the case of an EBR, a person sending a fax advertisement must obtain the fax number directly from the recipient or ensure that the recipient voluntarily agreed to make the number available for public distribution; (3) require the sender of fax advertisements to provide clear and conspicuous notice and contact information on the first page of a fax that allows recipients to “opt-out” of future fax transmissions from the sender; (4) req

- ***Federal Regulatory Activity***

uire senders to honor opt-out requests within the shortest reasonable period of time, not to exceed 30 days; (5) mandate that small businesses and nonprofit trade associations comply with the Rules; and (6) clarify the term “unsolicited advertisement.”

Agencies Seek Comment on Fair and Accurate Credit Transactions Act

The FTC issued an interagency Advance Notice of Proposed Rulemaking concerning the accuracy and integrity of information furnished to consumer reporting agencies on March 22nd. Section 312 of the Fair and Accurate Credit Transactions Act (FACT Act) amended the Fair Credit Reporting Act (FCRA) to require the FTC (in conjunction with five other Agencies) to write two rules relating to furnishers of information to consumer reporting agencies: One that prescribes guidelines and regulations that persons must follow to ensure the accuracy and integrity of information they furnish to consumer reporting agencies and a second that will identify the circumstances under which furnishers of information must reinvestigate a dispute concerning the accuracy of information in response to a consumer’s direct request. Comments from the public will be due on May 22nd.

- ***ABA Approves Uniform Certificate of Title Act***

The American Bar Association’s House of Delegates has officially approved the Uniform Certificate of Title Act, which was drafted and approved by the National Conference of Commissioners on Uniform State Laws (NCCUSL) last year. The Act, now available for introduction and adoption by the states, provides uniform rules for the transfers of interests in motor vehicles and contemplates both paper and electronic title registrations and title searches. While uniformity in titling administration practices certainly would be beneficial for the motor vehicle industry and consumers alike, there are several issues that may hinder adoption of the Act by the individual states. At the last Drafting Committee Meeting there was still considerable opposition to the Act on the part of consumer representatives who expressed concern about fraud risks associated with electronic titling for dealer-to-dealer transfers and title branding issues. Moreover, given the large disparities in both the financial positions and titling mechanisms among the individual states, funding may also be a difficult issue to overcome.

- *Activity of Interest*

Massachusetts Bill Would Limit Dealership Finance Profits

The Massachusetts Car Buyers Bill of Rights is now before a Senate Committee. In its current form, it would cap dealership finance profits at 0.5% of a vehicle loan amount or \$150, whichever is greater. This proposed cap resembles the Measure initially sought in California to limit dealer finance profits to \$150 per loan. The Massachusetts Bill would also require dealers to disclose to consumers in writing the consumer's credit rating, the interest rate charged by the lender, and the dealer's finance profit. Both Alaska and New Jersey are moving forward with similar Legislation. Under the Bill introduced in Alaska, dealers would have to disclose in writing whether a retail interest rate differs from the lender's interest rate and advise customers that the retail rate may not be the best or lowest rate available. The New Jersey Bill is similar, but would require dealers to disclose both that the interest rate is negotiable and that the dealer may earn a commission on the sale of F & I products.

- *Case of the Month*

Supreme Court Ruling Paves Way for Increased Reliance on Arbitration Provisions

The decision of the U.S. Supreme Court in Buckeye Check Cashing Inc. v. Cardegna is an important step forward in reaffirming the strong public policy in favor of enforcing arbitration provisions. In this case, the Customers entered into various deferred-payment transactions in which they received cash in exchange for a personal check in the amount of the cash plus a finance charge. For each separate transaction, they signed a "Deferred Deposit and Disclosure Agreement" that included an Arbitration Disclosure. The Arbitration provision provided that by signing the Agreement, the parties agreed to settle a dispute of any kind arising out of the Agreement, the application therefore, or any instrument relating thereto, by binding arbitration, including "any claim, dispute, or controversy....arising from or relating to....the validity, enforceability, or scope of this Arbitration Provision or the entire Agreement."

Despite the Arbitration provision, the Customers filed a class action lawsuit in Florida State Court alleging that the Company charged usurious interest rates and that the Agreement violated Florida lending and consumer-protection laws, rendering it criminal on its face. When the Company responded by demanding that the claims be submitted to binding arbitration, the Customers countered that the arbitration provision should be voided because the loan contract itself was illegal. The Trial Court denied the Motion to Compel Arbitration, holding that a court rather than an arbitrator should resolve a claim that a contract is illegal and void. A State Appellate Court reversed the decision, but was in turn reversed by the Florida Supreme Court, which reasoned that enforcing an arbitration agreement in a contract challenged as unlawful would violate state public policy and contract law.

The Company ultimately appealed the decision all the way to the United States Supreme Court. The Supreme Court Justices decided 8-to-1 that, regardless of whether the case was brought in federal or state court, a challenge as to the validity of a contract as a whole, and not specifically to the arbitration clause within it, must be brought before the arbitrator and not the court. This decision should come as good news to members of the motor vehicle industry. Over the past several years, both lenders and dealers have increasingly included arbitration clauses in their retail purchase agreements and retail installment contracts. It is clearer now that customers cannot avoid otherwise binding arbitration provisions by arguing that the underlying sales or financing contract is illegal and void, if the arbitration provision is properly written.

Legal Experts Call Online Sales Risky
By Jeffrey Bellant

The National Independent Automobile Dealers Association's chief counsel is working on an industrywide effort to address liability concerns related to Internet sales and marketing.

Attorney Keith Whann has been seeing recent insurance policies which are threatening to reject dealer coverage involving vehicles that have been sold or even marketed on the Internet.

He first brought this new development to the attention of a group of dealers during a conference in February.

"I will tell you something that will probably shock most of you," Whann said. "I have just begun to see the first insurance policies come in that exclude the Internet." Whann said he received a copy of an insurance policy from a dealer which indicated that the dealer would have no coverage in cases where he is marketing, advertising, or initiating a contact with a customer via the Internet.

That means if there is an issue with a title, paperwork from the deal, or F&I - virtually any transaction-related item - the dealer would shoulder all the liability if the vehicle had just been advertised on the Internet.

Whann is not surprised this issue came up.

He has been warning the industry for a couple of years that the Internet would pose serious liability issues for dealers.

"They've now figured out it may very well be a house of cards," Whann said. He said not every company is looking at the issue this strictly, but that is what makes it so dangerous.

Whann said he is now working with insurance companies, Internet portal providers and industry representatives to address these concerns.

Attorney Tom Hudson said these issues have been looming for a few years.

"I'm not particularly surprised," he said. "The law is still unsettled on this." He said the whole Internet sales problem likely won't be settled soon either, since these cases move slowly through the courts.

But, Hudson said dealers can do some things to protect themselves, such as the way they handle sales across state lines.

When selling to customers in other states, dealers should make sure they handle the transaction so that the sale is transacted in-state, Hudson said. For example, this might include having the customer sign paperwork at the lot, and having the customer - not the dealer - arrange for the vehicle's transport.

Whann said the insurance issue is a problem that must be resolved, since most dealers will eventually either be marketing or selling vehicles on the Internet.

He said even if a dealer is threatened with a lawsuit, and settles it without contacting the insurance company, the dealer might lose coverage because he "contractually incurred a financial obligation without their consent." Whann said this issue will be raised and discussed between now and the NIADA's annual convention this June in Las Vegas.

He expects to give an update to dealers during that event.

But Whann warned dealers to look out for changes in their insurance policies regarding Internet sales/marketing.

A year ago, Whann addressed dealers on niada.tv during a live broadcast from Ohio, and the issue of Internet sales and Web-based marketing came up.

Whann said then that these are some of the stickiest issues dealers are facing.

Dealers have to realize than when they use the Internet during the course of selling a vehicle, they have to be aware of state laws, he said. A dealer in Ohio who sells a vehicle to a person in Indiana has to be aware of which state's laws apply.

GRADUATION TIME

By: Larry Hecht, Hecht & Hecht Insurance Agency Inc.

Recently I was cruising the Internet and came across an interesting article about Renters Insurance that was published by a nationally syndicated columnist Michelle Singletary. I decided to pass this along since many of us have college age students and graduation time is here for many of our young people. Renters Insurance is one of those items that people (young and old) often skip.

If you are about to graduate from college, there are three financial things you should definitely do once you get your real-world job.

First, make sure you sign up for the 401(k) plan or any similar retirement plan if it's available. Second, through payroll deduction, set aside a percentage of your pay in a savings account (not checking) that you will not touch. This will be your emergency money. I suggest 10 percent from every paycheck.

And if you are renting, get renters insurance.

Renters insurance is one of those things that young people often skip. You may figure you don't have much to lose if your apartment catches fire or if it's broken into. Or I bet you believe the landlord's insurance will cover your losses.

In both cases, you're wrong.

Renters insurance protects your personal possessions if your property gets damaged, destroyed or stolen. The policy also gives you liability coverage if someone gets injured at your house or apartment, even in the event you accidentally burn down your apartment and the landlord's insurance company sues you for damages, according to the Independent Insurance Agents & Brokers of America, based in Alexandria, Va.

Consider replacement cost

Often people, especially young renters, don't think they can afford the insurance. But it's as affordable as getting a pizza: the average cost is \$12 per month for about \$30,000 of property coverage and \$100,000 of liability coverage.

When purchasing renters insurance, you should consider replacement cost coverage as opposed to "actual cash value" or ACV, the NAIC recommends.

There is a big difference between the two types of coverage. Actual cash value is the amount it would take for you to repair or replace your damaged possessions after factoring in depreciation.

Replacement coverage pays you what it costs to replace the items you lost. Of course, the latter is more expensive than ACV. But if you can afford the higher cost, get it.

Welcome to the real world

Here are some additional things to consider when buying renters insurance, according to the IIABA:

- Usually, it's best if all roommates are on the same policy, although it is possible for each to purchase his or her own coverage. If only one roommate purchases renters insurance, only that person receives the benefit of coverage.
- Standard renters insurance excludes damage from earthquakes and floods, so talk to your insurance agent about coverage for these incidents. Most policies limit reimbursement for theft of valuable items such as jewelry. If you have particularly valuable items in these categories, you may need to purchase additional inexpensive coverage called a "floater."
- If you damage the building's lobby or walls moving furniture into your apartment, you could be held liable.

Likewise, if a fire starts in your unit, Renters Insurance shields you from these claims.

Yup, buying insurance is a pain. Welcome to the real world.

Write Michelle Singletary, Washington Post Writer's Group, 1150 15th St. NW, Washington, D.C. 20071 or e-mail her at singletarym@washpost.com.

Hecht & Hecht Insurance Agency is available to answer all your insurance needs. If you have questions or we can be of service contact us at info@hechtincur.com on in Portland 503-288-6371 or 800-285-1773.

Don't Get Hung Out to Dry

The Right Internal Controls Can Deter Employee Theft

As if protecting your assets from people outside your dealership isn't enough, you also need to protect them from those within – your employees. Staff members often have ample opportunity to steal. And though dishonest employees are likely few in number, if even one succeeds, the bottom line you've worked so hard to build could get hung out to dry.

Segregation of Duties

Among the main deterrents to employee theft are internal controls. If you put these in place and frequently test them, you'll likely discourage many of those considering stealing, and thwart or catch those who are more daring.

One of the most important internal controls is segregation of duties. In any position, the primary duties to segregate are authorization, custody and recordkeeping.

Ideally, different people should perform each of these functions, and in no case should any one person be responsible for all three. The more susceptible the asset is to theft, the more critical is segregation of duties.

Cash Controls

Let's take cash as our first example – usually an area highly susceptible to theft. Restrict access to cash to as few people as possible. In the case of cash register drawers, ask your cashiers to count the money before and after their shifts, and convey that, during the time in between, this money is their sole responsibility. No one else should have access to it.

When it's time to deposit the cash, order that two people perform this task. That way, you'll minimize the chance of someone saying, "Well, I *think* I put it in there ..." Moreover, mandate that only managers authorize returns and grant refunds. (And they should do so under great scrutiny.)

Accounting Actions

Your accounting department is also a potential hotbed for theft. Review your procedures for dealing with receivables and make sure no one person can approve the sale, post it *and* apply the cash. Being able to do so would provide a thief with the opportunity to create fictitious receivables, apply the payment and pocket the cash.

For payables, no one should be able to set up a vendor; post invoices; and then cut, sign and mail the checks. Again, this situation could let a thief set up fictitious vendors and then post and pay fictitious invoices – ultimately to him – or herself or to a co-conspirator. Protect your dealership by establishing a strict approval process for new vendors and limiting access to vendor files.

Parts Protectors

Another area where you need strong segregation of duties is the parts and service department. Specifically, limit access to the parts inventory system – especially in terms of receipts, sales and adjustments.

If proper controls are in place, periodic test counts of parts, as well as complete physical inventories, will reveal discrepancies. You'll then have to decide which discrepancies are routine and which warrant further investigation.

In the service area, to minimize unauthorized discounts to friends and family, restrict access to override passwords. In addition, regularly monitor open repair orders (ROs) to ensure all open ones are current. Old ROs may indicate service was performed, possibly for friends and family that was never billed. The manager may not know what to do with these aged amounts – one more reason to keep on top of this area.

Management Measures

There are also ways you, as management, can discourage theft or dishonesty at all levels. For starters, enforce mandatory vacations of at least one week per year. Doing so allows another worker to perform the job duties of the absent person, possibly uncovering undesirable activity. Periodically rotating accounting personnel serves the same purpose.

You can also step up your personal fraud-prevention efforts by occasionally reviewing your dealership's vendor list to see whether mysterious providers have materialized. Another wise move: Have your bank statement delivered, unopened and accompanied by that month's canceled checks, directly to you for examination.

From time to time you might even take a day to open the checks that arrive in the mail, total them and then compare that figure to what's later deposited.

Cultural Countermeasures

Perhaps the most important “big picture” thing you can do to discourage theft is to create a dealership culture that encourages and rewards honesty and discourages resentment and disconnectedness. Such a climate not only will help curtail fraud, but also may boost productivity and profitability.

Eyes and Ears: Your Best Defense

In addition to having strong internal controls, one of the best things you can do to prevent employee theft is to keep your eyes and ears open. Look for employees whose standard of living suddenly seems to increase or who openly show they feel underpaid or undervalued. The latter group is often able to rationalize stealing as a way to make up for what they feel you owe them.

Be careful, though, as there may be a perfectly good reason for a worker's abrupt lifestyle change and most dissatisfied workers won't go so far as to steal from you. The last thing you want to do is accuse and alienate an innocent staff member.

Also, listen to your employees talk and employ others you trust to do the same. Now, obviously, you don't want to turn your dealership into a retelling of George Orwell's *1984*. But a certain amount of internal intelligence gathering is well within your rights as a business owner.

*Note: This information provided by James A. Jones, CPA, DeLap White Caldwell & Croy, LLP
503-697-4118 e-mail jjones@yourcpas.com*

YOU SPOKE UP & WE LISTENED!

Beginning with the April 2006 Squeaky Wheel the true or false Reading and Response quiz was no longer a part of the program. By reading the magazine and submitting the certificate that you did, in fact, read the magazine you could earn ½ hour of Continuing Education credit.

The quiz was never designed to be a pass or fail test; only a method for you to use to see if you picked up on the point of the article. Well, the OIADA office heard from many of our faithful readers that they missed the quiz. So, it's back!

Now for those who didn't like the quiz, **don't panic!** You can still submit the certification form found in the back of the magazine for the credit. For those of you who like the self-help quiz you can use it to test you knowledge as the correct answers will be found at the bottom of the page.

You can submit your request for credit two ways:

- Fax or mail the completion certificate to OIADA
- Submit via our internet program using Steps 2 and 3 from the online education link

We were pleasantly surprised by the reaction to this change and hope we have provided something for everyone. OIADA does listen to our members and attempt to respond to your suggestions. We may not be able to do so every time, but when we can it will happen.

Keep your suggestions, concerns and ideas coming. Remember—this is your Association. The OIADA Board of Directors and staff work for you!

READING & RESPONSE FORM

June 2006

ARTICLE:

QUESTION

Kelly's Corner

You should ask the representative offering an F & I product to see their certificate of insurance.

(1) True _____ False _____

LLR

The Massachusetts Car Buyers Bill of Rights now before a Senate Committee currently would cap dealership finance profits at 0.5% of a vehicle loan amount or \$150 whichever is greater.

(2) True _____ False _____

LLR

The Uniform Certificate of Title Act would provide for uniform rules for the transfers of interests in motor vehicles

(3) True _____ False _____

Online Sales Risk

Insurance policies cannot exclude coverage for Internet Sales.

(4) True _____ False _____

Online Sales Risk

Dealers have to realize that when they use the Internet during the course of selling a vehicle, they have to be aware of state laws.

(5) True _____ False _____

Hecht & Hecht

It is recommended you purchase replacement cost coverage versus actual cash value coverage if possible.

(6) True _____ False _____

OIADA

The Oregon Independent Auto Dealers Association 2006 convention will be held at the Salishan Resort September 14 – 16 2006.

(7) True _____ False _____

Don't Get Hung Out

It's a good idea to require employees to take a vacation of at least one week in duration every two years.

(8) True _____ False _____

I certify to OIADA that I have personally read these articles in: Squeaky Wheel Magazine issue **June 2006 Continuing Education Packet # 6-06**

Dealership Name _____ Dealership # _____ (printed)

(one person only)

Dealer License Expiration Date:(Month) _____ (Year) _____

Signed: _____ Date _____

FAX TO: 503-364-7331 or mail to OIADA, 1475 Capitol St NE, Salem, Oregon 97303

Answers: (1) T, (2) T, (3) T, (4) F, (5) T, (6) T, (7) T, (8) F