

Greater

LOS ANGELES NEW CAR DEALERS ASSOCIATION

E-NEWSLETTER ISSUE #1 – 2016



TIME AND ALLY FINANCIAL HONOR PASADENA DEALER

John Symes Wins National Recognition for Community Service and Industry Accomplishments at NADA Convention

The nomination of John Symes, president of Toyota Pasadena in Pasadena, California, for the 2016 TIME Dealer of the Year award was recently announced by TIME.

Symes is one of a select group of 50 dealer nominees from across the country who will be honored at the 99th annual National Automobile Dealers Association (NADA) Convention & Exposition in Las Vegas, Nevada, on April 1, 2016. The announcement of this year’s nominees was made by Meredith Long, publisher, TIME, and Tim Russi, president of Auto Finance for Ally Financial.

“The TIME Dealer of the Year award nominees are business leaders and pillars of their communities, who have each given generously to support important charitable causes,” said Russi. “Ally is proud to honor these dealers and to recognize their commitment to making a difference.”

In its fifth year as exclusive sponsor, Ally will recognize dealer nominees and their community efforts by contributing \$1,000 to each nominee’s 501(c)3 charity of choice. Nominees will also be recognized on AllyDealerHeroes.com, which highlights the philanthropic contributions and achievements of TIME Dealer of the Year nominees.

The TIME Dealer of the Year award is one of the automobile

industry’s most prestigious and highly coveted honors. Recipients are among the nation’s most successful auto dealers who also demonstrate a long-standing commitment to community service. Symes, 65, was chosen to represent the California New Car Dealers Association and Greater Los Angeles New Car Dealers Association in the national competition – one of only 50 auto dealers from 16,000 nationwide – nominated for the 47th annual award. The award is sponsored by TIME in association with Ally Financial, and in cooperation with NADA.

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Continued on next page

Table of Contents	
NADA Convention.....	3
2016 Auto Tech Competition.....	4
2015 CNCDA Survey.....	6
Takata Recall.....	7
LA Auto Outlook.....	8

A panel of faculty members from the Tauber Institute for Global Operations at the University of Michigan will select one finalist from each of the four NADA regions and one national Dealer of the Year.

“Our dealership has been family-owned and operated for more than 68 years and we have tried to create a feeling of family within the dealership,” nominee Symes said. “As dealer principal, I am available on a daily basis to greet and encourage both employees and customers.”

Symes, a 1968 graduate of Arcadia High School in Arcadia, California, earned a B.A. in social science from the University of Oregon in Eugene in 1973, where he was a member of Beta Theta Pi fraternity. Symes went to work in his family’s dealership, following in the footsteps of his grandfather, who opened a Cadillac store in Pasadena in 1948, and his father, who succeeded his grandfather as dealer in 1963.

“In 1965, at the age of 15, I started washing cars and working pick-up and delivery during school vacations,” Symes remembers. “I would attach the Cadillacs to a Volkswagen Beetle and deliver them to the customers.” After college, he worked fulltime at the dealership, moving from department to department, before rising to general manager in 1980. Today, he’s president of the Symes Automotive Group, which encompasses multiple brands, including Cadillac, Land Rover, Toyota, Scion and a collision center, all in Pasadena. His son and nephew work for the business.

Symes’ strong connection to the Pasadena area has inspired him to give back to the community in many ways. One such effort is “Driving Youth to Success,” an initiative for the San Gabriel Valley Council of the Boy Scouts of America. “I was instrumental in starting this fundraising program by asking 30 to 40 dealerships in the San Gabriel Valley to donate \$100 for every car sold in the month of

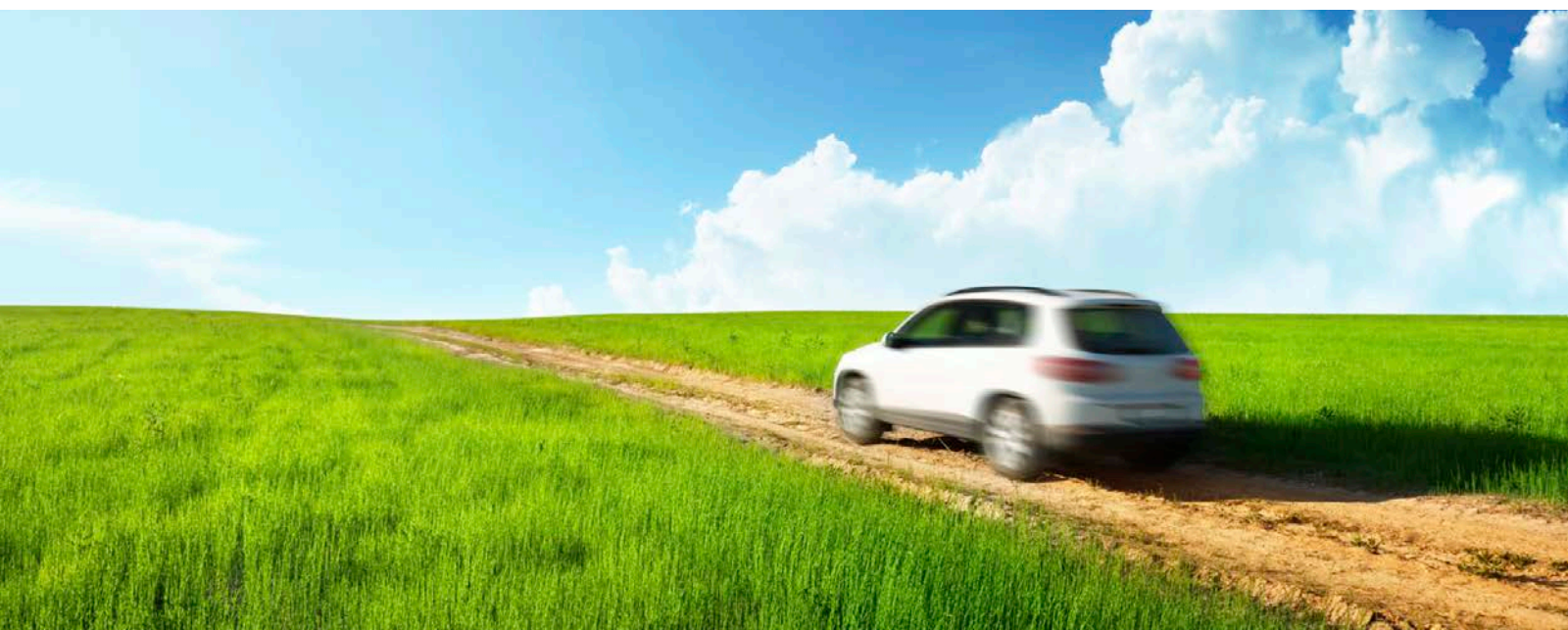
August,” he said. To promote the program, Symes arranged for free publicity through his media contacts, created car toppers in the shape of tents and had Boy Scouts in uniform at the dealerships on weekends. “This event was a big success and we have run it now for about 10 years, raising as much as \$50,000.”

He has also donated his time and talent to the Pasadena Rotary Club, Pasadena Chamber of Commerce and Methodist Hospital of Southern California Foundation in Arcadia. He is most proud of leading the charge to pass a state franchise law prohibiting factory-owned dealerships while he was president of the state association in 2000. “I took heavy pressure individually from the manufacturers for leading this battle,” he said. “The most gratifying moment was when we finally passed the bill.”

Symes is a regular contributor to a range of organizations, including San Gabriel Valley Council of the Boy Scouts of America; Boys & Girls Club of Pasadena; Girl Scouts Cookie Drive; Hillsides in Pasadena (helping at-risk children and youth); Impact Drug & Alcohol Treatment Center in Pasadena; Pasadena Community Foundation; Methodist Hospital of Southern California in Arcadia; Huntington Hospital in Pasadena; Pasadena Educational Foundation and Pasadena Police Officers’ Association.

Symes was nominated for the TIME Dealer of the Year award by Brian Maas, president of the California New Car Dealers Association, and Bob Smith, executive director of the Greater Los Angeles New Car Dealers Association. He and his wife, Susan, have two children.

TIME is a global multimedia brand that reaches an audience of more than 100 million and includes the domestic and international magazine editions, TIME for Kids, TIME.com and mobile. TIME.com draws 50 million unique visitors a month and has a social reach of more than 27 million. (Omniture)

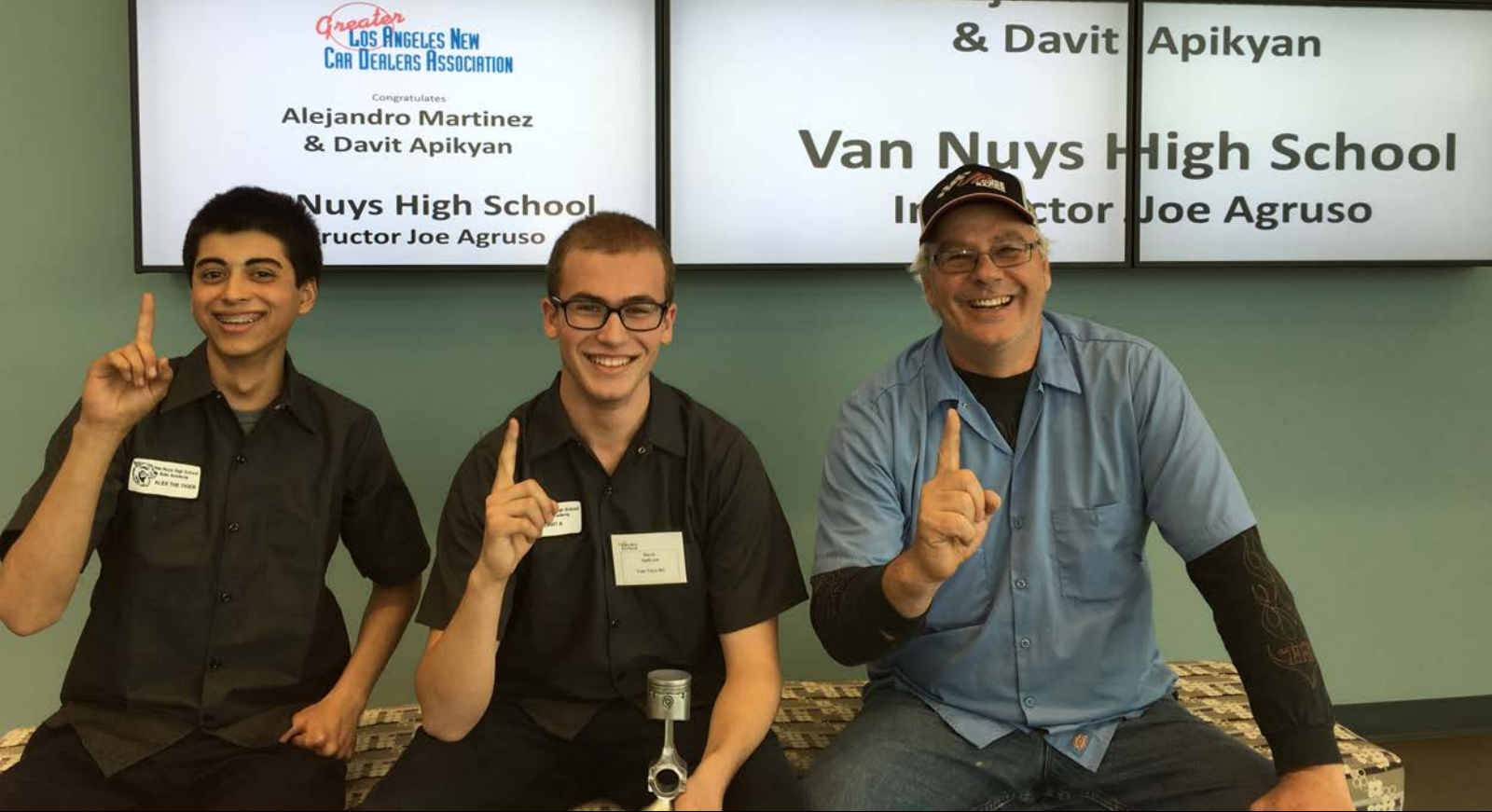


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2016 Auto Tech Competition

The winning team from this year's Auto Tech Competition on Jan. 30, 2016 is Van Nuys High School from the Greater Los Angeles New Car Dealers Association. The team of Joe Agruso (instructor) and participants Alejandro Martinez and Davit Apikyan will advance to the national competition in New York in late March. Last year's group from Van Nuys represented the association and finished fourth overall in the nation! Other schools that participated included Agoura, Artesia, Bonita, California, Canyon, Hart, Mark Keppel, Narbonne, Palmdale, San Fernando, Saugus, Upland, and Southeast ROP.

Los Angeles County is one of the largest retail automotive markets in the world. Technology advancements in the

automotive industry are requiring highly skilled technicians to diagnose and repair the cars of today and tomorrow. LA and Southland new car dealers are encouraging young students to start a lucrative career in the auto industry which needs high quality technicians to repair and maintain the high volume of vehicles sold each year.

The Greater Los Angeles New Car Dealers Association and Southland Motor Car Dealers Association have joined forces to promote this local competition. As a group both associations represent over 250 new car dealer members who realize the importance of "growing new talent" for our industry.

2016 Auto Tech Competition





2015 Economic Impact Survey

This survey is a critical legislative and public relations tool for California's franchised new car dealers. Please take the time to complete the survey and fax to (610) 640-2907. You can also fill it out online. Visit www.cncda.org to access the form. Surveys are due by Friday, February 12. The results will be published in March of 2016.

IF YOU OPERATE MORE THAN ONE DEALERSHIP, PLEASE COMPLETE A SEPARATE FORM FOR EACH LOCATION.

1. Personnel—2015



Number of Full Time Employees	
Number of Part Time Employees	
Total Payroll	\$
Total employee benefits (excluding Payroll Taxes and Social Security)	\$
Do all of your employees and their dependents have access to health insurance through your dealership?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Workers' Compensation premiums paid	\$

3. Financial—2015



SALES/REVENUE	
New Vehicle Sales	\$
Used Vehicle Sales	\$
Service Department	\$
Parts and Accessories	\$
F & I Department	\$
Other Revenue	\$
TOTAL SALES	\$

2. Vehicle Sales—2015



Total number of new retail vehicles sold	
Total number of new fleet vehicles sold	
Total number of used retail vehicles sold	
Total number of used wholesale vehicles sold	

4. Taxes and Fees—2015



TAXES COLLECTED AND REMITTED	
Federal Payroll Taxes (include employer and employee S.S., Medicare, and employee income taxes withheld)	\$
State Payroll Taxes (include state disability and income taxes withheld)	\$
Real Estate Taxes	\$
State Sales and Use Taxes Collected	\$
Other State/Local Business Taxes or Fees	\$

5. Questions



1. In what *county* is the dealership located? _____

2. How many franchises are housed at the dealership? _____

3. What were your total personal and dealership contributions to charitable and civic organizations in 2015?

\$ _____

4. How much did the dealership spend on Advertising during 2015? \$ _____

What percentage of your 2015 advertising dollars went to:

Newspaper _____% Direct Mail _____%

Radio _____% Internet _____%

Television _____% Other _____%

5. Please *estimate* the total amount the dealership spent in 2015 for products and services from other California businesses (e.g., utilities, professional fees, office equipment, supplies, etc.). \$ _____

**ALL SURVEYS
ARE
STRICTLY CONFIDENTIAL**

Please Fax Completed Survey to AUTO OUTLOOK at (610) 640-2907



Takata Recall Documents Posted by the National Highway Traffic Safety Administration *by edmunds.com*

Takata recall documents posted by the National Highway Traffic Safety Administration say another 5.1 million vehicles in the U.S. may have defective airbags, including some newer ones from the 2014 model year.

"The subject inflators include production years from start of production through the end of model year 2014 for vehicles sold in the United States," Takata said in its Part 573 safety recall report. "All products newer than MY14 remain under investigation and could be subject to recall at a later date."

Takata named the manufacturers, but, as of Wednesday morning, consumers still have few details on which vehicles are part of this latest round of recalls. NHTSA on Friday announced that more Takata recalls were imminent.

Ford announced on Tuesday that it is recalling nearly 400,000 2004-'06 Ford Ranger pickups as part of the new Takata recalls.

The new recalls are in two parts.

The first affects 1.2 million driver-side front airbags in certain Audi, Ford, Mazda, Sprinter and Volkswagen vehicles.

The second involves 3.9 million driver-side front airbags in certain Audi, BMW, Honda, Mercedes-Benz, Saab, Toyota and Volkswagen vehicles.

The defective airbags could rupture in a crash, shooting metal fragments at vehicle occupants, "potentially resulting in serious injury or death," NHTSA said. Previous Takata recalls have mainly involved older-model vehicles.

Takata said based on its investigation to date, the potential for such ruptures may occur after several years of exposure to persistent conditions of high absolute humidity, including in states along the Gulf Coast.

"The potential for rupture may also be influenced by other factors, including

manufacturing variability," Takata said in the new documents.

No dates for consumer notification have been set in the new recalls, except for the Ranger recall, which is expected to begin on February 22.

"Takata will be working with vehicle manufacturers to identify into which vehicles the affected inflators were installed either as original or replacement equipment during service," NHTSA said. "As this work progresses, numerous vehicle recalls will likely be announced by the impacted vehicle manufacturers." In a chronology filed with NHTSA, Takata said an 11th death worldwide may be linked to a defective Takata airbag. The death occurred last August in India in a 2007 Honda Civic following the rupture of an airbag inflator.

"There was a driver fatality in this event, but the cause of death has not yet been determined," Takata said. "The inflator was manufactured on October 20, 2006 at the Takata facility in Monclova, Mexico."

Finally, the law firm of Elrod Pope released information about the December 22

crash that killed the driver of a 2006 Ford Ranger when a Takata airbag ruptured. Joel Knight, 52, of Kershaw County, South Carolina was fatally injured in that crash.

"Mr. Knight, who was wearing his seatbelt, struck a cow that had wandered into the road on S.C. 522 southeast of Lancaster and northeast of Health Springs," the statement said. "The airbag inflator rupture caused a piece of metal shrapnel to pierce his neck and spine, killing him in an otherwise moderate and survivable crash."

Edmunds says: The best advice at this point is for consumers to stay in touch with their dealers for recall updates or check NHTSA's VIN lookup tool on a regular basis to see if their vehicle is included in the Takata recalls.

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There is nothing more powerful than having a face to face conversation. The relationships you make at Dealer Day have the potential to impact, not only your business, but also the industry for years to come.
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CNCDA

Los Angeles Auto Outlook



Comprehensive information on the LA County new vehicle market

FORECAST

County Market Predicted to Improve Again in 2016

New vehicle sales are expected to remain at strong levels for several years

The county new vehicle market has been on an amazing run, with new retail registrations increasing for six consecutive years. As shown on the graph below, the market fell to about 240,000 units in 2009 and recovered to more than 521,000 in 2015. That's a 117% increase over the six year period! With sales reaching such high levels, there are concerns that the market has peaked. And based solely on the primary predictors of core demand (i.e., the cyclical nature of sales and the release of pent-up demand) there are reasons to believe that sales will soon begin their inevitable cyclical downturn.

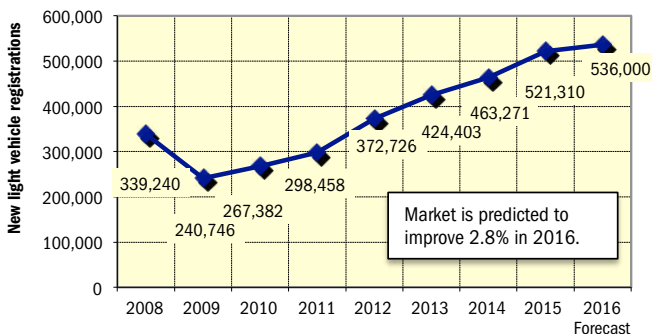
But predicting the course of new vehicle sales is not always as straightforward as it seems. Despite the concerns mentioned above, there are some compelling reasons to believe that the market still has some gas left in the tank. As mentioned previously in Auto Outlook, the impressive array of advanced safety features and infotainment offerings in new vehicles can make even three year old cars seem out-dated. This can provide strong motivation for consumers to enter the new vehicle market. In addition, manufacturers have generally stated a commitment to hold the line on incentives and emphasize profitability over sales volume. However, if demand starts to soften, the battle for market share could result in an opening of the incentives spigot, which would prolong the sales rebound.

Most likely scenario for the county market is slow growth this year, and perhaps in 2017 as well, with moderate easing to follow.

7 Key Market Trends

1. County new retail registrations increased 12.5% from 2014 to 2015, well above the 5.7% improvement in the U.S.
2. The market is predicted to increase 2.8% in 2016.
3. County light truck market share increased from 33.4% during 2014 to 35.5% last year.
4. Domestic brand registrations were up 17.4%, higher than the 12.5% improvement in the overall market
5. Hybrid and electric vehicle market share was 8.3% last year, down from 9.8% in 2014.
6. Toyota, Honda, Mercedes, Lexus, and BMW are strong performing brands in the county market (see page 3).
7. SUVs have gained ground, with market share increasing 1.7 points from 2014.

Annual Trend in LA County New Vehicle Market



The graph above shows annual new retail light vehicle registrations in the county from 2008 thru 2015 and Auto Outlook's projection for 2016.

Market Summary

	2014 Annual	2015 Annual	% Chg. '14 to '15	Mkt. Share YTD '15
TOTAL	463,271	521,310	12.5%	
Car	308,864	336,501	8.9%	64.5%
Light Truck	154,407	184,809	19.7%	35.5%
Domestic	83,784	98,387	17.4%	18.9%
European	100,765	108,371	7.5%	20.8%
Japanese	242,294	271,417	12.0%	52.1%
Korean	36,428	43,135	18.4%	8.3%

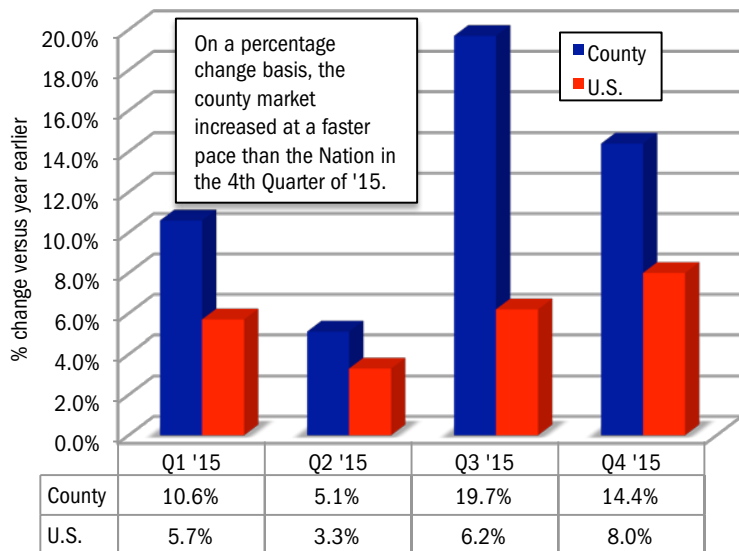
Domestic brands consist of vehicles sold by GM, Ford, Chrysler, and Tesla. Data source: AutoCount data from Experian Automotive.

MARKET TRACKER: QUARTERLY RESULTS

County Market Up 14.4% in 4th Quarter of 2015 vs. 8% in U.S.

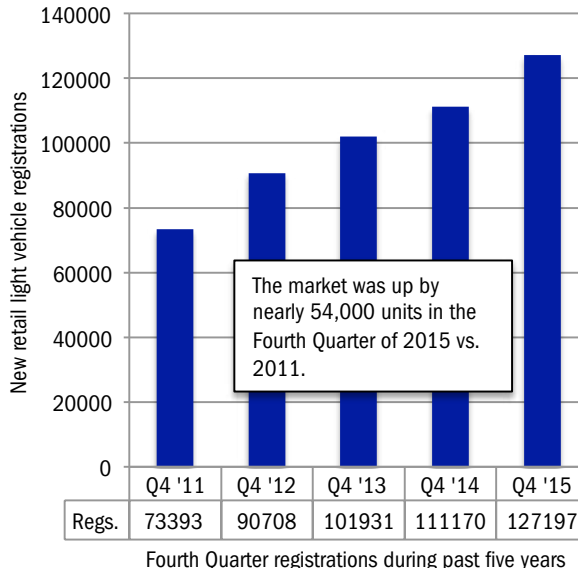
QUARTERLY TREND

Percent Change in New Vehicle Market - County and U.S.



QUARTERLY PERSPECTIVE

Five Years of Fourth Quarter Results in County Market



Source for LA County registration data: AutoCount data from Experian Automotive. Source for U.S. data: Automotive News. (U.S. figures include fleets.)

MARKET TRACKER: COUNTY MARKET VERSUS U.S.

Increase in County Higher Than U.S.

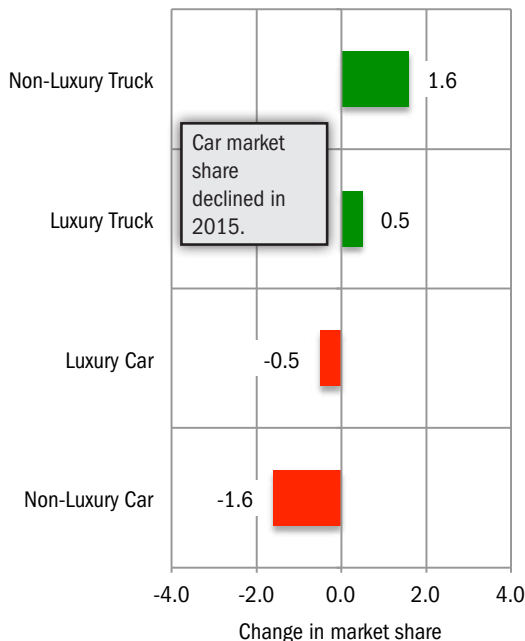
	County Market		U.S. Market*	
Percent change in registrations 2015 vs. 2014	12.5%		5.7%	
Passenger car market share 2015	64.5%		43.3%	
Domestic brand market share 2015	18.9%		45.1%	
Top 10 brands and market share 2015				
First	Toyota	18.5%	Ford	14.3%
Second	Honda	13.7%	Toyota/Scion	12.3%
Third	Nissan	7.2%	Chevrolet	12.2%
Fourth	Ford	6.1%	Honda	8.1%
Fifth	Mercedes	5.6%	Nissan	7.7%
Sixth	Lexus	5.6%	Jeep	5.0%
Seventh	BMW	5.4%	Hyundai	4.4%
Eighth	Chevrolet	5.3%	Kia	3.6%
Ninth	Kia	4.9%	Subaru	3.3%
Tenth	Hyundai	3.3%	GMC	3.2%

Source for LA County data: AutoCount data from Experian Automotive. Source for U.S. market data: Automotive News. U.S. figures include fleets.

MARKET TRACKER: PRIMARY SEGMENTS

Non-Luxury Trucks Gain

Change in County Market Share 2015 vs. 2014



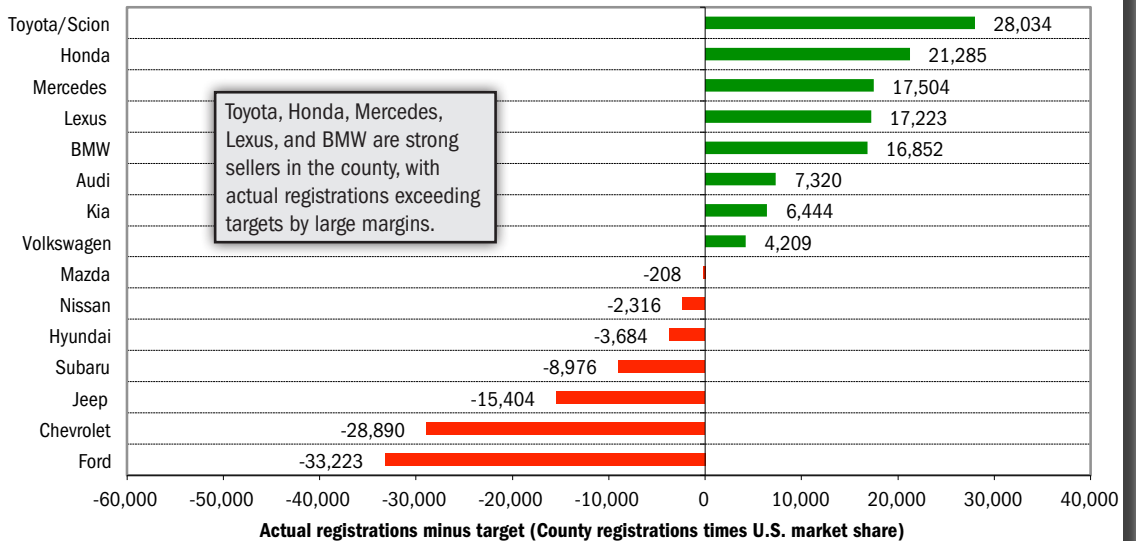
Source: AutoCount data from Experian Automotive.

BRAND SCOREBOARD

Toyota and Honda Relatively Strong Performers in County

The graph provides an indicator of brands that are popular in Los Angeles County. For the top 15 selling brands in the county, each brand's share of the U.S. market is multiplied by registrations in the county during 2015. This yields a "target" for the state market. Target registrations are subtracted from actual registrations to derive the measurement of sales performance. Brands at the top of the graph are relatively strong sellers in the county, with actual registrations exceeding calculated targets by large margins.

Los Angeles County Retail Market Performance based on registrations for 2015
Actual registrations minus target (county industry registrations times U.S. market share)



Source: AutoCount data from Experian Automotive.

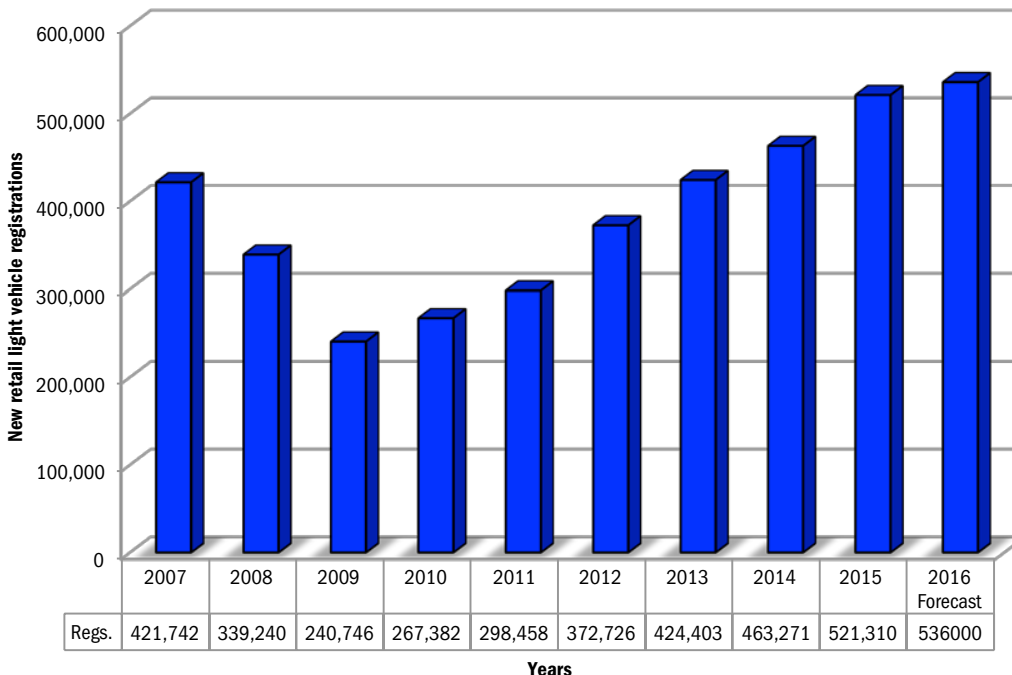
LONG TERM TRENDS

New Vehicle Sales Have a Chance to Improve Again in 2016

Increase would mark seventh consecutive annual increase

The graph below provides a long term perspective of trends in the Los Angeles County new retail light vehicle market. It shows historical registrations from 2007 thru 2015, along with Auto Outlook's forecast for 2016.

County New Retail Light Vehicle Registrations - 2007 thru 2015, 2016 Forecast



Source: AutoCount data from Experian Automotive.

Key Trends

Between 2009 (the low point during the market downturn) and 2015, county new retail light vehicle registrations have increased by more than 280,000 units an increase of 117%!

The market was up 12.5% last year versus 2014, and Auto Outlook is predicting a 2.8% increase this year.

Following a wild roller-coaster ride during the 10 year period, county registrations this year should exceed 2007 levels for the fourth consecutive year.

Brand Registrations Report												
Los Angeles County New Retail Car and Light Truck Registrations												
	December						Annual Totals					
	Registrations			Market Share (%)			Registrations			Market Share (%)		
	2014	2015	% change	2014	2015	Change	2014	2015	% change	2014	2015	Change
TOTAL	42,635	49,364	15.8				463,271	521,310	12.5			
Cars	27,766	31,296	12.7	65.1	63.4	-1.7	308,864	336,501	8.9	66.6	64.5	-2.1
Light Trucks	14,869	18,068	21.5	34.9	36.6	1.7	154,407	184,809	19.7	33.4	35.5	2.1
Domestic Brands	7,912	9,277	17.3	18.6	18.8	0.2	83,784	98,387	17.4	18.1	18.9	0.8
European Brands	9,944	10,835	9.0	23.3	21.9	-1.4	100,765	108,371	7.5	21.8	20.8	-1.0
Japanese Brands	21,469	25,091	16.9	50.4	50.8	0.5	242,294	271,417	12.0	52.3	52.1	-0.2
Korean Brands	3,310	4,161	25.7	7.8	8.4	0.7	36,428	43,135	18.4	7.9	8.3	0.4
Acura	604	528	-12.6	1.4	1.1	-0.3	5,725	6,306	10.1	1.2	1.2	0.0
Audi	1,225	1,533	25.1	2.9	3.1	0.2	11,677	13,948	19.4	2.5	2.7	0.2
BMW	3,098	2,923	-5.6	7.3	5.9	-1.3	26,398	27,931	5.8	5.7	5.4	-0.3
Buick	140	200	42.9	0.3	0.4	0.1	1,389	1,650	18.8	0.3	0.3	0.0
Cadillac	298	315	5.7	0.7	0.6	-0.1	3,461	2,839	-18.0	0.7	0.5	-0.2
Chevrolet	2,069	2,736	32.2	4.9	5.5	0.7	22,014	27,409	24.5	4.8	5.3	0.5
Chrysler	226	167	-26.1	0.5	0.3	-0.2	1,555	2,459	58.1	0.3	0.5	0.1
Dodge	605	586	-3.1	1.4	1.2	-0.2	6,883	6,997	1.7	1.5	1.3	-0.1
Fiat	230	244	6.1	0.5	0.5	0.0	3,625	3,368	-7.1	0.8	0.6	-0.1
Ford	2,696	2,857	6.0	6.3	5.8	-0.5	28,768	31,603	9.9	6.2	6.1	-0.1
GMC	442	543	22.9	1.0	1.1	0.1	3,906	5,398	38.2	0.8	1.0	0.2
Honda	5,310	6,484	22.1	12.5	13.1	0.7	63,317	71,345	12.7	13.7	13.7	0.0
Hyundai	1,372	1,544	12.5	3.2	3.1	-0.1	15,435	17,369	12.5	3.3	3.3	0.0
Infiniti	676	872	29.0	1.6	1.8	0.2	5,698	7,781	36.6	1.2	1.5	0.3
Jaguar	87	94	8.0	0.2	0.2	0.0	991	974	-1.7	0.2	0.2	0.0
Jeep	818	1,033	26.3	1.9	2.1	0.2	9,357	11,218	19.9	2.0	2.2	0.1
Kia	1,938	2,617	35.0	4.5	5.3	0.8	20,993	25,766	22.7	4.5	4.9	0.4
Land Rover	233	440	88.8	0.5	0.9	0.3	3,169	4,058	28.1	0.7	0.8	0.1
Lexus	2,889	3,216	11.3	6.8	6.5	-0.3	25,510	29,057	13.9	5.5	5.6	0.1
Lincoln	169	183	8.3	0.4	0.4	0.0	1,441	1,824	26.6	0.3	0.3	0.0
Mazda	717	913	27.3	1.7	1.8	0.2	8,415	10,210	21.3	1.8	2.0	0.1
Mercedes	2,257	3,156	39.8	5.3	6.4	1.1	27,465	29,320	6.8	5.9	5.6	-0.3
MINI	430	311	-27.7	1.0	0.6	-0.4	4,431	4,585	3.5	1.0	0.9	-0.1
Mitsubishi	156	149	-4.5	0.4	0.3	-0.1	1,770	1,667	-5.8	0.4	0.3	-0.1
Nissan	2,871	3,261	13.6	6.7	6.6	-0.1	33,025	37,294	12.9	7.1	7.2	0.0
Porsche	407	416	2.2	1.0	0.8	-0.1	3,946	4,245	7.6	0.9	0.8	0.0
Ram	292	362	24.0	0.7	0.7	0.0	3,283	4,160	26.7	0.7	0.8	0.1
smart	21	30	42.9	0.0	0.1	0.0	674	413	-38.7	0.1	0.1	-0.1
Subaru	785	1,099	40.0	1.8	2.2	0.4	8,432	11,208	32.9	1.8	2.1	0.3
Tesla	157	295	87.9	0.4	0.6	0.2	1,727	2,830	63.9	0.4	0.5	0.2
Toyota/Scion	7,461	8,569	14.9	17.5	17.4	-0.1	90,402	96,549	6.8	19.5	18.5	-1.0
Volkswagen	1,563	1,227	-21.5	3.7	2.5	-1.2	14,713	14,995	1.9	3.2	2.9	-0.3
Volvo	126	187	48.4	0.3	0.4	0.1	1,501	1,695	12.9	0.3	0.3	0.0
Other	267	274	2.6	0.6	0.6	-0.1	2,175	2,839	30.5	0.5	0.5	0.1

Source: AutoCount data from Experian Automotive

Top ten brands are shaded green.

Los Angeles Auto Outlook

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