



LOS ANGELES NEW CAR DEALERS ASSOCIATION

E-NEWSLETTER ISSUE #1 – 2017



LOS ANGELES NEW CAR DEALERS ASSOCIATION

ANNUAL MEMBER LUNCHEON

— Sheraton Universal Hotel —

June 21, 2017

11:30 am - 2:00 pm

FEATURING: HERO OF BENGHAZI

Kris “Tanto” PARONTO

– Former Ranger, 2nd Battalion, 75th Regiment

– Security and Military Consultant

Kris will present the harrowing, true account of the brave men on the ground, who fought back during the thirteen hour Battle of Benghazi. A story of extraordinary acts of courage and heroism performed by men on September 11, 2012.

Kris Paronto - “Tanto” as he is affectionately known in security contracting circles - is a former Army Ranger from 2nd Battalion 75th Ranger Regiment and private security contractor who has deployed throughout South America, Central America, the Middle East and North Africa. He also worked with the US Government’s Global Response Staff conducting low profile security in high threat environments throughout the world. Mr. Paronto was part the CIA annex security team that responded to the terrorist attack on the US Special Mission in Benghazi, Libya, September 11th, 2012, helping to save over 20 lives while fighting off terrorists from the CIA Annex for over 13 hours. Mr. Paronto’s story is told in the book “13 Hours” written by Mitchell Zuckoff and his five surviving annex security team members.

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East Los Angeles College Students Compete in Shell Eco-marathon Students travel to Detroit to showcase custom-built fuel efficient vehicles

East Los Angeles College (ELAC) auto tech students took on the challenge to innovate, design, build and test fuel efficient vehicles for the Shell Eco-marathon competition. Nearly 130 teams from high schools and top Universities from North America traveled to Detroit, MI to showcase their custom-built cars designed to be extra-energy-efficient.

This competition sparks the debate about the future of mobility and technology, and inspires students to push the boundaries of fuel efficiency through innovation and teamwork. The goal is not break speed records or be the first to finish; it is to consume as little fuel as possible over a set distance.

Competition expenses were manageable thanks to a \$10,000 donation from the Greater Los Angeles New Car Dealers Association (GLANDCA), which was used for travel and some materials. "The New Car Dealers of Los Angeles county are proud supporters of auto tech programs at both the high school and junior college level throughout the area. We have seen many students successfully transition from the program at ELAC into good paying jobs in new car dealership service departments."

"The team did their best, and passed the rigorous tech inspection in time. Students learned some very valuable lessons that only life experience can teach," said Adrian Banuelos, ELAC's Auto Tech Department Chair.



City of Los Angeles Updates Paid-Sick-Leave Rules and FAQs **By Maria R. Harrington and Sebastian Chilco © LittlerApr 4, 2017**

On March 14, with little to no fanfare, the City of Los Angeles Office of Wage Standards (OWS) revised its rules implementing the Minimum Wage Ordinance (MWO), which includes mandatory paid sick leave requirements.

OWS also revised its frequently asked questions (FAQs). The revised FAQs provide that an employer's business size is based on covered employees, i.e., individuals who perform at least two hours of work in a particular week within the city of Los Angeles and are entitled to the state minimum wage.

Also, the revised FAQs specify that employers can use different sick leave methods for different employee classes, e.g., accrual-based system for part-time employees and frontloading for full-time employees. Per the revised FAQs, at the end of each year, employers—at their discretion—can pay out accrued but unused sick leave that exceeds the 72-hour overall cap. Finally, relevant revised regulations address frontloading by small employers, calculating an employee's regular rate when sick leave is used, and using existing paid time off benefits to comply with the law.

Prorated Frontloading for Small Businesses in 2017

The MWO's paid sick leave provisions applied to employers with 26 or more covered employees on July 1, 2016, and will apply to employers with 25 or fewer covered employees on July 1, 2017.

continued on next page

As it did for large employers when the law originally became operative, for 2017 only, OWS will allow small employers to frontload 24 hours for the period spanning July 1 through Dec. 31. However, for 2018 and subsequent years, the full 48 hours must be provided for frontloading to be used.

For existing businesses that operated before Jan. 1, 2016, determining whether they have 26 or more employees or 25 or fewer employees is based on the average number of covered employees in 2015. For employers that began business on or after Jan. 1, 2016, business size is based on the number of covered employees during the first pay period.

Sick Leave Rate of Pay

The MWO's only pay-related requirement is that an employee using sick leave be paid at the least the city's minimum wage. The revised rules, however, require employers to use either of the following calculation methods:

- Calculate in the same manner as the regular rate of pay for the workweek in which sick time is used (regardless of whether overtime is worked that workweek).
- Divide total wages—excluding overtime premium pay—by total hours worked in the full pay periods of the prior 90 days of employment. This is the same calculation method state law requires for all employees except bona fide executive, administrative or professional employees (which OWS contends are not covered by the MWO).

Using Existing Benefits to Comply with MWO

The MWO states that employers with a paid leave or paid time off policy that provides 48 hours of compensated time off do not have to provide additional paid sick leave. The revised rules clarify that paid time off includes, but is not limited to, vacation, sick, paid time off, floating holiday, holiday or personal days.

Under the MWO, OWS may allow an employer to maintain a paid leave policy that does not meet all the law's requirements if the policy is overall more generous to employees. OWS has published a new form for employers to use to request a determination that their policy qualifies for this limited exemption.

The revised rules state that a determination will be based on the totality of the circumstances, including a combination of the following benefits:

Group 1

Required benefits:

- Access to a combined paid and/or unpaid sick leave totaling 48 hours per year that can be taken with no adverse action.

City of Los Angeles Updates Paid-Sick-Leave Rules and FAQs

Group 2

At least one of these benefits must be provided, but providing only one may be insufficient, depending on the benefit's value:

- Employer pays more than twice the city minimum wage.
- Employer offers paid compensated time off such as holidays, paid vacation days, etc.
- Employers pay into a trust fund to benefit employees.

Group 3

These benefits will also be considered:

- Employer offers a health benefit at no cost to the employee.
- Employer offers a retirement package.
- Employer offers flexible schedules.
- Deferred Compensation Package including residuals.

Paid Sick Leave Maximum Bank

The revised regulations confirm hard accrual caps are prohibited if employers use an accrual-based instead of a frontloading system. A maximum bank operates as a temporary cap on accrual—employees stop accruing once their leave bank contains a specific number of unused hours (in Los Angeles, employers can set the maximum amount at 72 hours).

Whatever amount is in the bank at the end of the year must be carried over to the following year. Employees only resume accruing leave after they use the bank's already-accrued leave.

Next steps

The revised regulations and FAQs clarify important issues. For employers with operations and/or employees in the city of Los Angeles, they clarify that business size determinations are based on covered employees only.

By aligning pay calculation requirements with state law, the city has made compliance less stressful for employers subject to both the state and local paid-sick-leave law. Also, for those small employers, the prorated frontloading option makes complying with both laws less administratively burdensome.

Finally, the regulations clarify that a maximum bank of 72 hours is permissible. Employers may want to review their existing leave policy to confirm that no changes are required or would be desirable.





“The Bubble Is Bursting. Once Again, We Must Make Every Up Count.”

MAKE THE MOST OF EVERY UP

A special GLANCD A workshop designed by world-renowned Sales Trainer, Dr. Lewis Linet designed to maximize Closing Ratios and minimize Turnover.

Lew Linet is an Auto Industry veteran since 1978. Following 8 years of Sales, Sales Management, Finance Management and Used Car Management, he has had the honor of training thousands of Automobile Salespeople here and abroad through Workshops and Published Materials, having been invited to do so by Pete Ellis in 1986. His company, American Auto Seminars was established in July of 1986.

His Curriculum is based in Psychology, the study of Human Nature. Trends come and go and Technology evolves but, Human Nature remains the same. The trick is to learn Traditional Salesmanship and, then, enhance it with the Trends and Technology of the day.

When we sell a car, we make 2 distinctive sales: a Car and a Deal. In order to sell the Deal we must, first, sell the Car. As the Deal-Making Process (Negotiation) varies by dealership, this intensive GLANCD A workshop focuses on perfecting Step 1, the Sale of The Car.

As a Trainer, Lew recognizes the unique qualities of your Dealership and the specifics taught at your location. So, his goal is not to change or contradict what is being taught at your store but, rather, to expand and enhance that which your Salespeople are, already, doing well. He will add numerous tools to their tool boxes enabling them to maximize their sales every month, thereby earning more money and looking to stay put in your Dealership. YEAH!

Lew’s Degrees, B.A. and Ph.D., are in Economics and Business Marketing and he is, currently, a member of the faculty at Los Angeles Pierce College in Woodland Hills.

Make Every Up Count Sales and Sales Management Training Seminar



A special GLANCD A workshop designed by world-renowned Sales Trainer, Dr. Lewis Linet designed to maximize Closing Ratios and minimize Turnover.

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**Seminar Questions please call
Bob Smith 213-748-0243**

**Cost: \$75.00 for first attendee, \$50.00 for additional attendees
DISCOUNT: \$25.00 Per Person if all information is filled out (EMAIL and NAME)**

Location:

May 9, 2017

10:00 am to 2:00 pm
Courtyard Los Angeles Pasadena/Monrovia
700 W Huntington Dr, Monrovia, CA 91016

May 11, 2017

10:00 am to 2:00 pm
Courtyard Los Angeles Sherman Oaks
15433 Ventura Blvd. Sherman Oaks, CA 91403

REGISTRATION - Registration confirmation will be sent to the email address provided. _____

Enclosed is \$_____ for the following people to attend:

Attendee Name: _____

Email: _____

Attendee Name: _____

Email: _____

Owner: _____

Email: _____

GM: _____

Email: _____

Office Manager/Controller: _____

Email: _____

Service Manager: _____

Email: _____

Dealership: _____

Address: _____

Phone: _____

PLEASE MAKE CHECKS PAYABLE TO GLANCD A OR PAY BY CREDIT CARD:

Cardholder's Name _____

Account Number _____ Security Code: _____ Expiration Date: _____

Billing Address and Zip Code _____

PLEASE RETURN THE REGISTRATION WITH PAYMENT TO:
GLANCD A, Attn: Natalie Thurn, 2520 Venture Oaks Way, Suite 150 Sacramento, CA 95833

GLANCDA Union Organizing Seminar

GLANCDA hosted a union organizing education seminar for its dealer members in Monrovia led by labor and employment law attorney, Chris Hoffman of Fisher Phillips.

GLANCDA provides dealer education to all levels of dealership employees every other month in Monrovia, Sherman Oaks and Cerritos. Multiple locations make it convenient for dealer members from all over Los Angeles county to have their employees spend a productive half day away from the dealership.



GLANCDA Policy and Advocacy

GLANCDA Executive Director Bob Smith and 36th district Assembly member Tom Lackey meet in Palmdale to discuss issues that impact auto dealers in the district and the state.



Los Angeles Auto Outlook™

Comprehensive information on the LA County new vehicle market

Sponsored by:



Quick Facts

New retail car and light truck registrations in the county declined 4% in February of 2017 versus a year earlier. Note: monthly recording of registrations occurs when the data is processed by the DMV. This can impact the measurement of registrations in individual months.

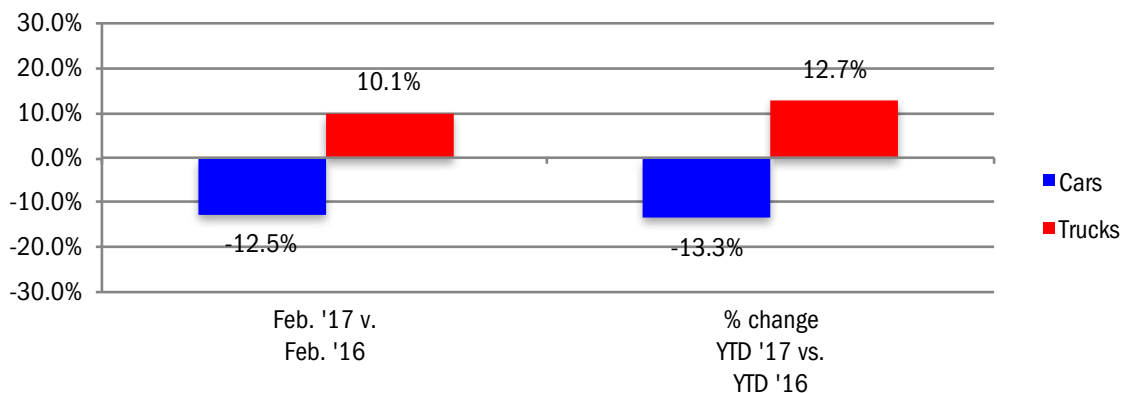
The county market was off 3.7% during the first two months of this year versus a year earlier. Light truck registrations were up 12.7% while passenger cars fell 13.3%.

The three month moving average of new vehicle registrations decreased slightly in February of this year versus a year earlier.

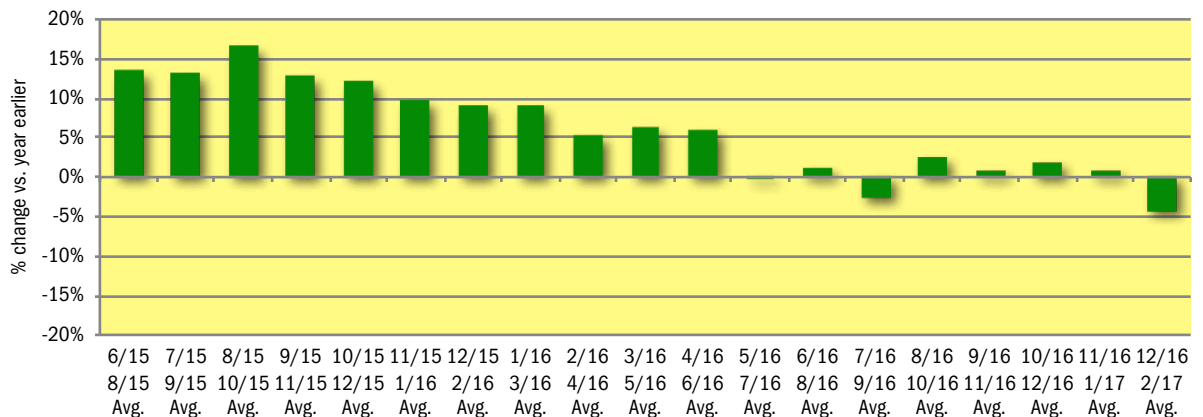
Jaguar, FIAT, Subaru, Hyundai, Porsche, Audi, and Ram new vehicle registrations were up by more than 10% during the first two months of this year.

Los Angeles New Retail Car and Light Truck Registrations						
	February			Year-to-date thru February		
	2016	2017	% chg.	2016	2017	Chg.
Industry Total	37,507	36,001	-4.0%	84,288	81,177	-3.7%
Cars	23,393	20,467	-12.5%	52,985	45,912	-13.3%
Light Trucks	14,114	15,534	10.1%	31,303	35,265	12.7%
Detroit Three	7,158	7,462	4.2%	16,181	16,187	0.0%
European	7,377	7,184	-2.6%	17,982	17,841	-0.8%
Japanese	19,966	18,675	-6.5%	43,233	40,886	-5.4%
Korean	3,006	2,680	-10.8%	6,892	6,263	-9.1%

Percent Change in Los Angeles County New Retail Light Vehicle Registrations



% Change in Three Month Moving Average of New Retail Registrations vs. Year Earlier



The graph above provides a clear picture of the trending direction of the LA County market. It shows the year-over-year percent change in the three month moving average of new retail light vehicle registrations. The three month moving average is less erratic than monthly registrations, which can fluctuate due to such factors as the timing of manufacturer incentive programs, weather and title processing delays by governmental agencies.

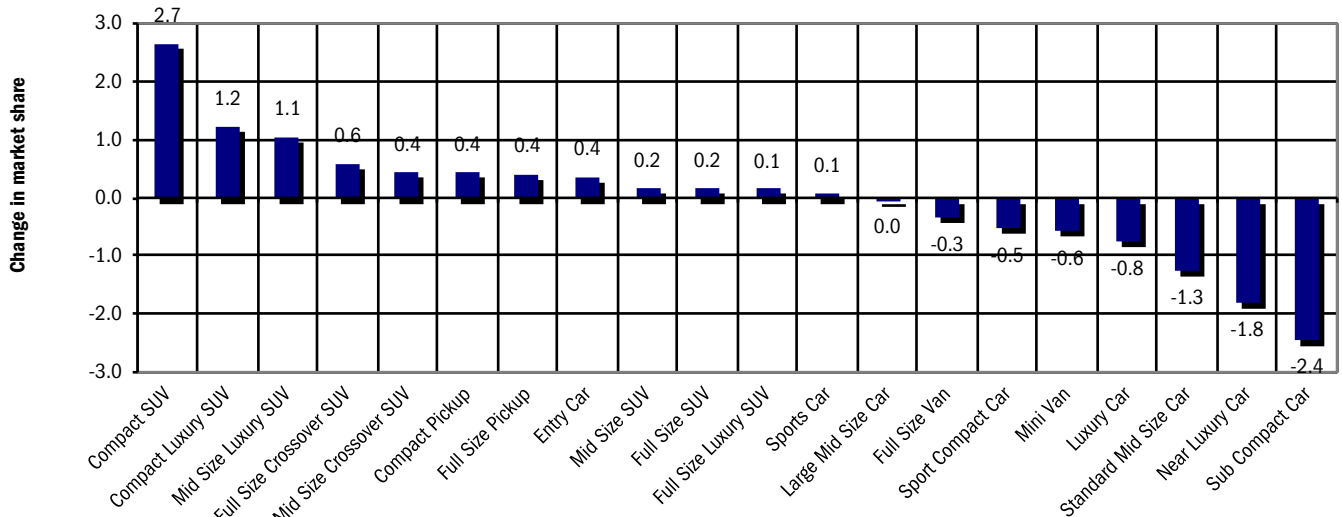
Data Information

All data represents new and used vehicle retail registrations in Los Angeles County and excludes fleet. Please keep in mind that monthly registration figures can occasionally be subject to fluctuations, resulting in over or under estimation of actual results. This usually occurs due to processing delays by governmental agencies. For this reason, the year-to-date figures will typically be more reflective of market results. Green shaded areas in tables represent the top ten ranked brands. Data Source: AutoCount data from Experian.

New Vehicle Market Brand Registrations

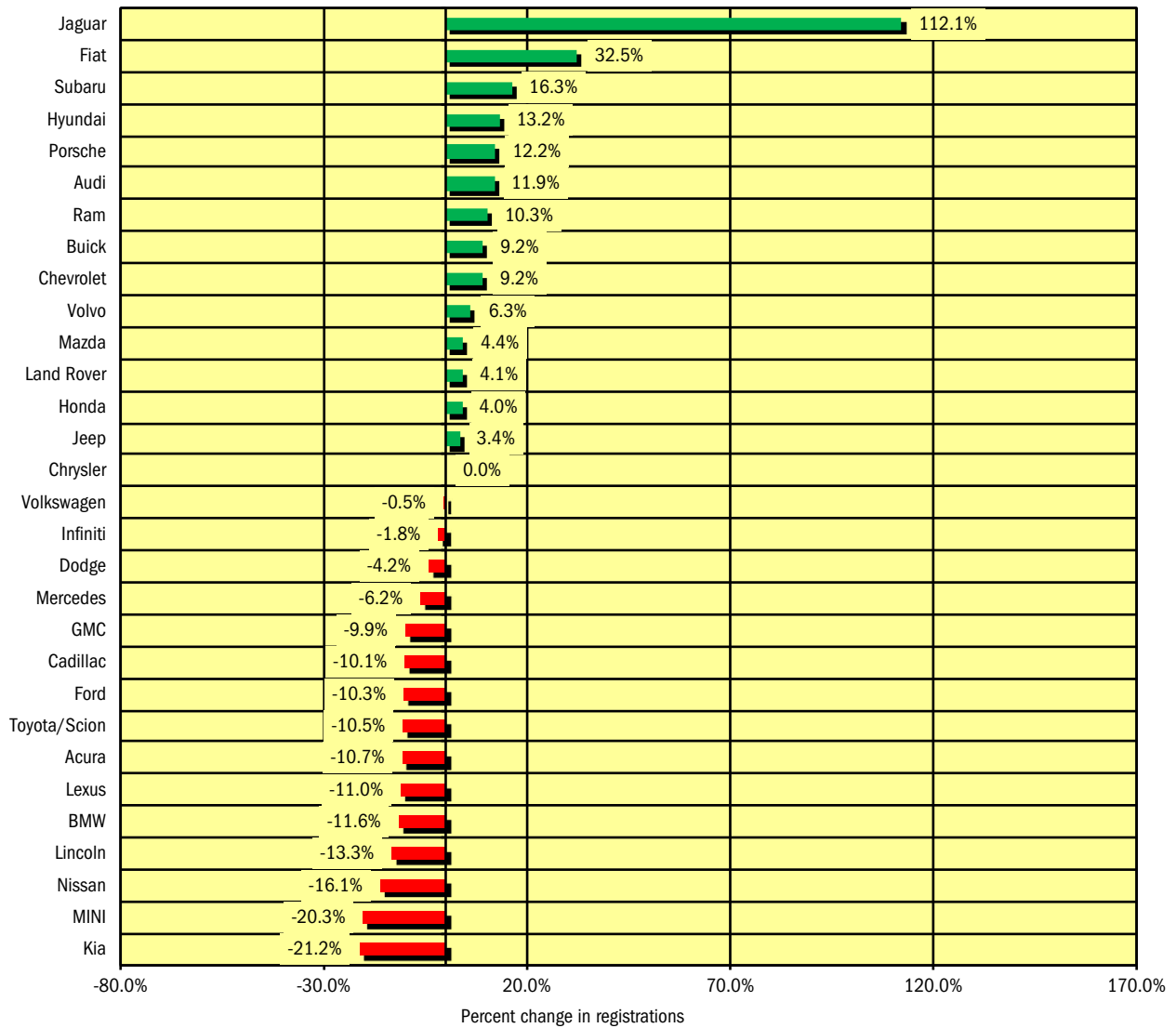
Los Angeles New Retail Car and Light Truck Registrations									
	February			Year-to-date thru February			YTD Market Share (%)		
	2016	2017	% chg.	2016	2017	% chg.	2016	2017	Chg.
TOTAL	37,507	36,001	-4.0%	84,288	81,177	-3.7%			
Acura	415	363	-12.5%	970	866	-10.7%	1.2	1.1	-0.1
Audi	995	1,143	14.9%	2,304	2,578	11.9%	2.7	3.2	0.4
BMW	1,755	1,620	-7.7%	4,887	4,321	-11.6%	5.8	5.3	-0.5
Buick	134	129	-3.7%	292	319	9.2%	0.3	0.4	0.0
Cadillac	203	209	3.0%	516	464	-10.1%	0.6	0.6	0.0
Chevrolet	2,212	2,576	16.5%	4,828	5,270	9.2%	5.7	6.5	0.8
Chrysler	152	135	-11.2%	279	279	0.0%	0.3	0.3	0.0
Dodge	497	505	1.6%	1,042	998	-4.2%	1.2	1.2	0.0
Fiat	231	319	38.1%	483	640	32.5%	0.6	0.8	0.2
Ford	2,101	1,884	-10.3%	4,646	4,167	-10.3%	5.5	5.1	-0.4
GMC	432	389	-10.0%	958	863	-9.9%	1.1	1.1	-0.1
Honda	5,688	5,706	0.3%	11,612	12,074	4.0%	13.8	14.9	1.1
Hyundai	1,093	1,156	5.8%	2,421	2,740	13.2%	2.9	3.4	0.5
Infiniti	524	458	-12.6%	1,263	1,240	-1.8%	1.5	1.5	0.0
Jaguar	59	177	200.0%	173	367	112.1%	0.2	0.5	0.2
Jeep	886	998	12.6%	1,907	1,972	3.4%	2.3	2.4	0.2
Kia	1,913	1,524	-20.3%	4,471	3,523	-21.2%	5.3	4.3	-1.0
Land Rover	363	411	13.2%	824	858	4.1%	1.0	1.1	0.1
Lexus	1,799	1,379	-23.3%	4,705	4,187	-11.0%	5.6	5.2	-0.4
Lincoln	155	137	-11.6%	384	333	-13.3%	0.5	0.4	0.0
Maserati	70	97	38.6%	175	268	53.1%	0.2	0.3	0.1
Mazda	739	767	3.8%	1,709	1,784	4.4%	2.0	2.2	0.2
Mercedes	1,984	1,630	-17.8%	4,935	4,627	-6.2%	5.9	5.7	-0.2
MINI	245	204	-16.7%	590	470	-20.3%	0.7	0.6	-0.1
Mitsubishi	157	121	-22.9%	306	265	-13.4%	0.4	0.3	0.0
Nissan	2,830	2,312	-18.3%	5,844	4,903	-16.1%	6.9	6.0	-0.9
Porsche	352	323	-8.2%	638	716	12.2%	0.8	0.9	0.1
Ram	308	331	7.5%	662	730	10.3%	0.8	0.9	0.1
smart	22	20	-9.1%	41	55	34.1%	0.0	0.1	0.0
Subaru	923	1,082	17.2%	1,909	2,220	16.3%	2.3	2.7	0.5
Tesla	78	169	116.7%	667	792	18.7%	0.8	1.0	0.2
Toyota/Scion	6,891	6,487	-5.9%	14,915	13,347	-10.5%	17.7	16.4	-1.3
Volkswagen	1,060	990	-6.6%	2,391	2,378	-0.5%	2.8	2.9	0.1
Volvo	179	173	-3.4%	380	404	6.3%	0.5	0.5	0.0
Other	62	77	24.2%	161	159	-1.2%	0.2	0.2	0.0

Change in New Vehicle Segment Market Share - YTD '17 thru February vs. YTD '16

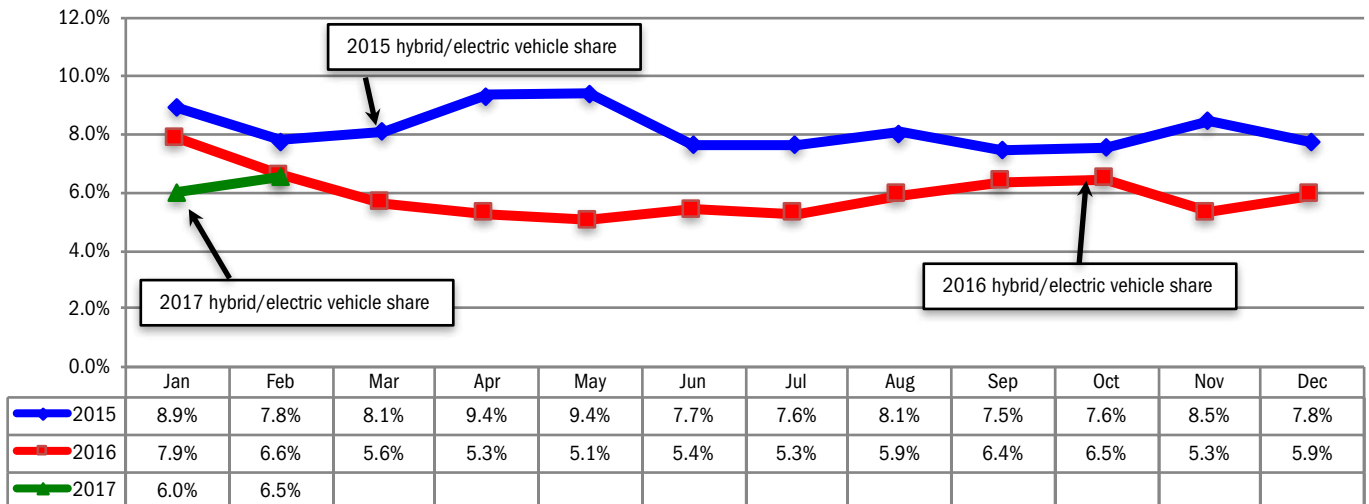


Data Source: AutoCount data from Experian.

**Percent Change in Brand Registrations
YTD '17 thru February vs. YTD '16
(Top 30 selling brands)**

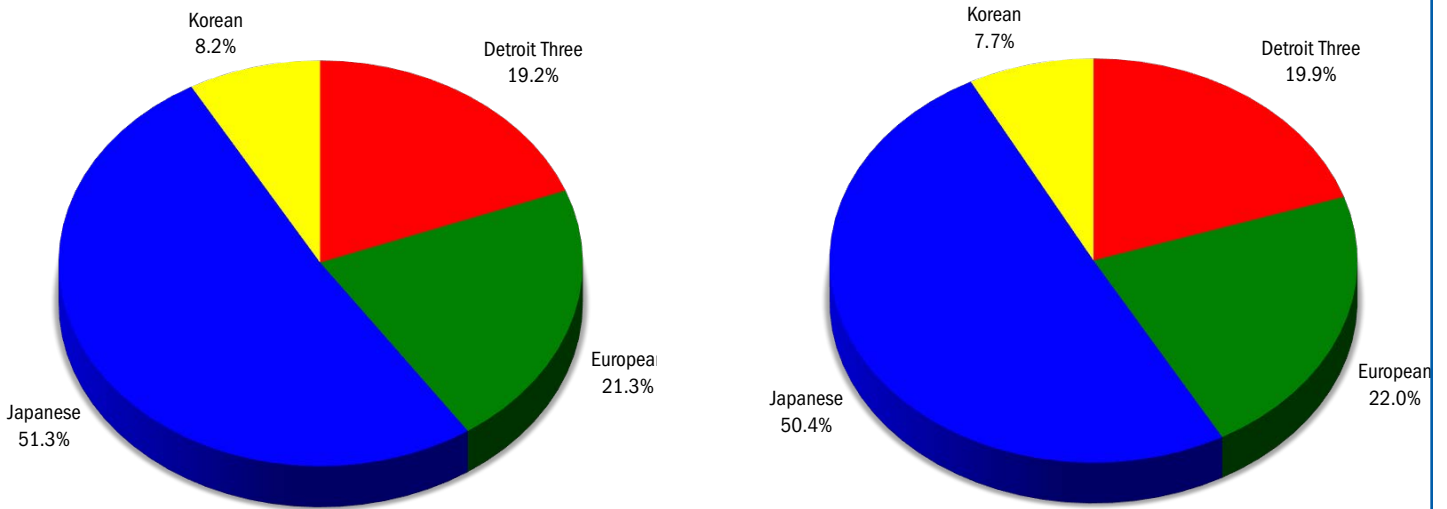


Combined Hybrid and Electric Vehicle Market Share in LA County



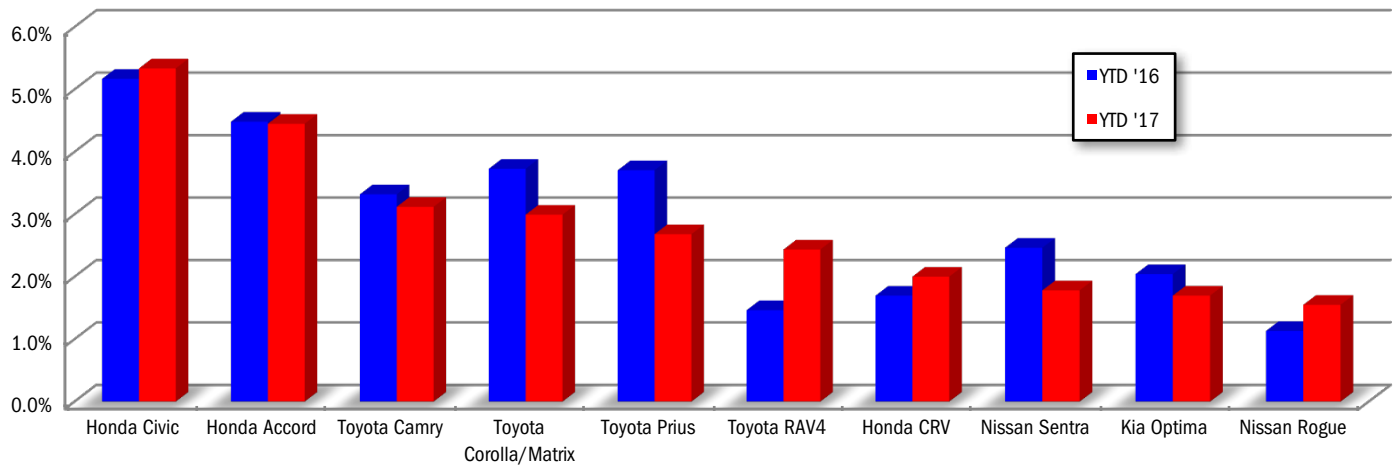
Data Source: AutoCount data from Experian.

Market Share for Japanese, Detroit Three, European, and Korean Brands - YTD '17 thru Feb. and YTD '16



Data Source: AutoCount data from Experian Automotive.

Market Share for Top 10 Selling Models in LA County - YTD 2016 thru Feb. and YTD 2017



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Phone: 800-206-0102
Email: jfoltz@autooutlook.com

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AutoCount data from Experian is the data provider for Los Angeles Auto Outlook.