



LOS ANGELES NEW CAR DEALERS ASSOCIATION

E-NEWSLETTER ISSUE #2 – 2017

GLANCD A Annual Member Luncheon



On June 21, 2017, GLANCD A hosted its annual dealer member luncheon and meeting for nearly 300 industry leaders at the Universal Sheraton in Universal City.

The event was attended by more than 70 dealer principals and general managers, in addition to industry leaders and elected officials. Briefings of issues that are top of mind in Washington and Sacramento were heard, and a review of the work of the association, and the economic impact of the Los Angeles County New Car dealer was part of the day’s events.

Additionally, there were check presentations made to a handful of charitable organizations that GLANCD A supports for their commitment and relevance to the dealers in the communities in which the dealers do business, showing the commitment of the New Car Dealers to giving back.

Capping off the day was an inspirational talk given by Kris “Tanto” Paronto. The message of working as a team in a hostile enemy environment was powerful. Kris was a survivor of the attack on the US Embassy in Libya and there was a lot of real life takeaway from his “courage under fire” recollection of the events. Kris is a best-selling author, and the events of September 11, 2012 inspired the major box office action thriller, 13 Hours.



THANK YOU TO OUR SPONSORS



Dealer Services





DEADLINE EXTENDED! SIGN UP BY AUGUST 1!

Become a GLANCDA member by August 1, 2017
to receive your big ticket package to this year's Los Angeles Auto
Show (exclusively for GLANCDA dealerships) — a \$1,875 value.



ASK ALISON: FLEXIBLE SPENDING ACCOUNTS: THE BENEFITS FOR YOU AND YOUR EMPLOYEES

Q: What is a Flexible Spending Account (FSA)?

A: Flexible spending accounts, or FSAs, provide an important tax advantage that can help you and your employees pay health care and dependent care expenses on a pretax basis. Essentially, the Internal Revenue Service (IRS) set up FSAs as a means to provide a tax break to employees and their employers. Employees agree to set aside a portion of their pretax salary in an account, and that money is deducted from their paychecks over the course of the year. The amount contributed to the FSA is not subject to social security (FICA), federal, state or local income taxes—effectively adjusting one’s annual taxable salary.

Q: How does an FSA benefit the dealership/employer?

A: Dealerships/Employers who offer Flexible Spending Accounts may experience a reduction in employer and FICA taxes, while employees who participate reduce their taxable wages. The result is lowered taxes for you, with added benefits for your employees.

Q: What is an example that illustrates how an FSA can save money?

A: Bob and Jane’s combined gross income is \$30,000. They are married and file their income taxes jointly. Since Bob and Jane expect to spend \$3,000 in medical expenses in the next plan year, they decide to direct a total of \$2,600 (the maximum allowed amount per individual, for that taxable year) into their FSAs. (See table)

continued on next page

FLEXIBLE SPENDING ACCOUNTS – continued from page 5

	Without FSA	With FSA
Gross income	\$30,000	\$30,000
FSA contributions	\$0	-\$2,600
Gross income	\$30,000	\$27,400
Estimated taxes		
Federal	-\$2,550*	-\$1,776*
State	-\$900**	-\$750**
FICA	-\$2,295	-\$1,913

* Assumes standard deductions and four exemptions
 ** Varies, assumes 3 percent

This example is for illustrative purposes only. Every situation varies and it is recommended you consult a tax advisor for all tax advice.

After-tax earnings	<u>\$24,255</u>	<u>\$22,961</u>
Eligible out-of-pocket medical and dependent care expenses	-\$3,000	\$400
Remaining spendable income	\$21,255	\$22,561
Spendable income increase	--	\$1,306

Q: What is The Health Care Reimbursement FSA?

A: The health care reimbursement FSA lets you pay for certain IRS-approved medical care expenses not covered by your insurance plan with pretax dollars. For example, cash that you now spend on deductibles, copayments or other out-of-pocket medical expenses can instead be placed in the health care reimbursement FSA pretax. The 2017 annual maximum contribution to the health care reimbursement FSA is \$2,600.

Q: What are considered Eligible Expenses?

A: Eligible health care expenses for the health care reimbursement FSA include more than just your deductible and copayments. You can also reimburse items such as prescription drugs, dental expenses, eye glasses and contacts, certain medical equipment and many more items.

Q: What is The Dependent Care FSA?

A: The Dependent Care FSA lets you use pretax dollars toward qualified dependent care. The annual maximum amount you may contribute is \$5,000 (or \$2,500 if married and filing separately) per calendar year.

If you elect to contribute to the dependent care FSA, you may be reimbursed for:

- The cost of child or adult dependent care
- The cost for an individual to provide care either in or out of your house
- Nursery schools and preschools (excluding kindergarten)

FLEXIBLE SPENDING ACCOUNTS

Q: How do the accounts work?

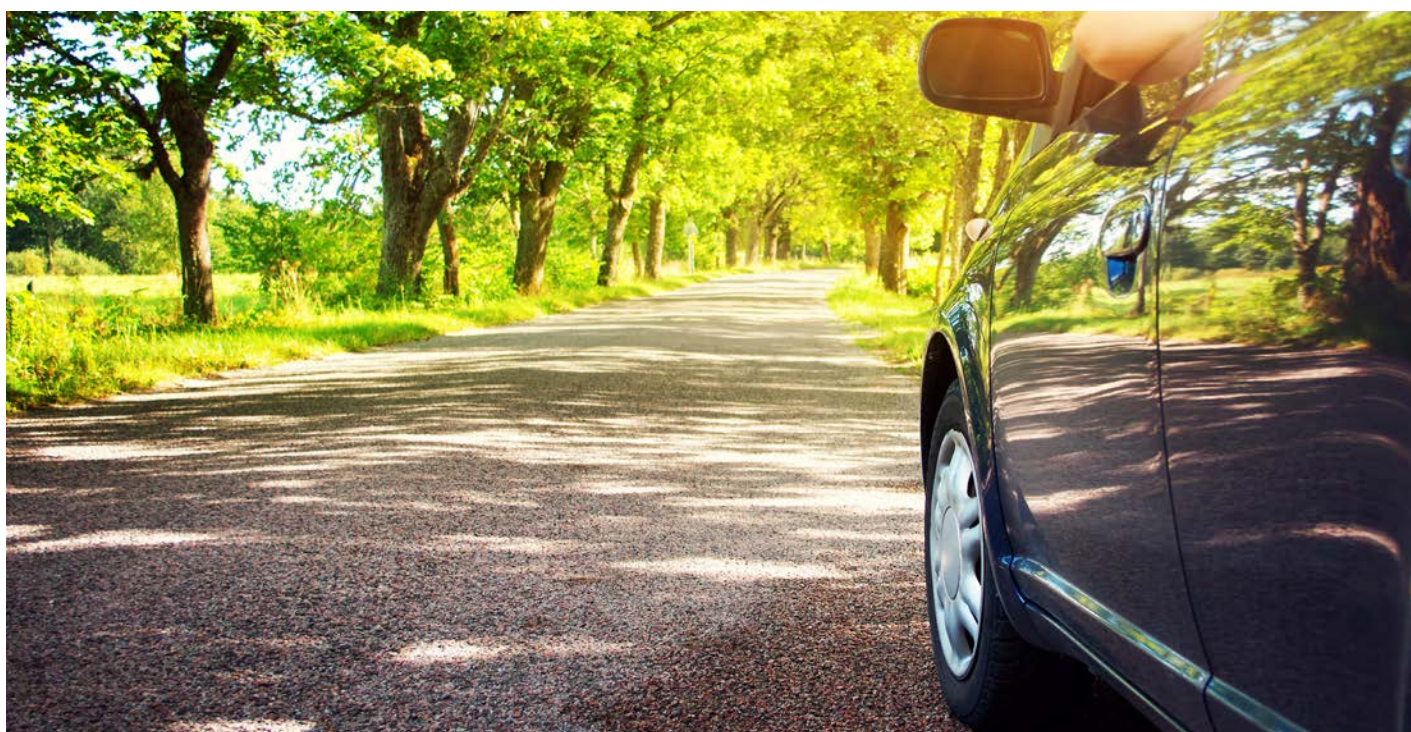
A: When employees enroll in one or both of the accounts, their contributions are taken out of each paycheck—before taxes—in equal installments throughout the plan year. These dollars are then placed into their FSA. When they have an eligible health care or dependent care expense, employees must submit a claim form along with an itemized receipt to be reimbursed from the account.

The health care reimbursement FSA will reimburse you for the full amount of your annual election (less any reimbursement already received), at any time during the plan year, regardless of the amount actually in your account. The dependent care FSA will only reimburse you for the amount that is in your account at the time you make a claim.

Q: How can you help provide simple tools to HR and educate your employees if you have added an FSA plan or want to add one in the future?

A: GLANCDAs members have free access to EPIC's resources, consultation and bulletins. If you have questions or would like further information please feel free to contact me at (949)417-9136 or alison.mccallum@epicbrokers.com.

"Ask Alison" is a regular feature to our quarterly newsletter. Alison McCallum has been in the employee benefits industry for over 20 years. She is a Principal with EPIC insurance Brokers and Consultants. EPIC, the CNCDA's licensed vendor ranks among the top 15 retail insurance brokers in the United States and is the largest insurer of auto dealers in California.



Greater LOS ANGELES NEW CAR DEALERS ASSOCIATION

JOIN OR RENEW YOUR GLANCD A MEMBERSHIP NOW

By renewing or joining for 2017 your membership will run until December 31, 2017 and includes an Exclusive Los Angeles Auto Show Ticket Package for the 2017 Auto Shows available only to Dealer Members. **Each year Dealer Members in good standing will receive 125 complimentary general admission tickets. (Value of over \$2,000 Annually)**

This is a great opportunity to support our industry, and take advantage of the efforts the Association is making on behalf of the New Car Dealers in Los Angeles County. Please see the back of this document for the listing of GLANCD A membership benefits.

GLANCD A membership runs until December 31, 2017.

Yes, we would like to join for 2017. (New Member)

**Greater Los Angeles New Car Dealers Association
Management Office**

2520 Venture Oaks Way, Suite 150
Sacramento, CA 95833

Contact Us:

Phone (213) 748-0243
Fax (213) 748-0245
bob@glancda.org • www.glancda.org

Per additional dealerships under same ownership. Please fill out information form for each additional dealership.

DUES **\$250.00** Single dealership or main location **\$50.00** or **\$25.00** - DISCOUNTED - If you sign up online with all fields completed

Total Dealerships _____ Total Due _____

Dealership/Name _____

Dealer Address: _____

Dealer Phone: _____ Fax: _____

Dealership Principal Name/Email (for communication only): _____

General Manager Name/Email: _____

Office Manager/Controller Name/Email: _____

Address: _____

Dealer Phone: _____ Fax: _____

***Note: All contact information is confidential, and for membership communication only.**

Payment Type Amex Visa MC Check Payable to: Greater Los Angeles New Car Dealers Association

Credit Card: _____ Expiration Date: _____ CVV#: _____

Name on Credit Card: _____ Signature: _____

ABOUT GLANCD A

Originally founded in 1907, the Greater Los Angeles New Car Dealers Association provides valuable educational and philanthropic benefits to the Los Angeles Community.

The Association believes that involvement with local charitable organizations makes a positive difference for everyone involved.

Who we are... We are factory-franchised dealers who are committed to serving the communities of Greater Los Angeles County by promoting professionalism within the retail automotive industry. The Association dealer members contribute not only to the economy of Los Angeles County, but also to the well-being and growth of their individual communities.

Who our members are... Our Members are individuals, partnerships, or corporations owning and operating a franchised motor vehicle dealership engaged in the sales of automobiles or trucks and licensed by the State of California and located within the Los Angeles County area.

For more information, please visit the website at www.glanconda.org.



MEMBER BENEFITS



Los Angeles Auto Show – in addition to your complimentary ticket package, membership will also get you an exclusive discount on tickets to the Los Angeles Auto Show's annual preview party/charity event on November 19, 2015, along with access to a members-only reception and VIP area.

Regular communication with legislators and government officials dealing with local, state, and federal issues which protects the dealer franchise system and promotes the business interests of our members.

Auto Outlook New Vehicle Sales Data sent to members via our e-newsletter, quarterly magazine, and hosted on our website, with forecast and analysis of new retail light vehicle market, analysis of forecast determinants, comparison with National market, nameplate sales performance, and coverage of vehicle sales in market segment.

Quarterly publication of LA Dealer magazine sent to members.

Special discounts to attend informative seminars with some of the industry's leading speakers.

Special partnership with T.R.A.P. (Taskforce for Regional Auto Theft Prevention) which helps members reduce dealership theft and fraud.

Special discount rate to VIP area of Sneak Preview Night at the L.A. Auto Show. We are the exclusive automobile dealer association endorser of the Show, which helps boost local member sales and reinforces Greater Los Angeles as a hub of automotive design and consumer trends.

Early Warning System - We monitor the state and federal courts in Los Angeles County to alert members when a lawsuit has been filed against them.

Technology Contest for High School seniors to encourage young people to get involved and pursue careers in the auto industry.

Community Service - we are leaders in contributing to worthy community programs in Los Angeles County which promotes the image of new car dealers with the public.

Regular email newsletter to members.

Email alerts to our members when there is important information for them, or when immediate action is necessary.

Collaboration with the California New Car Dealers State Association regarding seminars and legislative and regulatory matters.

Special discounts to attend the CNCDA Annual Dealer Day in Sacramento to meet with state legislators and educate them on dealer issues.

The GLANCD A website which is at www.glanconda.org.

Annual luncheon and business meeting of members with a prominent keynote speaker.

Opportunity to serve on GLANCD A Board of Directors.

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 7.4% in May 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.

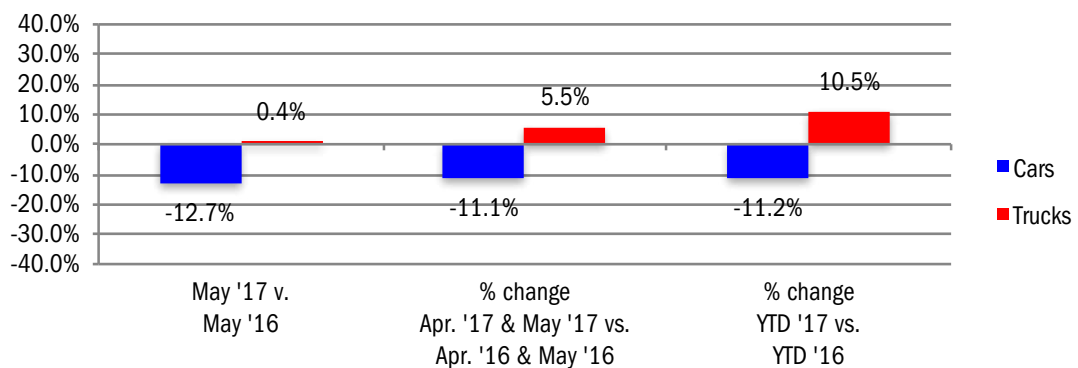
The county market was off 2.9% during the first five months of this year versus a year earlier. Light truck registrations were up 10.5% while passenger cars fell 11.2%.

The three month moving average of new vehicle registrations decreased for the fourth consecutive month in May of this year.

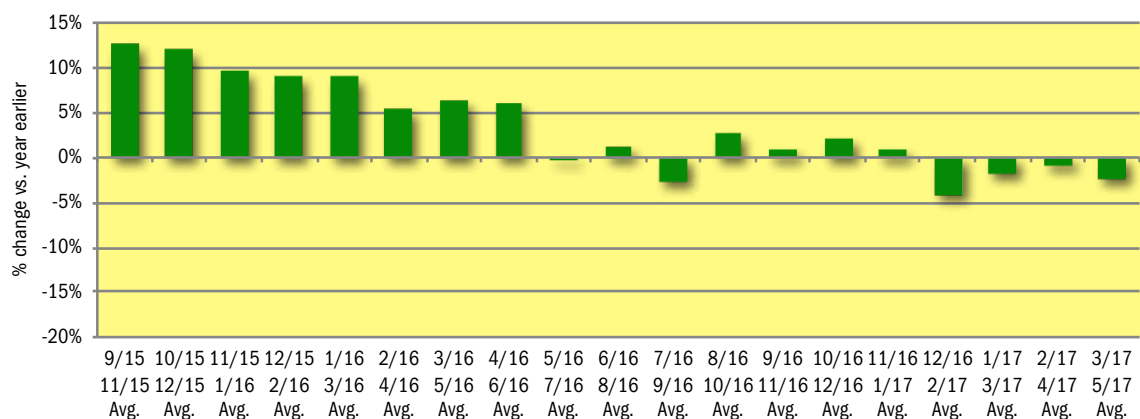
Jaguar, Chrysler, FIAT, Subaru, Chevrolet, Hyundai, Ram, and Dodge new vehicle registrations were up by more than 5% during the first five months of this year.

	May			April and May Combined			Year-to-date thru May		
	2016	2017	% chg.	2016	2017	% chg.	2016	2017	Chg.
Industry Total	50,881	47,092	-7.4%	92,619	88,336	-4.6%	224,977	218,393	-2.9%
Cars	30,490	26,617	-12.7%	56,557	50,289	-11.1%	139,403	123,851	-11.2%
Light Trucks	20,391	20,475	0.4%	36,062	38,047	5.5%	85,574	94,542	10.5%
Detroit Three	10,065	9,277	-7.8%	18,295	17,917	-2.1%	44,196	44,436	0.5%
European	10,572	9,158	-13.4%	18,870	17,294	-8.4%	46,244	44,361	-4.1%
Japanese	25,663	24,816	-3.3%	47,225	46,026	-2.5%	115,479	112,439	-2.6%
Korean	4,581	3,841	-16.2%	8,229	7,099	-13.7%	19,058	17,157	-10.0%

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.

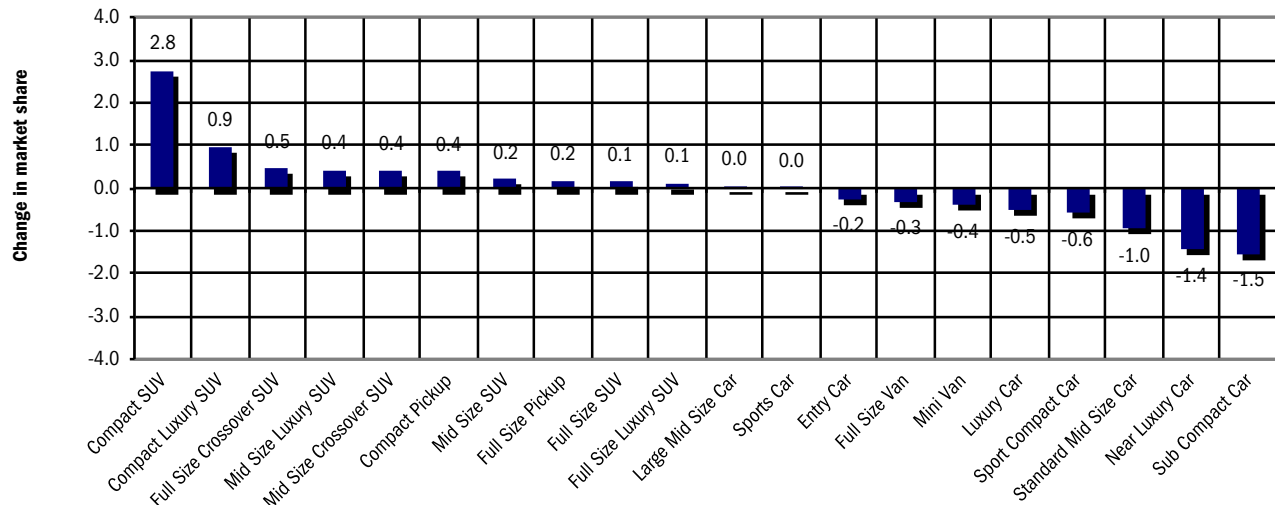
Data Information

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

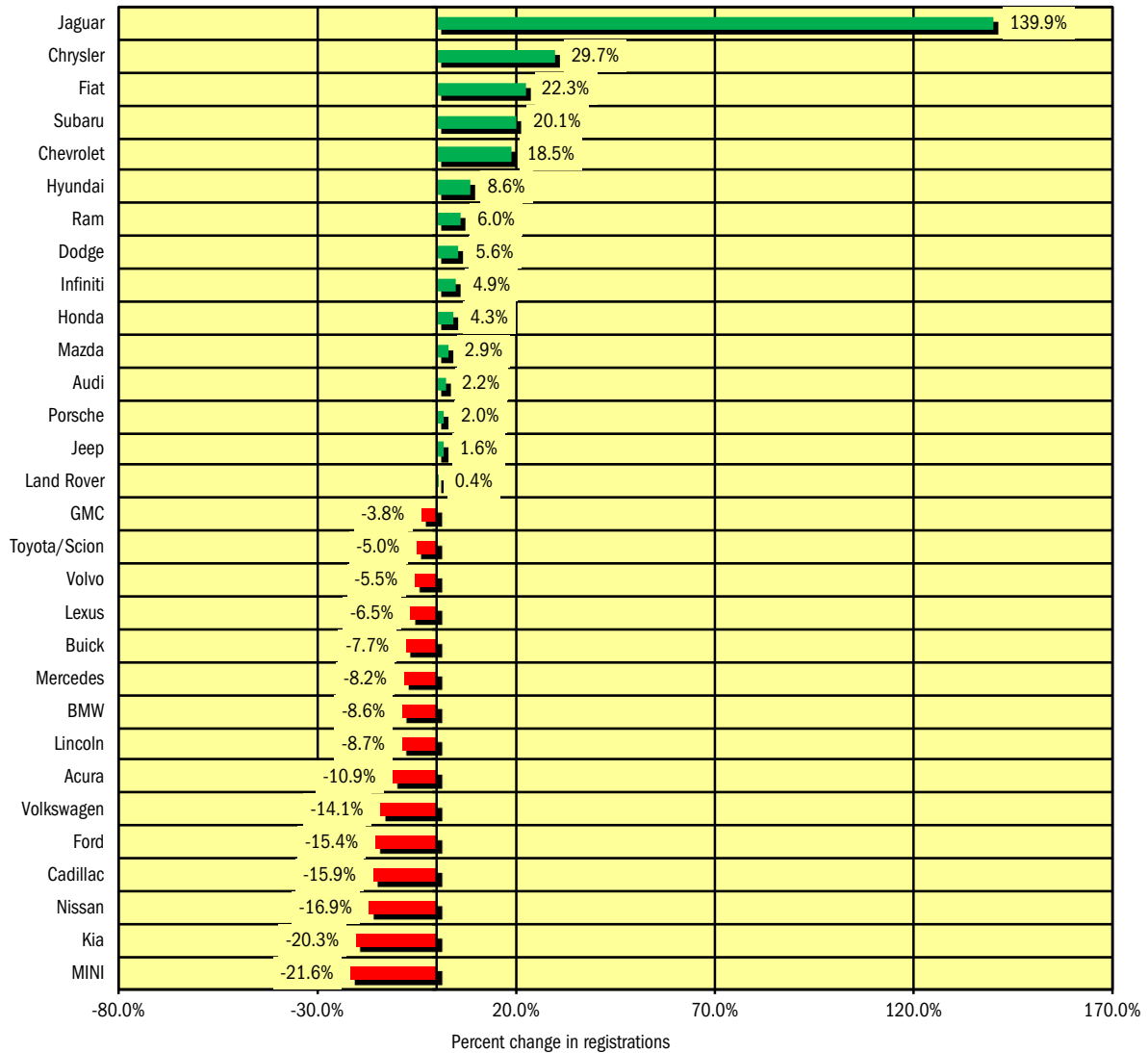
Los Angeles New Retail Car and Light Truck Registrations												
	May			April and May Combined			Year-to-date thru May			YTD Market Share (%)		
	2016	2017	% chg.	2016	2017	% chg.	2016	2017	% chg.	2016	2017	Chg.
TOTAL	50,881	47,092	-7.4%	92,619	88,336	-4.6%	224,977	218,393	-2.9%			
Acura	612	509	-16.8%	1,076	916	-14.9%	2,543	2,265	-10.9%	1.1	1.0	-0.1
Audi	1,667	1,462	-12.3%	2,789	2,610	-6.4%	6,454	6,597	2.2%	2.9	3.0	0.2
BMW	2,288	1,966	-14.1%	4,275	4,031	-5.7%	11,372	10,390	-8.6%	5.1	4.8	-0.3
Buick	246	183	-25.6%	388	345	-11.1%	900	831	-7.7%	0.4	0.4	0.0
Cadillac	263	225	-14.4%	487	406	-16.6%	1,299	1,092	-15.9%	0.6	0.5	-0.1
Chevrolet	3,033	3,075	1.4%	5,222	6,267	20.0%	12,783	15,151	18.5%	5.7	6.9	1.3
Chrysler	122	198	62.3%	224	356	58.9%	640	830	29.7%	0.3	0.4	0.1
Dodge	730	757	3.7%	1,248	1,396	11.9%	2,925	3,090	5.6%	1.3	1.4	0.1
Fiat	288	269	-6.6%	567	633	11.6%	1,384	1,692	22.3%	0.6	0.8	0.2
Ford	3,122	2,339	-25.1%	5,632	4,370	-22.4%	13,546	11,457	-15.4%	6.0	5.2	-0.8
GMC	532	433	-18.6%	898	835	-7.0%	2,360	2,271	-3.8%	1.0	1.0	0.0
Honda	7,752	7,849	1.3%	14,140	14,286	1.0%	32,783	34,181	4.3%	14.6	15.7	1.1
Hyundai	1,681	1,720	2.3%	2,965	3,103	4.7%	6,795	7,378	8.6%	3.0	3.4	0.4
Infiniti	674	596	-11.6%	1,277	1,321	3.4%	3,233	3,390	4.9%	1.4	1.6	0.1
Jaguar	93	301	223.7%	181	530	192.8%	486	1,166	139.9%	0.2	0.5	0.3
Jeep	1,191	1,195	0.3%	2,123	2,090	-1.6%	5,077	5,158	1.6%	2.3	2.4	0.1
Kia	2,900	2,121	-26.9%	5,264	3,996	-24.1%	12,263	9,779	-20.3%	5.5	4.5	-1.0
Land Rover	439	501	14.1%	893	944	5.7%	2,271	2,280	0.4%	1.0	1.0	0.0
Lexus	2,114	2,262	7.0%	4,347	4,387	0.9%	11,479	10,728	-6.5%	5.1	4.9	-0.2
Lincoln	181	192	6.1%	327	346	5.8%	968	884	-8.7%	0.4	0.4	0.0
Maserati	156	139	-10.9%	265	241	-9.1%	553	661	19.5%	0.2	0.3	0.1
Mazda	979	1,002	2.3%	1,843	1,847	0.2%	4,532	4,663	2.9%	2.0	2.1	0.1
Mercedes	2,903	2,348	-19.1%	4,973	4,324	-13.1%	12,268	11,263	-8.2%	5.5	5.2	-0.3
MINI	444	321	-27.7%	798	585	-26.7%	1,667	1,307	-21.6%	0.7	0.6	-0.1
Mitsubishi	156	176	12.8%	308	292	-5.2%	827	730	-11.7%	0.4	0.3	0.0
Nissan	3,503	2,698	-23.0%	6,463	5,239	-18.9%	16,048	13,329	-16.9%	7.1	6.1	-1.0
Porsche	497	423	-14.9%	802	753	-6.1%	1,790	1,826	2.0%	0.8	0.8	0.0
Ram	422	470	11.4%	764	830	8.6%	1,842	1,953	6.0%	0.8	0.9	0.1
smart	22	25	13.6%	47	57	21.3%	114	138	21.1%	0.1	0.1	0.0
Subaru	1,170	1,308	11.8%	2,096	2,527	20.6%	5,197	6,244	20.1%	2.3	2.9	0.5
Tesla	219	210	-4.1%	976	676	-30.7%	1,850	1,719	-7.1%	0.8	0.8	0.0
Toyota/Scion	8,703	8,416	-3.3%	15,675	15,211	-3.0%	38,837	36,909	-5.0%	17.3	16.9	-0.4
Volkswagen	1,443	1,081	-25.1%	2,694	1,983	-26.4%	6,456	5,547	-14.1%	2.9	2.5	-0.3
Volvo	228	176	-22.8%	426	356	-16.4%	1,045	988	-5.5%	0.5	0.5	0.0
Other	108	146	35.2%	166	247	48.8%	390	506	29.7%	0.2	0.2	0.1

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

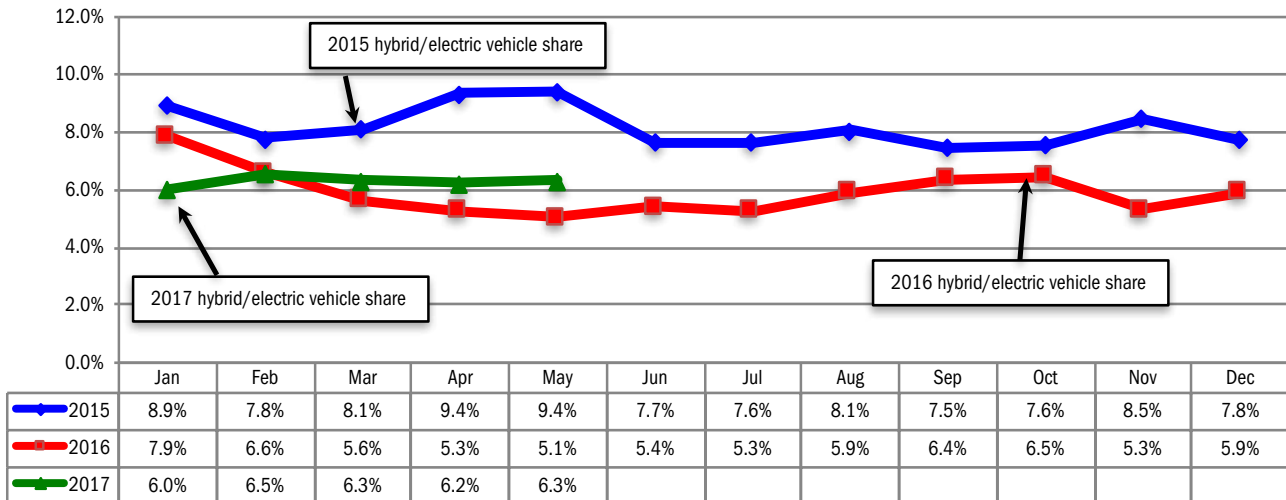


Data Source: AutoCount data from Experian.

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

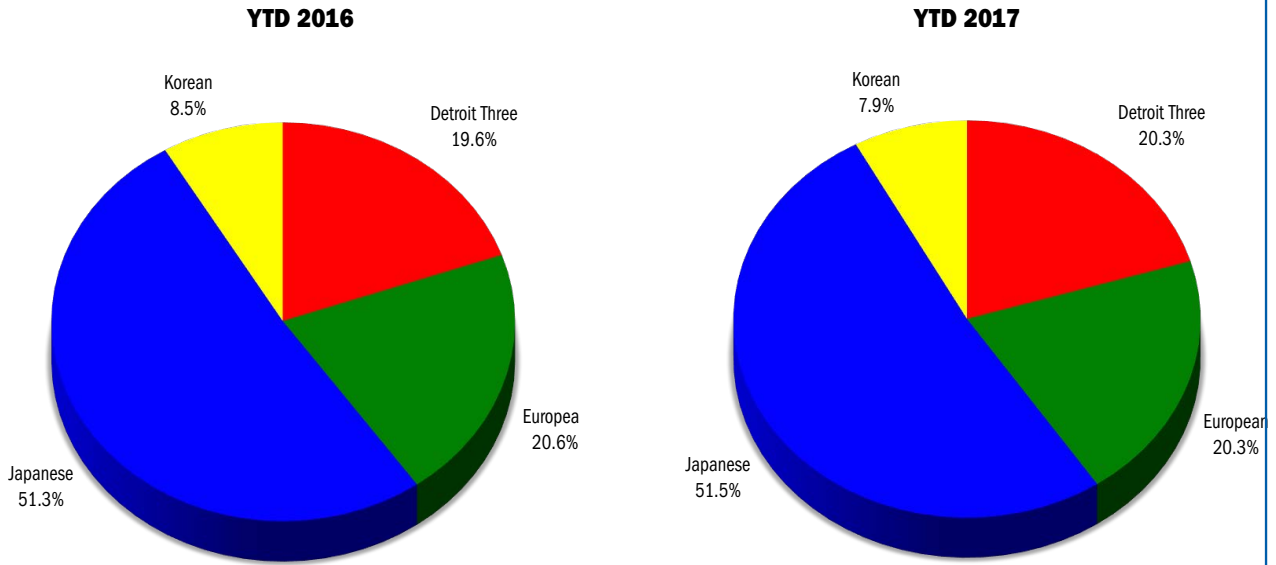


Combined Hybrid and Electric Vehicle Market Share in LA County



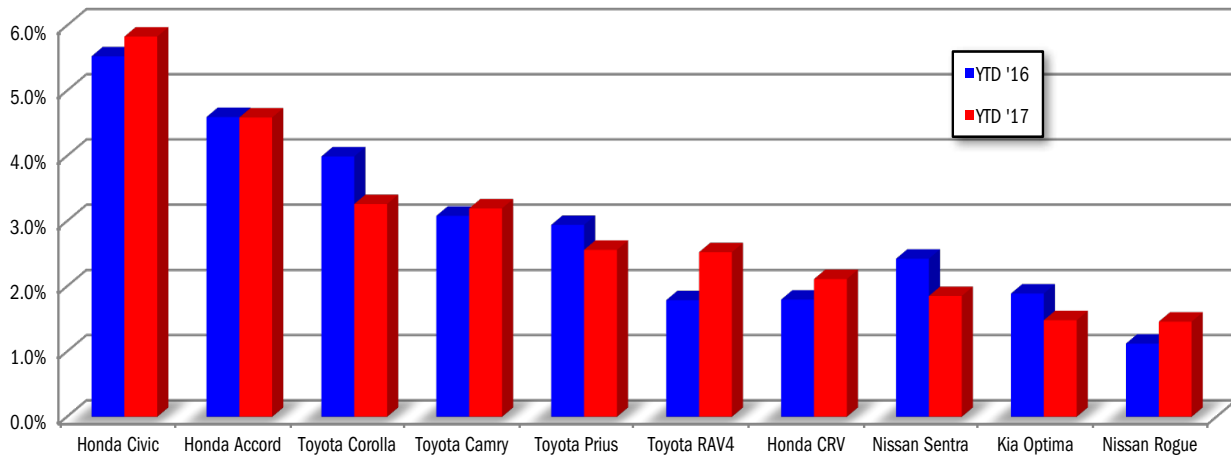
Data Source: AutoCount data from Experian.

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



Data Source: AutoCount data from Experian Automotive.

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



Los Angeles Auto Outlook

Published for:
Greater Los Angeles New Car Dealers Association
714 West Olympic Boulevard, Suite 601
Los Angeles, CA 90015

Phone: 213-748-0240
www.glanca.org

Published by:
Auto Outlook, Inc.
PO Box 390
Exton, PA 19341

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

Copyright Auto Outlook, Inc.,
June 2017

Los Angeles Auto Outlook is distributed free of charge to all members of Los Angeles New Car Dealers Association. The publication is sponsored and supported by GLANCA.

Los Angeles Auto Outlook is published and edited by Auto Outlook, Inc., an independent automotive market research firm. Opinions in Los Angeles Auto Outlook are solely those of Auto Outlook, Inc., and are not necessarily shared by GLANCA.



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