



LOS ANGELES NEW CAR DEALERS ASSOCIATION

E-NEWSLETTER • ISSUE #5 • 2014

REGISTER TODAY FOR THE ANNUAL MEMBER LUNCHEON

— Sheraton Universal Hotel —

June 17, 2014

11:30 am - 2:00 pm

It is our pleasure to invite you to join your fellow auto industry colleagues at the GLANCD A Annual Member Luncheon. The event is for members and non-members. If you are not a member, now is the time to join GLANCD A and receive our special membership promotion. Be one of the first 75 dealerships to join and you will receive an additional 50 complimentary 2014 Los Angeles Auto Show tickets.

This year we have a decorated war hero as our main speaker. He is also a renowned best selling author. This is a speaker you won't want to miss!

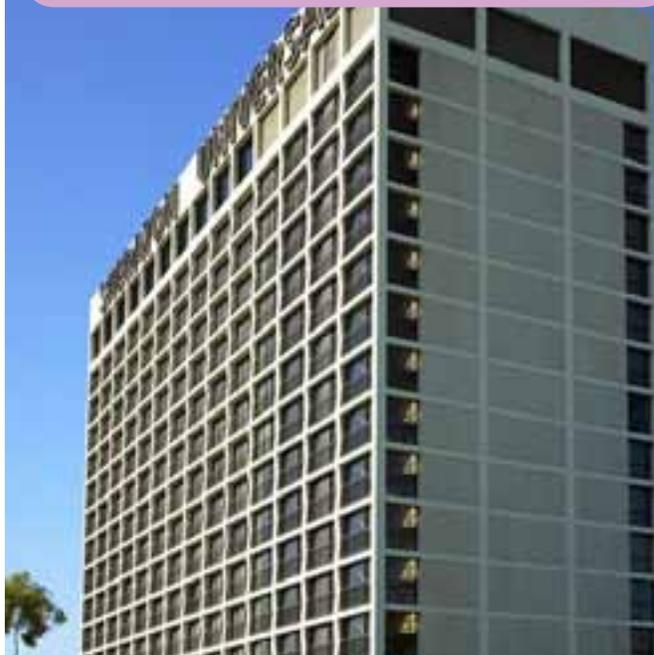
In addition to our inspirational speaker, there will be opportunities for you to network with your colleagues and support the association.

We hope you will consider attending and participating in what will be a very entertaining event.

Kind Regards,

Bob Smith
Executive Director

Download Registration Form at:
www.glanconda.org



Sheraton Universal Hotel
333 Universal Hollywood Drive
Universal City, CA 91608

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Employment at New-Car Dealerships Rising - *By Forrest McConnell, III / NADA Chairman*

Selling cars is not the only thing franchised new-car dealers contribute to the nation's economy. Next to stocking their showrooms and lots with vehicle inventory, auto dealers create many jobs in their communities. Between the need for quality sales consultants and expert service technicians, America's new-car dealers employ 1 million people nationwide.

Rising auto sales are having a positive impact on the economy, and dealers across the country are hiring. More than 1 million people were employed at U.S. new-car dealerships last year. It marked the first time reaching this milestone since falling during the recession in 2009.

On a national level, New-car dealers employed 1,008,800 people in 2013, up 3.4 percent from the previous year, says NADA Data 2014, an annual report on dealership sales and financial trend. New-car dealers employed an average of 57 people (109 here in California) with an average payroll of \$3 million last year, up 3 percent. Total payroll for all new-car dealerships in the U.S. was \$53.7 billion last year.

Franchised new-car dealerships are an economic engine on Main Street, U.S.A, and these good paying jobs cannot be outsourced or sent overseas.

May Auto Sales Shaping Up To Be Best Yet This Year - *By Jeff Youngs*

Sales of light vehicles are likely to experience their strongest month of the year (so far) in May, with Memorial Day weekend fueling demand. According to a forecast developed jointly by J.D. Power and LMC Automotive, 1.3 million light vehicles are expected to be sold in the United States at retail in May--an increase of 4% over May 2013. The seasonally adjusted annualized selling rate (SAAR) is expected to be 13.6 million units, up from 12.8 million in May 2013--a significant improvement from the beginning of the year and the highest monthly SAAR recorded so far in 2014.

J.D. Power estimates consumers will spend more than \$37 billion on new vehicles this month, surpassing the previous May high of \$34.3 billion, set in 2004. May is the eighth consecutive month that consumer spending on new vehicles increased year over year.

"The anticipated strong performance in May reflects the combination of strong underlying demand coupled with a quirk of the industry sales calendar, with the May sales month containing five weekends, compared with just four weekends last May," said John

Humphrey, senior vice president of the global automotive practice at J.D. Power. "The record level of consumer spending reflects a combination of record transaction prices in May--which, at \$29,600, are up \$800 from the previous May high of \$28,795 set in 2013--and the strongest retail sales performance in May since 2004."

Year-over-year fleet sales are expected to decline slightly in May, but total light-vehicle sales will increase by 3% over the same period of 2013, according to the forecast. The forecast for total light-vehicle sales in 2014 is holding steady at 16.1 million units: again, an increase of 3% from 2013.

"Three consecutive months of solid growth has returned the market to the expected trend level on a year-to-date basis," said Jeff Schuster, senior vice president of forecasting at LMC Automotive. "As we move toward the second half of the year, the selling rates are expected to continue improving, but the growth rates will begin to flatten out, increasing competitive pressures for all brands."

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Know Your Franchise Rights

Speakers Include:

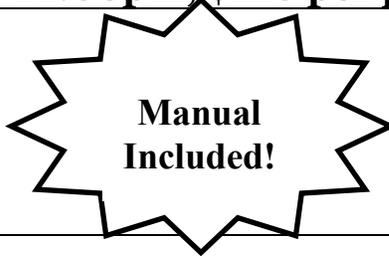
- **Monica Baumann**, CNCDA Director of Legal & Regulatory Affairs
- **Bert Rasmussen**, Manning Leaver Bruder & Berberich
- **Michael Flannigan**, Law Offices of Michael Flannigan

Information to be covered:

- Legal protections for your investment
- How the law helps you rein in factory facility demands
- Limits on factory control of daily operations
- Protections before, during and after an audit
- Protest rights and how they work in the real world



9:00am – 12:00pm, \$120 per person



JUNE 26, 2014
 HILTON UNIVERSAL CITY
 555 UNIVERSAL HOLLYWOOD DRIVE
 UNIVERSAL CITY, CA 91608
 (818) 506-2500

Dealer Principals, General Managers, and all Compliance Staff are recommended to attend.
 To register online, visit www.cncda.org/events.asp

Seminar Date:		Location:	
Dealership:			
Address:		City:	Zip:
Name:		Email:	
Name:		Email:	
Phone:		Amount Paid:	
Payment:	<input type="checkbox"/> Amex	<input type="checkbox"/> Visa	<input type="checkbox"/> MC
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Return form to cncda_info@cncda.org or CNCDA, 1415 L Street, Suite 700, Sacramento, CA 95814
 Questions? Call 916.441.2599
 Fax 916. 441.5612

Payment is due by the event date. All cancellations require 72 hour notice for a full refund.





LOS ANGELES AUTO SHOW

The Los Angeles Auto Show selects a new logo. The new logo, which adds an imaginative twist to the classic LA letterform, is a visual representation of the changes that were being fine-tuned for the last several years. The Los Angeles Auto Show's intent is to

better serve our partners and help create a more modern, nimble and innovative auto industry. The new logo reflects our own modernization while holding true to the style and attitude that makes LA the car culture capital of the world, a hotbed

of design, a burgeoning tech epicenter, a global trendsetter and the preferred home of the rich and famous.

**OPEN TO THE PUBLIC
November 21-30, 2014**

**PRESS & TRADE DAYS
November 18-20, 2014**

NADA's Take on 'The Fallacy of Flats'

The National Automobile Dealers Association has tried for months to impress upon the Consumer Financial Protection Bureau that switching from dealer reserve to flat fees will not eliminate dealerships' ability to set their compensation for auto loans. But it's debatable whether the message is sinking in. "You can't eliminate discretion by going to a flat fee," says Paul Metrey, NADA's chief regulatory counsel for financial services, privacy and tax.

Last week NADA distributed a memo to its members and the press called "The Fallacy of Flats." The basic argument -- which NADA introduced in November at an auto finance forum hosted by the CFPB -- is that even if all lenders switched to a flat fee, dealerships would be incentivized to choose lenders based on which pays the highest flat.

The CFPB isn't allowed to regulate franchised dealerships, but it does regulate lenders. The bureau holds lenders accountable for allowing

dealerships discretion in setting dealer reserve, a small amount of interest -- typically up to 3 percentage points -- that dealerships can tack onto the lender's buy rate on an auto loan for acting as a middleman.

The CFPB thinks dealerships take advantage of that discretion to charge minorities and other protected groups extra, which NADA denies. As an alternative, the CFPB wants lenders to switch to flat fees, a fixed percentage of the amount financed, or some other form of compensation that the CFPB considers nondiscretionary.

Metrey told me in a phone interview last week that while flat fees might protect lenders against discrimination charges from the CFPB, they wouldn't protect dealerships from discrimination charges by the regulators that oversee them, such as the Federal Trade Commission and state attorneys general, or by private



individuals. For that matter, Metrey said, flat fees wouldn't protect consumers from hypothetical discrimination, either.

NADA is advocating that lenders stick with dealer reserve. But it says dealerships should set a ceiling for dealer reserve and go lower only when it has a legitimate business reason to do so, such as to match a competitor's offer. Nearly every sizable auto lender is sticking with dealer reserve -- so far.

Source: Automotive News

Greater LOS ANGELES NEW CAR DEALERS ASSOCIATION

The first 75 dealerships to complete this form and fax or mail it back to GLANCUDA with payment will receive an additional 50 complimentary 2014 Los Angeles Auto Show General Admission Tickets!



By renewing or joining for 2014/2015 your membership will run for 18 months (July 1, 2014 – December 31, 2015) and includes an Exclusive Los Angeles Auto Show Ticket Package for the 2014 and 2015 Auto Shows available only to Dealer Members. **Each year Dealer Members in good standing will receive 75 complimentary general admission tickets and 500 discounted general admission tickets per dealership. By being one of the first 75 to renew or join, your dealership will receive an additional 50 complimentary tickets! That is a total of 125 tickets!**

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 GLANCUDA membership benefits.

GLANCUDA membership will run for 18 months (July 1, 2014 – December 31, 2015)

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

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Sacramento, CA 95833

Contact Us:

Phone (213) 748-0240
Fax (916) 924-7323

bob@glanconda.org • www.glanconda.org

- Yes, we would like to renew for 2014/2015.
- Yes, we would like to join for 2014/2015. (New Member)
- Not sure of membership status but I'm interested in membership for 2014/2015. (Please complete the form below and GLANCUDA will contact you.)

DUES

\$375.00 (Single dealership or main location)

\$37.50 (Dealership under same ownership)

Total Dealerships _____

Total Due _____

Dealership/Name _____

Dealer Address: _____

Dealer Phone: _____ Fax: _____

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

General Manager Name/Email: _____

Office Manager/Controller Name/Email: _____

Address: _____

Dealer Phone: _____ Fax: _____

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 Ticket Package only available to each GLANCD A Dealer Member per Dealership. GLANCD A is 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. This ticket offer is only good for current GLANCD A members, and New Members in good standing.

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 reduces 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

Los Angeles County new vehicle registrations increased 12% in April '14 vs. '13.

New registrations in the county increased 9.7% during the first four months of this year, compared to a year earlier.

The three month moving average of new vehicle registrations increased for the 27th consecutive month in April of this year.

FIAT, Lexus, Jeep, Ram, Mazda, and Lincoln new vehicle registrations each increased more than 32% so far this year.

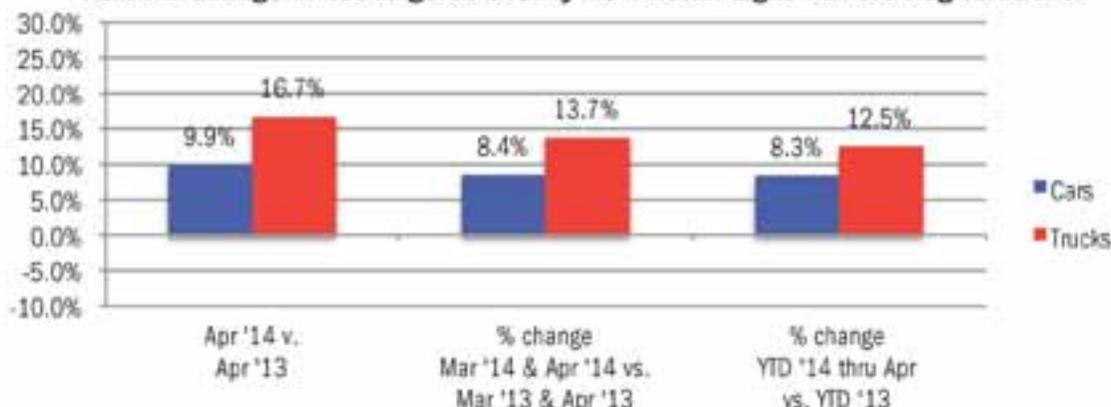
Japanese brand share increased from 50% during the first four months of 2013 to 51.5% this year.

Data measures new vehicle registrations in the county. Monthly recording of registrations occurs when the data is processed by the DMV.

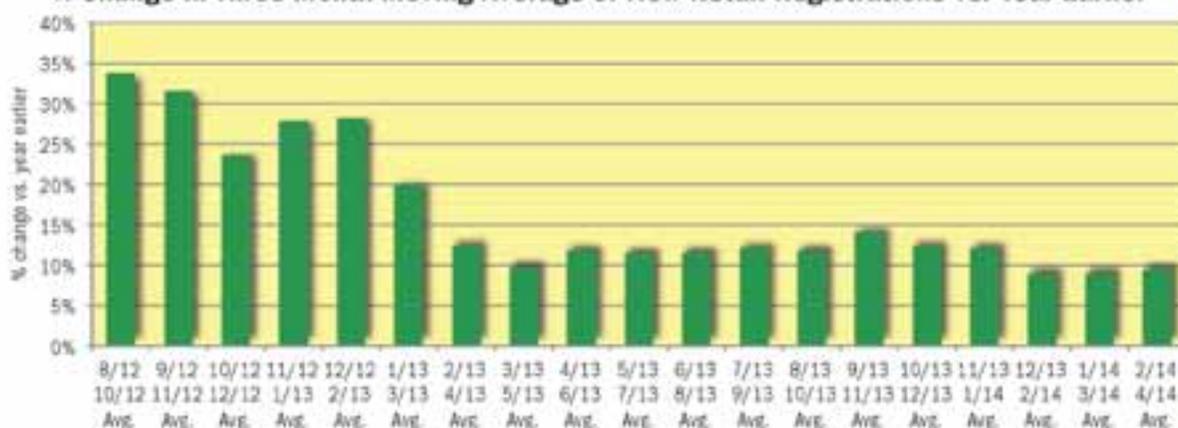
Los Angeles New Retail Car and Light Truck Registrations

	April			Mar '14 and Apr '14 combined			YTD thru April		
	2013	2014	% chg.	2013	2014	% chg.	2013	2014	Chg.
Industry Total	32,683	36,615	12.0%	71,599	78,859	10.1%	133,536	146,499	9.7%
Cars	22,326	24,531	9.9%	48,593	52,696	8.4%	89,655	97,141	8.3%
Light Trucks	10,357	12,084	16.7%	23,006	26,163	13.7%	43,881	49,358	12.5%
Detroit Three	5,911	6,783	14.8%	13,047	15,064	15.5%	24,096	27,229	13.0%
European	7,167	7,808	8.9%	15,448	16,682	8.0%	31,543	32,720	3.7%
Japanese	16,929	19,051	12.5%	36,968	40,667	10.0%	66,732	75,422	13.0%
Korean	2,676	2,973	11.1%	6,136	6,446	5.1%	11,165	11,128	-0.3%

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

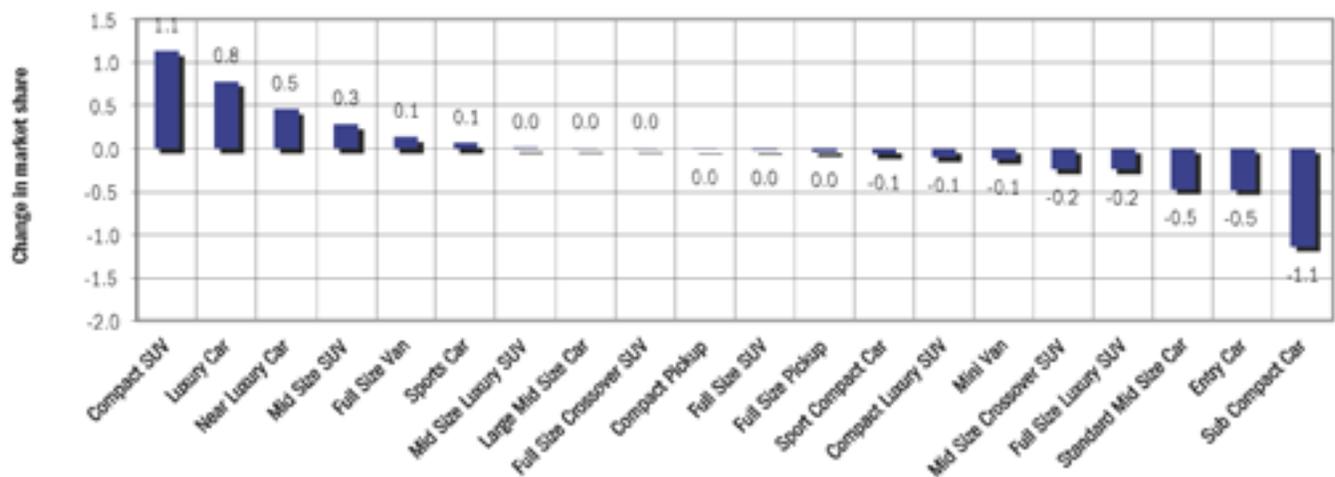
All data represents new and used vehicle retail registrations in Los Angeles County and excludes fleet. Please keep in mind that monthly registration figures can occasionally be subject to fluctuations, resulting in over or under estimation of actual results. This usually occurs due to processing delays 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 Automotive.

New Vehicle Market Brand Registrations

Los Angeles New Retail Car and Light Truck Registrations

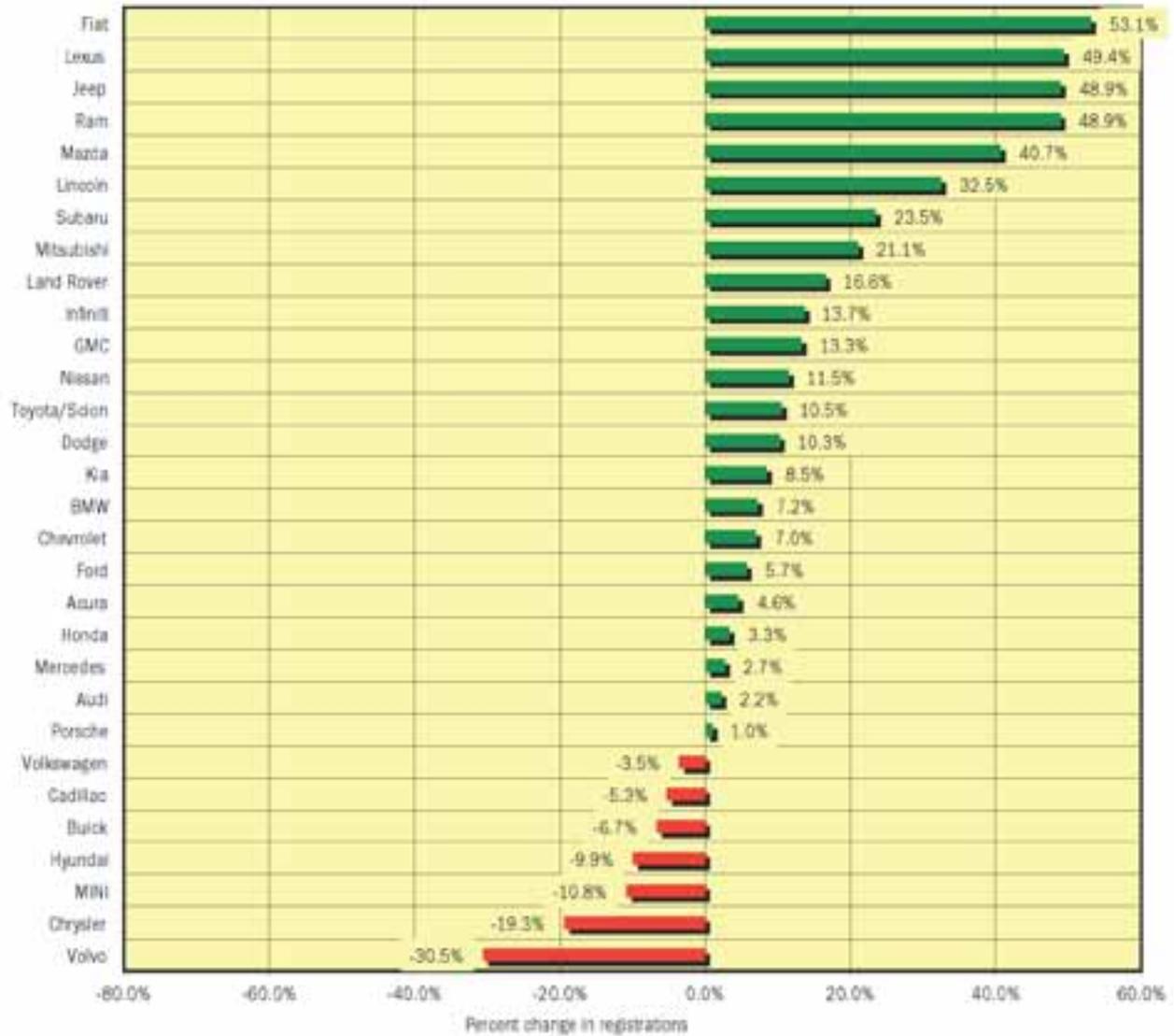
	April			Mar '14 and Apr '14 combined			YTD thru April			YTD Market Share (%)		
	2013	2014	% chg.	2013	2014	% chg.	2013	2014	% chg.	2013	2014	Chg.
TOTAL	32,683	36,615	12.0%	71,599	78,859	10.1%	133,536	146,499	9.7%			
Acura	447	421	-5.8%	958	930	-2.9%	1,861	1,946	4.6%	1.4	1.3	-0.1
Audi	812	939	15.6%	1,709	1,825	6.8%	3,485	3,563	2.2%	2.6	2.4	-0.2
BMW	1,719	2,062	19.4%	3,823	4,282	12.0%	7,587	8,134	7.2%	5.7	5.6	-0.1
Buick	131	99	-24.4%	259	260	0.4%	495	462	-6.7%	0.4	0.3	-0.1
Cadillac	296	274	-7.4%	683	609	-10.8%	1,275	1,208	-5.3%	1.0	0.8	-0.1
Chevrolet	1,593	1,823	14.4%	3,513	3,033	-12.0%	6,284	6,831	7.0%	4.8	4.7	-0.1
Chrysler	151	121	-19.9%	287	274	-4.5%	574	463	-19.3%	0.4	0.3	-0.1
Dodge	546	580	6.2%	1,162	1,282	10.3%	2,063	2,275	10.3%	1.5	1.6	0.0
Fiat	196	306	56.1%	413	664	60.8%	778	1,191	53.1%	0.6	0.8	0.2
Ford	2,168	2,336	7.7%	5,000	5,396	7.9%	9,253	9,782	5.7%	6.9	6.7	-0.3
GMC	256	311	21.5%	571	680	19.1%	1,085	1,229	13.3%	0.8	0.8	0.0
Honda	5,077	4,839	-4.7%	10,785	10,708	-0.7%	19,001	19,632	3.3%	14.2	13.4	-0.8
Hyundai	1,364	1,236	-9.4%	2,977	2,685	-9.8%	5,357	4,826	-9.9%	4.0	3.3	-0.7
Infiniti	378	393	4.0%	844	878	4.0%	1,655	1,881	13.7%	1.2	1.3	0.0
Jaguar	71	75	5.6%	203	161	-20.7%	330	345	4.5%	0.2	0.2	0.0
Jeep	496	715	44.2%	1,049	1,500	43.0%	1,972	2,937	48.9%	1.5	2.0	0.5
Kia	1,312	1,737	32.4%	3,159	3,761	19.1%	5,808	6,302	8.5%	4.3	4.3	0.0
Land Rover	212	216	1.9%	525	587	11.8%	1,050	1,224	16.6%	0.8	0.8	0.0
Lexus	1,341	1,956	45.9%	2,802	4,211	50.3%	5,499	8,213	49.4%	4.1	5.6	1.5
Lincoln	89	95	6.7%	172	208	20.9%	320	424	32.5%	0.2	0.3	0.0
Mazda	419	648	54.7%	992	1,398	40.9%	1,777	2,500	40.7%	1.3	1.7	0.4
Mercedes	2,060	2,159	4.8%	4,271	4,678	9.5%	9,408	9,666	2.7%	7.0	6.6	-0.4
MINI	406	305	-24.9%	777	683	-12.1%	1,440	1,284	-10.8%	1.1	0.9	-0.2
Mitsubishi	136	162	19.1%	295	362	22.7%	522	632	21.1%	0.4	0.4	0.0
Nissan	2,559	2,935	14.7%	5,477	6,138	12.1%	9,520	10,615	11.5%	7.1	7.2	0.1
Porsche	321	310	-3.4%	621	653	4.1%	1,182	1,194	1.0%	0.9	0.8	-0.1
Ram	185	235	27.0%	351	548	56.1%	675	1,005	48.9%	0.5	0.7	0.2
smart	37	40	8.1%	76	112	47.4%	136	208	52.9%	0.1	0.1	0.0
Subaru	549	654	19.1%	1,125	1,422	26.4%	2,105	2,599	23.5%	1.6	1.8	0.2
Tesla	0	194		0	374		0	613		0.0	0.4	0.4
Toyota/Scion	6,023	7,043	16.9%	13,688	14,620	6.8%	24,789	27,404	10.5%	18.6	18.7	0.1
Volkswagen	1,134	1,159	2.2%	2,557	2,528	-1.1%	5,098	4,918	-3.5%	3.8	3.4	-0.5
Volvo	125	117	-6.4%	322	241	-25.2%	701	487	-30.5%	0.5	0.3	-0.2
Other	74	130	75.7%	147	270	83.7%	351	506	44.2%	0.3	0.3	0.1

Change in New Vehicle Segment Market Share - YTD 2014 thru April vs. YTD 2013

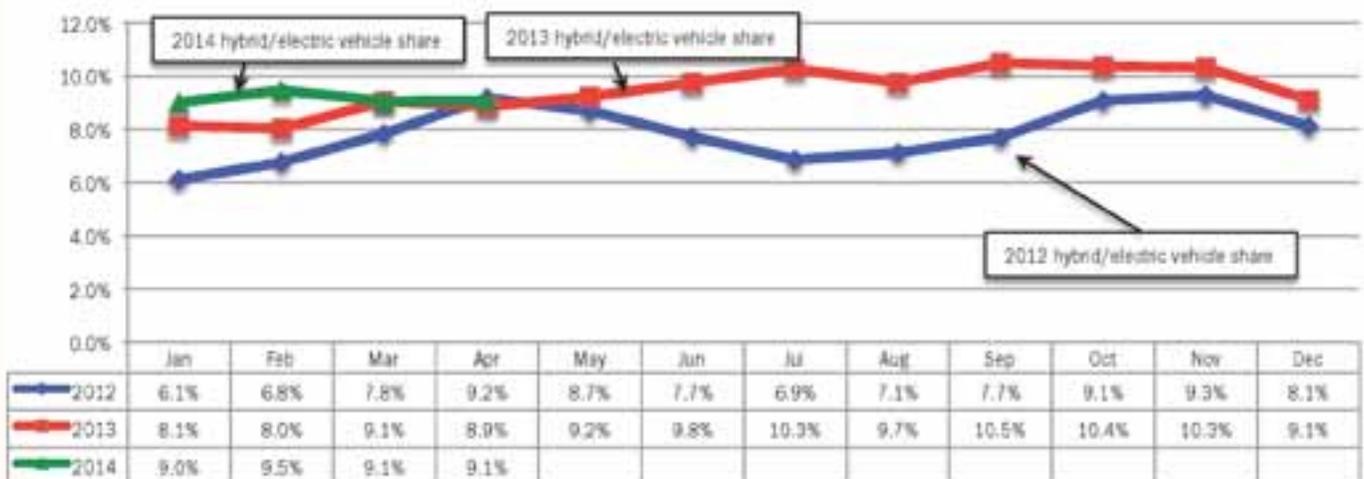


Data Source: AutoCount data from Experian Automotive.

**Percent Change in Brand Registrations
YTD 2014 thru April vs. YTD 2013
(Top 30 selling brands)**

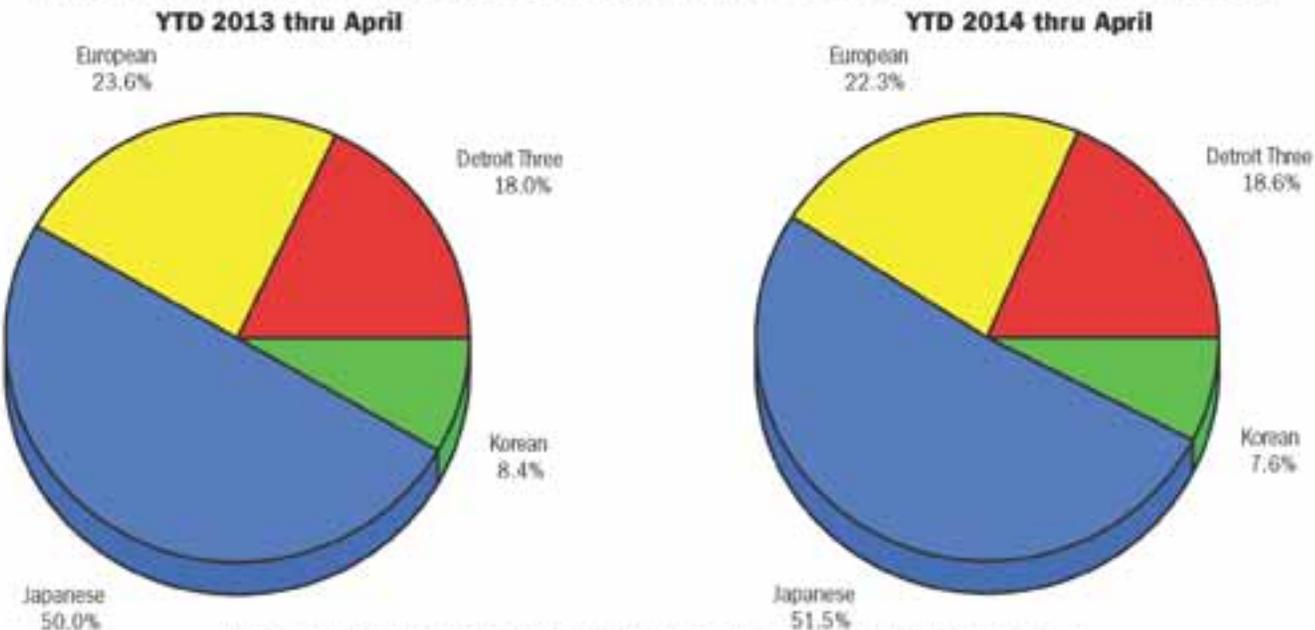


Combined Hybrid and Electric Vehicle Market Share in LA County



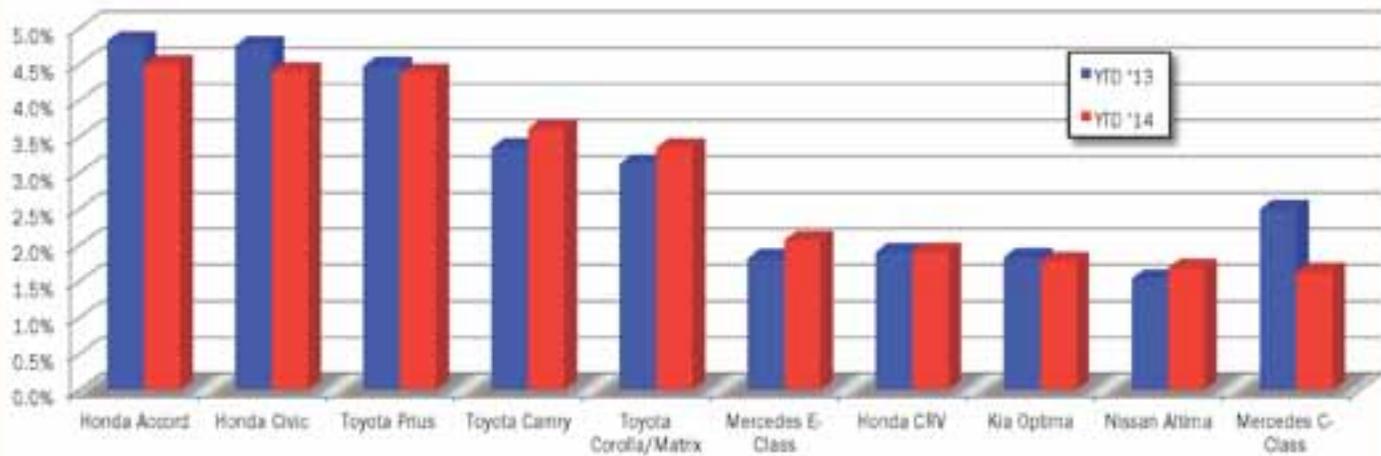
Data Source: AutoCount data from Experian Automotive.

Market Share for Japanese, Detroit Three, European, and Korean Brands - YTD 2013 and YTD 2014



Data Source: AutoCount data from Experian Automotive. Note: numbers may not add to 100% due to rounding.

Market Share for Top 10 Selling Models in LA County - YTD 2014 thru April



Los Angeles Auto Outlook

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WHO ARE MY TOP COMPETITORS? -BY MARKET AREA?

WHAT NEW AND USED CARS SELL WELL IN MY MARKETS?

ANSWERS DRIVE RESULTS.

You need insight into your marketplace to make the best decisions to maximize profits. The AutoCount Dealer Report analysis tells dealers on new and used competition, dealer market share, down to specific areas you define. We bring the questions. We'll bring the answers.



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Experian Automotive is the data provider for Los Angeles Auto Outlook.