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2016 Legislative Crossover Reception: State Senators and Representatives turned out in good numbers to enjoy a well-deserved break at the NHADA's traditional reception Wednesday, March 23 at the Grappone Conference Center in Concord. (See page 17.) photo by Michael Rosenblum

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COVER: Graduates of Manchester Community College's automotive program, who work together now at AutoFair Ford in Manchester. See page 13. photo by Nat Stout

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"IT'S FREE"... "Buy 1, Get 1 Free"...

"2 For 1 Sale"... "50% Off With Purchase of 2"... "Buy 3 Get One Free"...

Greg Holmes, Esq., Holmes Law Offices PLLC

We've all seen advertising of "free" items. It's used for all types of products. The Federal Trade Commission (FTC) recognizes that offering free merchandise with the purchase of some other item is a useful and valuable marketing tool. However, the FTC, also recognizing that this type of advertising can be deceptive, has issued a guide concerning use of the word "free."

You cannot circumvent the FTC's rules on the use of the word "free" by substituting "free" with words of similar meaning, such as "gift," "given without charge," or "bonus," Any word or term that tends to convey to a consumer that an item or service is "free" will be considered by the FTC to be subject to its rules. The basics of the FTC rule are:

- 1. If you advertise that an item is free when another item is purchased, you cannot directly and immediately recover the cost of the free item by marking up the price of the item that must be purchased. For example, the merchant who advertises tires as "buy three and get the fourth free" cannot increase the price of the three tires the consumer must purchase to get the fourth tire free. The price of the tires that the consumer has to purchase must be based on the "regular" price of the item.
- 2. The "regular" price of the item that must be purchased is the price that is based on the same quality and quantity of the merchandise charged by the seller in the same geographic market where the "free" item is offered for a reasonably substantial period of time, such as a 30-day period.

- 3. All terms and conditions that must be met by the consumer to obtain the free item must be disclosed clearly and conspicuously at the outset of the offer. In other words, include the terms of the offer in the advertisement but not in a footnote or mouse print.
- 4. A "free" offer should not be advertised in the seller's trade area for more than six months in any 12-month period, with at least a 30-day lapse between offers.
- 5. An important restriction on an automobile dealer offering an item as being free with the purchase of an automobile is the following language from the FTC guide:

Negotiated sales. If a product or service usually is sold at a price arrived at through bargaining, rather than at a regular price, it is improper to represent that another product or service is being offered "free" with the sale. The same representation is also improper where there may be a regular price, but where other material factors such as quantity, quality, or size are arrived at through bargaining. 16 CFR §251.1(g).

In other words, the FTC assumes that any free offer tied to the sale of a vehicle whose price is negotiated is improper and a violation of its rules regarding the use of the word "free."

A dealer's advertising that free merchandise will be provided by a manufacturer or other third party with the purchase of a vehicle may be acceptable by the FTC as long as it is not otherwise deceptive.



Greg Holmes, Esq.

In addition to the FTC rule, recovering the cost of the "free" item by increasing the sale price of the purchased item would be considered a violation of the state's Consumer Protection Act.

So, if you are a dealer who negotiates the price of the

vehicle with the customer, think twice before advertising "free" merchandise or services with the sale of a vehicle.

Atty. Greg Holmes is principal of Holmes Law Offices PLLC in Concord, a bronzelevel association partner. Reach Greg at gholmes@gholmeslawoffices.com or 603-224-8004.

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Meowing Dogs, Barking Cats

Overtime Exemption Under Review by US Supreme Court

By Andrea G. Chatfield, Esq.; Cook, Little, Rosenblatt & Manson, p.l.l.c.

The U.S. Supreme Court recently agreed to hear a case that is expected to resolve whether or not service advisors are exempt from overtime pay requirements under the "salesman, partsman, or mechanic" exemption of the Fair Labor Standards Act (FLSA). Dealerships across the country will be keeping a close eye on this case, and it is likely the case will be heard and decided by an eight-judge Supreme Court.

The decision that the **Dealerships** Supreme Court will be would be prudent reviewing (Navarro, et to review how they pay al. v. Encino Motorcars. service advisors to determine LLC) involves if they are properly classifying interpretation of an and paying them as exempt ambiguously written employees under the provision of the FLSA, FLSA. inconsistent interpretations of the statute by the U.S. Department of Labor (US DOL), a clear split in the federal circuit courts, and an analogy to "meowing dogs and barking cats." The late Justice Scalia would have loved it!

The FLSA expressly exempts from its overtime requirements "any salesman,

partsman, or mechanic primarily engaged in *selling or servicing* automobiles, trucks, or farm implements..." 29 U.S.C. \$213(b)(10)(A) (emphasis added) (the "213(b)(10) exemption"). Service advisors primarily sell vehicle servicing

work to customers, and many dealerships classify them as exempt salespeople. However, a service writer does not

does he/she personally service the vehicle as a mechanic does. The main question is main question is whether the 213(b) exempt (10) exemption should the be interpreted to apply to salespeople who only sell vehicles or should it apply to ople who are engaged in selling or

salespeople who are engaged in selling *or* servicing vehicles.

Over the last 40 years, all the courts

Over the last 40 years, all the courts that have looked at this issue have ruled that service advisors fall within the exemption. These courts read the phrase "selling or servicing" in the exemption



Andrea Chatfield, Esq.

provision to apply to each of the types of employees (salesmen, partsmen, and mechanics). These decisions include Federal appeals courts for the Fourth and Fifth Circuits (which are binding on the mid-Atlantic and central Southern states respectively).

The US DOL, however, has not been as consistent. In 1970, the US DOL issued regulations in which the agency narrowly defined "salesman", for purposes of the 213(b)(10) exemption, as an employee engaged only in making sales of vehicles; a "partsman" was defined as an employee engaged in requisitioning, stocking, and dispensing parts, and a "mechanic" as an employee engaged in doing mechanical work in the servicing of vehicles. *See* 29 C.F.R. \$779.372(c). Thus, service advisors were not covered by the exemption.

In 1978, the US DOL issued an opinion letter changing its position and providing that service advisors are covered by the 213(b)(10) exemption. In 2008, the US DOL proposed to align its regulations with the court decisions finding they are exempt, but in 2011, the US DOL reversed its position again and concluded that the exemption did not apply to service advisors. It reissued its original regulations' definitions from 1970.

The *Navarro* case was initially brought in 2012 by a group of service writers for a Mercedes Benz dealership in California who claimed they were not paid overtime rates or minimum wage for their hours of work. The plaintiffs' job functions involved meeting with car owners, evaluating their service and repair needs,





For more information, please call Kevin at 617-471-1120 or email kcarnes@ocd.com



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Meowing Dogs-continued from page 4

suggesting and soliciting services to be performed, preparing price estimates, and informing the customer of the status of the work on their vehicles. Encino Motorcars paid these employees on a commission-basis and classified them as exempt.

The U.S. District Court dismissed their claims, stating that the employees were covered by the 213(b)(10) exemption. The court expressly rejected the US DOL's 2011 interpretation as an unreasonably restrictive interpretation of the statutory exemption. Relying on prior case decisions, the District Court interpreted the exemption to apply to salesmen who were engaged in either selling or servicing vehicles. Because service advisors are functionally equivalent to salesmen and mechanics and are similarly responsible for the selling and servicing of vehicles, the court concluded that it would be unreasonable to carve those employees out of the exemption and treat them differently from employees with functionally similar positions.

The Navarro plaintiffs appealed to the Ninth Circuit Court of Appeals which, in 2015, reversed the District Court and reinstated the case. The Ninth Circuit (which is binding on California and most of the Western U.S. States from Arizona to Washington) held that the service advisors did not meet the 213(b)(10) exemption because they did not personally sell automobiles. Unlike the District Court, the Ninth Circuit found the US DOL's interpretation of the exemption to be reasonable. As the statutory exemption is written, both the list of subjects of the exemption (salesmen, partsmen, mechanics) and the list of verbs (selling or servicing) are disjunctive (meaning, the items in each list are separated by an "or"). The Ninth Circuit compared the way the

exemption was written to the following statement: "if my dogs or cats are barking or meowing, then I know that they need to be let out." Most people, the Court stated, would interpret this statement to apply only to barking dogs and meowing cats, whereas if the Court followed the grammatical interpretation the District Court used with the statutory exemption, the hypothetical phrase would include "a meowing dog and a barking cat." Therefore, the US DOL's grammatical

interpretation was considered more reasonable.

With the *Navarro* decision, there is a clear split among the Federal Circuit Courts of Appeal. The Fourth and Fifth Circuits (and other federal district courts) have clearly held that service advisors are exempt, and the Ninth Circuit has held they are not. Therefore, the case is ripe for resolution by the U.S. Supreme Court. Part of the U.S. Supreme Court's

Meowing Dogs - continued on page 7



U.S. Supreme Court Rejects John Deere

Local Dealers Celebrate Final Legal Victory; Law Now Goes Into Effect

Within 24 hours of John Deere's filing paperwork at the U.S. Supreme Court, Justice Stephen Breyer rejected Deere's motion to put the New Hampshire Dealer Bill of Rights (DBR) law on hold. The law passed in 2013 with overwhelming support from state lawmakers and Governor Maggie Hassan, but has been held up on appeal until now.

"John Deere has been rebutted by every court ruling so far", says Pete McNamara, NHADA president. "Both the NH lower courts and the NH Supreme Court have ruled that the state's Dealer Bill of Rights (DBR) is constitutional. The swift rejection by the court yet again shows Deere's recycled arguments are meritless."

Even if John Deere seeks permission from the Court to file an appeal, it is highly unlikely to be granted as the Court accepts only two percent of cases.

"Today, in fact, the Court rejected a similar appeal request filed by the other vehicle manufacturers," McNamara said. "With this rejection by the top court, the national manufacturers have had their day in court, just as they had their time in front of the general court in Concord."

"The debate is now over and the law is fully in effect." The case that was rejected today was *Alliance of Automobile Manufacturers v. Currey*, which challenged the Connecticut equivalent of the Dealer Bill of Rights.

The NH DBR law offers a number of common sense provisions for local business owners, such as requiring "good cause" before ending a dealer's business, limits forcing dealers to sell their business, puts limits on mandatory upgrades to facilities, provides a buy-local provision to save on expenses, and stipulates proper reimbursement for warranty work done by dealers. The law extends these provisions to construction and farm equipment dealers

These provisions will encourage competition by preventing manufacturers from forcing dealers to drop lines or expend outrageous sums of money on unnecessary upgrades on buildings.

Find the Court's rejection of John Deere's motion to stay online at http://1. usa.gov/1QAuYc1. ▲

This Court decision was originally reported to association members on March 8 within NHADA In Motion, the weekly email newletter, which is still viewable at http://bit.ly/1UxXlv9.



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Margaret O'Brien, Esq.

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Dealership Workforce Study Participants Will Receive Two Complimentary Reports

NADA and ATD members who participate in the 2016 Dealership Workforce Study — which entails completing a questionnaire and submitting payroll records — will receive the trends report, *Automotive Retail: National & Regional Trends in Compensation, Benefits & Retention*, and customized report, *Compensation, Benefits, Retention: How Your Dealership Compares*, at no cost.

The trends report, which retails for nearly four hundred dollars, is packed with useful information on competitive pay, benefits and work schedules so that dealerships can attract new hires and retain talented employees. The customized report, which is only available to participants, provides dealers with comparison data to see how they stack up against their peers nationally, regionally and by state as well as by brand. Last year, more than 290,000 payroll records were submitted. The participation period for the Dealership Workforce Study closes on April 29, 2016. To participate, visit nadaworkforcestudy.com. For questions, send an email to WorkforceStudy@nada.org or call 800-557-6232.

Source: NADA Dealership Operations

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NHADA WCT to Pay Your Association Dues

YOU READ THAT RIGHT!

Now you save even more out-of-pocket with NHADA workers' compensation coverage. As of May 1, 2016, the Workers' Compensation Trust (WCT) will pay your annual NHADA dues if you are part of the NHADA WCT.*

"We feel this is a good move to make things easier for the members of NHADA and the Workers' Compensation Trust," said WCT Chairman Matthew Marrazzo of Townline Equipment. All WCT members will notice that the amount of dues owed will be zero dollars when they receive their dues billing notice at the beginning of April. Even though the dues will be paid in full, you will still have the opportunity to donate to the very critical Legal Defense Fund, and you will still need to complete your renewal application in its entirety.

* Per the trust agreement, you are required to be a member to participate in the WCT dues payment plan.

Meowing Dogs - continued from page 5

ultimate decision will depend upon how much deference should be given to the US DOL's interpretation of the statutory exemption language.

However, with only eight sitting justices at this time, the Supreme Court could end up with a tied decision, in which case the Ninth Circuit opinion in the case would stand, and, there would be no nationally consistent interpretation of the statute. The Court could decide to postpone hearing the case until it has a full nine-member bench, but that may not be for some time, and the issue would remain unresolved during that time.

While uncertainty continues over the 213(b)(10) exemption, many dealerships rely on the exemption found in Section 7(i) of the FLSA for retail commissioned employees. This exemption allows retail establishments, such as auto dealerships, to treat as exempt employees who earn more than half their total wages as commissions, and whose regular rate of pay exceeds one and one-half times the federal minimum wage. In fact, if the US DOL determines that a dealership meets the Section 7(i) exemption for their service advisors, there is no need to address the 213(b)(10) exemption.

Nonetheless, the *Navarro* case will have an industry-wide affect and will be closely watched by the US DOL

and NHADA. If the US DOL is able to enforce its interpretation of the exemption, it will be a departure from over 40 years of practice. Dealerships would be prudent to review how they pay service advisors to determine if they are properly classifying and paying them

as exempt employees under the FLSA.

Contact Atty Chatfield at Cook, Little, Rosenblatt & Manson, a bronze-level association partner, at 603-621-7100 on the employment law hotline that the firm offers for NHADA members.



Finding Opportunity Without the Cost

By Mark Dow, CPA, O'Connor & Drew, P.C.

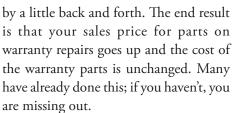
The entire sales cycle and its journey to the "bottom line" is an arduous process with pitfalls and detours along the way. A return of a mere 2-3 percent on sales more than underscores this fact.

There is no substitution for a sound sales strategy in all departments of the dealership. The proper sales and marketing approach, the right people in the right spots, the setting of goals and attention to detail usually leads to good results. This is hard work.

Fortunately, there may be areas where the bottom line can be improved without an increase in sales. The return on the "investments" noted below far exceeds 2-3 percent. Numbers worth investigating!

Parts Warranty Rate

This is a layup. The rate paid by your manufacturer on parts warranty sales can be increased. You are required to perform and submit a representative sample of customer repair orders, which is often followed





You may be surprised at the last time you reviewed and increased your labor rate. We often hear from dealers that they recently increased the rate without



Mark Dow, CPA

any decrease in business. Some amount of the increased rate will likely be shared with the service department employees, but it still puts you ahead of the game.

Treatment of Service Discounts/Policy

Good customer service is a vital cog in almost any business. When a repair doesn't work quite right or there is a misdiagnosis, providing an allowance to your service customers makes good business sense. There are times, however, when this can be used as a crutch and service department margin can slide if the use of "policy" adjustments is not monitored. Sometimes, just "writing it off" is the easy way to avoid a difficult



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Opportunity - continued from previous page

conversation with a customer. Margin often slips away, particularly when there is likely a middle ground that should result in a fair charge for the work performed.

Internal Labor Rate

This one is straight-forward. Be sure that the rate charged for prep and reconditioning of your used cars is close to your retail rate. The cost of the vehicle will then reflect "market" and will ensure that the proper gross profit is achieved upon vehicle sale.

Extended Service Contracts

There are options available to enhance the profits on the sale of extended service contracts (ESC). Yes, there is likely communication required with the factory and it may not make sense in all cases; however, the additional profits can be significant. There are a myriad of programs available and each has its complications. This is one to study carefully with respect to fees, assistance with selling the product, etc. It is all about sharing in the profit being made from the "cost of the contracts" that you currently send out to your existing ESC vendors.

Software-Leasing and F&I Products

How many software "products" and "tools" do you currently pay for and how do they maintain or improve your gross margins? Many of these products are charged to the dealership through the manufacturers' parts statement and are on autopilot, requiring no approval month after month. There are other miscellaneous charges on the parts statement that may not add value to your operation. A careful review of all these products may uncover significant savings.

Service Loaners

It is well known that for many brands, the providing of service loaners has become standard. The expense associated with a loaner fleet has grown substantially over the last several years, and to some degree it is a cost of doing business. It is therefore critical to manage the fleet and maintain just the right number of units. The purchasing of off-lease cars needs to be coordinated with units coming out of loaner status to avoid a bottle-neck in inventory. Additionally, the use of rental car companies should be questioned, based on the significant number of loaners many dealers have available. Someone needs to be clearly in charge of this area, as it is often neglected.

Special Order Parts and Sublet

The routine or straight-forward service jobs are generally done efficiently and produce strong operating margins. When service work requires special-order parts or subletting of a portion of the work, it is critical to have strong processes in place. Special-order parts should require a deposit to ensure that the customer intends to follow through with the work and to offset the loss that can occur if the part goes unused. Sublet charges need to be promptly applied to repair orders to avoid failing to recoup the cost from the customer.

Aged Rebates and Warranty Claims

The factory rebate and incentive programs can be complicated and, on occasion, a misunderstanding can occur. Nevertheless, we often see rebates and warranty claims being written off that could have been received if administered properly. It is best practice to review the status of these accounts

at a minimum of twice per month. This should involve the office and the service manager, with status reports to the GM and dealer. Those claims that "should have been paid by now" almost always have an "issue." These need to be reviewed immediately for resubmission.

A review of the above items will likely yield results and will also give you a sense of the internal controls throughout many of your departments. An increase in profits without increasing sales!

O'Connor & Drew has served auto dealers for over 50 years. Mark Dow, CPA, MST is a principal at the firm. To contact Mark, call 617-471-1120 or email him at mdow@ocd.com.

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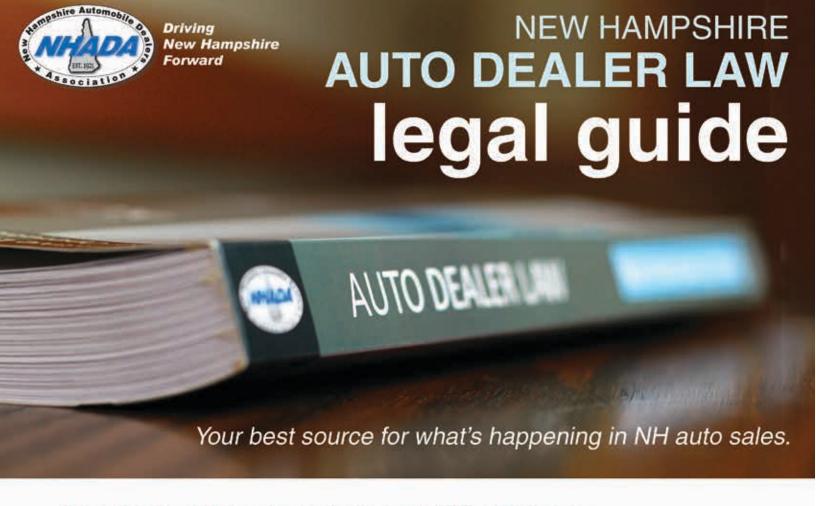
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April 2016



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Take Control of the Workers' Compensation Trust Process

Report Claims Promptly

Peter Sheffer, Workers' Compensation Trust Director

The rising cost of medical treatment continues to drive workers' compensation costs to ever-increasing highs. We can do little to reduce medical costs, but members of the NHADA's Workers' Compensation Trust (WCT) can avoid unnecessary and expensive medical treatments by reporting claims immediately.

Members can only report claims promptly when their employees make them aware of the injuries at the time

they occur. Therefore, the first step it to require all employees to report injuries immediately. NHADA members should include a section in the employee handbook about the reporting of injuries. A

discipline process should be in place for the late reporting of injuries. WCT should regularly review all reported injuries and discuss late reports with offending employees and their supervisor.

Injuries that are reported late are difficult to investigate; the longer it takes the injured employee to report an injury, the more questions arise as to the compensability of the claim. Indeed, late reporting jeopardizes the payment of the claim.

When the employer is unaware of an injury, employees who are unfamiliar with the treatment options available

to them may resort to what they know — either the emergency room or their primary care physician. Either

choice may be inappropriate, expensive, and delay treatment and the return to work.

All WCT members are participants in a managedcare program. The NH Department of Labor (NH

DOL) must approve managed-care programs and the corresponding network of medical providers by whom injured employees are required to be treated. The NH DOL regulations pertaining to managed-care programs are contained within LAB 700.

Successful WCT members take full advantage of the managed-care program



Peter Sheffer

by ensuring that their injured employees report injuries on the day of injury. The WCT member, in turn, contacts NHADA's nurse case manager on the same day to receive advice on the most appropriate network medical provider for the injured employee.

The injured employee is offered choices within the network based on the nature and extent of the injury. The network providers strive to see the injured employee on the date of injury regardless of the specialty required. The injured employee is provided with prompt medical treatment, their work

Take Control- continued on page 18

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Learn the Advantages of an Auto Tech Education and Career

Peter J. McNamara, NHAEF Executive Director

Every dealership and repair shop owner knows there is a shortage of technicians and that good jobs which can lead to a great career are available.



Peter McNamara

Accordingly, The NH Automotive Education Foundation (NHAEF) wants to reach parents of students in automotive technology programs to make sure that they understand the benefits of their child pursuing such a career.

With the automotive industry selling on average around 16.5 million new vehicles per year over the past six years, new car retailers are in need of automotive technicians more than ever. Unfortunately, it seems like many parents do not realize that a good technician can earn anywhere from \$50,000 to \$80,000 just a few years after starting.

Today's technicians have:

Job Security

Automotive technicians are in high demand, especially during the last five years. This trend will continue, as many current technicians will be retiring in the next five to eight years.

The auto industry has been around for well over 100 years and will continue to be around for many more. Transportation is not a fad, so auto technicians are a necessary demand.

Good Pay

NH Employment Security reports that beginning auto techs average \$40,000 per year. Master techs earn \$70-\$80,000, with many making into the six figures.

Continuing Education

NHAEF President Mark Tulley states, "Working for a new car dealer also means that every technician is provided with continuous training yearly through the manufacturer's requirements. This keeps our technicians current and up-to-date with improving technology. With this knowledge it is not unheard of where many technicians are earning \$100,000-plus per year. Like anything else in life, you get what you put into it."

Opportunity for Growth

Numerous career paths are available within the automotive industry. Auto techs have become service writers, service managers, and some have gone on to become general managers or to own their own dealerships or shops.

NH has four community colleges that offer programs:

Lakes Region Community College, Laconia

- General Motors ASEP
- Automotive Technology

Manchester Community College, Manchester

- Chrysler Apprenticeship Program (CAP)
- Ford MLR Program
- Automotive Technology

Nashua Community College, Nashua

- Honda PACT
- Automotive Technology
- Collision Repair

White Mountains Community College, Berlin

- Mobile Equipment Technology
- Automotive Technology

Students who attend and graduate from one of NH's community college programs may receive:

An Associate Degree, with credits that may be applied to a four-year program. (There are also one-year certificate

(There are also one-year certificate programs available, which receive college credits.)

NHADA member companies appreciate students who attend in-state college programs vs. those attending out-of-state, for-profit, certificate programs that leave students in debt and without a degree.

Valuable paid experience at one of NH's dealerships or repair shops. While many graduates are struggling with debt, Community College System of NH (CCSNH) students have paid jobs while going to school and may be graduating with money in the bank!

Excellent career prospects upon graduation. Most students graduate with a job. And opportunities are abundant.

Find out more about a scholarship from the NHAEF (criteria and application are available at nhada.com/scholarships).

We will be sharing with parents examples of what some of NH's automotive specialists who attended NH community colleges have to say. (See a few examples at right.)

NHADA Members need to help spread the word!

For additional information, please contact me or Jean Conlon at our respective emails, pmcnamara@nhada.com or jconlon@nhada.com, or call one of us at 800-852-3372.

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Auto Tech Career Possibilities are Limitless

See what a few of the graduates of Lakes Region Community College, Manchester Community College, Nashua Community College, and White Mountains Community College have to say:



Dick Horan is the founder of Precision Imports in Manchester: "I graduated from The NH School of Technology, now **Manchester Community College** (MCC) in automotive repair. I credit much of my success to my education in automotive technology. I now serve on MCC's automotive steering committee, on Manchester School of Technology's automotive committee, and on the NH Automobile Dealers Association Education Foundation Board of Directors." Having recently retired, Dick's son Patrick son has taken over the role of president of Precision Imports.



Kevin Roy is the service director at Crosstown Motors: "I attribute much of my success as a certified master tech and my progression to service advisor, service manager of a three-franchise dealership to service director of a seven-franchise dealership to the teachings I received at **Lakes Region Community College** and the skilled instructors. I'm a proud graduate of the ASEP program and an advocate for the manufacturer-based and general automotive courses provided by community colleges."

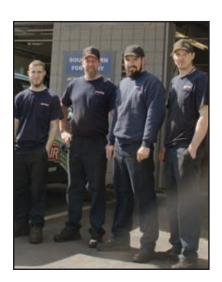


Ian Shulte is a mobile equipment technician at McDevitt Trucks: "I earned an Associate's Degree in Mobile Equipment Technology at White Mountains Community College in Berlin. At McDevitt Trucks, I have the opportunity to grow as a technician. I love to work with my hands and every day brings something new. Seeing a truck that we just rebuilt the engine on pulling 120,000 lbs. of hardwood over the mountain passes is very satisfying!"



Fernando Mauricio is a master tech at Sunnyside Acura: "We have had a number of successful technician associates who came to us from the Honda PACT program located nearby at Nashua Community College. Fernando Mauricio is one individual who entered the program with focus and a desire to be the very best. From the moment he came to work for us he demonstrated not only his abilities, but he began climbing the ranks from inexperienced novice to Acura Master Technician. Others are following in his footsteps and, like Fernando, bring a measure of quality and thoughtfulness to their work that our customers have every reason to expect."

- Joe Mitchell, VP, Sunnyside Acura



Cover Photo - Four MCC graduates working at AutoFair Ford in Manchester:

"Graduating from MCC has helped me better prepare for my career by having the hands-on training I needed. MCC is close to home and, at just the right price, I was placed in a career that I love. MCC has taught me leadership, discipline, and time management; all qualities needed in the workplace."

— Brandon Johnston, left

"MCC gave me the training, experience and resources I needed to excel in my career. It is one of the best, most comprehensive programs ever offered." — Scott Pihl, second from left

"MCC helped prepare me for my career by giving me required training and resources. It gave me a great starting point to excel and be where I am today."

- Geoff Fowler, second from right

"I feel MCC gave me a great base to build on as I have advanced in my career. The resources and training provided are a part of why I am at the level I am currently."

- Neal Telgen, right

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Visit the NHADA Insurance Blog at http://bit.ly/1pzSGMD

What To Do When You Get a Bad Check

Lisa Lavoie, AUTOCap Coordinator

What do you do if you've received a bad check and attempts to collect on it have failed?

The first thing that may come to mind is to file a small claims case. That may be the only and best option, but here are some other things to consider.

Before taking any action, be sure to review the reverse side of your purchase agreement to see if there are any disclosures regarding how your company handles returned checks.

The issuance of a bad check is a criminal act. Depending upon the amount of the check and if there are previous convictions, the crime can classify as a felony or misdemeanor. Please see the guidelines listed below:

Class A felony:

- 1. The face amount of the check exceeds \$1,500.
- 2. The defendant has two or more prior convictions under this section, the present and prior convictions were based on offenses committed within a 12-month period, and the aggregate face amount of the checks underlying the present and prior convictions exceeds \$1,500.



- 1. The face amount of the check exceeds \$1,000 but is not more than \$1,500.
- 2. The defendant has two or more prior convictions under this section, the present and prior convictions were



Lisa Lavoie

based on offenses committed within a 12-month period, and the aggregate face amount of the checks underlying the present and prior convictions exceeds \$1,000 but does not exceed \$1,500.

Class A misdemeanor:

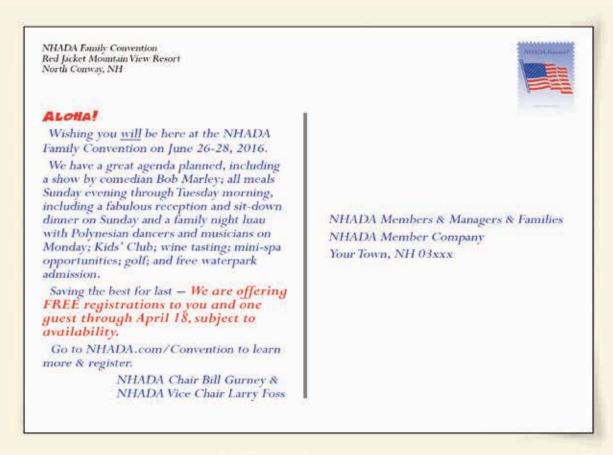
1. The face amount of the check does not exceed \$1,000 and the actor has been convicted of an offense under this section within the previous 12 months.

Class B misdemeanor in all other cases: Contact your local police or county prosecutor's office. Some police

Bad Check – continued on page 18







If you have any questions, please contact Jean Conlon at jconlon@nhada.com or 800-852-3372.

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NHADA's 2016 Legislative Crossover Reception

photos by Michael Rosenblum



NHADA's traditional Legislative Crossover Reception drew a packed house, so to speak.



Left to right: Roger Groux of Honda Barn, NHADA Board of Directors member and past chairman; Sen. Andrew Hosmer (D-Dist. 7, Laconia), also of AutoServ Dealerships; Dan Bennett, NHADA vice president of government relations; and Sen. Bette Laske (D-Dist. 13, Nashua).



Roger Groux of Honda Barn, NHADA Board of Directors member and past chairman; Sen. Nancy Stiles (R-Dist. 24, Hampton), Senate Transportation Committee chair.



Left to right: Scott Ives of Belknap Subara, chairman of the NHAD Services Board of Directors; Pete McNamara, NHADA president; Speaker of the House Shawn Jasper (R-Hudson).



Left to right: Don Flanders (R-Laconia); Frank Tilton (R-Laconia); Donna Gaudet Hosmer of AutoServ Dealerships, former NHADA chair; Tom Walsh (R-Hookset), vice chairman of the House Transportation Committee; Russell Dumais (R-Gilford), and Herb Vadney (R-Meredith).

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NHADA ASSOCIATION PARTNER

Bad Check – continued from page 15

departments have a bad check policy and may be able to prosecute the customer.

If the bounced check is a down payment and the dealership has been funded by the lender. You may decide to take the customer to small claims court, but keep in mind that a judgment against them may have unintended results.

If the customer stops making payments to the lender, the lender may pull a credit bureau report. If they see that you have received a judgment against the customer, this may provide the evidence they need to prove that the down payment wasn't collected by you. This could result in the lender demanding that you repurchase the contract.

This isn't to say that you shouldn't try

to collect the bounced check and fees, but we want you to consider all the options you have.

Also, we would be interested in hearing from you if you have been successful at collecting on bad checks and what your best practices are.

Please contact me with questions at 800-852-3372 or reach me by email at llavoi@nhada.com.

Take Control – continued from page 11

capability is assessed, and the member is notified through the NH Workers' Compensation Medical Form.

Injured employees who report injuries late flounder in the quagmire of the medical system. They experience delays in treatment, often waiting hours in the emergency room or waiting weeks for an evaluation by a specialist. They may be

out of work without medical treatment, uncompensated for their disability, and unsure of what to do. All of which could be avoided if they knew how to report their injuries originally.

Reporting of injuries is the first step in the workers' compensation process. WCT members can take control of the workers' compensation process by requiring that injured employees report injuries immediately and by contacting the WCT nurse case manager on the date of injury to ensure that the injured employee receives the best and most appropriate medical treatment.

Please contact Peter Sheffer by email at PSheffer@nhada.com or call 800-852-3372 with any questions.



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"Manage Outside the Weeds"

Employment Law

Communication Customer Service

Coaching Discipline PARTNERS

Conflict Resolution

eadership

Management Business

Teamwork

HK Dealing With Difficult People

Jean Conlan, Meetings Coordinator

Last fall, NHADA sent out a survey asking our members about their needs and wants for management and leadership training. The results exceeded our expecations, with 21.3 percent extremly likely to participate in management training, 46.8 percent very likely, and 30.9 percent moderately likely.

You talked. Here are a few comments shared by NHADA members:

"I'm really looking to train people to think like managers and manage outside of the weeds."

"It gives us an opportunity for some of our top performers to recharge their engines away from the day to day interactions."

"The better trained the leaders, the better the quality of the service we provide."

"Education is always important. We only get better when we learn new things."

"Any of us can use constant training to keep up with this ever-changing business. Having training from very qualified, experienced NHADA members can only make us better."

"Build stronger companies that maintain better relationships with their employees and customers"

"... being able to send personal for training off-site with no interruptions, and being schooled by an outside source."

"NHADA is a great resource for many different things and I would like to support it in any way that I can. The more resources that are available locally, the better for all of us that have businesses in NH. "

"... a more professional operation. Better customer service. ... may also benefit safety by improving communication, team work and conflict resolution..."

"This is an evolving business, with constant change, training materials from ten years ago often don't work."

"Consistent training helps leaders at all levels. Everyone can benefit from any training even if it's a refresher."

"As an industry, we need to be better at retaining our

people, especially in sales. Properly done, this leadership training could help us accomplish this."

"All training helps every business to be more successful. It is when we no longer take the time to 'refresh' our learning that our businesses fail..."



Jean Conlon

"Get us out of a rut, and start making it part of our culture."

"... benefits both the employee and employer; creating greater productivity and employee retention."

- "... cost effective and location would be good if offered at the Association."
- "... higher-level management working and communicating more effectively within their own and across departments.

"Management ALWAYS needs tips and training in managing their teams."

"NHADA has had many seminars that I've had the chance to enroll in. Every one of the seminars has been very informative and has given me the chance to ask questions for my specific concerns and given me great resources to contact if needed. Such a wealth of information greatly helps small companies trying to do business with a small staff and limited knowledge of everything we need to know in this world today."

We listened. We have done our due diligence and found three leadership and management training specialists in New England and invited them to present at the NHADA Leadership & Management Summit. With these 75-minute sessions, you are guaranteed to take back information that will assist you in managing your company. In addition, your feedback will assist us in providing future in-depth training sessions at NHADA. In addition, we are offering an employment law track to ensure that managers know the rules and regulations.

Review the impressive agenda and presenters' bios, register online, or download registration form at http://bit.ly/1Rcy8mq.

Plan to bring your management team to this one-day Leadership and Management Summit.

If you have any questions, email me at jconlon@nhada.com or call 800-852-3372.

Help NHADA's Workers' Compensation Trust Make the Next Big Stride

Brian Duplessis, Loss Prevention Coordinator

In 2007, the Loss Prevention Dept. introduced the *Strategic Hiring Guidelines* as a way for members to improve the

Loss Ratio Report

Criteria: All Available Fund Years, Claims and Premiums Valued as of 3/11/2016, Grouped by Fund Year

Total

	1 Otal
Year Number o	
	Claims
1983	381
1984	647
1985	1123
1986	1253
1987	1544
1988	1546
1989	1267
1990	1168
1991	1085
1992	958
1993	1177
1994	1324
1995	1195
1996	1304
1997	1374
1998	1154
1999	1199 1138
2000 2001	1138
2001	1176
2002	1129
2004	1174
2005	1186
2006	1012
2007	972
2008*	897
2009	763
2010	746
2011	744
2012	693
25.13	713
2014	737

* Pre-hire drug testing becomes mandatory

690

133

2015

2016

hiring process and employ better candidates. Pre-employment drug testing was a component of the guidelines, and that year, the NHADA Workers' Compensation Trust (WCT) Board of Trustees voted to make time-of-hire drug testing mandatory, effective January 1, 2008.

NHADA members' response to implementing the strategic hiring guidelines and pre-hire drug testing was overwhelmingly positive. The results are clear if you look at the WCT loss history. In the ten years prior (1996 – 2006), the WCT averaged over 1,200 claims per year. Since 2009, the claims average is 727, a 40 percent reduction. While all of the injury reduction cannot be attributed just to the hiring guidelines and drug testing, their impact is clear.

All of this background is important because Loss Prevention recently unveiled a new program we feel can have the next major impact on injury prevention and has added regulatory compliance benefits.

NHADA has an exciting new partnership with Traincaster, an online training portal, to



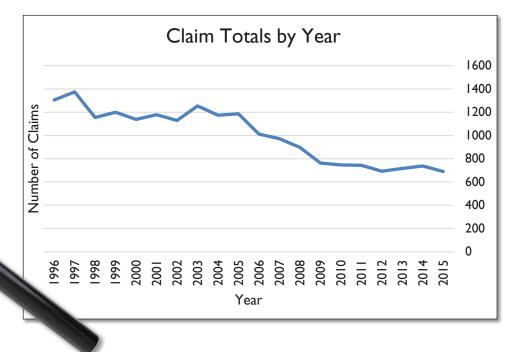
Brian Duplessis

provide a cost-effective, easy to use, comprehensive, time-of-hire safety orientation for *every* employee.

Performing safety training for new employees is important for compliance with standards set by the Occupational Safety and Health Administration (OSHA).

There are other important benefits as well. New employees tend to get injured at a higher rate than tenured employees. Safety orientation training can help reduce these injuries by providing information on how to perform tasks safely and by creating a culture of safety right from the get-go.

This program is easy to use, whether



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Help Reduce Title Errors

NH Division of Motor Vehicles (DMV) Director Elizabeth Bielecki and Title and Anti-Theft Bureau Supervisor Priscilla Vaughan recently provided NHADA with some helpful, updated information regarding common titling errors on dealership paperwork.

NHADA has a strong partnership with the NH Department of Safety (DOS) and the DMV. By paying attention to and reducing these paperwork errors, title processing time can be sped up at the DMV, the town clerk's office and with the registration agent. All of this will lead to faster turnaround time for you and your customer.

Please have staff focus on these issues and reduce these errors, such as leaving items blank, within the following boxes on the title application (TDMV 23):

Box 11, year of MFG;

Box 12, model year;

Box 14, gross weight;

Box 15, title number;

Box 16, state;

Box for axles (after GVW Box 14); and

Driver's license # (above Box 1).

Automotive Technology Scholarships Available

The New Hampshire Automotive Education Foundation (NHAEF) offers scholarships to NH students pursuing a career in automotive technology in any of the automotive-related programs at any of four community colleges that host them.

We currently are accepting applications for the 2016-2017 school year.

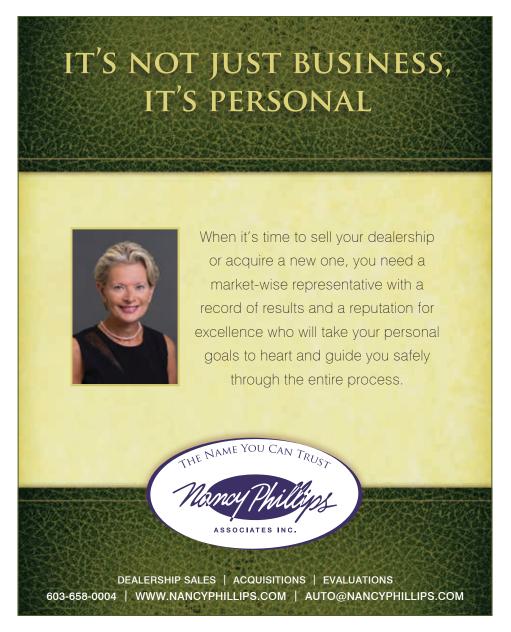
We encourage students to apply by visiting nhada.com/scholarships. The web page lists the criteria and information required, and the link at the bottom opens up the scholarship application.

If you have any questions please contact Jean Conlon, educational programs administrator, by email at jconlon@nhada.com or call Jean at 800-852-3372.

Next Stride – continued from previous page you hire a lot or very rarely. We are looking for strong participation across the membership. Help us create the next big dip in claims!

All you need to get started is to give us a call, we are offering a free trial!

Reach me at 800-852-3372 or email me at bduplessis@nhada.com. ▲





2015-16 Unemployment Rates by Area					
Nov Dec Jan					
United States	4.8%	4.8%	5.3%		
New England	4.4%	4.4%	TBA		
Connecticut	4.8%	5.0%	TBA		
Maine	3.9%	3.8%	TBA		
Massachusetts	4.5%	4.6%	TBA		
New Hampshire	3.2%	2.9%	3.2%		
Rhode Island	4.9%	4.8%	TBA		
Vermont	3.5%	3.1%	TBA		

Safety/OBD II Inspections Statistics				
Safety Inspection Results	Feb '16	Percent of Total	YTD '16	Percent of Total
Total *	121,549	100.00%	249,558	100.00%
Passed	97,245	80.00%	199,319	79.90%
Corrected	13,017	10.70%	26,881	10.80%
Rejected	6,815	5.60%	14,434	5.80%
Untested	4,472	3.70%	8,924	3.60%
OBD II Inspection Results (1996 and newer)				
Total	110,211	100.00%	225,805	100.00%
Passed	95,768	86.90%	196,380	87.00%
Rejected	9,631	8.70%	19,405	8.60%
Untested	4,812	4.40%	10,020	4.40%
* Total numbers include OBD II Inspections				
Statistics provided by Gordon-Darby				

NHADA Mission Statement: To be the voice of the motor vehicle industry by providing services, education and investment in New Hampshire's economy.

Title Statistics Report Ending February 2016 New Hampshire Department of Safety, Division of Motor Vehicles

	Feb 'l6	Feb 'I5	'l6 YTD	'I5 YTD
Titles Issued for New and Demo Vehicles:	8,808	7,371	20,985	15,123
Titles Issued for Used Vehicles:	18,297	16,548	43,030	30,975
TOTAL TITLES ISSUED:	27,105	23,919	64,015	46,098
Titles Issued with a Lien:	12,877	10,809	29,724	22,219
Titles Issued with no Lien:	14,228	13,110	34,291	23,879
Salvage Titles Issued:	1,317	1,513	2,894	2,413
Salvage Tags Issued:	174	102	301	207
Titles Issued for Heavy Trucks More than 15 Years Old:	37	33	70	59
Titles Issued for Heavy Trucks 15 Years Old or Less:	111	120	251	235
Titles Issued for Trailers:	547	495	1,404	890
Titles Issued for Motorcycles:	503	356	1,080	724
Titles Issued for Motor Homes:	58	54	118	82

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Thank You 2016 NHADA Partners!

These Partners have answered the call and supported NHADA programs and events. Please consider your partners first when you need professional services for your business. To become a 2016 NHADA Partner please call Jean Conlon at 800-852-3372. Compiled March 25, 2016. Companies endorsed by the NHADA are listed first within each association partner level.

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Cars.com

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Southern Auto Auction
St. Mary's Bank
TD Bank / TD Auto Finance

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Amy Martineau, Commercial Insurance Specialists
Auto Auction of New England
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ConvenientMD Urgent Care
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