

the

VIRGINIA

Q3 2021

INDEPENDENT NEWS

CONVENTION

AND 2021 TRADE EXPO

October 8-10 • LANSDOWNE RESORT & SPA, LEESBURG, VA

WELCOME
Back!

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SPEAKER
LINE-UP
SEE PAGE 2**

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The Virginia Independent News
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Dealers Association

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A big welcome to all of you to our 61st Annual Convention, I look forward to seeing you there. I want to personally thank all the sponsors and affiliate members; it is because of them that we can afford to do events like these.



6 PRESIDENT'S MESSAGE: WHERE DO WE GO FROM HERE?

The last eighteen months have been unlike any other time frame in recent history for all of us both personally and professionally. Looking back to March 2020, many of us were unsure of so many things: Are we going to be allowed to stay open?



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Now that we are past the unofficial Labor Day campaign kickoff let's look at where things stand today.

10 NEW MEMBERS



12 7 WARNING SIGNS OF MONEY LAUNDERING AT YOUR DEALERSHIP

At a car dealership, everyone should be trained to recognize the signs of money laundering – and to understand the full context of a transaction.

13 STAY COMPLIANT



14 MAKE SURE DEALS ARE NEAT AND COMPLETE

The purpose of the process is to be sure all the necessary forms are completed for each deal, and they make it to the deal file.

CONVENTION AND TRADE EXPO

October 8-10 • LANSLOWNE RESORT & SPA, LEESBURG, VA

WE ARE EXCITED TO WELCOME THE FOLLOWING SPEAKERS!



JOE LESCOTA
President /CEO
of Joe Lescota
Management
Education &
Training
*"Preparing For
The Used Car
Rollercoaster Ride
in 2022"*

During this one- hour session Joe will provide key sustainable and effective financial tools to aid dealers in maintaining and increasing dealership net profitability in an anticipated challenging used vehicle market in 2022.

Joe Lescota is an internationally known expert in the field of used vehicle operations with over 40 years of real world, retail experience. His company, Joe Lescota Management Education & Training specializes in financial statement analysis with emphasis on used vehicle operations, seeking to improve used vehicle dealer operations net profitability, efficiency, sales volume and expense controls. Joe is intimately familiar with the U.S. independent dealer as he has served as; one of the initial designers and exclusive instructors for the NIADA Certified Dealer Program as well as serving four years as the NIADA Director of Dealer Development and as an NIADA Dealer 20 Group facilitator. Joe's work as an effective used vehicle consultant and problem solver has been evaluated and measured for effectiveness by Honda and Acura used vehicle division in Canada for no less than 12 years.



**ROBERT
VOLTSMANN**
CEO, NIADA
*"NIADA Update
& National
Convention
Review"*

Robert Voltmann became CEO of the NIADA in Late 2020 prior to joining the NIADA, Voltmann served for 23 years as president and CEO of the Transportation Intermediaries Association, which represents the third-party logistics industry. Under his leadership, TIA more than tripled its membership – it now represents nearly 80 percent of the market by value. Financially, it grew from an association struggling with debt and a \$721,000 annual budget to a thriving operation with a \$7.3 million budget and substantial reserves. Voltmann strengthened TIA's presence in government affairs, helping establish the TIA Political Action Committee to improve its advocacy and lobbying efforts. He was also involved in creating the TIA Foundation, which provides association members with educational resources, and TIA Services, which provides insurance-like products for members. Before his tenure with TIA, Voltmann was director of policy for the National Industrial Transportation League. He also served in President George H. W. Bush's administration at the Interstate Commerce Commission. In all, Voltmann comes to NIADA with 30 years of Washington experience.



**CASSIE
CRAMPTON**
National Sales
Director,
FRIKINtech
*"3 Ways to
Compete & Beat
Corporate Used
Car Retailers"*

In this session, you will learn the key CRM, Marketing and Website techniques required to compete and attract car shoppers. Learn how the latest techniques and technology help build trust with shoppers, convert more appointments, and maintain gross.

Cassie Crampton, National Sales Director at FRIKINtech, has been in the automotive industry for over 15 years. Prior to FRIKINtech, Cassie was the director of sales training for Automotive Finance Corporation (AFC). She started her career as an internet director for a franchise group in Ohio and then worked at Dealix and Autobytel, where her responsibilities included training and consulting dealer groups on ways to improve lead response and close rates.





SHAUN PETERSEN
Executive Vice President and Chief Legal Officer, Buckeye Dealership Consulting
"Compliance Considerations with Your Voluntary Protection Products"

With higher inventory costs and compressed margins on vehicles themselves, dealers are looking to make the F&I office a larger profit center. Whether you're a retail dealer selling service contracts and GAP, or a BHPH dealer offering a warranty and collateral protection insurance, compliance must be top of mind. This session will give you tips to avoid the mistakes that will give those hard earned F&I profits to someone else.

Shaun Petersen is the Executive Vice President and Chief Legal Officer for Buckeye Dealership Consulting, a leading provider of re-insurable products for automobile dealers. Prior to this appointment, Shaun served as the Senior Vice President of Legal & Government Affairs for the National Independent Automobile Dealers Association. Prior to his position with NIADA, Mr. Petersen was a founding partner in a boutique law firm in Columbus, Ohio representing businesses primarily in the automotive industry in matters related to state and federal consumer financial protection laws. He was a Senior Deputy Attorney General and Chief of the Consumer Protection Section in the Ohio Attorney General's Office. Petersen attended Brigham Young University in Provo, Utah graduating with a B.A. in History. He received his J.D. from Capital University Law School in Columbus, Ohio.



DONALD SULLIVAN, JR.
MBA and CMD
Sullivan Auto Trading
"Talking Time, Money, & Numbers"

Donald Sullivan Jr, a Virginia native, is a second-generation car dealer. Always intrigued with his father's work ethic and dedication to his family, Donald decided to follow him into the automotive industry. From an early age he was saturated with the car business and surrounded by some of the best talent in it. He has a passion for the auto industry, his family, and his love for Jesus Christ. Before he started his professional career, he received his Bachelor of Business Administration from James Madison University in Harrisonburg, Virginia.

Later in his career he completed his Master of Business Administration from Mary Washington University in Fredericksburg, Virginia. Donald is also NIADA certified Master Dealer. He has served his local VIADA district in the capacity of Vice President, President, and Chairman of the board. He currently serves the VIADA state board as the active treasurer.

He is currently a Council member of the board and trustee of his local church. Donald married his high school sweetheart Kaitlin Sullivan, and they live in Fredericksburg, VA where they raise their four Children. Donald is the President, General Manager, and Dealer Operator of Sullivan Auto Trading, a preowned car dealership in Fredericksburg, VA.



JENNIFER SUZUKI
Founder and President of eDealer Solutions
"Destroy your competition by leveling up your phone game!"

Jennifer Suzuki is the Founder and President of eDealer Solutions, the first automotive digital sales education company of 19 years. Over 1000 dealerships have used eDS's customer experience sales approaches to improve showed appointments, sales and management processes. Dealers have seen increases in 30% sales immediately after completing the courses. The NADA Dealer Academy as well as Hyundai Motor Company have adopted eDS processes to enable their dealer partners successes.

As an 8-year NADA Academy Guest Instructor, eDS courses are used in dealer certification and continued education. She is an 8-year NADA Convention speaker and holds a BA in Automotive Marketing and Management from the prestigious Northwood University. Since the age of 18 selling vehicles, she remains a leader in the automotive industry and a thought leader in progressive change. She has a tremendous reputation for delivering relevant sales processes that deliver significant success and profitable actions to convert digital and phone prospects into buyers.

She recently released, "Dealer Talk with Jen Suzuki", an Automotive Service and Sales podcast on Apple iTunes and Spotify. She can be reached at Jennifer@www.edealersolution.com or text 954.873.8029.



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Client Testimonial

// Spartan Financial is a great company to do business with. They are very competitive when acquiring vehicle bulk paper portfolios. Their team is very professional and the whole process from pricing to post sales is quick and smooth. They have improved our business model to perform at a higher level. Spartan's expertise gave us a clearer understanding of the auto finance industry and we have established a long-term business relationship with the Spartan team. **L.J.G., Spartan Client** //

WELCOME BACK!



ALVIN MELENDEZ
EXECUTIVE DIRECTOR, VIADA
ALVIN@VIADA.ORG

**“MOTIVATION DETERMINES WHAT
YOU DO, AND ATTITUDE DETERMINES
HOW WELL YOU DO IT.”**

- LOUIS “LOU” HOLTZ

Convention is almost here and this year during our annual business meeting at convention you will be able to vote for the dealers that will lead your Association for the next year. This year's annual meeting will be held at the Lansdowne Ballroom on Friday, October 8th, from 7:00 – 9:00PM. Every dealer member has a vote, and I hope all of you come to cast your vote. You will see a list of this year's candidates in this magazine.

During their term, these board members represent independent dealers in the General Assembly, advocating for or against bills that could impact our industry and the way that we do business.

They spend countless hours in board meetings, committees, and events promoting the importance of belonging to VIADA. It is a financial burden to most of them, but they understand the impact that it makes to the industry that they love. Thank you to the families that support and understand the important work of our board members and the responsibilities they have.

A big welcome to all of you to our 61st Annual Convention, I look forward to seeing you there. I want to personally thank all the sponsors and affiliate members; it is because of them that we can afford to do events like these. Most importantly, to you the dealers, thank you for supporting all the events, thank you for donating to the VIAD PAC fund and thank you for caring to do things right. ■

Proposed New Officers – Vote at Annual Business Meeting Friday, October 8th, 7:00 p.m.

VIADA 2021-2022 BOARD OF DIRECTORS STATE OFFICERS

Chairman of the Board

Andrew Wiley
Consumers Auto Warehouse, Inc.

President

Donald Sullivan Sr., Sullivan Auto Trading, Inc.

President-Elect

Craig Amelung, Manheim Fredericksburg

Vice President

Matt McMurray, CMD, Campus Automotive

Vice President

JoeAnthony Ramon, Virginia Auto & Truck

Vice President

Lee 'Eddie' Haley, Route 11
Valley Auto Sales

Secretary

John Taylor, Regional Auto Sales

Treasurer

Donald Sullivan Jr., Sullivan Auto Trading, Inc.

DISTRICT REPRESENTATIVES

DISTRICT 1

President - JoeAnthony Ramon,
Virginia Auto & Truck

Vice President - Don Boucher,
Courtesy Auto Sales

Vice President - Alexander Adams,
Affordable Driving Automotive

Secretary/Treasurer - Karen Culpepper,
ADS Management Group

DISTRICT 2

President - Melinda Anderson,
Top Tier Motors LLC

Vice President - Omar White,
City To City Auto Sales, LLC

Secretary - Jarett Shaw,
Hermitage Classic Cars

Treasurer - Lonnie Johnson,
Compact Auto Works, Inc.

District Officer - Jennifer Balmforth,
Steals On Wheels, LLC

DISTRICT 3

President - Brad White,
Mike Witt Motor Sales, LLC

Vice President - Greg Parker,
Roanoke Auto Auction

Vice President - Matt McMurray,
CMD, Campus Automotive

Secretary - Sonny Arrington,
Price is Right Auto Sales

Treasurer - John Porter,
Porter's Automotive, Inc.

DISTRICT 4

Chairman of the Board - Donald Sullivan Jr.,
Sullivan Auto Trading, Inc.

President - Chris Maher Sr., Car Credit Nation

Vice President - Jason Brown,
Vision Motors, Inc.

Vice President - Andy Gurowitz, Fairfax Motors, Inc.

Vice President - Chris Maher Jr.,
Car Credit Nation

Vice President - Robert Fisher,
Northside Auto Sales

Vice President - Sam Azizi, DMV Auto Group

Secretary/Treasurer - Lupe Sigman,
Lucky Line Motors, Inc.

DISTRICT 5

President - Brent Toone, Lakeview Motors

Vice President - Sammy Wright,
Church Street Auto

Secretary - Marjorie Richards,
Quality Motors, LLC

Treasurer - Gail Semones

DISTRICT 6

President - Bobby Steele, Steele's Auto Sales

Vice President - John Taylor,
Regional Auto Sales

Secretary/Treasurer - Paul Lynn Martin,
L&B Auto, Inc.

DISTRICT 7

President - Lee 'Eddie' Haley,
Route 11 Valley Auto Sales

Vice President - Edward Habavets,
My Car Outlet LLC

Secretary - Chris Crites,
Bob Wade Auto World

Treasurer - Cindy Champ,
Manheim Harrisonburg

DISTRICT 8

President - Ricky McReynolds,
Country Auto Sales, Inc.

Vice President - Vacant

Secretary - Levita Moore,
John's Auto Sales, Inc.

Treasurer - Vacant



REG AND TITLE PROCESSING FOR THUMBS-UP APPROVAL

BROUGHT TO YOU BY DEALERTRACK REGISTRATION & TITLE

We are living in an online world of thumbs-up and thumbs-down scrutiny when it comes to meeting the expectations of today's auto shoppers. Efficient registration and title processing helps complete every deal on a positive note to ensure each customer is left with a lasting impression which maximizes stars in online reviews.

Growth in online deals prompts out-of-state processing.

More than half of consumers are seeking alternatives to visiting the dealership in person.¹ This has led to an increase in dealerships utilizing digital retailing tools, with 25% of those dealers reporting an increase in out-of-state buyer activity.²

Cross-border customers aren't expecting the reg and title process to be any different than usual so this challenges the back office to process reg and title for any state with speed and efficiency. A 50-state electronic reg and title solution can help ensure meeting thumbs-up customer expectations.

Digital contracting and electronic in-state processing extend workflow efficiencies.

At least 25 states now accept some or all of the documents required to register and title vehicles with an eSignature.³ This is a natural dealership workflow complement to eContracting that will help customers get out the door faster, put smiles on their faces, and submit 5 star ratings in their dealership CSI survey.

Meeting your customer expectations can start with the ability to complete reg and title transactions in under 4 min⁴.

Now that you've read about improving the processing efficiency of your deals, let us show you exactly how it works with a brief live demo.

Schedule a no-obligation call with Kim Haddaway, Regional Sales Manager for Virginia, to discuss saving time for you and your customers.

1 2020 Cox Automotive COVID-19 Dealer Impact Study 2020

2 Based on Dealertrack credit application data between December 2019 – February 2020 when compared with and without the adoption of Digital Retailing.

3 Dealertrack Govt Affairs Data 2021

4 Based on Dealertrack User Timing report through Google Analytics 11.1.19 – 10.31.20

COX AUTOMOTIVE™

WHERE DO WE GO FROM HERE?

The last eighteen months have been unlike any other time frame in recent history for all of us both personally and professionally. Looking back to March 2020, many of us were unsure of so many things: Are we going to be allowed to stay open? If we did open, would anyone come buy anything? What do we do with our kids since schools were closed? How do we protect ourselves and our employees? How long is this going to last?

Even as I write this article, many of these same questions sadly still exist. For many dealers, the last year and a half has been both challenging AND rewarding. Record low inventory and higher prices have actually led to record high profits for many used car dealerships. Combined with government programs, many dealers are in a much better place financially than they were at the beginning of 2020. Of course, the journey has not been easy for everyone. Smaller stores have suffered from a lack of inventory and tighter credit markets. Parts are hard to come by and staffing is a challenge. For some dealers, the “new way” of buying cars just doesn’t come easy.

Still, the used car industry is filled with resourceful people and most of us have been able to “find our way.”

The same can be said for the VIADA. Despite the challenging environment, the VIADA has managed a list of accomplishments that are the envy of

other states. We sold our former office in Virginia Beach and realized a long held goal of the association of moving to Richmond. With our new office and training center, we’re close to DMV Headquarters, the Dealer Board and our state government while providing a better space for education and training for our members. Alvin and the state office have managed to increase membership and revenue to put the association on sound financial footing during a pandemic.

So, where do we go from here? What’s next? Will we ever return to “normal”?

Your guess is as good as mine. I suspect there will continue to be changes and challenges in the coming months and years that reshape our industry. But with a strong association to advocate, educate and empower dealers in Virginia and resourceful operators like you, I think wherever we go from here can be profitable and rewarding.

But before all that...you should be planning to attend our Annual Convention and Trade Expo on October 9th and 10th at the Lansdowne Resort! There are different packages available for you AND your staff (see page 4). This event is great for education and networking with world class speakers, teachers and trainers, as well as vendors who can help your business thrive and grow regardless of the market! Sign up today - it would be the best investment you make in your business this year. ■



ANDREW WILEY, CMD
PRESIDENT, VIADA
CONSUMERS AUTO
WAREHOUSE, INC.



2021 GENERAL ELECTION UPDATE



GONZALO AIDA
EXECUTIVE ASSISTANT &
GOVERNMENT RELATIONS
GONZALO@VIADA.ORG

In our last issue, I gave an early general election preview. Not a lot has changed in Virginia's political landscape since then, but now that we are past the unofficial Labor Day campaign kickoff let's look at where things stand today. Just to refresh your memory, Election Day is Tuesday, November 2, and early voting began on September 17th. Check with your local registrar's office to learn more about early voting hours, as well as any other information you may need prior to voting.

ELECTION OUTLOOK

National and International issues have had a back-and-forth effect on the general election outlook. With regards to this, polling the Governor's race between Terry McAuliffe and Glenn Youngkin has remained tight, with McAuliffe having a slight lead or within the margin of error.

Governor – **Tilt Democratic**
Lt. Governor – **Tilt Democratic**
Attorney General – **Tilt Democratic**
House of Delegates – **Tilt Democratic**
(Likely GOP gain seats)
Scale: Solid, Lean, **Tilt or Toss Up**

LATEST CAMPAIGN FINANCE NUMBERS

GOVERNOR

Terry McAuliffe (D)	Raised	Cash on Hand
McAuliffe for Governor	\$11,503,406	\$12,626,065
Glenn Youngkin (R)	Raised	Cash on Hand
Youngkin for Governor	\$15,708,862	\$6,028,745

HOUSE OF DELEGATES

Total Cash on Hand



As of August 31st, 2021, Graphics courtesy of the Virginia Public Access Project (VPAP)

REDISTRICTING

The Commission, a constitutionally created body approved by the voters of Virginia in 2020, will draw Virginia's congressional and state legislative districts in 2021. The Commission is comprised of 16 members, 8 of which are legislators, 4 from the Senate of Virginia and 4 from the House of Delegates. 2 Democrats and 2 Republicans from each chamber comprise the 8 Legislative members. The other 8 members are citizens of the Commonwealth of Virginia.

These 8 citizen members are selected by a selection committee. Currently the Commission is working off the data from the 2020 National Census and new maps should be available to the public by September 20, 2021. There is a strong possibility that the entire 100 member Virginia House of Delegates will have to run for their seats again in 2022. To learn more about the Virginia Redistricting Committee, please visit their website at virginiaredistricting.org

VIAD PAC

The Virginia Independent Auto Dealers Political Action Committee has made several contributions this cycle. For 2021 the PAC has strategically focused on members of the House and Senate Transportation Committees, as well as the McAuliffe and Youngkin campaigns.

The purpose of the VIAD PAC is to promote the independent automobile industry in Virginia and raise funds for the same purpose. From such funds we can make campaign contributions to those seeking election or re-election for political office in the Commonwealth of Virginia, without regard to party affiliation.

The VIAD PAC relies on voluntary contributions from our members. If you'd like to make your voice heard, please consider donating to the PAC. For more information, please visit our website, reach out to me directly at Gonzalo@viada.org or call our office. I'd love the opportunity to speak to you about our PAC and its efforts in the Virginia General Assembly. ■



BECOME A MEMBER OF VIADA

12 BENEFITS OF MEMBERSHIP

VIADA provides benefits and services to members they are not always able to find on their own. With VIADA, the dealer has educational and networking opportunities through our schools, workshops, town hall/district meetings, and annual convention and trade show.

Whether it's creating an environment for sharing ideas, or serving as a place to come to for solutions to problems that arise, VIADA is the only organization in Virginia whose primary purpose is the welfare and success of the independent dealer.

1. The only trade association in Virginia that represents the interests of independent dealers before the Virginia Legislature, Department of Motor Vehicles and the Motor Vehicle Dealer Board.
2. A "Member Hotline" to get answers to complex questions.
3. Online recertification course – FREE with members only paying the \$25 MVDB fee.
4. An "Auction App" where members save up to \$2,200 worth of Buy/Sell/Provider fees at auctions!
5. Member rebates are also available from Advance Auto Parts and Fisher Auto Parts – which more than cover the cost of membership! Andrew Wiley with Consumers Auto Warehouse received \$854 just in one quarter!
6. Members also receive a 20% discount when purchasing forms.
7. Educational and training workshops to insure you have the latest information to remain compliant and learn about best practices in the industry.
8. Need one-on-one consultation? We have two industry experts that offer a member discount.
9. Eight districts that hold dinner meetings mostly on a quarterly basis to share information, learn something new, and network with other successful dealers.
10. Plus, there are many Associate Members who have services, programs beneficial to your business – several offer discounts.
11. Five members who serve on the Motor Vehicle Dealer Board representing your interests when regulations are created or revised.
12. And lastly, your membership in VIADA ALSO includes NIADA membership and access to national benefits and services!

Cost of VIADA/NIADA membership is only \$325 a year which is about \$27 per month. An investment in your business, for you and your family. ■

THANK YOU



VIRGINIA INDEPENDENT AUTO DEALERS PAC was established to solicit funds from independent dealers for contribution to candidates for statewide elections – Governor, Lt. Governor, Attorney General, and candidates for the General Assembly. All contributions are voluntary and reported to the State Board of Elections.

The purpose of the Virginia Independent Auto Dealers PAC is to promote the licensed independent automobile sales industry in Virginia and raise funds for the same purpose. From such funds we can make campaign contributions to those seeking election or re-election for state political offices, without regard to party affiliation. We make these contributions on the basis of who we believe to be deserving of such support.

This year we have raised over \$40,000, and because of this contribution we know we will be able to support many that are seeking election or re-election. We want to take this time to thank all the members for your support. In previous years we were able to list all of you, but this year hundreds contributed and that is an amazing accomplishment that can't go unnoticed. Thank you again for your participation in Virginia Independent Auto Dealers PAC.

NEW MEMBERS • JUN - AUG 2021

Thank you for your support!

2m Motor Inc 054999
District 4, Arlington
A2Z Auto Group
District 4, Winchester
Advance Auto Parts
District 2, Raleigh
Advantage Automotive Analytics
District 2, Irvine
Affordable Driving Automotive
District 1, Virginia Beach
Appalachian Auto Source, LLC
District 3, Roanoke
Argiro Performance Group, LLC
District 4, Winchester
Auto District VA
District 7, Charlottesville
Auto Group Inc.
District 4, Manassas
Auto Icon LLC
District 4, Fairfax
Autos y Mas
District 4, Manassas
Bestway Autos LLC
District 1, Norfolk
Bill Farrar Auto Sales
District 2, South Hill
Billy's Motorsports L.L.C
District 2, Chesterfield
Brushy Mountain Motors
District 8, Bland
Buffalo Mountain Motorsports
District 3, Willis
C and G Auto LLC
District 1, North
Capital Motors, LLC
District 2, Richmond
Car N Go Inc
District 2, Chesterfield
Caribbean Import Export Inc
District 6, Lynchburg
CarMax - NC
District 2, Raleigh, NC
Carology
District 1, Virginia Beach
Classic Nissan Newport News
District 1, Newport News
Classic Nissan Williamsburg
District 1, Newport News
Code Red Enterprises, Inc
District 4, Ashburn
Coynerco
District 2, Chester

Cross Auto Sales Inc
District 2, Powhatan
D & M Automotive Inc
District 7, Rockingham
Daily Grace LLC
District 2, Glen Allen
DealerVision.com
District 2, Roseville
Diamond Automobile Exchange LLC
District 4, Woodbridge
Diamond Automotive Co.
District 7, Orange
Diamond Warranty Corporation
District 4, Pittston
DMV Auto Group Inc
District 4, Falls Church
E Smart Auto Group Inc
District 4, Spotsylvania
Eighty 8 Motors
District 4, Vienna
Elite Auto Group LLC
District 4, Fredericksburg
Extreme Powersports
District 4, Fredericksburg
Faith Auto LLC
District 2, Richmond
Fogle's Companies
District 2, Virginia Beach
Freedom Auto Sales
District 4, Chantilly
FRIKINtech
District 2, Williston
G & W Motorwerkes Ltd
District 7, Staunton
Gabriel Auto Sales
District 4, Fredericksburg
Ituran USA, INC
District 2, Fort Lauderdale
J&M Auto Sales LLC
District 1, Newport News
James River Mitsubishi
District 4, Hampton
Japanese Classics LLC
District 2, Richmond
Jim's Cars
District 8, Coeburn
L&S Homehealth Care
District 1, Portsmouth
Mack 1 Motors
District 4, Fredericksburg
Mason Motor Co
District 2, Midlothian

MGmotorsports LLC
District 4, Sterling
Nielsen Auto Group
District 4, Lorton
Pearson Automotive
District 2, Midlothian
Precision Auto
District 2, Crewe
Quans Auto
District 1, Norfolk
Route 66 Timeless Classics, LLC
District 8, Richlands
S & D Motors Inc
District 6, Concord
Saint Auto Sales LLC
District 1, Chesapeake
Samra Autos
District 4, Stephens City
Secom LLC
District 1, Virginia Beach
SRT Auto Sales
District 4, King George
Steele's Auto Sales
District 6, Lynchburg
Supreme Auto Selections LLC
District 1, Hampton
TNT Auto Salvage
District 3, Gladehill
TopLine Auto, LLC
District 4, Lorton
US Auto Sales
District 2, Hopewell
USAuto Center
District 2, S Chesterfield
Viking Auto Sales
District 8, Big Stone Gap
Vroom LLC
District 2, New York, NY
Westlake Flooring Services
District 4, Fairfax
Wonza Bell
District 4, Sterling
Xceleration Auto Sales LLC
District 2, Chesterfield
YAS Repair Services
District 4, Sterling
Zackery D Owens
District 2, Upper Marlboro, MD

FOR VIADA MEMBERS ONLY!



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DESIGNED BY DEALERS, FOR DEALERS.

The coverage your customers want at a price everyone can afford!

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- Limited Warranties
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- Tire and Wheel
- Buy Here, Pay Here

- Windshield Replacement
- Key Replacement
- Appearance Protection

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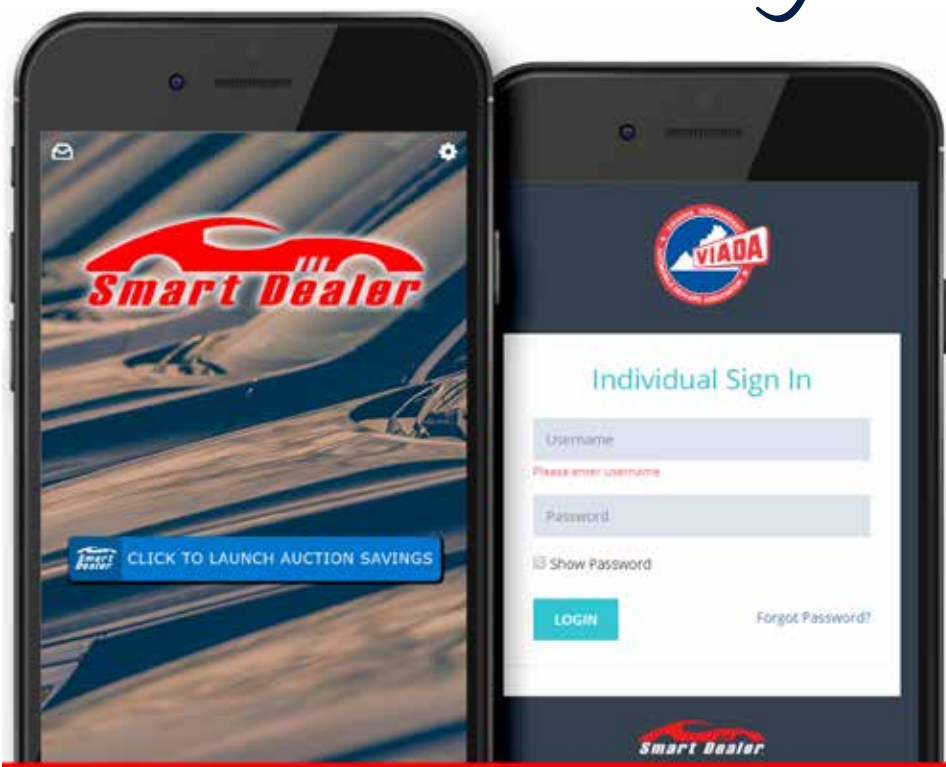
Contact VIADA for more information
anne-marie@viada.org or 800-394-1960

VIADA HAS GONE *Digital*

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Manheim NC
Mountain State
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Richmond





7 Warning Signs of Money Laundering at Your Dealership

BY AARON HARTSHORN, DISTRICT MANAGER, F&I AND COMPLIANCE, KPA

At a car dealership, everyone should be trained to recognize the signs of money laundering – and to understand the full context of a transaction.

It's no secret that criminals have long bought cars (often used cars) with cash as a way to launder money. With demand for used cars on the rise, now is the time for dealership professionals to refresh their memories on warning signs that a customer may be attempting to launder money.

HERE ARE SEVEN:

1. Zero Negotiating on Price

When a buyer doesn't negotiate at all on a car's price, it's a red flag.

Money laundering happens when a criminal conceals the origins of money obtained from criminal practices. While a legitimate buyer likely wants to explore all possible avenues for reducing sticker price, the money launderer is more concerned with their ability to funnel their money into a legitimate purchase, like a car.

2. Frequent Purchases and Trade-ins

A money laundering transaction is complete when the criminal sells the asset they purchased with dirty money for clean money they can then deposit into a bank.

If a buyer comes in every six months to trade in their car and buy a new one, pay attention. This isn't a financially savvy move because of how cars depreciate, which means the buyer may have nefarious motivations.

3. Asking about "The Form"

Dealerships have to file a Form 8300 with the IRS when someone pays more than \$10,000 in cash (or cash equivalent) for a vehicle or for services provided by the dealer. This form was created to help the

government identify and track people who spend large amounts of cash to deter, among other things, money laundering.

Many people engaging in money laundering know about this form and want to do everything in their power to stay off the IRS's radar. If someone asks you whether you'll have to fill out "the form" for the purchase they're planning — and, yes, this happens — that's a major red flag and can lead to an attempt for the customer to "structure" the deal to avoid the Form 8300 filing requirement.

4. Paying Just Under \$10,000 in Cash

Of course, those who know how Form 8300 works may simply opt for transactions where they pay less than the \$10,001 threshold in cash. If a buyer insists on paying something like \$9,999 in cash, that's a red flag.

F&I professionals know, of course, that they can file Form 8300 even if a buyer pays less than \$10,000 in cash if a transaction seems suspicious. Although perhaps the better course of action would be to not go forward with that suspicious deal in the first place.

5. Third-Party Payments

Payments from third parties are sometimes overlooked regarding filling out the Form 8300, simply for the fact that the name of the third party is not on the purchase contract.

The fact that a third party is providing a large cash payment also limits the paper trail of that third party's activities.

When someone returns to your dealership over and over acting as a third-party "piggy bank" for different customers, it can be a sign that the person is looking for a way to clean a lot of dirty money.

6. Straw Purchases

A "straw purchase" is a transaction where

financing is obtained, but the person primarily driving the vehicle is not named on the contract, title, and/or insurance. Where we can see a straw purchase and money laundering overlap is where the straw buyer is provided money for the purchase of the vehicle by a third party, the money launderer. The straw buyer may then sell the vehicle within a certain time frame and return the “cleaned” proceeds to the third-party launderer.

Typically, this scheme involves the primary buyer of the vehicle to sell it within a certain time frame and return the proceeds to the third-party buyer.

7. Generic-Looking Documents or Paperwork

As you’re reviewing a customer’s paperwork, be on the lookout for documents that may be forged. Foreign IDs that you can’t validate or an “international driver’s license” (not a real thing), for example, should put you on alert.

While there are perfectly legitimate reasons that a buyer might have a non-U.S. identification, trust your instinct if something about the document you’re viewing feels off.

Play Defense and Consider the Full Context
At a car dealership, everyone should be trained to recognize the signs of money laundering — and to understand the full context of a transaction. It’s important to note that, while the behaviors in this article can be red flags, it’s also possible that they have a perfectly benign explanation.

Still, actively managing risk is essential. If you suspect money laundering, your dealership personnel should stop the car deal immediately. If you are negligent and/or if your behavior otherwise contributes to a criminal’s ability to launder money, you could face fines and jail time.

The good news here is that a little education goes a long way. Make team training and awareness priorities at your dealership, and you’ll be in good shape. ■

STAY COMPLIANT



TOMMIE MELENDEZ
DIRECTOR OF EDUCATION &
DEALER DEVELOPMENT
TOMMIE@VIADA.ORG

While teaching the Dealer Operator classes, we get the chance to meet new and existing dealers from all over this great Commonwealth. I enjoy hearing about your business plans and goals because each of you have your own ideas of what success looks like for your dealership. However, what you all have in common is the need to stay compliant with both state and federal laws.

Please review this list of “Did you know?” and “Are you doing this routinely at your dealership?” items:

1. Recording Liens within 30 days from the date of sale?
If not, you and/or the lender are unsecured creditors.
2. Paying the VA sales tax and registration fees within 30 days from date of sale?
If not, you are in violation.

3. Placing a properly filled-out Buyer’s Guide in every unit prior to offering it for sale?
If not, Federal fines are over \$41,000 per EACH occurrence.
4. Reporting to the IRS when you are given \$10,000 cash within a year from one customer?
You must report on an IRS Form 8300 within 15 days.
Do you know what is considered cash?
Even a cashier’s check!!
5. Are you running an OFAC report on every single customer?
Cash OR Finance...and even your Aunt Mary!
Print and keep a copy of it in your deal jacket for inspections.

**I recommend doing a
MVDB Self-Inspection
Checklist (Form MVDB 58)
once a month or
at least every other month.**

Lastly, make sure your email and phone number contact information are up to date with MVDB. You don’t want to miss information from them, like notice of your Recertification date!

VIADA’s mission is to inform, educate, and represent you, the dealer. Please reach out to us with any questions or industry concerns you may have. Your success is our success! ■



Make Sure Deals are Neat and Complete

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You receive a letter from an attorney for a vehicle buyer. According to the attorney, the client was defrauded because your personnel did not disclose ... (fill in the blank). “Nonsense” say the F&I representative and the salesperson. “We use a form to disclose that.” How often have you asked to see the signed form from the deal only to be told, “you won’t believe it boss, but this is apparently the only deal where we forgot to get the form signed”? You have heard that enough to know the excuse that this is an isolated incident is nonsense, but what do you do about it?

If you have not implemented a deal completion process, you are not protecting the dealership from otherwise defensible legal claims. The purpose of the process is to be sure all the necessary forms are completed for each deal, and they make it to the deal file. The process will reduce the chance you have many deficient deal files, each of which your staff will claim is the only file in which an important form was not used or was not signed.

1 Have the correct forms available. F&I personnel can’t use the right forms if they don’t have them. The dealership’s forms should comply with the law. For standardized forms supplied by others, such as retail installment sales contracts and leases, you can rely on qualified suppliers. However, for many forms used in dealerships, be careful.

- **Design Compliant Forms.** The dealership’s forms should be created in compliance with federal and state law. A dealership preparing its own forms should seek legal advice and review. Even when a dealer buys forms designed for it from vendors, it should do the same. Ultimate responsibility

for ensuring that forms meet state and federal laws will fall upon the dealer. A dealer should not depend on whether a form vendor sought legal advice and whether it was sound advice.

- **Forms should be updated regularly.** Laws change. Best practices change. A dealer should regularly review its forms, at least once a year, to determine whether they are current or they should be updated.
- **Have forms printed.** It is not unusual to see dealer forms that are simply copies reproduced repeatedly. Often, the copies appear crooked with smudges and lines. This is not only unprofessional, it is often difficult to line up these forms in the printers used in F&I offices, leading to entries and disclosures that are misplaced. A common tactic of plaintiffs’ lawyers is to review entries in forms to be sure they are inserted properly. Where they are not, the lawyer will claim the deal is invalid because the entries in the form are improper. The best way to be sure your forms line up with your printer and entries are properly inserted is to have forms printed so they line up properly in the dealership’s equipment.

2 Use the Right Forms in the Deal. Train F&I personnel in the proper forms to use. Some forms like a buyer’s order or purchase agreement must be used in every deal. However, other forms should only be used when appropriate. As an example, prior damage disclosure forms, if used when inappropriate, can raise questions in the customer’s mind that can later lead to claims that the dealership must defend. Prior damage disclosure forms should only be used when a vehicle has sustained prior damage that must be disclosed. The same is true with forms

disclosing prior permitted use of new vehicles, demonstrator disclosure forms, or similar types of disclosure forms. Use them when appropriate, not in every deal.

3 Use a Deal Completion Checklist. An example of a generally applicable deal completion checklist is on the next page. Use this or something similar. It does a dealership no good to have state of the art forms if they aren’t used in the deal when necessary. In pulling together the forms to use in a deal, an F&I person can easily overlook a form that should be included. If the deal completion checklist is used as a road map of the forms the customer should sign, the risk of missing forms is minimized. More important, proper completion and execution of all forms prevents mistakes from turning into felonies. Sometimes, personnel face pressure to get a form signed after a deal is done. If they cannot get the customer to sign or they deem it too much trouble to chase a customer, they may sign for the customer. This increases the problem from the basis for a lawsuit to forgery that can lead to jail time. Using a road map to be sure deal papers are signed correctly the first time can prevent serious problems.

4 Review and Audit Deals. A deal completion checklist should be used to audit deals. A dealer cannot remedy problems he or she doesn’t know about. Periodically, a dealer should review completed deals to ensure that all necessary forms have been fully and properly completed and signed. The auditor can identify discrepancies and determine whether they are limited to certain salespeople or F&I personnel. The dealer can then either make systematic changes or train a particular salesperson or F&I person, one on one, to solve the problems. ■

DEAL COMPLETION CHECKLIST

Customer Name(s)	Deal/Stock No.	Date
------------------	----------------	------

- | | |
|--|---|
| <ul style="list-style-type: none"> <input type="checkbox"/> Fully completed buyers order/purchase agreement, signed by Customer(s) and Dealer Manager <input type="checkbox"/> Payment for vehicle in full amount owed consisting of: <ul style="list-style-type: none"> <input type="checkbox"/> Downpayment received in full <input type="checkbox"/> Fully completed and signed RISC or Lease <input type="checkbox"/> Cash, checks, or other negotiable instruments <input type="checkbox"/> Promissory Note <input type="checkbox"/> Information necessary for IRS 8300 (if appropriate) <input type="checkbox"/> Completed and signed credit application with customer income information in the customer's hand (if appropriate) <input type="checkbox"/> Copy of credit report (if applicable) <input type="checkbox"/> Proof of submission(s) for credit approval and responses (if applicable) <input type="checkbox"/> Vehicle year, model, and equipment match disclosure to finance/lease source (if appropriate) <input type="checkbox"/> Privacy Notice (if applicable) <input type="checkbox"/> Notification to co-signer fully completed and signed (if applicable) <input type="checkbox"/> Registration paperwork fully completed and signed <input type="checkbox"/> Odometer statement for vehicle purchased fully completed and signed <input type="checkbox"/> Odometer statement for trade fully completed and signed (if appropriate) <input type="checkbox"/> Necessary powers of attorney fully completed and signed <input type="checkbox"/> Damage disclosure completed and signed (if applicable) | <ul style="list-style-type: none"> <input type="checkbox"/> Disclosure of Prior Use of New Vehicle (if required) <input type="checkbox"/> Demonstrator Disclosure (if required) <input type="checkbox"/> Disclosure of Recall Status (used car, if required) <input type="checkbox"/> Spot delivery/conditional delivery notice (if applicable and not on buyers order) <input type="checkbox"/> Trade Title or Trade Title payoff direction/guarantee completed and signed (if applicable) <input type="checkbox"/> Trade Evaluation Form completed and signed by customer (if applicable) <input type="checkbox"/> Vehicle History Report on Vehicle Sold (Used Only) <input type="checkbox"/> Vehicle History Report on trade (if appropriate) <input type="checkbox"/> Copy of the Used Car Buyers Guide signed by buyer (if applicable) <input type="checkbox"/> Signed proof of insurance and verification form <input type="checkbox"/> Copy of Buyer's license to drive <input type="checkbox"/> Warranty documentation (if applicable) <input type="checkbox"/> All equipment installed or We Owe completed and signed <input type="checkbox"/> Items Due from Buyer Form (optional) <input type="checkbox"/> F&I Menu or VPP program document with starting standardized prices for voluntary protection products completed, initialed, and signed <input type="checkbox"/> Compliance with Fair Lending Plan documented <input type="checkbox"/> Copies of F&I product documentation (if applicable) <input type="checkbox"/> Proof of OFAC Compliance <input type="checkbox"/> Proof of Red Flags Compliance <input type="checkbox"/> Risk Based Pricing Exception Notice/Credit Score Disclosure |
|--|---|

Notes: _____

Ladies Auxiliary “Helping Hands”

The VIADA Ladies Auxiliary is a non-profit organization that seeks to do charitable work for children, young people, and other worthwhile causes. We do this in the form of monetary donations for special needs and scholarships. It is important to us that we fulfill the purpose for which our organization was formed: to be “Helping Hands,” whether that be reaching out to help an ill or disabled child, contributing to an organization such as the American Cancer Society, or a student who would benefit from additional money to help with college expenses. We also seek to be “Helping Hands” for VIADA. Through these efforts, we feel that we are truly exemplifying the purpose the ladies who sought to start this organization in 1982 had in mind. We have established the **Fill-A-Wish** program for special needs children 18 years old or younger, and we also have a **Shirlie Slack Scholarship Fund** to award \$2,000 to a family member of VIADA.

Membership in this organization does not require you to attend any of the meetings, although you would be welcomed to join us and we would like to encourage you to attend. All that is necessary to retain your membership in this worthwhile organization is payment of your annual dues of \$10. Your membership will be valid for one year from the time you send in your form and check.

To become a member, please complete the application below and send it with your dues to the Auxiliary’s Treasurer. If you would like more information or for a Membership Application, please visit viada.org/ladies-auxiliary.

Please mail membership application and dues to: LexaLynn Hooper,
1910 Leo Lane, Alexandria, Virginia 22308 (Lhooper119@gmail.com / 703-380-1342)

Please send all scholarship applications to: Carla Boucher, 309 Cawdor Crossing,
Chesapeake, VA 23322 (carla2585@yahoo.com / 757-560-2839)

VIADA Ladies Auxiliary Membership Application

Name: _____ Date: _____

Mailing Address: _____

City/Town, State, & Zip Code: _____

Phone: _____ Email: _____

Dealership’s Name: _____

Month/Day of Birth: _____ District # _____



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