

# NEWS BULLETIN

## Maine Automobile Dealers Association

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### DISTRIBUTION

- General Manager
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### MAINE MINIMUM WAGE INCREASES

Effective Wednesday, October 1, 2008, Maine's minimum wage increased from \$7.00 per hour to \$7.25 per hour. A further increase will occur one year from now, on October 1, 2009. Dealers should pay particular attention to commission pay plans for various dealership employees, as draws or advances against commission earnings may be affected. Maine law requires all employees to be paid at least minimum wage for the hours that they work, which means that a person working a 40 hour week must receive at least \$290 to address the requirements of Maine's Minimum Wage Law.

### LABOR LAW POSTERS

The laminated Employment Law Posters which MADA makes available to the membership will be changing in the near future due to amendments to both Federal and State law. On the federal side, there are some rule changes coming which affect those businesses that are subject to the federal Family Medical Leave Act. Maine's Labor Department also is in the process of re-drafting some employment law rules, with the need to incorporate those clarifications on the new posters. As soon as the federal and state agencies complete their changes and post them, MADA will obtain new laminated posters and provide those to dealers as soon as we receive them.

### LIFELINE TO PROFIT\$ SEMINAR - OCTOBER 8, 9 AND 10

As announced in a late September letter to all Maine dealers, your association has joined with NADA's Management Education Department to host a Lifeline To Profit\$ seminar at the Marriott Sable Oaks in South Portland. A schedule of the seminar format is enclosed with this bulletin. This seminar has been extremely well received wherever it has been offered across the country. This is designed to enhance dealership operations and performance, and is a hands-on, strategy forming workshop for dealers and managers. At the conclusion of the workshop, dealership personnel leave with an action plan which each dealership forms for itself with the help of the seminar contents and NADA consultants.

The format includes a review of your own dealership statement, which is only available to you and it not shared with anyone unless you work individually with the NADA consultants. The seminar fee of \$295 per person (\$750 maximum per dealership) includes seminar attendance, hand-out materials as well as continental breakfast and lunch everyday. Please contact your association office if you have additional questions or want to register for this seminar. All registrations must take place prior to your arrival at the Marriott as specific materials are prepared for each participant.

## OUT OF COUNTRY SALES LITIGATION

**GREAT NEWS!** The investigator charged with reviewing the merits of the Maine Human Rights Commission (MHRC) complaint alleging discrimination on non U.S. citizens in the purchase of a new motor vehicle for registration outside of the United States has submitted a recommendation to the MHRC. This recommendation suggests that the case be dismissed without further action. The process at the MHRC in reaching a final decision is that investigator recommendations come before the full commission at a scheduled meeting, and the commissioners vote on how to proceed. The MHRC is scheduled to review this matter at its October 27 meeting. Dealer attorneys and MADA will be present at this meeting. Should any dealer not receive a copy of the investigator report from their attorney, please contact your association office and we will provide you a copy.

## RED FLAGS RULE COMPLIANCE BY NOVEMBER 1

The federal Red Flags Rule requires the beginning of compliance by November 1, 2008. All dealers have now received a Management Guide prepared and distributed by NADA, and MADA's August Regulatory Workshops covered this subject as well. A dealership's first obligation is to prepare a compliance program, and to assign a person to make sure that the compliance program works. These two items must be in place no later than November 1. MADA can be helpful to any dealer that needs assistance in beginning their compliance, so please feel free to contact your association office.

All dealerships are responsible for compliance with the Red Flags Rule, and one aspect of this compliance is making sure that a person has identification that matches who they claim to be. The obvious first request by the dealership should be for a person's current driver license. MADA will be sending each dealership some helpful hints on how to identify altered drivers licenses. You should receive this information in about two weeks.

## FTC INITIATES REGULATORY REVIEW OF USED CAR RULE

On July 21, 2008, the FTC announced that it will review whether changes are necessary to the FTC Used Car Rule. Among the changes it is considering are (i) whether dealers who conduct a substantial number of sales in both English and Spanish should be permitted to display on the used vehicle a single bilingual Buyers Guide in lieu of displaying separate English and Spanish Buyers Guides, (ii) whether the Buyers Guide's pre-printed list of fourteen major systems and the defects that may occur with those systems should be revised or eliminated, and (iii) whether the FTC should adopt new Buyers Guides to reflect dealers' warranties, unexpired manufacturers' warranties, manufacturers' used car warranties, and used car warranties provided by other third parties. Because Maine has slightly different requirements, MADA is discussing these potential changes with the Bureau of Motor Vehicles to determine if MADA and/or Motor Vehicle should submit comments.

## Lifeline to Profit\$

# Daily Schedule and Outline

## 2.5 Day Format

### Day One:

#### ***Morning Session - 8:00 a.m. to Noon***

- Participant introductions (see note A): “Around the room”
- Your “First thoughts Action Plan”
- Topic: Cash Management
- The “Eight Critical Concerns”
- Receivables (*collectibles*)
- Absorption – Breakeven

***Lunch – Noon to 1:00 p.m***

#### ***Afternoon Session - 1:00 p.m. to 5:00 p.m.***

- Topic: Fixed Operations
- Action Plan: Building the objective

### Day Two:

#### ***Morning Session - 8:00 a.m. to Noon***

- Action Plan: Objective review
- Topic: Fixed Operations (cont)

***Lunch – Noon to 1:00 p.m***

#### ***Afternoon Session - 1:00 p.m. to 5:00 p.m.***

- Topic: Variable Operations
- Action Plan: Structure for the Action Plan Process

### Day Three:

#### ***Morning Session - 8:00 a.m. until conclusion (noon)***

- Action Plan: Review of the elements
- Topic: Variable Operations
- E-commerce
- Action Plan: Final form (copies to NADA consultants)
- Wrap-up review: “Around the room”

### **Format notes:**

- We will begin and end each day with a developmental session aimed at refining your dealership action plan based on information covered in the meeting room.
- Dress for all three days is business casual. Meeting room temperatures are difficult to control, please bring a sweater.