

WVADA

WEST VIRGINIA AUTOMOBILE DEALERS ASSOCIATION

News



"WVADA works closely with us to accomplish our needs and wants, and they help us solve our issues."

-Ginny Bowden

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In the Community

WVADA News

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use your words, tell your story.

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President's Message

By Jared Wyrick



Sometimes it feels like time is standing still. Twelve months ago, it seemed like there was an ongoing national conversation about saying goodbye to 2020 and hello to 2021. This year, it's the same conversation, except that everybody was as eager to say goodbye to 2021 as they were to say hello.

Understandably, people want 2022 to be different: happier, easier, and more unified as a nation. Will we get what we want? Who knows? We'll have to stick around and see.

But despite the difficulties of the last 12 months, 2021 had some good moments, too. For example:

- We started the year off by nearly doubling the documentary fee. Now, WV dealers have the ability to be competitive with our surrounding states.
- We have strengthened our legislative presence and built one of the largest PACs in the state. WVADA strives to keep an open line of communication with state and local officials to keep you informed about what is going on while educating our political leaders about our needs as an industry.
- We also keep in touch with NADA and assist with national policymaking. A group of WV dealers met with Senator

Manchin this summer and the outcome of the meeting was extremely beneficial.

- Some great people retired, including Denny at Timbrook Ford, Vaughn Booth at Superior Toyota Hyundai, and Jack Garrett. We will miss all of you!
- The 87th Annual Family Dealer Convention was in June 2021 at The Greenbrier Resort. This convention was the first big event we'd hosted since the beginning of the pandemic shutdown. Judging from the record turnout, our members were ready to get together and enjoy each other's company in a beautiful setting. The conference events were enjoyable and informative, and the music and food were excellent. It's easy to take things for granted, but the pandemic has helped everyone appreciate just how good it is to meet in person.
- In November, WVADA and the WV DMV had an informative seminar about motor e-titles and registration. West Virginia is slowly transitioning to a more streamlined titling process. It is our goal to have every dealership in the state fully using the new e-titling process by mid-summer this year.

Of course, more good has happened than the few brief items I've mentioned, but I don't have space here to talk

As the **new year** begins, some things will be the same as last year. We will continue to **update you** about COVID-19 as **changes occur**, and we will also see what NADA and the legislature are doing. We have your **best interests at heart** and will do what we can to **help you**.

about everything. Just know that by being a member and participating in association events, you are helping yourself and your dealership. Together, we are making a stronger community.

As the new year begins, some things will be the same as last year. We will continue to update you about COVID-19 as changes occur, and we will continue to update you on national and state policy changes. We have your best interests at heart and will do what we can to help you.

Although the West Virginia Auto Show was canceled this year because of COVID-19, we are still planning a VIP Charity Gala.

This fun and worthwhile event will be held Feb. 10, 2022, at the Charleston Coliseum & Convention Center. Dealers, Associate Members, Subscribers, and our Sponsors should have already received tickets for the event. The convention center has been renovated recently, and its riverside location makes it a spectacular choice. Please make every effort to attend.

Serving as the association president is an honor. I appreciate your support, your hard work and your friendship. Let's keep everything going. ◀

Save the Date

VIP Charity Gala

February 10th

6pm-9pm

Charleston Coliseum and Convention Center

A Night in Monte Carlo



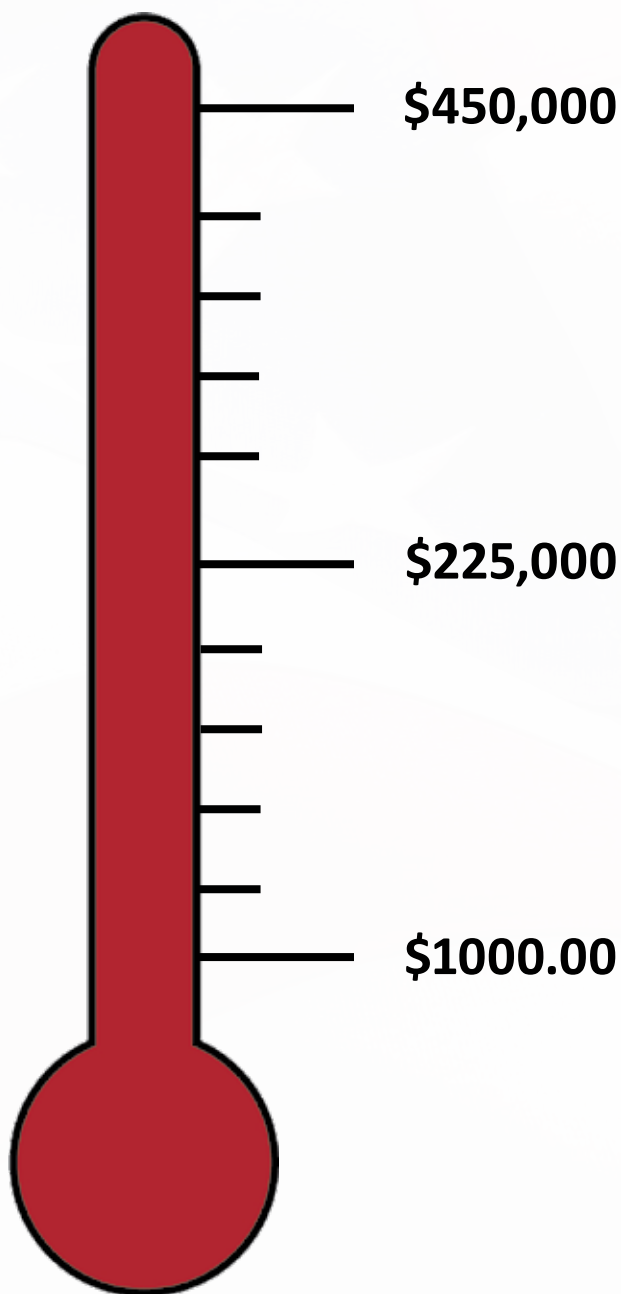
RSVP and purchase tickets at: www.WestVirginiaAutoShow.com/RSVP

Thank You to all our WVCAR PAC Contributors for the 2022 Primary Elections!

Thank you to everyone who contributed to our WVCAR PAC. With our members supports, we have made a record contribution this year! When we combined our contributions with what we had in the reserves from last year, we have raised \$457,000. We have finished our year off strong in 2021 and we will continue building our relationships through 2022.

The WVCAR PAC contributes to West Virginia candidates who support a pro-business, pro-dealer mentality. Dealer member personal contributions are the pillar of the WVCAR PAC, and your contribution is imperative. Not only is your financial participation a crucial part of having a successful PAC but also having WVADA dealers involved with our elected officials. WVCAR gives our members the ability to extend their influence well beyond their own legislative districts.

Goal Achieved!



<https://wvcar.com/wvcar/>



President's Club — \$5,000

Kami Astorg	Astorg Motor Company
Paul Astorg	Astorg Motor Company
Lee Baierl	Lithia Motors
David Ball	Advantage Toyota
Shawn Ball	L & S Toyota
Brad Blake	Dutch Miller Auto Group
Ginny Bowden	McClinton Chevrolet
Andrew Claydon	University Motors
Andrew Cognac	Premier Nissan
John Cognac	Premier Nissan Chevrolet Buick GMC
Bill Cole	Cole Automotive Group
Charlie Cole	Cole Harley Davidson
Jason Cole	Cole Automotive Group
Lee Cole	Cole Automotive Group
Tom Cole	Cole Chevy
Ernie & Lori Davis	Hyundai of Beckley
Martha Fato	Straub Auto Group
Michael D. Ferns Sr.	A & B Kia Sales
Joel Goldy	Goldy Auto
Harry Green	Harry Green Chevrolet, Inc.
TR Hathaway	Superior Toyota
Joey Holland	Joe Holland Chevrolet
John Howerton	John Howerton Honda
Rick Hughes	Capital Automotive
John Jenkins	Jenkins Ford
Todd Judy	Todd Judy Ford
Amy LeRose	Northside Chevrolet
Jonathan LeRose	Northside Chevrolet
Rodney LeRose	Midstate Chevrolet
Rodney LeRose II	Midstate Chevrolet
Mike Matheny	Matheny Motor Truck Company
Chris Miller	Dutch Miller Auto Group
Matt Miller	Dutch Miller Auto Group
Sam Miller	Dutch Miller Auto Group
Jason Minsker	Buckhannon Toyota
Bob MosesMoses	Auto Group
Jason Moses	Moses Inc
Meghan Moses	Moses Ford BMW
Steve Moses	Moses Ford BMW

President's Club — \$5,000

Richard Nourse	Pioneer Honda VW
Roberta Olejasz	Bob Robinson Chevrolet/Buick/GMC
Fred Parsons	Kent Parsons Ford
Bruce Pauley	Pauley Motor Car
Suzanne Persinger	Moses Honda
Martin Peters	Dutch Miller Auto Group
Keith Powell	Yes Chevrolet/Yes Ford
Charlotte Pyle	Capital City Auto Auction
Lester Raines	Lester Raines Honda
Robert Ramey	Ramey Motors
Dennis Sheets	Sheets CDJR
Jamie & Joanna	SpearsAstorg Auto of Charleston
Richard Stephens	Stephens Auto Center
Steve Talbott	Greenbrier Chevrolet Buick
Martha Thornhill	Thornhill Auto Group
Wally Thornhill	Thornhill Auto Group
Fred Timbrook	Timbrook Ford
Matt Urse	Urse Honda
Don Warner	Warner Kia
Paul White	Paul White Chevrolet

Champion Promoters — \$2,000 - \$2,800

Nick Green	Harry Green 7 Acres
Matt Jenkins	Jenkins Subaru Hyundai
Lou Thomas Subaru	Lou Thomas Subaru
Nathan Thornhill	Thornhill Auto Group
Sydney Thornhill-Brown	Thornhill Auto Group

Gold Promoters — \$1,000 - \$1,500

Jared Wyrick	WVADA
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Patrons — \$500

Chase Barton	Stephens Auto Center
Guy Chicchirichi	Guy's Buick GMC

Thank you to our NADA PAC 2021 Contributors!

NADA President's Club

Bill Cole	Bill Cole Automall
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Rodney LeRose II	Mid-State Chevrolet Buick
Chris Miller	Dutch Miller Auto Group
Matt Miller	Dutch Miller Chevrolet Hyundai
Bob Moses	Moses Cadillac Buick GMC
Steve Moses	Moses Auto Group
Joe Pyle	Walker Chrysler Dodge Jeep Ram
Chad Remp	Legacy Truck Centers Wheeling
Dennis Sheets	Sheets CDJR
Richard Stephens	Stephens Auto Center
Jack Stewart	Country Club Auto Group
Wally Thornhill	Thornhill Superstore
Sydney Thornhill-Brown	Thornhill Auto Group
Fred Timbrook	Timbrook Ford

Other Contributors

Chase Barton	Stephens Auto Center
Joel Goldy	Goldy Chrysler Dodge Jeep Ram
John Jenkins	Jenkins Ford
TR Hathaway	Superior Toyota Hyundai
Tim Matheny	Matheny Motor Company
Jason Moses	Moses Inc
Steve Talbott	Greenbrier Motor Company



Bill Cole
WVCAR Chair
Bill Cole Auto Mall

WVADA POLITICAL ACTION COMMITTEE



“I am so proud of the efforts and support from our members this past year.”



TIME 
DEALER OF THE YEAR
IN PARTNERSHIP WITH **ally**



Getting to Know Time Dealer of the Year Ginny Bowden

Virginia “Ginny” Bowden is a fourth-generation dealer. Her dealership, McClinton Auto Group, is in Parkersburg, West Virginia. It has been in business since 1915 under the direction of her father, J.S. McClinton III; grandfather, J.S. McClinton Jr.; and great-grandfather, J.S. McClinton Sr.

That is a big deal by itself, but Ginny has also been nominated as West Virginia’s nominee for the 2022 TIME Dealer of the Year in partnership with Ally.

WVADA recently talked with Ginny about her life, work and nomination.

You have a B.A. in business economics from Wofford College in Spartanburg, South Carolina. Why that degree, and why there?

When it was time to think about college, I wanted to be outside West Virginia, go south and explore, but the thought of having 200 people in a lecture hall seemed daunting. I knew if I was going to do well in school and have a good experience, I needed to be in a small setting.

Wofford College is a small liberal arts school, and it was a good choice academically and socially. I loved it there. I had a great experience, and it was good preparation for many things. I majored in business economics and minored in English because I knew I could apply what I learned to anything I did.

Continued on the following page

WVADA is a great **support system** for dealers. They work closely with us to accomplish our needs and wants, and they help us **solve our issues**. The association offers **education** and **communication** with the legislators and a fabulous legal staff that understands the ins and outs of our **complex business**.

Continued from the previous page

You met Wyn, your husband and general manager, on a ranch in Wyoming. Please tell us about it.

My husband, Wyn, and I met in Encampment, Wyoming, at a working guest ranch, the A Bar A Ranch. It is practically in the middle of nowhere, and the family that owns it has around 150,000 acres. The A Bar A has wonderful guest quarters and numerous activities, including horseback riding, hiking and fly fishing. I was a housekeeper, and I cleaned cabins for two summers. Wyn worked there for three summers. He was a fishing guide and ranch hand the first two summers, and he fixed fences and drainage and did stuff all over the ranch. He was a wrangler the third summer. He took guests on trail rides and helped take care of the horses. After falling in love with the west and in the west, we moved to Jackson Hole for six years.

Many couples from the ranch are now married. Some of our best friends are from the ranch and Jackson Hole. We now sell some vehicles to the ranch because we are close to the managers. They tell us what they need, and we transport their vehicles from West Virginia to Wyoming. Even in a digital age, it's still a relationship business!

What led to the decision to become the dealer in 2017? Tell us about your journey and moving back to West Virginia.

My father was very good at keeping work and personal separate when I was growing up, so I had very little exposure to the dealership. I knew we owned a family dealership, but that's it. I didn't know the inner workings. Dad wanted my brother and me to find our own way and figure out what we wanted to do with our lives without the pressure of being expected to go into the family business.

My husband is from Little Rock, Arkansas, so Wyn and I lived in Little Rock for three years after we were married. In 2015,

my dad sent a letter to my brother and me. In the letter, he talked about a succession plan, and he suggested that if we were interested, we should consider working in the business and learning about it to make sure that was what we wanted to do.

Wyn and I discussed that letter in great detail for almost two years. We agreed it would be a shame to sell a family business that was more than 100 years old.

As we continued to talk, we decided that the worst that could happen was either not liking the work or failing. We decided we could live with both of those outcomes. But we also thought we didn't want to look back in 10 years and say, "Wow, we really missed out on a great opportunity. Why did we sell it?"

Wyn and I started on the Chevy sales floor because that was the biggest pain point at the time. We needed to sell more Chevrolets. We came in, and we started asking questions and learning. In January 2020, I became the dealer, and my husband became the general manager. Our goal is to ensure our two locations stay relevant and continue serving our community for another 100 years.

Does the company employ other family members? If so, what roles do they have?

My father is the CEO, I am the dealer principal, and Wyn is the general manager. Our three dogs, Mavis, Rebel and Cotton, are some of our best sales consultants 😊. Our daughters may join the team someday.

The dealership has survived every major catastrophe of the 20th century, starting with the 1918 flu pandemic and (at least so far) ending with the current COVID-19 pandemic. What's the secret to surviving in difficult times?

We have a saying around here: "Taking steps is easy; standing still is hard." We know that we can make it through these



challenges by focusing on the big picture and adapting. My family has survived difficult times because of flexibility, confidence, hard work and preparation for the future.

What has your family learned from everything that has happened since the dealership opened?

You have to surround yourself with the right people to succeed for so long. Good salespeople will make our customers want to purchase from us again, good service techs mean our service customers will come back every time their car needs to be serviced, and a great body shop team ensures that customers will turn to us when they have an accident.

We believe in continuous improvement.

Who has your main mentor been?

My father. We share an office, which can sometimes be difficult; however, I feel lucky to have him here to spitball ideas and ask questions. He is a wealth of knowledge and loves the business, although he might tell you otherwise. He gives me the support I need to make decisions. I learn by doing, and he encourages and supports that.

I heard a statistic from NADA about the success rates of successions at dealerships; the first to second generation has a success rate of 33%, the second to third generation has a success rate of 11%, and the third to fourth generation's rate is 6%. I have my father to thank for keeping the business alive and passing on the opportunity.

Are there any other people who have had a significant impact on your life that you would like to tell us about?

Dr. Mike Stern and Bridget Mullen. Working with them was my first experience working with a husband-and-wife duo. He is an oral surgeon, and she runs the office. They have mastered working together, and they are a great example of how you can be successful with that.

What do you think about the Ally TIME Dealer of the Year Nomination?

I am very flattered by the nomination, and I feel fortunate to receive the honor. Still, the nomination isn't about me. I didn't create anything. It is really about the entire team carrying on a family legacy. The dealership was already here and doing well, and it just needed a face-lift. We want to progress and make a good thing better by making improvements.

Ally donates \$1,000 from each nominee to a 501(c)(3) charity you select. The charitable donations for finalists are \$5,000, and the winner's donation is \$10,000. You already support many charities. Which charity did you select for this honor? Why?

I chose the Children's Home Society of Parkersburg, which is well-run and well-rooted in the community. There are different locations all over the state, but my dad started to help this one more than 20 years ago, and I wanted to continue the tradition as a tribute to my family. Also, now that I have a child of my own and one on the way, it is a little more near and dear to me to give back to children in need. We host a food drive for them several times throughout the year and are always looking for ways to help them in their mission.

Why should WVADA dealers join the association? How does membership benefit its members?

WVADA is a great support system for dealers. They work closely with us to accomplish our needs and wants, and they help us solve our issues. The association offers education and communication with the legislators and a fabulous legal staff that understands the ins and outs of our complex business. Their support is vital to our success. Without WVADA, we wouldn't have the foresight to make business decisions that keep us in a good position to serve our community to the best of our ability.

Continued on the following page



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I look forward to learning more from our partners at the WVADA, and I appreciate their hard work on our behalf.

What is the biggest issue facing West Virginia dealerships in the next three to five years?

West Virginia has a major issue with citizens leaving the state. According to the 2020 U.S. Census, our state's overall population dropped 3.3% over the past decade. In Parkersburg, it's almost double that amount of decline. We lost 6% of our population in 10 years.

Our state needs to find ways to retain our citizens and attract people from out of state to relocate here. We also need to encourage trade schools and trade jobs such as service and metal technicians. These jobs are vital because they are the backbone of our communities.

What are three pieces of advice you would give someone if you were mentoring them?

1. Find diverse work experiences when you are young. They will make you more adaptable and desirable as an employee in your chosen field.
2. Hire people smarter than you.
3. Pursue anything that is both terrifying and amazing.

What advice would you give to other women who are thinking about getting into the automobile industry?

I'd like to think that I'm capable of advising anyone interested in the automobile industry.

Considering a job in the auto industry is a great first step. You will never be bored. Working in this industry is about more than just selling cars.

I advise women in this business to seek out local women's leadership organizations. I joined a women's group a few

years ago, and I've made great friends and contacts. It's always nice to find others who can relate to your experience. The CEO of General Motors, Mary Barra, is a great example of a woman succeeding in this industry.

Tell us about Shop Click Drive (for Chevrolet) and Online Shopper (for Mitsubishi). How have these programs helped your business during the pandemic?

Our community and customers still like to do things in person, especially when buying a car. I don't blame them. As much as I like the "Amazon Experience," it isn't a one-size-fits-all model. Aside from purchasing a home, purchasing a new or used vehicle is most likely an individual's largest purchase in their lifetime. Personally, I would not want to purchase a vehicle without seeing it, driving it, and reviewing its features with a product specialist.

Nevertheless, I want to offer all options to purchase – a Burger King "have it your way" experience. One person may want to facilitate a transaction from start to finish online, but someone else might prefer to walk the lot and purchase the vehicle in person.

With solutions like Shop Click Drive and Online Shopper, we try to give consumers a choice. We legally need wet signatures, so our store is not set up just yet to purchase a vehicle from start to finish digitally, but it is in the works.

The company motto is "A Tradition of Trust since 1915." Explain how that led to the McClinton Million-Mile Warranty.

We decided to launch The McClinton Million in 2020 when so many people faced an uncertain future. People deserve peace of mind. Many people are keeping their cars longer, so we thought it was only fair to offer an extended powertrain warranty to most of our customers. With the McClinton Million, powertrain issues are one less thing our customers worry about.

I am **honored** and **humbled** by this **nomination**.

I want to reiterate that it is not for me, but instead, it is for us, my entire team at **McClinton**. I would not be in this position without their support, **hard work** and **patience**. They believe in Wyn and me, and they **trust** that we are making the right decisions to **continue this legacy**.

Further, when so many nontraditional car dealerships are popping up, people need to know there are still some businesses that will be around five years from now. We listen to our customers, and they want to see us if there's ever an issue with their vehicle. I strongly believe that this is a people business and always will be; consumers like to purchase things from people they like, trust and know.

Your company offers the Roger Brown Tool Scholarship in honor of Roger Brown, who retired in 2020. How is that going so far?

Body technicians are one of the hardest positions to fill. Sadly, there are not many young folks coming into this career. Those who do must often purchase a lot of tools, and our goal is to help minimize that stress and burden.

We're thankful for longtime loyal employees like Roger Brown, and we have this program in place to honor him and make our body shop more desirable to potential employees.

What is your favorite car?

The El Camino.

What are you currently driving?

A 2022 Mitsubishi Outlander.

It looks like you have shop dogs and family dogs! That's a lot of dogs. How did that come about?

My family has always had dogs, and we love them dearly. They make everything better. We have a black lab, Mavis. She's a wonderful pet as well as an incredible retriever. Mavis had a litter of puppies a year ago, and we kept one of the females, Rebel. She will get her first chance at a duck hunt this winter. Lastly, we have Cotton, an English Cocker Spaniel. She's my shadow! They are all outstanding and so good with our daughter! It is a bonus to take them to work where our team and customers love them. Who doesn't want to snuggle on a dog while signing paperwork for a new car! 😊

Would you please tell us about your family?

Family is everything. I am so thankful and blessed to be a wife, mother, daughter, sister, aunt, sister-in-law and daughter-in-law, etc. I did not comprehend how much I would love being a mother, nor did I appreciate the love and devotion of my own mother until I had my daughter, Virginia Hayes. She is my greatest joy.

What do you like to do for fun?

My favorite hobby is fly fishing. Wyn taught me how to fly fish in 2006 when we first met in Wyoming. It is so peaceful and something you can do in the most beautiful places in the world. I love to be on the water with my family, my fly rod, a beer, and a packed lunch on the bank. It's my happy place.

Do you have any last words?

I am honored and humbled by this nomination. I want to reiterate that it is not for me, but instead, it is for us, my entire team at McClinton. I would not be in this position without their support, hard work and patience. They believe in Wyn and me, and they trust that we are making the right decisions to continue this legacy.

My father says he is fortunate to be born into a family business. Like him, I did not create anything, but rather, I am lucky to have the chance to continue "A Tradition of Trust" with the help of the McClinton team and the Mid Ohio Valley community. Thank you! ◀



WVADA 2021 E-Titling Seminars

For two weeks this past November, WVADA hosted 11 e-titling seminars in six different locations throughout the state to prepare key dealership personnel on the new digital title process that the DMV implemented statewide. Approximately 500 title clerks, managers, and F&I personnel attended the seminars.

Electronic titles will help streamline the current process by creating a more efficient method of submitting paperwork to the DMV. Thank you to all those who attended.



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New Safeguards Rule



By Johnnie E. Brown, Esq., Pullin, Fowler, Flanagan, Brown and Poe, PLLC

Happy New Year, everyone. I don't think it is too late to wish this to you. As we start this new 2022 year, I know we all hope and wish that COVID-19 will greatly diminish this year and inventory will improve. Unfortunately, in the midst of this uncertainty, the Federal Trade Commission is implementing new Safeguard Rules to protect the privacy rights of consumers for their non-public personal information (NPI). Importantly, please understand that this new rule will become effective on Dec. 9, 2022, but now is the time to start preparing. The National Automobile Dealer Association (NADA) has estimated that compliance will average \$293,000 for startup costs and approximately another \$275,000 to annually maintain. Further compounding this financial burden is that non-compliance can

Implementation is going to require a team effort of **ownership**, management, technology **specialists**, and legal counsel.



result in fines of \$46,517 per violation. Now that I have your attention, allow me to provide an overview of the new rule.

These changes are modifications to the Safeguards Rule that became effective in 2011 and caused most dealerships to implement an Identity Theft Protection Program commonly referred to as a Red Flags Policy. I remember drafting approximately 50 of these plans for our West Virginia dealers. When first adopted in 2011, the Federal Trade Commission (FTC) used a “reasonableness” standard which allowed a dealership to evaluate risks particular to it and take into consideration its location and history on such privacy violations. The new Safeguard Rules have abandoned this reasonableness standard and created a list of arbitrary

requirements that a dealership must follow regardless of its size, volume, or historical experience with privacy rights violations or identity theft events.

The new Safeguard Rules is very detailed, and my intent below is to provide you with a very high-level overview. Implementation is going to require a team effort of ownership, management, technology specialists, and legal counsel. My advice is to start now.

I provided formal comments to the FTC as President of the National Association of Dealer Counsel (NADC) approximately

Continued on the following page

Periodically, a dealership will be **required** to evaluate and categorize **security risks** and threats, define the **criteria** they used to **assess these risks** and threats, and how a **dealership** will either **mitigate** or accept this risk.

Continued from the previous page

eighteen (18) months ago, and NADA has been intimately involved with the FTC and engaged in constant communication and advocacy with the FTC to lighten the impact of these Rules. One victory that did come from these discussions is that there is no requirement to hire a certified computer information systems specialist, whose salary can exceed six figures. Now the new Safeguard Rule requires the hiring or appointment of a “qualified individual,” which is a substitute for your old “program coordinator.” A dealership is allowed some flexibility for this position, but the person must be qualified to handle your data and be able to design or implement systems and procedures to oversee your particular data. Fortunately, these tasks can be outsourced to technology and security providers.

The FTC is going to require a new written risk assessment and information security program. There are also requirements for written procedures to address how a dealership will respond to a breach of a privacy incident and written annual reports to your Board of Directors.

Some more specific requirements, there will be the requirement for a data and systems inventory. This requirement applies to all your computer systems, not just those that store the NPI of consumers. A dealership will be required to inventory all electronic and computer equipment. A dealership will also be required to inventory all software programs and who has access to consumer information, such as vendors, and determine which employees have access to particular consumer information. The inventory could be as broad as a salesman’s mobile phone particularly if they have consumer NPI on the phone or access to it. NADA recommends this inventory be written.

Periodically, a dealership will be required to evaluate and categorize security risks and threats, define the criteria they used

to assess these risks and threats, and how a dealership will either mitigate or accept this risk. A dealership will also be required to determine how you will specifically address these issues. This issue is going to require the hiring of an IT security firm or person or greater consultation with your existing IT provider.

The written security plan will be required to address certain regulatory required objectives and substantive areas. These are set forth in the FTC Safeguard regulation and are quite detailed and beyond the space limits of this article. Please understand that NADA is working on templates that can be molded to your particular dealership. Consequently, some help will be forthcoming.

As stated above, a written incident response plan will be required and must address clear procedures for how a privacy violation will be handled. This will obviously require time to evaluate and decide how you will respond, who will be involved, and what specific tasks will be undertaken. The FTC wishes to make sure that a dealership has given a serious evaluation and thought to this. A dealership will then be judged how they followed this response plan in the circumstance of a privacy violation or identity theft event.

Our technology systems will require encryption capability for information disseminated from our dealerships and multi-factor authentication for access to consumers’ NPI. This will further require system monitoring and periodic penetration testing and vulnerability assessments. Importantly, this also applies to vendors who have access to our systems. Consequently, communications and coordination with vendors need to be undertaken to implement the Rule by the end of this year.

Dealerships are going to be required to have controls for access to consumer information. This will require the potential

expenditures of monies for new software to accomplish this requirement, and there is an additional requirement to oversee management procedures to access consumer information. Interestingly, the Rule asks that consumer information be deleted after two years, which we, as dealerships, cannot do, but there are “business purpose” exceptions. Unfortunately, this means that dealerships are going to have to evaluate this, justify the business exception, and create more formalized document retention and destruction policies.

Of course, all this is going to require initial and ongoing training for all personnel, which will be required to be documented and verified. Last, one of the most challenging tasks, after determining who has access to your customers’ information, is then reviewing the contracts of vendors and determining if the vendors are complying with the new Safeguard Rules. I would recommend reaching out to these vendors and requesting updated contracts or addendums which are Safeguard Rule compliant. They also need to communicate to you how they are becoming compliant with the new Safeguard Rule.

This will be quite a challenge, so I recommend starting now. I have been informed that NADA is putting out a *Driven* guide soon with templates to consider. This will be very helpful, and in the legal world, forms are dangerous if applied blindly without thought and consideration about how you do business and an evaluation of your individual needs and exposures. I strongly encourage you to reach out to knowledgeable counsel, and as always, the Association stands ready to assist you. ◀

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2021 Year End Considerations

2 021 was a record year of profitability for automobile dealers. Hand in hand with this profitability is the income tax liability due on those profits. To ensure that you pay only on the amounts you have made, now is the time to clean up any questionable items that may have accumulated on your dealership's books over the last year. The following items are suggestions for reviewing your accounting records and identifying amounts that may need to be written off or accrued as expenses.

- 1. Cash** — Review bank reconciliations. Ensure that the amounts are reconciled to your general ledger and identify older reconciling items for propriety.
- 2. Receivables** — Review aging of all receivables (contracts, vehicle, customer, warranty, finance reserves and incentives) to determine if they are collectible. Obtain explanations for any amounts outstanding outside of the normal operating cycle (15 days for contracts and 60 days for other types of receivables).
- 3. Open repair orders** — Review your open repair order lists to determine if they all have valid reasons for being open. Obtain explanations for any repair orders open 30 days or more.
- 4. Prepaid expenses** — Review prepaid schedules to determine that amounts represent valid unexpired expenses.
- 5. Vehicle Inventories** — Perform a physical count of the vehicle inventories and reconcile them to the general ledger schedules. Review used vehicle values to determine if they represent the lower of cost or market.
- 6. Parts and other inventories** — Reconcile physical counts to the general ledger. Review parts inventory and determine if obsolete items are included and should be written off. Dispose of any amounts written off.
- 7. Property and equipment** — Review additions to fixed asset accounts to determine if the items charged to those accounts meet your company's capitalization criteria (typically a unit cost of \$2,500 or more). Review additions to buildings and leasehold improvements to determine if they may qualify as a repair or refreshment.
- 8. Accounts payable** — Ensure that all vendor invoices have been entered in to accounts payable and reconciled to the vendors statements.
- 9. Floorplan liability** — Reconcile the floorplan statements from lending institution to the accounting records.

To ensure that you **pay only** on the amounts you have made, now is the time to clean up any **questionable** items that may have accumulated on your **dealership's books** over the last year.

- 10. Vehicle Lien Payoffs** — Review to determine that payoffs are being made in a timely manner and that deficiency notices are sent to customers when appropriate.
- 11. Title Work** — Review to determine if title work is being processed within the prescribed time frame and that liens are being perfected within the limit established by state law.
- 12. Accrued and withheld tax liabilities** — Determine if payroll, sales, and property tax liabilities are being paid when due and if the accounting records reflect the correct liability balance.
- 13. Payroll** — Determine if accrued payroll has been reconciled to the payroll records and reflects the appropriate liability.

Performing these procedures at the end of and throughout the year will help ensure that you are making tax and financial decisions based upon the most accurate data available. ◀

Leon M. (Lonnie) Rogers, CPA/ABV/CFF is the managing member of Tetrick & Bartlett, PLLC and has been providing accounting, tax, valuation, and consulting services to automobile dealers since 1977. Tetrick & Bartlett, PLLC currently serves dealers in West Virginia, Virginia, Ohio, and Pennsylvania and is a member of the Auto CPA Group, a nationwide organization made up of 25 CPA firms specializing in services to automobile dealers. Lonnie can be reached at Irogers@tb.cpa or 304-624-5564.

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The program is being presented with financial assistance as a grant from the West Virginia Department of Health and Human Resources registered with the West Virginia Secretary of State's Office.

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In the Community



Warm a Heart, Give a Bed

On November 8, Cole Subaru prepared, bagged, and served over 240 meals to our community with help from the Key Club at Princeton High School. It's always great to see our members and their team giving back to the community! ◀

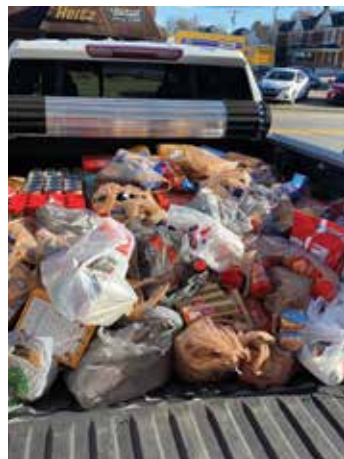


McCLINTON



McClinton Chevrolet

On November 7, McClinton Chevrolet delivered Thanksgiving donations to the Children's Home Society of WV, Parkersburg Site, and the Mid Town Family Resource Center. This was one of their biggest food drives to date. We want to thank everyone in the community who brought items in for this cause and their employees who raised a lot of money to buy donations this year. ◀



Last year one of the McClinton Chevrolet lost one of its longtime employees, Dan Talbott. Every year Dan donated several bikes for our company toy drive. Starting last year, we decided to keep the tradition going. So, we're donating these bikes in his memory. General Manager Wyn Bowden is posing in the showroom with three donated bikes for the local Toy for Tots.



Ball Toyota of Charleston

Shawn Ball with Ball Toyota of Charleston raised \$74,000 in just six days to make sure children in our state have everything they need for school. Great job; it's always great when our dealers give back to causes that mean the most to them! ◀



In the Community



On December 15, the Dutch Miller family of dealerships and the whole Miller family donated four cars to the Good News Mountaineer Garage. The Dutch Miller family of Dealerships is a valuable part of our community and we thank them for all they do. ◀



Congratulations to Straub Nissan – they were named the recipient of the 2021 Nissan Award of Excellence!





Weimer Automotive Group

Weimer Automotive Group was pleased to host a group of amazing children and their foster parents. Many thanks to the staff at the Potomac Center for allowing us to serve the children, Tasty Impressions (Becky Franz) for a great meal, JR Murray for bringing us tables, chairs, and table linens and Chip Combs from WELD for being on site and doing a live broadcast to help cover our event.

Also a huge thank you to our employees and the members of the community that purchased gifts for the children. ◀



Harry Green

Harry Green Chevrolet Nissan said goodbye to a legend, Frank Smith. Frank is retiring after 37 years. Congratulations to Frank Smith, we hope you enjoy your time! ◀



Matheny Motors

Congratulations to Mark Lemon, he retired from Matheny Motors after 35 terrific years. We hope you enjoy your time! ◀



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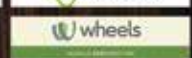
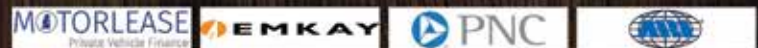
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