

USED CAR DEALERS ASSOCIATION OF ONTARIO

230 NORSEMAN STREET, TORONTO, ONTARIO M8Z 2R4

TEL: (416) 231-2600 or 1-800-268-2598 • INTERNET: www.ucda.org

29 Years of Growth 1984-2013

www.ucda.org
September 2013
Vol. 26 No. 8

UCDA FALL AD CAMPAIGN

A Fresh, New Message

The UCDA's annual fall consumer advertising campaign kicks off September 16, with a brand new TV ad and radio traffic report sponsorship ads.

The ads tell consumers about the benefits of buying from a UCDA member in a fresh, new way, with a focus on Carpages.ca, "the home of UCDA member cars".

The ad shows a typical Saturday morning scene in Anytown, Ontario.

A man walks into his kitchen early on a Saturday morning and finds his wife staring intently at her lap top.

The man comments that she's up early and she answers that she's looking for UCDA members on Carpages.ca. Her husband asks what UCDA is and she tells him, explaining the guarantees and benefits of buying from a UCDA member. After the discussion, she asks him "what's for breakfast" and goes back to the search.

The TV ads will run from September 16 through to November 11 on CTV, Global, CHCH, CHEX and CKWS 6:00 newscasts.

We'll also be running radio ads sponsoring traffic reports on 680 News in Toronto, CFRA 580 in Ottawa and 570 News in Kitchener-Waterloo.

The timing of both TV and radio ads assures us that they will reach the prime target market for potential used vehicle purchasers.



Carpages has re-branded itself as the "**Home of UCDA Member Vehicles**" and between Carpages and the UCDA campaign the message to consumers continues to be that they can buy with confidence from UCDA members.

Carpages.ca is now carrying banner ads to reinforce this message even further.

The more you identify yourself in on-line and print advertising and at your store, as a UCDA member, the more opportunity you'll have to attract potential buyers who will have viewed the TV spot and visited Carpages.ca.

It's not too late to be on [Carpages](http://Carpages.ca) in time for the campaign. Call them at 1-866-567-2437.

Every Member Is Now On CARPAGES!

The screenshot shows the Carpages.ca website interface. At the top, there's a green banner with the Carpages.ca logo and the text "Carpages.ca is the Home of UCDA Member Vehicles. Shop with Confidence." Below this, there are navigation tabs for "Used Vehicles", "New Vehicles", "Sell Your Vehicle", "Dealers", and "Reviews & News". A search bar is present with the text "Search for vehicles or dealers...". A "Buyers Tip" section states: "When shopping for a used vehicle, look for this sign UCDA UCDA members adhere to a strict code of ethics. Learn More". The main content area features a "Used Car Search" section with various filters like "Price", "Year", "Vehicle Type", and "All Makes". A large image of a blue 2013 Mustang GT is prominently displayed. Below it, there are several smaller car listings with their respective prices and models.

With a new look and with every UCDA member having a page on their site, Carpages is ready for the UCDA's Fall Campaign.

Consumers will now be able to find you as a member dealer, prominently featuring the UCDA's logo along with the message "Shop with Confidence".

While you will be identified as a UCDA member on Carpages.ca, unless you have an account with Carpages, your vehicles will not be shown on the site.

During our Spring and Fall campaigns, both the UCDA and Carpages are flooded with consumer enquires and traffic to the Carpages site doubles.

To get the full value out of this Fall's campaign, contact Carpages and get your vehicles on the site.

Call Carpages at 1-866-567-2437.

PLAN COSTS		
Monthly Plan	Regular Price \$	UCDA \$
5-Car Plan – <i>Carpages Lite</i>	N/A	99.95
10-Car Plan	149.95	134.95
20-Car Plan	179.95	164.95
30-Car Plan	219.95	194.95
50-Car Plan	279.95	244.95
75-Car Plan	329.95	294.95
Unlimited Plan	359.95	324.95
DealerPage™ Activation (required) One-time fee	199.95	199.95

UCDA Banner Ads on Auto Trader

The screenshot shows the Auto Trader website. At the top, there's a banner for "auto TRADER.ca" with the tagline "The better way to buy and sell cars". Below this, there are navigation tabs for "Cars, Trucks & SUVs", "Commercial / Heavy Trucks", "Trailers", "RVs", "Boats", "Watercraft", "Motorcycles & ATVs", "Snowmobiles", "Heavy Equipment", and "Farm Equipment". A search bar is present with the text "Search for vehicles or dealers...". The main content area features a "Chevrolet" search results page with 8,146 results. The page shows various filters like "Model (any)", "Min. Year", "Max. Year", "Min. Kilometres", "Max. Kilometres", "Transmission (any)", "Fuel Type (any)", and "Exterior colour (any)". A "LOOK FOR" banner ad is visible on the right side of the page, featuring the UCDA logo and the text "MEMBER BUY WITH CONFIDENCE UCDA ASSOCIATION OF ONTARIO". Below the search results, there are several car listings with their respective prices and models.

The Fall advertising campaign is here! This year the UCDA message, "Buy with Confidence when you see the UCDA Logo", will appear over a million times on Autotrader.ca.

Auto Trader has made sure that all UCDA member web sites clearly display the logo on the used inventory page.

If your page has been missed, contact your Auto Trader representative to have the UCDA logo added.

Lien Question

One of our members asked a really good question the other day.

Suppose he takes a trade-in or simply buys a car from a private seller for \$500. Why bother doing a lien search for such a cheap car?

Even if the lien holder (i.e. a bank or other financial institution) is owed \$20,000, and has a lien on the vehicle, all they can do is repossess the car, so all he stands to lose is \$500 ... correct?

On the one hand, you are not the debtor, so you do not owe the lien holder the "loan", but they do have a claim on the vehicle and could take that away from you or someone you sell it to. In that sense you would only be out the \$500.

But what if you, or someone you sell it to, were to spend \$2,000 making it a nice roadworthy vehicle?

Well, then that \$500 car becomes a \$2,500 headache for you because the lien holder, owed \$20,000, can still take the vehicle, improvements and all ... and you get nothing.

It's also illegal to sell a vehicle with a lien on it unless the buyer knows the lien is there.

Although this member was just asking a "what-if" question ... this situation has actually happened before to several members. The longer time goes by, and the more the vehicle is bought and sold, the greater the chances the losses will mount.

That's why you should ALWAYS do a lien search!

With volume discounts, members can do Ontario lien searches at a cost of less than \$10.00 each.

And if you do an Ontario lien search, Auto Check™ accident search, and Ontario vehicle owner history on the same VIN, on the same day, you'll pay just \$29.00.

Call 1-800-668-8265 or 416-599-7412 or search on-line at www.ucdasearches.com.

DAA Emergency Roadside Assistance

...Winter's coming sooner than you think!

Are your customers covered for Roadside Assistance? It's a gift of protection and peace-of-mind you can give them for just \$15.95 + HST! They'll always know help is just a phone call away when unpredictable Winter weather hits.

No sign-up is required – which means no sign-up fees or hidden costs to you. Just log-in at www.ucdasearches.com and enter your customer's information.

This will automatically entitle your customer to four free service calls over the next 12 month period. You will be billed just \$15.95 + HST. Your customer can call for assistance with any of the following:

- Towing (for all mechanical failures) – vehicles towed 20 kms or to nearest service station
- Battery Boost
- Flat Tire Change
- Unlocking of Doors (if keys are left in the vehicle)
- Gasoline Delivery (10 litres) in the case of running out of fuel (customer pays for gas)
- Emergency winching (if accessible)

Make sure you have a good supply of DAA cards to give each customer you register. Call the UCDA at 1-800-268-2598 to get yours!

UCDA Day at Manheim Toronto

The next UCDA day at Manheim Toronto will be Thursday, September 19th at the night sale.



- **The first 250 members that register will receive a UCDA Buy with Confidence Dealer Plate Bag!**
- Every UCDA member vehicle that's registered on the UCDA lane will have a dealer plate bag in the vehicle.
- The UCDA lane will have free coffee and snacks.
- The Thursday night sale starts at 6:30 p.m.
- Be sure to stop by and say hello to Warren Barnard, Jim Hamilton and other members of the UCDA staff.

The UCDA looks forward to continuing to build the relationship between Manheim and our members.



UCDA Legal Services Director Jim Hamilton with four UCDA members sporting their new UCDA caps at Manheim Toronto on June 20th.

Negative Equity

"... it is possible that this transaction is tainted by terms intended to mislead the finance company ...".

Crosstown Motors (1982) Ltd. v. Motuz (Alberta 2005)

A customer comes in to trade-in a vehicle worth far less than what they owe on the loan. This "negative equity" means that, in order to pay out the loan, clear the lien and work a new deal with the customer, "extra" money needs to come from somewhere.

Is it coming from the consumer? Not likely. The reason they have negative equity in the first place is usually because they are having trouble making ends meet.

Is it coming from the dealership? Doubt it. You are in business to make a profit, not purchase car deals!

Is it coming from a financial institution (i.e. a bank)? For sure, but does the lender know that?

If you present a deal to fund negative equity to a lender, they will most often reject it. They are funding the purchase of a vehicle, not advancing a personal loan to the debtor. So it has become standard practice to bury the negative equity in the sale price of the vehicle being sold. This creates an artificially high selling price i.e. more than the vehicle is really worth, but it allows the deal to get funded.

Do the customer and the lender know this is what is being done? Almost always, but because these agreements go unwritten, you are left to "read between the lines" and, as is often the case in these situations, everything is fine until, months or years later, problems arise.

If the loan goes into default because the debtor stops making their loan payments to the lender, will questions be raised as to why that vehicle was sold for so much more than it was really worth?

That's the real concern for any dealer who engages in this practice. We advise you to get the parties to sign off on their understanding, from the beginning, that there is negative equity in the deal.

The customer will usually sign such an agreement, but, the financial institution may not be so willing. Dealers should at least make sure the numbers are spelled out clearly to the lender, so there can be less reason to expect an argument later that the nature of the deal was not fully understood by everyone.

And remember, the higher the negative equity, the greater the risk such deals pose.

OMVIC Discipline Process

dis ° ci ° pline noun \ 'di-sə-plən

Definition: 1. Punishment, 2. Training that corrects, molds, or perfects

Since 2010, with the introduction of the new Motor Vehicle Dealers Act ("MVDA"), OMVIC's internal dealer discipline process has been formally recognized by Ontario law. As we have seen, the fines can be very steep. It's not uncommon to see penalties of more than \$10,000!

OMVIC has been very active lately pursuing dealers for improper advertising and lack of disclosure when selling.

Here's how it starts.

The dealer receives a Notice of Complaint from OMVIC. The Notice outlines all of the notices, bulletins, newsletters and information made available to dealers about their advertising and disclosure obligations.

It may detail past inspection visits paid to the dealer by OMVIC and then list alleged errors the dealer has made in its ads or on its bills of sale.

The Notice asks the dealer to give their side of the story, in writing, within 15 days. Once the dealer has done that, OMVIC will usually offer a settlement which, if agreed to, can resolve the issue then and there. The settlement usually involves an agreement to take the OMVIC education course, as well.

Typically, these settlement offers are in the thousands of dollars ... which may, or may not, be negotiable.

If not settled, the matter will proceed to a more formal Discipline Panel Hearing which, just like a court, will hear evidence from both the dealer and an OMVIC representative. The dealer can hire a lawyer to make submissions ... obviously this can become costly.

The panel then reaches a decision about whether the dealer has breached the MVDA's Code of Ethics and if it believes the dealer has done so, can impose punishment i.e. fines, education course, etc. The maximum penalty the panel can order is \$25,000.

All of OMVIC's and the MVDA's requirements are easily available and there's really no reason that any member should become involved in the discipline process.

Visit www.ucda.org or call the UCDA and we'll be happy to explain what is expected of you. Once you know the rules, they're really pretty simple to understand and follow. We're here to make it even easier for you.

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