

OMVIC FEE INCREASE COMING

OMVIC is running out of cash!

In order to replenish the coffers, OMVIC's Board of Directors announced in April that it plans to raise fees. The question remains, which fees and by how much?

OMVIC has sent out a consultation bulletin to all dealers asking for input on three possible options:

1. Raising salesperson fees
2. Raising dealer fees
3. Raising the transaction fee

OMVIC's Board has stated that it does not want to touch salesperson fees. That leaves raising dealer fees, the transaction fee, or some combination of the two, as the most likely options.

The bulletin said that the Board would prefer to raise the transaction fee by \$5, to \$10 ... so, does OMVIC really need extra money so badly that they need to double the fee?

A look at OMVIC's financial statements confirms that its cash position has been steadily dropping over the last four years. Despite efforts to control costs, including a hiring freeze, expenses have continued to increase faster than revenue.

Even with the hiring freeze, rising salaries have

continued to be the largest factor in OMVIC's increasing expenses. The UCDA has made the point that OMVIC should look to cut its costs and explore other alternatives before asking dealers and consumers to pay for them.

To get the opinion of Members, the UCDA sent out a short survey in late April, which could be completed on-line or by fax.

The survey asked respondents which option they preferred, and added a fourth ... **"None of the above"**.

Here are the results, based on almost 800 responses received:

- Increase Salesperson Fees ... 7%
- Increase Dealer Fees ... 9%
- Increase Transaction Fees ... 39%
- None of the above ... 52%

Note: Total is more than 100% as members had the option of selecting more than one answer.

We've let OMVIC know these results, but when all is said and done, OMVIC does not need the consent of dealers or the Ministry to raise fees. We hope that OMVIC will act reasonably, and going forward will exercise more fiscal restraint and limit the increase to as small an amount as possible.

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OMVIC Fee Increase Coming (Continued)

Even OMVIC acknowledges that, right now, it doesn't need all the money that a \$5 increase would bring in. So, if OMVIC's Board does choose to increase the transaction fee by the stated desired amount of \$5, we have suggested that this be done in a graduated way over the next three or more years, as the financial need arises.

For example, a \$2 increase this year, another \$2 increase, if needed next year or the year after that. Then a \$1 increase, if needed, after that. This would keep the amount of the fee increase in line with OMVIC's current needs, while also allowing for future increases, on an as needed basis.

We have also suggested that OMVIC could help dealers minimize the impact of any fee increase by allowing dealers to choose when to remit the fee. Dealers currently remit the fee along with their annual licence renewal, meaning a whole year's worth of transaction fees are remitted at once.

Dealers should be allowed to choose, if they wish, to remit fees quarterly, rather than all at once. This would avoid a huge annual hit for high sales volume dealers, who under the current payment remittance schedule, would be required to send in an enormous payment on renewal.

Importantly, the choice of whether to remit annually or quarterly should be the individual dealer's. No dealer should be forced to remit quarterly.

Many members who responded to our survey commented that they would like to see an exemption for the fee when it comes to all-in advertising ... and we agree. Dealers should be allowed to advertise a selling price, stating clearly and prominently, that "the price does not include taxes, licensing fee and \$_____ OMVIC fee" (whatever the final amount ends up being.) This would not mislead consumers, as it would be very apparent how much a buyer would be paying for the vehicle.

And we don't believe it would require a regulation change to implement the exemption. OMVIC could simply treat the fee the same way as vehicle licensing fees. All-in pricing is meant to prevent consumers from being hit with misleading extra fees. Like HST and licensing fees, the transaction fee is NOT misleading and ... most importantly, it is not kept by the dealer.

The UCDA has made these suggestions to OMVIC and we believe OMVIC understands our Members' concerns. We're cautiously optimistic that we can help ensure any increase that may eventually be implemented is as painless as possible for our Members and their customers.

Stay tuned ... much more to come!

Out-of-Province Buyers and Tax

Summer will soon be upon us and Ontario will be full of visitors from other Provinces. Some will even buy vehicles while they're here and either drive them back home or have them shipped by the dealer. We continue to get calls from dealers asking about taxes in either case.

If delivery takes place **in Ontario**, then 13% HST will apply to the sale, regardless of where the customer lives.

If delivery takes place **outside of Ontario**, the tax applicable to that Province should be charged.

Here are some common scenarios:

- If the customer picks the vehicle up in Ontario and drives it home, delivery takes place in Ontario ... charge 13%.
- If the vehicle is shipped out-of-province with the buyer shown as consignor on the bill of lading, delivery takes place in Ontario ... charge 13%.
- If the vehicle is shipped out-of-province with the selling dealer shown as consignor on the bill of lading, then delivery takes place in the destination province ... charge the applicable tax rate for that province.

For a summary of GST and HST rates in all Canadian jurisdictions please visit our website at <http://www.ucda.org/DealerInfo/OutOfProvince.aspx>. You can also download a Canada Revenue Agency Rebate Form for residents of non-HST provinces to claim a refund.

Capacity To Contract

You may recall we wrote about the arbitrary actions of the Office of the Public Guardian and Trustee in our last Front Line.

This was a case where that Office dropped a vehicle on a dealer's lot having made the decision, without a judge's order, that the dealer's customer did not have the mental "capacity" to enter into the contract to buy the vehicle.

Well, after 3 months of trying, the dealer had been unable to get anyone at the office to speak to them, even the dealer's lawyer could not get a reply.

But we finally did. It read in part:

"I cannot address the specifics of the matter ... I can advise that each case is decided on its own particular facts."

Not much of an answer. The car remains parked on the dealer's lot, and it remains unclear what will happen next.

Please contact our office if you are ever confronted with similar "facts".

Scams ... Stay Vigilant

Just because we haven't written about internet scams lately doesn't mean they've gone away ... not by a long shot!

Dubai ... United Kingdom ... United States ... Nigeria ... shippers ... cashiers cheques ... bank drafts ... wire transfers ... the email scams continue.

Remember, the scam artists usually don't want your car, they want your money ... and your money will be the only real money involved in the transaction!

One of our Members recently had this experience ...

After going back and forth with a guy by email for several weeks, this dealer felt comfortable enough to give the guy his banking information and ... surprise! ... he gets a bank draft deposit for almost \$100,000 U.S. dollars. The asking price for the car was only \$20,000, so the dealer was asked to send \$80,000 back.

If the dealer had done that, he would have been out \$80,000 for sure and possibly the car as well. It could take weeks for his bank to confirm the draft was fake at which point they would take the money out of the dealer's bank account.

Instead, because he was smart enough to call us first, he lost no money, but he will still need to change his bank account before the guy can use that information to create more mischief.

The best defence against these crooks is EDUCATION. Be skeptical ... question bad grammar, sight unseen purchases, large sums of money in excess of asking price, no haggle, rushed transactions and any situation where you are being asked to send someone money from your account.

Make certain everyone understands the dangers that lurk in cyberspace and protect your dealership from becoming a victim.

Anti-Spam Enforcement ... A Question Of Trust

In April's Front Line, we wrote about the million dollar plus fines being levied by the Canadian Radio-Television and Telecommunications Commission ("CRTC") against a company electronically contacting other businesses without consent.

On the heels of that, we started getting calls from

UCDA Members who had received an email from a company called "DealerTrust". They list dealers on their website and whether the dealer is a "DealerTrust Certified Dealer". It's unclear what the criteria for certification are, but it involves the payment of a fee.

Dealers who haven't paid the fee are not rated.

Aside altogether from the "certification" issue, the unsolicited emails may violate Canada's new Anti-Spam Law. Many Members who had never done business with DealerTrust and had never contacted this company were receiving these emails. These Members had no idea how DealerTrust got their email addresses to send their 'invitation'.

For more information on spam email, a visit to: <http://fightspam.gc.ca/eic/site/030.nsf/frm-eng/MMCN-9EZV6S>

You can also make the CRTC aware of spam you've received by sending the CRTC an email, with details, to spam@fightspam.gc.ca

The CRTC has shown a real willingness to act on complaints.

Remember: ANY electronic message sent for a commercial purpose (this includes offers or coupons, alerts to a business opportunity or sales) MUST have the consent of the recipient. This applies to business to business communication as well as business to consumer.

Do Motorcycles Need Disclosure

With the return of Spring, we've had a number of inquiries recently about whether motorcycles are subject to the same disclosure requirements as other motor vehicles. The short answer is "Yes".

On road motorcycles are considered to be motor vehicles, just like cars, trucks, SUVs and vans. Therefore the same MVDA disclosure requirements apply (within reason ... obviously disclosing the replacement of two adjacent quarter panels won't apply).

Some of the most common MVDA required disclosures that may apply when selling used motorcycles include:

- Structural Parts repaired, replaced or altered. Front forks, frame parts, handle bars
- Have original production specifications been changed. Redoing engine specs, enhanced or changing exhaust pipes
- Theft recovered

These disclosure requirements apply to both retail and wholesale sales, including sales at auctions.

UCDA Members Receive NAPA Loyalty Rebates



Thanks to you, 2014 was another great year for Members enrolled in the NAPA parts program. The UCDA is always looking for ways to give back to our Members and you helped make that possible.

In April, \$1.5 million dollars in loyalty rewards were returned to UCDA Members, proving that the NAPA parts program is a highly valued member service.

To receive a rebate next April, you need to be in the program for 2015. Contact the UCDA to arrange a meeting with the UCDA Member service adviser in your area.

Some of the UCDA Members who received rebate cheques include:

1 Garston Motors
Heesh & Andy
Lebada

2 Indian River
Auto Works
Mike Maybee

3 J.J. Stewart
Chrysler
Mark Stewart

4 Eastway
Automobiles
Daniel Bedard

5 Tilbury Auto
Sales
Tom Mayhew

6 N & R Garage
Rick DiBiase &
Luciano Galloro

7 North York
Motors
Tony & Cecil
Cicchelli



What are your customers looking for? Find out using Inventory Report from Carpages.ca

Inventory Report gives you an activity snapshot of your vehicles. It shows you which vehicles are getting the best results, and which vehicles can be tweaked to stand out more.

To see your Inventory Report, follow these steps:

Step 1 - Sign into Dealer Dashboard (www.dealerdashboard.ca)

Step 2 - Select Reporting

Step 3 - Select "Inventory Report"

"I would recommend Carpages to any dealer who is looking to get more leads and close more deals for an unbelievable price. If you are a car dealer, going with Carpages is a no brainer!"

– Ray Samji,

Imports Auto Sales in Newmarket

Photo	Year	Make	Model	Trim	Category	Added	Updated	Days In System	Stock #	Colour	Price	Odometer	Views
	2009	Chevrolet	Impala	LS 3.5L NO ACCIDENTS, SUPER RELIABLE!!	Sedan	Dec 31, 2014	Jan 08, 2015	7	9186	Gray	SOLD \$8,988	83,826 KM	170
	2005	Chevrolet	Epica	LTZ ROOF, LEATHER, ONLY 113,122 KM, NO ACCIDENTS!	Sedan	Oct 27, 2014	Feb 23, 2015	13	9169	Black	\$4,988	113,122 KM	620
	2005	Toyota	Sienna	CE ONE OWNER! SEATS 7! NO ACCIDENTS!	Minivan / Van	Oct 27, 2014	Oct 31, 2014	13	9174	Silver	\$8,988	133,046 KM	479
	2003	Hyundai	Sonata	GL ONLY 44,784 KM, ONE OWNER NO ACCIDENTS!	Sedan	Oct 27, 2014	Nov 28, 2014	13	9177	Silver	SOLD \$6,988	44,784 KM	323
	2005	Lexus	RX 330	PREMIUM NO ACCIDENTS! SUNROOF AND LEATHER!	SUV / Crossover	Sep 30, 2014	Oct 28, 2014	16	9175	Light Blue	\$12,988	132,360 KM	827
	2010	Mazda	MAZDA3	GX ONE OWNER! OLY 57,365 KMS AND NO ACCIDENTS!	Sedan	Sep 16, 2014	Dec 31, 2014	17	9167	Blue	SOLD \$11,988	57,365 KM	512

This report gives you a complete breakdown of every vehicle advertised and shows you the date the vehicle was first advertised, when the vehicle information was last changed, how many days the vehicle has been advertised for, and how many views the vehicle has had.

You can also sort this report by clicking on a column heading. For example, to sort the report to show vehicles that have been advertised the longest, click on the "Days In System" heading. To see vehicles with the most number of views, click on the "Views" heading.

If you aren't already advertising with Carpages.ca, give us a call today and give your sales a boost: 416-848-0710 or 1-866-567-2437. You can also find out more by going to www.carpages.ca/inquiry.

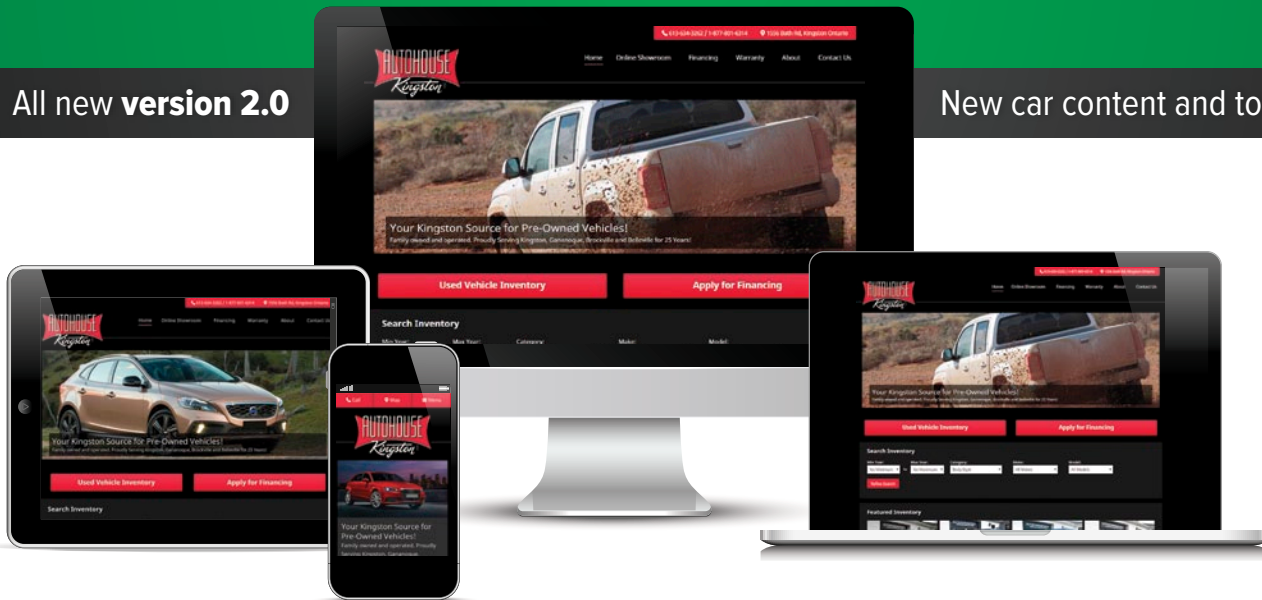
Three simple way to increase your views:

- Add photos if the vehicle doesn't have any, or upload additional photos
- Add a price if the vehicle doesn't already show one (consumers don't want to see cars without prices)
- Add a written description to the vehicle – be creative and write something that will catch people's attention

your site + any device = more views

All new **version 2.0**

New car content and tools available



Why choose DealerSite+ from Carpages?

- 1. Responsive design:** Your DealerSite+ website will work on all devices: desktops, laptops, tablets, and smartphones. It automatically adjusts based on screen size, which means reaching more car buyers, which means more business for you.
- 2. Fully customizable:** You aren't forced to choose from a handful of standard templates. Your site is fully customizable and will be designed to communicate your unique message.
- 3. Cost effective:** Save hundreds of dollars each month compared to alternative website providers. "All-in pricing" means you don't pay extra every time you request a change/update to your site.
- 4. Flexible:** You choose between a contract and/or an upfront design fee or a combination.
- 5. Amazing customer support:** We provide you with a dedicated team to support all your website needs. No question or concern is too simple or complex to handle – and we are known for fast turn-around time.

What do dealers have to say about DealerSite+ from Carpages?

"Carpages is great! They have amazing products (Carpages.ca used car listings and our new website) at way lower prices than their competitors. We've left the competition and we're still getting great leads and saving tons of money each month. I would strongly recommend Carpages to any dealer."

– Bradie Johnston,
General Manager, Autohouse Kingston

"Every Kia dealer in Canada should use Carpages for its website – their price, support and technology are unbeatable!"

– Sebastian Pareja,
General Manager, Cobourg Kia

Get Started with Carpages.ca today!

Online: www.carpages.ca/signup

Call Us: 416-848-0710