



August 2021 Bulletin

Pass Me Along to Share with other Stations!

ASSOCIATION CONTEST

CONGRATULATIONS TO THE JULY 2021 CONTEST

WINNER C & A AUTO OF MAHOPAC, NY. Please read through this bulletin for your chance to win!!! Call the office with the correct answer to the trivia question and you will be entered in the monthly drawing for a chance to receive a free month's dues; a value of \$45.00.

ATTORNEY'S CORNER

In last month's column we discussed actual sales and purchases of gasoline service station sites. Those caveats apply equally to the next subject - LEASES

What is a Lease?

A Lease is an agreement, usually written, between the Lessor and the Lessee, which allows for the conveyance of property to the tenant under a contract and confers usage and control rights to the tenant for the duration of lease. A Lessor is the owner of an asset that is leased, or rented, to another party, known as the Lessee. Lessors and Lessees enter into a binding contract, known as the lease agreement, that spells out the terms of their arrangement.

This is the legalize. In short, it means a written agreement between Landlord and Tenant for the use of Landlord's property in exchange for payment of rent.

Advantages of a Lease:

The primary benefit of leasing a gas station with a convenience store, is that it takes a lot less capital to lease than to buy. There's usually no need to get a loan for the debt unless you plan extensive renovations. If it doesn't work out, even though costs may be involved, it's easier to end the deal and move on because you don't have to sell the site if you owned it. However, you need to understand that you can't stop paying rent or break the lease without consequence.

Negotiating a Lease:

In negotiating your Lease, you should consider the rights and duties of yourself, as Landlord or Tenant as the case may be. Currently, gas stations and their corresponding convenience stores are some of the most profitable businesses in the United States. Across the country, there are over 100,000 gas station/convenience stores which bring a cumulative of over \$400 billion revenue each year.

This should be your guide - what do you want to do and how do you want to do it and what is your risk tolerance? We will discuss a Lease for a convenience store and/or a gasoline filling station. A gas station with Repair Bays is a whole different circumstance.

Lease Clauses to Consider:

Rent

Is the rent increased by the CPI or subject to an annual increase according to a rent schedule regardless of the CPI?

Lease Term

What is the term of the lease? If you are doing renovations, you would want the initial term to be as long as possible in order for you to amortize your renovation expense.

What are the renewal options and is there a separate option to purchase the property in favor of the Tenant?

Condition of Premises

Is the Tenant taking the premises in "as-is" physical condition?

Subleasing

Can the Lease for a convenience store and/or a gasoline filling station be considered very pro-Tenant in tone? (Unlikely but one never knows!) For example, does the use clause permit the Tenant to use the premises for any lawful use (consider failure of the C-Store), and does the Assignment and Sublease article permit the Tenant to assign the Lease or Sublease the premises without the Landlord's consent? (Good escape clause).

Right of First Refusal and Renewal

Does the Tenant a right of first refusal to purchase the property? What are the renewal options and is there a separate option to purchase the property in favor of the Tenant?

Helpful Information

We attorneys at the Association are here to help you. We can also give you advice as to selling your property.

A Lease review is not charged since reviews are part of the Association Legal Plan. Lease negotiations and property sales and purchases are charged but the fees are usually 50% of what you would normally pay. Contact us. Call the Association for a formal docket number.

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August 2021 Bulletin



EXECUTIVE ORDER ISSUED ON RIGHT TO REPAIR

President Biden recently issued an executive order addressing right to repair concerns and repair barriers. Biden signed the order as part of a plan to boost competition across numerous sectors, from healthcare to the auto industry, online platforms, and consumer devices. The order also aims for better regulatory support for independent automotive repair shops.

Right to repair remains a top priority for SSDA-AT. The association has been working with other industry groups and the FTC on this initiative.

SSDA-AT thanks the administration for recognizing the importance of right to repair to ensure consumers have access to the repair shop of their choice.

The order is aimed at promoting competition in the United States and is sure to give a boost to the right to repair movement.

News of the recent executive order are encouraging, and SSDA-AT is enthusiastic about the attention this is bringing to the issue. For years, SSDA-AT has pressed Congress for federal action with some interest but little movement.

SSDA-AT urges the Administration and the FTC to take strong actions to reduce anti-competitive barriers to repair for our industry so that we can continue to service our customer's vehicles.

SSDA-AT members continue to be challenged in providing repair maintenance without the proper information. Many of these issues facing the vehicle aftermarket were outlined in the recent FTC report entitled "Nixing the Fix, a Report to Congress." On June 30, SSDA-AT, Auto Care Association, along with five other automotive aftermarket trade groups, sent a letter to the FTC calling for the Commission to take action to address concerns outlined in their report.

SSDA-AT will work with the FTC on the executive order, and we will continue to explore options for federal legislation that would support the motor vehicle owner's right to repair. Right to repair remains a top priority for SSDA-AT members and a national law would provide for much needed clarity and direction in vehicle repair.

AFTERMARKET GROUPS PRAISE FTC ON "NIXING THE FIX REPORT," CALLING FOR ACTION TO IMPLEMENT ITS FINDINGS

SSDA-AT, along with six other aftermarket trade groups, sent a letter to the new chair of the Federal Trade Commission (FTC) on June 30 expressing appreciation to the FTC for findings and conclusions of the recently released report entitled "Nixing the Fix: An FTC Report to Congress on Repair Restrictions." The report highlights the barriers that face consumers when they seek independent repairs, including from independent motor vehicle service facilities.

The aftermarket groups state in their letter that "the report accurately describes the extensive breadth of problems vehicle owners face and recognizes that the commission can take certain steps relatively quickly without further statutory authority." The aftermarket trade groups included a list of recommendations that the commission could undertake immediately and also included suggestions for more substantive actions that may require congressional action.

The recommendations to the FTC included:

- Improve consumer education and compliance assurance with the Magnuson-Moss Warranty Act (MMWA), which prohibits the conditioning of warranties with the use of original equipment parts or service.
- Eliminate manufacturers' marketing practices that discourage the use of non-original equipment parts or services.
- Develop better enforcement tools that the commission can undertake to better ensure compliance with MMWA.
- Advocate for new legal authority that would expand the scope of MMWA to include commercial vehicles.
- Obtain legislation that would provide vehicle owners with access to data transmitted by their vehicle and provide them the ability to have that data made available to the independent repair shops where they have their vehicle repaired.

August 2021 Bulletin



PEOPLE. PRINCIPLES. RESULTS.

Elite's October 12-15th **Fly With the Eagles** **The industry's most powerful** **shop management course**

This is a 4-day course, with each day devoted to a new topic, but you have the option to pick and choose the days you'd like to attend.

October 12th-15th, 7:00am – 5:00pm
Indianapolis, IN

After attending this comprehensive course for shop owners you will be able to

- Fully understand your shop's financials and key performance indicators
- Find and hire superstar service advisors and technicians
- Fill your bays with the right kind of customers through new marketing programs
- Turn your existing employees into self-motivated superstars
- Utilize your step-by-step Action Plan to ensure your ongoing success

- Day 1 – Understanding KPIs & Profit Centers
- Day 2 – Find & Hire Superstar Employees
- Day 3 – Turn Your Employees Into Superstars
- Day 4 – Marketing Auto Service

JASPER, Mitchell I and BOLT ON TECHNOLOGY customers are entitled to a \$400 discount on this course!
Just call 800-204-3548 to learn more.

This AMI-accredited course has one objective: to help you create a more profitable, successful business! Bob Cooper built this course from the ground up based on his own success as a shop owner and his experience in helping thousands of other shop owners go right to the top.

This series is now presented by Joe Marconi and Kevin Vaught, who have both experienced extraordinary success as shop owners as well, so it's no surprise that *Fly With the Eagles II* is heralded by many industry leaders as the most powerful shop management series available to shop owners and general managers.

PHILADELPHIA CBP SEIZES NEARLY \$300K **IN COUNTERFEIT AUTO PARTS FROM** **CHINA**

Distracted drivers aren't the only vehicle threats on our nation's highways. Count the proliferation of counterfeit vehicle parts as potential safety hazards too.

U.S. Customs and Border Protection officers in Philadelphia seized a counterfeit Chinese cache of vehicle parts July 14 destined to an address in Feasterville-Trevoze, PA.

The shipment arrived June 4 and consisted of 5,657 pieces that included vehicle door locks, hinges, powered mirrors, steering wheel switches, headlights and taillights, grills, rear bumpers and paint kits. CBP officers suspected the auto parts to be counterfeit and detained them.

Officers consulted with CBP's automotive experts at the agency's Centers of Excellence and Expertise who worked with trademark holders and confirmed July 7 the automotive parts were counterfeit. Officers completed the seizure July 14. The manufacturer's suggested retail price of the automotive parts is \$295,052.

"Unscrupulous repair shops and greedy internet vendors that value profits over safety place motorists in severe peril," said Keith Fleming, CBP's acting director of field operations in Baltimore. "Customs and Border Protection officers will continue to intercept counterfeited or pirated goods because we want consumers to be confident in knowing that the products that they purchase are safe for themselves and their families."

CBP encourages consumers to protect themselves and their families by always purchasing safe, authentic goods from reputable vendors.

CBP protects businesses and consumers every day through an aggressive Intellectual Property Rights (IPR) enforcement program. Importation of counterfeit merchandise can cause significant revenue loss, damage the U.S. economy and threaten the health and safety of the American people.

On a typical day in 2020, CBP officers seized \$3.6 million worth of products with Intellectual Property Rights violations.

Source: CBP

August 2021 Bulletin

WHY 75% OF VEHICLES ON ROADS MAY SOON BE ZERO-EMISSION

The automotive aftermarket will likely need to prepare for a large influx of zero-emission vehicles in a relatively short amount of time if a new report's findings play out as it predicts.

Upwards of three-quarters of passenger automotive vehicle sales in Canada need to be zero-emission vehicles by 2030 if the federal government is to achieve its emissions targets, according to a report from the C.D. Howe Institute.

Today, zero-emission vehicles account for just 3.5 per cent of sales. This would require "a complete transformation of Canada's passenger vehicle market," C.D. Howe said in its summary of the report, *Driving Ambitions: The Implications of Decarbonizing the Transportation Sector by 2030*

Canada would need about 7.7 million electric or other no emission-vehicles on the country's roads in 2030 — equal to 30 per cent of the total vehicle parc in Canada — to cut enough greenhouse gas emissions to achieve Ottawa's climate plan announced in December 2020.

Source:CPB

REFERRALS

If you know of a station that needs our services and is interested in becoming a member, refer them to us and upon signing you will receive a \$50.00 Amazon gift card. If you know of someone interested, please contact our Sales Representative Bill Griese at 914-227-0144.

WELCOME NEW MEMBERS

Kisco River Auto
Mt. Kisco, NY

Village Auto Repair
Harriman, NY



Check out our
Facebook page
@SSDGNY

CLASSIFIEDS

For Sale: Powersports Dealership for sale, Motorcycles, ATVS, UTVS, Snowmobiles, Generators/power washers. Parts & Service dept. 8500 sq. ft. building on 8 acres. Rent or buy. Kawasaki and Arctic Cat, Kymco, Generac generators. We're located on the Newburgh/Marlboro NY, RT 9w. High traffic. Check our website bigboyztoysny.com Call Tony 845-781-3082.

For Sale: NYS Insp. machine & license in Orange County. Asking \$20,000 or best offer. Please call Greg at 845-782-2505.

For Sale: On major state highway. Established Automotive business in the CATSKILLS. Body shop offers 4 plus bays, spray booth w/ complete inventory. Plus, Log home w/3 beds 2 + baths FDR, FIREPLACE. Too much to list. Owner retiring. Priced to sell \$549,000. 845 586 4882.

For Sale: Dutchess County. Selling NYS Inspection License and computer unit for the sum of \$35,000.00. Please contact Thomas DiPerno at T & D Auto Repair (845) 831-6120 between 8am and 3pm Mon – Fri, if no answer, please leave a message.

For Sale: NYS Inspection Machine & License including window tint meter. Westchester, Asking \$20,000 obo, call Ed at 914-659-0453.

For Sale: Auto repair shop of over 30 years closing. All equipment & tools for sale. Call Ed at 914-659-0453.

For Sale: Auto body repair shop in Town of Clarkstown, Rockland County. In business over 50 years. State of the art spray booth able to service small trucks and school buses, mobile spray booth, new diagnostic scanning system, wheel alignment machine, solvent and water-based paint system, brand new lift. Too many new items to list. Serious inquiries only. 845-548-7064, text or leave message. Will get back to you asap.

TRIVIA QUESTION

About how much money was seized in counterfeit autopart? Call the office with the correct answer for a chance to win a free month's dues.

I hope you enjoyed reading this month's bulletin.

Regards,

Carla Obalde

Operations Manager