



NAEDA Update

NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION e-newsletter

Wednesday, September 08, 2010

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Legislative & Regulatory News

TAKE ACTION: Repeal IRS Form 1099 Amendment

NAEDA, as well as other associations and businesses have been advocating a total repeal of the IRS 1099 reporting provision included in the health care reform bill signed into law this year. It is our understanding, the Senate will vote next week on an amendment offered by Sens. Mike Johanns (R-NE) and Blanche Lincoln (D-AR) to H.R. 5297 that would eliminate the 1099 reporting provision.

Section 9006 of the *Patient Protection and Affordable Care Act* requires all businesses to begin issuing IRS 1099 forms to any business that receives goods or services worth more than \$600 in a given tax year. Currently, Form 1099 applies to the value of services purchased, but the new law expands this to goods purchased. Unless this section is repealed, an estimated 40 million taxpaying entities, including equipment dealers, will be subject to this provision.



NAEDA requests that you contact your senators now and ask them to support the Johanns-Lincoln amendment to repeal the IRS 1099 reporting provision. To send a letter to your senators, [click here](#).

Federal Motor Carrier Safety Administration will hold listening sessions

The Federal Motor Carrier Safety Administration (FMCSA) will hold a public listening session to share comments about key challenges facing the motor carrier industry, issues facing stakeholders and concerns that should be considered by the agency in developing its next five-year strategic plan.

The notice invites written comments, suggestions and recommendations from all individuals and organizations about FMCSA's mission, vision and strategic objectives (goals) for the plan. NAEDA has submitted comments to the FMCSA and will submit additional comments about issues raised by dealers prior to the comment deadline date of Sept. 30. [Related story](#):

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CEO Blog

More than a handshake September 2010

It amazes me when dealers tell me they didn't read a contract or agreement before signing it. Typically, they will say something like, "I've never read XYZ Corp.'s contract before and we've been doing business for years, so why start now? I trust them." Or, I might hear the old standby, "We've always done business with just a handshake because I'm a person of my word." These responses are all well and good and I'm all over the integrity thing, but unfortunately the business environment of today calls for a lot more than a handshake or a quick signature on a legally binding document!

During the past several months, NAEDA and the affiliate associations collectively have worked closely with our legal counsel to review and improve several dealer contracts/agreements. Of course this process also requires the cooperation and involvement of the manufacturers to make it successful. In the final analysis of such efforts, our goal is to create a fair, commercially balanced agreement that lays out the responsibilities of each party. As you might expect, each party has a different business model and a different set of circumstances which weigh heavily on the discussions. We ultimately reach a compromise and all parties are generally better off than when the process started.

The point I am making is this. If the contract was fair and balanced to begin with, there would be no need for the process. However, the contract draft you get is usually unbalanced because the XYZ legal team drafted the contract to protect XYZ Corp. from all conceivable risks. This is not meant to be a negative comment on XYZ's attorneys ... it's their job to do just that. It's what they are paid by XYZ to do!

So, with that thought in mind, doesn't it make sense that you and your CFO, business partners or someone you trust, should read the document and know what you're signing? If you don't understand it **(and many contracts are difficult to understand because of the legalese, length and inter-relationship with other contracts)** find someone who can. Many dealers seek help from their affiliate association. If enough dealers call, the association contacts NAEDA, we then review the contract and then most likely send it to our legal counsel for their input. They are the experts and can assist all dealers (versus each dealer having to hire their own attorney). We have literally spent tens of thousands of dollars recently from our Industry Relations fund on just such matters for the benefit of all dealers. Of course, you also have the option to call your own attorney.

The bottom line is, there is simply too much at stake to not conduct your due diligence, read and understand a contract and work to

Industry & Manufacturing News

CPC agreement will lead to reintroduction of Snow King engines

Certified Parts Corporation (CPC) of Janesville, Wis. has entered into an agreement with LCT, (Liquid Combustion Technology) of Travelers Rest, S.C., to jointly manufacture air-cooled engines for the outdoor power equipment market. The agreement will provide CPC with engineering, manufacturing, and sales capabilities allowing it to reintroduce the Snow King line of snow thrower engines and other engines formally manufactured and sold by TecumsehPower. The engines will be exclusively represented by LCT, and sold under the Snow King, Lauson and LCT brands and serviced exclusively by CPC and the existing TecumsehPower dealer/distributor network. Traditionally, the Snow King line of engines has powered more snow throwers than all other brands combined. Financial terms of the agreement were not disclosed.

LCT's current horizontal 4-stroke gasoline engine product offering will be extended with this agreement and will also allow CPC and LCT to provide single cylinder and V-twin vertical engines to outdoor power equipment manufacturers. According to Larry Zeman, vice president of Winter Engine Products for LCT, "This establishes LCT as an engine manufacturer of choice as it continues to engineer a new generation of power.

LCT manufactures utility engines with sales and distribution operations throughout the United States, Canada, China, and Europe. For more information contact LCT at 1-877/274-2214 (Press 2) regarding the purchase of Snow King, Lauson and LCT engine models. Additional information on LCT can be found at www.LCTUSA.com.

Certified Parts Corporation purchased certain assets of TecumsehPower Company in 2009, and provides production engines and parts for TecumsehPower (Lauson) engines. In 2010, CPC purchased the assets of Hoffco/Comet and has restarted production in their Wisconsin facilities. CPC is also a large supplier of vintage parts for the recreational vehicle industry. More information regarding CPC can be found at www.CertifiedPartsCorp.com or by calling 608/752-9441 ext 10.

Manufacturing expands while construction falls to lowest level in a decade

www.businessweek.com/news/2010-09-01/construction-spending-in-u-s-fell-twice-as-much-as-forecast.html

Mahindra USA adds director of new business and dealer development

www.mahindrausa.com/news.php

IRON Search award to recognize preferred ag tractors

www.prweb.com/releases/2010-IRONsearch/ProducersChoiceAward/prweb4440594.htm



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NAEDA & Association News

Canada West and The Western Producer newspaper team up to address ag technician shortage

Canada West has partnered with *The Western Producer* newspaper to address the ag technician shortage facing Canadian equipment dealerships. *The Western Producer*, Canada's largest agricultural publication, is running a series of full color ads, which expresses the newspaper's support of the Canada Equipment Dealers Foundation's scholarship program, which help students become ag technicians.



T9060 New Holland

We're putting more ag technicians in your local dealership.

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The ads carry the message, "We're putting more ag technicians in your local dealership. *The Western Producer* is proud to support the Canada Equipment Dealers Foundation and its scholarship program. Through the awarding of scholarships, more employees specifically trained for equipment dealerships are being brought into the industry. *The Western Producer* has been serving farm families since 1923 and is pleased to work with equipment dealers across Western Canada to strengthen the CEDF scholarship program."

"Canada West greatly appreciates the interest *The Western Producer* has shown towards this critical issue," said John Schmeiser, executive vice president of the Canada West Equipment Dealers Association.

To learn more about the Canada Equipment Dealers Foundation and its scholarship program, visit http://www.cweda.ca/About_CWEDA/CEDF.htm.

KPA reminder: EEO-1 reports are due Sept. 30

For those employers required to complete an annual EEO-1 report the deadline is fast approaching and Sept. 30 will be here before you know it. Any employer with 100 or more employees or those employers who are federal contractors or subcontractors must file the report. [KPA >>](#)

get a balanced contract that fairly allocates the risks and benefits. Otherwise, you could lose your entire business and, in many instances, other assets because of a personal guarantee. You must pay attention to what you are being asked to do and to what XYZ Corp. could do if you don't. As I said earlier, integrity and trust are great attributes. In fact, we could use more of both today. But, if you don't understand what you are signing -- or you sign an agreement that is unbalanced and commercially unreasonable without challenging it -- then shame on you!

Recently a dealer called me who was being cancelled for violating his contract. He was adamant that it was not his "intent" to violate the contract. Unfortunately, he didn't understand what was in the contract and did not have the management controls in place to stay in compliance with the contract, and it cost him his business.

Think this can't happen to you? Think again. Your best defense is to understand the contract BEFORE you sign it. DO NOT sign it until you DO! I may be preaching to the choir, but I'll keep putting the message out there until it breaks through. And don't take my word for it ... talk to "ex" dealers who didn't read and understand a contract and then maybe you'll be convinced. We want you to succeed, but you have to do your part. READ and UNDERSTAND the contract -- and that's the way I see it!

Paul Kindinger is president/CEO of the North American Equipment Dealers Association. The association, in coordination with affiliated state, provincial and regional associations, provides educational, legal, legislative, and financial services to approximately 5,500 retail agricultural, construction, large property/rural lifestyle, and outdoor power equipment dealers in the United States and Canada.

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The North American Equipment Dealers Association provides educational, legal,

Help "Trees for Troops" win a Pepsi Refresh grant

Drake & Company, an association management company that runs the National Christmas Tree Association, sponsors "Trees for Troops" each year. The organization provides Christmas trees to military men, women and families who are based at more than 50 military installations across the United States. The gift of a tree brings a touch of home to these families and allows them to spend their hard-earned money on holiday gifts instead of a Christmas tree.

You can support the cause by helping "Trees for Troops" get into first place in the Pepsi Refresh project so the organization can win a \$250,000 grant, which would allow it to provide Christmas trees to more military families. "Trees for Troops" is currently 93rd in the voting. Only the top two vote getters will win a Pepsi Refresh grant. To vote, visit <http://t.co/uHxEfON> or text your vote by cell phone. Text 102662 to Pepsi (73774). Set a calendar reminder to vote daily. The voting period ends Sept. 30.



Canadian News

Bid for PotashCorp raises concerns

Farm groups and politicians are concerned about the potential takeover of Potash Corporation of Saskatchewan, the world's largest fertilizer manufacturer, by BHP Billiton, an Australian multinational. [The Western Producer >>](#)

Federal bioblend rules to hit gas stations in December

New federal requirements for biofuel content in Canadian gasoline will officially kick in Dec. 15. The government has finalized its regulations, which call for an average renewable fuel content of 5 percent in gasoline sold at Canadian pumps. [The Manitoba Cooperator >>](#)

Slow U.S. economy crimps Canadian hiring

Optimism about hiring is improving, though most Canadian employers don't anticipate much change in staffing levels as the outlook for the U.S. economy remains shaky. [CTV News >>](#)

Ontario may see record winter wheat acres

With drought conditions in Russia causing wheat prices to soar, producers in Ontario are preparing to sow what could be the largest winter wheat crop in their province's history. [Alberta Farmer >>](#)

legislative, and financial services to approximately 5,500 retail agricultural, construction, large property/rural lifestyle, and outdoor power equipment dealers in the United States and Canada.

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Sept. 30 - [California HR Compliance Update](#)

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