

**Carousel Epistles VII**  
2025

These are memos that I have written over the years to all my clients.  
I thought that I should package the important and still relevant ones into one place.  
This is that place.  
The memos are listed newest to oldest.  
For memos dated before 2024, please see Carousel Epistles I, II,III,IV,V. And V.I

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## 2/10/25 -- Networking Problems

I have two Windows 11 computers in my office, aka spare bedroom.

G is Windows 11 pro.

E is Windows 11 home and is the server for computer G.

This is similar to my clients that have more than one computer.

One of the computers on the network has the database, the other needs to connect to the database over the network.

In this case G is the client, and E is the server (with the database).

When Microsoft does a major update, which it does now about twice a year, sometimes the networking will stop working.

This happened to me a couple of days ago.

My E machine had updated to 24H2 a week ago, with no problems.

Two days ago, my G machine updated to 24H2, and it could no longer connect to the E machine over the network.

I hacked away on it for several hours, but broke my pick.

So I called my IT guy, Mario, who many of you have met and used for IT stuff.

It took him maybe half a hour to try a bunch of things, but he finally got it working.

Of course, I had no way to copy what he was doing, or for the most part, understand what he was doing.

But he got it fixed.

The issue was when you try to connect to the remote computer, you get the message "You can't access this shared folder because your organizations's security policies block unauthenticated guest access."

Not very helpful, but there you are.

Microsoft says they do this because they are improving the security of your systems.

Obviously, if even YOU cannot access your own computers, some bad guy probably can't do it either.

I kind of know two of the things that Mario did, and I think only one of them ended up being significant.

But this is not my thing.

Above my pay grade.

Mario said that it would have been a lot easier to deal with if all the computers were running the Pro version and not the Home version of the operating system.

But almost all of my clients Do run the Home version because it is \$100 cheaper than the Pro version.

The Pro version is mostly needed where you have a Domain network, and none of my clients have that.

SOOOO -- the point of this letter ->

If you have this kind of a problem, PLEASE CALL MARIO AT 509 499 4937.

Or contact him through the email address at the top of this memo.

He will be happy to help you, but keep in mind, he is not free like I am.

He has to run a meter when he helps out, because, well, that is what he does as a business.

You guys do not give free car rides to customers, and he does not give free help to his clients.

(I get paid when you sell a car, and that is why i do not send out a bill every time you ask a question.)

### **3/20/25 -- Did you get cash above \$10K?**

A recent (August 2024) issue of the WSIADA Front Row newsletter talks about selling a car for actual Cash.

It has always been true that you have to fill out IRS Form 8300 when you do this.

Carousel has this form in its database, as its form 50210/11 (individual pages) or 50212 (both pages).

What this article said was new to me:

#### **WHAT'S NEW ABOUT THE RULE?**

First of all, starting Jan. 1, 2024, dealers must electronically file Form 8300 if they are required to file certain other information returns electronically, such as the 1099 or W-2 forms. Dealers must examine this part of the rule.

I don't know how you would do this, but if you do already file stuff electronically, you probably already know how this would work too.

(Note -- I cannot send you the whole article, since it is copyrighted by WSIADA.

I might be able to read it to you over the phone if you are really interested in the whole thing.)

### **3/21/25 -- Catalytic Converter Marking**

You will be happy to know that your Washington legislators have been busy on your behalf.

One of the things they have done was to create RCW 46.70.350.

Starting on April 1st, the state requires you, the dealers, to mark a vehicle's catalytic converter with the last 8 digit of the VIN.

If you don't want to do that, you can get a waiver from your buyer.  
For dealers with a shop, marking the thing is probably the easiest option.

Carousel now has such a waiver available for you to use.  
It has been blessed (and parts rewritten) by a lawyer.  
I can download this to you on request..

To charge the buyer a fee for doing the marking (as allowed by the RCW), you can use the Additional Items feature already in Carousel. I can send out some instructions on how to do this if anybody needs that.

WSIADA will also have such a waiver, but it will probably be hard copy printer (eg Okidata) only.  
Carousel's is laser (or Ink Jet) printer compatible.

By the way, since WSIADA's next local meeting is April 8, maybe you can persuade WSIADA to start issuing their forms in a Laser compatible way.  
I have been trying to get them to do this for like 15 years, but I am just a small voice crying in the wilderness.

So, anybody that wants to get rid of their OkiDoki printers, think about going to this meeting, 6PM, Hilton Gardens in Airway Heights, Tuesday April 8, and tell WSIADA to move into the 21st century. It is free to go to, and they usually have really good cookies. And veggie plates. I also like their pens and tablets, and steal several of them every time I go. Along with more cookies. If you want three hours of brownie points for your license, then that gonna cost you a few bucks.

Or if you have already got rid of those clunky printers (by using our Carousel forms), go there and pound the table so that Carousel does not have to shell out huge legal fees to generate these documents every time they come out.

Following is the lovely to read text of the RCW that created this fun thing.

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RCW 46.70.350

Catalytic converters marking. (Effective April 1, 2025.)

(1) A vehicle dealer shall, prior to the sale and transfer of a vehicle, offer the purchaser the option to have the dealer clearly and permanently mark the last eight digits of the originating vehicle's vehicle identification number on the vehicle's catalytic converter unless such marking already exists on the catalytic converter, the catalytic converter is not in a location where it is clearly visible and readily accessible to mark without the need to remove parts from the vehicle, or the vehicle is sold at wholesale. A clear and permanent mark applied by permanent marker is sufficient. The vehicle dealer may add a fee to the sale price for the marking if separately delineated and clearly marked.

(2) If a consumer elects not to have the vehicle dealer mark the vehicle's catalytic converter as

provided in subsection (1) of this section, the vehicle dealer must provide the consumer a disclosure written in a typeface that is at least as large as the typeface used in the standard text of the document that contains the disclosure and that is boldfaced, capitalized, underlined, or otherwise set out from the surrounding material so as to be conspicuous that (a) the purchaser is knowingly purchasing the vehicle without clearly and permanently marking the catalytic converter prior to the sale and transfer of the vehicle; and (b) the purchaser acknowledges and understands that catalytic converters must be marked as provided in RCW 9A.82.180.  
[ 2024 c 301 s 12.]

#### **4/4/2025 -- laser ODO form dated 7/2021**

A client asked if the (sort of) new laser odometer forms dated 2021 would work when the date in the Carousel system for laser odos shows 2015.

I thought I had sent out a memo on this a couple of years ago, but I cannot find it in my archives. So it must not have existed, or I hallucinated it, or maybe it is there and I looked in the wrong place, or ....

While the date on the laser odo form has changed, so far as I can tell none of the fields have changed or moved.

Probably somebody changed a comma or a period somewhere in the printed text.

So if you get a new batch of Laser odo forms, you can continue to use Carousel form numbers 60012 and 60016 and 60023.

If you want to change the date on the display, call me and I can walk you through it.

#### **4/7/2025 -- New Forms and the WSIADA meeting**

I mentioned earlier that Carousel has a Catalytic Converter Waiver form.

WSIADA has just released their form.

Technically you need an okidata, but there is nothing on there to enter but a date and a signature. So you can easily fill it out by hand.

My form has just the waiver for not putting the vin on the converter.

If you actually do put the vin on the converter, in Carousel you would just create an optional item for that process, and that would show up on the purchase order.

Their form gives you three options (put it on, waive or cannot reach the converter).

There are now new Out of State forms for buyer and seller.

Actually, they are a couple of years old, but I did not know about them till now.

If you use Carousel forms 80123,4,5,6, then I can just email the forms to you and you can install them yourself.

If you use one of the older forms (in the range 80119-80129 other than the above) I would have

to dial in and deal with it.

Which brings us to Tuesday night's WSIADA meeting at the Hilton Garden Inn, Airway heights, 6pm. Free to attend, they have goodies, and if you want brownie points, it will then cost a few bucks.

More importantly, it would be nice to somehow convince WSIADA that the Okidata printer, which was a great tool for 1980, is really obsolete now.

There is a laser ODO form.

There is a laser R&R contract.

All the carousel produced forms come out on plain paper with a laser printer.

There is no reason why there could not be a laser version of all their other forms. And let them still make a buck on the production of these forms.

Except that -- there aren't any.

I have been trying for at least 15 years to get them to do something about this. Crickets.

If enough people bang some drums at these meetings, maybe we can get WSIADA to produce these forms where you do not need flintstone's era technology to print them with.

## **4/11/2025 -- WSIADA local meeting, April 8, 2025**

WSIADA local meeting, April 8, 2025

There were about 20 people attending, including one current client and four ex clients.

We no longer meet at the Hampton Inn because they no longer provide food, especially those dreamy, absolutely wonderful, chocolate chip cookies.

There was some talk about having these meetings in the Valley, but wherever we meet, there has to be FOOD. And cookies!

Only the WSIADA director, Rick Olson, presented. But he had a lot to talk about, and the meeting kept going till after 8:30 (started at 6PM).

There is a new Wenatchee chapter being created.

Spokane still does not have a chapter leader, although maybe there is somebody who can raise their hand a tiny bit.

WSIADA will be coming out with some online new dealer education.

Future New Dealer seances will be one live and one digital meeting per year.

This will help dealers in rural areas.

### Association Activities

- There will be only one annual meeting this year, because the East Coast meetings (held here in Spokane) the last couple of years have had really tiny attendance. The next annual meeting will possibly be in the middle of the state.
- WSIADA is working with the Washington State legislators to deal with DOL, curbstoning, e-titles, quick titles.
- The WSIADA web site will be somehow upgraded.
- We hope to expand our relationship with other associations, like maybe the new car guys.

### Legislature

- DOL currently does not enforce anything, and in fact has not had a dealer investigator in the area since 2020. That is supposed to change, and they will be enforcing things like expired tabs, temp plates in windows, and friendly visits to your dealership to look over your paperwork. DOL rather than WSP is in charge of dealer investigations. New investigators are being hired and trained.
- DOR will be auditing out of state buyers to make sure all that got done properly (and money collected, if applicable).
- A new bill will require DOL to email a notification if your license is revoked or suspended. This is to prevent fraud when some person impersonates an official and wants you to send bitcoin or be arrested. Same for dealer licenses.
- It was mentioned that if WSP would get on the case of people with expired or no tabs, etc, that a lot of the \$12B the state is in debt would go away.

## Predatory Litigation

Apparently there are some people, mostly on the West side for now, that are running around, finding somebody who has a beef with a car dealer (hard to believe that they could find anybody) and suing the car dealership, dealership owners, and dealership FAMILIES) for high six figure amounts. And mostly settling for low six figure amounts because the dealership just wants this to go away. That used to be called Ambulance Chasing. The state bar association is frowning on such behavior, and has set up a web site [wsba.org/for-the-people/concerns-about-a-lawyer](http://wsba.org/for-the-people/concerns-about-a-lawyer). The legislature is getting into this, making a law that if the predatory guy loses, he gets to pay the dealer's costs.

## Catalytic Converters

WSIADA is not real happy with this new law about making a dealer mark their Cat Converters. It is based on a California law. This is to make it harder for somebody to walk into a scrapyards with a bag of converters and get paid. It is also very difficult to extract the good stuff from the converters and have any legitimate scrapyards take that either. The problem with this, of course, is most dealers do not have lifts, and are not thin enough (or agile enough) to crawl under a car to do all this. The law says you can mark with a felt tip pen, but there are also hand held devices out there that will do the marking for you. Please see [catalyticconvertermarker.com](http://catalyticconvertermarker.com). Dealers do not have to do this if the converter is unreachable, like in a cage or with a heat shield surrounding it. Expect revisions to his rule in the future.

Dealer only auctions are exempt from the rule, so forget about getting DAA to handle this.

## FORMS

I made a pitch (privately) to get WSIADA to produce laser ready forms. It seems that Rick did not know that the carbonless forms WSIADA produces will jam up a laser printer if you try to run these forms through one. I discussed a couple of ways that they could produce such forms and still collect on their Intellectual Property, eg copyright. He said that every time he thinks about doing this, his lawyers get all excited and say there is no legal way that this can be done. Well, have you heard of the Laser ODO form that WSIADA already produces? That is one way. An encrypted PDF is another way.

#### **4/12/2025 -- CARS rule Thrown Out**

The FTC CARS rule has been thrown out by a court.

The Trump administration is probably not going to appeal it.

For more information, please see the April edition of the Front Row newsletter from WSIADA.

Since it is copyrighted, I cannot send it to you.

For more information on the CARS rule, I sent out a memo June 2024 on this subject.

It will be found below, with links.

Note that this is NOT the FTC Safeguards rule, that says you need to enhance your computer security by about a zillion times.

That one is still in effect.

#### **6/27/2025 -- Carousel Spanish language forms**

If you speak Spanish to any of your customers, as I understand it, you have to give them a Spanish language Buyer's Guide.

Carousel has had that for many years, currently as form 80305.

Recently I became aware of another Washington State form, a Spanish version of the Title app. The English version is 60033.

The Spanish version released by the state is our form 60117.

Note that this version is one release behind the current English version.

Once I got into that, I decided to try to convert some of my more important Carousel documents to Spanish.

My Spanish consists of reading Menus.

The only language I took in college was German, and I flunked that.

But there are now several translating applications, such as Microsoft CoPilot, Google Gemini, probably the other AI chat apps, that will do this.

This all came up because one of my dealers who has mostly Hispanic customers, asked for some forms to be included in my forms database, and once I dealt with those, I kept on going on these others. That dealer has looked at both the English and Spanish versions of these forms, and say that the AI Translators did an adequate job.

The forms I had translated are currently Washington forms.

If an Idaho dealer would like these, I can probably generate those as well.

So I took my Purchase Order (in English, form 70971) and had it translated, which results in form 70978.

Likewise, I had translated the Carousel loan contract form (in English, form 10993) to the

Spanish form 10994.

If you do not speak Spanish to your customers, you are off the hook for being required to use the Buyer's Guide or any other form in Spanish.

However, if you would like to give your Hispanic customers something they can read and understand, these forms may be useful for you and them, although other than the Buyer's Guide the law does not require you to have Spanish versions of any of these other forms.

If you want these forms, let me know with a reply to this email.  
I will send you the forms by email with instructions on how to install them on your system.  
If you have any difficulties doing this, then I can dial in and help you.

### **P7/27/2025 -- passkeys**

Passkeys are a replacement for user names and passwords.  
They some how sit in a deep dark place of your computer, and come alive when you need them.

I am still not comfortable with passkeys.  
Thus far, I have not set anything up with them.  
But, they are going to be required by a lot of places eventually.  
So we should know something about them.

For a very interesting and informative video on passkeys, please see  
[https://www.youtube.com/watch?v=6lBixL\\_qpro](https://www.youtube.com/watch?v=6lBixL_qpro)

For some downsides to passkeys, please see  
[https://www.pcmag.com/explainers/passwordless-authentication-what-it-is-and-why-you-need-it-asap?zdee=gAAAAABjNL8HNhjsMqpxOhN\\_66XPIkobO5asIYhbU5TWJmRzZmZQTGla\\_8K GJMxmXYpHVYX\\_seizmtmowWcMIT7\\_COV0ej7XOU8Bq5bMOfjgNE6h2ALT9EA%3D&lc tg=24359309054#](https://www.pcmag.com/explainers/passwordless-authentication-what-it-is-and-why-you-need-it-asap?zdee=gAAAAABjNL8HNhjsMqpxOhN_66XPIkobO5asIYhbU5TWJmRzZmZQTGla_8K GJMxmXYpHVYX_seizmtmowWcMIT7_COV0ej7XOU8Bq5bMOfjgNE6h2ALT9EA%3D&lc tg=24359309054#)

The beauty of passkeys is that they are tied not only to the system you want to connect to, but to the device you are connecting from.  
So if somebody somehow steals your passkey for a particular system (like your bank) they will not be able to use it on some other computer.

But if somebody steals your device (like a smartphone), and can log onto it, then they have access to all your accounts protected with passkeys on that computer.

However, if you have ever used a username/password combination to log into something, that still exists, so your something can still be hacked using that.

I think it is far from perfect.  
But most passkeys are probably not 12345.

**7/29/2025 -- Changes to the Self Finance program**

If you do NOT do Buy Here Pay Here, and do NOT use the Carousel Self Finance program, you can skip this memo.

If you DO use the Self Finance program, then please read the attached document.

It describes a fix to the program that is rather important.

It essentially changes the way that Penalties are handled.

It also describes the Change function of the program, something that many of my clients do not seem to know about.

And, there are videos.

I have made videos of the entire Self Finance program, including a video on just how all the calculations are done.

The following is what was in the attachment to this email

## 7/2025 The ReWritten and Fixed Self Finance Program

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*First, a history lesson.*

The actors:

- Self Finance program that was written in about 2002: Original
- Self Finance program that was delivered during the V2.012 update: V12 Original
- Self Finance program that was updated about a year after the V2.012 update: ReWritten
- Self Finance Program about to be delivered: Fixed

When I first wrote the (Buy Here Pay Here AKA Self Finance) program (in about 2001) I presumed it would be like a home mortgage, where every month your customer comes in on a specified day and pays a specified amount till the loan was done.

Well, silly me.

It turns out that NOBODY ever pays on time, and NOBODY ever pays the correct amount. They come in whenever they have some change in their pockets and toss it on the counter.

*Original*

It took me about a year to figure out how to deal with this.

The answer was to use Daily Compounding of the interest, figure out the interest between two events, and add that to the balance, and then subtract the payment from that balance.

That program we are calling Original.

Unfortunately, that left two problems that I could not then figure out how to solve.

- First, deal with any penalties (for late payment).
- Second, deal with any interest not paid (if a payment did not cover the interest since the last payment).

My solution then was to add these numbers to the loan balance.

However, you are not supposed to calculate interest on either of these two items.

And what I did, did.

*V12Update*

I tried for a long time to figure out how to fix this. It is not an easy problem because it required some database changes, which is a Very Big Deal. I had not changed the database in about 10 years.

When I started work on the 2.012 version of Carousel, I determined that I would fix these issues. That would require a few changes to the database structure (Schema) but I was changing other tables too, so that was no longer a problem.

However, I wanted to get the new revision (V2.012) out to the waiting world, and so I left a few things undone. One of them was the actual changes to the Self Finance program. So the V12Original Self Finance program was left essentially unchanged from the Original version. All that was done a couple of years ago, and every client was updated (over a long string of time in 2023 I think).

I finally got back to dealing with this Penalty issue after all that was done. I had created the database space for the fixes, just never implemented the fixes.

My fix was to put the penalties into one new column, and the negative Interest in another, and not calculate interest on either of them. It appears that only a few clients got this update (known here as ReWritten), sometime last year. Most are still using the version that was distributed with the V2.012 upgrade (V12Original).

### *The Oops*

HOWEVER, I found out in April of this year, when I read the January Front Row WSIADA newsletter, that I did something seriously wrong. I was late reading it because WSIADA no longer sends out a print version, and at least for me, they do not send out a reminder that the latest version is on their website.

I found out that the way I handled the Penalties was very wrong. The article said:

*Some servicers were also misallocating borrowers' auto loan payments, such as applying payments to late fees first instead of applying to the loan principal and interest, which resulted in borrowers having to pay erroneous late fees.*

*As a result, CFPB examiners directed servicers to fully refund all accounts that incurred late fees due to payments being applied in a different order than that disclosed on the servicers' website.*

In the ReWritten release (of last year) when I got a payment, I nibbled away at it in several distinct bites:

- First I *see if there are any penalties, and subtract them from the payment.*
- Second I see if there is any negative interest, and subtract that from the payment.
- Third I calculate the interest accrued since the last payment, and subtract that from the payment.
- Then whatever is left is subtracted from the loan balance.

***That Front Row issue said that you cannot subtract the Penalties until the loan is fully paid off.***

Well, that ruined my day. It took most of the month of May and June to fix it. I was going to send this out to my clients, but I realized that I really have to document all this stuff, and so I have been making videos of the different parts of the Self Finance program. I am finally done with those.

This change can make a substantial difference (in favor of the customer) to the loan balance, especially if the penalties are really high. Doing it the ReWritten way, unless the customer made both a regular payment and a penalty payment at the same time, the regular payment would be decreased by the value of the penalty, so the balance of the loan would not be decreased properly and so the interest calculated would be much higher over the life of the loan.

The big lurking problem is – did somebody use the Penalty function for something it was not supposed to be used for. That is another big ball of worms that did not affect the original version of the program that much, but did affect it quite a bit when the updated version got sent out..

### *Self Finance Change function*

It sometimes happens that a customer experiences a problem with the car before the loan is paid off. And maybe the dealer says they will get it fixed, but they will have to add something to the loan. That is what the Change function of the Self Finance program is for.

It is a bit complicated to use, but I have (now) generated a video on how to do it, which should help. That function was documented from the very beginning of the Self Finance program (see your online documentation), but of course most people do not memorize every line of the well written incantations, and most never called me to ask how to do it correctly.

What a lot of dealers apparently did was to enter this fixit cost as a penalty. In the original version and the V12Original version of the program, that would work, since it simply added that cost onto the loan balance, which is what you want to do. In the ReWritten version it meant that the customer would have to pay off the penalty before any payments would go onto the loan. And this modification to the loan was sometime being treated as a penalty. Not a good thing by far. So if you have this situation, you really need to figure out how to use the Change function.

By using the actual Change function built into the program, the change value is added to the balance of the loan and interest is calculated on it. It does what you want – adds to the loan balance, interest is calculated, but that addition does not act like a penalty where you wait till the end of the loan to start paying it off. I will reference a video about this at the end of this memo.

*So, I have the fix for all these issues. Maybe.*

Some clients (maybe most) will be using the V12Original version of the Self Finance program. They are not seeing a Penalty problem, except that interest is being calculated on the penalty.

Changes added as a penalty work. A few, who have been updated in late 2020 to the ReWritten version, will be processing penalty incorrectly according to the WSIADA document. I suspect that only a couple of clients have this version. You can tell which version you have by bring up a loan, and on the extreme right of the screen's actual payments, see if you have a blue box labeled "Ctype=1". If that exists, then you have the ReWritten version of the program.

Note that even if you have the ReWritten version, that if the screen shows Ctype=0, then things are working like the Original ( or V12Original) programs. You would have problems with Penalties only if the screen show Ctype=1. All this is explained in the videos.

So, if you are doing Buy Here Pay here and processing them with the Carousel Self Finance program, please contact me for an update. I can download it to you.

There is one thing that you might want to do, which I have not yet provided. And that is – what if the customer Wants to pay off the penalty right away? I know how to do this, but that would further complicate what I am doing right now, so I will leave that for a future update if anybody wants this feature.

#### *Video Documentation*

I spent the last couple of months generating Videos on the various aspects of the Fixed Self Finance program. They are listed below.

From any browser, Copy and Paste the following You tube urls: (ignore the time indicator)

Self Finance functions		Time
Getting Started	<a href="https://youtu.be/mcn9_NwctYg">https://youtu.be/mcn9_NwctYg</a>	[5.49]
Entering Data	<a href="https://www.youtube.com/watch?v=MxXuLj1PiRI">https://www.youtube.com/watch?v=MxXuLj1PiRI</a>	[19.30]
Change Function	<a href="https://www.youtube.com/watch?v=fcOM16OMc0g">https://www.youtube.com/watch?v=fcOM16OMc0g</a>	[5.41]
Reports	<a href="https://www.youtube.com/watch?v=aMcvTe8h1H8">https://www.youtube.com/watch?v=aMcvTe8h1H8</a>	[8:50]
Describe Calculations	<a href="https://www.youtube.com/watch?v=-IEjb46NoT4">https://www.youtube.com/watch?v=-IEjb46NoT4</a>	[8:35]

9/1/2025 -- WSIADA 2025 Annual Meeting notes

## WSIADA 2025 Annual Meeting and Educational Fair, Seattle

### Executive Summary:

- ***Important news: The State sales tax add on will be going up to 0.5% from 0/3% as of Jan 1.***
- Discussion on Catalytic converters and forms and stuff.
- 45 day temp license paper.
- Discussion on implied warranty

As predicted last year, this is the only meeting to be held this year. Spokane got bagged because of crummy turnout. Sad to say, even here the turnout was nothing to cheer about. I counted less than 100 people. I expected somewhere around 200.

One can fly here, and there is a shuttle from the airport to the meeting hotel. We (my wife) chose to drive the 585 miles, 6 hours in each direction, with WONderful traffic when you are close to the 405. We also stayed in the hotel next door, at twice the price, since the event hotel got really crummy reviews on the always correct review web sites. The Hilton Garden Inn was very nice, if expensive.

This event had two parallel sessions going on most of the time. That did not prove much of a problem, since the second session was mostly sales propaganda. There was only one session that I had a conflict with. This event was supposed to provide all the heavy hitters from Olympia, since it is only a hop and skip away, but we got the 3<sup>rd</sup> assistant heavy hitters most of the time.

**Rick Olsen WSIADA Executive Director**, opened the show.

Rick has been trying to visit member dealerships when he goes out on the road to Chapter meetings. He also spends a lot of time meeting with Washington legislators and state agency people. And I can testify, that when you have a question by email, he will return an answer that day usually. He says he will give his cell phone number to anybody that wants it, but I have never asked. Anyway, he must be doing his job, because no absolutely horrible Dealer oriented bills came out of the legislature this last year.

There are 1400 used car dealerships in Washington state. Something less than that are members, obviously. But I still expected more people here than what we got. Which is too bad, since I find this stuff to be very interesting.

There will be several new forms available from WSIADA soon.:

- multipoint inspection form to be used prior to the sale,
- an enhanced Catalytic Converter form,
- a dispute and arbitration form,
- a revised vehicle purchase order (that somehow links to the arbitration form),
- a new retail installment contract (I have no idea why, since no bank here will take it),

- a revised demo agreement,
- and a revised demo permit.

There was quite a discussion on the Catalytic Conversion thing:

- You CANNOT pre-etch the Cats, like when you already have the car on a lift and are doing a safety check.
- It can ONLY be etched after the sale.
- You Have to give the customer the option of having the etch, or not.
- If the Cat was already etched when you got it, the new Cat form will give you an option to show that.
- Or, you can create a Statement of Fact to show that.
- You are allowed to charge for the etching, and the going rate seems to be between \$300 and \$600. If you do want to etch, there are etching guns available for a few hundred bucks.
- If a car has multiple Cat Converters, both have to be etched if either of them are.
- If the Cat Converters are totally Missing, you Cannot sell the car until you get some bolted on, according to federal law.
- IF your customer decides to etch the device, and IF you are going to charge for it, it has to be a separate line item on your purchase order. For the Carousel purchase order, that would be an Additional Item thing. If you are confused, give me a call.

I will update our Carousel Cat Converter form to accommodate these items.

By the way – nothing to do with WSIADA, but there will be a new R&R Bank Contract form out in a few months. This is the only form that most banks in our area will accept.

I piped up several times in several meetings asking when or if these WSIADA forms will be available either for licensing or in Laser form, like the Odometer form is now. I kept getting shot down and worse. One old codger seemed to imply that any dealer of any size already has that. I talked to a WSIADA assistant, and found that to be true only for very limited cases. I would personally like to get out of the forms business, but I can't do it until they provide some sort of digital or laser ready material.

Most education classes at WSIADA are now or soon will be online only. The online store will be made bigger and better, with a single signon for everything.

The legislature has been busy, as you know. It is going to require DOL to make more frequent visits to dealers to look over their paperwork. Not sure just who is going to do that, since nobody has heard from the DI for a couple of years.

The 45 day Temp permit, the thing you put on the car while it is waiting for the prisoners to get off their coffee break and start cranking out real license plates, MUST be on the special funny paper, Some dealers were just printing this out on normal paper and waxing it. If that is found by WSP, there will be some big fines. And of course, it Can Not be in the rear window, it has to be where the license plate goes. Front and back. Question was asked, what happens if the car is a

really expensive foreign car with no front license plate holder. Answer was: drill one. Don't know if that was a joke or not. Strong suggestion to use License Plate frames (available from WSIADA maybe?) AND take pictures of the temp on the car. That way if it gets moved or lost, you have some documentation that it was there when the car left your lot.

### **Profitability, by Kinetic Advantage.**

I never did figure out what this guy was selling. But he had a bunch of interesting statistics on the car business. He ran through them so fast I could not keep up, but he provided a link to his web site with all this stuff on it. I saw some guy with a camera taking pictures of the slides, and kicked myself for not having thought of that. Will do next year.

His talk title was "Building resilient dealership operations and inventory in a volatile market". Mostly what I think he said was if a car is on your lot and not selling take the hit and get rid of it. And he had a lot of math reasons why you would come out ahead by doing this.

You probably know most of this already, but I did not since I do not sell any cars.

- The average term for a loan is 67 months, which is a bit less than 6 years.
- The average rate is 11.9%.
- The average monthly payment is \$521.
- The average amount financed was \$26K.

One thing that fascinated me was that the subprime customers are going down in volume, the near prime are staying the same, and the super prime customers are now almost a quarter of the car market.

Anyway, the charts keep going on and on. As I said, I never did find out what he was selling. If you want to see the charts, go to [kineticadvantage.com/joe/](http://kineticadvantage.com/joe/)

### **Audit Best Practices – Ken Krous, Field Audit Manager, DOL**

This guy give good talk. I have seen him in Spokane in years past. This will be the last time, since he will be retiring at the end of the year.

The big announcement was:

- State auto dealer sales tax goes up to 0.5% from 0.3% as of Jan 1
- And any cars sold over \$100K will have an 8% luxury tax added on.

The first one my program can handle already. The second one would require a lot of changes, but I do not have any Ferrari or Rolls Royce dealers among my clients. I do not know if that number is indexed for inflation. I am not going to make changes for this issue unless somebody squawks.

There was the usual discussion about out of state cars. We have hashed that out in previous annual and chapter meetings.

Another thing that was discussed, and every discussion seems to come up with a different answer, is what does it take to really deliver a car out of state (and not pay the B&O tax). The best way is to have a truck haul the car to an out of state location, and get an invoice for the trip. This guy says you can use a trip permit to get the car out of state. Our local chapter meetings have gone back and forth on all this, with different answers. Make sure that the person Delivering the vehicle signs the paperwork, and Not the salesman in the office that sold the car.

If you have dual residency – you have a vacation house in Idaho – that does not count as out of state delivery.

For the few dealerships that are ON the reservations, and sell a car TO an enrolled tribal member, there is no B&O tax.

### **Member Annual Meeting**

At this meeting, the WSIADA finances are revealed, and officers are voted on. Since I am only an ASSOCIATE member, even though I pay the same bucks, I got kicked out of this very private and confidential meeting. Probably a good thing, too, since I would probably report all that in this memo.

### **Consumer Protection – Marc Worthey, Assistant Attorney General**

There were 1420 consumer complaints against auto dealers in Washington in 2024. Of that number 53% were complaints against the Franchise (new) car dealers. The main complaints were

- failure to provide a title
- issues with warranties
- misrepresentation of the vehicle
- unsatisfactory service

The AG does not get real interested in a dealer over one or two complaints. The AG office will send a letter to the dealer, asking for his side of the story, and STRONGLY suggest that the dealer get back to the customer and make this problem go away. If you get this letter, answer it quickly and in detail. About the worst thing you can do is ignore it. If you made a mistake, fix it and learn from it. Even if it costs you a few bucks.

If there are several complaints, especially if the older ones were not resolved, then you may get a personal visit or a real heavy nastygram. You don't want that.

Keep in mind, that if it gets into court, lawyers make a lot more than dealers do. If you have a \$2000 issue, and your lawyer will not even talk to you for less than \$5K, bend over and get rid of the problem.

These guys really look at your advertising. I can personally verify that clients of mine have had

communication with the AG over the way their ads are laid out.

- You MUST indicate, for all cars, that the Doc Fee is Negotiable, and NOT a state mandated fee, in your ads.
- They must be easy to read and understand.
- You MUST disclose all hidden fees or any other gotchas clearly in the ad.
- Use photos of the Exact vehicle, not a stock photo.
- Show the VIN.
- Sell the vehicle at No More than the advertised price.
- You should use an industry standard pricing guide, like Kelly or the other ones. If your vehicle is seriously under that price, it may raise questions as to why, even by other dealers.

And then we got into a long discussion about Implied Warranties, why a dealer has to do that and private sellers do not (you are the pros), and how to deal with it.

An Implied Warranty of Merchantability cannot be waived UNLESS the consumer negotiates something for it. Just telling them that they are getting a great price, even a discounted price, will not cut it, unless there actually was a discussion that the discount was for the waiver. The As Is does not circumvent the implied warranty. The Supreme Court of Washington said this has to be a Knowing Waiver, and negotiated, and the buyer Must Know what they are giving up. Having the customer just automatically sign a lot of paperwork, where that is one of the documents, does not pass this test. The burden is on the dealer to keep a record of the negotiation, and have some documentation about the negotiating, and signed by the customer. (Currently Carousel has two different versions of its Waiver, one for a very small place to show the negotiation, and one without. We will probably enhance the first one over the coming months.) The customer Has to know that there actually IS an implied warranty on everything sold, and has to know what they are giving up if they sign the document. Keep notes of the discussion. I suspect that audio recordings are illegal.

This guy suggested Strongly that instead of using the As Is version of the Buyer's Guide, that you use the Limited Warranty version, and that you have a document already created stating specifically what you are warranting. Even if it is Nothing.

One of the Master Dealers (see last section of this document) said that he wrote out a script that his finance guys Must read, word for word. He said that if the customer interrupts him while reading it, they start over from the beginning. Since they were really old guys (probably younger than me, but ...) maybe you could create a short video that you play to the customer as part of the sales process.

The peanut gallery was not real happy about all this.

The AG will try to enforce Curbstoning. But they need you, the dealers, to tell them that it is going on. They are not actively looking for it. If you see a Craigslist ad from the same guy over and over for different cars, tell somebody. At the moment, they only get low single digits of complaints on this.

## **WSIADA Lobbyist**

Got caught in traffic (no kidding!) and did not show up.

## **Dealer Discussion**

This is something new. Two long term dealers, with more than 40 years experience each, were on a dias, and anybody could ask any questions. The idea was mostly for new dealers to learn from the greybeards, but there was a range of people participating.

Since we all know that car dealers are immensely shy, I asked the first question to get the ball rolling. They were not amused or interested in my question and made it clear that I need not ask any more. I didn't.

- Somebody asked about cash discounts. They said that the cash price is the sale price.
- Credit card fees: they were against them, said it was horrible how some gas stations are now bumping the price by 10% for credit cards.
- They agreed with that speaker I referenced earlier, and said to get rid of a car that is not selling, and just suck it up, and go buy a better car.
- It is the responsibility of the dealer to know about the status of the title. Check with Carfax, Autocheck, a few others I never heard of. Apparently the DOL in Washington can give you that information also. If the customer later learns that the title is branded, you have to show that you at least tried to know this.

## **The Meeting was Adjourned**

and drink tickets were passed out. I left.

## **11/10/2025 -- Wsiada meeting in Spokane, November 2025**

WSIADA Spokane local meeting, 10/4/25

Rick Olsen, head guy at WSIADA, was the only speaker.  
There was a pretty good crowd, I would guess approaching 30 people.  
While there were two ex Carousel clients, I did not see any current ones.

### **ASSOCIATION ACTIVITIES**

This area still needs a chapter president.

Qualifications are:

- you got to own a dealership (so lets me out),
- do a zoom meeting with the board once a month
- talk to other dealers to hear their gripes about the world
- fog a knife

WSIADA will be coming out with enhanced documentation against predatory litigation – which means ambulance chasers.

It seems that in the Seattle area, there is a specific law form that pays its bills by going after dealerships that do not properly use their forms. Then they sue and collect big bucks. This new form should lay out exactly what you have to do to not get nailed by such a firm.

WSIADA is updating its technology, having more online options for training, forms, etc.

It is expanding presence with other associations. We are already an associate of the national NIADA (or something).

### **LEGISLATION**

There are about 10 legislators that are friendly to WSIADA. There are several who are willing to sponsor bills, or vote against ones we don't like. One is even a car dealer.

WSIADA would like to get rid of bad actors, curbstoners, sleazy dealers. There is some thought to get titles notarized, which might make it harder for curbstoners to keep on selling cars.

WSIADA has asked various government entities if they actually go after these guys and prosecute them. None have been prosecuted in years. The DI needs to verify that these guys actually have a physical location. But then, who has seen a DI in a few years?

Consumer complaints – there are like 1200 used car dealers, and only 300 new car franchises in Washington, but the majority of complaints are against the new car guys.

As you know, there are several new taxes that dealers will have to deal with in 2026.

Most are not a problem. One is.

- 1) the State sales tax add - on goes from 0.3 to 0.5.
- 2) the B&O tax goes from 0.471 to 0.500.
- 3) and then there is the new Luxury tax on vehicles over \$100K of 8%.

The first two are not a problem for Carousel users.

On Jan 1, all you need to do is to go into the Admin program, the Defaults tab, and you will see the entries for these items in the first column. The sales tax add on is the second item in the list. The B&O tax is the fifth.

You can change them by entering the new value – the back ground will turn blue. Then click the button to the left, and the background will turn back white, and the data will be written to the database.

The third issue is a bit more complicated.

When I first heard about this luxury tax this summer, I guffawed and said, I do not see any of my clients needing me to change the system. However, in checking, I forgot about RV dealers, who often sell rigs above \$100K. And some of my dealers that sell high end newer vehicles, can come close to that. So I will have to in fact change

- a) the deal program
- b) the admin program
- c) the purchase order form
- d) the report 900 that calculates the end of the month taxes.
- e) whatever else I forgot. (Quickquote)

So it is a big deal for me, even if only a few of my dealers need this.

The big discussion was about HOW to calculate this new tax.  
If you go to the text of the law

<https://lawfilesexternal.wa.gov/biennium/2025-26/Pdf/Bills/Session%20Laws/Senate/5801-S.SL.pdf?q=20250528102015>

on page 24 it says not very clearly

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(b) The additional tax imposed in this subsection (1)  
(i) **Is equal to the portion of the selling price plus trade-in property of like kind for purchased vehicles in excess of the deduction amount specified in subsection (2) of this section, multiplied by eight percent;**

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I read this to say that the 8% tax is on that about Over the deduction amount (currently \$100K). WSIADA reads this to say it is on the whole amount.

I am not a lawyer, but I can redo pretty good. However, WSIADA has more resources than I do to figure this out. So, I am not sure what to do about the calculations. If you have a printable comment on this, please let me know.

One of my dealers will be happy to know that commercial vehicles are exempt. Also maybe some Humers (vehicles over 10K lbs that are not motor homes).

**The Catalytic Converter law** discussion still has not gone away.

It is legal to use a felt tip marker!!! Which will totally burn off after the car runs for a few minutes.

It is better to use an etching tool, but they run between 200-400 bucks.

And **you cannot do it in advance** because then the customer does not have a choice in the matter.

## **NEW FORMS**

A dispute resolution form is being added to the WSIADA purchase order. These combined forms will contain arbitration stuff. That form will require that the customer to come back to the dealer if they have a problem before they grump to the state or a lawyer. That is actually part of Washington state law.

There will be a Multi Point Inspection Form that will give you a bit more heftiness in court if you get sued for a crappy car.

## **Carousel and WSIADA forms**

For probably 15 years, ever since Theresa was Executive Director, I have been asking for a license to use the WSIADA forms. Everybody said it was a great idea, and then nothing but crickets. Mr Olsen has finally got Board (but not yet lawyer) approval to do this.

There are some conditions, of course.

1) The DMS guy (that's me) has to be a member of WSIADA. We are.

2) The CLIENT (that's you) also has to be a member of WSIADA.

So that limits me to only a quarter of Carousel's clients, more or less, unless this feature is worth getting somebody to fork over five Benjamins a year to join up.

3) Price is yet unknown, but I am told "it will be pennys".

I have to sign some sort of a license, which I have yet to see, and may have more gotchas.

But, the potential good news is, while my forms are looked over (for a HUGE amount of money) by a lawyer that maybe drives a car but certainly has never sold one or knows anybody that ever has, THEIR forms are blessed by their house lawyer that spends his whole day thinking of nothing else but dealer forms. They update their forms more frequently than we do. Their forms are

unquestioned by state and bank entities, whereas the state only hears about us when we renew our LLC license every year.

So, I like the idea, but that does not get me out of the forms business, since 75% of my clients are NOT members of WSIADA and probably have no plans to do so. So I will have to

- a) keep on producing my own version of some of these forms
- b) somehow restrict these forms to WSIADA members only.

Not sure quite how to do that.

### **COMING SOON**

- There will be a new online education platform.
- Title workshops are now automated (online).
- Professionalism training – Charm school for sales people.
- Courses on specific topics – buyers guide, cat converter, buy here pay here.
- Accounting for the auto industry
- Excise tax reports
- New online store.
- Health care (available now)
- More education for members

The Annual Convention next year is July 23, same location in Seattle. Maybe the government will be open by then and the airlines will be flying. At least it will not be leading up to the Labor Day weekend, like last year.