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Gerald Kimbrell of Americar

DEALER INTERVIEW

with Gerald Kimbrell of Americar

Dealers Finance has been working with independent automobile dealers for over eleven years. We take great pride in providing the most competitive floorplan financing for growing dealerships just like Gerald Kimbrell's Americar. We had the opportunity to ask Gerald a few questions about his business, the industry and, of course, Dealers Finance.

1 How did you get into the automotive retailing business

I started out selling mobile homes. I worked for a very wealthy man and he was always telling me to get into the used car business. Eventually, I bought a small mobile home park and later I sold it for \$20,000 profit. I took \$10,000 and opened up my first car lot and immediately lost \$5,000 dollars on the first few sales. I knew from the history of the car business that if the economy was bad then the BHPH business would be good. So, in effect I started my first used car lot for \$5,000 and I have been in the business ever since.

2 What is your favorite car of all time?

1956 Chevrolet Convertible

3 What is your favorite place to vacation?

Pawleys Island, SC...for its great salt water fishing.

4 What is the funniest thing that you can remember happening at your place of business?

Funniest thing that I can remember is something that happened just recently. U.S. Vice President Dick Cheney came

The Dealers Finance Mission

We like being the friend in the finance business. It's what makes us different from other floorplan financing companies. We believe that excessive fees unfairly drive up the cost of dealer financing. So we will never charge for overnight shipping expenses or for site floorchecks. And our Accelerated Money Plan™ (AMP™) provides dealers with 12-month advances and funding up to 90% of the payments purchased. Plus we proudly offer the industry's only no-fee inventory financing plan, the Gold Plan. We have created our financial products to be flexible and customized to the specific needs of growing dealerships. Simply put, we are a local lender managed by friendly, local people.

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Dealer Interview Continued...



Gerald Kimbrell
of Americar

Question 4 continued

into town to give a speech at Laurel Creek, an exclusive neighborhood north of Atlanta. His motorcade was scheduled to come by our lot. An informant called the police and told them that there were snipers in our trees located on the lot. The SWAT team came by interviewed my daughter and closed our lot during the times that the Vice President was to pass by. We were disappointed that Vice President Cheney didn't stop by our lot. Of course there was no sniper in our trees and everyone but the SWAT team got a big laugh out of the situation.

6 Is there anything in particular you like about Dealers Finance?

I like the group of people that we deal with on daily basis. Everyone has been very cordial in our business dealings and willing to go the extra mile to help us grow. I plan to continue to do business with Dealers Finance as long as our relationship is mutually beneficial.

5 What do you think the future holds for the used car business?

Good people have to have good cars, but some people can't afford the expense. BHPH will expand in the future as long as we have gas to run the cars.



EMPLOYEE SPOTLIGHT

Shane Reiver, Director of Wholesale Operations

Shane joined Dealers Finance six years ago. Shane's responsibilities include servicing our floorplan dealers and managing floorplan site visits. He is in constant communications with our account executives and dealers to help them resolve day to day concerns and issues regarding floorplans.

Where did you work before Dealers Finance?

Before Dealers Finance, I worked with The Atlanta Journal and Constitution as a manager in the distribution division.

What do you like most about working at Dealers Finance?

I like that it's a small informal organization with a family feel atmosphere. I feel I can be myself and I don't feel the large "corporate" atmosphere. We can make all decisions locally and rapidly.

How would you describe your job?

Entertaining, challenging and busy – not one day is the same.

What do you like to do outside work?

I'm a sports fan, avid golfer, and a hockey fan - especially the Gwinnett Gladiators.

What do you feel is your greatest accomplishment?

Being a single father and raising my 12 year old daughter, Katelyn, from the age of two.

DEALER TIPS

Three ways to strengthen your bottom line.

The used car industry is currently undergoing some major changes. Dealers have seen vehicle costs rise sharply over the last year. Inflation has begun to take a bite out of the bottom line by increasing basic operating expenses. To make matters worse interest rates have increased over the last few years making a dealer's working capital more expensive to obtain and making it more difficult for customers to afford a vehicle purchase. What is the used car dealer to do about these obstacles? Here are three ways to steer clear of these financial potholes and find your way to success:

1. Decrease operating expenses.

It's always easier said than done, but squeezing more out of the money you cur-

rently have is always a great idea. You might consider researching dealer software, such as Frazer Computing, as well as other new technologies to see if you can cut costs for the long run. Another idea is to review your current list of vendors – maybe you don't need that bottled water delivered to the lot each month. Finally, pursue alternate credit sources and you could see a noticeable difference in fees and overall cost of money. There are still some companies that are flexible in these tough times. Dealers Finance, for instance, has just announced a new BHPH note program called AMP that can quickly provide a dealer with the funds needed to meet the

changing demands of the marketplace. Plus with the AMP program the dealer maintains control of the client relationship. For more information on how the Dealers Finance AMP program can help you call Eric Combs or Mike Wynne at 1-800-205-6221.

Continued >>



NEWS & EVENTS

Announcing AMP, the Accelerated Money Plan for BHPH dealers.

Get AMPed up with the Dealers Finance AMP program. Designed for used car dealers with a buy here pay here (BHPH) portfolio the AMP program advances up to 90% of the payments purchased on day one making you immediately whole again. By immediately freeing up capital you have tied up in your inventory you can then buy more vehicles for your used car lot. This type of car note financing can help fuel growth for a growing used car dealership.

The AMP program provides dealers with the funds needed to quickly grow to meet the changing demands of the marketplace. Here's what dealers are saying about this new program:

"AMP gives you a chance to build wealth in your company. I currently have two out of every five accounts in this program. I've found you can make an extra 30% over what you get from selling the account. It also allows small dealers to keep customers in house. That's great because a customer might buy a car or refer friends and family."

- Gregg Patrick, Bankhead Auto Sales, Inc.

AMP Program Details:

- Partial note funding up to 90% of the payments purchased
- Credit lines of \$100,000 to \$500,000
- No seasoning required
- Dealer manages the customer relationship
- Program is transparent to the retail customer
- Improves cash flow and helps grow business

How the AMP program works:

A dealer has a customer who pays \$300/month for 12 months. Dealers Finance will purchase up to 50% of the remaining payments and, in this case, advance up to \$.80/dollar.

AMP 6-month purchase

\$300 payment amount

 X 6

\$1,800

\$1,800

 X .80 Dealers Finance purchase rate

\$1,440 funds available to the dealer

With the AMP program, you continue to collect from your customers, enabling you to maintain control of your accounts. Payments are forwarded to Dealers Finance for the length of the purchase, typically 6 to 12 months. At the end of the pay period the dealer receives the contract.

Dealers Finance has provided thousands of notes to independent dealerships over the last eleven years. To take advantage of the AMP Program call 1-800-605-6221 and ask for Eric Combs or Mike Wynne.

INDUSTRY TRENDS

Top 10 Vehicles with the Highest Retention Rates (2001)

Rank	Name	Dealer Cost	Wholesale Value	Retention %
1	Honda Civic	\$12,163	\$7,500	61.7%
2	BMW 5 Series	\$36,310	\$21,500	59.2%
3	Honda Prelude	\$21,521	\$12,500	58.1%
4	Chevy Tahoe	\$27,193	\$15,150	55.7%
5	Honda Accord	\$17,878	\$9,625	53.8%
6	Lexus ES 300	\$30,218	\$15,850	52.5%
7	Toyota Corolla	\$13,232	\$6,575	49.7%
8	Mazda Miata MX-5	\$19,811	\$9,450	47.7%
9	Toyota Camry	\$17,544	\$8,100	46.2%
10	Nissan Sentra	\$12,516	\$5,625	44.9%

Source: Kelley Blue Book

DEALER FINANCE

Programs and services

Our Gold Plan is the industry's only no-fee floorplan plus you can qualify for rates as low as \$.80/day per \$1,000 financed.

Our AMP program provides dealers with funding up to 90% of the payments purchased and twelve-month advances. With the Dealers Finance note programs there are never any reserves, 90-day seasoning of notes, minimum amounts or "cherry-picking" of your best accounts. Increase your monthly cash flow without giving up customers.

No one offers better customer service than Dealers Finance. Our account representatives make weekly visits to your lot for add-ons and pay-offs. Call one of our representatives today for a no-cost analysis to determine which of our programs is right for you. With Dealers Finance you have a friend in the finance business.

DEALER TIPS

Three ways to strengthen your bottom line. continued...

2. Educate yourself on the latest industry trends.

Consider attending a dealer conference like NIADA, NABD (National Alliance of Buy Here Pay Here Dealers), or the Independent Dealer Leadership Conference. These conferences provide great networking opportunities to gain insight into what it takes to be a successful BHPH dealer.

3. Take a long-term approach – strategic planning reveals the road ahead.

In simple terms, strategic planning means that you take a look at where you are headed and come up with creative solutions to get you going in the right direction. This means developing firm financial guidelines for your dealership as you move forward. Consider ideas like:

- Developing detailed loan guidelines to minimize collection risks.
- Calculate the bottom line numbers when acquiring new units for your lot and stick to those numbers when at the auction.
- Develop a strategy for getting more repeat business, possibly a referral program to minimize your new customer acquisition cost.

We hope that these simple suggestions help put you well on your way to maximizing your profits in 2006!

By David Ozyp, www.ozyp.com

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