

Wholesale Forms, Inc. response to

Federal Trade Commission
16 CFR Part 455

Used Motor Vehicle Trade Regulation Rule

Wholesale Forms, Inc. is a company owned and operated by Victor Owens. Victor has been in the automotive industry since 1966 when he started as a salesman selling cars. Over the next 20 years Victor went from salesman to finance manager to sales manager. Victor saw a growing need for a supplier of the FTC Buyers Guides to dealerships and in 1987 Victor started manufacturing and selling Buyers Guides to dealers on a very small scale. Shortly after, he left car sales altogether and since has devoted his time to manufacturing FTC Buyers Guides, window stickers and addendums to dealerships and distributors around the nation.

For the past 26 years Victor and his team at Wholesale Forms, Inc. have worked hard to keep up with changes in the print industry as well as automotive industry, striving to offer the best product available to their customers. He has worked closely with his manufactures to ensure that the final product meets the needs of his customers both with performance and compliance. The following response will answer the questions presented by the Commission as well as include a response from a manufacture's standpoint as to why or why not the changes proposed will be beneficial to all parties involved.

1. Should the Buyers Guide be revised to include check boxes for disclosing manufacture's and other third party warranties why or why not?

Response: No, the current Buyers Guide should not be revised. The way the current Buyers Guide clearly states “As-Is No Warranty” and “Warranty” and provides space under “Systems Covered” and “Duration” to provide information as to what warranty, if any, is provided with that vehicle whether it be a dealer, manufacture or a third party warranty. The consumer can quickly glance at the Buyers Guide and see if there is a warranty and if so, look down below to see what is covered. By adding a box for “Non-Dealer Warranties” and moving it to the back of the form as proposed in FIGURE 3 raises a few concerns.

First, since Buyers Guides are mainly hung in vehicle windows it makes it difficult for consumers to read the back of the Buyers Guide and a consumer will not be able to clearly identify if there is a warranty for that vehicle if there are no boxes on the front stating what

warranty is available. At the same time the Regulatory Review Notice Appendix A proposed adding the additional boxes to the front of the Buyers Guide seems redundant when the current Buyers Guide could be left the way it is so a dealer could check the “Warranty” box if applicable and list what warranty is available under the “Systems Covered” and “Duration” section.

The second concern comes from a manufactures' standpoint. There are two common types of Buyer's Guides available on the market a 1-part version in which a dealership has a Buyers Guide in the window of the vehicle but is responsible for having copies available for their records as well as for the consumer and a multi-part Buyers Guide. The multi-part Buyers Guide has more than one copy of the form so when removed from the vehicle window all copies are available to the dealer as well as consumer, this form is usually manufactured using carbon paper or NCR paper. On multi-part forms any information added by the dealer to the Buyers Guide i.e. check marks, warranty information or vehicle information shows through the front to the bottom copies, however neither Carbon or NCR paper marks the opposite direction. By adding boxes to the back of the form dealers would be responsible for making sure all copies were marked individually.

Also from a manufacture's standpoint and revisiting Appendix A from the Regulatory Review Notice. If The Commission was to move the boxes to the front it would take up the already minimal space provide under “Systems Covered” and “Duration” to outline any warranty information available.

A proposal for adopting third party warranties could be adding the boxes to the right of the “Warranty” box. In this case the “Warranty” box would be checked if there is any warranty coverage on that vehicle and secondary boxes could be available to check identifying if the warranty was coming from an unexpired manufacture's warranty, manufacture's used vehicle warranty or non-dealer warranty. Any additional warranty information regardless of where it was coming from would be listed under the “Systems Covered” and “Duration” section.

☐

AS IS - NO WARRANTY

YOU WILL PAY ALL COSTS FOR ANY REPAIRS. The dealer assumes no responsibility for any repairs regardless of any oral statements about the vehicle.

☐

WARRANTY

- ☐ MANUFACTURER'S WARRANTY STILL APPLIES
- ☐ MANUFACTURER'S USED VEHICLE WARRANTY APPLIES
- ☐ OTHER NON-DEALER WARRANTY APPLIES

By adding the secondary boxes. A consumer would still quickly be able to identify whether the vehicle had a warranty or not, see what type of warranty (if applicable) and read what the warranty coverage is available under the “Systems Covered” and “Duration” section.

However, Wholesale Forms, Inc. still believes that the current buyers which clearly states “As-Is No Warranty” or “Implied Warranties Only” and “Warranty” and offers a fair amount of space under “Systems Covered” and “Duration” to list what warranty is available and it's information is clear and understandable to the consumer and is not adding unnecessary information causing confusion is still the best way to clearly provide the consumer with the warranty information on the vehicle.

2. Should the proposed vehicle history statement on the front of the Guyers Guide be adopted? Why or why not?

Response: Yes, it is a good idea to remind the consumer to look into vehicle history before purchasing a used vehicle. However, this statement may be better moved to the back of the form in conjunction with the List of Systems.

3. Should the proposed vehicle history statement be modified? Why or why not?

Response: As suggested above, the vehicle history statement would be better on the back of the form with the List of Systems.

4. Should the proposed vehicle history statement list both *ftc.gov/usedcars* and *vehiclehistory.gov*?

Response: No, The vehicle history statement should only list *vehiclehistory.gov*. It is already a working used vehicle database that consumers can use to obtain information on vehicle history. The FTC working to create new web page for consumers that mimics the NMVTIS website is unnecessary.

5. & 6. Should the List of Systems include catalytic converters and airbags? Why or why not?

Response: Yes, The List of Systems should include both catalytic converters and air bags both items are systems that could become defective on the vehicle that the consumer should be aware of.

7. Should the proposed statement, “Si usted no puede leer este documento en inglés, pídale al concesionario una copia en español,” directing Spanish speaking consumers to ask for a copy of the Buyers Guide in Spanish be adopted? Why or why not?

Response: Yes, adding a line in Spanish directing Spanish speaking consumers to request a copy of a buyers guide in Spanish should be adopted. With the line being located at the bottom of the Buyers Guide it should be set in bold type or possibly larger type in order to stand out to the Spanish speaking consumer. Or it could move to the top of the Buyers Guide and run along the line under the words “Buyers Guide”. In doing this the Spanish speaking consumer will be able to quickly see the line and ask for the appropriate Buyers Guide.

BUYERS GUIDE

Si usted no puede leer este documento en inglés, pídale al concesionario una copia en español

However, by having a line in Spanish on the Buyers Guide should not deter dealers from displaying a Spanish Buyers Guide in the window of their vehicles, especially if their dealership is located in a known Spanish speaking demographic.

8, 9 & 10.

Wholesale Forms, Inc. does not deal with vehicle sales on the internet and has no comment on these questions.

11 & 12 Regarding the creation and content of *ftc.gov/usedcars*

Response: A website created by the FTC *ftc.gov/usedcars* should focus on explaining the content of the Buyers Guide to the consumer such as the differences between warranties offered and parts listed in the List of Systems. It should also contain a section outlining the compliance rules for dealers and manufactures' to refer to and gather information from.

Ftc.gov/usedcars should only contain links to websites such as *vehiclehistory.gov* and *fuelconomy.gov* and any other .gov site that pertains to the sale and use of used vehicles.

Manufactures' Response to Proposed changes to current Buyers Guides

As a manufacture of Buyers Guides we have worked hard to ensure that our products are compliant with the FTC regulations. At this time we are asking that the FTC revisit the type style, size and format requirements to accommodate current word processing programs. Our main customers are car dealers and distributors who sell to car dealers. We work closely with our customers to offer professional looking pre-printed Buyers Guides with specific warranty information that works for several dealers or warranties that are specific to a single dealer. We also provide Buyers Guides for all states whether they are As-Is, Implied or require a state specific Buyers Guide. Some of the warranties offered by dealers as well as some warranties required by specific states contain a large amount of information that is often difficult to fit under the "Systems Covered" and "Duration" section. We do our best to list all information in the allotted area and still make it legible to the consumer, however it would be helpful if there was a leniency in formatting so that manufacture and/or dealer could add all information regarding a specific warranty under the "Systems Covered" and "Duration".

It is our experience that dealers prefer to print their information on the Buyers Guide (i.e. vehicle information on the front and Dealership address and contact information on the back.) At this time we are requesting that the lines on the front for vehicle make/model/year/VIN/stock number as well as the lines on the back for the dealership information become optional; in the same way the lines under "Systems Covered" and "Duration" section are optional. By having these lines preprinted on the buyers guide make it difficult for manufacture and dealers to print directly on the lines creating a unprofessional looking form.

Closing Statement:

We understand that as technology advances in all aspects, changes to the Buyer's Guide are inevitable. However, any changes made to verbiage, format and lay out of the Buyer's Guide itself proposes huge costs across the board. We know this is not a change that will happen over night, but we also know that once a change takes place dealers reordering forms will expect new, current and up to date Buyers Guides, even if it is stated ok to use out remaining stock. Over the last 26 years we have worked hard to maintain a high level of customer service and have a large inventory available to customers ready to ship so that they are never without forms and we currently have thousands of spanish stock in our warehouse that is "out of date" and dealers are wanting to only receive the new version of the Spanish Buyers guide as of February 11, 2013. We do have new Spanish Buyers Guides available and from here on out we will be more cautious on stocking our warehouse until any proposals are actually adopted.

We know that Wholesale Forms, Inc will not be the only manufacture affected by a change in Buyers Guide stock. Furthermore, costs will also be incurred by companies offering software to dealers where print routines are set up for printing vehicle and warranty information on Buyers Guides, the cost of time for new set up and design will be absorbed by software companies as well as dealerships.

The comments that we made today mostly came from a manufacture standpoint, but also from a company that has a long history in the car sales industry. We ask that if changes are adopted to the Buyers Guide that there be a long transition period where both the current Buyers Guide and the new Buyers Guide are accepted in order for all parties involved to make the change over without it being a huge cost to anyone.

Thank you for taking the time to gather and read comments from those of us in the field dealing with the Buyers Guide and Used Car Rule.

On behalf of Owner:

B. Victor Owens,

Jessica Kinney

Operations Manager

Wholesale Forms, Inc.