COLORADO INDEPENDENT AUTOMOBILE DEALERS ASSOCIATION

FRONT LINE

Q2 2026

Annual GOLF TOURNAMENT

RAISES THOUSANDS FOR CHARITY


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FRONT LINE

The official digital publication of the
COLORADO INDEPENDENT AUTOMOBILE DEALERS ASSOCIATION
950 Wadsworth Blvd., Suite 101
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CEO'S MESSAGE

Working Together is Success

Henry Ford said, "Coming together is a beginning; keeping together is progress; working together is success." I believe that quote applies to every business involved in our industry, including CIADA.

This month, your CIADA Board of Directors held their annual meeting to discuss the direction of your association, including what has been accomplished and how, together, we can better serve our members. Our classes have great member participation, and we will be scheduling a Compliance Class taught by attorney Mike McKinnon. Another upcoming course is "How to Use AI Effectively at Your Dealership," which will include identifying potential problems that may arise.

Legislatively, we had some wins during this year's session, such as having the Consumer Protection Bill sponsors pull their bill before it went to the committee hearing, and having our Catalytic Converter Bill pass unanimously out of committee, only to die because of the fiscal note CDPHE attached.

We will never stop working on your behalf to change legislation when it negatively impacts our industry and Colorado consumers.

Remember you can always contact CIADA because **working together is success!**

Sincerely,

David

David Cardella, CEO
CIADA

WHERE COLORADO INDEPENDENT DEALERS CAN HELP DRIVE POLICY

Save the date

NIADA

National Policy Conference | Willard InterContinental, Washington, D.C. | September 28–29, 2026

Please thank our Golf Sponsors for their *GENEROUS* support!

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2026 ANNUAL GOLF TOURNAMENT

JUNE 8 ♦ LEGACY RIDGE GOLF COURSE

Golfers participated in CIADA's annual tournament, enjoying a day of networking, friendly competition, and industry camaraderie. We appreciate everyone who helped raise over $15,000 for the Charity Fund!

FIRST PLACE TEAM: The Auto Connection

THANK YOU! Manheim Denver donated $10,000 to charity at our annual golf event!

SECOND PLACE TEAM: South Colorado Motors LLC

THIRD PLACE TEAM: Acrisure Protection Group

USED CAR DEALERS OF COLORADO CHARITY FUND
CIADA
EST. 2014

13th Annual

CHARITY GALA

Changing Lives: Bringing Hope, Healing and Opportunity

SATURDAY, NOVEMBER 14, 2026
5:00PM, Westin Hotel, Westminster, CO

Silent & Live Auctions | Wine Pull & Prizes
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SAT, NOVEMBER 14, 2026

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TICKETS $100 PER PERSON

Includes appetizers, dinner/dessert & one door prize ticket

•

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Hotel: 303-410-5000
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•

Make checks payable to Used Car Dealers of Colorado Charity Fund.

•

The USED CAR DEALERS OF COLORADO CHARITY FUND is the affiliated charity of the Colorado Independent Automobile Dealers Association. Founded in 2014, the charity aims to assist Colorado communities by sharing the tremendous giving spirit of the used car automotive industry.

Auction Donations

To donate an auction item for the Used Car Dealers of Colorado Charity Fund Gala, please contact us at 303-239-8000.

Sponsorship Opportunities

You are invited to support the CIADA Charity Fund Gala by investing in one of our many sponsorship opportunities.

CHAMPION - $10,000
Includes: 20 event tickets, 2 hotel rooms, table décor, bottle of champagne, one full page ad in the event program, logo on all marketing materials, recognition during banquet and in CIADA's digital magazine, banner ad on the Charity Fund website, logo on bidder paddle

GOLD - $5,000
Includes: 10 event tickets, 1 hotel room, table décor, one full page ad in the event program, logo on all marketing materials, recognition during banquet and in CIADA's digital magazine, banner ad on the Charity Fund website

SILVER- $2,500 (4 tickets to Gala)
Includes: Logo on all marketing, one half-page ad and recognition in the event program, recognition in CIADA's digital magazine

BRONZE - $1,000 (2 tickets to Gala)
Includes: Logo on all marketing, recognition in the event program and CIADA's digital magazine

APPETIZER - $2,500 (4 tickets to Gala)
2 Sponsorship Opportunities Available
Includes: Logo on all marketing, recognition in the event program & during announcements, and on the Charity Fund website

DESSERT - $2,500 (4 tickets to Gala)
2 Sponsorship Opportunities Available
Includes: Logo on all marketing, recognition in the event program & during announcements, and on the Charity Fund website

BALLOON - $2,500 (4 tickets to Gala)
Includes: Logo on all marketing, recognition in the event program & during announcements, and on the Charity Fund website

Fed's Latest Report Raises Questions for BHPH Dealers

BY NIADA.COM

In its latest edition of FED Notes, the Board of Governors of the Federal Reserve System (Fed) focuses on how the Buy Here Pay Here (BHPH) auto sector is drawing renewed scrutiny following the 2025 bankruptcy of Tricolor and related fraud allegations.

A recent analysis of consumer credit and bank lending data highlights both the growing role and rising risks associated with the BHPH business model. The report highlights how unlike traditional dealerships that rely on third-party lenders, BHPH dealers finance vehicle purchases directly for consumers and serves borrowers who may not otherwise qualify for conventional financing. Fed researchers found that nearly 78% of BHPH lending volume goes to subprime borrowers, compared to just 27% for traditional auto lenders. However, the study notes that BHPH dealers have gradually expanded into less risky customer segments in recent years.

To offset elevated credit risk, the study discusses how BHPH dealers typically charge higher interest rates and often require a more frequent payment schedule than the typical monthly plan found at dealerships that work with outside lenders and consumers with better credit histories. The study also found that BHPH dealers rely on repossessions as a loss mitigation strategy, with repossession rates more than 16 times higher than traditional lenders.

> "Independent dealers are often the only path to the reliable transportation that makes employment, childcare, and medical care possible."
>
> **—JEFF MARTIN**
> NIADA's CEO

"The findings affirm what NIADA members have long understood about their role: BHPH dealers serve customers who, in the Fed's own words, 'would likely have had difficulty accessing credit from banks, credit unions, or captive finance companies.' For millions of working Americans — those rebuilding credit, those with thin credit files, and those whose circumstances don't fit a conventional underwriting box — independent dealers are often the only path to the reliable transportation that makes employment, childcare, and medical care possible," said Jeff Martin, NIADA's Chief Executive Officer.

"NIADA welcomes continued engagement with regulators, researchers, and policymakers as the sector evolves. We share the Fed's interest in a healthy, well-functioning subprime auto market. Our members built it, and they are committed to getting it right."

Although BHPH dealers represent only a small share of the overall $1.6 trillion auto loan market, the report notes that the sector has expanded rapidly, with loan balances increasing more than 200% since 2018. Large banks continue to provide financing to many BHPH operators through inventory financing, working capital loans, and receivable-backed lending facilities. Fed researchers also found that banks historically viewed these loans as relatively low risk because of structural protections such as over-collateralization, loan guarantees, and special purpose entities. However, bank risk assessments have worsened significantly following Tricolor's collapse, signaling growing caution toward the sector. The report concludes that continued monitoring of BHPH lending practices and bank exposure is increasingly important as regulatory and public scrutiny intensifies. ■

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4. **Administrators and Providers** – Fully integrated with over 150 providers and product administrators, with real-time data flow and eliminating manual entry errors.
5. **Transaction & Sales Tracking** – Monitor every F&I transaction, including menu presentations, customer engagement time, and product penetration rates.
6. **Maximizes F&I Profits** – Proven to increase F&I income on each transaction through optimized product presentations and detailed performance tracking.

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Why Vehicle Transport Fraud and Theft Is Spiking—and What the Industry Must Do About It

BY RUNBUGGY

Vehicle transport is the backbone of remarketing, repossession, retail, fleet, and mobility operations. Yet, in the last 12 months, transport-related fraud and theft is spiking the industry—making headlines, disrupting operations, and eroding the trust that holds this ecosystem together.

If you've been hit, you're not alone. If you haven't yet, the data suggests it is only a matter of time.

To tackle this head-on, RunBuggy's joined with leaders from Toyota Financial Services and Bridgecrest to break down the problem. We outlined a practical, real-world playbook for stopping it. Here is the distilled version—what is really happening, why it is getting worse, and what every stakeholder needs to tighten up.

THE PROBLEM: THEFT IS NO LONGER A ONE-OFF EVENT

Transport theft used to be an occasional annoyance. Today, it's a coordinated, organized, multi-layered attack surface. To understand the severity, we have to look at the financial impact on your bottom line.

The Cost of Stolen Inventory:

- **Dealers:** Running on 10–15% margins, a dealer needs 10–30 additional sales just to make up for one stolen unit.
- **Lenders:** Operating at 3–5% margins, lenders may need 20–50 loans to replace the loss.
- **Operations:** Multi-day investigations self-inflicted by a missing vehicle crush productivity and distract teams from real work.

This isn't petty crime anymore. It is a professional operation involving digital probing and coordinated pickup attempts that hit in 48–72 hour "flurries."

IT'S NOT USUALLY HACKING—IT'S PEOPLE

Despite the fear of high-tech breaches, the biggest failure points are painfully simple. Most theft occurs because someone trusted the wrong person or skipped the validation process.

Common Human Failure Points:

- **The Confidence Trick:** Someone walks up and says, "I'm here for the black one," and the keys change hands without verification.
- **Impersonation:** A consumer pretending to be an employee inserts themselves into the process.
- **Gate Drops:** A vehicle gets dropped outside an auction gate with the keys left inside.
- **Paperwork Fraud:** Dealers or auctions accept a paper

drive-off slip that can be printed by anyone with a laptop.

Technology helps you prove what happened, but it doesn't stop a bad handoff. Only disciplined process does that.

VULNERABILITY VS. SECURITY: A COMPARISON

To stop these bad actors, we must move away from the "Old Way" of doing things. Here is how modernizing your process protects your assets:

OLD WAY (VULNERABILITY)	THE SECURE WAY (SECURITY)
Paper gate passes and BOLs	Digital, QR code–based verification
Verbal confirmations and handshakes	Identity verification in mobile app
No visibility after vehicle leaves	GPS tracking and digital chain of custody
No audit trail or proof	Timestamped photos, events, and logs
Trust-based process	Process-driven accountability

THE PLAYBOOK: HOW TO PROTECT YOUR VEHICLES

Based on our panel with Toyota and Bridgecrest, here are the five steps you must take to secure your transport operations.

1. Build a Real Cybersecurity Foundation

Your transport partner needs actual InfoSec talent—not just a checklist. You need active monitoring, attack detection, credentialed security leadership, and hardened access controls. If your partner can't show you attack logs, you are flying blind.

2. Go Fully Digital—No Paper, No Exceptions

Paper is the enemy. It is easy to forge and impossible to trace.

- Move to mobile app–based verification.
- Utilize QR code drive-off passes.
- Require digital-only release approvals.

3. Maintain an Unbroken Digital Chain of Custody

Every vehicle move should be documented with pickup photos, drop-off photos, timestamped handoff events, and GPS-logged milestones. When something goes wrong, you instantly know where, when, and who. This is the single fastest way to resolve claims and disputes.

4. Train Your People—Constantly

Employees are the softest target. Training isn't optional. You must train for social engineering awareness, fraud recognition, and release verification.

Tip: Toyota runs internal phishing tests to catch people and make a point. It reduces risk effectively.

5. Communicate With Your Partners

The transport chain breaks when people stop talking. Auctions need to know your exact process, dealers must understand your validation rules, and lenders must align on handoff protocols.

FREQUENTLY ASKED QUESTIONS

Is transport theft mostly caused by hacking?
No. While digital probing exists, the majority of theft is social engineering—manipulating people into handing over keys or accepting fake paperwork.

Why is paper paperwork a security risk?
Paper gate passes and Bills of Lading can be easily forged by anyone with a printer. Digital verification, such as QR codes inside a secure app, cannot be faked easily.

What is a "Digital Chain of Custody"?
This refers to a continuous digital record of the vehicle's journey, including GPS stamps, photos at pickup/delivery, and digital signatures, ensuring accountability at every step.

THE BOTTOM LINE

The last year has exposed a hard truth: trust without process is a liability. The industry can't solve this with hope. It needs discipline, digital verification, and partners who treat security as a daily priority.

Ready to Secure Your Transport Operations?
Learn more about RunBuggy's security efforts today at runbuggy.com/security. ■

Content derived from Used Car Week 2025 Panel "Stopping Vehicle Theft & Fraud Before It Starts: A New Playbook for Dealers, Lenders & Transporters" consisting of Casey Harmon SVP at RunBuggy, Jeff Bulthuis Senior Assistant Director of Remarketing at Bridgecrest, and Tom Larson Sr. Manager TMCC Remarketing at Toyota Financial Services.

Finally! Health Plan Designs All Employees Can Afford

A solution focused on Auto Dealerships with lower, middle and high income employees.

New benefits from GIG Workers Universe and Ep6ix for members of CIADA, including

- Healthcare member benefit program provided by Amalgamated Local 426 Health & Welfare Fund
- Anthem Blue Cross Blue Shield network
- Bronze, Silver & Gold plan options
- Guaranteed Issue (No group approval required)
- Minimum 1 enrolled
- Must become member of GIG
    - *Fee waived with enrollment in benefits*
- 8 plan design options to choose from

Home & Auto Discounts

- Access to online quotes and live agents for any personal property lines of insurance (Auto, Home, etc.)

GIG Marketplace Shopping Discounts

- GWU discount marketplace to shop and save from thousands of companies locally or online

Health Plan – Increasing access to affordable healthcare

- Lower premiums than traditional offerings
- No Deductible options
- Guaranteed Issue (following group approval)
- Minimum 2 enrolled
- Open Access – No network required
- Unlimited Telehealth and Teletherapy
- 4 tier prescription plans (top 600 generics $0 Copay)

Dental & Vision

- Dental: Preventive, Basic & Major Services
- Vision: Eye Exam, Lenses, Frames

Voluntary Benefits

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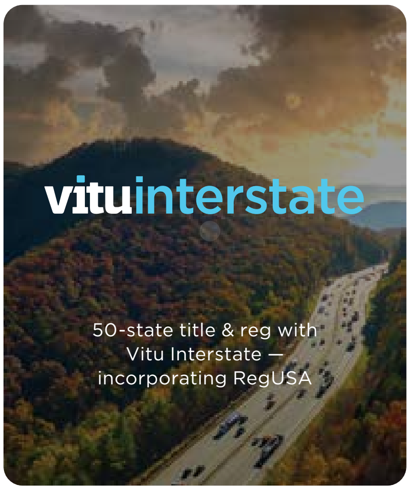

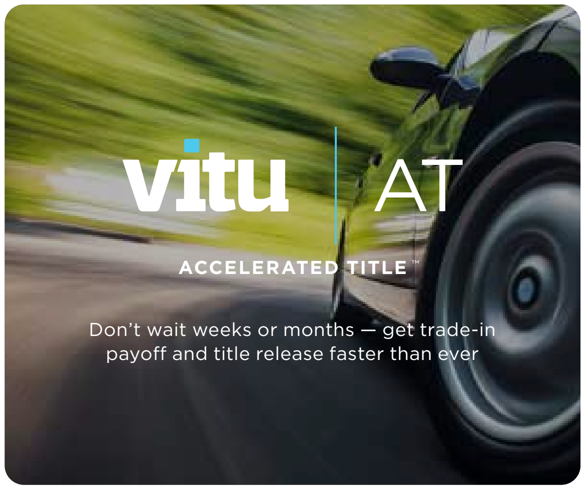

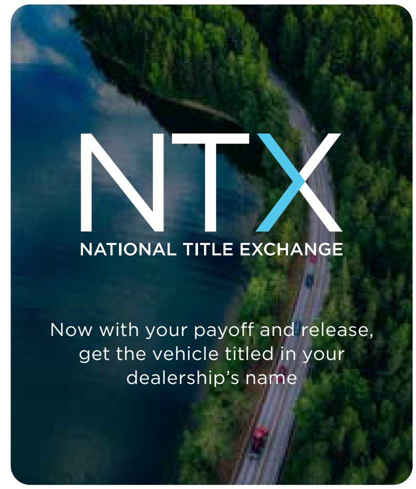

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