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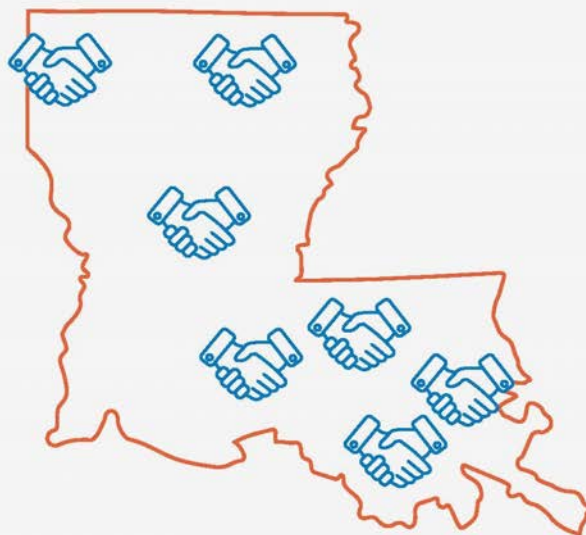
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NADA PAC CHAIRMAN'S MESSAGE

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James Cazenave
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(Presidents Club)
Robert John White
Landon Blake Wood

NADA's political action committee, NADA PAC, is a critical part of NADA's advocacy on Capitol Hill. NADA PAC receives voluntary personal contributions from dealers and managers of NADA-member dealerships and contributes to pro-business candidates for the U.S. House and Senate.

NADA PAC is one of the largest business trade association PACs in the country and is the only PAC representing the interests of all franchised dealers of new cars and trucks. Through September 30, 2019, sixteen individuals from Louisiana have contributed a total of \$16,510 to the NADA PAC; a list of these contributors is listed to the left.

All decisions regarding contributions to Louisiana candidates are made by Louisiana's NADA PAC state team, which, in addition to myself, consists of NADA Director, Mark Hebert, LADA Chairman, David Fabre, and LADA President, Will Green. In the 2020 election cycle, NADA PAC has already supported Senator Bill Cassidy and Congressman Clay Higgins.

If you have any questions, please contact me, or the NADA PAC staff in Washington. They can be reached at 202.627.6755 or nadapac@nada.org.

Sincerely,
Carroll Dantin
NADA PAC State Chair



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06

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LADA LABOR COUNSEL'S MESSAGE



BY:
TIMOTHY SCOTT

One thing is certain: legalized marijuana is here to stay. A recent poll demonstrated that two in three Americans support legalizing marijuana. Another survey estimated that over 22.2 million people use marijuana in some form. These surveys indicate that societal views on marijuana use have shifted and state laws legalizing marijuana have mirrored this shift.

Currently, 11 states have legalized marijuana for recreational use and 33 for medical use (including Louisiana). Marijuana, however, remains illegal as a Schedule I drug under federal law. Previously, when marijuana was illegal under both federal and state law, there was no reason to treat marijuana any differently than other illegal substances. Most dealerships adopted zero-tolerance policies, and any positive alcohol or drug result was grounds for rejecting an applicant or firing an employee without any second thought. It did not matter if someone was using drugs on or off the job.

It is important to keep in mind that employers in Louisiana are still allowed to require a drug-free work place and enforce a zero-tolerance drug policy. The Louisiana statute legalizing marijuana does not require employers to accommodate marijuana use - even for employees holding a legitimate medical marijuana card. Thus, at this point, employees can be disciplined for and even terminated for reporting to work with marijuana in their systems, possessing marijuana on dealership premises, or using marijuana while at work. Nevertheless, there are some pros and cons that dealers should consider when deciding whether to implement a zero-tolerance drug program covering all forms of marijuana use.

Pros of Zero Tolerance Policy for Marijuana

1. You can still just say no. Again, even if medical marijuana is legal under Louisiana law, dealers are still free to ban marijuana use on the job, in the same way that employers can ban alcohol or other illegal drugs. Employers in the U.S. currently have the latitude to implement a zero-tolerance policy marijuana as long as it is not discriminatory. That includes firing (or refusing to hire) an individual for using marijuana even if that use occurs in a state where recreational use is legal.

2. It is administratively easier. Many dealers do not care if their employees engage in sporadic marijuana use on their own time provided that they do not get arrested and, more importantly, they report to work sober. The problem with this approach, however, is that there currently is no reliable test that provides legal and technical proof of marijuana impairment. Unlike alcohol, which is blood soluble, THC (or tetrahydrocannabinol, the chemical responsible for most of marijuana's psychological effects) is fat soluble. This means that THC can be released into the blood stream long after ingestion. In fact, THC can be detected in the blood as much as 30 days after use - long after the effects of THC have worn off. To further complicate matters, cannabidiol (CBD) use - which is legal under both state and federal law - could trigger a positive test result for THC even though CBD causes no psychoactive effects. All of this means that even if an employee tests positive for marijuana, there is no definitive way to determine if the employee used marijuana while on dealership premises or if they were actually impaired (i.e. "under the influence") on the job.

One way to address the difficulty in determining marijuana impairment with drug testing is to train managers to recognize impairment. The Substance Abuse and Mental Health Services Administration (SAMHSA), an agency within the U.S. Department of Health and Human Services (HHS), publishes guidance for supervisors to recognize and handle potentially-impaired workers. *(Continued on next page)*

(Labor Counsel Message continued...)

Dealers that wish to avoid the additional administrative burden and costs associated with the complications set forth above may find a zero-tolerance policy preferable to engaging in a case-by-case determination into whether an employee was under the influence of marijuana while on the job.

3. Employees who are impaired are less productive and are potential safety hazards. THC in marijuana can affect depth perception, reaction time, coordination, other motor skills, and create sensory distortion. Most dealership employees regularly operate motor vehicles as an essential part of their job duties. This is a potentially dangerous combination. According to one study, employees who test positive for marijuana had 55% more industrial accidents, 85% more injuries, and 75% greater absenteeism compared to those who tested negative.

Additionally, Louisiana's workers' compensation laws provide an added incentive to employers who implement a zero-tolerance policy covering marijuana use. If an employee is injured on the job, they normally can be drug-tested immediately (it is recommended that dealers ensure that their policies expressly provide that they have this right). If an injured employee tests positive for an illegal substance that is addressed in the policy, it can negatively impact - and in some instances bar - the employee's right to receive workers' compensation benefits.

Cons of Zero-Tolerance Policy for Marijuana 1. A zero-tolerance policy may make it more difficult to hire and retain employees - particularly technicians - in a tight labor market. As of August 2019, the current unemployment rate is 3.7 percent. The low unemployment rate coupled with the increased consumption of marijuana - particularly by younger, male workers - has decreased the number of available workers.

As previously mentioned, societal views on marijuana use have shifted. One indication of this is an increase in marijuana consumption by the public. Several studies have been conducted in this area of research, the newest example of such research examined marijuana use in Colorado—the first state to decriminalize recreational use. The study's findings may be useful for employers across the country to inform them about the realities of marijuana use by members of their workforce. The Centers for Disease Control and Prevention (CDC) recently published data about current marijuana use in Colorado and categorized that data based on work industry and occupation.

The findings reveal that 14.6 percent of Colorado adult workers are current marijuana users. The highest prevalence of marijuana use was among young adults (29.6%) and males (17.2%). The data also confirmed that marijuana use was above-average for workers who held positions that would be considered "safety sensitive."

Further, testing lab Quest Diagnostics reported in April 2019 that marijuana is the most frequently detected drug in workplace mandated urine screenings. In its report, Quest determined that an "analysis of more than 10 million workplace drug test results shows increases in marijuana positivity across nearly all employee testing categories." With 4.4% of screen employees testing positive for marijuana in 2018, the company says, positive results are up by more than 25% since 2012.

2. Zero-tolerance policies leave no room for employer discretion. Termination for every infraction, no matter how small, is generally not effective. For example, a dealer might have a policy which mandates that any employee who tests positive for marijuana will be immediately terminated. If an entire department tests positive for marijuana use, the question the dealer will have to grapple with is whether it can operate without that department, or if it can terminate some employees but not others without risking allegations of discrimination for non-compliance with the zero-tolerance policy.

3. Employers in states where marijuana has been legalized for medical use must be careful when disciplining medical marijuana users. Currently, 11 states have specific laws protecting medical marijuana patients from employment discrimination. Louisiana does not currently have such a policy.

Louisiana law authorizes medical marijuana for treatment of cancer, HIV/AIDS, cachexia or wasting disorder, seizure disorders (including but not limited to epilepsy), spasticity, Crohn's disease, muscular dystrophy, glaucoma, Parkinson's disease, post-traumatic stress disorder, multiple sclerosis, intractable pain, and — in some cases — autism.

No Louisiana court has created an affirmative obligation on an employer to provide a reasonable accommodation by excusing an employee suffering from one of the foregoing conditions (and who has a medical marijuana license) from the employer's drug testing program. Such an obligation has been created in other states (either by statute or by court decision). For example, the Supreme Court of Massachusetts held that employees with

(Continued on next page)



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(Labor Counsel Message continued...)

medical marijuana cards are entitled to reasonable accommodations, and employers are required to engage in the interactive process to make that determination (essentially requiring employers to treat medical marijuana the same way it would treat prescription medications).

Conclusion

In the end, the central goal of an effective drug testing policy is to protect the general public and a dealership's employees, customers, and vendors from the dangers associated with illegal drug use. Until a test is developed that can determine "impairment" from marijuana usage, the safest course is to continue to have a written zero-tolerance policy prohibiting all forms of marijuana usage. Issues relating to medical marijuana or alleged CBD use can be addressed on a case-by-case basis. Additionally, supervisors should be trained on how to spot potential drug use in advance. If a dealer chooses to make an exception to its zero-tolerance policy in a particular situation (e.g., long-term employee with a spotless work history testing positive for marijuana), such a decision should only be made after contacting experienced employment counsel. There are ways to minimize any potential liability issues that can flow from such a decision. Lastly, dealers are cautioned to keep themselves apprised of any future developments in this rapidly-changing area of the law. This article provides an overview of the law and is not intended to be, nor should it be construed as legal advice for any particular fact situation. For additional information regarding how this issue may affect your business, please contact Tim Scott of Fisher Phillips, LLP at (504) 529-3834 or tscott@fisherphillips.com.






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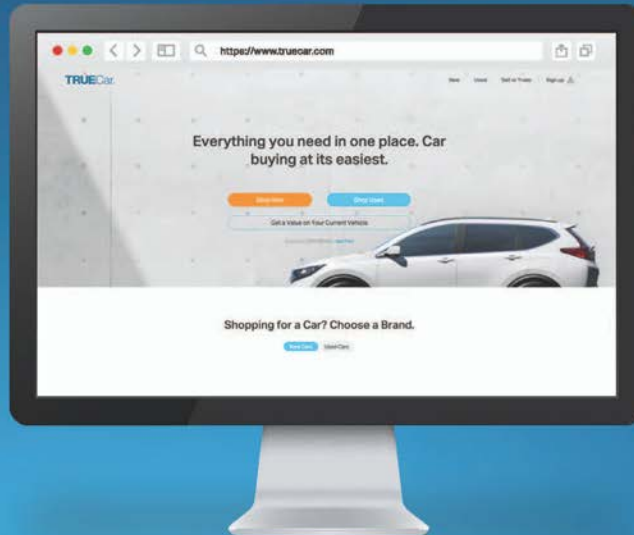
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SAFETY COMPLIANCE MESSAGE

REGULATIONS ACROSS YOUR DEALERSHIP: THE SERVICE DEPARTMENT

By: Toby Graham

No other part of a dealership can compare to the service department in terms of moving parts. I mean that both figuratively and literally. For as many nuts, bolts, pistons, panels, plugs, and springs your service team handles, there's an almost equal amount of rules and regulations to follow.

Make sure you know the following regulations to keep your team safe and operating on the right side of the law:

- **The Clean Air Act** reduces pollution by regulating air emissions. Under the Act, dealerships are forbidden from messing with devices, such as catalytic converters, air pumps, and positive crankcase ventilation systems, that limit emissions.
- **The Clean Water Act** regulates how your dealership can store and dispose of wastewater and oil, in order to reduce contamination of nearby water sources.
- **The Department of Transportation** requires that your employees are properly trained in hazardous materials handling procedures. The DOT broadly defines hazardous materials as those that “could potentially harm the public and the environment.” Examples include flammable, poisonous, and radioactive substances.
- **The National Highway Traffic Safety Administration’s tampering rules** prohibit dealerships from tampering with any pre-installed safety equipment in used vehicles.
- **The NHTSA** also enforces **tire rules** that require dealerships to properly deal with and report information about defective and recalled tires.
- **The Occupational Safety and Health Administration’s asbestos standards** protect workers from asbestos exposure by limiting the equipment dealers are allowed to use during the cleaning of certain devices that may contain asbestos.
- **OSHA Hazard Communication** encompasses the many labels, data sheets, disclosures, training procedures, and other forms of communication that inform workers at your dealership about the presence of hazardous chemicals and how to safely handle them.
- **OSHA’s lockout/tagout procedures** explain how employees should safely shut off or isolate devices that otherwise have the potential to release hazardous energy.
- **OSHA’s standards for workplace health and safety** protect your employees’ well-being in all forms. These laws regulate everything from personal protective equipment use to accident reporting to proper workplace temperature—and much more.

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Phillip Tarver Elected to Serve District 36 In the Louisiana House of Representatives



LADA EXCLUSIVE
MEDIA CONTACT: KATHLEEN O'REGAN

The Louisiana Automobile Dealers Association (LADA) congratulates Phillip Tarver from Lake Charles Toyota on being elected to serve District 36 in the Louisiana House of Representatives. Tarver will be sworn into office on Monday, January 13, 2020 at 10:00 am at the Louisiana State Capitol in Baton Rouge, LA.

Tarver was raised in Lake Charles and is an active member of the Lake Charles Business Community. He graduated from LaGrange High School in 1976 and McNeese State University with a Bachelor's degree in 1981. He got his start in the business community with a local CPA firm before joining the team at Lake Charles Nissan in 1984. In 1991 he became a managing partner of Lake Charles Nissan and then purchased Lake Charles Toyota in 1997. Today, he can still be seen working the showroom floor with his sons, Eric and Corey.

"Phillip has been giving back as an active member of his community and LADA for years serving in numerous leadership capacities," states LADA President, Will Green. "We look forward to having his leadership and expertise in the legislature and know he will continue to help move his district and our industry forward."

Phillip has made it his life's mission to be of service to his community. Since 2000, Phillip has served in multiple capacities: Calcasieu Parish School Board (2000-2006), Louisiana Motor Vehicle Commission (2007-2015), and Chairman of the Board of Fellowship of Christian Athletes, on top of countless philanthropic efforts.

"I am proud to be a car dealer in the legislature," Phillip Tarver states. "We have great opportunities in front of us to give a fresh look and to

make changes that can benefit our industry, the communities we serve and the generations to come. The opportunity to serve and help people is very exciting and fulfilling, and that's what we do as car dealers. This is just another opportunity for me to help serve our community in a different way and I am really looking forward to the challenges and the rewards to come."

In 1978, Phillip married his sweetheart, formerly DeWanna Corley. DeWanna runs the successful DeWanna's Community Closet to help children in need with school supplies and uniforms. Together they had twin sons: Corey and Eric. They are also the proud grandparents of Miles, Millie, and Graham.



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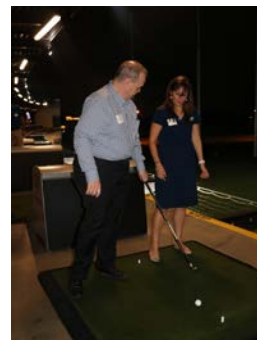
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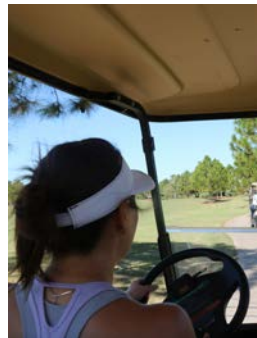
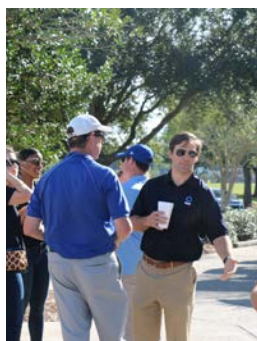
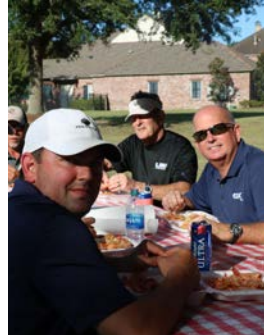


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CYBERSECURITY:

DEFENSE IN DEPTH

HOW ADVANCES IN RETIREMENT RECORDKEEPING TECHNOLOGY CAN PROTECT BOTH EMPLOYERS AND EMPLOYEES

The cybersecurity threats facing employees and their retirement plans are more sophisticated and dangerous than ever before. The good news is that technological defenses are evolving rapidly to protect against these attacks. Understanding today's cybersecurity environment, including the risks to a retirement recordkeeper and the protocols and best practices for defense, is critical for establishing a more secure defined contribution industry.

"This issue is hugely important from an industry perspective," says Doug Peterson, chief information security officer for Empower Retirement. "We are all in this together. If one of us has a breach, it will negatively impact all of us." The positive outcome of improved cybersecurity for retirement recordkeeping is to make retirement better, safer and more secure.¹

The risks

The Equifax data breach of 2017 is an example of the scale of today's risks. Data breaches can stem from the smallest of missteps.² In this case, a single server was not patched against a threat, allowing criminals to gain entry. Unfortunately Equifax did not identify the breach for months. Ultimately, the accounts of 145 million Americans were compromised. Also, because Equifax had no easy way of reaching each victim, the company had to escalate the situation to the media in order to notify everyone involved.

The Equifax data breach is a recent, well-known example in an intensifying trend of cyberattacks.

The attacks can take many forms, internal and external. The 2019 Verizon Data Breach Investigations Report has quantified these types of attacks.

What actions are being used?

The Verizon report examined 41,686 security incidents and 2,013 data breaches. More than half (52%) of the breaches involved hacking, 33% included social attacks and 28% involved malware (attacks could include more than one type). Most of the internal attacks resulted from inadvertently clicking on general phishing emails. But these attacks can be deliberate as well. According to Peterson, 25% of fraud against plan participants comes from a member of an employee's family, such as a case of eldercare abuse or an estranged spouse seeking assets.

Employers have to protect themselves against many types of threats, from the technological to those stemming from people. "Even if a plan sponsor is doing a good job of phish training and gets the click rate down to 3%, that simply is not good enough," Peterson says. Reducing the possibility of a mistake by a plan participant, though important, cannot be the only thing protecting a lifetime of saving from a criminal. Simple firewalls are not sufficient either. Instead, new technological approaches are called for coupled with new security protocols — what Peterson terms "defense in depth."

CYBERSECURITY

CONTINUED | A WHITE PAPER PREPARED BY EMPOWER

Responses: Modern protection

Modern recordkeeping rests on three clear concepts:

1. Protect the perimeter
2. Identify an intrusion quickly
3. Minimize any damage

Changes in today's recordkeeping technology have enabled a safer approach to storing and protecting data.

Traditionally recordkeeping was run through mainframe computers, large-scale centralized systems unlike smaller, decentralized server based systems. This approach created numerous vulnerabilities for employers and their employees. Cybersecurity or even recordkeeping itself was rarely a core focus. In addition, any changes in technology, such as mobile applications or advanced authentication, had to be tacked onto this older system rather than incorporated within it. The result was a complex structure that makes protecting the perimeter and minimizing damage difficult.

In contrast, the more modern approach to recordkeeping has security as a core principle and is designed for just one purpose: recordkeeping. As a result of the more modern approach, every line of code is written with recordkeeping in mind while clients interact with their data through a modern web browser. This means it is easier to change the client experience without having to create code changes and revamp the entire system, standard practice when using a mainframe.

The next evolution in technology in terms of this modern approach to recordkeeping involves the cloud, which can offer less vulnerable recordkeeping environment than using mainframes. Since everything is done by code in the cloud, human error is reduced. Building in the cloud should be done through scripts. Scripting allows detailed reviews and, once accepted, provides 100% repeatability free from human intervention and error. It also provides elasticity, scalability, resiliency and speed. Plan sponsors seek such qualities in a recordkeeper so they can focus on their core business rather than worrying about their plan data.

Because no technology is perfect, however, the modern recordkeeping environment still requires defense in depth, which consists of overlapping technologies to create multiple layers of defense. If one layer fails, others will back it up. For example, defense in depth can involve compartmentalizing data or deploying multiple firewalls rather than just relying on one. Rather than being stored in a single giant warehouse, data is stored instead in separate compartments, limiting the amount that could be stolen at any one time in the event of a breach. These compartments also should be set up so any intrusion becomes immediately apparent. Taken together, the strategies used in defense in depth accomplish the goals of modern recordkeeping protection: They protect the perimeter, identify an intrusion quickly and minimize any damage.

Monitoring the dark web

An employee in a plan who took the security of their personal information seriously may have made all of the right moves – or so they thought. They scanned all of their retirement statements into Google Docs, destroying the originals. Though they digitized everything in an attempt to increase security and reduce the risks from paper, they may have made one key mistake if their Google Docs weren't private.

Close monitoring of the dark web can reveal such mistakes. "We use a third-party firm to troll the dark web – we don't want our own network exposed," Peterson says. In a case such as this one, trolling the dark web can reveal the employee's private information has been made public. In one case in particular, Empower Retirement was able to alert the employee and explain how to change their Google Docs security configuration.

The importance of multifactor authentication

Even if an employer has deployed defense in depth, employees can still be careless in clicking on links in emails. This means they are vulnerable to phishing. Simply clicking on a link may take an employee to a fake website, where they are asked to type in their name and password and then immediately directed back to an authentic website without noticing anything is amiss. Meanwhile a thief may be scraping their data, which can then provide access to financial assets.

The solution is multifactor authentication, which changes the paradigm of what it takes to log in to an account. Most logins merely require knowing a username and password. Multifactor authentication requires more than just this knowledge:

CYBERSECURITY

CONTINUED | A WHITE PAPER PREPARED BY EMPOWER

It adds a step, such as entering a code sent to one's phone, that involves a different device to make it exponentially harder for a criminal to get into an account. Multifactor authentication adds another layer of protection to a retirement account.

The importance of being able to contact the actual employee

Often a plan has only one point of contact for an employee. What if this point of contact has been compromised? For instance, a thief that has gained access to an employee's email account could set it up so any notifications from their recordkeeper are deleted. The employee has no idea their account has been breached and will never receive warnings from their plan.

On the employer side, what if the organization's email system itself becomes compromised and is taken over? The thief could gain access to retirement accounts through the email system. And safely reaching employees once a breach has occurred presents a challenge. It can be difficult to identify which points of contact are still valid and which are controlled by the thief.

"Getting those points of communication with a plan participant and finding as many ways as possible to reach [them] is important," Peterson says. This is not about crossselling. Instead, "it is about making sure we can get ahold of the real [employee]."

A proactive communication process through which employees receive automatic thank you messages when they update their contact information or confirmations of substantive changes to their accounts can result in both a positive customer experience and better security.

Basic cybersecurity tips for employers and employees

Beyond moving to a modern recordkeeping environment that uses servers rather than a mainframe, there are some simple tips employers and employees can use to protect their data.

1. **Guard against phishing** | Employers should offer security awareness training to employees as well as an ongoing phishing awareness program.

2. **Keep personal information private with encryption** | All emails between employers must be encrypted. According to Peterson, "sending data unencrypted would be like writing sensitive personal information on the back of a postcard and sending it across the United States. That data can be read and picked up at every point."

3. **Restrict access with IP whitelisting**

| Employers should set up "IP whitelisting," which restricts system access to only approved networks. Connections attempts from hackers, and those outside a business, will be immediately blocked. It is important to make sure employees are only logging in from an authorized computer on the organization's network rather than from a personal computer at home that might not have the same level of protection as in a work environment.

4. **Use multifactor identification for logins** |

Employees should provide their recordkeeper with multiple points of contact and use multifactor authentication to log in to their accounts.

Employees should also periodically review their accounts. To do this, they first need to claim their accounts.

5. **Stress the importance of claiming account** |

Employees may believe their retirement plan account may remain safer if they don't log in. But, in fact, the accounts are already online, so if an employee doesn't claim their account, it becomes easier for a criminal to claim it on their behalf.

6. **Encourage employees to self-report identify theft** | Finally, both employers and employees need to immediately notify their recordkeeper if they believe their account or identity has been compromised. A recordkeeper can take the necessary steps to mitigate a compromised identity, including providing additional security measures and monitoring of the account.

Beyond these tips, employers need to partner with the right recordkeeper, one who can truly offer defense in depth.

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Stephen M. Huggins, CPA
shuggins@htbcpa.com

Glen M. LaBorde, CPA
glaborde@htbcpa.com

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Claude F. Reynaud, Jr.
claudereynaud@bswllp.com

Jeanne Comeaux
jeanne.comeaux@bswllp.com

Lance J. Kinchen, Buy/Sell Specialist
lance.kinchen@bswllp.com

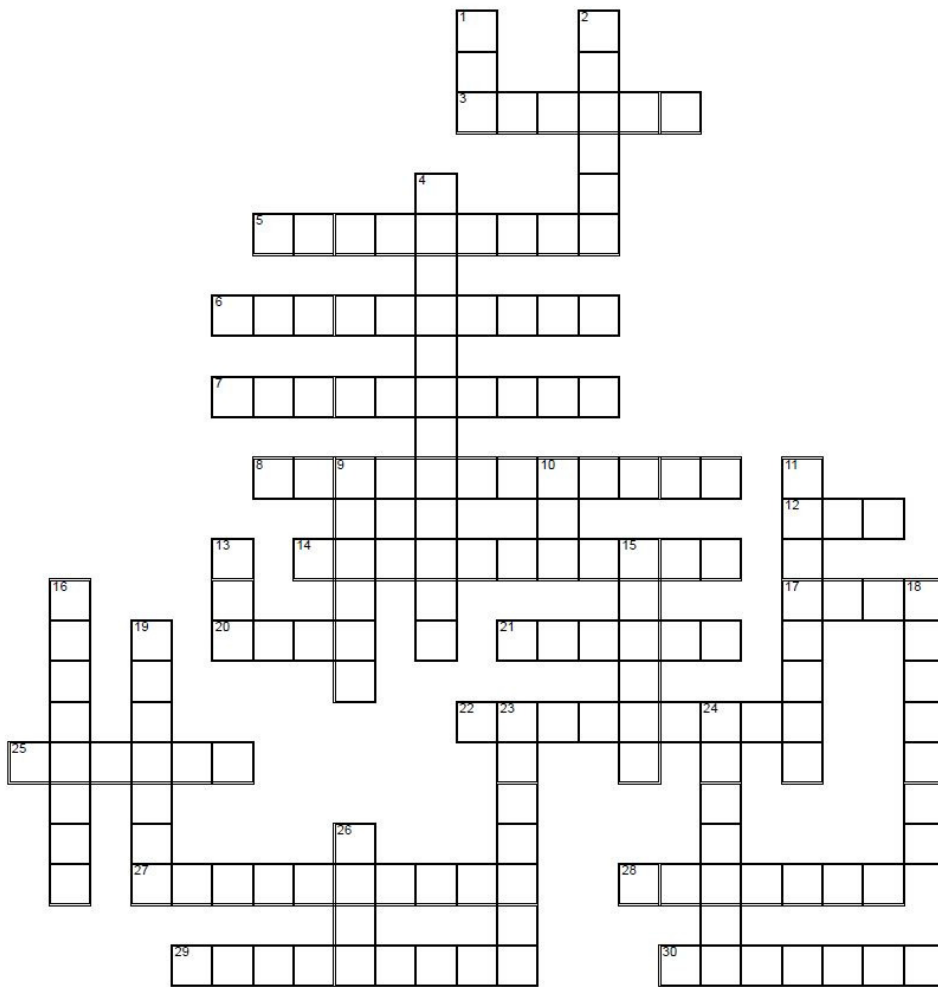
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LADA hosts and participates in many events throughout the year where you can nurture and network with old friends and build relationships with new friends.

Regional Meetings, Annual Convention, and the Golf Tournament & Shrimp Feast are just a few events that you can look forward to annually.

Crossword Puzzle



ACROSS

- 3 Griswold drinks it out of a moose mug
- 5 Boat that transported Pilgrims
- 6 A symbol of plenty
- 7 Santa's abode
- 8 Celebrated on the 2nd Monday of November
- 12 Ended BAMA's winning streak
- 14 All star back up quarterback
- 17 Tree topper
- 20 Go to the polls

- 21 Louisiana's Heisman pick
- 22 2020 beach destination
- 25 New NADA State Director
- 27 E.T.A. Hoffman production
- 28 Traditional Thanksgiving pie
- 29 December 25
- 30 Wampanoag people

DOWN

- 1 Night before a major event
- 2 Crib, for example
- 4 Day after Thanksgiving
- 9 Auto Dealer in Legislature
- 10 Plymouth to New World (dir)
- 11 God's favor and protection
- 13 Thanksgiving mo.
- 15 Holiday bird
- 16 Found under the tree
- 18 Red nosed friend
- 19 Insurance Commissioner
- 23 2nd term Governor
- 24 Frosty and Olaf
- 26 Southern sweet potatoes



Advertiser Index

- 6 Ally Auto Finance
- 6 Blue Cross Blue Shield of Louisiana
- 14 Breazeale, Sachse & Wilson, LLP
- 12 Certified Finance & Insurance
- 9 Chase Auto Finance
- 2 Cox Automotive
- 10 Cox Media
- 4 Dealertrack Registration & Title
- 12 Express OMV, LLC
- 14 Hannis T. Bourgeois, LLP, CPAs
- 12 JM&A Group
- 8 KPA
- 2 Louisiana Dealer Services, Inc.
- 12 Merrill Lynch
- 14 Reynolds & Reynolds Retail Management System
- 9 Risk Management Services, LLC
- 10 TRUECar

Sudoku

5	3			7				
6			1	9	5			
	9	8					6	
8				6				3
4			8		3			1
7				2				6
	6					2	8	
			4	1	9			5
				8			7	9

CROSSWORD
PUZZLE
ANSWERS CAN
BE FOUND AT
WWW.LADA.ORG

Jumble

Unscramble these Jumbles, one letter to each square, to form five ordinary words

○ □ □ ○ ○ □ □ □ ○

RMCTSASIH

□ □ ○ ○ ○ ○

EDDLWA

□ ○ □ □ ○ □ □

CNGOOKI

□ □ ○ □ ○ □

TYKRUE

○ □ □ □ □ ○ □ □

BSLGIENS

□ ○ □ □ ○ □ □

UCIBIST



Sissy Patin was excited to win the grand prize at the LADA Golf Tournament & Shrimp Feast and will now enjoy Thanksgiving watching football on her new TV and eating...

○ ○ ○ ○ ○ ○ ○ ○ ○ ○

○ ○ ○ ○ ○ ○ ○ ○ ○ ○

Now arrange the circled letters to form the surprised answer, as suggested by the above cartoon.

Our Staff



Will H. Green
President
wgreen@lada.org



Kathleen O'Regan
*Event Coordinator &
Executive Assistant to the President*
koregan@lada.org



Fermin Rodriguez
Accountant
frodriguez@lada.org



Krystal Hudson
Administrative Assistant
khudson@lada.org

Office

7526 Picardy Avenue, Baton Rouge, LA 70808
Phone: (225) 769-5500 | Fax: (225) 769-2085
Email: LADA@LADA.org | Web: www.LADA.org

Up^{to}Speed

LADA'S QUARTERLY NEWSLETTER