THE COST OF COMPLIANCE

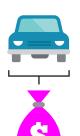
How you apply the principles of compliance directly affects the overall cost of compliance to your business.

A typical U.S. dealership with revenue of

\$38,000,000

in federal regulatory compliance costs.

incurred an annual average cost of



These costs amounted to:

21.7%

of the average dealership's before tax net profits

\$2,371

per dealership employee

106

vehicle sales

\$100

mean cost per vehicle

This totaled 3.2 billion in compliance costs across all U.S. light vehicle dealerships



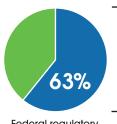
It also represented a

increase in dealership expenditures:

increase in expenses equates to a net profit decrease

NUMBERS AT A GLANCE

Regulations pertaining to employment, accounting and vehicle financing make up more than 63% of all estimated federal regulatory compliance costs:



Federal regulatory compliance costs



employment



accounting



vehicle financing

The administration of vehicle financing accounts for of vehicle finance compliance costs and of total dealer compliance costs.

Vehicle regulations governing safety emissions make up of dealer compliance costs.

OVERALL IMPACT

\$7.7B

Dealerships lost an
estimated worth
of net business & economic
activity due to federal
regulatory compliance costs.

This resulted in an estimated economic cost to light vehicle dealerships of \$7.7 billion, and a in direct dealership employment.



Overall impact to U.S. economy is estimated at \$10.5 billion in lost economic output.



Contact EFG today to cultivate a profitable culture of compliance.

