



Tuesday, July 10, 2007

Vehicle Finance, Leasing, and Insurance News & Developments of Particular Interest to Automotive Industry Executives

This Week: David Huber

Leaders in Automotive Funding 2007



INDUSTRY LENDERS & PROVIDERS ON THE LEADING EDGE



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A graduate of Purdue University, Mr. Huber first began his career on the family farm in Indiana. In 1980, he formed Great Motorcars Ltd., an automobile importing and leasing firm, which he operated until 1985, when he purchased the first of three new car dealerships. In late 1992, after selling his automotive dealerships, he started Goshen Fidelity Inc., a non-prime auto finance company. Goshen worked with over 2,000 dealers and grew to over \$250 million in annual volume. It was while operating Goshen that Mr. Huber came up with the idea to create the web-based technology that is today Finance Express.

1. Finance Express has experienced phenomenal growth over the last few years. Could you share with us a couple of the events that have been of major significance?

There are probably three. The first was back in early 2006 when we formalized an equity relationship with ADESA. Since then, we've worked very closely with ADESA and Automotive Finance Corporation marketing to ADESA dealers. This relationship gives us traction in the industry and credibility with lenders.

Then in October of 2006, we acquired DealTrace, a leading BHPH company out of Dallas. This acquisition rounded out our technology and made us a complete dealer management system. We have

everything an independent dealer could want, from inventory management to collections, accounting integration, forms, and much more.

Lastly, Finance Express acquired Tracker from Manheim in May of this year, which gives us a strong relationship with Manheim Financial Services. We are in the process of transitioning thousands of dealers that were active on Tracker over to Finance Express. We are also working with Manheim Financial Services and Manheim Auto Auctions training their staff about Finance Express, so that as dealers come to the auctions, they will be introduced to the benefits of using our DMS.

2. Tell us a little bit about what Tracker really does?

The Tracker system was a DMS software that Manheim created. It was a very fine DMS system for ten years; it just had its limitations. It was the largest DMS system of its kind out there, but there was some feeling that with what Finance Express was doing (adding a DMS system fully interactive with lenders) that a desktop DMS was not competitive any longer. Manheim felt they would be better served if their dealers used Finance Express. At the end of this year, the Tracker software will be officially put on the shelf. Dealers will have to switch over to the Finance Express system in order to have an ongoing DMS system with service and technical support.

3. What do lenders like the most and what challenges have they had in joining your platform?

Historically, the biggest issue for lenders is that there is considerably higher risk dealing with an independent dealer compared to a franchise dealer. There's considerably less capital investment to start a used car business than there is to start a franchise store. And unfortunately, there have been

some independent dealers that have done some less-than-scrupulous things. Lenders have been burned in the past and the perception is that there is inherent risk when dealing with independents. As we developed Finance Express, we took this into consideration, and included multiple layers of risk mitigation. We are also introducing a new product soon - an insurance policy where we will also insure the lender-dealer agreement.

Dealer Vision is a new company that we announced at NIADA. It completes the vision of what I wanted to do at Finance Express for used car dealers. Essentially, Dealer Vision is the last piece of the puzzle. It is a joint marketing relationship with JM&A Group whereas a dealer will now be able to set a customer down in front of a PC with a microphone and camera. With just a few keystrokes, the dealer can initiate a live video teleconference between the customer and trained F&I professionals at a remote call center. A used car dealer need not have the expense of an F&I department. Dealer Vision is able to present every document, highlight them, circle them and when we're done talking, the documents will be printed for the customer. The dealer virtually has professionals doing the F&I and compliance issues for him. And lenders have the assurance of knowing the loan that they bought was done correctly.

The best part is that the dealer gets the equipment for free. We share in the revenue for the aftermarket products that are produced. It's the belief of all of our test market dealers - and our belief - that using an F&I professional will result in more product sold, therefore, more revenue. We really believe this completes the whole picture of Finance Express and levels the playing field between independent dealers and franchise dealers.