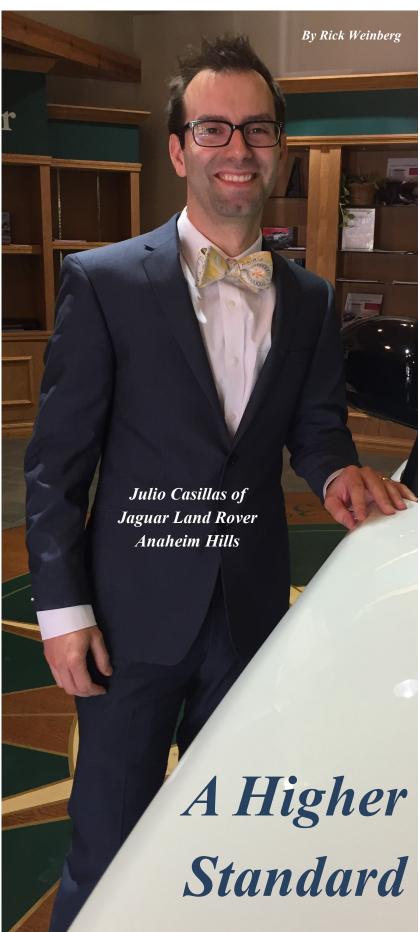
ven for a prestigious luxury automotive company like Rusnak Auto Group, the acquisition and sales of preowned vehicles is not only paramount, it is essential to the overall success of the entire organization.

How can that be, you say? How can a world-famous automobile group that features Maserati, Rolls Royce, Bentley, Porsche, BMW, Audi, Jaguar and Land Rover be so concerned about *preowned* vehicles and sales?
Well, take it from Sven Larson, the General Manager of Rusnak's Jaguar Land Rover Anaheim Hills dealership,

At Jaguar Land
Rover Anaheim
Hills and the
Rusnak Auto Group,
the selection, showcasing and sales of
pre-owned vehicles
is a true art form.

pre-owned vehicles, in the big picture, are just as critical as new-car sales. "Used cars are not only important at this store but they are critically important to the Rusnak Group as an organization," Larson says. "The way our founder Paul Rusnak and CEO Victoria Rusnak look at things, the used car department is a separate franchise in and of itself. The measure of a store is how



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well the used car department is functioning."

For those of you who are not privy to the inside world of automobiles dealerships and sales, that may come as quite a shock. What may also be surprising is how a highline dealership like Rusnak searches for, recruits and hires the manager of its preowned vehicle department. It's similar to the way the Dodgers, Angels or Lakers chase after the best free-agent talents on the market.

One of the top pre-owned automobile managers in the country happened to be a stone's throw away from Larson's dealership. His name: Julio Casillas.

For years, Casillas, a UC Riverside graduate with a degree in Business Administration, was a top mortgage advisor. When the housing crisis hit, the company Casillas worked for dissolved and he had to reassess his career goals.

His wife, Gladys, suggested he return to his first love - automobiles. During college, Casillas sold cars. Problem was, his heart was not into selling cars at this stage of his life. But what he did find intriguing was becoming *a buyer* for a luxury dealership. He trained at CarMax and became so adept that the company hired him as a buyer. Later, they promoted him to train others. Soon thereafter, Casillas landed at Sonic Automotive, specializing in buying Mercedes Benz, Lexus and BMW for the 100-store national company. In 2010, when Casillas became the manager of the pre-owned car division at Buena Park Honda, all he did was nearly double the company's used-car sales to 125 in his first year.

When Larson heard about it, his first thought was, "We need that kind of guy

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here."

Larson phoned Casillas and left a message, requesting that they meet. Days passed and Larson had not heard back. He called again and left another message. Days later, still no word.

"He was like a hard date," Larson says with a laugh. "I almost blew him off because it was like too much work."

Casillas didn't jump at the opportunity because he was so content at Buena Park.
Sure, it wasn't Rusnak -- and he wasn't dealing with Jaguar and Land Rover. But he was satisfied establishing used-car sales records.

"I was reluctant to call Sven," Casillas says.
"When I looked at the pre-owned department [at Buena Park], I thought, 'This is mine. I built this."

To be polite, Casillas phoned Larson – "and wouldn't you know it, he called me while I

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was driving in the one section of Newport Beach where my cell briefly loses service on my way home," Larson recalls with a laugh. When they finally hooked up, the two hit it off and Casillas conceded – he went in for a 1-to-1 meeting.

"When we met, I knew immediately he was the man," Larson says. "I'm a used-car guy at heart and I knew he was the real deal. "When I talk to someone, I either get a good feeling right off the bat and it gets reinforced through the conversation -- or I get a bad feeling and that gets reinforced. With Julio, it was a good feeling right off bat and it kept getting stronger."

Larson immediately made Casillas an offer that he and his wife could not refuse. Moreover, he was moving to the major leagues of automobile groups and would be working with the most prestigious cars on the planet.

What more could anyone want?

"I figured with the records I was setting at Buena Park, I could establish a similar pattern here," he says.

He has accomplished just that, setting records month after month.

hat makes Casillas so successful is his experience, training and his eagle eye.
What he learned at CarMax

was invaluable. After all, he was inspecting 200-300 vehicles at a time – and buying 50. Most used car managers appraise and buy only a handful of vehicles on a given day. "If you're buying 50 cars a day versus five, you get that much more experience that much quicker," Casillas says.

Most used car managers come from the sales floor – they're great at sales but they just don't know the nuances of the job like

Casillas, who comes from a *buying* background, not sales. That makes a world of difference, he says. Most used car managers do not know how to properly inspect a vehicle for accidents. They rely on data sources such as CarFax. Not Casillas. He doesn't even bother with CarFax until the end of the process.

So what is the key to success when inspecting and buying used cars?

"It is both science and art," Larson says.

"When you're dealing with a used car,
you're dealing with ticking time bombs. Unlike a new car, used cars go down in value
every day. New cars do not go down in value until they're sold and are driven on the
road. Used cars depreciate every day so you
have to start by picking the right car for
your market, buying it correctly to allow for
both mechanical and cosmetic reconditioning expenses, then market the car for a
quick sale."

Moreover, every used car is unique. As Larson says, no two used cars are alike. It's a completely different business from new cars.

"There are new-car buyers and there are used-car buyers, and many times there is no crossover," Larson says. "The two circles intersect to a degree but they're not concentric."

When it comes to the process of inspecting and buying pre-owned vehicles, "it is market data and a bit of instinct that must guide you," Larson says. "You have to be quick and smart to succeed."

"Julio Casillas is both quick and smart."
The critical elements Casillas considers the moment he sees a car is its mileage, vehicle maintenance history, and whether or not there is evidence of prior damage.

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Like an art appraiser, he instantly knows if a vehicle has had any exterior damage and repair. If it has had problems, Casillas considers it damaged goods and passes on it. "I wouldn't buy a car with replacement panels for myself so there's no way I'd pass it off on a customer," he says. "At Rusnak we hold ourselves to a higher standard." Much higher.

"We don't ever want to be put in a position of having to explain ourselves," he adds. "We only want to sell a good car at a good price and give the customer a great, satisfying experience."

At Rusnak, the success of selling a preowned vehicle is not measured by profit margin. Not even close.

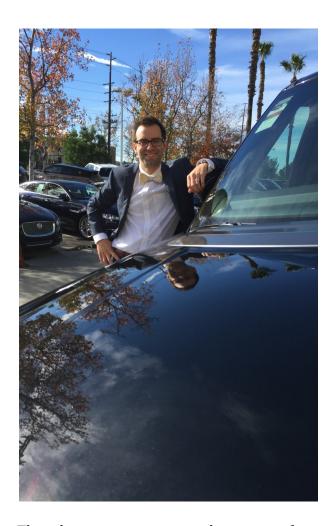
"It's about giving the customer a great car, period," Larson says. "Profit is always secondary. First and foremost, you need to have the right car – and that starts with Julio."

If there is a choice between making a profit and having a satisfied customer, Casillas opts for the latter.

"If I buy a car and make little profit but the customer is happy, I will do that all day long," he says.

"This is the bottom line," Larson says. "If you pick the wrong used cars and sell them, you end up creating grief for your customers and your employees while damaging the reputation of the dealership.

"On the flip side, if the used car manager stocks the right cars, takes proper care of the car throughout the reconditioning process, then offers a great product for sale, it's going to be a terrific new ride for someone that will give them many years and many thousands of miles of joy. That's when it becomes a real plus to a dealership."



The ethics, transparency and integrity of Casillas, Larson and the Anaheim Hills dealership are what impress customers, who in turn tell their family and friends, further cementing JLRAH's and Rusnak's glowing reputation.

"We will not knowingly sell a car that could damage our name," Casillas says. "We want to make sure we can look every customer in the eye and know they got a great car at a terrific price."

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