

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE PATENT TRIAL AND APPEAL BOARD**

Petition for CBM Review of	§	Customer No. 97149
United States Patent No. 8,396,791, for	§	
<i>System and Method for Assessing and Managing</i>	§	Attorney Docket No: D1164.00024
<i>Financial Transactions</i>	§	
	§	Petitioner: DealerSocket, Inc.
Patent Owner: AutoAlert, Inc.	§	

DECLARATION OF BRIAN ALLAN

Brian Allan declares:

1. I am currently employed as the General Manager for the Galpin Premier Collection in Van Nuys, California. I have been continuously employed in retail automotive sales since 1980. I have been employed at Galpin Motors since 1988.
2. In 1983, while I was employed by Beverly Hills Lincoln Mercury Peugeot, I attended a two-week training class hosted by Half-A-Car Co., Inc. (“HAC”), specifically showing how to gather data from a variety of sources to market to my customers in leases and/or finance contracts at the right time. This trade cycle management program was called “Pre-Trade” (perhaps because the idea was to encourage customers to trade before, or “pre-,” expiration of their current financing arrangements). This program created a process to market to my customers when they were in equity, or a favorable position, to get into a new vehicle before their lease or finance contract would expire.

training and monitoring for the program, which was sponsored by Ford Motor Company (“Ford”).

4. The program used various materials provided by Ford, including: (1) a Pre-Trade Cycle Management Board showing, for each of our dealership’s lease customers, (a) the customer’s name, (b) the customer’s vehicle, and (c) the customer’s lease contract termination date; and (2) monthly reports, in the form of a “portfolio booklet,” showing each customer’s (a) estimated payoff, (b) monthly payment, and (c) account number. We would also use the amortization chart generated for each customer at closing, a copy of which was placed and kept in the customer’s deal jacket, but the information in the monthly portfolio booklets was more current because it took account of the customer’s actual, rather than projected, payment performance.

5. Under the Pre-Trade program, we used the information provided by Ford (together with information from other sources) to generate sales leads by calculating payment differentials. The starting point was the Pre-Trade Cycle Management Board. A salesperson would identify one or more customers on the Board, review the customer’s amortization chart, then obtain the customer’s current payoff either from the Ford portfolio booklet or by contacting the financing entity (typically a bank or Ford Motor Credit Company) directly. I then estimated the value of each customer’s vehicle, using the Kelley Blue Book Wholesale guide, and determined the amount of potential equity the customer had by subtracting the payoff

amount from the Kelley Blue Book value. I then selected a vehicle from our current inventory that was similar to what the customer was driving, and collected additional information about that vehicle (for example, VIN, our asking price, and available financing options). Using a calculator specifically designed for automotive financing (called “AutoMate”), I calculated potential new payments for that vehicle using the current bank programs and the customer’s equity in his or her current vehicle. I typically calculated those payments under a variety of scenarios; for example, a two-year lease, a three-year lease, and a five-year retail finance (i.e., purchase). If the difference for one (or more) of those payment options was less than or equal to a carline-specific threshold, I would instruct the salesperson to contact the customer by phone and offer to take their car in on trade and put them into a new similar vehicle for “X” dollars per month.

6. Execution of the foregoing process could be triggered by a variety of events. For example, the process would be executed if a customer came into our dealership looking for a pre-owned vehicle we did not have in stock. In that situation, the salesperson working with the customer would look at the Pre-Trade Cycle Management Board to see what customers were already leasing or financing a vehicle similar to what the prospect desired, and then execute the process described above. We also sometimes used the Pre-Trade process to stimulate sales for the month. Particularly in slow months, I would have my salespeople pick customers from the

Board without the prompt of someone interested in buying those customers' current vehicles, and run through the process described above for the picked customers.

7. Transactions like those identified by the Pre-Trade process are sometimes called "pull-ahead" transactions. In 1984, while I was managing the Pre-Trade sales and marketing program at Beverly Hills Lincoln Mercury Peugeot, I began using what I call a "pre-trade sheet" with customers we were marketing for "lease pull ahead" and as the pre-trade program developed further, "retail pull ahead" deals. The pre-trade sheet compared the customer's current terms on the left side with new terms for a new vehicle on the right side. The purpose of this sheet was to show customers their financial options for getting into new vehicles before their contracted lease or retail end dates.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on this 17th day of May, 2014, at Van Nuys, California.

A handwritten signature in cursive script, reading "Brian Allan".

Brian Allan