

The California Yacht Brokers Association Newsletter

## A Bit Of History Now Gone

The floating Reuben E. Lee Restaurant, a replica of an 1880's Mississippi Paddle Wheeler, has been a fixture at the east end of San Diego's Harbor Island since 1969. This iconic Bay-front landmark had served as a favorite watering-hole and restaurant for locals and tourists alike for almost four decades, before falling in to disrepair and closing in 2003. Imposing in size as well as design, her overall length is 204' 8" with a width of 55' and overall height

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## Sacramento Boat Show

The California Yacht Brokers Association (CYBA) had a booth at the Sacramento Boat Show in early March in hopes of educating the public about Governor Brown's plan to eliminate the Department of Boating & Waterways. President

of the CYBA Tom Trainor was manning the booth along with folks from The Recreational Boaters of California (RBOC). They were also collecting signatures on letters to send to the Governor to protest the plan.



From left: Don Abbott, Tom Trainor, Marty Willis, Dave Breninger and Linda Breninger.

THE CYBA HAS A NEW ADDRESS!!! Please send any correspondence to CYBA • 4090 S. McCarran Blvd., Suite E • Reno, NV 89502

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The CYBA Board and I would like to take this opportunity to thank our Executive Director, Don Abbott and his staff, for all their hard work during at a most difficult time for our organization. The tragic death of Bob Gorman has made out first quarter somewhat challenging. It looks like Don and his staff has us back on track. Thank you very much.

The last several months have been extremely busy due to our elected officials in Sacramento trying their best to make our jobs even more challenging. The direction and amount of legislation coming out of the Sacramento is overwhelming. I will endeavourer to bring everyone up to speed with this letter, but each and every one of our members will have to do their part to help stop the insanity in Sacramento. If this legislation continues on the current path, bad things will happen to our industry. You must act and if you do not, there will be no one to blame except for the person in the mirror!

The Governor has proposed a huge consolidation of government departments and the list is numerous and in some cases very disturbing. Here is a web address if you would like to see all the proposed changes. Just cut and paste it into your browser.

http://www.gov.ca.gov/news. php?id=17476

The one consolidation that affects us all is listed below.

Item #1: The merger of the

Department of Boating and Waterways into the Department of Parks and Recreations and the dissolution of the Boating and Waterways Commission.

What does the DBW really do? Here is a short list.

#### Department of Boating and Waterways Programs and Functions

- Yacht and Ship Broker Licensing Program
- Clean Marina Program
- Aquatic Pest Control Program
- Boating Clean and Green Campaign
- Beach Restoration and Erosion Control Program
- Abandoned Watercraft Abatement Grant Program
- Boat Launching Facility Grant Program
- Facilities Division
- For-Hire Licensing Program
- National Boating Infrastructure Grant Program
- Public Information Office
- Small Craft Harbor Loan Program
- Vessel Pumpout Program
- Aquatic Center Grant Program
- Boating Accident Program
- California Boating Accident Report,
- Boating Law Enforcement Grant Program
- Boating Law Enforcement Training Program
- Boating Trails Program
  - Capital Outlay Program Over the last two months,

#### From The President... (cont. from pg. 2)

the members of our CYBA Legislative Committee, in conjunction with our Legislative Advocate Bill Krauss, have been working overtime to stop the merger of DBW. What have we been doing, well here are some of our efforts:

- 1. Letter writing campaign
- 2. Signature gathering on a survey

3. Don Abbott and Tom Trainor with the help of members of RBOC and others staffed a booth at the Sacramento Boat Show "Save the DBW". We gathered over 800 letters and collected over 1200 signatures asking the Governor to stop this merger. Bill Krauss delivered these letters to the Governor

4. I attended both budget hearings at the Capitol and spoke to the committees voicing our opposition to the merger.

There is one more opportunity to speak in a public forum to the Little Hoover Commission on April 25th at the Capitol between 9am and 1 pm. If you would like to attend and speak, please contact me ASAP.

The entire process was handed to the Little Hoover Commission earlier this month and will be researched and discussed by the members listed below and they will send their findings to both houses for the decision. For all the details on how this works, contact the LHC at the address provided below:

Little Hoover Commission 925 L Street, Suite 805 Sacramento, CA 95814 (916) 445-2125 or (916) 322-7709 (fax) littlehoover@lhc.ca.gov

There is a list of the Commissioners for the LHC on a separate page of the newsletter following this article.

The next issue: AB 2540 and AB 1963 a proposed tax on Services.

Here is a brief list of another proposed piece of legislation that further impacts our industry directly. Search California AB 2540 & AB 1963 for full details. For those who want to get involved defeating these bills, there will be letters available on the CYBA website.

CHAPTER 3.8. Services Article 1. General Provisions and Definitions 6301.

(a) Except where the context otherwise requires, the definitions given in Chapter 1 (commencing with Section 6001) govern this chapter. For purposes of this chapter, the references to tangible personal property in Chapter 1 (commencing with Section 6001) shall include a specified service.

(b) For purposes of this chapter, "specified service" means:

• Yacht and boat repair.

• Private aircraft pilot or private jet services.

(cont. on page 4)

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- The provision of personal, private lessons on any topic, excluding tutoring services for K–12 or college academic courses.
- Shoe repair.
- Access to the facilities of a ski resort through the imposition of a charge.
- Access to storage facilities, not including storage facilities used for the storage of food, through the imposition of a charge of one thousand dollars (\$1,000) a month or more.
- Furniture repair.
- Watch repair.
- Support activities for metal mining.
- Charter bus services.
- Access to live theater productions through the purchase of a ticket or membership fees or dues.
- Access to the facilities of a billiard parlor through the imposition of a charge.
- Access to private, telephonic chat lines through the imposition of a charge to callers.

Additionally, there is proposed legislation, AB 2443, to add additional fees to boat registrations in an effort to fight the invasive species issues, specifically the quagga mussel issue. Stay tuned to for information on this item.

Last but certainly not least, the copper issue bill is back on the front burner, SB263. This bill is again moving forward and everyone needs to pay attention.

As members of the CYBA, one of the most important benefits is your access to our transactional forms. They are the "Gold Standard" in the yacht brokerage industry. It is up to each and every one of us to make sure that no one is using these forms or a plagiarized version of our forms without being a member. If you encounter a brokerage that is obviously using an unauthorized version of the forms, please contact myself or anyone of the Board members and we will address the problem.

There appears to be some confusion on the stance of the DBW in reference to two topics:

1. Initials on Listing and Sales Agreements

2. E-mail communications on price changes and Listing extensions

It is my understanding, after a conversation with DBW, that an initial directly adjacent to the change is acceptable. As far as e-mails, provided that there is a string of e-mail history, when the e-mail address is not the actual name of the individual, this type of communication is acceptable. If you are in any doubt, contact Marinda Isley at DBW.

The Fifteenth Annual Southern California Legal Seminar is scheduled for Wednesday June 13th, 2012 at the BCYC in Corona del Mar. Go to the web site www.cyba.info for details and online signup. Given all the current legislative and legal issues we are facing, this year's program will surely be informative. Please plan on attending.

Our state government's action, over the next few months, is going to be critical for the survival of our livelihood. Our industry is starting to recover but not without some dangerous obstacles. We must all work together to ensure that outside forces cannot legislate away our very existence. Everyone needs to pay close attention and when necessary respond in force to let our representatives know we are not about to lie down and let them destroy our industry. We can only make a difference when we work as a unified association. Please be vigilant and when asked, please help.

JOIN THE CYBA – GET ACTIVE – GET INVOLVED

## LITTLE HOOVER COMMISSION

Commissioners The 13 members come to the Commission from all walks of life and from diverse appointment authorities. Five are appointed by the governor, two by the Speaker of the Assembly and two by the Senate Rules Committee. Rounding out the membership are two sitting Senators and two sitting Assembly members. By statute no more than five of the nine public members may be from the same party and legislators from each body must be from different parties.

Daniel W. Hancock Chairman D- San Ramon Eugene "Mitch" Mitchell Vice Chairman R-Carlsbad Katcho Achadjian Assembly member D-San Luis Obispo Marilyn C. Brewer D- Newport Beach Virginia Ellis D- Sacramento Alyson Huber Assembly member D- El Dorado Hills

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## ALONG THE WATERFRONT

#### Silver sers

Silver Seas Yachts a west coast yacht division of SkipperBud's Marine is opening a new office in the Bellport ship yard in March. This office will have available several new boat lines to sell as well as the strength to take trades even on brokerage boats. What brands??? Check out SkipperBud's web site to see how many manufactures we carry, while they are not all available in California there are several we represent here. Keep in mind if a customer is from a state without a dealer we can sell them a yacht! We currently have on order 8 yachts for inventory in San Diego and Newport. While we will not sell into others territory, we will be taking advantage of the vast area around the west without current dealers.

#### **Opportunity!**

We are looking for brokers to work out of our new office in Newport Beach. While this will be a Brokerage office as you see above we will be able to drive leads with our vast new boat lines and will also give you the opportunity to sell new boats to those customers whom are looking to move up! The

office will be ready on March first and we are looking for a couple of great brokers who are looking for opportunity to take their customers to the next level. SkipperBud's and Silver Seas Yachts value integrity and professionalism and are looking to create the A team on the west coast.

If the news and Opportunity sound exciting give me a call. Keep in mind we have one position in San Diego open as well as two in Newport Beach. Our San Francisco office is fully staffed and our Lake Pleasant in Arizona is currently staffed but opportunities come to those who make things happen.

I look forward to talking to the next A team of Yacht Sales in California soon!

**Rick Young** General Manager/Broker San Diego and Newport Beach Cell 619-252-9366 Office 619-453-0423 rick@silverseasyachts.com

#### A Bit Of History... (cont. from pg. 1)

of 65', weighing in at 1,000 tons. Conversations with a number of San Diegans dredged up many fond memories of this San Diego Bay landmark, whether it was a first date, wedding, high school prom, family outings or the celebration of an anniversary - the memories endure, but alas the ship will not. On April 23, 2012 at around 1:00 pm, the Reuben E. Lee was gingerly pulled away from her longtime home port and went on her last voyage. Many along the waterfront witnessed her slowly heading down San Diego Bay toward her final resting place just past the Coronado Bridge, where it is likely that she will meet an ignominious end, and be dismantled and headed to a landfill. It was a sad sight to see her slowly head down the bay for that last ride, which would have been as silent and steady as attending a long-past function aboard, as she was built on a stable barge and had no propulsion of her own, and needed to be gently pushed down the Bay.

Not everyone wanted to see her pass in to history, as a multi-million dollar proposal to recondition her was made by the Sunroad Marina ownership to the



San Diego Unified Port District back in July 2008, but with the economy being what it is, I guess that is no longer a viable option. Many from the Newport Beach area will remember her sister-ship that was moored adjacent to East Coast Highway for more than 40 years, before she too was finally dismantled.

It is the end of an era for both San Diego and Newport Beach, as two enduring images of a time gone by, no longer grace their respective waterfronts. Farewell Old Friends...



## Maritime Emergency, Immediate Response

The best way to learn how to get out of trouble is to get out of trouble. The problem is that you have to get into trouble first. Through the insurance claims we have assisted with, we have developed a sense of the initial responses that are effective versus those that are not. Time is often short in these situations and the first action is critical.

In order of importance, we need to preserve life, health and property. Our first response is governed by the type of emergency, our vessel's location, resources and our personal knowledge. It is great if you are a doctor when a passenger has a stroke and it is great if you are a mechanic when your engine springs a leak. If you are not so fortunate, then use your brain, quickly and calmly assess the situation, decide what to do and delegate the jobs as possible.

Some immediate actions are common to most emergencies. Announce your emergency to the available trained assistance professionals as quickly as possible. The Coast Guard, Fire Department, Life Guards and even professional towing companies can be invaluable. Use the VHF versus your cell phone. Ideally, the most capable person should address the emergency while a capable alternate communicates the nature of the emergency to potential first responders. Several types of maritime emergencies will eventually lead to the inability to communicate a distress call, so get it out quickly.

Your location and the natural resources available should be considered. If your transmission control fails and you are stuck in forward gear, operate towards the open water not towards a crowded mooring. If your boat is sinking, stay close to the soft sand beach versus the rock jetty. If a passenger is stricken with a serious sudden injury or illness, see if any medical assistance is available in your immediate vicinity. A doctor on a boat next door is more valuable than the one at the emergency room thirty minutes away. Send others in both directions down the dock, use all your personnel.

Your options depend on where your vessel is located, your slip, the bay, near coastal or offshore. If the transmission is stuck in gear, head away from the morring areas, if you're taking on water, head toward the soft sand beach and away from the rock jetty. Planning for emergencies should include safety and first aid components suitable for the intended area of usage and for the passengers, consider an oxygen bottle, EPIRB or life raft.

A fire aboard a boat demands a quick and efficient response. No matter how big the ship, you can't run away from the fire. Fires aboard a boat are usually discovered by smoke. Make sure the smoke is being generated by an actual flame before deciding what action is required. Many boat "fires" are actually smoke escaping from the engine's exhaust system. These "fires" can be stopped by turning off the engine. Discharging a fire extinguisher into the engine room, or the saloon, will not stop the smoke and increases the mess.

Before entering the engine room to determine the source, check the hatch for heat. Once the location of the fire is determined, decide if it can be safely extinguished and if so extinguish the fire by any means possible. Discharge all of your fire extinguishers at the base of the flame, delegate others to fill buckets of water (we know you have plenty of that), shut off power and fuel sources and don't inhale the smoke. Discharge fixed extinguishers remotely if possible; use remote pulls for fixed systems or holes designed for discharging extinguishers is smaller engine spaces (many sailboats have these).

To avoid smoke inhalation stay low in any cabin filling with smoke.

[hint - maintain firefighting equipment, consider smoke alarms and escape hoods]

A quote from my favorite mentor is "Nothing, absolutely nothing good ever comes from water in the bilge". At the first sign of water intrusion, every effort should be made to determine the source. If the water is warm, it is coming from the engine. Cold water is from the ocean and it can be tricky to find the source if it is already submerged. Check the obvious places, shaft seals, through hulls and sea water hoses. Isolating the area of the source reduces the possibilities. The next most important action is to begin the dewatering process. Again, a second capable person can attend to this action, after broadcasting the distress. Activate all bilge pumps in the manual/constant mode.

[hint - maintain the bilge pumps, shaft seals and seawater systems and install a high water alarm]

Occasionally, boats get in collisions; even boats not involved in a sailing race occasionally collide. As always, first check for personal injuries. Immediately after the collision, start the engine, douse the sails (a little powerboat vs. sailboat joke), and have a competent operator take the helm. Triage the injury; is there water coming in, is an emergency patch or repair required? If the vessel is flooding quickly and it is clear no emergency patch or pumping action will save it, consider beaching the vessel, preferably on soft sand. Give the deck stepped mast temporary support if the impact affected the shrouds or stays. Call for a tow if safety is questionable.

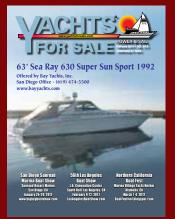
[hint - post a proper lookout at all times, use radar in limited visibility. avoid contact even if you have the right of way - unless you are making your living racing]

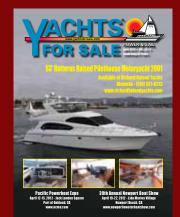
Striking a submerged object or running aground is an avoidable emergency. Once it happens, check for water and access the damage before deciding



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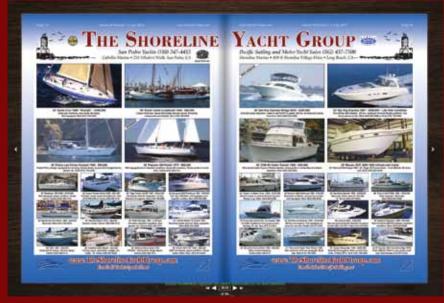
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#### Maritime Emergency... (cont. from pg. 6)

how to continue. Sailboats check the aft end of the keel box (keels hinge up and aft upon impact), power boats check propeller shafts/seals, struts' connections and rudder ports. Did you know that there is a charted submerged jetty on the east side of the main entrance into San Diego bay, near Ballast Point (de-gauzing station). There is probably a similar charted hazard in your most common boating area. After the initial damage make sure no further damage is done by continuing to operate a damaged outdrive, transmission or engine. If in doubt, call for a tow.

[hint - read your chart]

Losing your engine/propulsion capabilities or electricity can lead to a nautical emergency. Sophisticated fire fighting systems on most yachts include an over ride. This allows the system to be disabled while the vessel enters a dangerous inlet. The thought is "let the fire burn" for the few minutes that it takes to transit safely past the dangerous rocks, especially in a heavy seaway. If your propulsion system does fail, assess your situation, ready your anchor, have crew members grab fenders (versus fending off with body parts) and if possible raise your sails. If offshore, prevent the vessel from reaching the waves. Deploy an anchor, and make sure it sets.

Losing the electrical power is often more frightening as the options for calling for help is reduced. First response to any loss of electrical power is to assure that no associated fire hazard exists.

Electrical and mechanical malfunctions are often repairable. Be calm, thoroughly assess the situation and use all available resources, (onboard and at the other end of your VHF or mobile phone) and you can likely keep boating that day. Diesel engines don't lose compression or air quickly, it is a fuel problem. All the batteries don't fail simultaneously and there are often various charging systems. Do you have a battery parallel device?

[hint - learn basic mechanical and electrical concepts and maintenance procedures, perform active preventative maintenance]

For the full length version of this article, please go to our website.

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## CYBA Board on the Move

The California Yacht Broker's Association Board of Directors traveled to San Diego on Thursday April 26th to participate with the ever growing San Diego Broker's Forum that is held each month at Fiddler's Green Restaurant on Shelter Island. The forum was hosted by Kathy O'Brien of Sun Harbor Marina and Russ Cornelius of Ensign International Yachts. CYBA President Tom Trainor provided the attendees with an update on several topics most of which involved with what has been transpiring in Sacramento The forum was very well attended by about 78 guests from all walks of our industry which included Yacht Sales, Marina Managers, Boat Yards, Marine Lenders, Marine Insurance, and representatives from various trade publications.

Vin Petrella the Executive Director for YBAA traveled from Arizona to update everyone on the CPYB Program, there was an energetic Q & A about the benefits of the program and why it was established. Mr. Petrella also attended the CYBA's Board meeting afterwards and provided the board and other attendees an update from YBAA.

The forum closed with a number of excellent door prizes and during the forum we had a great lunch thanks the owner of Fiddlers Green; Steve Rock and his professional staff. The Board convened into their regular Board Meeting after the forum and as always the Board Meetings are open to any member or guest and encourages your attendance and input. This is your Association and the Board would like to see more of its members become regularly involved.

For further information regarding the San Diego Broker's Forum please contact Jim Johnson at Chuck Hovey Yachts 619-222-0626 or jim@ chuckhoveyyachts.com.

The San Diego Broker's Forum is a common benefit association of yacht brokers and salespeople, along with related waterfront enterprises, that meet at monthly luncheons to discuss relevant business issues and to further the cohesion, cooperation, and success of a vibrant waterfront commerce.



**Details on page II.** 

## When Someone Starts to Pay Attention... Change Directions

By: Bill Krauss

In our last update we noted that Governor Brown had proposed as part of his budget plan for the upcoming year to eliminate the Boating and Waterways Commission (BWC) and to merge the functions of Department of Boating and Waterways (DBW) in the Department of Parks and Recreation. Variations on



this idea have been proposed many times going back as early as 1991. Each time this has happened, we have engaged in a lobbying effort in Sacramento and have often asked the boating community to write letters in opposition.

Once we saw his plan in January we again initiated a lobbying and letter writing campaign to get it stopped. I am happy to report we have seen a significant number of letters sent to the Governor, and in the course of our lobbying effort we have also identified some key legislators who are sympathetic to our position. However, in our discussions with the Governor's office, Department of Finance, and the Natural Resources Agency (the parent agency of DBW), it is clear they are still planning to pursue these changes.

Unfortunately the Administration has now changed course and will now pursue the changes through the "Government Reform Proposal" (GRP) process, not the state budget process. This change will significantly reduce the input from the Legislature. The procedural differences can be complicated, but, simplistically, any proposal that moves through the Legislature makes multiple stops in each house where votes are taken and a proposal can "die" if it does not get a majority vote at any one of those stops. In contrast, the GRP process is streamlined and "may" never see action by the Legislature.

Here is how the GRP process works: The Governor creates a plan to reform one or several agencies of government (In this case DBW and the BWC will be part of a larger plan affecting several other agencies of the State). That proposal is then reviewed by the Little Hoover Commission, which has no other power than to comment, for 30 days. It is then sent to the Legislature for "possible" action and can not be amended by the Legislature.

If the Legislature DOES NOT act it becomes law in 60 days. That means a significant reform of government agencies can happen without the

(cont. on page 10)



#### When Someone Starts... (cont. from pg. 9)

Legislature ever acting to agree to the plan. However, if within that 60-day window either house votes it down it is "dead." Our concern is that, since a GRP cannot be amended and can only be stopped by a negative vote, the future of DBW and the BWC could rise or fall on the Legislature's opinion of the overall proposal and not just what members think about DBW or the BWC.

<u>Given this change it is even more critical that you</u> <u>continue to write to your legislators in opposition to</u> <u>this plan.</u>

#### As if DBW elimination is not enough!

In addition to our challenges to eliminate DBW and BWC, we are facing several bills of concern. In their infinite wisdom, the Legislature has decided to introduce two bills that would place a tax on services. One bill is a tax on all services, with a few exceptions. This bill would affect virtually all aspects of the boating community. The second bill creates a list of services that would be taxed. On that list includes "marina services" and "yacht and boat repair" services. Obviously, we are strongly opposed to these measures and will work to get them stopped.

We also are working on two bills that would expand the authority of the State Lands Commission (SLC). To many of you, the SLC might be an obscure agency that is of little interest. However, to many marinas they are very important. The SLC manages all the waters of the State. California owns all "navigable" waters of the State and to use those waters one must first obtain a lease or permission from the SLC. That means many of the marinas in California must negotiate leases and pay rent to operate their marinas.

One of the bills would give the SLC the authority to "take ownership" of a facility if the owner is in violation of any requirement under "law," not just those required by the SLC. Another bill would give the SLC a million dollars to try and renegotiate existing leases. We are in negotiations on these bills and hope to find an equitable resolution; however, at this time are in strong opposition.

As part of our states on-going Quagga Mussel challenges, two bills have been introduced, both are of concern. One would give counties the authority to assess a fee on vessels registered in the county, with the money raised to be used for Quagga Mussel eradication and prevention. Another bill makes a vague reference to the Department of Fish and Game crafting a "Quagga Mussel" prevention and management plan that may include a vessel "tracking" system. This bill, as currently drafted, is too general in nature and will likely be amended with more specifics. We are opposed to these bills as well and will try and negotiate a reasonable compromise, if possible.

Again, going into another year our plate is full. I

guess with the big problems our state is facing they still think it is important to pay attention to the little guys... unfortunately!

## Marine Bankers Report Lending Volume Up in 1st Quarter. Most lenders expect 2Q 2012 to be better than same period last year

The NMBA introduced a brief quarterly members' survey in 2011 to gauge changes in the lending environment and identify trends that could be used for business planning. Thirty-five percent of the NMBA lender members (loan originators/brokers/ financial service firms, banks, credit unions, and finance companies) responded to the 1st quarter 2012 survey, with the majority having a national presence.

Respondents largely reported business up in four of the last five quarters, with the exception being 3Q2011, and 80% reported increased bookings in the first quarter of 2012 over the same period in 2011. Pre-owned boat sales make up the majority of new loans for NMBA members, as 58% of the lenders indicated loans on new boats accounted for 25% or less of their bookings in the first quarter. Refinance activity picked up as 36% of the lenders surveyed indicated this business represented 26% to 50% of their loan bookings, while for all quarters in 2011 an average of 80% of the lenders reported it accounted for 25% or less of their volume.

The 1st quarter survey shows 100% of respondents feel lending criteria (credit history, asset/net worth, debt ratio, income, collateral, and other lender requirements) is the same or less stringent than the prior quarter. This is good news since 22% of respondents in the 3rd quarter and 11% in the 4th quarter cited credit standards were more stringent than the prior period. All responding lenders indicate, for the second consecutive quarter, that credit quality of borrowers was the same or better than the previous quarter.

A final high note: 80% of respondents expect the 2nd quarter of 2012 to be up over the same period last year, and 13% predict it to be the same.

Enjoy your day!

**Peggy Bodenreider** 

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## CALIFORNIA YACHT BROKERS ASSOCIATION

PRESENTS



## "Yacht Sales & the Law" 15th Annual Legal Seminar

Wednesday, June 13, 2012 Bahia Corinthian Yacht Club 1601 Bayside Drive, Newport Beach, CA



MARITIME \_\_\_\_\_\_ LAW \_\_\_\_\_ NEW SUBJECT MATTER ~ Maritime attorney panel ~ ~ Discussion of real-world legal scenarios affecting our industry ~ ~ CYBA form contract discussion ~ ~ Lunch included ~

Limited seating – reserve today by calling (800) 875-2922 Only \$65 for CYBA members, \$85 for non-members

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Either Fax to (775) 353-5111 or mail to: CYBA, 4090 S. McCarran Blvd., Suite E • Reno, NV 89502

#### Attention all interested Yacht Brokers and Salespersons:

## CERTIFIED PROFESSIONAL YACHT BROKER (CPYB)

~ STUDY SESSION AND TESTING ~

#### Contact Lon Bubeck, Nick Friedman or Dick Angel for next study session & exam.

The CYBA is conducting a study session, immediately followed by the examination, for all those interested in becoming Certified Professional Yacht Brokers. This will be our first available session, in response to the great interest in this worthy program.

If you have a desire to take your business and personal accomplishment up to the next level, you owe it to yourself and your clients to earn the CPYB designation. Join a growing number of the best and brightest brokers nationwide in increasing your knowledge, professionalism, and ethical standards as they relate to your chosen profession.

For complete information, including study materials, applications, and required qualifications, please visit the National Yacht Broker Certification website at www.cpyb.net. There you will find all the forms you need in a downloadable format.

If you have any questions, please contact one of the CYBA's Members on the Certification Advisory Council:

> Lon Bubeck, CPYB Flying Cloud Yachts, Long Beach 562-594-9716 Ionbubeck@verizon.net

Nick Friedman San Pedro Yacht Sales 310-748-5409 yachtbroker@pacbell.net

Dick Angel MarineMax of California 510-535-6160 dickangel1@aol.com

You may also respond to <u>cpyb@cyba.info</u> or contact any CYBA Board Member. The National Yacht Broker Certification office needs time to process your application and to perform your background check.

Brokers wishing to attend the study session, but who are not testing, are welcome. However you must reserve a space! Seating is limited!

NOTE: This session is for CYBA Members only. If you are not yet a Member, and would like to join, contact the CYBA office immediately @ 800-875-2922.

## Maryland Considering Luxury Surcharge

Maryland lawmakers are considering a bill that would impose a 1 percent "luxury surcharge" on certain items, including boats costing more than \$35,000.

The bill also would tax cars, motorcycles and planes costing more than that amount.

The tax on motor vehicles, boats, and airplanes sold for a taxable price of more than \$90,000 would be \$550, plus 2 percent of the amount above \$90,000.

The bill, which would impose a luxury tax on most retail sales of items valued above \$5,000, was introduced last month in the House of Delegates. It was referred to the Rules and Executive Nominations Committee.

If passed, the bill will take effect July 1.

According to a petition against the proposal on Change.org, the bill would "effectively force boaters and would-be buyers of boats to seek another venue in which to enjoy, keep and purchase their boats to avoid these surcharges.

"Nearby Virginia and Delaware will benefit, while Maryland yacht brokers, dealers, boatyards, marinas and peripheral marine businesses will be negatively impacted or forced out of business," the petition states.

## Two 80-Year Old Yacht Brokers Help Newport Boat Show Celebrate

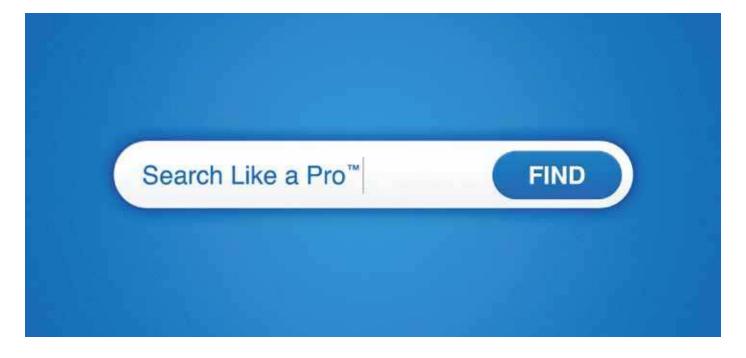
82-year old Chuck Hovey and 88-year old Rudy Dettwyler, both from Chuck Hovey Yachts, helped Duncan McIntosh celebrate the 39th Annual Newport Boat show success today. (Rudy thinks it's the 40th).



Both brokers have supported the Newport Boat Show continuously for 39 years as have dozens of other So Cal associates.

Its history is amazing... from a few boats to over 200 models now. How many of you remember paying 15 cents/ft to Duncan to put a boat in his show back when!! Furthermore, remember when Duncan wanted the largest listing to sell when he tugged in the 137 ft. USS Catalina (great white steamer) for display and all partied on her for 4 days??

It is amazing how a young sailor from Long Beach grew up to become the Premiere Boat Show entrepreneur in Western United States which is exactly what Duncan did. Congratulations and thanks a million for another successful Newport Show!





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- New custom PDF configurator with previews, photo quantity options and customization
- Broker control panel for quick site navigation
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- Optional "Open Listing" search exclusively for brokers (Not for consumers)
- 55% reduction of clicks
- Click and drag photo technology for easy creation and management of listings

- Automatic updates anytime a vessel comes to market, price change alerts and client searches
- Automated reporting and monitoring of listings to ensure the most accurate and pure yacht for sale database in the world
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- User tips and video tutorials (Summer 2012)
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- Latest technological standards, protocols and security



## **Editor's Notes**

I hope all of you reading this month's newsletter have taken time to contact your local representatives to encourage them to vote against the dismantling of the Department of Boating & Waterways from once again taking steps that will certainly have a long term negative effect on our industry. This money grab attempt by the Governor will monumentally impact our industry – we are certainly looking at a move that could have crippling consequences to the yachting community here in California.

From what I saw the recent Newport Boat Show was considered a great success. I have spoken with many of you who feel the same way, even though the weatherman was about as far off base in his predictions as he could have been, it appeared that the number of attendees was certainly an improvement over the 2011 season and by all accounts we saw buyers at the show who where making offers and hopefully we will be hearing about some closings. One thing for sure this show had a number of changes, we saw product-lines getting new homes such as Carver Yachts who are now represented by Silver Seas Yacht Brokerage and Viking Sportfish and San Lorenzo Yachts are now being represented by Stan Miller Yachts, so needless to say if you where not directly involved with this years show - it was still a great opportunity to see who ended up where.

The California Yacht Brokers Association will be presenting the Yacht Sales and the Law Seminar this year and it will be held in Newport Beach. The venue will be the Bahia Corinthian Yacht Club on June 13, and you can sign up very easily at the CYBA web-site www.CYBA.info. CYBA legal advisor, Tom Russell and his fellow colleagues have once again pulled through with a great line-up of informative guest speakers.

Many of the topics for this event will be new and of course the "You Make the Call" hosted by Dean West & Dennis This is a great opportunity for each and every one of you to enhance your knowledge and expertise in your chosen field. I highly encourage you to take advantage of this event to insure that you have the working knowledge to best serve your clients needs.

The "ALONG THE WATERFRONT" section in the newsletter is getting great response. Remember this is a great way for your company to get the word out on changes at your office whether it is new personnel, new product-line, or even a new or relocated office. These are all newsworthy topics, and I hope you will take a moment of your time and allow your newsletter to work for you – please submit articles to me via email at jim@chuckhoveyyachts.com . I ask that you try and keep the article to a couple paragraphs if at all possible. Thank you.

Respectfully, James H. Johnson, Editor

## **BOARD OF DIRECTORS MEETING**

DATE: March 8, 2012 - 9:02 a.m.

VENUE: Mega Meeting.

CALL TO ORDER: President, Tom Trainor

ATTENDING DIRECTORS: Tom Trainor, President Terie Salinas, 1st Vice President Jim Johnson, Treasurer Anita Mays, Secretary Dick Angel, Director Jack Buckley, Director Nick Friedman, Director Dean West, Director

ALSO IN ATTENDANCE: Don Abbott, Executive Director Lon Bubeck, Past President

GUESTS: Marinda Isley, Dennis Moran

ABSENT: Ron Gullan, 2nd Vice President

MINUTES: The Minutes from the meeting on February 1, 2012 were approved and moved to accept by Dick Angel and seconded by Dean West, motion carried.

FINANCIAL: Jim Johnson

Jim Johnson, Tom Trainor and Don Abbott are signers on the US Bank Account. Should be ready by next week.

CORRESPONDENCE: None.

PRESENTATIONS: None.

COMMITTEE REPORTS: LEGAL: Tom Russell. None.

IYC: Jim Johnson, Dean West, Terie Salinas

IYC has a new Beta sight. Can load CYBA Forms. It is interactive. Steve may attend next months meeting.

ARBITRATION: Dennis Moran, Guy Newmark, Bob Leslie, Dick Angel, Jeff Long, and Jim Johnson

No pending arbitrations. There is a request from a broker for assistance as he is being sued after the sale as toxic mold was found aboard a vessel that he sold. A discussion was had about the possibility of creating a Toxic Mold Waiver and that more surveyors are adding a waiver in their survey reports.

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## **California's No.1 Boating Newspaper**

#### CYBA Board Meeting... (cont. from pg. 14)

LEGISLATION: Dick Angel, Bob Leslie, & Tom Trainor	to add to the Listing Agreements – a clause that a broker can opt not to do business with another broker
There are three meetings in Sacramento in the next two weeks. One with Bill Krause, 2 with the DBW.	on a listing.
Please get the DBW surveys back to Tom Trainor byt the 19th.	ETHICS AND BYLAWS COMMITTEE: Dean West, Lon Bubeck, Ron Whitelaw, Guy Newmark, Bob Leslie, Morrie Kirk, Dick Angel, Jeff Long
SOCIAL/PUBLICITY: Guy Newmark, Don Abbott, Anita Mays	Dean West to review CYBA By-laws as to the procedure regarding multiple offers.
None – CYBA forfeited \$1230 to the zoo for cancelling the Annual Dinner this year.	INTERNET AND MEDIA COMMITTEE: Jack Buckley, Laurie Morrison
MEMBERSHIP COMMITTEE: Terie Salinas, Jack Buckley, Miquel Corelli, Dean West, Jim Johnson, Ron Gullan, Don Abbott, Laurie Morrison	Committee to work on increasing seats for next Mega Meeting and researching a better program for the Mega Meeting system.
New Master Member – Todd Sherman	
A motion to approve was brought by Jim Johnson, seconded by Dean West. Approved by majority vote.	Nick Friedman is working on making the CYBA Forms accessible on Chrome and Foxfire.
Don Abbott to call all people on the non-payment list	Jack Buckley is working on finishing Form Seminars.
for their 2012 dues. He will have an updated list for the next meeting and the website will be updated too.	NEWSLETTER: Jim Johnson
FORMS COMMITTEE: Nick Friedman, Dick Angel, Terie Salinas, Jack Buckley, Anita Mays, Don Abbott, Ron Gullan	Newsletter link on the email blast takes you right to the CYBA Website to view it. The Newsletter is now in electronic format vs. being mailed out.
Per Jack Buckley – after a routine inspection from	CPYB/CAC: Lon Bubeck, Nick Freidman, and Dick Angel
the DBW he was informed that initials on a Listing Agreement regarding date extensions and price changes are no longer sufficient for the DBW. They require an actual new contract or extension form to be signed by the seller.	181 members are up for renewal this year. There are 560 total CPYB Brokers. Regarding the Advisory Committee – there are now 2 reps from each Association on the Advisory Board and a 3rd Member as a back-up.
Marinda Isley from the DBW reviewed this at the meeting: Starting from this point forward - Written	LEGAL SEMINAR: Wayne Rodgers, Tom Russell
authorizations on all contracts must have a signature – not just initials – with a follow up of a new contract being signed soon after. The DBW will be sending out a letter to explain more completely.	Nothing new at this point. Don Abbott to contact Wayne Rodgers to see if he needs anything.
Marinda also brought up another topic – a Florida	AFFILIATE PARTNERSHIP: Miquel Corelli, Terie Salinas, Anita Mays
Broker accused a California Broker of not submitting offers in the order that they were received. Dean West offered to contact the California Broker to help with the situation – DBW said not needed at this time.	Don Abbott presented the new Affiliate Program. Per Dean West, he has already received very good response from Affiliates.
Per Nick Friedman – he is awaiting approval on the forms changes from Tom Russell then they will go to the DBW for review too.	A motion to approve the Affiliate Program was brought by Nick Friedman and seconded by Dean West. Approved by a majority vote.
Jack Buckley is putting together training modules for the forms.	Per Tom Trainor – each Board Member needs to get 5 Affiliates each to join the new program.
The question will be posed to Tom Russell whether	(cont. on next page)

#### CYBA Board Meeting... (cont. from pg. 16)

UNFINISHED BUSINESS:

Review of Board Manual Project was discussed. Anita Mays will have examples ready for next meeting.

NEW BUSINESS:

An offer from the SCMA was received proposing the CYBA join forces with the SCMA to promote the two In-Water Shows that they produce.

A supplemental Board Meeting was scheduled for next Wednesday to discuss. 9:00 a.m.

Merril B. Parks Award - It has been decided that this award will go to Bob Gorman this year and will be presented to his wife.

Unlicensed Activity – it is encouraged that all Brokers check their salespeoples licenses and make sure that they are current and that the DBW has the correct address of your business on them.

NEXT MEETING: April 4, 2012 9:00 a.m. Mega Meeting

Meeting Adjourned 11:07 a.m.

Jim Johnson motioned to adjourn meeting and Second by Terie Salinas

Respectfully recorded and submitted by, Anita Mays, Secretary

## **BOARD OF DIRECTORS MEETING**

DATE: April 4, 2012 - 9:02 a.m.

VENUE: Mega Meeting

CALL TO ORDER: President, Tom Trainor

ATTENDING DIRECTORS: Tom Trainor, President Ron Gullan, 2nd Vice President Jim Johnson, Treasurer Anita Mays, Secretary Dick Angel, Director Nick Friedman, Director Dean West, Director

(cont. on page 18)



#### CYBA Board Meeting... (cont. from pg. 17)

ALSO IN ATTENDANCE: Don Abbott, Executive Director	Bubeck, Ron Whitelaw, Guy Newmark, Bob Leslie, Morrie Kirk, Dick Angel, Jeff Long
GUESTS: None.	None.
ABSENT: Terie Salinas, 1st Vice President	INTERNET AND MEDIA COMMITTEE: A new program for the Mega Meetings on line was used during this meeting that seems to work well.
MINUTES: The Minutes from the meeting on March 7, 2012 were approved and moved to accept by Jim Johnson and seconded by Dean West, motion carried.	NEWSLETTER: Jim Johnson Jim and Don to check in to a different format for the
FINANCIAL: Jim Johnson	Newsletter – possibly giving the option for members who still want to have it mailed vs. email. Will report next meeting.
Reviewed Current Financials.	Ŭ
CORRESPONDENCE: None	CPYB/CAC: Lon Bubeck, Nick Freidman, and Dick Angel
PRESENTATIONS: None	LEGAL SEMINAR: Wayne Rodgers, Tom Russell Legal Seminar is set for June 13 at BCYC in Newport
COMMITTEE REPORTS: LEGAL: Tom Russell None	Beach. An announcement will be sent to Members.
	AFFILIATE PARTNERSHIP: Anita Mays
IYC: Jim Johnson, Dean West, Terie Salinas None.	UNFINISHED BUSINESS:
ARBITRATION: Dennis Moran, Guy Newmark, Bob Leslie, Dick Angel, Jeff Long, and Jim Johnson	None.
No Pending Arbitrations.	NEW BUSINESS:
LEGISLATION: Dick Angel, Bob Leslie, & Tom Trainor	None.
Tom Trainor reported the new legislation that is being proposed regarding Sales Tax on Services and how it will affect our industry. More information to follow	NEXT MEETING: April 26, 2012 1:00 p.m. Fiddlers Green, San Diego.
regarding this and info will be posted on the CYBA website so that our Members are made aware.	Meeting Adjourned: 11:09 a.m.
SOCIAL/PUBLICITY: Guy Newmark, Don Abbott, Anita Mays	Jim Johnson motioned to adjourn meeting and Second by Dean West.
None.	Respectfully recorded and submitted by,
MEMBERSHIP COMMITTEE: Terie Salinas, Dean West, Jim Johnson, Ron Gullan, Don Abbott	Anita Mays, Secretary.
The following Member Applications were approved by the Board:	5
Dave Greuel, Robert Jarvis, and John Markley – all from Mariner's Yacht and Ship Brokerage. Motion to approve – Dick Angel seconded – Jim Johnson.	SCOTT FINANCIAL SERVICES
FORMS COMMITTEE: Nick Friedman, Dick Angel, Terie	Call your Finance
Salinas, Anita Mays, Don Abbott, Ron Gullan	Specialist Today! 949-363-0483
None.	
ETHICS AND BYLAWS COMMITTEE: Dean West, Lon	ScottLoans.com

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## Monthly Quote

"Far better to dare mighty things, to win glorious triumphs, even though checkered by failure, than to take rank with those poor spirits who neither enjoy much nor suffer much, because they live in the gray twilight that knows not victory, nor defeat." – Theodore Roosevelt

	Calendar	
May 15-19	Trawler Fest Boat Show & Seminars – Anacortes, WA Can Santa Boat Havan – Port of Anacortes	
	Cap Sante Boat Haven – Port of Anacortes	
May 19-20	Marina Fest – Marina del Rey	
	G Basin Pier 44 – Marina del Rey	
May 26/31	San Diego Brokers/Sales Forum – 11:30 am	
	Location Pier 32 Marina – San Diego, CA	
May 31-June 03	Dana Point Boat Show & Green Expo	
	Dana Point Harbor – Dana Point, CA	
June 12	CYBA Board Meeting – 6:00 pm	
	Bahia Corinthian Yacht Club – Newport Beach, CA	
June 13	Yacht Sales & the Law 15 <sup>th</sup> Annual Legal Seminar	
•	Bahia Corinthian Yacht Club – Newport Beach, CA	
June 14-17	Orange County Boat & RV Festival	
•	Dunes Resort – Newport Beach, CA	
June 28	San Diego Brokers/ Sales Forum – 11:30 am	
-	Fiddlers Green Restaurant – San Diego, CA	
July 11	CYBA Board Meeting – 9:00 am	
ouly li	Web-Cam Broadcast – Check CYBA.info	
July 26	San Diego Brokers/ Sales Forum – 11:30 am	
04.9 =0	Fiddlers Green Restaurant – San Diego, CA	
July 26-29	San Diego Yacht & Boat Show	
•	Sheraton Harbor Island – San Diego, CA	
		B C