



March 31, 2020

Greetings from VADA,

If you haven't done so, please read our two messages from yesterday: (1) [a memo](#) breaking down Governor Ralph Northam's Executive Order 55, a "stay at home" directive that does *not* appear to alter the requirements set forth in last week's Executive Order 53 as it pertains to Virginia's franchised auto dealerships, and (2) [a message](#) about federal legislation and regulation, a statement for employees to show their employment at an essential business, an article about what to do if an employee tests positive for COVID-19, and more.

Today, please consider the following important reminders and materials for our industry.

The Families First Coronavirus Response Act (FFCRA) takes effect tomorrow, April 1, 2020.

As I'm sure you are aware, the new federal FFCRA takes effect tomorrow. Please consider the following for questions about the law and how it might impact your business.

- [U.S. Department of Labor \(DOL\) Frequently Asked Questions](#)
 - [VADA Revised Document](#), reflecting only those DOL FAQs most pertinent to your store(s).
 - [NADA FAQs](#) (updated 3/30/2020)
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Check out helpful information from the U.S. Chamber of Commerce, SESCO, and NADA about the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Wondering whether your organization will qualify for the Paycheck Protection Program (PPP) under the CARES Act or how to obtain a loan pursuant to the law?

We are still waiting on regulatory guidance from the U.S. Small Business Administration (SBA), the federal agency responsible for administering PPP loans according to the new law. That said, several entities have been fast at work, trying to help business understand what financial assistance may be available to them.

For instance, the U.S. Chamber of Commerce put together this [helpful, 4-page summary](#). There's [this](#) from SESCO. And NADA provided [this analysis](#) of the law relative to dealer groups of 500 employees or more.

Of course, we will continue to monitor news surrounding the CARES Act, this third major federal legislation in response to the coronavirus. And we will share useful information with you as it becomes available.

NADA

The National Automobile Dealers Association (NADA) continues its tremendous work to help dealers through this critical time. Its latest installment is the "Dealership Webinar Lifeline Series," which NADA describes as "an initiative to help local dealerships navigate business and regulations in the coronavirus environment."

The webinars are for "dealers and affiliated industry partners only" and will exclude the press/media. The first three webinars, with links to registration pages, are listed below.

You may also click [here](#) to register or to access more information.

- [Making Sense Out of the New SBA Paycheck Protection Program: Practical Considerations for Dealers](#)
- [The Federal Tax Implication of COVID-19: How the New Environment Affects Dealers](#)
- [Managing Cash Flow: Making it through the COVID-19 Pandemic](#)

The [NADA Coronavirus Hub](#) is a wonderful source of COVID-19-related guidance and other NADA materials, like this article from NADA Chief Information Officer Raphael Maldonado entitled “[Be on the Lookout for Fake Coronavirus Tracking Sites Infecting IT Systems.](#)”

The Virginia Motor Vehicle Dealers Board (MVDB) releases its position concerning salesperson licenses and termination/furloughs/layoffs.

As you know, a dealer must notify the Dealer Board when a salesperson stops working for the dealer. In light of possible furloughs and layoffs, we asked the Dealer Board to clarify a dealer's obligations related to salespersons licensing.

MVDB Executive Director William Childress sent VADA the following message:

If the dealership is truly going to terminate the salesperson, meaning they have no intentions of employing that individual, then the dealership needs to notify the Board of the termination as required by law. If the dealership is furloughing or laying-off the salesperson, then the dealership does not need to do anything. If a salesperson has been laid-off or furloughed, and decides to move on to another dealership, the MVDB will be update its records when that salesperson's license is transferred to the gaining/new dealership.

We have seen enhanced law enforcement pursuant to Executive Orders 53 and 55.

Dealers have reached out to us, saying police have been to the dealership to confirm compliance with Executive Order 53. Please note, yesterday's **Executive Order 55 does not appear to change the requirements set forth in last week's Executive Order 53 as it pertains to Virginia's franchised auto dealerships.**

That said, be aware that local law enforcement is keeping a watchful eye, and strict compliance with the Governor's orders is essential. Please remember:

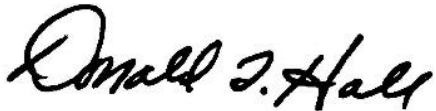
- **Service and Parts** – Executive Order 53 makes clear that “Automotive parts, accessories, and tire retailers as well as automotive repair facilities” are “essential retail businesses” that “may remain open during their normal business hours.” The only limitation on the number of service and parts customers in the dealership is the practical one of ensuring proper social distancing.
- **Sales and F&I** – Sales and finance operations can remain open provided there are no more than 10 sales and/or F&I patrons—**meaning sales/F&I customers**—in the dealership at any one time. That “10” figure excludes dealership personnel. **In other words, it is critical there are no more than 10 non-employees for sales and/or F&I purposes at any one time.**
- **For both service and sales/F&I, practice social distancing and enhanced sanitization.**
 - Executive Order 53 stipulates, “All businesses shall, to the extent possible, adhere to social distancing recommendations, enhanced sanitizing practices on common surfaces, and other appropriate workplace guidance from state and federal authorities while in operation.” Violation

of the above, and/or the 10-patron requirement for sales/F&I, could result in store closure.
Violation is also a Class-1 misdemeanor punishable by up to 12 months in jail.

In addition to the potential consequences your business could face for violating Executive Order 53 or 55, failure to adhere to the Governor's directives could hurt the ability of *ALL* franchised auto dealer sales departments to operate, as the Governor can certainly amend or rescind past orders allowing continued sales.

As always, please reach out with any questions or comments about the above or anything else. More than ever, it is a pleasure to serve the new car and truck dealers of Virginia.

Sincerely,

A handwritten signature in black ink that reads "Donald L. Hall". The signature is written in a cursive, flowing style.

Donald L. Hall
President and CEO