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OFFICIAL PUBLICATION OF THE NEW CAR DEALERS ASSOCIATION SAN DIEGO COUNTY



INTERVIEW WITH
INCOMING CHAIRMAN
JASEN POWELL

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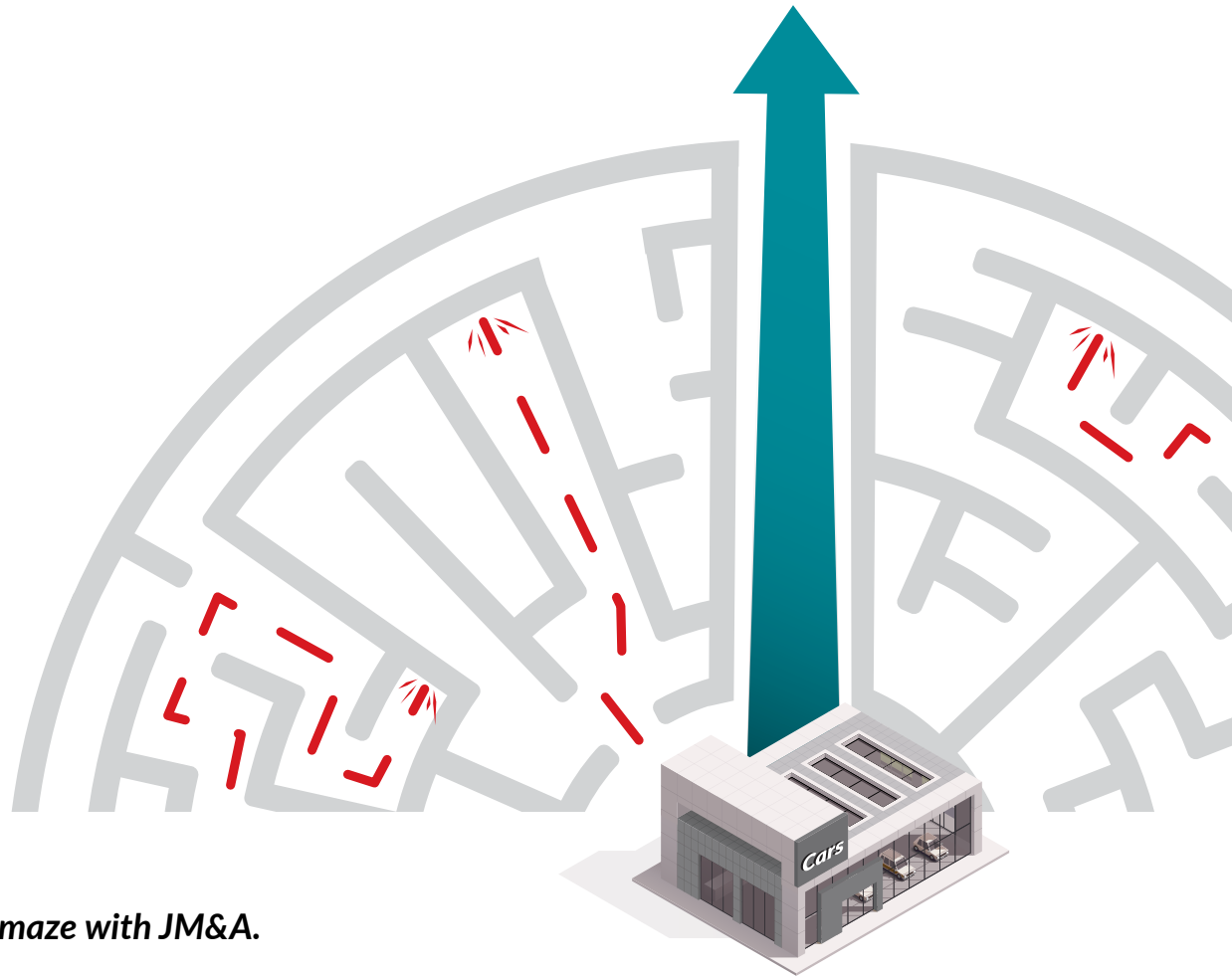


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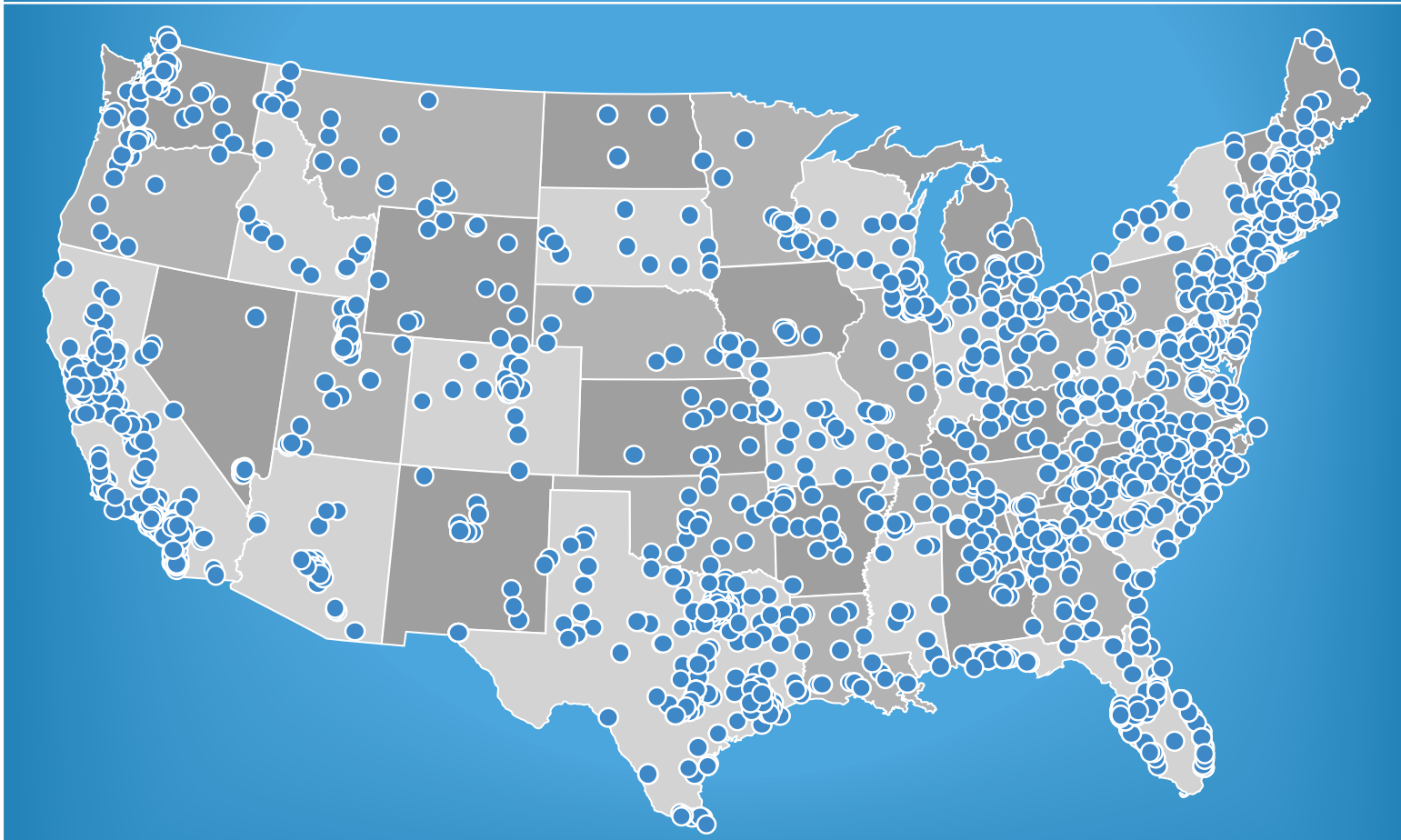
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INTERVIEW WITH INCOMING CHAIRMAN: JASEN POWELL



How did you become a car dealer? Did you always aspire to be part of the automotive industry?

I grew up with the car business all around me. My father and his father were Dodge dealers so it was talked about over dinner throughout my childhood. As a kid, I would roller skate around the lot when my Dad took me to work and I picked parts as a summer job. I also loved making music and dreamed of being a rockstar, but finally realized that a career in music wasn't for me. I got a job selling cars in Seattle for a couple of years before returning home to learn the family business.

Do you have family members in the auto industry?

My grandfather, Jack Powell, Sr. began his career as a car dealer in 1933 in Dearborn

Michigan. He relocated the family to Escondido in 1958 where he opened Jack Powell DeSoto Plymouth. My father, Jack Powell, Jr. purchased the dealership in 1972. He helped form the Escondido Auto Park where he consolidated the Chrysler and Dodge dealerships in 1987. My sister and I entered the family business around 2003 and spent several years learning aspects of each department from tenured managers. My father took time often to teach us his methods and include us in important meetings until he retired in 2011. His guidance shaped the car dealer I am today and I am proud to continue his legacy.

Describe your education background. What did you study?

I grew up here in San Diego and graduated from Torrey Pines High School in 1996. Afterward, I attended USC in Los Angeles where I studied upright bass performance and the music business. I spent my last semester studying Spanish in Madrid and graduated from USC in 2000. A few years later, I completed the Chrysler Dealers' Sons and Daughters program.

Are there any specific individuals that had a major impact on your career?

Family aside, Butch Hollister was the most influential person on my career as a car dealer. Butch was the moderator for my NADA 20 Group for over a decade and took his role as an educator very seriously. He led a successful career as a Chrysler dealer in Boulder, CO and was passionate about sharing the disciplines he employed across the dealership. Butch was an important mentor to me and I miss him very much.

What is the most rewarding part of your career?

There are many rewards to being a car dealer! The day-to-day excitement of new challenges can be an adventure and I love the freedom of entrepreneurship. The most enduring rewards, however, are the relationships I've built over the years with the people that help make the dealership thrive. I am very grateful for the fruitful partnerships I've developed with employees, vendors, partners and other dealers.

What do you think will be some of the dominant trends within the auto industry in the next 5-10 years?

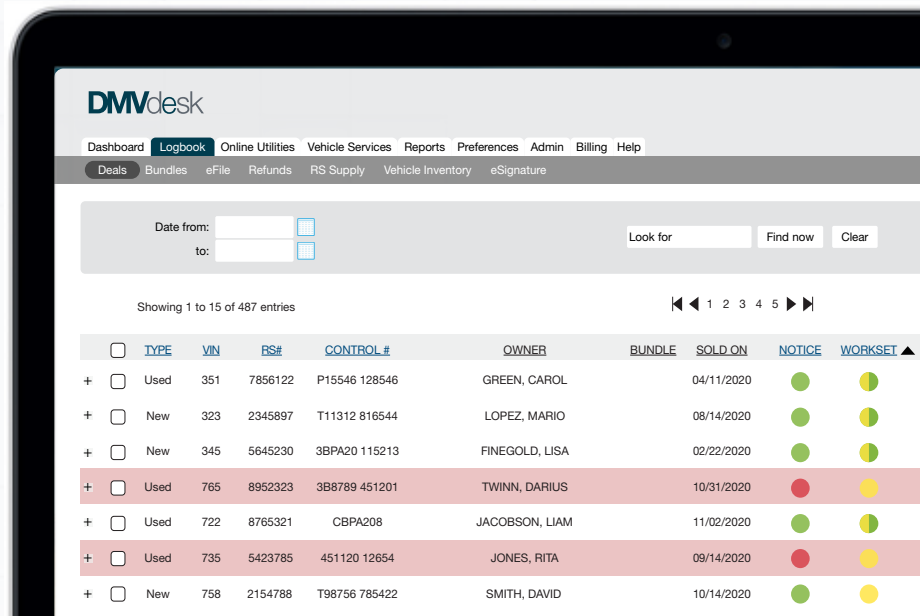
The most important trend will undoubtedly be the accelerating convergence of technologies. Major innovations in robotics, connectivity, sensors and AI are emerging rapidly, but their integration will compound to create new ways of life faster than we expect. Already, automakers are restructuring, making tremendous investments in R&D, experimenting with new business models and forming partnerships in preparation for a world facing climate change and changing consumer behavior. As investors bet big on disruptors, I believe we will see increasing consolidation and collaboration between incumbents.

What is the biggest importance of being an NCDCA member, what makes it beneficial?

NCDCA unites its dealers through the production of the San Diego International Auto Show and by facilitating participation in our state and national associations. As our political and regulatory

Continued on page 8

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Continued from page 6

environments become increasingly volatile and complex, it is vital that we remain connected and share resources to preserve the culture of our workforce.

What inspired you to serve as a leader within the association?

Participating on the board offers a front row view of issues affecting the local business community and a great way to network with dealers across the County. I have been inspired by the dealers who have served before me and am honored now to become Chairman. I look forward to working with Dean and the board to step up to the special challenges that this year will bring.

Are you involved in any civic or charitable organizations?

Yes, I volunteer my time on duties as President of the Escondido Auto Park Association and represent its dealers in matters with the City and the community. I also participate in Escondido's Community Advisory Group on Economic Development.

If you look back at your career and life, what would be three things that you have learned, that you would pass onto a younger member within the auto industry?

- Get clear about what's important to you and work for organizations where you find alignment. Don't put up with caustic cultures.
- Pursue your passions, hone your craft and enjoy connecting people in your network. Investing in yourself these ways will pay dividends in the long run.
- Practice kindness and celebrate things you are grateful for every day.

If you could describe the best day in this business, what would it look like?

The best days are those where the team is in it's flow state. This requires everyone showing up and coming together to tackle their part of the process so that each department and the whole dealership function at peak efficiency. We are constantly refining our processes and empowering individual employees to achieve this goal.

These are undoubtedly unprecedented times, what are you doing, as a small business, to weather the storm?

When COVID-19 hit our state, we had to make tough decisions to adjust safety protocols, staffing, hours of operation and terms with vendors in order to realign operations with the new challenges of doing business in a pandemic. Luckily, my sister Jasmine had been focused on implementing new technology that delivers on-demand test drives to shoppers at home so our sales force was able to pivot quickly. We now pick up and deliver many service customers' vehicles at their homes as well. Today, it's all about having flexibility to accommodate customers' varying needs and time frames.

What are you doing to support your employees?

First, we are highly focused on the health and safety of our employees and their families. We have strictly adhered to state and local guidelines and are continually improving these measures wherever we find opportunities. Second, we are hiring support staff as business returns. Relieving salespeople and service/parts advisors of tasks that can be performed by porters, clerks or administrative staff enables us to quickly scale with demand. Third, we make sure everyone has the resources they need to execute their roles effectively.

What are two things that you have learned from past experiences, that are helping you navigate now?

I learned some tough lessons from the 2008 financial crisis and am fortunate to have implemented practices that have created stability through this crisis. The most important one is a dedication to our core values: Honesty, Integrity, Attention to Detail and Urgency. Every manager in the dealership refers to these values to make decisions that produce employees, activities and behavior which represent the essence of our culture. On this foundation, anything is possible or trainable. Another important lesson we abide by is maintaining conservative expense controls to stay lean. I believe the best way to face uncertainty is to be nimble.

What effect do you think this crisis will have on the auto industry going forward?

The pandemic has dealt major blows to every aspect of our industry, most notably to jobs. The Fed's response has been unprecedented

and helpful to many individuals and businesses this year. However, only time will tell if sufficient liquidity was provided and what the impacts of that will be later. The crisis has positioned online-only retailers to thrive because they've learned to deliver the ease and convenience customers increasingly expect. For brick-and-mortar dealers, however, online selling solutions still battle to properly integrate with lenders and technology partners. As always, dealers who continue to innovate will keep an edge as the retail landscape evolves.

What are you and your dealerships doing for community outreach and/or to support essential workers, including healthcare workers and first responders?

Jack Powell CDJR has supported First Responders and Healthcare Professionals with special incentives and first priority service since the pandemic began. The dealership is an ongoing sponsor of Escondido Youth Baseball (EYB), Vista National Little League (VNLL), local Veterans organizations, and No Hungry Kid - an effort to end childhood hunger in America.

Describe your all-time favorite vehicle (it can be one you've owned, or something on your wish list). What are you driving today?

My favorite vehicle was a two-door Jeep Wrangler TJ with a manual transmission and knobby tires. I loved that Jeep and drove it all over the Pacific Northwest when I lived in Seattle after college.

Tell us about your family.

I am very privileged to have grown up in a loving, supportive family and I am extremely grateful for their enduring encouragement. Our household was a creative space filled with art, music and amazing food. My father's love for jazz inspired my musical ear and his skill with woodworking continues to fill our homes with masterful pieces of furniture.

My mother Judith is the kindest person I've ever known and a masterful chef. To her I owe my love of great food, my ability to stay calm and the art of patience. My sister Jasmine is my best life-long friend and business partner and we have weathered many adventures together. She is an accomplished



Taken at the groundbreaking ceremony for the construction of my dealership in 1981. My grandfather Jack Powell, Sr is in the driver's seat and my grandmother Anita is next to him. I am 3 years old, seated on the convertible boot next to my parents Jack and Judith.

equestrian and continues to find new ways to evolve as an artist and entrepreneur. In 2014, I married Jen, the love of my life and today we live with two new kittens. Jen is a loving partner, crafty engineer and prolific artist.

What is your favorite way to spend your free time? Any unusual hobbies?

I love spending time outdoors, especially on adventures in the wilderness. I spend a few days each week running or mountain biking through San Diego's open space preserves and I enjoy North County waves when the surf's up. During summer, I take backpacking trips off the grid and enjoy exploring new mountains on my snowboard in the winter. The pandemic has given me new time to learn guitar and catch up on a lot of reading. I look forward to returning to music and arts festivals, international travel and being closer with friends and family. 🍀



Jack Powell Chrysler Jeep Dogde RAM videos can be found at:

<https://www.youtube.com/watch?v=B-swfpB1Hq4>



DEALERSHIPS IN THE TIME OF COVID-19: PREPARING FOR TODAY'S AND TOMORROW'S CHALLENGES

The initial shock of the COVID-19 virus and the resulting shelter in place orders is beginning to wear off, and dealerships are asking themselves: what next? This article addresses the legal landscape for vehicle sales in San Diego County, what dealers must do now to operate their showrooms in a compliant manner, and how they can prepare for an uncertain future. The good news is that investments today in sound safety practices and legal compliance will pay dividends as prevention methods are likely to be our new normal.

Understanding the Legal Situation

On March 19, 2020, Governor Newsom issued Executive Order N-33-20 directing all residents to stay home and for businesses to cease on-site operation, except as needed to maintain continuity of operations of essential critical infrastructure sectors. The Order stated that these essential sectors included those designated by the Cybersecurity and Infrastructure Security Agency ("CISA") of the Department of Homeland Security and additional sectors as the State Public Health Officer may designate as critical. Both CISA and the State Public Health Officer have always designated service and parts departments as essential sectors. However, neither CISA's original designations nor the State Health Officer's

March 22 designations listed vehicle retail as an essential sector. Then on April 17, 2020, CISA designated personnel essential to sell and lease vehicles as essential critical infrastructure.

On May 7, 2020, Governor Newsom's office released the Phase 2 guidance of the California Resilience Roadmap for "lower-risk workplaces" detailing the steps businesses in specific industries must take to reopen. This guidance became effective May 8, the same day when designated lower-risk workplaces could open across the state with modification. The auto dealer guidance includes some specific requirements, but largely shifts to dealers the burden of assessing risk and developing plans to mitigate risk.

San Diego County's updated Order of the Health Officer dated June 18, 2020, requires that any business not meeting the definition of an essential business OR of a reopened business, defined as a business opening in compliance with the Governor's Phase 2 guidance, remain closed, with exceptions for telecommuting. The prevention protocol requirements for essential businesses and reopened businesses differ to some degree. Because dealerships may legally qualify as essential businesses or as

reopened businesses in San Diego County, dealers should understand both sets of rules and choose the prevention protocol that makes the most sense for their situation.

Selecting a Prevention Approach

Any dealership with an open showroom must comply with either the County's Social Distancing and Sanitation Protocol for essential businesses or with the state's Stage 2 reopening guidance. Both require similar prevention methods, though the state has released guidance for the auto dealer industry that is more tailored to dealerships. The major difference between the two is that businesses operating as essential businesses may only allow employees to work at the dealership if the employee is essential to selling, leasing or servicing vehicles, including selling parts. While most dealership employees qualify as essential, this distinction may be important for dealerships that would like business staff to return to work on site.

In addition, dealers should consider the likely time frame when selecting a compliance approach. While most dealerships at this point should be in compliance with the Social Distancing and Sanitation Protocol for the County, the Protocols are very general and inflexible. The Phase 2 reopening guidance is more flexible and tailored to the industry. Therefore, most dealerships may find that adopting the Phase 2 approach has the benefit of setting up a more sustainable prevention approach.

Prevention Approaches

No matter which legal approach dealerships take to operating under county health orders, they should adopt all mandatory measures discussed below and consider non-mandatory additional prevention measures to help limit liability.

Public Sign Posting

If the dealership is operating as an essential business, a copy of the Social Distancing Protocol must be completed and posted at every public entrance.

If the dealership is operating as a reopened business under Stage 2 guidance, the dealership must post a summary of its prevention plan, using the County's Safe Reopening Plan form at each public entrance.

In addition, all dealerships must post a sign informing employees and the public about all of the following:

- They should avoid entering the facility if they have a fever or cough
- They should maintain a minimum of six-feet of distance from other people
- They should not shake hands or engage in unnecessary physical contact

Dealerships following the Stage 2 guidance must also post a sign stating that members of the public must wear a mask in the facility. However, the Governor issued a state wide face covering mandate in mid-June, so all dealerships should post and enforce this requirement now.

Measures to Protect Employee Health

All businesses must certify that they have informed all employees that 1) if they can carry out their duties at home they should do so and 2) that if they are sick they should not come to work. These requirements will likely stay in place for months even after the statewide shelter in place

Both San Diego's Social Distancing Protocols and the Stage 2 guidance require measures to prevent unnecessary physical contact between people and with commonly used items. Like the measures addressing crowds and distancing, these measures are not mandatory, but must be followed where possible. Dealers should therefore instruct employees to avoid contact with each other and customers, avoid handling customers' personal items such as credit cards and car keys, remove beverage and food self-service, and make use of contactless payment systems where possible.

order is lifted, so dealerships should both evaluate which employees can perform their duties from home and be sure to understand health leave laws, both state and federal.

All businesses must also arrange workspaces, such as desks and service bays, so that they are separated by at least six feet. In sales and F&I departments, this should include arranging chairs and desks so that customers will be at least six feet away from employees. This requirement may be most difficult for service bays. If bays cannot be arranged to allow for this distance, dealerships should consider erecting barriers between service bays, such as clear Plexiglas.

Businesses must also implement a regular schedule for sanitizing common areas such as bathrooms and breakrooms. This schedule must be posted on the Social Distancing Protocol form, though it need not be specified on the Safe Reopening Plan.

Disinfectant cleaning supplies, hand sanitizer that is effective against COVID-19 (containing at least 60% alcohol) and soap and water must be made available to employees. The locations of the supplies must be listed on the Social Distancing Protocol form or Safe Reopening Plan.

Finally, all employees who work at the dealership must receive a copy of whichever prevention protocol the dealership is using. Dealers should

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require that the employees also sign a form acknowledging that the employee received and understood the prevention protocol.

Measures to Prevent Crowds from Gathering

San Diego's Social Distancing Protocol requires measures to prevent crowds from forming in stores. These measures may only be ignored if they do not apply to a specific business. Dealers should therefore consider all of the following to have a fully compliant Protocol.

- Limit the number of customers in the store or in a section of the store, if applicable, so that customers and employees can maintain at least a six-foot distance from one another.
- Designate one or more employees to monitor entrances to ensure the limit of customers in the store is not exceeded.
- Keep some entrances locked to better monitor and control the number of customers in the store.
- Close waiting areas and children play areas.

The Stage 2 guidance has similar recommendations, though dealers have more flexibility in implementing these measures.

Measures to Keep People Six Feet Apart

Both San Diego's Social Distancing Protocols and the Stage 2 guidance require measures to keep people six feet apart. These measures are also not mandatory, but may only be ignored if they are inapplicable. Therefore, if lines form in any part of the dealership, dealers should

consider marking spaces six feet apart and direct customers to que up at the marked spots. Dealers should also consider erecting clear barriers at cash registers if six-feet of distance cannot be maintained during payment.

Measures to Prevent Unnecessary Contact

Both San Diego's Social Distancing Protocols and the Stage 2 guidance require measures to prevent unnecessary physical contact between people and with commonly used items. Like the measures addressing crowds and distancing, these measures are not mandatory, but must be followed where possible. Dealers should therefore instruct employees to avoid contact with each other and customers, avoid handling customers' personal items such as credit cards and car keys, remove beverage and food self-service, and make use of contactless payment systems where possible.

Measures to Increase Sanitation

Finally, both San Diego's Social Distancing Protocols and the Stage 2 guidance require implementation of additional sanitation measures. While some of the "mandatory" measures, such as wiping down carts and shopping baskets, do not apply at dealerships, all dealerships should implement the following measures:

- Provide hand sanitizer, soap and water, or other effective disinfectant to the public at or near the entrances, at checkout counters, and at places of direct contact with people, such as service advisor desks, sales desks, and F&I desks.

All dealers should adopt a face covering policy. Neither version of the current prevention protocols mandates this, but it is now a statewide mandate. The dealer must make face masks available to the employees. Dealers should also consider requesting that customers wear face masks while in the store and make face masks available to any customer.

- Disinfect all payment portals, clip boards, pens, styluses, car keys, and other items between uses.
- Sanitize desks and work surfaces between each customer or employee.
- Station an employee with disinfectant to wipe clean all door handles at entrances.
- Make tissues and trash receptacles available in all locations where people congregate.
- Encourage customers to conduct as much of the vehicle purchase or lease process remotely as possible.
- Encourage customers to make appointments prior to arriving at the dealership.
- Discontinue test drives accompanied by a dealership employee. If your line-make supports extended test drives, offer those as an alternative.
- Offer off-site delivery of vehicles (please see off-site delivery guidance below).

Adopt Additional Social Distancing Practices

All dealers should consider adopting additional prevention measures, no matter which operating framework they adopt, to demonstrate seriousness to regulators and customers, as well as to limit liability for potential claims related to an employee or customer contracting COVID-19.


All dealers should adopt a face covering policy. Neither version of the current prevention protocols mandates this, but it is now a statewide mandate. The dealer must make face masks available to the employees. Dealers should also consider requesting that customers wear face masks while in the store and make face masks available to any customer.

In the service department, dealers should implement specific measures when handling customers' vehicles. These include:

- Ensure the AC heater and fan is off in the vehicle at all times.
- Keep windows down for natural air circulation.
- Sanitize all touchpoints before and after working on the vehicle, including: door handles, keys, steering wheel, gear knobs, seats, and seat belts.
- If a surface inside the vehicle cannot be sanitized, cover the surface with paper or plastic while inside the vehicle.
- Minimize time inside the vehicle when possible.
- Service techs should wear personal protective gear while inside a vehicle, including a mask and gloves.
- Sanitize all vehicles returned by customers including test-drives, trade-ins, loaners, and rental cars.
- For loaner and rental vehicles, dealers should do the following:
- Prior to providing a customer with a loaner or rental vehicle, sanitize all touchpoints including: door handles, keys, steering wheel, gear knobs, seats, and seat belts.
- If a surface inside the vehicle cannot be sanitized prior to providing the vehicle to the customer, cover the surface with paper or plastic.
- After the customer returns the loaner or rental vehicle, sanitize all touchpoints including: door handles, keys, steering wheel, gear knobs, seats, and seat belts.
- In the sales department, dealers should also implement the following measures:

Look to the Future

COVID-19 will continue to be a risk to the public for the foreseeable future. Dealerships should therefore prepare their showrooms by investing in sales and safety practices that will allow for social distancing over the coming months. Dealers are likely to find that local or state laws continue to mandate the kinds of social distancing protocols described above, and that the public will expect such practices. In addition, customers may expect expanded options for remote vehicle purchases and leases. California law allows offsite contract execution and vehicle delivery. However, there are special legal hurdles to conducting a remote sale or delivery of a vehicle offsite. Dealers should therefore be sure to consult with competent counsel prior to implementing wide-scale offsite delivery, and make sure they are addressing the following issues:

1. Conduct all sales and negotiations for the vehicle, lending terms, and ancillary products at the dealership, over the phone, or over the internet. Only licensed salespeople may engage in vehicle sales and negotiations. No sales activity should take place at the customer's residence, workplace, or other location that is not the licensed dealership.
2. Ensure that all legally mandated disclosures, such as the GLB Notice and CCPA Privacy Notice, are provided to the customer at the correct time.
3. Be wary of the potential that remote sales and offsite delivery can lead to increased identity theft. Dealers should complete additional Red Flags checks to help prevent fraud.
4. Train staff to conduct deliveries in a legally compliant and safe manner, including following social distancing protocols, avoiding any sales activity, and ensuring correct execution of all legally required documents. 

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IN UNCERTAIN TIMES, YOU HAVE MORE CONTROL THAN YOU REALIZE

By Daniel Burrus



Traditionally, when an individual or organization fears change, it has something to do with digital technology disrupting their status quo. Will something autonomous replace my job? What if something occurs that puts me completely out of business?

Aside from digital transformation, another wave of fear comes from new, fast-moving competition and the threat of loss of relevance and market share.

I have discussed at length these fears and many more, and how to become more anticipatory, paying attention to the Hard Trends that are shaping the future both inside and outside of your industry, how to see disruption, and change before they strike, and most importantly how to identify and act on the opportunities they represent.

Few would have thought, in the early stages of 2020, our economy would be in a downturn, we would be instantly converted to remote work or, unfortunately for some, laid off, and we would be quarantined to our homes due to a global pandemic.

Real-World Dystopia

Whether you're in business or not, ever since the Great Recession about a decade ago, it seems the majority of individuals will not admit to their tendency to sleep with one eye open on the economy. This "hope for the best but expect the worst" attitude can be useful, but it can also be dangerous, both for your health and

well-being and for your entrepreneurial ability to see and act on the many new opportunities disruptive change presents.

Unfortunately, the COVID-19 pandemic has, to a great extent, suppressed our positive, innovative mentality as a species, and has sent many of us into a primordial tailspin of trying to get back to the way things were — the status quo. Due to fear, we are finding ourselves in a real-world dystopian society, where individuals buy in bulk unnecessarily, prepping for the end of the world.

The pandemic will end and we will recover to yet another new version of normal. What if we made the new post-pandemic normal much better than what we had before? Is this possible?

It sure is, if we get past the fear and reacting to the next disruptive problem and become anticipatory, using the power of disruptive change to create a better tomorrow for all.

Keep in mind that while times are highly uncertain in an all-encompassing way, this global disruption on a massive scale is also creating new ways to have a positive, significant impact on the present and the future.

Going Remote, No Matter Who

A global pandemic, shutdown, and quarantine are very similar to digital disruption: They know no boundaries and will disrupt every industry there is. However, what this pandemic disruption is showing us is that many organizations are quickly shifting to reposition their workforce to new roles or remote roles by digitally banding together and working efficiently from a distance.

It is easy to consider going remote when you have a desk job or a career that is already rooted in flexible industries. However, what about those that don't have it as easy?

Virtual reality and augmented reality (VR and AR) are two technologies that have started gaining traction in recent years, given the exponential changes of the Three Digital Accelerators of bandwidth, computing power and processing power, which I have discussed since the early 1980s. Now, more than ever, we can

see industries — which ordinarily are unable to go remote because they were based on the need for a customer to be physically present — figure out ways to provide a remote customer experience.

An incredibly outside-the-box example can be found as museums, zoos, and even theme parks are going remote. Monterey Bay Aquarium and Walt Disney World have gone remote using live-streaming video and a form of virtual reality applications like Google Street View, so guests who've had to cancel their vacation can still "walk through" Disney World with their families for something to do.

If Walt Disney World, an in-person entertainment giant with visceral experiences, can find a way to go remote, imagine the remote possibilities available to other industries around the world.

Innovation Is Needed More Than Ever

While our worlds may seem to be in a period of indefinite stasis, the world and peoples' needs don't stop. A Hard Trend most people take for granted is that there are more than 500 cycles that continue, such as the sun setting tonight and rising tomorrow, the stock market going down and going up, and the pandemic beginning and ending.

If you have followed my writings, you know that I want us all to become positive disruptors, creating the disruptions that need to happen to make the world a better place for all.

Being a disruptor during times like these might sound contrary to what people want. However, when you're a positive disruptor, you choose significance over success, focusing much less on you and what you have done, and more on what you can do for others in a significant way.

When you look for ways to elevate your significance in times like these, you can find new ways to change your community, your state, your nation, and, if you think big enough, even the world for the better. I can't think of a more needed time than right now. Ask yourself: What can you and your organization do now that would have a significant impact on others?

Stop looking at this economic and social slow down as a time to wallow in the disruption of your status quo. It is a free pass to innovate as much as you can! An identifiable Hard Trend based on the science of cycles is that the pandemic will end and the market and economy will bounce back. So, in the meantime, focus on the positive difference you can make and what you can disrupt in a positive way — what you can do now to make a difference by helping others. The needs are massive and so are the opportunities to make a significant difference!

Looking for Opportunity in Helping Others

Consider this: Perhaps your organization has shifted to remote work with ease, whereas a customer of yours in a similar industry is struggling and falling behind. Is there a way to help them now? What if, in this unusual time of need, you didn't charge them for the help? Would they remember that generosity in the future?

This pandemic has inadvertently leveled the playing field; therefore, no one is safe from disruption, and this global disruption is happening a lot faster than digital disruption. We're all in the same boat, so one major way to innovate is to find ways to help your customers through this in ways you haven't thought of before. You're thinking too small if you

are thinking of offering them a discount on your product or service. It's better to look at their desperate needs now and ways that help them stay afloat, which in turn might help you stay afloat.

This concept isn't solely constrained to business and customer relationships. This touches on the topic of thinking about your employees who rely on you. You may be in business as a unified organization, but an employee now working remotely with kids at home and having to think in terms of profits and losses in their personal life has unmet needs as well that you need to think about and act on. As you work to keep the doors open, what are you doing to take care of your own?


Let's return to the entertainment industry with an example of the National Basketball Association shutting down during this crisis. While it is no secret that owners, players, and team affiliates will be financially okay during this situation, the workers at the snack bars, restaurants, and merchandise stores will feel a major financial impact, if they can survive at all. However, many teams have stepped up and donated portions of their salaries to cover the losses the service employees will feel while out of work, which in turn incentivizes them to continue to work for the stadiums and gives them a sense of belonging to the organization.

That has already created a positive change throughout the rest of the NBA, as other teams follow suit and help their fellow man and woman when in need. This positive disruption is spreading to other sports faster than any virus!

Anticipation Will Get You Through This

Hard times will pass, but the Hard Trend in times of complete uncertainty is that a new day will dawn with new opportunities to make a significant difference unfolding with it. There will be a tomorrow, so what are you doing to anticipate, innovate, and seize the opportunity it brings with it? Are you using this pandemic to be a positive disruptor or will COVID-19 close your business' doors for good? It doesn't have to.

As my good friend W. Mitchell, who has been through several major accidents, says, "It's not what happens to you. It's what you do about it." The way I see it, COVID-19 isn't our biggest problem; it's what we are doing, or not doing about it. Those of you who have read my latest book, *The Anticipatory Organization*, know one of my principles is this: Take your biggest problem and skip it. The real problem for your business isn't the virus, it's how you are reacting to it. Don't panic. Focus on defining the real problem both you and your customers are having and use the certainties found in Hard Trends to reveal a solution.

There will be a future after the pandemic. If you are anticipatory, pre-solving predictable problems before you have them and becoming a positive disruptor creating the transformations that need to happen, you will find the future is bright. 

Daniel Burrus is considered one of the world's leading futurist speakers on global trends and disruptive innovation. The New York Times has referred to him as one of the top three business gurus in highest demand as a speaker. This article originally appeared in the April 2020 edition of The Statement, the official member magazine of the Maryland Association of CPAs, and is reprinted with permission.

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THE EVER-CHANGING EMPLOYMENT LAW LANDSCAPE UNDER COVID-19

From leaves to loans to local orders to layoffs, in the months since Governor Newsom first issued his executive order requiring all Californians stay at home, there have been a variety of new laws at the federal, state, and local levels impacting dealership employers. While there could always be additional changes, below are some of the key laws Dealership employers should be aware of as we navigate this spring's COVID-19 outbreak.

Employee Leaves

Paid Sick Leave. For the past several years, California and the City of San Diego have required employers provide paid sick leave to prevent and treat the illnesses and injuries of employees and their family members. This could make time off work to prevent contracting COVID-19 a qualified reason to take paid sick leave. Additionally, the City of San Diego allows paid sick leave to be used when the employee's workplace or their child's school or child care provider is closed by a public official due to a Public Health Emergency.

Families First Coronavirus Response Act. Effective April 1, 2020, this federal law entitles employees of companies with fewer than 500 employees to emergency paid sick leave as well as expanded family and medical leave for certain absences that occur between April 1, 2020 and December 31, 2020.

- **Emergency Paid Sick Leave** allows employees up to 80 additional hours of paid sick leave specifically for COVID-19-related absences. When the employee is absent for their own illness or isolation order, the law requires pay at the employee's regular rate of pay, up to a maximum of \$511 per day or \$5,110 over the entire paid sick leave period. When the absence is related to care of a family member, the employee should be paid 2/3 of their regular rate of pay, up to a maximum of \$200 per day or \$2,000 over the entire paid sick leave period.

- **Expanded Family and Medical Leave** allows employees up to twelve weeks of paid leave—the first two weeks unpaid and the last ten at the greater of \$200 per day or 2/3 the employee's regular rate of pay for the hours they would have been scheduled to work—for absences related to care of a child whose school was closed due to COVID-19. The employee may elect to use paid leave for the first ten workdays under the employer's existing paid leave plans or Emergency Paid Sick Leave. Additionally, employers can elect to allow employees to use their paid leave to supplement their pay for the last ten weeks of leave.

Employers who are required to provide these leaves may seek tax credits for reimbursement for costs of these leaves. However, certain dealerships may not be required to provide the leaves—and thus not potentially eligible for the tax credit—if they would be considered a joint employer with another entity under the Fair Labor Standards Act (FLSA) or part of an integrated employer under the Family Medical Leave Act (FMLA) and the total number of employees between the multiple entities is greater than 500. The tests for joint employment and integrated enterprises depends on multiple factors. Dealerships should consult with their lawyer to identify the likelihood that they would be considered a joint employer or integrated employer.

Loans

The federal CARES Act, passed in late March, created several incentives for employers to retain or rehire employees in spring 2020, including the Payroll Protection Program. The PPP is a small business loan to cover payroll costs up to \$100,000 per employee and other overhead costs. These loans are eligible for forgiveness for employers that retain or rehire its employees. Partial forgiveness is also available based on headcount and/or wage retention. Generally, loans under this program are only available to employers with 500 or fewer employees; however,

exceptions may apply to dealerships with annual receipts under certain thresholds.

Other loans that may be available to cover COVID-19-related financial hardships include an advance on an Economic Injury Disaster Loan or an SBA Express Bridge Loan. Certain small businesses with existing SBA loans may also be eligible for debt relief.

Local Orders

Under California's Resilience Roadmap, businesses around the state have been reopening after Governor Newsom issued an executive order on March 19 requiring all California residents except those qualifying as essential workers to stay at home. During what is now Stage 2 of the Resilience Roadmap, Dealerships are permitted to fully reopen as long as they follow the relevant Industry Guidance issued by the California Department of Public Health and Cal/OSHA. Despite being labelled as "guidance," businesses must comply with the mandatory provisions of the Industry Guidance.

In addition to the state's Industry Guidance, many local governments have also imposed restrictions aimed at curtailing the spread of COVID-19. The most recent Public Health Order from San Diego County requires that businesses complete and post the Social Distancing and Sanitation Protocol (for essential businesses) and the Safe Reopening Plan (for non-essential businesses). Reopened businesses must include all mandatory measures from Industry Guidance as part of the Safe Reopening Plan, and must further include all suggested measures necessary to maintain proper sanitation, employee screening, social distancing, and facial coverings. Regardless of whether your Dealership (or parts of your Dealership) was open as an essential business or whether it reopened as a non-essential



business, best practice is to comply with all requirements necessary for reopened businesses.

In addition to creating a written plan, all businesses in San Diego County must require employees to wear face coverings unless they fall within certain narrow exemptions permitted by the Public Health Order. Further, businesses must conduct temperature screenings and prohibit entry of employees with a temperature of 100 degrees Fahrenheit or more. Businesses must also prohibit entry for employees exhibiting COVID-19 symptoms or employees who have recently been exposed to a person who has tested positive for COVID-19.

Layoffs

With so many companies unable to operate at full capacity, many employers have had to consider mass layoffs. Typically, when a California employer with over 100 full-time employees or with 75 employees at a specific location lays off (or furloughs) either a substantial portion of its workforce or at least 50 employees, it is required to provide employees 60 days of advanced notice under state or federal law, or both. However, most employers did not anticipate the need for any layoffs two months ago, due to the quick and unexpected disruption of the economy by COVID-19 and related shutdown orders. For this reason, Gov. Newsom has suspended the requirement that employers provide the full 60-day notice for layoffs, provided they still provide notice as soon as practicable and include specific language

directing laid-off employees on how to learn about unemployment benefits.

Lasting Impact and Leadership

Current news reports show an increase in infections and deaths in the state as mandatory stay-at-home restrictions are loosened. However, even if businesses continue to reopen, the impact of this virus and our stay-at-home habits will undoubtedly linger as some consumers will be hesitant to venture out in large groups or shake hands, and employees may be fearful to return to a workspace that requires they work in close proximity to others. Dealerships can prepare by brainstorming potential solutions now, working with legal counsel to confirm compliance with the standard framework of employment laws, including disability and medical condition anti-discrimination laws.

In the meantime, this current crisis has served as a reminder of our shared humanity. While this time is stressful for businesses and employers are subject to a new and evolving framework of legal requirements, dealerships will be best served in the long run by leaders who incorporate and remember humanity in their interactions and communications with employees.

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Q&A

Gary Fenelli, President/General Manager at Frank Toyota Thriving During COVID-19



We have all been affected by COVID-19 in profound ways, which means that as small business owners, it's anything but "business as usual." These times call for anticipatory leadership. NCDA spoke with dealer Gary Fenelli about his thoughts on selling cars amid these unprecedented times and thriving during COVID-19.

These are undoubtedly unprecedented times. What are you doing, as a small business, to weather the storm?

The first thing is to maintain a positive attitude. Leadership is more important now than ever. Ownership means that you can't have a bad day — at least not a public one. You have to "coach up" and inspire your staff. We chose to overcommunicate. My partner Ron Fornaca and I work our business from the ground level; we walk the four corners to the lot. We know our people.

We also took this time to slow down, both in our personal lives and in our business life. There's been a lot of turmoil, a lot of confusion and plain wrong information swirling since this thing started. To make the right decision, you have to take the time to sort things out, look at things from every level and be careful not to make a knee-jerk reaction. This pandemic will pass. We don't know when, but the storm will pass. It always does. I

think that's one of the most reassuring things about having time in this business; we have the gift of perspective.

We're a family business. My brother-in-law, Ron Fornaca and I each run a store in the business. Between us, we have five children in the business. In retail, we ran with a skeleton crew; mostly, it was family. We all logged a lot of hours.

Our fixed operations — parts and service — we deemed essential so that those departments could operate. Retail, of course, in the early days, not so much. We could handle customers with immediate needs. So, we spent our time focusing on more sanitation and ramping up our janitorial efforts. Those customers, and employees who still came into the dealerships, saw us wiping surfaces, cleaning, wearing masks and doing everything we could to keep us all safe. We received many compliments, which meant the world to us. I think it's one thing to



be open; it's another to have your customers and employees feel safe enough to walk through your doors.

What are you doing to support your employees?

Well, at the start of this, Ron and I met, and we made a very conscious decision not to overreact. That's not to say we weren't concerned or didn't take this seriously. We were concerned, and this virus was unlike anything we've encountered before. But we both felt that we needed to meet the times — unprecedented as they certainly were and still are — with competent and confident decisions.

Between us, we have 350 employees, each with three to four family members, so we had the lives of 1,400 people resting on our decisions. We knew we needed to do the right thing.

We did end up making an initial cut of about 22 people, but we did it after the first of April, so everyone had health insurance, at least through April.

Some of our staff were essential, and some of our sales staff, we paid to stay home. Our thought process was that if we believed that this would pass and we would rebound — which we did and do — we would

need our people. So, we made the call to keep our employees, and at that time, our SBA loans weren't approved. We made the decisions we made on faith that we could manage our way out much better with our workforce intact.

There was lots and lots of communication. We worked hard to keep the mystery out of it. Our employees were part of the conversation. They all had health insurance, and we encouraged all our employees to use our EAP if they needed it.

What are two things that you have learned from past experiences that are helping you navigate now?

Well, both Ron and I are old enough to remember the days of gas rationing, insanely high interest rates and the Great Recession. You learn not to panic and to take a step back. Get advice from trusted advisers so that you can make the best possible decision.

The best advice I ever got was that one day doesn't make a week, and one week doesn't make a month, and a month doesn't make a year, and a year doesn't make a lifetime. Be patient.

Continued on page 24



Continued from page 23

What effect do you think this crisis will have on the auto industry going forward?

In the short term, I think we will see a slow rebound. I don't expect any normalcy before the end of the year. Inventory will be light because we've seen a substantial supply chain disruption. I think that used cars will make a rebound.

I think that people will tell you how they are comfortable buying a car. I think we're going to see some people who will want to use the more conventional way — come into the showroom, look at the car, drive the car and have that point-of-sale experience. I think we'll see more people be comfortable with doing the research online, buying the cars and having the vehicle delivered remotely. And there will be some in-between. The key is that we don't come out of something like this without people having changed what they are comfortable with and what they are not. As dealers, we will need to become flexible in how we conduct business.

What is the takeaway for you as a small-business owner and leader from this extraordinary experience that will guide future business decisions?

What a learning experience this has been. First, there's a lot to be said for hiring the right people. For us, the bar has been raised. We had some phenomenal employees who rose to the occasion like none other, and it was humbling to experience.

We learned that we can run leaner and still operate well. We've changed hours, we've worked more with appointments, and we've run our stores with more involvement from our management team. Our people are our biggest asset. People don't care how much you know until they know how much you care.

What are you and your dealerships doing to reach out to the community or to support essential workers, including health care workers and first responders?

We have been doing a few things. Subaru always does a Subaru Share the Love Event. The most recent one was between Nov. 14, 2019, to Jan. 2, 2020, and we chose Rady Children's Hospital as our Hometown Charity. We gave the Heart Institute there a check for \$65,000.

This year was the fourth year we chose Rady Children's Hospital, and during that time, we've raised more than \$242,379 for the hospital. The hospital is a comprehensive pediatric care facility with 505 beds. In June 2019, U.S. News & World Report ranked it as one of the best children's hospitals in the U.S.

Rady Children's Hospital is the only one in the San Diego area to focus only on pediatric health care, and it is the region's only pediatric trauma center.

We are offering health care workers and first responders one complimentary oil and filter change, along with a multipoint inspection and vehicle health check, until the end of 2020. This offer is valid on Toyota, Hyundai, Subaru, Kia and Lexus makes.

We also work with Miracle Babies, a nonprofit organization that helps families with critically ill babies by giving them diapers. Frank Motors gave Miracle Babies a \$3,000 sponsorship to help pay for diaper distributions in South Bay. Also, several diaper drive-thru events have been scheduled throughout San Diego County. Frank Toyota agreed to sponsor June, Frank Subaru sponsored July, and Frank Hyundai sponsored August. Parents are asked to write "NICU NOW" on their dashboard. Diapers are loaded directly into the back of their cars, so there is no contact. 🚗

LEGISLATOR PROFILE:

CALIFORNIA STATE SENATOR BEN HUESO




Ben Hueso was elected as California State Senator for the 40th District in March 2013. He represents the cities of Imperial Beach, Chula Vista, National City, portions of the City of San Diego and the Imperial County.

Since assuming office, Senator Hueso has worked extensively on initiatives regarding water quality, consumer protection, public safety and job creation. He is also a strong advocate for education, environmental issues and binational affairs, and chairs the Select Committee on California-Mexico Cooperation. He is a member of the California Latino Legislative Caucus and served as Chair from 2017-2018. Additionally, Senator Hueso chairs the Senate, Energy, Utilities and Communications Committee.

Prior to being elected as senator, Hueso served in the California State Assembly from 2010-2013, where

he championed legislation helping small businesses, protecting victims of domestic violence, prohibiting the sale of synthetic drugs, securing clean and reliable water resources, and stimulating the economy.

Senator Hueso held his first elected position as San Diego City Councilmember for the 8th District from 2006-2010. During his tenure, he was elected Council President from 2008-2010 due to his strong leadership and consensus-building skills. He served as Commissioner for the California Coastal Commission, where he worked to protect California's beautiful coastlines. In addition, he served as a board member for San Diego's Association of Governments and the California League of Cities.

Senator Hueso holds a Bachelor of Arts degree from UCLA and lives in Logan Heights with his four sons. 



COVID-19: MINIMIZE EXPOSURE TO THE VIRUS AND SPREAD OF DISEASE

By Sam Celly, BChE MChE JD CSP

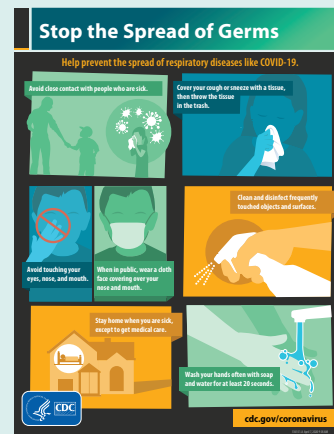


COVID-19 is the disease caused by the highly contagious severe acute respiratory syndrome coronavirus 2 (“SARS-CoV-2”) previously called the “novel coronavirus” (World Health Organization). The virus and COVID-19 present serious public health risks. Local and state governments in almost all states have requested the shutdown of non-essential retail services. Many dealerships are keeping their service departments open as part of the government recognized “essential service.”

The purpose of this memo is to educate dealership staff to assist in minimizing exposure to the virus and reduce the spread of the disease. We provide this guidance to you for distribution to your management and staff to take proactive steps to help minimize the exposure to the virus. This COVID-19 viral disease is new to all of us. The information you read below may be contradicted in the coming days and weeks by advanced knowledge as scientists continue to study the virus. We have reviewed information from government web sites to prepare this memo and recommend that you review information from websites such as www.cdc.gov daily. This memo is not exhaustive. Many advanced ways of protection are available for employees. For example, a fully enclosed bodysuit with an N95 respirator provides greater protection than the PPE currently used in a typical automobile dealership.

Overview

- COVID-19 is a highly contagious, severe acute respiratory syndrome
- Caused by SARS-CoV-2 virus
- A high degree of morbidity and fatality compared to seasonal flu
- Spreads easily and can spread by asymptomatic carriers
- Local, state and federal governments have shut down non-essential services
- The CDC recommends distancing of at least 6 feet
- The CDC recommends that all wear cloth face coverings in public settings
- View and display this “Stop the Spread of Germs” poster at multiple locations on site
- Use the COVID-19 screening tool built by the CDC + FEMA — available in the App Store
- Inform your HR Manager if you have any symptoms. Follow guidance decisively
- Stability of SARS-CoV-2: Information from the National Institute of Health suggests that the virus is very stable and hence contagious. The virus can live up to three hours in an aerosol form, four hours on copper surfaces, 24 hours on cardboard, and 2-3 days on plastic and stainless steel (<https://www.nih.gov/news-events/news-releases/new-coronavirus-stable-hours-surfaces>)



<https://www.cdc.gov/coronavirus/2019-ncov/downloads/stop-the-spread-of-germs.pdf>

Management

- Implement a clear and straightforward HR policy prepared by legal counsel.
- Stagger work hours + breaks for all staff (both advisors and techs) to improve social distancing.
- Ask HR to manage employee work schedules.
- Stagger service appointments and car-pick-ups.
- Add a line to the repair estimate for customer approval for vehicle sanitation.
- Provide single-use pens for customers to complete paperwork.
- Shut down car wash to keep exposure minimal.
- Install plexiglass screens to protect employees at customer interface (advisor/cashier/parts counter).
- Close the write-up area to customers or maintain at least 6 feet distance. Place signs in the drive that require customers to wait for the advisor to come to the car for a write-up. This will prevent customer accumulation in the advisor area and maintain the necessary distance among advisors and between advisors and customers. Do not allow test drives with customers.
- Ensure HVAC systems must operate continually during work hours and annual maintenance documented. Shop ventilation systems for removal of exhaust must have airflow verified to specifications annually.

Organize to Ensure Social Distancing of At Least Six Feet

- Limit access to lunchrooms. Ensure display of CDC and OSHA COVID-19 posters.
- May eat at workstations, maintaining a safe distance and no potential chemical exposure.
- Shut down dealer-operated shared transport.
- Post notices at the entrance:
 1. Do not enter if you have cough, fever or other COVID-19 symptoms.
 2. Maintain at least 6 feet of distance from one another.
 3. Cough into your elbow.
 4. No physical contact (e.g., handshakes, hugs.)
- Monitor Entrance. An employee must monitor entry and common areas.
- Limit Entrance: Stop visitors outside when the facility reaches the capacity that can support 6-foot distancing.
- Provide face coverings to customers at no cost and require it to be worn. In certain jurisdictions, face-covering is mandatory, and it protects us all.
- Use the customer lounge/waiting area only if 6-foot distancing is available.
- Mandate single person use of elevators.
- Post sign: "We have removed food, drinks, etc. to minimize virus exposure and spread of COVID-19."

Organize to Minimize Contact Contagion

- Remove all items that can be touched, be contaminated, and cross-contaminate. e.g., coffee cups, coffee machines, toys, and magazines.
- Provide hand sanitizers and ensure constant sanitizing of common areas.
- Shut down car wash to minimize employee contact with vehicles.

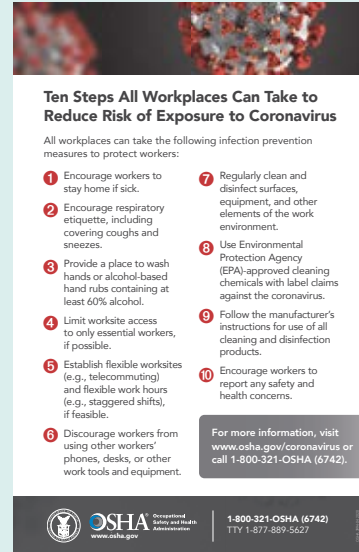
HR Policy to address all employees including sick and vulnerable employees

To protect all employees and customers, dealers must implement an HR policy prepared by legal counsel. A clear and easy to understand policy regarding employees with COVID-19, employees that have been exposed to others sick with COVID-19 or employees sick with non-COVID-19 illness (e.g., pneumonia, flu, fever, cough, cold) needs to be communicated to all employees immediately. Your HR policy must address vulnerable employees, including but not limited to those with diabetes, pulmonary or heart disease, 65 or older, immune suppressed or pregnant, who are at higher risk of contracting the disease. The policy may include the requirement of medical clearance for employees treated for COVID-19.



All Employees

- Review the CDC Fact Sheet at <https://www.cdc.gov/coronavirus/2019-ncov/downloads/2019-ncov-factsheet.pdf>. If you have had potential exposure or any symptoms, seek work release from your HR manager. Change in/out of uniform at work. Discard street clothes upon entering home and shower.
- Change in and out of uniform at work.
- Follow frequent and proper CDC 20-second handwashing guidelines at <https://www.cdc.gov/handwashing/when-how-handwashing.html>.
- Maintain social distancing from others to avoid airborne transmission of the virus.
- Use the COVID-19 screening tool available in the App Store and built by the CDC + FEMA.
- Review the COVID-19 OSHA poster to the right.
- Wear Personal Protective Equipment (PPE includes gloves, masks etc.). Take PPE training.
- Perform basic hygiene functions (e.g., showering, washing clothes) upon returning home.
- Follow frequent and proper CDC 20-second handwashing guidelines (<https://www.cdc.gov/handwashing/when-how-handwashing.html>).
- Perform basic hygiene functions (e.g., showering, washing clothes) upon returning home.



<https://www.osha.gov/Publications/OSHA3994.pdf>

Janitorial staff

- Train staff to place hand sanitizer (at least 60% alcohol) at locations where their use is most likely.
- Use only EPA approved disinfectants. Information at <https://www.epa.gov/pesticide-registration/list-n-disinfectants-use-against-sars-cov-2>.
- Follow the CDC cleaning-disinfection guidelines (<https://www.cdc.gov/coronavirus/2019-ncov/community/organizations/cleaning-disinfection.html> when blending your own disinfectants).
- Instruct janitorial staff to sanitize all contact areas repeatedly and replenish soap dispensers, sanitizers, and paper towels throughout the day.
- Examples of contact areas requiring cleaning are door handles, door opening plates and elevator buttons, faucets and flush handles, soap and paper towel dispensers, sofas, chairs, other seating areas, and water fountain handles.
- Encourage frequent and proper handwashing using the CDC recommended guidelines (<https://www.cdc.gov/handwashing/when-how-handwashing.html>).
- Shut down vending machines.

Service Writers

- Advise customers in advance of their appointments to be prepared to leave the vehicle at the dealership for service and schedule a later pickup as the waiting lounge has limited capacity with social distancing in effect.
- If you are using a touch screen for service orders, sanitize the screen. Use single-use pens.
- Ask customers to turn off the fan and AC systems in the automobile.

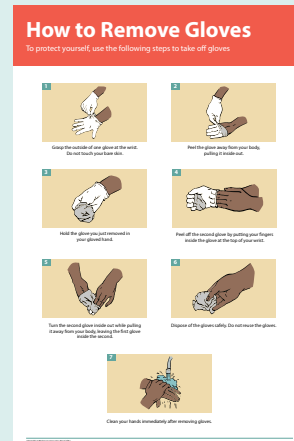


Technicians

Customer vehicles may be contaminated. See the COVID-19 stability information above.

Sanitize what you are to touch, touch only what you sanitized, and at the end, sanitize all you touched.

- Technicians must have proper PPE (e.g., nitrile gloves) and must avoid cross-contamination across vehicles. Replace gloves when you finish working on each car using the CDC's glove removal guidelines. Use a fresh pair for every car (<https://www.cdc.gov/vhf/ebola/pdf/poster-how-to-remove-gloves.pdf>).
- Use covers for steering wheels and seats, if available.
- Do not touch any part of your face (eyes, nose, or mouth) or body with your gloves or hands.
- Minimize time inside the cabin. Keep windows down to promote natural air circulation. Keep the fan inside the cabin off as the fan may circulate particles inside the vehicle. Note: the virus can be in and on the auto air circulation system.
- Do not use the vacuum inside the automobile as it may make infectious particles airborne.
- Change uniforms daily. Perform basic hygiene functions (e.g., showering) immediately upon returning home and placing clothing for washing.



<https://www.cdc.gov/vhf/ebola/pdf/poster-how-to-remove-gloves.pdf>

Respirators/Masks

- Respirators protect from exposure to airborne particles. In healthcare, it protects from exposure to biological aerosols, including viruses and bacteria. Masks are a barrier to splashes, droplets, and spit. Respirators are designed to seal tight to the face of the wearer. Employees must understand that the mask may not protect them but may reduce the virus load shed by them, in case they are infected but asymptomatic.
- Use N-95 respirators when they become available for use by the public. Commercially available respirators require the user to be directed to read the packaging on the effectiveness & limitations of the respirator and its proper usage and maintenance.
- See CDC/NIOSH guidance on How to Properly Put on and Take off a Disposable Respirator
- Take respirator training. OSHA requires all respirator wearers to undergo mandatory training, fit testing, and medical evaluation. Some exceptions apply under certain circumstances.
- Follow local guidelines. Some local authorities mandate employees and members of the public wear face coverings/masks when going out to work/outside home.
- Provide free masks for incoming customers and encourage them to wear it even if not mandated.



<https://www.cdc.gov/niosh/docs/2010-131/pdfs/2010-131.pdf?id=10.26616/NIOSH PUB2010131>

DISCLAIMER: Information regarding COVID-19 is dynamic and constantly evolving. Check reliable sources, such as www.cdc.gov regularly to keep yourself updated, research other areas, and adopt procedures as they deem fit. Even though we have used government sources to prepare this memo, we do not endorse or recommend any for a particular purpose. The information provided here is a brief guide for employers and employees to undertake to protect themselves in the workplace. There is no warranty implied or expressed regarding the completeness or accuracy of information presented here. The information provided here is not complete and/or exhaustive. Protections such as full-body sealed suits and N95 respirators will further help reduce risks in the workplace and should be evaluated for use. This memo supersedes all information disseminated earlier.

Employers and employees should understand that the COVID-19 pandemic presents serious life-threatening health risks, and this is guidance on some ways to reduce those risks, not eliminate them. This memo is not intended to constitute medical or safety advice or a substitute for the same. Contact safety consultants, lawyers and medical professionals to take the appropriate course of action.

Sam Celly, author, has been assisting dealers with EPA/OSHA regulations for the last 33 years. He received his B.E. (1984) and MS (1986) in Chemical Engineering, followed by a J.D. in 1997. Your comments/questions are always welcome. Please send them to sam@cellyservices.com.

San Diego Outlook

Released by:
New Car
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San Diego County

Covering the San Diego County automotive market

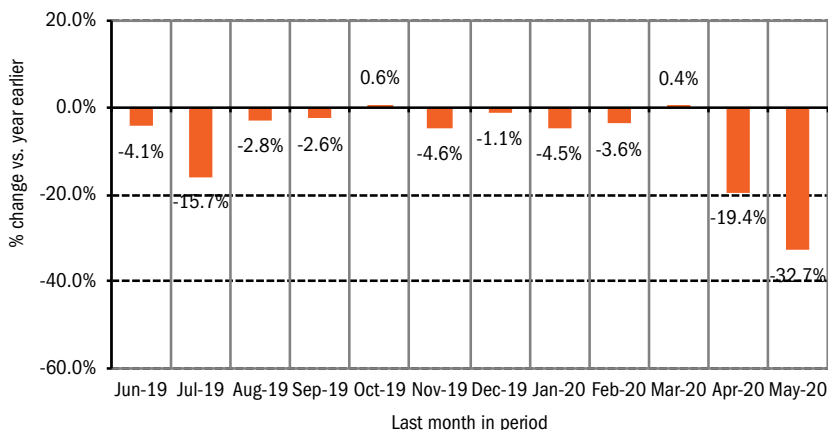
Data thru May 2020

San Diego County New Retail Car and Light Truck Registrations

	Most Recent Two Months			YTD thru May			YTD Market Share		
	4/19 and 5/19	4/20 and 5/20	% change	YTD '19	YTD '20	% change	2019	2020	change
Industry Total	24,208	11,039	-54.4%	57,444	44,409	-22.7%			
Cars	10,318	3,840	-62.8%	23,592	16,436	-30.3%	41.1	37.0	-4.1
Light Trucks	13,890	7,199	-48.2%	33,852	27,973	-17.4%	58.9	63.0	4.1

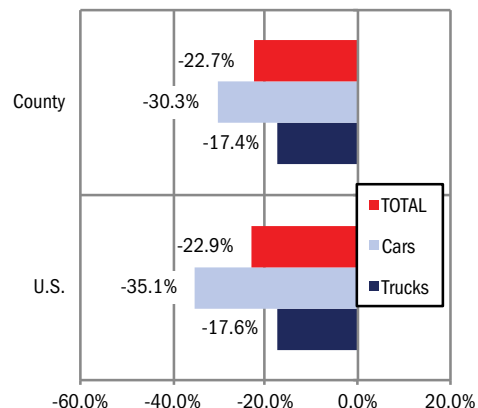
Data Source: AutoCount data from Experian.

Percent Change in Three Month Moving Average of New Retail Registrations versus Same Period Year Earlier



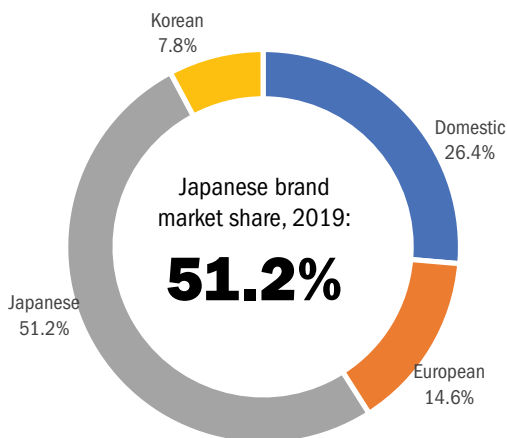
The graph above provides a clear picture of the trending direction of the county market. It shows the year-over-year percent change in the three month moving average of new retail light vehicle registrations. The three month moving average is less erratic than monthly registrations, which can fluctuate due to such factors as the timing of manufacturer incentive programs, weather and title processing delays by governmental agencies. Data Source: AutoCount data from Experian.

Percent Change in County and U.S. New Retail Light Vehicle Markets YTD 2020 thru May vs. YTD 2019

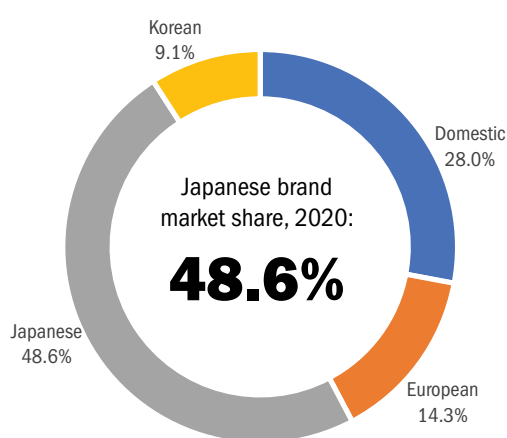


The graph above compares the change in new retail car and light truck registrations in both the county and U.S. markets. U.S. figures were estimated by Auto Outlook. Data Source: AutoCount data from Experian.

Japanese, Domestic, European, and Korean Brand Market Shares in County - YTD '19 thru May



Japanese, Domestic, European, and Korean Brand Market Shares in County - YTD '20 thru May



Data Source: AutoCount data from Experian.

Data Information

Data presented in Auto Outlook measures new retail vehicle registrations in San Diego County. Monthly recording of registrations occurs when vehicle title information is processed, which may differ from date of sale. Title recording can occasionally be subject to processing delays by governmental agencies. For this reason, the year-to-date figures will typically be more reflective of market results Data Source: AutoCount data from Experian.

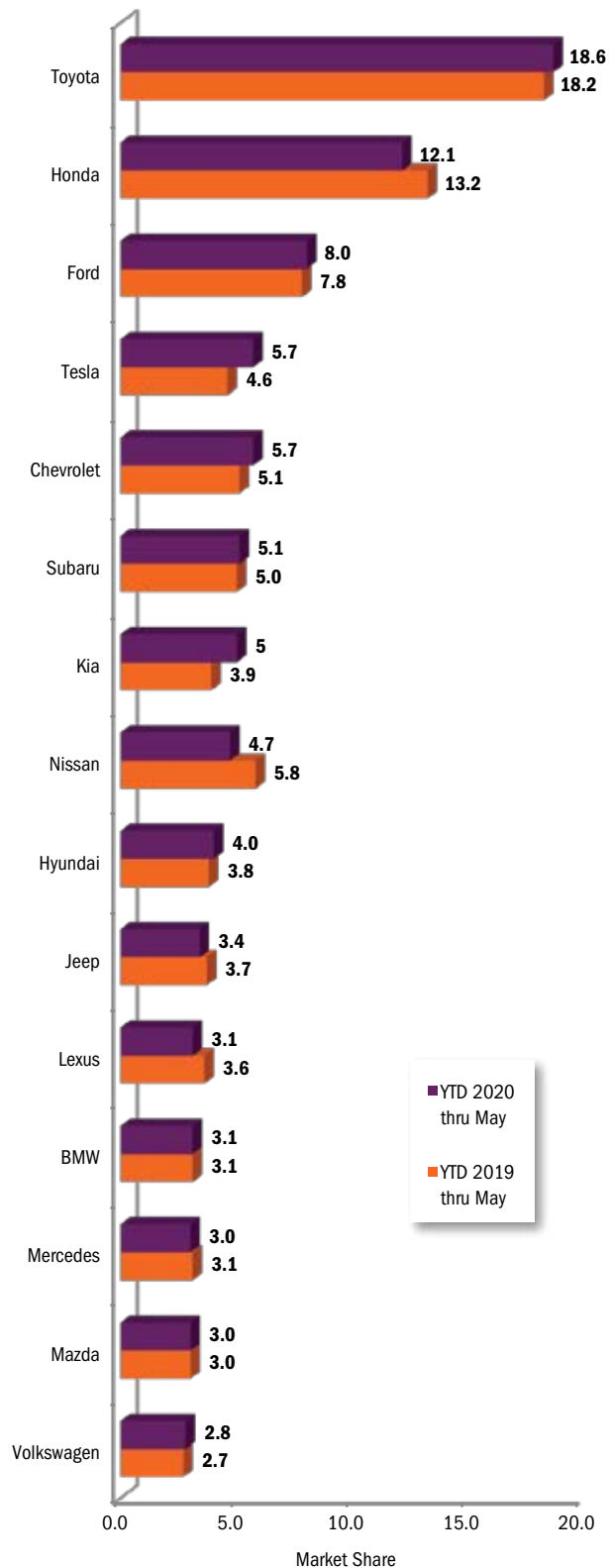
San Diego County New Retail Light Vehicle Registrations					
	Registrations			Market share	
	YTD 2019 thru May	YTD 2020 thru May	% change	YTD 2019 thru May	YTD 2020 thru May
Acura	713	496	-30%	1.2%	1.1%
Alfa Romeo	144	97	-33%	0.3%	0.2%
Audi	1,056	784	-26%	1.8%	1.8%
BMW	1,775	1,370	-23%	3.1%	3.1%
Buick	176	138	-22%	0.3%	0.3%
Cadillac	237	145	-39%	0.4%	0.3%
Chevrolet	2,926	2,525	-14%	5.1%	5.7%
Chrysler	232	121	-48%	0.4%	0.3%
Dodge	474	423	-11%	0.8%	1.0%
FIAT	64	24	-63%	0.1%	0.1%
Ford	4,491	3,539	-21%	7.8%	8.0%
Genesis	38	70	84%	0.1%	0.2%
GMC	600	492	-18%	1.0%	1.1%
Honda	7,593	5,380	-29%	13.2%	12.1%
Hyundai	2,187	1,780	-19%	3.8%	4.0%
Infiniti	534	295	-45%	0.9%	0.7%
Jaguar	157	101	-36%	0.3%	0.2%
Jeep	2,128	1,494	-30%	3.7%	3.4%
Kia	2,248	2,201	-2%	3.9%	5.0%
Land Rover	648	429	-34%	1.1%	1.0%
Lexus	2,046	1,396	-32%	3.6%	3.1%
Lincoln	220	175	-20%	0.4%	0.4%
Maserati	67	46	-31%	0.1%	0.1%
Mazda	1,751	1,331	-24%	3.0%	3.0%
Mercedes	1,806	1,326	-27%	3.1%	3.0%
MINI	173	172	-1%	0.3%	0.4%
Mitsubishi	151	84	-44%	0.3%	0.2%
Nissan	3,305	2,071	-37%	5.8%	4.7%
Other	144	95	-34%	0.3%	0.2%
Porsche	402	297	-26%	0.7%	0.7%
Ram	995	813	-18%	1.7%	1.8%
Subaru	2,881	2,275	-21%	5.0%	5.1%
Tesla	2,664	2,549	-4%	4.6%	5.7%
Toyota	10,454	8,255	-21%	18.2%	18.6%
Volkswagen	1,562	1,240	-21%	2.7%	2.8%
Volvo	402	380	-5%	0.7%	0.9%

Top ten ranked brands in each percent change category are shaded gray.
Data Source: AutoCount data from Experian.

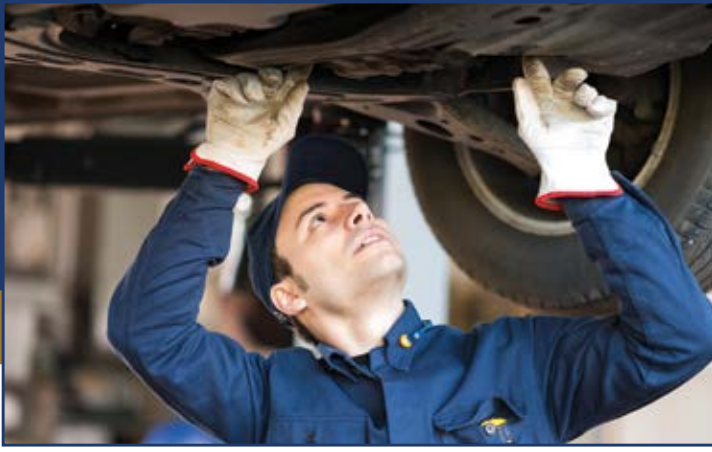
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County Market Share for Top 15 Selling Brands
YTD 2020 thru May vs. YTD 2019



Data Source: AutoCount data from Experian.



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