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Avoiding the 72-hour cooling off rules when delivering cars at homes

During the current shelter-in-place rules, dealers are increasingly providing paperwork and delivering vehicles at customer's residences, often at the suggestion or urging of the manufacturers.

To avoid the implications

of both federal and Illinois 72-hour cooling-off laws, it is imperative that the agreement to purchase, including all terms, be completed online or on the phone, and that the delivery of the paperwork and/or the vehicle is viewed as subsequent to

the sale and done solely as a "courtesy" to the purchaser.

Accordingly, dealers should confirm that their digital programs contemplate a final sale. After full agreement by both parties online or on the phone,

dealers should not attempt to "upsell" the customer on any additional items when delivering the paperwork and vehicle, as that "upsell" could in itself trigger the 72-hour cooling off period on the entire transaction.

Be careful when using out-of-state sale enablers, direct-mail providers

A CATA member dealer was featured this month on the 10 p.m. TV news for running a sale and sending a direct mail piece that allegedly violated the Illinois Consumer Fraud Act and the Illinois Administrative Rules on Motor Vehicle Advertising.

Time and time again, the Illinois attorney general's office has expressed concern that out-of-state companies peddling their products and services to Illinois dealers are only marginally knowledgeable of — and poorly motivated to comply with — Illinois laws. Oftentimes, an ad that ultimately runs is different or less complete than what was presented to and approved by the dealer.

Moreover, when these companies provide their own personnel to con-
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Vehicle advertising during a pandemic

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The BBB continues to work on behalf of dealers through the BBB/CATA advertising review program to maintain a level playing field in these trying times for all dealers. The introduction of the coronavirus into our society has created enormous challenges for dealers and businesses of all kinds. We hope that our efforts can assist in providing fairness for dealers in the current environment.

The BBB has recently seen a few issues that are troublesome. We want to point these out to dealers so they can avoid practices that may confuse or deceive consumers and negatively impact the marketplace.

We hope that dealers will avoid these advertising practices as they proceed in the coming weeks.

Dealers should avoid any claims that

suggest or imply the dealer has any special affiliation with any government program or manufacturer program to assist consumers. Dealers must avoid any implication that such programs are, in fact, dealer programs. If any program is advertised, the correct source of the program should also be advertised.

We recently have seen dealers advertising that "we" will make consumers' monthly lease or loan payments for a period of time when the programs are manufacturer programs or lender programs. In fact, dealers are prohibited from making consumers monthly payments under Rules 475.530, Rebates, and 475.590, Gifts and Free Offers, of the Illinois Administrative Rules on Motor Vehicle Advertising.

Dealers also should avoid any claims involving making consumers' monthly payments under any programs that in-

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The CARES Act and your 401(k) plan – What you need to know

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There are several 401(k) provisions that have been created as part of the CARES Act that you need to be aware of. Here is a brief overview of the provisions and a link that has the provisions in more detail for you.

Withdrawal Provisions (Coronavirus-Related Distribution up to \$100,000)

- The maximum amount an individual can withdraw as a Coronavirus Related Distribution is \$100,000.

- 10% early withdrawal penalty tax is waived on “Coronavirus Related Distributions” from a retirement plan or IRA.

- ▶ Individuals can pay the income tax on the withdrawal ratably over 3 years.

- ▶ The act allows individuals to repay amount distributed tax-free back to the plan.

- ▶ Repayment will not be subject to retirement plan contribution limits.

- ▶ When participant repays the hardship distribution, they will need to file amended tax return.

Loan Provisions (increased to \$100,000)

- Enhanced the plan loan provisions for a loan taken by an individual who meets the requirements for a “Coronavirus Related Distribution.”

- Participant who meets the requirements can take up to the lesser of 100% of their vested balance up to \$100,000, for loans taken within 180 days of March 27, 2020.

- The Act also provides that for “qualified individuals”

any repayment that would otherwise be owed on a plan loan through the end of 2020 may be delayed for up to one year.

Minimum Required Distributions (waived for 2020)

- Waives the required minimum distributions (RMD) from retirement plans and IRAs for 2020.

- This applies to the RMD for 2020 but also to the RMD that is required to be taken before April 1, 2020, for individuals who turned 70½ in 2019.

Contact your recordkeeper or plan advisor for details. We recommend that any withdrawals should be discussed with a participant’s accountant and financial advisor prior to taking such withdrawals.

Link with more details on the CARES Act: - <https://allegroup.com/news/legal-alert-the-cares-act-retirement-plan-provisions-033020/>

What is a “Coronavirus-Related Distribution”?

A “Coronavirus-Related Distribution” is a distribution taken prior to December 31, 2020, for an individual who:

- *Is diagnosed with COVID-19;*

- *Has a spouse or dependent diagnosed with COVID-19;*

- *Experiences adverse financial consequences as a result of being quarantined, furloughed, laid off, having work hours reduced, being unable to work due to lack of child care due to COVID-19, closing or reducing hours of a business owned or operated by the individual due to COVID-19; or*

- *Experiences other factors determined by the Treasury Secretary*

The administrator of the plan can rely on an employee’s certification that the employee satisfies one of the conditions for a Coronavirus-Related Distribution.

Advertising

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involve dealer money for the same reasons.

Related to this is the avoidance of any implication that a dealer has a status related to any government or manufacturer program that is dif-

ferent than any other dealer.

Other practices to avoid are the creation of any dealer program offering to assist victims of COVID 19, or their families, based on the sale, lease or financing of any vehicle as well as the trade-in. Nor should any dealer

program offer to assist first responders, police, fire or medical professionals plus any other kind of hospital staff.

Finally, dealers should not tie any charitable contribution to the sale, lease or financing of any vehicle to a

consumer.

The BBB hopes the next weeks and months play out for dealers in a way that is as beneficial as possible. We understand how difficult the current environment is and would like to assist as much as possible.

Congratulations!

Hawk Volkswagen of Joliet, Bill Jacobs Volkswagen (Naperville), **Jennings Volkswagen** (Glenview), and **Muller Volkswagen** (Highland Park) were named members of Volkswagen’s 2019 Wolfsburg Crest Club, for extraordinary sales and customer experience efforts.

Winners of Honda’s 2019 President’s Award include **Continental Honda** in Countryside and **Valley Honda** in Aurora.

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Listings of items for sale are subject to the approval of the CATA. Candidates for employment must submit a full resume to the Editor.

Review past editions dating to 1998 or search by subject at www.cata.info/publication/bulletins.

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OSHA bullseye widens for operating businesses

With so many businesses categorized as nonessential and thereby closed, there are fewer businesses for inspectors of the Occupational Safety and Health Administration to inspect. That means dealerships continuing to operate are bigger targets for inspectors.

Moreover, dealerships are relatively safe places for inspectors to visit.

Adam Crowell, the president and general counsel of CATA member ComplyNet, led an April 9 webinar, “Preparing Your Dealership for a Health & Safety Inspection,” that walked dealers through what to expect if OSHA comes knocking. He noted that OSHA, already equipped with a \$581 million budget for fiscal 2020, got \$15 million more from the recent stimulus packages.

Visits from OSHA often are prompted by complaints by employees, and employers cannot retaliate against workers who report unsafe conditions. Upon their visit, OSHA compliance officers will present their credentials, including a photo ID and serial number. They will explain why a business has been selected for inspection and what its scope will entail.

“Keep in mind, if they are doing an inspection, they’re not just going to be looking at COVID-19 violations; they’re going to be looking for other things, too. And they’re not going to ignore things that they ultimately see,” Crowell said.

Before any inspection, employers should review their written hazard communications plan, train workers exposed to hazardous chemicals, make sure several items are posted — an OSHA employee rights poster and

an OSHA 300a, which summarizes any workplace injuries — and that the OSHA 300s and 301s, incident reports log of all injuries, is maintained.

“For franchised dealers,” Crowell said, “the majority of violations involve hazard communication, followed by respiratory protections and some other general requirements. But hazard communication is always the most important.

“Employees have a right to know what sorts of chemicals they are exposed to that are hazardous, and they have a right to know how to respond to those: how to read a safety data sheet, what sort of personal protective equipment do they have?”

The OSHA general duty clause states that employers have a general duty to furnish each employee a workplace to that is free from recognized hazards that are likely to cause death or serious physical harm, including:

- Personal protective equipment standard
- Respiratory protection
- Eye and face protection
- Hand protection
- Sanitation

The now-ubiquitous face coverings are meant to protect others from COVID-19, but they offer limited protection for the person wearing one. The N95 respirators provide air filtration but can become hot and stuffy and therefore could require a medical evaluation to determine a person’s fitness to wear one. Otherwise, the use could lead to a fall that triggers a workers’ comp issue. Neither protection should replace social distancing practices.

If a business requires its employees to wear a face mask, Crowell said the employer probably should provide

them.

During the walk-around procedure, the employer has the right to be represented by someone who could need up to an hour to reach the business. Employers also can demand that the compliance officer obtain an inspection warrant before entering the worksite.

Should an inspection occur, employers should establish that they take worker health and safety seriously, and offer examples of social distancing measures they are taking during the pandemic — spreading out technicians, working staggered shifts, placing marks on the floor where people can stand, having hand sanitizers throughout the business, and more.

Dealers should conduct an inventory of all on-site chemicals, as they could be using chemicals not used before the pandemic.

Inspectors also are entitled to consult privately with a reasonable number of employees. “It’s going to be during that time that they’re going to start asking the employees questions about health and safety — whether or not there is hazard communication training, what is an SDS (safety data sheet), can you show me where the safety data sheets are ultimately kept?” Crowell said.

There are four OSHA citation levels: Other than Serious, Serious, Willful, and Repeat. The first two can carry fines up to \$13,000 per violation; the latter two, nearly \$135,000. There is no limit to how far back OSHA can look, so an offense committed today would be a repeat offense if the same matter was cited against the business 20 years ago.

Out-of-state

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duct sales, there is little or no control over the representa-

tions those people make to customers. Nonetheless, the dealer is ultimately liable for any false or misleading state-

ments they might make.

No dealer wants his reputation besmirched by careless statements, so the CATA

urges all dealers to exercise a very high degree of caution if they choose to deal with out-of-state vendors.

CATA donates to drive to combat hunger, food bank shortages

Television and radio stations throughout Illinois are uniting in a statewide fundraising drive — Illinois Broadcasters Uniting Against Hunger — to combat hunger and food bank shortages in the wake of the COVID-19 pandemic. The fundraising goal is \$1.5 million.

The Chicago Automobile Trade Association on April 8 donated \$15,000 to the cause. Representatives of the CATA said the gift is just a natural extension of

the good work the auto dealers do in their communities throughout the year.

Illinois broadcasters, in partnership with Feeding Illinois and the Illinois Broadcasters Association, encourage their viewers and listeners to contribute monetary donations that will go a long way to bolster dwindling food supplies at area food banks. Corporations and individuals looking for a way to make a difference in the lives of neighbors experiencing

food hardship can contribute at feedingillinois.org/unite or by texting FEEDIL to 91999.

“Illinois broadcasters have joined together during these extraordinary times,” Illinois Broadcasters Association Board Chairman John Idler said. “The need to shore up food supplies and help feed the hungry has never been greater. The IBA has a long tradition of rallying our members in times of crisis. We have never been prouder

to serve the people of Illinois.”

TV and radio stations throughout the state of Illinois continue to broadcast stories underscoring the urgent need for food during the ongoing COVID-19 crisis. The goal of Illinois Broadcasters Uniting Against Hunger is to raise awareness and dollars so food banks can purchase the food they need to adequately serve the hungry in their local communities.

Dealers offer ways to improve online customer experiences

Online shopping has redefined how business is done across sectors from consumer-packaged goods to real estate. The auto industry is no exception, as consumers and dealers increasingly move online.

Not to mention, recent public-health events are causing what was traditional showroom foot traffic to become dealership website traffic more than ever.

Current demands necessitate a digital strategy that goes beyond a simple online presence as we enter the era of the complete digital storefront.

Consumers are looking for a personalized, convenient, one-stop-shop experience. They don't want to click through multiple pages to find relevant information about their next vehicle.

Modern online shoppers expect e-commerce to cater to them — not the other way around.

But what distinguishes the average dealer website from a complete digital storefront? Dealers who want to level-up their online customer experience should offer these six essential website components:

Website speed

Online attention spans are short. Shoppers have little patience when it comes to accessing information.

If a dealer webpage takes even a few too many seconds to load, the customer could already be browsing a competitor's site.

Choose a vendor that consistently monitors speed index and First Contentful Paint (a metric for measuring load speed), and has cloud-based website hosting and third-party code integration standards.

Third-party code can greatly impact site-speed, increasing it up to 90%. Ensuring a third-party provider complies with website integration APIs simplifies the processes of adding code to dealership websites. It is another step toward offering the fastest site possible.

Easier sorting and filtering

Dealer sites can offer a wide variety of information and inventory options, which sometimes makes it painstaking for shoppers to weed through multiple listings.

Improved inventory search sets that combine sitewide free-text search and easy sorting and filtering create faster paths to content without page reloads, giving customers relevant information quickly and efficiently.

Customized inventory or service recommendations

Whether it's in-store or online, shop-

pers want a buying journey that's tailored to them and their various needs, whether sales- or service-related.

Dealer websites should provide custom inventory recommendations, along with slides, banners and coupons featuring relevant incentives and specials.

Consider targeting vehicle owners with service-related specials via slides and coupons.

Meet the car buyer or shopper where they are in their journey. A customer should feel like they are getting the same personal attention on a dealer website as they would at the store itself.

Positive customer reviews

Word-of-mouth stands the test of time. Testimonials play a vital role in a buyer's decision, with 88% of consumers including some type of review into their final purchase decision.

To capitalize on this, leverage reviews as a selling tool via homepage integration for guaranteed visibility and instant validation.

Think of this as free advertising and a great way to showcase dealership staff performance. Bring the good of everything you do to the forefront, as well as proof of your consistent engagement with consumers through review responses.