

### Training News

## The Latest Challenge

Three months into the coronavirus pandemic, no one expected another tragedy to befall our state and country. The death of George Floyd while in police custody sparked a national outcry and exposed the legacy of racism and divisions that have long simmered in our country.

Many Americans are split into camps about how the nation should heal and move forward, with many individuals expressing their opinions online via social media. Some promoting racist or discriminatory perspectives feel emboldened to share them broadly, mistakenly believing the computer provides anonymity. In response to the offensive posts, readers will retaliate by outing the authors to their employer. If the employer ignores this news or doesn't react in a manner that satisfies the offended, a company could find themselves facing their own backlash.

The dealership community has not been immune to these events, but knowing how to respond can be tricky, as employees have rights, especially outside the workplace. And when these debates and tensions spillover into the workplace, new problems arise for employers.

To assist dealers strike the right balance between respecting the right to free speech and protecting against hostility in the workplace, all under the scrutiny of social media, MADA is pleased to offer a seminar: "Trending the Wrong Way - Employee Misconduct on Social Media."

On Wednesday, July 22, at the DoubleTree by Hilton in Roseville, Mathew Tews, a partner at the law firm of Stinson, will cover how to establish appropriate conduct-based rules and how to respond to violations both inside and outside of the workplace. Register now to take advantage of early-bird pricing. More details can be found online at <http://www.mada.org/training/trendingthewrongwayseries/part1>.

**The dealership community has not been immune to these events.**

### inside

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### upcoming events

jun 25 The Nuts and Bolts of PPP Loan Forgiveness

jul 22 Trending the Wrong Way: Employee Misconduct on Social Media

visit

[www.mada.org](http://www.mada.org)

for details, registration and a complete list of Upcoming Events and Training

## MADA News

### my.mada.org Launching in July

In the coming weeks, contacts at all MADA member dealerships will be receiving information about how to login and take advantage of MADA's new CRM system: my.mada.org.

The new password-protected system will allow you to manage your dealership's MADA membership and register and pay online for training and events for you and those in your dealership. It also provides a platform to update organization and individual contact information to ensure phone numbers, addresses, emails, and websites are current. The invoices for membership dues, training, and events will look different after the new system is live.

Please look for e-mails introducing you to the system and providing information on how to login in the coming weeks.



**Minnesota Automobile Dealers Association**

*The Minnesota Automobile Dealers Association is a non-profit trade association dedicated to the progress of the retail auto industry in Minnesota.*

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## Legislative News

### Round One of Special Session

On Friday, June 12, legislators reconvened in St. Paul at noon for a Special Session called by Governor Walz in response to his extension of the state's peacetime emergency for 30 more days. The Minnesota Constitution requires that legislators have the ability to vote to override such a declaration. Since the regular session adjourned on May 18, a Special Session needed to be called so they could have the opportunity to do so.

Legislators had initially anticipated the Special Session would focus on the state's response to COVID-19 and unfinished business from the regular session. However, the killing of George Floyd and following civil unrest shifted the agenda to police reform and social justice issues. Governor Walz and House Democrats wanted the Special Session to last as long as necessary to address these issues. Senate Republicans, however, announced that they planned to convene for no more than a week and they held true to their promise. No agreement was reached on the aforementioned issues.



California Cars

### California Cars Issue in Play

MADA closely monitored events in St. Paul as one of the outstanding issues from the regular session was passage of an Omnibus Environmental Bill. Negotiations between the House and Senate broke down over the Senate's insistence that language to prevent the Minnesota Pollution Control Agency from moving forward with the rulemaking to adopt California Car emissions standards be included in the bill. The Senate continued to push revocation of the MPCA's authority during the Special Session.

Governor Walz is expected to call legislators back for another Special Session this summer. Stay tuned for alerts on California Cars.

## Legal News

# Don't Leave Money on the Table

As the weeks of living with the coronavirus pandemic turn into months, dealers continue to look for ways to stay profitable. On July 1, 2020, the maximum doc fee increases from \$100 to \$125; that's a good start. However, MADA wants to remind dealers of the hard-fought warranty reimbursement statute that dealerships have at their disposal. This statute is a power tool for increasing a dealership's bottom line.

Under Minnesota's franchise law, dealerships are entitled to reasonable warranty reimbursement equivalent to retail rates for parts and labor. To achieve this, dealers must submit 100 sequential non-warranty customer-paid service repair orders to their manufacturers in order to establish the dealership's individual parts and labor rate. In turn, the manufacturer is required to honor those rates for warranty work completed.

Dealerships can make this submission once per year, at the dealership's option. This is important to note because the statute was never intended to be used once and then forgotten, but rather is an ongoing mechanism for dealerships to use in

order to regularly adjust their reimbursement rate as the retail market increases.

There were numerous dealerships that took advantage of the statute almost two years ago when the law first went into effect. However, what may have seemed like a reasonable reimbursement rate two years ago, may well be lower than what the dealership is entitled to now given the passage of time and the presumptive increase in retail rates that go with it. Dealerships that have submitted for increased warranty reimbursement more than a year ago should evaluate whether doing so again might achieve yet another lift.

Dealerships are encouraged to contact Dan Louismet – MADA General Counsel – to learn more: (651) 789-2948 or [louismet@mada.org](mailto:louismet@mada.org). Dealerships can also contact Frank Sapone at Bellavia Blatt: 760-879-1442 or [FSapone@Dealerlaw.com](mailto:FSapone@Dealerlaw.com). Bellavia Blatt is a law firm that specializes in warranty reimbursement submissions and is endorsed by MADA.

## Title & Registration News

# MNDRIVE Implementation is Moving Fast

MNDRIVE, the state's new motor vehicle titling and registration that will replace the flawed MNLARS, is launching in November. This time around, the state has contracted with a vendor, FAST, to build the technology and oversee its implementation. While there are a lot of pieces that need to come together, FAST and Driver and Vehicle Services have included a member of each division and outside stakeholders, including MADA, so that everyone has a voice in the functionality and design of the system. Because of the input on the front end, the project, including rigorous testing, are running well ahead of schedule. This is a marked – and welcome – change from the MNLARS experience.

In addition to conducting robust testing, the MNDRIVE training team has decided to launch monthly WebEx sessions to expose dealers to the e-Services functionality that will be used post-rollout. We recommend that titling and F&I staff attend one of these sessions, as they will be required to use the new system on day one.

This is an exciting time for the motor vehicle world here in Minnesota as we are close to discarding the broken MNLARS process!

# Minnesota Auto Outlook

Released by:  
Minnesota Automobile  
Dealers Association

Covering the Minnesota automotive market

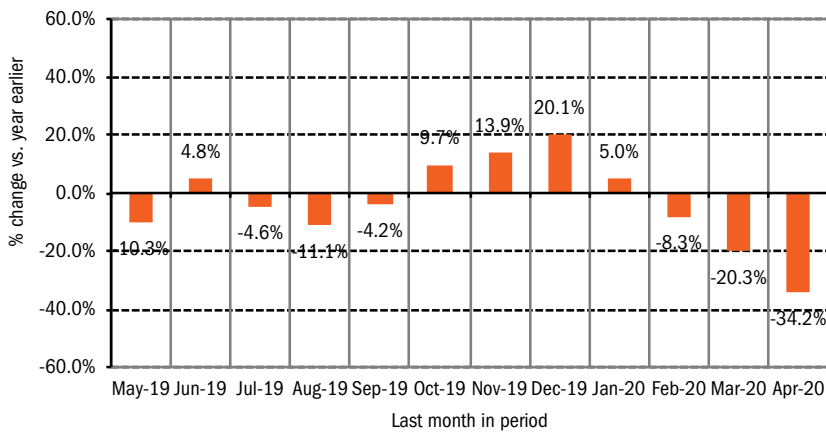
Data thru April 2020

## Minnesota New Retail Car and Light Truck Registrations

	Most Recent Two Months			YTD thru April			YTD Market Share		
	3/19 and 4/19	3/20 and 4/20	% change	YTD '19	YTD '20	% change	YTD '19	YTD '20	change
Industry Total	36,055	19,420	-46.1%	76,264	54,499	-28.5%			
Cars	6,389	2,899	-54.6%	13,063	7,324	-43.9%	17.7	14.9	-2.8
Light Trucks	29,666	16,521	-44.3%	63,201	47,175	-25.4%	82.3	85.1	2.8

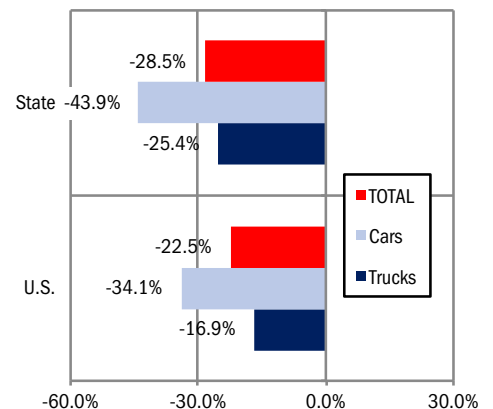
Data Source: AutoCount data from Experian.

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



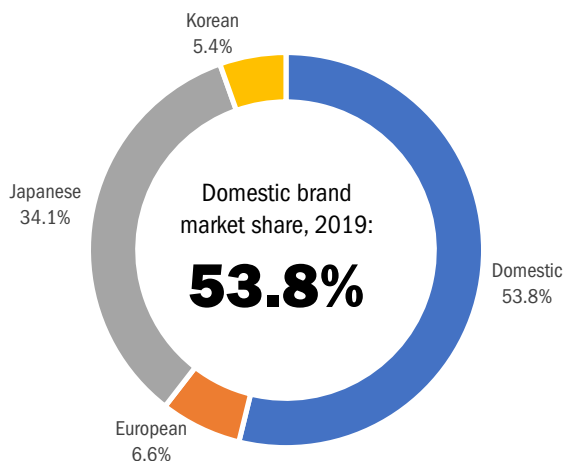
The graph above provides a clear picture of the trending direction of the state market. It shows the year-over-year percent change in the three month moving average of new retail light vehicle registrations. The three month moving average is less erratic than monthly registrations, which can fluctuate 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 State and U.S. New Retail Light Vehicle Markets YTD 2020 thru Apr. vs. YTD 2019

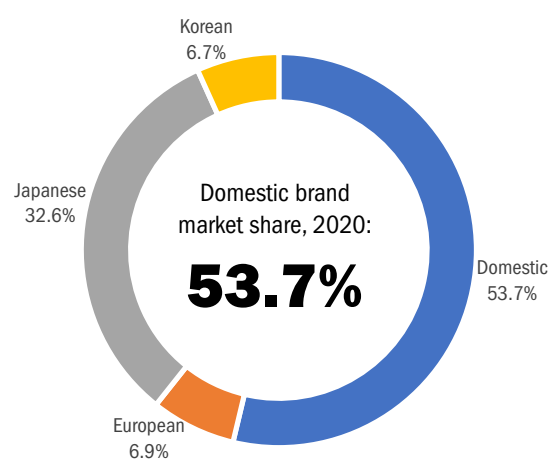


The graph above compares the change in new retail car and light truck registrations in both the state and U.S. markets. Data Source: AutoCount data from Experian.

### Japanese, Domestic, European, and Korean Brand Market Shares in State - YTD '19 thru Apr.



### Japanese, Domestic, European, and Korean Brand Market Shares in State - YTD '20 thru Apr.



Data Source: AutoCount data from Experian.

## Data Information

Data presented in Auto Outlook measures new retail vehicle registrations in Minnesota. 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.

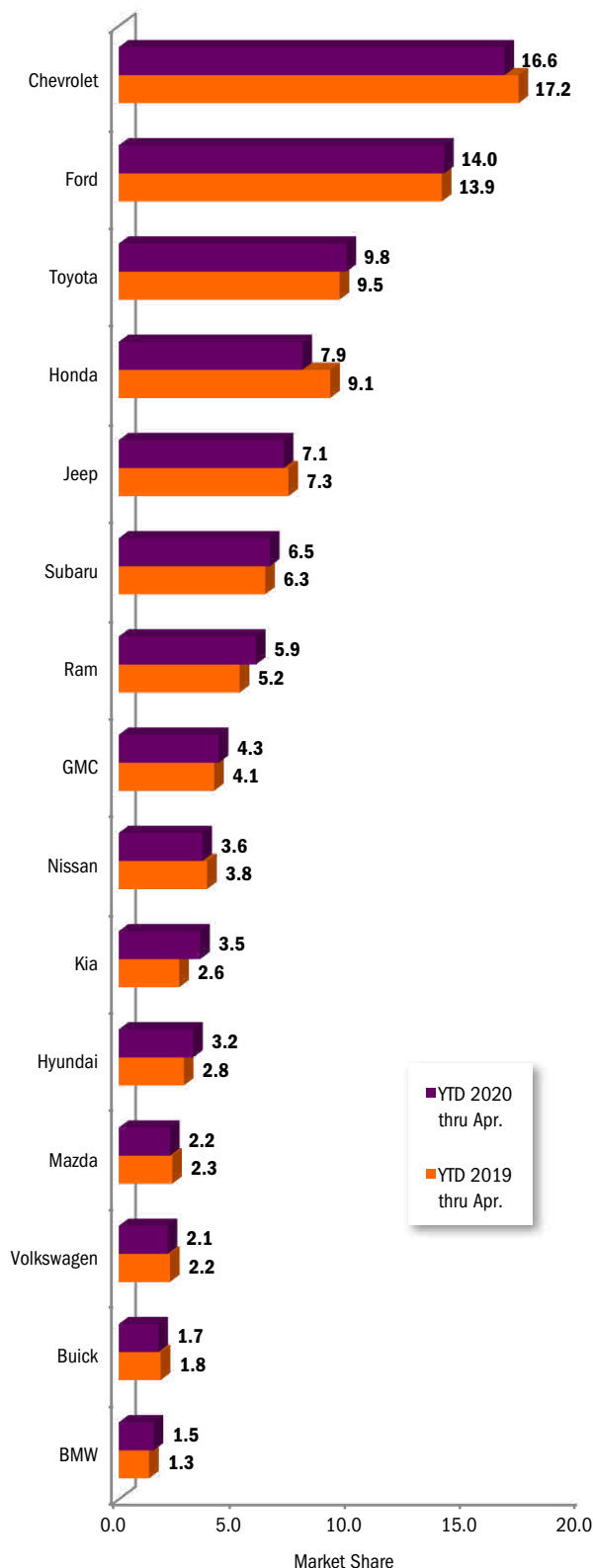
Minnesota New Retail Light Vehicle Registrations					
	Registrations			Market share	
	YTD 2019 thru Apr.	YTD 2020 thru Apr.	% change	YTD 2019 thru Apr.	YTD 2020 thru Apr.
Acura	476	332	-30%	0.6%	0.6%
Alfa Romeo	42	24	-43%	0.1%	0.0%
Audi	940	589	-37%	1.2%	1.1%
BMW	977	813	-17%	1.3%	1.5%
Buick	1,359	912	-33%	1.8%	1.7%
Cadillac	411	364	-11%	0.5%	0.7%
Chevrolet	13,147	9,021	-31%	17.2%	16.6%
Chrysler	568	339	-40%	0.7%	0.6%
Dodge	1,034	720	-30%	1.4%	1.3%
FIAT	28	18	-36%	0.0%	0.0%
Ford	10,618	7,641	-28%	13.9%	14.0%
Genesis	25	29	16%	0.0%	0.1%
GMC	3,154	2,344	-26%	4.1%	4.3%
Honda	6,975	4,291	-38%	9.1%	7.9%
Hyundai	2,136	1,766	-17%	2.8%	3.2%
Infiniti	272	114	-58%	0.4%	0.2%
Jaguar	60	42	-30%	0.1%	0.1%
Jeep	5,580	3,889	-30%	7.3%	7.1%
Kia	1,985	1,882	-5%	2.6%	3.5%
Land Rover	153	132	-14%	0.2%	0.2%
Lexus	789	553	-30%	1.0%	1.0%
Lincoln	348	407	17%	0.5%	0.7%
Maserati	15	12	-20%	0.0%	0.0%
Mazda	1,774	1,211	-32%	2.3%	2.2%
Mercedes	630	515	-18%	0.8%	0.9%
MINI	96	78	-19%	0.1%	0.1%
Mitsubishi	718	399	-44%	0.9%	0.7%
Nissan	2,901	1,974	-32%	3.8%	3.6%
Other	17	14	-18%	0.0%	0.0%
Porsche	108	52	-52%	0.1%	0.1%
Ram	3,971	3,200	-19%	5.2%	5.9%
Subaru	4,836	3,521	-27%	6.3%	6.5%
Tesla	870	447	-49%	1.1%	0.8%
Toyota	7,248	5,356	-26%	9.5%	9.8%
Volkswagen	1,653	1,148	-31%	2.2%	2.1%
Volvo	350	350	0%	0.5%	0.6%

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

This report is sponsored by the Minnesota Automobile Dealers Association and produced by Auto Outlook (610-640-1233). Any material quoted must be attributed to Minnesota Auto Outlook, published by Auto Outlook, Inc. on behalf of MADA. Data source must also be shown as "Data Source: AutoCount Data from Experian." Please contact the Association with any questions or comments regarding the publication.

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State Market Share for Top 15 Selling Brands  
YTD 2020 thru March vs. YTD 2019



Data Source: AutoCount data from Experian.



**DURING THIS EXTRAORDINARY TIME IN OUR HISTORY, WE ARE ALL WORKING TO REACT APPROPRIATELY TO EVENTS AND CONCERNS AROUND THE COVID-19 HEALTH CRISIS AND THE CURRENT SOCIAL AND POLITICAL CLIMATES. MADA IS COMMITTED TO OFFERING YOUR DEALERSHIP THE RESOURCES NEEDED TO SUCCESSFULLY NAVIGATE AND RESPOND TO THESE CHALLENGING TIMES.**

## TRAINING FOR THE TIMES

### THE NUTS AND BOLTS OF PPP LOAN FORGIVENESS – UPDATED LOAN FORGIVENESS APPLICATION

On June 5, Congress dramatically changed the PPP program and the rules to be used for loan forgiveness. Join Attorney Ron Gardner to learn more about the Updated Loan Forgiveness Application in Response to the PPP Flexibility Act.

THU, June 25, 2020 | 10:00 - 11:30 a.m. | Virtual

## TRENDING THE WRONG WAY SERIES

*With current social and political climates and the COVID -19 health crisis, social media platforms are increasingly being used to voice personal opinions and to engage in controversy. As a result, these debates and tensions spillover into the workplace and the dealership community is not immune. This two-part series is designed to help dealers navigate and respond to the complex and unique challenges from a legal, HR, and reputation management perspective.*

### Trending the Wrong Way (Part 1): Employee Misconduct on Social Media

Strike the right balance between respecting the right to free speech and protecting against hostility in the workplace, all under social media. Matthew Tews, a partner at the law firm of Stinson, will cover how to establish appropriate conduct-based rules and how to respond to violations both inside and outside the workplace.

WED, July 22, 2020 | 10:00 - 11:30 a.m. | DoubleTree by Hilton Roseville Minneapolis

### Trending the Wrong Way (Part 2): How to Prevent Social Media Posts from Tainting your Dealership's Reputation

Prepare, prevent and manage your dealership's reputation during these challenging times. Katie Jackson-Richter, VP & COO at Cuneo Advertising, will discuss and share the tools and tactics to uphold your dealership's reputation during crisis and what to do in the event your dealership's reputation is under attack.

WED, August 12, 2020 | 10:00 - 11:30 a.m. | Virtual

### Pivoting your Digital Marketing during Covid-19

The crisis brought on by Covid 19 has affected automotive retail in a unique way. Dwindling new vehicle supply, bouncing used vehicle wholesale prices, and fearful shoppers, all require that we pivot our digital marketing strategies accordingly. This webinar will outline the questions dealers need to ask, and the recommendations they should follow, to maximize their return on investment from paid search, paid Facebook, third party classifieds, email marketing and more. Attendees will learn specific reports to request, that will help them determine where to cut, and where to double down with their digital marketing.

TUE, August 18, 2020 | 10:00 - 11:00 a.m. MADA Headquarters

## COMPLIANCE

### AUTOMOTIVE DEALERSHIPS AND INFORMATION SECURITY COMPLIANCE

Dealerships handle extensive and sensitive customer data. With the mounting cyberattacks on dealership data, a proactive and consistent response is imperative. Learn the risks and measures that your dealership can take to protect your dealership's data.

THU, August 8, 2020 | 10:00 - 11:00 a.m. | Virtual

## TITLE AND REGISTRATION

### TITLE BASICS

*To ensure the safety of attendees, MADA's Title Basics and Certified Title & Registration Program live classes will be limited to eight attendees per session. Due to this cap, for a limited time, Title Basics will also be available virtually.*

Designed as an introduction to the title & registration process, this interactive course will broaden understanding state forms, their proper allocation, and fee location. .

WED, July 8, 2020 | 9:00 - 11:30 a.m.  
MADA Headquarters

WED, July 8, 2020 | 1:00 - 3:30 p.m.  
Virtual

WED, August 12, 2020 | 9:00 - 11:30 a.m.  
MADA Headquarters

WED, August 12, 2020 | 1:00 - 3:30 p.m.  
Virtual

WED, September 9, 2020 | 9:00 a.m. - 3:00 p.m.  
MADA Headquarters

### CERTIFIED TITLE AND REGISTRATION PROGRAM

This program is designed to provide the vital skills and knowledge for optimal performance in title and registration. In addition, attendees participating in this program and passing the administered tests are awarded certification. Certification is mandatory to utilize electronic titling and registration.

WED, July 15, 2020 | 9:00 a.m. - 3:00 p.m.  
MADA Headquarters

WED, August 19, 2020 | 9:00 a.m. - 3:00 p.m.  
MADA Headquarters

WED, September 16, 2020 | 9:00 a.m. - 3:00 p.m.  
MADA Headquarters

## Member News

CORRECTION: In the May MADA News, we mistakenly printed that **Deml Ford** is located in Owatonna. It's not; it's in Waseca.

## Service News

### Doc Fee Increase Effective 7/1/20

Beginning July 1, dealers will have the opportunity to increase their doc fees by as much as \$25.00 and charge \$125.00 to cover their costs associated with processing a sales transaction.

When you reorder your custom buyer's orders, don't forget to take into account this increase. MADA Services staff will also be reminding you of the increase when you place your orders.

# IT'S NEVER TOO LATE TO SAVE MONEY!

Contact Sue Fluegel ([sue@mada.org](mailto:sue@mada.org))  
for more information and visit  
<http://mada.welcometomedica.com/home>

Get a quote from  
MADA Insurance  
today and see how  
your dealership can  
save money on  
health insurance  
premiums.



## Insurance News

### Save Money with MADA Insurance

Don't miss a chance to save money by getting a quote from Medica, the new partner of MADA Insurance. All dealerships are eligible to receive a quote. Before your current group health insurance policy renews, please contact MADA Insurance for information on obtaining a quote. Dealerships which left the MADA BCBS plan within the past three years are eligible to receive a MADA Medica Association Health Plan quote.



#### Endorsed Service & Vendors

##### Dealer Bond Program

Ensure Agency

##### Disability Income Insurance & Section 125 Cafeteria Plans

American Fidelity Assurance

##### Employee Placement

Hireology

##### F&I Products

Protective

##### Fleet Fueling Program

Speedway

##### Group Health Insurance

Delta Dental

Voya Life

##### Hole-In-One Insurance

Hole-In-One-USA

##### Office Supplies

Innovative Office Solutions

##### Online Marketing Services

Conversica

Dealer 1-2-1 / JMG Marketing

LotLinX

PureInfluencer

##### OSHA, EPA & DOT Compliance/Training

ComplyNet Corporation

##### Pre-Paid Legal, Jim Gavin

Identity Theft Shield &

Pre-Paid Legal Services

##### Titling and Registration Services

Vitu Interstate

##### Uniforms and Linen Services

AmeriPride Linen & Apparel Services

##### Warranty Reimbursement

Bellavia Blatt

##### Workers Compensation

Ensure Agency



MADA Services sells a wide variety of products directly to the dealers including business forms, clothing and promotional items. For a full review of options, contact your sales representative at 651-291-2400 or go to [www.mada.org](http://www.mada.org)



## MADA NEWS ▪ JUNE 2020

### FAQ

**Q:** I heard “critical businesses” are required to develop a COVID-19 Preparedness Plan beginning June 29, 2020. Does this include dealerships?

**A:** Yes. Beginning June 29, “critical businesses,” which includes dealerships, must have a COVID-19 Preparedness Plan in place. The state has provided a template for businesses to work from, which can be found here:

[https://www.dli.mn.gov/sites/default/files/pdf/COVID\\_19\\_business\\_plan\\_template.pdf](https://www.dli.mn.gov/sites/default/files/pdf/COVID_19_business_plan_template.pdf)





Minnesota Automobile Dealers Association

# Golf Supplies & Apparel

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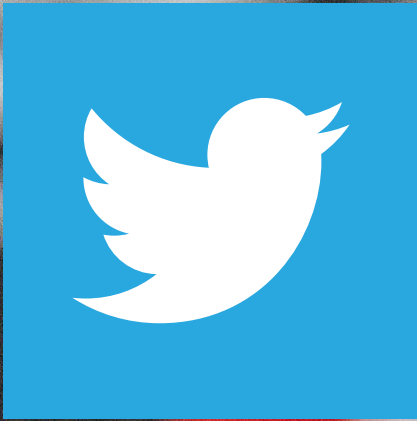
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**MADA**  
Minnesota Automobile Dealers Association

200 Lothenbach Ave.  
West St. Paul, MN 55118-3505



# TRENDING THE WRONG WAY SERIES

Part 1:  
Employee  
Misconduct  
on Social  
Media

Wednesday,  
July 22, 2020  
10:00 -11:30a.m.  
DoubleTree by  
Hilton Roseville  
Minneapolis



This series is designed to help dealers navigate and respond to the complex and unique challenges from a legal, HR, and reputation management perspective.

Part 2:  
How to Prevent Social Media  
Posts from Tainting Your  
Dealership's Reputation

Wednesday, August 12, 2020  
10:00 -11:30a.m | Webinar



FOR MORE INFORMATION, CONTACT ALICE AT [ALICE@MADA.ORG](mailto:ALICE@MADA.ORG) OR  
VISIT [MADA.ORG/TRAINING/TRENDINGTHEWRONGWAYSERIES](https://MADA.ORG/TRAINING/TRENDINGTHEWRONGWAYSERIES)