

Dealership Shutdowns

As we see more and more States order the Shut Down of all Non-Essential Businesses. It looks like the trend will be Service, Parts, and Body Shops will be permitted to remain open. I ask that you follow the direction of your State and Local Auto Dealers Association as it relates to your particular State. We will continue to send out data and information throughout the day as we receive updates.

What to do if your dealership is Shut down?

Under a franchise agreement, a shutdown may be defined as a default under certain circumstances. However, if you are mandated by the government to close your doors, that is not something the manufacturer should be able to depend on for action against a dealership. However, you must still inform your manufacturer. (Do not assume they already know)

If you voluntarily shut down department(s) or your store(s) because of COVID-19 or its effects- for instance, if there is an outbreak of COVID-19 at the dealership- please notify your OEM right away. Tell them you have taken that step, so that they know the circumstances and the reason your business is temporarily closed. You must keep your manufacturer informed on any voluntary action(s).

NOTE: While we are all practicing "Social Distancing", I think its very important for all of you to focus on your e-contracting, digital marketing, on-line sales, and on-line trade programs. These programs/initiatives will be very important for you once everyone is back up and running.