

THE WANADA BULLETIN

NEWS AND INFORMATION FOR AND ABOUT FRANCHISED NEW CAR DEALERS IN THE WASHINGTON AREA

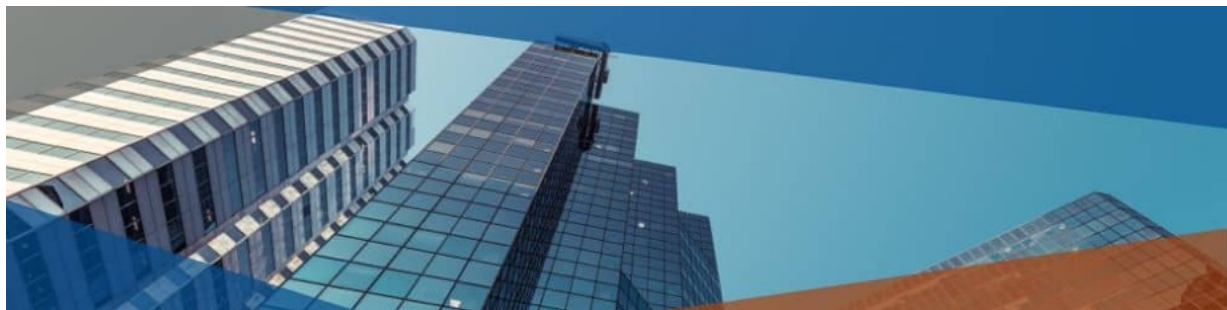
WANADA Bulletin # 02-24

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New Corporate Transparency Rules

Your business may soon have to meet new reporting requirements that take effect on January 1, 2024. Under the Corporate Transparency Act (CTA), enacted in 2021, certain companies will be required to provide information related to their “beneficial owners” — the individuals who ultimately own or control the company — to the Financial Crimes Enforcement Network (FinCEN). Failure to do so may result in civil or criminal penalties, or both. Our friends at [Councillor, Buchanan & Mitchell \(CBM\)](#) have provided the following helpful guide for WANADA members.



Understanding the CTA

The CTA is intended to reduce exposure to serious crimes, including terrorist financing, money laundering and other nefarious activities. But it could also open the door to the inspection of family offices, investment angels and other private individuals who've generally been shielded from scrutiny in the past. A business that's characterized as a “reporting company” has either 30 days or one year to comply with the new rules.

The CTA's rules generally apply to both domestic and foreign privately held reporting companies. For these purposes, a reporting company includes any corporation, limited liability company or other legal entity created through documents filed with the appropriate state authorities. A foreign entity includes any private entity formed in a foreign country that's properly registered to do business in the United States.

The complete list of entities that are exempt from the reporting rules is too lengthy to include here — ranging from government units to not-for-profit organizations to insurance companies and more. (Read: “Tax Exempt Organizations and the Corporate Transparency Act”). Notably, an exemption was created for a “large operating company” that employs more than 20 employees on a full-time basis, has more than \$5 million in gross receipts or sales (not including receipts and sales from foreign sources), and physically operates in the United States. However, many of these companies already must meet other reporting requirements providing comparable information.

If an entity initially qualifies for the large operating company exemption but subsequently falls short, it must then file a BOI report. On the other hand, an entity that might not currently qualify can update its status with FinCEN if it later does and obtain an exemption.

Determining Who Is and Isn’t a Beneficial Owner

Under the CTA, a nonexempt entity must provide identifying information about its beneficial owners. A beneficial owner is defined as someone who, directly or indirectly, exercises substantial control over a reporting company, or owns or controls at least 25% of its ownership interests. An individual has substantial control of a reporting company if he or she:

- Is a senior officer of the company,
- Has authority over the senior officers or a majority of the company’s board,
- Has substantial influence over the company’s important decisions, or
- Has any other type of substantial control over the company.

This generally includes individuals who are directly related to ownership interests in the company, but indirect control may also result in classification as a beneficial owner. Individuals who aren’t treated as beneficial owners of a reporting company under the CTA include:

- Someone acting as a nominee, intermediary, custodian or agent on behalf of a beneficial owner,
- An employee of the reporting company who has substantial control over the entity’s economic benefits because of his or her employment status (but only if the individual isn’t a senior officer of the entity),
- An individual whose only interest in a reporting company is a future interest through a right of inheritance,
- Any creditor of the reporting company (unless the creditor exercises substantial control or has a 25% ownership interest in the reporting company), or
- A minor child.

However, for minor children, the reporting company must report information about each child’s parent or legal guardian.

[Continue reading here.](#)

Beware Supposed FTC Shopping Rule Attorneys

It has come to our attention that dealers may have received inquiries from an outside advocacy organization that is seeking assistance in identifying plaintiffs for a proposed lawsuit challenging the FTC's Vehicle Shopping Rule. As you know, NADA and TADA are currently plaintiffs in a 5th Circuit case challenging the FTC's rule, and another legal challenge could have a material impact on that case. Therefore, if you receive such a call or become aware of one of your stores receiving this or any similar inquiry, please contact WANADA leadership before responding to that inquiry (John O'Donnell, President & CEO; jod@wanada.org | Joe Koch, VP of Operations, jk@wanada.org).

Virginia Buy/Sell Bill Nearing Final Passage

Our friends at VADA have provided us the following update on a signature piece of legislation that they are sponsoring. The purpose of the bills described below is to give dealers more predictability and objectivity in buy/sell transactions. The House version ([HB191](#)) passed the full Senate last week. The Senate version ([SB534](#)) passed the House Transportation Committee on Thursday. It now proceeds to the House floor.



Assuming the House passes that bill, both pieces of legislation must be engrossed — where final language is formalized by the Senate President and Speaker of the House — before heading to the Governor.

An *Automotive News* editorial called the legislation "[good for dealers](#)" and goes on to say: "More states should follow Virginia's lead and spell out when automakers can exercise their right of first refusal on proposed dealership sales, so people who want to exit or enter the auto retailing world can do so in a clear, timely and efficient manner."

We will update you as we learn more. The General Assembly adjourns March 9.

If you'd like more details on the buy/sell bill or other legislation the VADA team has tracked this session, [here's a full report](#).

MADA/WANADA Health Benefits Program

First announced in July of 2023, MADA and WANADA have partnered to provide health, dental and vision insurance products to dealer members with superior customer service. This is the only regional insurance brokerage owned completely by dealers to serve dealers and their employees.

Since June 1 is a significant renewal date for many dealers, the time is now to explore potential cost savings under the MADA/WANADA program. Regardless of renewal date, dealers can change brokerages any time during the year as expense management is essential with a slowdown in vehicle sales.

Here are just a few reasons why you should join the MADA health benefits program powered by WANADA Insurance Brokerage and Trust:

- Competitive Health Insurance with Superior Customer Service
 1. Fully Insured
 2. Self-Insured
- Dental Insurance through WANADA Trust (Exclusive Product)
 1. Fully Insured
 2. Self-Insured
- Vision Insurance through WANADA Trust (Exclusive Product)
- Prescription Drug Plans & Rx Carve-Outs
- Life and Accidental Death & Dismemberment (Exclusive Product)
- Additional Life Insurance - For Employee, Spouse, & Dependents
- Worksite Products
 1. Accident
 2. Cancer
 3. Critical Illness
 4. Hospital Indemnity
 5. Long Term Care Insurance
- Owned By Auto Dealers
 - Insurance program owned by your fellow motor vehicle dealers and operated by your valued trade associations
- Cost Savings
 - The new MADA health benefits partnership is centered around delivering quality insurance benefits to dealerships at a reduced broker commission with superior customer service to help employee retention.
- Exclusive Products
 - The WANADA Trust offers proprietary dental, vision, life, and disability options that are not offered by any other broker-of-record. These proprietary products allow for greater insurance flexibility and value.

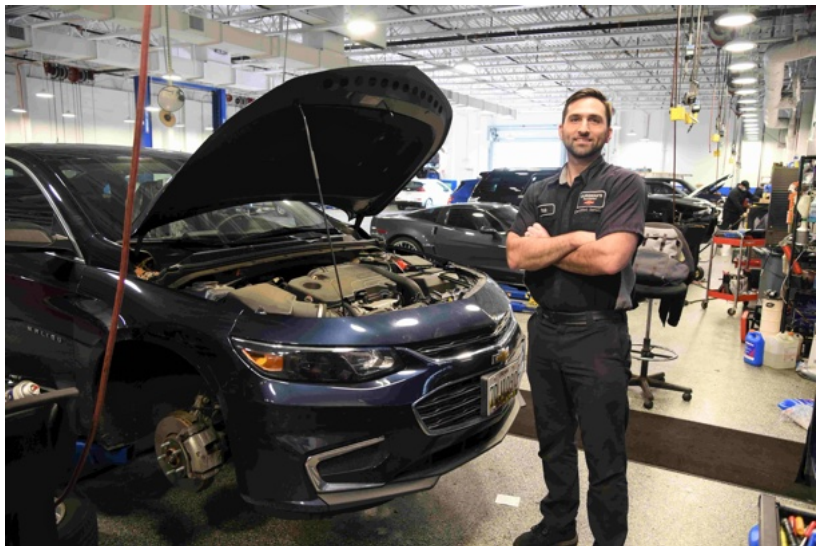
In addition to the reasons detailed above, the MADA health benefits partnership offers the following services to help dealership human resources personnel provide the best plan to employees:

- Flexible Spending Account (FSA)
- Health Savings Account (HSA)
- Health Reimbursement Arrangement (HRA)
- COBRA Administration
- HIPPA Administration
- Enrollment, termination, and coverage change administration
- IRS 5500 form assistance
- HRIS Systems (payroll/benefits administration)
- Consolidated Billing
- Claims Intervention
- Mobile Benefits App for all dealership employees

Please contact [Travis Martz](#) at MADA (410-777-5494) or [Ed Mullaney](#) at WANADA (202-800-4283) to begin the exploratory process of this exciting new health insurance partnership.

Grow Your Service Department Through WANADA Training & Apprenticeships

Last year WANADA kicked off two new training programs to great success. The first was a certification for Maryland state inspections. These classes are held exclusively for our members, developed by a recently retired MD State Trooper who oversaw Maryland's Vehicle Inspection program for the last eight years of his career. WANADA is bringing you this private class for only \$1,150.00.



Our second offering is designed to help you increase your hours per RO by enhancing your service advisors' product knowledge and sales confidence. Held at the WANADA offices, our live interactive class has a maximum of ten students, which allows for more personalized attention and interaction, unlike online training, which can be isolating.

We are in the process of identifying optimal dates and times for spring sessions of the aforementioned trainings. If you have staff that could benefit from either, please contact WANADA's Director of Education Joe Hemberger at jh@wanada.org or 267-346-1700.

And as always, WANADA's [auto technician training program](#) is the best way to develop your tech pipeline. Now is the time to hire tech school students graduating in June, so reach out to Joe Hemberger to set up interviews for interested candidates today!

January 2024 Market Report Now Available

WANADA has partnered with an organization called Auto Outlook to create quarterly market insight reports. Our first co-authored report is available [here](#) and covers the 3rd quarter of this year. These reports will be released to supplement the raw data we receive from RL Polk, which you can access on the [member portal](#) of our website.

If you need assistance locating your login information for the WANADA [member portal](#), please email Kathy Teich at kt@wanada.org.

Save the Date: Gerry Connolly's Celtic Celebration



If you are a dealer in Virginia's 11th District (Fairfax County), you are cordially invited to join WANADA's leadership at Congressman Gerry Connolly's 21st Annual Celtic Celebration. The luncheon will be held on Friday, March 15 from 12:00 noon – 2:00 p.m. at The Tower Club in Tysons Corner, VA. Please email Kathy Teich (kt@wanada.org) to RSVP or request additional information.

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