



Monthly Bulletin

Chairman's Corner

Dealer Day 2026 is on April 7 in Sacramento, and I hope you'll be there.

The Legislature is moving fast this session. Several bills currently in play could directly affect your employees, your customers, and how you do business. CNCDA is tracking these issues and working with lawmakers, but nothing carries more weight than hearing directly from the dealers in their own districts.



Your story matters. California's franchised dealers employ nearly 138,000 people, support thousands of local charities, and generate more sales tax revenue than any other single industry in the state. The sales tax from one vehicle sale equals roughly what the state collects from 10,000 cups of coffee. Legislators need to hear that from you.

This year, the conversation extends beyond the Legislature. The Governor's race will directly shape our industry. The Governor sets priorities, appoints regulators, and, as we saw with the veto of our Document Processing Charge bill, makes final calls on our most important issues.

That's why CNCDA is supporting Eric Swalwell for Governor. Since his time on the Dublin City Council, Congressman Swalwell has been a consistent ally to car dealers. When interviewed by our Board, he demonstrated a clear understanding of the importance of dealerships to California's economy and a genuine willingness to work with our industry. Building that relationship now ensures CNCDA has a seat at the table.

If you haven't registered for [Dealer Day 2026](#), please do so today. Spots are filling fast.

To help you prepare, CNCDA is hosting a free, member-only [Inside Dealer Day Webinar](#) on March 16. Director of Government Affairs, Kenton Stanhope, will **GIVE A FIRST LOOK AT CNCDA'S TOP 2026 PRIORITIES** and what to expect during legislative meetings. Please register today.

I look forward to seeing you in Sacramento.

Jessie Dosanjh
 Chairman, CNCDA
 Stevens Creek Chevrolet

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Danger of Counterfeit Airbags Persists

By: *Les Swizer, Legal & Regulatory Affairs Counsel*

In the [November 2025 CNCDA Monthly Bulletin](#), we covered the dangers of substandard and counterfeit airbags. This topic was discussed extensively at the Bureau of Automotive Repair (BAR) Advisory Group meeting in October during a presentation by the [Automotive Anti-Counterfeiting Council \(A2C2\)](#), whose members include Ford, GM, Toyota, and other major OEMs. The group pointed out the rise in substandard components and counterfeits in the market and their correlation with increased injuries and deaths from collisions.



Just this week, NADA issued an [alert](#) relaying an urgent industry and consumer alert from the National Highway Traffic Safety Administration (NHTSA) about the safety risks posed by substandard airbag inflators, specifically those made by DTN (also known as Jilin Province Detiannuo Automobile Safety System Co. Ltd.). These inflators, while not counterfeit per se, do not meet OEM standards for the safe operation of the airbag system. The sale of DTN inflators is not permitted in the U.S., but they nevertheless have been found to be the cause of severe injuries and fatalities in numerous collisions and continue to be discovered in vehicles.

While NHTSA has not issued a safety recall, it urges dealers to review vehicle histories to identify “at-risk” vehicles and inspect them for DTN inflators. If a DTN inflator is discovered, the vehicle should not be operated until OEM-approved parts can be installed. Further, because the inflators are not installed as genuine OEM parts, they likely won’t be discovered through a standard VIN check. The vehicle history report and service records should be examined for red flags such as prior crashes, “total loss” declarations, airbag deployment history, title check for “salvage” classification, and repairs performed at non-certified service centers.

For more information, dealers can read our [November 2025 Bulletin Article](#), visit NHTSA’s [webpage](#) dedicated to the topic, or contact the CNCDA Legal Team at **916-441-2599** or legalhotline@cncda.org.

Toll Fees on Used Vehicles

By: *Les Swizer, Legal & Regulatory Affairs Counsel*

The Transportation Corridor Agencies (TCA), operators of The Toll Roads (State Routes 73, 133, 241, and 261) in Orange County, reached out to CNCDA recently to share a commonly forgotten item during the car buying process— updating toll account information. This often-overlooked part of a used vehicle sale has also been reported by dealers to cause issues with registration delays on used vehicles. Given that failure to promptly register a vehicle is a common enforcement item of the DMV, inaccurate toll account information can not only lead to a headache for consumers in unwanted charges, but also to potential consequences for the dealership.



To address this issue, the Orange County TCA has created flyers that can be included in deal jackets, used as a quick reference guide during delivery or staff training, or shared digitally with customers. One flyer provides a checklist for buyers, and the other provides a checklist for sellers, both aimed at helping ensure a smooth transition of vehicle ownership and avoiding unnecessary toll issues. CNCDA members may access the flyers [here](#). Dealers can access more information at www.TheTollRoads.com.

Dealers can also contact the CNCDA Legal Team for more information or with any questions at 916-441-2599 or legalhotline@cncda.org.

Vehicle Safety Recalls Week News Conference

By: **CNCDA Staff**

To kick off **Vehicle Safety Recalls Week (March 2–8)**, CNCDA President, Brian Maas, recently joined industry leaders from the California Office of Traffic Safety (OTS) and the New Motor Vehicle Board (NMVB) at Mataga Buick GMC in Stockton. Together, they strongly urged vehicle owners to take their vehicles to a local dealership and check for open safety recalls, citing the urgent safety risks.

“We take great pride in our member dealers offering the best, safest vehicles,” CNCDA President Brian Maas said. **“All our dealers stand ready to help make sure your car is working efficiently and safely on every trip. Recall repairs are free, and fixing recalls is a top priority for dealers, who want every driver in a safe car.”**



With over 5.4 million cars in California with unrepaired safety recalls, and 53.2 million nationwide, all vehicle owners are advised to get their vehicles checked for free, as automotive leaders stress that the top priority in the industry is road safety. Vehicle owners and dealers alike can check for recalls at [CheckToProtect.org](https://www.checktoprotect.org).

Inside Dealer Day Webinar: March 16, 2026, 10AM

By: **Andrea Daugherty, Political Engagement Manager**

Dealer Day is quickly approaching and CNCDA is hosting a FREE webinar on Monday, March 16 from 10–11 a.m. to give dealers a first look at the association's top legislative priorities for 2026. The webinar is helpful for both advocacy newcomers and returning participants.

Here's what we'll cover:

- A preview of CNCDA's 2026 legislative agenda
- Information on the structure and goals of Dealer Day
- Specific priorities we'll be discussing with lawmakers



You'll leave ready to speak confidently, stay on message, and make the most of your meetings.

[Register for the Inside Dealer Day Webinar today here.](#) [Register for Dealer Day here.](#)

“

CNCDA BUZZWORDS

“ Brett Hedrick, owner of Hedrick’s Chevrolet in Clovis, California, is expecting a busy selling season, as well. **‘We try to always be optimistic,’** Hedrick said. **‘When they can write off interest on their vehicle loans, that’s going to spur some people. So, I’m very optimistic about it.’ ”**

– [“New Tax Deduction Could Benefit New Car Buyers, Boost Auto Sales” \(Marketplace.org, 2/23/26\)](https://www.marketplace.org)

”

NextGen Reception Before Dealer Day

By: Autumn Heacox, Director of Communications & Marketing



Even though our complimentary NextGen hotel nights before Dealer Day are sold out, **there are a few spots left for you to enjoy great conversation and dinner with fellow NextGen leaders from across California at our [NextGen Reception](#).**

Please register for [Dealer Day 2026](#). Then RSVP to Autumn Heacox, ahacox@cncda.org, with your interest today!

Monday, April 6, 2026

5– 6 PM, Happy Hour hosted by Vitu

6– 9 PM, Dinner Reception hosted by [NADA PAC](#)



Thank You 2026
NextGen Sponsors:



Gold and above sponsors: NextGen sponsorships are still available.

Please Contact Rebecca Matulich, Director of Strategic Partnerships at rmatulich@cncda.org.

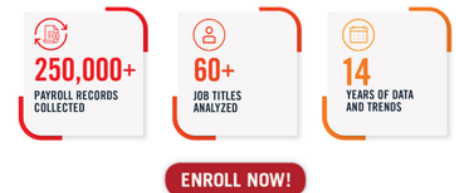
2026 Dealership Workforce Study is Open!

By: NADA

ENROLL TODAY. BE PREPARED FOR TOMORROW.

NADA invites you to participate in the industry's most comprehensive study on dealership workforce trends.

The 15th annual NADA Dealership Workforce Study provides an examination of compensation, turnover, retention, benefit, and demographics trends shaping our business. Your participation is key to the success of the study and the value of the data.



For Your Participation You Will Receive:

- **2026 NADA National & Regional Trends Report (2025 Data)** – National & regional summary and analysis of auto dealership employee compensation, benefits, demographics, retention and hiring trends.
- **Online Workforce Dashboard** – [Click here to watch a demo](#) – Your data at your fingertips. View your submitted data and conduct comparison analysis using custom filters online and on demand.
- **Exclusive one-year access for study participants only.**

Participation will close **March 27, 2026**. Any questions or issues, contact workforcestudy@nada.org

**To enroll, you will need your store or group NADA Member ID number. Contact our customer service team at customerservice@nada.org or call 800.557.6232 to request your ID.*

CNCDA Publishes Annual Economic Impact Report

By: Autumn Heacox, Director of Communications & Marketing

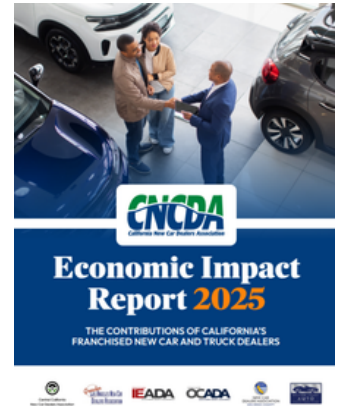
With the help of our members, CNCDA published our [2025 Economic Impact Report](#). The report highlights the 2025 contributions new car dealers made in charitable donations, federal and state taxes paid, and employment data, among other dealership trends related to California's economy. ***We sincerely thank all the dealers who took time out of their busy schedules to complete our annual Economic Impact Survey!***

California's franchised new car dealers are significant statewide financial contributors. In 2025, California's new car dealers sold 1.8 million new vehicles, employed over 137,856 hard-working Californians, and paid \$14.26 billion in total taxes statewide. In 2025, the average California new-car dealership employed roughly 96 people.

California's new car dealers contributed significantly to the state's economic health, paying a total of \$9.16 billion in state sales tax in 2025, an average of \$6.38 million per dealership. The average total taxes paid per California dealership in 2025 was \$9.93 million, totaling \$14.26 billion statewide.

Additionally, California's new car dealers consistently act as local community stewards year after year, giving \$72.09 million to charitable and civic organizations in 2025, an average of \$50,200 per dealership to good causes.

The annual report is made possible by CNCDA's active dealer members, who completed the association's Economic Impact Survey using statewide auto sales data. Special thanks to the Central California New Car Dealers Association, the Great Los Angeles New Car Dealers Association, the Inland Empire Auto Dealers Association, the Orange County Auto Dealers Association, the New Car Dealers Association of San Diego County, and the Silicon Valley Auto Dealers Association.



Voluntary Benefits: Considerations & Best Practices for Fiduciary Compliance

By: EPIC Insurance Brokers

Quick Facts

- Last year, four class-action lawsuits were filed alleging violations of the Employee Retirement Income Security Act (ERISA) fiduciary obligations, including breaches of fiduciary duty and prohibitions against self-dealing.
- These lawsuits are notable because these benefits are often provided to employees outside ERISA, under a specific safe harbor exempting them if certain criteria are met.
- EPIC encourages employers to monitor the pending litigation and review current practices surrounding voluntary benefits.

Background

On December 23, 2025, four class-action lawsuits were filed in United States District Courts (one in the Southern District of New York and three in the Northern District of Illinois, Eastern Division), alleging similar violations of the ERISA fiduciary obligations. The plaintiff firm, Schlichter Bogard, well-known for its ERISA litigation against large retirement plans, filed the suits on behalf of its clients, alleging fiduciary breaches and violations of prohibitions against self-dealing. (Continued.)



Voluntary Benefits: Considerations & Best Practices for Fiduciary Compliance (Continued)

The plaintiffs assert that employers and their advisors breached fiduciary duties by failing to negotiate fair premiums, failing to prudently select and monitor service providers, allowing excessive and unclear compensation arrangements, and engaging in prohibited transactions. It is alleged that these actions ultimately resulted in plan participants paying excessive premiums for these products.

What makes these lawsuits unique is that the suits have been filed against not only plan sponsors but also their brokers. The complaints place brokers and consultants directly in the spotlight by characterizing them as “functional fiduciaries” based on their influence over carrier selection, plan design, and compensation structures. Still in the early stages, the cases signal increased scrutiny of fiduciary governance, documentation, and fee transparency for health and welfare plans (similar to that of retirement plans over the past decade).

These lawsuits come as the focus on fiduciary responsibilities and breach of fiduciary duties has been heightened in the past two years due to unprecedented breach allegations against large employer plan sponsors, Johnson & Johnson (J&J), Wells Fargo, and JPMorgan.

These lawsuits are also unusual because these benefits are often provided to employees outside ERISA, under a specific safe harbor that exempts them from ERISA regulation if certain criteria are met. These four complaints allege that the defendant employers do not rely on the permitted ERISA exemption; therefore, these plans are subject to ERISA regulation. While we do not have visibility into these programs to determine the accuracy of those allegations, the complaints serve as an important reminder that the ERISA voluntary safe harbor applies only when specific criteria are met.

Best Practices & Action Items for Employers

EPIC encourages employers to monitor the pending litigation and review their current voluntary benefits practices. Steps include:

- Review voluntary benefits to determine if the plans are subject to ERISA.
- Review vendor agreements and determine whether the premiums charged to employees are competitive and the loss ratios are reasonable.
- Monitor voluntary benefits carriers and the coverage options and compensation received by the broker.
- Determine if alternative vendors or coverages are available. Offer multiple solutions to employees rather than a single vendor selected by the employer.

For further information on this or any other topic, please **contact your EPIC benefits consulting team**. In Southern California, call Mark Pattinson at (949) 533-2028 or email mark.pattinson@epicbrokers.com, or in Northern California, call Mark Wolter at (916) 949-8660 or email mark.wolter@epicbrokers.com.

*COMING SOON: EPIC will be conducting its Annual Employee Benefit Survey. More info to come.

EPIC offers this material for general information only. EPIC does not intend this material to be, nor may any person receiving this information construe or rely on this material as, tax or legal advice. The matters addressed in this document and any related discussions or correspondence should be reviewed and discussed with legal counsel prior to acting or relying on these materials.



EVready Energy



Energy Guardian is a proprietary SaaS energy management platform built for automotive dealerships—particularly those in California, navigating high utility costs and complex rate structures. Designed for members of the California New Car Dealers Association (CNCDA), it unifies EV charging and dealership building loads into a single intelligent control interface.

We measure and decode combined energy usage to accurately predict total utility costs at the meter level—then apply AI-driven, site-specific algorithms to control the most volatile and expensive loads. The result: reduced peak demand, stabilized consumption, and materially lower electric bills.

Energy Guardian also enables participation in California demand response programs, turning managed load flexibility into a new revenue stream.

Energy Guardian supports separately metered EV infrastructure, while Guardian Advanced is engineered for dealerships where EV chargers and building systems share electrical infrastructure—delivering deeper analytics, load correlation, and maximum cost optimization across the entire facility.

Schedule a call to see how much you could save. Contact Chris Nihan, CEO & Co-Founder, at CNihan@evreadyenergy.com or (978) 406 1578.

Pauldron



Protecting Post-Sale F&I Revenue With a Compliance-First Approach- Dealers work hard to build customer relationships, yet many protection product opportunities are lost after delivery. Much of this leakage occurs because customers are re-approached by outside marketers at moments when dealers no longer have a direct line of communication. Understanding this post-sale gap is essential from both a revenue and compliance perspective.

Where Leakage Occurs- Customers who initially decline protection frequently become interested later, such as during an unexpected repair, near warranty expiration, or when seeking predictable ownership costs. Those same customers are often targeted by third-party marketers, OEM channels, or online providers, sometimes within hours of a dealership visit. This is not a demand issue. It is a timing and lifecycle engagement issue.

A Dealer-Controlled Path That Preserves the Relationship- California dealers consistently emphasize a key priority: maintaining the customer relationship. Pauldron is structured so that all remarketing activity directs customers back to contracts sold through the dealership. This approach supports the franchise model, preserves channel integrity, and ensures product conversations stay where they belong, inside the store.

Compliance as an Operating Framework- Effective post-sale outreach requires structure and clear guardrails. Pauldron supports this by enforcing consent requirements, maintaining suppression and opt-out controls, capturing documented outreach records, limiting data use to appropriate ownership purposes, and providing standardized messaging templates to keep communication consistent and compliant.

WalletID: Compliance Through Transparency- Pauldron's WalletID feature delivers protection products into Apple Wallet and Google Wallet, creating accessible digital documentation. This reduces confusion, ensures customers always know where to find coverage details, and supports a more transparent and compliant service experience.

Why It Matters for California Dealers- A compliant post-sale process helps dealers re-engage customers at the right moments, protect revenue from outside solicitation, strengthen documentation, and deliver a more transparent and modern ownership experience. To explore how Pauldron can support your dealership in achieving these goals, contact Matthew Dykstra on the Pauldron team at matt@pauldron.net or (406) 404-4866 for more information.

A Champion for Automotive Careers: Meet CNCDA Foundation Board Treasurer Anne Smith Boland

By: Anne Boland, CNCDA Foundation Board Treasurer

A few years ago, I found myself sitting next to KC Heidler at a CNCDA board meeting when he asked if I'd be willing to join the CNCDA Foundation Board. Truthfully, I didn't fully know what I was signing up for—I simply understood that the mission was to connect technician students with our dealerships through scholarships.

Since joining, and under the outstanding leadership of KC Heidler and Kim McPhaul, the Foundation has continued to evolve. We've expanded beyond scholarships to hosting Career Days across the state, strengthening engagement with educators and technical program leaders, growing and diversifying our board, and broadening our funding sources.

It has been both a privilege and a challenge to work alongside so many committed partners to find ways to bring all stakeholders together in addressing a shared industry challenge. I'm grateful to be part of an effort focused on building the next generation of technicians and supporting the future of our dealerships.



California Appellate Court Upholds Dismissal of PAGA Action After Employer Prevails in Arbitration

By: HR Hotlink and Fine, Boggs, & Perkins, LLP

In a recent decision, the California Court of Appeal, First Appellate District, upheld the trial court's dismissal of a PAGA action after an employer prevailed in arbitration on the employee's individual claims arising out of the alleged Labor Code violations. The opinion in *Sorokunov v. NetApp, Inc.* highlights the benefit to employers of requiring arbitration of employment-related claims as the arbitrator's award conclusively determined that the employee lacked standing as an aggrieved employee.



In *Sorokunov*, a former employee sued for alleged violations of the Labor Code, including individual and PAGA claims. The Alameda County Superior Court compelled arbitration of the individual non-PAGA claims, but denied the employer's request to stay proceedings on the PAGA claims. The arbitration and PAGA claims proceeded simultaneously, with the trial court denying the employee's motion for summary adjudication of the PAGA claim on whether the pay plan failed to provide a method for computing and paying commissions in violation of Labor Code § 2751. Thereafter, the arbitrator entered an award in favor of the employer, finding in NetApp's favor on each of the individual claims. The Superior Court granted the employer's petition to confirm the award and, relying on its order confirming the arbitration award, granted the employer's motion for judgment on the pleadings on the PAGA claims.

After finding that the trial court properly compelled arbitration of the individual claims, the Court of Appeal affirmed the denial of summary adjudication and the granting of the motion for judgment on the pleadings. As to summary adjudication, the court rejected the employee's argument that the compensation agreement was invalid because it included a windfall provision that limited the amount of commissions under certain circumstances. "NetApp's Plan, as the trial court concluded, meets [the statutory] standard. It explains the commission structure—the method of computing and paying commissions—at the time of employment. It also sets forth the circumstances under which modification of the initial calculation might occur." Had the Legislature intended to impose limitations on an employer's ability to limit commissions, it would have done so. (Continued.)

California Appellate Court Upholds Dismissal of PAGA Action (Continued)

As to the judgment on the pleadings, the court held that issue preclusion barred the employee's claims.

Here, the trial court found that Sorokunov, as the plaintiff in both the arbitration and the trial court proceedings, had a full and fair opportunity to litigate his individual Labor Code claims. The trial court found that his "inability to prove his individual Labor Code claims means that plaintiff can no longer allege any individual Labor Code claims with plausible merit," and thereafter, he is not an aggrieved employee as defined by the PAGA and does not have standing to prosecute a claim on behalf of the LWDA. In so holding, the court rejected Sorokunov's argument that "dismissal of this case would be an injustice because the arbitrator's decision was in error and there is a public interest in enforcing the state's Labor Code." The court explained, "This order holds only that this particular plaintiff lacks standing under Labor Code [section] 2699, [subdivision] (a) to prosecute the claims that this plaintiff had asserted in this case as proxy and agent of the LWDA under the PAGA. This order does not prevent the LWDA from prosecuting its own action regarding the same alleged Labor Code violations. This order does not prevent any other NetApp employees from asserting individual claims against NetApp in arbitration or in court, or from seeking to assert claims against NetApp as proxy or agent of the LWDA under the PAGA."

The court held that "Whether Sorokunov is an 'aggrieved employee' for the purposes of PAGA standing is based on his ability to allege that he suffered a Labor Code violation. As explained in Rocha and Rodriguez, to the extent his PAGA standing is dependent on his having suffered the same Labor Code violations that have been adjudicated in arbitration, his standing and the underlying violations are considered identical issues."

Impact on Dealerships. The Sorokunov case highlights the benefit of having an arbitrator resolve employment disputes rather than running the risk of an adverse jury verdict. The individual wage and hour claims asserted in Sorokunov would have been tried to a jury had they remained in court.

Although juries are charged with following the law as instructed by the trial judge, the reality is that jurors are often swayed by sympathy for an employee who complains of alleged maltreatment by a corporate employer. This sympathy often overrides the mandates of the law, resulting in unjust verdicts against employers. Arbitration, on the other hand, allows the parties to choose an arbitrator (such as a retired judge) who will follow the law rather than their sympathies. In the Sorokunov case, this resulted not only in a finding in favor of the employer on the individual claims but also in the dismissal of the remaining PAGA claims, since the employee could not establish that he was an aggrieved employee.

If you have any questions about arbitration of employment claims or any other employment issues, please contact the Association's employment counsel John P. Boggs at jboggs@employerlawyers.com of Fine, Boggs & Perkins, LLP, or call 650.712.8908.

Navigating "Reasonable Accommodation" for Disability in the Dealership

By: HR Hotlink and Fine, Boggs, & Perkins, LLP

The California Fair Employment and Housing Act (FEHA) requires employers of five or more employees to provide "reasonable accommodation" to employees with physical or mental disability to apply for jobs and perform the essential functions of their work so long as the accommodation would not create "undue hardship" for the employer.

The Interactive Process

The request for accommodation can be explicit where the employee clearly notifies disability and requests for accommodation or implicit, or where the employer becomes aware of the need through personal observation or third-party reports. (Continued)



Navigating "Reasonable Accommodation" for Disability in the Dealership (Continued)

One common pitfall occurs when an employee exhausts Family and Medical Leave Act (and California Family Rights Act) leave benefits but still needs additional time off work with job-protected reinstatement.

Now, what happens when the request for accommodation is made and the employer, for some reason, cannot grant it? The common pitfall in such an instance is that management believes the conversation ends there. However, the law demands the employer to engage in a "timely, good faith interactive process" to determine whether any effective reasonable accommodation exists (Cal. Gov. Code, §12940, subd (n)). This is not a passive requirement; it is an active, ongoing dialogue to determine if any effective accommodation exists.

What is "Reasonable Accommodation" under the Law

What constitutes "reasonable accommodation"? The act itself provides specific examples of possible reasonable accommodations; this includes, but is not limited to:

- **Facility Accessibility:** Making existing employee areas—from the showroom, to the service bays to the breakrooms—readily accessible to and usable by individuals with disabilities.
- **Job Restructuring:** This can include part-time or modified work schedules, or even reassignment to a vacant position within the dealership.
- **Equipment & Policy Modification:** The acquisition or modification of specialized equipment, or adjustments to training materials and examinations.
- **Leaves of Absence:** As further clarified by the California Code of Regulations (CCR), a reasonable leave of absence or a temporary reassignment can also serve as a valid accommodation under certain circumstances.

There are many forms of reasonable accommodation, and the takeaway is that the employer has an affirmative duty to explore alternative reasonable accommodation options. Moreover, in most cases the onus is on the employer to come up with a solution to accommodate the employee's disability. In practice, the employee need not even ask for accommodation; a mere notification of his disability in many cases would trigger the "interactive process" for finding "reasonable accommodation".

Real-World Scenarios: From the Service Bay to the Showroom

In the **Service Department**, the most common challenges involve physical limitations. Consider a Master Technician with chronic back pain or recovering from a major surgery. While the technician may no longer be able to perform the heavy lifting required for heavy line work, a "reasonable accommodation" might involve providing specialized hydraulic lifts to assist the technician, an ergonomic rolling stool, or a "light duty" assignment focusing on less strenuous work. In some cases, they may need a permanent assistant, and while the dealership may ultimately deem it an undue hardship due to cost, the interactive process still requires the dealership to review effective alternatives, such as reassigning heavy-lift tasks to another tech while keeping the senior tech's diagnostic expertise on the job.

The **Sales Floor** presents a different set of challenges, often involving scheduling and "invisible" disabilities. A top-performing Sales Consultant might be diagnosed with a condition requiring regular medical treatments, which conflicts with traditional "floor time" requirements. Despite a dealership's need for constant coverage, California law often requires a "carve-out" or modified schedule to accommodate these medical necessities. Similarly, a salesperson who cannot stand for long periods due to a medical condition may need a professional, high-visibility seating area near the showroom entrance, and irrespective of the Dealership policies governing sales floor, the interactive process mandates a departure from that policy if a seat at the entrance allows the employee to continue closing deals effectively. Some may require accommodations of not standing at the "point" waiting for an update due to physical restrictions.

Finally, the duty to accommodate extends not only to physical disability but also to mental conditions. Dealerships, in general, can be noisy environments, and for an employee struggling with a high-noise environment, reasonable accommodation might be as simple as allowing noise-canceling headphones or providing written, rather than purely verbal, job instructions to ensure clarity. Another fairly common request is to permit an emotional support animal in the showroom to soothe the employee during the busy day. These have all been found to be reasonable accommodations under the law. (Continued)

Navigating "Reasonable Accommodation" for Disability in the Dealership (Continued)

It is vital for managers to realize that once an employee mentions a physical or mental disability, or if the employer should have known that the employee is having a disability, the legal "trigger" has been pulled. The dealership is then officially on the clock to engage in a documented, good-faith dialogue to help that employee succeed in their role.

The "Undue Hardship" Trap

In California, the bar for "Undue Hardship" is very high, and an employer must show that the requested accommodation is cost-prohibitive or operationally difficult—thereby causing an undue burden on the dealership, taking into account the dealership's size and/or profitability. More often than not, employers defer to the judgment of the supervisors or weigh factors that cannot be considered under the law to determine "undue hardship" and get caught in the trap. Employers cannot deny accommodation because it is inconvenient, expensive, against company policy, or creates a special rule for the employee. To argue that a \$1500 specialized lift or a modified Saturday shirt is "undue hardship" is a difficult battle for a dealership to win in front of an arbitrator, let alone a jury.

The prudent course of action is to use the "interactive process" to find a "reasonable accommodation" that keeps the employee productive and dealership profitable—and get qualified legal advice from a knowledgeable employment attorney who knows dealership environments.

Best Practices for 2026: The Documentation Trail

The "Interactive Process" is not just a conversation; if done correctly, it is a legal defense. Employers can follow these simple rules to protect themselves:

- **Separate the Files:** Never keep medical accommodation notes in a standard personnel file. These must be kept in a separate, confidential medical file.
- **The "Good Faith" Log:** Keep a written record of every meeting, phone call, and email exchange during the interactive process. If the employee rejects the reasonable alternative you offered, ensure that the rejection is documented.
- **Train Your Managers:** Most "triggers" happen in the service drive or on the sales floor, not in the HR office. Ensure your Department Managers know that as soon as an employee mentions a medical limitation, they must notify HR or ownership immediately to start the "clock."
- **Seek Legal Advice:** Finally, seek your legal counsel's advice and guidance on handling the "interactive process" as it is not only an HR task but also a legal issue.

Conclusion

Reasonable accommodation for your employees with disabilities is not a one-size-fits-all mandate. It is a flexible, collaborative effort to keep your best talent in the building. By treating the interactive process with the same diligence as a complex car deal, California dealers can avoid costly litigation and foster a more resilient, inclusive workforce.

If you have any questions about arbitration of employment claims or any other employment issues, please contact the Association's employment counsel John P. Boggs at jboggs@employerlawyers.com of Fine, Boggs & Perkins, LLP, or call 650.712.8908.

Dealers Doing Good: Kirby Subaru of Ventura

By: McKenna Bediamol, Administrative
Coordinator



Dealers, we know you make an impact far beyond the showroom. From strengthening California's automotive industry to giving back locally, your efforts matter. Each month, we'll spotlight a dealer making a difference in their community. This month, we are thrilled to feature Kirby Subaru of Ventura!

The team at Kirby Subaru of Ventura recently partnered with the Ventura Family YMCA and provided 204 brand new coats for a coat drive in Studio 1 for their after-school care families with kiddos in need.

[Click here to read the full story.](#)

To feature your dealership's good news, email McKenna Bediamol at mbediamol@cncda.org.

Niello Volvo in The Showroom

By: McKenna Bediamol, Administrative
Coordinator



The Showroom at CNCDA is proud to feature a Volvo XC90 B6, courtesy of Niello Volvo Cars. This AWD 7-seater is ready for spring break road trips and beyond. Come get a closer look at 1517 L St!

When you stop by, be sure to check out The Showroom, which is ready for all of your event needs. With a flexible layout, new high-def video wall, optional catering (for a separate fee), and more, it's the ideal space for meetings, events, or vehicle displays.

If you're interested in hosting an event or displaying your vehicle this year, please reach out to Cathy Mason at cmason@cncda.org or call (916) 441-2599 x115.

NMVB Industry Roundtable

Ideas to Impact ~ The Power of Collaboration

April 8, 2026 8:30-3:00 PT

California Natural Resources Agency

Floor 2, Room 221 A-C

715 P St. Sacramento, CA 95814



KEYNOTE SPEAKER

Toks Omishakin, Secretary

California State Transportation Agency

CalSTA Core Four Priorities Safety, Equity, Climate Action, and Economic Prosperity

Morning Session

- ***Pathways to Prosperity*** As the automotive industry rapidly evolves- with advancements in EV technology, diagnostics, and smart systems- the demand for highly skilled technicians continues to grow. This panel explores the importance of introducing students to automotive technology early in their education and creating clear pathways to the profession.
- ***Spotlight on Safety*** Highlights from the tremendous progress we've made in California with the National Safety Council's Check to Protect vehicle safety recall program through diverse partnerships and thoughtful collaboration.
- ***California's Zero Emission Vehicle Transition*** The accelerated shift towards zero-emission vehicles presents opportunities and challenges for the industry, communities, and policymakers. This panel explores navigating this landscape through coordinated planning, and most importantly, cross-sector collaboration.

Afternoon Session

Meet the Regulation Experts Engage in discussions with Department of Motor Vehicles, Bureau of Automotive Repair and California Air Resources Board on laws, rules and regulations, and programs that apply to: new and used vehicle dealers, brokers, dismantlers, registrations services, vehicle verifiers, and other vehicle-related businesses; clean truck and diesel programs, compliance, funding, and initiatives; and any other questions you may have!

RSVP TODAY!

Hosted by members of the New Motor Vehicle Board

Please note: Schedule is subject to change without prior notice. We appreciate your understanding in this regard.

Attendees will be provided with a list of nearby eateries for lunch on their own

Questions?
admin@nmvb.ca.gov



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California New Car Dealers Association
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PRESENTED WITH:
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COMPLIANCE GUIDANCE FOR DEALERS

TUESDAY | MARCH | 10 AM-11:30 AM
DAY | 10

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Dealer Day 2026
APRIL 7 | SACRAMENTO

INSIDE DEALER DAY 2026: WHAT TO EXPECT

A FREE MEMBER-ONLY WEBINAR

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CNCDA
California New Car Dealers Association
WEBINAR

A PRACTICAL ENERGY COST REDUCTION FRAMEWORK FOR DEALERS

PRESENTED BY:
CHRIS NIHAN
CEO & CO-FOUNDER
EV READY ENERGY

THURSDAY, MARCH 26
10 - 11 AM

REGISTER TODAY AT
WWW.CNCDA.ORG/EVENTS

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