

COVID-19: State and Federal Responses Updates

Friday, March 27, 2020

- There are 590,594 confirmed COVID-19 cases in 176 countries/regions, including 100,717 in the U.S. 130,865 of those cases have recovered.

KEY UPDATES:

Federal:

- After a series of irate tweets, President Donald Trump decided to use his authority under the Defense Protection Act to order General Motors Co. to produce ventilators.

State:

- A number of states have issued orders to shelter in place, stay at home or close all non-essential businesses. In each state, the financial services sector is carved out and deemed an essential business. We are monitoring these and posting updates to the resource center as we learn of them.
- Advisors and home office employees are able to access, on the resource center and LPL@Work, a letter authorizing travel to and from offices as essential employees.
- North Carolina issued a Stay at Home order. LPL is exempt as an essential business.

All Federal:

TRUMP ADMINISTRATION

Today, the President signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, a \$2.2 trillion stimulus package, into law.

We want to note that there are now two key documents available on the Resource Center on the Government Relations page:

1. A Small Business Guide to the CARES Act
2. Highlights of the CARES Act.

We hope that you will reference these documents to familiarize yourself with the Act and the resources that will now be made available under the Act.

HOUSE

The House passed the CARES Act by voice vote earlier.

During yesterday's press conference, President Trump alluded that there might be a possible grandstander, who would try to disrupt today's vote... That House Member was Congressman Thomas Massie (R-KY). His call for a recorded vote forced a large number of House Members to have to scramble back to Washington in order to ensure that his request would be denied and that the vote would not slip another day.

In a way, Rep. Massie was the great unifier bringing Republicans and Democrats together in their disdain for his actions.

SENATE

The Senate is not in session.

WHAT'S NEXT?

Members will depart Washington by Monday. Work has already begun on a fourth stimulus package. Earlier this week, Speaker Pelosi expressed an interest for the next phase of stimulus to focus on job creation and U.S. infrastructure building. We expect the negotiations for the next bill to be deliberative and bi-partisan.

All State:

As of today, every state has declared a states of emergency to handle COVID-19 and increase resources, open access to federal resources, coordinate emergency response, instruct insurers to waive charges for coronavirus testing and treatment, and help contain the spread of the virus. Most schools are closed.

When each state issues a “stay at home”, “shelter in place” or “non-essential business closure” order, we are advocating for them to follow federal CISA guidelines for essential infrastructure. The financial services sector is considered essential and has been included on all orders that are currently active.

The following states have issued an order:

- California
- Colorado
- Connecticut
- Delaware
- District of Columbia
- Hawaii
- Idaho
- Illinois
- Indiana
- Kansas
- Louisiana
- Maine
- Maryland
- Massachusetts
- Michigan
- Minnesota
- Nevada
- New Jersey
- New Mexico
- New York
- North Carolina
- Ohio
- Oklahoma
- Oregon
- Pennsylvania
- Vermont
- Virginia
- Washington
- West Virginia
- Wisconsin

Financial Services:

- SIFMA has created a [page](#) with updates on BCP and COVID-19, with industry guidance, regulator updates, and government resources.
- FINRA:
 - Cancelled their annual conference.
 - Has a [list](#) of state stay at home orders.
 - Issued a [Regulatory Notice](#) outlining guidance for Pandemic-Related Business Continuity Planning.
 - Issued a [Technical Notice](#) to alert members to its efforts to maintain business continuity with respect to its Trade Reporting Facilities and its Alternative Display Facility as well as to remind members of their obligations with regard to OTC trading and reporting in the event the members experience systems issues in their own or their vendor’s systems.
 - Postponed hearings of Disciplinary Proceedings scheduled through April with the exception of pending Expedited Proceedings, as they are not conducted in person.
 - Guidance on FINRA-Administered exams. Prometric closed testing centers in the U.S. and Canada for a period of 30 days, starting March 18, 2020. Existing appointments will be rescheduled. To change an existing appointment scheduled over 30 days (April 16 or later) or to schedule a new appointment, please access the [Prometric website](#). FINRA will extend all enrollment windows that are currently open for candidates who want to take exams and that are scheduled to expire by the end of May. Each FINRA administered exam enrollment end date will be extended through the same end date of May 31, 2020.
- The SEC:
 - Issued an [order](#) that provides publicly traded companies an additional 45 days to file certain disclosure reports that would have been due between March 1, 2020 and April 30, 2020. The relief is conditional on companies meeting certain requirements, including an explanation of why the relief is needed.
 - Issued a [statement](#) on the effects of Coronavirus on Financial Reporting that encouraged firms to work with their audit committee and auditors to disclose potential exposure to the effects of COVID-19, including how they plan for and will respond to unfolding events and disclosure of subsequent events. Disclosure of material risks to business and operations is intended to keep investors and markets informed of material developments.
 - Will consider comments submitted after a comment period closes and allow additional time for comments on select pending actions. <https://www.sec.gov/sec-coronavirus-covid-19-response>

- Temporarily relaxed implementation requirements of consolidated audit trail (CAT) systems so that market participants and broker/dealers can focus energy and resources on business continuity plans, operational readiness and reducing operational risk stemming from the pandemic <https://www.sec.gov/news/public-statement/statement-clayton-cat-covid-19-nal-cybersecurity-2020-03-17>; suspended CAT compliance enforcement through May 20, 2020.
- Addressed the need to grant extensions to or relief from certain delivery and filing obligations <https://www.sec.gov/news/press-release/2020-53>, <https://www.sec.gov/news/press-release/2020-62>, <https://www.sec.gov/news/press-release/2020-63>, <https://www.sec.gov/rules/other/2020/34-88318.pdf>
- Providing conditional relief for certain in-person meeting and advance notice requirements <https://www.sec.gov/investment/staff-statement-im-covid-19>, <https://www.sec.gov/news/press-release/2020-62>, <https://www.sec.gov/news/press-release/2020-63>

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