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AHEAD of the Curve

AUTOMOTIVE NEWSLETTER WINTER 2015

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2014 was the Year of the Automotive Recall
How Can Suppliers Protect Themselves Amid Wave of Recalls?

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Despite the fact that vehicles are safer and more reliable than ever, over 60 million were recalled as part of more than 500 separate and distinct recalls in 2014. Three times as many vehicles were recalled as were sold in 2014.

And what do these recalls cover? Virtually everything: ignition switches, transmission cables, electrical systems, seat belts, air bags, headlights, gaskets, power steering, wiring, faulty systems, even floor mats that can slide out of position. The list goes on and on.

As vehicles become more complex and new models are introduced in compressed time frames, defects happen. Everyone in the auto industry understands this, and knows that

...2014, Year of the Automotive Recalls

recalls do occur from time to time. But recalls have now taken on an added dimension—one that poses great risk to unwary auto suppliers. The focus is now on whether OEMs, and their suppliers, engaged in wrongdoing, cover-ups or intentionally ignored safety issues.

GM and Takata have had to face the damaging contention that they knew about safety-related product defects for many years and did nothing until very recently. GM's independent internal investigation revealed, among other damaging missteps, that the ignition switch issue was passed around from committee to committee for years, without anyone taking ownership of – and resolving – the issue. Likewise, public reports indicate that Takata tested its air bags many years ago, but the results of those tests were destroyed and Takata took no action to remedy the issue until last year. To paraphrase the timeless Watergate questions, these auto companies have been forced to answer what they knew about their faulty products and when they knew it?

By not acting promptly, both GM and Takata are dealing with civil and criminal investigations by NHTSA, the Department of Justice and Congress, not to mention a plethora of civil class action lawsuits. Moreover, the companies are facing an avalanche of bad publicity and lost customer goodwill.

In what may be best described as over-correcting, other OEMs have been issuing recalls on an almost daily basis to avoid the GM/Takata problem. This has resulted in a record number of recalls in 2014, with 2015 promising to be the year the recalls are carried out. What should suppliers do? How can they protect themselves from the collateral damage of an OEM recall and how should they manage their own responsibilities?

The lesson that this recall mess teaches auto suppliers is clear: after receiving notice of a potential problem, be sure to fully and promptly investigate the issue with the assistance of in-house or outside counsel. Once a potential claim is raised, corporate management should conduct a robust internal investigation to determine what (if any) problem occurred, how wide ranging the problem is, and what should be done to correct it and ensure it doesn't happen again. Suppliers need to:

- **RECOGNIZE THAT THE GAME HAS CHANGED:** OEM warranty terms are often onerous, unclear and have an increasing tendency to shift liability to suppliers. Thus, your liability to your OEM customer on a recall may have been sealed years before when you entered into a potentially one-sided contract. At the outset of a program, before the contract is finalized, suppliers need to keep one key fact in mind: the devil is in the contractual details. Terms and conditions are the focal point of a contract, but they are not the only point. Smart suppliers will make sure their obligations are clearly specified and that their warranty responsibilities cover only things they actually control.

- **WORK WITH LEGAL COUNSEL ON CONTRACTING ISSUES:** Recall concerns will likely go much more smoothly and efficiently if you're joined at the hip with your in-house or outside counsel and if these attorneys have been involved since the inception of the contract. Counsel may drive you crazy with what seem like niggling details while you're writing a contract, but these "details" may save your company's bacon when it comes to potential recall or repair costs, fines or incalculable damage to your company's reputation.

- **REACT QUICKLY WHEN A PROBLEM DEVELOPS:** As fast as possible, you need to determine with the manufacturer exactly what the problem is, what your company's role in it may be, your liability and exposure, and whether there may be similar problems with your product in other customers' hands.

- **ASSIGN A TEAM AND LEGAL ADVISOR TO CONDUCT THE INVESTIGATION:** Once a problem is discovered or a recall contemplated, select someone with stature in the company who is knowledgeable and respected and will establish the most appropriate and efficient plan of action. Include your counsel so that the investigation will be protected from disclosure by the attorney-client

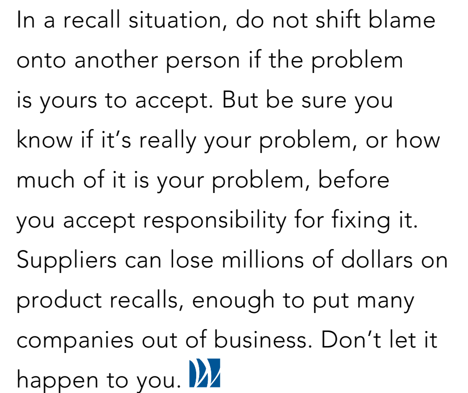
privilege. This will allow for an unvarnished investigation of what really happened.

- **START THE INVESTIGATION WITH A ROOT CAUSE ANALYSIS:** This may require outside experts as well as internal engineers. Outsiders provide objectivity as well as a new set of eyes and sometimes a new level of expertise. To get at the answer, the investigation must include not only the product itself but the system within which it operates. Preserve every piece of evidence you uncover during the investigation—you'll need it. It will be challenged by your customer, the government and attorneys for third parties in potential future litigation.

- **SET CLEAR GUIDELINES FOR HOW THE INVESTIGATION IS MESSAGED:** A clear message, both internally and externally, to your customers, your suppliers, the government or others is critical. All messages must be accurate and consistent. And be careful what you write in e-mails.

- **PRESERVE RELEVANT DOCUMENTS:** Immediately preserve all documents and data that may relate to the problem being investigated. Even if a supplier has done nothing wrong in the underlying matter, inadvertent document destruction will create separate, significant legal exposure.

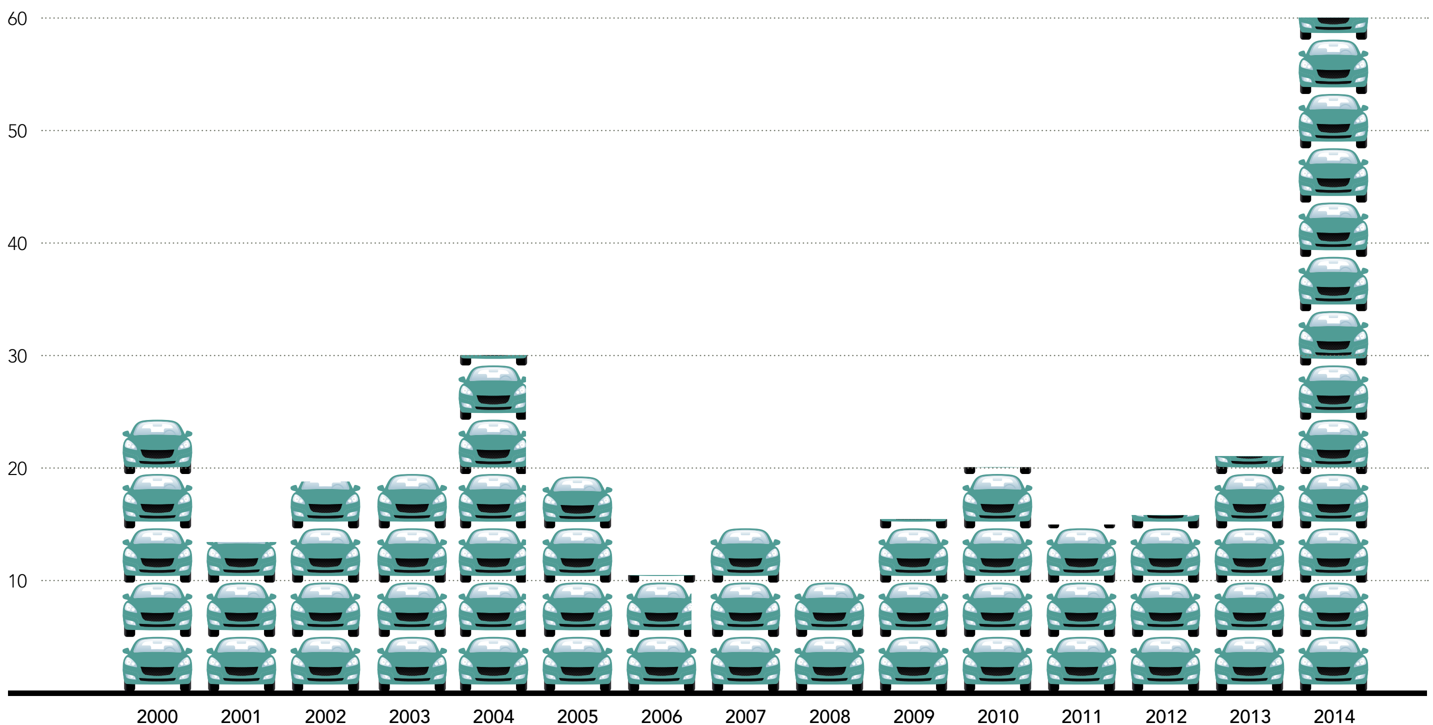
- **FINISH THE INVESTIGATION AS QUICKLY AS POSSIBLE:** Avoid the temptation of a perpetual investigation mentality. There will always be new facts, but you need to follow your plan and reach a finish line. Get on with it. Get it done and carefully document your findings.



In a recall situation, do not shift blame onto another person if the problem is yours to accept. But be sure you know if it's really your problem, or how much of it is your problem, before you accept responsibility for fixing it. Suppliers can lose millions of dollars on product recalls, enough to put many companies out of business. Don't let it happen to you.

Vehicles Recalled (in millions)

Source: NHTSA



Let Legal Take the Wheel on Records, Information Management

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While records and information management (RIM) requires a multidisciplinary approach, qualified legal counsel is often in the best position to ensure compliance with the myriad of record retention laws and to help companies significantly reduce storage and litigation costs. Here is a primer on RIM concerns and why properly trained legal counsel is the best choice for handling it:

- **CONTENT MANAGEMENT WITH AUDITS AND LITIGATION IN MIND:** Legal counsel should assist all company functions in understanding what to write and what not to write. For example, records addressing a quality issue should be factual and not include legal buzzwords such as "defect," "liable" or "guilty," nor should they contain subjective judgment words like "dangerous," "risky" or "unsafe."

- **ACCURATE ASSESSMENT OF COMPANY DOCUMENTS:** Because legal counsel is cross-functional, it is in a prime position to inventory records across the company and help determine where and how records should be retained to facilitate a reasonable turnaround if the data is requested, for example, in accordance with the TREAD Act.

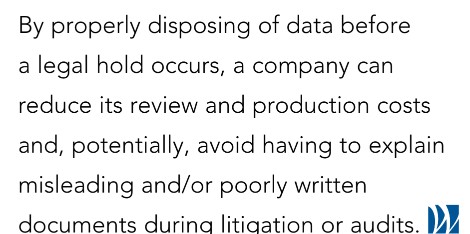
- **PROPER RETENTION OF KEY RECORDS:** This involves legal requirements and takes into consideration the duration of the statutes of limitations. Records must be retained long enough to substantiate claims or defenses in audits or litigation. Most auto suppliers are ISO certified and while ISO 9001 specifies that certain quality records be retained (see section 4.2.4), it does not provide retention periods. That said, there may be legal requirements in the U.S. or otherwise (see Verband der Automobilindustrie ["VDA"], *Quality Management in the Automotive Industry, Documentation and Archiving*, Volume 1) dictating the retention of these records. Even in the absence of such requirements, key records should be retained long enough to pursue or defend an action. If you have locations in Germany, the VDA should be consulted. This document specifies that critical characteristic records must be retained for 15 years or longer.

- **DEFENSIBLE DISPOSITION:** There is a cost associated with the retention of electronic data that is redundant, obsolete and trivial, so-called ROT, as well as outdated key records. It has been estimated that the cost to retain just one GB of data ranges from $2 to $20 per year. Storing 1 TB costs between $2,000 and $20,000 annually.

Even a medium-sized company, with 400 to 500 employees, stores approximately 30 to 40 TB of data. While the IT staff might argue that storage is cheap and may be getting even less expensive, the issue is that the amount of data to be stored is growing at a staggering rate. A study by the Pew Research Center found that the volume of organizational data doubles every 1.2 years.

Other studies have estimated that data past its retention period, or is otherwise ROT, accounts for 50-70 percent of data stored by the average organization. Essentially, most companies are paying to store large amounts of data they could actually delete. A one-time deletion of 25 percent of data could result in savings of $30,000 to $150,000 over five years for a medium-sized company.

In addition to reducing storage costs, decreasing the volume of outdated records and data can mitigate legal risk and the costs associated with eDiscovery during litigation. A study by the *Minnesota Journal of Law, Science and Technology* noted that eDiscovery costs range from $5,000 to $30,000 per gigabyte.



By properly disposing of data before a legal hold occurs, a company can reduce its review and production costs and, potentially, avoid having to explain misleading and/or poorly written documents during litigation or audits.

Workers Obtained Through Staffing Agencies May Pose Serious Risks for Suppliers

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Are you an automotive supplier that employs workers through a staffing agency? If so, these workers can pose special risks for employers. However, properly structuring your contracts with the agency can make a significant difference in whether your company must pay penalties under the Affordable Care Act's employer responsibility or play or pay provisions.

In 2015, large employers with 100 or more full-time equivalent employees must offer affordable health plan coverage to at least 70 percent of full-time employees. In 2016, this number increases to 95 percent and applies to all employers with 50 or more full-time equivalent employees. Yet, which workers count depends on whether they are considered your common law employees.

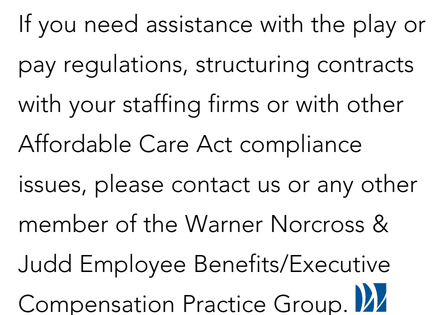
If you use a worker from a staffing firm for anything other than a short-term, temporary assignment, the IRS may very well view that worker as your common law employee. If your company is considered the common law employer, you must count that worker when determining if your organization is subject to the play or pay requirement and if it owes any penalties.

The consequences of mischaracterizing workers from staffing firms can result in sizeable penalties for multiple years. For example, if starting in 2015 you do not include workers from staffing firms in your counts but the IRS in 2018 audits you and concludes that such workers are your common law employees, the IRS will recharacterize these workers not only for 2018 but also for past years. Since the penalties are based on the total number of full-time employees, the penalties for past years may be substantial.

However, the final regulations offer some safe harbor solutions for minimizing this risk. Where a staffing firm provides health plan coverage through a multiple employer welfare arrangement (MEWA), the staffing firm's offer of health coverage will be deemed to be an offer of coverage on your company's behalf. If your staffing firm does not use a MEWA, but does offer health plan coverage to the worker, the staffing firm will be deemed to be offering coverage on your behalf provided the fee the staffing firm charges your company is higher for an employee enrolled in the staffing firm's health plan than it is for the employee not enrolled in the plan.

> The regulatory landscape for providing health care coverage to temporary workers is complex. Proceed with caution.

Because of the uncertainty involved in determining who the common law employer is, a conservative approach is to structure your company's contract with its staffing firm to incorporate one of these safe harbor solutions. If the contract is structured correctly, you will be deemed to be offering coverage through the staffing agency – even if the worker is your common law employee.



If you need assistance with the play or pay regulations, structuring contracts with your staffing firms or with other Affordable Care Act compliance issues, please contact us or any other member of the Warner Norcross & Judd Employee Benefits/Executive Compensation Practice Group.

Myths and Truths Regarding Inversion Transactions

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Inversion transactions have received significant attention recently from the press and officials in Washington, D.C. Much of this discussion has occurred because of the growing number of such transactions being consummated or discussed by multi-national companies, including household names such as Burger King.

Many of the recently proposed or completed inversion transactions have occurred in the pharmaceutical industry, but the procedure is available to all companies and numerous corporations across many sectors have utilized it. The recent surge in these transactions has been reported as corporations allegedly wanting to beat any new or more restrictive legislation. Inversion transactions have been occurring for decades among non-pharmaceutical companies, but the current political and international tax oversight efforts have focused public attention on these transactions.

So what is an inversion transaction? It is nothing more than an acquisition or merger where a U.S. company is combined with a foreign corporation and the foreign corporation becomes the successor, surviving or parent company. These transactions were dubbed inversion transactions by the U.S. Department of the Treasury over concerns about the flight of America's corporate tax base to other nations.

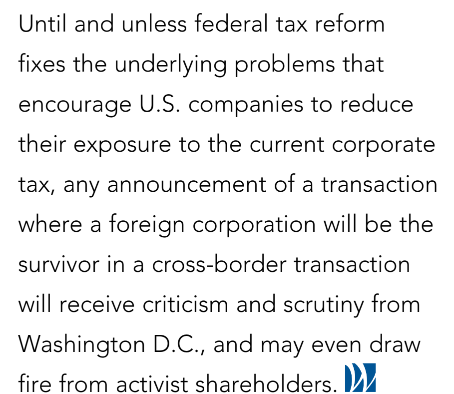
For background, U.S. corporations are taxable on their worldwide income with deferral for active business income of foreign subsidiaries. In response to the concern of "base erosion" and "profit shifting" (BEPS), Congress enacted legislation to curb inversion transactions that were entered into for the primary or significant purpose of reducing a U.S. company's exposure to the U.S. corporate income tax. Many of the transactions that were being cited as not having a proper business purpose resulted in a U.S. corporation being expatriated into a foreign corporation, where only the U.S. activities would be subject to the U.S. corporate tax.

> Inversion transactions are legal but closely regulated.

Is an inversion transaction legal? Yes, but any inversion transaction will be subjected to all of the regulatory requirements of any other transaction, including U.S. tax laws. A transaction that is deemed to be an inversion will invoke some tax rules meant to eliminate or mitigate the reduction of earnings to the U.S. corporate income tax. Recent rules issued by the Treasury Department are an attempt to close some of the holes in the 2003 rules that are commonly called anti-inversion rules.

Basically, an inversion whereby the owners of a U.S. corporation continue to own more than 60 percent of the interests in the surviving or succeeding foreign corporation will have restrictions of the use of losses against income otherwise subject to U.S. corporate income tax. If the owners continue to own more than 80 percent of the surviving or succeeding corporation's stock, the foreign corporation will still be treated as a U.S. corporation subject to the U.S. corporate income tax on its worldwide income.

The rules dictating whether a transaction is an inversion involve complex mathematical tests. A transaction that does not have the intention to be an inversion could accidentally fall into this trap. It is important to consider the ramifications of any type of acquisition or merger with a foreign corporation, including the possible application of the anti-inversion rules. Cross-border transactions involve complex tax considerations and the anti-inversion rules add to that complexity.



Until and unless federal tax reform fixes the underlying problems that encourage U.S. companies to reduce their exposure to the current corporate tax, any announcement of a transaction where a foreign corporation will be the survivor in a cross-border transaction will receive criticism and scrutiny from Washington D.C., and may even draw fire from activist shareholders.

Chipping Away at Attorney-Client Privilege: Delaware Ruling Gives Stockholders Easier Access to Corporate Documents

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Dating back to Roman law, attorney-client privilege has been a doctrine that protects the confidentiality of communications between an attorney and his or her client. Under the privilege, an attorney cannot disclose information shared by the client in the course of seeking legal advice. But it's not an absolute privilege.

A notable exception to the attorney-client privilege took shape in *Garner v. Wolfinbarger*, 430 F.2d 1093 (5th Cir. 1970). The court in *Garner* said that when stockholders sue a corporation, they should have an opportunity to show why the attorney-client privilege should not protect the corporation's communications. People now refer to this rule as the *Garner* doctrine or the "fiduciary exception." Numerous courts have adopted the *Garner* doctrine since 1970.

Now *Garner* has come to Delaware.

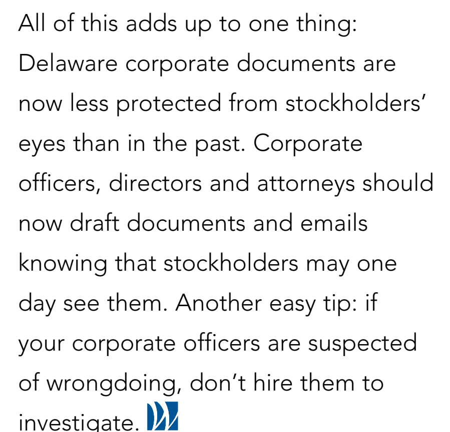
In *Wal-Mart v. Indiana Electrical Workers Pension Trust Fund IBEW*, 95 A.3d 1264 (Del. 2014), stockholders sued the giant retailer, claiming Wal-Mart failed to properly investigate briberies involving its Mexican subsidiary. News spread that Wal-Mart had knowingly included some of the bribery suspects on its internal investigation team. Naturally, the suspects cleared themselves of all wrongdoing. The internal investigation — or lack thereof — caused Wal-Mart's global general counsel to resign.

In the midst of the mess, the IBEW — an electrician union's pension fund — wanted answers. Under Delaware Code Section 220, stockholders are allowed to inspect corporate records as long as they have a proper purpose. So the IBEW requested information from Wal-Mart regarding the bribery investigation, whether a cover-up took place and what exactly the Wal-Mart board knew. Wal-Mart gave the IBEW some heavily redacted documents but held back others based on the attorney-client privilege. The IBEW filed suit to force Wal-Mart to produce more documents.

The Delaware Supreme Court took the case on appeal and adopted the *Garner* doctrine. The court decided that the IBEW had a proper purpose for requesting the documents and that the documents were "necessary and essential" to that purpose.

The court affirmed the lower court's ruling that ordered Wal-Mart to hand over the following: officer and lower-level documents; documents spanning a seven-year period and extending beyond the bribery timeframe; documents from internal "disaster recovery" tapes; any documents related to the claims known to exist by the Office of the General Counsel; and contents of related documents protected by the attorney-client privilege. The list included hard copies and electronic documents.

All of this adds up to one thing: Delaware corporate documents are now less protected from stockholders' eyes than in the past. Corporate officers, directors and attorneys should now draft documents and emails knowing that stockholders may one day see them. Another easy tip: if your corporate officers are suspected of wrongdoing, don't hire them to investigate.



Trucking, Mining Industries Blazing a Path to Vehicle Autonomy

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Recent published studies suggest that over 80 percent of all automotive vehicles will incorporate some form of connected technology, such as infotainment systems, by 2020 and over 50 percent of all vehicles will have at least one type of automated drive technology, such as lane departure warnings.

While news articles touting Google's autonomous vehicle technology are widespread, a less publicized fact is that the non-automotive vehicle industry is blazing a path of innovation in the advancement and implementation of groundbreaking autonomous and semi-autonomous vehicle technologies.

In today's markets, where many OEMs are just now testing the capabilities of semi-autonomous and autonomous vehicles to operate in the public arena, the heavy duty trucking, construction and mining industries are actively using autonomous vehicle technology in daily operations. In fact, researchers expect the trucking industry will surpass the automotive industry in the integration of semi-autonomous and autonomous technology in road approved vehicles by 2020.

Construction and mining companies use autonomous vehicle technology to increase productivity, navigate hazardous environments, and to offset operating costs and a decline in commodity prices. Equipment manufacturers supporting these industries have embraced the autonomous technology model and are providing their customers with a variety of semi-autonomous and fully autonomous equipment to meet these challenges.

Not unlike the automotive industry, the primary goal of autonomous technology in mining equipment is to promote resource and infrastructure efficiency while improving human safety factors. Industry leaders such as Caterpillar Mining Systems, Komatsu Ltd. and Autonomous Solutions, Inc. currently integrate vehicle-to-vehicle (V2V), vehicle-to-infrastructure (V2I) and interconnectivity with GPS and mapping systems into excavating and hauling mining vehicles. The technology allows vehicles to be directed to discrete locations and, more importantly, sense and avoid the location of other vehicles, people and obstacles without human intervention.

CONSTRUCTION AND MINING FIRMS USE AUTONOMOUS VEHICLE TECHNOLOGY TO INCREASE PRODUCTIVITY, OPERATE IN HAZARDOUS AREAS AND REDUCE WORKER INJURIES.

Caterpillar, Komatsu, ASI and other autonomous equipment manufacturers actively protect their technological advancements through a strategy of worldwide patent filings and public technical disclosures. To date, at least 200 distinct patent families covering a variety of autonomous mining technology are pending worldwide. An ancillary benefit of creating and maintaining these portfolios is that the patents may also cover automotive vehicle autonomous technology, thereby creating a non-traditional, potential secondary revenue stream for the manufacturers.

An overlap of technology and competitors in the automotive segment can be seen on worldwide patent registers. Google owns over 80 published U.S. patent applications and patents relating to autonomous vehicle technology. The majority of Google's patent portfolio focuses on the National Highway Traffic & Safety Administration's automation level 4, which contemplates technology that allows full control of a vehicle without driver input. Mining equipment manufacturers and Google have a lead position in the intellectual property arena for fully autonomous vehicle technology and, as a result, will have the greatest potential to affect future implementation of this technology.

While published and patented intellectual property rights give us a view of what may come in the fully autonomous vehicle technology space, real-world implementation of fully autonomous vehicle technology remains limited by a lack of legislative action. Federal and state transportation regulations have yet to be codified to allow fully autonomous vehicles to operate on our roads. For that matter, no country has enacted autonomous vehicle operating regulations, despite the fact that semi-autonomous vehicle technology has shown great promise, especially in the heavy duty trucking industry.

> Studies suggest that over 80 percent of all automotive vehicles will incorporate some form of connected technology by 2020.

A significant amount of semi-autonomous vehicle research and development is occurring across Europe. Some of the most prominent manufacturers—including Daimler, Volvo and Scania—have brought semi-autonomous features to their heavy duty trucking products and continue to push the boundaries for implementation of this technology in future vehicles. A recent search of worldwide patent records revealed that the heavy duty trucking industry, in many respects, may be outpacing the automotive industry in the development and protection of semi-autonomous technology.

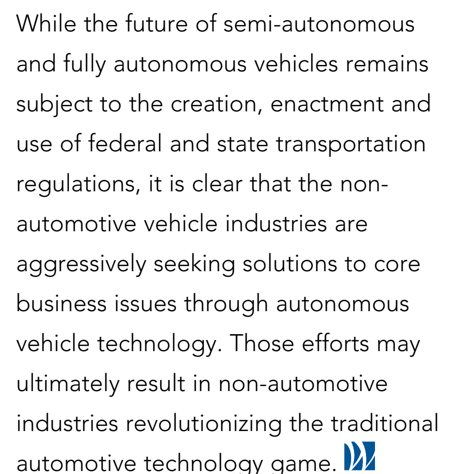
The current implementation of semi-autonomous technology contemplates that the truck is operated by a human for city routes and deliveries. Semi-autonomous technology is engaged for highway travel and use of safety systems such as driver collision warning systems. It is expected that through use of this semi-autonomous technology, trucking industry costs may be brought into close competition with rail transportation costs within 10 years.

One of the biggest challenges facing the trucking industry is retention of drivers. Studies indicate that the driver attrition rate within one year of employment is about 98 percent. The failure to retain drivers generally results from driver fatigue associated with typically long routes, high fuel prices and the cost of operating trucks.

Daimler's Future 2025 Truck initiative, and the related patented technology, contemplates expected future road congestion, lack of funding for future road infrastructure needs and that over 75 percent of all goods will be shipped through Europe via trucks. The Daimler initiative utilizes V2V, V2I and mapping technologies to provide solutions for these future challenges.

Scania's patented platooning autonomous vehicle technology is a convoy, or road train, of trucks that drive long stretches of highways. Each truck incorporates V2V technology that allows the trucks to travel at closer distances than possible with human drivers at the wheel. By reducing human interaction and error, platooning has increased fuel efficiency by as much as 15 percent, reduced air emissions, lowered truck operating costs and improved overall safety.

While the future of semi-autonomous and fully autonomous vehicles remains subject to the creation, enactment and use of federal and state transportation regulations, it is clear that the non-automotive vehicle industries are aggressively seeking solutions to core business issues through autonomous vehicle technology. Those efforts may ultimately result in non-automotive industries revolutionizing the traditional automotive technology game.



Collaborating on Engineering is Key, but Presents IP Ownership Issues

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Inadequate engineering resources could hamper the development of new technologies that automakers and automotive suppliers will need to compete in the 21st century. General Motors' recent requisitions to hire 500 design release engineers to relieve the stresses their engineers are experiencing underscores the magnitude of this issue.

Companies can use a number of strategies to develop new technologies in view of the engineering shortage, including: collaboration with engineering schools, developing training programs and revisiting vertical integration—a business model the OEMs and suppliers largely abandoned over the last two decades. At a recent OESA conference, the consensus was that improved collaboration and joint development along both spectrums of the supply chain are the only viable options in the short term.

However, those collaborations create another challenge: the need to change intellectual property strategy in view of new laws. In 2013, the U.S. became a "first to file country," meaning the first person to file a patent application will establish rights on the technology. As a result, it is now more important than ever that suppliers establish background technology early and often by making use of the provisional patent application process through the U.S. Patent and Trademark Office.

For the past 200 years, the U.S. operated under a first to invent system: the first to invent a technology had rights in the technology, regardless of who filed an application first. Often, collaborators in the development of new technology fail to contemplate ownership of the technology until after it has been developed. Even worse, OEMs demand ownership of new technology, even if its development was financed by the supplier.

Clarity in ownership of technology can only be achieved through protecting the underlying concepts—by filing patent applications covering new technologies prior to beginning the collaborative development process. The USPTO accepts provisional patent applications, which is a low-cost strategy to quickly protect developmental concepts. Once the underlying concepts are protected, a joint development agreement should be negotiated establishing rights in the new technology. Negotiations can be conducted from a position of strength once the background technology has been established by filing provisional patent applications.

> Improved collaboration and joint development of new technology are the only short-term solutions.

Collaborative development projects are presently the best available option to meet the technology demands of the marketplace with limited engineering resources. Establishing a strategy to protect background technology prior to entering a joint development or collaborative effort is imperative to avoid losing technology that can give a business a competitive edge in a high-tech market.

Introducing Legal Insight Luncheons

Taking time to attend off-site seminars and conferences to keep pace with changing laws and regulations is increasingly challenging. We understand that your time is valuable and are pleased to offer this alternative. Legal Insight Luncheons are conducted at your office with content that's tailored to your needs and interests. The example topics at the right are idea-starters. Your Legal Insight Luncheon starts with an exploratory conversation about issues and opportunities unique to your business. Next, we'll propose an agenda for a date and location that's best for you, ***and we'll bring lunch!***

Contact us at your convenience and we will start building your Legal Insight Luncheon.

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or visit:
http://wnj.com/InsightLuncheon

- ☐ **Compliance with Competition Laws:** In this time of heightened federal enforcement of anti-trust and corruption laws, what can you do to protect yourself? How should an internal investigation be conducted when a problem arises?
- ☐ **Intellectual Property:** How does the "first to file" change affect your technology and business strategies? What can you do to protect your trade secrets?
- ☐ **Information Governance:** Keep it or delete it? What's your plan for document retention and does it really matter?
- ☐ **Transition Challenges in Mergers & Acquisitions:** Are third-party consents really necessary? What if you can't obtain them by closing? What happens to the tooling owned by the customer? The tooling payments received and yet to be received? Can transition services agreements fill these gaps?
- ☐ **Environmental:** How might you better face the challenges of air and water permitting, community right-to-know reporting, complying with hazardous substance laws, cleanup/disposal and undertaking due diligence for expansion or acquisition?
- ☐ **Conflict Minerals:** What are the expectations for conflict mineral reporting?
- ☐ **Public Company Compliance:** When is an agreement, event, or development reportable under federal securities laws?
- ☐ **Labor & Employment:** How can you recognize and prevent bullying in the workplace? What do your policies say about the use of social media at the office?
- ☐ **Employee Benefits:** Are you ready for a benefit plan audit? How can you improve your ERISA fiduciary process to better protect your company and your participants?
- ☐ **Tax:** What are the tax consequences for moving capital over international borders?
- ☐ **Dispute Resolution:** How do you plan ahead and react strategically to maximize opportunities for favorable dispute resolution outcomes?
- ☐ **Supply Chain Contracting & Transparency:** What can you do to minimize your liability exposure through smart supply chain contracting? Why is it critical that your sales, purchasing and production policies and procedures are aligned?
- ☐ **Economic Development:** Are you planning capital investment, new construction, rehabilitation or new jobs where value-added incentives could reduce expansion costs?
- ☐ **Product Liability:** Are your best practices and risk management strategy adequate to minimize liability? Are you prepared to deal with insurance companies? How will you defend your company in a product liability matter?
- ☐ **Product Recalls:** How do you draft a contract that limits your liability during a recall? How will you determine your company's role in a recall? Can your company survive a recall?
- ☐ **Records Management:** Is your company's data safe from hackers? Are you storing documents that are redundant or obsolete? Did you know that properly managing documents and securing data can significantly reduce storage costs and mitigate legal risks?
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The Automotive Industry Group at Warner Norcross & Judd is comprised of more than 50 attorneys who provide timely, cutting-edge services to automotive suppliers of all sizes. Unlike almost all other law firms, we do not represent the OEMs – so we are always focused on what is best for auto suppliers. We counsel clients on highly specialized issues such as product liability, supplier contracting, antitrust compliance, automotive recalls, employee benefits and labor disputes. We also offer in-depth experience in litigation, M&A and in general business areas, such as real estate and construction, intellectual property, bankruptcy and environmental law. Located in the heart of the U.S. automotive industry, Warner Norcross works with companies throughout Michigan and around the globe. We serve as principal outside counsel and national counsel for several global automotive suppliers, and we have extensive experience helping companies establish operations in emerging markets around the world.

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