

March 27, 2020

### Summary

The House passed the \$2 trillion relief package which provides for small business retention loans, expanded unemployment benefits, direct cash payments to American individuals, and additional funding for hospitals on the front lines of the pandemic. President Trump signed the bill this afternoon. Additional detail about the bill can be found [here](#). British Prime Minister Boris Johnson has tested positive for the coronavirus. New coronavirus hotspots are emerging across the United States and health officials are asking for medical resources to meet the surge. New York City, where 385 people have died, remains the hardest hit by the virus. Michigan, which had only 350 cases a week ago, now has more than 3,000. The mayor of Los Angeles and the governor of Louisiana both warned that their populations were following the same path as New York.

A recent United States Conference of Mayors survey found that 85 percent of American cities do not have an adequate supply of ventilators. A growing number of medical experts around the country have also warned of an imminent shortage of ventilators. As of Friday morning, nearly 1,600 COVID-19 patients in New York State were in intensive care units, most of them on ventilators. In New York City, the shortage of ventilators has led some hospitals to take the highly unusual step of using only one machine to help two patients breathe. This afternoon, President Trump invoked the Defense Production Act to require General Motors to produce ventilators, allowing for accelerated production of life-saving equipment.

### General/Employer Guidance

#### **Presidential updates**

- [\*Statement from the President Regarding the Defense Production Act\*](#), March 27
  - President Trump invoked the Defense Production Act, which gives the president powers to direct domestic industrial production to provide essential materials and goods needed in a national security crisis.
  - The President authorized the Secretary of HHS to require General Motors to accept, perform, and prioritize orders for the number of ventilators that the Secretary determines to be appropriate.
  
- [\*Remarks by President Trump, Vice President Pence, and Members of the Coronavirus Task Force in Press Briefing\*](#), March 26
  - President Trump announced that the USNS Comfort, a 1,000-bed hospital ship, will be deployed to New York City on March 28 from the Norfolk Naval Base. It is fully equipped

with twelve operating rooms and will significantly increase New York's hospital surge capacity.

- Members of the Coronavirus Task Force noted that 19 states still have less than 200 cases and are engaging in active containment. Certain counties, however, are experiencing a rapid increase in cases, including Wayne County in Michigan and Cook County in Illinois. The New York metropolitan area now accounts for 55% of all new cases across the country.
- President Trump held a separate meeting with governors from all 50 states. The administration is working on publishing guidelines for state and local governments to use to determine whether to increase or relax social distancing rules to contain the spread of the coronavirus.
- [\*President Donald J. Trump Approves Major Disaster Declarations\*](#), March 26
  - President Trump declared that a major disaster exists in Illinois, Missouri, and Maryland. He ordered Federal assistance to supplement state, and local recovery efforts in the areas affected by COVID-19. The action makes Federal funding available for crisis counseling for affected individuals in the State, and for other emergency protective measures.
  - President Trump recently issued similar declarations for New York, California, Washington State, Louisiana, Iowa, Texas, Florida, and New Jersey.

#### **World Health Organization (WHO)**

- [\*Coronavirus disease 2019 \(COVID-19\) Situation Report – 66\*](#), March 26
  - WHO reports that three new countries have reported cases of COVID-19, including Saint Kitts, Guinea-Bissau, and Mali.
  - WHO continues to recommend that everyone perform hand hygiene frequently, follow respiratory etiquette, and regularly clean and disinfect surfaces. WHO recommends additional droplet and contact precautions for health care workers performing aerosol generating procedures on COVID-19 patients. These include the use of medical mask, eye protection, and gloves for direct patient care.

#### **U.S. Centers for Disease Control and Prevention (CDC)**

- [\*Guidance for Greater NYC Transportation and Delivery Workers\*](#), March 26
  - CDC issued guidance encouraging anyone who was recently in the New York City area to self-quarantine for 14-days, out of an abundance of caution.
  - CDC recently updated this advice and specifically exempted critical transportation and delivery workers from the mandate. Truck drivers and other suppliers may still continue to work, given their importance to the supply chain. CDC recommends that drivers stay in their vehicles as much as possible as supplies are loaded and unloaded, avoid being within six feet of others as much as possible when they exit their vehicles, and utilize electronic receipts.
- [\*Underlying Medical Conditions and People at Higher Risk for COVID-19\*](#), March 27
  - CDC held a Clinician Outreach and Communication Activity (COCA) webinar about people who are higher risk for COVID-19 complications because of their age or underlying medical conditions, particularly those that are not well-controlled.
  - CDC encourages health care facilities to create a plan for employees with underlying health conditions. This may include ensuring vulnerable employees have the best personal protective gear or moving vulnerable employees to another area of the hospital to avoid COVID-19 exposure.
  - CDC notes that those with asthma, chronic lung disease, and heart disease are particularly at-risk for COVID-19 complications. Currently, there is insufficient data on individual conditions and the quantifiable level of risk or projected disease outcome. CDC stressed that

people of any age with these underlying conditions are at heightened risk of severe COVID-19 related illness.

### **New York State**

- [\*Virus cases are nearing 45,000 statewide\*](#), March 27
  - Governor Cuomo announced that more than 44,600 people have tested positive for the virus in New York State, an increase of more than 7,300 from Thursday morning. More than 25,000 of those cases are in New York City.
  - As of Friday morning, nearly 1,600 COVID-19 patients in New York State were in intensive care units, most of them on ventilators. The State projected that the need for ICU beds will grow for several weeks, at least. More than 62,000 medical workers, many of them retired, have volunteered to assist in stemming the crisis.
  - The Governor stated that he is extending school closings statewide for an additional two weeks until April 15. Schools in New York City were already ordered closed until April 20.
  - Cuomo reported that New York needs 20 million N-95 masks, 30 million surgical masks, 45 million exam gloves, 20 million gowns and 30,000 ventilators—all astronomical amounts compared to the state’s current stockpile.
  
- [\*New York State Is Scouting New Sites for Temporary Hospitals Downstate\*](#), March 26
  - Governor Cuomo announced that the state is scouting new sites for temporary hospitals, with a goal of having a 1,000-plus patient overflow facility in each New York City borough as well as in Westchester, Rockland, Nassau, and Suffolk counties. These facilities are in addition to the temporary hospitals being built at the Javits Convention Center, SUNY Stony Brook, SUNY Old Westbury, and the Westchester Convention Center.
  - The state has received significant [donations](#) from major corporations to help increase the state’s supply capacity, including personal protective equipment, hand sanitizer, and free flights for incoming medical volunteers.
  
- [\*Attorney General James Makes Government Services More Accessible\*](#), March 27
  - New York Attorney General James announced new initiatives to make state government services more accessible to New Yorkers during the COVID-19 pandemic.
  - For entities regulated by OAG’s Investor Protection Bureau, OAG is granting limited, temporary relief from certain filing requirements. New OAG guidance extends the filing date by 90 days for any registration renewal, amendment, financial statement, or Investment Adviser Qualification (NY-IAQ) filing that would have been due between March 1, 2020 and April 30, 2020. OAG is directing certain securities and franchise filers to utilize email in addition to any physical submissions.
  - For entities regulated by OAG’s Real Estate Finance (REF) Bureau, new OAG guidance creates a “relief period,” during which the need for submissions and filings to REF will be suspended. OAG will not require sponsors to submit certain amendments to offering plans to REF during the relief period, as long as such amendments do not include material and adverse changes. REF is also increasing its capacity for electronic processing of submissions.

### **New York City**

- [\*Governor and Mayor Hit Back at Trump Over Ventilators for Coronavirus\*](#), March 27
  - Mayor de Blasio recently reported that that all nonessential construction, including the construction of luxury towers like a new Hard Rock Hotel in Manhattan, would cease. The only projects that will be able to operate will be those that involve health care, transportation infrastructure, utilities, telecommunications, airports, hotels, and seaports.

- Before Friday, the entire construction industry had been deemed essential work, exempting them from the broad stay-at-home order that has kept most New Yorkers indoors. The projects that can continue to operate must adhere to social distancing guidelines, including when workers ride service elevators, which are typically packed with 10 or more people. Sites that violate those regulations could be fined up to \$10,000.
- [\*Mayor de Blasio Holds Media Availability on COVID-19\*](#), March 26
  - In a recent press conference, Mayor Bill de Blasio highlighted that ventilators are a top priority and noted that “if you have a ventilator, you can save a life.” New York City only has one sixth of the ventilators it will need. The Mayor stressed that any supplies received from Washington, Albany, and the private sector, are immediately being turned around to hospitals and health care facilities.
  - The Mayor announced that Elmhurst hospital in Queens is the epicenter within the epicenter of the outbreak, dealing with an extraordinary surge of cases. There are more than 7,000 COVID-19 cases in Queens, the most of any borough.
  - De Blasio urged grocery stores to practice social distancing and insisted on a six foot distance on any line inside or outside the store. He also requested that stores set up senior citizen hours early in the day, allowing for blocks of time where only seniors may enter and stock up.

### **Other Related Updates**

- [\*COVID-19 Update: Daily Roundup\*](#), March 26
  - FDA issued [an FAQ](#) related to the consumer use of hand sanitizer during the COVID-19 pandemic. It offers advice on where to purchase hand sanitizer, expiration dates, proper handwashing, and the steps the agency is taking to increase the supply of hand sanitizer.
  - FDA issued [guidance](#) to expand the availability of general use face masks for the general public and particulate filtering facepiece respirators (including N95 respirators) for health care professionals.
  - FDA issued [recommendations](#) on 3D printing of medical devices, recognizing that the public may seek to use 3D printing to assist in meeting demand for certain products during the COVID-19 pandemic. It offers advice for entities who 3D print devices, accessories, components, or parts relating to COVID-19.
  - FDA issued guidance on a [temporary policy](#) to provide restaurants and food manufacturers with flexibility for nutrition labeling so that they can sell certain packaged foods during the COVID-19 pandemic. For example, it provides guidance on restaurants that may have purchased ingredients that they can no longer use to prepare restaurant food and instead wish to sell to their customers.
- [\*Fraud and COVID-19\*](#), March 26
  - FINRA warns that dramatic news coverage of pandemics creates an opportunity for scammers to pump inaccurate information into the market to try to manipulate markets and investors.
  - FINRA provides several tips to avoid coronavirus scams, including reading a company’s SEC filings to compare official reports against promotional information put out by the company. FINRA also highlights that changes in a company’s name or business focus may be signs of fraud, and urges investors to be skeptical of an unknown company becoming the subject of press releases or marketing materials.
  - FINRA’s COVID-19 coverage also includes a running list of state workplace restrictions, accessible [here](#).

- [Look Out for Coronavirus-Related Investment Scams](#), March 26
  - A recent [investor alert](#) from SEC warns of internet promotions, including on social media, claiming that products or services can prevent, detect, or cure COVID-1, and that the stock of these companies will dramatically increase in value as a result. SEC noted that these promotions often take the form of “research reports” and make predictions of a specific “target price.”
  - Promotions of this type are the hallmark of a typical “pump-and-dump” scheme, in which investors are lured with aggressive and optimistic statements through press releases, social media, pop-up ads, emails and other promotions intended to create demand for a companies’ stock (the pump). Once the share price and volume spike, the cons behind the scam sell off their shares at a profit, leaving investors with worthless, or near-worthless, stock (the dump).

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