

NOTE: Appearing first is the Full Board summary which is the last meeting of the day. The committees will follow in the order of which time they were conducted. The Dealer Board staff felt it would benefit our readers to have the last meeting of the day appear first on the website.

~ FINAL ~

Meeting Summary
Motor Vehicle Dealer Board
Monday, May 12, 2003

Vice-Chairman Larry Matthews called the Dealer Board meeting to order at 1:30 p.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. The roll was called and there were 15 members present. Present were members Vice-Chairman Steve Farmer, Tom Barton, Chris Schroeder, Bobby Joe Dotson, Rick Hunt, Pete Iaricci, Clyde King, Al Lacy, Joel Lyles, Mike Martin, Max Pearson, Karen Radley, Vince Sheehy, Leo Trenor (Absent: Carlton Courter, Bruce Farrell, Ted Robertson). Bruce Gould, Peggy Bailey and Katherine Idrissi represented the Dealer Board. Gail Morykon, Bill Jackson and Glenn Harlowe represented DMV. Rick Walton represented the Attorney General's Office. Alice Weedon acted as Recording Secretary.

The March 10, 2003 meeting summary was approved.

PUBLIC COMMENT

- **Association Flyer.** Dave Boling of VIADA requested of the Board Members that if the Trade Associations produced a flyer concerning their services, could this flyer be included in the new dealer packets. The flyer would include a disclosure indicating that the Associations are not endorsed by the Board. General discussion followed. Consensus of the Committee was that it was a good idea, as long as the disclosure is approved by the Attorney General's Office.

STATUTORY COMMITTEE REPORTS:

Dealer Practices Committee:

Chairman Steve Farmer summarized discussions held and actions that were taken during the Committee Meeting.

Review and Action: Informal Fact-Finding Conferences:

- **Bernardus H. Vos and Auto Exports.** Chairman Steve Farmer summarized for the Board the discussion held in the Committee meeting regarding Bernardus H. Vos and Auto Exports. Based on that discussion and the recommendation in the case, Steve Farmer made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact-finding conference as prepared by the hearing officer concerning Mr. Bernard H. Vos t/a Auto Exports for alleged violations of Va. Code §§46.2-1510, 46.2-1515, 46.2-1516 and 46.2-1575(3), requiring the licensing of any location from which a dealer conducts sales activity. Based on due consideration, and the hearing officer's recommendation, the Board believes that a civil penalty should be levied against Mr. Bernard H. Vos t/a Auto Exports. The Board hereby assesses a civil penalty in the amount of \$750 on Mr. Bernard H. Vos t/a Auto Exports for violations of Va. Code §46.2-1515.

Rick Hunt seconded. The motion passed unanimously.

- **Richard M. Beanum.** Chairman Steve Farmer summarized for the Board the discussion held in the Committee meeting regarding Richard M. Beanum. Based on that discussion and the recommendation in the case, Steve Farmer made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact-finding conference as prepared by the hearing officer concerning Mr. Richard Beanum for a violation of Va. Code §46.2-1575(9) having been convicted of any criminal act involving the sale of vehicles. Based on due consideration, and the hearing officer's recommendation, the Board believes that a civil penalty should be levied against Mr. Richard Beanum. The Board hereby assesses a civil penalty in the amount of \$300 on Mr. Richard Beanum for violations of Va. Code §46.2-1575(9).

Clyde King seconded. The motion passed unanimously.

- **Charles P. Hashemy and Express Auto Sales and Service.** Chairman Steve Farmer summarized for the Board the discussion held in the Committee meeting regarding Charles P. Hashemy and Express Auto Sales and Service. Based on that discussion and the recommendation in the case, Steve Farmer made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact-finding conference as prepared by the hearing officer concerning Charles P. Hashemy t/a Express Auto Sales and Service for alleged violations of Va. Code §46.2-1533, failure to maintain required business hours; and §46.2-1575.2, failure to comply after receiving a written warning. Mr. Hashemy received at least one letter of warning that outlined the minimum hours requirements and based on due consideration, and the hearing officer's recommendation, the Board believes that a civil penalty should be levied against Charles P. Hashemy t/a Express Auto Sales. The Board hereby assesses a civil penalty in the amount of \$250 on Charles P. Hashemy t/a Express Auto Sales for violations of Va. Code §§46.2-1533 and 46.2-1575(2).

Larry Matthews seconded. The motion passed unanimously.

- **Bryan Wolfe and Harpersville Motor Company.** Chairman Steve Farmer summarized for the Board the discussion held in the Committee meeting regarding Bryan Wolfe and Harpersville Motor Company. Based on that discussion and the recommendation in the case, Steve Farmer made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact-finding conference as prepared by the hearing officer concerning Bryan Wolfe t/a Harpersville Motor Company for alleged violations of Va. Code §46.2-1533, failure to maintain required business hours; and 46.2-1575.2, failure to comply after receiving a written warning. Mr. Wolfe received at least one letter of warning that outlined the minimum hours requirements and based on due consideration, and the hearing officer's recommendation, the Board believes that a civil penalty should be levied against Bryan Wolfe t/a Harpersville Motor Company. The Board hereby assesses a civil penalty in the amount of \$250 on Bryan Wolfe t/a Harpersville Motor Company for violations of Va. Code §§46.2-1533 and 46.2-1575(2).

Clyde King seconded. The motion passed unanimously.

Review and Action: Formal Hearing:

- **Saleem A. Khan, Wasim A. Warraich and Discovery Motors.** Chairman Steve Farmer summarized for the Board the discussion held in the Committee meeting regarding Saleem A. Khan, Wasim A. Warraich and Discovery Motors. Based on that discussion and the recommendation in the case, Steve Farmer made the following motion: The Board has reviewed and considered the facts and evidence and the report of a formal hearing as prepared by the hearing officer concerning Saleem A. Khan and Wassim A. Warraich t/a Discovery Motors for alleged violations of Va. Code §46.2-1518, display list of licensed salespersons; §§46.2-1529, 1530, 1531, 1532, 1542, 1548,

1550.2, 1559 related to record keeping; and §46.2-1575(2), failure to comply subsequent to receipt of a written warning from the Board. Misterys Khan and Warraich received numerous warning letters, educational efforts and opportunities to comply with the record keeping requirements. Based on the evidence and a report of an informal fact-finding conference as prepared by a hearing officer, the Motor Vehicle Dealer Board previously revoked all licenses and certificates issued to Saleem A. Khan and Wassim A. Warraich t/a Discovery Motors for violations of Va. Code §46.2-1575(2) and levied civil penalties totaling \$5,000 on Saleem A. Khan and Wassim A. Warraich t/a Discovery Motors for records violations. Based on due consideration, and the hearing officer's recommendation, the Board believes that a civil penalty should be levied against Saleem A. Khan and Wassim A. Warraich t/a Discovery Motors. The Board hereby assesses a civil penalty in the amount of \$5,250 for violations of Va. Code §§46.2-1518, 46.2-1529, 46.2-1530, 46.2-1531, 46.2-1532, 46.2-1542, 46.2-1548, 46.2-1550.2 and 46.2-1559 on Saleem A. Khan and Wassim A. Warraich t/a Discovery Motors.

Responsibility for paying the civil penalty shall be divided as follows:
\$3,550 Mr. Saleem A. Khan and \$1,700 Mr. Wassim A. Warraich.

Rick Hunt seconded. The motion passed unanimously.

- **Mohammad R. Sohrabian and Star Motors, Inc.** Chairman Steve Farmer summarized for the Board the discussion held in the Committee meeting regarding Mohammad R. Sohrabian and Star Motors, Inc. Based on that discussion and the recommendation in the case, Steve Farmer made the following motion: Based on the evidence and a report of an informal fact finding conference as prepared by a hearing officer, the executive director revoked all licenses issued to Mohammad R. Sohrabian t/a Star Motors, Inc. for violations related to record keeping and failing to comply with a written warning. Mr. Sohrabian appealed the revocation and requested a formal hearing. A formal *de novo* appeal hearing was conducted on the alleged violations of Va. Code §46.2-1515, failure to display certificate; §§46.2-1529 1532, 1548, 1550.2 and 1559 related to record keeping and §46.2-1575(2), failure to comply subsequent to receipt of a written warning from the Board. Based on due consideration, and the hearing officer's recommendation, the Board believes that a civil penalty should be levied against Mohammad R. Sohrabian t/a Star Motors. Based on due consideration, the Board believes that all licenses and certificates issued to Mohammad R. Sohrabian t/a Star Motors should be suspended.
The Board hereby assesses a civil penalty in the amount of \$8,250 for violations of Va. Code §§46.2-1515, 46.2-1529, 46.2-1532, 46.2-1548, 46.2-1550.2 and 46.2-1559 on Mohammad R. Sohrabian t/a Star Motors.

The Board hereby suspends for one year (12 months) all licenses and certificates issued to Mohammad R. Sohrabian t/a Star Motors for violations of Va. Code §46.2-1575(2).

Karen Radley seconded. All in favor: 12 (Matthews, Barton, Dotson, Hunt, Iaricci, King, Lacy, Lyles, Martin, Pearson, Radley, Trenor). Opposed: 2 (Sheehy and Farmer). Chris Schroeder was not present in the room at the time of the vote, therefore he did not vote on this issue. The motion passed.

- **Lawrence E. Coffey and Small Time Auto Sales.** Chairman Steve Farmer summarized for the Board the discussion held in the Committee meeting regarding Lawrence E. Coffey and Small Time Auto Sales. Based on that discussion and the recommendation in the case, Steve Farmer made the following motion: Based on the evidence and a report of an informal fact finding conference as prepared by a hearing officer, the Board revoked all licenses issued to Lawrence E. Coffey t/a Small Time and levied a \$3,000 civil penalty for violations of several dealer related laws and for failing to comply with a written warning and Mr. Coffey appealed the Board's decision and requested a formal hearing and a formal *de novo* appeal hearing was conducted on the alleged violations of violations

of Va. Code §§46.2-1575(2) failure to comply subsequent to receipt of a written warning from the Board or any willful failure to comply with any provision of the Dealer Act, (6) deceptive act or practice, (7) knowingly advertising something that you know is false or misleading, (12) allowing the use of dealer tags by an unauthorized individual and Va. Code §46.2-1550 misuse of dealer tags by allowing the use of dealer tags in conjunction with another business. Mr. Coffey received numerous warning letters, educational efforts and opportunities to come into compliance. Based on due consideration, the Board believes that all licenses and certificates issued to Lawrence E. Coffey and Small Time Auto Sales should be revoked. The Board hereby revokes all licenses and certificates issued to Lawrence E. Coffey and Small Time Auto Sales for violations of Va. Code §46.2-1575(2), (6), (7) and (12).

Tom Barton seconded. The motion passed unanimously.

- **Variance Request (Dealer Hours and Storage of Dealer Records).** Bruce Gould indicated that two dealerships applied for a variance in record keeping and both were in good standings; therefore, both variances were granted.

Licensing Committee:

Vice-Chairman Pete Iaricci summarized discussions held and actions that were taken during the Committee Meeting.

Review and Action: Informal Fact-Finding Conferences:

- **Michael L. Field, Jr. and Field Auto City.** Vice-Chairman Pete Iaricci summarized for the Board the discussion held in the Committee meeting regarding Michael L. Field, Jr. and Field Auto City. The hearing officer recommended that the dealer be assessed civil penalties totaling \$5,600, and suspend \$3,600 of this amount. Therefore a civil penalty of \$2,000 be imposed immediately. Based on that discussion and the recommendation in the case, Pete Iaricci made the following motion:

The Board has reviewed and considered the facts and evidence and the report of an informal fact-finding conference as prepared by the hearing officer concerning Michael L. Field, Jr. t/a Field Auto City, for alleged violations of Va. Code §46.2-1537, compensating an individual, who is not licensed by the dealership, in the connection of the sale of a motor vehicle. Based on due consideration, and the report of a hearing officer the Board believes a civil penalty should be levied against Michael L. Field, Jr. and Field Auto City. The Board hereby assesses a civil penalty in the amount of \$8,100 on Michael L. Field, Jr. and Field Auto City for eighty-one (81) violations of Va. Code §46.2-1537.

Steve Farmer seconded. The motion passed unanimously.

- **Barbara J. Shane.** Vice-Chairman Pete Iaricci summarized for the Board the discussion held in the Committee meeting regarding Barbara J. Shane. Based on that discussion and the recommendation in the case, Pete Iaricci made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact-finding conference as prepared by the hearing officer concerning Barbara Shane for a violation of Va. Code §46.2-1575(9) having been convicted of any criminal act involving the sale of vehicles. Based on due consideration, and the report of the hearing officer, the Board believes that Barbara Shane motor vehicle salesperson's and dealer-operator's licenses and certificates of qualification should be revoked. The Board hereby revokes all licenses and certificates issued to Barbara Shane for violation of Va. Code §§46.2-1575(9).

Clyde King seconded. The motion passed unanimously.

- **Derrick L. Wayland, Sr.** Vice-Chairman Pete Iaricci summarized for the Board the discussion held in the Committee meeting regarding Derrick L. Wayland, Sr. Based on that discussion and the recommendation in the case, Pete Iaricci made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact-finding conference as prepared by the hearing officer concerning Derrick L. Wayland for a violation of Va. Code §46.2-1575(9) having been convicted of any criminal act involving the sale of vehicles. Based on due consideration, and the report of the hearing officer, the Board believes that Derrick L. Wayland motor vehicle salesperson's license and certificate of qualification should be revoked. The Board hereby revokes all licenses and certificates issued to Derrick L. Wayland for violation of Va. Code §§46.2-1575(9).

Clyde King seconded. The motion passed unanimously.

Bobby Joe Dotson and Clyde King left the meeting at this time.

Advertising Committee:

Full Board Vice-Chairman Larry Matthews summarized discussions that were held during the Committee Meeting.

Review and Action: Informal Fact-Finding Conference:

- **John Brockman and Brockman Chevrolet, Inc.** Chairman Vince Sheehy summarized for the Board the discussion held in the Committee meeting regarding John Brockman and John Brockman Chevrolet, Inc. Based on that discussion and the recommendation in the case, Vince Sheehy made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact finding conference as prepared by the hearing officer concerning John Brockman t/a Brockman Chevrolet Inc, for alleged repeated violations of 24 Virginia Administrative Code Section 22-30-30(D)(1) which provides that advertisements must meet the Federal Trade Commission Truth in Lending Act Requirements. Based on due consideration, and the recommendation of the hearing officer, the Board believes a civil penalty should be levied against John Brockman t/a Brockman Chevrolet Inc. The Board hereby assesses a civil penalty in the amount of \$500 on John Brockman t/a Brockman Chevrolet Inc. for violations of 24 Virginia Administrative Code Section 22-30-30(D)(1).

Karen Radley seconded. The motion passed unanimously.

- **Virginia Beach Motor Vehicle Registration Program.** Ab Quillian came into the meeting to discuss this initiative that allows DMV to collect the local vehicle registration fee. Virginia Beach is the pilot for this new program. He also reported that it is an extremely important project for DMV and the dealer associations. Also, it will not only benefit Virginia Beach, but it will impact the whole State of Virginia as well.

Transaction Recovery Fund Committee:

Chairman Joel Lyles summarized discussions held and actions that were taken during the Committee Meeting.

NEW BUSINESS

- **Strategic Plan.** Bruce Gould indicated that the updated strategic plan should be sent out very soon to the Members.
- **Executive Director's Report.** Bruce Gould reported that Ted Robertson sent a letter to the Committee Members apologizing for not attending the past two meetings (March and May). He assured the Committee that he will attend the July meeting. Bruce also indicated that at a quarterly meeting with the Secretary of Transportation, the Secretary noted that he had recently heard from two motorcycle dealers and a trailer dealer concerning the length of time it was taking DMV to conduct an opening inspection. The Secretary questioned at this meeting as to why the Dealer Board does not have the responsibility of licensing those businesses. The Secretary requested that the Board be part of an Ad Hoc task force to discuss if those entities need to be brought under the Dealer Board. Consensus of the Members was to not take any action at this time.

The next meeting will be scheduled for July 14, 2003.

There being no further business to come before the Motor Vehicle Dealer Board, Vice-Chairman Matthews adjourned the meeting at 2:45 p.m.

Meeting Summary
Dealer Practices Committee
Monday, May 12, 2003

Chairman Steve Farmer called the Dealer Practices Committee meeting to order at 8:32 a.m. in Room 702 of the DMV Headquarters Building at 2300 W. Broad Street in Richmond. Present were members: Clyde King, Bobby Joe Dotson, Mike Martin, Pete Iaricci, Larry Matthews, Chris Schroeder, and Vince Sheehy. (Absent: Bruce Farrell) Other members present: Joel Lyles, Tom Barton, Max Pearson, Al Lacy, Karen Radley, Rick Hunt and Leo Trenor. Executive Director Bruce Gould, Peggy Bailey, and Katherine Idrissi represented the Dealer Board. Gail Morykon, Bill Jackson and Glenn Harlowe were present from DMV. Rick Walton was present from the Attorney General's Office.

The March 10, 2003 meeting summary was approved.

PUBLIC COMMENT

There was no public comment.

OLD BUSINESS

- **Update March Actions:** Peggy Bailey updated the Committee on the following issue that was discussed at the March meeting: After having a formal hearing, Mr. Payam Badrpay and Universal Auto Leasing, Inc. was found to be in violation of Va. Code Section 46.2-1575(2), failing to comply with a written warning. The Board reviewed and considered the facts and evidence and passed a resolution to revoke all dealer licenses issued to Payam Badrpay and Universal Leasing, Inc. Mr. Badrpay was notified of the Board's decision on March 11, 2003. He was given until April 14, 2003 to either file an appeal or surrender all licensing items. On April 11, 2003, the Board received a letter from Mr. Badrpay indicating that he is appealing the Board's decision. Staff will work the Attorney General's Office in preparing the case file for the court.

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

Review and Action: Informal Fact-Finding Conferences:

- **Bernardus H. Vos and Auto Exports.** An informal fact-finding conference was conducted on February 19, 2003 referencing Bernardus H. Voss and Auto Exports for the alleged violations of failing to have an established place of business (VA Code Section 46.2-1510), failure of the location being specified; display of license and change of location (VA Code Section 46.2-1515), failure to display for sale or sell vehicles at locations other than his established place of business (VA Code Section 46.2-1516) and failure to have as the dealer-operator an individual who holds a valid certificate of qualification (VA Code Section 46.2-1575[3]). Based on the testimony and evidence surrounding the case, the hearing officer recommended that the Board assess a \$250 civil penalty for each of the three substantial violations of VA Code Section 46.2-1515, totaling \$750.00.

After some discussion and review of the information provided to the Committee in their notebooks, a motion was made by Bobby Joe Dotson to accept the hearing officer's recommendation. Larry Matthews seconded. The motion passed unanimously.

- **Richard M. Beanum.** An informal fact-finding conference was conducted on December 16, 2002 referencing Richard M. Beanum for the alleged violation of engaging in business in the Commonwealth as a motor vehicle dealer or salesperson without obtaining a license (VA Code Section 46.2-1508). Although, technically, Mr. Beanum was convicted of violating VA Code Section 46.2-1508, the hearing officer did not believe that the facts supported such a conviction. However, based on the testimony and evidence surrounding the case, the hearing officer found Richard M. Beanum in violation of VA Code Section 46.2-1575(9) having been convicted of any criminal act involving the sale of vehicles and recommended assessing a civil penalty of \$300.

After some discussion and review of the information provided to the Committee in their notebooks, a motion was made by Chris Schroeder to accept the hearing officer's recommendation. Pete Iaricci seconded. The motion passed unanimously.

- **Charles P. Hashemy and Express Auto Sales & Service.** An informal fact-finding conference was conducted on September 24, 2002 referencing Charles P. Hashemy and Express Auto Sales & Service for the alleged violations of failing to maintain dealership hours of operation (VA Code Section 46.2-1533) and failure to comply after written warning/notice received (VA Code Section 46.2-1575.2). Based on the testimony and evidence surrounding the case, the hearing officer found Charles P. Hasemy and Express Auto Sales & Service in violation of a VA Code Sections 46.2-1533 and 46.2-1575.2 and recommends assessing a civil penalty of \$250.00.

After some discussion and review of the information provided to the Committee in their notebooks, a motion was made by Larry Matthews to accept the hearing officer's recommendation. Clyde King seconded. The motion passed unanimously.

- **Bryan Wolfe and Harpersville Motor Company.** An informal fact-finding conference was conducted on November 21, 2002 referencing Bryan Wolfe and Harpersville Motor Company for the alleged violations of failing to maintain dealership hours of operation (VA Code Section 46.2-1533) and failure to comply after written warning/notice received (VA Code Section 46.2-1575.2). Based on the testimony and evidence surrounding the case, the hearing officer found Bryan Wolfe and Harpersville Motor Company in violation and recommended assessing a civil penalty of \$250.00

After some discussion and review of the information provided to the Committee in their notebooks, a motion was made by Bobby Joe Dotson to accept the hearing officer's recommendation. Clyde King seconded. The motion passed unanimously.

Review and Action: Formal Hearing:

Mr. Amjad and Mr. Warraich spoke on behalf of themselves and Discovery Motors.

- **Saleem A. Khan, Wasim A. Warraich and Discovery Motors.** A formal hearing was conducted on January 8, 2003 referencing Saleem A. Khan, Wasim A. Warraich and Discovery Motors for the alleged violations of failing to maintain required dealership records, including records of sales, dealer, temporary and transport license plates, fee notices and a sales staff list at its licensed location (VA Code Section 46.2-1529), and failure to comply after written warning/notice received (VA Code Section 46.2-1575.2). Based on the testimony and evidence surrounding the case, the hearing officer found Saleem A. Khan, Wasim A. Warraich and Discovery Motors in violation of VA Code Sections 46.2-1518, 1529, 15489, 1550.2 and 1559 and recommends \$1,000

civil penalty for 4 violations (Total \$4,000). Also, a violation of VA Code Section 46.2-1532 and recommends a civil penalty of \$500 and violations of VA Code Sections 46.2-1530, 1531 and 1542 and recommends a \$250 civil penalty for 3 violations (Total: \$750). Total civil penalty: \$5,250.

After some discussion and review of the information provided to the Committee in their notebooks, a motion was made by Vince Sheehy to accept the hearing officer's recommendation; however the assessment of the civil penalty should be as follows: Mr. Khan \$3,550 and Mr. Warraich \$1,700 totaling \$5,250. Clyde King seconded. The motion passed unanimously.

- **Mohammad R. Sohrabian and Star Motors, Inc.** A formal hearing was conducted on February 12, 2003 referencing Mohammad R. Sohrabian and Star Motors, Inc. for the alleged violations of failing to maintain required dealership records, including records of sales, dealer, temporary and transport license plates, fee notices and a sales staff list at its licensed location (VA Code Section 46.2-1529), and failure to comply after written warning/notice received (VA Code Section 46.2-1575.2). Based on the testimony and evidence surrounding the case, the hearing officer found Mohammad R. Sohrabian and Star Motors, Inc. in violation and recommended assessing a civil penalty of \$8,250 and suspension of the dealership's license and all associated salespersons' licenses for ten (10) days.

After some discussion and review of the information provided to the Committee in their notebooks, a motion was made by Pete Iaricci to assess the civil penalty of \$8,250, but to suspend the license for one (1) year. The Committee considered the fact that the dealer had not corrected his record keeping problems for 3½ years despite repeated educational attempts and warnings. Therefore, a 1-year suspension was appropriate. Clyde King seconded. All in favor: 5 (King, Schroeder, Dotson, Matthews, Iaricci). Opposed: 2 (Farmer and Sheehy). Abstained: 1 (Martin, came into the meeting late and did not hear the discussion). The motion passed.

- **Lawrence E. Coffey and Small Time Auto Sales.** A formal hearing was conducted on January 8, 2003 referencing Lawrence E. Coffey and Small Time Auto Sales for the alleged violations of selling vehicles at locations other than the one for which his dealership was licensed (VA Code Section 46.2-1515), failing to comply after receipt of a written warning from the Board (VA Code Section 46.2-1575[2]), having used deceptive acts or practices in the sale of vehicles (VA Code Section 46.2-1575[6]), allowing the use of a dealer's license plate by persons not specifically authorized by law (VA Code Section 46.2-1575[12]). Based on the testimony and evidence surrounding the case, the hearing officer found Lawrence E. Coffey and Small Time Auto Sales in violation of the above VA Code Sections and recommended that the Board revoke Mr. Coffey's dealer and salesperson's licenses.

After some discussion and review of the information provided to the Committee in their notebooks, a motion was made by Larry Matthews to accept hearing officer's recommendation. Bobby Joe Dotson seconded. The motion passed unanimously.

- **2004 Legislation.** Bruce Gould indicated that if the committee had any suggestions for legislation, to let him know as soon as possible. There were no suggestions at this time.
- **Report on Variance Requests (Dealer Hours and Storage of Dealer Records).** Bruce Gould reported that there were two (2) requests for storage of dealer records. Both were granted.

NEW BUSINESS FROM THE FLOOR

- **Kermit Giles.** Rick Walton updated the committee and indicated that Eric Fiske is in Roanoke and is a witness against Mr. Giles in Bankruptcy Court.

The next meeting was scheduled for July 14, 2003.

The meeting adjourned at 9:49 a.m.

Meeting Summary
Dealer Licensing Committee
Monday, May 12, 2003

Vice-Chairman Pete Iaricci called the Dealer Licensing Committee meeting to order at 10:01 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. Present were members Clyde King, Chris Schroeder, Steve Farmer, Bobby Joe Dotson, Mike Martin, Vince Sheehy and Larry Matthews. (Absent: Bruce Farrell) Other members present: Leo Trenor, Rick Hunt, Joel Lyles, Tom Barton, Max Pearson, Karen Radley and Al Lacy. Executive Director Bruce Gould, Peggy Bailey and Katherine Idrissi represented the Dealer Board. Bill Jackson and Glenn Harlowe represented DMV. Rick Walton represented the Attorney General's Office.

PUBLIC COMMENT:

The March 10, 2003 meeting summary was approved.

OLD BUSINESS

- **Salesperson Resolution.** Bruce Gould indicated that staff is in the process of implementing procedures in order to carry-out the requirements of the Salesperson Resolution. A request was made by Sands, Anderson, Marks and Miller for the Board to consider an exception to the Resolution.

At this time, Bill Lehner introduced Tim Bailey of Real Performance Marketing (RPM), a sales marketing consulting service based out of Mississippi. Mr. Lehner presented to the Committee a draft resolution for an exception. Mr. Bailey explained that this firm is paid by the dealer for conducting a special event and in turn, RPM pays the temporary salespeople. All salespeople provided by RPM on this temporary basis are Virginia licensed salespersons and may only sell for the dealer-client during the event period. In this set-up, the salespersons are not employees of the dealership. It was pointed out that the law says you must be an employee of the dealership in order to be licensed. The Board cannot over ride the General Assembly. Further, dealers cannot pay RPM based on the number of vehicles sold or as a percent of sales. It was the consensus of the Committee that no exceptions can be made.

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

Review and Action: Informal Fact-Finding Conferences:

- **Michael L. Field, Jr. and Field Auto City.** An informal fact-finding conference was conducted on February 20, 2003 referencing Michael L. Field, Jr. and Field Auto City for the alleged violations of allowing unlicensed individuals to sell motor vehicles (VA Code Section 46.2-1537). Based on the testimony and evidence surrounding the case, the hearing officer recommended assessing a civil penalty of \$2,000.

After some discussion and review of the information provided to the Committee in their notebooks, a motion was made by Mike Martin to assess a civil penalty of \$100 per 81 violations of VA Code Section 46.2-1537, totaling \$8,100.00. It was the consensus of the Committee that the dealership should have prevented this from happening and should have paid closer attention to the details of licensing sales staff. Further, Mr. Field's explanation did not explain the whole story and therefore the explanation was questionable. Clyde King seconded. The motion passed unanimously.

- **Barbara J. Shane.** An informal fact-finding conference was conducted on November 7, 2002 referencing Barbara J. Shane for the alleged violation of selling a vehicle without a title (VA Code Section 46.2-617), which is a further violation of having been convicted of any criminal act involving the business of selling vehicles (VA Code Section 46.2-1575[9]). Based on the testimony and evidence surrounding the case, the hearing officer recommended assessing a civil penalty of \$750 and suspend Ms. Shane's license for a period of 90 days.

After some discussion and review of the information provided to the Committee in their notebooks, a motion was made by Steve Farmer to revoke all licenses and certificate of qualification issued to Ms. Shane. Larry Matthews seconded. The motion passed unanimously.

- **Derrick L. Wayland, Sr.** An informal fact-finding conference was conducted on November 21, 2002 referencing Derrick L. Wayland, Sr. for the alleged violation of selling a vehicle without a title (VA Code Section 46.2-617) and false information on temporary certificate of registration (VA Code Section 46.2-1561), which is a further violation of having been convicted of any criminal act involving the business of selling vehicles (VA Code Section 46.2-1575[9]). Based on the testimony and evidence surrounding the case, the hearing officer recommended assessing a civil penalty of \$250.

After some discussion and review of the information provided to the Committee in their notebooks, a motion was made by Mike Martin to revoke Mr. Wayland's license. Mr. Wayland was involved in the same situation as Ms. Shane. Larry Mathews seconded. The motion passed unanimously.

- **2004 Legislation.** Bruce Gould indicated that if the committee had any suggestions for legislation, to let him know as soon as possible. There were no suggestions at this time.

NEW BUSINESS FROM THE FLOOR

- **Ad Hoc Committee To Discuss An Educational Program.** Pete Iaricci suggested that an Ad Hoc Committee be formed to discuss an educational program for the dealers coming into the business. General discuss followed. No action taken at this time.

The next meeting was scheduled for July 14, 2003.

The meeting adjourned at 11:11 a.m.

Meeting Summary
Advertising Committee
Monday, May 12, 2003

Chairman Vince Sheehy called the Advertising Committee meeting to order at 11:30 a.m. in Room 702, at DMV Headquarters, 2300 West Broad Street, Richmond, Virginia. Present were members Karen Radley, Chris Schroeder, Rick Hunt, Joel Lyles, Max Pearson, Tom Barton, Leo Trenor. (Absent: Ted Robertson). Other Board members present: Steve Farmer, Clyde King, Mike Martin, Pete Iaricci, Al Lacy and Bobby Joe Dotson. Executive Director Bruce Gould, Peggy Bailey and Katherine Idrissi represented the Dealer Board. Bill Jackson and Glenn Harlowe represented DMV. Rick Walton represented the Attorney General's Office.

The March 10, 2003 meeting summary was approved.

PUBLIC COMMENT

There was no public comment.

OLD BUSINESS

- **Review of Advertising Laws and Regulations.** Vince Sheehy indicated that when he and Bruce Gould discussed this issue over the telephone, they were looking to see if any legislative changes are needed. Mike Martin suggested that rebates should be fully disclosed as to who is qualified to take advantage of the rebates. Each rebate and incentive must be listed individually. No other suggestions at this time.

It was suggested that staff send questionable advertisements to members of the Committee to get their feedback.

- **Definition of "Program Cars".** Leo Trenor suggested that the term "programs cars" should not be used or there should be full disclosure as to exactly what kind a program car is. General discussion followed. No action taken at this time.

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

- **Greenbrier Advertisement: Heading indicates "You Pay Nothing For 3 Years".** Because the term "nothing" was used, consensus of the committee was that it is considered a violation of 46.2-1581.11 ("Free," "at no cost," or other words to that effect shall not be used unless the "free" item, merchandise, or service is available without a purchase.)

Review and Action: Informal Fact-Finding Conference:

- **John Brockman and Brockman Chevrolet, Inc.** An informal fact-finding conference was conducted on September 3, 2002 referencing John Brockman and Brockman Chevrolet, Inc. on the alleged violation of the Truth in Lending Act (Regulation 24 VAC 22-30-30-D.1). Based on the

testimony and evidence surrounding the case, the hearing officer recommended assessing a civil penalty of \$500.

After some discussion and review of the information provided to the Committee in their notebooks, a motion was made by Karen Radley to accept the hearing officer's recommendation. Leo Trenor seconded. The motion passed unanimously.

NEW BUSINESS FROM THE FLOOR

There was no new business from the floor.

The next meeting will be July 14, 2003.

The meeting adjourned at 12:10 p.m.

Meeting Summary
Transaction Recovery Fund Committee
Monday, May 12, 2003

Chairman Joel Lyles called the Transaction Recovery Fund Committee meeting to order at 12:12 p.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. Present were members Bobby Joe Dotson, Leo Trenor, Mike Martin, Karen Radley, Rick Hunt, Al Lacy and Chris Schroeder. (Absent: Bruce Farrell). Other Board members present: Tom Barton, Larry Matthews, Steve Farmer, Clyde King, Pete Iaricci, Max Pearson. Executive Director Bruce Gould, Peggy Bailey and Katherine Idrissi represented the Dealer Board. Bill Jackson and Glenn Harlowe represented DMV. Rick Walton represented the Attorney General's Office.

The March 10, 2003 summary was approved.

PUBLIC COMMENT:

There was no public comment.

OLD BUSINESS

- **Update: March Actions.** Joel Lyles indicated that at the March meeting, the following claim was approved: Rachel Sprouse and Bridgewater Auto Sales, Fund payment \$20,000.00 paid on April 14, 2003. Hudson Automotive Group (Dealer #882), currently the Fund has paid \$6,261.71. In process of paying a claim in the amount of \$770.55. Hudson Automotive Group (Dealer #1500), currently the Fund has paid \$2,634.47. Previous claim appealed to Circuit Court, has been settled out of court: Anthony Smith and Auto Trax, Inc, Fund payment \$12,264.00 paid on April 21, 2003. Previous claim against Fund for Attorney fees and court costs: Kenneth & Catherine Eisenhart and Second Chance Motors, Inc., Fund payment \$6,000.00 paid on April 21, 2003.

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

- **2004 Legislation.** Joel Lyles suggested a cap on legal fees when the attorney's client's are recovering from the Fund. Mike Martin suggested that the Executive Director create a resolution and bring it to the July meeting for review.

NEW BUSINESS FROM THE FLOOR

No other new business from the floor.

The next meeting was scheduled for July 14, 2003.

The meeting adjourned at 12:40 p.m.