



June 2023

Issue 147

DEALER TALK

Inside this issue:

Page 1

- [Unlicensed Salespersons](#)
- [Communication is Key](#)
- [New Legislation July 1, 2023](#)

Page 2

- [Safety Inspection Required](#)
- [New Board Member](#)

Page 3

- [DMV News](#)

Page 5

- [FTC Sends \\$3.3 Million to Consumers](#)
- [FTC Strengthens Security Safeguards](#)

Page 6

- [Wash, Rinse, Repeat](#)

Page 7

- [Board Actions](#)

Page 8

- [Dealer-Operator Class Dates](#)

Page 9

- [What's Wrong With This Picture](#)

[REMINDERS pg. 2, 3, 4,](#)

Upcoming Events!

Next meeting is
Monday 07/10/2023
Board Meeting In person at the DMV
2300 W. Broad St. Room 702,
Richmond VA, 23220

[Click here for more details on the
next Board Meeting Details](#)

Unlicensed Salespersons

Our Field Representatives are uncovering more unlicensed salespersons during their random inspections. Dealers are reminded to submit the MVDB 61 (salesperson application) for salespeople, F & I employees, dealer-operators, managers and anyone who will be involved with customers in selling vehicles. Allowing your employees to sell vehicles without first being licensed could cost you up to \$1,000 in civil penalties per vehicle sold. It is the responsibility of the dealership to make sure that all employees involved in the selling of vehicles are properly licensed. Remember that applicants may NOT engage in any sales activities until the sales license is processed by the MVDB.

Communication is Key

To ensure MVDB can communicate promptly with Dealers, and that you receive all the MVDB correspondence; the Board recommends all dealerships and dealer-operators do the following:

- An "official" email address is registered with MVDB. If you need to submit or update your email address please send to dboardreply@mvdv.virginia.gov v. **Please include your Dealer Certificate number and name for processing....** *Cont'd on pg. 4*

New Legislation July 1, 2023

In 2023 Virginia was the first state to put forward legislation that will outline concrete protections to the franchise system and support consumer choice.

To address the manufacturer-controlled model, HB 1469 bill protects dealers as independent sellers of new vehicles. Under the HB 1469 bill, a manufacturer CAN NOT do the following:

- Negotiate the sale or lease of a vehicle directly with consumers....*Cont'd on pg. 4*

Safety Inspection Required

Some dealers have failed to provide proof of state safety inspection for their retail sales as required by Va. Code. Recent MVDB field inspections revealed that many dealers mistakenly believed they could access the safety inspection information online from the Va. State Police, only to find that the inspection record was not available. Safety inspection records from the State Police can only be accessed for a limited amount of time. To ensure the dealer retains documentation of the safety inspection, the Board recommends dealers make a photocopy of the inspection certificate and maintain a copy with their dealer records. Creating a photocopy or scanned document of the safety inspection certificate ensures the dealer will always be able to provide proof of safety inspection prior to retail sale, as is required by Va. Code [§46.2-1529](#). Va. Code [§46.2-1539](#) states, in part, that a dealer shall safety inspect a vehicle between the time the vehicle comes into the possession of the dealer and the time the vehicle is sold at retail.

New Board Member



Please join us in welcoming our newest Board member, Donald Sullivan of Sullivan Auto Trading in Fredericksburg, Virginia. Don has been with Sullivan Auto Trading for more than 30 years and previously served on the Board. The Motor Vehicle Dealer Board consists of 19 members, 17 dealer members appointed by the Governor, and approved by the General Assembly. Ten members are Franchise dealers, one member is a consumer advocate (not involved in the dealer business), and seven are Independent dealers. The DMV Commissioner, the final Board member, serves as the Board's Chairman. Don will serve as one of the seven Independent dealer members. Each Board member serves for four years and may be appointed for one additional four-year term. All Board meetings are available to stream and watch live, so click [HERE](#) during the scheduled Board meeting to connect and watch.

REMINDERS

IDO Recertification

ALL Independent Dealer Operators (IDO) of independent dealerships must recertify their IDO qualification every two years by either taking a digital course (via zoom) or an in person classroom course through an approved MVDB vendor. Click [HERE](#) for more information about the Recertification program. Please note that dealers with Franchise endorsements are exempt from recertification. If you are unclear about your recertification deadline click [HERE](#), and if you have any other recertification questions, contact Ann Majors at the MVDB. She may be reached at **804-998-7785** or email at ann.majors@mvdb.virginia.gov.

Dealer processing locations

The Department of Motor Vehicles has new locations for dealers to get their dealer title and registration transactions processed. Two additional dealer processing locations have opened up for dealers to utilize, bringing the total to five locations. The dealer processing centers are able to process manual dealer title and registration transactions (i.e. original, replacement, substitute and supplemental titles, and all registration transactions). Work can either be dropped off or mailed and will be processed within five business days of the date it is received. Since mailing timeframes will vary, DMV recommends that dealers send all mail with a tracking number. Completed work can either be picked up or mailed back with pre-paid return envelopes provided by the dealer. Check DMV's [Dealer Services](#) page online to get more information on each new location.

Fee Calculator

Title and Registration Fee Calculator

Background

Motor Vehicle dealers do not collect certain fees from the customer; DMV bills the customer for those fees. Therefore, title and registration fees are calculated differently for dealers than for individual citizens. To begin calculating fees, complete the following steps:

1. Are you calculating Fees for Individual or Dealer

☐ Individual ☐ Dealer

2. Select a transaction below

For help with the process, use our [Fee Calculation Guide](#).

Available Transactions

- ☐ Title and Registration
- ☐ Title and Registration Transfer
- ☐ Title, Registration Transfer and Renewal
- ☐ Title Only
- ☐ Registration Renewal
- ☐ Registration Original
- ☐ Registration Transfer

DMV has updated the fee calculator on their website. It includes the ability to differentiate between individual and dealer/business. If you enter the full VIN of the vehicle, DMV will search available records to find vehicle information that will be used to pre-fill some of the required fields. By providing the VIN and other details about the vehicle's sale, you can get an accurate calculation of all fees including Highway Use Fee (HUF) that will be owed to DMV at the time of titling and registering. Find the fee calculator at [Fee Calculator \(virginia.gov\)](#).



Submitting Held Releases in Online Bundles

If you finalized a transaction with a title held, and now you've received the title and need to submit it to DMV, please ensure the following:

- Include all paperwork that goes with the title that you haven't already submitted with your original transaction. Please remember that the title number should be written in the margin of all supporting documents.
- Held releases should be placed in an envelope labeled "title held release" and sent with your bundle. More than one held release can be included in the same envelope as long as the Virginia title number has been identified on the paperwork.
- Place the Held release envelope on top of your bundle coversheet and send it with your bundle to the Online Vehicle Work Center at 2300 West Broad Street, Richmond, Virginia 23269.

Please note for transactions where you originally processed with a held, and received the title before mailing your bundle, you can put the title with the original pull ticket and notate in the comments/notes section the title number and the change that needs to be made on bundle coversheet.

Requests for NMVTIS Held releases MUST include the Virginia title number and "NMVTIS title release." Please put NMVTIS held releases in a separate envelope than standard held releases.

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- Review often the dealership email and contact information to ensure it "matches" MVDB records by requesting an Audit Sheet for your dealership. Please email your Audit Sheet request to your Field Representative or dboardreply@mvdb.virginia.gov.
- Dealers may also view much of the contact information the Board has for the Dealer through our website, "Search Active Dealer" feature. When searching for your dealership, check to see if the information on the website is accurate for your dealership.
- At the time of dealer license renewal, accurately indicate on the MVDB 10 (Section 4) the dealership email and the dealer-operator's email address.
- In addition, watch for Board notices, announcements, and other educational information emailed to you through Sendpulse our email marketing tool. Here are a few other tips:
 - Make sure the Board is listed as a "trusted site" in your email.
 - Check your spam or junk account for any emails from the Board.
 - Place the MVDB in your email address/contacts.
 - If you have storage limits on your hosting email provider, please make sure you stay below your limits.

MVDB staff makes every effort to record dealer contact information promptly and accurately; therefore, if there are any questions, please contact the Board at 804-367-1100 or via email at dboard@mvdb.virginia.gov.

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- Retain ownership of vehicles until they are sold or leased instead of selling vehicles to dealers for dealer inventory.
- Consign vehicles to dealers instead of selling vehicles to dealers for dealer inventory.
- Negotiate directly with consumers the sale of products like service contracts, guaranteed asset protection (GAP) agreement or waiver, or any other vehicle-related products and services.
- Alter a franchise agreement to make dealers delivery agents.

HB 1469 makes clear that manufacturers may not coerce dealers by threatening to withhold incentives. The bill makes clear that a manufacturer cannot unilaterally amend their franchise agreement. VA Code provides various protections to dealers related to changes in the franchise agreement. Franchise agreements must be filed with the Virginia DMV for review and comment by dealers and to ensure consistency with VA law. A franchise agreement cannot simply be terminated on a whim by a manufacturer if a dealer does not agree to something.

Lastly, HB 1469 makes clear that an existing manufacturer cannot get around the franchise laws by simply setting up a subsidiary to distribute certain vehicles. VA Code prohibits a manufacturer from owning or operating a dealership in VA except under certain circumstances. The changes proposed in this bill would apply those prohibitions only to existing manufacturers with dealers in VA, or to any subsidiary where a manufacturer has 25% or more ownership. For complete information, contact the [VADA](#).

REMINDERS

Franchise Renewals

If you are a Franchise dealer and renewing your license, please be sure to state all your franchise and service agreements on the **MVDB 10** renewal license form. On the second page of the **MVDB 10** renewal form, in box number 7 there is space to list all the line-makes of the vehicles you are authorized to sell in Virginia. (Do not list individual models of vehicles.) For example, a franchise dealer might list the manufacturer as Volvo, the address of Volvo, and the line-makes Volvo. Box number 7 has space for 4 line-makes, but if you have more than 4 franchise agreements, please list them on a separate page. In box number 8, list the name and address of individual awarded franchise(s) or sales agreement(s). For example, the owner and the owner's home address that was the individual awarded the franchise or sales agreement. Again, if you need additional space, list the Franchise names and addresses on a separate sheet and include in your renewal.

FTC Sends \$3.3 Million to Consumers

Harmed by Illegal Junk Fees and
Discriminatory Practices

The Federal Trade Commission is sending payments totaling more than \$3.3 million to customers of a Washington D.C.-area auto dealer. In October 2022, the FTC charges a local Washington DC area auto dealer with adding hundreds, or even thousands, of dollars in illegal junk fees to car prices and for discriminating against Black and Latino consumers by charging them higher fees and financing costs.

The FTC's suit against the Dealer charged that the defendants' junk fees caused consumers to pay more than the advertised price or lose any discounts they had negotiated.

Recipients of these refunds should cash their checks within 90 days, as indicated on the check. Consumers who have questions about their payment should contact the refund administrator, Epiq, at 877-701-3692, or [visit the FTC website to view frequently asked questions](#) about the refund process. The Commission never requires people to pay money or provide account information to get a refund.

FTC Strengthens Security Safeguards

Agency updates Safeguards Rule to better protect the American public from breaches and cyberattacks that lead to identity theft and other financial losses.

The Federal Trade Commission announced a newly updated rule that strengthens the data security safeguards that financial institutions are required to put in place to protect their customers' financial information. In recent years, widespread data breaches and cyberattacks have resulted in significant harms to consumers, including monetary loss, identity theft, and other forms of financial distress. June 9, 2023, the FTC's updated Safeguards Rule requires non-banking financial institutions, such as mortgage brokers, **motor vehicle dealers**, and payday lenders, to develop, implement, and maintain a comprehensive security system to keep their customers' information safe.

"Financial institutions and other entities that collect sensitive consumer data have a responsibility to protect it," said Samuel Levine, Director of the FTC's Bureau of Consumer Protection. Please click [HERE](#) to read the entire article on the FTC website.

REMINDERS

Maintaining Dealer Records

[§46.2-1528](#) authorizes the Board or representatives of the Board ability to examine dealer records, during the posted business hours of dealerships. In addition, "If a licensee is found to have violated this chapter or any order of the Board, the actual cost of the examination shall be paid by the licensee". [§46.2-1529](#) requires all Motor Vehicle Dealers to keep the originals or a copy of all original records at the site (dealership) of origination for five (5) years. Dealer records will include (but is not limited to) records regarding employees; lists of vehicles in inventory for sale, resale, or on consignment; vehicle purchases, sales, trades, and transfers of ownership; collections of taxes; titling, uninsured motor vehicle, and registration fees; odometer disclosure statements; records of permanent dealer registration plates assigned to the dealer and temporary transport plates and temporary certificates of registration; proof of safety inspections performed on vehicles sold at retail; and other records required by the Department or the Board. These records shall be maintained and available to MVDB Field Representatives for inspection during your posted business hours listed with the Board.

What is Corporate Governance and Why Is It Important?

Most problems at dealerships start with customer issues, followed by employee problems, followed by unintentional advertising mistakes. So, continued success and building the value of the company in the dealership environment depends on the employees to ensure customers' trust is maintained at the highest standards. Employees should conduct themselves to merit consumer confidence so they can be assured the dealership will transact business in accordance with the spirit and intent of the laws.

Compliance is an umbrella term for any all laws and regulations which dealerships are subject to following. There are laws surrounding the selling, buying, financing, servicing, and customer communications.

A hand holding a sphere covered in business-related terms. The word 'GOVERNANCE' is prominently displayed in the center in large, bold, red capital letters. Other words visible on the sphere include 'company', 'guideline', 'policy', 'legal', 'process', 'teamwork', 'strategy', 'people', 'innovation', 'goal', 'finance', 'law', 'compliance', 'regulation', 'skill', 'power', 'industry', 'protection', 'relationship', and 'management'. The sphere is held by a hand, and the background is a solid teal color.

- Motor Vehicle Dealer Boards
- The Attorney Generals
- The Consumer Financial Protection Bureau (CFPB)
- The Federal Trade Commission (FTC)
- A Member of the House of Representatives (Federal and State)
- A Member of the Senate (Federal and State)
- The State Police
- The Internal Revenue Service (IRS)
- The Treasury Department

How do you know the employees performing the way you want? It requires checking. Policies and procedures aren't worth a whole lot if someone isn't checking to ensure compliance. This is at the core of a robust GRC program. Someone has to audit. Then, the dealership should be prepared to fix the newly discovered issues and document them.

Page 6

Board Actions

Dealer Practices

Administrative Actions

Blake Ford and Joseph Blake Blythe - Paid a \$5,000 civil penalty for failure to maintain dealer records and unlicensed salespersons.

Proauto Expo Inc and Talha Chaudhry - Paid a \$500 civil penalty for failure to maintain dealer records, unlicensed salespersons and proof of safety inspection prior to retail sale.

Rick's Used Cars Inc and Rickie L. Seward - Suspend ed for failure to pay a \$2,400 civil penalty for failure to maintain dealer records, liability insurance on each D-tag and odometer records.

Empire Auto Imports and Saleh Edries - Paid a \$5, 250 civil penalty for failure to maintain dealer records and unlicensed salespersons.

White Top Auto and Waleed Ahsan - Paid a \$750 civil penalty for failure to maintain posted business hours.

Autos Y Mas LLC and Mario Ruben Perez Sanches - Paid a \$250 civil penalty for failure to maintain dealer records.

Saint Auto Sales LLC and Treyvond Lockhart and Dominique Jones - Paid a \$1,000 civil penalty for failure to maintain posted business hours and comply with previous warnings.

B & E Auto Sales LLC and Diamonte S. Parrish - Suspend ed and moved to Debt Set-Off for failure to pay a \$1,750 civil penalty for failure to maintain dealer records, unlicensed salespersons and failure to maintain liability insurance on each D-tag.

Martin Auto & Truck LLC and Jay Irvin Martin - Agreed to pay \$1,950 for failure to maintain dealer records, misuse of PoD tags, deceptive acts and practices and failure to provide title within 30 days.

Spotlight Auto LLC and Jacqueline Washington - Paid a \$750 civil penalty for failure to maintain posted business hours.

Shorehaven Motor Sports LLC and Steven C. Epstein - Paid a \$250 civil penalty for failure to maintain exclusive use of the dealership space and maintain dealer records.

Mini of Alexandria and Everett A. Hellmuth - Paid a \$250 civil penalty for misuse of PoD temp tags.

Autos Direct of Manassas and Sana Ullah Kargar - Paid a \$250 civil penalty for failure to maintain dealer records and unlicensed salespersons.

CMA's Chrysler Dodge Jeep Ram of Lynchburg and Elizabeth M. Borches - Paid a \$1,000 civil penalty for failure to maintain dealer records and unlicensed salespersons.

Fredericksburg Motors LLC and Hafizullah Wafa - Paid a \$250 civil penalty for failure to maintain dealer records and proof of safety inspection prior to retail sale.

UL Auto Sales Abdul H. Hazaymeh - Paid a \$3,250 civil penalty for failure to maintain dealer records, proof of safety inspection prior to retail sale and failure to comply with previous warnings.

Neons Auto LLC and Omar Maad Al-Qaraghuli - Paid a \$250 civil penalty for failure to maintain posted business hours and failure for the dealer-operator Abdullah Al Qaraghuli to have a sales license.

Premier Auto Collection LLC and Mohammad Akhtar - Paid a \$750 civil penalty for failure to maintain posted business hours.

Renaissance Ford and Jamar Noel Brinkley - Paid a \$3,000 civil penalty for failure to maintain dealer records, unlicensed salespersons and misuse of D-tags.



Independent Dealer Operator Course Schedules

The Following Courses are Registered Through VIADA

2023 Course Schedules

July 11 - 12 : Danville or Bristol : (TBD)

July 18 - 19 : Midlothian : (VIADA HQ 1525 Huguenot Rd Suite 200 Midlothian VA 23113)

August 8 - 9 : Chantilly : (Home2Suites 43340 Defender Dr. Chantilly VA 20152)

August 15 - 16 : Midlothian : (VIADA HQ 1525 Huguenot Rd Suite 200 Midlothian VA 23113)

September 12 - 13 : Harrisonburg or Lynchburg : (TBD)

September 26 - 27 : Midlothian : (VIADA HQ 1525 Huguenot Rd Suite 200 Midlothian VA 23113)

October 19 - 20 : Norfolk : (Norfolk Waterside Marriott 235 E Main St, Norfolk VA)

November 7 - 8 : Midlothian : (VIADA HQ 1525 Huguenot Rd Suite 200 Midlothian VA 23113)

November 14 - 15 : Danville : (Courtyard by Marriott 2136 Riverside Drive Danville, VA 24540)

December 5 - 6 : Chantilly : (Home2Suites 43340 Defender Dr. Chantilly VA 20152)

December 12 - 13 : Midlothian : (VIADA HQ 1525 Huguenot Rd Suite 200 Midlothian VA 23113)

****You can register for your IDO Course on the VIADA website [HERE](#) ****

Or call 800-394-1960

MVDB Mission Statement

The Motor Vehicle Dealer Board will administer sections of the Commonwealth's Motor Vehicle Dealer Laws and Regulations as charged; promote the best interest of both the automotive consumer and dealer community; while providing a high level of customer service.

Locate Us:

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We are located inside
The Bookbindery Building

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What's Wrong With This Picture?



§ 46.2-1550 states in part that: It shall be unlawful for any dealer to cause or permit dealer's license plates to be used on Courtesy vehicles.

DEALER TALK