



August 2023

Issue 148

# DEALER TALK

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## Upcoming Events!

Monday 9/11/2023

Board Meeting In person at the DMV  
2300 W. Broad St. Richmond VA,  
23220

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

## Federal Buyer's Guide and Virginia's Buyer's Order

In Virginia, the Buyers Guide is part of the Buyers order. According to § 46.2-1529.1 (A) "the Buyer's Guide required by federal law, shall be completely filled out and, in addition, **signed and dated by the buyer** and incorporated as **part of the buyer's order.**" Federal law requires Virginia dealers to post/display a Buyer's Guide in each vehicle before you display a vehicle for sale or let a customer inspect it for the purpose of buying it. Motorcycles, trailers, and travel trailers are exempt from the Buyer's Guide requirements. Dealers who do not post/display a Buyer's Guide may be subject to Virginia civil penalties up to \$1,000 per vehicle, and up to \$50,120 per violation in Federal enforcement actions. Click [HERE](#) for more FTC information.

BUYERS GUIDE	
<small>IMPORTANT: Dealer completion of this form is required. You are asked to post or provide to selling. Please fill in.</small>	
WARRANTIES FOR THIS VEHICLE:	
<input type="checkbox"/> AS IS - NO DEALER WARRANTY	
<input type="checkbox"/> DEALER WARRANTY	
<small>IF DEALER WARRANTY IS CHECKED, PLEASE COMPLETE THE FOLLOWING:</small>	
SYSTEMS COVERED:	DURATION:
<small>NON-DEALER WARRANTIES FOR THIS VEHICLE:</small>	
<input type="checkbox"/> MANUFACTURER'S WARRANTY	
<input type="checkbox"/> OTHER NON-DEALER WARRANTIES	
<small>IF OTHER NON-DEALER WARRANTIES ARE CHECKED, PLEASE COMPLETE THE FOLLOWING:</small>	
<small>NAME OF DEALER IF YOUR WARRANTY CAN REFLECT THE VEHICLE ON OR OFF THE LOT</small>	
<small>DEALER'S VEHICLE HISTORY REPORT AND CHECK FOR OPEN SAFETY RECALLS. For information on how to check a vehicle's history report, visit <a href="#">www.vehiclehistory.com</a>. To check for open safety recalls, visit <a href="#">www.safercar.gov</a>.</small>	
<small>ADD OTHER FEES OR IMPORTANT ADDITIONAL INFORMATION, INCLUDING A LIST OF MAJOR DEFECTS THAT MAY AFFECT THE VEHICLE'S VALUE.</small>	
<small>As an automotive journalist to write an accurate, please see <a href="#">www.fda.gov</a> for details and compliance or request.</small>	

## Reconditioning Fees and other Unauthorized Fees

Regarding the Virginia Buyer's order, some dealers are charging a reconditioning fee or other fees not allowed. Virginia law ([Code 46.2-1581\(8\)](#)) states in part the "... advertised price or credit terms shall include all charges which the buyer must pay; except buyer selected options, state and local fees and taxes, and manufacturers or distributor's freight or destination charges, and a processing fee, if any. If a processing fee or freight or destination charges are not included in the advertised price, the amount of any such processing fee and freight or destination charges must be clearly and conspicuously disclosed..." Board policy is that adding fees specifically not allowed by Virginia law to the advertised price is deceptive. First time violators will receive a written warning and second time violators will receive a \$1,000.00 civil penalty (if appealed, granted an informal hearing). Third time violators will be granted an informal hearing and eventually appear before the Board. If you have any questions regarding "fees" that you can legally charge to a customer you should contact the MVDB, VADA, or VIADA.

## Virginia Does Not Have a Wholesale License

Dealerships must maintain hours (§ [46.2-1533](#)) and maintain a retail location (§ [46.2-1510](#)) even if a majority or all of their business is selling to other dealers “wholesale”. The Code of Virginia does not authorize a separate license to “wholesale” dealers, Virginia has one dealer license – a license that allows a dealer to sell motor vehicles at an approved sales location that is not a residence. All licensed dealers in Virginia have the same requirements of location and maintaining hours whether they sell zero vehicles, 20 thousand vehicles or only sell vehicles to other dealers (wholesaler).



## REMINDERS

**Working telephone in the name of the dealership.**

**§ 46.2-1510 (4) requires “a working telephone listed in the name of the dealership.” If using a cell phone as your Dealership phone number, the account must be active, and set up in the name of the dealership.**

## Salespersons Licenses

No Salesperson shall be employed by more than one dealer, unless the dealerships are owned by the same person. New salespersons hired by dealers are unlicensed employees and can perform other functions at the dealership and be in training up until they receive their license. Unlicensed salespersons cannot be involved in F&I, negotiations with customers or act in the capacity of a Salesperson until they have their license. Virginia code § [46.2-1518](#) states the salesperson shall carry and display the sales license on request.

## REMINDERS

## Cyber Safety Tool

The vast majority of smaller businesses rely on information technology to run their businesses and to store, process, and transmit information. Protecting this information from unauthorized disclosure, modification, use, or deletion is essential for those companies and their customers. With limited resources and budgets, these companies need cybersecurity guidance, solutions, and training that is practical, actionable, and enables them to cost-effectively address and manage their cybersecurity risks. This NIST Small Business Cybersecurity Corner puts these key resources in one place. <https://www.nist.gov/itl/smallbusinesscyber>

## Auto Theft and Fraud Updates

Law enforcement agencies and communities across the United States continue to be plagued by record and near-record levels of vehicular crime as monthly theft totals nationwide consistently exceeded 75,000 in 2022. According to new analysis conducted by the National Insurance Crime Bureau (NICB), the insurance industry's association dedicated to predicting, preventing, and prosecuting insurance crime, more than 1 million vehicles were stolen last year, marking a 7% increase over 2021. This is part of a disturbing trend wherein vehicle thefts have increased by over 25% since 2019. Any WANADA dealer can tell you that 2023 isn't faring much better, and it isn't just Tik-Tok inspired thefts of late model Korean cars. The [Auto Finance Journal](#) reports that nearly 5% of all digital transactions are suspected to be fraudulent including those transactions conducted digitally at dealerships. "The pivot to increasingly digital transactions since the beginning of the pandemic means the overall risk to individuals and organizations is even greater than it was pre-pandemic," notes the journal staff, citing fraud statistics from TransUnion.

In response to these alarming trends, WANADA has been sending out alerts to both the dealer and area law enforcement communities of suspicious or known fraudulent activity in our region. Because enforcement is lax when an individual attempts to purchase a car under false pretenses, such individuals typically make multiple attempts at many different dealerships. WANADA is also currently engaged with a software developer and expects to roll out an enhanced version of the current system with additional features and capabilities later this year. In addition to facilitating communication, WANADA regularly meets with law enforcement officials on this topic. Last month, WANADA CEO John O'Donnell and Vice President of Operations Joe Koch met at length with nearly 40 auto crimes investigators from Baltimore, Prince George's, Montgomery, Fairfax and DC to discuss the latest tactics and best practices for hardening your sales and finance staff against these threats. Many of these tips are included in the [Fraud Prevention Worksheet](#) WANADA recently distributed.

WANADA also continues to support law enforcement politically, encouraging lawmakers to provide funding and manpower for units devoted to identifying, stopping and prosecuting auto crimes perpetrators. In this connection, WANADA CEO John O'Donnell and representatives from the Fitzgerald Auto Malls and Jim Coleman Automotive organizations recently attended an event for the Montgomery County Police Foundation where they were able to interact with members of the Foundation Board and police force, including Montgomery County Police Chief Marcus Jones. For more information on these efforts, our fraud communication system, or other questions, please contact John O'Donnell at [jod@wanada.org](mailto:jod@wanada.org) or Joe Koch at [jk@wanada.org](mailto:jk@wanada.org).

### 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](mailto:ann.majors@mvdb.virginia.gov).

## “Aftermath Services”



This is going to start as grim. It gets better.

Aftermath®, (which is the name of an actual ServiceMaster company), pioneered the field of performing crime scene services and trauma clean up. They coined this terminology.

Their services include, and I quote, “unintended death remediation”, which is a term I had not heard before. I looked it up: it’s a death in which the body is not found for days, weeks, or even months.

Aftermath services includes homicide and suicide cleanup, hoarding cleanup, and specialty biohazard services, like tear gas cleanup. Before thirty (30) days ago, I had no knowledge of any of this.

They site a five (5) step “Aftermath® Remediation Process,” which includes the assessment, the protocol to control the affected area, the removal, deodorizing, and verification to ensure the cleanliness.

It’s awful this kind of service exists, right?

Now let’s bring it back to our business, the automobile business.

When we don’t handle the problems in front of us, bad things happen. You can stop problems from developing though. These are also called “preventative measures.” What procedures can you put in place or what policies can you implement in order to stop problems before they happen?

If you hear or see a problem in the making, bring it to someone’s attention in your chain of command. If you don’t know who that person is, then please ask.

It’s much less expensive to solve a problem “now,” versus assuming someone else will get around to it or fix it. They won’t. Own it and fix it. Problems are like rotten fish; they smell worse and worse each day.

Mitigative measures are defined as those techniques which you use to conclude a problem after it has festered. It’s well known to be more expensive than fixing the issue early upon discovery.

The more time you spend personally living and acting with a preventative problem paradigm, the less time will you be required to be reactive and, dragged into the time sucking muck of mitigative measures. You may have heard an ounce of prevention is worth a pound of cure and it’s true. For the complete article from Tom Kline, click [HERE](#)

### REMINDERS

## Dealer Records

**§46.2-1528 gives the Board or authorized representatives of the Board authority to examine dealer records, during the posted business hours of dealerships. §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 would include 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 shall be maintained on the premises of the licensed location.**



# Board Actions

## Dealer Practices

### Informal Fact-Finding Conferences

**Alpha Auto & Cycle, LLC and Robert J. Fluellen** - On April 3, 2023, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain posted business hours, unlicensed salesperson, failure to obtain title within 30 days, and complying with previous warnings. Based on the information provided at the conference, the Board assessed a civil penalty of \$2,400, and a satisfactory inspection within 30 days. Robert J. Fluellen may appeal to a Formal Hearing.

**ESR Auto and Kevin Johnson** - On May 9, 2023, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain posted business hours and complying with previous warnings. Based on the information provided at the conference, the Board assessed a civil penalty of \$750 and a successful inspection within 30 days. Kevin Johnson has appealed this Board Decision to a Formal Hearing.

**Valley View Motors, LLC and Karen Munns** - On May 19, 2023, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain established place of business requirements, maintain posted business hours, and comply with previous warnings. Based on the information provided at the conference, the Board assessed a civil penalty of \$1,000, and a satisfactory inspection.; with the \$1,000 civil penalty being waived if the satisfactory inspection is achieved on or before October 10, 2023. Karen Munns may appeal to a Formal Hearing.

**2K Automotive, LLC and Anthony Bivins** - On May 16, 2023, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain posted business hours, failure to provide title within 30 days, and comply with previous warnings. Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$1,500.00 and a satisfactory inspection. Anthony Bivins may appeal to a Formal Hearing.

### Formal Hearings:

**Maraton Group, LLC and Martin U. Onyirimba** - Historical Overview leading up to the Formal Hearing: On December 20, 2022, an informal fact-finding conference was conducted to address the alleged violations of failure to provide dealer records, safety inspection prior to retail sale, provide title within 30 days, and having used deceptive acts and practices. Based on the information provided at the conference, the Board assessed a civil penalty of \$27,800 a satisfactory inspection and successful completion of the 2-day Dealer-Operator course. On April 17, 2023, Martin U. Onyirimba appealed the Decision and requested a Formal Hearing. On May 23, 2023, a formal hearing was conducted. Based on the information provided at the conference, the Board assessed a civil penalty of \$28,300. satisfactory inspection and successful completion of the 2-day Dealer Operator course. Martin U. Onyirimba may appeal to Circuit Court in his jurisdiction.

### Administrative Actions:

**Merlex Auto Group and Amin Kandahari** - Paid a \$4,550 civil penalty for failure to maintain dealer records, misuse of PoD and deceptive acts and practices.

**Unique Auto Import and Amin Kandahari** - Paid a \$1,700 civil penalty for failure to maintain dealer records and misuse of PoD.

**Elite Auto Nation of Petersburg LLC and Syed Mudashar Hussain Shah** - Paid a \$3,850 civil penalty for failure to maintain dealer records and provide proof of safety inspection prior to retail sale, and misuse of PoD.

*Cont'd on pg 6*

# Board Actions

## Dealer Practices

### Administrative Actions:

**NVA Motors and Oussama El Guennouni** - Paid a \$750 civil penalty for failure to maintain dealer records and provide proof of a salesperson paid on a W-2.

**Dorn Motor Co and Raymond Dorn** - Paid a \$250 civil penalty for failure to maintain dealer records.

**Vermeer Mid Atlantic, LLC and Mark Boyle** - Paid a \$250 civil penalty for failure to maintain dealer records.

**The Car Ministry and Lawrence J. Gordon** - Paid a \$1,000 civil penalty for failure to maintain dealer records and records of transport tags.

**AJ Auto Sales, LLC and Raed Al-Mustafa** - Paid a \$900 civil penalty for failure to maintain dealer records, unlicensed salespersons, transport tag records and comply with previous warnings.

**Prime Dealz Auto LLC and Seyed Mohammed M Mirhosseini** - Agreed to pay a \$11,200 civil penalty for failure to maintain dealer records and provide proof of insurance prior to retail sale, misuse of PoD and failure to provide proof of salespersons paid on a W-2.

**Artex Motors and MD Mashequr Rahman** - Paid a \$2,000 civil penalty for failure to maintain dealer records and provide proof of safety inspection prior to retail sale.

**M & M Autobrokers and Mark Albert Malek** - Moved to debt set-off for failure to pay a \$6,900 civil penalty for failure to maintain dealer records, misuse of PoD tags, and no records of D-tag use.

**Elite Autonation LLC and Syed Mudishar Hussain Shah** - Paid a \$2,200 civil penalty for failure to maintain dealer records and provide proof of safety inspection prior to retail sale, misuse of PoD and deceptive acts and practices.

**B & J Used Auto Sales, LLC and Duard Vanhoy** - Moved to Debt Set-Off for failing to pay a \$1,200 civil penalty for failure to provide liability insurance on each D-tag.

**Freedom R.V Rentals Inc and Ronnie Ipson** - Paid a \$1,000 civil penalty for failure to maintain dealer records and provide proof of safety inspection prior to retail sale.

**Freedom Auto Group LLC and Bibi Mariam Kakar** - Paid a \$250 civil penalty for failure to pay salespersons on a W-2.

**H and F Wholesale LLC and Brian O'Neil Holland** - Paid a \$250 civil penalty for failure to maintain records of D-tag usage.

**Auto Land of Thornburg and Shamim A. Hashmi** - Paid a \$750 civil penalty for failure to maintain dealer records and provide proof of safety inspection prior to retail sale.

**Hi-Tech Auto Sales, Inc. and Beverly A. Vaughan** - Paid a \$1,750 civil penalty for failure to maintain dealer records and provide proof of safety inspection prior to retail sale.

**Fast Track Auto LLC and Brandon Kim** - Paid a \$750 civil penalty for failure to maintain posted business hours.

**RAF Auto Sales and Abdul H. Hazaymeh** - Paid a \$3,750 civil penalty for failure to maintain dealer records, provide proof of safety inspection prior to retail sale, non-compliant dealership sign and misuse of PoD.

**Commonwealth Classics, LLC and William Desrosiers** - Suspended for failing to pay a \$500 civil penalty for failure to maintain dealer records, and provide proof of safety inspection prior to retail sale.

**Black's Auto Sales, LLC and Shawnta M. Edwards** - Agreed to pay \$13,200 for failure to maintain dealer records, and misuse of PoD.

**Affordable Auto Sales & Towing LLC, and George I. Gray** - Agreed to pay \$2,650 civil penalty for failure to maintain dealer records, provide proof that salespersons are paid on a W-2, and provide proof of liability insurance on each D-tag.

**NM Motors LLC and Anita Lal** - Suspended for failure to pay a \$750 civil penalty for failure to maintain posted business hours.

**DMS Auto Sales & Repair LLC and Samrawot S. Gebreslassie** - Suspended for failing to pay a \$250 civil penalty for failing to maintain dealer records.

**Phoenix Automotive and Conrad Holtslag** - Paid a \$750 civil penalty for failure to maintain posted business hours.

# Independent Dealer Operator Course Schedules

## The Following Courses are Registered Through VIADA

### 2023 Course Schedules

**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

## REMINDERS

## Safety Inspection

Some dealers have failed to provide proof of state safety inspection for their retail sales as required by Va. Code. 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. The provisions of this section shall also apply to watercraft trailers and watercraft trailer dealers.

## 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:

**2201 West Broad St.**

**Suite 104**

**Richmond, Va. 23220**

We are located inside  
The BookBindery Building

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Ann Majors

## What's Wrong With This Picture?



## Improper Use of Dealer Tags!

Dealers may not use a dealer tag on a vehicle that is being used for towing.

§ 46.2-1550 (A) states in part, "Except as otherwise explicitly permitted in this article, it shall be unlawful for any dealer to cause or permit dealer's plates to be used on..."

1. Motor vehicles such as tow trucks, ...
4. Vehicles used in conjunction with any other business.



**Issue 148**