



October 2023

Issue 149

DEALER TALK

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Upcoming Events!

Monday 11/13/2023

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](#)

Current Buyers Order

All dealers must submit a compliant buyers order with their initial dealer application. The Board staff will review and ensure your buyers order is compliant with Virginia laws. If you need to change the buyers order please submit your new/updated buyers order to the Board staff for approval. Click [HERE](#) to view the Buyers Order Checklist which list all the elements each compliant buyers order must contain. When dealers renew their license certificate the dealer must complete and submit the MVDB 58 checklist and return the completed checklist with their renewal. On this MVDB 58, the dealer certifies that they have provided the MVDB with the most current buyers order being used by the dealership.

Renting Dealer Licenses and Dealer Tags

The Motor Vehicle Dealer Board and the Department of Motor Vehicles are committed to putting a stop to dealers who lease and/or rent dealer license plates. Va. Code Section § 46.2-1575 (12) authorizes the Board to suspend or revoke the license of any dealer who leases, rents, lends or otherwise allows the use of a dealer's license plate by persons not specifically authorized under the Virginia Motor Vehicle Dealer Act. Dealers may not rent or allow others to use their dealer certificate either. Like renting tags, any dealer who rents or allows others to use their dealer certificate may have their dealer license suspended or revoked by the Board.

As a reminder, **a salesperson may not purchase vehicles with their own funds** and pay the dealer a fee or commission for each vehicle they sell. A good "rule of thumb" to determine if you may be in violation of Virginia Law is to look at who is paying whom. If a licensed salesperson or anyone is using a dealer tag issued to your dealership or using your dealer certificate number and paying you money – then you are probably in violation of Virginia Law.



\$1,000
2024 Dealer Plate + auction access
Wilmington, DE

Proof of Insurance

Our Field Representatives are seeing an uptick in dealerships with lapsed liability insurance on their dealer plates. The Virginia Code is very clear that all dealer tags must be insured, and the dealer must provide proof of liability insurance for each dealer tag in their dealer tag inventory. It is incumbent on the dealer to ensure the liability insurance they may have submitted for renewal is still active and valid when the Field Representative comes for an inspection. For example, the dealer may renew their license certificate in July and the proof of insurance submitted to the main office staff for renewal is valid until September. The Field Representative may come for a random inspection in October and find the liability insurance has lapsed. The dealer is now in violation of § 46.2-1547 and may be issued a civil penalty up to \$1,000, per day, per uninsured tag. In short, make sure you always have proof of valid/active liability insurance available for review.

MVDB Forms

Please make sure you always have the most current and up to date MVDB forms. Our website contains the most current forms available with the most current fees and requirements. For example, the MVDB 2, Surety Bond form states a \$25,000 per claim amount against the bond. Even though this MVDB 2 form is dated 07/01/2012, it is the most current revision. Older versions of this form state incorrect claim amounts and older MVDB 2 forms will not be accepted, so to save yourself time, be sure to **always download the most current forms from our website** <https://mvdb.virginia.gov/formsandpublications/>. All our forms are listed in a PDF format, and for added convenience, some of the forms you need are “fillable”, and you may complete and print these forms directly from your computer. Be sure to ALWAYS include your Dealership License Certificate number on all forms and correspondence with the Board. Please DESTROY ALL OLD FORMS you may have in your inventory. Click [HERE](#) for a complete listing of the MVDB forms.

REMINDERS

Salesperson Applications

All new/initial salesperson applications require a criminal background check and the Board requires dealers to conduct the background checks PRIOR to submitting the MVDB 61. It is recommended that dealers wait for the criminal background check be “complete”, before submitting the application. Be sure to include the vendor’s name and file number directly on the MVDB 61. Completing these small tasks will ensure the quickest processing of a new sales license application. Secondly, as a reminder, since the dealer has completed the background check, the dealer only submits a \$50 per salesperson license fee (\$100 if the dealership has a 2 year renewal.) Lastly, if you are a dealer, please remember to inform the Board when salespersons are no longer employed at your dealership. For your convenience, we have a MVDB 41 “notice of termination” form on our website that you may email to the Board. Conversely, if you hire a salesperson please send in the MVDB 61 to transfer the salesperson to your dealership or apply for a new/initial sales license as described above.

Encrypt your Personal Information

When communicating with the MVDB please be sure to encrypt any “Personal Identifying Information (PII) you transmit. For example, when you send a salespersons application to the MVDB, you are sending PII (social security/DMV customer number, email address, contact info, etc.), To protect the individual’s PII, please encrypt the application by using VIRTRU or an encryption software of your choice. Similarly, get in the habit of using encryption software **anytime** you send attachments containing PII to the MVDB. Click [HERE](#) if you would like to begin using VIRTRU encryption service.

Your computer may have encryption on the device you are sending from, but that does not guarantee protection of PII. More than likely your email service is still transmitting through the “cloud” and can be accessed. End to end encryption prevents unauthorized access to email and files containing sensitive data and meets compliance requirements. But most importantly, encryption maintains the privacy of citizens’ PII and their trust in your ability to safeguard their privacy. Follow this link for FTC’s guidance on [Cybersecurity for Small Business](#).

Rebuilt Disclosure

When a dealer sells a "REBUILT" salvage vehicle to a purchaser, a best practice recommendation is for the purchaser and dealer to both sign the [VSA 59](#). This rebuilt vehicle disclosure statement must be included with the sales documents, title paperwork, other required documents, taxes, and fees that the dealer submits to DMV. Virginia Code [§46.2-1602\(A\)\(4\)](#) states that "It shall be unlawful for any person to sell a rebuilt vehicle without first having disclosed the fact that the vehicle is a rebuilt vehicle to the buyer." Virginia Code [§46.2-1600](#) defines a rebuilt vehicle as: (i) any salvage vehicle that has been repaired for use on the public highways, or (ii) any late model vehicle that has been repaired and the estimated cost of repair exceeded 75% of its actual cash value, excluding the cost to repair damage to the engine, transmission or drive axle assembly. For further information, please contact DMV Dealer Services at dealerservices@dmv.virginia.gov, or 804-367-0901.

Don't Be a “Hey Dude”

Recently, the FTC issued a \$1.95 million civil penalty to Hey Dude shoe company for suppressing negative reviews and other violations. “As this case makes clear, when retailers publish consumer reviews online, they cannot suppress negative reviews to paint a deceptive picture of the consumer experience. And when retailers don’t ship merchandise on time, they must give buyers the option to cancel their orders and promptly get their money back,” said Samuel Levine, Director of the FTC’s Bureau of Consumer Protection. “We will continue to hold online retailers accountable for violations of the FTC Act and other laws we enforce.”

Hey Dude violated the FTC Act by suppressing negative consumer reviews of its merchandise, according to the complaint. From January 2020 to June 2022, the company, which uses a third-party online management review interface, chose to have all five-star reviews (the best rating) posted on its website with little scrutiny. In many instances, however, it rejected and did not publish less-favorable reviews.

So don’t be a “Hey Dude” and mislead customers by advertising deceptive reviews.

Click [HERE](#) for the full FTC article.

Electronic Titling

As part of DMV's renewed efforts to provide superior service to Virginians, the agency is expanding its already extensive menu of online options on its newly designed website. DMV's electronic titling program is a secure online method that electronically transfers a vehicle's ownership from one Virginia resident to a buyer who is titling the vehicle in Virginia. If qualified, a resident can transfer ownership and register a motor vehicle without visiting a customer service center or mailing documents to DMV. Customers will not receive a paper title; instead, the title will be held electronically by DMV. The seller, buyer, and vehicle must meet certain requirements in order to take advantage of the e-titling program.

Requirements for e-title transfer include:

- Buyer and seller must be Virginia residents with myDMV accounts
- Sale is one owner to one buyer
- No liens present on the title
- No holds on customers' accounts
- Sale for a passenger vehicle (car, sport utility vehicle, truck; no trailers, mopeds or all-terrain vehicles)

Dealer Title Only (DTO)

Applying for a dealer title only (DTO) is also known as getting a title flip. By obtaining a title in the dealer's name dealers can avoid many common title issues.

- Obtaining a title in your dealership's name is a great way to prevent paperwork headaches for your title clerks.
- Have you ever lost or misplaced a title that had multiple reassignments included? If you had applied for a DTO you could have avoided the trouble and expense of going back to the selling dealers to find the original owner in order to get a duplicate.
- Getting a DTO helps your dealership to be able to maintain title inventory easily by only requiring you to keep the title and not have to worry about all of the extensions to go along with the title.
- It's only \$15 per title.
- Online dealers can conveniently process a DTO in their online system right there at the dealership. To ensure you have this capability or to learn how to use it, check with your vendor who can provide further details about their system.
- When Virginia moves towards electronic titling the dealership will already have inventory titled.

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.

Clean Sheet Day

Raise your hand if you love clean sheet day! 🙋

Please allow me to state this clearly: I. Love. Clean. Sheets.

Who doesn't love sliding into buttery, soft, clean sheets...(That's not really a question.) It feels great, right? What day is clean sheet day in your house? For me, it's FriYaY!

You know what else feels great? When you know you are (1) ready for problems (you have a plan), (2) you are transacting your business in a way to avoid problems to begin with to reduce risk, (3) you have awareness of what issues your insurance policies will and will not cover, and (4) when you are educating your employees on what is right and what isn't.

As history should guide our actions, here are a few recent enforcement actions which should have our attention.

For the full article, please click [HERE](https://bettervantagepoint.com/clean-sheet-day/). Tom Kline <https://bettervantagepoint.com/clean-sheet-day/>



Advertising Certified

A factory-certified pre-owned car (CPO car) is a gently used vehicle sold by a franchised new car dealer of the same brand. They're typically gently used, accident-free, low-mileage vehicles that are only a few years old. Not long ago, only luxury automakers had CPO programs. Today, nearly every automaker offers certified used vehicles, including cars, pickup trucks, SUVs, and minivans. They're different from other used cars in that they typically come with warranty coverage backed by their original manufacturer. Not every car displayed on a Franchise dealer's lot will be a certified pre-owned vehicle. You will only find factory CPO cars at dealerships of the same brand. For example, you will only find a certified pre-owned Honda CR-V at a Honda dealer. If you see one marked "certified" on a Toyota dealer's lot, it won't be a factory-backed CPO vehicle. Genuine factory-certified used cars are backed by their original manufacturers. Vehicles purchased through a factory program can receive warranty service at any of the brand's franchised new car dealerships. The MVDB advises Virginia dealers who advertise the term "Certified Pre-Owned" should only advertise this term based on warranty coverage backed by the vehicle manufacturer.

REMINDERS

Communication

When communicating with the Board, please be sure to put your certificate license number, name, phone number, and dealership name on ALL correspondence sent to the Board. We receive many emails, calls, and faxes from dealers missing this information. To ensure your requests are processed timely, please be sure to include your license number and the name of your dealership at a minimum.

Also, do not forget to use encryption when emailing personal identifying information!

Board Actions

Dealer Practices

Informal Fact-Finding Conferences

Bavarian Auto Sales and Mohammad Stwodah - On August 8, 2023, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain posted business hours and comply with previous warnings. Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$750 and a satisfactory inspection. Mohammad Stwodah may appeal to a Formal Hearing.

Carisma Motors, LLC and Husan Abdelaziz - On August 22, 2023, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain dealer records, maintain posted business hours, and comply with previous warnings. Based on the information provided at the conference, the Board assessed a civil penalty of \$1,000.00, a satisfactory inspection, and the successful completion of the 2-day Dealer-Operator course. Husan Abdelaziz may appeal to a Formal Hearing.

Formal Hearings:

ESR Auto and Kevin Johnson - On August 10, 2023, a formal hearing was conducted to address the alleged violations of failure to maintain posted business hours and comply with previous warnings. Based on the information provided at the formal hearing, the Board assessed a civil penalty of \$750.00. Kevin Johnson may appeal to the appropriate Circuit Court.



Administrative Actions:

Lakeside Motors and Tony Burnett Jr. - Paid a \$250 civil penalty for failure to maintain dealer records and provide proof of safety inspection prior to retail sale.

Branner's Auto Sales LLC and Michel Branner - Paid a \$750 civil penalty for failure to maintain posted business hours.

Richmond Auto Sales LLC and Jerusalem Tekel - Paid a \$750 civil penalty for failure to maintain dealer records.

SS&K and Shahin Hamraz - Agreed to pay \$2,350 civil penalty for failure to provide proof of liability insurance on each D-tag.

One Stop Automotive Sales and Service and Bryan J. Thornhill - Paid a \$1,000 civil penalty for failure to maintain dealer records and unlicensed salespersons.

Abingdon Automart LLC and Robert Andrew Jessee - Paid a \$250 civil penalty for improper use of a dealer tag.

Top Cars LLC and Jamil Abdalaziz and Tajwarul Haque - Agreed pay a \$2,400 civil penalty for failure to maintain liability insurance on each D-tag.

501 Auto Sales LLC and Asad Imtiaz - Paid a \$750 civil penalty for failure to maintain posted business hours.

Mario's Motors, Inc. and Mario R. Cabrera Jr. - Paid a \$250 civil penalty for failure to maintain dealer records.

Rich Tree Auto, Inc and Kenneth Anthony - Paid a \$750 civil penalty for failure to maintain posted business hours.

Good Samaritan Ministries and Michael McClary - Paid a \$600 civil penalty for failure to provide proof of liability insurance on each D-tag.

Board Actions

Dealer Practices

Administrative Actions:

Auto Outlet Sales and Rental LLC and Corey White - Paid a \$1,000 civil penalty for failure to maintain dealer records and unlicensed salespersons.

Starr Trading LLC and Mathew B. Starr - Paid a \$1,000 civil penalty for failure to maintain dealer records and provide proof of safety inspection prior to retail sale.

Spotlight Auto LLC and Jacqueline Washington - Moved to Debt Set-Off for failure to pay a \$1,000 civil penalty for civil penalty for failure to maintain dealer records and provide proof of safety inspection prior to retail sale.

All Cylinders and Louis Welk - Paid a \$1,000 civil penalty for failure to maintain dealer records and provide proof of safety inspection prior to retail sale.

Licensing

Matthew Marscheider, Phoenix Auto Sales, LLC. - On June 26, 2023, an informal fact-finding conference was conducted to address the alleged violations of making a material misstatement on a sales application and having been convicted of a felony. Based on the information provided at the conference, the Board assessed a civil penalty of \$250. Matthew Marscheider may appeal to a Formal Hearing.

Kasey Strosnider, BK Motors, LLC. - On July 17, 2023, an informal fact-finding conference was conducted to address the alleged violations of having been convicted of a felony, convicted of any criminal act involving the business of selling vehicles, and convicted of fraud. Based on the information provided at the conference, the Board revoked all licenses and certificates issued to Kasey Strosnider. Kasey Strosnider may appeal to a Formal Hearing.

Richard A. Roof, Jr., Sales Applicant. - On August 7, 2023, an informal fact-finding conference was conducted to address the alleged violations of having been convicted of a felony. Based on the information provided at the conference, the Board approved Richard A Roof, Jr. to apply for a salesperson license.

Independent Dealer Operator Course 2023 Schedules

The Following Courses are Registered Through the VIADA

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:

2201 West Broad St.

Suite 104

Richmond, Va. 23220

We are located inside
The BookBindery Building

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804-367-1100

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What's Wrong With This Picture?



Improper Use of Dealer Tag!

Virginia dealers need only use one type of tag on a vehicle at one time. This is a violation of [§ 46.2-1550](#), misuse of D-tag, and misuse of PoD 30 day tag. This dealer issued a 30 day PoD tag – which means this vehicle is sold and no longer in the dealership inventory.

