



February 2024  
Issue 151

# DEALER TALK

## Inside this issue:

- Page 1  
[Governor Appoints New Board Members](#)
- [Keep Records of D-tag Usage](#)
- Page 2  
[How Do I Replace a Lost or Stolen D-tag?](#)
- Page 3  
[New Legislation Effective July 1, 2024 Uninsured Motorist Fee](#)  
[Who Needs A Sales License?](#)
- Page 4  
[Advertising Rebates](#)
- Page 5  
[It Can Happen To You...](#)
- Page 6–7  
[Board Action](#)
- Page 7  
[Dealer-Operator Course](#)
- Page 8  
[What's Wrong with this Picture?](#)

## Upcoming Events!

Monday 3/11/2024  
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](#)

## Governor Appoints New Board Members

M'Lissa Dunn owner of Dunn-Rite Auto Group replaces Robert Fisher of Northside Auto Group, whose term with the Board started in July 2016. M'Lissa Dunn has been licensed by the Board since December 2004 when Dunn-Rite Auto Sales, Inc. opened in Kilmarnock. This is her first appointment to the Board.

Charles (Chip) T. Lindsay III replaces Geoffrey Malloy of Malloy Auto Group. Malloy's term with the Board started in July 2015. Chip Lindsay is the owner and dealer-operator of Lindsay Volvo Cars of Alexandria, Lindsay Volkswagen of Dulles, and Lindsay Cadillac in Alexandria. Chip has been licensed since 1994 and this is Chip's second appointment to the Board. His first appointment was in July 2005.

Timothy Pohanka replaces Ron Kody of Richmond Ford, Richmond Ford West and West Point Ford. Kody, who's term began in July 2011, leaves the Board as one of two Vice-Chairs. This is Timothy Pohanka's (Pohanka Nissan of Stafford) first appointment to the Motor Vehicle Dealer Board. He has been licensed since 1992.

The Board and Board staff would like to thank Messrs. Kody, Malloy and Fisher for their outstanding service and contributions to the dealer community while serving on the Board and wish them all the best in their businesses and future endeavors. To Ms. Dunn, and Messrs. Lindsay and Pohanka, we look forward to working with each of you and are excited to have you on board!

## Keep Records of D-tag Usage

§ 46.2-1529 states in part that, all dealer records shall be preserved...for a period of five years in a manner that permits systematic retrieval....and records of permanent dealer plates assigned to the dealer fall into this category of dealer records.

§ 46.2-1548 states in part that, "Any license plates so issued may, during the calendar year or years for which they have been issued, be transferred from one motor vehicle to another, used or operated by the manufacturer, distributor, or dealer, **who shall keep a written record of the motor vehicle on which the dealer's license plates are used.**

*Cont'd on pg. 2*

## Keep Records of D-tags

As a courtesy to dealers, the MVDB has a D-tag log template on our website [HERE](#). Pictured below is a good example of a dealership that maintains good written records of D-tag usage. Dealers are not required to copy this process, but dealers are required to have some process that is an easy retrieval for the Field Representative to review the D-tag usage.



## 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.

## How Do I Replace a Lost or Stolen D-tag?

### How do I replace a lost or stolen dealer tag?

If your dealer plate is stolen, please report the theft to the police and get a police report file number. Even if you do not want a replacement tag, please be sure to report the stolen plate and the police report file number to the MVDB.

For stolen plates, complete a [MVDB 9](#), write the police report number on the form, and write the plate number that was stolen. Indicate on the [MVDB 9](#) that you want a replacement. Submit the MVDB 9 with the \$10.00 fee(s) for each replacement plate.

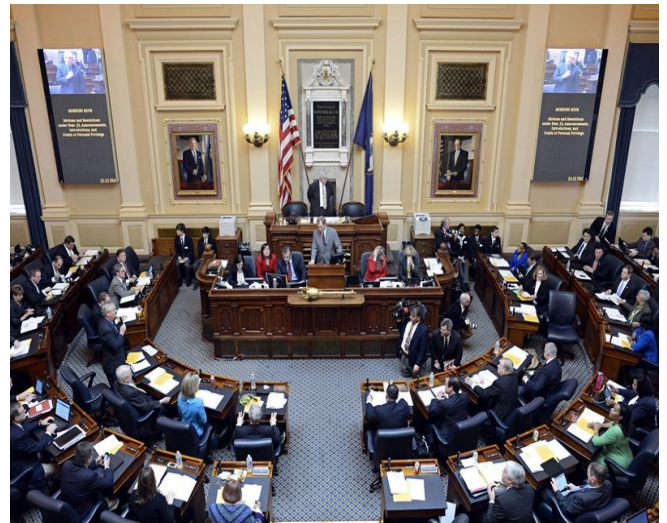
For lost plates, complete a [MVDB 9](#) if you want a replacement plate and write the lost plate number. Submit the MVDB 9 with the \$10.00 fee(s) for each replacement plate.

As part of your dealer records, maintain a copy of all MVDB 9 forms you have submitted to the MVDB.

You, the dealer and dealer staff, are expected to protect and value each dealer plate in your possession. MVDB Field Representatives, as part of their inspections, will expect dealers to have complete and accurate records of where their dealer plates are physically located at all times. If you have replaced a large percentage of your tags, the Field Representative will visit your dealership to educate you on how to maintain your dealer tag inventory and reduce loss or theft. Remember, your dealership may be held responsible for any criminal or financial matter involving loss or stolen dealer plates that were not reported to law enforcement or to the Dealer Board.

## New Legislation Effective July 1, 2024 Uninsured Motorist Fee

Please make sure you change your buyers orders to reflect there is NO uninsured motorist fee allowed to be collected by dealers. Legislation passed during the 2024 session of the Virginia General Assembly repealed the uninsured motorist fee. This line item should not appear on your buyers order after June 30, 2024. MVDB Field Representatives will be checking your buyers order to see if it complies with the removal of the uninsured motorist fee line item. Any uninsured motorist fees collected on or after July 1, 2024 by a dealer will be refunded to the purchaser in its entirety.



## Who Needs a Sales License?

All Dealer-Operators, F & I Employees, Sales Managers, internet salespersons and any dealership employee discussing vehicle features, prices, color or availability with a perspective purchaser or consumer must have a salesperson's license. Legislation passed in 2006 expanded the definition of a motor vehicle salesperson to include those functions performed by the sales manager, dealer-operator, and dealer employees who are in the "F&I" side of the automobile sales industry.

**Regardless of the individual's working title**, anyone who performs these functions in a dealership as described below must have a salesperson's license. Any person who is hired as an employee by a motor vehicle dealer to sell or exchange motor vehicles and who receives or expects to receive a commission, fee, or any other consideration from the dealer; any person who supervises salespersons employed by a motor vehicle dealer, whether compensated by salary or by commission; any person, compensated by salary or commission by a motor vehicle dealer, who negotiates with or induces a customer to enter into a security agreement on behalf of a dealer; or any person who is licensed as a motor vehicle dealer and who sells or exchanges motor vehicles.

Any person who is an independent contractor as defined by the United States internal revenue code is not a motor vehicle salesperson. If any of your employees meet any of the criteria as noted above, they will need a



salesperson's license. Don't assume that all your salespersons are properly licensed. Please remember that salespersons must be licensed in the name of your dealership to sell or participate in the sale of motor vehicles. Allowing someone to sell vehicles without first being licensed could cost you up to \$25,000, or up to \$1,000 in civil penalties **per vehicle sold**. The "Search Active Dealers" feature on the Board's website allows you to view a list of salespersons licensed to your dealership.

## Advertising Rebates

We are noticing an increase in advertisements offering to match down payments or offer a guaranteed amount of money for a trade in. The Board considers this type of advertising unfair, deceptive, or misleading. These advertisements are not allowed under Virginia Regulation 24VAC22-30-30 - “Advertisements of dealer rebates shall not be used. Offers to match down payments or guarantee minimum trade-in allowances or offers of cash or money back are forms of dealer rebates.”



### *Smith Motors*

MSRP: \$25,000

Discounts: \$ 1,500\*

Military Rebate: \$ 500\*\*

College Grad \$ 500\*\*

Smith Motors Price \$22,500\*\*\*

Many of the rebates and incentives offered by manufacturers are not available to everyone. As such it is deceiving to advertise a vehicle for a price that includes all of the available rebates and incentives if everyone is not qualified to receive all of the rebates and incentives, or if rebates are mutually exclusive. (example: \$1,000 loyalty rebate and \$1,000 first time buyer rebate). Adding a “disclaimer” that requires consumers to determine what incentives and rebates for which they qualify does not “fix” the fact that the advertised price does not apply to everyone.

When advertising a price of a vehicle that is eligible for rebates/incentives, that price may be based on incentives and rebates that are available to ALL purchasers. If other incentives/rebates are available based on specific criteria (e.g. military rebate) these additional incentives/rebates can be listed but not subtracted from the advertised price. Also, if a specific vehicle is advertised, the advertisement may not include “Amount” if the stated “up to” dollar amount is not available for that vehicle.

## REMINDERS

## IDO Recertification

**ALL IDO’s of independent dealerships must recertify their IDO qualification every two (2) years by either taking the instructor-led online course or classroom course. Click [HERE](#) for more information and [HERE](#) to determine your recertification deadline. Please note that dealers with Franchise endorsements are exempt from recertification. If you are unclear on your recertification deadline, or any other recertification questions, please contact Micah Bailey at the MVDB. He may be reached at 804-367-1100 x 3007#, or email at [micah.bailey@mvdb.virginia.gov](mailto:micah.bailey@mvdb.virginia.gov)**



# It Can Happen To You It Can Happen to Me It Can happen to Everyone Eventually

90125.

No, it's not a zip code. And it's not a television show.

It was an album released by the prog-rock band Yes in November, 1983. According to the website Songtell.com, "It Can Happen To You" is a song on that album which conveys a message of encouragement "to remain optimistic despite life's struggles and difficulties." (90125 was named for the Atco Records catalog number which was Yes' record label.)

If you run a dealership, you know about struggles! And, if have a risk and compliance program at your store, you know keeping everyone in line and moving in the right direction can be a struggle. Right?

It's a struggle to:

- Creating compliance policies

- Getting people to continually follow your policies

- Audit to ensure they are following your policies

- Understand and know you have the right insurance to cover any issues which might arise

Having a governance, risk, and compliance (GRC) program is how you prevent costly problems. I promise.

So what does this song have to do with the struggles of dealers? More on that at the end of this article but I bet you know where this is heading!

Speaking of "It Can Happen To You," let's talk about Vroom's recent fight with the State of Texas and payment of:

- \$2 million civil penalty to the State of Texas

- \$1 million reimbursement of attorney's fees to the State of Texas

(This does not include their lawyer's fees or the "soft cost" of the expense of Vroom's staff to respond to the allegations.) So, my SWAG (Scientific Wild Ass Guess) at Vroom's total expense would well exceed \$5 million and I think that's a conservative number.

To read the full article by Tom Kline, click [HERE](#).

## REMINDERS

## Safety Inspection

**§46.2-1539 requires a safety inspection between the time the vehicle comes into the possession of the dealer and the time it is sold at retail. In the event the vehicle is found not to be in compliance with all safety inspection requirements, the dealer shall either take steps to bring it into compliance or shall furnish any buyer intending it for use on the public highway a written disclosure, prior to sale, that the vehicle did not pass a safety inspection. The provisions of this section shall also apply to watercraft trailers and watercraft trailer dealers.**

# Board Actions

## Dealer Practices

### Informal Fact-Finding Conferences

**Phoenix Automotive and Conrad Holtslag** - On October 10, 2023, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain dealer records, business hours, and failure to comply after previous warnings. Based on the information provided at the conference, the Board assessed a civil penalty of \$2,500.00, a satisfactory inspection and successful completion of the 2-day Dealer-Operator course. Conrad Holtslag may appeal to a Formal hearing.

**North Irving Motors and Elfatih E. Ali** - On November 16, 2023, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain posted business hours, and failure to comply with previous warnings. Based on the information provided at the conference, the Board assessed a civil penalty of \$750.00 and a satisfactory inspection of dealer records. Elfatih Ali may appeal to a Formal hearing.

**Elite Auto Nation of Petersburg, LLC and Syed Mudashar Shah** - On December 5, 2023, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain dealer records, proof of safety inspection prior to retail sale, failure to provide title within 30 days, maintain PoD records, and failure to comply with previous warnings. Based on the information provided at the conference, the Board assessed a civil penalty of \$11,000.00 and a satisfactory inspection within 60 days. Syed Mudashar Shah may appeal to a Formal hearing.



### Administrative Actions:

**Rockbridge Auto Sales Inc and Edward C Camden** - Order of suspension issued for not paying a civil penalty for failure to maintain posted business hours.

**Superior Auto Group LLC and Ramon A Smith** - Paid a civil penalty for failure to maintain posted business hours.

**A1 Retail, LLC and Teko Kouevi** - Paid a \$1,250 civil penalty for failure to maintain dealer records, salespersons licensed and paid on a W-2 and failure to maintain liability insurance on each D-tag.

**Twin B Motors Inc and Brian Renard Manley Jr** - Agreed to pay a \$4,200 civil penalty for failure to maintain dealer records, copies of titles for completed sales, odometer records and proof of safety inspection prior to retail sale.

**Arey Auto and Donald Smith** - Agreed to pay a \$3,350 civil penalty for failure to display the dealership certificate and all salespersons licensed and paid on a W-2.

**Ourisman Honda of Tyson's Corner and Christopher J. Ourisman** - Paid a \$250 civil penalty for salespersons licensed and paid on a W-2 and displaying a current list of salespersons.

**Street Smart Virginia Inc and Jose A Pineda Bautista** - Paid a \$500 civil penalty for salespersons licensed and paid on a W-2 and failure to maintain dealer records.

**Certified Financial LLC and Philemon Antwi** - Suspended for not paying a \$750 civil penalty for failure to maintain posted business hours.

**Certified Automotive Group LLC and Darren Kellam** - Suspended for not paying a \$750 civil penalty for failure to maintain posted business hours.

**Image Auto Group LLC and Darrick Dixon** - Agreed to pay \$9,200 civil penalty for failure to maintain dealer records, misuse of PoD, plate records, copies of titles for completed sales, odometer records and proof of safety inspection prior to retail sale.

**The Xclusive Auto Center and Mohammad Salem** - Paid a \$250 civil penalty for failure to maintain dealer records, salespersons are licensed and paid on a W-2 and D-tag records.

**Supreme Auto Selections, LLC and Marvin Johnson** - Paid a \$250 civil penalty for failure to maintain dealer records.

# Board Actions

## Dealer Practices

### Administrative Actions:

**Car Stop Auto Inc and Murtaza Zulfiqar Mirza** - Paid a \$500 civil penalty for failure to maintain dealer records and provide proof of safety inspection prior to retail sale.

**Automan Empire and Paymon Jaghory** - Paid a \$500 civil penalty for failure to maintain dealer records.

**Green Tire and Auto, LLC and Scott Andrew Sauvager** - Paid a \$1,000 civil penalty for failure to maintain dealer records and provide proof of safety inspection prior to retail sale.

**RPM Auto Center, LLC and Ameer Alshammari** - Paid a \$3,750 civil penalty for failure to maintain records, copies of titles front and back of completed sales, odometer records, misuse of PoD, plate records and proof of safety inspection prior to retail sale.

**Car Bargain and Mohammad Riaz** - Paid a \$250 civil penalty for failure to maintain dealer records and provide proof of safety inspection prior to retail sale.

## Licensing

### Informal Fact Finding Conference:

**James D. Hagy, Salesperson Applicant** - On December 20, 2023, an informal fact-finding conference was conducted to address the alleged violations having been convicted of a felony. Based on the information provided at the conference, the Board allowed James D. Hagy to apply for a salesperson license.

## Independent Dealer Operator Course 2024 Schedule

The Following Courses are Registered Through the VIADA

3/5-6/2024	<b>Blacksburg</b>	Hilton Garden Inn	900 Plantation Rd Blacksburg 24060
3/12-13/2024	<b>Midlothian</b>	VIADA HOME OFFICE	1525 Huguenot Rd Suite 200 Midlothian 23113
4/9-10/2024	<b>Suffolk</b>	Hilton Garden Inn Chesapeake/Suffolk	5921 Harbour View Blvd Suffolk 23435
4/16-17/2024	<b>Midlothian</b>	VIADA HOME OFFICE	1525 Huguenot Rd Suite 200 Midlothian 23113
5/14-15/2024	<b>Midlothian</b>	VIADA HOME OFFICE	1525 Huguenot Rd Suite 200 Midlothian 23113
5/21-22/2024	<b>Chantilly</b>	Home2Suites	43340 Defender Dr. Chantilly 20152
6/4-5/2024	<b>Midlothian</b>	VIADA HOME OFFICE	1525 Huguenot Rd Suite 200 Midlothian 23113
6/11-12/2024	<b>Bristol</b>	Hilton Garden Inn	325 Village Circle Bristol 24201

\*\*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.

## We are located at:

**2201 West Broad St.  
Suite 104  
Richmond, Va. 23220**  
Inside  
The BookBindery Building

## Contact Us:

**804-367-1100**

### Executive Director:

William R. Childress ext:3002#

### Field Representative Supervisor:

Lisa Mack-Nelson ext:3005#

### Operations Manager:

(contact Ann Majors)

### Agency Analyst/Education:

Ann Majors ext:3016#

### Email:

[dboard@mvdv.virginia.gov](mailto:dboard@mvdv.virginia.gov)

### Dealer Talk Editor:

Ann Majors

## What's Wrong With This Picture?



## Improper Use of Dealer Tag!

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

3. Courtesy vehicles

