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Issue 152



## Inside this issue:

Page 1

[Governor Appoints New Board Members](#)

[Requests for Changes to Your Dealership Information \(profile\)](#)

Page 2

[Uninsured Motorist Fee](#)

[MVDB Website for Salespersons](#)

Page 3

[Power of Attorney](#)

[These are a Few of My Unfavorite Things](#)

Page 4

[FTC and Connecticut Allege Car Dealer Tacked on Junk Fees and Bogus Add-ons](#)

Page 5

[2024 Global Automotive Consumer Study](#)

Page 6–7

[Board Action](#)

Page 8

[Dealer-Operator Course](#)

Page 9

[What's Wrong with this Picture?](#)

Reminders

Pg. 2, 4, 7

## Upcoming Events!

Monday 5/13/2024

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

Governor Glenn Youngkin has appointed Alexis (Lexie) Barker-Taplett, Vice-President of Charles Barker Companies, to the Motor Vehicle Dealer Board. Barker-Taplett replaces Gardner Britt, owner of Ted Britt Ford (Fairfax), who has served on the Board since 2013.

Governor Youngkin also appointed Thomas A. Barton III, President Beach Ford, to the Board. Barton replaces Daniel Banister, owner of Banister Automotive, who has served on the Board since 2016.

The dealer community, Board members and Board staff appreciates the outstanding work and contributions made by Britt and Banister while serving on the Board. We wish you continued success in your future endeavors.

## Requests for Changes to Your Dealership Information (profile)

Changes to your dealership profile requires documentation (MVDB 10, email or letter) from authorized dealership personnel (owner or dealer-operator). This documentation is required prior to making changes to the dealerships profile (address, name of business, contact info, email addresses, dealer-operator, business hours, etc.). We are unable to make profile changes via voicemail or phone calls. Please do not leave voice messages to update or change important dealership information that requires written documentation to update your records. For example, the Board needs written documentation for requests like temporary closings, change in hours of operations, salesperson terminations, processing fee changes, ownership changes, etc. Our voice mail system is for leaving your phone number, your dealer number, and a short description of your question or issue. If you leave a voice message for an issue that requires written documentation your issue/application may not be addressed or processed. When in doubt, please email your issue, or requests to [dboard@mvdb.virginia.gov](mailto:dboard@mvdb.virginia.gov). This ensures the Board staff has the written documentation to address your request/issue in a timely manner.

## Uninsured Motorist Fee

Legislation passed during the 2023 session of the Virginia Assembly repealed the uninsured motorist fee. Effective July 1, 2024, insurance meeting the state minimums is required for all vehicles registered in Virginia. This change in law will require you to delete/remove the uninsured motorist fee reference from your buyer's orders. This line item should not appear on your buyer's 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.

## REMINDERS

§ [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

## MVDB Website for Salespersons



**"Search all" Search the full list of active dealers and registrants in the Commonwealth of Virginia.**

[Click Here](#)

Once the Board receives, reviews and processes (approves) a sales license application, the dealer may visit our website and will be able to see all salespersons licensed to sell at their dealership. Our website dealer search function is updated each workday morning and will list all the licensed salespersons assigned to a dealership. The search function will allow a dealer to see when a salesperson has a valid sales license assigned to their dealership. Click [HERE](#) to access the MVDB website search function. An additional benefit is if the dealership has terminated a salesperson, the salesperson who left the dealership will not appear on your dealership search profile once we process the termination. This search function should be used by every dealership to maintain an accurate salesperson listing.

## Power of Attorney

The Power of Attorney (POA) form has limited use. DMV issued clarification regarding the proper usage of the Power of Attorney (POA) form VAD70A by the motor vehicle dealer community. Federal law requires that mileage disclosure be recorded on a secure POA when ownership is transferred. The VAD70A is a secure POA with **limited usage**, which allows the dealer to sign for the titled owner and **disclose mileage** when the subsequent owner receives the title. The VAD70A can only be used when the customer's title is physically held by a lien holder, or when the owner has lost the title. If the owner has lost the title, the dealer may apply for a lost title from DMV using Form VSA 66, "Application for Replacement and Substitute Titles". The POA form allows the dealer to sign for the titled owner and disclose mileage to the subsequent owner when you receive the title. The Power of Attorney (Form VAD 70A) can only be used by auto dealers and may be purchased from the VIADA.

### "These Are a Few of My Unfavorite Things"

(Sing with me here...)

"Gossip and taxes and unpleasant divorces,  
Pulling of wisdom teeth, with chronic hoarseness,  
Lawyers and penalties which costs money and stings,  
These are a few of my unfavorite things."

Speaking of unpleasanties, here's another dreaded phrase which involves dealerships all too often. We need to consider and discuss (1) what is a litigation hold, (2) why is it important, (3) what elements of my business should I think about in relation to a potential litigation hold, and (4) what are some preventative measures I can take right now. Here we go.



Litigation hold is "also known as a legal hold... or preservation order. An instruction within a business organization directing employees to preserve, and refrain from destroying or modifying, certain records and information (both paper and electronic) that may be relevant to the subject matter of a pending or anticipated lawsuit or investigation."

A litigation hold includes all electronically stored information (ESI), including all emails related to the litigation as well as other documents which may be relevant.

These are also known as "stop destruction requests." For the complete article, click [HERE](#).

Tom Kline = <https://bettervantagepoint.com/these-are-a-few-of-my-unfavorite-things/>

## FTC and Connecticut Allege Car Dealer Tacked on Junk Fees and Bogus Add-Ons

Buying a vehicle is a major financial commitment for consumers and price is a material consideration in most people's purchase decision. That's why deceptive double charges, illegal junk fees, and bogus add-ons hit car buyers head-on. The FTC and the State of Connecticut allege that a Nissan dealer has engaged in deceptive and unfair practices involving "certified" used cars, junk fees, and add-ons consumers didn't agree to pay for. The defendants advertise certain certified pre-owned vehicles for specific prices. For example, on their website, they advertised a "Nissan Certified" 2021 Nissan Rogue S SUV with "Your Price" of \$26,000. What's more, they claimed that certified vehicles come with an inspection and a "Limited Warranty: 84 Month/100,000 Mile (whichever comes first) from original in-service date."

But according to the FTC and Connecticut, when consumers attempt to buy a "certified" car for the advertised price, in many cases the defendants pile on hundreds or even thousands of dollars in additional fees for services that are already part of the certification process. The [complaint](#) cites the example of a consumer who visited the dealership looking to buy a certified pre-owned car advertised for \$15,700 only to learn that the defendants added a \$5,295 junk "inspection fee" for a car it had already inspected. In other words, the defendants allegedly double-bill consumers for things included in the cost of a "certified" used vehicle. Another example of an allegedly illegal junk fee: charging consumers for "CT [Connecticut] Safety and Reconditioning" when Connecticut doesn't require consumers to pay a fee for safety and reconditioning. The complaint also alleges that the defendants have often failed to report to Nissan that a certified car has been sold, leaving consumers without the additional warranty the defendants promised in their ads.

In addition, the complaint alleges the defendants have inflated the amount of mandatory fees for registration and other state services. For example, the defendants told one consumer that Connecticut registration and other state fees were \$345 when the actual amount was \$208.

**Individuals may be charged with violations of the FTC Act and state consumer protection laws.** The lawsuit names the corporate defendants, but it also names principals, general manager, finance manager, and sales managers. Individual liability is a fact-specific inquiry, and corporate executives are wrong to conclude that their conduct is beyond the reach of the law.

**Heed law enforcement warnings about your practices.** Connecticut's Department of Consumer Protection had previously warned the dealership about a number of the allegedly illegal practices cited in the lawsuit. But according to the complaint, "Defendants nonetheless have continued to charge consumers extra to certify vehicles that were advertised as certified. And they have continued to mislead consumers into thinking that optional add-on charges were required." If a law enforcement agency raises questions about your practices, savvy businesses take those concerns seriously.

**The FTC will take steps necessary to protect consumers from illegal sale tactics.** It's the law – and it's always been the law – that companies can't charge consumers without their consent. If you've spotted an across-the-board uptick in law enforcement actions challenging junk fees, it's not a coincidence. As the [CARS Rule](#) underscores, junk fees are a particular concern in the car buying process. Dealerships that charge hidden or bogus fees injure consumers and they unfairly steal sales from honest competitors who work hard to comply with the law.

### REMINDERS

### Advertising Tips

When advertising a price of a vehicle the advertised price must be based on rebates/incentives that are available to ALL purchasers, or it must be clear and conspicuous to the reader which rebates, incentives and discounts would apply in their purchase. If you advertise a price, and purchasers must meet specific criteria to get those discounts, the conditions required to receive those discounts must be clear and conspicuous. As a reminder, the processing fee and freight (when applicable), must be disclosed in an actual dollar amount, not just listed as "Price does not include processing fee or freight".

# 2024 Global Automotive Consumer Study

## Tracking Consumer Trends in the Automotive Industry

Is slowing EV momentum putting current regulatory timelines in jeopardy? High interest rates and elevated sticker prices may be causing consumer interest in EVs to soften in some markets. Despite automaker price cuts and government incentives designed to make them more affordable, a variety of other challenges continue to stand in the way, including range anxiety, charging time and availability of charging infrastructure.

A significant number of consumers may be thinking about switching vehicle brands. Price tops the list of factors driving the choice of vehicle brand for consumers in developed markets, including Germany, Japan and the United States, while vehicle performance (China and South Korea) and product quality (India) are top of mind for consumers in other global markets.

**Depending on the market, what matters most to consumers surveyed as they think about their next vehicle brand is either price, product quality, or performance.**

### Most important factors driving the choice of brand for next vehicle

Drivers of brand choice	China	Germany	India	Japan	Rep. of Korea	Southeast Asia	US
Price	32%	55%	48%	58%	49%	54%	59%
Product quality	52%	47%	65%	48%	51%	62%	57%
Vehicle performance	53%	30%	61%	49%	55%	57%	52%
Vehicle features	37%	39%	62%	48%	31%	51%	45%
Quality of overall ownership experience	28%	31%	45%	8%	27%	37%	38%
Brand familiarity	36%	39%	43%	21%	25%	32%	34%
Previous service experience	19%	18%	22%	14%	17%	21%	21%
Previous sales experience	10%	27%	15%	10%	5%	13%	17%
Brand image	38%	15%	50%	19%	22%	33%	16%
Availability of battery electric vehicles/hybrid options	33%	13%	36%	22%	25%	24%	14%
Brand advertising	12%	6%	25%	4%	8%	14%	6%
Brand affiliations	14%	5%	21%	5%	7%	12%	5%
Other	0%	2%	0%	2%	1%	0%	1%

■ Most commonly cited

Interest in connectivity features may not fully translate into revenue and profit. Among those who are interested in connected vehicles, there is a relatively high level of interest in features that provide updates on maintenance, traffic/road safety, and suggestions for safer routes. However, the willingness to pay extra for connected technologies remains comparatively low in developed markets.

Younger consumers are interested in vehicle subscriptions, but more education may be necessary to address lingering concerns. Against the backdrop of uncertain economic conditions causing concern for financial capacity, a significant number of younger consumers in many markets are at least somewhat interested in giving up vehicle ownership altogether in favor of a subscription model, but concerns about vehicle availability, total ownership cost and the perception of higher monthly fees persist.

For more details on these evolving automotive consumer trends, [download the full report](#).



# Board Actions

## Dealer Practices

### Informal Fact-Finding Conferences

**Carzlot, Inc. and Blondi B. Bermema** - On January 23, 2024, 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, and a satisfactory inspection. Blondi Bermema may appeal to a Formal hearing.

**Neo Classic Cars, LLC and Devin B. Weislder** - On February 20, 2024, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain dealer records, buyers guides, proof of safety inspection prior to retail sale, and comply with previous warnings. Based on the information provided at the conference, the Board assessed a \$500 civil penalty, a satisfactory inspection and successful completion of the 2-day Dealer-Operator course. Devin Weislder may appeal to a Formal hearing.

**Ola Motors, LLC and Olayinka Fowowe** - On February 22, 2024, 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 Board assessed a civil penalty of \$1,500.00, a satisfactory inspection and to successful completion of the 2-day Dealer-Operator course. Olayinka Fowowe may appeal to a Formal hearing.



### Administrative Actions:

**Street action Discount Auto Sales, Inc, and Donald J. Neal** paid a \$750 civil penalty for failure to maintain posted business hours.

**301 Auto Sales & Service, and Victor Carter,** paid a \$250 civil penalty for failure to maintain dealer records.

**Emperial Motorsports Corporation and Adrian Lamonte Benniefield, Jr.** paid a \$750 civil penalty for failure to maintain posted business hours.

**Roraima Auto Sales Inc. and Jorege Luis Rivero Gil,** paid a \$1,250 civil penalty for failure to maintain dealer records and PoD records.

**1<sup>st</sup> Auto Gallery LLC, and Mohammad Alhamayel** paid a \$2,250 civil penalty for failure to maintain dealer records, copies of titles (front and back), records of dealer plates, licensed salespersons not on a W-2 and proof of safety inspections prior to retail sale.

**Car Loft, and Farooq Zahir** paid a \$500 civil penalty for failure to maintain dealer records and not having all licensed salespersons paid via a W-2.

**Insight Motors, LLC and Isaac Abban, Jr.** paid a \$1,000 civil penalty for failure to maintain dealer records, copies of titles (front and back), odometer records and proof of safety inspection prior to retail sale.

**H&C Auto Inc, and Richard Elliott Call** paid A \$500 civil penalty for salespersons licensed on a W-2.

**Imperial Auto, and Babor Bakhtary** paid a \$2,000 civil penalty for failure to maintain dealer records, not having all licensed salespersons pay on a W-2 and failure to display listing of licensed salespersons.

# Board Actions

## Dealer Practices

### Administrative Actions:

**H & R Auto, Inc., and Hamed Zaber Rod** paid a \$2,900 civil penalty for failure to maintain dealer records and dealer plate records.

**Car Kings, LLC and Tamara Andrea Cherry** paid a \$750 civil penalty for failure to maintain posted business hours.

**Blue Line Motors, and Robert E. Welch** paid a \$750 civil penalty for failure to maintain posted business hours.

**Select Auto Group, and Deidre R. Coley** paid a \$250 civil penalty for failure to comply with location requirements, dealer records and dealer plate records.

**Choice Auto, and Ikechukwu F. Igweike** paid a \$250 civil penalty for failure to maintain dealership records.

**Autos \$ Less, and Wayne D. Carpenter** paid a \$500 civil penalty for failure to maintain dealer records and proof of safety inspection prior to retail sale.

**Camping World RV Sales, and Marcus A. Lemonis** paid a \$250 civil penalty for failure to maintain dealer records and proof of safety inspection prior to retail sale.

**Amazing Grace Auto Sales, LLC and Emmanuel A. Yeboah**, licenses suspended, placed into Debt set-off for failure to pay a \$4,900 civil penalty for failure to maintain dealer records, proof of safety inspection prior to retail sale and failure to maintain liability insurance on dealer tags.

**Fox Motors, Inc, and Musa Nazary** agreed to pay a \$17,900 civil penalty for failure to maintain dealer records and misuse of PoD tags.

## Licensing

### Informal Fact-Finding Conference:

**Samuel H. DuPont, Sales Applicant:** - On February 26, 2024, 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 granted Mr. DuPont a salesperson's license application.

## REMINDERS

### Fraud Prevention Seminars

The Virginia Department of Motor Vehicles (DMV) and the MVDB invites motor vehicle dealers to join us during online education forums to help dealers reduce and recognize fraud. The purpose of these seminars is to educate dealers in fraud protection and offer dealers some best practices tips and tools to detect and reduce being victims of fraud. These one hour seminars will be ongoing with different topics and occur via zoom approximately 3-4 times per year. The purpose of these seminars is to offer dealers tips and tools to detect and reduce being victims of fraud. Watch for invites in your email. There is no need to pre-register, just join us via Zoom. The invite will contain the subject, date and time of the event.

# Independent Dealer Operator Course 2024 Schedule

## The Following Courses are Registered Through the VIADA

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
7/9-10/2024	<b>Harrisonburg</b>	Double Tree by Hilton	1400 East Market Street, Harrisonburg 22801
7/16-17/2024	<b>Midlothian</b>	VIADA HOME OFFICE	1525 Huguenot Rd Suite 200 Midlothian 23113
8/6-7/2024	<b>Chantilly</b>	Home2Suites	43340 Defender Dr. Chantilly 20152
8/13-14/2024	<b>Midlothian</b>	VIADA HOME OFFICE	1525 Huguenot Rd Suite 200 Midlothian 23113
9/10-11/2024	<b>Suffolk</b>	Hilton Garden Inn Chesapeake/Suffolk	5921 Harbour View Blvd Suffolk 23435
9/17-18/2024	<b>Midlothian</b>	VIADA HOME OFFICE	1525 Huguenot Rd Suite 200 Midlothian 23113
10/8-9/2024	<b>Harrisonburg</b>	Double Tree by Hilton	1400 East Market Street, Harrisonburg 22801
10/15-16/2024	<b>Midlothian</b>	VIADA HOME OFFICE	1525 Huguenot Rd Suite 200 Midlothian 23113
11/5-6/2024	<b>Lynchburg</b>	Hilton Garden Inn	4025 Wards Road, Lynchburg, 24502
11/12-13/2024	<b>Midlothian</b>	VIADA HOME OFFICE	1525 Huguenot Rd Suite 200 Midlothian 23113
12/10-11/2024	<b>Chantilly</b>	Home2Suites	43340 Defender Dr. Chantilly 20152
12/17-18/2024	<b>Midlothian</b>	VIADA HOME OFFICE	1525 Huguenot Rd Suite 200 Midlothian 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.

## 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:

Ann Majors ext:3016#

### Email:

dboard@mvdb.virginia.gov

### Dealer Talk Editor:

Ann Majors

## What's Wrong With This Picture?



### Improper Use of Dealer Tag!

There are two things wrong with this picture

1. You cannot use a dealer tag on a vehicle used for another business – in this instance it would be for a towing business.
2. You cannot use a dealer tag to tow another vehicle.

§ 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:

1. Tow trucks, wrecking cranes or other service motor vehicles;
2. Vehicles used to deliver or transport other vehicles;
4. Vehicles used in conjunction with any other business.



Issue 152