

Meeting Summary
Dealer Practices Committee
Monday July 8, 2024

Committee Vice-Chair Andrew Wiley called the Dealer Practices Committee meeting to order at 9:05 a.m. This meeting was conducted at the Department of Motor Vehicles, 2300 W. Broad Street, Executive Conference Room 702, Richmond, Virginia. Roll call confirmed the following Committee members being present: Tom Barton, M'Lissa Dunn, Chip Lindsay, Chris Maher, Timothy Pohanka and Donald Sullivan. Those absent included Alexis Barker-Taplett and Nick Rush. Other Board members present: Gerald Lackey, Jeff Ballard, Tom Bates and Trevor Coley. Executive Director William Childress, Lisa Mack-Nelson and Ann Majors represented the Dealer Board. Janet Baugh represented the Attorney General's office.

The May 13, 2024 meeting summary was approved.

PUBLIC COMMENT – There was no public comment.

OLD BUSINESS

OLD BUSINESS FROM THE FLOOR – No old business from the floor.

NEW BUSINESS

Variance Request in Hours:

Jerry's Auto Service and Sales and Jerry E Farmer. VA Code Section § 46.2-1533 requires that each motor vehicle dealer be open for business for a minimum of 20 hours per week, and at least 10 of those hours shall be between the hours of 9:00 a.m. and 5:00 p.m. Monday through Friday. The Board on written request by a dealer, may modify these requirements for good cause...

M'Lissa moved to approve the requested variance. Tim Pohanka seconded. The motion carried unanimously.

Review and Action: Informal Fact-Finding Conferences:

Va Carz, LLC and Mansoor Khokhar #57098. On April 18, 2024, an informal fact-finding conference was conducted to address the alleged violations of VA Code Section(s) 46.2-1533 and 46.2-1575 (2). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$1,500.00 (\$750.00 for violations of VA Code Section 46.2-1533 and \$750.00 for violations of VA Code Section 46.2-1575 (2)) and satisfactory inspection within the next 90 days

Donald Sullivan moved to accept the hearing officer's recommendation of assessing a civil penalty of \$1,500 and a satisfactory inspection within 90 days. M'Lissa Dunn seconded. The motion carried unanimously.

Enterprise Automotive Financial, LLC and Jassam M. Sarhan #45985. On June 20, 2024, an informal fact-finding conference was conducted to address the alleged violations of VA Code Section(s) 46.2-1533 and 46.2-1575 (2). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$2,000.00 (\$1,000.00 for violations of VA Code Section 46.2-1533 and \$1,000.00 for violations of VA Code Section 46.2-1575 (2)).

M'Lissa Dunn moved to accept the hearing officer's recommendation of assessing a \$2,000 civil penalty and modified the recommendation to include a satisfactory inspection within 60 days, successfully complete the 2-day Dealer-Operator course and a suspension for 60 days. Chris Maher seconded. The motion carried unanimously.

Review and Action: Formal Hearing:

Carzlot, Inc. and Blondi B. Bermema #49151. Historical Overview leading up to the Formal Hearing: On January 23, 2024, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1533 and 46.2-1575 (2). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$1,500.00 \$750 for violations of VA Code Sections 46.2-1533 and \$750.00 for violations of 46.2-1575 (2) and a satisfactory inspection. At the March 11, 2024 Board meeting, the Board adopted a resolution to assess a civil penalty of \$1,500.00 and satisfactory inspection on or before Jun 11, 2024. The dealer had until April 15, 2024 to accept or appeal the Decision. On April 12, 2024, Mr. Bermema appealed the Decision and requested a Formal Hearing. On May 1, 2024, a formal hearing was conducted to address the alleged violations of VA Code Sections 46.2-1533 and 46.2-1575 (2). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$1,500.00 (\$750 for violations of 46.2-1533 and \$750 for violations of 46.2-1575 (2)) and a satisfactory inspection within 90 days.

Chris Maher moved to accept the hearing officer's recommendation of assessing a \$1,500 civil penalty and a satisfactory inspection within 90 days. Don Sullivan seconded. The motion carried unanimously.

NEW BUSINESS FROM THE FLOOR – No new business from the floor.

NEXT MEETING – September 9, 2024

The Dealer Practices committee meeting adjourned at 9:42 a.m.

Meeting Summary
Dealer Licensing Committee
Monday, July 8, 2024

Committee Vice-Chair Jeff Ballard called the Dealer Licensing Committee meeting to order at 9:42 a.m. This meeting was conducted at the Department of Motor Vehicles, 2300 W. Broad Street, Executive Conference Room 702, Richmond, Virginia. Roll call confirmed the following Committee members being present: Tom Bates, Trevor Coley, M'Lissa Dunn, Timothy Pohanka and Andrew Wiley. Those absent included Maurice Slaughter, Alexis Barker-Taplett and Dennis Ellmer. Other Board members present: Gerald Lackey, Tom Barton, Chip Lindsay, Chris Maher, Don Sullivan. Executive Director William Childress, Lisa Mack-Nelson and Ann Majors represented the Dealer Board. Janet Baugh represented the Attorney General's office.

The May 13, 2024 meeting summary was approved.

PUBLIC COMMENT – No public comment.

OLD BUSINESS – No old business.

OLD BUSINESS FROM THE FLOOR – No old business from the floor.

NEW BUSINESS – No new business.

Review and Action: Informal Fact-Finding Conference:

Isam Khalil Abdelhay, Salesperson, HoneyCar #55293. On May 21, 2024, an Informal Fact-Finding Conference was conducted to address the alleged violations of VA Code Section(s) 46.2-1575 (6), 46.2-1575 (9) and 46.2-1575 (13). Based on the information provided at the conference, the hearing officer recommended denying a sales license to Isam Khalil Abdelhay for the above-mentioned VA Code Sections.

Mr. Abdelhay was present and spoke on his own behalf.

Tom Bates moved to accept the hearing officer's recommendation. Tim Pohanka seconded. The motion carried unanimously.

NEW BUSINESS FROM THE FLOOR – No new business from the floor.

NEXT MEETING – September 9, 2024

The Licensing Committee meeting adjourned at 10:11 a.m.

Meeting Summary
Advertising Committee
Monday, July 8, 2024

Committee Vice-Chair Don Sullivan called the Advertising Committee meeting to order at 10:11 a.m. This meeting was conducted at the Department of Motor Vehicles, 2300 W. Broad Street, Executive Conference Room 702, Richmond, Virginia. Roll call confirmed the following Committee members being present: Jeff Ballard, Tom Bates, Trevor Coley, Chip Lindsay, Chris Maher, Timothy Pohanka. Those absent included Dennis Ellmer and Nick Rush. Other Board members present: Gerald Lackey, Tom Barton, M'Lissa Dunn and Andrew Wiley. Executive Director William Childress, Lisa Mack-Nelson and Ann Majors represented the Dealer Board. Janet Baugh represented the Attorney General's office.

The May 13, 2024 meeting summary was approved.

PUBLIC COMMENT – No public comment.

OLD BUSINESS – No old business.

OLD BUSINESS FROM THE FLOOR – Tim Pohanka inquired about Tesla's advertising practices. Specifically, Mr. Pohanka questioned their advertisements including projected savings based on estimated fuel savings and federal tax credits (if qualified) in the sale price. This matter was initially brought to the attention of the MVDB staff by the VADA and came before this committee and Board during the May meeting. Ann Majors (Operations Manager) informed the Committee that the letter had not been sent out to Tesla and assured the Committee that the letter would go out by July 12.

NEW BUSINESS – No new business.

NEW BUSINESS FROM THE FLOOR – No new business from the floor.

NEXT MEETING – September 9, 2024

The Advertising committee meeting adjourned at 10:49 a.m.

Meeting Summary
Transaction Recovery Fund Committee
Monday, July 8, 2024

Committee Chair Chris Maher called the Transaction Recovery Fund Committee meeting to order at 10:49 a.m. This meeting was conducted at the Department of Motor Vehicles, 2300 W. Broad Street, Executive Conference Room 702, Richmond, Virginia. Roll call confirmed the following Committee members being present: Jeff Ballard, Tom Barton, Tom Bates, M'Lissa Dunn, Trevor Coley, Chip Lindsay, Don Sullivan and Andrew Wiley. Those absent included Nick Rush and Maurice Slaughter. Other Board members present: Gerald Lackey and Timothy Pohanka. Executive Director William Childress, Lisa Mack-Nelson and Ann Majors represented the Dealer Board. Janet Baugh represented the Attorney General's office.

The May 13, 2024 meeting summary was approved.

PUBLIC COMMENT

OLD BUSINESS – No old business.

OLD BUSINESS FROM THE FLOOR – No old business from the floor.

NEW BUSINESS

Review and Action: Informal Fact-Finding Conferences:

Jonathan Keyes vs. Premium Auto Collection and Johnathan Wright #51239.

On June 18, 2024, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1527.3 against Premium Auto Collection and Jonathan Wright. Based on the information provided at the conference, the hearing officer recommended paying Jonathan Keyes \$1,722.00 from the Transaction Recovery Fund.

Johnathan Wright was present and spoke on his own behalf.

Tom Bates moved to accept the hearing officer's recommendation approving the recommended payment of \$1,722.00 from the Transaction Recovery Fund; and that Johnathan Wright will successfully take the 2-day Dealer-Operator course. Don Sullivan seconded. The motion carried unanimously.

NEW BUSINESS FROM THE FLOOR – No new business from the floor.

NEXT MEETING – September 9, 2024

The Transaction Recovery Fund committee meeting adjourned at 11:14 a.m.

Meeting Summary
Motor Vehicle Dealer Board
Monday, July 8, 2024

Board Chair Gerald Lackey called the Dealer Board meeting to order at 11:35 a.m. This meeting was conducted at the Department of Motor Vehicles, 2300 W. Broad Street, Executive Conference Room 702, Richmond, Virginia. Roll call confirmed the following members being present: Jeff Ballard, Tom Barton, Tom Bates, Trevor Coley, M'Lissa Dunn, Chip Lindsay, Chris Maher, Timothy Pohanka, Don Sullivan and Andrew Wiley. Those absent included Alexis Barker-Taplett, Dennis Ellmer, Nick Rush and Maurice Slaughter. Executive Director William Childress, Lisa Mack-Nelson and Ann Majors represented the Dealer Board. Janet Baugh represented the Attorney General's Office. Alice Weedon was the recording secretary.

The May 13, 2024 meeting summary was approved.

PUBLIC COMMENT – No public comment.

STATUTORY COMMITTEE REPORTS

Dealer Practices Committee

Committee Vice-Chair Andrew Wiley summarized discussions held and actions taken during the Committee Meeting.

Jerry's Auto Service and Sales and Jerry Farmer: Request for Variance in Hours.

Andrew Wiley moved to approve the variance in hours request made by the dealer and approved during the Dealer Practices Committee. M'Lissa Dunn seconded. The motion carried unanimously.

Review and Action: Informal Fact-Finding Conferences:

VA Carz and Mansoor Khokhar & Zahid Anwar #57098. Committee Vice-Chair Wiley made the following motion: The Board has reviewed and considered the facts and evidence and the report of an Informal Fact-Finding Conference as prepared by the hearing officer concerning VA Carz and Mansoor Khokhar for alleged violations of Va. Code sections §46.2-1533 and 46.2-1575 (2). Based on due consideration, the Board believes that the following actions should be taken against VA Carz and Mansoor Khokhar: Assessed a civil penalty of \$1,500.00; and VA Carz shall be inspected by a Motor Vehicle Dealer Board field representative within 90 days and that inspection shall be satisfactory. The Board mandates that Mansoor Khokhar hereby be assessed a civil penalty of \$1,500.00; and the VA Carz dealership shall satisfactorily pass an inspection conducted by a Motor Vehicle Dealer Board field representative on or before October 8, 2024. Failure to comply with the Board's mandates by the required dates will result in the suspension of all licenses and certificates issued by the Board until such time the VA Carz dealership and Mansoor Khokhar successfully complies with the Board's mandates.

Tim Pohanka seconded. The motion carried unanimously.

Enterprise Automotive Financial, LLC and Jassam M. Sarhan #45985. Committee Vice-Chair Wiley made the following motion: The Board has reviewed and considered the facts and evidence and the report of an Informal Fact-Finding Conference as prepared by the hearing officer concerning Enterprise Automotive Financial and Jassam Sarhan for alleged violations of Va. Code sections §46.2-1533 and 46.2-1575 (2). Based on due consideration, the Board believes that the following actions should be taken against Enterprise Automotive Financial and Jassam Sarhan: Assessed a civil penalty of \$2,000.00; and Suspend all certificates and licenses issued by the Board to Jassam Sarhan and the Enterprise Automotive Financial dealership or a period not to exceed 60 calendar days; and Enterprise Automotive Financial shall be inspected by a Motor Vehicle Dealer Board field representative and that inspection shall be satisfactory; and Jassam Sarhan shall successfully complete the 2-day dealer-operator course. The Board mandates that Jassam Sarhan hereby be assessed a civil penalty of \$2,000.00; and all certificates and licenses issued by the Board will be suspended for a period not to exceed 60 days; and the Enterprise Automotive Financial dealership shall satisfactorily pass an inspection conducted by a Motor Vehicle Dealer Board field representative on or before October 8, 2024; and Jassam Sarhan shall successfully complete the dealer-operator course by January 8, 2025. Failure to comply with the Board's mandates by the required dates will result in the suspension of all licenses and certificates issued by the Board until such time the Enterprise Automotive Financial dealership and Jassam Sarhan successfully complies with the Board's mandates.

Don Sullivan seconded. The motion carried unanimously.

Review and Action: Formal Hearing:

Carzlot, Inc. and Blondi B. Bermema #49151. Committee Vice-Chair Wiley made the following motion: Based on the evidence and a report of an Informal Fact-Finding Conference as prepared by a hearing officer, the Motor Vehicle Dealer Board, during its March 2024 meeting, assessed a \$1,500.00 civil penalty and required a satisfactory inspection of the Carzlot dealership on or before June 11, 2024 against Blondi Bermema. On April 12, 2024 Blondi Bermema appealed the Board's decision and requested a formal hearing that was conducted on May 1, 2024. The Board has reviewed and considered the facts and evidence and the report of a Formal hearing as prepared by the hearing officer concerning Carzlot and Blondi Bermema for alleged violations of Va. Code sections §46.2-1533 and 46.2-1575 (2). Based on due consideration, the Board believes that the following actions should be taken against Carzlot and Blondi Bermema: Assessed a civil penalty of \$1,500.00; and Carzlot shall be inspected by Motor Vehicle Dealer Board field representative and that inspection shall be satisfactory. The Board mandates that Carzlot and Blondi Bermema hereby be assessed a civil penalty of \$1,500.00; and Carzlot shall satisfactory pass an inspection conducted by a Motor Vehicle Dealer Board field representative on or before October 8, 2024. Failure to comply with the Board's mandates by the required dates will result in the suspension of all licenses and certificates issued by the Board until such time the Carzlot dealership and Blondi Bermema successfully complies with the Board's mandates

M'Lissa Dunn seconded. The motion carried unanimously.

Licensing Committee

Committee Vice-Chair Jeff Ballard summarized discussions held and actions taken during the Committee Meeting.

Review and Action: Informal Fact-Finding Conference:

Isam Khalil Abdelhay, Salesperson, HoneyCar #55293. Committee Chair Slaughter made the following motion: The Board has reviewed and considered the facts and evidence and the report of an Informal Fact-Finding Conference as prepared by the hearing officer concerning Isam Abdelhay for alleged violations of Va. Code section §46.2-1575 (6) (9) and (13). Based on due consideration, the Board believes the following actions shall be taken against Isam Abdelhay: Denied a salesperson application. The Board mandates that Isam Abdelhay is hereby denied a salesperson application.

Tom Bates seconded. The motion carried unanimously.

Advertising Committee

Committee Vice-Chair Don Sullivan summarized discussions held and actions taken during the Committee Meeting.

Under old business, the committee discussed Tesla's advertising practices and received an update on the actions taken by the Board staff since the last meeting. The committee had much discussion about Tesla's advertisements. Their advertisements include projected fuel savings and federal tax credit savings to lower the cost of the vehicle, which is not the true cost to purchase the vehicle. As requested by the committee, the staff is sending a letter to Tesla concerning their advertisements on or before July 12, 2024. This matter will be updated during the September committee meeting.

Transaction Recovery Fund Committee

Committee Chair Chris Maher summarized discussions held and actions taken during the Committee Meeting.

Jonathan Keyes vs. Premium Auto Collection and Johnathan Wright #51239.

Committee Chair Chris Maher made the following motion: Pursuant to Section §46.2-1527.1 et seq. of the Code of Virginia, which is known as the Motor Vehicle Transaction Recovery Fund (Fund), the Board has reviewed and considered claims for payment from the Fund, and the recommendations of the Hearing Officer on the claims. Based on due consideration and recommendation of the Hearing Officer, the Board approves and acknowledges that the applicant's Jonathan Keyes' claim should be payable from the fund. The Board hereby approves and reaffirm the following claim and up to payment amount subject to compliance by the claimant with statutory requirements:

<u>Claimant</u>	<u>Judgement Amount</u>	<u>Fund Payment</u>
Jonathan Keyes	\$1,722.00	\$1,722.00

Tim Pohanka seconded. The motion carried unanimously.

OLD BUSINESS:

UPDATE: Dealer Portal Update. William Childress updated the Board members concerning the status of the licensing system. He indicated that the update is no different than what was reported at the May meeting. Still working with DMV Vehicle IT and Finance staff on data transfer between the MVDB system and DMV's mainframe.

Legislative Updates – VADA and VIADA -

VADA: Anne Gambardella indicated that there was nothing to report at this time.

VIADA: Alvin Melendez indicated that there was nothing to report at this time.

OLD BUSINESS FROM THE FLOOR – There was no old business from the floor.

NEW BUSINESS:

NEW BUSINESS FROM THE FLOOR – Tim Pohanka questioned about additional funding and whether the licensing fees should be raised to increase funding for additional staffing. William informed the Board that increasing staff would have to go through the Department of Planning and Budget and would be a process over a period of a couple of years. William also added that fees were increased in January 2022 to pay for the automated system and annual maintenance in future years. The fees charged by the Board cannot exceed those specified in Code and the General Assembly will have to approve any Code fee increases. Chairman Lackey advised the Board that future Board meetings could be used to further discuss the deployment, usage and priorities of Board Staff/resources.

Chris Maher questioned why the Board staff wasn't monitoring Facebook Marketplace advertisements. William indicated that MVDB had just received the ability to monitor Facebook Marketplace by Facebook; however, problems existed because Facebook requires an account and we are using state equipment to access social media sites, which is difficult. The MVDB staff is working with VITA and other agencies to find a way to be on social media without the platform knowing that we are a state agency. In addition, some social media sites (groups) require an invitation which won't be possible for the Dealer Board staff. Mr. Maher also asked if the VSA 39 (Emergency Transfer of Tags), could be valid for two weeks and if required, could it be extended for two more weeks. His rationale is that many repairs can't be completed in 5 days and if the form can be changed to 14 days, it would be a great help. Commissioner Lackey said that he would get with his VSA staff and get back to Mr. Maher.

Chris Maher asked Board Chairman Gerald Lackey to investigate the loss of revenue to the state of Virginia in taxes due individuals skipping title. Chairman Lackey acknowledged Mr. Maher's concern and indicated that this matter would be reviewed. The format of the review will be determined in the future.

Chairman Lackey announced that the next Board meeting will take place on September 9, 2024.

EXECUTIVE DIRECTOR'S REPORT – William Childress spoke on the deficit provision acknowledgement form. Each fiscal year, July 1 through June 30, the agency head must brief the board members of the agency head's fiscal responsibilities and his acknowledgement to not exceed the appropriations.

William requested the Board's blessing to attend National Association of Motor Vehicles Boards and Commissions (NAMVBC) trip to Atlanta, Georgia to attend the annual Fall conference. William is currently the President of the NAMVBC.

Chris Maher moved to approved William's trip to Atlanta, Georgia to attend the NAMVBC conference. Tom Bates seconded. The motion carried unanimously.

Personnel Matters: William informed the Board that two of the five licensing technicians are on short-term disability, leaving 3 licensing techs to carry the workload. In addition, this meeting could not be televised because of the vacant IT position. Chairman Lackey asked what DMV could do to assist. William suggested that DMV could live stream future meetings and that this matter should be included in the MOU between the two agencies. Chairman Lackey agreed. Also, the Analyst/Education Coordinator position, vacated by Ann Major's promotion to Operations Manager, is vacant. William informed the Board that he hoped to have both positions filled by the September Board meeting.

There being no further business to come before the Motor Vehicle Dealer Board, Chairman Lackey adjourned the meeting at 12:25 p.m.