

Meeting Summary
Dealer Practices Committee
Monday May 9, 2022

Committee Chair Ron Kody called the Dealer Practices Committee meeting to order at 9:00 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: Michael Bor, Rob Fisher, Chris Maher, Geoff Malloy, Mark Riblett, Senior Saghafi and Andrew Wiley. Those absent included Liza Borches and Gardner Britt. Other Board members present: Linda Ford, Ted Bailey, Dan Banister, Dennis Ellmer, Maurice Slaughter and Don Sullivan. Executive Director William Childress, Lisa Mack-Nelson and Ann Majors represented the Dealer Board. Christian Parrish represented the Attorney General's office.

The March 14, 2022 meeting summary was approved.

PUBLIC COMMENT – There was no public comment.

OLD BUSINESS – There was no old business.

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

NEW BUSINESS

Review and Action: Informal Fact-Finding Conferences:

6 Euclid Auto, LLC and Raymond G. Lafon. On March 3, 2022, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1529, 46.2-1559 and 46.2-1575 (6). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$500.00. Board discussion focused on the recommendation from the hearing officer and is the penalty enough based on the consistent violations committed? Linda Ford indicated that the DMV held a PoD hearing on March 1, 2022 and the dealer's was suspended from using the DMV's PoD system for one year.

Chris Maher moved to assess a \$6,650 civil penalty and for the dealer to successfully complete the 2-day Dealer-Operator course. Mark Riblett seconded. The motion carried unanimously.

Kar Mart, LLC and Dennis J. Rogers. On March 15, 2022, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1529, 46.2-1539, 46.2-1559 and 46.2-1575 (6). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$38,050.00 and suspension of all licenses pending

payment of the \$38,050.00, satisfactory inspection and successfully complete the 2-day Dealer-Operator course.

Linda Ford indicated that the DMV conducted a PoD hearing on April 27th, but they are still waiting on those results.

Motion was made by Rob Fisher to assess a civil penalty of \$38,050 and revocation of licenses since the dealer failed to participate in any of the hearings (MVDB and DMV's), including the Board Committee and Board meetings. Michael Bor seconded. The motion carried unanimously.

Carplug Automotives, Inc. and Gerald M. Carper. On April 7, 2022, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1529, 46.2-1539, 46.2-1550, 46.2-1559 and 46.2-1575(6). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$51,000, satisfactory inspection within 90 days and successful completion of the 2-day Dealer-Operator course.

Gerald Carper was present and spoke on his own behalf. Also in attendance was Matthew McDaniel, an employee of Carplug Automotives, who was hired to help Mr. Carper resolve his issues. Mr. McDaniel indicated he was going to do his best in the assistance of bettering Mr. Carper's business.

Motion was made by Chris Maher to accept the hearing officer's recommendation of assessing a \$51,000 civil penalty and to successfully complete the 2-day Dealer Operator course; however, in addition to a satisfactory inspection within 90 days, he added a follow-up inspection 6 months after the first inspection and a third inspection 9 months after the second inspection. Senior Saghafi seconded. The motion carried unanimously.

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

NEXT MEETING – July 11, 2022

The Dealer Practices committee meeting adjourned at 10:00 a.m.

Meeting Summary
Dealer Licensing Committee
Monday, May 9, 2022

Committee Chair Maurice Slaughter called the Dealer Licensing Committee meeting to order at 10:01 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: Ted Bailey, Dan Banister, Dennis Ellmer, Rob Fisher, Senior Saghafi, Don Sullivan and Andrew Wiley. Those absent included Liza Borches, Gardner Britt and David Duncan. Other Board members present: Linda Ford, Michael Bor, Ron Kody, Chris Maher, Geoff Malloy and Maurice Slaughter. Executive Director William Childress, Lisa Mack-Nelson and Ann Majors represented the Dealer Board. Christian Parrish represented the Attorney General's office.

The March 14, 2022 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.

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

NEXT MEETING – July 11, 2022

The Licensing Committee meeting adjourned at 10:03 a.m.

Meeting Summary
Advertising Committee
Monday, May 9, 2022

Vice-Committee Chair Ted Bailey called the Advertising Committee meeting to order at 10:03 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: Dan Banister, Michael Bor, Dennis Ellmer, Ron Kody, Geoff Malloy, Mark Riblett, Maurice Slaughter and Don Sullivan. Those absent included Liza Borches and David Duncan. Other Board members present: Linda Ford, Rob Fisher, Chris Maher, Senior Saghafi and Andrew Wiley. Executive Director William Childress, Lisa Mack-Nelson and Ann Majors represented the Dealer Board. Christian Parrish represented the Attorney General's office.

The March 14, 2022 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 from the floor.

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

NEXT MEETING – July 11, 2022

The Advertising committee meeting adjourned at 10:05 a.m.

Meeting Summary
Transaction Recovery Fund Committee
Monday, May 9, 2022

Committee Chair Chris Maher called the Transaction Recovery Fund Committee meeting to order at 10:05 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: Dan Banister, Michael Bor, Dennis Ellmer, Rob Fisher, Ron Kody, Geoff Malloy, Mark Riblett, Maurice Slaughter, Don Sullivan and Andrew Wiley. No one was absent. Other Board members present: Linda Ford, Ted Bailey and Senior Saghafi. Executive Director William Childress, Lisa Mack-Nelson and Ann Majors represented the Dealer Board. Christian Parrish represented the Attorney General's office.

The March 14 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.

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

NEXT MEETING – July 11, 2022

The Transaction Recovery Fund committee meeting adjourned at 10:06 a.m.

Meeting Summary
Motor Vehicle Dealer Board
Monday, May 9, 2022

Board Chair Linda Ford called the Dealer Board meeting to order at 10:19 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: Ted Bailey, Dan Banister, Michael Bor, Dennis Ellmer, Rob Fisher, Ron Kody, Chris Maher, Geoff Malloy, Mark Riblett, Senior Saghafi, Maurice Slaughter, Don Sullivan and Andrew Wiley. Those absent included Liza Borches, Gardner Britt and David Duncan. Executive Director William Childress, Lisa Mack-Nelson and Ann Majors represented the Dealer Board. Christian Parrish represented the Attorney General's Office. Alice Weedon was the recording secretary.

The March 14, 2022 meeting summary was approved.

PUBLIC COMMENT – No public comments.

TABLED ISSUE FROM THE MARCH 14, 2022 MEETING:

E and E Auto Sales, LLC and Markeese Johnson. At the March 14, 2022 meeting, a motion was made, but was tabled to the May meeting, that motion is as follows:

Motion was made by Ron Kody to accept the hearing officer's recommendation of assessing a civil penalty of \$6,100.00, satisfactory inspection within 90 days and to successfully complete the 2-day Dealer-Operator course. Don Sullivan seconded. There was a struggle as to why the Hearing Officer reduced the \$61,000 civil penalty to \$6,100.00. General discussion followed. Motion failed, all members opposed.

Markeese Johnson and Terrence Latham were present and Mr. Johnson spoke on his own behalf regarding the March 14, 2022 recommendation.

Motion was made by Chris Maher: 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 E and E Auto Sales and Markeese Johnson for alleged violations of Va. Code sections §46.2-1529, 46.2-1537, and 46.2-1559. Based on due consideration, the Board believes that the following actions should be taken against E and E Auto Sales and Markeese Johnson: Assessed a civil penalty of \$30,500.00; and E and E Auto Sales shall be inspected by a Motor Vehicle Dealer Board field representative by August 9, 2022 and a second inspection six months later and both inspections shall be satisfactory; and Markeese Johnson shall successfully complete the dealer-operator course by November 9, 2022. The Board mandates that Markeese Johnson hereby be assessed a civil penalty of \$30,500.00, and the E and E Auto Sales dealership shall satisfactorily pass an inspection conducted by a Motor Vehicle Dealer Board field representative on or before August 9, 2022 followed by a second inspection six months later, and Markeese Johnson shall successfully complete the dealer-operator course by November 9, 2022. Failure to comply with the Board's mandates by the required dates will result in the suspension of all licenses, certificates issued by the Board until such time the E and E Auto Sales dealership and Markeese Johnson successfully complies with the Board's mandates.

Andrew Wiley seconded. All in Favor: 12 (Bailey, Banister, Ellmer, Fisher, Kody, Maher, Malloy, Riblett, Saghafi, Slaughter, Sullivan and Wiley. Opposed: 1 (Bor). The motion carried.

STATUTORY COMMITTEE REPORTS

Dealer Practices Committee

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

Review and Action: Informal Fact-Finding Conferences

6 Euclid Auto, LLC and Raymond G Lafon. Ron Kody 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 6 Euclid Auto, LLC and Raymond Lafon for alleged violations of Va. Code sections §46.2-1529, 46.2-1559 and 46.2-1575 (6). Based on due consideration, the Board believes that the following actions should be taken against 6 Euclid Auto and Raymond Lafon: Assessed a civil penalty of \$6,650.00; and 6 Euclid Auto shall be inspected by a Motor Vehicle Dealer Board field representative by August 9, 2022 and that inspection shall be satisfactory; and Raymond G. Lafon shall successfully complete the dealer-operator course by November 9, 2022. The Board mandates that Raymond Lafon hereby be assessed a civil penalty of \$6,650.00, and the 6 Euclid Auto dealership shall satisfactorily pass an inspection conducted by a Motor Vehicle Dealer Board field representative on or before August 9, 2022, and Raymond Lafon shall successfully complete the dealer-operator course by November 9, 2022. Failure to comply with the Board's mandates by the required dates will result in the suspension of all licenses, certificates issued by the Board until such time the 6 Euclid Auto dealership and Raymond Lafon complies with the Board's mandates.

Rob Fisher seconded. The motion carried unanimously.

Kar Mart, LLC and Dennis J. Rogers. Ron Kody 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 Kar Mart and Dennis Rogers for alleged violations of Va. Code sections §46.2-1529, 46.2-1539, 46.2-1559 and 46.2-1575 (6). Based on due consideration, the Board believes that the following actions should be taken against Kar Mart and Dennis Rogers: Assessed a civil penalty of \$38,050.00; and Revoke all licenses and certificates issued by the Board to Dennis Rogers. The Board mandates that Dennis Rogers hereby be assessed a civil penalty of \$38,050.00, and all licenses and certificates issued by the Board to Dennis Rogers are hereby revoked.

Andrew Wiley seconded. The motion carried unanimously.

Carplug Automotives, Inc. and Gerald Carper. Ron Kody 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 Carplug Automotives and Gerald Carper for alleged violations of Va. Code sections §46.2-1529, 46.2-1539, 46.2-1550, 46.2-1559 and 46.2-1575 (6). Based on due consideration, the Board believes that the following actions should be taken against Carplug Automotives and Gerald Carper: Assessed a civil penalty of \$51,000.00; and Carplug Automotives shall be inspected by a Motor Vehicle Dealer Board field representative on or before September 9, 2022 with a follow-up inspection six months after the initial inspection and the final inspection nine months after the second inspection; and Gerald Carper shall successfully complete the dealer-operator course by November 9, 2022. The Board mandates

that Gerald Carper hereby be assessed a civil penalty of \$51,000.00, and the Carplug Automotives dealership shall satisfactorily pass a series of inspections conducted by a Motor Vehicle Dealer Board field representative, the first inspection on or before August 9, 2022, followed by a second inspection 6 months after the initial inspection and the third inspection will be six months after the second inspection and Gerald Carper shall successfully complete the dealer-operator course by November 9, 2022. Failure to comply with the Board's mandates by the required dates will result in the suspension of all licenses, certificates issued by the Board until such time Carplug Automotives and Gerald Carper successfully complies with the Board's mandates.

Mr. Carper requested some time so that he could come up with the funds.

Rob Fisher seconded. The motion carried unanimously.

Licensing Committee

Committee Chair Slaughter reported quorum in place; however, no discussions or actions were on the agenda for the committee to consider.

Advertising Committee

Vice-Committee Chair Bailey reported quorum in place; however, no discussions or actions were on the agenda for the committee to consider.

Transaction Recovery Fund Committee

Committee Chair Maher reported quorum in place; however, no discussions or actions were on the agenda for the committee to consider.

OLD BUSINESS:

Dealer Portal Update. William Childress informed the Board members that the Dealer Portal Project kick-off meeting will take place on May 10, 2022 at 10:00 a.m. via Zoom. The primary purpose of the kick-off meeting is to allow the vendor (Systems Automation) to introduce its project team, provide a project overview and discuss the project timeline. Key DMV IT personnel will participate. All board members and the Attorney General's Office representative is allowed to participate since this is an informational meeting and no Board business is being discussed. A link will be provided to all for those who want to participate.

HB 316 – William Childress informed the Board members that this bill just recently passed the Virginia General Assembly and will go into effect July 1, 2022. The bill was sponsored by VIADA. The key facts of this bill are; recertification for dealers-operators will now be every 24 months, rather than the current 36 months, the course will instructor led (virtually or in person) and be 4 hours in duration instead of the 6 hours for the current program. The registration will increase to \$50, versus the current \$25 and the additional \$25 will go to the Dealer Board. There will be also be an end of course exam. The cost of the course, determined by the vendor, cannot exceed \$300 – up from the current \$250. During the past few months MVDB staff and the three vendors have met on several occasions to discuss the curriculum. At this time, William informed the Board that two of the three vendors (Compass Systems and JTZ Enterprises) had met HB 316 legislative requirements and recommended that they be approved to teach the Dealer-Operator Recertification course.

Motion was made by Chris Maher to approve Compass Systems as an authorized licensed provider for the recertification program. Maurice Slaughter seconded. The motion passed unanimously.

Motion was made by Chris Maher to approve JTZ as an authorized licensed provider for the recertification provider. Dan Banister seconded. The motion passed unanimously.

William informed the Board that VIADA, the 3rd provider, is still working on their proposal, and asked the Board to delegate approval authority to him since the Board will not meet until after the July 1, 2022 implementation date.

Motion was made by Chris Maher to grant William the authority approve VIADA package once it meets the requirements, if this is accomplished prior to the next scheduled Board meeting (July). Rob Fisher seconded. The motion passed unanimously.

Legislative Updates – VADA and VIADA

VADA: Ralston King indicated that the first bill, the Virginia Overtime Wage Act, was signed in April and will go into effect July 1st. The second bill, Manufacturer Warranty Bill Recall, had some amendments and will go the Governor for signature. He is confident it will be signed and will go into effect July 1st.

VIADA: Gonzalo Aida indicated that their primary focus was on HB 316 and he also informed the Board that the Catalytic Converter Theft bill passed and the thief of a catalytic will now be considered a class 6 felony.

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

NEW BUSINESS

NEW BUSINESS FROM THE FLOOR – Dennis Ellmer suggested changing the Board meetings to any day but Mondays, especially when it comes to Sunday Holidays, like Mother's Day. Dan Banister agrees. Linda Ford indicated that William Childress will take this into consideration scheduling future meeting dates.

EXECUTIVE DIRECTOR'S REPORT – William Childress informed the Board members that the Dealer Board is now fully staffed for the first time in over two years. He then introduced the two new field representatives, Omar Hamidi, who will be responsible for the Northern Virginia District and Jama Smith, who will responsible for the Richmond District. Lastly, William informed the Board that the will start reviewing agency policies. Times have changed and our policies and practices need to be reviewed for possible changes as well. Once discussed, the applicable policies with recommended changes will come before the Board for discussion/action.

Better Education: Don Sullivan requested better education for salespersons. Salespeople are now doing more than selling vehicles. In many dealerships, especially the smaller ones, salespeople are running the dealership when the owner/dealer-operator are not there. Don indicated that the current 20 question exam is just not enough. Chris Maher suggested a deeper and rigorous training process for salespersons. Dan Banister suggested a refresher course every couple of years or when the laws change. Other Board members questioned this need, especially since the salesperson exam is for a salesperson, not a dealer-operator. Chris Maher

recommended that a committee be formed and the following board members: Chris Maher, Michael Bor, Dan Banister, Don Sullivan and Senior Saghafi be on the committee. The committee will research and develop a training course for salespersons. There was no further discussion on this topic.

Board Chair Linda Ford and William Childress presented Michael Bor with his Board appointment certificate.

The next meeting will be on July 11, 2022.

There being no further business to come before the Motor Vehicle Dealer Board, Full Board Chair Linda Ford adjourned the Full Board meeting at 11:50 a.m.