

Meeting Summary
Dealer Practices Committee
Monday September 9, 2024

Committee Vice-Chair Andrew Wiley called the Dealer Practices Committee meeting to order at 9:07 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: Alexis Barker-Taplett, Tom Barton, M'Lissa Dunn, Chris Maher, Nick Rush and Donald Sullivan. Those absent included Chip Lindsay and Timothy Pohanka. Other Board members present: Jeff Ballard, Tom Bates and Kevin Reynolds. Executive Director William Childress, Lisa Mack-Nelson and Ann Majors represented the Dealer Board. Christian Parrish represented the Attorney General's office.

The July 8, 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

Review and Action: Informal Fact-Finding Conferences:

T.A.G. Autosports and James C. Tayler #54345. On June 9, 2024, an informal fact-finding conference was conducted to address the alleged violations of VA Code Section(s) 46.2-1533, 46.2-1542 (B) and 46.2-1575 (2). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$1,000.00 (\$250.00 for violations of VA Code Section 46.2-1533, \$500.00 for violations of 46.2-1542 (B) and \$250.00 for violations of VA Code Section 46.2-1575 (2)) and satisfactory inspection within the next 90 days

Nick Rush moved to accept the hearing officer's recommendation of assessing a civil penalty of \$1,000.00 and satisfactory inspection within 90 days. Alexis Barker-Taplett seconded. The motion carried unanimously.

The Xclusive Auto Center, Inc. and Mohammad Salem #54563. On June 26, 2024, an informal fact-finding conference was conducted to address the alleged violations of VA Code Section(s) 46.2-1500, 46.2-1529, 46.2-1548 and 46.2-1575 (2). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$1,250.00 (\$500.00 for 46.2-1500, \$250.00 for 46.2-1529, \$250.00 for 46.2-1548) and \$250.00 46.2-1575 (2)) and satisfactory inspection.

General discussion among the members spoke to the severity of the egregious violations committed by this dealer. The Committee agreed the hearing officer's recommendation wasn't strong enough to get the dealer's attention.

M'Lissa Dunn moved to increase the violation of \$2,000, (\$500 for 46.2-1500, \$500 for 46.2-1529, \$500 for 46.2-1548 and \$500 for 46.2-1575 (2)), inspection within 90 days and to successfully complete the 2-day Dealer-Operator course. Don Sullivan seconded. The motion carried unanimously.

Fairfax Motors, Inc. #5507 and Aqela Sheh. On June 26, 2024, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1529, 46.2-1537 and 46.2-1542 (B). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$4,000.00 (\$750.00 for violations of 46.2-1529, \$2,500.00 for violations of 46.2-1537 and \$750.00 for violations of 46.2-1542 (B)) and a satisfactory inspection within 90 days.

General discussion among the members spoke on the severity of the egregious violations committed by this dealer. The Committee agreed the hearing officer's recommendation would not get the attention of this dealer.

M'Lissa Dunn moved that the civil penalty be increased to \$11,000.00 (\$3,000 for 46.2-1529, \$5,000 for 46.2-1537 and \$3,000 for 36.2-1542 (B)), temporary suspension for no later than 30 days, satisfactory inspection within 30 days and to successfully complete the 2-day Dealer-Operator course within 60 days. Alexis Barker-Taplett seconded. The motion carried unanimously.

Yes Auto Sales #56737 and Amon Sammy Hammad. On August 19, 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 \$1,000.00 for failure to maintain established business hours and a satisfactory inspection within 90 days.

Don Sullivan moved to increase the civil penalty to \$2,000.00 (\$1,000 for 46.2-1533 and \$1,000 for 46.2-1575 (2)), a satisfactory inspection within 90 days and to successfully complete the 2-day Dealer-Operator course. M'Lissa Dunn seconded. The motion carried unanimously.

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

NEXT MEETING – During the Full Board, they agreed to have the meeting November 18, 2024.

The Dealer Practices committee meeting adjourned at 9:57 a.m.

Meeting Summary
Dealer Licensing Committee
Monday, September 9, 2024

Committee Vice-Chair Jeff Ballard called the Dealer Licensing Committee meeting to order at 9:57 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: Alexis Barker-Taplett, Tom Bates, M'Lissa Dunn, Kevin Reynolds and Andrew Wiley. Those absent included Dennis Ellmer and Tim Pohanka. Other Board members present: Tom Barton, Chris Maher, Nick Rush 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 July 8, 2024 meeting summary was approved.

PUBLIC COMMENT – No public comments.

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 – Thomas Bates wanted to know the number of wholesale transactions by dealers scheduled to appear before the Board. He requested staff provide this information, if possible. After a brief discussion and confirmation by the Executive Director, it was decided that this information will be provided in the future on the Dealer Information Sheet.

NEXT MEETING – November 18, 2024.

The Licensing Committee meeting adjourned at 10:06 a.m.

Meeting Summary
Advertising Committee
Monday, September 9, 2024

Committee Vice-Chair Don Sullivan called the Advertising Committee meeting to order at 10:06 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, Chris Maher, Kevin Reynolds and Nick Rush. Those absent included Dennis Ellmer, Chip Lindsay, Tim Pohanka. Other Board members present: Alexis Barker-Taplett, Tom Barton, M'Lissa Dunn 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 July 8, 2024 meeting summary was approved.

PUBLIC COMMENT – No public comment.

OLD BUSINESS

Tesla Advertising – William Childress updated the Committee regarding Tesla's advertising, specifically, Tesla's use of the estimated gas savings to reduce the price of their vehicles. During the July Committee meeting, Board staff was directed to send Tesla a letter with a civil penalty for failure to respond to an allegation letter send in May. After sending the letter as instructed, the Executive Director learned that Tesla had responded to the May letter and had requested an in-person meeting to discuss the matter. William informed the Committee that he had rescinded the July letter to Tesla in light of discovering that Tesla had responded to the May letter. During the face-to-face meeting with Tesla representatives, the staff had an opportunity to review the changes that Tesla had made to their advertisements. They added the ability for the customer to toggle between pricing the vehicle with incentives (gas savings and federal tax savings) and without incentives (true cost of the vehicle). Anne Gambardella (VADA) informed the committee that she felt that Tesla's advertisements should default to the actual cost of the vehicle and if the customer wanted to include the incentives they could do so.

Social Media Advertising – William Childress indicated that since the July meeting, MVDB staff is exploring new methods to view dealer activities and advertisements on social media platforms that require membership or invitations to join such as Facebook, Facebook Marketplace, Instagram, etc.

Tyler Huffman, MVDB IT contractor, spoke to the challenges faced by staff while looking for advertising violations on these platforms. The equipment used by staff is on the Commonwealth of Virginia's network and will transmit this information through the IP address. The Board staff is working with VITA while having conversations with the Virginia State Police about various ways the Board staff can monitor dealers utilizing these platforms without revealing the connection to the state. John Summers (JTZ Enterprises) suggested that a third party solution is available to the Board staff to assist with monitoring these social media platforms. He will provide more information and some cost estimates to the Board staff.

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

NEW BUSINESS

Advertising Educational Update -William Childress informed the Committee that many licensed dealers in Virginia were in violation of Virginia's advertising laws. In most instances the advertisements failed to list the processing fee, advertisement contained a phone number not listed with the Board, failed to show dealership's name or VLDR, or contained trigger terms (monthly cost, payment amount, number of payments, finance charges, etc.). The Board staff is prepared to send all Virginia licensed dealers a Send Pulse communique reminding and educating them about Virginia's Motor Vehicle advertising laws. This information will also be included in the October edition of the Dealer Talk newsletter. The committee discussed this issue and agreed to grant the dealerships a 60-day grace period (30 and 90 days were also considered) to come into compliance before the Board staff starts taking disciplinary actions, i.e., warnings, civil penalties (incremental), administrative hearings, appearance before the Board. William informed the Committee that the 60-day grace period will begin once Board staff releases the Send Pulse communique to the dealer community.

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

NEXT MEETING – November 18, 2024.

The Advertising committee meeting adjourned at 10:57 a.m.

Meeting Summary
Transaction Recovery Fund Committee
Monday, September 9, 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, Nick Rush, Don Sullivan and Andrew Wiley. Those absent included Chip Lindsay. Other Board members present; Alexis Barker-Taplett and Kevin Reynolds. Executive Director William Childress, Lisa Mack-Nelson and Ann Majors represented the Dealer Board. Christian Parrish represented the Attorney General's office.

The July 8, 2024 meeting summary was approved.

PUBLIC COMMENT – No public comments.

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 – November 18, 2024

The Transaction Recovery Fund committee meeting adjourned at 11:00 a.m.

Meeting Summary
Motor Vehicle Dealer Board
Monday, September 9, 2024

Board Vice-Chair Chris Maher called the Dealer Board meeting to order at 11:15 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, Alexis Barker-Taplett, Tom Barton, Tom Bates, M'Lissa Dunn, Kevin Reynolds, Nick Rush, Don Sullivan and Andrew Wiley. Those absent included Dennis Ellmer, Gerald Lackey, Chip Lindsay, Edward Maulbeck and Tim Pohanka. 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 July 8, 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.

Review and Action: Informal Fact-Finding Conferences:

T.A.G. Autosports and James C. Taylor #54345. Committee Vice-Chair Wiley moved the following: 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 T. A. G. Autosports and James Taylor for alleged violations of VA. Code sections §46.2-1533, 46.2-1542 (B) and 46.2-1575 (2). Based on due consideration, the Board believes that the following actions should be taken against T. A. G. Autosports and James Taylor: Assessed a civil penalty of \$1,000.00; and T.A.G. Autosports shall be inspected by a Motor Vehicle Dealer Board field representative, and that inspection shall be satisfactory. The Board mandates that James Taylor hereby be assessed a civil penalty of \$1,000.00 and the T.A.G. Autosports dealership shall satisfactorily pass an inspection conducted by a Motor Vehicle Dealer Board field representative on or before December 9, 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 T.A.G. Autosports dealership and James Taylor successfully complies with the Board's mandates

Nick Rush seconded. The motion carried unanimously.

The Xclusive Auto Center, Inc. and Mohammad Salem #54563. Committee Vice-Chair Wiley moved the following: 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 The Xclusive Auto Center and Mohammad Salem for alleged violations of VA. Code sections §46.2-1500, 46.2-1529, 46.2-1548 and 46.2-1575 (2). Based on due consideration, the Board believes that the following actions should be taken against The Xclusive Auto Center and Mohammad Salem: Assessed a civil penalty of \$ 2,000.00; and The Xclusive Auto Center shall be inspected by a Motor Vehicle Dealer Board field representative, and that inspection shall be satisfactory; and Mohammad Salem shall successfully complete the 2-day dealer-operator course within 90 days. The Board mandates that Mohammad Salem hereby be assessed a civil penalty of \$2,000.00 and The Xclusive Auto Center dealership shall satisfactorily pass an inspection conducted by a Motor Vehicle Dealer Board field representative on or before December 9, 2024, and Mohammad Salem shall successfully complete the dealer-operator course by November 9, 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 as The Xclusive Auto Center dealership and Mohammad Salem successfully complies with the Board's mandates.

M'Lissa Dunn seconded. The motion carried unanimously.

Fairfax Motors and Aqela Saleh #5507. Committee Vice-Chair Wiley moved the following: 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 Fairfax Motors and Aqela Saleh for alleged violations of VA. Code sections §46.2-1529, 46.2-1537 and 46.2-1542 (B). Based on due consideration, the Board believes that the following actions should be taken against Fairfax Motors and Aqela Saleh: Assessed a civil penalty of \$11,000.00; and Suspend all licenses and certificates issued by the Board for no less than 30 days; and Fairfax Motors shall be inspected by a Motor Vehicle Dealer Board field representative and that inspection shall be satisfactory; and Aqela Saleh shall successfully complete the 2-day dealer-operator course within 60 days. The Board mandates that Aqela Saleh hereby be assessed a civil penalty of \$11,000.00 and all licenses and certificates issued by the Board shall be suspended, effective October 15, 2024 and the last day of suspension will be November 14, 2024; and the Fairfax Motors dealership shall satisfactorily pass an inspection conducted by a Motor Vehicle Dealer Board field representative on or before December 14, 2024, and Aqela Saleh shall successfully complete the dealer-operator course by November 9, 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 as the Fairfax Motors dealership and Aqela Saleh successfully complies with the Board's mandates.

Tom Barton seconded. The motion carried unanimously.

Yes Auto Sales and Amon Sammy Hamad #56737. Committee Vice-Chair Wiley moved the following: 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 Yes Auto Sales and Amon Hamad 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 Yes Auto Sales and Amon Hamad: Assessed a civil penalty of \$2,000.00; and Yes Auto Sales shall be inspected by a Motor Vehicle Dealer Board field representative and that inspection shall be satisfactory; and Amon Hamad shall successfully complete the 2-day dealer-operator course. The Board mandates that Amon Hamad hereby be assessed a civil penalty of \$2,000.00 and the Yes Auto Sales Motors dealership shall satisfactorily pass an inspection conducted by a Motor Vehicle Dealer Board field representative on or before December 9, 2024; and Amon Hamad shall successfully complete the dealer-operator course by March 9, 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 as the Yes Auto Sales dealership and Amon Hamad successfully complies with the Board's mandates.

Kevin Reynolds seconded. The motion carried unanimously.

The committee will meet again on November 18, 2024.

Licensing Committee

Vice Committee Chair Jeff Ballard reported quorum in place; however, there were no discussions or agenda items for the committee to consider. The committee will meet again on November 18, 2024.

Advertising Committee

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

Old Business

Tesla Advertising Update - updated the Board concerning the committee's discussions concerning Tesla's advertising, specifically Tesla's use of the estimated gas savings to reduce the price of their vehicles. Board asked that Chair pull together a committee to look at this matter in general. Mr. Bates expressed an interest in being a part of this committee.

Social Media Advertising - updated the Board concerning the committee's discussions concerning the staff's abilities and challenges monitoring dealers on social media platforms. Board members asked questions, mostly for understanding and clarification. The staff will continue to work with VITA staff and the Virginia State Police about various ways the Board can monitor dealers on these platforms without revealing the connection to the state.

New Business

Advertising Educational Update - updated the Board concerning the committee's discussions and the staff's plan to send all Virginia licensed dealers a Send Pulse communique reminding and educating them about Virginia's Motor Vehicle advertising

laws. This information will also be included in the October edition of the Dealer Talk newsletter.

Transaction Recovery Fund Committee

Committee Vice Chair Bates reported quorum in place; however, no discussions or actions were on the agenda for the committee to consider. The committee will meet again on November 18, 2024.

OLD BUSINESS:

UPDATE: Dealer Portal Update - William Childress informed the Board that the vendor (System Automation), DMV IT and the Dealer Board staff are still working through the interfaces. It is critical that the interfaces are correct since the information being transmitted will update DMV's dealer information which is shared with the Board.

Legislative Updates – VADA and VIADA -

VADA: Anne Gambardella – nothing to report.

VIADA: Alvin Melendez – Introduced Lauren Keiser, Deputy Director/Lobbyist.

OLD BUSINESS FROM THE FLOOR – Tom Bates inquired about Rivian and when the hearings for Rivian will take place. Anne Gambardella (VADA) will provide Tom Bates with the information he is seeking.

NEW BUSINESS:

NEW BUSINESS FROM THE FLOOR –

Vice Board Chairman Maher announced that the next Board meeting will take place on November 18, 2024.

EXECUTIVE DIRECTOR'S REPORT – William Childress informed the Board that the Board staff had been down by two licensing technicians for several months. Both licensing technicians were out on Short-Term Disability leave. One technician returned to work on September 4 and the second one is scheduled to return soon. William further informed the Board that licensing processing times were significantly impacted by the absences of the two, but that new dealer applications were processed within the agency's normal processing period. William introduced the two newest Board staff members to the Board. Tyler Huffman (start date July 29) is currently filling the agency's IT Coordinator slot. Tyler is a contract employee working for Apex Systems. William informed the Board that he was hoping to permanently fill the IT Coordinator's position before the next Board meeting. The second new member, LaTasha Hill (start date August 26) will serve as the agency's Analyst/Education Coordinator. LaTasha comes to the Board from the DMV, where she was the Newport News Customer Service Center manager.

William announced his retirement from state government (31 years), effective January 1, 2025. Chris Maher informed the Board that he had discussions with Chairman Lackey and that a plan was being formalized to recruit and hire William's replacement.

There being no further business to come before the Motor Vehicle Dealer Board, Board Vice-Chairman Maher adjourned the meeting at 11:56 p.m.