

**Meeting Summary  
Motor Vehicle Dealer Board  
Monday, July 8, 2013**

Vice-Chairman Kevin Reilly called the Dealer Board meeting to order at 12:05 p.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. The roll was called and there were 12 Board members present. Present were members Andy Alvarez, Ted Bailey, Roy Boswell, Lynn Hooper, Art Hudgins, Ronald Kody, Wanda Lewark, Matt McQueen, Joe Tate, Jimmy Whitten and Tommy Woodson. (Absent: Rick Holcomb, Brian Hutchens, Chip Lindsay, Thomas Moorehead, George Pelton, Rodney Williams and Sally Woodson). Executive Director Bruce Gould, Peggy Bailey, Prin Cowan, Ann Majors, Wanda Neely and Frank McCormick represented the Dealer Board. Eric Fiske represented the Attorney General's Office. Alice Weedon was the recording secretary.

**PUBLIC COMMENT**

There was no public comment.

The May 13, 2013 meeting summary was approved.

**STATUTORY COMMITTEE REPORTS**

**Dealer Practices Committee:**

Chairman Tommy Woodson summarized discussions held and actions that were taken during the Committee Meeting.

- **Emotors, Ltd and Steven N. Kendall.** Tommy Woodson 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 Emotors and Steven N. Kendall for alleged violations of VA Code Sections 46.2-1533 and 46.2-1575(2). Based on due consideration, the Board believes a civil penalty should be assessed against Emotors and Steven N. Kendall. The Board hereby assesses a \$3,000 civil penalty against Emotors and Steven N. Kendall and based on due consideration, the Board believes that Mr. Kendall's dealership should be re-inspected and that the inspection must be satisfactory and that all licenses and certificates issued by the Board to Mr. Kendall should be suspended until such time as he has had a satisfactory inspection by a Motor Vehicle Dealer Board Field Representative. The Board hereby mandates that a Motor Vehicle Dealer Board field representative re-inspect Mr. Kendall's dealership and if the inspection is not satisfactory the Board suspends for all licenses and certificates issued by the Board to Mr. Kendall until such time as he has had a satisfactory inspection by a Motor Vehicle Dealer Board Field Representative.

Joe Tate seconded. The motion carried unanimously.

- **Z Best Auto Sales and Ahmed Alqadi.** Tommy Woodson 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 Z Best Auto Sales and Ahmed Alqadi for alleged violations of VA Code Sections 46.2-1529, 46.2-1532, 46.2-1534, 46.2-1537, 46.2-1542, 46.2-1548, 46.2-1550, 46.2-1550 (2), 46.2-1559 and 46.2-1575 (2). Based on due consideration, the Board believes a civil penalty should be assessed against Z Best Auto Sales and Ahmed Alqadi. The Board hereby assesses a \$5,000 civil penalty against Z Best Auto Sales and Ahmed Alqadi and based on due consideration, the Board believes that Mr. Alqadi's dealership should be re-inspected and that the inspection must be satisfactory and that all licenses and certificates issued by the Board to Mr. Alqadi should be suspended until such time as he has had a satisfactory inspection by a Motor Vehicle Dealer Board Field Representative. The Board hereby mandates that a Motor Vehicle Dealer Board field representative re-inspect Mr. Alqadi's dealership and if the inspection is not satisfactory the Board suspends for all licenses and certificates issued by the Board to Mr. Alqadi until such time as he has had a satisfactory inspection by a Motor Vehicle Dealer Board Field Representative and based on due consideration, the Board believes that successfully completing the dealer-operator course would benefit Mr. Alqadi in running his dealership. The Board mandates that Mr. Alqadi successfully complete the dealer-operator course by January 8, 2104. Failure to successfully complete the course by this date will result in a suspension of all licenses and certificates issued to Mr. Alqadi by the Board until such time Mr. Alqadi has successfully completed the course.

Matt McQueen seconded. The motion carried unanimously.

- **ABC Auto and Igor Serbic.** Tommy Woodson 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 ABC Cars and Igor Serbic for alleged violations of VA Code Sections 46.2-1533, 46.2-1534, and 46.2-1575 (2). Based on due consideration, the Board believes a civil penalty should be assessed against ABC Cars and Igor Serbic. The Board hereby assesses a \$1,000 civil penalty against ABC Cars and Igor Serbic and based on due consideration, the Board believes that Mr. Serbic's dealership should be re-inspected and that the inspection must be satisfactory and that all licenses and certificates issued by the Board to Mr. Serbic should be suspended until such time as he has had a satisfactory inspection by a Motor Vehicle Dealer Board Field Representative. The Board hereby mandates that a Motor Vehicle Dealer Board field representative re-inspect Mr. Serbic's dealership and if the inspection is not satisfactory the Board suspends for all licenses and certificates issued by the Board to Mr. Serbic until such time as he has had a satisfactory inspection by a Motor Vehicle Dealer Board Field Representative.

Mr. Serbic spoke on his own behalf.

Joe Tate seconded. The motion carried unanimously.

- **W & H Auto Sales and Timothy Widener.** Tommy Woodson 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 W & H Auto Sales and Timothy Widener for alleged violations of VA Code Sections 46.2-1515, 46.2-1533, 46.2-1534, 46.2-1539, 46.2-1550 and 46.2-1575 (6) and (12). Based on due consideration, the Board believes a civil penalty should be assessed against W & H Auto Sales and Timothy Widener. The Board hereby assesses a \$1,000 civil penalty against W & H Auto Sales and Timothy Widener.

Joe Tate seconded. The motion carried unanimously.

**NOTE:** The following issue's original motion was made by Tommy Woodson to assess a civil penalty of \$5,000 and suspension of all licenses until a satisfactory inspection is completed. Wanda Lewark seconded.

- **Supermax Autos and Chadi Chit Dirani.** Joe Tate made the following substitute 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 Supermax Autos and Chadi Chit Dirani for alleged violations of VA Code Sections 46.2-1510, 46.2-1518, 46.2-1529, 46.2-1532, 46.2-1537, 46.2-1548, 46.2-1550, 46.2-1574 and 46.2-1575 (1), (2), and (18). Based on due consideration, the Board believes a civil penalty should be assessed against Supermax Autos and Chadi Chit Dirani. The Board hereby assesses a \$5,000 civil penalty against Supermax Autos and Chadi Chit Dirani; and based on due consideration, the Board believes all licenses and certificates issued by the Board to Mr. Dirani should be revoked. The Board hereby revokes all licenses and certificates issued by the Board to Mr. Dirani.

Lynn Hooper seconded. The motion carried unanimously.

- **Empire Auto Sales and Nellie Ann Murray.** Tommy Woodson 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 Empire Auto Sales and Nellie Ann Murray for alleged violations of VA Code Sections 46.2-1533 and 46.2-1575(2). Based on due consideration, the Board believes a civil penalty should be assessed against Empire Auto Sales and Nellie Ann Murray. The Board hereby assesses a \$3,000 civil penalty against Empire Auto Sales and Nellie Ann Murray and based on due consideration, the Board believes that Ms. Murray's dealership should be re-inspected within 30 days and that the inspection must be satisfactory and that all licenses and certificates issued by the Board to Ms. Murray should be suspended until such time as he has had a satisfactory inspection by a Motor Vehicle Dealer Board Field Representative. The Board hereby mandates that a Motor Vehicle Dealer Board field representative re-inspect Ms. Murray dealership by September 10, 2013 and if the inspection is not satisfactory the Board suspends all licenses and certificates issued by the Board to Ms. Murray until such time as he has had a satisfactory inspection by a Motor Vehicle Dealer Board Field Representative.

Ted Bailey seconded. The motion carried unanimously.

**NOTE:** The following issue's original motion was made by Tommy Woodson to assess a civil penalty of \$5,000 and suspension of all licenses until a satisfactory inspection is completed. Jimmy Whitten seconded. Then after much discussion, Roy Boswell made a motion to reduce the civil penalty to \$1,500, if Mr. Goode has a satisfactory inspection; however, if he fails the inspection, the civil penalty will raise to \$5,000. Andy Alvarez seconded. All in favor: 5 (Boswell, Hudgins, Lewark, Reilly, Woodson). Opposed: 6 (Alvarez, Bailey, Hooper, Kody, Tate, Whitten). Motion failed.

- **Preowned Luxury Vehicles, LLC and Wilson McCoye Goode.** Jimmy Whitten made the following substitute 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 Preowned Luxury Vehicles, LLC and Wilson McCoye Goode for alleged violations of VA Code Sections 46.2-1518, 46.2-1529, 46.2-1532, 46.2-1537, 46.2-1539, 46.2-1550 (2), and 46.2-1575 (2) and (6). Based on due consideration, the Board believes a civil penalty should be assessed against Preowned Luxury Vehicles, LLC and Wilson McCoye Goode. The Board hereby assesses a \$3,500 civil penalty against Preowned Luxury Vehicles, LLC and Wilson McCoye Goode; and based on due consideration, the Board believes that Mr. Goode's dealership should be re-inspected and that the inspection must be satisfactory and that all licenses and certificates issued by the Board to Mr. Goode should be suspended until such time as he has had a satisfactory inspection by a Motor Vehicle Dealer Board Field Representative. The Board hereby mandates that a Motor Vehicle Dealer Board field representative re-inspect Mr. Goode's dealership and if the inspection is not satisfactory the Board suspends all licenses and certificates issued by the Board to Mr. Goode until such time as he has had a satisfactory inspection by a Motor Vehicle Dealer Board Field Representative; and based on due consideration, the Board believes that successfully completing the dealer-operator course would benefit Mr. Goode in running his dealership. The Board mandates that Mr. Goode successfully complete the dealer-operator course by January 8, 2014. Failure to successfully complete the course by this date will result in a suspension of all licenses and certificates issued to Mr. Goode by the Board until what time Mr. Goode has successfully completed the course.

Mr. Goode spoke on his own behalf.

Joe Tate seconded. (All in favor: 9 (Alvarez, Bailey, Hooper, Hudgins, Kody, Lewark, Reilly, Tate, Whitten). Opposed: 2 (Boswell, Woodson). The motion carried.

- **Star Auto Sales and Ziad J. Aboulhosn.** Tommy Woodson 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 Star Auto Sales and Ziad J. Aboulhosn for alleged violations of VA Code Sections 46.2-618, 46.2-1529, 46.2-1529 (1), 46.2-1530, 46.2-1532, 46.2-1537, 46.2-1542, 46.2-1559 and 46.2-1575 (2),(9) and (10). Based on due consideration, the Board believes a civil penalty should be assessed against Star Auto Sales and Ziad J. Aboulhosn. The Board hereby assesses a \$3,000 civil penalty against Star Auto Sales and Ziad J. Aboulhosn; and based on due consideration, the Board believes that Mr. Aboulhosn's dealership should be re-inspected and that the inspection must be satisfactory and that all licenses and certificates issued by the Board to Mr. Aboulhosn should be suspended until such time as he has had a satisfactory inspection by a Motor Vehicle Dealer Board Field Representative. The Board hereby mandates that a Motor Vehicle Dealer Board field representative re-inspect Mr. Aboulhosn's dealership and if the inspection is not satisfactory the Board suspends all licenses and certificates issued by the Board to Mr. Aboulhosn until such time as he has had a satisfactory inspection by a Motor Vehicle Dealer Board Field Representative; and based on due consideration, the Board believes that successfully completing the dealer-operator course would benefit Mr. Aboulhosn in running his dealership. The Board mandates that Mr. Aboulhosn successfully complete the dealer-operator course and per Mr. Aboulhsn's voluntary offer, that Mr. Travis Hampton and Mr. Sam Aboulhosn also complete the dealer-operator course by, January 8, 2014. Failure for all three of these individuals to successfully complete the course by this date will result in a suspension of all licenses and certificates issued to Mr. Aboulhosn by the Board until such time Mr. Aboulhosn, Mr. Travis Hampton and Mr. Sam Aboulhoson has successfully completed the course and the assessment of an addition civil penalty of \$750.

Ted Bailey seconded. The motion carried unanimously.

**NOTE:** On the above issue, a substitute motion was made by Joe Tate for Mr. Aboulhosn's son, Sam Aboulhosn and Travis Hampton to successfully complete the Dealer-Operator course, should Mr. Aboulhosn retire prior to January 8, 2014. The motion failed due to a lack of a second.

- **East Coast Auto Brokers, LLC and James Musick.** Tommy Woodson 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 assessed a \$2,000 civil penalty against East Coast Auto Brokers, LLC and James Musick and suspend all licenses and certificates issued by the Board to Mr. Musick for six months and require that he successfully complete the 2-day Dealer Operator course. Mr. Musick appealed the Board's decision and requested a formal hearing that was conducted on May 7, 2013. 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 East Coast Auto Brokers, LLC and James Musick for alleged violations of VA Code Sections 46.2-1575 (6) and 46.2-1575 (9). Based on due consideration, the Board believes a civil penalty should be assessed against East Coast Auto Brokers, LLC and James Musick. The Board hereby assesses a \$2,000 civil penalty against East Coast Auto Brokers, LLC and James Musick and based on due consideration, the Board believes that all licenses and certificates issued by the Board to Mr. Musick should be suspended. The Board hereby suspends for six months all licenses and certificates issued by the Board to Mr. Musick. Based on due consideration, the Board believes that successfully completing the dealer-operator course would benefit Mr. Musick in running his dealership. The Board mandates that Mr. Musick successfully complete the dealer-operator course by January 8, 2014. Failure to successfully complete the course by this date will result in a suspension of all licenses and certificates issued to Mr. Musick by the Board until such time Mr. Musick has successfully completed the course.

Joe Tate seconded. The motion carried unanimously.

- **Blue Ridge Auto Sales, Inc. and Abdul Ahad Nahibkhil.** Tommy Woodson 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 assessed a civil penalty of \$8,000 and mandated that Mr. Nahibkhil's dealership should be the subject of a satisfactory inspection and if the inspection was not satisfactory, then all licenses and certificates issued by the Board to Mr. Nahibkhil would be suspended until he does have a satisfactory inspection. Mr. Nahibkhil appealed the Board's decision and requested a formal hearing that was conducted on June 18, 2013 and the Board has reviewed and considered the facts and evidence and the report of a formal hearing as prepared by the hearing officer concerning Blue Ridge Auto Sales and Abdul A. Nahibkhil for alleged violations of Virginia VA Code Sections 46.2-1515, 46.2-1529, 46.2-1532, 46.2-1535, 46.2-1537, 46.2-1547, 46.2-1548, 46.2-1550, 46.2-1550 (2), 46.2-1559, 46.2-1574 and 46.2-1575 (2). Based on due consideration, the Board believes a civil penalty should be assessed against Blue Ridge Auto Sales and Abdul A. Nahibkhil. The Board hereby assesses an \$8,000 civil penalty against Blue Ridge Auto Sales and Abdul A. Nahibkhil and based on due consideration, the Board believes that Mr. Nahibkhil's dealership should be re-inspected and that the inspection must be satisfactory and that all licenses and certificates issued by the Board to Mr. Nahibkhil should be suspended until such time as he has had a satisfactory inspection by a Motor Vehicle Dealer Board Field Representative. The Board hereby mandates that a Motor Vehicle Dealer Board field representative re-inspect Mr. Nahibkhil's dealership and if the inspection is not satisfactory the Board suspends all licenses and certificates issued by the Board to Mr. Nahibkhil until such time as he has had a satisfactory inspection by a Motor Vehicle Dealer Board Field Representative and based on due consideration, the Board believes that successfully completing the dealer-operator course would benefit Mr. Nahibkhil in running his dealership. The Board mandates that Mr. Nahibkhil successfully complete the dealer-operator course by January 8, 2014. Failure to successfully complete the course by this date will result in a suspension of all licenses and certificates issued to Mr. Nahibkhil by the Board until what time Mr. Nahibkhil has successfully completed the course.

Jimmy Whitten seconded. The motion carried unanimously.

- **Jerry's Automotive Service Request for Variance in Hours.** Tommy Woodson made the following motion: In accordance with the authority given to the Board to modify the minimum hours requirements as set-out in § 46.2-1533, that Jerry Farmer, Inc T/A Jerry's Automotive Sales and Service (dealer # 833) be granted a variance from the requirement of being opened for business at least 10 hours per week between the hours of 9:00 am and 5:00 pm, Monday through Friday provided that the dealership be open a minimum of 5 hours per week between the hours of 9:00 am and 5:00 pm, Monday through Friday and a total of 20 hours each week. This variance shall be in effect through September 30, 2014.

Ted Bailey seconded. The motion carried unanimously.

#### **Licensing Committee**

Chairman Jimmy Whitten summarized discussions held and actions that were taken during the Committee Meeting.

- **Ashley D. Wynn, Salesperson.** Jimmy Whitten made the following motion: Based on the evidence and a report of an informal fact finding conference as prepared by a hearing officer, the executive director, under the authority granted by the Motor Vehicle Dealer Board, revoked the salesperson license for Ashley D. Wynn. Mr. Wynn appealed the revocation and requested a formal hearing; and the Board has reviewed and considered the facts and evidence and the report of a formal hearing as prepared by the hearing officer concerning Ashley D. Wynn for alleged violations of VA Code Section 46.2-1575 (6); (9) and (13). Based on due consideration, the Board believes no further action should be taken against Mr. Wynn's license. The Board hereby takes no further action against Ashley D. Wynn's salesperson license

Tommy Woodson seconded. The motion carried unanimously.

#### **Advertising Committee**

Chairman Kevin Reilly summarized discussions that were held during the Committee Meeting.

#### **Transaction Recovery Fund Committee**

Chairman Lynn Hooper summarized discussions held and actions that were taken during the Committee Meeting.

- **Eric Anderson and Alexandria Chevrolet.** Chairman Lynn Hooper summarized for the Board the discussion held in the committee meeting regarding Eric Anderson and Alexandria Chevrolet. Based on that discussion and the recommendations in this case, Mr. Hooper made the following motion: Pursuant to VA Code 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 the claims submitted for payment from the Fund and based on due consideration and recommendation of the hearing officer, the Board believes the following claim should be payable from the Fund:

<b>Eric Anderson and Alexandria Chevrolet</b>	<b>\$13,246.90</b>
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- **Kenneth & Sarah Honeycutt and Select Auto Sales.** Motion was made by Lynn Hooper to table this issue to the September 9, 2013 meeting because the members found that they did not have enough information in order to render a decision at this time. The Board asked the Attorney General's Office to research the legal issue relating to the settlement of a portion of the judgment with one of the judgment debtors and whether the answer to that issue has any impact on the compensability of the claim. Andy Alvarez seconded. The motion carried unanimously.

Andy Alvarez seconded. The motion carried unanimously.

### **OLD BUSINESS**

**Possible “Pay Per Lead” 2014 Legislation.** Board members spoke on possible Legislation in 2014 to alter the current Laws that prohibit dealers from compensating third parties on a “Pay Per Lead” basis in which VA Code Section 46.2-1537 prohibits this type of activity. Consensus of the Board members is to conduct a task force meeting to revisit the issue and to discuss legislation to possibly reconstruct VA Code Section 46.2-1537.

### **OLD BUSINESS FROM THE FLOOR**

There was no old business from the floor.

### **NEW BUSINESS**

There was no new business.

### **NEW BUSINESS FROM THE FLOOR**

There was no new business from the floor.

**Executive Director’s Report.** Bruce Gould introduced Carmen Batiste as the newest Board staffer. With the new health care provision, the hourly wage representative hours have been reduced from 37 hours to 29 hours. The first plan was to hire another hourly wage field representative. Recently one of the hourly field representatives retired. With this retirement, staff believes that hiring one full-time representative is a better approach. Some field rep districts will be reconfigured in order to hire a new field rep to work out of the Fredericksburg area. The office will be refreshing desk tops to Windows 7 in the up-coming weeks. The next National Association of Motor Vehicle Boards and Commissions meeting will be in Baltimore this year on September 25-27, 2013. The consensus of the committee was to allow 3 people to attend this meeting.

The next meeting will be scheduled for September 9, 2013.

There being no further business to come before the Motor Vehicle Dealer Board, Vice-Chairman Reilly adjourned the meeting at 1:32 p.m.

**Meeting Summary**  
**Dealer Practices Committee**  
**Monday, July 8, 2013**

Chairman Tommy Woodson called the Dealer Practices Committee meeting to order at 9:00 a.m. in Room 702 of the DMV Headquarters Building at 2300 W. Broad Street in Richmond. Present were Committee members Ted Bailey, Ron Kody, Matt McQueen, Kevin Reilly, Joe Tate and Jimmy Whitten. (Absent: Chip Lindsay, Thomas Moorehead, Rodney Williams and Sally Woodson). Other Board members present: Andy Alvarez, Lynn Hooper, Wanda Lewark, Roy Boswell, Rick Holcomb and Art Hudgins. Executive Director Bruce Gould, Peggy Bailey, Prin Cowan, Ann Majors, Frank McCormick and Wanda Neely represented the Dealer Board. Eric Fiske represented the Attorney General's office.

The May 13, 2013 meeting summary was approved.

**PUBLIC COMMENT**

There was no public comment.

**OLD BUSINESS**

**OLD BUSINESS FROM THE FLOOR**

There was no old business from the floor.

**NEW BUSINESS**

**Review and Action: Informal Fact-Finding Conferences:**

- **Emotors, Ltd. And Steven N. Kendall.** On April 24, 2013, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1533 (Failure to maintain business hours) and 46.2-1575(2) (Noncompliance to written warning). Based on the information provided at the conference, the hearing officer recommended successfully completing the 2 day Dealer-Operator course and that his dealership has a satisfactory inspection as soon as possible.

Given the serious nature of the violations and the many attempts by board staff to inspect this dealership, a motion was made by Joe Tate to assess a \$3,000 civil penalty and suspension of all licenses until a satisfactory inspection is completed. Matt McQueen seconded. The motion carried unanimously.

- **Z Best Auto Sales and Ahmed Alqadi.** On April 4, 2013, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1529 (Dealer records), 46.2-1532 (Odometer disclosure statements), 46.2-1534 (Signs), 46.2-1537 (Prohibited solicitation and compensation), 46.2-1542 (Temporary registration), 46.2-1548 (Transferable license plates), 46.2-1550 (Use of dealer's license plates), 46.2-1550 (2) (Issuance and use of temporary transport plates), 46.2-1559 (Records to be kept by dealers; inspection) and 46.2-1575 (2) (Non compliance to written warning). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$5,000.

Motion was made by Kevin Reilly to assess a \$5,000 civil penalty, suspension of all licenses until a satisfactory inspection is completed and to successfully complete the Dealer-Operator course. Joe Tate seconded. The motion carried unanimously.

- **ABC Cars and Igor Serbic.** On April 26, 2013, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1533 (Failure to maintain business hours), 46.2-1534 (Signs), and 46.2-1575 (2) (Noncompliance to written warning). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$250 and for the dealership to be re-inspected as soon as possible.

Mr. Serbic was present and available for questions. He chose not to speak at this time.

Given the serious nature of the violations and the two failed attempts by board staff to inspect this dealership, motion was made by Joe Tate to assess a civil penalty of \$1,000 and suspension of all licenses until a satisfactory inspection is completed. Ted Bailey seconded. The motion carried unanimously.

- **W & H Auto Sales and Timothy Widener.** On April 2, 2013, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1515 (Location to be specified, display of license), 46.2-1533 (Failure to maintain business hours), 46.2-1534 (Signs), 46.2-1539 (Inspection of vehicles required), 46.2-1550 (Use of dealer's license plates) and 46.2-1575 (6) (Deceptive acts or practices) and (12) (leasing, lending, renting or otherwise allowing use of dealer's plates by persons not authorized). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$3,000.

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

Given the fact that Mr. Widener made every effort to correct the violations conducted by his partner and his cooperation with board staff in the investigation process, motion was made by Joe Tate to assess a civil penalty of \$1,000. Kevin Reilly seconded. The motion carried unanimously.

- **Supermax Autos and Chadi Chit Dirani.** On June 3, 2013, an informal fact-finding conference was conducted to address the alleged violations VA Code Sections 46.2-1510 (Dealers required to have established place of business), 46.2-1518 (Display of salesperson's license notice on termination), 46.2-1529 (Dealer records), 46.2-1532 (Odometer disclosure statements), 46.2-1537 (Prohibited solicitation and compensation), 46.2-1548 (Transferable license plates), 46.2-1550 (Use of dealer's license plates) 46.2-1574 (failure to be responsible for the acts of the dealers salespersons) and 1575 (1) (material misstatements), 46.2-1575 (2) (failure to comply), and (18) (failure to maintain auto liability insurance for all dealer plates assigned). Based on the information provided at the conference, the hearing officer recommended assessing a civil

penalty of \$3,500.00. Of this civil penalty, \$1,000 was recommended for violation of 46.2-1575 (18). Should Mr. Dirani provide proof that he was properly insured, then the penalty should be withdrawn. If Mr. Dirani does not provide the necessary documents; his license should be suspended until he does. For violations of 46.2-1532, 46.2-1537, 46.2-1548 and 46.2-1550, a written warning was recommended. Lastly, the hearing officer recommended that the dealer should have a successful inspection and a DMV Enforcement Agent should accompany the MVDB Field Representative.

Given the serious nature of the violations, motion was made by Jimmy Whitten to assess a civil penalty of \$5,000 and suspension of all licenses until a satisfactory inspection is completed. Kevin Reilly seconded. All in favor: 6 (Woodson, Bailey, Kody, McQueen, Reilly, Whitten). Opposed: 1 (Tate). Mr. Tate felt that the violations committed by the dealer were too severe and he would have recommended revocation. The motion carried.

- **Empire Auto Sales and Nellie Ann Murray.** On May 16, 2013, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1533 (Failure to maintain business hours) and 46.2-1575(2) (Noncompliance to written warning). Based on the information provided at the conference, the hearing officer recommended a civil penalty of \$6,000 be assessed.

Motion was made Kevin Reilly to accept the hearing officer's recommendation and assess a civil penalty of \$6,000. Jimmy Whitten seconded.

Substitute motion was made by Joe Tate to assess a \$3,000 civil penalty, suspension of all licenses until a satisfactory inspection is completed. Mr. Tate indicated that the hearing officer's recommendation of a \$6,000 civil penalty was too severe. Ron Kody seconded. All in favor: 6 (Woodson, Bailey, Kody, McQueen, Reilly, Tate). Opposed: 1 (Whitten). The motion carried.

- **Preowned Luxury Vehicles, LLC and Wilson McCoye Goode.** On May 24, 2013, an informal fact-finding conference was conducted to address the alleged violations VA Code Section 46.2-1518 (Display of salesperson's license notice on termination), 46.2-1529 (Dealer records), 46.2-1532 (Odometer disclosure statements), 46.2-1537 (Prohibited solicitation and compensation), 46.2-1539 (Inspection of vehicles required), 46.2-1550 (2) (Issuance and use of temporary transport plates), and 46.2-1575 (2) (Noncompliance to written warning) and (6) (Having used deceptive acts or practices). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$250, successfully complete the 2 day Dealer-Operator course and have a satisfactory inspection as soon as possible.

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

Members of the Committee believed that some of the actions of Mr. Goode were very serious. Given the serious nature of the violations and the many attempts the board staff made to assist Mr. Goode, a motion was made by Joe Tate to assess a civil penalty of \$5,000 and suspension of all licenses until a satisfactory inspection is completed. Ted Bailey seconded. The motion carried unanimously.

- **Star Auto Sales and Ziad J. Aboulhosn.** On June 18 and June 24, 2013, an informal fact-finding conference was conducted to address the alleged violations VA Code Section 46.2-618 (Unlawful to have in possession certificate of title issued to another; remedy of purchaser against persons in possession of title of vehicle purchased from dealer), 46.2-1529 (Dealer records), 46.2-1529 (1) (Sales of used motor vehicles by dealers; disclosures), 46.2-1530 (Buyer's order), 46.2-1532 (Odometer disclosure statements), 46.2-1537 (Prohibited solicitation and compensation), 46.2-1542 (Temporary registration), 46.2-1559 (Records to be kept by dealers; inspection) and 46.2-1575 (2) (Noncompliance to written warning) (9) (having been convicted of any criminal act involving the business of selling vehicles) and (10) (Willfully retaining in his possession title to a motor vehicle that has not been completely and legally assigned to him). Based on the information provided at the conference, the hearing officer recommended a written warning for violations of 46.2-618, 46.2-1532, 46.2-1537. Also recommended was assessing a civil penalty totaling \$3,750 for violations of 46.2-1529, 46.2-1542, 46.2-1559, 46.2-1574 and 46.2-1575 (2) and (10). Lastly, the hearing officer recommended that Mr. Ziad Aboulhosn's salesperson license be suspended until he has a satisfactory inspection and that he successfully complete the 2-day Dealer Operator course. He also noted that it would be beneficial if Mr. Hampton (Finance) and Mr. Aboulhosn's son, Sam attended the course as well. If the dealership fails the inspection, revocation should be considered.

Motion was made by Ron Kody to accept the hearing officer's recommendation; however, instead of suspending Mr. Aboulhosn's salesperson's license, he indicated that all licenses should be suspended until a satisfactory inspection is completed.

#### **Review and Action: Formal Hearing:**

- **East Coast Auto Brokers, LLC and James Musick.** Historical overview leading up to the formal hearing: On December 3, 2012, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1575 (6) (having used deceptive acts or practices) and (9) (having been convicted of any criminal act involving the business of selling vehicles). Based on the information provided at the conference, the hearing officer recommended assessing of \$2,000 and to successfully complete the 2-day Dealer Operator course. The Board adopted a resolution at its March 11, 2013 meeting to assess a civil penalty of \$2,000 and to suspend all licenses and certificates issued by the Board to Mr. Musick for six months and to successfully complete the 2-day Dealer Operator course. On April 3, 2013, Mr. Musick appealed the decision and requested a formal hearing. On May 7, 2013, a formal hearing was conducted. Based on the information provided at the conference the hearing officer recommended assessing a civil penalty of \$2,000 and revocation of all licenses and certificates issued to Mr. Musick.

Mr. Tate indicated that in the formal hearing, there was no new evidence to show that East Coast Auto Brokers and Mr. Musick should be revoked; therefore, motion was made by Joe Tate to assess a civil penalty of \$2,000 and suspend all licenses for 6 months. Matt McQueen seconded. The motion carried unanimously.

- **Blue Ridge Auto Sales and Abdul A. Nahibkhil.** Historical overview leading up to the formal hearing: On January 24, 2013, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1515 (Location to be specified; display of license; change of location), 46.2-1529 (failure to maintain all dealer records on the premises of the licensed location), 46.2-1532 (Odometer disclosure), 46.2-1535 (Advertisers), 46.2-1537 (failure to license and employ all salespersons), 46.2-1546 (Registration of dealers; fees), 46.2-1547 (failure to maintain liability insurance), 46.2-1548 (dealer plate records required), 46.2-1550 (improper use of or permitting the improper use of dealer's license plates), 46.2-1550(2) (issuance and use of temporary plates, permanent record), 46.2-1559 (violation of record keeping for temporary tags), 46.2-1574 (failure to be responsible for the acts of the dealers salespersons) and 46.2-1575(2) (failure to comply with a written warning). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$8,000 and to successfully complete the 2-day Dealer Operator course. The Board adopted a resolution at its May 13, 2013 meeting to assess a civil penalty of \$8,000, Mr. Nahibkhil's dealership should be satisfactorily re-inspected. If not satisfactory, then all licenses and certificates issued by the Board to Mr. Nahibkhil be suspended until he does have a satisfactory inspection. On May 8, 2013, Mr. Nahibkhil appealed and requested a formal hearing. On June 18, 2013, a formal hearing was conducted. Based on the information provided at the hearing, the hearing officer recommended a written warning for violations of 46.2-1515, 46.2-1532, 46.2-1547. He also recommended a civil penalty of \$3,500 for violations of 46.2-1529, 46.2-1535, 46.2-1537, 46.2-1559, 46.2-1575 (2). It was also recommended that Mr. Nahibkhil successfully complete the 2-day Dealer Operator course for violations of 46.2-1574 and to have a satisfactory inspection. Suspension of all licenses if dealer fails the inspection.

Motion was made by Joe Tate to accept the hearing officer's recommendation of assessing a \$8,000 civil penalty, suspension of all licenses until a satisfactory inspection is completed and successfully complete the Dealer-Operator course. Matt McQueen seconded. The motion carried unanimously.

- **Jerry Farmer and Jerry's Automotive Sales and Service: Variance Request in Hours.** Bruce Gould reported that for the past 15 years, Jerry Farmer has requested a variance in hours for his dealership, Jerry's Automotive Sales and Service, because of his teaching schedule.

Motion was made by Matt McQueen to accept Mr. Farmer's request for a variance in hours. Jimmy Whitten seconded. The motion carried unanimously.

At this time, Mr. Arzt indicated that his client, Ziad J. Aboulhosn of Star Auto Sales is considering retiring and stepping down as Dealer-Operator. He requested that he not take the Dealer-Operator course. He also indicated that he would like to keep his sales license and remain a part of the dealership. Committee members indicated that it will be discussed in Full Board.

#### **NEW BUSINESS FROM THE FLOOR**

There was no new business from the floor.

The next meeting was scheduled for September 9, 2013

The meeting adjourned at 11:03 a.m.

**Meeting Summary  
Advertising Committee  
Monday, July 8, 2013**

Chairman Kevin Reilly called the Advertising Committee meeting to order at 11:15 a.m. in Room 702 of the DMV Headquarters, 2300 West Broad Street, Richmond, Virginia. Present were Committee members Andy Alvarez, Ron Kody, Matt McQueen, Rodney Williams and Tommy Woodson. (Absent: Chip Lindsay, George Pelton and Sally Woodson). Other Board members present: Art Hudgins, Roy Boswell, Rick Holcomb, Lynn Hooper, Jimmy Whitten and Wanda Lewark. Executive Director Bruce Gould, Peggy Bailey, Frank McCormick, Prin Cowan, Ann Majors and Wanda Neely represented the Dealer Board. Eric Fiske represented the Attorney General's office.

The May 13, 2013 meeting summary was approved.

**PUBLIC COMMENT**

There was no public comment.

**OLD BUSINESS**

**OLD BUSINESS FROM THE FLOOR**

There was no old business from the floor.

**NEW BUSINESS**

The next meeting was scheduled for September 9, 2013.

**NEW BUSINESS FROM THE FLOOR**

The meeting adjourned at 11:18 a.m.

**Meeting Summary  
Transaction Recovery Fund Committee  
Monday, July 8, 2013**

Chairman Lynn Hooper called the Transaction Recovery Fund Committee meeting to order at 11:18 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. Present were Committee members: Andy Alvarez, Ted Bailey, Roy Boswell, Matt McQueen and Kevin Reilly (Absent: Brian Hutchens and Thomas Moorehead). Other Board members present: Tommy Woodson, Rick Holcomb, Jimmy Whitten, Joe Tate, Wanda Lewark and Ron Kody. Executive Director Bruce Gould, Peggy Bailey, Prin Cowan, Frank McCormick, Ann Majors and Wanda Neely represented the Dealer Board. Eric Fiske represented the Attorney General's office.

The May 13, 2013 summary was approved.

**PUBLIC COMMENT**

There was no public comment.

**OLD BUSINESS**

**OLD BUSINESS FROM THE FLOOR**

There was no old business from the floor.

**NEW BUSINESS**

**Review and Action: Informal Fact-Finding Conference Results:**

**Erik Anderson and Alexandria Chevrolet.** On September 26, 2008, Erik Anderson purchased a 2008 Chevrolet Suburban from Alexandria Chevrolet for a purchase price of \$42,340.00. At the time of the sale, Alexandria Chevrolet did not provide Mr. Anderson with a Buyers Order. A Retail Installment Sale Contract (RISC) was completed identifying Heritage Auto Plaza as the seller of this vehicle, with a cash price (including sales tax) of \$42,076.87 and reflecting the Chevrolet Suburban as a "NEW" vehicle. In addition, Alexandria Chevrolet, by its agents, then executed an Odometer Disclosure Statement reflecting that the odometer reading was 15 (no tenths) miles. Concealed by Alexandria Chevrolet and discovered by Mr. Anderson on March 27, 2012, within its cash price was an additional charge of \$5,000.00 for a General Motors express warranty, termed a General Motors Protection Plan with an additional five years and 100,000 miles warranty protection. The warranty documents maintained by General Motors reflect that the Chevrolet Suburban was sold and delivered to "Alexandria Chevrolet". The factory warranty however from General Motors, at no additional charge, provided the same powertrain warranty protection for up to five years and 100,000 odometer miles, whichever first expired. In addition, on the RISC reflected that Alexandria Chevrolet charged Mr. Anderson an additional \$1,500 for a Chrysler "Service Contract". From Mr. Anderson's investigation and discovery in March, 2012, the Chrysler warranty was never transmitted by Alexandria Chevrolet to or by Chrysler, which never received the funds from Alexandria Chevrolet, which appears they wrongfully pocketed the \$1,500.00.

In the documents provided to Mr. Anderson by Alexandria Chevrolet, this additional charge of \$1,537.50 (including tax) was identified as a General Motors Contract Registration, for sixty months and 100,000 miles. From January 15, 2009 through September 23, 2009, General Motors dealerships charged Mr. Anderson for various service contract expenses covered under the bogus, Chrysler Service Contract. After delivery of the 2008 Chevrolet Suburban to Mr. Anderson, he had reported to General Motors and its dealerships numerous, unrepainted defects including severe engine stalling requiring the vehicle to be towed to warranty repair agents and dealers for warranty repairs. From December, 2009 through February, 2012, Mr. Anderson continued to experience the engine stalling on the vehicle, in which General Motors was unable to properly and completely repair under the manufacturer's expressed factory warranty.

On February 28, 2012, Mr. Anderson delivered the vehicle to Ourisman Chevrolet, in Alexandria, Virginia in which the report reflects that "Customer States That Vehicle Stalls at Times". On April 1, 2012, Mr. Anderson was forced to place this unsafe, unreliable, and un-merchantable vehicle in storage and incurred additional expenses for substitute transportation and suffered substantial diminished value of the Chevrolet Suburban for an estimate of more than \$15,000.00. Mr. Anderson sought legal counsel in order to pursue the dealer civilly in court.

On November 9, 2012, Charles Raether, Esquire & Stephen Swann, Esquire on behalf of Erik Anderson filed a civil "Complaint" in the Circuit Court for Fairfax County against Alexandria Chevrolet. Pursuant to §46.2-1527.4, on December 19, 2012 the Dealer Board was served with the "Complaint" that had been filed in the Circuit Court for Fairfax County regarding Erik Anderson v. Alexandria Chevrolet. The "Complaint" was based on three (3) separate causes of action- (1) Deceit And Fraud (Intentional or Constructive); (2) Violations of the Virginia Consumer Protection Act; and (3) Breach of Warranties by Alexandria Chevrolet. Enclosed with the "Complaint" were eight (8) Exhibits regarding the above style case; (1) Retail Installment Sale Contract; (2) Odometer Disclosure; (3) General Motors Protection Plan; (4) GM vehicle delivery report; (5) GM vehicle applicable warranty; (6) Contract Registration; (7) 3 separate repair orders; and (8) Ourisman Chevrolet Repair order.

On February 14, 2013, the Circuit Court for Fairfax County awarded Erik Anderson a default judgment against Alexandria Chevrolet for a total amount of \$39,398.15. Judgment was awarded by reason of Alexandria's fraudulent inducement to purchase the vehicle, conversion of money paid for additional warranties & maintenance coverage and multiple violations of the Consumer Protection Act. On March 18, 2013, Stephen Swann, Esquire on behalf of Erik Anderson submitted to the Dealer Board the documentation for consideration of payment from the Fund.

After carefully reviewing all the documentation, staff believes that the Mr. Anderson's claim meets the criteria for payment from the Fund. Pursuant to § 46.2-1527.3 in the amount of \$18,746.90, this amount is based on Mr. Anderson's actual damages of \$6,883.75, the attorneys' fees of \$11,573.15 and costs of \$290.00.

On June 24, 2013, an informal fact-finding conference was conducted and based on the information provided at the conference, the hearing officer recommended payment from the fund in the amount of \$18,746.90.

Lynn Hooper indicated that the Circuit Court referred to the amount of \$5,500 as "future fees". He said that the claim should not include money described as "future fees" and it should be amended from \$18,746.90 to \$13,246.90.

Motion was made Andy Alvarez to accept the amended amount for payment to \$13,246.90. Ted Bailey seconded. The motion carried unanimously.

**Kenneth and Sarah Honeycutt and Select Auto Sales.** In October, 2011 Sarah Honeycutt contacted Marcus Kline by telephone to discuss the purchase of an automobile. Marcus Kline, a licensed salesperson for Select Auto Sales recommended that Sarah Honeycutt purchase a 2004 Mazda RX8 from Select Auto Sales. Marcus Kline informed Sarah Honeycutt that Select Auto Sales had the vehicle since July, 2011, that it had no problems, and that the vehicle ran great. Because Sarah Honeycutt was in Virginia Beach she indicated that she would rely on his representations that the vehicle was in good working condition. Select Auto Sales and Sarah Honeycutt agreed to a purchase price of \$11,995.00 on the vehicle. In connection with the purchase Ms. Honeycutt traded-in a 1995 Ford Mustang and was given an allowance of \$5,000.00 towards the purchase.

On November 3, 2011, Kenneth Honeycutt; co-purchaser of the vehicle, travelled to Select Auto Sales and signed the Buyer's Order for the purchase. Mr. Honeycutt paid Select Auto Sales the balance due (\$7,376.80) with proceeds from a loan through Mosiac Federal Credit Union. Mr. Honeycutt was not provided with a Buyer's Guide disclosing the status of the warranty and there was no Buyer's Guide posted on the vehicle. Marcus Kline, the salesperson for Select Auto Sales delivered the vehicle to Sarah Honeycutt in Richmond, Virginia on November 3, 2011. At the time of delivery, Marcus Kline and Sarah Honeycutt signed the Buyer's Order for the purchase and Sarah Honeycutt delivered the 1995 Ford Mustang (as her trade-in) to Marcus Kline. Sarah Honeycutt was not provided with a Buyer's Guide disclosing the status of the warranty for the vehicle and there was no Buyer's Guide in or on the vehicle.

On Saturday, November 5, 2011 the "Check Engine Light" came on the vehicle. The following day, Sarah Honeycutt took the vehicle to AutoZone to have the engine light diagnosed. AutoZone indicated that there was a problem with the catalytic converter. On Monday, November 7, 2011 Sarah Honeycutt reported the problem to Marcus Kline, the salesperson for Select Auto Sales. At which time, Marcus Kline told her to take the vehicle to a Mazda dealership. Sarah Honeycutt took the vehicle to Cavalier Mazda in Chesapeake, Virginia to have the problem diagnosed. Cavalier Mazda told her that there was a problem with the catalytic converter and that the engine problems would have been obvious to any mechanic that started the vehicle. (Sarah Honeycutt paid \$100.00 for the diagnosis). On November 26, 2011, Ken and Sarah Honeycutt purchased a catalytic converter for \$292.00 and had it installed at a cost of \$50.00. However, this did not fix the problem. Sarah Honeycutt then paid \$130.00 to have the vehicle towed to Treadquarters in Virginia Beach to have the vehicle examined. Treadquarters diagnosed multiple engine problems with the vehicle and performed a tune up at a cost of \$250.00; however this did not fix the problems. Treadquarters estimated that it would cost approximately \$5,000.00 to repair the vehicle. After learning the multiple engine problems, Sarah Honeycutt reported the problems with the vehicle to the salesperson, Marcus Kline who did not take any action.

Kenneth Honeycutt drove to Select Auto Sales and requested copies of their files regarding the vehicle. Select Auto Sales provided Mr. Honeycutt a copy of the file which included a Buyer's Guide, which indicated the vehicle, was marked "As Is-No Warranty". The Buyer's Guide was signed "Sarah Honeycutt" dated November 3, 2011. However, it is believed that an agent for Select Auto Sales forged Sarah Honeycutt's name. Kenneth and Sarah Honeycutt unsuccessfully attempted to resolve the problems with the vehicle, in which Select Auto Sales refused to pay for repairs or to refund the purchase price in exchange for the return of the vehicle. The vehicle is inoperable and is stored at Treadquarters in Virginia Beach.

On March 27, 2012, Kenneth and Sarah Honeycutt filed suit against GE Tolliver Enterprises, LLC and Marcus Kline in the Rockingham General District Court for actual and punitive damages for actual/constructive fraud, willful violations of Va. Consumer Protection Act and breach of contract. On September 11, 2012, the Rockingham General District Court awarded Kenneth and Sarah Honeycutt judgment against GE Tolliver Enterprises, LLC and Marcus Kline in the amount of \$25,000.00, plus \$70 in costs and \$6,298.00 in attorney fees. After trial Select Auto Sales' owner Gary Tolliver, promised that he would pay the judgment if he were given time to refinance his real estate. The Honeycutt's agreed to postpone the scheduled debtor's interrogatories in order to give Mr. Tolliver time to make payment and to deal with his health problems. Marcus Kline's interrogatories was conducted in November, 2012 and Mr. Tolliver's interrogatories was conducted in January, 2013, at which time he informed the Honeycutt's that he was unable to satisfy the judgment. On March 8, 2013, Grant Penrod, Esquire on behalf of the Honeycutt's submitted to the Dealer Board documentation for consideration of payment from the Motor Vehicle Transaction Recovery Fund (Fund).

On March 14, 2013, the Dealer Board staff acknowledged receipt of the Honeycutt's possible claim against the Fund and requested additional documentation regarding their claim. On April 9, 2013, Grant Penrod, Esquire on behalf of the Honeycutt's submitted a letter with the requested documentation regarding his client's claim against the Fund. In counsel letter, he indicated that the Honeycutt's and Marcus Kline have reached a settlement. The Honeycutt's and Mr. Kline agreed that he would pay them \$10,000, representing the punitive damages portion of the judgment and the additional attorney fees incurred by the Honeycutt's, in exchange for Kline being released from the judgment and pursue the remaining claim against GE Tolliver Enterprises, LLC t/a Select Auto Sales against the Fund. In support of the claim, Mr. Honeycutt affidavit reflects his out-of-pocket expenses in connection with the vehicle purchase is \$13,079.41.

On May 16, 2013 the Dealer Board received "Notice of Chapter 7, Bankruptcy Case, Meeting of Creditors regarding GE Tolliver Enterprises, LLC t/a Select Auto Sales. The Dealer Board staff contacted counsel (Grant Penrod, Esquire) to inquire if he had been notified of Gary Tolliver's bankruptcy. On May 20, 2013, Grant Penrod, Esquire submitted a letter to the Dealer Board that he had communicated with the bankruptcy trustee, William Callahan and confirmed that Gary Tolliver's bankruptcy does not affect his client's collection against GE Tolliver Enterprises, LLC because the LLC did not file for the bankruptcy. Counsel enclosed copies of the emails to and from Mr. Callahan. In addition, Grant Penrod, Esquire provided copies of the Garnishment Disposition and the Notice of Satisfaction of judgment as to Marcus Kline only.

Even though, counsel did not provide prior notification, pursuant to §46.2-1527.4, after carefully reviewing all the documentation, board staff believes Mr. & Mrs. Honeycutt's claim meets the criteria for payment from the Fund. Further, pursuant to Va. Code §46.2-1527.5, which states that the maximum claim of one judgment creditor against the Fund based on an unpaid final judgment arising out of any loss or damage by reason of a claim submitted under §46.2-1527.2 or §46.2-1527.3 involving a single transaction shall be limited to \$25,000.00 regardless of the amount of the unpaid final judgment of one judgment creditor. Therefore, given the facts and code sections governing the Fund, the Dealer Board staff is recommending that the Recovery Fund Committee and full Board approve Mr. & Mrs. Honeycutt's claim against the Fund in the amount of \$18,368.00, this amount is based on the judgment award of \$25,000.00 minus \$10,000 punitive damages paid by Kline, the attorney fees of \$6,298, costs of \$70.00 and minus \$3,000 received in the sell of the vehicle.  $[\$25,000 - \$10,000 = \$15,000 + \$6,298 + \$70 = \$21,368 \text{ minus } \$3000 = \$18,368]$

On June 24, an informal fact-finding conference was conducted and based on the information provided at the conference, the hearing officer recommended payment from the fund in the amount of \$18,368.00. The members discussed the issue of counsel not providing prior notification, pursuant to §46.2-1527.4.

Motion was made by Andy Alvarez to accept the hearing officer's recommendation. Motion failed for a lack of a second.

#### **NEW BUSINESS FROM THE FLOOR**

The next meeting was scheduled for September 9, 2013.

The meeting adjourned at 11:55 a.m.