

Meeting Summary  
**Advertising Committee**  
Monday, May 13, 2019

Chairman David Duncan called the Advertising Committee meeting to order at 9:00 a.m. in Room 702, DMV Headquarters, 2300 West Broad Street, Richmond, Virginia. Present were Committee members: Ted Bailey, Dan Banister, Michael Bor, Liza Borches, Randy Harris, Ron Kody, Geoff Malloy, Matt McQueen, Maurice Slaughter and Don Sullivan. (Absent: No one). Other Board members present: Rick Holcomb, Steve Farmer, Rob Fisher, Senior Saghafi and Joe Tate. Executive Director William Childress, Peggy Bailey, Lisa Mack-Nelson, Wanda Neely and Ann Majors represented the Dealer Board. Christian Parrish represented the Attorney General's office.

**The March 11, 2019 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**

**Advertising via Social Media – Liza Borches.** Liza indicated that the purpose of this subcommittee meeting is to give some guidance and resources for dealers and salespeople to stay compliant with Virginia's advertising laws when advertising on social media.

**Current Educational Actions:**

Below are some examples of the Board's current, future, and proposed efforts in educating dealers and salespersons regarding advertising compliance. Also, some general dealership best practices are listed.

Current MVDB advertising education efforts:

- Dealer Talk Newsletter – the Board publishes a bi-monthly newsletter and features advertising topics in most publications.  
<http://www.mvdb.virginia.gov/newsletter/default.aspx>
- Constant Contact – occasional email announcements and reminders to dealers of important news affecting their dealerships.
- Advertising Guidance documents on MVDB website -  
<http://www.mvdb.virginia.gov/resources/guidance.aspx>
- Field Representatives – dealer education efforts
- MVDB internal staff Advertising Analysts – send via email, educational warning violation notices.

- Self-Inspection Checklist (MVDB 58) – Item # 9 requires dealers to certify they are responsible for advertisements.  
[http://www.mvdb.virginia.gov/forms/files/MVDB-58%20Checklist-\(09052017\).pdf](http://www.mvdb.virginia.gov/forms/files/MVDB-58%20Checklist-(09052017).pdf)

**Potential MVDB advertising education efforts (Projected completion July 2019):**

- Self-Inspection Checklist - Add another certification item tied to advertisement compliance include “all social media platforms” such as:

“My dealership has an online/social media advertising policy for employees that consolidates advertising efforts to dealership sponsored and approved advertising mediums, to include all social media platforms. At a minimum, this policy will be reviewed with dealership employees annually and signed/dated by dealership management and employees.”

- MVDB Education Videos – MVDB staff will create education videos specific to advertising topics. Videos will be placed on MVDB website and shared with trade associations for inclusion on their websites.
- Edit current Salesperson exam – review current exam and add more advertising questions, such as the four that follows (which are part of the Dealer-Operator exam):
  1. An advertisement of a “Sale” must include the sale end date only when:
    - It must always be stated.
  2. In any advertisement placed by a dealer, the advertisement:
    - Must give the dealer’s name or “VADLR” must be used.
  3. A dealer’s processing fee must be disclosed in an advertisement when the advertised price does not include the processing fee amount.
    - True.
  4. When advertising on Craigslist, to avoid a possible civil penalty you must:
    - Advertise under the “Dealer Section”.
    - List Dealer Name or VADLR.
    - Use telephone number on file with MVDB.
- If required, develop additional Guidance Documents concerning advertising.

**Best Practices by Dealers:**

- Create a policy that includes online/social media advertisement for dealership employees, and have the employees sign and date that they have received and understand the policy. This should be an annual briefing at the least.
- Create internal procedure for employee education efforts targeting online/social media advertising.

- Create an internal education curriculum to educate dealership marketing teams and employees on Virginia advertising laws and regulations.

**Proposed expansion of MVDB Enforcement:**

- Dealers and/or salespersons may be responsible for violations. However, Board staff can implement a process that may allow the dealer the opportunity to show that his actions (training, counseling and agreements with salespersons) played no role in the violation and documentation presented to the Board staff or hearing officer supports that claim.

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

**Five Star Motors, LLC and Lener Paz Garcia** – On April 9, 2019, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1535, 1575 (2) and 1581 (8). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$1,000 for violations of VA Code Sections 46.2-1535 and 46.2-1581 (8). No further action taken for violations of VA Code Section 46.2-1575 (2).

Motion was made by Liza Borches to accept the hearing officer’s recommendation and assess a civil penalty of \$1,000. Michael Bor seconded. The motion carried unanimously.

**NEW BUSINESS FROM THE FLOOR** – There was no new business from the floor.

The next meeting was scheduled for July 8, 2019.

The meeting adjourned at 9:20 a.m.