

Meeting Summary
Motor Vehicle Dealer Board
Monday, January 28, 2019

Chairman Rick Holcomb called the Dealer Board meeting to order at 11:26 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. The roll was called and there were 13 Board members present. Present were Ted Bailey, Dan Banister, Gardner Britt, Steve Farmer, Rob Fisher, Randy Harris, Ron Kody, Chris Maher, Geoff Malloy, Senior Saghafi, Maurice Slaughter and Joe Tate. (Absent: Michael Bor, Liza Borches, David Duncan and Matt McQueen). Executive Director William Childress, Peggy Bailey, Lisa Mack-Nelson, Wand Neely and Ann Majors represented the Dealer Board. Christian Parrish represented the Attorney General's Office. Alice Weedon was the recording secretary.

PUBLIC COMMENT

There was no public comment.

The November 5, 2018 meeting summary was approved.

STATUTORY COMMITTEE REPORTS

Dealer Practices Committee:

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

Dixie Motorsports, Inc. and Wendy L. Murray. Committee Chairman 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 Dixie Motorsports and Wendy Murray 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 Dixie Motorsports and Wendy Murray: Assessed a civil penalty of \$750.00; Dixie Motorsports shall be inspected by a Motor Vehicle Dealer Board field representative by April 28, 2019 and that inspection shall be satisfactory; and issued a written warning for VA Code Section § 46.2-1575 (2). The Board mandates that Wendy Murray hereby be assessed a civil penalty of \$750.00, issued a written warning regarding § 46.2-1575 (2) and the Dixie Motorsports dealership shall satisfactorily pass an inspection conducted by a Motor Vehicle Dealer Board field representative on or before April 28, 2019. 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 Wendy Murray successfully complies with the Board's mandates.

Joe Tate seconded. The motion carried unanimously.

Xceleration Auto Sales, LLC and Hatim Abed. Committee Chairman 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 Xceleration Auto Sales and Hatim Abed for alleged violations of Va. Code sections §46.2-1547 and 46.2-1575 (18). Based on due consideration, the Board believes that the following actions should be taken against Xceleration Auto Sales and Hatim Abed: Assessed a civil penalty of \$2,000.00. The Board mandates that Hatim Abed hereby be assessed a civil penalty of \$2,000.00.

Rob Fisher seconded. The motion carried unanimously.

Kingdom Kars Auto Sales, LLC and Michael B. Hathaway. Committee Chairman 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 Kingdom Kars Auto Sales and Michael Hathaway for alleged violations of Va. Code sections §46.2-1529, 46.2-1547 and 46.2-1575 (1). Based on due consideration, the Board believes that the following actions should be taken against Kingdom Kars Auto Sales and Michael Hathaway: Assessed a civil penalty of \$4,000.00 and Kingdom Kars Auto Sales shall be inspected by a Motor Vehicle Dealer Board field representative by April 28, 2019 and that inspection shall be satisfactory. The Board mandates that Michael Hathaway hereby be assessed a civil penalty of \$4,000.00 and the Kingdom Kars Auto Sales dealership shall satisfactorily pass an inspection conducted by a Motor Vehicle Dealer Board field representative on or before April 28, 2019. 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 Michael Hathaway successfully complies with the Board's mandates.

Joe Tate seconded. The motion carried unanimously.

17 Auto Sales & Repair, LLC and Derrick W. Washington. Committee Chairman 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 17 Auto Sales & Repair and Derrick Washington for alleged violations of Va. Code sections §46.2-1575 (6) and (9). Based on due consideration, the Board believes that the following actions should be taken against 17 Auto Sales & Repair and Derrick Washington: Assessed a civil penalty of \$500.00. The Board mandates that Michael Hathaway hereby be assessed a civil penalty of \$500.00.

Steve Farmer seconded. The motion carried unanimously.

Enterprise Automotive Financial, LLC and Jassam M. Sarhan. Committee Chairman 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 Enterprise Automotive Financial and Jassam Sarhan for alleged violations of Va. Code sections §46.2-1533 and 46.2-1575 (1). Based on due consideration, the Board believes that the following actions should be taken against Enterprise Automotive Financial and Jassam Sarhan: Assessed a civil penalty of \$1,500.00, Enterprise Automotive Financial shall be inspected by a Motor Vehicle Dealer Board field representative by April 28, 2019 and that inspection shall be satisfactory and Jassam Sarhan shall successfully complete the dealer-operator course by July 28, 2019. The Board mandates that Jassam Sarhan hereby be assessed a civil penalty of \$1,500.00, and the Enterprise Automotive Financial dealership shall satisfactorily pass an inspection conducted by a Motor Vehicle Dealer Board field representative on or before April 28, 2019, and Jassam Sarhan shall successfully complete the dealer-operator course by July 28, 2019. 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 Jassam Sarhan successfully complies with the Board's mandates.

Mr. Sarhan was present and spoke on his own behalf. **NOTE:** Mr. Sarhan was not present during the Dealer Practices Committee meeting.

Rob Fisher seconded. The motion carried unanimously.

C & C Motor Sales, Inc. and Richard L. Custer. Committee Chairman Kody informed the Board Chairman that his committee did not come to a recommendation concerning this case. The Board Chairman directed the Executive Director to read the recommendation from the hearing officer.

On October 24, 2018, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1515, 1529, 1530, 1533, 1539, 1548, 1550 and 1575 (2). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$750, satisfactory inspection to be conducted and to successfully complete the 2-day Dealer-Operator Course.

Motion was made by Joe Tate to accept the hearing officer's recommendation to assess a civil penalty of \$750, satisfactory inspection and to successfully complete the 2-day Dealer-Operator course. Rob Fisher seconded.

Committee Chairman Ron Kody made the amended motion to assess a civil penalty of \$1,250, satisfactory inspection and for Tim McAvoy to successfully complete the 2-day Dealer-Operator course. Randy Harris seconded. All in favor: 8 (Kody, Bailey, Banister, Britt, Farmer, Harris, Malloy and Slaughter). Opposed: 5 (Saghafi, Holcomb, Maher, Fisher and Tate). The motion carried.

Tony's Auto & Truck Sales and Grover Wilson. Committee Chairman 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 Tony's Auto & Truck Sales and Grover Wilson 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 Tony's Auto & Truck Sales and Grover Wilson: Assessed a civil penalty of \$750.00, Tony's Auto & Truck Sales shall be inspected by a Motor Vehicle Dealer Board field representative by April 28, 2019 and that inspection shall be satisfactory and Grover Wilson shall successfully complete the dealer-operator course by July 28, 2019. The Board mandates that Grover Wilson hereby be assessed a civil penalty of \$750.00, and the Tony's Auto and Truck Sales dealership shall satisfactorily pass an inspection conducted by a Motor Vehicle Dealer Board field representative on or before April 28, 2019, and; Grover Wilson shall successfully complete the dealer-operator course by July 28, 2019. If Grover Wilson relinquishes his dealership certificate, salesperson license, and dealer plates to the Motor Vehicle Dealer Board on or before February 28, 2019, that his civil penalty, required inspection, and completion of the dealer-operator course will all be null and voided.

Mr. Wilson indicated that he visited the Dealer Board Office and officially relinquished his dealer tags and closed his business. He will send his dealer certificate to the Dealer Board upon his return to his business location.

Steve Farmer seconded. The motion carried unanimously.

Budget Auto Sales, Inc. and David W. Phillips. Committee Chairman 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 Budget Auto Sales, Inc. and David W. Phillips for alleged violations of Va. Code sections §46.2-722 and 46.2-1575 (1), (6), and (9). Based on due consideration, the Board believes that the following actions should be taken against Budget Auto Sales and David Phillips: Assessed a civil penalty of \$500.00 and David Phillips shall successfully complete the dealer-operator course by July 28, 2019. The Board mandates that David Phillips hereby be assessed a civil penalty of \$500.00 and David Phillips shall successfully complete the dealer-operator course by July 28, 2019. 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 David Phillips successfully complies with the Board's mandates.

Senior Saghafi seconded. The motion carried unanimously.

D Motors, LLC and Dmitriy Chaplinskiy. Committee Chairman 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 D Motors and Dmitriy Chaplinskiy for alleged violations of Va. Code

sections §46.2-1547 and 46.2-1575 (1). Based on due consideration, the Board believes that the following actions should be taken against D Motors and Dmitriy Chaplinskiy: Assessed a civil penalty of \$10,000.00 and Dmitriy Chaplinskiy shall successfully complete the dealer-operator course by July 28, 2019. The Board mandates that Dmitriy Chaplinskiy hereby be assessed a civil penalty of \$10,000.00, and Dmitriy Chaplinskiy shall successfully complete the dealer-operator course by July 28, 2019. 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 Dmitriy Chaplinskiy successfully complies with the Board's mandates.

Joe Tate seconded. The motion carried unanimously.

Tri-State Automotive, LLC and Jeremy D. White. Committee Chairman 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 Tri-State Automotive and Jeremy White for alleged violations of Va. Code sections §46.2-1533, and 46.2-1575 (1) and (2). Based on due consideration, the Board believes that the following actions should be taken against Tri-State Automotive and Jeremy White: Assessed a civil penalty of \$750.00 and Tri-State Automotive shall be inspected by a Motor Vehicle Dealer Board field representative by April 28, 2019 and that inspection shall be satisfactory. The Board mandates that Jeremy White hereby be assessed a civil penalty of \$750.00, and the Tri-State Automotive dealership shall satisfactorily pass an inspection conducted by a Motor Vehicle Dealer Board field representative on or before April 28, 2019. 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 Jeremy White successfully complies with the Board's mandates.

Chris Maher seconded. The motion carried unanimously.

Ed and Ted Auto Sales and Ted V. Tapscott. Committee Chairman 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 Ed and Ted Auto Sales and Ted Tapscott for alleged violations of Va. Code sections §46.2-1539 and 46.2-1575 (2). Based on due consideration, the Board believes that the following actions should be taken against Ed and Ted Auto Sales and Ted Tapscott: Assessed a civil penalty of \$1,000.00, Issued a written warning for VA Code Section §46.2-1575 (2) and Ed Tapscott shall successfully complete the dealer-operator course by July 28, 2019. The Board mandates that Ed Tapscott hereby be assessed a civil penalty of \$1,000.00, issued a written warning regarding 46.2-1575 (2) and Ted Tapscott shall successfully complete the dealer-operator course by July 28, 2019. 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 Ted Tapscott successfully complies with the Board's mandates.

Rob Fisher seconded. The motion carried unanimously.

Car Loft and Farooq Zahir. Committee Chairman 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 Car Loft and Farooq Zahir for alleged violations of Va. Code sections §46.2-1547. Based on due consideration, the Board believes that the following actions should be taken against Car Loft and Farooq Zahir: Assessed a civil penalty of \$500.00 and Car Loft shall be inspected by a Motor Vehicle Dealer Board field representative by April 28, 2019 and that inspection shall be satisfactory. The Board mandates that Farooq Zahir hereby be assessed a civil penalty of \$500.00 and the Car Loft dealership shall satisfactorily pass an inspection conducted by a Motor Vehicle Dealer Board field representative on or before April 28, 2019. 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 Farooq Zahir successfully complies with the Board's mandates.

Chris Maher seconded. The motion carried unanimously.

F & K Auto, LLC and Alford Robertson. Committee Chairman Kody made the following motion: Based on the evidence and a report of an informal fact-finding conference as prepared by a hearing officer, on September 10, 2018 the Motor Vehicle Dealer Board assessed a \$2,000.00 civil penalty and a satisfactory inspection by a Motor Vehicle Dealer board Field Representative no later than December 10, 2018 against F & K Auto LLC and Alford Robertson. Mr. Robertson appealed the Board's decision and requested a formal hearing that was conducted on November 13, 2018. The Board has reviewed and considered the facts and evidence and the report of a formal hearing as prepared by the hearing officer concerning F & K Auto and Alford Robertson 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 F & K Auto and Alford Robertson: Assessed a civil penalty of \$1,000.00 and F & K Auto shall be inspected by Motor Vehicle Dealer Board field representative by April 28, 2019 and that inspection shall be satisfactory. The Board mandates that F & K Auto and Alford Robertson hereby be assessed a civil penalty of \$1,000.00 and the F & K Auto dealership shall be inspected by Motor Vehicle Dealer Board field representative by April 28, 2019 and that inspection shall be satisfactory. 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 Alford Robertson successfully complies with the Board's mandates.

Joe Tate seconded. The motion carried unanimously.

All In One Auto Group, LLC and Zia Tabatabai. Committee Chairman Kody made the following motion: Based on the evidence and a report of an informal fact-finding conference as prepared by a hearing officer, on September 10, 2018 the Motor Vehicle Dealer Board assessed a \$750.00 civil penalty and a satisfactory inspection by a Motor Vehicle Dealer board Field Representative no later than December 10, 2018 against All In One Auto Group and Zia Tabatabai. Mr. Tabatabai appealed the Board's decision

and requested a formal hearing that was conducted on November 27, 2018. The Board has reviewed and considered the facts and evidence and the report of a formal hearing as prepared by the hearing officer concerning All In One Auto Group and Zia Tabatabai for alleged violations of Va. Code sections §46.2-1575 (9). Based on due consideration, the Board believes that the following actions should be taken against All In One Auto Group and Zia Tabatabai: Assessed a civil penalty of \$750.00 and All In One Auto Group shall be inspected by Motor Vehicle Dealer Board field representative by April 28, 2019 and that inspection shall be satisfactory. The Board mandates that All In One Auto Group and Zia Tabatabai hereby be assessed a civil penalty of \$750.00 and the All In One Auto Group dealership shall be inspected by Motor Vehicle Dealer Board field representative by April 28, 2019 and that inspection shall be satisfactory. 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 Zia Tabatabai successfully complies with the Board's mandates.

Senior Saghafi seconded. The motion carried unanimously.

Rick Holcomb indicated that the board members did a very good job looking at the precedents taken in each of these cases. He indicated that these precedents need to be in writing and shared with the hearing officers. He suggested that William get with Christian Parrish of the Attorney General's Office and draft this directive for the hearing officers.

Rick also indicated that when it comes to insurance on dealer plates, what the dealers know needs to be compared to what the insurance companies know. He directed the forming of a subcommittee, to include the trade associations and DMV's Insurance Monitoring (Director, Vehicle Services) to discuss. Chris Maher was appointed to chair the subcommittee, and Maurice Slaughter volunteered to represent the Board. Randy Harris also volunteered.

Licensing Committee

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

Supplemental Sales – William Childress. When it comes to tent sales, some standards and expectations need to set regarding the letter of invitation, which required by code to be send to all local dealers in the jurisdiction of the proposed tent sale. Rick Holcomb directed the forming of a subcommittee to work on the elements of the letter of invitation. Dan Banister and Joe Tate volunteered to be on this subcommittee, as well as representatives from the trade associations. Rick directed Ron Kody and William Childress lead this committee.

OLD BUSINESS

Legislative Update: VADA's Ann Gambardella mentioned a couple of franchise issues; however, they do not impact the Dealer Board. VIADA indicated that a salvage bill is being monitored, but no other bills impact the Dealer Board.

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

EXECUTIVE DIRECTOR'S REPORT: William Childress indicated that the Dealer Board staff is in transition. The Board staff has lost 4 members since September 2018 and may lose 1-2 more before July 1. The position vacated by Prin Cowan will be reclassified to allow the Board staff to hire an individual to work in advertisements (social media) and process salesperson licenses (originals and transfers). Despite the personnel changes, William pointed out some of the great things that the staff has done and is currently working on to include the creating of a Dealer Portal. It is envisioned that this portal will allow dealers to conduct many of their manual business transactions electronically through the portal. Some of these include updating and changing business operating hours, salesperson terminations, and updating email addresses. The dealers currently can renew their licenses electronically, but only 17 dealers are using this feature. There are problems with this process. The Board staff is working closely with DMV IT staff to fix known problems and to possibly incorporate some of the features mentioned earlier. Providing the dealers the ability to maintain and responsibility to update their own information will free the Board staff to address more critical and time sensitive matters. William also spoke to the Board staff being cross-trained to work in multiple areas. The long range goal is to use the man hours saved by implementing the portal to be more pro-active in addressing dealer advertisements.

NEW BUSINESS FROM THE FLOOR

Chairman Holcomb asked the Executive Director consider the agency's budget as a May agenda item. The discussion will focus on the expected pay increases scheduled to be implemented in the June/July time period. This cost is borne by the agency. Unknown at this time is whether or not there will be an increase in health care premiums to the agency.

The next Full Board meeting will be March 11, 2019.

There being no further business to come before the Motor Vehicle Dealer Board, Chairman Holcomb adjourned the meeting at 12:31 a.m.