

Meeting Summary
Motor Vehicle Dealer Board
Monday, July 8, 2019

Vice-Chairman Joe Tate called the Dealer Board meeting to order at 10:45 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. The roll was called and there were 14 Board members present. Present were Ted Bailey, Dan Banister, Liza Borches, Gardner Britt, David Duncan, Steve Farmer, Rob Fisher, Ron Kody, Geoff Malloy, Matt McQueen, Senior Saghafi, Maurice Slaughter and Don Sullivan. (Absent: Rick Holcomb, Michael Bor, Chris Maher and Randy Harris). Executive Director William Childress, Peggy Bailey, Micah Bailey 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 May 13, 2019 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.

Variance Request in Hours: Jerry's Auto Service and Sales Jerry Farmer. Jerry Farmer has requested a variance in hours for his dealership, Jerry's Automotive Service and Sales, because of his teaching schedule. Even though Mr. Farmer is currently retired, he is required to be available to substitute teach at his former high school or as needed throughout the county per his contract. The variance Mr. Farmer seeks is to work between the hours of 4 p.m. and 8 p.m. Monday – Friday.

Motion was made by Ron Kody to approve Mr. Farmer's variance request in hours. Matt McQueen seconded. The motion carried unanimously.

Kingdom Automotive, LLC and Edward C. Kamande. 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 Automotive LLC and Edward Kamande 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 action should be taken against Kingdom Automotive and Edward Kamande: Assessed a civil penalty of \$750.00. The Board mandates that Edward Kamande be assessed a civil penalty of \$750.00.

Mr. Kamande was present and spoke on his own behalf. **(NOTE: He was late to the Dealer Practices Committee meeting and was not able to speak).**

Maurice Slaughter seconded. The motion carried unanimously.

Wes & Ty's Auto Sales and Wesley T. Morris, Sr. 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 Wes & Ty's Auto Sales and Wesley Morris, Sr., for alleged violations of Va. Code sections §46.2-1553 and 46.2-1575. Based on due consideration, the Board believes that the following actions should be taken against Wes & Ty's Auto Sales and Wesley Morris Sr.: Assessed a civil penalty of \$250.00; and Wes & Ty's Auto Sales shall be inspected by a Motor Vehicle Dealer Board field representative by October 13, 2019 and that inspection shall be satisfactory. The Board mandates that Wesley Morris Sr. be assessed a civil penalty of \$250.00, and the Wes & Ty's Auto Sales dealership shall satisfactorily pass an inspection conducted by a Motor Vehicle Dealer Board field representative on or before October 13, 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 the Wes & Ty's Auto Sales dealership and Wesley Morris Sr. successfully complies with the Board's mandates.

Rob Fisher seconded. The motion carried unanimously.

Deals on Wheels, LLC and William H. Layton, III. 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 Deals on Wheels LLC and William H. Layton, III, for alleged violations of Va. Code sections §46.2-1515, 46.2-1518, 46.2-1529, 46.2-1537, 46.2-1542, 46.2-1550, and 46.2-1575 (2). Based on due consideration, the Board believes that the following actions should be taken against Deals on Wheels and William Layton, III: Assessed a civil penalty of \$1,500.00; and Deals on Wheels shall be inspected by a Motor Vehicle Dealer Board field representative by October 13, 2019 and that inspection shall be satisfactory; and William Layton, III shall successfully complete the dealer-operator course by January 13, 2020. The Board mandates that William Layton, III be assessed a civil penalty of \$1,500.00, and the Deals on Wheels dealership shall satisfactorily pass an inspection conducted by a Motor Vehicle Dealer Board field representative on or before October 13, 2019; and William Layton, III shall successfully complete the dealer-operator course by January 13, 2020. 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 Deals on Wheels dealership and William Layton, III successfully complies with the Board's mandates.

Rob Fisher seconded. The motion carried unanimously.

Goldstar Motor Company and Thomas K. Maad. 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 Goldstar Motor Company and Thomas K. Maad for alleged violations of Va. Code sections §46.2-1529, 46.2-1539, 46.2-1542 (B), 46.2-1547, 46.2-1550, and 46.2-

1575 (2) and (6). Based on due consideration, the Board believes that the following actions should be taken against Goldstar Motor Company and Thomas Maad: Assessed a civil penalty of \$9,000.00; and Issued a written warning regarding 46.2-1539; and Revocation of Thomas Maad's Dealer-Operator qualification. The Board mandates that Thomas Maad be assessed a civil penalty of \$9,000.00 and issued a written warning regarding 46.2-1539; and that Thomas Maad's Dealer-Operator qualification is hereby revoked.

Steve Farmer seconded. Mr. Saghafi abstained. The motion carried.

Precision Auto Sales and Ahmad Abualrub. 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 Precision Auto Sales and Ahmed Abualrub 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 Precision Auto Sales and Ahmad Abualrub: Assessed a civil penalty of \$1,000.00; and Suspension of all licenses and certificates issued by the Board for 90 days; and Precision Auto Sales shall be inspected by a Motor Vehicle Dealer Board field representative by October 13, 2019 and that inspection shall be satisfactory; and The Board requests that A. J. Abualrub successfully complete the dealer-operator course by January 13, 2020. The Board mandates that Ahmad Abualrub be assessed a civil penalty of \$1,000.00; and that all licenses and certificates issued by the Board to Ahmad Abualrub and Precision Auto Sales be suspended for a period of 90 days; and the Precision Auto Sales dealership shall satisfactorily pass an inspection conducted by a Motor Vehicle Dealer Board field representative on or before October 13, 2019; and the Board requests that A. J. Abualrub successfully complete the dealer-operator course by January 13, 2020. 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 Precision Auto Sales dealership and Ahmad Abualrub successfully complies with the Board's mandates.

Rob Fisher seconded. The motion carried unanimously.

Virtuous Motors, LLC and Khaliq Shabazz. 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 Virtuous Motors, LLC and Khaliq M. Shabazz for alleged violations of Va. Code sections §46.2-1510, 46.2-1529, 46.2-1533 and 46.2-1575 (1) & (2). Based on due consideration, the Board believes that the following actions should be taken against Virtuous Motors and Khaliq Shabazz: Assessed a civil penalty of \$10,000.00; and Revocation of all licenses and certificates issued to Khaliq Shabazz and Virtuous Motors. The Board mandates that Khaliq Shabazz be assessed a civil penalty of \$10,000.00, and that all licenses and certificates issued by the Board to Khaliq Shabazz and the Virtuous Motors dealership are hereby revoked.

Don Sullivan seconded. The motion carried unanimously.

Value Motors, RVA and Armando L. Bacot. 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 Value Motors RVA and Armando L. Bacot for alleged violations of Va. Code sections §46.2-1529, 46.2-1537, 46.2-1539 and 46.2-1575. Based on due consideration, the Board believes that the following actions should be taken against Value Motors and Armando Bacot: Assessed a civil penalty of \$5,000.00; and Armando Bacot shall successfully complete the dealer-operator course by January 13, 2020. The Board mandates that Armando Bacot be assessed a civil penalty of \$5,000.00, and Armando Bacot shall successfully complete the dealer-operator course by January 13, 2020. 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 Value Motors dealership and Armando Bacot successfully complies with the Board's mandates.

Senior Saghafi seconded. The motion carried unanimously.

Licensing Committee

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

Kevin D. Smith, Salesperson. Committee Chairman Joe Tate 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 Kevin Smith for alleged violations of Va. Code section §46.2-1575. Based on due consideration, the Board believes the following action shall be taken against Kevin Smith: Assessed a \$500.00 civil penalty. The Board mandates that Kevin Smith be assessed a civil penalty of \$500.00.

Liza Borches seconded. All in favor: 12 (Kody, Bailey, Banister, Borches, Duncan, Farmer, Fisher, Malloy, McQueen, Saghafi, Slaughter and Sullivan). Opposed: 2 (Britt and Tate). The motion carried.

Caleb L. Briggs, Salesperson Applicant. Committee Chairman Joe Tate 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 Caleb Briggs for alleged violations of Va. Code section §46.2-1575. Based on due consideration, the Board believes the following action shall be taken against Caleb Briggs; Denied a salesperson license. The Board mandates that Caleb Briggs be denied a salesperson license.

Rob Fisher seconded. The motion carried unanimously.

Jorge Luis Lozada, Jr., Salesperson Applicant. Committee Chairman Joe Tate 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 Jorge Lozada for alleged violations of Va. Code section §46.2-1575. Based on due consideration, the Board believes the following action shall be taken against Jorge Lozada: Denied a salesperson license. The Board mandates that Jorge Lozada be denied a salesperson license.

Senior Saghafi seconded. The motion carried unanimously.

Advertising Committee

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

Priority Nissan Williamsburg and Dennis M. Ellmer. Committee Chairman David Duncan 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 Priority Nissan Williamsburg and Dennis Ellmer for alleged violations of Va. Code Sections §46.2-1535, 46.2-1575 (7) and 46.2-1581 (8). Based on due consideration, the Board believes that the following actions should be taken against Priority Nissan Williamsburg and Dennis Ellmer: Assessed a civil penalty of \$250.00; and issued a written warning regarding 46.2-1535. The Board mandates that Dennis Ellmer be assessed a civil penalty of \$250.00 and issued a written warning regarding 46.2-1535.

Ted Bailey seconded. The motion carried unanimously.

Transaction Recovery Fund Committee:

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

Revisit: Randy Pinocci vs. The Car Man of Richmond, LLC. Historical Overview: At the May 13, 2019 Board meeting Committee Vice-Chairman Malloy summarized for the Board the discussion held in the committee meeting regarding Randy Pinocci vs. The Car Man of Richmond, LLC should be tabled to the July Board Meeting. Based on that discussion and the recommendations in this case, Committee Chairman Maher made the following motion: Pursuant to 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 claims submitted for payment from the Fund, and the recommendation of the Hearing Officer on the claim. Based on due consideration and recommendation of the Hearing Officer, the Board believes this claim should be tabled to the September Board meeting. This issue has been re-submitted to court.

Steve Farmer seconded. The motion carried unanimously.

Review and Action: Informal Fact-Finding Conferences:

Nicholas C. Campisi vs. Goldstar Motor, Co. and Thomas K. Maad – Committee Vice-Chairman Malloy summarized for the Board the discussion held in the committee meeting regarding Nicholas C. Campisi vs. Goldstar Motor Co., and Thomas K. Maad. Based on that discussion and the recommendations in this case, Chairman Maher made the following motion: Pursuant to 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 claims submitted for payment from the Fund, and the recommendation of the Hearing Officer on the claim. Based on due consideration and recommendation of the Hearing Officer, the Board believes the following claim should be tabled due to Mr. Maad indicating that he will pay this claim as soon as possible.

Don Sullivan seconded. The motion carried unanimously.

Thomas Kinson vs. GN Auto, LLC and Gaby Touma – Committee Vice-Chairman Malloy summarized for the Board the discussion held in the committee meeting regarding Thomas Kinson vs. GN Auto, LLC and Gaby Touma. Based on that discussion and the recommendations in this case, Chairman Maher made the following motion: Pursuant to 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 claims submitted for payment from the Fund, and the recommendation of the Hearing Officer on the claim. Based on due consideration and recommendation of the Hearing Officer, the Board believes this issue should be tabled to the September Board meeting so that the issue of attorney fees can be further clarified.

Matt McQueen seconded. The motion carried unanimously.

Christopher L. Mendoza vs. Cars For Sale, Inc. – Committee Vice-Chairman Malloy summarized for the Board the discussion held in the committee meeting regarding Christopher L. Mendoza vs. Cars For Sale, Inc. Based on that discussion and the recommendations in this case, Chairman Maher made the following motion: Pursuant to 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 claims submitted for payment from the Fund, and the recommendation of the Hearing Officer on the claim. Based on due consideration and recommendation of the Hearing Officer, the Board believes the claim in the amount of \$9,569.23 should be paid to Mr. Mendoza.

Steve Farmer seconded. The motion carried unanimously. It was discussed that a sub-committee should be formed to discuss required notifications and documentation to pay legal fees. Members suggested for this committee are Dan Banister, Matt McQueen, Geoff Malloy, Ted Bailey and Don Sullivan.

OLD BUSINESS:

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

NEW BUSINESS:

NAMVBC Conference in Sacramento, California – William Childress reported that each year, the Board is asked to approve the cost of staff to participate in the National Association of Motor Vehicle Boards and Commissions (NAMVBC) Fall Conference. This year's conference will be in Sacramento, California.

Motion was made by Rob Fisher to allow Mr. Childress to attend this conference. David Duncan seconded. The motion carried unanimously.

EXECUTIVE DIRECTOR'S REPORT: William Childress informed the Board that Wanda Neely retired from the agency effective July 1, 2019. He then introduced her replacement, Micah Bailey, and gave a brief overview of Mr. Bailey's background. He also reported that the position vacated by Prin Cowan was reclassified and the agency has hired an individual to help with Advertising and Consumer Complaints. Lastly, William informed the Board that the Dealer Board website now has a YouTube video library with short videos to help the Dealer Community. So far the feedback has been positive.

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

The next Full Board meeting will be September 9, 2019.

There being no further business to come before the Motor Vehicle Dealer Board, Vice-Chairman Tate adjourned the meeting at 11:26 a.m.