

Meeting Summary
Dealer Licensing Committee
Monday, May 13, 2019

Chairman Joe Tate called the Dealer Licensing Committee meeting to order at 11:07 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. Present were Committee members: Ted Bailey, Dan Banister, David Duncan, Rob Fisher, Randy Harris, Senior Saghafi and Don Sullivan. (Absent: Liza Borches and Gardner Britt, Maurice Slaughter left at 10:42 a.m.) Other Board members present: Rick Holcomb, Michael Bor, Steve Farmer, Ron Kody, Chris Maher, Geoff Malloy and Matt McQueen. 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

Supplemental Sales License – Ron Kody. Ron reported that a subcommittee meeting was held to discuss recent complaints being received by dealers about supplemental sales licenses issued for used vehicle sales in their areas by dealers from other markets.

Clarification of the process: A dealer seeking to organize a sale and requesting a supplemental license must contact dealers in the area where the sale will be held. The letter to those dealers must contain the following elements:

- Date and place of the sale.
- An offer to participate in the sale on the same terms as the dealer requesting the license. This means that the dealer requesting the license will equally share the space contracted for as well as fully provide for the administration of the sale, including equal treatment in advertising, signage, and on-site services, including utilities, associated with the event.
- The expenses of the sale must be equally shared among participating dealers, including the sale administrator, and the sale administrator may not charge additional fees, payable either directly to itself, to an affiliate, or to a contractor that will make rebates or payments to the sale administrator, that will artificially inflate the costs of participation for other dealers.
- Each participating dealer is responsible for certain expenses including, but not limited to costs of transporting inventory to the sale and providing salespeople and other services they voluntarily choose to provide for themselves.

In order to streamline the application process, dealers applying for a supplemental sales license should share with the Board a copy of the offer letter as well as a list of dealers receiving the letter.

If the Board receives a complaint from any dealer who receives the letter, the Board will investigate to ensure compliance with the statute. The investigation may include inquiries to the dealer requesting the license for further disclosures related to the expenses of the event. Fees to the sale organizer, either directly or to an entity controlled by or affiliated with the organizer, raises the presumption that the other dealers are not being offered the right to participate in the sale “on the same terms as the dealer operating under the temporary license.” Inquiries resulting from complaints about the price of participation will include an inquiry whether any of the participation funds are for fees to the organizing dealer or to an entity controlled by or affiliated with the dealer requesting the license.

Should the investigation by the Board show that the requirements of the statute are not met, the Board will reject the application for a supplemental sales license. If anyone has further questions about applying for a supplemental sales license, please contact the Board.

Motion was made by David Duncan to accept the above recommendations by the subcommittee. Don Sullivan seconded. The motion carried unanimously.

Review and Action: Informal Fact-Finding Conferences:

Yonnie H. Christo, Jr., Sales Applicant – On February 25, 2019, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1575 (6) and (13). Based on the information provided at the conference, the hearing officer recommended denying Mr. Christo a salesperson license.

Motion was made by Rob Fisher to accept the hearing officer’s recommendation and deny Mr. Christo a salesperson license. Randy Harris 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 11:15 a.m.