

Meeting Summary
Dealer Practices Committee
Monday May 13, 2019

Chairman Ron Kody called the Dealer Practices Committee meeting to order at 9:20 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. Present were Committee members: Michael Bor, Liza Borches (present from 9:20 a.m. to 9:39 a.m.), Steve Farmer, Rob Fisher, Geoff Malloy, Chris Maher, Matt McQueen, Senior Saghafi, Joe Tate. (Absent: Gardner Britt, Liza Borches left at 9:39 a.m.). Other Board members present: Rick Holcomb, Ted Bailey, Dan Banister, David Duncan, Maurice Slaughter, Don Sullivan. 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

Insurance/Dealer Plates – Chris Maher. Chris presented the findings of their sub-committee meeting. He indicated that the purpose of this meeting is to give guidance to the MVDB regarding dealer tag insurance.

Current actions are:

- Dealer certifies by signature on the MVDB 9 dealer plate application that the dealer has insurance.
- Field representatives validates insurance during inspections and confirms the insurance is valid with no lapse.
- Enforces a civil penalty of \$600 per plate for any uninsured dealer tag.

Proposed actions:

- Take legislative action on specific code sections 46.2-1547 and 46.2-1575 (18) focusing on removing the word “each”.
- Take legislative action requiring insurance companies to notify the Board whenever a dealer has a lapse in liability.
- Change internal MVDB staff licensing process policy regarding issuance of dealer tags.
- Field representatives request the endorsement page or “declaration” page during inspection.

Additional discussions, no action:

- Shifting responsibility of insurance on Dealer Tags to DMV.

Motion was made by Chris Maher to table this issue until the September so that further recommendations can be discussed. Joe Tate seconded. The motion carried unanimously.

Review and Action: Informal Fact-Finding Conferences:

Whitten Brothers, Inc. and Robert G. Whitten – On February 4, 2019, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1537. Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$6,385.

James Whitten and Harrison Whitten were present and spoke on behalf of Whitten Brothers.

Motion was made by Joe Tate to assess a civil penalty of \$3,885.00. Steve Farmer seconded.

Substitute motion was made by Chris Maher to assess a civil penalty of \$3,192.50. The motion failed due to a lack of a second.

Motion was made by Michael Bor to assess a civil penalty of \$1,000. Geoff Malloy seconded. All in favor: 6 (Bor, Fisher, McQueen, Maher, Malloy, Saghafi). Opposed: 4 (Farmer, Kody, Tate and Bailey). The motion carried.

Blue Ridge Division and Terry L. Dotson – On January 23, 2019, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1529 and 1537. Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$750 for violations of 46.2-1529 and \$1,000 for violations of 46.2-1537 for a total civil penalty of \$1,750 being assessed.

David A. Rowland was present and spoke on behalf Blue Ridge Division.

Motion was made by Rob Fisher to accept the hearing officer's recommendation of assessing a civil penalty of \$1,750. Matt McQueen seconded. The motion carried unanimously.

MVP Automotive and Yunpeng Wang – On March 4, 2019, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1529, 1533 and 1575 (2). Based on the information provided at the conference, the hearing officer recommended a satisfactory inspection be conducted within the next 90 days. In the event this inspection is unsatisfactory, he also recommended that a civil penalty of \$250 be assessed as it relates to VA Code Section 46.2-1533 and to include a possible suspension of all licenses and certificates until the inspection is satisfactory.

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

Motion was made by Joe Tate to assess a civil penalty of \$1,000 and a satisfactory inspection within 90 days. Senior Saghafi seconded. All in favor: 8 (Kody, Farmer, Fisher, McQueen, Maher, Malloy, Saghafi, Tate). Opposed: 1 (Bor). The motion carried.

Pro Automotive and Kahsay Areki – On March 4, 2019, an informal fact-finding conference was conducted to address the alleged violations of VA Code Section 46.2-1533 and 1575 (2). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$750 and satisfactory inspection.

Motion was made by Joe Tate to accept the hearing officer's recommendation of assessing a civil penalty of \$750 and a satisfactory inspection within 90 days. Rob Fisher seconded. The motion carried unanimously.

Prosperity Auto Sales and Faisal Chaudhry – On April 10, 2019, an informal fact-finding conference was conducted to address the alleged violations of VA Code Section 46.2-1528, 1529, 1533 and 1575 (2). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$1,000 for violations of VA Code Section 46.2-1533 and 30 day suspension for violations of VA Code Section 46.2-1575 (2).

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

Motion was made by Chris Maher to assess a civil penalty of \$5,000 and a satisfactory inspection within 60 days. The motion failed due to a lack of a second.

Motion was made by Michael Bor to assess a civil penalty of \$1,000 and a satisfactory inspection within 60 days, if not satisfactory, suspension until the dealer has had a satisfactory inspection. Senior Saghafi seconded. The motion carried unanimously.

Simms Motors, LLC and Jamal D. Simms – On April 8, 2019, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1533 and 1575 (2). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$500 and a satisfactory inspection within 90 days.

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

Motion was made by Joe Tate to assess a civil penalty of \$750 and a satisfactory inspection within 90 days. Senior Saghafi seconded. All in favor: 8 (Kody, Farmer, Fisher, McQueen, Maher, Malloy, Saghafi, Tate). Opposed: 1 (Bor). The motion carried.

Premium Motors, Inc. and Khalid Majeed – On April 18, 2019, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1528, 1529, 1533 and 1575 (2). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$3,000 and a satisfactory inspection within 90 days.

Motion was made by Joe Tate to accept the hearing officer's recommendation of assessing a civil penalty of \$3,000 and a satisfactory inspection within 90 days. Michael Bor seconded. The motion carried unanimously.

Review and Action: Formal Hearing:

Xceleration Auto Sales, LLC and Hatim Abed – Historical Overview leading up to the formal hearing: On August 28, 2018, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1547 and 1575 (18). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$500 for violations of 46.2-1547. The Board adopted a resolution assessing a civil penalty of \$2,000, which is the original civil penalty assessed on June 19, 2018. On February 22, 2019, Mr. Abed appealed for a formal hearing. On April 8, 2019, a formal hearing was conducted to address the above alleged violations. Based on the information provided at the hearing, the hearing officer recommended assessing a civil penalty of \$500 for VA Code Section 46.2-1547 and no further action taken for violations of 46.2-1575 (18).

Motion was made by Joe Tate to assess a civil penalty of \$2,000. Rob Fisher seconded. The motion carried unanimously.

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

NEXT MEETING:

The next meeting is scheduled for July 8, 2019

The meeting adjourned at 11:07 a.m.