

Meeting Summary
Dealer Practices Committee
Monday September 12, 2022

Committee Chair Ron Kody called the Dealer Practices Committee meeting to order at 9:00 a.m. This meeting was conducted at the Department of Motor Vehicles, 2300 W. Broad Street, Executive Conference Room 702, Richmond, Virginia. Roll call confirmed the following Committee members being present: Dan Banister, Michael Bor, Gardner Britt, Rob Fisher, David Lynn, Chris Maher, R.J. Robinson and Andrew Wiley. Those absent included Geoff Malloy Nick Rush. Other Board members present: Jeff Ballard, Trevor Coley, Dennis Ellmer, Maurice Slaughter. Executive Director William Childress, Lisa Mack-Nelson, Ann Majors and Micah Bailey represented the Dealer Board. Christian Parrish represented the Attorney General's office.

The July 11, 2022 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

Review and Action: Informal Fact-Finding Conferences:

Econo Auto, Inc. and Rasoul G. Paykar #35329. On July 12, 2022, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1529 and 46.2-1575 (6). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$4,850.00 and a satisfactory inspection of all dealer records and all PoD records.

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

Chris Maher moved to reduce the civil penalty to \$2,425.00. Michael Bor seconded. In favor: 3 (Bor, Maher, Robinson). Opposed: 6 (Kody, Banister, Britt, Fisher, Lynn and Wiley). The motion failed.

Andrew Wiley moved to accept the hearing officer's recommendation of assessing a \$4,850.00 civil penalty and a satisfactory inspection of all dealer records and all PoD records. Rob Fisher seconded. All in favor: 6 (Kody, Banister, Britt, Fisher, Lynn and Wiley). Opposed: 3 (Bor, Maher, Robinson). The motion carried.

Car Web and Farshad Fakhriyazdi #53460. On July 26, 2022, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1529, 46.2-1539, 46.2-1542 and 46.2-1575 (6). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$4,150.00.

Rob Fisher moved to accept the hearing officer's recommendation of assessing a civil penalty of \$4,150.00. Andrew Wiley seconded. The motion carried unanimously.

Auto Alvand Imports, LLC and Hossein Maghsoudi #44881. On August 16, 2022, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1533 and 46.2-1575 (2). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$1,250.00 and a satisfactory inspection of dealer records with the dealer present.

Andrew Wiley moved to accept hearing officer's recommendation of assessing a civil penalty of \$1,250.00 and a satisfactory inspection of dealer records with the dealer present. Chris Maher seconded. The motion carried unanimously.

Review and Action: Formal Hearing:

South America Motors, Inc and Elva Benites #51706. Historical Overview leading up to the Formal Hearing: On January 11, 2022, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1529, 46.2-1559 and 46.2-1575(2). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$7,750.00, satisfactory inspection and successfully complete the 2-day Dealer-Operator course. At the March 14, 2022 Board meeting, the Board adopted a resolution to assess a civil penalty of \$7,750.00, satisfactory inspection on or before June 14, 2022 and to successfully complete the 2-day Dealer-Operator course on or before September 14, 2022. The dealer had until April 18, 2022 to accept or appeal the Decision. On April 5, 2022, Elva Benites appealed the Decision and requested a Formal Hearing. On June 28, 2022, a formal hearing was conducted to address the alleged violations. Based on the information provided at the hearing, the hearing officer recommended assessing a civil penalty of \$8,000.00, satisfactory inspection of dealer records and PoD records and to successfully complete the 2-day Dealer-Operator course.

Gardner Britt moved to accept the hearing officer's recommendation of assessing a civil penalty of \$8,000, satisfactory inspection of dealer records and PoD records, and to successfully complete the 2-day Dealer-Operator course. Rob Fisher seconded. The motion carried unanimously.

ABC Motors and Naftali Lev #53162 – Historical Overview leading up to the Formal Hearing: On January 25, 2022, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1529, 1537 and 1559. Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$60,000.00 and satisfactory inspection by February 25, 2022. At the March 14, 2022 Board meeting, the Board Members adopted a resolution to assess a civil penalty of \$60,000.00, satisfactory inspection on or before April 30, 2022 and to successfully complete the 2-day Dealer-Operator course on or before June 14, 2022. The dealer had until April 14, 2022 to accept or appeal the Decision. On April 12, 2022, Mr. Lev and his attorney, Robert G. Byrum, appealed the Decision and requested a Formal Hearing. On June 28, 2022, a formal hearing was conducted to address the alleged violations of VA Code Sections 46.2-1529, 46.2-1537, 46.2-1542 (B), 46.2-1559 and 46.2-1575 (6). Based on the information provided at the hearing, the hearing officer recommended assessing a civil penalty of \$60,000.00 and a satisfactory inspection within 30 days.

Robert Byrum, attorney for Mr. Lev, was present and spoke on behalf of his client. He indicated that Mr. Lev retired and that a Mr. Parker has taken over as the Dealer-Operator; however, Mr. Lev still owns the dealership.

Motion was made by Chris Maher to reduce the civil penalty to \$20,000.00 and a satisfactory inspection. The motion died, due to a lack of a second.

Motion was made by Dan Banister to reduce the civil penalty to \$10,000.00 and a satisfactory inspection. All in favor: 5 (Banister, Bor, Lynn, Maher, Robinson). Opposed: 4 (Kody, Wiley, Britt, Fisher). The motion carried.

Kar Mart, LLC and Dennis J. Rogers #54886 – Historical Overview leading up to the Formal Hearing: On March 15, 2022, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1529, 46.2-1539, 46.2-1559 and 46.2-1575 (6). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$38,050.00, suspension of dealer licenses pending paying the civil penalty, satisfactory inspection and completion of the 2-day Dealer-Operator course. At the May 9, 2022 Board meeting, the Board Members adopted a resolution to assess a civil penalty of \$38,050.00 and revocation of all licenses and certificates. The dealer had until June 13, 2022 to accept or appeal the Decision. On June 6, 2022, Mr. Rogers appealed the Decision and requested a Formal Hearing. On July 27, 2022, a formal hearing was conducted to address the alleged violations. Based on the information provided at the hearing, the hearing officer recommended assessing a civil penalty of \$38,050.00. The dealer never renewed his dealer licenses.

Rob Fisher moved to accept the hearing officer's recommendation of assessing a civil penalty of \$38,050.00. Andrew Wiley seconded. The motion carried unanimously.

NEW BUSINESS FROM THE FLOOR – No new business from the floor.

NEXT MEETING – November 14, 2022

The Dealer Practices committee meeting adjourned at 10:06 a.m.