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**CONTACT US**

2201 W. BROAD ST.  
SUITE 104  
RICHMOND, VA  
23220

[dboard@mvdb.virginia.gov](mailto:dboard@mvdb.virginia.gov)

[www.mvdb.virginia.gov](http://www.mvdb.virginia.gov)

**Bruce Gould,**  
Executive Director  
**Peggy Bailey,**  
Office Manager  
**Frank McCormick,**  
Field Rep. Supervisor  
Office Phone  
804-367-1100  
Office Fax



# Dealer Talk

## *Guidance to All Dealers*

The 2011 General Assembly amended § 46.2-1510.4 that dealers must “on and after July 1, 2013, [have] an Internet connection and email address”.

Effective July 1, 2013, this addition to the law mandates all Virginia Motor Vehicle Dealers be required to have an Internet connection and email address at their established place of business during business hours. The purpose of this legislation is to increase efficiency and facilitate better communication.

This memorandum provides guidance about “internet connection” and email address guidelines for Dealers to be in com-

pliance by July 1, 2013.

In general, “**Internet access**” is defined as the means by which individual terminals, computers, mobile devices, and local area networks are connected to the Internet. The Dealer must establish the Internet & email account in the official Business or Trade Name of the Dealership.

For example: If you choose Verizon FiOS, the Verizon Account must be established in the Business Name, not an individual. The Internet Service Pro-

vider (ISP) can provide Internet connections and an email address through the following means. Although this list is not all inclusive, from studies presented to the Board, these are the most common means for which Dealers in Virginia will be able to establish an Internet Connection and an email address.

Broadband (for example FiOs, Comcast, Cox, Charter, CenturyLink, etc.); Wireless (Verizon,

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## *Reminder to All Franchise and Online Dealers*

As a reminder to all Franchise Dealers, effective March 15, 2014, all applications for title and registration of vehicles processed via a franchise automobile dealer must be processed on-line.

What does this mean to you as a franchise dealer? Essentially this means business as usual. As mentioned, all fran-

chise dealers currently process their title/registration transactions through an online vendor. However, the Code also provides for the processing of transactions at a DMV customer service center, with the stipulation that a \$15 manual processing fee shall be assessed to every transaction processed in excess of 20 per

month—unless the transaction cannot be processed electronically.

After March 15, 2013, **only** those transactions that **cannot** be processed electronically will be able to be processed manually at a DMV customer service center. These transactions will continue to be processed at no fee.

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## Upcoming *EVENTS*

### BOARD MEETINGS

All Meetings are held at DMV Headquarters  
2300 W. Broad Street, Room 702 Richmond,  
VA

Monday, May 13, 2013 Time: 9:00 a.m.

#### Dealer Practices Committee Meeting

Monday May 13, 2013

Time: Immediately following Dealer Practices

#### Licensing Committee Meeting

Monday, May 13, 2013

Time: Immediately following Licensing

#### Advertising Committee Meeting

Monday, May 13, 2013

Time: Immediately following Advertising

#### Transaction Recovery Fund Committee Meeting

Monday, May 13, 2013

Time: Immediately following Transaction Recovery Fund

#### Full Board Meeting

**NOTE:** Meetings may begin later, but not earlier than scheduled.

## *MVDB HOLIDAY* *Office Hours*



**CLOSED:**

Monday May 27, 2013

## *Before You Change your On-Line or PoD Vendor....*

In an effort to facilitate dealerships in transitioning from one on-line vendor to another, DMV is implementing an inventory review process that will eliminate the need for the Dealer's previous vendor to be on site to initiate the transfer of license plates and decals originally issued by the DMV. Beginning with your email request to change online vendors, the transfer will be overseen by a DMV representative, who will ensure that all plates and decals are accurately accounted for and, if needed, document any discrepancies for further review by the agency.

Effective immediately, the following procedure should be followed by dealers, vendors and DMV when converting from one on-line vendor to another:

1. Dealer must contact DMV Vehicle/Dealer Services via email [dealerservices@dmv.virginia.gov](mailto:dealerservices@dmv.virginia.gov) at least two full weeks prior to the desired switch-over date (this does not mean that the switch-over cannot take place sooner).
2. DMV Dealer Services will coordinate & schedule the switch-over with both the new online vendor & the old vendor.
3. DMV will assign a DMV representative responsible for overseeing the plates / decal inventory review and will contact the Dealer to confirm & schedule a date for the switch-over. If no call is received within three days, please call DMV Dealer Services at 804-367-0901.
4. Once the DMV representative arrives, the Dealer should print the current number of unused plates and decal inventory.
5. The standard closing process will be completed by DMV, the same as it is today, should there be any discrepancies and/or pending transactions.
6. Plates and decal inventory that must be returned to DMV, including excessive and/or expired inventory, will be taken by the DMV rep. at the close of the inventory review.

Please feel free to contact Tonya Blaine at 804-367-0599 should you have any questions or concerns regarding this procedure.

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## Reminders...

Dealers are **not** allowed to sell their vehicles away from **their licensed location** as per Virginia Code § 46.2-1515.

So, unless you have prior Board authorization, you may not sell cars at any other place other than your dealership. For example, you may not park & sell your cars from parking lots at national chain stores, malls, grocery stores, or other public/private parking areas.

# Reminders...

If you are an Independent Dealer-Operator (IDO) check our website to see when you should **RECERTIFY**.

As of January 1, 2011, ALL IDO's of independent dealerships must, at some point in time, recertify their IDO qualification every three years either by taking a course online, in a classroom, or an exam at DMV. Click [HERE](#) for more information and [HERE](#) to determine your recertification deadline. If you are unclear on your recertification deadline or have any other recertification questions, please contact Ann Majors, at 804-367-1100 x 3016, or by email at [ann.majors@mvdv.virginia.gov](mailto:ann.majors@mvdv.virginia.gov)

## *Reminder to all Franchise On-Line Dealers* *[continued from pg. 1](#)*

Because of the enhancements that have been made to the on-line dealer program, there are only a few transactions that cannot be processed electronically. Today, those include: handicap; clean fuel and specialty plates; a VIN of less than 17 characters; a previous title marked "held"; and supplemental, replacement and repossessed titles. As we get closer to next year's effective date, we hope to have most, if not all, of these transactions available electronically.

This is just the first step in moving towards all on-line processing. At a later date, all other types of motor vehicle dealers will also be mandated to participate in the on-line dealer program as well.

For more information about the Online Dealer Program, please click [HERE](#).

## *DID YOU KNOW?*

**....That** Virginia is one of nine states participating in a national E-titling project, of which the ultimate goal is to eliminate the transfer of paper between the manufacturer and dealership and subsequently between the dealership and DMV. The March 15, 2014 Online Dealer mandate, which requires franchise dealers to participate in the online dealer program, is just the first step in moving towards exclusively online processing. This mandate serves to facilitate E-titling, since this project will initially focus on new vehicles. To participate, you must be a franchise Online dealer. For more details on how to sign up for E-title, please click [HERE](#).



### **....That the DMV Website Gets a Makeover!**

RICHMOND - The next time you visit the [Virginia Department of Motor Vehicles \(DMV\) website](#), you'll find a new design and features to better serve customers. The website now has a cleaner, more contemporary design with increased visibility and access to online services.

The website features improved navigation to key content such as driver licensing and vehicle titling and registration information as well as better promotion of the agency's social media channels such as Facebook and Twitter.

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## Reminders...

If the vehicle you sold will be titled in the state of Virginia, you may only issue ONE set of Temporary 30 day tags. For more information, please read [Virginia Code § 46.2-1542](#), visit [www.myvbd.virginia.gov](http://www.myvbd.virginia.gov), or call our office at 804-367-1100 with your questions.

## *Criminal Background Checks*

*ScreeningOne* is the vendor used by the Motor Vehicle Dealer Board to check the criminal history of new salesperson applicants.

The Board has arranged with *ScreeningOne* to allow all Virginia Dealers to run the background check themselves, thereby decreasing the time it takes for the Dealer Board to process a license application. With this initiative, you will be able to run nationwide criminal background checks on not only your new salesperson applicants, but applicants for any position in your organization. You could even run periodic criminal backgrounds of any and all of your employees. The cost is just \$8.50 for each criminal background you run.

Once you have signed up for this service, you can run a nationwide criminal background, sex offender, and OFAC check before you send the salesperson application to the Board. We will be able to view the criminal background check that you ordered and, if there are no problems, we will proceed to license your new salesperson. For additional information please contact Paul Craddock at *ScreeningOne* toll free at 888-327-6511; ext 109 or [pcraddock@ScreeningOne.com](mailto:pcraddock@ScreeningOne.com).

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## *Guidance to ALL Dealers*

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AT&T, NTelos, Sprint, etc.); Satellite (Dish, Direct TV, etc.); Cable (Comcast, Cox, Charter, etc.); and Dial-up (Verizon, Century Link, etc.). When Dealers have this Internet service established, they may use devices to connect to the internet as a way of communicating to MVDB and DMV using a computer, laptop, tablet, Smartphone (mobile) devices, modem, and other wireless networking devices. This is not an all inclusive list, but these are the more common devices Dealers currently use as a means to communicate with the Board and DMV.

**This memorandum also provides guidance on Dealer's email addresses.**

In general, an **email address** identifies an **email box** to which **email messages** are delivered. Effective July 1, 2013 Dealers will be required to have a valid official email address for receiving and sending email communications to the Board and DMV on a consistent basis.

The Board recommends the email address name NOT be identified to a specific individual such as Jane.Doe@example.net at the dealership but rather the email address is general to the dealership. For example, MountainValleyCars@aol.com is a general email address and if that named individual leaves the dealership, the dealership would not have to establish a new email address. It is up to the Dealer who shall have access to this email box for receiving and sending emails to the Board and DMV.

An email account can be established inexpensively or even free through Google (Gmail), Yahoo, AOL, etc. Your internet service provider can even provide assistance in setting up an email address.

**In summary there are three important keynotes:**

- The internet connection must be at the dealer's established place of business and operating during your normal business hours.
- If a smart phone (mobile device) is how the dealer will be communicating to the Board and DMV via the internet, the Smartphone must be present (**onsite**) at the established place of business during normal business hours.
- The Smartphone account must be in the name of the Dealership.

### **Internet and email authentication**

The Board has the responsibility to verify the dealer's internet connection and your email address. This will normally be done by the field representative in your area. In general this will be a simple process by having the

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# Board Actions

**Cloverhill Motors and Charles H. Thorpe, Jr..** A random inspection of this dealership revealed a number of problems including titles not issued within 30 days of sale; incorrect buyer's order; failure to notify MVDB of salespersons that were no longer employed; safety inspection records not available; no records for temporary tags; and vehicles sold by an unlicensed salesperson. The dealer was given an opportunity to pay a civil penalty for the unlicensed salesperson, but Mr. Thorpe appealed the civil penalty and requested an informal hearing. From this informal hearing, the Board assessed a civil penalty of \$500.00 and Cloverhill Motors must have a satisfactory inspection, or all licenses will be suspended until the Dealership passes inspection.

**American Idol Motors, LLC and Naveed Ahmed.** DMV Special Agent Hudson and MVDB Field Representative Windereedle visited this dealership per a complaint that the dealership was charging customers an "on-line" transaction fee when they were not an on-line dealer. In the course of this investigation/inspection, Mr. Ahmed was charged and later convicted of misdemeanors for open titles. An informal fact-finding conference was conducted for the alleged violations of having been convicted of any criminal act involving the business of selling vehicles and open titles. The Board assessed a civil penalty of \$500.00 and a satisfactory inspection within 30 days.

**East Cost Auto Brokers, LLC and James Musick.** Mr. Musick purchased a 2004 Lincoln for \$800 from a Brian Smith. Several hours later, a Joe Summers delivered the Lincoln and Mr. Musick paid Summers the \$800 and Summers told Musick that the title would be forthcoming. Mr. Musick's attempts to contact Mr. Smith about the title were unsuccessful. At a local DMV CSC, Mr. Musick applied for a title via a mechanics and storage lien, but the CSC discovered that this vehicle had been stolen. Musick was eventually convicted of a class 5 misdemeanor of Obtaining a DMV Document unlawfully. An informal fact-finding conference was conducted for the alleged violations having used deceptive acts or practices and having been convicted of any criminal act involving the business of selling vehicles. The Board suspended all licenses and qualifications issued to Mr. Musick for a period of 6 months, assessed a civil penalty of \$2,000.00, and require that Mr. Musick successfully complete the Dealer-Operator course before September 11, 2013.

**Carz Unlimited, LLC and Krystal Niles-Smith.** In the course of conducting a relocation inspection, field representative Garrett reported that several licensed salespersons were not on the payroll, these salespersons were issued dealer tags; the dealership misused transport tags; did not safety inspect vehicles prior to selling at retail and were not using a proper buyers order. An informal fact-finding conference was conducted for the alleged violations of failure to maintain all dealer records at the dealership, salespersons not on W-2, improper use of D-tags, unlawful use of Transport Tags, failure to be responsible for the acts of salespersons, and material misstatements or omissions. Based on the information provided at the hearing, in September the Board voted to assess a \$5,000 civil penalty against Carz Unlimited, LLC and Krystal Niles-Smith and to revoke Ms Niles-Smith's dealer operator certificate of qualification. Ms. Niles-Smith appealed the decision and requested a formal hearing. Based on the information provided at the formal hearing and the hearing officer recommendation, the Board assessed a \$5,000.00 civil penalty, required a satisfactory inspection, and she retains her qualifications.

**Donald Anderson, Salesperson.** MVDB Field Representative McCormick received an anonymous telephone call stating that a licensed dealer was advertising on Craig's List without identifying themselves as a dealer. McCormick received another anonymous call a few days later. This caller stated that someone in their neighborhood was parking cars without plates or with a photocopied dealer tag. McCormick visited the neighborhood and observed cars parked on the street fitting the description of the Craig's List advertisements some bearing dealer plates. Mr.

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# Board Actions

Anderson, seeing McCormick, came out of his house and approached McCormick. One of the dealer tags displayed on one of the vehicles parked in front of Anderson's house was a tag that had been surrendered and another car displayed a photocopy of a dealer plate. Further investigation revealed that Anderson was not paid on a W-2, and that he actually paid the owner of Motorvation, a fee of \$500 per month. An informal fact-finding conference was conducted to address the alleged violations of having used deceptive acts or practices and advertising violations. Based on the information provided at the hearing, the Board assessed a civil penalty of \$5,000.00 against salesperson, Mr. Anderson.

**Robert C. Johnson, Jr.** In June of 2012 Mr. Johnson submitted an application for a salesperson's license. On the applications he checked "YES" to the question of "having been convicted of a felony". Based on the nature of the felony convictions and per the authority given to the executive director by the Board, the application was denied. Mr. Johnson appealed this decision and an informal fact-finding conference was conducted to address the felony conviction, due to his application being denied, and Mr. Johnson's appealed again and requested a formal hearing. A formal hearing was conducted, and based on the information provided at both hearings, the Board denied Mr. Johnson's application for a license to sell motor vehicles in the Commonwealth of Virginia.

## Dealer Practices

**Carwise & Nargis Aslami** was assessed a civil penalty of \$500.00 for violation of having an unlicensed salesperson.

**Wells Auto Sales & Michael Wells** was assessed a civil penalty of \$2,000 for violation of multiple counts of improper dealer tag issuance, having one salesperson not compensated via W-2, one open vehicle title in possession of dealership, and having 3 un-insured dealer tags.

**Vehicle Remarketing Services & John Donovan** was assessed a civil penalty of \$500 for having 2 uninsured dealer tags.

**General Auto Sales, LLC** was assessed a civil penalty of \$250, and **Emmett R. Gray, Jr.** was assessed a civil penalty of \$250 for failure to maintain business hours.

**AA Imports** was assessed a civil penalty of \$250, and **Kamiran Khan** was assessed a civil penalty of \$250, for failure to maintain business hours, and failure to comply with previous warnings.

**EZ Ride Auto, Inc. and Joseph E. Engelhardt** was assessed a \$500 civil penalty for violation of failure to maintain business hours, and failure to comply with previous warnings.

**ABC Cars and Vedran Oklopcic** was assessed a civil penalty of \$250 for failure to maintain business hours, and failure to comply with previous warnings.

**Global Motors, Inc. and Mohammad D. Aman** was assessed a civil penalty of \$250 for failure to maintain business hours, and failure to comply with previous warnings.

**NOTE: Depending on the circumstances, all Board Actions may be appealed to Circuit Court, or for an administrative hearing.**

For prior issues of Dealer Talk click [HERE](#)

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# Independent Dealer-Operator 2-Day Class Schedule

The path to a Dealer-operator license begins with a required two-day course of study each month at various community colleges in Virginia with the curriculum and instruction provided by VIADA.

The course takes the attendee from establishing the dealership under local zoning and Dealer Board requirements, through the sales process with its multitude of forms, laws and regulations, in to a sampling of opening and operating expenses, and ending with a discussion on ethics.

The course is open to all existing dealers and their employees.

Date	College	Contact Information
<b>2013</b>		
Apr 09-10	Lord Fairfax in Middletown	Registration 540-868-7021 <a href="http://www.lfccworkforce.com">www.lfccworkforce.com</a>
Apr 23-24	J Sargeant Reynolds in Henrico/Richmond	Sandy Jones 804-523-2292 <a href="http://www.ccwa.vccs.edu">www.ccwa.vccs.edu</a>
May 07-08	Thomas Nelson in Hampton	Registration 757-825-2937 <a href="http://www.tncc.edu">www.tncc.edu</a>
May 21-22	Blue Ridge in Weyers Cave	Registration 540-453-2215 <a href="http://www.brcc.edu">www.brcc.edu</a>
Jun 04-05	Germanna Fredericksburg	Kelly Bennett 540-937-2913 <a href="http://www.germanna.edu/workforce">www.germanna.edu/workforce</a>
Jun 18-19	Danville Danville	Donna 434-797-6437 <a href="http://www.dcc.vccs.edu/workforce">www.dcc.vccs.edu/workforce</a>
Jul 09-10	Northern VA in Woodbridge	Registration 703-257-6630 <a href="http://www.nvcc.edu">www.nvcc.edu</a>
Aug 06-07	VA Western in Daleville	Registration 540-966-3984 <a href="http://www.virginiawestern.edu">www.virginiawestern.edu</a>



## Reminders...

If you have 50 or more employees and are covered under the Family Medical Leave Act (FMLA) you must display a new version of the FMLA poster, which can be downloaded [here](#). The newest version of this poster incorporates changes addressing military family and caregiver leave. This requirement was effective as of March 8, 2013.

## FTC “.com Disclosures” NEW Guidance Document

The Federal Trade Commission today released new [guidance for mobile and other online advertisers](#) that explains how to make disclosures clear and conspicuous to avoid deception. The new FTC staff guidance *.com Disclosures: How to Make Effective Disclosures in Digital Advertising*, takes into account the expanding use of smartphones with small screens and the rise of social media marketing. It also contains mock ads that illustrate the updated principles. Like the original, the updated guidance emphasizes that consumer protection laws apply equally to marketers across all mediums, whether delivered on a desktop computer, a mobile device, or more traditional media such as television, radio, or print. If a disclosure is needed to prevent an online ad claim from being deceptive or unfair, it must be **clear and conspicuous**.

For more information, see <http://www.ftc.gov/opa/2013/03/dotcom.shtm>

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## What's Wrong with this Picture??



### Improper use of Dealer Tag

The Code of Virginia clearly states that it is unlawful for any dealer to permit dealer's license plates to be used on :

1. Motor vehicles such as tow trucks, wrecking cranes, or other service motor vehicles;
2. Vehicles used to deliver or transport (i) other vehicles; (ii) portions of vehicles; (iii) vehicle components, parts, or accessories; or (iv) fuel;
3. Courtesy vehicles; or
4. Vehicles used in conjunction with any other business.

The top left picture clearly shows a violation because this D-Tag was being used by a lawn care service.

The bottom left picture shows a violation because you cannot use a D-Tag on a trailer to haul garbage.





# MOTOR VEHICLE DEALER BOARD

MVDB

2201 W. Broad Street

Suite 104

Richmond, VA 23220

Phone: 804-367-1100

Fax: 804-367-1053

E-mail: [dboard@mvdb.virginia.gov](mailto:dboard@mvdb.virginia.gov)

Visit us on the Web!

[www.mvdb.virginia.gov](http://www.mvdb.virginia.gov)

DISCLAIMER: We make every effort to ensure information in Dealer Talk is accurate, but it is not a substitute for legal advice.



## MVDB Mission Statement

The Motor Vehicle Dealer Board will administer sections of the Commonwealth's Motor Vehicle Dealer Laws and regulations as charged; while providing a high level of customer service for the automotive consumer and dealer community.

### Internet Guidance Document

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Pictures courtesy of:  
[www.infiniteprospects.com](http://www.infiniteprospects.com)

dealership send and receive an email from/to the established place of business during inspections. For all new Dealerships opening on or after July 1, 2013 the dealer will need to have the internet connection established with an ISP and a valid email address as part of the opening inspection process prior to the field representative inspection. Use the [DSD-10](#) form during license renewal, or for any changes, to transmit to the Board the Dealer's official email.

Use the official Dealer email to [sign up for the Dealer Talk newsletter](#). Others may also sign-up to receive Dealer Talk; there is no limit to the number who may receive the Dealer Talk newsletter. [back to pg. 1](#)

## Reminders...

When advertising online & placing Disclosures involving the terms "up to" in reference to Manufacturer's Rebates, please make sure the disclosure is:

1. For the vehicle advertised. We often find that the disclosure rebates listed are not for the particular make & model but rather just a few models in the line. For example not all Dodge products get the rebate, just the Dodge Ram.
2. Be VERY clear on who qualifies for the rebate on the advertised vehicle—no "bait & switch"!

For more information, please click [HERE](#).