

Volume 25 Issue 143

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What's Wrong With This Picture?

Upcoming Events!

Monday 5/9/2022 Board Meeting.

Get Board Meeting Details



Lost, Stolen or Additional Dealer Plates

If any of your dealer plates (D-tags) or decals are lost, stolen, destroyed or mutilated you may receive replacement plates or decals for a fee. To apply, you should submit to MVDB the following:

- MVDB 9, "Dealer Plate Application"
- The appropriate fee(s).
- If the plate has been stolen, please submit a police report with your MVDB 9 application.
- ** Don't forget to update your dealer records and insurance so the MVDB Field Representative can verify the new dealer plate inventory, ... <u>Cont'd on pg. 2</u>

Cybersecurity Advice to Protect You

Our cell phones and computers are a necessity in our personal and professional lives. They help us stay connected, shop and bank online, catch up on social media, and manage our businesses. Our electronic devices store a lot of our personal and private information, so it's a good idea to take a few minutes to look at the ways you can protect yourself and your business from being compromised.

Cont'd on pg. 3

PoD Temporary License Plates

This article is provided by the DMV.

Virginia Department of Motor
Vehicles (DMV) began using print on
demand (PoD) technology for
temporary tags in December 2009.
Since that time specific parameters for
use and issuance have been defined by
Virginia Code § 46.2-1542, and § 46.21561. The PoD program is intended to
allow individuals who recently
purchased a vehicles the opportunity to
immediately ... *Cont'd on pg. 2*

Everyone in Virginia age 5 and older is eligible for the COVID-19 Vaccine! Schedule an appointment by visiting <u>vaccinate.virginia.gov</u> or calling 877-VAX-IN-VA



(877-829- 4682, TTY users call 7-1-1). The call center is available Monday – Friday, from 8 a.m. to 6 p.m.

Lost, Stolen or Additional Dealer Plates

<u>Cont'd from pg. 1</u> and verify that **EACH** dealer plate is insured.

For additional dealer plates

- Submit an MVDB 9 listing the number of additional plates you are requesting.
- Submit a copy of your Liability Insurance declarations page, or endorsement that lists the total number of plates insured. For example, if your insurance currently states 12 plates covered, and you are requesting an additional 12 plates, your revised insurance document must state 24 plates covered or all plates covered.

Fees per additional plate(s) are pro-rated to match the dealer's license expiration date. For a calculation of fees, please email dboard@mvdb.virginia.gov.

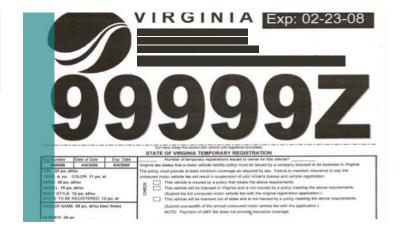
The number of dealer plates issued to a dealership is based on the dealership retail sales and the number of licensed salespersons. The applicable law can be found here.

If your sales are wholesale, or out of state, you may complete <u>MVDB 55</u> and list the vehicles to help meet the threshold for additional plates.

PoD Temporary License Plates

<u>Cont'd from pg. 1</u> drive the vehicle for up to thirty days while ownership is being transferred. The following are instances when PoD temporary license plates may be issued:

- Purchaser is **NOT** a Virginia resident and will be titling the vehicle in their home state.
 - ♦ Out of state purchasers are allowed 2 reissues.
- Purchaser is a Virginia resident and wants a personalized plate message.



- Purchaser is a Virginia resident and wants to order a plate not stocked at the dealership.
- Dealership does or does not have the title or ownership document readily available to transfer ownership at the time sale.
 - A second set of 30 day temporary tags may be issued if ownership isn't transferred within 30 days of first issuance.
 - Dealer must submit to DMV the application for certificate of title, copy of the bill of sale, payment of the Sales and Use tax, and a written statement of fact describing the efforts being taken to secure the ownership document before issuing a second set to Virginia customers.
 - The second set must be issued within 5 days of 1st set expiring.
 - A 30 day extension may be granted on the second set by the DMV Dealer Services Work Center if ownership hasn't been transferred or if the dealer needs an additional 30 days to produce the title.

Issuing PoD temporary license plates for vehicles not sold at the issuing dealership, or issuing PoD temporary license plates to individuals other than the vehicle owner or purchaser constitutes misuse and is a Class 1 misdemeanor.



Cybersecurity Advice to Protect You

Cont'd from pg. 1

Update your software

Software developers release updates — to software, operating systems, and internet browsers — to patch vulnerabilities before attackers can exploit them. Some programs are pre-set to update automatically but can be inadvertently disabled by the user.

Check your settings and turn on automatic updates to ensure the latest security patches and updated software is installed.

The same principles apply to your phone and other electronic devices: ensure the latest updates are installed.

Protect your account access

Besides securing your devices, it's securing your online accounts. From your bank account to your social media account, always ensure your account access is secured. You can do this by following some simple steps:

- Use Strong Passwords at least 10-12 characters long.
- Do not use the same password on multiple accounts.
- Do not post your passwords on your computer for others to see.
- Keep your password securely locked away or in an electronic file.
- Change your passwords every 6 months (minimum)
- Use multi-factor authentication on all accounts when possible.
- Beware of phishing scams that are intended to steel your data.
- Do not click on links from emails to verify your account. Always log into your account through an official URL.

Back up your data

Keep your data backed up by using secure trusted cloud storage, encrypted USB and external storage drives. Get more information on protecting your devices and your accounts from the **FTC**.

Online Dealer Bundle Submissions

This article is provided by the DMV.

As a reminder, online dealers have 14-days to submit their bundles to the DMV after finalizing a transaction. If you are requesting a title correction from the DMV that is included in your bundle submission, it is extremely important to notate the bundle(s) with a cover sheet. Failing to label bundles properly can result in delay in processing.

REMINDERS.....

§ 46.2-1559 requires all dealers to maintain a permanent record of all temporary license plates (PoD) issued.

§ 46.2-1529 requires dealers to keep dealer records for 5 years. As one of many required dealer records, please note that the Board Field Representatives may ask to see your records regarding PoD usage. The Board recommends dealers retain in the vehicle folder, one of the registrations that are printed as part of the PoD tag. This includes transport tags, and temporary registrations for vehicle sales to customers.

Steve Farmer Retirement

Getting his start in the 1970's, Steve Farmer was a salesman at a new car dealership for 15 years. In 1987 Steve opened his own dealership "Steve Farmer Auto Sales, Inc."

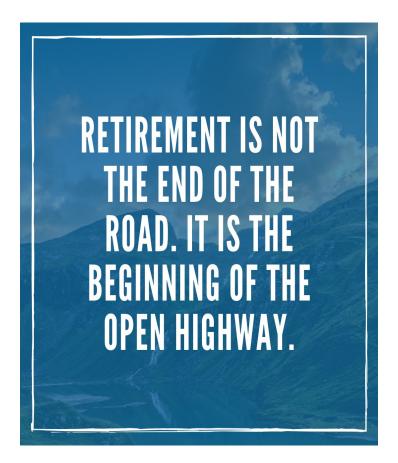
Steve was among the first members of the Board serving his first term from 1995 to 2015 and a second term from 2015 to 2022.

Steve has been a valued Board member contributing his knowledge and experience throughout these many years. Please join us in offering best wishes to Steve in his retirement and future endeavors.

Dealer Title Helds

This article is provided by the DMV.

DMV allows dealers to title a customer's vehicle with missing documentation by placing a dealer title held on the vehicle record. The dealer title held stops the title from printing until the missing documentation is provided to the DMV (e.g., the prior title is held up by the lienholder). Utilizing the dealer title held option allows dealers to meet their 30-day titling requirement when they are still missing documentation required to title the vehicle.



However, it is the dealer's responsibility to submit the missing documentation. The DMV has noticed an increase in dealers not submitting the remaining documentation to remove the dealer title held. Consequently, this delays the customer's ability to receive their title. As a result, customers become frustrated and the DMV is limited in assisting the customer(s) if the documentation has not been submitted by the dealer. The DMV will continue to send letters to the dealership, lienholder(s) and customer(s) advising them of the need for additional documentation to release the dealer title held.

REMINDERS.....

§ 46.2-1561 states in part, no dealer shall lend temporary license plates to any person for use on any vehicle...and...It shall be unlawful for any person to issue any temporary license plates containing any misstatement of fact, or for any person issuing or using temporary license plates knowingly to insert any false information on their face.

Training Available for Motorcyclists of All Skill Levels through DMV

This article is provided by the DMV.

It's officially spring and that means motorcyclists will be anxious to get out on the road for a much needed ride. Tragically, the spring months also mean an increase in crashes involving motorcyclists. Training and proper licensing are key to staying safe.

Last year, 102 motorcyclists were killed on Virginia roadways – an increase of 17% over 2020. From 2014-2020, more than 75% of motorcyclists killed in crashes were not properly licensed, which is a good indicator that they may not have had crucial training on safety and the rules of the road.

Here's where you can help. When you sell a motorcycle, please encourage the rider to enroll in the Virginia Rider Training Program. Offered by the Virginia Department of Motor Vehicles (DMV), the course is certified by the Motorcycle Safety Foundation and is great for riders of all skill levels. Riders can find a course near them at https://www.dmv.virginia.gov/drivers/#m course.asp.

Completion of this course also exempts yet-to-be licensed riders from having to complete the motorcycle



knowledge exam and road skills exam which streamlines the process to obtain a motorcycle endorsement in Virginia. Riders who have not yet obtained their Virginia motorcycle endorsement can learn more here: https://www.dmv.virginia.gov/drivers/#motorcycle.asp.

You might also want to provide Rider Alert cards at your dealership. The Richmond Ambulance Authority and Bon Secours Virginia offer small identification cards that fit inside the rider's helmet. These cards provide important health and contact information in the event of an emergency. For more information, visit rideralert.org.

REMINDERS.....

If you are charging fees that are not included in the advertised price of the vehicle, you may be in violation of Va Code advertising laws. §46.2-1581.8 states in part "the advertised price or credit terms shall include all charges which the buyer must pay to the seller, except buyer-selected options, state and local fees and taxes, and manufacturer's or distributor's freight or destination charges, and a processing fee, if any. If a processing fee or freight or destination charges are not included in the advertised price, the amount of any such processing fee and freight or destination charge must be (i) clearly and conspicuously disclosed ..." The dealer's processing fee is the fee that the dealer has on file with the Board. Additional fees may not be added at the time of sale, they must be added into the advertised price of the vehicle. Adding fees specifically not allowed by Virginia law to the advertised price is deceptive, and misleading.

Myth Busters "Effect of Disclaimer"

Dealers often face a dilemma when advertising prices of vehicles. Competitors unlawfully advertise at prices at which they will not deliver vehicles, which in today's market are scarce. Dealer personnel feel they must meet or beat that price, and they advertise at a price at which they do not intend to sell the vehicle. When confronted, dealer personnel claim they can do this if they use a disclaimer that the actual selling price of the vehicle may be higher because of prevailing market conditions. They believe the warning in the disclaimer solves the unrealistic pricing issue.

That is a myth, and it is busted! It is basic law of the FTC and states that if you advertise a price, vehicles (or at least one if you advertise by stock number) must be



available at that price. Advertising at a price intending to sell it for a higher price is an act of **bait and switch**, the cardinal sin for the FTC and under state unfair and deceptive acts or practices statutes.

For the FTC, bait and switch is a deceptive sales tactic in violation of section 5 of the FTC act that prevents unfair or deceptive acts or practices. Most state laws prevent the same activities.

For example, the law in Virginia is typical and makes it an unfair, deceptive, or misleading act or practice to use bait advertising:

"Bait" advertising, in which an advertiser may have no intention to sell at the price or terms advertised, shall not be used. By way of example, but not by limitation:

- a. If a specific vehicle is advertised, the seller shall be in possession of a reasonable supply of said vehicles, and they shall be available at the advertised price. If the advertised vehicle is available only in limited numbers or only by order, that shall be stated in the advertisement. For purposes of this subdivision, the listing of a vehicle by stock number or vehicle identification number in the advertisement is one means of satisfactorily disclosing a limitation of availability.
- b. Advertising a vehicle at a certain price, including "as low as" statements, but having available for sale only vehicles equipped with dealer added cost "options" which increase the selling price, above the advertised price, shall also be considered "bait" advertising.

Far from curing the bait and switch problem, a disclaimer warning consumers that vehicles may be sold at higher prices because of prevailing market conditions will actually make the problem worse. Regulators will use that as proof that the dealership did not intend to sell vehicles at the prices advertised.

A disclaimer is used to explain the advertised terms. It cannot be used to negate the advertising. You must be prepared to sell vehicles at the prices advertised.

— Mike Chrapp

Board Actions

Dealer Practices

Informal Hearings:

Harding's Auto Sales, LLC and Brent Harding

On November 4, 2021, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain dealer records, and comply with previous warnings. Based on the information provided at the conference, the Board assessed a civil penalty of \$750.00, a satisfactory inspection and successful completion the 2-day Dealer-Operator course. Mr. Harding may appeal to a formal hearing.

ABC Motors, LLC and Faftali Lev

On January 25, 2022, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain dealer records, unlicensed salespersons, and misuse of PoD tags. Based on the information provided at the conference, the Board assessed a civil penalty of \$60,000.00 and a satisfactory follow-up inspection. Mr. Lev may appeal to a formal hearing.

South America Motors, Inc. and Elva Benites

On January 11, 2022, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain dealer records, misuse of PoD tags, and failure to comply with previous warnings. Based on the information provided at the conference, the Board assessed a civil penalty of \$7,750.00, satisfactory inspection and successfully complete the 2-day Dealer-Operator course. Mr. Benites may appeal to a formal hearing.

CarOfMine and Amalfi M. Arias

On January 26, 2022, an informal fact-finding conference was conducted to address the alleged violations of failure to provide dealer records, maintain business hours, and failure to comply with previous warnings. Based on the information provided at the conference, the Board assessed a civil penalty of \$500.00. Mr. Arias may appeal to a formal hearing.

Administrative Actions:

Super Bee Auto LLC and Babaeian Moshen Koupaei

Paid a \$1,250 civil penalty for failure to maintain dealer records, failure to provide title within 30 days, PoD records, unlicensed salespersons, salespersons paid on a W-2, and failure to provide proof of safety inspection prior to retail sale.

Loan Ranger Auto Sales, Inc. and Brenda G. Mills

Paid a \$250 civil penalty for failure to maintain dealer records, failure to provide proof of safety inspection prior to retail sale, failure to conspicuously post the list of salespersons.

Family Auto and Donald Roger Mitchem

Paid a \$500 civil penalty for failure to maintain dealer records, and failure to provide proof of safety inspection prior to retail sale.

Total Auto Finance and Elshan A. Bayromov

Paid a \$750 civil penalty for failure to maintain posted business hours.

Express Motors II LLC and Carlos V. Bumpers

Paid a \$2,500 civil penalty for failure to maintain dealer records, failure to provide title within 30 days, and PoD records.

Burton's Automotive and Jeffrey Scott and Ronald Meaux

Paid a \$1,000 civil penalty for failure to maintain dealer records, PoD records, and failure to provide proof of safety inspection prior to retail sale.

Board Actions

Dealer Practices

Administrative Actions:

Elite Auto Sales LLC and Saleh Abdallah.

Suspended due to failure to pay a \$750 civil penalty for failure to maintain posted business hours.

Capitol Motors of Richmond LLC and Jahan C Cardenas.

Paid a \$2,750 civil penalty for failure to maintain dealer records, failure to provide title within 30 days, PoD records, and failure to provide proof of safety inspection prior to retail sale.

Parks Chevrolet and Adam V Parks.

Paid a \$20,650 civil penalty for failure to maintain dealer records, unlicensed salespersons, and failure to provide title within 30 days, and PoD records.

Select Automotive.com and George E Loizou.

Paid a \$1,000 civil penalty for failure to maintain dealer records, failure to provide title within 30 days, and PoD records.

Licensing

Jeffery W. Uhl, Sales Applicant

On December 6, 2021, an informal fact-finding conference was conducted to address the alleged violations of having been convicted of a felony. Based on the information provided at the conference, the Board recommended Mr. Uhl be allowed to apply for a salesperson license.

Advertising

Administrative Actions:

Ola Motors LLC and Olayinka Fowowe

Paid a \$250 civil penalty for misleading advertising on Craigslist.

ABC Motors and Naftali Lev.

Paid a \$250 civil penalty for advertising on Craigslist under the owner category and failing to disclose the processing fee amount.

Independent Dealer Operator Course Schedules

The Following Courses are Registered Through VIADA

2022 Course Schedules

April 19-20: Danville

Courtyard By Marriott (2136 Riverside Drive, Danville, VA 24540)

May 3-4: Richmond/Midlothian

(1525 Huguenot Road, Suite 200, Midlothian, VA 23113)

May 10-11: Richmond/Midlothian

1525 Huguenot Road, Suite 200, Midlothian, VA 23113

June 7-8: Chantilly

Home 2Suites by Hilton (43340 Defender Drive, Chantilly, VA 20152)

June 14-15: Richmond/Midlothian

(1525 Huguenot Road, Suite 200, Midlothian, VA 23113)

July 12-13: Danville

Courtyard By Marriott (2136 Riverside Drive, Danville, VA 24540)

July 19-20: Richmond/Midlothian

(1525 Huguenot Road, Suite 200, Midlothian, VA 23113)

August 16-17: Fredericksburg/Stafford

Holiday Inn Conference Center (20 Sanford Drive, Fredericksburg, VA 22406)

August 23-24: Charlottesville

Double Tree Charlottesville (990 Hilton Heights Road, Charlottesville, VA, 22901)

September 13-14: Hampton

HYATT Place Hampton (1905 Coliseum Drive, Hampton, VA 23666)

September 20-21: Richmond/Midlothian

(1525 Huguenot Road, Suite 200, Midlothian, VA 23113)

October 20-21: Roanoke

The Hotel Roanoke & Conference Center (110 Shenandoah Avenue Roanoke, VA, 24016-2025)

November 8-9: Fredericksburg/Stafford

Holiday Inn Conference Center (20 Sanford Drive, Fredericksburg, VA 22406)

November 15-16: Hampton

HYATT Place Hampton (1905 Coliseum Drive, Hampton, VA 23666)

December 6-7: Chantilly

Home 2Suites by Hilton (43340 Defender Drive, Chantilly, VA 20152

December 13-14: Richmond/Midlothian

(1525 Huguenot Road, Suite 200, Midlothian, VA 23113)

**You can register for your IDO Course on the VIADA website HERE **

Or call 800-394-1960

MVDB Mission Statement

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

What's Wrong With This Picture?



Anything Missing?

There is more to temporary closing compliance than just posting an old MVDB 40 form. You must complete the MVDB 40 form in its entirety and notify the Board and your Field Representative via email of your temporary closure.

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Volume: 25 Issue 143