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MOTOR VEHICLE DEALER BOARD



New Renewal Fee Worksheet

To assist with calculating your dealership and salesperson renewal fees, we will be enclosing in your renewal documents, a Pre-calculated Fee Invoice based on the fees effective July 1, 2015. Please include this invoice with your payments to MVDB when mailing back your renewal package. If you need to make adjustments to the invoice due to adding or deleting items such as the number of salespersons, plates, etc., please

indicate the correct amount on the invoice and submit to MVDB with your adjusted payment.

We encourage you to review the information provided in your renewal package, and the fee invoice before sending your completed applications and payment to our office, as it may assist in the renewal process. Review and accurately complete **ALL** information on your

renewal forms (front and back). Please pay special attention to business hours, dealer-operator information and ownership and SIGN the application. An "official" dealership email address is also required on this application.

As a reminder, the Dealer or authorized representative should review, complete, and sign all applications accurately to avoid any delay in processing.

Automotive Supplier Continental to Expand

Governor Terry McAuliffe announced recently that Continental, a leading international automotive supplier, intends to invest approximately \$49 million to expand its manufacturing operation in Culpeper County, part of the company's Chassis and Safety Division. This planned

investment is part of a three-phase project to modernize and retool the facility, resulting in increased production capacity, and the manufacturing of an innovative, new type of braking system. Virginia successfully competed against Mexico for the project, which potentially will create up to 25

new jobs. Speaking about the announcement at an event in Culpeper, **Governor McAuliffe said**, "Growing the manufacturing industry in the Commonwealth is an essential element of diversifying and building the new Virginia economy. Continental's continued success in Culpeper is a



Upcoming *EVENTS*

BOARD MEETINGS

All Meetings are held at DMV Headquarters

2300 W. Broad Street, Room 702 Richmond, VA

Monday, September 21, 2015

Time: 9:00 a.m.

Dealer Practices Committee Meeting

Monday, September 21, 2015

Time: Immediately following Dealer Practices

Licensing Committee Meeting

Monday, September 21, 2015

Time: Immediately following Licensing

Advertising Committee Meeting

Monday, September 21, 2015

Time: Immediately following Advertising

Transaction Recovery Fund Committee Meeting

Monday, September 21, 2015

Time: 10:00 a.m.

Full Board Meeting

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

Holiday Hours

CLOSED:



Monday, September 7, 2015

Continental

testament to the region's outstanding workforce, low energy costs and high quality of life. I look forward to working with Continental and other manufacturing companies from across the globe to bring jobs and economic activity to Virginia." Continental develops intelligent technologies for transporting people and their goods. As a reliable partner, the international automotive supplier, tire manufacturer, and industrial partner provides sustainable, safe, comfortable, individual, and affordable solutions. In 2014, the corporation generated sales of approximately \$34.5 billion with its five divisions, Chassis & Safety, Interior, Powertrain, Tire, and ContiTech. Continental currently employs approximately 200,000 people in 53 countries. "Continental is proud to be a longstanding corporate partner and employer in Virginia. Less than a year ago, we celebrated Continental's commitment in our Newport News facility and now we are pleased to do the same in Culpeper," said Jeff Klei, President, Continental North America. "Thanks to the generous support of state and local officials, we are pleased to announce this intended investment. We remain dedicated to advancing technologies in our facilities and enhancing our manufacturing capabilities in North America."

"I am extremely happy and proud that the Continental Corporation has chosen Culpeper County as the location for this major expansion project," said Steven E. Nixon, Chairman, Culpeper County Board of Supervisors. "Advanced manufacturing is one of our targeted industries and Continental has demonstrated how manufacturing in America can succeed, grow and prosper."

Reminders...

Salesperson fees are \$30.00 per year for initial, renewal, or transfer. Your renewal package should have preprinted **DSD-7's** for EACH salesperson you have employed at the dealership. If any salesperson's information is incorrect, please strike through and correct the information legibly on the DSD-7. Please ensure the Dealer or authorized dealer representative AND salesperson sign and answer all questions on the DSD-7. If you need to terminate a salesperson, please be sure to email, fax, or mail a salesperson termination form. Lastly, all salespersons **must be employed as a W-2 employee.**

\$32,500 Civil Penalty

New York State Attorney General Eric T. Schneiderman recently announced that his office reached a settlement with Hyundai of White Plains. An investigation by the New York State Attorney General's Office found that the auto dealer used deceptive and misleading advertising practices in both its print and online ads. Among its deceptive practices, the dealership widely promoted sale and lease prices that were illusory because they included discounts or rebates that were not available to most consumers, and thus, did not represent the actual sale or lease prices. The dealership has agreed to reform its advertising practices and will pay \$32,500 in costs and penalties to New York State.

Hyundai of White Plains regularly advertised prices which included discounts or rebates such as:

- a "military" rebate, which was available only to certain current or former military personnel;
- a "college graduate" rebate, which was available only to recent college graduates;
- a "loyalty" rebate, which was available only to customers who had purchased a new vehicle within the last six months;
- an "HMF" discount, which was available only to consumers who financed their purchase.

In some cases, the discounts and rebates totaled as much as \$4,500, so the actual price of the vehicle for many consumers was significantly more than advertised. The only disclosure that the advertised prices included these rebates and discounts was in tiny footnotes at the bottom of the advertisements.

The Attorney General's investigation also cited Hyundai of White Plains for other problems with its ads, and the settlement requires the dealership to reform those practices as well. These problems included:

- Using footnotes or asterisks that contradict, confuse or materially modify a principal message of an ad;
- Failing to clearly and conspicuously provide certain required disclosures for lease or finance terms, such as the amount or percentage of any down payment;
- Restricting a rate or price to

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FTC Deceptive Ads

Two auto dealers in Las Vegas agreed to settle Federal Trade Commission charges they used deceptive ads to promote the sale or leasing of their vehicles, including advertising heavily discounted prices that were not generally available to consumers.

According to the complaints, TC Dealership, L.P., doing business as Planet Hyundai, and JS Autoworld, Inc., doing business as Planet Nissan, violated the FTC Act by running ads that misrepresented the purchase price or leasing offers of their vehicles and the amount due at signing. Their ads also violated the Consumer Leasing Act (CLA) and the Truth in Lending Act (TILA) by failing to disclose required lease terms and other credit information.

In promotions by Planet Hyundai for example, the FTC charged that the dealership misled consumers by prominently advertising a vehicle price for "\$0 DOWN AVAILABLE", and then in fine print noted that consumers must turn in a vehicle with a trade-in value of at least \$2,500. The dealership also failed to disclose other information in its ads such as whether or not a security deposit was required.

Among the deceptive ads by Planet Nissan were prominent offers for "PURCHASE! NOT A LEASE!" when in fact, many of the offers were for leases. Ads by the dealership also failed to disclose the amount of a down payment required, and the terms of repayment.

MVDB New Hire

Timothy Miklos has joined MVDB as our new Field Representative. Tim will be responsible for working the Hampton Roads area, Middlesex, Newport News, Portsmouth, Suffolk and Southampton Counties. Timothy joins us from Huntington Ingalls Industries as a Nuclear Security Officer/Special Police Officer and as a Criminal Justice/ Law Enforcement Teacher. He has over 13 years of experience with the United States Army as a Special Agent/Chief Warrant Officer. He possesses a Bachelor of Science from Old Dominion University and a Masters of Arts in Criminal Justice from American Military University. I am positive that Tim will be a great addition to MVDB.

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\$32,500 Civil Penalty

a “qualified buyer” or “qualified lessee” without disclosing such qualifications;

- Failing to disclose the duration of sales and promotions that were time-limited.

The Attorney General found that these practices constitute false advertising and fraudulent, deceptive and misleading business practices. The practices also did not comply with the Attorney General’s Advertising Guidelines for Auto Dealers, which identify certain deceptive advertising practices.

We include this article since all the advertisements violations this New York dealer committed would have been violations if they had been a Virginia dealer. States and the Federal Trade Commission are emphasizing enforcement of advertising laws. This is a good thing as it will help “level the playing field” for our border dealers and as more and more shoppers use the internet to price vehicles.

Two Virginians are “Top 40 under 40”

Automotive News recently listed their annual “Top 40 Under 40 Retail” list. The list of up-and-coming individuals who have already made their mark in dealerships included two individuals working in Virginia dealerships.

Jason House is the General Manager and dealer-operator at Rick Hendrick Chevrolet Buick GMC in Richmond.

Automotive News cited his achievement as “Implementing a high throughput approach in an acquired store and saw sales surge.”

Neal Wheat is the used car manager of his family run Gloucester Toyota. Automotive News cited his achievement as “Doubling the store’s used-vehicle sales by cutting the time it takes to get a vehicle retail-ready and putting in a formal sales process.

Congratulations to both Jason and Neal.

Reminders...

As of January 1, 2011, ALL IDO’s of independent dealerships must at some point in time, recertify their IDO qualification every three years by either taking an online course, or in a classroom, or by passing a DMV test. Click [HERE](#) for more information and [HERE](#) to determine your recertification deadline. Please note that dual licensed **Franchise** dealers are exempt from recertification. If you are unclear on your recertification deadline, or any other recertification questions, please contact the Board. Or, call Ann Majors at the MVDB. She may be reached at 804-367-1100 x 3016, or email her at ann.majors@mvdb.virginia.gov

MVDB Forms

We are pleased to announce many dealer licensing forms have been revised or will be obsolete effective July 1, 2015. Both MVDB and DMV have been working on a comprehensive review of the more highly used dealer forms with the goal of making all of these available on our website www.mvdb.virginia.gov or www.dmvnow.gov for easier use. Forms have been revised to reflect more current information both DMV and MVDB requires for efficient processing. Again we strongly encourage you to **destroy all old form versions** and not submit to DMV or MVDB as they may delay processing. MVDB has also developed a brand new form, **MVDB 57**, Dealer-Operator/Salesperson Qualification Test Application. Applicants taking the salesperson or dealer-operator tests complete the MVDB 57. This is a very simple “check and go take test” form which we feel confident will streamline your test registration time at DMV. For your convenience, click [HERE](#) for a chart of all the Dealer form updates, and click [HERE](#) for a complete listing of forms. As stated earlier, forms will be available on both agency websites to complete and print. This is the easiest way to print and store only the inventory you need.

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Board Actions

Dealer Practices

Vision Auto, LLC and Joseph H. Cousins, Jr.. From December 2010 through February of 2015, this dealership was inspected no fewer than seven times of which six were failed inspections. After each failed inspection, the dealer received a letter from the Board and each time the owner responded that the deficiencies would be corrected. Many of the deficiencies were repeated on multiple inspections. In addition, a known felon (Mr. Masika) who has been rejected to receive a sales license was known by the owner to be around the dealership. On April 7, 2015, an informal fact-finding conference was conducted to address the alleged violations of dealer records, failure to comply with W-2 requirements, failure to inspect vehicle prior to retail sale, failure to provide proof of liability insurance on D-tags, failure to provide written record of D-tag use, misuse of D-tags, acts of officers and salespersons, failure to comply with a written warning or willful failure to comply, and lending Dealer tags. Based on the information provided at the conference, the Board assessed a civil penalty of \$7,500, a satisfactory inspection, and successful completion of the 2-day Dealer-Operator course.

Plato One Ten and Jaffar R. Alani. An individual, who Mr. Alani acknowledged “working” for him without compensation, was convicted of selling motor vehicles without a license. Mr. Alani has also been convicted of criminal activity related to selling motor vehicles. (This conviction was after the informal fact-finding conference was scheduled. This conviction is the subject of a second conference that is in the Licensing Board Action.) In addition, inspections of this dealership and testimony indicated that vehicles are not safety inspected before they are sold at retail. On March 10, 2015, an informal fact-finding conference was conducted to address the alleged violations of established place of business, dealer records, and inspection of vehicles required. Based on the information provided at the conference, the Board assessed a civil penalty of \$3,000.

Blue Ridge Auto Sales, Inc. and Abdul Ahad Nahibkhil. In September of 2013, after a formal hearing, this dealer was assessed a \$3,500 civil penalty and mandated to retake the 2-day Dealer-Operator class. An inspection in February of this year revealed that the dealer did not have insurance on any of his dealer tags. In addition, three violations, that were part of the 2013 actions, were once again evident. The dealer was given the opportunity to pay a civil penalty of \$2,000 for the uninsured dealer tags or appeal this penalty. He decided to appeal. On May 12, 2015, an informal fact-finding conference was conducted to address the alleged violations of failure to provide proof of liability insurance on dealer tags, failure to use valid D-tags, misuse of transport tags and dealer tags, material misstatement when applying for D-tags, and failure to comply with previous warnings. Based on the information provided at the conference, the Board assessed a civil penalty of \$6,000.

Hutchinson Motor Car Co. and Dennis R. Hutchinson. Mr. Hutchinson hired Eldon Smith as a salesperson. Previously, the Board had assessed a \$16,000 civil penalty on Mr. Smith related to his actions when he was the owner and dealer-operator of “Today’s Auto”. Mr. Smith was allowed by the Board to retain his salesperson’s certificate of qualification. Evidence shows that Mr. Smith was involved in the sale of a motor vehicle with Mr. Hutchinson before Mr. Smith received his sales license with Mr. Hutchinson’s dealership. Today’s Auto specialized in classic cars and selling on eBay. Research revealed six vehicles for sale on eBay from Hutchinson Motor Company, however, the location of the vehicles were listed as Shawsville (former location of Today’s Auto) and not Christiansburg (location of Hutchinson Motor Company). Three of the six vehicles were at Hutchinson Motor Car and three were at the site of the former Today’s Auto. In addition, Mr. Hutchinson admitted that the titles to all six vehicles were at the site of the former Today’s Auto. On May 13, 2015, an informal fact-finding conference was conducted to address the alleged violations of selling vehicles from an unlicensed location, failure to properly maintain dealer records, failure to provide proof of W-2, and deceptive acts and practices in advertising. Based on the information provided at the conference, the Board assessed a civil penalty of \$5,675, a passing completion of the 2-day Dealer-Operator course, and a satisfactory inspection of all dealer records.

Board Actions

Select Customs Apparatus, Inc. and James R. Norville, Jr.. This dealership had a satisfactory inspection in 2010 and was not inspected again until 2104. This inspection revealed a number of problems centered around record keeping. The dealer stored records in North Carolina. Two follow-up inspections did not reveal an improvement. On May 12, 2015, an informal fact-finding conference was conducted to address the alleged violations of dealer records, non-compliant Buyers Order, failure to provide proof of safety inspection, misuse of temporary license plates, and failure to comply with previous warnings. Based on the information provided at the conference, the Board assessed a civil penalty of \$1,500, and a satisfactory inspection.

Price Point Motors, LLC and James D. Rose, III. In less than a year's time, four attempts to inspect this dealership were unsuccessful as the business was closed. The second and third failed attempts resulted in two civil penalties, \$250 and \$500 respectively; which Mr. Rose paid. It is also noted that the posted business hours and hours on file with the Board were not the same. A fourth failed inspection, because the business was closed, resulted in a \$1,000 civil penalty which was appealed. On May 16, 2015, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain business hours, and failure to comply with previous warnings. Based on the information provided at the conference, the Board assessed a \$1,000 civil penalty, and a satisfactory inspection.

Auto City and Zuhurruddin John Baluch. A random inspection of this dealership revealed that Mr. Baluch was running two different dealerships out of this one location. He is in the process of building a new building for "Auto Works" and without notifying the Board, moved this business into another dealer location that he also owns. The inspection also revealed some record keeping problems including 24 open titles that did not have completed odometer statements. Lastly, evidence showed that only 12 of 19 dealer plates issued to this dealer were insured. This deficiency caused the assessment of a \$3,500 civil penalty. Mr. Baluch appealed this assessment and on April 9, 2015, an informal fact-finding conference was conducted to address the alleged violations of established place of business, dealer records, odometer disclosure, failure to provide proof of liability insurance on D-tags, failure to use valid D-tags, material misstatement, and failure to comply with previous warnings. Based on the information provided at the conference, the Board assessed a civil penalty of \$3,500, and a satisfactory inspection.

Eastern Auto and Yin Xiang. DMV received a complaint that temp tags could be purchased at this dealership. DMV conducted a "sting" operation and in fact purchased a set of temp tags for \$60. The owner was charged and convicted of a misdemeanor related to this illegal transaction. On May 19, 2015, an informal fact-finding conference was conducted to address the alleged violations of having used deceptive acts or practices, and having been convicted of any criminal act involving the business of selling vehicles. Mr. Xiang denied having knowledge of the illegal sales of temp tags and claimed that an employee, Mr. Blanco, who has since been fired, was to blame. Mr. Blanco was licensed at this dealership at one time (up until May 31, 2013). Based on the information provided at the conference, the Board assessed a civil penalty of \$2,000.

Select Autos and Wasim A. Warraich. This dealership has a long history (about 10 years) of not maintaining business hours. His license has been suspended and he has paid civil penalties totaling \$2,250. Over this time period, 23 attempts have been made to inspect this dealership and on only three occasions was the dealership open. On March 4 of this year he was assessed a \$500 civil penalty. Mr. Warraich appealed this penalty and on June 16, 2015, an informal fact-finding conference was conducted to address the alleged violations of dealer records, failure to maintain posted business hours, acts of officers, salespersons, and failure to comply with previous warnings. Based on the information provided at the conference, the Board assessed a civil penalty of \$2,900 and revocation of all certificates, qualifications, and licenses to sell vehicles in the Commonwealth.

Board Actions

Beach Auto Kingz and David P. Maher. At its September 2014 Board meeting, the Board voted to authorize a \$25,000 payment from the Transaction Recovery Fund as a result of a judgment against a dealership owned by Mr. Maher (Sports Inc. t/a Coast 2 Coast Auto Sales). Mr. Maher currently owns Beach Auto Kingz. On December 2, 2014, an informal fact-finding conference was conducted to determine if Mr. Maher's actions caused the fraud that led to the judgment against his former dealership, Coast 2 Coast. Specifically the conference addressed the alleged violations of acts of officers, directors, partners and salespersons, defrauding any retail buyer, and deceptive acts or practices. Based on the information provided at the conference, and at the January 2015 Board meeting, the Board voted to assess a civil penalty \$3,000 and revoke all licenses and certificates issued to Mr. Maher. On February 10, 2015, the Board received Mr. Maher's appeal for a formal hearing. On April 14 2015, a formal hearing was conducted to address the above violations. Based on the information provided at the formal hearing, the Board assessed a civil penalty of \$3,000 and revocation of all licenses and certificates.

Motor Maxx of Warrenton, Inc., and Manuel Hirezi. Paid \$250 civil penalty for misuse of temporary license plates.

Springfield Toyota, and Michael F. Jennings. Paid a \$500 civil penalty for underinsured D-tags.

Richard Lee Booth Salesperson at Ourisman Ford Lincoln. Paid a \$250 civil penalty for a material misstatement on an application.

American Auto Group, Inc., and Mark A. Malek. Paid a \$250 civil penalty for failure to maintain dealer records.

A W Broad Auto Sales, LLC, and Goran Krajisnik. Paid a \$250 civil penalty for failure to maintain dealer records.

Visions Auto, LLC, and Joseph H. Cousins. Paid a \$500 civil penalty for underinsured D-tags.

MM Banks & Son Auto Sales, and Charles M. Banks, Sr. Paid a \$250 civil penalty for failure to maintain dealer records.

Bimmer Sales, LTD, and Christine Davis. Paid a \$250 civil penalty for failure to maintain business hours.

ASP Motors, Inc., and Jeffrey B. Rankin. Paid a \$250 civil penalty for failure to maintain business hours.

Licensing

Jaffar R. Alani of Plato One Ten. Mr. Alani and his dealership were the subject of a separate informal fact-finding conference that was listed under Dealer Practices. In the course of investigating a consumer complaint, DMV agent McNally uncovered a number of issues that resulted in four misdemeanor convictions on Mr. Alani related to the sale of a motor vehicle. He was convicted of selling a motor vehicle without first conducting a safety inspection; holding a title that was not assigned to him; maliciously affixing a signature, and obtaining money by false pretense. On May 13, 2015, an informal fact-finding conference was conducted to address the alleged violations of defrauding any retail buyer, to the buyer's damage, deceptive acts and practices, and having been convicted of any criminal act involving the business of selling vehicles. Based on the information provided at the conference, the Board revoked of all licenses and certificates of qualification issued to Mr. Alani.

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Board Actions

Advertising

Capitol Motors, LLC, and Luis Munayco. Paid a \$2,000 civil penalty for advertising on Craigslist in the owner section, not disclosing the processing fee in a dollar amount, and did not fully disclose they were a dealership.

Nova Motorcars, and Hussein Zein. Paid a \$1,000 civil penalty for advertising on Craigslist in the owner section, use of the term free, not disclosing the processing fee in a dollar amount, and did not fully disclose they were a dealership.

Lindsay Chrysler-Dodge-Jeep Ram, and Michael Lindsay. Paid a \$5,000 civil penalty for misleading rebate advertising.

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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DID YOU KNOW ??

All out-of-state repossessed vehicles must be titled in the name of the lien holder before the lien holder may transfer title to a subsequent purchaser. The sale of repossessed out-of-state vehicles is governed by Virginia Code §46.2-633. This section specifically relates to vehicles acquired through the "operation of law" such as bankruptcy, repossession, legatees, or surviving joint owners. A lien holder must obtain a repossessed vehicle title in the lien holder's name before they can dispose of that vehicle at auction, regardless of whether they have a Virginia title or an out-of-state title. This policy supports the integrity of vehicle titling records by including the lien holder in the title ownership chain as an owner. Accordingly, regardless of whether the vehicle was titled in Virginia or another state, the lien holder must first apply for a Virginia repossessed vehicle title before selling the vehicle.

DMV on the go, with VADMV



Drivers for Uber and Lyft, called transportation network company (TNC) partners, must register personal vehicles with the Virginia Department of Motor Vehicles (DMV) to operate in Virginia. Some requirements include, but are not limited to, TNC screening of drivers, including background checks, ensuring that all TNC drivers are at least 21 years old and properly licensed to drive, TNC vehicles must obtain a Virginia state safety inspection annually, even if the vehicle is registered in another state, and requiring that all TNC vehicles be insured and registered with DMV for TNC use. Partners must obtain Virginia TNC registration even if their vehicles are registered for TNC use in another state. Once DMV has processed a TNC registration, the vehicle will be allowed to operate on a temporary TNC registration status for 30 days, allowing sufficient time for the TNC registration credentials to be displayed. Additional information on the new law can be found on DMV's [website](#).

IMPORTANT NOTICE TO PROSPECTIVE DEALERS

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
2015		
Aug 11-12	Piedmont Virginia in Charlottesville	Registration 434-961-5354 www.pvcc.edu
Aug 25-26	Tidewater Community College Suffolk	Registration 757-822-1234 www.tcc.edu/wd
Sep 15-16	Lord Fairfax Community College in Warrenton	Registration 540-351-1524 www.lfccworkforce.com
Sep 30-Oct 1	J Sargeant Reynolds in Henrico/Richmond/Parham Rd	Sandy Jones 804-523-2293 www.ccwa.vccs.edu
Oct 13-14	Northern Virginia in Reston	Claire Wynn 703-450-2551 www.nvcc.edu/loudoun/continuing
Nov 03-04	Blue Ridge in Weyers Cave	Registration 540-453-2215 www.brcc.edu
Nov 17-18	Germanna in Fredericksburg	Shayna Lutkewitte 540-937-2913 www.germanna.edu/workforce
Dec 08-09	Lord Fairfax in Middletown	Registration 540-868-7021 www.lfccworkforce.com

FTC \$90,000 Buyers Guide Civil Penalty

An Arkansas auto dealer and its owners have agreed to pay a \$90,000 civil penalty to settle Federal Trade Commission charges that they failed to display a “Buyers Guide” on used vehicles offered for sale, as required by the FTC’s Used Car Rule.

In March 2014, the FTC charged Abernathy Motor Company, Wesley Abernathy and David Abernathy with violating the Rule, which is designed to ensure that consumers have important purchasing and warranty information when shopping for a used car.

The Buyers Guide informs consumers:

- whether the vehicle comes with a warranty and, if so, whether it is a “full” or limited warranty;
- which systems are covered by the warranty and its duration;
- if it is a limited warranty, what percentage of the cost for covered

parts and labor the dealer will pay for; or

- whether the car is sold with no written or implied warranty (“As Is”); and
- whether the car is sold with no written warranty, but with implied warranties. (Some states and Washington, D.C. do not allow dealers to sell cars without implied warranties.)

The Rule also provides that the Buyers Guide becomes a part of the sales contract and overrides any contrary provisions in the contract.

In addition to the \$90,000 civil penalty, under the proposed final order, Abernathy Motor Company and its owners are prohibited from misrepresenting material facts about used vehicles offered for sale, including mechanical condition, the terms of any warranty offered, and that there is a warranty

when a vehicle is sold without one. They are also barred from failing to disclose, before a sale, material terms and conditions, including that a used vehicle is sold without a warranty if none is offered, and the terms of any warranty.

The proposed order also requires the defendants to display prominently a properly completed Buyers Guide on used vehicles, with all of the disclosures required by the Used Car Rule and reflecting the warranty coverage, and to include this statement in sales contracts: “The information you see on the window form for this vehicle is part of this contract. Information on the window form overrides any contrary provisions in the contract of sale.” For sales conducted in Spanish, the defendants are barred from failing to provide the same information in Spanish.

What’s Wrong With This Picture?



§ 46.2-1530 (C) States in part “If a processing fee is charged, that fact and the AMOUNT of the processing fee shall be disclosed by the dealer. Disclosure shall be by placing a clear and conspicuous sign in the public sales area of the dealership....and in a form as approved by the Board”

§ 46.2-1581.8 States in part, “If a processing fee is not included in the advertised price, the AMOUNT of any such processing fee must be clearly and conspicuously disclosed.”

This sign demonstrates a clear violation of a Board non-approved processing fee sign. The processing fee must be clear, conspicuous, and disclosed in an actual **dollar amount**.

MOTOR VEHICLE DEALER BOARD

MVDB

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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.

TNC Registered Vehicles

Beginning July 1, 2015, vehicles used to provide TNC (Transportation Network Company) services in Virginia must be registered by the Department of Motor Vehicles (DMV) as a TNC vehicle. Currently, over 14,000 vehicles are registered as TNC vehicles in Virginia. These TNC businesses utilize smart phones and related technology to connect riders with drivers who use their personal vehicles to transport passengers. These vehicles will have a vehicle registration card displaying TNC use and black and gold TNC year decals. Pursuant to Va. Code § 46.2-2099.50 DMV has the administrative authority to ensure these TNC vehicles be validly titled and regis-

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tered in the Commonwealth or in another state. In accordance with that authority, all applications to add, transfer or remove TNC registration credentials must be processed by DMV. Applications are accepted by mail, fax, and online (dmvNOW.com) or at a Virginia DMV customer service center. Additional information for TNC partners (drivers) can be found online at www.dmv.virginia.gov/commercial/#tnc. **What does this mean to you as a dealer?** Should an owner of a TNC registered vehicle trade their vehicle for another vehicle and want to transfer the TNC registration; Dealers will be unable to process the registration transaction. The transfer of TNC registration

credentials must be processed by DMV. Those dealers that are online dealer participants will be able to title only. All dealers will be able to issue Print on Demand (PoD) 30-day temporary tags. As a reminder, all vehicles must be titled within 30 days of purchase date. In an effort to assist the TNC partners (driver) please process the title accordingly. **The TNC partner (driver) will be required to register their vehicle for TNC usage after the vehicle is titled.** To provide our customers satisfaction, DMV will continue to work in partnership with your association and the on-line vendors on this process.