

August 2017

Volume 20, Issue 117

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# MOTOR VEHICLE DEALER BOARD



## Dealer Talk

### Dealer Tags

There has been discussion recently on the use or misuse of D-tags by dealers. Below is part of the language of the Code of Virginia regarding the use of dealer tags. The Code is clear defining "other vehicles" to include trailers. If dealers have specific questions regarding proper use of dealer tags, please do not hesitate to contact the Board.

§46.2-1550. Use of dealer's and manufacturer's license plates, generally.

A. Dealer's license plates may be used on vehicles in the inventory of licensed motor vehicle manufacturers, distributors, and dealers in the Commonwealth when operated on the highways of Virginia by dealers or dealer-operators, their spouses, or employees of manufacturers, distributors, and dealers as permitted in this article, which shall include business, personal, and family purposes. Except as otherwise explicitly permitted

in this article, it shall be unlawful for any dealer to cause or permit: (i) use of dealer's license plates on vehicles other than those held in inventory for sale or resale; (ii) dealer's license plates to be lent, leased, rented, or placed at the disposal of any persons other than those permitted by this article to use dealer's license plates; and (iii) use of dealer's license plates on any vehicle of a type for which their use is not au-

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### Advertising

In advertisements that include the price of vehicles, you must either include your processing fee in the advertised price or in the form of a disclaimer/disclosure. This requirement applies to all advertisements – including "inline" newspaper ads, internet advertising, mailers, specialty auto advertising publications, etc. The law states in part: "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 in not less than eight point boldface type or (ii) not smaller than the largest typeface within the advertisement. If the processing fee is not included in the advertised price,

the amount of the processing fee may be omitted from any advertisement in which the largest type size is less than eight-point typeface, so long as the dealer participates in a media-provided listing of processing fees and the dealer's advertisement includes an asterisk or other such notation to refer the reader to the listing of the fees."



## *Upcoming EVENTS*

### **BOARD MEETINGS**

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

**Monday, September 11, 2017**

#### **Dealer Practices Committee Meeting**

Time: 9:00 a.m.

#### **Licensing Committee Meeting**

Time: Immediately following Dealer Practices Committee

#### **Advertising Committee Meeting**

Time: Immediately following Licensing Committee

#### **Transaction Recovery Fund Committee Meeting**

Time: Immediately following Advertising Committee

#### **Full Board Meeting**

Time: 10:00 a.m. or 15-30 minutes immediately following Transaction Recovery Fund Committee meeting.

## ***MVDB will be closed***



**CLOSED:** Monday, September 4, 2017

## ***FTC Consumer Protection Process Reforms***

The job of the Bureau of Consumer Protection is to protect consumers by enforcing the FTC Act's prohibition on deceptive and unfair practices. It's important that we carry out that mission effectively and efficiently.

In April, Acting Chairman Ohlhausen announced new internal Working Groups on Agency Reform and Efficiency. As part of that initiative, she directed the Bureau of Consumer Protection to identify best practices to streamline information requests and improve transparency in investigations. Here are the process reforms announced today, which relate to Civil Investigative Demand (CIDs) in consumer protection cases:

Providing plain language descriptions of the CID process and developing materials to help small businesses understand how to comply;

Adding more detail about the scope and purpose of investigations to give companies a better understanding of the information the FTC seeks;

Where appropriate, limiting the relevant time periods to minimize undue burden on companies;

Where appropriate, shortening and simplifying the instructions for providing electronically stored data; and

Where appropriate, increasing response times for CIDs (for example, often 21 days to 30 days for targets and 14 days to 21 days for third parties).

To keep companies in the loop about the status of investigations, BCP will continue its current policy of communicating with targets at least every six months after they comply with the CID.

## ***FTC Protecting Small Business***

As a small business owner, you have a lot on your mind. You can't afford to lose time or money to scammers or a compromised network. We can help you avoid scams, protect your computers and networks, keep your customers' data safe – and protect your bottom line. You also can find out what the FTC is doing to protect small businesses. Thinking about starting a new business? See our advice about buying a franchise or business opportunity.

Click [HERE](#) for more information from FTC regarding Small Business resources.

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## Dealer Tags

thorized by this article. Manufacturer's license plates may be used on company vehicles as defined in §46.2-602.2 operated on the highways of Virginia as provided in §46.2-602.2 and as permitted by this article. **It shall be unlawful for any dealer to cause or 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.

B. A dealer may permit his license plates to be used in the operation of a motor vehicle:

1. By any person whom the dealer reasonably believes to be a bona fide prospective purchaser who is either accompanied by a licensed salesperson or has the written permission of the dealer;
2. When the plates are being used by a customer on a vehicle owned by the dealer in whose repair shop the customer's vehicle is being repaired; or
3. By a person authorized by the dealer on a vehicle that is being driven to or from (i) a point of sale, (ii) an auction, (iii) a repair facility for the purpose of mechanical repairs, painting, or installation of parts or accessories, or (iv) a dealer exchange.

The dealer shall issue to the prospective purchaser, customer whose vehicle is being repaired, or other

person authorized under subdivision 3 of this subsection, a certificate on forms provided by the Department, a copy of which shall be retained by the dealer and open at all times to the inspection of the Commissioner or any of the officers or agents of the Department. The certificate shall be in the immediate possession of the person operating or authorized to operate the vehicle. The certificate shall entitle a person to operate with dealer's license plates under (i) subdivision 1 or 2 of this subsection for a specific period of no more than five days or (ii) subdivision 3 of this subsection for no more than twenty-four hours. No more than two certificates may be issued by a dealer to the same person under subdivision 1 or 2 of this subsection for successive periods.

## Reminders...

§ 46.2-1533 states in part that the Dealer's hours shall be posted and maintained conspicuously. The business hours must be accurate on every license application & renewal, and any changes to these hours shall be immediately filed with MVDB using a faxed change of hours notification, a MVDB-10 form, or emailing [dboard@mvdv.virginia.gov](mailto:dboard@mvdv.virginia.gov). Additionally, all full day or vacation closings must be requested prior to closure, and for your convenience, you may email those requests to [dboard@mvdv.virginia.gov](mailto:dboard@mvdv.virginia.gov).

## New Veterans Office

Governor Terry McAuliffe recently cut the ribbon for the official grand opening of the new Virginia Department of Veterans Services (VDVS) office in Manassas. The new office will primarily serve military veterans and their families in Prince William and Fauquier Counties, the Cities of Manassas and Manassas Park, and other localities in the area. The new Manassas office is part of the state's efforts to expand veterans' services in Northern Virginia. VDVS also recently opened a new office in Loudoun County and will break ground on the new Puller Veterans Care Center in Fauquier County later this year, which will offer in-patient skilled nursing care, Alzheimer's/memory care and short-term

rehabilitative care for veterans, and is expected to open in late 2019. The Virginia Department of Veterans Services (VDVS) operates 28 benefit offices that assist military veterans and their families in filing claims for federal veterans benefits; two long-term care facilities offering in-patient skilled nursing care, Alzheimer's/memory care and short-term rehabilitative care for veterans; and three cemeteries that provide an honored final resting place for veterans and their families. VDVS provides veterans and family members with direct linkages to services including behavioral healthcare, housing, employment, education and other programs. For more information, please visit [www.dvs.virginia.gov](http://www.dvs.virginia.gov).

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## DMV News

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### Bundles and Buyer's Order

Today, many dealerships are compliant and send the Dealer Bill of Sale or Buyers Order with their bundles. To increase the percentage of dealers in compliance we are reminding all dealers to send all the required documents for transferring ownership and registering a motor vehicle, including the Dealer Bill of Sale or Buyers Order.

Prior to July 2016, when a bundle was submitted to the Department of Motor Vehicles (DMV), the Buyer's Order or Dealer Bill of Sale was only required when a "held" was placed on the title record because the dealer did not have the required evidence of ownership. As of July 1, 2016 DMV modified the requirements for bundle submission to include the Dealer Bill of Sale or Buyers Order for each finalized vehicle transaction. All finalized vehicle transactions must have the Dealer Bill of Sale or Buyers Order included in the bundle paperwork. A sample of the bundle cover page with DMV requirements can be found in the dealer manual at [www.dmvnow.com](http://www.dmvnow.com).

### Inventory Reconciliations

DMV is implementing a new reporting format and requirement for participants in the Online Dealer Program. A certified quarterly detailed plate report and audit will be required from all dealerships maintaining inventory. Dealerships that maintain inventory onsite should not have more than 90 days of inventory at any given time. Each dealership is expected to reconcile inventory and report discrepancies to their vendors who will report to DMV. All vendors will require their dealerships to conduct the required inventory reconciliation.

It is our earnest expectation that all parties comply with this new requirement and meet reporting deadlines. For dealerships that are non-compliant, DMV may prohibit inventory ordering until inventory requirements are met. Inventory discrepancies greater than fifty (50) pieces will continue to be forwarded for further investigation from DMV.

### DMV Dealer Training

Dealer Title Service (DTS) is now available for use. This training tool provides assistance to online dealer participants and dealers throughout the Commonwealth of Virginia on properly completing the required forms to transfer ownership and register a motor vehicle. DTS is designed to educate users on the required forms, improve accuracy, and reduce errors in the paperwork process. The training will explain the various parts of each form, and emphasize required information to properly complete each form. We strongly recommend all new title clerks utilize this training tool and take the exam before they began processing title transactions. Experienced title clerks are encouraged to use DTS as a refresher. DTS also includes reminders for online dealer participants about the bundle process, and the various transactions that may be processed through vendor systems. To access the training tool, click [HERE](#). The training tool may also be accessed through [www.mvdb.virginia.gov](http://www.mvdb.virginia.gov) or [www.viada.org](http://www.viada.org).

### Titling of out-of-state salvage/ rebuilt vehicles in the Commonwealth

Effective July 1, Senate Bill 1069 provided a process for owners of

salvaged vehicles that have been rebuilt, titled, and registered in another state to obtain a nonnegotiable title for the purpose of operating the vehicle on the highways in the Commonwealth of Virginia. DMV will issue a nonnegotiable title for out-of-state vehicles that have NMVTIS brands or out-of-state documents equal to Virginia's nonrepairable brands ("Junk", "for destruction", "for parts only", "not to be repaired", etc...). The nonnegotiable title document is issued for the purpose of ownership and registration. Liens may be recorded on the non-negotiable title document. Applicants must prove that repairs have been completed by submitting the supporting documentation with the application. The document cannot be used to transfer ownership except for transfer of title by operation of law (Repossession and court orders), transfer of title on death, and transfer of title when no qualification on estate (no will). The title and registration card will be branded "JUNK NONNEGOTIABLE – NOT FOR RESALE". As a dealer, be cautious and pay attention to the verbiage on the title. In addition to this, the definition of a salvage dealer changed. Salvage dealers were defined as "a person who acquired any vehicle for the purpose of reselling its parts." Salvage dealers are now defined as any person who acquires any vehicle for the purpose of reselling any parts thereof or who acquires and sells any salvage vehicle as a unit except as permitted by subdivision B2 of § 46.2-1602. Licensed salvage dealers or rebuilders who are also licensed motor vehicle dealers may use dealer's license plates to transport these vehicles to and from an official inspection station.

## *Easing buyers into online sales*

While consumers purchase many items online without a second thought, the prospect of a "click to buy" button on dealership sites "scared consumers to death," says Cox Automotive COO Mark O'Neil. "They weren't thinking of it as 'quick and easy,' but 'handcuffs and shackles,'" he said. They feared getting locked into a deal or having \$30,000 withdrawn from their bank account seconds after clicking on it, he said, citing the company's research. So if Cox wants to help dealerships take more of the buying process online, particularly the parts consumers don't enjoy doing at the dealership, O'Neil says, Cox needs to introduce consumers to this experience gradually. O'Neil said Kelley Blue Book is doing this by highlighting how consumers can initiate the trade-in process online with its Instant Cash Offer program. The site launched a TV ad campaign in April that showed a consumer getting a trade-in offer from KBB.com on his phone. After a

person enters their trade-in's details on KBB.com, the site presents them with an offer that must be approved later at a dealership participating in the program. Once the vehicle's condition has been verified, KBB says, the person can keep the money or use it to buy another car. KBB says 3 million consumers received Instant Cash Offers in 2015 through its site and Autotrader, which also uses the feature. If no dealership approves the offer, Cox purchases the vehicle for the agreed-upon price and sends it to a Manheim auction, also owned by Cox. KBB's cash-offer program depends on people giving truthful descriptions about their trade-ins, and O'Neil said consumers are doing that, with only 3 percent providing inaccurate information. O'Neil said the wording used to walk people through a digital purchase is critical to building comfort in the process. Asking for a Social Security number right away can scare off a customer, he said. It makes more sense to get their name and ask if they live at the given ZIP code before seeking more information. Letting consumers know

the steps they're taking online will save them time in the store is key, O'Neil said. "These are things we're testing. These different concepts of how much to ask for, how to phrase it? What order? Should we do a trade first? Because they're more comfortable getting the value of their trade than they are telling you about themselves personally. Cox Automotive's Digital Retailing solution relies on several properties to bring car shopping online. Dealertrack is tied to lenders, providing the nuts and bolts behind the retailing process so shoppers can get their credit pulled. The integration of online-messaging portal MakeMyDeal lets consumers negotiate the terms of a deal. Dealership employees can make counteroffers via the messaging tool, adjust financing terms, update the value of the trade and change the amount of the cash down to reach a desired monthly payment. Dealer.com serves as the user interface for these tools. Even if vehicle transactions move online on a large scale, O'Neil said dealers will still have a place. "We think the role of the retailer becomes the role of the distributor, the role of delivering the retail experience," O'Neil said. It'll be "very necessary to be physically close to the customer as they think about buying mobility, trading it out, servicing it and taking care of it."

## Reminders...

**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, classroom course, or by passing a DMV test. Click [HERE](#) for more information and [HERE](#) to determine your recertification deadline. Please note that dealers with **Franchise** endorsements are exempt from recertification. If you are unclear on your recertification deadline, or any other recertification questions, please contact Ann Majors at the MVDB. She may be reached at 804-367-1100 x 3016, or email at [ann.majors@mvdb.virginia.gov](mailto:ann.majors@mvdb.virginia.gov)

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# Board Actions

## Dealer Practices

### Informal fact-finding conferences:

**Connection Auto Sales and Liliana D. Garcia Mejia** - On March 29, 2017, an informal fact-finding conference was conducted to address the alleged violations of dealer records, failure to provide proof of safety inspection, odometer disclosure, and failure to comply with previous warnings. Based on the information provided at the conference, the Board assessed a civil penalty of \$4,750, a satisfactory inspection, and successful completion of the Dealer-Operator Course, unless appealed to a Formal Hearing. The Board strongly recommended that Mario Mejia also complete the dealer-operator course.

**International Auto Sales, Inc. and Raul Jimenez** - On April 26, 2017, an informal fact-finding conference was conducted to address the alleged violations of dealer records, failure to provide proof of safety inspection prior to retail sale, failure to provide title within 30 days, failure to provide liability insurance on each D-tag, misuse of D-tags, acts of officers, failure to comply with previous written warnings, and having been convicted of a criminal act involving the sale of motor vehicles. Based on the information provided at the conference, the Board assessed a civil penalty of \$15,750 and revocation of all licenses and certificates issued by the Board, unless appealed to a Formal Hearing.

**Harriet Salley Auto Group, LLC, Jonathan D. Salley and Harriet E. Salley** - On May 17, 2017, an informal fact-finding conference was conducted to address the alleged violations of defrauding a retail buyer, and having used deceptive acts and practices. Based on the information provided at the conference, the Board issued a written warning for defrauding a retail buyer, and no civil penalty for deceptive acts and practices, unless appealed to a Formal Hearing.

**DNX Motors, LLC and James D. Dronso** - On April 12, 2017, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain liability insurance on each D-tag, and a material misstatement on the D-tag application. Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$250 for D-tag insurance, and no further action for material misstatement, unless appealed to a Formal Hearing.

**Auto Mart and Rodney D. Naff** - On April 20, 2017, an informal fact-finding conference was conducted to address the alleged violations of having used deceptive acts and practices, and having been convicted a criminal act involving the sale of motor vehicles. Based on the information provided at the conference, the Board assessed a civil penalty of \$2,000 and successful completion of the dealer-operator course, unless appealed to a Formal Hearing. The Board strongly recommended that Kathryn Naff also complete the dealer-operator course.

### Formal Hearings

**Robert Garten Automotives, LLC and Robert C. Garten** - Historical overview leading up to the formal hearing: On December 12, 2016, an informal fact-finding conference was conducted to address the alleged violations of dealer records, failure to provide proof of safety inspection prior to retail sale, failure to comply with previous warnings, and having been convicted of a criminal act involving the sale of a motor vehicle. Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$1,750 and a satisfactory inspection. On March 13, 2017, the Full Board adopted a resolution assessing a civil penalty of \$1,750 and a satisfactory inspection. On April 17, 2017 Mr. Garten appealed to a formal hearing. On May 15, 2017, a formal hearing was conducted to address the alleged violations listed above. Based on the information provided at the hearing, the Board assessed a civil penalty of \$500, a written warning to properly follow guidelines and procedures as established by the Board, and a satisfactory inspection, unless appealed to Circuit Court.

# Board Actions

**Harrisonburg Auto Wholesale, LLC and Abdelkrim Elmouhib** - Historical overview leading up to the formal hearing: On January 30, 2017, an informal fact-finding conference was conducted to address the alleged violations of failure to disclose VA DLR in advertisements, failure to comply with previous written warnings, and having been convicted of a criminal act involving the sale of a motor vehicle. Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$4,250. On March 13, 2017, the Full Board adopted a resolution assessing a civil penalty of \$4,250. On April 17, 2017, Mr. Elmouhib appealed to a formal hearing. On June 12, 2017, a formal hearing was conducted, with Mr. Elmouhib failing to appear, to address the alleged violations of the above VA Code Sections. Based on the information provided at the hearing, the Board assessed a civil penalty of \$4,250 and revocation of all licenses, and certificates issued by the Board to Harrisonburg Auto Wholesale, LLC, unless appealed to Circuit Court. Of note, Harrisonburg Auto Wholesale is out of business as of April 10, 2017.

## Administrative Actions:

**Blue Ridge Imports Auto Sales, and John P. Lannon.** Paid a \$750 civil penalty for unlicensed salesperson and failure to safety inspect vehicles prior to retail sale.

**M & L Auto Sales, and Leo E. McIntire.** Suspended for failing to pay a \$1000 civil penalty for failure to have liability insurance on each D-tag.

**VA Auto, Inc. and Martin M. Shamim.** Was assessed a \$250 civil penalty for failing to maintain posted business hours. Mr. Shamim failed to pay the civil penalty and was suspended and the civil penalty amount was sent to Debt Set-off.

**H & W Auto Finance, LLC, and John T. Henderson.** Paid a \$250 civil penalty for failure to maintain posted business hours.

**Auto's Direct, Inc. and Sana Kargar.** Paid a \$250 civil penalty for failure to maintain posted business hours.

**Frank's Used Cars, and Frank Dunkley.** Paid a \$250 civil penalty for failure to maintain posted business hours.

**Jeff's Auto Sales, and Jeffrey Feltner.** Paid a \$250 civil penalty for failure to maintain posted business hours.

**Cub Run Auto, LLC, and Shane Moran.** Was assessed a \$250 civil penalty for failing to maintain posted business hours. Mr. Moran failed to pay the civil penalty and was suspended and the civil penalty amount was sent to Debt Set-off.

**Gaita Auto Sales, and Joseph Gaita.** Paid a \$250 civil penalty for failure to maintain posted business hours.

## Licensing

### Informal fact-finding conferences:

**Joshua D. Flory, Sales Applicant** - On May 11, 2017, 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 approved for Mr. Flory to apply for a sales license.

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# Board Actions

## Licensing

**Jason D. Niblett, Sales Applicant** - On May 11, 2017, 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 approved for Mr. Niblett to apply for a sales license.

**Borys (Boris) C. Palma-Lopez, Salesperson** - On May 16, 2017, an informal fact-finding conference was conducted to address the alleged violations of having used deceptive acts and practices, and having been convicted of a felony. Based on the information provided at the conference, the Board approved for Mr. Palma-Lopez to apply for a sales license.

## Advertising

### Administrative Actions:

**Prime Auto Sales, LLC, and Anton Gurin.** Paid a \$1,250 civil penalty for Craigslist failure to disclose processing fee, VADLR, misleading advertising, and failure to comply with previous warning.

**Bary Motors, Inc. and Omar Abifaraj.** Paid a \$250 civil penalty for advertising on Craigslist under the "owner" category which is considered to be misleading. Also, the ad failed to disclose the processing fee.

**Platinum Auto Sales, and Ekaternia Nadorshina.** Paid A \$750 civil penalty for vehicles advertised on Craigslist under the category "owner" which is considered to be misleading. Also, the ad failed to disclose the processing fee and disclosed a contact number that was not the number to the dealership.

**B & B Auto Group, LLC, and Joseph Brooks.** Paid a \$1,000 civil penalty for advertising on Craigslist under the "owner" category and disclosed a contact number that was not the number to the dealership.

**Express Auto Sales, and Imran Sardar.** Paid a \$500 civil penalty for advertising vehicles on Craigslist under the category "owner" when the advertisements should be placed under the category "dealer". By placing vehicles under the category "owner" it is considered to be misleading. Failure to disclose the processing fee, failed to disclose the name of your dealership or VADLR, and deceptive acts and practices.

**Salem LLC, and Salam Altallal.** Paid a \$250 civil penalty for advertising on Craigslist under the "owner" category instead of the "dealer" category.

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



# 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.

The course offers 1.6 continuing education credits transferable to any college.

Date	College	Contact Information
<b>2017</b>		
Aug 08-09	Tidewater Community College, Suffolk	Registration 757-822-1234 <a href="http://www.tccworkforce.org">www.tccworkforce.org</a>
Aug 22-23	Piedmont VA Community College, Charlottesville	Registration 434-961-5354 <a href="http://www.pvcc.edu/instructional-divisions/workforce-services">www.pvcc.edu/instructional-divisions/workforce-services</a>
Sep 05-06	Lord Fairfax Community College, Warrenton	Registration 540-351-1524 <a href="http://www.lfccworkforce.com">www.lfccworkforce.com</a>
Sep 26-27	Community College Workforce Alliance @ Reynolds Community College	Sandy Jones 804-523-2293 Mon/Tue <a href="http://www.ccwa.vccs.edu">www.ccwa.vccs.edu</a>
Oct 10-11	Northern Virginia Community College, Reston	Claire Wynn 703-450-2551 <a href="http://www.nvcc.edu/workforce">www.nvcc.edu/workforce</a>
Nov 07-08	Blue Ridge Community College, Weyers Cave	Registration 540-453-2215 <a href="http://www.brcc.edu">www.brcc.edu</a>
Nov 28-29	Germanna Community College, Fredericksburg	Registration 540-937-2913 <a href="http://www.germanna.edu/workforce">www.germanna.edu/workforce</a>
Dec 12-13	Lord Fairfax Community College, Middletown	Registration 540-868-7021 <a href="http://www.lfccworkforce.com">www.lfccworkforce.com</a>

## *PoA — VAD 70A vs. VSA 70*

The Power of Attorney to Sign for Owner When Registering and/or Transferring Ownership of a Motor Vehicle”, (VAD 70A) is a three-part, secure power of attorney form only used by dealerships. The VAD 70A shall only be used when the title is lost or in the possession of a lienholder. If your customers wish you to handle all DMV transactions necessary to complete the transfer of ownership or registration and licensing of a motor vehicle, including any required owner signatures and the title or MSO is not available the customer will need to complete the VAD 70A.

The customer must disclose the odometer reading on the numbered, three-part, secure power of attorney form, “Power of Attorney to Sign For Owner When Registering

and/or Transferring Ownership of a Motor Vehicle”, (VAD 70A).

If a dealership needs a replacement title for a title that they have lost, the customer will need to complete the “Authorized Representative Designation” section on the back of the VSA 67, “Application For Replacement and Substitute Titles”.

**Note:** Power of Attorney VAD 70A is a federal legal requirement (49 CFR Part 580). It is federal law that determines the limited circumstances for when a VAD 70A may be used. DMV understands the hardship that the limited VAD 70A usage puts on dealers. However, we must comply with federal law and cannot accept a VAD 70A unless the title was lost or held by a lienholder.

**Dealers and DMV often refer to the VAD 70A as the “pink PoA”**

to distinguish it from the VSA 70, “Power of Attorney to Sign for Owner”, which is often called the “white PoA” or “short PoA”.

**Dealers cannot use the VSA 70 to sign for their customer in any circumstance.**

The VAD 70A is a secure, controlled document that must be ordered from the dealer trade associations: Virginia Automobile Dealers Association ([VADA](#)) or Virginia Independent Automobile Dealers Association ([VIADA](#)). It cannot be obtained from DMV.

## *What’s Wrong With This Picture?*



This advertising would be considered deceptive or misleading. There is never a time in which DMV does not collect Sales and Use Tax (SUT) on retail vehicle sales. SUT must be paid to DMV, regardless of whether the customer pays the SUT, or whether the Dealer pays the SUT on behalf of the customer. To advertise that there is “no tax” is deceptive and misleading.

## *What to do if you decide to close your business.*

Notify the Board at least 30 days prior to closing. As a reminder to dealers who plan to close their businesses, please notify the board in writing of your intent to close. Va Code § 46.2-1545 allows the dealer 30 days to dispose of all dealer inventory, and communicate to the Board where all dealer records will be stored after closing. DMV's Dealer Manual offers dealers a step by step process of what to do when you go out of business. When you cease operation as a motor vehicle dealer in Virginia, you should complete all pending title and registration work. You must surrender to MVDB the following:

1. Your Dealer License Certificate;
2. All dealer license plates which have been issued to your dealership;
3. All current salespersons license of all salespersons that you employed;
4. All temporary license plates left in stock;
5. All VSA 27 forms, "Receipt for Money Paid for Transfer of License Plates" (commonly called a temporary registration receipt) remaining in stock;
6. If you are an "on-line" dealer: contact your online vendor or DMV's Dealer Services Workcenter at [dealerservices@dmv.virginia.gov](mailto:dealerservices@dmv.virginia.gov) about surrendering metal plates and decals. These items belong to DMV and cannot be collected by the MVDB.
7. The former licensee shall continue to maintain and make available to DMV dealer records required by the Dealer Licensing Act.

§ 46.2-1545 states "No dealer, unless his license has been suspended, revoked, or canceled, shall cease business without a 30-day prior notification to the Department and the Board. On cessation of the business, the dealer shall immediately surrender to the Board the dealer's certificate of license, all salespersons' license, and any other materials furnished by the Board. The dealer shall also immediately surrender to the Department all dealer and temporary license plates, all fees and taxes collected, and any other materials furnished by the department. After cessation of business, the former licensee shall continue to maintain and make available to the Department and the Board dealer records as set forth in

this chapter. The provisions of this section shall also apply to watercraft trailers and watercraft trailer dealers. NOTE: In the example below, there are a few things that are not compliant:

1. The dealer writes "as of today's date". The dealer has not notified the Board 30 days **prior** to closing.
2. There is no Dealer License Certificate, it is not clear what dealership is closing.
3. This dealership did not indicate where all dealer records will be stored after closing.
4. Since this dealer states "as of today", the dealer should have surrendered all the D-tags, sales licenses, and certificates to the Board, either by mail, or to a Board Field Representative.

If you need further assistance with any of this process, please do not hesitate to contact the Board for guidance.

July 18, 2017

Motor Vehicle Dealer Board  
2201 W Broad Street  
Suite 104  
Richmond, VA 23220

To Whom It May Concern:

Please be advised that we will be closing [REDACTED] Motors Inc. as of today's date for Vehicle sales.

We request that the closing inspection be scheduled with either [REDACTED].

Either may be reached at [REDACTED].

Thank you for your assistance.

Sincerely,

[REDACTED]



# 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; promote the best interest of both the automotive consumer and dealer community; while providing a high level of customer service.

## ***Insta-Cars***

A Facebook-commissioned study looked into what drives the auto universe on Instagram. Of the U.S. participants, 400, or about a quarter, called themselves passionate about autos. Among the results:

52% of auto enthusiasts watch videos to evaluate vehicle performance.

83% use Instagram to watch videos about cars at least once a week.

53% turn to Instagram to connect with others who are passionate about cars.

53% use the platform to get easy exposure to their favorite vehicles.

70% of the auto enthusiasts in the study were millennial men.

### **Popular auto hashtags**

**#carporn** - About 11 million posts

**#supercar** - More than 5.5 million posts

**#auto** - About 5 million posts

**#instacar** - About 4 million posts

**#sportscar** - More than 3.5 million posts

Source: Facebook; study conducted in October with 1,662 U.S. participants

For the full article click <http://www.autonews.com/article/20170508/RETAIL03/305089999/video-tools-evolve-for-a-mobile-world> .