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Inside this issue:

Revised MVDB Forms 1

July 1, 2019 New Legislation 1

Upcoming Events 2

Processing Fee 3

Car Lotz 3

DealerBuilt Settles with FTC 4

DMV News 6

Staff Changes 6

Equifax 6

Board Actions 7

Tips on Rebate Advertising 10

Dealer-Operator Class Schedule 11

YouTube 11

What's Wrong With This Picture? 12



Revised MVDB Forms

The Board has revised the [MVDB 10](#) Dealer License Application for Initial/Renewal/Change; the [MVDB 22A](#) Temporary Supplemental License Application; the [MVDB 22B](#) Permanent Supplemental License Application; and in the MVDB 58 Dealership Checklist the Board added a Social Media Advertising certification item. To know if you always have the latest form, the Board places the revision date in the uppermost top right corner. Go to our website www.mvdb.virginia.gov and click Forms, Publications, and Resources from the home page. All of our forms (including some DMV forms) are listed in PDF format. For your added convenience, some of the forms you may need are “fillable” and you may complete and print these forms directly from your computer. Be sure to ALWAYS include your dealership license certificate number on any and all forms and correspondence with the Board. As a kind reminder, please DESTROY ALL OLD FORMS you may have on hand. Click [HERE](#) for a complete listing of MVDB forms and download the latest revisions.

July 1, 2019 New Legislation

Don't forget about the new legislation that went into effect July 1, 2019. Below are some summaries of new laws that may effect dealers.

- The penalty fee for noncompliance with Virginia's motor vehicle insurance laws increases from \$500 to \$600. After July 1, 2019 Dealers who do not have liability insurance on each dealer tag may receive a civil penalty of up to \$600 for each dealer tag that is uninsured.
- The cost of a safety inspection increased from \$16 to \$20.
- Temporary Supplemental Sales Licenses (off-site sales), this legislation allows a dealer participating in a new car and truck auto show to obtain a temporary supplemental sales license to sell used vehicles at the show.

Regarding the off-site sale legislation change, the Board has created a new form, the MVDB 22A, for the off-site sales application. This application must be submitted, at a minimum, 15 days prior to the date of the sale. If the application includes USED motor vehicles outside the county, city, or town where the dealer is licensed or for the contiguous county, city, or town; the application **MUST** include the following 5 items:

1. The off-site application form [MVDB 22A](#).
2. \$40 MVDB Application Fees
3. A copy of the letter of invitation

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Upcoming EVENTS

BOARD MEETINGS

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

Monday, September 9, 2019

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 5-15 minutes immediately following Transaction Recovery Fund Committee meeting.

MVDB will be closed

◆ Monday, September 2, 2019



[Cont'd from pg. 1](#)

July 1, 2019 New Legislation

4. A list of the dealers the invitation was sent to via certified mail, at a minimum, 30 days prior to the date of the sale.
5. An itemized listing of all costs that will be shared by each participating dealer.

On the second page of the revised MVDB 22A form, there are guidelines for the Dealer Invitation Letter (number 3 on this list) and the elements this invitation letter must contain:

- Date and place of the sale.
- An offer to participate in the sale on the same terms as the dealer requesting the license. This means that the dealer requesting the license will equally share the space contracted for as well as fully provide for the administration of the sale, including equal treatment in advertising, signage, and on-site services, including utilities, associated with the event.
- The expenses of the sale must be equally shared among participating dealers, including the sale administrator, and the sale administrator may not charge additional fees, payable either directly to itself, to an affiliate, or to a contractor that will make rebates or payments to the sale administrator, that will artificially inflate the costs of participation for other dealers.
- Each participating dealer is responsible for certain expenses including, but not limited to costs of transporting inventory to the sale and providing salespeople and other services they voluntarily choose to provide for themselves.

Also, don't forget that dealers are not allowed consecutive off-site sales for the same jurisdiction, and the duration of the sale may not exceed 7 days for cars/trucks, and 14 days for motorcycles, RV's, and trailers.

[Back to pg. 1](#)

Reminders...

ALL IDO's of independent dealerships must recertify their IDO qualification every three years by either taking an online course, classroom course, or by passing an administered 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.

Processing Fee

Many dealers are not in compliance with the processing fee posting requirements. There are things to consider for a dealer to remain in compliance regarding customer disclosure of a dealer's processing fee:

- **Notify the Board** when changing your processing fee. This can be done by emailing dboard@mvdv.virginia.gov, faxing your request for change to (804) 367-1053, or completing an MVDB 10 and emailing or faxing the MVDB 10 to the Board.
- Change the processing fee sign posted in your dealership to match what you have reported to the Board your new processing fee is.
- Make sure the processing fee listed on your buyers order matches the processing fee sign that is posted in your dealership, and provided to the Board.
- Check your advertisements, websites, and all of your online presence to ensure the processing fee amount has been updated with the new processing fee amount.

Virginia Code §46.2-1530(C) requires that **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. The sign shall be no smaller than 8 1/2 inches by 11 inches and the print shall be no smaller than 1/2 inch, and in a form as approved by the Board. For your convenience, the Board has a template that you can download, print, fill in your processing fee amount, and post in a conspicuous place within your dealership. Click [HERE](#) for the Board template.

CarLotz

The three co-founders of Richmond-based CarLotz were among the winners of the 2019 EY Entrepreneur Of The Year award for the Mid-Atlantic region. CarLotz CEO Michael Bor, Chief Operating Officer Aaron Montgomery and Chief Financial Officer Will Boland and 13 others from regional companies were named winners. The event was held at the Ritz-Carlton in Washington, D.C.

"We were quite surprised but even more humbled to bring home the trophy this year. With the long list of tremendously impressive companies also in the finals, we were especially thrilled to win," Bor said.

"This award is a true testament to the hard work, disruption and innovation that our team is driving as we aim to provide the world's greatest automotive retail experience while creating the retail remarketing channel for our commercial accounts. We have a ways to go to achieve our vision, but this is certainly a terrific mile marker."

This is the CarLotz team's first time as a regional winner, but the founders were finalists for the 2015 regional award. CarLotz, which sells used vehicles on consignment, opened its first store off Midlothian Turnpike in Chesterfield County in 2011 and opened a second store in Henrico County in 2012. The company now has eight locations across Virginia, North Carolina, Florida, Illinois and Texas.

Regional award winners are now up for consideration for the Entrepreneur Of The Year National Awards, to be announced in November. CEO Michael Bor is currently on the Motor Vehicle Dealer Board.

Reminders...

Some dealers are charging reconditioning fees in addition to the vehicle's advertised price. Virginia Code 46.2-1581(8) states in part the "...advertised price or credit terms shall include all charges which the buyer must pay; 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. Dealers may NOT charge fees such as "dealer prep", "reconditioning", etc., these costs must be included in the price of the vehicle.

DealerBuilt Settles with FTC

The domino principle. The ripple effect. The butterfly phenomenon. Apply the analogy of your choice to describe what happens when one software developer's allegedly lax security practices result in the breach of confidential customer information maintained by multiple businesses that use the software. If your business is a service provider – or if your company uses third-party service providers to help manage your data – a [proposed FTC settlement](#) merits your attention. One notable aspect of the case: a proposed order that includes new data security requirements reflecting the current Commission priority of updating its data security orders.

Many third-party service providers sell industry-specific data management software to consumer-facing businesses. One example is DealerBuilt, software for auto dealers developed by LightYear Dealer Technologies. DealerBuilt is a big name in the business, numbering some of the largest dealerships in the country as clients. Dealerships that license DealerBuilt's software collect and maintain large amounts of sensitive financial, payroll, accounting, and other information about consumers and employees. Dealers who use the software can have DealerBuilt host their data or they can host it on their own servers. Businesses that choose the second option regularly back up their databases onto DealerBuilt's network.

Before getting to the inevitable information uh-oh that led to law enforcement action, let's hit pause to consider some of DealerBuilt's practices during the time relevant to the FTC's proposed administrative [complaint](#). According to the FTC:

- DealerBuilt stored information in clear text, without any access controls or authentication protections like passwords or tokens. Data transmitted between dealerships and DealerBuilt's backup database was in clear text, too.
- DealerBuilt didn't have a written information security policy in place.
- DealerBuilt didn't provide reasonable data security training for employees or contractors.
- DealerBuilt didn't assess risks to the sensitive data on its network by conducting periodic risk assessments or performing vulnerability and penetration testing.
- DealerBuilt didn't use readily available security measures to monitor – among other things – unauthorized attempts to transfer sensitive information.
- DealerBuilt didn't put reasonable data access controls in place – for example, systems to limit inbound connections to known IP addresses or require authentication to access backup databases.
- DealerBuilt didn't have a reasonable process to select, install, and secure devices with access to personal information.

Against that backdrop of alleged security failures, what happened next shouldn't come as a surprise. To increase available backup storage, a DealerBuilt employee bought a storage device and installed it on the company's network in April 2015. According to the FTC, DealerBuilt management didn't take steps to ensure the device was set up securely. Had someone checked, they would have learned the device created an open connection port that allowed transfers of information.

Fast forward to late October 2016 when a hacker "walked through" that open port to gain unauthorized access to DealerBuilt's backup database, including the unencrypted personal information of more than 12 million consumers that 130 of its client dealerships had stored with the company. The hacker attacked the system multiple times, downloading the personal information of 69,283 consumers and the entire backup directories of five dealerships. And that's not all because for a substantial period of time, DealerBuilt's insecure settings were indexed on a public website hackers use to locate insecure connected devices. What was ultimately stolen? Among other things, consumers' Social Security numbers, driver's license numbers, and dates of birth, as well as wage and financial information about dealership employees – five-star favorites of identity thieves.

DealerBuilt learned about the breach on November 7, 2016, when a dealership called, demanding to know why customer data was publicly accessible on the internet. According to the FTC, it wasn't until a reporter told DealerBuilt about the security vulnerability that the company became aware of the open port on its storage device.

[Cont. from pg. 4](#)

DealerBuilt Settles with FTC

Count 1 of the [complaint](#) should look familiar to FTC watchers. The FTC alleges that the company's failure to employ reasonable security measures was an unfair practice, in violation of the FTC Act. Count 2 is worth special mention because DealerBuilt meets the Gramm-Leach-Bliley Act's definition of "financial institution." That triggers compliance with the [GLB Safeguards Rule](#), which the FTC alleges DealerBuilt violated by – among other things – failing to develop, implement, and maintain a written information security program; failing to identify reasonably foreseeable risks to the security, confidentiality, and integrity of customer information; and failing to implement basic safeguards and regularly test their effectiveness.

To settle the case, the company has agreed to a [proposed order](#) that includes noteworthy new provisions you'll want to review carefully. Like the orders in the Clixsense and iDressup cases announced in April, the proposed order in this case requires a senior DealerBuilt officer to provide the FTC with annual certifications of compliance. The order also requires DealerBuilt to implement specific, enforceable safeguards that address the issues alleged in the complaint – for example, requiring the company to conduct yearly employee training, monitor its systems for data security incidents, implement access controls, and inventory devices on its network. In addition, the proposed order makes significant changes to further improve the accountability of the third-party assessor responsible for reviewing DealerBuilt's data security program. What's more, the order gives the FTC increased access to documents and other materials upon which the assessor bases his or her conclusions.

Why the updated settlement terms? The more specific order provisions, the mandatory senior management focus on security issues, the in-depth "look under the hood" evaluation required of assessors, and new FTC monitoring tools are all designed to ensure order compliance and – if necessary – enforcement.

Once the proposed settlement is published in the Federal Register, the FTC will accept public comments for 30 days.

What can other companies take from the case?

Train and supervise your employees to be security-centric. Designating someone to be in charge of security at your business is a start, but it doesn't mean you then get to pretend that vulnerabilities don't exist. Companies that handle consumers' sensitive personal information have a responsibility to consider security all along the way. Conduct staff training appropriate to the nature of your business and update it to reflect current risks and threats. What's more, make sure someone is supervising the supervisors whose decisions have a big impact on security at your company.

Exercise care when installing devices with network access. Like sticking a finger in a socket, adding certain devices to your system runs the risk of inflicting a substantial shock. Think through the security implications and make sure any device is properly installed.

GLB coverage is broad. The phrase "financial institution" may conjure up images of passbooks, tellers, and pens chained to tables, but that's not how the Gramm-Leach-Bliley Rules define the term. Consider whether your business could be a [financial institution subject to the GLB Safeguards Rule](#).

If your company uses third-party software or providers, build security into your contracts. Even if another company's conduct is implicated in a breach, *your* customers' information could be at risk and they'll want to know what *you* did to protect them. As the FTC's publication [Start with Security](#) suggests, when entrusting data to third-party service providers, spell out your security expectations, monitor what they're doing on your behalf, and follow websites that report on known vulnerabilities.

Service providers are accountable for protecting the personal data they collect and store. Even if your operations are behind the scenes, you still may be liable for violations of the law. If you handle sensitive consumer data on behalf of other companies, security should be front and center.

[Back to pg. 1](#)

DMV News

Independent Dealer Mandate

Effective January 1, 2020, all applications for title and registration of vehicles processed by an independent motor vehicle dealer that sold at least 100 vehicles in the previous calendar year must be processed on-line. Currently, the mandate for independent dealers to process on-line applies only to dealers that sold 200 vehicles in the previous calendar year. Pursuant to Virginia Code § 46.2-216.1, DMV has the administrative authority to mandate electronic filing of any type of document or payment, provided 12 months written notice is given. In accordance with that authority, DMV mailed a letter of notice dated December 26, 2018, to independent dealers meeting the criteria, to comply with the new mandate by January 1, 2020. To comply, DMV requires that you select a vendor by September 1, 2019, and begin processing on-line on January 1, 2020. As a reminder, please visit our website at <http://www.dmv.virginia.gov/commercial/#odealer/index.asp> to learn more about the on-line dealer program and to find contact information for the four authorized on-line dealer program vendors.

Staff Changes

After 46 years of State service, Wanda Neely retired from the MVDB on July 1, 2019. Wanda began her career at DMV, and was an original MVDB staff member when she moved to open the MVDB. Wanda was the Transaction Recovery Fund Analyst. We wish Wanda the best as she joyfully enjoys retirement!



Effective July 25, 2019 the MVDB is pleased to announce that Dale Huffman is the new Field Representative for the following jurisdictions: Blacksburg, Bland, Botetourt, Carroll, Christiansburg, Craig, Galax, Giles, Grayson, Montgomery, Pulaski, Radford, Roanoke City, Roanoke County, Salem, Vinton, Wythe, Wytheville. Dale is replacing Randy Scott. Dale has served as a Motor Carrier Compliance Agent with the DMV in Troutville since 2009 and previously as a Preventive Maintenance Leadman with Boxley in Lynchburg. Dale brings experience and a proven track record of success in the area of compliance, which will be invaluable in meeting our level of continued success.

Equifax

Patch your software. Segment your network. Monitor for intruders. According to tech experts, those are security basics for businesses of any size. But when you're industry giant Equifax – a company in possession of staggering amounts of highly confidential information about more than 200 million Americans – it's almost unthinkable not to implement those fundamental protections. [An FTC, CFPB, and State AG settlement of at least \\$575 million](#) illustrates the injury to consumers when companies ignore reasonably foreseeable (and preventable) threats to sensitive data. Read on for security tips for your business and what consumers can do to get compensation for their losses and sign up for free credit monitoring.

The [complaint](#) alleges that a number of Equifax's actions – and failures to act – led to violations of the FTC Act and the Gramm-Leach-Bliley Safeguards Rule, which requires financial institutions to implement and maintain a comprehensive information security program.

The Equifax settlement is a study in how basic security missteps can have staggering consequences. Here are some tips other companies can take from the case – and we didn't have to look far for advice. The quotes are all from the FTC's brochure, [Start with Security](#). Here are 4 general tips from the brochure:

- “Update and patch third-party software.”
- “Ensure proper configuration.”
- “Monitor activity on your network.”
- “Segment your network.”

Board Actions

Dealer Practices

Informal fact-finding conferences:

Kingdom Automotive, LLC and Edward Kamande – On April 17, 2019, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain posted business hours, and comply with previous warnings. Based on the information provided at the conference, the assessed a civil penalty of \$750. Mr. Kamande may appeal to a formal hearing.

Wes and Ty's Auto Sales and Wesley Morris, Sr. – On April 24, 2019, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain posted business hours, and comply with previous warnings. Based on the information provided at the conference, the Board assessed a civil penalty of \$250 and a satisfactory inspection. Mr. Morris, Sr. may appeal to a formal hearing.

Deals on Wheels, LLC and William H. Layton, III – On May 2, 2019, an informal fact-finding conference was conducted to address the alleged violations of failure to display licenses, failure to maintain dealer records, unlicensed salespersons, failure to provide title within 30 days, misuse of D-tags, and failure to comply with previous warnings. Based on the information provided at the conference, the Board assessed a civil penalty of \$1,500, a satisfactory inspection and successful completion of the 2-Day Dealer-Operator course. Mr. Layton, III may appeal to a formal hearing.

Goldstar Motor Company and Thomas K. Maad – On March 5, 2019, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain dealer records, safety inspection, title within 30 days, liability insurance on D-tags, misuse of D-tags, failure to comply with previous warnings, and having used deceptive acts and practices. Based on the information provided at the conference, the Board assessed a written warning for failure to provide proof of safety inspection prior to retail sale, a civil penalty of \$9,000 and revocation of Mr. Maad's Dealer-Operator qualification. Mr. Maad may appeal to a formal hearing.

Precision Auto Sales, Inc. and Ahmad Abualrub – On March 7, 2019, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain posted business hours, and comply with previous warnings. Based on the information provided at the conference, the Board assessed a civil penalty of \$1,000, 90 day suspension of all licenses and certificates and successful completion of the 2-day Dealer-Operator course. Mr. Abualrub may appeal to a formal hearing.

Virtuous Motors, LLC and Khaliq Shabazz – On June 4, 2019, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain an established place of business, dealer records, business hours, material misstatement, and comply with previous warnings. Based on the information provided at the conference, the Board assessed a civil penalty of \$10,000 and revocation of all licenses and certificates. Mr. Shabazz may appeal to a formal hearing.

Value Motors, RVA and Armando L. Bacot – On June 18, 2019, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain dealer records, unlicensed salespersons, safety inspection prior to retail sale, liability insurance on each D-tag, and failure to comply with previous warnings. Based on the information provided at the conference, the Board assessed a civil penalty of \$5,000 and to successful completion of the 2-day Dealer-Operator course. Mr. Bacot may appeal to a formal hearing.

[Cont'd on pg. 8](#)

Board Actions

Administrative Actions:

Automember/Motomember and Vasily Mulyar. Paid a \$250 civil penalty for failure to maintain dealer records.

Vision Auto, LLC and Joseph Cousins Jr. Paid a \$750 civil penalty for failure to maintain posted business hours.

VA Cars West Broad II, Inc. and Brian Schrimpscher. Paid a \$250 civil penalty for failure to maintain dealer records.

Danville Auto Sales LLC and William A. Emerson II. Paid a \$250 civil penalty for failure to maintain posted business hours, and dealer records.

Carweb and Farshad Fakhriyazdi. Paid a \$250 civil penalty for selling from an unlicensed location.

B.D. Auto Repairs, LLC and Ayman D. Ullah. Paid a \$250 civil penalty for failure to maintain dealer records, and provide proof of safety inspection prior to retail sale.

Eddies Auto Sales & Service, Inc. and Kjari L. Buckley. Paid a \$250 civil penalty for failure to maintain dealer records, and provide proof of safety inspection prior to retail sale.

Valley Equipment Company and Douglas Rinker. Paid a \$500 civil penalty for failure to maintain dealer records, salesperson listing posted, unlicensed salesperson, and proof of salespersons paid on a W-2.

Pettie's Select Cars and Jermaine L. Pettie. Paid a \$250 civil penalty for failure to maintain dealer records, and provide proof of safety inspection prior to retail sale.

Brad's Auto Sales Inc. and Susan Kay Mullins. Paid a \$250 civil penalty for failure to provide proof of safety inspection prior to retail sale.

Best Auto Sales Inc. and Besmullah Wahidi. Paid a \$500 civil penalty for failure to provide proof of safety inspection prior to retail sale.

Grab N Go Auto Sales & Rental and Kenyan D. Crawley. Paid a \$3,500 civil penalty for failure to maintain dealer records, and liability insurance on each D-tag.

Big Del's Auto Sales and Service Center and Wendell L. Hargrove. Paid a \$250 civil penalty for failure to maintain dealer records.

Capitol Motors of Stafford and Luis Munayco. Paid a \$750 civil penalty for failure to maintain D-tag usage records, and provide proof of safety inspection prior to retail sale.

The Auto Connection and M Stwodah. Paid a \$500 civil penalty for failure to maintain dealer records, provide proof of safety inspection prior to retail sale, and failure to comply with previous warnings.

DHK Auto Sales LLC and Hishyar Shahab. Failed to pay a \$750 civil penalty for failure to maintain posted business hours. Moved to debt set-off.

Board Actions

Wayne's Auto Sales and Marvin Wayne Lester. Paid a \$750 civil penalty for failure to maintain posted business hours.

Prime Choice Auto LLC and Christopher Johnson. Paid a \$750 civil penalty for failure to maintain posted business hours.

Licensing

Informal fact-finding conferences:

Kevin D. Smith, Salesperson – On May 15, 2019, an informal fact-finding conference was conducted to address the alleged violations of having been convicted of a criminal in the business of selling vehicles, and having been convicted of a felony. Based on the information provided at the conference, the Board assessed a civil penalty of \$500. Mr. Smith may appeal to a formal hearing.

Caleb L. Briggs, Salesperson Applicant – On March 7, 2019, an informal fact-finding conference was conducted to address the alleged violations of VA Code Section 46.2-1576 (1). Based on the information provided at the conference, the Board denied Mr. Briggs a salespersons license. Mr. Briggs may appeal to a formal hearing.

Jorge Luis Lozada, Jr., Sales Applicant – On June 3, 2019, an informal fact-finding conference was conducted to address the alleged violations of material misstatement on an application, and having been convicted of a felony. Based on the information provided at the conference, the Board denied Mr. Lozada a salespersons license. Mr. Lozada may appeal to a formal hearing.

Advertising

Informal fact-finding conferences:

Priority Nissan Williamsburg and Dennis Ellmer – On April 24, 2019, an informal fact-finding conference was conducted to address the alleged violations of failure to clearly identify as a dealer or VADLR, misleading and deceptive, and failure to disclose the processing fee. Based on the information provided at the conference, the Board assessed a civil penalty of \$250 and a written warning for violations for failure to identify VADLR. Mr. Ellmer may appeal to a formal hearing.

Administrative Actions:

Sampson Motorcars and Samson Beyen. Paid a \$250 civil penalty for Dealer advertising under the owner category on Craigslist, and also, failure to disclose the processing fee of \$199.

C & A My Auto Sales LLC and Mery Aparicio. Paid a \$250 civil penalty for Dealer advertising under the owner category on Craigslist, and also, failure to disclose the processing fee of \$25.

J-Spec Auto Sports, Inc. and Karimdad Hashuri. Paid a \$250 civil penalty for Dealer advertising under the owner category on Craigslist.

Scotts Auto Wholesale, LLC and Scott A. Breon. Paid a \$250 civil penalty for Dealer advertising under the owner category on Craigslist.

Board Actions

South America Motors Inc. and Elvis Jimenez. Paid a \$250 civil penalty for Dealer advertising under the owner category on Craigslist. Also, failure to disclose dealership name or VADLR.

Staunton Motors and Ramin Abdeulaev. Paid a \$250 civil penalty for Dealer advertising under the owner category on Craigslist. Also, dealer failed to disclose name of dealership or VADLR.

Bahia Auto Sales and Sergio Ramos. Paid a \$250 civil penalty for Dealer advertising under the owner category on Craigslist. Also, failure to disclose dealership name or VADLR.

Nation Motors of Fredericksburg LLC and Luis Munayco. Paid a \$500 civil penalty for Advertising on Craigslist under the owner category. Also, disclaimer states prices reflect rebates and discounts. An Independent dealer cannot offer rebates. The advertisement disclaimer states "Special internet pricing is based on onetime payment of cash, certified funds, money order and EFT'S," which is considered deceptive. If the advertised price is "cash only" the ad would need to state "cash only" next to the selling price. Also, the ad failed to disclose the processing fee of \$399.

Professional Auto Sales and Rohit R. Ahluwalia. Paid a \$250 civil penalty for advertising under the owner category on Craigslist.

International Trading Corp of Virginia and Rakel I. Aevarsdottir-McGee. Paid a \$500 civil penalty for an advertisement that failed to disclose VADLR or the dealership name, and the advertisement was listed under owner category of Craigslist.

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

Tips on Rebate Advertising

Jones Motors

Year, Make, Model



MSRP: \$25,000

Discounts: \$ 1,500*

Military Rebate: \$ 500**

College Grad \$ 500**

Jones Motors Price
\$22,500***

When advertising rebates, "Disclaimer" means those words or phrases used to provide a clear understanding or limitation to an advertised statement but not used to contradict or change the meaning of the statement. Board staff operates under the guidelines that the advertised price of a vehicle is the price that is available to all customers, and all rebates must be clearly and conspicuously named. Adding a "disclaimer" that requires consumers to determine what incentives and rebates they qualify for, does not "fix" the fact that the advertised price does not readily apply to everyone. When advertising a price of a vehicle the advertised price must be based on rebates/incentives that are available to ALL purchasers, or it must be clear and conspicuous to the reader which rebates, incentives and discounts would apply in their purchase. If you advertise a price, and purchasers must meet specific criteria to get those discounts, the conditions required to receive those discounts must be clear and conspicuous. Merely stating "not everyone will qualify for the advertised price" is not adequate. In addition, finance incentives provided by the manufacturer are considered available to all, and can be listed in the disclaimer area with freight charges and dealer processing fee. As a reminder, the **processing fee and freight** (when applicable), **must be disclosed in an actual dollar amount**, not just listed as "Price does not include processing fee or freight".

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](http://viada.org). 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, into a sampling of opening and operating expenses, and ending with a discussion on ethics. The course is also open to all existing dealers and their employees.

THE FOLLOWING COURSES ARE REGISTERED THROUGH VIADA,

CALL 1-800-394-1960 to register or visit viada.org

August 6-7	Thomas Nelson Community College, Hampton (600 Butler Farm Rd, Hampton, VA 23666)
August 20-21	Comfort Inn Monticello, Charlottesville (2097 Inn Drive, Charlottesville, VA 22911)
September 17-18	Reynolds Community College, Henrico (1651 E. Parham Rd, Henrico, VA 23228)
October 8-9	Lord Fairfax Community College – Fauquier Campus, Warrenton (6480 College St, Warrenton, VA 20187)
October 22-23	New River Community College – Christiansburg (782 New River Rd, Christiansburg, VA 24073)
November 5-6	Comfort Suites Manassas Battlefield Park, Manassas (7350 Williamson Blvd, Manassas, VA 20109)
November 19-20	Germanna Community College, Fredericksburg (10000 Germanna Point Dr, Fredericksburg, VA 22408)
December 10-11	Reynolds Community College, Henrico (1651 E. Parham Rd, Henrico, VA 23228)



Please click [HERE](#) or on the graphic on the left to view our newest efforts for Dealership Education----videos!

Our first two videos are available now with more to be uploaded on an ongoing basis. These first two videos are about Advertising compliance, but the MVDB Education video library will eventually cover a wide range of topics that Dealerships can use to remain compliant with Virginia Code.

You may also access these videos from a link on our website Home page.

BE SURE TO SUBSCRIBE TO OUR [MVDB CHANNEL](#)! Stay informed and receive notifications when new videos are released.

[back to pg. 1](#)

MOTOR VEHICLE DEALER BOARD

MVDB

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www.mvdb.virginia.gov

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



MVDB Mission Statement

The Motor Vehicle Dealer Board will administer sections of the Commonwealth's Motor Vehicle Dealer Laws and regulations as charged; 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?

During this time of the year, many of your family, friends, or maybe even you may be moving. Be sure to not use a vehicle with a dealer tag to move furniture, because it is illegal to use a dealer tag to transport items.

§ 46.2-1550 is explicit on how dealer tags may and may not be used.