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## *Zoning and Established Place of Business*

There are many aspects to initial and ongoing compliance with § 46.2-1510, regarding Dealers required to have established place of business. When dealerships fall out of zoning compliance, they also fall out of the Board's compliance relative to maintaining an established place of business, as outlined specifically in § 46.2-1510 (1),

which states "Satisfies all local zoning regulations". If dealers are not in compliance with local zoning laws, the Board has the authority to issue an intent to cancel to the dealer. For example, if the Board is made aware that the location of a dealership is not in compliance with local zoning laws, the dealer is not in compliance with the Board's requirements for dealers

to have an established place of business as outlined in § 46.2-1510 (1). Therefore, the Board may issue an intent to cancel for not satisfying all local zoning regulations. § 46.2-1576 B gives the Board authority to issue an intent to cancel for dealers who are not in compliance with § 46.2-1510 (1).

## *Justice Department Obtains \$700,000 for Illegal Repossessions*

The Justice Department announced that Westlake Services LLC and its subsidiary, Wilshire Consumer Capital LLC, have agreed to pay \$760,788 to resolve allegations that the companies violated the Service members Civil Relief Act ("SCRA") by repossessing 70 vehicles owned by SCRA-protected service mem-

bers without first obtaining the required court orders. Westlake, which does business as Westlake Financial Services, is a Los Angeles-based auto financing company that specializes in purchasing and servicing subprime and near-subprime retail installment sales contracts. Wilshire, which

does business as Wilshire Consumer Credit, originates and services vehicle title loans. Both companies target junior enlisted service members for their loans and products. During its investigation, the department found that Westlake and Wilshire had failed to adopt policies and

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## *Justice Department*

### *Upcoming EVENTS*

#### **BOARD MEETINGS**

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

**Monday, January 8, 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***



- ◆ **Friday, December 22, 2017**  
(close at 12:00 noon)
- ◆ **Monday, December 25, 2017**
- ◆ **Tuesday, December 26, 2017**
- ◆ **Monday, January 1, 2018**
- ◆ **Tuesday, January 2, 2018**
- ◆ **Friday, January 12, 2018**
- ◆ **Monday, January 15, 2018**

procedures necessary to ensure that their motor vehicle repossessions complied with the SCRA.

The agreement requires Westlake and Wilshire to provide \$10,000 in compensation to each of the 70 affected service members, plus any lost equity in the vehicle with interest. Westlake and Wilshire also must repair the credit of all affected service members, pay a \$60,788 civil penalty to the United States and determine, in the future, whether any vehicle it is planning to repossess is owned by an SCRA-protected service member. If so, Westlake and Wilshire will not repossess the vehicle without first obtaining a court order or valid waiver of SCRA rights. The agreement also contains provisions ensuring that all eligible service members will receive the benefit of the SCRA's six percent interest rate cap on their auto loans.

The agreement resolves the claims and causes of action asserted in the United States' Complaint against Westlake and Wilshire filed in the United States District Court for the Central District of California, and the parties will stipulate to the dismissal of the Complaint once Westlake and Wilshire deposit the funds required by the settlement agreement into an escrow account and pay the civil penalty to the United States. Westlake and Wilshire will contact service members to be compensated through this settlement in the upcoming months. They will locate victims and distribute payments at no cost to service members.

This matter came to the department's attention in 2016, when the Consumer Financial Protection Bureau's Office of Service member Affairs notified the department that it had received a complaint that Westlake and Wilshire were conducting motor vehicle repossessions in violation of the SCRA.

The SCRA protects service members against certain civil proceedings that could affect their legal rights while they are in military service. It requires a court to review and approve any repossession if the service member took out the loan and made a payment before entering military service. The court may delay the repossession or require the lender to refund prior payments before repossessing. The court may also appoint an attorney to represent the service member, require the lender to post a bond with the court and issue any other orders it deems necessary to protect the service member. By failing to obtain court orders before repossessing motor vehicles owned by protected service members, Westlake and Wilshire prevented service members from obtaining a court's review of whether their repossessions should be delayed or adjusted to account for their military service.

For more information about the department's SCRA enforcement, please visit [www.justice.gov](http://www.justice.gov).

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## ***CFPB Final Rule for Consumer Credit Products***

The Bureau of Consumer Financial Protection has issued this [final rule](#) to create consumer protections for certain consumer credit products. The rule has two primary parts. First, for short-term and long-term loans with balloon payments. The Bureau is identifying it as an unfair and abusive practice for a lender to make such loans without reasonably determining that consumers have the ability to repay the loans according to their terms. The rule generally requires that, before making such a loan, a lender must reasonably determine that the consumer has the ability to repay the loan. The Bureau has exempted certain short-term loans from the ability-to-repay determination prescribed in the rule if they are made with certain consumer protections. Second, for the same set of loans and for longer-term loans with an annual percentage rate greater than 36 percent that are repaid directly from the consumer's account, the rule identifies it as an unfair and abusive practice to attempt to withdraw payment from a consumer's account after two consecutive payment attempts have failed, unless the lender obtains the consumer's new and specific authorization to make further withdrawals from the account. The rule also requires lenders to provide certain notices to the consumer before attempting to withdraw payment for a covered loan from the consumer's account.

## ***New Buyers Guide Deadline***

The amended FTC Used Car Rule's grace period is soon coming to an end. That means that **you must use the new Buyers Guide by January 28, 2018. After that date, it's illegal to use the old version.**

Here is a summary of what's new:

The revised Buyers Guide recommends that consumers get a vehicle history report before buying a used car and sends them to [ftc.gov/usedcars](http://ftc.gov/usedcars) for more information on how to get one.

The revised Buyers Guide directs consumers that before buying a car, they should visit [safercar.gov](http://safercar.gov) to check for safety recalls.

There's a new description in the revised Buyers Guide of an "As Is" sale to clarify that "As Is" refers only to whether the vehicle is offered with a warranty from the dealer.

The revised Buyers Guide adds boxes dealers can check to indicate whether a vehicle is covered by a third-party warranty and whether a service contract may be available.

The revised Buyers Guide adds a box dealers can check to indicate that an unexpired manufacturer's warranty applies.

The new English-language version of the Buyers Guide adds a statement in Spanish advising Spanish-speaking consumers to ask for the Buyers Guide in Spanish if the dealer is conducting the sale in Spanish.

On the back of the revised Buyers Guide, air bags and catalytic converters have been added to the list of major defects that may occur in used vehicles.

For a summary of answering dealers' questions about the revised Used Car Rule, click [HERE](#).

To download the new Buyers Guide, click [HERE](#).

Remember, Virginia Code [§ 46.2-1529.1](#) requires a fully completed Buyers Guide, be incorporated as part of the buyer's order.

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## **Reminders...**

Please be aware that you may receive emails or phone calls regarding your use of obsolete forms. The purpose of this email or call will be a reminder to you to destroy all old stock of obsolete forms, and offer you links to where you may download the newest form for future use. For example, if you send in an old form of the DSD 7, the Board may send you an email letting you know there is a new form, [MVDB 61](#). The Board will process your applications, but the use of old forms may delay processing.

## DMV News

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### Dealer Title Service

Available to online dealer participants and dealers throughout the state of Virginia is “Dealer Title Service”, a training tool developed by DMV to help title clerks and staff to properly complete the required forms to transfer ownership and register a motor vehicle. This tool is designed to improve accuracy and reduce errors in the paperwork process through education. It explains the various parts of each form, and emphasizes the information needed to properly complete each form. Dealer Title Service is at no cost to the automobile community. It also includes reminders for On-line dealer participants about the bundle process, and the various transactions that may be processed through ven-

дор systems. To access the training tool, visit [www.dmvnow.com](http://www.dmvnow.com) click commercial and the link is located under Dealer Services. 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). After utilizing the training, test your knowledge by completing the Dealer Title Service online quiz.

### Dealer Title Only (DTO)

Dealer title only (DTO) also known as “title flips” are transactions whereby a dealer titles a vehicle in the dealership’s name without registration. This title transaction is tax free, and available to all online dealers through each vendors system which is programmed with this functionality. To ensure you have this capability or to learn how to

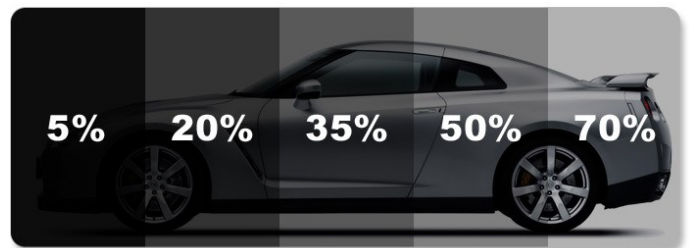
use it, check with your vendor who can provide further details about their system. Processing DTO transactions through the vendors system is simple and efficient with two ways of retrieving your title. You can process the transaction at the dealership with a “CUST” held indicator and visit a DMV location to have the title released; or the title may be processed at the dealership without the “CUST” held and the title will be mailed to you from DMV Headquarters. By utilizing the online option, online dealer participants avoid the manual transaction fee charged to every dealer who visits a Customer Service Center (CSC) or dealer center to process transactions in excess of 20 per month.

## Reminders...

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. 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.

## Window Tint Disclosure



When selling a used vehicle with sun-shading (tinted) windows, the dealer must fully disclose if the vehicle is in compliance with VA Code, or outside the legal limits. To view the sun-shading allowances, please view

§§ [46.2-1052](#), and [46.2-1053](#).

This sun shading designation is printed on the title and registration. If the dealer wishes to remove the sun-shading use DMV form [MED 21](#) it is the tinted window removal form. This will remove the sun shading designation, and DMV will issue a new registration card. The owner of the vehicle, the dealer, or the recipient of the vehicle may use this MED 21 form.

<https://www.dmv.virginia.gov/webdoc/pdf/med21.pdf>

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## *Email Notifications for Independent Dealer-Operator Recertification*

Beginning January 1, 2018, the MVDB is introducing an improved email notification process to notify Independent Dealer-Operators (IDO) of their requirement to recertify their IDO qualification, and their recertification deadline. The initial notice will be emailed to the IDO 6 months prior to their deadline to recertify.

As an added courtesy, the Board will send a second recertification reminder early in the recertification deadline month; letting you know you have less than 30 days to recertify your IDO qualification. To ensure MVDB can communicate promptly with Dealers, and that you receive all the MVDB recertification reminders; the Board recommends all dealerships and dealer-operators do the following:

1. An “official” email address is registered with MVDB. This is a requirement (effective July 2013) for all dealers to have their email on record with the MVDB (§46.2-1510.4). If you need to submit or update your email address please send to [dboardreply@mvdb.virginia.gov](mailto:dboardreply@mvdb.virginia.gov). Please include your Dealer Certificate number for processing.
2. Review your dealership email and contact information often to ensure it “matches” MVDB records by requesting an Audit Sheet for your dealership. Please email your Audit Sheet request to your Field Representative or [dboardreply@mvdb.virginia.gov](mailto:dboardreply@mvdb.virginia.gov)

3. At the time of dealer license renewal, accurately indicate on the MVDB 10 (Section 4) the dealership email and the dealer-operator’s email address.
4. If you need to recertify and you are not the assigned IDO of a dealership, please make sure the Board has your current email and cell phone number.

In addition, watch for Board notices, announcements, and other educational information emailed to you through Constant Contact, our email marketing tool.

MVDB staff makes every effort to promptly and accurately record dealer contact information; therefore if there are any questions, please contact the Board at 804-367-1100.



1. Make sure the Board is listed as a “trusted site” in your email.
2. Check your spam or junk box for any emails from the Board.
3. Place the MVDB in your email address/contacts.
4. If you have storage limits on your hosting email provider, please make sure you stay below your limits.

### 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).

# Board Actions

## Dealer Practices

### Informal fact-finding conferences:

**Virtuous Motors, LLC and Khaliq Shabazz** - On September 20, 2017, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain posted business hours and failure to comply with previous warnings. Based on the information provided at the conference, the Board assessed a civil penalty of \$6,000 and revocation of all licenses and certificates issued to Mr. Shabazz and Virtuous Motors. Khaliq Shabazz has until December 18, 2017 to appeal to a formal Hearing.

**AA Imports and Kamran Khan** - On October 30, 2017, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain posted business hours, and failure to comply with previous warnings. Based on the information provided at the conference, the Board assessed a civil penalty of \$2,000 and required a satisfactory inspection of the dealership before January 13, 2018. Kamran Khan has until December 18, 2017 to appeal to a formal Hearing.

### Administrative Actions:

**Green Hill Auto & AG Equipment, and Jason Bartley.** Paid a \$250 civil penalty for failure to maintain dealer records.

**Auto World of Big Stone Gap Inc., and Chantz J. Scott.** Paid a \$750 civil penalty for unlicensed salespersons.

**Drive Time, and Jon Ehlinger.** Paid a \$250 civil penalty for failure to maintain dealer records.

**Motor Maxx of Warrenton Inc., and Manuel Hirezi.** Paid a \$500 civil penalty for failure to provide proof of salespersons paid on a W-2.

**Augusta Auto Sales and William Trimble.** Paid a \$1,000 civil penalty for conducting the sale of motor vehicles from an unlicensed location.

**Mercedes Benz of Fredericksburg, and Ronald Rosner.** Paid a \$250 civil penalty for misuse of a D-tag.

**American Disability College Fund and Rushie McLeod.** Paid a \$250 civil penalty for failure to maintain posted business hours.

**Goodwill Auto Sale, Inc. and Anwar Eslam.** Paid a \$250 civil penalty for failure to maintain posted business hours.

**The Car Guys and Stephanie Hill.** Paid a \$250 civil penalty for failure to maintain posted business hours.

**Wright Auto Sales and Jacob Wright.** Paid a \$250 civil penalty for failure to maintain posted business hours.

**Absolute Auto Sales, LLC and Hubert King.** Paid a \$250 civil penalty for failure to maintain posted business hours.

**Auto Planet pre Owned and Scott A. McMichael.** Paid a \$250 civil penalty for failure to maintain posted business hours.

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

**Car Sales Nation and Kim D. Holcomb.** Dealership closed and the Dealer was sent to debt set-off for failure to pay a \$250 civil penalty for failure to maintain posted business hours.

**Parker Towing, Inc. and Richard Parker.** Paid a \$250 civil penalty for failure to maintain posted business hours.

# Board Actions

**Stars Nation, Inc. and Ahmed M. Hossain and Mostafa Mohamed.** Paid a \$250 civil penalty for failure to maintain posted business hours.

## Licensing

### Informal fact-finding conferences:

**Malcom Ragans, Sales Applicant** - On October 16, 2017, an informal fact-finding conference was conducted to address the alleged violations of defrauding a retail buyer, having used deceptive acts and practices, having been convicted of any fraudulent act in connection with the business of selling vehicles, having been convicted of any criminal act involving the business of selling vehicles, having been convicted of a felony, and having been convicted of odometer tampering or any related violation. Based on the information provided at the conference, the Board approved Mr. Ragans to apply for a sales license.

**Alexander Staton, Sales Applicant** - On October 30, 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 denied the application for a sales license for Ms. Staton. Ms. Staton has until December 18, 2017 to appeal to a Formal Hearing.

## Advertising

### Informal fact-finding conferences:

**Connection Auto Sales and Lilianna D. Garcia Mejia** - On October 2, 2017, an informal fact-finding conference was conducted to address the alleged violations of advertising on Craigslist under the category "owner" instead of the "dealer" category. Based on the information provided at the conference, the Board assessed a \$500 civil penalty, a satisfactory inspection of the dealership by January 10, 2018, and completion of the 2-day dealer-operator course by January 10, 2018. Ms. Mejia has until December 18, 2017 to appeal to a Formal Hearing.

### Administrative Actions:

**BVM Group and Khanh Nguyen.** Paid a \$250 civil penalty for advertising a vehicle on Craigslist under the "owner" category instead of the dealer category, failed to disclose the processing fee and the dealer name or VA DLR, and disclosed a contact number that was not the number listed on record for the dealership.

**Little Mountain Motors and James Martin.** Paid a \$250 civil penalty for advertising a vehicle on Craigslist under the "owner" category instead of the dealer category, and failed to disclose the processing fee.

**Auto Avland Imports Inc. and Hossein Maghsoudi.** Paid a \$250 civil penalty for advertising in craigslist under the "owner" category instead of the dealer category. The Ad failed to disclose the processing fee, and used a phone number that was not listed on our records for the dealership. Dealer also failed to disclose the name the dealership or VADLR.

**City Auto Group Inc. and Huma Sherzai.** Paid a \$250 civil penalty for advertising on craigslist under the "owner" category instead of dealer, not disclosing the dealership processing fee or dealership phone number that the Board had on file for the dealership.

**Correction: Car Line and Usman Nasim.** In the October 2017 issue of Dealer Talk, this dealer appealed the advertising civil penalty to an informal fact-finding conference.

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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>		
Dec 12-13	Lord Fairfax Community College, Middletown	Registration 540-868-7021 <a href="http://www.lfccworkforce.com">www.lfccworkforce.com</a>
<b>2018</b>		
Jan 16-17	Germanna Comm College. Fredericksburg	Registration 540-891-3012 <a href="http://www.germanna.edu/workforce">www.germanna.edu/workforce</a>
Jan 30-31	Patrick Henry Comm College , Martinsville	Registration 265-656-0260 <a href="http://www.ph.vccs.edu">www.ph.vccs.edu</a>
Feb 13-14	Paul D. Camp Comm Coll , Franklin	Renee Brown 757-569-6050 <a href="http://www.pdc.edu/workforce-development">www.pdc.edu/workforce-development</a>
Feb 27-28	Virginia Western Comm College, Roanoke	Registration 540-857-6076 <a href="http://www.viriniawestern.edu">www.viriniawestern.edu</a>
Mar 13-14	Northern Virginia Comm College, Woodbridge	Claire Wynn 703-450-2551 <a href="http://www.nvcc.edu/workforce">www.nvcc.edu/workforce</a>
Mar 28-29	Thomas Nelson Comm College, Hampton	Registration 757-825-2937 <a href="http://www.tncc.edu/workforce">www.tncc.edu/workforce</a>
Apr 10-11	Lord Fairfax Comm College, Middletown	Registration 540-868-7021 <a href="http://www.lfccworkforce.com">www.lfccworkforce.com</a>
Apr 24-25	Blue Ridge Comm College, Weyers Cave	Registration 540-453-2215 <a href="http://www.brcc.edu">www.brcc.edu</a>



# MOTOR VEHICLE DEALER BOARD

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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.

## *What's Wrong With This Picture?*



This Dealer tag has an illegal year sticker on it. All valid dealer tags must have a **purple** colored year sticker, and those purple year stickers are only issued by the MVDB.