



December 2021

Volume 24 Issue 143

DEALER TALK

Inside this issue:

Page 1

- [Dealer Fees Increased - December 1, 2021](#)
- [Closing Temporarily is More Than a Note on the Door](#)
- [Material Misstatements on Sales Applications](#)

Page 4

- [FTC Puts Hundreds of Businesses on Notice about Fake Reviews and Misleading Endorsements](#)

Page 5

- [Ransomware risk: 2 preventative steps for your small business](#)

Page 6

- [Roanoke Used Car Dealerships Burglarized..](#)
- [Do You Understand the Components of Your Garage Insurance Policy?](#)

Page 8

- [Board Actions](#)

Page 9

- [Independent Dealer Operator Course Schedule](#)

Page 10

- [What's Wrong With This Picture?](#)
- [Addition To MVDB Staffing](#)
- [News Release—DMV Expands Walk-in](#)

Upcoming Events!

Thursday 12/23/2021

Closed for Holiday.

Friday 12/24/2021

Closed for Holiday.

Friday 12/31/2021

Closed for Holiday.

[Get Board Meeting Details](#)

Dealer Fees Increased - December 1, 2021

During its July 2021 meeting the Motor Vehicle Dealer Board (Board) unanimously voted an increase in fees to cover the costs of much needed technology advances, and increasing operating expenses. [Cont'd on pg. 2](#)

Closing Temporarily is More Than a Note on the Door

The MVDB understands that the last two years have been difficult for many dealerships and their staff. As the state slowly reopened, dealerships were provided with an opportunity to gradually return to posted business hours and, as always, adjusting those hours as needed in accordance with Virginia Code Section 46.2-1533.

Many business have the luxury of closing by just posting a note on the door and going home. As a licensed dealer in the Commonwealth, closing temporarily is more than a quick hand-written or typed note on the door.

[Cont'd on pg. 3](#)

Material Misstatements on Sales Applications

Regarding MVDB 61 form, be sure to completely fill out the Salesperson Application in its entirety. Be sure that both the applicant AND the dealer sign the fully completed form. The Board recommends that the sales applicant enter all the information in sections (1), (2), and (3) of the MVDB 61 and sign at the bottom of section (3). In section (3), if the applicant has convictions, **be sure to truthfully disclose** convictions by checking the appropriate box "yes". Convictions alone may not exclude an applicant from being licensed, but checking "no" on the application, [Cont'd on pg. 2](#)

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



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

Fee Increases Effective December 1, 2021

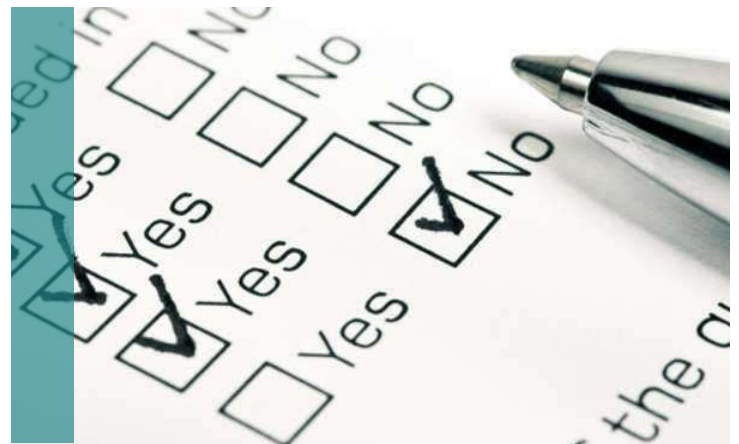
.... [Cont'd from pg. 1](#) For more information, see the October 2021 Dealer Talk Newsletter.

Category	Current Fee	Effective Dec. 1, 2021
Dealer Certificate	\$225	\$270
Endorsements	\$25	\$50
Salesperson License **	\$30	\$50
Foreign Registrant	\$75	\$100

****Includes Originals, Transfers and Renewals**

Material Misstatements on Sales Applications

.... [Cont'd from pg 1](#) when the dealer generated background check reveals convictions, is considered a material misstatement and grounds for denial. The dealer should review the application for accuracy. Make sure the information in section (3) and the dealer generated background check reflects the same information; complete section (4), sign as the employing dealer, and include the proper fee before mailing the application to the Board. It is further recommended that applicants do not sign a blank form, nor should a dealer sign a form that is blank. This ensures that there is no



misunderstanding or material misstatement transmitted to the Board that can delay or deny an application. Finally, remember that applicants may NOT engage in any sales activities until the sales license is processed by MVDB and in the possession of the salesperson.

REMINDERS.....

All PoD temporary tags must be printed on the weather resistant paper supplied by the DMV Dealer Services Work Center. The PoD tags are not authorized to be emailed or faxed to customers. Orders for the PoD paper will be accepted through the DMV Dealer Services Work Center. To place an order, send an email to: podtemptag@dmv.virginia.gov with the following information: dealer name, dealer number, shipping address, order quantity, tag size (s) (standard/ small), and printer make/ model number. Approved order requests will be shipped within five business days.

Closing Temporarily is More Than a Note on the Door

.... [Cont'd from pg. 1](#) Emergencies happen and unexpected illness may require that your dealership close for an extended period of time. It is recommended that each dealer designate an employee, family member, or trusted individual to notify the MVDB of any extended closure. Posting a note on the door explaining to your customers why your establishment is closed may be great for public relations but does not satisfy requirements set forth by the Board and §46.2-1533. In addition, failure to properly notify the Board may result in a violation should a random inspection occur during an undocumented closure.

Take a moment to plan for the unexpected by following these four simple steps:

1. Create an emergency closure folder that includes a copy of the MVDB-40 Dealership Temporary Closing Notice, your Field Representative's telephone number and email address as well as MVDB contact information.

2. Email the MVDB-40 to the MVDB and post a copy of the MVDB-40 on the dealership entrance.
3. Update the notice as needed and communicate with your Field Representative to receive guidance if an extended period of closure becomes necessary.
4. All requests for temporary closures (typically 30 - 60 days) should be addressed to the Executive Director. This type of temporary closure does not count towards your authorized days closed per year. If approved, you will have to relinquish your dealer license, all salesperson licenses and your dealer plates while your dealership is temporarily closed. All items will be promptly returned to you upon reopening. For more information contact the Board.

NOTE: Creating an emergency closure folder is one simple way to plan for the unexpected. You may also contact your Field Representative to provide the name of your designee so that it may be documented in the event that your dealership closes with explanation.

REMINDERS.....

If you are a Franchise dealer and renewing your license, please be sure to state all your franchise and service agreements on the MVDB 10 renewal license form. On the second page of the MVDB 10 renewal form, in box number 7, there is space to list all the line-makes of the vehicles you are authorized to sell in Virginia. (Do not list individual models of vehicles.) For example, a franchise dealer might list the manufacturer as Volvo, the address of Volvo, and the line-makes Volvo. Box number 7 has space for 4 line makes, but if you have more than 4 franchise agreements, please list them on a separate page. In box number 8, list the name and address of individual awarded franchises or sales agreements. For example, the owner and the owner's home address that was the individual awarded the franchise or sales agreement. Again, if you need additional space, list the Franchise names and addresses on a separate sheet and include this with your renewal.

FTC Puts Hundreds of Businesses on Notice about Fake Reviews and Misleading Endorsements

The Federal Trade Commission is blanketing industry with a clear message that, if they use endorsements to deceive consumers, the FTC will be ready to hold them responsible with every tool at its disposal.

The rise of social media has blurred the line between authentic content and advertising, leading to an explosion in deceptive endorsements across the marketplace. Fake online reviews and other deceptive endorsements often tout products throughout the online world. Consequently, the FTC is now using its Penalty Offense Authority to remind advertisers of the law and deter them from breaking it. By sending a Notice of Penalty Offenses to more than 700 companies, the agency is placing them on notice they could incur significant civil penalties—up to \$43,792 per violation—if they use endorsements in ways that run counter to prior FTC administrative cases.

“Fake reviews and other forms of deceptive endorsements cheat consumers and undercut honest businesses,” said Samuel Levine, Director of the FTC’s Bureau of Consumer Protection. “Advertisers will pay a price if they engage in these deceptive practices.”

The Notice of Penalty Offenses allows the agency to seek civil penalties against a company that engages in conduct that it knows has been found unlawful in a previous FTC administrative order, other than a consent order.

The Notice sent to the companies outlines a number of practices that the FTC determined to be unfair or deceptive in prior administrative cases. These include, but are not limited to: falsely claiming an endorsement by a third party; misrepresenting whether an endorser is an actual, current, or recent user; using an endorsement to make deceptive performance claims; failing...



to disclose an unexpected material connection with an endorser; and misrepresenting that the experience of endorsers represents consumers’ typical or ordinary experience.

What kinds of advertising crosses the line? Among other things, companies that use endorsements

- Can’t misrepresent that an endorser is an actual, current, or recent user of a product
- Can’t misrepresent that endorsers’ experiences represent people’s typical experiences
- Can’t use an endorsement without good reason to believe the endorser still holds the views expressed
- Can’t use an endorsement to make deceptive claims about how a product performs, and

Can’t fail to disclose an unexpected relationship between the endorser and the advertiser, like a business or family relationship, a payment, or a gift of a free product.

The Notice could apply not only to a company’s own ads but also to its use of influencers, fake reviews, and reviews by customers with connections to the company.

Companies receiving the notice represent an array of large companies, top advertisers, leading retailers, top consumer product companies, and major advertising agencies. A full list of the businesses [receiving the Notice](#) from the FTC is available on the FTC’s website. A recipient’s presence on this list does not in any way suggest that it has engaged in deceptive or unfair conduct.

Ransomware Risk: 2 preventive steps for your small business

If recent headlines about ransomware attacks on companies have you worried, your concerns are well-founded. Earlier this year, the Department of Homeland Security's Cybersecurity & Infrastructure Security Agency – you may know them as CISA – issued a [Fact Sheet on Rising Ransomware Threat to Operational Technology Assets](#). The computer criminals who traffic in ransomware try to exploit vulnerabilities in technology and soft spots in human nature. The FTC suggests two steps your small business can take to bolster your digital defenses on both fronts.

Step #1. Make sure your tech team is following best practices to fend off a ransomware attack. One key protective step is to set up offline, off-site, encrypted backups of information essential to your business. Furthermore, share the [CISA Fact Sheet](#) with your IT staff. Underline, *italicize*, CAPITALIZE just how important it is for them to stay current on the latest word from the leading federal agency on defending against these threats and on updates from other trustworthy public-private partnerships. CISA's [ransomware resources](#) – including its [Ransomware Guide](#) – should be required reading. This isn't something to save for a slow day at the office. Your IT team should immerse themselves in the latest advice from CISA and other authoritative experts.

Step #2. Schedule a security refresher for your employees. Ransomware isn't just an issue for IT professionals. Perps often use email to your staff as their entryway into your system. By clicking on a link or downloading an attachment, a distracted staffer could inadvertently hand a computer criminal the keys to your corporate kingdom. But as companies up their defensive game, the bad guys have responded. Some use publicly available information or stolen data about an employee to craft a more personal message. Rather than a misspelled mess that screams scam from the start, the email – or phone call, text, etc.—may appear at first glance to be legitimate business correspondence or even a message from a colleague. A small business's best defense is a workforce trained in the tricks that

CYBERSECURITY FOR SMALL BUSINESS

ftc.gov/smallbusiness

RANSOMWARE

cybercriminals are likely to use. Other important protections are: 1) rigorous authentication procedures; and 2) a company policy that requires passwords for employee credentials and administrative functions to be long and complex. In addition, educate your staff on the folly of using the same password on different platforms, and consider the many benefits of multifactor authentication.

Looking for the FTC's big picture perspective? Read [Ransomware prevention: An update for businesses](#). The FTC also has to-the-point resources you can incorporate into your in-house security training program. Our [Cybersecurity for Small Business](#) suite – created in conjunction with NIST, the SBA, and the Department of Homeland Security – features self-contained topical modules, including one on [ransomware](#). Mix it up with our [videos](#), [fact sheets](#), and [quizzes](#).

The bottom line for business is that ransomware is a federal crime. If you think you've been targeted by a ransomware attack, contact your [local FBI field office](#) immediately. In the meantime, shore up your defenses through technology and training.

Roanoke used car dealerships burglarized; titles, car parts stolen

Best Auto Sales on Salem Turnpike NW was the latest dealership hit October 26, 2021.

Used car dealership owners in Roanoke are fed up. Crooks are stealing car keys, cash and even car titles from Roanoke used car dealerships, according to the dealers and police. The owners are now asking for the public's help.

Best Auto Sales on Salem Turnpike NW was the latest dealership hit on Monday. "They broke the glass. That's how they got in," said owner Besmullah Wahidi.

Once inside, they took camera equipment (including recording devices), car titles, and batteries. A car window in the back of the business was smashed. Wahidi said the inspection sticker was stolen.

"We're very frustrated with this. It's the third time this happened," said Wahidi. "Not only on this car lot, they are doing it at several car dealerships in Roanoke."

VIP Used Cars on Shenandoah Avenue NW was hit Oct. 21, according to the owner and police.

"They took money—about \$40,000. Plus, one vehicle and a bunch of keys—around 20 car keys," said owner Waheed Ismail.

In surveillance footage from that night, you can see at least three people rummage through office drawers and get away with bags of items as well as what appears to be two weapons. Ismail said the weapons were a pistol and a handgun.

"It looks like the way it looks it is the same people," said Roanoke Auto Sales owner Basir Khan.

Located on Melrose Avenue NW, Roanoke Auto Sales was burglarized on Oct. 26.



"They broke the window and came in through the window. They were searching for stuff. They picked up some titles. They took about 10 titles and 5 car keys," stated Khan.

While the intention of stealing car keys is unknown by the dealers, Roanoke police shared with 10 News that car parts are traditionally sold and car titles can be fabricated and sold as well.

"We hope that they get caught and they go to jail. They deserve it," stated Wahidi.

"Instead of robbing other businesses and ruining other people's lives and putting them behind," said Khan, "it's good to get a job."

If you have any information give Roanoke Police a call at (540) 853-2212.

Do You Understand The Components of Your Garage Insurance Policy

Flavor: Something we crave in our daily routine.

Try this flavor-filled description: "There's a sense of cornmeal next to sawdust, oily vanilla, and a hint of fresh honey sweetness that entices your senses. It takes on a caramel corn sweetness as the vanilla carries you towards sweeter woods and cherry fruits. The end is short and sweet with a distant wisp of orange oils next to a slight minerality." [Cont'd on pg. 7](#)



Do You Understand The Components of Your Garage Insurance Policy

.... [Cont'd from pg 6](#) Recently, I found this depiction in an online article on Uproxx. Do you know what's being described? (You'll have to read the whole article or skip to the bottom for the answer.)

With an increase in the complexity of flavors, I would prefer that you discover more appreciation of the product through the layers of taste.

And so it is with your garage insurance policy. The more you understand it, the more you will appreciate it and have the taste for it.

I recently studied a garage insurance policy for a client. (Try not to be jealous.) I found 107 items in the policy which were questionable and needed further investigation as they were important for the dealer. As it turned out, at least 26 were actionable. My initial review drove the premium down from \$109,641 to \$81,511. Based on that audit, here are eight (8) select items for you to consider:

- What is the total value of your land + building + used vehicle inventory (not floor planned) + parts + blue sky? Your liability umbrella should exceed that total number or the business is underinsured in the case of a catastrophic accident.
- Do you have enough employee crime coverage to satisfy a claim resulting from someone stealing a vehicle?

- Do you have an aggregate over your vehicle weather deductible to act as a "stop loss" in the event of a large loss? (For example, if you have a \$1000 deductible and 600 vehicles are damaged, you are out of pocket \$600,000. If you had a \$250,000 aggregate, you would write a check for the \$250,000 and not the \$600,000.)
- Have you compared your vehicle physical damage coverage limits to your actual inventory to determine if you should adjust the policy up or down?
- Did you know this exclusion is in most policies? "Loss caused by an 'employee' if the 'employee' had also committed 'theft' or any other dishonest act prior to the effective date of this insurance and you or any of your partners, 'members', 'managers', officers, directors or trustees, not in collusion with the 'employee', learned of such 'theft' or dishonest act prior to the Policy Period shown in the Declarations."
- How much are you paying for Med Pay coverage? Isn't it duplicative of your basic liability coverage? If you eliminate the coverage, how much money could you save?
- Are you paying extra premium for higher limits on your uninsured and underinsured drivers policy (than you are legally obligated by your state) to pay? How much will this save you? Also, have you considered a separate, higher limit to protect the owners?
- Are you accurately self-reporting the number of dealer tags?

Getting the flavor here?

Make it a priority to review your policy with someone knowledgeable who will go through it and explain everything to you. While it may be distasteful upfront, you'll be glad you did while gaining understanding of what provisions the policy contains.

And, it's not ice cream that was being described above. It was bourbon! Cheers!

Tom Kline, Better Vantage Point

Board Actions

Dealer Practices

Informal Fact-Finding Conferences:

DLM Auto, Inc. and Darian J. Hunter

On September 29, 2021, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain dealer records, failure to provide title within 30 days, misuse of PoD tags, and failure to maintain records of PoD usage, and deceptive acts and practices.

Based on the information provided at the conference, the Board assessed a civil penalty of \$234,650.00; and suspend all licenses and certificates issued by the Board to Darian Hunter until the Department of Motor Vehicles' Law Enforcement Division conducts an investigation into DLM Auto and provides a report from that investigation to the Motor Vehicle Dealer Board during a regularly scheduled meeting. Mr. Hunter may appeal to a formal hearing.

Administrative Actions:

Today's Price Auto and Herman Brackens Jr.

Paid a \$250 civil penalty for failure to maintain dealer records, copies of titles and proof of safety inspection prior to retail sale.

Voyage Auto Sales and Solange Silva

Has agreed to pay a \$50,250 civil penalty for failure to maintain dealer records and maintain records of PoD usage.

Capital Auto Sales and Suleman Qazi

Paid a \$4,550 civil penalty for failure to maintain dealer records, and unlicensed salespersons.

USA Future Properties & Auto Inc. and Brian O'Neil Mason

Paid a \$250 civil penalty for failure to maintain dealer records, and proof of safety inspection prior to retail sale.

Carvana and Earnest G. Garcia, III

Paid a \$1,000 civil penalty for failure to maintain dealer records, copies of titles, proof of safety inspection prior to retail sale, and D-tag usage records.

Covington Honda Covington Nissan and Edward F. Lewis

Paid a \$5,250 civil penalty for unlicensed salespersons, and misleading advertising.

Ace Auto Sales LLC and Stephanie M. Knight

Has agreed to pay \$23,150 civil penalty for failure to maintain dealer records, copies of titles, odometer records, proof of safety inspection prior to retail sale, and maintain records of PoD usage.

Carmix and Ameer Alshammari

Paid a \$250 civil penalty for failure to maintain dealer records, unlicensed salespersons, and salesperson sign.

Durans and Elsa Duran

Suspended for failure to pay a \$3,000 civil penalty for failure to maintain dealer records and maintain records of PoD usage.

Carisma and Husam Abdelaziz

Paid a \$500 civil penalty for failure to maintain dealer records.

Correction

An article appeared in the October 2021 Dealer Talk which stated the Online Dealer fee range up to \$19.00. The Board would like to clarify that the Online Dealer Vendor establishes the online dealer transaction fee, and the dealer must pass on the exact charge of the fee. Va Code allows the vendor to set the fee since the fee is a pass through from the customer. Read §46.2-1530.1 for full details, and click [HERE](#) for the DMV Online Dealer Information.

Independent Dealer Operator Course Schedules

The Following Courses are Registered Through VIADA

2022 Course Schedules

January 11 :

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

January 22 :

VIADA Home Office (1525 Huguenot Road, Suite 200, Midlothian, VA 23113)

February 8 :

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

February 22 :

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

****You can register for your IDO Course on the VIADA website [HERE](#) ****
Or call 800-394-1960

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@mvdv.virginia.gov

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.

Locate Us:

2201 West Broad St.
Suite 104
Richmond, Va. 23220

We are located inside
The BookBindery Building

Contact Us:

804-367-1100

Executive Director:

William R. Childress ext:3002#

Field Representative Supervisor:

Lisa Mack-Nelson ext:3005#

Operations Manager:

Rick Sipe ext:3003#

Agency Analyst/Education:

Ann Majors ext:3016#

Email:

dboard@mvdv.virginia.gov

Dealer Talk Editor:

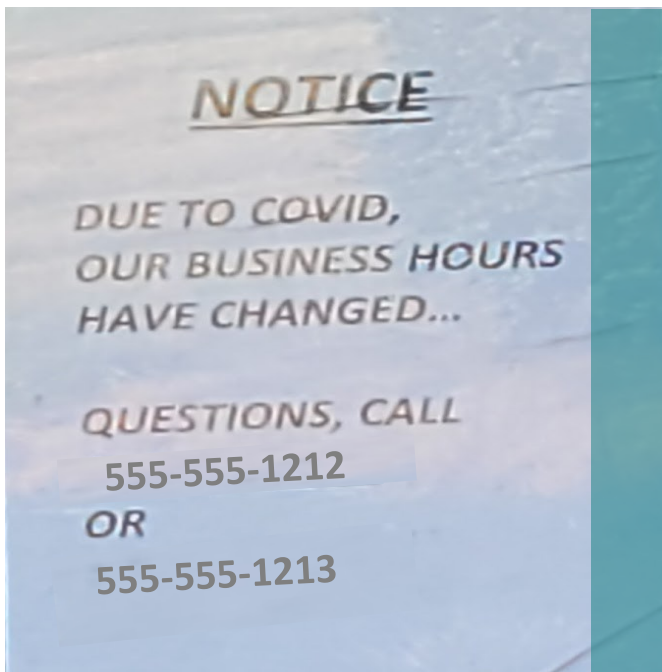
Ann Majors

Layout/Graphics

John Saul



What's Wrong With This Picture?



Improper Notification of Change in Business Hours

If your business hours have changed, then the hours posted on or near the entrance must reflect the new hours. The new hours should be on file with the Board and must meet the minimum requirements set forth in § 46.2-1533.

Addition to MVDB Staffing

The MVDB would like to introduce and welcome James Blasko as the new field rep for the District 3 (Caroline, Culpeper, Essex, Fredericksburg, King George, Lancaster, Northumberland, Orange, Richmond County, Spotsylvania, Stafford, Westmoreland). **Welcome James!**

News Release : DMV Expands Walk-in Availability

DMV Expands Walk-in Availability as Part of New Hybrid Service Plan. Walk-in service now offered Tuesday, Wednesday, Thursday and Saturday; Appointment availability remains Monday and Friday.

You can read the full article [here](#).