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MOTOR VEHICLE DEALER BOARD



Dealer Talk

2014 Dealer Board Committees

At our January 13, 2014 Board meeting, we welcomed seven newly appointed dealer members to the Board, which brings the Full Board to 15 dealer members and 1 vacancy yet to be appointed. The Dealer laws outline the general duties of the Board, and specifies that the full Board establish 5 specific sub committees. Each of these committees must include at least one Board member and the Advertising, Dealer Practices and Transaction Recovery Fund committees must include at least one citizen

member who is not licensed or certified by the Board. The following is a list of the five standing committees and their members:

Advertising

Chip Lindsey, Chair
Roy Boswell, Vice-Chair
Andy Alvarez
David Duncan
Clayton Huber
Art Hudgins
Ronald Kody
Matthew McQueen
Brian Hutchins

Licensing

Joe Tate, Chair
Art Hudgins, Vice Chair

Andy Alvarez
Ted Bailey
David Duncan
David Gripshover
Chip Lindsay
Jacques Moore
George Pelton

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***Come visit us at
our office!***

Upcoming Revisions to VA Advertising Regulations

The "do's and don't's" of motor vehicle dealer advertising by Virginia dealers are laid-out in the Dealer Laws and by Regulations adopted by the MVDB. The MVDB assembled a Task Force to review the regulations. This review resulted in recommendations to make some modifications

to the existing regulations. This link: [Proposed Advertising Regulations](#) will take you to the Virginia Town Hall WEB page where you can view the proposed regulations; read a description of the changes (See the "Agency Statement"); and submit your comments on the proposed regulations.

The Town Hall WEB site also lists the following information in reference to a public hearing that will be conducted to receive comments:

Date and Time: March 10, 2014 at 1:30 pm

Location: Department Of Motor Vehicles (DMV) Headquarters Building

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Upcoming EVENTS

BOARD MEETINGS

All Meetings are held at DMV Headquarters

2300 W. Broad Street, Room 702 Richmond, VA

Monday, March 10, 2014

Time: 9:00 a.m.

Dealer Practices Committee Meeting

Monday, March 10, 2014

Time: Immediately following Dealer Practices

Licensing Committee Meeting

Monday, March 10, 2014

Time: Immediately following Licensing

Advertising Committee Meeting

Monday, March 10, 2014

Time: Immediately following Advertising

Transaction Recovery Fund Committee Meeting

Monday, March 10, 2014

Time: 10:00 a.m.

Full Board Meeting

Advertising Regulations Meeting and Public Comment Town Hall

Time: 1:30 p.m.

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

Holiday Hours

CLOSED:

Monday, February 17, 2014

President's Day



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2014 Dealer Board Committees

Dealer Practices

Ron Kody, Chair

Roy Boswell, Vice-Chair

Gardner Britt

Steve Farmer

Clayton Huber

Brian Hutchens

Chip Lindsey

Matthew McQueen

Chris Maher

George Pelton

Joe Tate

Franchise Review and Advisory Committee

George Pelton, Chair

Joe Tate, Vice-Chair

Gardner Britt

Art Hudgins

Chris Maher

Jacques Moore

Vacant

Transaction Recovery Fund

Ted Bailey, Chair

Brian Hutchens, Vice Chair

Andy Alvarez

Steve Farmer

David Gripshover

Ron Kody

Matthew McQueen

Art Hudgins

Vacant

If you are interested in serving on the Motor Vehicle Dealer Board, please submit your online application by clicking on the picture below.



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Reminders...

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

FTC Announces Sweep Against 10 Auto Dealers

The Federal Trade Commission announced on January 9, 2014 that nine auto dealers agreed to settle deceptive advertising charges, and the agency is taking action against a 10th dealer, in a nationwide sweep focusing on the sale, financing, and leasing of motor vehicles.

According to the complaints, the dealers made a variety of misrepresentations in print, Internet, and video advertisements that violated the FTC Act, falsely leading consumers to believe they could purchase vehicles for low prices, finance vehicles with low monthly payments, and/or make no upfront payment to lease vehicles. One dealer even misrepresented that consumers had won prizes they could collect at the dealership.

"Buying or leasing a car is a big deal, and car ads are an important source of information for serious shoppers," said Jessica Rich, director of the FTC's Bureau of Consumer Protection. "Dealers' ads need to spell out costs and other important terms customers can count on. If they don't, dealers can count on the FTC to take action."

'Operation Steer Clear' is the latest effort from the FTC to protect consumers in the auto marketplace. The dealerships that settled are charged as follows:

California

Casino Auto Sales of La Puente, Calif., and Rainbow Auto Sales, of South Gate, Calif., allegedly violated the FTC Act by deceptively advertising that consumers could purchase vehicles at specific low prices when, in fact, the price was \$5,000 higher. Both dealers' ads involved a mix of English and Spanish. Honda of Hollywood, Los Angeles, and Norm Reeves Honda of Cerritos, Calif., violated the FTC Act by deceptively advertising that consumers could pay \$0 up-front to lease a vehicle when, in fact, the advertised amounts excluded substantial fees and other amounts. The ads also allegedly violated the Consumer Leasing Act (CLA) and Regulation M, by failing to disclose certain lease related terms. Norm Reeves Honda's ads also allegedly violated the Truth in Lending Act (TILA) and Regulation Z, by failing to disclose certain credit related terms.

Georgia

Nissan of South Atlanta of Morrow, Ga., allegedly violated the FTC Act by deceptively advertising that consumers could finance a vehicle purchase with low monthly payments when, in fact, the payments were temporary "teasers" after which consumers would owe a different amount. The ads also allegedly violated TILA and Regulation Z, by failing to disclose certain credit related terms.

Illinois

Infiniti of Clarendon Hills of Clarendon Hills, Ill., allegedly violated the FTC Act by deceptively advertising that consumers could pay \$0 up-front to lease a vehicle when, in fact, the advertised amounts excluded substantial fees and other amounts. The ads also allegedly violated the CLA and Regulation M, by failing to disclose certain lease related terms.

North Carolina

Paramount Kia of Hickory, N.C., allegedly violated the FTC Act by deceptively advertising that consumers could finance a purchase with low monthly payments when, in fact, the payments were temporary "teasers" after which the consumer would owe a much higher amount, by several hundred dollars. The ads also alleg-

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Reminders...

If you apply for a Supplemental (off-site sale) license here are a few points to keep in mind:

1. From the MVDB website, Download, print and fill out the MVDB-22 form.
2. Dealers must apply **no later than 15 days prior** to the sale.
3. The off-site sale cannot exceed 7 days.
4. Consecutive licenses cannot be issued for the same jurisdiction.
5. If the sale is **OUTSIDE** of your jurisdiction, or an adjacent jurisdiction, no later than **30 days prior to the sale**, you must notify by certified letter (invitation) to each dealer(s) in the county, city, or town where and when your sale will be. Be sure to attach a copy of your invitation & your mailing list with your application.
6. Dealers may only be issued a maximum of eight (8) Temporary Supplemental (off-site) licenses per year.

Click [HERE](#) to download the MVDB-22 form.

If you need further assistance, please contact the Board at dboard@mvdb.virginia.gov

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Upcoming Revisions to VA Advertising Regulations

2300 West Broad Street, Room 702
Richmond, Virginia 23220.

In summary, the proposed regulations “clean-up” some of the language in the existing regulations and delete some regulations that are covered in the Advertising Laws. The most significant proposed change is centered on the current requirement that dealers retain a copy of all advertisements for a period of 60 days. The proposed regulations deletes this requirement for internet advertisements and print advertisements as it is believed this is an unnecessary burden on dealers. Experience has shown that consumers and Dealer Board Staff print internet advertisements that are questionable. For print advertisements, staff will either have a copy or the consumer will provide it. It is not likely that the Board staff or consumers will be able to make a “copy” of a questionable radio or television advertisement. Therefore the proposed regulations only require dealers to retain TV and radio advertisements for a period of 60 days.

We urge all dealers to go to the Town Hall WEB page link noted above and view the various documents linked to that page and to submit your comments through the Town Hall or if you prefer, you may submit comments directly to the Board by Fax (804-367-1053), mail (2201 West Broad Street; Suite 104, Richmond, VA 23220) or by email (bruce.gould@mvdb.virginia.gov) The deadline for submitting comments is March 28, 2014

DID YOU KNOW ??

.....That Governor Terry McAuliffe announced that Telos Corporation, a leading cybersecurity company, will invest \$5 million in its operations in Loudoun County. The company will undergo a major renovation to its headquarters facility and increase cybersecurity capacity, creating 160 new jobs over 36 months. Virginia successfully competed against Maryland for the project, and also retains 240 existing jobs.

DMV on the go, with VADMV mobile apps!



.....That as of July 1, 2013, there were a total of 7,999,618 vehicles registered in the state of Virginia. This number includes passenger vehicles, light duty trucks, motor cycles, heavy duty truck/tractors, trailers, buses, and equipment.

That is quite a sales opportunity for Dealers, with the start of “tax refund season”!

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Board Actions

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Dealer Practices

Franco Auto Sales and Marden Vasconcelos. An inspection of this dealership showed that he did not have insurance on either of his two dealer tags. In addition when completing his application for these tags he did not have insurance, yet he indicated on the application form that he did have insurance. He was given the opportunity to pay a \$1,000 civil penalty or participate in an informal fact-finding conference. He decided to participate in a conference and on August 28, 2013, an informal fact-finding conference was conducted to address the alleged violations of lack of D-tag insurance, acts of officers, material misstatement, and failure to comply. The Board assessed a \$1,000 civil penalty against Franco Auto Sales and Marden Vasconcelos.

Carmaster's of Arlington and Erica and Theron Lusk. The MVDB had received seven consumer complaints on this dealer including six in a four month period -- all related to titles. In addition, a field representative inspection revealed 42 sales by an unlicensed individual (License refused by MVDB because of criminal background) and numerous record keeping problems. On November 18, 2013, an informal fact-finding conference was conducted to address the alleged violations of dealer records, buyer's order, odometer disclosure, licensed salesperson/birddog, temporary registration, certificate of title issued to dealers or reassignment, misuse of D-tags, records to be kept by dealers for inspection, acts of officers, material misstatement, failure to comply with a written warning, defrauding of a retail buyer, having used deceptive acts or practices, possessing titles which have not been completely and legally assigned to dealer, and failure to submit fees to DMV within 30 days. The attorney for the Lusks spoke at the Dealer Practices Committee meeting. After some discussion, the Lusks, their attorney, and the Committee agreed to recommend to the Full Board that they waive making a decision on their case and to convene a Formal Hearing. The Full Board agreed with the decision to waive the informal fact-finding conference and move to a Formal Hearing.

M&M Autobrokers and Mark Malek. A September inspection of this dealership revealed apparent miss-use of temporary transport tags and in record keeping. A consumer complaint supported the allegation of misuse of transport tags. On October 23, 2013 an informal fact-finding conference was conducted to address the alleged violations of use of temporary transport tags, transport tag record of usage and issuance, acts of officers and failure to maintain D-tag liability insurance. Based on the information provided at the conference, the Board assessed a \$1,000 civil penalty against M&M Autobrokers and Mark Malek, and require a satisfactory inspection within 60 days.

Fahad Auto Sales and Jassam Mohammed Sarhan. A series of inspections of this dealership over the course of about three years and a consumer complaint revealed a number of deficiencies including misuse of dealer and temporary tags; record keeping; maintaining office hours; and open title. As a result on December 3, 2013, an informal fact-finding conference was conducted to address a number of alleged violations including dealer records, business hours, misuse of D-tags, records to be kept by dealers for inspection, issuing temp tags using misstatements and false information, failure to comply with a written warning, defrauding of a retail buyer, having used deceptive acts or practices, possessing titles which have not been completely and legally assigned to dealer, and failure to submit fees to DMV within 30 days. Based on the information provided at the conference, the Board assessed an \$8,000 civil penalty against Fahad Auto Sales and Jassam Mohammed Sarhan; a suspension of all licenses and certificates issued by the Board until Mr. Sarhan successfully completes the dealer-operator and Fahad Auto Sales has a satisfactory inspection.

Board Actions

Supermax Autos and Chadi Chit Dirani. An MVDB Field representative attempted to conduct a random inspection of this dealership. The owner and dealer-operator were not onsite, so the inspection was conducted with the landlord. No records were found on sight and the MVDB Field Rep was told that the insurance policy was cancelled some time ago and no evidence was found to show that a new policy was obtained. As a result, on June 3, 2013, an informal fact-finding conference was conducted to address the alleged violations of dealers required to have established place of business, display of salesperson's license notice on termination, dealer records, odometer disclosure statements, prohibited solicitation and compensation, transferable license plates, use of dealer's license plates, failure to be responsible for the acts of the dealers salespersons, material misstatements, failure to comply, and failure to maintain auto liability insurance for all dealer plates assigned. At its July meeting the Board adopted a resolution to assess a civil penalty of \$5,000 and to revoke all licenses and certificates issued by the Board to Mr. Dirani and Supermax Autos. On August 12, 2013, Mr. Dirani appealed the decision and requested a Formal Hearing. On October 23, 2013, a Formal Hearing was conducted to address the above violations. Based on the information provided at the conference, the Board assessed a \$5,000 civil penalty against Supermax Autos and Chadi Chit Dirani; and revoked all licenses and certificates issued by the Board to Mr. Dirani.

Preowned Luxury Vehicles, LLC and Wilson M. Goode. Over a six year period, seven inspections of this dealership were conducted. None of which were satisfactory. On May 24, 2013, an informal fact-finding conference was conducted to address the alleged violations of displaying of salesperson's license notice on termination, dealer records, odometer disclosure statements, prohibited solicitation and compensation, inspection of vehicles required, issuance and use of temporary transport plates, non-compliance to written warning, and having used deceptive acts or practices. At its July meeting the Board adopted a resolution to assess a civil penalty of \$3,500 against Mr. Goode and Preowned Luxury Vehicles, LLC; that he have a satisfactory inspection by a Motor Vehicle Dealer Board Field Representative; and that he successfully complete and pass the dealer-operator two-day study course. On July 22, 2013, Mr. Goode appealed the decision and requested a Formal Hearing. On September 17, 2013, a Formal Hearing was conducted to address the above violations. Based on the information provided at the conference, the Board assessed a \$3,500 civil penalty against Preowned Luxury Vehicles, LLC and Wilson M. Goode.

Shirley Slack Mitsubishi, and Shirley Slack, paid a \$2,000 civil penalty for unlicensed salespersons.

Autobility Inc., and Kenneth W. Westall, paid a \$1,500 civil penalty for salesperson sign and transferable license plate records.

Davis Auto Sports, LLC and Johnathan P. Davis, paid a \$500 civil penalty for underinsured D-tags.

Salem Auto Show, Inc., and Ramsey Salem, paid a \$500 civil penalty for salespersons not on a W-2.

B&B Auto Sales, and Kevin W. Brewer, paid a \$350 civil penalty for misuse of D-tags.

Nour's Auto Sales, and Nouredine Houssni, paid a \$500 civil penalty for salespersons not on W-2.

Board Actions

Licensing

Tarik Gurel of Towne Auto Brokers, Inc. In August of 2012, Mr. Gurel was convicted of a misdemeanor that was related to the sale of a motor vehicle. When renewing his license, he noted that he had never been convicted of any criminal act involving the sale of a motor vehicle. On October 9, 2013, an informal fact-finding conference was conducted to address the alleged violations of having made a material misstatement on a renewal application and having been convicted of any criminal act involving the business of selling vehicles. Based on the information provided at the conference, the Board assessed a civil penalty of \$250 and to approve Mr. Gurel's application for renewal of sales license.

Zaki Mohamed Stwodah of The Auto Connection. Mr. Stwodah was convicted of a misdemeanor for altering a title. On his renewal applications he answered "No" to the question of having ever been convicted of a criminal act in connection with the automobile sales business. On September 5, 2013, an informal fact-finding conference was conducted to address the alleged violations having made a material misstatement on a renewal application, having used deceptive acts or practices, and having been convicted of any criminal act involving the business of selling vehicles. Based on the information provided at the conference, the Board assessed a \$3,000 civil penalty against Zaki Mohamed Stwodah and all licenses and certificates issued by the Board be revoked.

Jay I. Martin of Mannie's Auto Center. In May of 2013, Mr. Martin was convicted of a misdemeanor for misuse of dealer tags. In July, he submitted renewal applications and on those applications he answered "NO" to the question of having ever been convicted of a criminal act in connection with the automobile sales business. On December 8, 2013, an informal fact-finding conference was conducted to address the alleged violations of having made a material misstatement on a renewal application, and having been convicted of any criminal act involving the business of selling vehicles. Based on the information provided at the conference, the Board assessed a \$750 civil penalty against Jay I. Martin, and require that he successfully complete the dealer-operator course, by July 13, 2014.

Francis A. Masika, Salesperson. Mr. Masika was last licensed in early 2010. After hearing all the evidence concerning Mr. Masika's convictions, consumer complaints and payments from the Recovery Fund on judgments against Town Automotive, where he was the owner and dealer-operator, the Board revoked all licenses and certificates issued to Mr. Masika and assessed a \$5,000 civil penalty on him. Mr. Masika submitted a salesperson application in July of 2013 and that application was denied. Mr. Masika appealed the executive director's decision to deny the license application, and on November 20, 2013, an informal fact-finding conference was conducted to address the alleged violations of revocation of license or certificate of registration on payment from the Fund, defrauding or damaging a retail buyer, having used deceptive acts or practices and having been convicted of a felony. Based on the information provided at the conference, the Board assessed a \$5,000 civil penalty against Francis A. Masika; and denied Mr. Masika's application for a salespersons license.

Kelly D. Horton, Salesperson. In April of 2013, a claim for payment from the Transaction Recovery Fund was filed against Horton Truck and Equipment Sales (Dealership owned and operated by Mr. Horton). The claimant had obtained a default judgment of fraud against the dealership and the judgment was not paid. The Board determined that the claim did not meet the criteria for payment from the Fund as the fraud involved the sale of a motor vehicle and not a purchase. Mr. Horton is currently a licensed salesperson. On November 20, 2013, an informal fact-finding conference was conducted to determine if action should be taken against Mr. Horton for alleged viola-

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Board Actions

tions of defrauding or damaging a retail buyer or any other person in the conduct of the licensee's or registrant's business and having used deceptive acts or practices. Based on the information provided at the conference, the Board took no further action against Kelly D. Horton.

Frank Morales, Salesperson. Board staff had been collecting evidence that Mr. Morales had compensated unlicensed individuals (bird dogging), had been convicted of a felony and on at least eleven applications submitted to the Board indicated on these applications that he had never been convicted of a felony, had sold and was compensated for selling motor vehicles without first being licensed, and was advertising vehicles for sale from a business that was not licensed to sell motor vehicles. As a result of this evidence, the executive director denied the transfer application submitted by Mr. Morales. Mr. Morales appealed this decision. On September 26, 2013, an informal fact-finding conference was conducted to address the alleged violations of prohibited solicitation, salesman selling for other than employer, material misstatement, failure to comply, and deceptive acts or practices. Based on the information provided at the conference, the Board assessed a \$7,500 civil penalty against Frank Morales; and denied Morales' application to transfer his salespersons license.

Michael S. Pascual, Salesperson, paid a civil penalty of \$250, for material misstatement.

Advertising

Harrisonburg Nissan, Inc., and Edward Lewis paid a civil penalty of \$500 for dealer rebate advertising violation.

Staunton Nissan & Subaru, Inc., and Edward Lewis, paid a civil penalty of \$500.00 for dealer rebate advertising violation.

NOTE: Depending on the circumstances, all Board Actions may be appealed to Circuit Court, or for an administrative hearing.

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

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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
2014		
Feb 11-12	Paul D Camp in Franklin	Renee Brown 757-569-6050 www.pdc.edu/workforce-development
Feb 25-26	VA Western in Daleville	Registration 540-966-3984 www.virginiawestern.edu
Mar 11-12	Northern VA in Manassas	Registration 703-257-6634 www.nvcc.edu
Mar 25-26	New River in Dublin	Patty Ryan 540-257-6722 Ext: 4352 www.nr.edu/workforce/
Apr 08-09	Lord Fairfax in Middletown	Registration 540-868-7021 www.lfccworkforce.com
Apr 22-23	J Sargeant Reynolds in Henrico/Richmond, Parham Rd	Sandy Jones 804-523-2293 www.ccwa.vccs.edu
May 06-07	Thomas Nelson in Hampton	Registration 757-825-2937 www.tncc.edu
May 20-21	Blue Ridge in Weyers Cave	Registration 540-453-2215 www.brcc.edu
Jun 03-04	Germanna Fredericksburg	Kelly Bennett 540-937-2913 www.germanna.edu/workforce
Jun 17-18	Danville Danville	Donna 434-797-6437 www.dcc.vccs.edu/workforce
Jul 01-02	Northern VA in Woodbridge	Registration 703-257-6634 www.nvcc.edu

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FTC Sweep

edly violated the TILA and Regulation Z, by failing to clearly and conspicuously disclose certain credit related terms.

Michigan

Fowlerville Ford of Fowlerville, Mich., allegedly violated the FTC Act by sending mailers that deceptively claimed consumers had won a sweepstakes prize, when, in fact, they had not. Some of their ads also allegedly violated TILA and Regulation Z, by failing to disclose certain credit related terms.

Texas

Southwest Kia companies, including New World Auto Imports, Dallas, Texas, New World Auto Imports of Rockwall, Rockwall, Texas, and Hampton Two Auto Corporations, Mesquite, Texas, allegedly violated the FTC Act by deceptively advertising that consumers could purchase a vehicle for specific low monthly payments when, in fact, consumers would owe a final balloon payment of over \$10,000.

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Curbstone

Recently MVDB and DMV had a successful conclusion to a curbstoner. A MVDB Field Representative had been monitoring apparent curbstoning activity in the Shenandoah Valley. The curbstoner's activity in displaying cars increased to a point where his lawn looked like a car lot. The MVDB Field Rep. left his business card at the location requesting the person call him. During the subsequent telephone conversation, and after attempting to advise the person of the laws requiring a license to sell motor vehicles, the person advised the MVDB Field Rep. that this law didn't apply to him, and hung up on the MVDB Representative.

As the illegal motor vehicle sales activity continued, the MVDB Rep. asked DMV Law Enforcement to initiate an investigation. After a DMV agent was assigned, it was decided that DMV would conduct a "Sting" on the alleged curbstoner.

During the sting, a DMV agent was assigned the responsibility to "BUY" a vehicle. After the sale, charges were brought against the curbstoner for violation of 46.2-1508, licenses required, and for violation of 46.2-638, open titles.

Upon arrival to court, the curbstoner's attorney offered a Plea Agreement to plead guilty to 46.2-1508 in exchange for Noelle Pros of the other charges. The court agreed and the judge sentenced **the Curbstoner \$2,500, SUSPENDED \$2,000; COURT COSTS, 2 YEAR ACTIVE PROBATION, 60 DAYS IN JAIL - SUSPENDED ON GOOD BEHAVIOR.**

It is our understanding that the defense attorney made statements to the prosecutor that their decision to seek a plea agreement was based largely on the thorough and well documented report submitted by DMV.

What's Wrong With This Picture?



Effective January 1, 2014, cardboard 30-day temporary tags (red & white) can no longer be issued. If you plan to issue 30-day temporary tags, you must be a participant in the PoD program.

Dealers are required to return any remaining inventory of cardboard 30-day temporary tags (red & white) to a DMV Customer Service Center. Refunds will not be issued for returned tags.

For more information contact jenna.westbrook@dmv.virginia.gov, or call the Dealer Services Help Desk at (804) 367-0901. Please be aware that as of February 1, 2014, there should not be any red and white cardboard 30 day tags on any vehicle.

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MOTOR VEHICLE DEALER BOARD

MVDB

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Visit us on the Web!

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



MVDB Mission Statement

The Motor Vehicle Dealer Board will administer sections of the Commonwealth's Motor Vehicle Dealer Laws and regulations as charged; while providing a high level of customer service for the automotive consumer and dealer community.

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FTC Sweep Against 10 Auto Dealers

The companies also allegedly deceptively advertised that consumers could drive home a vehicle for specific low up-front amounts and low monthly payments when, in fact, the deal was a lease and they would owe substantially more up-front. The ads also allegedly violated the CLA and Regulation M, by failing to disclose certain lease related terms, and the TILA and Regulation Z, by failing to disclose certain credit related terms.

The proposed consent orders settling the FTC's charges in the nine cases are designed to prevent the dealerships from engaging in similar deceptive advertising practices in the future. The orders prohibit the dealerships from misrepresenting in any advertisement for the purchase, financing, or leasing of motor vehicles the cost of leasing a vehicle, the cost of purchasing a vehicle with financing, or any other material fact about the price, sale, financing, or leasing of a vehicle. When relevant, the proposed consent orders also address the alleged TILA and CLA violations by requiring the dealerships to clearly and conspicuously disclose terms required by these credit and lease laws. In the case where the dealerships misrepresented that consumers had won a prize, the proposed order also prohibits misrepresenting material terms of any prize, sweepstakes, giveaway, or other incentive.

In addition, the FTC issued an administrative complaint against Courtesy Auto Group of Attleboro, Mass. The FTC alleges the dealership violated the FTC Act by deceptively advertising that consumers can lease a vehicle for \$0 down and specific monthly payments when, in fact, the advertised amounts exclude substantial fees. The ads also allegedly violate the CLA and Regulation M, by failing to disclose or clearly and conspicuously disclose certain lease related terms.

The Commission vote to issue the administrative complaint was 4-0.