



February 2023

Issue 145

DEALER TALK

Inside this issue:

- Page 1
[Buyer's Order Online Dealer Fees](#)
[Foreign Dealer Licenses](#)
[Renting Dealer Tags & Dealer Certificates](#)
- Page 3
[Processing Fee](#)
- Page 4
[Auto Dealers Optimistic for 2023](#)
- Page 5-6
[Board Actions](#)
- Page 7
[IDO Recert Schedule 2022](#)
- Page 8
[What's Wrong With This Picture](#)

[REMINDERS pg. 2, 3, 4](#)

Upcoming Events!

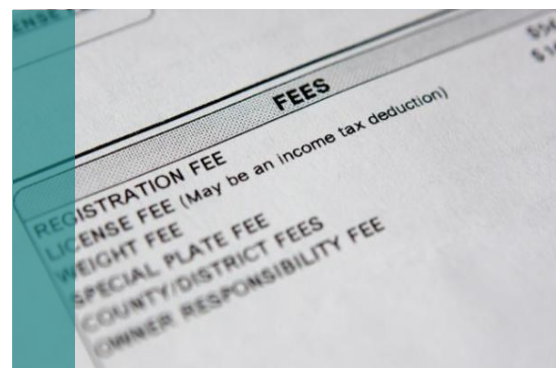
Monday 3/13/2023

- Board Meeting In person at the DMV
2300 W. Broad St. Richmond VA,
23220

[Click here for more details on the
next Board Meeting Details](#)

Buyer's Order Online Dealer Fees

As part of our routine inspections, the Board views overcharging fees to customers on the buyers order to be a violation of Virginia Code, and the Board may take action. If a dealer uses Print on Demand (PoD) 30-day temporary plates or use an Online Dealer system to deliver "hard" plates to the purchaser, the dealer may only pass on to the customer the exact amount the dealer is charged. PoD tags are \$3.00 per set, so the dealer may only charge a purchaser \$3.00 on the buyers order for the 30-day temporary tags. Similarly, the Online Dealer fee varies from vendor to vendor, **the dealer may only charge the exact amount the online dealer vendor charges the dealer.**



[Cont'd on pg. 2](#)

Foreign Dealer Licenses

Motor Vehicle Dealers licensed in states other than Virginia ("Foreign Dealers") may sell motor vehicles at **wholesale auctions** in the Commonwealth of Virginia, after first obtaining a certificate of dealer registration from the MVDB. The certificate issued by the MVDB **does not allow foreign dealers to sell anywhere other than at Virginia based wholesale auctions.** Foreign dealers may not sell at retail in Virginia under any...

[Cont'd on pg. 2](#)

Renting Dealer Tags & Dealer Certificates

The Motor Vehicle Dealer Board and the Department of Motor Vehicles are committed to putting a stop to dealers who lease and/or rent dealer license plates. Va. Code Section [§46.2-1575 \(12\)](#) authorizes the Board to suspend or revoke the license of any dealer who leases, rents, lends or otherwise allows the use of a dealer's license plate by persons not specifically authorized by law [§46.2-1550](#) to legally use the dealer's license plate. [Cont'd on pg. 3](#)

Buyer's Order Online Dealer Fees

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

This requirement applies to both temporary PoD tag fee and the “online systems filing fee.” On a buyer’s order, [§46.2-1530](#) is clear on exactly what fees can be collected by the dealer, on behalf of the customer. The dealer is only collecting the actual fees that the customer would be responsible for if the customer chose to process their own title and registration work themselves.

Bottom line - **dealers are not allowed to increase or approximate these fees** at their discretion. If you are not an online dealer, you cannot charge an online system filing fee on your buyers’ order. Most dealers use a computerized dealer management system for the buyers’ order that allows dealers to calculate these pass-through fees automatically.

Be aware that these automatic calculations are only as good as the information input into the dealer management system. As a best practice, the Board recommends that dealers validate the fees printed on their buyers order with their dealer management system as part of their ongoing computer system maintenance.

Foreign Registrant Dealer Licenses

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

circumstances and may not sell directly to Virginia dealers outside of an auction. It is unlawful for any person licensed in another state as a motor vehicle dealer to sell motor vehicles at wholesale auctions in the Commonwealth of Virginia without first obtaining a certificate of dealer registration as provided for by Virginia Code [§46.2-1508](#).

To obtain a Virginia Certificate of Dealer Registration as a foreign (non-Virginia) dealer to sell motor vehicles at wholesale auctions in the Commonwealth of Virginia, you must:

- Hold a valid Dealer License in your home state. Include a photocopy of that license with your initial or renewal application for registration.
- Complete an application form. MVDB-52 .
- Submit the appropriate fees. The Virginia Certificate of Registration will expire concurrently with your home state license. See our [website](#) for further information.

REMINDERS

Proof of Safety Inspections

Some dealers have failed to provide proof of safety inspection prior to retail sale as required by Virginia Code. Recent MVDB field inspections revealed that many dealers mistakenly believed they can access the safety inspection information online from the Virginia State Police, only to find that the inspection record is not available. Online safety inspection records can only be accessed for a limited amount of time. To ensure the dealer retains documentation of the safety inspection as required by Virginia law, the Board recommends dealers make a photocopy of the inspection certificate and maintain a copy with their dealer records for 5 years.

Renting Dealer Tags & Dealer Certificates

Cont'd from pg. 1

Dealers may not rent their dealer certificate either. A salesperson may not purchase vehicles with their own funds and pay the dealer a fee or commission for each vehicle they sell. A good “rule of thumb” to determine if you may be in violation of Virginia Law is to look at who is paying whom. If a licensed salesperson or anyone else is using a dealer tag issued to your dealership or using your dealer certificate number; and that salesperson is paying you money – then you



are probably in violation of Virginia Law. If this description fits you – please take immediate, corrective action. In short, salespersons and dealers must use dealership funds to purchase vehicles, and dealers must provide proof of dealership ownership of vehicles in their inventory that have been purchased under their dealer license certificate number. Failure to take corrective action could result in the suspension or revocation of your dealer license.

Processing Fee

Virginia Code [§46.2-1530 \(C\)](#) requires that if a processing fee is charged (you don't have to charge one), 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 signage 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.

There are things to consider for a dealer to remain in compliance regarding customer disclosure of a dealer's processing fee:

1. **Notify the Board** when changing your processing fee. This can be done by emailing dboard@mvdv.virginia.gov, or completing an MVDB 10 and mailing or emailing the MVDB 10 to the Board.
2. Be sure to change the processing fee sign posted in your dealership to match the fee provided to the Board.
3. Make sure the processing fee listed on your buyer's order matches the processing fee posted in your dealership and provided to the Board.
4. Check your advertisements, websites, and your online presence to ensure the processing fee has been updated to reflect the new processing fee.

REMINDERS

Unadvertised Fees

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 manufacturers 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.

Automakers are cautiously optimistic for 2023

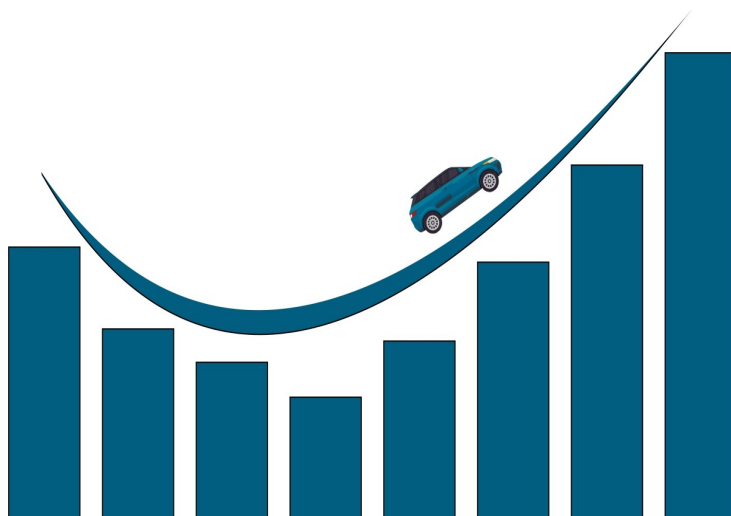
Automakers are hopeful last year's new vehicle sales — the worst in more than a decade — will mark a bottom for the market, at least in the near term.

Industry estimates range from 13.7 million to 13.9 million new vehicles being sold last year in the U.S., a roughly 8% to 9% decline compared with 2021 and the lowest level since 2011 when sales were recovering from the Great Recession.

Toyota and GM said they expect U.S. auto sales to increase to about 15 million vehicles this year. That would be a roughly 9% increase over 2022. S&P Global Mobility and Edmunds expect 2023 new U.S. vehicle sales to be 14.8 million, while Cox Automotive's preliminary forecast is 14.1 million.

The reason for the optimism is two-fold: Sales have been at or near recessionary levels due to parts and supply chain issues, plus demand has piled up from consumers and businesses after years of tight vehicle inventories during the pandemic.

Automakers have reported record or near-record results in recent years amid the tight supply of new vehicles and resilient consumer demand. They have banked on sustained pent-up demand as inventory levels normalize, hoping to avoid heavy discounts or incentives to move vehicles.



Charlie Chesbrough, Cox's senior economist and senior director of industry insights, said he doesn't believe vehicle sales will post any notable increase in 2023 — unless automakers let up on pricing to make them more affordable.

Automakers have largely passed rising commodity costs to build vehicles onto consumers, making the vehicles more expensive. That, combined with skyrocketing interest rates, higher gas prices and broad inflation, has dampened new vehicle demand.

To view the entire article, click on <https://www.cnbc.com/2023/01/06/2022-us-auto-sales-are-worst-in-more-than-a-decade.html>.

REMINDERS

IDO Recertifications

ALL Independent Dealer Operators (IDO) of independent dealerships must recertify their IDO qualification every two years by either taking a digital course (via zoom) or an in person classroom course through an approved MVDB vendor. Click **HERE** for more information about the Recertification program. Please note that dealers with Franchise endorsements are exempt from recertification. If you are unclear about your recertification deadline click **HERE**, and if you have any other recertification questions, contact Ann Majors at the MVDB. She may be reached at **804-998-7785** or email at **ann.majors@mvdb.virginia.gov**.

Board Actions

Dealer Practices

Informal Fact Finding Conferences:

Xceleration Auto Sales and Joe Abed

On December 1, 2022, 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 \$750.00, and a satisfactory inspection .

Mr. Abed may appeal to a Formal Hearing.

Showtime Auto Sales, LLC and Ronnell R. Jenkins

On December 15, 2022, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain dealer records, and failure to provide title within 30 days. Based on the information provided at the conference, the Board assessed a civil penalty of \$7,800.00.

Mr. Jenkins may appeal to a Formal Hearing.

Formal Hearings:

Abdul Ahad Nahibkhil and Blue Ridge Auto Sales, Inc.

On December 6, 2022, a formal hearing was conducted to address the alleged violations. Based on the information provided at the hearing, the Board assessed a civil penalty of \$2,000.00 and successful completion of the 2-day Dealer-Operator course.

Mr. Nahibkhil may appeal to the appropriate Virginia Circuit Court.

Administrative Actions:

River Auto Sales and Susana Kim.

Paid a \$1,000 civil penalty for failure to maintain dealer records, provide roof of safety inspection prior to retail sale and failure to maintain records of dealer plate usage.

The Car Shop Auto Sales LLC and Samuel Maten Chandler.

Paid a \$750 civil penalty for failure to maintain posted business hours.

S4 Auto Sales & Rental LLC, and Shernard Cortez Newby.

Suspended for failure to pay the \$750 civil penalty for maintain in business hours.

Perfect Choice Auto Sales LLC and D'Lanta Remario Taylor.

Suspended for failure to pay the \$750 civil penalty for not maintaining posted business hours.

Alpha Auto & Cycle LLC, and Robert J. Fluellen.

Paid a \$750 civil penalty for failure to maintain posted business hours.

Cars4less and Martin U. Onyirimba.

Paid a \$500 civil penalty for failure to maintain dealer records and proof of salespersons paid on a W-2 .

Virginia Trailer Services, inc. and Randall K. Wilson.

Paid a \$750 civil penalty for failure to maintain posted business hours.

Eagle Auto Sales and Raymond Seward Jr.

Paid a \$1,250 civil penalty for failure to maintain dealer records, and proof of safety inspection prior to retail sale.

Board Actions

Dealer Practices

Administrative Actions:

Winners Circle Chrysler Dodge Jeep and Jarryd Alexander Carver.

Paid a \$750 civil penalty for failure to maintain dealer records and provide proof of salespersons paid on a W-2.

Quality Tires and Autocare, LLC and Marcus D. Heflin.

Paid a \$750 civil penalty for failure to maintain dealer records, provide proof of safety inspection prior to retail sale, and maintain 250 sq. ft. of office space exclusively for the dealership.

KMJ Used Auto Sales and Keith M. Jones.

Suspended and moved to debt set-off for failure to pay a \$3,000 civil penalty for dealer records, provide proof of safety inspection prior to retail sale and maintain Print on Demand records.

Reids Family Auto Sales, LLC and Travis Reid.

Paid a \$1,000 civil penalty for failure to maintain dealer records, provide proof of safety inspection prior to retail sale, provide proof of salespersons paid on a W-2, failure to maintain Print on Demand records.

Garcia Auto Sales, LLC and Matamoros Juan, F. Hernandez.

Paid a \$1,750 civil penalty for failure to maintain dealer records, provide proof of safety inspection prior to retail sale, provide proof of salespersons paid on a W-2, and failure to maintain Print on Demand records.

2K Automotive, LLC and Anthony I Bivins.

Suspended for failure to pay a \$750 civil penalty for failure to maintain posted business hours.

920 Auto Incorporated and Kelly Rondell Perkins.

Paid a \$750 civil penalty for failure to maintain posted business hours.

Enterprise Automotive Financial LLC and Jassam M. Sarhan.

Paid a \$1,000 civil penalty for failure to maintain posted business hours and failure to comply with previous warnings from the Board.

Rosenthal Jaguar Landrover of Tysons Corner, and Robert Peterson.

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

Benkari Autos and Nana Yaw Boffer Karifari and Bernard Kawkye.

Suspended for failure to pay a \$250 civil penalty for failure to maintain dealer records.

Ryder Vehicle Sales, LLC and Eugene Tangney.

Paid a \$250 civil penalty for failure to maintain dealer records.

Autobahn Sales, Inc, and Martin H. Bartloff.

Paid a \$1,200 civil penalty for failure to maintain liability insurance on dealer tags.

Julios Auto Sales, LLC and William Gomez.

Suspended for failure to pay a \$500 civil penalty for failure to maintain dealer records, provide proof of safety inspection prior to retail sale, provide proof of salespersons paid on a W-2 and failure to maintain Print on Demand records.

Flat Rock Auto Sales, LLC and Sergio Leonel Canas.

Paid a \$7,850 civil penalty for failure to maintain dealer records, maintain copies of titles and provide proof of safety inspection prior to retail sale.

Connection Auto Sales Inc, and Liliana D. Garcia Mejia.

Paid a \$250 civil penalty for failure to maintain dealer records and proof of salespersons paid on a W-2.

Carvana, and Ernest G. Garcia III.

Paid a \$3,000 civil penalty for failure to maintain dealer records, failure to maintain Print on Demand records and failure to comply with previous warnings from the Board.

Independent Dealer Operator Course Schedules

The Following Courses are Registered Through VIADA

2023 Course Schedules

March 7 - 8 : Hampton : (Hyatt Place 1905 Coliseum Drive Hampton VA 23666)

March 14 - 15 : Midlothian : (VIADA HQ 1525 Huguenot Rd Suite 200 Midlothian VA 23113)

April 11 - 12 : Danville : (Courtyard by Marriott 2136 Riverside Drive Danville, VA 24540)

April 18 - 19 : Midlothian : (VIADA HQ 1525 Huguenot Rd Suite 200 Midlothian VA 23113)

May 9 - 10 : Hampton : (Hyatt Place 1905 Coliseum Drive Hampton VA 23666)

May 16 - 17 : Chantilly : (Home2Suites 43340 Defender Dr. Chantilly VA 20152)

June 6 - 7 : Harrisonburg : (DoubleTree by Hilton 1400 E. Market St. Harrisonburg, VA 22801)

June 13 - 14 : Midlothian : (VIADA HQ 1525 Huguenot Rd Suite 200 Midlothian VA 23113)

July 11 - 12 : Danville or Bristol : (TBD)

July 18 - 19 : Midlothian : (VIADA HQ 1525 Huguenot Rd Suite 200 Midlothian VA 23113)

August 8 - 9 : Chantilly : (Home2Suites 43340 Defender Dr. Chantilly VA 20152)

August 15 - 16 : Midlothian : (VIADA HQ 1525 Huguenot Rd Suite 200 Midlothian VA 23113)

September 12 - 13 : Harrisonburg or Lynchburg : (TBD)

September 26 - 27 : Midlothian : (VIADA HQ 1525 Huguenot Rd Suite 200 Midlothian VA 23113)

October 19 - 20 : Norfolk : (Norfolk Waterside Marriott 235 E Main St, Norfolk VA)

November 7 - 8 : Midlothian : (VIADA HQ 1525 Huguenot Rd Suite 200 Midlothian VA 23113)

November 14 - 15 : Danville : (Courtyard by Marriott 2136 Riverside Drive Danville, VA 24540)

December 5 - 6 : Chantilly : (Home2Suites 43340 Defender Dr. Chantilly VA 20152)

December 12 - 13 : Midlothian : (VIADA HQ 1525 Huguenot Rd Suite 200 Midlothian VA 23113)

****You can register for your IDO Course on the VIADA website [HERE](#) ****

Or call 800-394-1960

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 Use of Dealer Tags!

Dealers may not use a dealer tag on a vehicle that is being used for a power washing company.

[§ 46.2-1550 \(A\)](#) 4 states in part, "Except as otherwise explicitly permitted in this article, it shall be unlawful for any dealer to cause or permit dealer's plates to be used on..."

4. Vehicles used in conjunction with any other business



Feb. 2023 Issue 145