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Issue 143

DEALER TALK

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Upcoming Events!

Monday 11/14/2022

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](#)

Governor Youngkin Appoints New Board Members

Governor Glenn Youngkin recently appointed 6 new Board members to the Motor Vehicle Dealer Board.

- Thomas Bates, Chairman and CEO of RK Chevrolet in Virginia Beach;
- Trevor E. Coley, General Manager of Camping World RV Sales in Manassas;
- David Lynn, owner of City Wide Auto & Truck Sales in Richmond;
- R.J. Robinson, Jr., Managing Partner of Parks Chevrolet in Richmond;
- Jeff Ballard, owner of Ike's Auto Sales in Pulaski County;
- Nick Rush (Christiansburg), who will serve as the Consumer Representative.

The Motor Vehicle Dealer Board is comprised of 19 members : 17 dealers (10 franchise and 7 Independent), 1 Consumer Representative, and the Commissioner of the Department of Motor Vehicles, who serves as the Board's Chair.

All Board meetings are open to the public and can be streamed and watched live.

Welcome to our newest Board members!

Leasing and Renting Dealer Tags (NOT!)

Virginia 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 under the Virginia Motor Vehicle Dealer Act. If you are an "Independent Contractor" and the dealer you work for has permanently assigned ... [Cont'd on pg. 2](#)

Disclose Your Processing Fee

In advertisements that include the price of vehicles, you must either include your processing fee in the advertised price or in the form of a disclaimer/disclosure. This requirement applies to all advertisements – including dealership websites, online ads, newspaper ads, internet advertising, mailers, specialty auto advertising publications, etc. The law states in part: ... [Cont'd on pg. 2](#)

Independent Dealer-Operator Recertification Requirements

ALL IDO's of independent dealerships must recertify their IDO qualification every **TWO** years by either taking a digital online or an in-person classroom course. Click [HERE](#) for more information and [HERE](#) to determine your recertification deadline.

Due to the large numbers of dealer-operators who need to recertify on or before December 31, 2022, the Board recommends you register for your recertification class as soon as possible.

Hundreds of dealer-operators still need to recertify before the end of 2022. If you want to schedule a time convenient to your business needs, register today!

Do not delay, register and confirm your spot in a recertification class as soon as possible.

Dealers with Franchise endorsements are exempt from the dealer-operator recertification requirements. If you are unclear on your recertification deadline, or any other recertification questions, please contact Ann Majors at the MVDDB. She may be reached at 804-998-7785 or email at ann.majors@mvdb.virginia.gov

Disclose Your Processing Fee

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

"If a processing fee or freight or destination charges are not included in the advertised price, the amount of any such processing fee and freight or destination charge must be (i) clearly and conspicuously disclosed in not less than eight-point boldface type or (ii) not smaller than the largest typeface within the advertisement. If the processing fee is not included in the advertised price, the amount of the processing fee may be omitted from any advertisement in which the largest type size is less than eight -point typeface, so long as the dealer participates in a media-provided listing of processing fees and the dealer's advertisement includes an asterisk or other such notation to refer the reader to the listing of the fees."

Leasing and Renting Dealer Tags

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

a dealer tag to for your use, you may be in violation of the Virginia Law as noted above. If an individual has a salesperson's license issued through a dealership, the dealer must pay them a salary (and/or commission) and the dealer must file an IRS Form "W-2" for each dealership salesperson employee. Independent contractors (Individuals who file IRS Form "1099") are **not** allowed to be permanently assigned a dealer tag, and may use dealer tags for very limited purposes, and only if issued a "**PERMISSION TO USE DEALER LICENSE PLATES**" form ([DSD-27](#))." Additionally, salespersons who are paid on a W-2 and assigned a dealer tag, must work at least **25** hours per week for the dealership.

A salesperson **may not purchase vehicles with their own funds** and pay dealers 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 and that individual is paying you money – then you are probably in violation of Virginia Law. If this description fits you – please take immediate, corrective action. Failure to take corrective action could result in the suspension or revocation of your dealer license.



Keep Records of D-tag Usage

§ 46.2-1548 states in part that, “Any license plates so issued may, during the calendar year or years for which they have been issued, be transferred from one motor vehicle to another, used or operated by the manufacturer, distributor, or dealer, **who shall keep a written record of the motor vehicle on which the dealer's license plates are used.**

This record shall be in a format approved by the Commissioner and shall be open to inspection by any law-enforcement officer or any officer or employee of the Department.”.

As a courtesy to dealers, the MVDB has a D-tag log template on our website [HERE](#). Pictured, is a good



example of a dealership that maintains good written records of D-tag usage. Dealers are not required to copy this process, but dealers should have a process in place that allows for easy retrieval of the information for the dealership and the Field Representative to review the D-tag usage.

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.



REMINDERS..... Maintain Posted Business Hours

It is important that you notify the MVDB, your field representative, or both if your office is going to be closed during your normal posted business hours. § 46.2-1533 (1533) of the Virginia Code states that each motor vehicle dealer must be open a minimum of 20 hours per week of which 10 hours shall be between the hours of 9:00 am – 5:00 pm, Monday through Friday.

The Board strongly recommends that dealers work closely with their local field representatives and main office staff to ensure that you notify the Board using the MVDB 41, or at a minimum, send an email to dboard@mvdb.virginia.gov, giving notice of your closure. The following is a reminder of the penalties for a dealership not maintaining posted business hours.

Educational Warning and Civil Penalty for Violating § 46.2-1533

- 1st § 46.2-1533 violation: Dealer receives an educational warning (email or letter notification)
- 2nd violation, a \$750 civil penalty (if appealed, will eventually come before the Board)
- 3rd violation, the dealer will have an informal hearing, and will appear before the Board

Click on <https://mvdb.virginia.gov/agency-directory/#FieldReps> find your field representative's contact information.



DMV News

Dealer Re-assignments

Proper use of Dealer Re-assignments is critical to ensuring your (or your customer's) paperwork is not delayed or rejected. When completing a dealer re-assignment ensure that all pertinent sections are completed.

- If there are blank re-assignments on the title and you use a separate VAD 20 to re-assign the vehicle then write "VAD 20" and the form number of the new re-assignment form anywhere in the blank re-assignment on the title. This creates an accurate paper trail for the vehicle.
- Remember that if there is a lien on the vehicle the "Signature of Dealer or Authorized Representative" section on the VAD 20 must be signed; failure to do this could result in delays in processing or a call from the lienholder about the lien.
- As a reminder only three dealer re-assignments can be on the VAD 20. The Virginia dealer named as the purchaser in the last or fourth dealer re-assignment must secure a Virginia title in their name before re-assigning the vehicle to another purchaser.

Submitting Held Releases in Online Bundles

If you finalized a transaction with a title held, and now you've received the title and need to submit it to DMV please ensure the following.

[Cont'd on pg. 5](#)

FTC Awards More that \$415,000 to Consumers

The Federal Trade Commission is sending payments totaling more than \$415,000 to 3,508 consumers who financed a car or truck at a Tate's Auto dealership after January 1, 2013, and later had the vehicle repossessed. Tate's Auto, which operated dealerships in Arizona and New Mexico, allegedly deceived consumers about payment information and falsified information on consumers' financing applications.

Eligible consumers will receive a check in the mail, unless they specifically requested a PayPal payment. Recipients should cash checks within 90 days or redeem PayPal payments within 30 days. Consumers who have questions about their refund should call the refund administrator, JND Legal Administration, at 888-964-0009. The Commission never requires people to pay money or provide account information to get a refund.

The FTC sued Tate's Auto in 2018 for inflating consumers' income on financing applications to third-party lenders, as well as deceiving consumers about the lease or financing terms of the vehicles they were buying. Many of Tate's customers were citizens of the Navajo Nation, and Tate's Auto frequently ran radio and print ads in Navajo media. The FTC settled with the auto dealerships in August 2020 and ultimately reached a settlement with the individual defendant in July 2021 that required the defendant to pay money for consumer redress. The FTC wishes to acknowledge the valuable assistance of the Navajo Nation Human Rights Commission during the investigation of this case.

The Commission's interactive dashboards for refund data provide a state-by-state breakdown of refunds in FTC cases. In 2021, Commission actions led to more than \$472 million in refunds to consumers across the country, but these refunds were the result of cases resolved before the U.S. Supreme Court ruled in 2021 that the Commission lacks authority under Section 13 (b) to seek monetary relief in federal court going forward. Because of that ruling, the Commission no longer has its strongest tool to return money to consumers, and it will become harder to provide refunds to consumers harmed by deceptive and unfair conduct going forward. The Commission has urged Congress to restore the Commission's ability to get money back for consumers.

DMV News

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- Include all paperwork that goes with the title that you haven't already submitted with your original transaction. Please remember that the title number should be written in the margin of all supporting documents.
- Held releases should be placed in an envelope labeled "title held release" and sent with your bundle. More than one held release can be included in the same envelope as long as the Virginia title number has been identified on the paperwork.
- Place the Held release envelope on top of your bundle coversheet and send it with your bundle to the Online Vehicle Work Center at 2300 West Broad Street, Richmond, Virginia 23269.

Please note for transactions where you originally processed with a held and received the title before mailing your bundle, that you can put the title with the original pull ticket and notate in the comments/notes section the title number and the change that needs to be made on bundle coversheet.

Requests for NMVTIS Held releases MUST include the Virginia title number and "NMVTIS title release."

Please put NMVTIS held releases in a separate envelope than standard held releases.

Dealer processing locations

The Department of Motor Vehicles has new locations for dealers to get their dealer title and registration transactions processed. Newly opened is Adesa Auto Auction in Northern Virginia. Coming this Fall two more locations will open for processing dealer transactions. The auto auctions are able to process manual dealer title and registration transactions (i.e., original, replacement, substitute and supplemental titles, and all registration transactions).

Work can either be dropped off or mailed to the auctions and will be processed within five business days of the date it is received. Since mailing timeframes will vary, DMV recommends that dealers send all mail with a tracking number. Completed work can either be picked up or mailed back with pre-paid return envelopes provided by the dealer. Check DMV's Dealer Services page online to get more information on each new location.

REMINDERS..... Franchise Dealer Renewals....

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 and attach to the MVDB 10. In box number 8, list the name and address of each awarded franchise(s) or sales agreement(s). 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 package.

IRS Form 8300

The Internal Revenue Service urges businesses required to file reports of large cash transactions to take advantage of the speed and convenience of filing these reports electronically. Although businesses have the option of filing [Form 8300](#), Report of Cash Payments Over \$10,000, on paper, many have already found that e-filing is a faster, more convenient and cost-effective way to meet the reporting deadline. The form is due 15 days after a transaction and there's no charge for the e-file option. Electronically filing Form 8300 is a secure way for businesses to send sensitive information to the IRS. Although many cash transactions are legitimate, information reported on this form can help stop those who evade taxes, profit from the drug trade and engage in terrorist financing and other criminal activities. The government can often trace money from these illegal activities through the payments reported on this and other cash reporting forms. Businesses that file Form 8300 electronically get free, automatic acknowledgment of receipt when they file. In addition, electronic filing is more accurate, reducing the need for follow-up correspondence with the IRS. To file Form 8300 [electronically](#), a business must set up an account with the [Financial Crimes Enforcement Network's BSA E-Filing System](#). For more information, interested businesses can call the BSA E-Filing Help Desk at 866-346-9478 or email them at BSAEFilingHelp@fincen.gov. The help desk is available Monday through Friday from 8 a.m. to 6 p.m. Eastern time. For more information about the reporting requirement, see [FS-2019-1](#), available on IRS.gov. Among other things, the fact sheet includes reporting scenarios for specific businesses, such as automobile dealerships, taxi companies, landlords, colleges and universities, homebuilders and bail-bonding agents. It also lists other resources on IRS.gov related to reporting cash transactions of more than \$10,000.



eCBSV

The Social Security Administration offers an electronic Consent Based Social Security Number (SSN) Verification, Electronic Consent Based Social Security Number Verification (**eCBSV**) service.

This new electronic SSN verification service will help to reduce synthetic identity fraud by comparing data provided electronically by approved financial institution participants with the agency's records. **eCBSV** allows enrolled financial entities (Buy Here, Pay Here) to verify if an individual's SSN, name, and date of birth combination matches Social Security records. Social Security needs the number holder's written consent with a wet or electronic signature in order to disclose the SSN verification. **eCBSV** returns a match verification of "Yes" or "No." If the Social Security Administration (SSA) records show that the SSN holder is deceased, **eCBSV** returns a death indicator. **eCBSV** does not verify an individual's identity.

This fraud protection system will provide fast, secure, and more efficient SSN verifications for the financial services industry and customers using SSA **eCBSV** services. Please note this is a fee based system. [Here](#) is a link to the frequently asked questions page, and for further information, please contact the SSA, via email at eCBSV@ssa.gov, or their phone number 1-833-736-0088.

Board Actions

Dealer Practices

Informal Fact Finding Conferences:

Econo Auto, Inc. and Rasoul G. Paykar

On July 12, 2022, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain dealer records, and deceptive acts and practices. Based on the information provided at the conference, the Board assessed a civil penalty of \$4,850 and a satisfactory inspection of all dealer records and all PoD records. Mr. Paykar can appeal to a Formal Hearing.

Mr. Paykar may appeal to a Formal hearing.

Car Web and Farshad Fakhriyazdi

On July 26, 2022, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain dealer records, provide proof of safety inspection prior to retail sale, title within 30 days, and deceptive acts and practices. Based on the information provided at the conference, the Board assessed a civil penalty of \$4,150, a satisfactory inspection, and complete the 2-day dealer-operator class.

Mr. Fakhriyazdi may appeal to a Formal hearing.

Auto Alvand Imports, LLC and Hossein Maghsoudi

On August 16, 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 \$1,250 a satisfactory inspection and complete the 2-day dealer-operator class.

Mr. Maghsoudi may appeal to a formal hearing.

Formal Hearings:

South America Motors, Inc. and Elva Benites

On June 28, 2022, a Formal hearing was conducted to address the alleged violations of failure to maintain dealer records, PoD records and failure to comply with previous warnings. Based on the information provided at the hearing, the Board assessed a civil penalty of \$8,000, a satisfactory inspection of dealer records and PoD records, and the successful completion of the 2-day Dealer-Operator course.

Ms. Benites may appeal to the appropriate Circuit Court.

ABC Motors and Naftali Lev

On June 28, 2022, a Formal hearing was conducted to address the alleged violations of failure to maintain dealer records, proof of licensed salespersons paid on a W-2 and failure to maintain PoD records. Based on the information provided at the Formal hearing, the Board assessed a civil penalty of \$10,000.00 and a satisfactory inspection.

Mr. Lev may appeal to the appropriate Circuit Court.

Kar Mart, LLC and Dennis J. Rogers

On July 27, 2022, a Formal hearing was conducted to address the alleged violations of failure to maintain dealer records, failure to provide proof of safety inspection prior to retail sale, failure to maintain PoD records, and deceptive acts and practices . Based on the information provided at the hearing, and the dealership is out of business, the Board assessed a \$38,050 civil penalty to Kar Mart and Dennis Rogers.

Mr. Rogers may appeal to the appropriate Circuit Court.

Board Actions

Dealer Practices

Administrative Actions:

Allryde Auto Sales, and Mark Clagett - Paid a \$250 civil penalty for failure to maintain dealer records, and proof of licensed salespersons paid on a W-2.

Happy Days Classics LLC, and Wayne D. Franklin - Paid a \$750 civil penalty for failure to maintain posted business hours.

Empire Auto Imports and Saleh Edries - Paid a \$250 civil penalty for failure to maintain dealer records.

Marshall's Auto Broker, and Marshall E. Dowell, Jr. - Paid a \$750 civil penalty for failure to provide proof of licensed salespersons paid on a W-2.

Abingdon Automart LLC and Robert Andrew Jessee - Paid a \$250 civil penalty for failure to maintain dealer records.

95 Motors, and Bashir Aslami - Paid a \$250 civil penalty for failure to maintain dealer records, licensed salespersons paid on a W-2, and proof of safety inspection prior to retail sale.

GTS Auto Performance and Sharbel Ghaffas - Agreed to pay a \$5,250 civil penalty for failure to maintain dealer records, title within 30 days, and PoD records.

Carplug and Gabriel Wassif - Paid a \$6,100 civil penalty for failure to maintain dealer records, licensed salespersons paid on a W-2, proof of safety inspection prior to retail sale, and deceptive acts and practices.

Auto Plus and Robert A. Mercer - Paid a \$750 civil penalty for failure to provide proof of safety inspection prior to retail sale.

Prestige Motorcars and Hassan Yazdani - Paid a \$500 civil penalty for failure to maintain dealer records, and proof of safety inspection prior to retail sale.

Forward Auto Sales LLC and Mathew Said Johnson - Paid a \$750 civil penalty for failure to maintain dealer records, and dealer tag records.

Tri State Car Broker LLC and Patrick Daniel - Paid a \$1,000 civil penalty for failure to maintain dealer records, proof of safety inspection prior to retail sale, and PoD records.

Pioneer Chevrolet Inc. and Harold J. Crabtree - Paid a \$250 civil penalty for misuse of D-tags.

Auto Chiefs Inc., and Raj Lal - Paid a \$250 civil penalty for failure to maintain dealer records.

Euro Imports and Peter Mikoniatis - Paid a \$750 civil penalty for failure to maintain posted business hours.

Saint Auto Sales LLC, Treyvond Lockhart and Domanique Jones - Agreed to pay \$750 civil penalty for failure to maintain posted business hours.

Hyman Bros. Infiniti of Richmond and Haywood B. Hyman Jr. - Paid a \$2,000 civil penalty for failure to maintain dealer records, proof of safety inspection prior to retail sale, and D-tag records.

McGeorge's Rolling Hills and Marcus A. Lemonis - Paid a \$14,650 civil penalty for failure to maintain dealer records, title within 30 days, provide proof of safety inspection prior to retail sale, PoD records, failure to comply with previous warnings, and deceptive acts and practices.

Nation Motors LLC and Luis Munayco - Paid a \$2,500 civil penalty for failure to maintain dealer records, and licensed salespersons paid on a W-2.

Hyman Bros. Mitsubishi and Haywood B. Hyman Jr. - Paid a \$2,000 civil penalty for failure to maintain dealer records and provide proof of safety inspection prior to retail sale.

Licensing

Informal Fact Finding Conferences:

Abdul Ahad Nahibkhil, Owner/Operator, Blue Ridge Auto Sales - On July 19, 2022, an informal fact-finding conference was conducted to address the alleged violations of deceptive acts and practices and having been convicted of a felony. Based on the information provided at the conference, the Board assessed a civil penalty of \$5,000, and revoke all licenses and certificates to Mr. Nahibkhil. Mr. Nahibkhil may appeal to a Formal hearing.

Independent Dealer Operator Course Schedules

The Following Courses are Registered Through VIADA

2022 Course Schedules

October 20-21 : Roanoke

The Hotel Roanoke & Conference Center (110 Shenandoah Avenue Roanoke, VA, 24016-2025)

November 8-9 : Fredericksburg/Stafford

Holiday Inn Conference Center (20 Sanford Drive, Fredericksburg, VA 22406)

November 15-16 : Hampton

HYATT Place Hampton (1905 Coliseum Drive, Hampton, VA 23666)

December 6-7 : Chantilly

Home 2Suites by Hilton (43340 Defender Drive, Chantilly, VA 20152)

December 13-14 : Richmond/Midlothian

(1525 Huguenot Road, 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:

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Richmond, Va. 23220

We are located inside
The BookBindery Building

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What's Wrong With This Picture?



Proper Use of D-Tags!

§ 46.2-1550 states in part, "Except as otherwise explicitly permitted in this article, it shall be unlawful for any dealer to cause or permit..."

4. Vehicles used in conjunction with any other business.



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