

Meeting Summary
Motor Vehicle Dealer Board
Monday, March 14, 2016

Chairman Rick Holcomb called the Dealer Board meeting to order at 11:09 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. The roll was called and there were 18 Board members present. Present were members Ted Bailey, Liza Borches, Michael Bor, Gardner Britt, David Duncan, Steve Farmer, Robert Fisher, David Gripshover, Clay Huber, Ron Kody, Chris Maher, Geoff Malloy, Matt McQueen, George Pelton, Senior Saghafi, Maurice Slaughter and Joe Tate. (Absent: Jacques Moore). Executive Director William Childress, Bruce Gould, Peggy Bailey, Prin Cowan, Lisa Mack-Nelson, Wanda Neely and Ann Majors represented the Dealer Board. Eric Fiske represented the Attorney General's Office. Alice Weedon was the recording secretary.

PUBLIC COMMENT

There was no public comment.

The January 11, 2016 meeting summary was approved.

STATUTORY COMMITTEE REPORTS

Dealer Practices Committee:

Chairman Ron Kody summarized discussions held and actions that were taken during the Committee Meeting.

- **Gary Higgenbotham Auto Sales and Jeanne Higgenbotham.** Chairman Kody made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact-finding conference as prepared by the hearing officer concerning Gary Higgenbotham Auto Sales, LLC and Jeanne Higgenbotham for alleged violations of Va. Code Sections 46.2-1529, 46.2-1532, 46.2-1537, 46.2-1547 and 46.2-1575 (1). Based on due consideration, the Board believes a civil penalty should be assessed against Higgenbotham Auto Sales, LLC and Jeanne Higgenbotham. The Board hereby assesses a \$2,225.00 civil penalty against Higgenbotham Auto Sales, LLC and Jeanne Higgenbotham; and based on due consideration, the Board believes that Ms. Higgenbotham's dealership should be re-inspected and that the inspection must be satisfactory and that all licenses and certificates issued by the Board to Ms. Higgenbotham should be suspended until such time as she has had a satisfactory inspection. The Board hereby mandates that a Motor Vehicle Dealer Board field representative re-inspect Ms. Higgenbotham's dealership and if the inspection is not satisfactory the Board suspends all licenses and certificates issued by the Board to Ms. Higgenbotham until such time as she has had a satisfactory inspection by a Motor Vehicle Dealer Board Field Representative; and based on due consideration, the Board believes that successfully completing the dealer-operator course would benefit Ms. Higgenbotham in running her dealership. The Board mandates that Ms. Higgenbotham successfully complete the dealer-operator course by September 14, 2016. Failure to successfully complete the course by this date will result in a suspension of all licenses and certificates issued to Ms. Higgenbotham by the Board until such time Ms. Higgenbotham has successfully completed the course.

Steve Farmer seconded. The motion carried unanimously.

- **One Direction Motors and Valentine Anthony.** Chairman Kody made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact-finding conference as prepared by the hearing officer concerning One Direction Motors and Valentine Anthony for alleged violations of VA Code Sections 46.2-1529, 46.2-1529 (1), 46.2-1531, 46.2-1537, 46.2-1547, 46.2-1561, 46.2-1574 and 46.2-1575 (10). Based on due consideration, the Board believes a civil penalty should be assessed against One Direction Motors and Valentine Anthony. The Board hereby assesses a \$2,000.00 civil penalty against One Direction Motors and Valentine Anthony; and based on due consideration, the Board believes that One Direction Motors should be re-inspected by September 14, 2016 and that the inspection must be satisfactory. The Board hereby mandates that a Motor Vehicle Dealer Board field representative re-inspect Mr. Anthony's dealership by September 14, 2016 and if the inspection is not satisfactory the Board suspends all licenses and certificates issued by the Board to Mr. Anthony until such time as he has had a satisfactory inspection by a Motor Vehicle Dealer Board Field Representative; and based on due consideration, the Board believes that successfully completing the dealer-operator course would benefit Mr. Anthony in running his dealership. The Board mandates that Mr. Anthony successfully complete the dealer-operator course by September 14, 2016. Failure to successfully complete the course by this date will result in a suspension of all licenses and certificates issued to Mr. Anthony by the Board until such time Mr. Anthony has successfully completed the course and remitted an additional \$250.00 civil penalty for failing to meet all requirements as stipulated on or before September 14, 2016.

Robert Fisher seconded. The motion carried unanimously.

- **Friendly Motors, LLC and Emmanuel Saintil.** Chairman Kody made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact-finding conference as prepared by the hearing officer concerning Friendly Motors, LLC and Emmanuel Saintil for alleged violations of VA Code Sections 46.2-1508; 46.2-1529; 46.2-1529 (1); 46.2-1530; 46.2-1532; 46.2-1537; 46.2-1539; 46.2-1542; 46.2-1548; 46.2-1550; 46.2-1561; 46.2-1574 and 46.2-1575 (1), (2), (6) and (12). Based on due consideration, the Board believes a civil penalty should be assessed against Friendly Motors, LLC and Emmanuel Saintil. The Board hereby assesses a \$21,750.00 civil penalty against Friendly Motors, LLC and Emmanuel Saintil; and based on due consideration, the Board believes that all licenses and certificates issued by the Board to Mr. Saintil should be revoked. The Board hereby revokes all licenses and certificates issued by the Board to Mr. Saintil.

Chris Maher seconded. The motion carried unanimously.

- **E&M Auto Sales and Eric Wade Jenkins.** Chairman Kody made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact-finding conference as prepared by the hearing officer concerning E&M Auto Sales and Eric Wade Jenkins for alleged violations of VA Code Sections 46.2-1547 and 46.2-1575 (1). Based on due consideration, the Board believes E&M Auto Sales and Eric Wade Jenkins should receive a warning. The Board hereby warns E&M Auto Sales and Eric Wade Jenkins.

Matt McQueen seconded. The motion carried unanimously.

- **Insured Tags:** It was discussed that all dealer tags must be insured. Rick Holcomb directed William Childress and Eric Fiske to re-look at the Insurance verification and how insurance companies write policies for dealer tags. If necessary, contact the insurance companies, then put some guidelines together on how this is to be enforced.

Licensing Committee

Chairman Joe Tate summarized discussions held and actions that were taken during the Committee Meeting.

- **Juan Carlos Arrobas, Sales Applicant.** Chairman Tate made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact-finding conference as prepared by the hearing officer concerning Juan Carlos Arrobas for alleged violations of VA Code Sections 46.2-1575 (1), (6) and (9). Based on due consideration, the Board believes no further action should be taken against Mr. Arrobas. The Board hereby takes no further action against Mr. Arrobas.

Ted Bailey seconded. The motion carried unanimously.

- **Fahriddin J. Kurbanov and Trust Auto, Inc.** Chairman Tate made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact-finding conference as prepared by the hearing officer concerning Fahriddin J. Kurbanov for alleged violations of VA Code Sections 46.2-1575 (2) and (9). Based on due consideration, the Board believes a civil penalty should be assessed against Mr. Kurbanov. The Board hereby assesses a \$1,000.00 civil penalty against Fahriddin J. Kurbanov; and based on due consideration, the Board believes that successfully completing the dealer-operator course would benefit Mr. Kurbanov in running his dealership. The Board mandates that Mr. Kurbanov successfully complete the dealer-operator course by September 14, 2016. Failure to successfully complete the course by this date will result in a suspension of all licenses and certificates issued to Mr. Kurbanov by the Board until such time Mr. Kurbanov has successfully completed the course.

Robert Fisher seconded. The motion carried unanimously.

- **Robert D. Minnix, Salesperson.** Chairman Tate made the motion to table this issue to May 9th Meeting.

Liza Borches seconded. The motion carried unanimously.

Advertising Committee

Chairman David Duncan summarized discussions that were held during the Committee Meeting.

- **Lifestyle Motor Group and Leslie Evans, 3rd & Douglas Jarvis.** Chairman Duncan made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact-finding conference as prepared by the hearing officer concerning Lifestyle Motor Group, Douglas Jarvis and Leslie Franklin Evans 3rd for alleged violations of Va. Code §46.2-1575 (7). Based on due consideration, the Board believes a civil penalty should be assessed against Lifestyle Motor Group, Douglas Jarvis and Leslie Franklin Evans 3rd. The Board hereby assesses a \$500.00 civil penalty against Lifestyle Motor Group and Douglas Jarvis and Leslie Franklin Evans 3rd.

George Pelton seconded. The motion carried unanimously.

Transaction Recovery Fund Committee:

Chairman Chris Maher summarized discussions held and actions that were taken during the Committee Meeting.

- **James R. Wilson vs. Victory Lane Motors, Inc. & David A. Bell (licensed salesperson).** Chairman Maher made the following motion. Chairman Maher summarized for the Board the discussion held in the committee meeting regarding James R. Wilson vs. Victory Lane Motors, Inc. & David A. Bell (licensed salesperson). Based on that discussion and the recommendations in these cases, Mr. Bailey made the following motion: Pursuant to VA Code Section 46.2-1527.1 et. seq. of the Code of Virginia, which is known as the Motor Vehicle Transaction Recovery Fund (“Fund”), the Board has reviewed and considered the claims submitted for payment from the Fund and based on due consideration and recommendation of the hearing officer, the Board believes the following claims should be payable from the Fund:

James R. Wilson vs. Victory Lane Motors, Inc. & David A. Bell	\$20,000
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David Gripshover seconded. The motion carried unanimously.

- **UPDATE: Robert Scott and Towne Automotive Brokers, Inc. and Francis A. Masika.** Mr. Scott’s claim was denied at the May 11, 2015 meeting, because of no fault of his making, the time had expired for him to file a claim. At the May 11 meeting, the executive director was directed to seek payment via a relief bill presented to the General Assembly. The bill was patroned by Delegate McQuinn and passed the House and Senate and is now awaiting signature from the Governor.

Motion was made by Chris Maher to approve Mr. Scott’s payment once the Governor has signed the relief bill. Liza Borches seconded. The motion carried unanimously.

NEW BUSINESS

Tesla Motors – Gardner Britt. Mr. Britt decided to reserve discussion on Tesla until the May meeting, due to a law suit filed by VADA.

Shift – William Childress. William indicated that Shift is a San Francisco-based company that runs a peer-to-peer used car buying service that manages most of the process for both buyers and sellers. It includes a concierge service (car enthusiast) that arranges test drives for potential buyers, on-site appraisals and car pickup. It also handles routine inspections, vehicle detailing and Department of Motor Vehicle paperwork. In effect, it does everything to get a seller’s car ready for sale to managing buyer inquires. Shift also guarantees sellers a minimum price for their vehicles. Sales above the guarantee minimum price is split 50-50 between the seller and Shift.

On February 12, 2016, MVDB and DMV representatives met with the Shift representatives and according to the Shift representatives:

Shift is not a car dealership and therefore they do not require a motor vehicle dealer’s license. Shift’s car enthusiast are not car salespersons, therefore they do not require a motor vehicle salesperson’s license.

- The vehicles taken in by Shift are taken to a holding facility where they undergo a 150 point inspection, all repair cost and improvements are at the expense of the seller. These holding facilities are not open to the public, buyers, or sellers.
- Until the vehicle is sold, the vehicle remains titled, registered and insured in the name of the owner. Shift also carries insurance on the vehicle.
- Shift advertises the vehicles via their WEB site and other WEB sites.

- Prospective purchasers contact Shift and Shift's "Car Enthusiasts" will retrieve the vehicle from the holding area and take the vehicle of interest to the prospective purchaser to test drive at no cost if the potential purchaser is within 60 minutes of the holding facility. If the prospective purchaser decides to purchase the vehicle, the paperwork is done at the purchasers home, office, etc.
- Shift takes care of all the DMV paperwork.

The Shift representatives were informed that it was the belief of the MVDB, based on the description of their business model, they were considered a motor vehicle dealer based on Virginia law and that they (Shift) would require to be licensed as such and that their car enthusiasts are considered salespersons and require licensing as well.

Motion was made by Michael Bor to research the issue, with the assistance of the Attorney General's office, to determine whether or not their business model falls outside of what the current law requires, and, if so, then issue a Cease and Desist Letter to Shift. Chris Maher seconded. Discussion: William indicated that during the meeting, they claimed they were not a dealer; William invited them to attend the March meeting to present their business model, in which they turned down; however, they did reserve the right to attend the May meeting. The motion carried unanimously.

General Assembly. A 3% pay increase for all State employees passed both the House and the Senate. VADA and VIADA were given an opportunity to update the Board members of legislation they had sought.

The next meeting will be scheduled for May 9, 2016.

There being no further business to come before the Motor Vehicle Dealer Board, Chairman Rick Holcomb adjourned the meeting at 12:01 p.m.

Meeting Summary
Dealer Practices Committee
Monday, March 14, 2016

Chairman Ron Kody called the Dealer Practices Committee meeting to order at 9:00 a.m. in Room 702 of the DMV Headquarters Building at 2300 W. Broad Street in Richmond. Present were Committee members Michael Bor, Gardner Britt, Steve Farmer, Robert Fisher, Clay Huber, Liza Borches, Chris Maher, Geoff Malloy, Matthew McQueen, Senior Saghafi and Joe Tate. (Absent: No one). Other Board members present: Ted Bailey, David Duncan, Rick Holcomb, David Gripshover, George Pelton and Maurice Slaughter. Executive Director William Childress, Bruce Gould, Peggy Bailey, Prin Cowan, Ann Majors and Lisa Mack-Nelson represented the Dealer Board. Eric Fiske represented the Attorney General's office.

The January 11, 2016 meeting summary was approved.

PUBLIC COMMENT

There was no public comment.

OLD BUSINESS

- **Tabled Issue: Gary Higgenbotham Auto Sales , LLC and Jeanne Higgenbotham.** On October 22, 2015, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1529 (Dealer records), 46.2-1532 (Open titles), 46.2-1537 (Prohibited solicitation and compensation), 46.2-1547 (Failure to maintain insurance on D-tags) and 46.2-1575 (1) (Material misstatement). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$3,500, satisfactory inspection and to successfully complete the Dealer-Operator course.

Ms. Higgenbotham was present and spoke on her own behalf.

Motion was made by Chris Maher to reduce the civil penalty to \$2,225, satisfactory inspection and successfully complete the Dealer-Operator course. Liza Borches seconded. The motion carried unanimously.

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

Review and Action: Informal Fact-Finding Conferences:

- **One Direction Motors and Valentine Anthony.** On September 1, 2015, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1529 (Failure to maintain dealer records), 46.2-1529 (1) (Buyer Guides), 46.2-1531 (Compliant consignment contracts), 46.2-1537 (Prohibited solicitation and compensation), 46.2-1547 (D-tag insurance required), 46.2-1561 (PoD temporary plates), 46.2-1574 (Acts of officers) and 46.2-1575 (10) (Possess titles not legally assigned). Based on the information provided at the conference, the hearing officer recommended a formal warning, assessing a civil penalty of \$2,250 with a \$250 reduction if proof of advanced training has been completed and a satisfactory inspection within 6 months.

Ms. Linda Martin was present and spoke on behalf of Valentine Anthony and One Direction Motors.

Motion was made by Joe Tate to accept the hearing officer's recommendation of assessing a civil penalty of \$2,000, satisfactory inspection and to successfully complete the Dealer-Operator course, should he fail or refuse to take the Dealer-Operator course as directed, an additional \$250 civil penalty will be assessed. Liza Borches seconded. The motion carried unanimously.

- **Friendly Motors, LLC and Emmanuel Saintil.** On January 20, 2016, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1508 (License required), 46.2-1529 (Failure to maintain dealer record), 46.2-1529 (1) (Buyer Guides), 46.2-1530 (Buyer's Orders), 46.2-1532 (Odometer disclosure-open titles), 46.2-1537 (Prohibited solicitation and compensation), 46.2-1539 (Safety inspection of vehicles required), 46.2-1542 (Failure to provide title within 30 days), 46.2-1548 (Misuse of D-tags), 46.2-1550 (Misuse of PoD tags), 46.2-1561 (PoD temporary plates), 46.2-1574 (Acts of officers) and 46.2-1575 (1) (Material misstatement), 1575 (2) (Failure to comply with previous warnings, 1575 (6) (Deceptive acts and practices) and 1575 (12) (Leasing, renting, lending dealer's plates (PoD)). Based on the information provided at the conference, the hearing officer recommended a formal warning, assessing a civil penalty of \$21,750 and revocation of all licenses and certificates.

Mr. Saintil was present and spoke on his own behalf.

Motion was made by Chris Maher to accept the hearing officer's recommendation of assessing a civil penalty of \$21,750 and revocation of all licenses and certificates. Clay Huber seconded. The motion carried unanimously.

- **E&M Auto Sales and Eric Wade Jenkins.** On January 8, 2016, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1547 (Failure to insure D tags), and 46.2-1575 (1) (Material misstatement). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$3,500 and revocation of the 5 dealer tags reported as being uninsured.

Mr. Jenkins was present and spoke on his own behalf. He provided evidence that indicated all of his dealer tags were insured.

Motion was made by Chris Maher to administer a written warning. Robert Fisher seconded. The motion carried unanimously.

NEW BUSINESS FROM THE FLOOR

There was no new business from the floor.

The next meeting was scheduled for May 9, 2016

The meeting adjourned at 10:28 a.m.

Meeting Summary
Dealer Licensing Committee
Monday, March 14, 2016

Chairman Joe Tate called the Dealer Licensing Committee meeting to order at 10:28 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. Present were Committee members Ted Bailey, Liza Borches, David Duncan, David Gripshover, George Pelton, Senior Saghafi and Maurice Slaughter. (Absent: Jacques Moore). Other Board members present: Rick Holcomb, Michael Bor, Gardner Britt, Steve Farmer, Robert Fisher, Clay Huber, Ron Kody, Chris Maher and Geoff Malloy. Executive Director William Childress, Bruce Gould, Peggy Bailey, Lisa Mack-Nelson, Prin Cowan, Wanda Neely and Ann Majors represented the Dealer Board. Eric Fiske represented the Attorney General's office.

The January 11, 2016 meeting summary was approved.

PUBLIC COMMENT

There was no public comment.

OLD BUSINESS

OLD BUSINESS FROM THE FLOOR:

There was no old business from the floor.

NEW BUSINESS

- **Juan Carlos Arrobas, Sales Applicant.** On December 14, 2015, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1575 (1) (Material misstatement), 1575 (6) (Deceptive acts and practices) and 1575 (19) (Having been convicted of a criminal act involving the business of selling vehicles). Based on the information provided at the conference, the hearing officer recommended approving a salesperson license.

Motion was made by David Gripshover to accept the hearing officer's recommendation and approve a salesperson's license. Maurice Slaughter seconded. The motion carried unanimously.

- **Fahriddin J. Kurbanov, Trust Auto, Inc.** On January 14, 2016, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1575 (2) (Failure to comply with a written warning) and 1575 (9) (Having been convicted of any criminal act involving the sale of an automobile). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$1,000 and successfully completing the Dealer-Operator course.

Mr. Kurbanov was present and spoke on his own behalf.

Motion was made by David Gripshover to accept the hearing officer's recommendation of assessing a civil penalty of \$1,000 and successfully completing the Dealer-Operator course. George Pelton seconded. The motion carried unanimously.

- **Robert D. Minnix, Salesperson.** On February 9, 2016, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1575 (1) (Material misstatement), 1575 (6) (Deceptive acts and practices) and 1575 (9) (Having been convicted of any criminal act involving the sale of an automobile). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$500 and he should be required to take the Salesperson Test within the next 90 days.

Mr. Minnix faxed into the Dealer Board office on Friday, March 11, 2016 and requested that his issue be tabled to the May meeting, due to scheduled travel plans he could not change.

Motion was made by Liza Borches to table this issue to the May meeting. Ted Bailey seconded. The motion carried unanimously.

NEW BUSINESS FROM THE FLOOR

There was no new business from the floor.

The next meeting was scheduled for May 9, 2016

The meeting adjourned at 10:37 a.m.

Meeting Summary
Advertising Committee
Monday, March 14, 2016

Chairman David Duncan called the Advertising Committee meeting to order at 10:37 a.m. in Room 702, DMV Headquarters, 2300 West Broad Street, Richmond, Virginia. Present were Committee members Ted Bailey, Michael Bor, Liza Borches, Clay Huber, Ron Kody, Geoff Malloy, Matt McQueen, George Pelton and Maurice Slaughter. (Absent: No one). Other Board members present: Senior Saghafi, Gardner Britt, Steve Farmer, Robert Fisher, Rick Holcomb, David Gripshover, Chris Maher and Joe Tate. Executive Director William Childress, Bruce Gould, Peggy Bailey, Lisa Mack-Nelson, Prin Cowan, Wanda Neely and Ann Majors represented the Dealer Board. Eric Fiske represented the Attorney General's office.

The January 11, 2016 meeting summary was approved.

PUBLIC COMMENT

There was no public comment.

OLD BUSINESS

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

Review and Action: Informal Fact-Finding Conferences:

- **Lifestyle Motor Group and Leslie Evans 3rd and Douglas Jarvis.** On February 17, 2016, an informal fact-finding conference was conducted to address the alleged violation of VA Code Section 46.2-1529 (Failure to maintain dealer records on site for inspection), 46.2-1574 (Acts of officers) and 46.2-1575 (7) (Misleading advertising) and 1575 (8) (Regulated Advertising Practices [processing fee disclosure]). Based on the information provided at the conference, the hearing officer recommended assessing civil penalty of \$500.

Douglas Jarvis was present and spoke on his own behalf.

Motion was made by Liza Borches to accept the hearing officer's recommendation of assessing a civil penalty of \$500. Ron Kody seconded. The motion carried unanimously.

The next meeting was scheduled for May 9, 2016.

NEW BUSINESS FROM THE FLOOR

There was no new business from the floor.

The meeting adjourned at 10:42 a.m.

Meeting Summary
Transaction Recovery Fund Committee
Monday, March 14, 2016

Chairman Chris Maher called the Transaction Recovery Fund Committee meeting to order at 10:42 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. Present were Committee members: Michael Bor, Steve Farmer, Robert Fisher, David Gripshover, Rod Kody, Matt McQueen, Geoff Malloy and Maurice Slaughter. (Absent: No one). Other Board members present: Rick Holcomb, Senior Saghafi, Ted Bailey, Liza Borches, David Duncan, Gardner Britt, Clay Huber, George Pelton and Joe Tate. Executive Director William Childress, Bruce Gould, Peggy Bailey, Lisa Mack-Nelson, Prin Cowan, Wanda Neely and Ann Majors represented the Dealer Board. Eric Fiske represented the Attorney General's office.

The January 11, 2016 meeting summary was approved.

PUBLIC COMMENT

There was no public comment.

OLD BUSINESS

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

- **James R. Wilson vs. Victory Lane Motors and David A. Bell (licensed salesperson).** On March 4, 2014, Senior Airman James R. Wilson went to Victory Lane Motors with the intent of purchasing a vehicle. David Bell, a licensed salesperson for the dealership, assisted Mr. Wilson in finding the vehicle he wanted to purchase. They found a 2006 Chevrolet Silverado 1500 LT1 Crew Cab that was located in Texas. Mr. Bell then completed a Buyer's Order for the purchase of the 2006 Chevrolet Silverado with a sales price of \$19,295.00 + \$299.00 processing fee making the total selling price of \$19,594. Mr. Wilson traded-in a 1998 Chevrolet 1500 and was given a credit of \$3,500.00 and he proceeded with obtaining a loan through Navy Federal Credit Union (NFCU) in the amount of \$16,970 for the balance of the purchase, incurring a monthly loan payment of \$422.08. Mr. Bell indicated it could take a while before the vehicle actually arrived at the dealership; due to inspections and availability of space on the trailer. After a few weeks after paying the full purchase price to Victory Lane Motors, Mr. Wilson contacted the dealership to inquire on the status of the 2006 Chevrolet Silverado. Victory Lane and/or Mr. Bell indicated that they were waiting for the Silverado to arrive any day.

Approximately one month later, Mr. Wilson still had not received the vehicle and he contacted the dealer to inquire again on the status of the 2006 Chevrolet Silverado. Mr. Wilson spoke with another salesperson (Greg Rawson) who was able to return the first 2 months of loan payments totaling \$844.16 to him. Victory Lane Motors and/or David Bell then indicated they would cancel the transaction and refund his money. As of to date, Victory Lane Motors never delivered the Silverado nor refunded Mr. Wilson his money in connection with the purchase. Mr. Wilson has continued to

pay on his loan to NFCU and has been unable to procure another loan in order to purchase another vehicle. ABA Military Pro Bono Project referred Mr. Wilson's case to a civilian attorney in order to pursue the dealership civilly in court for his monetary loss.

On October 16, 2015, the Circuit Court of the City of Norfolk awarded James R. Wilson a default judgment against Victory Lane Motors, Inc. and David Bell in the amount of \$20,000.00. On December 7, 2015, the Dealer Board received documentation from a law firm (Rafe Petersen Holland & Knight) on behalf of James Wilson for consideration of reimbursement from the Transaction Recovery Fund (Fund). On December 9, 2015, the Dealer Board staff sent "Notice of Verified Claim" to the debtor (Victory Lane Motors, Inc. and licensed salesperson David Bell) as well as to the owner of the dealership (Shawn D. O'Dell) requesting that the judgment be satisfied within 30-days.

After a careful review, it appears to MVDB staff that James R. Wilson's claim meets the requirement of Virginia Code §46.2-1527.3 (Judgment was awarded in the Commonwealth of Virginia). Therefore, due to the statutes governing the Fund, the Dealer Board staff recommends that the Recovery Fund Committee and Full Board approve Mr. Wilson's claim in the amount of \$20,000, which is based on the full amount of the judgment order.

FYI:

The surety bonding company (Platte River) exhausted their liability of \$50,000.00 in 2014. The "Fund" has currently paid out \$23,750.43 in claims against Victory Lane Motors; Inc. Remaining balance from the Fund is \$26,249.57. [\$50,000.00 - \$23,750.43=\$26,249.57]

On February 23, 2016, an informal fact-finding conference was conducted and based on the information provided at the conference; the hearing officer recommended a payment of \$20,000 should be considered for James R. Wilson from the MVTRF.

Motion was by Steve Farmer to accept the hearing officer's recommendation and approve payment in the amount of \$20,000 to James R. Wilson. Robert Fisher seconded. The motion carried unanimously.

NEW BUSINESS FROM THE FLOOR

The next meeting was scheduled for May 9, 2016

The meeting adjourned at 10:50 a.m.