

Meeting Summary
Motor Vehicle Dealer Board
Monday, March 12, 2018

Chairman Rick Holcomb called the Dealer Board meeting to order at 11:11 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. The roll was called and there were 15 Board members present. Present were Ted Bailey, Dan Banister, Gardner Britt, Steve Farmer, David Duncan, Rob Fisher, David Gripshover, Randy Harris, Ron Kody, Chris Maher, Geoff Malloy, Senior Saghafi, Maurice Slaughter and Joe Tate. (Absent: Liza Borches, Michael Bor, Matt McQueen). Executive Director William Childress, Peggy Bailey, Prin Cowan, Lisa Mack-Nelson, Ann Majors and Wanda Neely represented the Dealer Board. Christian Parrish represented the Attorney General's Office. Alice Weedon was the recording secretary.

PUBLIC COMMENT

There was no public comment.

The January 8, 2018 meeting summary was approved.

STATUTORY COMMITTEE REPORTS

Dealer Practices Committee:

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

Kargar Motors of Manassas and Hafiz U. Kargar – 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 Kargar Motors and Hafiz Kargar for alleged violations of Va. Code section §46.2-1537. Based on due consideration, the Board believes that the following actions should be taken against Kargar Motors and Hafiz Kargar: assessed a civil penalty of \$1,500.00 and Kargar Motors shall be inspected by a Motor Vehicle Dealer Board field representative by September 12, 2018 and that inspection shall be satisfactory. The Board mandates that Hafiz Kargar hereby be assessed a civil penalty of \$1,500.00, and the Kargar Motors dealership shall satisfactorily pass an inspection conducted by a Motor Vehicle Dealer Board field representative on or before September 12, 2018. Failure to pass the inspection by September 12, 2018 will result in suspension of all licenses and certificates issued by the Board until such time Hafiz Kargar successfully complies with the Board's mandates.

Joe Tate seconded. The motion carried unanimously.

The Car Guys and Stephanie Hill – Committee 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 The Car Guys and Stephanie Hill for alleged violations of Va. Code section §46.2-1528, 1529, and 1575(2). Based on due consideration, the Board believes that the following actions should be taken against The Car Guys and Stephanie Hill: assessed a civil penalty of \$1,500.00; and The Car Guys shall be inspected by a Motor Vehicle Dealer Board field representative by September 12, 2018 and that inspection shall be satisfactory. The Board mandates that Stephanie Hill hereby be assessed a civil penalty of \$1,500.00, and the Car Guys dealership shall satisfactorily pass an inspection conducted by a Motor Vehicle Dealer Board field representative on or before September 12, 2018. Failure to pass the inspection by September 12, 2018 will result in suspension of all licenses and certificates issued by the Board until such time Stephanie Hill successfully complies with the Board’s mandates.

Mrs. Hill spoke again on her own behalf.

Joe Tate seconded. All in favor: 13 (Holcomb, Kody, Tate, Bailey, Banister, Britt, Duncan, Farmer, Fisher, Gripshover, Harris, Malloy, Slaughter). Opposed: 2 (Maher and Saghafi). The motion carried.

NOTE: Amended motion was made by Chris Maher to reduce the civil penalty to \$750. It was seconded by David Gripshover; however the motion failed by a vote of 12 to 3.

Auto Outlet Sales & Rental, LLC and Corey White – 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 Auto Outlet Sales and Rental and Corey White for alleged violations of Va. Code section §46.2-1547, and 1575 (18). Based on due consideration, the Board believes that the following actions should be taken against Auto Outlet Sales and Rental and Corey White: assessed a civil penalty of \$3,000.00; and Auto Outlet Sales and Rental shall be inspected by a Motor Vehicle Dealer Board field representative by September 12, 2018 and that inspection shall be satisfactory. The Board mandates that Corey White hereby be assessed a civil penalty of \$3,000.00, and the Auto Outlet Sales & Rental dealership shall satisfactorily pass an inspection conducted by a Motor Vehicle Dealer Board field representative on or before September 12, 2018. Failure to pass the inspection by September 12, 2018 will result in suspension of all licenses and certificates issued by the Board until such time Corey White successfully complies with the Board’s mandates.

Steve Farmer seconded. The motion carried unanimously.

Licensing Committee

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

Darius M. Logan, Sales Applicant – Chairman Joe Tate made a motion to allow Mr. Logan to obtain a sales license. Rob Fisher seconded. All in favor: 14 (Holcomb, Tate, Bailey, Banister, Britt, Duncan, Farmer, Fisher, Gripshover, Harris, Maher, Malloy, Saghafi, Slaughter). Opposed: 1(Kody).

Mr. Logan spoke again on his own behalf.

Substitute motion was made by Ron Kody: To table this issue to the May 14, 2018 Committee and Full Board Meeting, so that the dealership that Mr. Logan is going to work for, can come in and provide the Board with a plan for the dealership to protect Mr. Logan and to ensure that he will not violate his probation. Dan Banister seconded. All favor: 11 (Holcomb, Kody, Tate, Bailey, Banister, Britt, Duncan, Farmer, Malloy, Saghafi, Slaughter). Opposed: 4 (Fisher, Gripshover, Maher and Harris). The motion carried.

Aaron Paul Rodgers, Sales Applicant – Committee Chairman Tate made a motion that would allow Mr. Rodgers a sales license. No second. Motion failed.

Amended motion was made by Dan Banister: 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 Aaron Paul Rodgers for alleged violations of Va. Code section §46.2-1575(13) . Based on due consideration, the Board believes the following actions shall be taken against Aaron Paul Rodgers: Denied a salesperson license. The Board mandates that Aaron Paul Rodgers be denied a salesperson license.

Gardner Britt seconded. All in favor: 12 (Holcomb, Tate, Bailey, Banister, Britt, Duncan, Farmer, Fisher, Harris, Malloy, Saghafi, Slaughter). Opposed: 3 (Kody, Maher, Gripshover). The motion carried.

Curtis M. Bryner, Sales Applicant – Committee 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 Curtis M. Bryner for alleged violations of Va. Code section §46.2-1575 (6) and (13). Based on due consideration, the Board believes the following actions shall be taken against Curtis Bryner: Allowed to apply for a salesperson license. The Board mandates that Curtis Bryner be allowed to apply for a salesperson license.

Senior Saghafi seconded. All in favor: 14 (Holcomb, Kody, Tate, Bailey, Banister, Britt, Duncan, Farmer, Fisher, Gripshover, Harris, Maher, Saghafi, Slaughter). Opposed: None. Abstained: 1 (Malloy, due to the fact that Mr. Bryner works at Mr. Malloy's Winchester dealership). The motion carried.

Advertising Committee

Committee David Duncan summarized discussions held and actions taken during the Committee Meeting.

Wilson's Automotive, LLC and Gary Sanderson – 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 Wilson's Automotive and Gary Sanderson for alleged violations of Va. Code section §46.2-1535, 1575(7), 1581(8) and Virginia Administrative Code 24 VAC 22-30-10. Based on due consideration, the Board believes that the following actions should be taken against Wilson's Automotive and Gary Sanderson: Issued a written warning. The Board mandates that Gary Sanderson hereby be issued a written warning.

Joe Tate seconded. The motion carried unanimously.

Transaction Recovery Fund Committee:

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

Reuben Junior Broadnax vs. S & F Auto Sales, Inc. – Committee Chairman Maher summarized for the Board the discussion held in the committee meeting regarding Reuben Junior Broadnax and S & F Auto Sales, Inc. Based on that discussion and the recommendations in this case, Committee Chair Maher made the following motion: pursuant to 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 claims submitted for payment from the Fund, and the recommendation of the Hearing Officer on the claim. Based on due consideration and recommendation of the Hearing Officer, the Board believes the following claims should be payable from the Fund:

Reuben Junior Broadnax and S & F Auto Sales, Inc.	\$14,995.64
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Steve Farmer seconded. The motion carried unanimously.

Cheryl P. Wyatt vs Unique Auto Sales, LLC. - Committee Chairman Maher indicated that this issue was resolved prior to the Committee and Full Board meetings. No further action is needed.

At this time, Chris Maher indicated that Michael Bor, who had to leave the Full Board meeting early, made a motion for a legislative fix and to report this fix at the July Board meeting. Rick Holcomb indicated that there was no need for a motion, just a recommendation for staff to report at the July Board meeting.

At this time, Rick Holcomb indicated that the Board members were going into Executive Session.

The following motion was made by Joe Tate to go into Executive Session, *"I hereby move, pursuant to Virginia Code Section 2.2-3712, for this Board, the Executive Director, and Ms. Peggy Bailey to go into closed session to discuss matters exempt under 2.2-3711(A)(7), specifically to receive legal advice from counsel regarding legal requirements and board obligations pursuant to Virginia Code Section 46.2-1511 regarding the*

requirement of a dealer-operator course.” Chris Maher seconded. The motion carried unanimously.

The conference room emptied, tape recorder turned off and the live feed to the public was disconnected.

Joe Tate read the following statement, which Board members certified to upon coming out of the executive session, *“I hereby Certify under Virginia Code Section 2.2-3712(D) to the best of our knowledge (i) only public matters lawfully exempted from the open meeting requirements under this chapter, and (ii) only such business matters as were identified in the motion by which the closed meeting was convened were heard, discussed, or considered in the closed meeting.”*

Roll call was completed and all the members certified that only public matters were heard, discussed or considered in the closed meeting. Ron Kody had to leave the meeting while Board was in Executive session. Mr. Kody certified through email.

OLD BUSINESS

Legislative Updates – VIADA and VADA. Rick Holcomb spoke to HB 896, which attempted to clarify the definition of motor vehicle dealer. The bill is being carried over to the 2019 session and DMV will host a study on the bill. The trade associations, MVDB, the AG’s Office, and others will participate in the study. Upon completion, the study and recommendations will be presented to the bill’s sponsor. The study may start as early as April 2018.

Rick also spoke to another bill which would allow customers who owed personal property taxes to their home locality the ability to temporary register their newly purchased vehicle for 90 days. Registration beyond 90 days is only possible if the customer pays their taxes.

Rick also indicated that while the 2018 General Assembly has ended, the legislators will be coming back soon to address the state budget. One of the budget issues involves pay raises for state employees. Since the MVDB is a special fund agency, the cost of the pay increase, in addition to the cost of the associated benefits will have to be absorbed by the agency. This is information the Board needs to be aware of because the increases will come out of the Boards current revenue sources. It is not known when the legislators will return to Richmond to address the budget.

Ann Gambardella, of VIADA, spoke on HB1178 – CarMax introduced a bill that would allow licensed dealers to pursue an injunction against those who are selling vehicles without a license. The significance of this bill is that the new law will allow licensed dealers and the MVDB to potentially recoup legal expenses from the violator.

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

General Discuss:

VIADA and Leigh Dicks, Executive Director of VIADA, indicated that VIADA Board of Directors decided to discontinue the Memorandum of Understanding (MOU) they had with the Virginia Community College System (VCCS). This decision will not affect the curriculum or any other important aspect of the course. Ms. Dicks said that the services VCCS provided can easily be brought in-house, which will help increase their net revenue, especially during times when enrollment for the course declines. She also indicated that they have begun securing the same classroom space with the individual community colleges for July through December and some space in 2019. She ended with saying that the critical components will not be affected by the MOU termination with the VCCS. They will continue to provide the course with the utmost integrity they had in the past.

VCCS (Virginia Community Colleges System) and Mindy Fast, Program Director, Continuing Education Workforce Development Services, indicated that the VCCS has been working with VIADA and the Dealer Board since 2005 and helped create the curriculum currently in use. By partnering with the VCCS, the students will have continuing education (CEUs), classroom setting and community college campus. Training consists of outreach to the community for training, on-line registration, work with curriculum design, instructors, instruction and evaluation. In the opinion of VCCS, the goal of the Board was to raise the credibility of the 2-day class, that's why they partnered with the community colleges.

NEW BUSINESS FROM THE FLOOR

There was no new business from the floor.

EXECUTIVE DIRECTOR'S REPORT: William Childress

William reported that the 4 guidelines that relate to advertising and the business hours (46.2-1533) process have been published and put in place. Information regarding both issues can be read in the February issue of Dealer Talk. Dealers were also notified via Constant Contact about the 4 guidelines and the business hours process updates. William assured the Board members that his staff would work with the dealers, especially the sole proprietors, regarding the business hour changes.

William informed the body that the next meeting of the Motor Vehicle Dealer Board will on May 14, 2018.

There being no further business to come before the Motor Vehicle Dealer Board, Chairman Holcomb adjourned the meeting at 1:13 p.m.

Meeting Summary
Dealer Practices Committee
Monday March 12, 2018

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, Chris Maher, Geoff Malloy, Senior Saghafi and Joe Tate. (Absent: Liza Borches, Matt McQueen). Other Board members present: Rick Holcomb, Ted Bailey, Dan Banister, David Duncan, David Gripshover, Randy Harris and Maurice Slaughter. Executive Director William Childress, Peggy Bailey, Prin Cowan, Lisa Mack-Nelson, Ann Majors and Wanda Neely represented the Dealer Board. Christian Parrish represented the Attorney General's office.

The January 8, 2018 meeting summary was approved.

PUBLIC COMMENT

There was no public comment.

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

Unlicensed Salesperson – Civil Penalties Assessed - William Childress/Ron Kody. After much discussion on the issue of unlicensed salespersons (dealership) selling vehicles, the Committee by consensus agreed that the staff should continue to assess the dealership a \$250 civil penalty for each vehicle sold by the unlicensed salesperson.

William Childress introduced Randy Harris (Ultimate Buick and Ultimate Subaru).

Review and Action: Informal Fact-Finding Conferences:

Kargar Motors of Manassas and Hafiz U. Kargar - On January 16, 2018, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1537. Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$1,500 and a satisfactory inspection within six months.

Motion was made by Joe Tate to accept the hearing officer's recommendation assessing a civil penalty of \$1,500 and a satisfaction inspection with 6 months. Rob Fisher seconded. The motion carried unanimously.

The Car Guys and Stephanie Hill - On February 13, 2018, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1528, 1529 and 1575 (2). Based on the information provided at the conference, the hearing officer recommended the Board assess a civil penalty of \$1,500 and a satisfactory inspection with 6 months.

Stephanie and Doug Hill were present and spoke on their own behalf.

Motion was made by Joe Tate to accept the hearing officer's recommendation of assessing a civil penalty of \$1,500 and a satisfactory inspection within 6 months. Steve Farmer seconded. The motion carried unanimously.

Auto Outlet Sales & Rental, LLC and Corey White - On February 21, 2018, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1547 and 1575 (18). Based on the information provided at the conference, the hearing officer recommended the Board assess a civil penalty of \$3,000 and a satisfactory inspection.

Motion was made by Steve Farmer to accept the hearing officer's recommendation of assessing a \$3,000 civil penalty and a satisfactory inspection. Rob 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 14, 2018

The meeting adjourned at 9:34 a.m.

Meeting Summary
Dealer Licensing Committee
Monday, March 12, 2018

Chairman Joe Tate called the Dealer Licensing Committee meeting to order at 9:34 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. Present were Committee members Ted Bailey, Dan Banister, David Duncan, Rob Fisher, David Gripshover, Randy Harris, Senior Saghafi and Maurice Slaughter. (Absent: Liza Borches). Other Board members present: Rick Holcomb, Michael Bor, Steve Farmer, Ron Kody, Chris Maher, Geoff Malloy, Gardner Britt. Executive Director William Childress, Peggy Bailey, Lisa Mack-Nelson, Prin Cowan, Ann Majors and Wanda Neely represented the Dealer Board. Christian Parrish represented the Attorney General's office.

The January 8, 2018 meeting summary was approved.

PUBLIC COMMENT

There was no public comment.

OLD BUSINESS

There was no old business.

OLD BUSINESS FROM THE FLOOR:

There was no old business from the floor.

NEW BUSINESS

Review and Action: Informal Fact-Finding Conferences:

Darius M. Logan, Sales Applicant - On January 30, 2018, an informal fact-finding conference was conducted to address the alleged violations of VA Code Section 46.2-1575 (13). Based on the information provided at the conference, the hearing officer recommended approval of a sales license for Mr. Logan.

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

Motion was made by David Gripshover to accept the hearing officer's recommendation and approve a license for Mr. Logan. Rob Fisher seconded. All in favor: 6 (Bailey, Duncan, Gripshover, Fisher, Harris, Saghafi, Slaughter). Opposed: 2 (Tate and Banister). The motion carried.

Aaron Paul Rodgers, Sales Applicant - On February 13, 2018, an informal fact-finding conference was conducted to address the alleged violations of VA Code Section 46.2-1575 (13). Based on the information provided at the conference, the hearing officer recommended approval of a sales license for Mr. Edwards.

Motion was made by David Gripshover to table this issue until the May meeting. Rob Fisher seconded. The motion carried unanimously.

Curtis M. Bryner, Sales Applicant - On February 13, 2018, an informal fact-finding conference was conducted to address the alleged violations of VA Code Section 46.2-1575 (6) and (13). Based on the information provided at the conference, the hearing officer recommended approval of a sales license for Mr. Bryner and no further action taken.

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

Motion was made by David Gripshover to accept the hearing officer's recommendation and take no further action. David Duncan 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 14, 2018

The meeting adjourned at 9:55 a.m.

Meeting Summary
Advertising Committee
Monday, March 12, 2018

Chairman David Duncan called the Advertising Committee meeting to order at 9:55 a.m. in Room 702, DMV Headquarters, 2300 West Broad Street, Richmond, Virginia. Present were Committee members Dan Banister, Michael Bor, Ron Kody, David Duncan, David Gripshover, Geoff Malloy and Maurice Slaughter. (Absent: Liza Borches and Matt McQueen). Other Board members present: Rick Holcomb, Rob Fisher, Randy Harris, Senior Saghafi, Steve Farmer, Joe Tate, Chris Maher, Gardner Britt. Executive Director William Childress, Peggy Bailey, Lisa Mack-Nelson, Prin Cowan, Ann Majors and Wanda Neely represented the Dealer Board. Christian Parrish represented the Attorney General's office.

The January 8, 2018 meeting summary was approved.

PUBLIC COMMENT

There was no public comment.

OLD BUSINESS

There was no old business.

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

Review and Action: Informal Fact-Finding Conferences:

Wilson's Automotive, LLC and Gary Sanderson - On December 13, 2017, an informal fact-finding conference was conducted to address the alleged violations of VA Code Section 46.2-35, 1575 (7) and 1581 (8) and 24 VAC22-30-10. Based on the information provided at the conference, the hearing officer recommended a written warning.

Motion was made Ted Bailey to accept the hearing officer's recommendation and provide the dealer with a written warning. Dan Banister 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 14, 2018.

The meeting adjourned at 9:58 a.m.

Meeting Summary
Transaction Recovery Fund Committee
Monday, March 12, 2018

Chairman Chris Maher called the Transaction Recovery Fund 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: Dan Banister, Michael Bor, Steve Farmer, Rob Fisher, David Gripshover, Ron Kody and Maurice Slaughter. (Absent: Matt McQueen) Other Board members present: Rick Holcomb, Senior Saghafi, Joe Tate, Gardner Britt, Ted Bailey, Randy Harris, Geoff Malloy and David Duncan. Executive Director William Childress, Peggy Bailey, Lisa Mack-Nelson, Prin Cowan, Ann Majors and Wanda Neely represented the Dealer Board. Christian Parrish represented the Attorney General's office.

The January 8, 2018 meeting summary was approved.

PUBLIC COMMENT

There was no public comment.

OLD BUSINESS

There was no old business.

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

Review and Action: Informal Fact-Finding Conferences:

Reuben Junior Broadnax vs S & F Auto Sales, Inc. - On February 26, 2018, an informal fact-finding conference was conducted to address the alleged violation of VA Code Section 46.2-1527.3 against S & F Auto Sales, Inc.. Based on the information provided at the conference, the hearing officer recommended that the Board deliberate with legal assistance, if required, on what is fair and meets the requirements of the Code in this case.

Mr. Broadnax and his attorney, John Gayle, were present and Mr. Gayle spoke on Mr. Broadnax's behalf.

Motion was made by Maurice Slaughter to pay the claim of \$14,995.64 to Mr. Broadnax. Dan Banister seconded. The motion carried unanimously

Motion was made by Michael Bor to explore legislation that will allow the Dealer Board to become owners of vehicles when the consumer still has possession of the vehicle and also won a judgement against the dealer. Randy Harris seconded. Rick Holcomb suggested that this issue be discussed at the July Board meeting so that legislation can be prepared properly as a result of this motion. The motion carried unanimously.

David Gripshover offered a motion for the staff to investigate and mitigate the issue whenever possible. Rick Holcomb felt the motion wasn't needed and directed staff to add this step to the process of filing a claim.

At the request of Rick Holcomb, Wanda Neely informed the Board of the current process of how a Transaction Recovery Fund claim is processed.

Cheryl P. Wyatt vs. Unique Auto Sales, LLC - On February 26, 2018, an informal fact-finding conference was conducted to address the alleged violation of VA Code Section 46.2-1527.3 against Unique Auto Sales, LLC. Based on the information provided at the conference, the hearing officer recommended that the Board pay Ms. Wyatt's request of \$1,258 from the Transaction Recovery Fund.

On August 5, 2018, Ms. Wyatt informed the Board that she had received payment from Unique Auto Sales, LLC. This hearing was removed from the Committee's agenda.

NEW BUSINESS FROM THE FLOOR

There was no new business from the floor.

The next meeting was scheduled for May 14, 2018

The meeting adjourned at 11:01 a.m.