

NOTE: Appearing first is the Full Board summary which is the last meeting of the day. The committees will follow in the order of which time they were conducted. The Dealer Board staff felt it would benefit our readers to have the last meeting of the day appear first on the website.

~ FINAL ~

Meeting Summary
Motor Vehicle Dealer Board
Monday, May 10, 2010

Chairman Rick Holcomb called the Dealer Board meeting to order at 11:06 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. The roll was called and there were 13 Board members present. Present were members Lynn Hooper, T. K. Hughes, Wanda Lewark, Thomas Moorehead, Pat Patrick, Frank Pohanka, Matthew Queen, Kevin Reilly, Larry Shelor, Joe Tate, Robert Woodall and Sally Woodson. (Absent: Henry Jones, David Lacy, Chip Lindsay, Matt Lohr, Jimmy Whitten, Thomas Woodson). Executive Director Bruce Gould, Peggy Bailey, Prin Cowan, Wanda Neely and Frank McCormick represented the Dealer Board. Eric Fiske represented the Attorney General's Office. Alice Weedon acted as Recording Secretary.

PUBLIC COMMENT

There was no public comment.

The March 8, 2010 meeting summary was approved.

STATUTORY COMMITTEE REPORTS

Dealer Practices Committee:

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

- **Vikhen Motors and Henry Squire.** Chairman Kevin Reilly summarized for the Board the discussion held in the committee meeting regarding Vikhen Motors and Henry Squire. Based on that discussion, Mr. Reilly 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 Vikhen Motors and Henry Squire for alleged violations of VA Code Sections 46.2-1529, 46.2-1529.1, 46.2-1530, 46.2-1533, 46.2-1548, 46.2-1550.2, 46.2-1559, 46.2-1574 and 46.2-1575 (1) and (2). Based on due consideration, the Board believes a civil penalty should be assessed against Vikhen Motors and Henry Squire. The Board hereby assesses a \$900 civil penalty against Vikhen Motors and Henry Squire. Based on due consideration, the Board believes that successfully completing the dealer-operator course would benefit both Mr. Squire and Kennedy Abbey. The Board mandates that Mr. Squire and Mr. Abbey successfully complete the dealer-operator course by July 9, 2010. Failure to successfully complete the course by this date will result in a suspension of all licenses and certificates issued to Mr. Squire and/or Mr. Abbey by the Board until what time Mr. Squire and Mr. Abbey have successfully completed the course. **NOTE:** If Mr. Squire successfully completes the course and Mr. Abbey does not, the dealer certificate will not be suspended.

Pat Patrick seconded. The motion carried unanimously.

- **Lynchburg Import, Inc. and Joseph J. Wilson.** Chairman Kevin Reilly summarized for the Board the discussion held in the committee meeting regarding Lynchburg Import, Inc. and Joseph J. Wilson. Based on that discussion, Mr. Reilly 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 Lynchburg Import, Inc and Joseph J. Wilson for alleged violations of VA Code Sections 46.2-1539 and 46.2-1575 (2), (9) and (14). Based on due consideration, the Board believes a civil penalty should be assessed against Lynchburg Import, Inc and Joseph J. Wilson. The Board hereby assesses a \$5,000 civil penalty against Lynchburg Import, Inc and Joseph J. Wilson. Based on due consideration, the Board believes that successfully completing the dealer-operator course would benefit Mr. Wilson in running his dealership. The Board mandates that Mr. Wilson successfully complete the dealer-operator course by July 9, 2010. Failure to successfully complete the course by this date will result in a suspension of all licenses and certificates issued to Mr. Wilson by the Board until what time Mr. Wilson has successfully completed the course.

Thomas Moorehead seconded. The motion carried unanimously.

- **Stafford Auto Sales, LLC and Babor Bakhtary.** Chairman Kevin Reilly summarized for the Board the discussion held in the committee meeting regarding Stafford Auto Sales, LLC and Babor Bakhtary. Based on that discussion, Mr. Reilly 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 Stafford Auto Sales, LLC and Babor Bakhtary for alleged violations of VA Code Sections 46.2-1518, 46.2-1529 , 46.2-1530, 46.2-1547, 46.2-1548, 46.2-1550, 46.2-1550.2, 46.2-1559 and 46.2-1575 (6), (8) (9) and (18). Based on due consideration, the Board believes a civil penalty should be assessed against Stafford Auto Sales, LLC and Babor Bakhtary. The Board hereby assesses a \$300 civil penalty against Stafford Auto Sales, LLC and Babor Bakhtary. Based on due consideration, the Board believes that Mr. Bakhtary's dealership should be re-inspected by July 9, 2010 and that the inspection must be satisfactory. The Board hereby mandates that a Motor Vehicle Dealer Board field representative re-inspect Mr. Bakhtary's dealership by July 9, 2010 and if the inspection is not satisfactory the Board shall suspend all licenses issued by the Board to Mr. Bakhtary until such time as he has had a satisfactory inspection by a Motor Vehicle Dealer Board Field Representative.

Matt Queen seconded. The motion carried unanimously.

- **S & W Auto Sales and Shah Wali.** Chairman Kevin Reilly summarized for the Board the discussion held in the committee meeting regarding S & W Auto Sales and Shah Wali. Based on that discussion, Mr. Reilly 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 S & W Auto Sales and Shah Wali for alleged violations of VA Code Sections 46.2-1529, 46.2-1533, 46.2-1559 and 46.2-1575 (2). Based on due consideration, the Board believes a civil penalty should be assessed against S & W Auto Sales and Shah Wali. The Board hereby assesses a \$2,000 civil penalty against S & W Auto Sales and Shah Wali. Based on due consideration, the Board believes that Mr. Wali's dealership should be re-inspected by July 9, 2010 and that the inspection must be satisfactory.

The Board hereby mandates that a Motor Vehicle Dealer Board field representative re-inspect Mr. Wali's dealership by July 9, 2010 and if the inspection is not satisfactory the Board shall suspend all licenses issued by the Board to Mr. Wali until such time as he has had a satisfactory inspection by a Motor Vehicle Dealer Board Field Representative. Based on due consideration, the Board believes that successfully completing the dealer-operator course would benefit Mr. Wali in running his dealership. The Board mandates that Mr. Wali successfully complete the dealer-operator course within 60 days of his return to the United States. Failure to successfully complete the course by this date will result in a suspension of all licenses and certificates issued to Mr. Wali by the Board until what time Mr. Wali has successfully completed the course. Based on due consideration, the Board believes that successfully completing the dealer-operator course would benefit Ms. Wali in running S & W Auto Sales. The Board mandates that Ms. Wali successfully complete the dealer-operator course by July 9, 2010. Failure to successfully complete the course by this date will result in a suspension of all licenses and certificates issued to Ms. Wali by the Board until what time Ms. Wali has successfully completed the course.

Joe Tate seconded. The motion carried unanimously.

Licensing Committee

Vice-Chairman Lynn Hooper summarized discussions held and actions that were taken during the Committee Meeting.

- **Update: Continuing Education Regulations.** Bruce Gould summarized for the Board the discussion held in the committee meeting regarding Continuing Education Regulations.

Advertising Committee

Chairman Lynn Hooper summarized discussions that were held during the Committee Meeting.

Transaction Recovery Fund Committee:

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

- **Luis A. Sanchez and Rivera Motors, LLC, Tolanda E. Quinones and Skyline Motor Cars, Larry D. Cain and Tropical Motor Sports II, Jeffrey S. Easterling and Turner Chevrolet, Inc.** Chairman Larry Shelor summarized for the Board the discussion held in the committee meeting regarding Luis A. Sanchez and Rivera Motors, Inc., Tolanda e. Quinones and Skyline Motor Cars, Larry D. Cain and Tropical Motor Sports II and Jeffrey S. Easterling and Turner Chevrolet, Inc. Based on that discussion and the recommendations in these cases, Mr. Shelor made the following motion: Pursuant to § 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 a claim 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. The Board hereby approves and reaffirms the following claims and payment amount subject to compliance by the claimant with statutory requirements:

Luis A. Sanchez and Rivera Motors, LLC	\$20,000.00
Tolanda E. Quinones and Skyline Motor Cars	\$20,000.00
Larry D. Cain and Tropical Motor Sports II	\$ 3,173.00
Jeffrey S. Easterling and Turner Chevrolet Inc.	\$10,041.00

Frank Pohanka seconded. The motion carried unanimously.

- **Tonimarie Ramirez and Rivera Motors, LLC.** Chairman Larry Shelor summarized for the Board the discussion held in the committee meeting regarding Tonimarie Ramirez and Rivera Motors LLC. Based on that discussion and the recommendations in these cases, Mr. Shelor made the following motion: Pursuant to § 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 claims should not be payable from the Fund.

Sally Woodson seconded. All in favor: 12 (Holcomb, Pohanka, Hooper, Hughes, Lewark, Moorehead, Patrick, Queen, Reilly, Shelor, Tate, S. Woodson) Opposed 1 (Woodall). The motion carried.

OLD BUSINESS

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

NEW BUSINESS FROM THE FLOOR

There was no new business from the floor.

The next meeting will be scheduled for July 12, 2010.

- **Executive Director’s Report.** Bruce Gould indicated that the 2010 General Assembly didn’t affect the Board as much this year as in the past. The Board’s internal application called OnBoard is still in the works and he indicated that hopefully he’ll be able to conduct a demonstration at the July meeting and update the progress the on improvement on tracking dealers and salespeople. Since Secretary Connaughton has taken office, the weekly agency head meetings, at different agency offices, has proven successful. The next meeting will be May 25 at the Dealer Board’s office. Bruce thanked Commissioner Holcomb for allowing the Board to use the Board room and also broadcasting this meeting live.

There being no further business to come before the Motor Vehicle Dealer Board, Chairman Holcomb adjourned the meeting at 11:41 a.m.

Meeting Summary
Dealer Practices Committee
Monday, May 10, 2010

Chairman Kevin Reilly 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 T.K. Hughes, Wanda Lewark, Thomas Moorehead, Matt Queen, Larry Shelor, Robert Woodall and Sally Woodson. (Absent: David Lacy, Chip Lindsay and Tommy Woodson). Other Board members present: Lynn Hooper, Rick Holcomb, Frank Pohanka, Pat Patrick and Joe Tate. Executive Director Bruce Gould, Peggy Bailey, Prin Cowan, Wanda Neely and Frank McCormick represented the Dealer Board. Eric Fiske represented the Attorney General's Office.

The March 8, 2010 meeting summary was approved.

PUBLIC COMMENT

There was no public comment.

OLD BUSINESS

Update: March Actions. Peggy Bailey reported on the actions taken at the Dealer Practices Committee meeting on March 8, 2010.

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

Review and Action: Informal Fact-Finding Conferences:

- **Vikhen Motors and Henry Squire.** On March 17, 2010, an informal fact-finding conference was conducted to address the alleged violation(s) of VA Code Sections 46.2-1529 (failing to maintain dealer records), 46.2-1529.1 (failing to provide proper disclosure), 46.2-1530 (failing to maintain buyer's orders), 46.2-1533 (failing to maintain business hours) 46.2-1548 (failure to maintain written records of dealer's license plates), 46.2-1550.2 (failure to insure temporary transport plates), 46.2-1559 (violation of record keeping for temporary tags), 46.2-1574 (the licensee or registrant shall be responsible for the act of any of his salesperson) and 46.2-1575 (1) (material misstatements and (2) (failure to comply subsequent to receipt of a written warning/willful failure to comply). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$100.00 for violations of 46.2-1529, 1533, 1548 and 1575(2) for a total civil penalty of \$400.00.

Motion was made by Matthew Queen to accept the hearing officer's recommendation.

Substitute motion made by Robert Woodall to assess a civil penalty of \$900 and for Mr. Squire and Mr. Abbey to attend the Dealer-Operator Course within 60 days. Sally Woodson seconded. The motion carried unanimously.

- **Lynchburg Import, Inc. and Joseph J. Wilson.** On February 9, 2010, an informal fact-finding conference was conducted to address the alleged violation(s) of VA Code Sections 46.2-1539 (inspections of vehicles required, in specific, safety inspection requirements) and 46.2-1575 (2) (failure to comply subsequent to receipt of a written warning), (9) (having been convicted of any criminal act involving the business of selling vehicles) and (14) (failure to submit the Department, within thirty days from the date of sale, any application tax, or fee collected for the Department on behalf of a buyer. Based on the information provided at the conference, the hearing officer recommended that Mr. Wilson attend the 2 day Dealer-Operator course and assessed him a civil penalty of \$5,000.00.

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

Motion was made by T.K. Hughes to accept the hearing officer's recommendation. Robert Woodall seconded. The motion carried unanimously.

At this time, Mr. Reilly recognized Mr. Squire and Mr. Abbey as they came in the meeting late. He indicated that their issue has been reviewed and voted on and they will be able to speak during Full Board as the issue will be reviewed again at that time.

- **Stafford Auto Sales, LLC and Babor Bakhtary.** On March 25, 2010, an informal fact-finding conference was conducted to address the alleged violation(s) of VA Code Sections 46.2-1518 (display of salesperson's license; notice on termination), 46.2-1529 (failure to maintain records), 46.2-1530 (failure to maintain buyer's orders), 46.2-1547 (insurance required), 46.2-1548 (failure to maintain written records of dealer's license plates), 46.2-1550 (failure to insure temporary transport plates), 46.2-1550.2 (issuance and use of temporary transport plates, generally), 46.2-1559 (failure to maintain permanent record of all temporary plates), 46.2-1575.6 (having used deceptive acts or practices), 1575.8 (having been convicted of any fraudulent act in connection with the business of selling vehicles or any consumer-related fraud), 1575.9 (having been convicted of any criminal act involving the business of selling vehicles) and 1575.18 (failing to maintain automobile liability insurance, issued by a company licensed to do business in the Commonwealth). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$100.00 for violations of 46.2-1530, 1548, and 1575.9 & 18 for a total civil penalty of \$300.00.

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

Motion was made by Robert Woodall to accept the hearing officer's recommendation as well as inspection of the dealership within 60 days and if unsatisfactory, the licenses will be suspended. Sally Woodson seconded. The motion carried unanimously.

- **S & W Auto Sales and Shah Wali.** On March 4, 2010, an informal fact-finding conference was conducted to address the alleged violation(s) of VA Code Sections 46.2-1529 (failure to maintain records), 46.2-1533 (failing to maintain business hours), 46.2-1559 (failure to maintain permanent record of all temporary plates) and 46.2-1575 (2) (failure to comply subsequent to receipt of a written warning). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$4,000 (\$1,000 per Code violation) and that Mr. Wali complete the Dealer-Operator Course.

Mrs. Wali was present and spoke on her behalf as well as on behalf of her husband, who is currently out of the country.

Motion was made by Wanda Lewark for Mrs. Wali to complete the Dealer-Operator course within 60 days and Mr. Wali complete the course within 60 days upon his return to the United States, assess a civil penalty of \$2,000 and a re-inspection within 60 days and if unsatisfactory, all licenses will be suspended. Sally Woodson seconded. The motion carried unanimously.

NEW BUSINESS FROM THE FLOOR

- **Buyer's Order.** Bruce Gould requested the expertise and thoughts of the Committee regarding the following question: Is it acceptable for a dealer to have a separate document that the customer signs that would provide for additional responsibilities on the consumer if financing is not provided? The responsibilities would be in addition to the responsibilities as set-out in the law/buyer's order. For example, a separate document that states if the dealer is not able to arrange financing, the consumer must pay \$50 for each day the consumer had the car plus 20 cents per mile and the dealer retains the processing fee? The required statement on the buyer's order states that if financing is not approved, the dealer must return the down payment and any trade-in. Is it acceptable for a dealer to have a separate document that sets fees on the consumer if financing is not secured? It appears that the dealer cannot take these fees out of the down payment. The dealer must return the down payment and arrange for the consumer to pay these fees separately. Also - if the dealer is able to obtain financing with the condition that the car have installed on it, a device that allows the financial institution to disable the car if payment is not made - and the customer refuses to accept that condition - can the vehicle be returned as if financing was not arranged? If such a device is not mentioned as one of the finance conditions agreed to by the customer - it appears the customer may return the vehicle as if the dealer had NOT arranged for financing. Consensus of the Committee was that the Buyer's Order can not be amended nor can a separate document be provided that changes the responsibilities as set-out by Law and as stated in the buyers order. Further, the stipulation of the installation of a "locking" device must be included with the finance terms if the dealer is to make that a condition of financing.

The next meeting was scheduled for July 12, 2010.

The meeting adjourned at 10:09 a.m.

Meeting Summary
Dealer Licensing Committee
Monday, May 10, 2010

Vice-Chairman Lynn Hooper called the Dealer Licensing Committee meeting to order at 10:09 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. Present were Committee members T.K. Hughes, Pat Patrick, Frank Pohanka, Joe Tate and Robert Woodall. (Absent: Chip Lindsay, Henry Jones and Jimmy Whitten). Other Board members present: Matt Queen, Wanda Lewark, Rick Holcomb, Kevin Reilly, Larry Shelor, Thomas Moorehead and Sally Woodson. Executive Director Bruce Gould, Peggy Bailey, Prin Cowan, Wanda Neely and Frank McCormick represented the Dealer Board. Eric Fiske represented the Attorney General's Office.

The March 8, 2010 meeting summary was approved.

PUBLIC COMMENT

There was no public comment.

OLD BUSINESS

- **Update: March Actions.** Lynn Hooper reported on the actions taken at the Licensing Committee meeting on March 8, 2010.
- **Update: Dealer-Operator Continuing Education.** Bruce Gould indicated that the final regulations have been approved through the Attorney General's Office, Planning and Budget and the Secretary's Office and are now at the Governor's Office and once released by the Governor, they can be published in the Virginia Register of Regulations. He also indicated that he has met with Robert Martin to help create an exam for the recertification of Dealer-Operators. Mr. Martin was a field representative for the Board and has conducted several hearings for the Board. He is confident that Mr. Martin will be an asset in the creation of this recertification exam.

OLD BUSINESS FROM THE FLOOR:

There was no old business from the floor.

NEW BUSINESS

NEW BUSINESS FROM THE FLOOR

There was no new business from the floor.

The next meeting was scheduled for July 12, 2010.

The meeting adjourned at 10:18 a.m.

Meeting Summary
Advertising Committee
Monday, May 10, 2010

Chairman Lynn Hooper called the Advertising Committee meeting to order at 10:19 a.m. in Room 702, at DMV Headquarters, 2300 West Broad Street, Richmond, Virginia. Present were Committee members Matt Queen, Larry Shelor, Kevin Reilly, Joe Tate and Sally Woodson. (Absent: Matt Lohr, Tommy Woodson, Jimmy Whitten). Other Board members present: Robert Woodall, Wanda Lewark, Rick Holcomb, T.K. Hughes, Pat Patrick, Thomas Moorehead. Executive Director Bruce Gould, Peggy Bailey, Prin Cowan, Wanda Neely and Frank McCormick represented the Dealer Board. Eric Fiske represented the Attorney General's Office.

The March 8, 2010 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

Lynn Hooper reviewed and discussed the Advertising Report with the Committee members. He requested that staff include in future written violation/educational letters that the dealer respond explaining how he/she is going to take corrective action.

The next meeting was scheduled for July 12, 2010.

NEW BUSINESS FROM THE FLOOR

There was no new business from the floor.

The meeting adjourned at 10:22 a.m.

Meeting Summary
Transaction Recovery Fund Committee
Monday, May 10, 2010

Chairman Larry Shelor called the Transaction Recovery Fund Committee meeting to order at 10:22 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. Present were Committee members: Wanda Lewark, Pat Patrick, Frank Pohanka, Matt Queen and Joe Tate. (Absent: David Lacy, Henry Jones, Matt Lohr). Other Board members present: Robert Woodall, Lynn Hooper, Rick Holcomb, Kevin Reilly, T.K. Hughes, Thomas Moorehead, Sally Woodson. Executive Director Bruce Gould, Peggy Bailey, Prin Cowan, Wanda Neely and Frank McCormick represented the Dealer Board. Eric Fiske represented the Attorney General's Office.

The March 8, 2010 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 Conference Results:

- **Luis A. Sanchez and Rivera Motors, LLC.** On November 17, 2008, Luis A. Sanchez entered into a contract to purchase a 2006 Nissan from Rivera Motors, LLC for a purchase price of \$27,600.00. At the time of purchase, Mr. Sanchez traded-in a 2008 Toyota Camry. He was under the impression that Rivera Motors was going to pay-off his loan with Prestige Financial on the Camry. Three months after the purchase, Mr. Sanchez learned that the loan had never been paid off. Rivera had made payments on the loan for the Toyota from December 3, 2008 through April 3, 2009 then stopped making payments. When Mr. Sanchez questioned the dealership, Mr. Rivera indicated he was trying to sell the Toyota in order to pay off the Nissan. On April 16, 2009, Mr. Rivera sold the Toyota to a third party without having possession of the title.

Rivera Motors went out of business in June of 2009. After being notified by Prestige Financial about the account being delinquent, Mr. Sanchez made payments on the Toyota in October and November of 2009 totaling \$1,141.94. Mr. Sanchez was still being held liable for the balance of the loan in the amount of \$20,552.43. On September 2, 2009, Strickler Sanford, IV, Esquire filed on behalf of Mr. Sanchez a civil action in the Circuit Court of the City of Norfolk against Rivera Motors for "Contract Action" with damages in the amount of \$29,149.00. On October 30, 2009, the Circuit Court of the City of Norfolk awarded Mr. Sanchez a Default Judgment against Rivera Motors, LLC in the amount of \$22,954.03. On December 2, 2009, Mr. Sanford submitted to the Dealer Board documentation leading up to the Default Judgment award.

On December 8, 2009, the Dealer Board staff sent a letter to Mr. Sanford advising him that his client's claim would be held in abeyance until he was able to submit a copy of the Buyer's Order, a letter from Prestige regarding the amount owed at the time of the transaction, clarification of how the court arrived at the judgment amount of \$22,954.03. On February 11, 2010, Mr. Sanford submitted the letter of clarification with an explanation of how the Court arrived at the judgment amount and also a copy of the Bill of Sale to Rivera Motors selling his 2008 Toyota Camry in the amount of \$13,068.00 and a copy of Prestige Account Statement regarding the amount owed on the Camry and the payment history. The facts reflect that Mr. Sanchez signed two separate contracts with two different methods of payment, one in connection with a purchase for the 2006 Nissan dated 12/15/08 and one to sell his 2008 Toyota dated 11/14/08.

On April 1, 2010, an informal fact-finding conference was conducted and based on the information provided at the conference, the hearing officer indicated that there are gray areas within the Code that can recommend both in favor and out of favor in this case; however, he believes that Mr. Sanchez has done everything he thought was correct to make what should have been a simple vehicle purchase. Therefore, he recommended that Mr. Sanchez should be awarded the maximum \$20,000 which is allowed by code.

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

Motion was made by Joe Tate to accept the hearing officer's recommendation. Matt Queen seconded. The motion carried unanimously.

- **Tonimarie Ramirez and Rivera Motors, LLC.** On July 16, 2008, Tonimarie Ramirez entered into a contract to purchase a 2004 Ford F-150 from Rivera Motors, LLC for a purchase price of \$13,800.00. As part of the purchase, Ms. Ramirez traded-in a 2004 Infinity, which had an outstanding balance on a loan with United Services Automobile Association (USAA). On the date of purchase, Rivera received a check from Navy Federal Credit Union for approximately \$28,000 and the 2004 Infinity as a trade-in for the 2004 Ford F-150. Rivera indicated that the loan with USAA would be paid off within 30-60 days. Rivera had made payments on the loan for the Infinity from September 2008 through April 2009 totaling \$6,550.00, then stopped making payments and later sold the 2004 Infinity to a third party without having clear title to the vehicle.

Ms. Ramirez continued to make payments on the Infiniti after she was contacted by USAA regarding the account being delinquent. On July 23, 2009, Strickler Sanford, IV, Esquire, on behalf of Tonimarie Ramirez, filed a civil action in the Circuit Court of the City of Norfolk against Rivera Motors, LLC for "Contract Action" with damages in the amount of \$18,494.00 and also notified the Dealer Board, as prior notification, via complaint on July 24, 2009. On July 27, 2009, the Dealer Board acknowledged receipt and requested additional information in order to complete review process of her claim. On October 14, 2009, Mr. Sanford submitted the required documentation. On October 30, 2009, the Circuit Court for the City of Norfolk awarded Ms. Ramirez a Default Judgment against Rivera Motors, LLC in the amount of \$18,494.00. On December 2, 2009, Mr. Sanford submitted to the Dealer Board documentation for consideration of payment from the Fund. On December 8, 2009, the Board staff requested a Buyer's Order, copy of canceled checks/receipt attesting to payment to Rivera Motors, a letter of clarification from USAA regarding the amount owed on the 2004 Infinity at the time of the transaction and clarification of how the court arrived at the judgment amount of \$18,494.00.

On February 25, 2010, Mr. Sanford submitted to the Dealer Board a letter of clarification regarding his client's claim on how the court arrived at the judgment amount, the Bill of Sale selling the 2004 Infinity in the amount of \$18,000.00, a copy of USAA statement regarding the amount owed and the payment history. Mr. Sanford was unable to provide the Dealer Board with a copy of Ms. Ramirez Buyer's Order in connection with the purchase of the 2004 Ford, F-150. Upon reviewing documentation from the DMV, their records reflect that Ms. Ramirez was not the purchaser of the 2004 Ford F-150. It appears that Adalberto Ramirez was the purchase and Ms. Ramirez made a decision to sell the 2004 Infiniti to Rivera Motors. This appears to be two entirely separate transactions. It was also determined that Ms. Ramirez was licensed as salesperson for Rivera and was in a position to know the practices at Rivera Motors.

On April 1, 2010, an informal fact-finding conference was conducted and based on the information provided at the conference, the hearing officer indicated that he cannot make a favorable recommendation on behalf of Ms. Ramirez; therefore he recommended that no payment be made to Ms. Ramirez.

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

Motion was made by Joe Tate to accept the hearing officer's recommendation. Frank Pohanka seconded. The motion carried unanimously.

- **Tolanda E. Quinones and Skyline Motor Cars.** On April 7, 2009, Tolanda E. Quinones purchased a 2006 BMW from Skyline Motor Cars for a total purchase price of \$23,175.19. Ms. Quinones made a deposit of \$1,675.19 and financed the remaining balance of \$21,500.00 with Navy Federal Credit Union. Prior to the sale, Skyline never displayed a mandatory Buyers Guide indicating the vehicle "as is" and they had misrepresented the true mileage on the Buyer's Order contract. They also failed to indicate there was any existing lien on the vehicle. May 7, 2009, the temporary registration expired and she had not received her permanent plates. She then called the Dealer Board to file a complaint against the dealer. On May 18, 2009, the Dealer Board provided Ms. Quinones with a letter indicating that Skyline had gone out of business.

On June 18, 2009, the Virginia DMV notified Ms. Quinones that they could not register the vehicle without a lien release letter because Automotive Finance refused to provide one. In July and August of 2009, Navy Federal Credit Union notified Ms. Quinones that they had not received her proof of ownership reflecting their recorded lien. Ms. Quinones continues to make her monthly payments with interest on a vehicle she has been unable to obtain title. On September 15, 2009, Stephen Swann, Esquire on behalf of Ms. Quinones, sent a letter to Skyline requesting delivery of a lien-free title, or for a rescission of the purchase transaction; in which they have refused to do. On November 12, 2009, Mr. Swann filed suit against Skyline Motor Cars in the Circuit Court for Fairfax County and on November 30th notified the Dealer Board as prior notification the "complaint" filed against Skyline Motors. On January 11, 2010, the Circuit Court for Fairfax County awarded Ms. Quinones judgment against Skyline Motor Cars in the amount of \$23,175.19 actual damages, \$69,525.57 treble damages, \$6,078 attorney fees and \$108.00 costs of court. On February 1, 2010, Mr. Swann submitted all the appropriate paper work to the Dealer Board for consideration of the maximum recovery from the Fund in the amount of \$20,000.00.

On April 1, 2010, an informal fact-finding conference was conducted and based on the information provided at the conference, the hearing recommended that payment be made to Ms. Quinones in the full amount allowed by Code \$20,000.00.

Motion was made by Frank Pohanka to accept the hearing officer's recommendation. Pat Patrick seconded. The motion carried unanimously.

- **Larry D. Cain and Tropical Motor Sports II.** On February 10, 2009, Larry D. Cain purchased a 2007 Ford from Tropical Motor Sports II for a total purchase price of \$11,564.65. In connection with the purchase, Mr. Cain traded-in a 2001 Mercury Sable and was given a gross allowance of \$4,120.00 with an estimated balance owed of \$3,120.00 make the net trade-in amount of \$1,000.00. Mr. Cain financed the remaining balance through JP Morgan Chase Bank. On February 21, 2009, Tropical Motors sold the 2001 Mercury to a third party for \$5,650.00, but failed to pay off Mr. Cain's loan to Colonial Chevrolet/Auto Credit. Mr. Cain was unaware until Colonial contacted him and indicated that he was in default and being held liable for the balance of the loan. On October 21, 2009, Mr. Cain filed a Warrant in Debt against Jay Steer individually t/a Tropical Motor Sports in the amount of \$4,171.90 plus \$53 in court costs for failure to pay off his trade-in. Mr. Cain then filed a verbal complaint with the Dealer Board against Tropical Motor Sports. On January 7, 2010 Dealer Board staff sent a letter to Mr. Cain indicating that Tropical Motors was no longer in business.

On January 21, 2010, the Norfolk General District Court awarded Mr. Cain a Default Judgment against Tropical Motor Sports in the amount of \$3,120.00 plus \$53.00 in court costs. After receiving the Judgment, Mr. Cain notified the Dealer Board and in turn the Dealer Board outlined in a letter the procedure and what documentation was needed in order to file a claim against the Fund. On February 4, 2010, Colonial Chevrolet/Auto Credit filed a Warrant in Debt against Mr. Cain for the debt owed (\$3,071.91 with interest at 22.99% plus costs in the amount of \$56.00) on his loan on the 2001 Mercury Sable. However, when the Recovery Fund Analyst contacted Yvonne Simone, paralegal for Colonial Chevrolet, she indicated upon approval of Mr. Cain's claim against Tropical, Colonial Chevrolet/Auto Credit may be willing to write-off the difference owed on his loan and dismiss the civil action they have filed against him.

On April 12, 2010, an informal fact-finding conference was conducted and based on the information provided at the conference, the hearing recommended that payment should be made to Mr. Cain in the amount of \$3,173.00 (Judgment \$3,120.00 plus \$53.00 in court cost).

Motion was made by Joe Tate to accept the hearing office's recommendation. Matt Queen seconded. The motion carried unanimously.

- **Jeffrey S. Easterling and Turner Chevrolet, Inc.** On September 17, 2007, Jeffrey S. Easterling purchased a 2007 Chevrolet Silverado from Turner Chevrolet, Inc. for a total purchase price \$21,443.80. This amount was financed through Community Trust Bank of Pikeville, Kentucky, in which they paid Turner in full for the purchase. In connection with the purchase, Mr. Easterling traded in a 2005 Chevrolet Equinox LS and was given an allowance of \$12,000.00 with an approximate pay-off accuracy to TruPoint Bank of \$14,850.00 with a minus equity on the trade-in of \$2,850.38. Turner never paid the loan to TruPoint for the 2005 Equinox.

The Easterling's then learned that the owner (Emory L. Turner) had been killed in an automobile accident on September 30, 2007. New Peoples Bank was the floor planner for most of the items at the dealership, froze everything they could find, including all of the assets. The 2007 Chevrolet Silverado they had purchased was never paid for by the previous owner, in which, prevented the Easterling's from obtaining license plates, insurance or a title to the vehicle.

On November 8, 2007, the Easterling's had to surrender the 2007 Chevrolet Silverado to M & I Bank, which was the title holder of the vehicle from the prior owner. The Easterling's vehicle that was traded in had been sold to someone in Coeburn, Virginia. The Easterling's have lost possession of both vehicles; the banks are holding them liable. Community Trust Bank of Oikeville, Kentucky agreed to write-off the loan contract the Easterling's that was obtained in connection with the purchase of the Silverado. However, TruPoint Bank currently is suing the Easterling's for \$20,000.00 on their loan for the 2005 Ford Equinox that was traded-in to Turner Chevrolet. Edward Matney, Esquire is representing the Easterling's in this lawsuit, may obtain another judgment against Turner Chevrolet for the difference or possibly go against New Peoples Bank, the floor planner that sold their trade-in, depending on the outcome of this judgment.

On September 2, 2008, Allison Mullins, Esquire of behalf of Mr. Easterling filed a Warrant in Debt against Turner Chevrolet in the Dickenson General District Court in the amount of \$10,000.00 plus \$41.00 in costs. Basis for the claim was for Turner Chevrolet's failure to pay-off the trade-in. On October 14, 2008, the Dickenson County General District Court awarded Mr. Easterling judgment against Turner Chevrolet in the amount of \$10,000.00 plus \$41.00 in court costs. On June 22, 2009, Ms. Mullins, on behalf of Mr. Easterling, submitted the appropriate paperwork for consideration of recovery from the Fund. Soon afterward, Ms. Mullins left her law firm and Mr. Matney, who represented the Easterling's in the law suit against them with TruPoint, took over and assisted them with finalizing their claim against the Fund.

On April 14, 2010, an informal fact-finding conference was conducted and based on the information provided at the conference, the hearing recommended that payment be made to the Easterling's in the amount of \$10,000 plus \$41.00 in court costs.

Motion was made by Joe Tate to accept the hearing officer's recommendation. Frank Pohanka seconded. The motion carried unanimously.

NEW BUSINESS FROM THE FLOOR

There was no new business from the floor.

The next meeting was scheduled for July 12, 2010.

The meeting adjourned at 10:53 a.m.