

Meeting Summary
Motor Vehicle Dealer Board
Monday, May 13, 2019

Chairman Rick Holcomb called the Dealer Board meeting to order at 12:04 p.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, Michael Bor, David Duncan, Steve Farmer, Rob Fisher, Randy Harris, Ron Kody, Chris Maher, Geoff Malloy, Matt McQueen, Senior Saghafi, Don Sullivan and Joe Tate. (Absent: Liza Borches, Gardner Britt, Maurice Slaughter). Executive Director William Childress, Peggy Bailey, Lisa Mack-Nelson, Wanda Neely and Ann Majors 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 March 11, 2019 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.

Insurance/Dealer Plates – Chris Maher. Chris indicated that this issue is tabled until the September Board meeting for further study.

Whitten Brothers, Inc. and Robert G. Whitten. 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 Whitten Brothers, Inc., and Robert Whitten 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 Whitten Brothers, Inc., and Robert Whitten: Assessed a civil penalty of \$1,000.00. The Board mandates that Robert Whitten hereby be assessed a civil penalty of \$1,000.00.

Matt McQueen seconded. All in favor: 9 (Banister, Bor, Duncan, Fisher, Maher, Malloy, McQueen, Saghafi, Sullivan). Opposed: 6 (Bailey, Farmer, Harris, Kody, Tate, Holcomb) The motion carried.

NOTE: A substitute motion was made by Randy Harris to assess a civil penalty of \$5,000. Joe Tate seconded. All in favor: 6 (Bailey, Farmer, Harris, Kody, Tate, Holcomb). Opposed: 9 (Banister, Bor, Duncan, Fisher, Maher, Malloy, McQueen, Saghafi, Sullivan). The motion failed.

Blue Ridge Division and Terry L. Dotson. 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 Blue Ridge Division and Terry Dotson for alleged violations of Va. Code sections §46.2-1529 and 46.2-1537. Based on due consideration, the Board believes that the following actions should be taken against Blue Ridge Division and Terry Dotson: Assessed a civil penalty of \$1,750. The Board mandates that Terry Dotson hereby be assessed a civil penalty of \$1,750.00.

Chris Maher seconded. The motion carried unanimously.

MVP Automotive and Yunpeng Wang. 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 MVP Automotive and Yunpeng Wang for alleged violations of Va. Code sections §46.2-1529, 46.2-1533 and 46.2-1537. Based on due consideration, the Board believes that the following actions should be taken against MVP Automotive and Yunpeng Wang: Assessed a civil penalty of \$1,000.00; and MVP Automotive shall be inspected by a Motor Vehicle Dealer Board field representative by August 13, 2019 and that inspection shall be satisfactory. The Board mandates that Yunpeng Wang hereby be assessed a civil penalty of \$1,000.00 and the MVP Automotive dealership shall satisfactorily pass an inspection conducted by a Motor Vehicle Dealer Board field representative on or before August 13, 2019. Failure to comply with the Board's mandates by the required dates will result in the suspension of all licenses and certificates issued by the Board until such time the MVP Automotive dealership and Yunpeng Wang successfully complies with the Board's mandates.

Matt McQueen seconded. The motion carried unanimously.

Pro Automotive and Kahsay Areki. 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 Pro Automotive and Kahsay Areki for alleged violations of Va. Code sections §46.2-1533 and 46.2-1575 (2). Based on due consideration, the Board believes that the following actions should be taken against Pro Automotive and Kahsay Areki: Assessed a civil penalty of \$750.00 civil penalty; and Pro Automotive shall be inspected by a Motor Vehicle Dealer Board field representative by August 13, 2019 and that inspection shall be satisfactory. The Board mandates that Kahsay Areki hereby be assessed a civil penalty of \$750.00 and the Pro Automotive dealership shall satisfactorily pass an inspection conducted by a Motor Vehicle Dealer Board field representative on or before August 13, 2019. Failure to comply with the Board's mandates by the required dates will result in the suspension of all licenses and certificates issued by the Board until such time the Pro Automotive dealership and Kahsay Areki successfully complies with the Board's mandates.

Joe Tate seconded. The motion carried unanimously.

Prosperity Auto Sales and Faisal Chaudhry. 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 Prosperity Auto Sales and Faisal Chaudhry for alleged violations of Va. Code sections §46.2-1528, 46.2-1529, 46.2-1533 and 46.2-1575 (2). Based on due consideration, the Board believes that the following actions should be taken against Prosperity Auto Sales and Faisal Chaudhry: Assessed a civil penalty of \$1,000.00 civil penalty; and Prosperity Auto Sales shall be inspected by a Motor Vehicle Dealer Board field representative by July 13, 2019 and that inspection shall be satisfactory. The Board mandates that Faisal Chaudhry hereby be assessed a civil penalty of \$1,000.00 and the Prosperity Auto Sales dealership shall satisfactorily pass an inspection conducted by a Motor Vehicle Dealer Board field representative on or before July 13, 2019. Failure to comply with the Board's mandates by the required dates will result in the suspension of all licenses and certificates issued by the Board until such time the Prosperity Auto Sales dealership and Faisal Chaudhry successfully complies with the Board's mandates.

Rob Fisher seconded. All in favor: 13 (Holcomb, Bailey, Banister, Bor, Duncan, Farmer, Fisher, Harris, Kody, Malloy, McQueen, Saghafi and Don Sullivan). Opposed: 2 (Maher and Tate). The motion carried.

Simms Motors, LLC and Jamal D. Simms. 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 Simms Motors, LLC and Jamal Simms for alleged violations of Va. Code sections §46.2-1533 and 46.2-1575 (2). Based on due consideration, the Board believes that the following actions should be taken against Simms Motors and Jamal Simms: Assessed a civil penalty of \$750.00; and Simms Motors shall be inspected by a Motor Vehicle Dealer Board field representative by August 13, 2019 and that inspection shall be satisfactory. The Board mandates that Jamal Simms hereby be assessed a civil penalty of \$750.00 and the Simms Motors dealership shall satisfactorily pass an inspection conducted by a Motor Vehicle Dealer Board field representative on or before August 13, 2019. Failure to comply with the Board's mandates by the required dates will result in the suspension of all licenses and certificates issued by the Board until such time the Simms Motors dealership and Jamal Simms successfully complies with the Board's mandates.

Senior Saghafi seconded. All in favor: 14 (Bailey, Banister, Bor, Duncan, Farmer, Fisher, Harris, Kody, Maher, Malloy, McQueen, Saghafi, Sullivan, Tate). Rick Holcomb did not feel comfortable voting so he abstained. The motion carried.

Premium Motors, Inc. and Khalid Majeed. 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 Premium Motors, Inc., and Khalid Majeed for alleged violations of Va. Code sections §46.2-1528, 46.2-1529, 46.2-1533 and 46.2-1575 (2). Based on due consideration, the Board believes that the following actions should be taken against Premium Motors and Khalid Majeed: Assessed a civil penalty of \$3,000 civil penalty; and Premium Motors shall be inspected by a Motor Vehicle Dealer Board field

representative by August 13, 2019 and that inspection shall be satisfactory. The Board mandates that Khalid Majeed hereby be assessed a civil penalty of \$3,000 and the Premium Motors dealership shall satisfactorily pass an inspection conducted by a Motor Vehicle Dealer Board field representative on or before August 13, 2019. Failure to comply with the Board's mandates by the required dates will result in the suspension of all licenses and certificates issued by the Board until such time the Premium Motors dealership and Khalid Majeed successfully complies with the Board's mandates.

Joe Tate seconded. The motion carried unanimously.

Xceleration Auto Sales and Hatim Abed. Committee Chairman Kody made the following motion: Based on the evidence and a report of an informal fact finding conference as prepared by a hearing officer, the Motor Vehicle Dealer Board assessed a \$2,000.00 civil penalty against Xceleration Auto Sales and Hatim Abed. Hatim Abed appealed the Board's decision and requested a formal hearing that was conducted on February 22, 2019. The Board has reviewed and considered the facts and evidence and the report of a formal hearing as prepared by the hearing officer concerning Xceleration Auto Sales and Hatim Abed for alleged violations of Va. Code section §46.2-1547 and 46.2-1575 (18). Based on due consideration, the Board believes that the following actions should be taken against Xceleration Auto Sales, LLC and Hatim Abed: Assessed a civil penalty of \$2,000.00. The Board mandates that Xceleration Auto Sales and Hatim Abed hereby be assessed a civil penalty of \$2,000.00.

Joe Tate seconded. The motion carried unanimously.

Licensing Committee

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

Supplemental Sales License – Ron Kody. Ron summarized what was discussed in the Licensing Committee.

Motion was made by Joe Tate to adopt the recommendations that were presented during Licensing. Rob Fisher seconded. The motion carried unanimously.

Yonnie H. Christo, Jr. Sales Applicant. Committee Chairman Joe 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 Yonnie Christo Jr., 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 Yonnie Christo, Jr.: Denied salesperson application. The Board mandates that Yonnie Christo, Jr., is hereby denied a salesperson application.

Rob Fisher seconded. The motion carried unanimously.

Advertising Committee

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

Advertising via Social Media. Motion was made by David Duncan to adopt the recommendations that were presented during Advertising. Joe Tate seconded. The motion carried unanimously.

Five Star Motors, LLC and Lener Paz Garcia. Committee Chairman David 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 Five Star Motors, LLC and Lener Garcia for alleged violations of Va. Code sections §46.2-1535, 46.2-1575 (2) and 46.2-1581 (8). Based on due consideration, the Board believes that the following actions should be taken against Five Star Motors and Lener Garcia: Assessed a civil penalty of \$1,000.00 civil penalty. The Board mandates that Lener Garcia hereby be assessed a civil penalty of \$1,000.00.

Rob Fisher seconded. The motion carried unanimously.

Transaction Recovery Fund Committee:

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

Revisit: Saquan Branch vs. Lifestyle Motor Group. Historical Overview: At the January 28, 2019 Board meeting Committee Chairman Maher summarized for the Board the discussion held in the committee meeting regarding Sequan J. Branch vs. Lifestyle Motor Group. Based on that discussion and the recommendations in this case, Committee Chairman 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 claim should be payable from the Fund:

Sequan J. Branch vs. Lifestyle Motor Group	\$4,059.00
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Rob Fisher seconded. The motion carried unanimously.

Review and Action: Informal Fact-Finding Conferences:

Ashton See & Kevin Banks vs. Budget Auto Sales, Inc. – Committee Chairman Maher summarized for the Board the discussion held in the committee meeting regarding Ashton See and Kevin Banks vs. Budget Auto Sales, Inc. Based on that discussion and the recommendations in this case, Chairman 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 claim should be payable from the Fund.

David Phillips of Budget Auto Sales was present and spoke on his own behalf.

Ashton See & Kevin Banks

\$9,133.92

Rob Fisher seconded. The motion carried unanimously.

Randy Pinocci vs. The Car Man of Richmond, LLC – Committee Chairman Maher summarized for the Board the discussion held in the committee meeting regarding Ashton See and Kevin Banks vs. The Car Man of Richmond, LLC. Based on that discussion and the recommendations in this case, Chairman 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 Mr. Pinocci’s claim should be tabled until the July 2019 Board meeting.

Rob Fisher seconded. The motion carried unanimously.

OLD BUSINESS

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

At Your Pace Online – Ryan Imel. Mr. Imel indicated that his company would like to be a vendor for the online Independent Dealer-Operator recertification program. Mr. Imel gave the Board a short presentation about his company. William Childress informed the Board that At Your Pace’s Online recertification program did meet Virginia’s requirements. Rick Holcomb requested information from the staff regarding the numbers each current vendor is doing monthly/annually with the independent dealer-operators. He also inquired of the Dealer associations to see if salespersons should have some type of recertification program as well. Mr. Imel’s request was tabled.

EXECUTIVE DIRECTOR’S REPORT:

William Childress openly asked all to continue to work with the Board staff and to feel free to share their perspectives. He assured all that the Board staff is doing the best possible given the information on hand at the time. William stressed that the Board staff is open to and willing to engage in conversations at all times. Working together is how we will get things accomplished, not against each other.

NEW BUSINESS FROM THE FLOOR – There was no new business from the floor.

The next Full Board meeting will be July 8, 2019.

There being no further business to come before the Motor Vehicle Dealer Board, Chairman Holcomb adjourned the meeting at 1:34 p.m.

Meeting Summary
Dealer Practices Committee
Monday May 13, 2019

Chairman Ron Kody called the Dealer Practices Committee meeting to order at 9:20 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. Present were Committee members: Michael Bor, Liza Borches (present from 9:20 a.m. to 9:39 a.m.), Steve Farmer, Rob Fisher, Geoff Malloy, Chris Maher, Matt McQueen, Senior Saghafi, Joe Tate. (Absent: Gardner Britt, Liza Borches left at 9:39 a.m.). Other Board members present: Rick Holcomb, Ted Bailey, Dan Banister, David Duncan, Maurice Slaughter, Don Sullivan. Executive Director William Childress, Peggy Bailey, Lisa Mack-Nelson, Wanda Neely and Ann Majors represented the Dealer Board. Christian Parrish represented the Attorney General's office.

The March 11, 2019 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

Insurance/Dealer Plates – Chris Maher. Chris presented the findings of their sub-committee meeting. He indicated that the purpose of this meeting is to give guidance to the MVDB regarding dealer tag insurance.

Current actions are:

- Dealer certifies by signature on the MVDB 9 dealer plate application that the dealer has insurance.
- Field representatives validates insurance during inspections and confirms the insurance is valid with no lapse.
- Enforces a civil penalty of \$600 per plate for any uninsured dealer tag.

Proposed actions:

- Take legislative action on specific code sections 46.2-1547 and 46.2-1575 (18) focusing on removing the word “each”.
- Take legislative action requiring insurance companies to notify the Board whenever a dealer has a lapse in liability.
- Change internal MVDB staff licensing process policy regarding issuance of dealer tags.
- Field representatives request the endorsement page or “decoration” page during inspection.

Additional discussions, no action:

- Shifting responsibility of insurance on Dealer Tags to DMV.

Motion was made by Chris Maher to table this issue until the September so that further recommendations can be discussed. Joe Tate seconded. The motion carried unanimously.

Review and Action: Informal Fact-Finding Conferences:

Whitten Brothers, Inc. and Robert G. Whitten – On February 4, 2019, 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 \$6,385.

James Whitten and Harrison Whitten were present and spoke on behalf of Whitten Brothers.

Motion was made by Joe Tate to assess a civil penalty of \$3,885.00. Steve Farmer seconded.

Substitute motion was made by Chris Maher to assess a civil penalty of \$3,192.50. The motion failed due to a lack of a second.

Motion was made by Michael Bor to assess a civil penalty of \$1,000. Geoff Malloy seconded. All in favor: 6 (Bor, Fisher, McQueen, Maher, Malloy, Saghafi). Opposed: 4 (Farmer, Kody, Tate and Bailey). The motion carried.

Blue Ridge Division and Terry L. Dotson – On January 23, 2019, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1529 and 1537. Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$750 for violations of 46.2-1529 and \$1,000 for violations of 46.2-1537 for a total civil penalty of \$1,750 being assessed.

David A. Rowland was present and spoke on behalf Blue Ridge Division.

Motion was made by Rob Fisher to accept the hearing officer's recommendation of assessing a civil penalty of \$1,750. Matt McQueen seconded. The motion carried unanimously.

MVP Automotive and Yunpeng Wang – On March 4, 2019, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1529, 1533 and 1575 (2). Based on the information provided at the conference, the hearing officer recommended a satisfactory inspection be conducted within the next 90 days. In the event this inspection is unsatisfactory, he also recommended that a civil penalty of \$250 be assessed as it relates to VA Code Section 46.2-1533 and to include a possible suspension of all licenses and certificates until the inspection is satisfactory.

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

Motion was made by Joe Tate to assess a civil penalty of \$1,000 and a satisfactory inspection within 90 days. Senior Saghafi seconded. All in favor: 8 (Kody, Farmer, Fisher, McQueen, Maher, Malloy, Saghafi, Tate). Opposed: 1 (Bor). The motion carried.

Pro Automotive and Kahsay Areki – On March 4, 2019, an informal fact-finding conference was conducted to address the alleged violations of VA Code Section 46.2-1533

and 1575 (2). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$750 and satisfactory inspection.

Motion was made by Joe Tate to accept the hearing officer's recommendation of assessing a civil penalty of \$750 and a satisfactory inspection within 90 days. Rob Fisher seconded. The motion carried unanimously.

Prosperity Auto Sales and Faisal Chaudhry – On April 10, 2019, an informal fact-finding conference was conducted to address the alleged violations of VA Code Section 46.2-1528, 1529, 1533 and 1575 (2). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$1,000 for violations of VA Code Section 46.2-1533 and 30 day suspension for violations of VA Code Section 46.2-1575 (2).

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

Motion was made by Chris Maher to assess a civil penalty of \$5,000 and a satisfactory inspection within 60 days. The motion failed due to a lack of a second.

Motion was made by Michael Bor to assess a civil penalty of \$1,000 and a satisfactory inspection within 60 days, if not satisfactory, suspension until the dealer has had a satisfactory inspection. Senior Saghafi seconded. The motion carried unanimously.

Simms Motors, LLC and Jamal D. Simms – On April 8, 2019, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1533 and 1575 (2). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$500 and a satisfactory inspection within 90 days.

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

Motion was made by Joe Tate to assess a civil penalty of \$750 and a satisfactory inspection within 90 days. Senior Saghafi seconded. All in favor: 8 (Kody, Farmer, Fisher, McQueen, Maher, Malloy, Ssaghafi, Tate). Opposed: 1 (Bor). The motion carried.

Premium Motors, Inc. and Khalid Majeed – On April 18, 2019, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1528, 1529, 1533 and 1575 (2). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$3,000 and a satisfactory inspection within 90 days.

Motion was made by Joe Tate to accept the hearing officer's recommendation of assessing a civil penalty of \$3,000 and a satisfactory inspection within 90 days. Michael Bor seconded. The motion carried unanimously.

Review and Action: Formal Hearing:

Xceleration Auto Sales, LLC and Hatim Abed – Historical Overview leading up to the formal hearing: On August 28, 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 assessing a civil penalty of \$500 for violations of 46.2-1547. The Board adopted a resolution a resolution

assessing a civil penalty of \$2,000, which is the original civil penalty assessed on June 19, 2018. On February 22, 2019, Mr. Abed appealed for a formal hearing. On April 8, 2019, a formal hearing was conducted to address the above alleged violations. Based on the information provided at the hearing, the hearing officer recommended assessing a civil penalty of \$500 for VA Code Section 46.2-1547 and no further action taken for violations of 46.2-1575 (18).

Motion was made by Joe Tate to assess a civil penalty of \$2,000. Rob Fisher seconded. The motion carried unanimously.

NEW BUSINESS FROM THE FLOOR – There was no new business from the floor.

NEXT MEETING:

The next meeting is scheduled for July 8, 2019

The meeting adjourned at 11:07 a.m.

Meeting Summary
Dealer Licensing Committee
Monday, May 13, 2019

Chairman Joe Tate called the Dealer Licensing Committee meeting to order at 11:07 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, Randy Harris, Senior Saghafi and Don Sullivan. (Absent: Liza Borches and Gardner Britt, Maurice Slaughter left at 10:42 a.m.) Other Board members present: Rick Holcomb, Michael Bor, Steve Farmer, Ron Kody, Chris Maher, Geoff Malloy and Matt McQueen. Executive Director William Childress, Peggy Bailey, Lisa Mack-Nelson, Wanda Neely and Ann Majors represented the Dealer Board. Christian Parrish represented the Attorney General's office.

The March 11, 2019 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

Supplemental Sales License – Ron Kody. Ron reported that a subcommittee meeting was held to discuss recent complaints being received by dealers about supplemental sales licenses issued for used vehicle sales in their areas by dealers from other markets.

Clarification of the process: A dealer seeking to organize a sale and requesting a supplemental license must contact dealers in the area where the sale will be held. The letter to those dealers must contain the following elements:

- Date and place of the sale.
- An offer to participate in the sale on the same terms as the dealer requesting the license. This means that the dealer requesting the license will equally share the space contracted for as well as fully provide for the administration of the sale, including equal treatment in advertising, signage, and on-site services, including utilities, associated with the event.
- The expenses of the sale must be equally shared among participating dealers, including the sale administrator, and the sale administrator may not charge additional fees, payable either directly to itself, to an affiliate, or to a contractor that will make rebates or payments to the sale administrator, that will artificially inflate the costs of participation for other dealers.

- Each participating dealer is responsible for certain expenses including, but not limited to costs of transporting inventory to the sale and providing salespeople and other services they voluntarily choose to provide for themselves.

In order to streamline the application process, dealers applying for a supplemental sales license should share with the Board a copy of the offer letter as well as a list of dealers receiving the letter.

If the Board receives a complaint from any dealer who receives the letter, the Board will investigate to ensure compliance with the statute. The investigation may include inquiries to the dealer requesting the license for further disclosures related to the expenses of the event. Fees to the sale organizer, either directly or to an entity controlled by or affiliated with the organizer, raises the presumption that the other dealers are not being offered the right to participate in the sale “on the same terms as the dealer operating under the temporary license.” Inquiries resulting from complaints about the price of participation will include an inquiry whether any of the participation funds are for fees to the organizing dealer or to an entity controlled by or affiliated with the dealer requesting the license.

Should the investigation by the Board show that the requirements of the statute are not met, the Board will reject the application for a supplemental sales license. If anyone has further questions about applying for a supplemental sales license, please contact the Board.

Motion was made by David Duncan to accept the above recommendations by the subcommittee. Don Sullivan seconded. The motion carried unanimously.

Review and Action: Informal Fact-Finding Conferences:

Yonnie H. Christo, Jr., Sales Applicant – On February 25, 2019, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1575 (6) and (13). Based on the information provided at the conference, the hearing officer recommended denying Mr. Christo a salesperson license.

Motion was made by Rob Fisher to accept the hearing officer’s recommendation and deny Mr. Christo a salesperson license. Randy Harris 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 8, 2019

The meeting adjourned at 11:15 a.m.

Meeting Summary
Advertising Committee
Monday, May 13, 2019

Chairman David Duncan called the Advertising Committee meeting to order at 9:00 a.m. in Room 702, DMV Headquarters, 2300 West Broad Street, Richmond, Virginia. Present were Committee members: Ted Bailey, Dan Banister, Michael Bor, Liza Borches, Randy Harris, Ron Kody, Geoff Malloy, Matt McQueen, Maurice Slaughter and Don Sullivan. (Absent: No one). Other Board members present: Rick Holcomb, Steve Farmer, Rob Fisher, Senior Saghafi and Joe Tate. Executive Director William Childress, Peggy Bailey, Lisa Mack-Nelson, Wanda Neely and Ann Majors represented the Dealer Board. Christian Parrish represented the Attorney General's office.

The March 11, 2019 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

Advertising via Social Media – Liza Borches. Liza indicated that the purpose of this subcommittee meeting is to give some guidance and resources for dealers and salespeople to stay compliant with Virginia's advertising laws when advertising on social media.

Current Educational Actions:

Below are some examples of the Board's current, future, and proposed efforts in educating dealers and salespersons regarding advertising compliance. Also, some general dealership best practices are listed.

Current MVDB advertising education efforts:

- Dealer Talk Newsletter – the Board publishes a bi-monthly newsletter and features advertising topics in most publications.
<http://www.mvdb.virginia.gov/newsletter/default.aspx>
- Constant Contact – occasional email announcements and reminders to dealers of important news affecting their dealerships.
- Advertising Guidance documents on MVDB website -
<http://www.mvdb.virginia.gov/resources/guidance.aspx>

- Field Representatives – dealer education efforts
- MVDB internal staff Advertising Analysts – send via email, educational warning violation notices.
- Self-Inspection Checklist (MVDB 58) – Item # 9 requires dealers to certify they are responsible for advertisements.
[http://www.mvdb.virginia.gov/forms/files/MVDB-58%20Checklist-\(09052017\).pdf](http://www.mvdb.virginia.gov/forms/files/MVDB-58%20Checklist-(09052017).pdf)

Potential MVDB advertising education efforts (Projected completion July 2019):

- Self-Inspection Checklist - Add another certification item tied to advertisement compliance include “all social media platforms” such as:

“My dealership has an online/social media advertising policy for employees that consolidates advertising efforts to dealership sponsored and approved advertising mediums, to include all social media platforms. At a minimum, this policy will be reviewed with dealership employees annually and signed/dated by dealership management and employees.”
- MVDB Education Videos – MVDB staff will create education videos specific to advertising topics. Videos will be placed on MVDB website and shared with trade associations for inclusion on their websites.
- Edit current Salesperson exam – review current exam and add more advertising questions, such as the four that follows (which are part of the Dealer-Operator exam):
 1. An advertisement of a “Sale” must include the sale end date only when:
 - It must always be stated.
 2. In any advertisement placed by a dealer, the advertisement:
 - Must give the dealer’s name or “VADLR” must be used.
 3. A dealer’s processing fee must be disclosed in an advertisement when the advertised price does not include the processing fee amount.
 - True.
 4. When advertising on Craigslist, to avoid a possible civil penalty you must:
 - Advertise under the “Dealer Section”.
 - List Dealer Name or VADLR.
 - Use telephone number on file with MVDB.
- If required, develop additional Guidance Documents concerning advertising.

Best Practices by Dealers:

- Create a policy that includes online/social media advertisement for dealership employees, and have the employees sign and date that they have received and understand the policy. This should be an annual briefing at the least.
- Create internal procedure for employee education efforts targeting online/social media advertising.
- Create an internal education curriculum to educate dealership marketing teams and employees on Virginia advertising laws and regulations.

Proposed expansion of MVDB Enforcement:

- Dealers and/or salespersons may be responsible for violations. However, Board staff can implement a process that may allow the dealer the opportunity to show that his actions (training, counseling and agreements with salespersons) played no role in the violation and documentation presented to the Board staff or hearing officer supports that claim.

Review and Action: Informal Fact-Finding Conferences:

Five Star Motors, LLC and Lener Paz Garcia – On April 9, 2019, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1535, 1575 (2) and 1581 (8). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$1,000 for violations of VA Code Sections 46.2-1535 and 46.2-1581 (8). No further action taken for violations of VA Code Section 46.2-1575 (2).

Motion was made by Liza Borches to accept the hearing officer’s recommendation and assess a civil penalty of \$1,000. Michael Bor 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 8, 2019.

The meeting adjourned at 9:20 a.m.

Meeting Summary
Transaction Recovery Fund Committee
Monday, May 13, 2019

Chairman Chris Maher called the Transaction Recovery Fund Committee meeting to order at 11:15 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, Randy Harris, Ron Kody, Geoff Malloy, Matt McQueen and Don Sullivan. (Absent: Maurice Slaughter) Other Board members present: Rick Holcomb, Senior Saghafi, Ted Bailey, David Duncan and Joe Tate. Executive Director William Childress, Peggy Bailey, Lisa Mack-Nelson and Ann Majors represented the Dealer Board. Christian Parrish represented the Attorney General's office.

The March 11, 2019 meeting summary was approved.

PUBLIC COMMENT

There was no public comment.

OLD BUSINESS – There was no old business.

Revisit: Saquan J. Branch vs. Lifestyle Motor Group. Historical Overview: On November 13, 2018, an informal fact-finding conference was conducted to address the alleged violation of VA Code Section 46.2-1527.3 against Lifestyle Motor Group. Based on the information provided at the conference, the hearing officer recommended that the Board deny Mr. Branch's claim of \$4,059.00. Motion was made by Rob Fisher to deny Mr. Branches claim for \$4,059.00 based on Breach of Contract rather than Fraud. Maurice Slaughter seconded. The motion carried unanimously. Counsel wants the opportunity to provide judgment with the basis as being fraud.

Don Scott, attorney for Mr. Branch, spoke on behalf of his client. Mr. Scott indicated that he was able to speak with the judge and was able to amend his order to fraud. Mr. Scott provided a copy of the amended order to the Board, then requested that Mr. Branch's claim be approved.

Motion was made by Michael Bor to approve \$4,059.00 from the Fund to Mr. Branch. Dan Banister 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:

Ashton See & Kevin Banks vs. Budget Auto Sales, Inc. – On April 8, 2019, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1527.3 against Budget Auto Sales, Inc. Based on the information provided at the conference, the hearing officer recommended approval of the \$9,133.92 claim to Mr. See and Mr. Banks.

Motion was made by Steve Farmer to accept the hearing officer's recommendation approve Mr. See and Mr. Banks' claim in the amount of \$9,133.92. Rob Fisher seconded. The motion carried unanimously.

Randy Pinocci vs. The Car Man of Richmond, LLC. – On April 8, 2019, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1527.3 against The Car Man of Richmond, LLC. Based on the information provided at the conference, the hearing officer recommended approval of the \$25,000.00 claim to Mr. Pinocci.

Mr. Mark Esposito, attorney for The Car Man of Richmond, was present and spoke on behalf of his clients, Neil and Victor Moes. Both gentlemen spoke as well. Mr. Esposito filed exceptions to the Hearing Officer's report and informed the Board of the intent to challenge the judgment through the court within the next 30 days.

Motion was made by Dan Banister to table this issue to the July Board meeting so that counsel for The Car Man can provide documentation from the court regarding the debtor's intention to vacate the judgment. Matt McQueen seconded. All in favor: 9 (Banister, Bor, Farmer, Fisher, Harris, Kody, Malloy, McQueen, Sullivan). Opposed: 1 (Maher). The motion carried.

NEW BUSINESS FROM THE FLOOR – There was no new business from the floor.

The next meeting was scheduled for July 8, 2019

The meeting adjourned at 11:50 a.m.