

Meeting Summary
Motor Vehicle Dealer Board
Monday, November 10, 2014

Vice-Chairman Ron Kody called the Dealer Board meeting to order at 12:37 p.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. The roll was called and there were 12 Board members present. Present were members Ted Bailey, Roy Boswell, Gardner Britt, David Duncan, David Gripshover, Clay Huber, Art Hudgins, Brian Hutchens, Chip Lindsay, Chris Maher and Joe Tate. (Absent: Rick Holcomb, Steve Farmer, Matt McQueen, Jacques Moore, George Pelton). Executive Director Bruce Gould, Peggy Bailey, Prin Cowan, Ann Majors and Frank McCormick represented the Dealer Board. Eric Fiske represented the Attorney General's Office. Alice Weedon was the recording secretary.

PUBLIC COMMENT

There was no public comment.

The September 8, 2014 meeting summary was approved.

STATUTORY COMMITTEE REPORTS

Dealer Practices Committee:

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

- **D & S Imports, LLC and Diego S. Canzobre.** 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 D & S Imports, LLC and Diego S. Canzobre for alleged violations of Va. Code Sections 46.2-1529; 46.2-1529.1; 46.2-1530; 46.2-1533; 46.2-1542; 46.2-1547 and 46.2-1575 (1) and (2). Based on due consideration, the Board believes a civil penalty should be assessed against D & S Imports, LLC and Diego S. Canzobre. The Board hereby assesses a \$5,000 civil penalty against D & S Imports, LLC and Diego S. Canzobre; and based on due consideration, the Board believes that Mr. Canzobre's dealership should be re-inspected and that the inspection must be satisfactory. The Board hereby mandates that a Motor Vehicle Dealer Board field representative re-inspect Mr. Canzobre's dealership by May 10, 2015 and if the inspection is not satisfactory the Board suspends all licenses and certificates issued by the Board to Mr. Canzobre until such time as he has had a satisfactory inspection by a Motor Vehicle Dealer Board Field Representative; and based on due consideration, the Board believes that successfully completing the dealer-operator course would benefit Mr. Canzobre in running his dealership. The Board mandates that Mr. Canzobre successfully complete the dealer-operator course by May 2015. Failure to successfully complete the course by this date will result in a suspension of all licenses and certificates issued to Mr. Canzobre by the Board until such time Mr. Canzobre has successfully completed the course and as well as payment of an additional civil penalty of \$250.

Brian Hutchens seconded. The motion carried unanimously.

- **General Imports of Salem and Christopher Bower.** 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 General Imports of Salem and Christopher Bower for alleged violations of Va. Code Sections 46.2-1529, 46.2-1537, 46.2-1550, 46.2-1574, 46.2-1575 (12) and 46.2-1581 (8). Based on due consideration, the Board believes a civil penalty should be assessed against General Imports of Salem and Christopher Bower. The Board hereby assesses a \$1,000 civil penalty against General Imports of Salem and Christopher Bower; and based on due consideration, the Board believes that Mr. Bower's dealership should be re-inspected and that the inspection must be satisfactory. The Board hereby mandates that a Motor Vehicle Dealer Board field representative re-inspect Mr. Bower's dealership by May 10, 2015 and if the inspection is not satisfactory the Board suspends all licenses and certificates issued by the Board to Mr. Bower until such time as he has had a satisfactory inspection by a Motor Vehicle Dealer Board Field Representative; and based on due consideration, the Board believes that successfully completing the dealer-operator course would benefit Mr. Bower in running his dealership. The Board mandates that Mr. Bower successfully complete the dealer-operator course by May 10, 2015. Failure to successfully complete the course by this date will result in a suspension of all licenses and certificates issued to Mr. Bower by the Board until such time Mr. Bower has successfully completed the course.

Mr. Bower spoke on his own behalf.

Joe Tate seconded. The motion carried unanimously.

- **Connection Auto Sales, Inc. and Liliana D. Garcia Mejia.** 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 Connection Auto Sales, Inc. and Liliana D. Garcia Mejia for alleged violations of Va. Code Sections 46.2-1508, 46.2-1518, 46.2-1529, 46.2-1532, 46.2-1533, and 46.2-1575 (2) and (6). Based on due consideration, the Board believes a civil penalty should be assessed against Connection Auto Sales, Inc. and Liliana D. Garcia Mejia. The Board hereby assesses a \$1,500 civil penalty against Connection Auto Sales, Inc. and Liliana D. Garcia Mejia; and based on due consideration, the Board believes that Ms. Mejia's dealership should be re-inspected and that the inspection must be satisfactory. The Board hereby mandates that a Motor Vehicle Dealer Board field representative re-inspect Ms. Mejia's dealership by February 10, 2015 and if the inspection is not satisfactory the Board suspends all licenses and certificates issued by the Board to Ms. Mejia until such time as she 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 Ms. Mejia in running her dealership. The Board mandates that Ms. Mejia successfully complete the dealer-operator course by February 10, 2015. Failure to successfully complete the course by this date will result in a suspension of all licenses and certificates issued to Ms. Mejia by the Board until such time Ms. Mejia has successfully completed the course; and if the inspection is not satisfactory and if Ms. Mejia fails to successfully complete the dealer-operator course by February 10, 2015, an additional civil penalty of \$1,750 is assessed.

Ms. Mejia spoke on her own behalf.

Brian Hutchens seconded. The motion carried unanimously.

- **Bordens Auto Sales, Inc. and Gerald L. Borden.** 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 Bordens Auto Sales, Inc. and Gerald L. Borden for alleged violations of Va. Code Sections 46.2-1550 (1) and 46.2-1575 (9). Based on due consideration, the Board believes a civil penalty should be assessed against Bordens Auto Sales, Inc. and Gerald L. Borden. The Board hereby assesses a \$250 civil penalty against Bordens Auto Sales, Inc. and Gerald L. Borden; and based on due consideration, the Board believes that Mr. Borden's dealership should be re-inspected and that the inspection must be satisfactory. The Board hereby mandates that a Motor Vehicle Dealer Board field representative re-inspect Mr. Borden's dealership by May 10, 2015 and if the inspection is not satisfactory the Board suspends all licenses and certificates issued by the Board to Mr. Borden until such time as he has had a satisfactory inspection by a Motor Vehicle Dealer Board Field Representative; and based on due consideration, the Board believes that successfully completing the dealer-operator course would benefit Mr. Borden in running his dealership. The Board mandates that Mr. Borden successfully complete the dealer-operator course by May 10, 2015. Failure to successfully complete the course by this date will result in a suspension of all licenses and certificates issued to Mr. Borden by the Board until such time Mr. Borden has successfully completed the course.

Art Hudgins seconded. The motion carried unanimously.

- **Curtis Automotive, Inc. and Robert J. Curtis.** 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 Curtis Automotive, Inc. and Robert J. Curtis for alleged violations of Va. Code Sections 46.2-1575, (2), (4), (6), and (14). Based on due consideration, the Board believes Mr. Curtis's dealer-operator certificate of qualification should be suspended. The Board hereby suspends until May 10, 2015 Mr. Curtis's dealer-operator certificate of qualification; and based on due consideration, the Board believes that successfully completing the dealer-operator course would benefit Mr. Curtis. The Board mandates that Mr. Curtis successfully complete the dealer-operator course by May 10, 2015. Failure to successfully complete the course by this date will result in the continued suspension of Mr. Curtis's dealer-operator certificate of qualification until such time Mr. Curtis has successfully completed the course.

Mr. Curtis thanked the Board members for their time.

Chris Maher seconded. The motion carried unanimously.

- **Auto Madi, LLC and Mohammad Y. Ghatri.** 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 \$25,000 civil penalty against Auto Madi, LLC and Mohammad Y. Ghatri and revoked all licenses and certificates issued by the Board to Mr. Ghatri. Mr. Ghatri appealed the Board's decision and requested a formal hearing that was conducted on September 16, 2014; and the Board has reviewed and considered the facts and evidence and the report of a formal hearing as prepared by the hearing officer concerning Auto Madi, LLC and Mohammad Y. Ghatri for alleged violations of Va. Code Sections 46.2-1518, 46.2-1529, 46.2-1529.1, 46.2-1530, 46.2-1533, 46.2-1534, 46.2-1540, 46.2-1542, 46.2-1550 and 46.2-1575 (1), (2), (6), (9), (10) and (14). Based on due consideration, the Board believes a civil penalty should be assessed against Auto Madi, LLC and Mohammad Y. Ghatri. The Board hereby assesses a \$14,500 civil penalty against Auto Madi, LLC and Mohammad Y. Ghatri; and based on

due consideration, the Board believes that all licenses and certificates issued by the Board to Mr. Ghatri should be revoked. The Board hereby revokes all licenses and certificates issued by the Board to Mr. Ghatri.

Mr. Arzt spoke on behalf of his client.

Chris Maher seconded. The motion carried unanimously.

- **Today's Auto and Eldon L. Smith.** 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 \$16,000 civil penalty against Today's Auto and Eldon L. Smith and revoked both the dealer certificate and the dealer-operator certificate issued by the Board to Mr. Smith. Mr. Smith appealed the Board's decision and requested a formal hearing that was conducted September 25, 2014; and the Board has reviewed and considered the facts and evidence and the report of a formal hearing as prepared by the hearing officer concerning Today's Auto and Eldon L. Smith for alleged violations of Va. Code Sections 46.2-1508, and 46.2-1575 (2) and (6). Based on due consideration, the Board believes a civil penalty should be assessed against Today's Auto and Eldon L. Smith. The Board hereby assesses a \$14,000 civil penalty against Today's Auto and Eldon L. Smith; and based on due consideration, the Board believes that Mr. Smith's dealer-operator certificate of qualification and the dealer certificate (Dealer Number 6771) issued to him should be revoked. The Board hereby revokes Mr. Smith's dealer-operator certificate of qualification and the dealer certificate (Dealer Number 6771) issued to him by the Board.

Mr. Arzt spoke on behalf of his client.

Gardner Britt seconded. David Duncan did not participate in voting due to a conflict of interest. All in favor: 9 (Bailey, Britt, Boswell, Gripshover, Huber, Hudgins, Hutchens, Lindsay, Maher). Opposed: 2 (Kody and Tate). The motion carried.

Licensing Committee

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

- **Hamid Abdolazadeh and Auto Land Sales, Inc.** Chairman Tate made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact-finding conference as prepared by the hearing officer concerning Hamid Abdolazadeh for alleged violations of Va. Code Sections 46.2-1575 (9) and (12). Based on due consideration, the Board believes a civil penalty should be assessed against Hamid Abdolazadeh. The Board hereby assesses a \$1,000 civil penalty against Hamid Abdolazadeh.

Art Hudgins seconded. The motion carried unanimously.

- **Donald Anderson and Unique Auto Sales.** Chairman Tate made a motion to waive the findings from the informal fact-finding conference and move forward to a formal hearing.

Gardner Britt seconded. The motion carried unanimously.

- **Curtis M. Andrews (Sales Applicant).** Chairman Tate indicated that this issue will be tabled until the January 12, 2015 meeting.
- **Bill J. Greene (Sales Applicant).** Chairman Tate made the following motion: The Board has reviewed and considered the facts and evidence and the report of an informal fact finding conference as prepared by the hearing officer concerning Bill J. Greene for alleged violations of VA Code Section 46.2-1575 (1). Based on due consideration, the Board believes Mr. Greene's license application should be approved once he has paid a civil penalty. The Board hereby approves Bill J. Greene's application for a salesperson license upon payment of a \$250 civil penalty.

Art Hudgins seconded. The motion carried unanimously.

- **Mark W. Flory and Mark's Cars, LLC.** Chairman Tate indicated that this issue will be tabled until the January 12, 2015 meeting.
- **Sajal Narayan and Best Bet Motor Sales, Corp.** 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 Sajal Narayan for alleged violations of Va. Code Section 46.2-1575 (13). Based on due consideration, the Board believes a civil penalty should be assessed against Sajal Narayan. The Board hereby assesses a \$1,000 civil penalty against Sajal Narayan; and based on due consideration, the Board believes that successfully completing the dealer-operator course would benefit Mr. Narayan. The Board mandates that Mr. Narayan successfully complete the dealer-operator course by May 10, 2015. Failure to successfully complete the course by this date will result in a suspension of all licenses and certificates issued to Mr. Narayan by the Board until such time Mr. Narayan has successfully completed the course.

David Duncan seconded. The motion carried unanimously.

Advertising Committee

Chairman Chip Lindsay summarized discussions that were held during the Committee Meeting.

Transaction Recovery Fund Committee:

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

OLD BUSINESS

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

- **Update: 2015 General Assembly.** Bruce Gould indicated that by the time the January Board members meet, the General Assembly will be in full swing. He will keep the members informed on what issues will impact the Dealer Board.

NEW BUSINESS FROM THE FLOOR

The next meeting will be scheduled for January 12, 2015.

There being no further business to come before the Motor Vehicle Dealer Board, Vice-Chairman Ron Kody adjourned the meeting at 1:07 p.m.

Meeting Summary
Dealer Practices Committee
Monday, November 10, 2014

Chairman Ron Kody called the Dealer Practices Committee meeting to order at 9:02 a.m. in Room 702 of the DMV Headquarters Building at 2300 W. Broad Street in Richmond. Present were Committee members Roy Boswell, Gardner Britt, Clay Huber, Brian Hutchens, Chip Lindsay, Chris Maher and Joe Tate. (Absent: Steve Farmer, Matt McQueen and George Pelton). Other Board members present: Ted Bailey, David Duncan, Art Hudgins, David Gripshover. Executive Director Bruce Gould, Peggy Bailey, Prin Cowan, Ann Majors and Frank McCormick represented the Dealer Board. Eric Fiske represented the Attorney General's office.

The September 8, 2014 meeting summary was approved.

PUBLIC COMMENT

There was no public comment.

OLD BUSINESS

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

Review and Action: Informal Fact-Finding Conferences:

- **D & S Imports, LLC and Diego S. Canzobre.** On September 16, 2014, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1529 (Dealer records); 46.2-1529.1 (Buyer's Guide completely filled out, signed and dated by buyer); 46.2-1530 (Buyer's Order); 46.2-1533 (Business hours); 46.2-1542 (Temporary registration); 46.2-1547 (D-tag insurance required) and 46.2-1575 (1) (Material misstatement or omission in application) and (2) (Failure to comply with a written warning or willful failure to comply). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$5,250, a satisfactory inspection within six months, and successful completion of the Dealer-Operator course, remove Mr. Canzobre from the POD process for six months, if this process is accomplished, then reduce the civil penalty down to \$4,750. Also the hearing officer recommended a warning that any further violations within six months would be grounds for the revocation of all licenses and certificates. Suspension he fails the inspection and the Dealer-Operator course.

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

Motion was made by Joe Tate to assess a civil penalty of \$5,250, a satisfactory inspection within six months and to successfully complete the Dealer-Operator course. He also recommended that DMV investigate the violations of the dealer violating the POD process. Brian Hutchens seconded. The motion carried unanimously.

- **General Imports of Salem and Christopher Bower.** On September 9, 2014, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1529 (Dealer records), 46.2-1537 (Licensed salesperson/bird dog), 46.2-1550 (Use of D-tags), 46.2-1574 (Acts of officers, directors, partners and salespersons), 46.2-1575 (12) (Leasing, renting, lending, or otherwise allowing the use of a dealer's license plate by persons not specifically authorized) and 46.2-1581 (8) (Regulated advertising practices). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$2,000, to successfully complete the Dealer-Operator course and after the course is completed, a detailed satisfactory inspection on Mr. Bower's dealership.

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

Motion was made by Joe Tate to assess a civil penalty of \$1,250 and to successfully complete the Dealer-Operator course. Brian Hutchens seconded.

Substitute motion was made by Chris Maher to assess a \$1,000 civil penalty and successful completion of the Dealer-Operator course. Gardner Britt seconded. The motion carried unanimously.

- **Connection Auto Sales, Inc. and Liliana D. Garcia Mejia.** On September 12, 2014, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1508 (License required), 46.2-1518 (Display of salesperson's licenses), 46.2-1529 (Dealer records), 46.2-1532 (Odometer disclosure), 46.2-1533 (Business hours), 46.2-1575 (2) (Failure to comply with a written warning), 1575 (6) (Deceptive acts or practices). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$4,250, successfully complete the Dealer-Operator course and after the course is completed, a detailed satisfactory inspection on Ms. Garcia Mejia's dealership.

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

Motion was made by Chris Mayer to reduce the civil penalty to \$1,500, successful inspection, if she fails the inspection, an additional \$3,250 civil penalty will be assessed and to successfully complete the Dealer-Operator course, all within 90 days. Roy Boswell seconded. The motion carried unanimously.

- **Bordens Auto Sales, Inc. and Gerald L. Borden.** On September 25, 2014, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1550 (1) (Use of temporary transport plates) and 46.2-1575 (9) (Having been convicted of any criminal act involving the business of selling vehicles). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$250, a satisfactory inspection before renewal of license and to successfully complete the Dealer-Operator course.

Motion was made by Joe Tate to assess a civil penalty of \$250, satisfactory inspection and to successfully complete the Dealer-Operator course within six months. Chris Maher seconded. The motion carried unanimously.

- **Curtis Automotive, Inc. And Robert J. Curtis.** On September 17, 2014, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1575 (2) (Failure to comply with a written warning), (4) (Defrauding or damaging a retail buyer), (6) (Deceptive acts or practices) and (14) (Failure to submit fees to DMV within 30 days). Based on the information provide at the conference, the hearing officer recommended assessing a civil penalty of \$1,000, Suspension of the Dealer-Operator certificate for six months, successfully complete the Dealer-Operator course and allow Mr. Curtis to retain his salesperson license.

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

Motion was made by Clay Huber to waive the civil penalty, suspended Mr. Curtis' Dealer-Operator certificate for a period of 6 months and to successfully complete the Dealer-Operator course and also, to allow Mr. Curtis to retain his salesperson license. Joe Tate seconded. The motion carried unanimously.

Review and Action: Formal Hearing:

- **Auto Madi, LLC and Mohammad Y. Ghatri.** Historical overview leading up to the formal hearing: On March 11, 2014 an informal fact-finding conference was conducted to address the alleged violations of VA Code Section(s) 46.2-1518 (Display of salesperson' licenses), 46.2-1529 (Dealer records), 46.2-1529.1 (Sale of used vehicles/buyer's guide), 46.2-1530 (Buyer's orders), 46.2-1533 (Business hours), 46.2-1534 (Signs), 46.2-1540 (Proof of inspection), 46.2-1542 (Temporary registration), 46.2-1550 (Use of dealer tags) and 46.2-1575 (1) (Material misstatement), (2) (Failure to comply with a written warning), (6) (Deceptive acts or practices), (9) (Convicted of any criminal act while in the business of selling motor vehicles), (10) (Possessing titles which have not been completely and legally assigned to him) and (14) (Failure to submit fees to DMV within 30 days). On May 12, 2014, a resolution was approved by the Board Members to assess a civil penalty of \$25,000 and revoke all licenses and certificates. On June 19, 2014, Mr. Ghatri's attorney appealed for a formal hearing. On September 16, 2014, a formal hearing was conducted to address the alleged violations of the above VA Code Sections. Based on the information provided at the hearing, the hearing officer recommended assessing a civil penalty of \$14,500 and revocation of all licenses and certificates associated with Auto Madi and Mohammad Ghatri.

Lee Arzt, attorney for Mr. Madi, was present and spoke on behalf of his client.

Motion was made by Chris Maher to assess a civil penalty of \$25,000 and revocation of all licenses. Motion failed due to lack of a second.

Substitute motion was made by Joe Tate to assess a civil penalty of \$14,500 and revocation of all licenses and certificates. Gardner Britt seconded. The motion carried unanimously.

- **Today's Auto and Eldon L. Smith.** Historical overview leading up to the formal hearing: On May 20, 2014, an informal fact-finding conference was conducted to address the alleged violations of VA Code Section(s) 46.2-1508 (License required), 46.2-46.2-1575 (2) (Failure to comply with written warning, or willful failure to comply) and (6) (Having used deceptive acts or practices). On July 16, 2014, a resolution was approved by the Board Members to assess a civil penalty of \$16,000 against Today's Auto and Mr. Smith, to revoke his dealer certificate and the dealer-operator certificate of qualification, but allow Mr. Smith to retain his salesperson's license, per Mr. Smith's request. On August 11, 2014, Mr. Smith appealed and requested a formal hearing. On September 25, 2014, 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 \$14,000 and revocation of all licenses, certificates and qualifications to sell vehicles in the Commonwealth of Virginia.

Mr. Arzt, attorney for Mr. Smith, was present and spoke on behalf of his client.

Motion was made by Joe Tate to assess a civil penalty of \$14,000 and revocation of all licenses, certificates and qualifications. Motion failed due to lack of a second.

Substitute motion was made by Chris Maher to assess a civil penalty of \$14,000, revocation of all licenses, certificates and qualifications and to allow Mr. Smith to retain his sales license. Brian Hutchens seconded. All in favor: 7 (Boswell, Britt, Huber, Hutchens, Lindsay, Maher and Tate). Opposed: 1 (Kody). The motion carried.

NEW BUSINESS FROM THE FLOOR

There was no new business from the floor.

The next meeting was scheduled for January 12, 2015

The meeting adjourned at 11:15 a.m.

Meeting Summary
Dealer Licensing Committee
Monday, November 10, 2014

Chairman Joe Tate called the Dealer Licensing Committee meeting to order at 11:27 a.m. in Room 702 in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. Present were Committee members Ted Bailey, David Duncan, David Gripshover, Chip Lindsay. (Absent: Jacques Moore and George Pelton). Other Board members present: Ron Kody, Roy Boswell, Gardner Britt, Brian Hutchesn, Clay Huber and Chris Maher. Executive Director Bruce Gould, Frank McCormick, Peggy Bailey, Prin Cowan and Ann Majors represented the Dealer Board. Eric Fiske represented the Attorney General's office.

The September 8, 2014 meeting summary was approved.

PUBLIC COMMENT

There was no public comment.

OLD BUSINESS

- **Tabled Issue from the September Meeting: Hamid Abdolahzadeh and Auto Land Sales, Inc.**
On May 28, 2014, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1575 (9) (Having been convicted of any criminal act involving the business of selling vehicles) and (12) (Leasing, renting, lending or otherwise allowing the use of a dealer's license plate by persons not specifically authorized under this title). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$2,000 and to successfully complete the Dealer-Operator course.

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

Motion was made by Art Hudgins to assess a civil penalty of \$1,000. David Duncan 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:

By the request of Mr. Anderson's attorney, Mr. Seltzer to hear this case first, due to a commitment later in the day.

- **Donald Anderson and Unique Auto Sales.** On October 2, 2014, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1575 (2) (Failure to comply) and 1575 (6) (Deceptive acts or practices). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$2,000 and revocation of all licenses, certificates and qualifications.

Cullen Seltzer, attorney for Mr. Anderson, spoke on behalf of his client. Due to being newly appointed as his attorney, he requested that this issue be heard at the next Board meeting which would be in January.

Motion was made by David Gripshover to waive the findings from the informal fact-finding conference and move forward to a formal hearing. Art Hudgins seconded. Mr. Seltzer agreed. The motion carried unanimously.

- **Curtis M. Andrews (Salesperson applicant).** On July 22, 2014, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1575 (2) (Failure to comply with a written warning or willful failure to comply), (6) (Having used deceptive acts and practices and (9) (Having been convicted of any criminal act involving the business of selling vehicles). Based on the information provided at the conference, the hearing officer recommended a conditional approval of a salesperson license. Upon receipt of a letter of approval from the dealership acknowledging awareness of convictions and willingness to employ Mr. Andrews.

Motion was made by David Duncan to table this issue to the January meeting, due to Mr. Andrews sending an email indicating that he could not attend the meeting due to his health. David Gripshover seconded. The motion carried unanimously.

- **Bill J. Greene (Salesperson applicant).** On September 2, 2014, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1575 (1) (Material misstatement or omission in application for license). Based on the information provided at the conference, the hearing officer recommended assessing a \$250 civil penalty and approval of a salesperson license.

Motion was made by David Gripshover to assess a civil penalty of \$250 and approve Mr. Greene's application for a sales license. Art Hudgins seconded. The motion carried unanimously.

- **Mark W. Flory and Mark's Cars, LLC.** On August 26, 2014, an informal fact-finding conference was conducted to address the alleged violations of VA Code Section 46.2-1575 (13) (Having been convicted of a felony). Based on the information provided at the conference, the hearing officer recommended revocation of all licenses and certificates.

Mr. Flory was present and spoke on his own behalf. Mr. Flory indicated that he would like to sell his business to David Hoover, Dealer-Operator of Mark's Cars by January 1, 2015.

Motion was made by David Gripshover to table this issue to the January meeting to verify the sale of Mark's Cars to Mr. Hoover. Art Hudgins seconded. The motion carried unanimously.

- **Sajal Narayan and Best Bet Motor Sales, Corp.** On July 17, 2014, an informal fact-finding conference was conducted to address the alleged violations of VA Code Section 46.2-1575 (9) (Having been convicted of any criminal act involving the business of selling motor vehicles). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$1,000 and to successfully complete the Dealer-Operator course.

Motion was made by Art Hudgins to assess a civil penalty of \$1,000 and to successfully complete the Dealer-Operator course. David Gripshover seconded. The motion carried unanimously.

NEW BUSINESS FROM THE FLOOR

There was no new business from the floor.

The next meeting was scheduled for January 12, 2015

The meeting adjourned at 11:56 a.m.

Meeting Summary
Advertising Committee
Monday, November 10, 2014

Chairman Chip Lindsay called the Advertising Committee meeting to order at 11:56 a.m. in Room 702, DMV Headquarters, 2300 West Broad Street, Richmond, Virginia. Present were Committee members Roy Boswell, David Duncan, Clay Huber, Art Hudgins, Brian Hutchens and Ron Kody. (Absent: Matthew McQueen). Other Board members present: Gardner Britt, Joe Tate, Ted Bailey, David Gripshover, Chris Maher. Executive Director Bruce Gould, Peggy Bailey, Frank McCormick, Prin Cowan and Ann Majors represented the Dealer Board. Eric Fiske represented the Attorney General's office.

The September 8, 2014 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

- **Advertised Price.** Bruce Gould indicated that the Dealer Board, as well as his peers around the country, are seeing a trend whereby dealers advertise a price that includes every rebate offered by the manufacturer. Some of the rebates may be mutually exclusive and in most cases it would be highly unlikely or even possible that anyone would qualify for all of the rebates and therefore no one can actually purchase the vehicle for the advertised price. Dealers may advertise a price that includes rebates and incentives so long as everyone qualifies to receive the rebates. In that way, all consumers may purchase the vehicle at the advertised price (or lower). The advertised price may not include rebates that have specific qualifications such as recent college grad, military, loyalty, people with blue eyes, etc. A disclaimer cannot be used to state that not everyone may purchase the vehicle at the advertised price. A dealer may state that additional rebates are available and list those rebates adjacent to the advertised price or in a disclaimer, etc. or say something like "see dealer for details". Advertising a price that not all consumers are eligible to receive is considered to be:
 - A deceptive act or practice
 - Stating something in an advertisement that the dealer knows is not true
 - Bait and switch advertising

He further indicated that staff is seeing a split among franchised dealers: Those that use this type of advertising and those that refuse to participate in this type of deceptive and illegal advertising. The latter are losing business to the former. The dealers who do not participate in this type of advertising are contacting the Motor Vehicle Dealer Board requesting that we do something about this trend. They just want a "level playing field". The Board staff agrees. Staff has assessed civil penalties and has taken other measures against a few dealers that are using this type of deceptive advertising – but staff just does not have the resources to make a big dent in the problem. Articles have been put in the Dealer Talk Newsletter and the FTC has assessed some heavy fines on dealers who have used this type of deceptive advertising.

Jimmy Whitten spoke to the Board on this issue from a dealer's perspective. He indicated that if a dealer offers rebates, they must be available to all consumers, not just those who are in the military or if they currently are in a lease. Those types of rebates are called "add backs". They are creating confusion for consumers. He presented some examples of "add backs" to the members that included negative comments from consumers who went to a particular dealership, the vehicle was at one price on-line and once the consumer got to the dealership, the vehicle was \$5,000 more. This is the type of issues that Mr. Whitten would like to see stopped. One question Mr. Whitten asked was does the Dealer Board have the funds or the means to put a stop to this type of advertising on offering rebates? One board member asked what would be a good recommendation. Mr. Whitten indicated that one recommendation would be for the dealers to police each other.

Bruce indicated that civil penalties are being assessed against those dealers who advertise the vehicle at one price, then raise it once the consumer appears at the dealership. Bruce also said that the Board is being proactive and doing random checks, not just taking action once a complaint comes in relating to bait and switch. It all boils down to you cannot have a disclosure/disclaimer that will contradict what the vehicle is being advertised for. It must be clear and concise. Bruce described the process of penalties that 1st time warnings are not being sent for this type of offense and penalties are being assessed. Mr. Whitten ended his presentation with perhaps the penalties should be along the lines of \$14,000 and \$25,000 as is done for other offenses. Maybe misleading advertisements should start reflecting the same type of severe penalties.

The next meeting was scheduled for January 12, 2015.

NEW BUSINESS FROM THE FLOOR

There was no new business from the floor.

The meeting adjourned at 12:35 p.m.

Meeting Summary
Transaction Recovery Fund Committee
Monday, November 10, 2014

Chairman Ted Bailey called the Transaction Recovery Fund Committee meeting to order at 12:35 p.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. Present were Committee members: David Gripshover, Art Hudgins, Brian Hutchens and Ron Kody. (Absent: Steve Farmer and Matt McQueen). Other Board members present: Chris Maher, Clay Huber, Joe Tate, Chip Lindsay, Boy Boswell, Gardner Britt and David Duncan. Executive Director Bruce Gould, Peggy Bailey, Prin Cowan, Frank McCormick, and Ann Majors represented the Dealer Board. Eric Fiske represented the Attorney General's office.

The September 8, 2014 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

NEW BUSINESS FROM THE FLOOR

The next meeting was scheduled for January 12, 2015

The meeting adjourned at 12:37 p.m.