

Meeting Summary
Motor Vehicle Dealer Board
Monday, September 11, 2017

Chairman Rick Holcomb called the Dealer Board meeting to order at 9:55 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. The roll was called and there were 15 Board members present. Present were Dan Banister, Michael Bor, Liza Borches, David Duncan, Robert Fisher, David Gripshover, Ron Kody, Chris Maher, Geoff Malloy, Matt McQueen, Jacques Moore, Senior Saghafi, Maurice Slaughter and Joe Tate. Absent were Ted Bailey, Gardner Britt, Steve Farmer and Clay Huber. Executive Director William Childress, Peggy Bailey, Prin Cowan, Lisa Mack-Nelson, Ann Majors and Wanda Neely represented the Dealer Board. Christian Parrish represented the Attorney General's Office. Alice Weedon was the recording secretary.

PUBLIC COMMENT

There was no public comment.

The July 10, 2017 meeting summary was approved.

STATUTORY COMMITTEE REPORTS

Dealer Practices Committee:

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

Rolling Motors, LLC and Denise Campbell – Committee Chair 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 Rolling Motors, LLC and Denise Campbell for alleged violations of VA Code sections §46.2-1529, 46.2-1532, 46.2-1539, 46.2-1548, and 46.2-1575 (2). Based on due consideration, the Board believes that the following actions should be taken against Rolling Motors LLC and Denise Campbell: Assess a civil penalty of \$750.00; and Denise Campbell and George Anen shall successfully complete the Dealer-Operator course by March 11, 2018. Therefore, be it further resolved by the Board that failure to pass the inspection and/or successfully complete the dealer-operator course by March 11, 2018 will result in suspension of all licenses and certificates issued by the Board until such time Denise Campbell successfully complies with the Board's mandates.

Joe Tate seconded. The motion carried unanimously.

Boris Auto Sales and Repair and Boris R. Caballero – Committee Chair 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 Boris Auto Sales and Repair LLC and Boris Caballero LLC for alleged violations of VA Code sections §46.2-1575 (6), (8), and (13). Based on due consideration, the Board believes that no further actions shall be taken against Boris Auto Sales and Repair LLC and Boris R. Caballero.

Chris Maher seconded. The motion carried unanimously.

Licensing Committee

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

Matthew L. Hopkins, Sales Applicant and Elisa Amato, Sales Applicant – Committee Chair Tate combined the two motions since they both were based on the same violation of law and had the same recommended outcome. Chair 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 Matthew L. Hopkins and Elisa Amato, both for allegedly violating Va. Code section §46.2-1575 (13). Based on due consideration, the Board believes the following actions shall be taken against Matthew L. Hopkins and Elisa Amato: allow both to apply for a sales license. The Board mandates that Elisa Amato and Matthew L. Hopkins be allowed to apply for a salesperson license.

Jacques Moore seconded. The motion carried unanimously.

Advertising Committee

Committee Chair Duncan summarized discussions held and actions that were taken during the Committee Meeting. Chairman Rick Holcomb announced to the Board that he wanted to reserve the discussion regarding the four recommendations under old business.

Transaction Recovery Fund Committee:

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

Francine Cherry vs A1 Automotive LLC and Juan Jimenez Jr. - Committee Chair Maher summarized for the Board the discussion held in the committee meeting regarding Francine Cherry vs. A1 Automotive LLC & Juan Jimenez Jr. Based on that discussion and the recommendations in this case, Committee Chair Maher made the following motion: pursuant to Section §46.2-1527.1 et seq. of the Code of Virginia, which is known as the Motor Vehicle Transaction Recovery Fund (“Fund”), the Board has reviewed and considered claims submitted for payment from the Fund, and the recommendation of the Hearing Officer on the claim. Based on due consideration and recommendation of the Hearing Officer, the Board believes the following claims should be payable from the Fund:

Francine Cherry vs. A1 Automotive LLC and Juan Jimenez Jr. \$20,559.00

Rob Fisher seconded. The motion carried unanimously.

Additional discussion - Joe Tate inquired whether or not we can award more than the judgment amount to the consumer. Christian Parrish responded that the Board is unable to request more than the judgement. Chairman Rick Holcomb announced for the record that the Board is statutorily bound to whatever amount the judgment is entered for.

OLD BUSINESS

Internet Task Force Update - Ron Kody spoke on the four recommendations that were discussed during the Advertising committee which were:

1. Freight Charges
2. Transfer Fees
3. Advertising involving Multi-Locations
4. The removal of Inventory from the Dealers Website.

Ron Kody expressed the committee's frustration with the challenges of dealing with out of state dealers and not being able to enforce Virginia dealer laws in situations involving them.

Motion was made by Joe Tate to allow five business week days to remove vehicles from the website once the vehicle has been sold (instead of the two business days discussed in the Advertising committee). David Gripshover seconded. The motion carried unanimously.

Chairman Rick Holcomb asked the board for further comments or suggestions on the four recommendations. Discussion was to develop a firm policy on each subject that the board agrees upon, staffing these policies for comment and then moving forward with implementing them. Chairman Holcomb encouraged the Dealer Board staff to produce the policies, circulate to the board for any comments and make any modifications necessary with the goal of having this approved by the November Board.

Motion was made by Joe Tate to approve these concepts and ask the Dealer Board staff to work and develop the more detailed presentation and provide the details to the Board in a couple of weeks for comment with the goal to have a finalized position be presented in the November Board meeting. David Gripshover seconded. The motion carried unanimously.

Dealer-Operator Course/ Pre-Licensing Course: William Childress indicated the key elements for an online basic business course to build success for New Independent Dealers in Virginia. The course would be a required 16 hour online course prior to a dealership being licensed. The course will provide education to expose potential dealers to basic principles and concepts they should be aware of prior to going into the dealership business and should help them during the two day dealer-operator course. Some of those elements are: Opening and operating a dealership and developing a business plan: such as accounting and finance for non-financial managers, human resources management, operating expenses, managing liabilities and requirements for online courses.

Additional Discussion from the Board: The Board discussed whether or not the course should be made mandatory. Some Board members expressed concerns if the course was mandatory it would make it harder to become a licensed dealer or could create a sense of false hope. Argument was made that if the course was not mandatory few prospective dealers would take the course.

Motion was made by Joe Tate to collaborate with the community colleges to create the pre-licensing course. Maurice Slaughter seconded. The motion carried unanimously.

Motion was made by Chris Maher to make the course mandatory. David Duncan seconded. All in favor: 12 (Bor, McQueen, Fisher, Malloy, Duncan, Holcomb, Tate, Maher, Moore, Kody, Borches, Banister). Opposed: 3 (Saghafi, Slaughter and Gripshover). The motion carried.

Motion made by Liza Borches to defer the decision on what order the course should be taken in sequence with the Dealer Operator course. The decision will be deferred until the November Board Meeting in order to gain more knowledge and understanding of the current process of becoming an Independent Dealer and where this curriculum may fit. Dan Banister seconded. The motion carried unanimously.

Liza Borches announced some research has been completed on the issue of the digital inspection systems and digital deal files. William will place this issue on the next agenda and the committee will prepared to discuss the findings in the November Board meeting. Rick Holcomb mentioned he was will be contacting Virginia state police and the safety inspection to inquire if the Dealer Board investigator could contact DMV in lieu of the state police when questioning vehicle inspections. Rick asked to have Ronald Maxey from the state police added to the agenda to come talk about state inspection and the enhancements that have been made from an automated standpoint and advise how the Dealer Board could take advantage of these enhancements.

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

Rick Holcomb asked the representatives from VADA and VIADA if they had any legislation proposals for the 2018 Virginia General Assembly. As this time, neither association had any planned legislation of interest to the Board.

EXECUTIVE DIRECTOR'S REPORT: William Childress

1. William introduced the Dealer Board's new Field Representatives: Eric Buchanan- Bristol District, Nakelia Ross- Danville district. Both new Field Representatives gave the Board their work backgrounds.
2. Rick Holcomb requested that the board members continue to show up for these meetings regarding of if they have been re-appointed.
3. William announced the Dealer Board will be posting the vacant position available at the Motor vehicle Dealer Board Office and he hoped that the position would be filled prior to the next November Board Meeting.
4. Rick Holcomb announced the governor has asked that all the agencies put together a transition document which will be due by September 15, 2017. This document is an abbreviated summary of what each agency key personnel and functions performed. This document will be presented to the incoming governor.
5. William announced his appointment as Deputy Treasurer to National Association of Motor Vehicle Boards and Commissions (NAMVBC).
6. He updated the Board members regarding the NAMVBC workshop held in Alexandria, VA during the week of Sep 6-9 and advised the Board that next year's meeting is tentatively scheduled for New Orleans.

NEW BUSINESS FROM THE FLOOR

There was no new business from the floor.

The next meeting will be scheduled for November 13, 2017.

There being no further business to come before the Motor Vehicle Dealer Board, Chairman Holcomb adjourned the meeting at 11:08 a.m.

Meeting Summary
Dealer Practices Committee
Monday, September 11, 2017

Chairman Ron Kody called the Dealer Practices Committee meeting to order at 9:00 a.m. in Room 702 of the DMV Headquarters Building at 2300 W. Broad Street in Richmond. Present were Committee members Michael Bor, Liza Borches, Robert Fisher, Geoff Malloy, Chris Maher, Matt McQueen, Senior Saghafi and Joe Tate. (Absent: Gardner Britt, Steve Farmer and Clay Huber). Other Board members present: Rick Holcomb, Dan Banister, David Duncan, David Gripshover, Jacques Moore and Maurice Slaughter. Executive Director William Childress, Peggy Bailey, Prin Cowan, Lisa Mack-Nelson, Ann Majors and Wanda Neely represented the Dealer Board. Christian Parrish represented the Attorney General's office.

The July 10, 2017 meeting summary was approved.

PUBLIC COMMENT

There was no public comment.

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

Review and Action: Informal Fact-Finding Conferences:

Rolling Motors, LLC and Denise Campbell - On July 7, 2017, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1529, 1532, 1539, 1548 and 1575 (2). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$750 and to successfully complete the Dealer-Operator course. Also, the hearing officer recommended that Mr. George Anen, the Dealer-Operator for Rolling Motors, also successfully complete the Dealer-Operator course.

Motion was made by Joe Tate to accept the hearing officer's recommendation by assessing a civil penalty of \$750 and to successfully complete the Dealer-Operator course. It was also recommended that George Anen, the dealer operator for Rolling Motors, successfully complete the Dealer-Operator course. Matt McQueen seconded. The motion carried unanimously.

Boris Auto Sales and Repair, and Boris R. Caballero - On July 17, 2017, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1575 (6), (8) and (13). Based on the information provided at the conference, the hearing officer recommended the Board should consider assessing a civil penalty of \$750.

Joel Miller, Attorney for Boris Caballero, spoke on behalf of his client. Mr. Caballero was available for questions.

Motion was made by Chris Maher to take no further action against Boris Auto Sales and Repair and Boris Caballero. Matt McQueen seconded. The motion carried unanimously.

NEW BUSINESS FROM THE FLOOR

There was no new business from the floor.

The next meeting was scheduled for November 13, 2017

The meeting adjourned at 9:20 am.

Meeting Summary
Dealer Licensing Committee
Monday, September 11, 2017

Chairman Joe Tate called the Dealer Licensing 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 Dan Banister, Liza Borches, David Duncan, Rob Fisher, David Gripshover, Jacques Moore, Senior Saghafi and Maurice Slaughter. (Absent: Ted Bailey). Other Board members present: Rick Holcomb, Michael Bor, Gardner Britt and Geoff Malloy. Executive Director William Childress, Peggy Bailey, Lisa Mack-Nelson, Prin Cowan, Ann Majors and Wanda Neely represented the Dealer Board. Christian Parrish represented the Attorney General's office.

The July 10, 2017 meeting summary was approved.

PUBLIC COMMENT

There was no public comment.

OLD BUSINESS

There was no old business.

OLD BUSINESS FROM THE FLOOR:

There was no old business from the floor.

NEW BUSINESS

Review and Action: Informal Fact-Finding Conferences:

Matthew L. Hopkins, Sales Applicant - On July 19, 2017, an informal fact-finding conference was conducted to address the alleged violations of VA Code Section 46.2-1575 (13). Based on the information provided at the conference, the hearing officer recommended approval of a sales license for Mr. Hopkins.

Motion was made by David Gripshover to accept hearing officer's recommendation to approve sales license for Mr. Hopkins. Maurice Slaughter seconded. The motion carried unanimously.

Elisa Amato, Sales Applicant - On August 16, 2017, an informal fact-finding conference was conducted to address the alleged violations of VA Code Section 46.2-1575 (13). Based on the information provided at the conference, the hearing officer recommended approval of a sales license for Ms. Amato.

Motion was made by David Gripshover to accept hearing officer's recommendation to approve sales license for Ms. Amato. Liza Borches seconded. The motion carried unanimously.

NEW BUSINESS FROM THE FLOOR

There was no new business from the floor.

The next meeting was scheduled for November 13, 2017

The meeting adjourned at 9:23 a.m.

Meeting Summary
Advertising Committee
Monday, September 11, 2017

Chairman David Duncan called the Advertising Committee meeting to order at 9:23 a.m. in Room 702, DMV Headquarters, 2300 West Broad Street, Richmond, Virginia. Present were Committee members Dan Banister, Michael Bor, Liza Borches, Ron Kody, David Gripshover, Geoff Malloy, Matt McQueen and Maurice Slaughter. (Absent: Ted Bailey, Clay Huber). Other Board members present: Rick Holcomb, Rob Fisher, Jacques Moore, Senior Saghafi and Joe Tate. Executive Director William Childress, Peggy Bailey, Lisa Mack-Nelson, Prin Cowan, Ann Majors and Wanda Neely represented the Dealer Board. Christian Parrish represented the Attorney General's office.

The May 8, 2017 and July 10, 2017 meeting summaries were 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

General Discussions - Internet Task force- Ron Kody
Ron Kody indicated there have been 7 meetings since February. Out of the seven meetings came four recommendations for the Advertising Committee and they are as follows.

1. Freight Charges - Freight added back into any vehicle cost can only occur on a new vehicle, preowned vehicles cannot include a freight added cost. The freight charge must be properly disclosed on all advertisements and must be included on the invoice from the manufacturer.

2. Transfer Fees – A transfer fee is allowed when moving a vehicle from one location to another location owned by the same dealer. This fee must be disclosed to the customer prior to purchase. Transfer fees are not to be charged to move a preowned vehicle from an auction to a dealership. Nor should a dealership use this fee as an opportunity to escalate the price of a vehicle. This fee only can occur when the dealership has multiple locations and the customer is aware that there is a fee to move the vehicle from that location to the desired location. This fee is not part of the cost of the vehicle.
3. Advertising of Multi-Location - A multi-location dealership must adequately disclose the physical location of the vehicle to the consumer in its advertisements. The advertised vehicle location must be obvious to the customer. Also a car advertised for a physical site must be located at that location. One car may not be the ad car for multiple locations.
4. Timely manner of inventory removal/website update - Once a vehicle is sold, inventory must be removed from website within 2 business week days.

Discussion:

There was additional discussion from the floor presented by VADA. Whether or not the four issues presented need to be presented to the Attorney General's office. Ron clarified these issues are within the Board's jurisdiction to address.

Motion was made by Ron Kody to move forward on the four recommendations in order to keep the dealer community educated. Dan banister seconded. The motion carried unanimously.

NEW BUSINESS FROM THE FLOOR

There was no new business from the floor.

The next meeting was scheduled for November 13, 2017.

The meeting adjourned at 9:40 a.m.

Meeting Summary
Transaction Recovery Fund Committee
Monday, September 11, 2017

Chairman Chris Maher called the Transaction Recovery Fund Committee meeting to order at 9:41 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, Robert Fisher, David Gripshover, Ron Kody, Matt McQueen and Maurice Slaughter. (Absent: Steve Farmer) Other Board members present: Rick Holcomb, Liza Borches, David Duncan, Geoff Malloy, Jacques Moore, Senior Saghafi and Joe Tate. Executive Director William Childress, Peggy Bailey, Lisa Mack-Nelson, Prin Cowan, Ann Majors and Wanda Neely represented the Dealer Board. Christian Parrish represented the Attorney General's office.

The May 8, 2017 and July 10, 2017 meeting summaries were approved.

PUBLIC COMMENT

There was no public comment.

OLD BUSINESS

There was no old business.

OLD BUSINESS FROM THE FLOOR

There was no old business from the floor.

NEW BUSINESS

Review and Action: Informal Fact-Finding Conferences:

Francine Cherry vs A1 Automotive, LLC & Juan Jimenez Jr. - On August 7, 2017, an informal fact-finding conference was conducted to address the alleged violation of VA Code Section 46.2-1527.3 against A1 Automotive, LLC and Juan Jimenez Jr. Based on the information provided at the conference, the hearing officer recommended that the Board pay \$20,559 to Ms. Cherry from the Transaction Recovery Fund.

Motion was made by David Gripshover to approve payment from the fund of \$20,559.00 to Francine Cherry. 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 November 13, 2017

The meeting adjourned at 9:45 a.m.