

SHEEHY AND SCHROEDER APPOINTED TO THE BOARD

The General Assembly confirmed the appointment of Vince Sheehy, IV of Oakton and Christopher L. Schroeder of Richmond to the Motor Vehicle Dealer Board. Sheehy, president of Sheehy Auto Stores, has dealerships in the Northern Virginia and Richmond areas. Sheehy, a graduate of Georgetown Prep, Dickinson College and the Wharton School of the University of Pennsylvania, is also on the Board of Directors of the Virginia Automobile Dealers Association (VADA) and is Chairman of the Washington Area Dealers Association (WANADA). He will be one of the nine licensed franchised dealers on the Board.

Christopher L. Schroeder will be the consumer representative on the Board. Schroeder is a Policy Analyst/Legislative Liaison for the Virginia Department of Medical Assistance Services. Schroeder is a graduate of Saint Christopher High School in Richmond and Washington College in Maryland.

Reappointed to the Board were franchise dealers Bobby Joe Dotson of Big Stone Gap, Rick L. Hunt of The Plains, and Max Pearson of Midlothian. Independent Dealers Steven Farmer, of Altavista, Clyde H. King of Abingdon and Leo B. Trenor of Roanoke were all reappointed to the Board.

All appointments and reappointments are for a four-year term.

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HOLIDAY HOURS

In observance of the upcoming holiday, all state agencies, including the Motor Vehicle Dealer Board, will be closed on the following date:

Monday, May 27, 2002

In observance of



MEMORIAL DAY

WATER CONSERVATION

Despite the recent rains, Virginia is experiencing one its worst droughts ever. September 2001 to February 2002 was the driest six-month period for that time of year since Virginia weather records have been kept. Governor Warner has asked all state agencies to implement water conservation measures. He is also encouraging all Virginians to reduce their use of water for non-critical purposes.

You are encouraged to take voluntary measures to reduce water consumption. In particular, you can help conserve water by washing the cars and trucks in your inventory less often.



COMMITTEE ASSIGNMENTS

The legislation setting-up the Board established five committees: 1) Dealer Practices, 2) Franchise Law, 3) Licensing, 4) Advertising and 5) Transaction Recovery. In addition, the Board has created a Personnel Committee and a Finance Committee. About every two years, the chair of the Board (Commissioner of DMV) assigns new committee chairs and moves some of the committee members around. Larry Matthews and Steve Farmer were named as the new Dealer Board Vice-Chairs. Below is a list of the Committees and their new chairs.

Dealer Practices:
Steve Farmer, Chairman

Franchise Law:
Tom Barton, Chairman

Licensing:
Bruce Farrell, Chairman

Advertising:
Clyde King, Chairman

Personnel:
Leo Trenor, Chairman

Finance:
Joel Lyles, Chairman

Transaction Recovery:
Mike Martin, Chairman

Please visit our website at www.mvdb.vipnet.org to see a complete listing of the committee members.

DEALER TALK

A Bi-monthly newsletter of The Virginia Motor Vehicle Dealer Board

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NOTE: We make every effort to ensure information in *Dealer Talk* is accurate, but it is not a substitute for legal advice.

Calendar of Events

**All Meetings held at DMV Headquarters
2300 W. Broad Street, Room 702, Richmond, VA**

Monday, May 13, 2002
Time: 8:30 a.m.
Dealer Practices Committee Meeting

Monday, May 13, 2002
Time: 5 Minutes After Dealer Practices
Franchise Law Committee Meeting

Monday, May 13, 2002
Time: 9:30 a.m.
Licensing Committee Meeting

Monday, May 13, 2002
Time: 10:00 a.m.
Advertising Committee Meeting

Monday, May 13, 2002
Time: 5 Minutes After Advertising
Personnel Committee Meeting

Monday, May 13, 2002
Time: 10:30 a.m.
Finance Committee Meeting

Monday, May 13, 2002
Time: 11:00 a.m.
Transaction Recovery Fund Committee Meeting

Monday, May 13, 2002
Time: 1:45 p.m.
Full Board Meeting

NOTE: Meetings may begin later, but not earlier than scheduled. Meeting end times are approximate.

CURBSTONING REPORT

Since the last Dealer Board meeting, DMV Special Agents and MVDB representatives have issued 216 curbstoning notices.

In Greene County, a DMV Special Agent detected an individual displaying a car for sale with an open title. Further investigation revealed the individual sold seven vehicles during the past year, and an independent motor vehicle dealer owned the property where the vehicles were being displayed. Despite the licensed dealer testifying on the individual's behalf, he was convicted of possessing an open title, fined \$100, ordered to properly title the vehicle, and instructed to stop his sales activity.

In Rockingham County, an individual who was displaying 20 cars for sale was charged with curbstoning. The individual was purchasing the vehicles at public auctions, and basically operating as a dealer with everything but a license. A court date is pending, and he is in the process of obtaining his license from the Board.

In Spotsylvania County, an extensive and time-consuming investigation involving vehicle sales via EBAY has come to an end. The individual had a prior conviction for selling vehicles without being properly licensed. The Commonwealth's Attorney's Office declined to prosecute any additional charges, since most of the purchasers live out-of-state and the individual recently obtained his independent motor vehicle dealer license.

In Arlington, a curbstoner who sold a car in a gas station parking lot was charged and convicted. He was fined \$100.

In Culpeper County, a MVDB representative and a DMV Special Agent jointly warned a business owner that he was in violation of the Dealer Licensing laws by allowing the display of nine vehicles for sale. The owner was very cooperative and agreed to have the cars moved.

In Roanoke City, a DMV Special Agent responding to a citizen's complaint discovered two vehicles displayed for sale by an elderly gentleman. The individual was also in possession of an open title for one of the vehicles that he had just purchased the previous day. The Agent had him properly execute the title in his presence, and issued a stern warning that further violations would result in criminal charges. The gentleman assured him that he was not going to sell any more cars.

CURBSTONING REPORT

While issuing curbstoning notices to seven vehicles being displayed for sale on VDOT property in Prince William County, the DMV Special Agent noticed three of the "for sale" signs had the same telephone number. The Agent arranged a meeting with the seller, who arrived in a vehicle displaying North Carolina dealer tags. The seller explained that he purchases cars at a Pennsylvania auction using his friend's North Carolina dealer's license, and then sells the vehicles in Virginia. The seller was also well versed in how the reassignments on the title should be completed. He was charged with selling vehicles without being properly licensed. A March 14 court date has been scheduled.

Special Agent and Curbstoning Specialist Gilbertson has been getting great cooperation from the property owners he has worked with throughout the Roanoke and Northern Virginia area. Most were not aware they were violating the law by allowing the display of "for sale" vehicles and, once informed, took steps to stop the activity. VDOT property, however, continues to be troublesome. Gilbertson has issued numerous curbstoning notices to vehicles parked on VDOT property, and is continuing to work with the appropriate officials to gain their support and assistance.

Special Agent Gilbertson attended VIADA's Roanoke Chapter meeting in February. Several possible curbstoning locations were identified as a result of information furnished by those in attendance.

Gilbertson also attended the Dealer Board Field Representatives' meeting in Richmond in February. It was a great opportunity for him to meet the Board staff (and vice versa), and to establish rapport for future investigative efforts. The meeting has already resulted in several joint operations between the two agencies.

A February 24th article in the Washington Post profiled curbstoning activity in Arlington County. Citing safety and community image concerns, the County Board of Supervisors enacted an ordinance that will allow the police to ticket vehicles offered for sale in the right of way in "high traffic" areas. The fine is \$40. Both DMV and the Board Staff were pleased to see the Supervisors' proactive stance on this issue. However, since the article failed to mention that the vehicle sales activity could also be a violation of state law, Dealer Board Executive Director Bruce Gould responded with a Letter to the Editor clarifying the licensing requirements and the inherent dangers in purchasing cars from curbstoners.

REMINDERS & USEFUL TIPS

Radio/TV Advertising: At its March meeting, the members of the Dealer Advertising Committee listened to several recent radio advertisements. The members concluded that many advertisements included disclaimers that cannot be easily understood. Disclaimers must be made in an understandable tone and speed and must be clear. Specifically, the Advertising Regulations state:

“In radio advertisements, where terms, conditions or disclaimers are used, they shall be clearly announced during the advertisement. They must be explained clearly and at an understandable speed and volume level.

In television advertisements, where terms, conditions or disclaimers are used, they shall be clearly and conspicuously displayed or announced, or both, during the advertisement. They shall be at an understandable speed or understandable volume level, or both.”

Failure to comply with these regulations could result in the assessment of a civil penalty of up to \$1,000 each time the advertisement is aired.

Telephone Numbers: If you are calling the Motor Vehicle Dealer Board from outside the Richmond area, you can reach us toll free at 877-270-0203. If you are calling from the Richmond area, the telephone number is 367-1100. If you have a question related to dealer or salesperson licensing, press “4” on your touch-tone telephone after the automated attendant answers your call. If you would like to speak to the executive director (Bruce Gould), dial extension “3002” after the automated attendant answers your call. If you need to talk to the office manager (Peggy Bailey), dial extension 3003 and if you would like to talk to the field representative supervisor (Debbie Allison), dial extension 3005.

You can also reach us by sending an e-mail to dboard@mvb.state.va.us.

REMINDERS & USEFUL TIPS *(cont)*

Dealer Tags Recently, the Motor Vehicle Dealer Board sent a letter to you and all of the other licensed dealers in the Commonwealth regarding the use of dealer plates by salespeople. Specifically, only those salespersons who you pay a salary and/or a commission to and receive an IRS Form W-2, are entitled to be issued a dealer tag. You cannot issue a dealer tag to a salesperson who uses IRS Form 1099. Individuals who use these forms are considered independent contractors and will not be considered in determining the number of dealer plates you order. In addition, independent contractors may only use dealer tags on a vehicle that is being driven to or from (i) a point of sale, (ii) an auction, (iii) a repair facility for the purpose of mechanical repairs, painting, or installation of parts or accessories, or (iv) a dealer exchange. When an independent contractor drives on dealer tags, he or she must also be issued a “PERMISSION TO USE DEALER’S LICENSE PLATES” form (DSD-27).

You can find more information on this topic at our WEB site, www.mvb.vipnet.org. Just click on the “Dealer/Salesperson Information” Button and then the “General Notification and Updates” Button and then on “IRS Publication 1779.”



ACTIONS FROM THE MARCH BOARD MEETING

Advertising: A Northern Virginia dealer was found to be in violation of the “Truth in Lending” regulations and was assessed a \$500 civil penalty by the Board. The dealer had received an educational telephone call from Board staff after the first incident and a letter after the second. After the third incident the Board’s Executive Director levied a \$500 civil penalty. The dealer appealed this assessment and an informal fact finding conference was convened with a hearing officer. The hearing officer recommended a \$500 civil penalty and the Board agreed with this recommendation.

Over 2,900 bills were introduced to the 2002 session of the General Assembly. Of that number, the General Assembly passed 1,586. Another 516 bills were "carried-over" to the 2003 Session. Before these 1,586 bills become law, they must be signed by the Governor. If signed by the Governor, the following, that are of interest to dealers, will become law as of July 1, 2002.

Vehicle safety inspections and emissions inspections; maximum fees. Increases "cap" on motor vehicle safety inspection fees for passenger cars and pickup or panel trucks from \$10 to \$15 and increases "cap" on emission inspection fees from \$20 to \$28.

Air bags. Provides that any person who, without the vehicle owner's knowledge, knowingly installs or reinstalls as part of the vehicle inflatable restraint system of a motor vehicle any air bag that was not designed in accordance with federal safety regulations for that make, model, and year of motor vehicle is guilty of a Class 1 misdemeanor (jail for up to 12 months and/or a fine up to \$2,500) and that any person, without the vehicle owner's knowledge, installs or reinstalls an air bag that was previously installed in another motor vehicle is guilty of a Class 2 misdemeanor.

Low-speed vehicles. Authorizes limited over-the-highway operation of low-speed vehicles, defined as four-wheeled electrically-powered vehicles, other than golf carts, whose maximum speed is greater than 20 miles per hour but not greater than 25 miles per hour and is manufactured to comply with safety standards contained in Title 49 of the Code of Federal Regulations, section 571.500. Low-speed vehicles may be operated on public highways with speed limits of no more than 35 miles per hour by licensed drivers or learners permit holders accompanied by licensed drivers. The same registration and insurance requirements applicable to passenger cars apply also to low-speed vehicles. [Dealers who sell these vehicles would be regulated by the Motor Vehicle Dealer Board.]

Motor vehicle titles; joint owners. Clarifies that the issuance by the Department of Motor Vehicles of a certificate of title to two natural persons, jointly with right of survivorship, shall not be used by one of the joint owners as a defense to the lienor's enforcement of a security interest in the vehicle that was granted by one or both of the joint owners of the vehicle on the same date or prior to the issuance of the certificate of title.

Four-for-life. Increases, effective July 1, 2002, from two dollars per year (two-for-life) to four dollars per year (four-for-life) the motor vehicle registration surcharge used to support emergency medical services. From July 1, 2002, through June 30, 2004, the additional two dollars per year will be used for emergency medical services, first responders, and public safety purposes, with the existing two dollars per year continuing to be used to support emergency medical services. On and after July 1, 2004, all revenues will be used to support emergency medical services. [This bill will have the effect of increasing the vehicle registration fee by \$2.00.

We believe the Governor will sign all five of these bills. If he does not, we will publish a follow-up report in the next issue of Dealer Talk.



Thanks to Margo and Frank

The Board staff and the members of the Board thank Margo Clarke and Frank Cowles for their years of service to the Board. Both Clarke and Cowles were "charter" members of the Board having been appointed in 1995, the year the Motor Vehicle Dealer Board was created. Clarke was the consumer representative and Cowles was a franchise dealer representative. Both were awarded with a special plaque.



CURBSTONING CASE IN ALBEMARLE

Recently, the Board's executive director, Bruce Gould, appeared in Albemarle District Court as a witness for the prosecution in a curbstoning case. In this instance, the individual was titling vehicles and reselling them in the names of his parents and girlfriend, allegedly in an attempt to work around the "5" cars per year. He was charged with six felony counts of Forgery, as he signed the names of his parents and girlfriend on the title and sales documents. The judge found the curbstoner guilty of 3 felony charges and sentencing has been set for July 19.

WELCOME NEW DEALERS!

The Motor Vehicle Dealer Board formally welcomes the following new dealers for January & February! Should you have comments, suggestions or questions, please do not hesitate to contact the staff of the Dealer Board. Our telephone and FAX numbers, mailing address and e-mail address are all listed on Page 2.

JANUARY	
Kelly Farneth Auto Sales 3201C Jefferson Davis Highway Stafford, Virginia 22554	Twins Auto Sales 1881 South Main Street Harrisonburg, Virginia 22801
Fink's Wholesale 35 Beechdale Road, Suite A Portsmouth, Virginia 23702	Short Pump Auto Sales, LLC 12638 West Broad Street Richmond, Virginia 23233
Don Lane Auto Sales & Detailing, Inc. 6 West Nine Mile Road, #C Highland Springs, Virginia 23075	Premier Motors 10824 Court House Road Fredericksburg, Virginia 22408
C G Auto Supercenter 5055 Virginia Beach Boulevard Virginia Beach, Virginia 23462	Erazo Auto Sales 1015 Graystone Street Harrisonburg, Virginia 22802
Deals on Wheels 1008 South Boston Road Danville, Virginia 22980	American Freightliner of Virginia 5509 Wellington Road Gainesville, Virginia 20155
Dinh Auto 321 E. Mercury Boulevard Hampton, Virginia 23663	Four Star Auto Sales 920 S. Monroe Street Arlington, Virginia 22204
Rountree Pontiac, GMC Truck, Inc. 898 E. Washington Street Petersburg, Virginia 23803	Duncan Mitsubishi-Salem 1830 W. Main Street Salem, Virginia 24153
Crown Auto, Inc. 9200 Martinsville Highway Danville, Virginia 24541	Big Daddy Detail & Auto Sales, Inc. 39 West Main Street Berryville, Virginia 22611
Audi of Alexandria 1704 Mt. Vernon Avenue Alexandria, Virginia 22201	Silver Line 5936-C Jefferson Avenue Newport News, Virginia 23605
1 st Choice Auto Sales 4714 Williamson Road, NW Roanoke, Virginia 24012	Mint Motor Corporation Route 3, Box 109-B Tazewell, Virginia 24651
Auto Expo 7912 Ardmore Road Norfolk, Virginia 23518	Elegant Motors of Salem 11 East Fourth Street Salem, Virginia 24153
Car Qwest Auto Sales 28 Jefferson Davis Highway Richmond, Virginia 23224	Auto Source 5021 Virginia Beach Boulevard Virginia Beach, Virginia 23462

FEBRUARY

Dealers Trade Outlet 16327 Lee Highway Gainesville, Virginia 20155	Auto Express of Woodbridge, Inc. 13606 Jefferson Davis Highway Woodbridge, Virginia 22191
Legg Auto Sales 556 Front Street, West Coeburn, Virginia 24230	Small Time Auto Sales Repo Recovery 4321 Wards Road Lynchburg, Virginia 24502
Ontario Auto Sales 3880 Old Kings Highway Keysville, Virginia 23947	University Motors, LLC 3265 South Main Street Harrisonburg, Virginia 22801
Capital Auto & Truck Auction, Inc. 3110 A Jefferson Davis Highway Richmond, Virginia 23224	Auto Wholesale Center 207 Tompson Avenue Fredericksburg, Virginia 22405
Doug's Auto Sales 1913 Holland Road Suffolk, Virginia 23434	Frontline Auto Sales 612 West 4 th Street Salem, Virginia 24153
Brook Motors 7305 Brook Road Richmond, Virginia 23227	Bowditch Ford, Inc. 11281 Jefferson Avenue Newport News, Virginia 23601
Hendrick Jeep of Woodbridge 14150 Jefferson Davis Highway Woodbridge, Virginia 22191	Dave's Mini Mart 7071 Stones Dairy Road Bassett, Virginia 24055
E Z Auto Sales, Inc. 513 East Third Street Farmville, Virginia 23901	Draft Auto Sales 2764 Stuarts Draft Highway Stuarts Draft, Virginia 24477
Thornburg Auto Mart 6409 Jefferson Davis Highway Spotsylvania, Virginia 22553	Auto USA 14538 Jeff Davis Highway Woodbridge, Virginia 22191
Hott Wheels 720 East Main Street Pulaski, Virginia 24301	A & J Auto Sales, Inc. 706 Seventh Street Portsmouth, Virginia 23704
Excel Auto Sales 10119 Jeff Davis Highway Richmond, Virginia 23237	Mercedes-Benz of Alexandria 200 S. Pickett Street Alexandria, Virginia 22304

ATTENTION ALL DEALERS:

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