

GOOD NEWS!!

Last year the Motor Vehicle Dealer Board voted to suspend payments into the Transaction Recovery Fund for 1998 renewals. As the Fund is in good shape, the Board has voted to continue suspension of these fees for 1999 renewals. This will mean a savings of \$100 per dealer and \$10 per

WELCOME NEW READERS!

With this edition of "Dealer Talk", we have expanded distribution to not only licensed dealers, but also others who have expressed interest in the activities of the Board. The Motor Vehicle Dealer Board welcomes these readers to our list of recipients of "Dealer Talk".

Also, if any of our readers have something you feel needs to be in print, drop us a note or give Alice Weedon a call at (804) 367-1100. She will be happy to take your call or answer any questions you may have.

Got a minute? Your input and thoughts on this newsletter would be greatly appreciated. We would love to know what you think!! You may call or write in your opinion.

Thank You.

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ADVERTISING REGULATIONS

The April addition of "Dealer Talk" included an article concerning proposed amendments to the Dealer Advertising Regulations. That article included a summary of the proposed updates as well as a listing of public hearings scheduled to hear comments on the proposed amendments. The "Public Comment Period" has closed and the final regulations have been submitted to the Virginia Code Commission for publication in the August 17 edition of the Virginia Register of Regulations.

A total of twenty-seven individuals attended the four public hearings. Attendees included members of automobile dealer trade associations, advertising professionals, newspapers and automobile dealers, both independent and franchise dealers. Two sets of written comments were also received. Based on

salesperson for 1999 renewals of all dealers who have been in business for over three years!

REMI NDERS & USEFUL TIPS

- **BUSINESS HOURS.** Virginia law requires that all dealers be open for business a minimum of twenty hours per week, at least ten of which are between the hours of 9:00 am and 5:00 p.m., Monday through Friday. In addition, your hours must be posted near the main entrance to your business and you must include these hours on your renewal application. If you change these hours, please inform the staff at the Dealer Board.

Open for business means that you must have an employee present during posted business hours who has sufficient authority and knowledge of your records to allow an examination of your records by a Board field representative. Failing to be opened during posted business hours or failure to have someone available to allow access to records, could result in the assessment of a civil penalty by the Board. If you must close your dealership for an unexpected reason during posted business hours, please post a sign on the door as to when you will be returning.

- **LICENSE APPLICATIONS.** Please remind all applicants for a salesperson's license – initial or renewal – to read each question carefully. The application asks if the applicant has ever been convicted of a felony. We have received a number of applications where the applicant has checked "NO" for this question, when in fact they have a felony conviction. The convictions are discovered when we run a criminal history check on the applicant. Making a material misstatement on an application could result in denial or suspension of a license.
- **PICTURES IN ADVERTISEMENTS.** If you use "clip art" or something similar rather than an actual picture when advertising a vehicle for sale, please be careful that the picture matches the car being advertised. The picture should not

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

Monday, September 14, 1998:

Place: DMV Headquarters

Time: 9:00 a.m.

Transaction Recovery Fund Committee Meeting

Monday, September 14, 1998:

Place: DMV Headquarters

Time: 10:00 a.m.

Licensing Committee Meeting

Monday, September 14, 1998:

Place: DMV Headquarters

Time: 1:00 p.m.

Dealer Practices Committee Meeting

Monday, September 14, 1998:

Place: DMV Headquarters

Time: 3:00 p.m.

Advertising Committee Meeting

Tuesday, September 15, 1998

Place: DMV Headquarters

Time: 8:45 a.m.

Finance Committee Meeting

Tuesday, September 15, 1998

Place: DMV Headquarters

Time: 9:00 a.m.

Franchise Law Committee Meeting

Tuesday, September 15, 1998

Place: DMV Headquarters

Time: 9:30 a.m.

Full Board Meeting

ACTIONS:

- Advertising Violations: During the months of May and June, Board staff issued 69 first violation "educational/warning letters". Topics addressed in these letters included: Incomplete Truth in Lending/Truth in Leasing; failing to include a "Sale End Date" when advertising a "sale"; failure to disclose vehicle as being used; failing to disclose the Processing Fee or freight amount; Processing Fee and/or freight charges not in 8-point boldface type; disclosure not clear and conspicuous (not in at least 6-point upper case print); advertising a "Free Item" when a purchase is necessary to receive the "free" item; guarantee trade amount; and omitting Year, Make, Model of the vehicle when a sale price is advertised. Sixteen "second violation" letters were sent. Topics addressed in these letters include: Incomplete Truth in Lending/Leasing (13); advertising a "Free Item" when a purchase is necessary to receive the "free" item (1); failing to include a "Sale End Date" when advertising a "sale" (1); and " failure to disclose vehicle as being used (1). Second violations are subject to a \$500 civil penalty.
- Civil penalties were assessed against three dealers who employed, in a sales capacity, individuals that were not licensed as salespersons. Penalties ranged from \$2,500 to \$10,000 depending on the severity of the violation.
- One dealer was assessed a civil penalty for selling vehicles from a location other than from their licensed location.
- The Board revoked the license of one dealer for renting or otherwise allowing an unauthorized individual to use dealer tags. This case was investigated cooperatively with the Department of Motor Vehicles.
- At a previous meeting, the Board had revoked the license of a dealer for having committed a number of violations. The dealer asked for a hearing. The hearing officer agreed with the Board's determination. At the July meeting, the Board voted to uphold its original determination to revoke all licenses of this dealer.

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ACTIONS:

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- At a previous meeting the Board had determined that a dealer should be assessed a civil penalty of \$1,000 and that all licenses should be revoked for not maintaining an established place of business and for failure to comply with a warning issued by the Board. The dealer asked for a hearing. After reviewing the evidence and the hearing officer's report, the Board determined that the dealer should be assessed a civil penalty in the amount of \$2,500 and that his license should *not* be revoked.

Editors Note: Dealers have the option of "appealing" any of the above Dealer Board decisions by requesting a hearing in front of a hearing officer.

IN MEMORIAM

CAROL S. NOAKES

1945 – 1998

It is with great sadness that The Motor Vehicle Dealer Board notes the passing of a Dealer Board family member. Our deepest sympathy goes to the family of Carol S. Noakes. Mrs. Noakes died in Johnston Willis Hospital after a courageous battle with cancer. Carol was the Office Supervisor to the Motor Vehicle Dealer Board. Before that, she was Office Supervisor for the Dealer Services Unit with the Department of Motor Vehicles. Carol had 25 years of state service. Her husband, Howard and children, Randy, his wife Elizabeth and Diane, her husband Ricky, survive her. Also surviving are the grandchildren she loved dearly: Ashley, Victoria and Charlie. Our thoughts and prayers are with the Noakes family.

ATTENTION ALL DEALERS:

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