

FIELD REPRESENTATIVES GET COMPUTERS

The Motor Vehicle Dealer Board continues to enhance our services and the way we do business through the use of technology. Our latest enhancement is automation of the "38". This is the report that our field representative complete when they visit your dealership.

The Dealer Board field representatives have been equipped with laptop computers and portable printers. They can now complete the "38" using their laptop computer and then print a copy of the report for you. In this way, you will have a neat and easy to read copy of the report. When the field representative returns to his home-office at the end of the day, he/she can "upload" the report to our office in Richmond. This will allow easy retrieval of the reports as well as help us better manage our work.

The field representatives can also "dial" into the Richmond office before they leave for the field and print up-to-date information such as a list of salespersons and tags for the dealerships they plan to visit that day. Being able to do this saves time and effort for the field representative, our office staff and the dealers.

By the time you receive this newsletter, we will have or will be close to implementing an automated version of our "12". This is our field representative assignment form. Currently, our office staff completes one of these forms whenever there is a need for a field representative to make a visit to a dealership. The form is then mailed to the appropriate field representative. Once this form is automated, office staff will complete the report and it will be sent by e-mail to the appropriate field representative.

Once the Field representative completes his/her assignment, a report will be sent by e-mail back to the office. All the reports, including the "38" will be linked together by the dealer number and will reside in one database. Retrieval of reports, managing our workflow and our service to you will be enhanced with the implementation of these automated systems.

We would appreciate any feedback you may have on this initiative.

INSIDE THIS ISSUE:

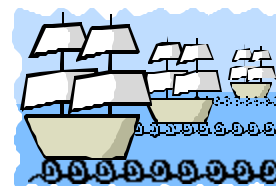
1. FIELD REP COMPUTERS
1. HOLIDAY SCHEDULE
2. ACTIONS!
2. CALENDAR OF EVENTS
3. REMINDERS & USEFUL TIPS
4. DID YOU KNOW?...
4. TEST YOUR SALES SKILLS
4. PASSED 2000 LEGISLATION
5. EMISSIONS INSPECTION
5. CURBSTONING REPORT
6. WELCOME NEW DEALERS

State Holiday for the Month of September
Our Office will be closed on
September 4, 2000 in observance of:



LABOR DAY

State Holiday for the Month of October
Our Office will be closed on
October 9, 2000 in observance of:



COLUMBUS DAY

ACTIONS FROM THE JULY BOARD MEETING

- **Motor Vehicle Transaction Recovery Fund:** At the July Board meeting, the Transaction Recovery Fund Committee and the Board considered three new claims filed against three different Virginia dealers. After reviewing each situation, the Board voted to approve payment from the fund on all three claims in the amounts of \$5,120, \$4,000 and \$7,625. The dealers will have 30 days to repay the Fund. Failure to repay the Fund will result in license revocation.
- **Bird Dogging Case.** After considering the evidence and listening to testimony made on behalf of a dealer and reviewing a report of an informal fact finding conference, the Motor Vehicle Dealer Board determined that a dealer in the Tidewater area should be assessed a \$3,000 civil penalty for paying commissions to an individual who was not a licensed salesperson for the dealership. In this instance, the dealer in question was paying a commission or bird dogging fee to a salesperson at another dealership for sending customers to the offending dealership. A commission was paid if the referral lead to a sale.

In addition, the Board levied \$1,000 civil penalties on the dealer-operator and a salesperson at the offending dealership as these two individuals played a key roll in the bird-dogging scheme.

- **Bait and Switch Advertising Violations** An informal fact finding conference was held for a Central Virginia dealer who, after a series of educational attempts, continued to place advertisements in newspapers that included pictures with descriptions of cars that did not match. The Board voted to levy a \$200 civil penalty.
- **Truth in Lending Advertising Violations** An informal fact finding conference was held for a Tidewater area dealer who, after a series of educational attempts, continued to place advertisements in newspapers that were not in compliance with the disclosures, as required under "Truth in Lending". The Board voted to levy a \$500 civil penalty.
- **Salesperson's Application** The Board considered the reports and recommendations as submitted by hearing officers on four different individuals. The Board agreed with the hearing officer's recommendation in voting to deny the application for a salesperson's license from an individual who had been convicted of 19 felonies. In another "felony conviction" case, the Board voted to approve the application for a salesperson license. Two salespersons who had made material misstatements on their renewal applications were assessed civil penalties.

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, September 11, 2000:

Time: 9:00 a.m.

Dealer Practices Committee Meeting

Monday, September 11, 2000:

Time: 10:00 a.m.

Franchise Law Committee Meeting

Monday, September 11, 2000:

Time: 10:45 a.m.

Licensing Committee Meeting

Monday, September 11, 2000:

Time: 1:30 p.m.

Transaction Recovery Fund Committee Meeting

Monday, September 11, 2000:

Time: 2:15 p.m.

Advertising Committee Meeting

Monday, September 11, 2000

Time: 3:00 p.m.

Personnel Committee Meeting

Tuesday, September 12, 2000:

Time: 8:30 a.m.

Finance Committee Meeting

Tuesday, September 12, 2000:

Time: 9:30 a.m.

Full Board Meeting

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

REMINDERS & USEFUL TIPS

- **Have you ever had trouble obtaining a title from a lienholder?** During the course of routine visits to dealerships, our field representatives are being told that they (the dealer) do not have titles on the premises because the titles are being detained by the lienholder despite the fact that "payoff" has been made. In these instances, you can remind the lienholder that Virginia Code Section 46.2-643 requires a lienholder to satisfy and surrender a title to the owner *within ten days* after the security interest has been satisfied. Failure to do so could constitute a Class 3 misdemeanor.
- **Spot Delivery** Virginia Code Section 46.2-1550 authorizes dealers to allow prospective purchasers to drive on dealer tags for up to ten days. So, if you have a prospective purchaser and you are waiting for financing to be approved or if the customer just wants to drive the car for a couple of days before completing the transaction, you can let them drive on a dealer tag for two, five (5) day periods. Please note that you can only do this for two consecutive five day periods per customer. You are not authorized to "renew" or otherwise allow the customer to use the dealer tag for more than ten days total.
- **Advertising** Please remember that you must identify yourself as a dealer in all advertisements. This includes "line" advertisements in the classified section of the newspaper and in other specialty advertising publications. It must be clear in all of your advertisements that the seller is a dealer. Identification can be done by including the name of your dealership in all advertisements or including something like "VA DLR" in all of your advertisements.
- **Need a form?** You can now get many of your dealer & salesperson forms directly from the MVDB Website: <http://mvdb.vipnet.org/home.html>. From the MVDB Website homepage, select the *Dealer/Salesperson* button. From the Dealer/Salesperson homepage, select the *Forms* button, and the list of available forms will appear. Just select the form(s) you need and print. (Adobe Acrobat Reader is required--but that's available free from our website too.) A few forms have been converted in size from vendor cards to 8-1/2 x11 pages. But that's the only difference--nothing else has changed.

REMINDERS & USEFUL TIPS

- **Temporary Supplemental License For A Used Car Sale.** In order to ensure that all dealers in a particular locality (city, town, county) are made aware of a planned "off-site sale" in their locality *by a dealer who is from another locality or from a locality other than an adjacent locality*, the Board has established the following procedure: The Dealer or sponsor of the sale must notify, by mail, all the dealers in the locality in which the sale will take place at least 30 days in advance of the sale. The notification must include information as to how other dealers may participate in the sale.

For example, a dealer named "XYZ Motors", located in Richmond decides to hold a three-day used car tent sale in Williamsburg. Since the Richmond dealer wants to hold the sale outside the city of Richmond and beyond an adjacent city or county, XYZ Motors must notify all dealers in Williamsburg, by mail, at least 30 days before the date of the planned sale. The notification must "invite" all of the Williamsburg dealers to participate in the event. XYZ Motors' Temporary Supplemental Application must include a copy of the invitation mailed as well as a list of dealers who received the mailing. A list of dealers in any particular locality can be obtained from the Board. The Board can also provide the list on a computer disk or as labels. There will be a nominal charge for this service.

If you are planning to hold an off-site sale and need to apply for a temporary, supplemental license, please contact the Board office. We can give you detailed information and send you an application form.

- **Safety Inspection.** Before you offer a vehicle for sale to retail customers, you must have performed a safety inspection. It has come to our attention that dealers who bring their vehicles to auctions, which are open to the public, may be neglecting to perform the safety inspection. It is advised that you bring proof that you performed a safety inspection whenever you bring a vehicle to a public auction.
- **Buyer's Guide.** Our Field Representatives have noted that many vehicles displayed for sale in dealer's lots do not have a properly completed FTC required Buyer's Guide posted in the vehicle. It is imperative that each vehicle displayed for sale, have the required Buyer's Guide. You could be fined up to \$11,000 per vehicle for failing to properly display the Buyer's Guide.

DID YOU KNOW?...

In 1995, DMV established a policy to allow the transfer of license plates issued to a privately owned vehicle to a leased vehicle or from a leased vehicle to a privately owned vehicle as long as the lessee and private owner are the same.

The owner/lessor must approve of the transfer granting permission for the plates to be transferred and a statement must accompany the application for the transfer of license plates. Following is suggested language to use for this written permission.

I/we, the undersigned, agree to allow <name of lessee> to transfer license plates <license plate number> duly registered in his/her name to or from the vehicle(s) leased from <name of lessor>.

Signature of Lessor or Representative

Title/Date

Please note, if the owner of the motor vehicle can be identified as a lease company and the lessee's name appears on the registration as "in care of" (c/o), DMV will accept this as authorization for the lessee to sign on behalf of the lessor/owner in registration related transactions.

For additional information, please reference Procedure Number VLIC-222.1 when contacting your local DMV Customer Service Center Manager or Office Operations Coordinator, or calling the DMV Customer Contact Center at (804) 367-6646, or E-mail www.dmv.state.va.us.



NEXT TASK FORCE MEETING

The next meeting of the Internet Task Force Committee, examining electronic commerce in the automobile dealer industry, will take place on September 12, 2000 at 2:00 p.m. in room 702 at the Department of Motor Vehicles' Headquarters Building, 2300 W. Broad Street, Richmond, Virginia.

TEST YOUR AUTOMOTIVE SALES SKILLS ON-LINE

A demo version of the National Automobile Dealers Association's (NADA) Salesperson Certification and Training program is now available online at www.nada.org. The demo allows dealership staff and other interested parties to evaluate their salesperson skills. NADA's Salesperson Certification and Training program helps both newly hired and experienced salespeople improve their sales skills and communication techniques. "It saves dealers significant time and money because students don't have to travel off-site to attend classes or take exams," said John Ehert, chairman of NADA's Salesperson Certification and Training Board of Trustees. "Salespeople can attain



NADA-certified status at any time, any place and at any pace." (Source: NADA Newswire) [Go to the dealer information section of www.nada.org to access the demo version of NADA's Salesperson Certification and Training program.]

Legislation Passed By The 2000 General Assembly

In the last issue of Dealer Talk, there was mention of legislation passed by the 2000 General Assembly concerning purchases of vehicles by the lessee at the end of the lease agreement. The Department of Motor Vehicles (DMV) advises that this new legislation, which was effective as of July 1, exempts purchases of these vehicles by the former lessee from the motor vehicle sales and use tax if (i) the purchaser was a lessee who is not a business or corporation and the lessee paid the tax on the vehicle when he leased it and (ii) the purchaser presents an original copy of the lease agreement to the Department of Motor Vehicles or other evidence that the lessee purchasing the vehicle has paid the sales and use tax to the Commonwealth. Evidence that will be accepted include receipts or a letter from the lessor stating that the lessee paid the tax. If you need further assistance, please contact DMV's Customer Contact Center at (804) 367-0538 or by E-mail at www.dmv.state.va.us.

Emissions Inspection

At a recent Board meeting it was brought to our attention that in certain situations, it would be helpful to be able to quickly determine the emissions inspection status of vehicles. The following information with respect to emissions inspection status is available through DMV:

- Results of the inspection: (i.e. Passed, Failed, Waived)
- Test Date
- Due Date for the next required emissions test.

The above information will be on the DMV record provided the vehicle has had an emissions inspection and the Department of Environmental Quality (DEQ) has updated DMV (There are instances of a communication line going down, etc. that may prevent a timely update, but these should be rare).

If you need to determine the emissions inspection status of a vehicle, you have a couple of options: If you are an on-line dealer, you can check the emissions status by running a standard DMV vehicle inquiry. (Please remember to send the inquiry with your bundle to DMV). For information on becoming an on-line dealer please contact Ms. JoAnn McKay, Assistant Division Manager, Titling and Dealer Services Division, at (804) 367-9155, or at Post Office Box 27412, Richmond, Virginia 27412, or by e-mail at dmvjsm@dmv.state.va.us. The second option requires that you have a "Use Agreement" with DMV. If you have such an agreement, you can you can inquire by telephone at the cost of \$6.00 per vehicle. To obtain a use agreement, contact Janet Williams at DMV (804 367-1800) or you can download the application form from the DMV website (www.dmv.state.va.us), fill it in, and mail it to the address on the form.

Soon you will have the option of obtaining this information on-line for a fee of \$5.00 per vehicle. When this service becomes available we will publish the details in Dealer Talk.

CURBSTONING REPORT

Since the last Dealer Board meeting, the Board Field Representatives and DMV Special Agents have issued 159 curbstoning notice forms. This is almost double the number of forms issued during previous reporting periods.

- A "repeat curbstoner" in Buchanan County who continued to sell vehicles after receiving notice from the Board, was charged and convicted of selling vehicles without being properly licensed. He was fined \$200, with \$150 suspended, and given a stern warning that future infractions would result in stiffer fines and probable jail time. Three other individuals were also charged and convicted and given the same penalty.
- In Prince William County, a DMV Special Agent observed several vehicles for sale in the parking lot of a local retail store. The Agent negotiated a sale. The individual selling the vehicle presented a title, which was in another person's name. The individual was charged with selling vehicles without a license and having possession of a title not his own. The case is pending and will be updated.
- Since the last Board meeting, DMV Special Agents investigated three cases involving dealerships displaying their vehicles for sale at unlicensed locations. These cases and supporting documentation were forwarded to Board staff for follow-up and action.
- An individual came to the Harrisonburg CSC to title a vehicle, but the NCIC inquiry indicated that it was stolen. Upon further investigation, a DMV Special Agent determined the vehicle had been stolen and subsequently recovered; however, the police department failed to take the vehicle out of NCIC. Even though the vehicle was no longer classified as stolen, the Agent noticed several other questionable things about the transaction: (1) the Maryland title was issued to a bogus Maryland dealership; (2) the title had been signed over to someone other than the individual who had possession; and (3) the vehicle displayed New Jersey temporary tags. When questioned, the individual said he purchased the vehicle with the intent to resell it, and that he was supposed to receive compensation from the next purchaser. He was charged and convicted of selling vehicles without being properly licensed, and having possession of a title not his own. He was sentenced to 1 year in jail on each count, suspended with time served, which was over two months, while he was awaiting trial. The vehicle in question, was forfeited to DMV.

WELCOME NEW DEALERS!

The Motor Vehicle Dealer Board formally welcomes the following new dealers for May & June! 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.

MAY	
Pomoco Ford 928 South Church Street Smithfield, Virginia 23430	Coe Motors Highway 460, RR 2 Box 342C Bluefield, Virginia 24605
C & S Motors, Inc. 932 Valley Street Scottsville, Virginia 24590	Mr. Auto 3206 George Washington Highway Portsmouth, Virginia 23704
Jerry Watson Auto Sales 710 East Stuart Drive Galax, Virginia 24333	Beach Wholesalers, Inc. 6907 Sewells Point Road Norfolk, Virginia 23573
Bob's Used Cars 1467 Front Royal Pike Winchester, Virginia 22602	Brookeview Motors 1180 Lee Highway Cloverdale, Virginia 24077
Southern Classic Auto Sales Route 1, Box 1557, P.O. Box 236 Bastian, Virginia 24314	Buy-Rite Auto Sales 15445 #B Lee Highway Bristol, Virginia 24202
Keens Automotive Machine Shop, Inc. 1802 South Church Street Smithfield, Virginia 23430	Eagle Auto Sales 36 East Windsor Boulevard Windsor, Virginia 23487
A & A Auto Rental Sales 6914 North Military Highway Norfolk, Virginia 23518	Steven Kia 3340 S. Main Street Harrisonburg, Virginia 22801
A & G Auto, Inc. 3058 Hull Street Richmond, Virginia 23224	Freedom RV Rentals, Inc. 12141 Washington Highway Ashland, Virginia 23005
Paradise Auto Brokers 5220 Virginia Beach Boulevard, #B Virginia Beach, Virginia 23462	Dons Auto Exchange, Inc. A Top Claypool Hill, US Route 460 Tazewell, Virginia 24609
Bolling Motors, LLC 1146 E. Main Street Salem, Virginia 24153	The Rescue Mission of Roanoke, Inc. 402 Fourth Street, SE Roanoke, Virginia 24013
East Coast Auto Wholesalers, Inc. 1737 B Virginia Beach Boulevard Virginia Beach, Virginia 23454	Wright Auto Sales 206 Cowardin Avenue Richmond, Virginia 23224
Auto Land 7000 N. Military Highway Norfolk, Virginia 23518	Cross Auto Sales, Inc. 3360 Anderson Highway Powhatan, Virginia 23139

MAY (continued)

Robbie's Auto Sales 828 E. Fincastle Drive Tazewell, Virginia 24651	Atlantic Auto Sales 10415 Nokesville Road Manassas, Virginia 22110
Ken Crandells Auto, LLC 3600 Courthouse Road Chesterfield, Virginia 23832	Ray's Auto & Truck Sales, Inc. Route 1, Box 261 Hurley, Virginia 24620
Trucks & More 615D Research Road Richmond, Virginia 23236	Sanko Insurance Cars 3716 W. Broad Street Richmond, Virginia 23230
H & W Motorcars 1 Union Boulevard, Route 6, Box 690 Appomattox, Virginia 24522	Southport Auto Sales & Service 720 Research Road Richmond, Virginia 23236

JUNE

Sheehy Honda 7434 Richmond Highway Alexandria, Virginia 22306	Kar Korner 1101 E. 26 th Norfolk, Virginia 23504
Four Seasons Auto Sales, LLC Route 3, Box 1905 Cedar Bluff, Virginia 24609	Wolfe Import 147 Harpersville road Newport News, Virginia 23601
The Auto Connection 3116 S. Military Highway Chesapeake, Virginia 23323	Perfect Choice Auto Sales, Inc. 28 Jefferson Davis Highway Richmond, Virginia 23224
Autostar Enterprises 7418 North Military Highway Norfolk, Virginia 23518	Lee Highway Auto Mart, Inc. 2353 Lee Highway Bristol, Virginia 24201
G.S.I. Automotive Group 11005 A. Midlothian Turnpike Chesterfield, Virginia 23235	PNT Motors 1493 Diamond Springs Road, #113 Virginia Beach, Virginia 23455
Prices Fork Auto Sales 4370 Prices Fork Road Blacksburg, Virginia 24060	Kyle's Auto Sales 781 Jubal Early Highway Wirtz, Virginia 24184
International Auto Repair & Sales, Inc. 1600 West Cary Street Richmond, Virginia 23220	Valentine Auto Sales 9374 Gov Harrison Parkway, P.O. Box 149 Lawrenceville, Virginia 23868
Mickey's Auto Wholesale, Inc. 23 Broad Street Road Richmond, Virginia 23103	Virginia Automotive Exchange 1251 Court Street Victoria, Virginia 23974

ATTENTION ALL DEALERS:

Inside this issue, please read about the following:

- 1. FIELD REPS. GET COMPUTERS**
- 2. HOLIDAY SCHEDULE**
- 3. ACTIONS**
- 4. CALENDAR OF EVENTS**
- 5. REMINDERS & USEFUL TIPS**
- 6. CURBSTONING REPORT**
- 7. DID YOU KNOW?...**
- 8. TEST YOUR SALES SKILLS**
- 9. PASSED 2000 LEGISLATION**
- 10. EMISSIONS INSPECTION**
- 11. NEXT TASK FORCE MEETING**
- 12. WELCOME NEW DEALERS**