

TASK FORCE CREATED

Board Chairman Ab Quillian introduced a resolution at the July meeting that was passed unanimously. This resolution establishes a special task force to examine some of the Board's operations, policies and laws including those tied to salesperson licensing, the Transaction Recovery Fund and some of the "internal" workings of the Board such as committees, setting agendas and the use of electronic and telecommunications.

Chairman Quillian noted that the Motor Vehicle Dealer Board was established in 1995 and has been very successful. In the resolution Quillian indicates that it is now time to re-examine the Board's "authority, structure and operations . . . to make it even more effective."

All meetings of the Task Force will be open to the public. If you would like to receive an e-mail notification of the meetings or meeting summaries, please subscribe to our e-mail list at www.mvdb.vipnet.org and on the home page hit the "Subscribe To Our E-mail List" button. If you would like to receive notification by regular mail, just let us know by sending a note to Alice Weedon, c/o Motor Vehicle Dealer Board, 2201 West Broad Street, Suite 104, Richmond, VA 23220 or send a FAX to 804-367-1053.

Members of the Task Force include: Mike Martin, Chairman; Clyde King, Vice Chairman; Bruce Farrell, Steve Farmer, Larry Matthews, Karen Radley, Vince Sheehy and Pete Iaricci.

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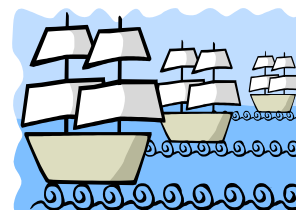
HOLIDAY HOURS

In observance of the upcoming holidays, all state agencies, including the Dealer Board, will be closed on the following dates:

September 2, 2002 & October 14, 2002



LABOR DAY



COLUMBUS DAY

HELPFUL TIPS AND REMINDERS

- **Do You Own More Than One Dealership?** For dealers who own more than one dealership – please be sure that the correct dealer number is entered on the application for title and registration (Form “17A”). Entering the wrong number will cause DMV to “credit” the wrong store with the sale. This is especially important for franchise dealers, as the jurisdictional report that lists new vehicles sold by jurisdiction and dealer will not be accurate.

In addition, the number of dealer license plates that a dealer is entitled to is based on the number of sales made by the dealership. The dealer number indicated on the application for title and registration is used by the automated system to determine the number of dealer plates a dealership is entitled to apply for.

- **Area Code Please.** Please remember to include your “area code” on all correspondence and applications that include your telephone number. In addition, please remember to give us your area code when you leave a telephone message on our voice mail.



IN MEMORIAM

It is with great sadness that the Motor Vehicle Dealer Board notes the passing of Mr. Nelson Bennett on June 9, 2002. Bennett was a charter member of the Board and was instrumental in getting the new agency on its’ feet.

A standout high school athlete in both football and basketball, Bennett had been in the dealer business from 1952 when he signed on to be a salesperson at T.C. McCoy Motors until 1998 when he sold his Chester, Virginia Ford Dealership. He was chairman of the Ford Dealer Council for three years. Bennett served in the Navy for two years and was recalled into the Navy during the Korean War.

Bennett is survived by his wife, one son, two daughters, two stepdaughters, two brothers, six grandsons and one great-granddaughter.



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 9, 2002
Time: 8:30 a.m.
Dealer Practices Committee Meeting

Monday, September 9, 2002
Time: 5 Minutes After Dealer Practices
Franchise Law Committee Meeting

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

Monday, September 9, 2002
Time: 10:00 a.m.
Advertising Committee Meeting

Monday, September 9, 2002
Time: 5 Minutes After Advertising
Personnel Committee Meeting

Monday, September 9, 2002
Time: 10:30 a.m.
Finance Committee Meeting

Monday, September 9, 2002
Time: 11:00 a.m.
Transaction Recovery Fund Committee Meeting

Monday, September 9, 2002
Time: 1:45 p.m.
Full Board Meeting

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

BOARD ACTIONS

Misuse of dealer Tags. Based on the recommendation of a hearing officer, a Culpeper dealer was assessed civil penalties totaling \$700 for not maintaining records, unauthorized use of a dealer plate and displaying and selling cars from an unlicensed location. In this case, the dealer allowed a contract ("1099") salesperson to have free use of a dealer tag. Further, records of sales made by the salesperson were not kept at the dealership and the salesperson sold vehicles from an unlicensed location.

Selling from an Unlicensed Location. Acting on a complaint that a Falls Church dealer was displaying vehicles for sale at an unlicensed location, a Board field representative conducted an investigation. Based on this investigation, an informal fact finding conference was convened. The hearing officer recommended a civil penalty of \$250 and the Board agreed with this recommendation.

Failing to Maintain Records. A & T Auto Sales in Haymarket received several warnings from Board staff that the dealer must maintain records at the dealership. The dealer did not pay attention to the warnings. As a result, an informal fact finding conference was convened for not maintaining records and for willful violation of the dealer laws. The hearing officer recommended, and the Board agreed, that the dealer's license be revoked and civil penalties totaling \$5,000 be assessed.

Selling from an Unlicensed Location. The Board assessed a \$500 civil penalty on a dealer for displaying and selling cars from an unlicensed location and for failing to properly maintain his licensed location.

Selling from an Unlicensed Location. Based on the recommendation of a hearing Officer, a Chesapeake dealer was assessed civil penalties totaling \$10,000 for multiple sales at an unlicensed location, for not properly maintaining his licensed location and for willful violation of the dealer laws. In this case, the dealer continued to sell cars from an unlicensed location despite receiving warnings from the Board's staff.

Material Misstatement on an Application. An informal conference was convened when it was discovered that an Arlington dealer had failed to note on his dealer certificate application form that he had been convicted of a felony. The hearing officer recommended, and the Board agreed, that the dealer should pay a \$200 civil penalty for having made a material misstatement on an application.

BOARD ACTIONS

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Compensating an Unlicensed Salesperson. The Dealer Board levied a \$600 civil penalty on a Springfield dealer for allowing a salesperson to sell vehicles prior to his license application being approved and receiving his license.

Compensating an Unlicensed Salesperson. Based on evidence gathered by a Dealer Board field representative, an informal conference was convened concerning sales made at a Southwest Virginia Dealer by an unlicensed salesperson. The unlicensed salesperson was an employee of a special promotion company that helped the dealership conduct a "Bank Reduction" sale. The hearing officer recommended, and the Board agreed, that a \$300 civil penalty should be assessed.

Salesperson Applications. The Board reviewed the salesperson applications of two individuals who had been denied a license and requested an informal conference. In both cases, the Board determined that a license should not be issued.

All of the above actions by the Board can be appealed within 33 days of the dealer or individual receiving notice of the Board's decision. The assessment of civil penalties can be appealed to the local circuit court. Denials, suspensions, and revocations can be appealed to a formal hearing or directly to circuit court.

Motor Vehicle Transaction Recovery Fund: At the July Board meeting, the Transaction Recovery Fund Committee and the Board considered six new claims filed against two different Virginia dealers. In the first case, the purchaser was unable to obtain a title for the vehicle as the dealer failed to "pay-off" the individual who held title to the vehicle. The title holder eventually regained possession of the vehicle and the purchaser was left with a loan payment. The purchaser obtained a judgment in the amount of \$32,000 and the Board approved payment of \$20,000, the maximum allowed by law.

The other five claims involved a dealer, who is now out of business, and who collected sales and use tax and registration fees from his customers, but failed to submit these fees to DMV. The consumers then paid the fees directly to DMV and obtained judgments against the dealer for the fees he failed to submit. After reviewing the five cases, the Board voted to approve payment from the fund for all five claims totaling \$ 3,340. In both cases, the dealers will have 30 days to pay the consumers. If they fail to pay the consumers, payment will be made from the Fund.

CURBSTONING REPORT

Since we have established a full-time curbstoning enforcement position, the curbstoning report has grown to the point that it is not practical to publish the entire report in this newsletter. We will print a summary of all curbstoning related court convictions. The full report will be posted on our WEB site (www.mvdb.vipnet.org) and accessed by "clicking" on Special Reports.

Since the last Dealer Board meeting, DMV Special Agents and MVDB representatives have issued 157 curbstone notices.

In the Staunton area, an individual was charged with, and pled guilty to, selling vehicles without being properly licensed. He was fined \$2,500, with \$1,500 suspended, and given one year probation.

Two cases of curbstoning resulted in convictions in the Prince William County General District Court. In the first case, an individual was fined \$2,500, with \$1,000 suspended, for selling motor vehicles without a license. In the other case, an independent motor vehicle dealer was fined \$500 for failing to fill out a title prior to transferring it.



TRY PPI BEFORE YOU BUY!

Internet application allows prospective purchasers to view vehicle histories any time

The vehicle you're about to buy, did it pass its last emissions test? Was it a salvage vehicle classified as non-repairable? Or, was it previously sold through the Mechanic's or Storage Lien process? Turn on your PC and you can click your way to the answers to these questions using DMV's latest Internet service, Prospective Purchaser Inquiry (PPI).

This service is available online at the Virginia Department of Motor Vehicles (DMV) web site, www.dmvnow.com. On the home page, under Online Transactions, click Prospective Purchaser Inquiry (PPI), enter a few data fields, pay \$12 online and – bam – your summary will appear on your PC monitor. DMV accepts all major credit card payments online.

A PPI summary currently includes all vehicle information from Virginia DMV records. Eventually, however, PPI summaries will include vehicle information from other states where the vehicle was registered. A PPI summary does not include personal information about the vehicle's previous owners. The PPI process is authorized under Section 46.2-209.1 of the Code of Virginia. *(continued next column)*

TRY PPI BEFORE YOU BUY!

(cont)

To see how fast and easy this is, try a demo transaction.

When prompted at the DMV web site, enter:

1. Any name, address and telephone number
2. VIN 123456789
Make Honda
Model Accord
Year 1996
3. Credit Card Number 1234123412341234
4. Expiration Date 01/2004

If you'd prefer to mail in a hard copy application and a payment, PPI forms are available at DMV customer service centers and on the DMV web site under "Forms and Publications." The form is entitled *Request for Vehicle Information by a Prospective Purchaser* (CRD 01).



TRUTH IN LENDING REGULATIONS

Please remember that if, in an advertisement, you state both the interest rate ("APR") **and** the number of payments (or number of months), you must then include a full disclosure under the Federal Truth in Lending Laws. The APR stated by itself is fine. When the number of payments (or number of months) are included, you must then include the full disclosure.

If one of the following "Trigger Terms" is stated in the advertisement:

1. amount or percentage of down payment ("0 Down" or "No Money Down" is **not** considered a trigger term)
2. amount of payment
3. number of payments
4. period of repayment
5. amount of finance charge (in dollars)

Then the following required disclosures are needed:

1. amount or percentage of down payment
2. terms of repayment (e.g. number amount and timing of payments)
3. APR

(EXAMPLE: \$2,000 down, Cash or Trade with 36 payments of \$350 per month at 8.5% APR.)

*APR by itself is **not** considered a trigger term but is a requirement in the disclosure

All Disclosures must be **clear and **conspicuous**

For further information and/or questions: Contact the Federal Trade Commission, 6th & Pennsylvania Avenue, N.W., Washington, DC 20580, (202) 326-3212.

NOTE: New and Used Car dealers coming into the business are now located at our website. Please go to www.mvdb.vipnet.org and hit the "Special Reports" button.

ATTENTION ALL DEALERS:

Inside this issue, please read about the following:

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