

## Dealer Operator Pre-Education

Motor Vehicle Dealer Board member, Todd Hyman introduced a measure at the July Board meeting to establish a working group to explore the possibility of requiring future first-time applicants for a dealer-operator's certificate of qualification to satisfactorily complete a course of study before they can become qualified.

The following factors were cited in explaining why the Board believes it would be in the best interest of the dealer community and consumers to require this type of education:

- Merchandising motor vehicles to the public is overseen by many state and federal laws and regulations.
- It is imperative that the prospective motor vehicle dealer be aware of these laws and regulations and the documents necessary to comply be completed correctly.
- That mistakes and omissions not only adversely impact the dealer, but may also cause significant problems for the consumer.

In making their decision to go forward to **explore** this idea, the Board decided that any person holding a dealer-operator's license prior to any future requirement for completing a course of study would be exempt from having to take the course. The Board also determined that any person who would be seeking a dealer-operator's license for a franchise dealer would also be exempt.

In exploring this idea the Motor Vehicle Dealer Board will follow the Administrative Process Act for adopting Regulations. This process provides ample opportunity for input from the public and anyone else interested in participating. If you are interested in participating and/or being notified about meetings and progress, please send an email to [bruce.gould@mvdv.virginia.gov](mailto:bruce.gould@mvdv.virginia.gov) or send a letter to the Motor Vehicle Dealer Board, 2201 West Broad Street, Suite 104, Richmond, VA 23220, to the attention of Bruce Gould. It is estimated that it will take about 18 – 24 months to adopt Regulations if it is decided to go forward with this idea.

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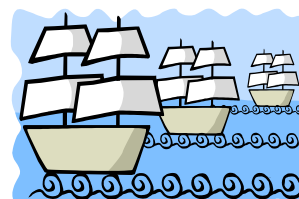
### HOLIDAY HOURS

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

**September 6, 2004 & October 11, 2004**



**LABOR DAY**



**COLUMBUS DAY**

# BOARD ACTIONS

**Dealer Practices (Criminal Convictions involving the Sale of Motor Vehicles).** The Dealer Board was notified that a Manassas area dealer had been convicted in the Prince William Circuit Court of six misdemeanors involving the sale of motor vehicles. Because of these convictions, an informal fact-finding conference was convened. Based on the recommendation of the hearing officer, the Board's executive director issued an order of license revocation. The dealer appealed the decision and requested a formal hearing.

The formal hearing was held on April 29, 2004. After hearing all of the evidence, the hearing officer recommended civil penalties totaling \$750. The Board agreed with this recommendation. The dealer will have 30 days to either pay the penalty or appeal the decision to circuit court.

**Dealer Practices (Record-Keeping).** The Board convened an informal fact-finding conference for a Richmond area dealer because of a number of unsatisfactory inspections. It was alleged that the dealership had numerous, on-going record-keeping violations and failed to comply with a written warning and that the on-going problems were willful. In addition, it was alleged that the dealer had failed to post a list of salespersons as required. At its January 2004 meeting, the Dealer Board voted to levy a \$1,000 civil penalty and to suspend for 90 days, all licenses and certificates issued by the Board to the owner. The owner appealed the decision and requested a formal hearing.

The formal hearing was held on March 31, 2004. After hearing all of the evidence, the hearing officer recommended civil penalties totaling \$2,000 and that the Board suspend for 90 days, all licenses and certificates issued by the Board to the dealer. After carefully considering the situation, the Board voted to levy a \$2,000 civil penalty. The dealer will have 30 days to either pay the penalty or appeal the decision to circuit court.

**Dealer Practices (Record-Keeping).** The Board convened an informal fact-finding conference for a Manassas area dealer because of a number of unsatisfactory inspections of the dealership. It was alleged that the dealership had numerous, on-going violations of record-keeping requirements and failed to comply with a written warning and that the on-going problems were willful. In addition, it was alleged that the dealer had failed to post a list of salespersons as required. At its January 2004 meeting, the Dealer Board voted to levy a \$4,000 civil penalty and to suspend for 90 days, all licenses and certificates issued by the Board to the owner. The owner appealed the decision and requested a formal hearing.

## 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 13, 2004

Time: 8:30 a.m.

Dealer Practices Committee Meeting

Monday, September 13, 2004

Time: Immediately following Dealer Practices  
Licensing Committee Meeting

Monday, September 13, 2004

Time: 9:30 a.m.

Advertising Committee Meeting

Monday, September 13, 2004

Time: Immediately following Advertising  
Transaction Recovery Fund Committee Meeting

Monday, September 13, 2004

Time: 10:00 a.m.

Full Board Meeting

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

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# BOARD ACTIONS

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The formal hearing was held on March 31, 2004. After hearing all of the evidence, the hearing officer recommended civil penalties totaling \$4,500 and that the Board suspend for 30 days, all licenses and certificates issued by the Board to the dealer. The Board agreed with the hearing officer's recommendation. The dealer will have 30 days to either comply with the Board's determination or appeal the decision to circuit court.

**Dealer Licensing (Material Misstatement on an Application).** A qualified salesperson who had been previously licensed at a Fredericksburg area dealership failed to note felony convictions on his application for a salesperson's license. Based on the recommendation of the hearing officer, the Board voted to issue the new license to the applicant once he had paid a \$600 civil penalty.

**Motor Vehicle Transaction Recovery Fund.** At the July Board meeting, the Transaction Recovery Fund Committee and the Board considered one claim filed against Edward Mayo and Premier Auto of Virginia Beach. In this case, the consumer purchased the vehicle from Premier through eBay. The consumer did not receive title for the vehicle from Premier, as a third party had a lien on the vehicle. Centennial Insurance Company, on behalf of eBay, made a payment in the amount of \$10,356.22 to the third party in order to obtain a title for the consumer. The consumer asked the Board to reimburse the insurance company and pay his attorney fees. The Committee and the Board voted to approve a claim in the amount of \$4,050.59 to cover attorney fees.

## Permanent Supplemental License

Do you have a "permanent supplemental license"? A permanent supplemental license is required when a dealer has a "supplemental" or second lot/location that is less than 500 yards from your licensed dealership. (If you have a second location that is **more** than 500 yards from your licensed dealership, this second location will need its own dealer license.)

If your supplemental location is only separated from your licensed location by a road or street, you will no longer be required to purchase a "permanent supplemental license." In other words, if the road or street was not there, then your main lot and your secondary lot would be right next to each other – you will no longer need a permanent supplemental license.

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## Permanent Supplemental License

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For those dealers that currently have a permanent supplemental license, we have no way to know if you qualify for this exemption, so your license renewal will include a renewal for your permanent supplemental location. If you believe you qualify for this exemption, simply deduct the \$40 supplemental license fee from your renewal "bill" and include a note with your renewal stating that you qualify for this exemption. (A drawing showing the location of the two lots might be the simplest way to show that you qualify for this exemption.)

## Sign-Up for E-Transactions

The Motor Vehicle Dealer Board (MVDB) and the Department of Motor Vehicles (DMV) have partnered to provide FREE on-line license services.

Dealers who sign-up for this FREE service can submit a salesperson application ("DSD 7") to the Board via the online system. It will be the quickest and easiest way to submit an original ("new") salesperson's application or transfer application. You will be able to submit your Application for Dealer/Drive-Away/Office Trailer Plates ("DSD 9") using this same system.

This service also provides motor vehicle dealers the opportunity to renew their dealer certificate, salespersons licenses, and license plates via the web for FREE and in REAL-TIME without having to visit our office or mail-in renewal applications. Once you submit your applications over the WEB, your renewal items will be mailed to you within 7 business days of the date of your on-line renewal transaction.

Your renewal information goes directly into your DMV record upon your paid (on-line) licensing renewal fee submission. The DMV on-line renewal system accepts Visa, MasterCard, and Discover.

To get started, simply complete and sign an Extranet Transaction Access Application, and return to DMV. Within a matter of days, DMV will send you a memorandum of understanding (MOU) for signature. After DMV has received your signed MOU, you will be sent a user manual and a security device "fob" (free of charge) to immediately begin accessing your records over the DMV Extranet site.

So don't wait! Go to the MVDB website at [WWW.mvdb.virginia.gov](http://WWW.mvdb.virginia.gov) and click "On-Line Services" to access an application or contact the Dealer Board Office toll free at (877) 270-0203 X3004 and we'll send you an E-transaction package.