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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.

### Motor Vehicle Dealer Board Mission Statement

*The Motor Vehicle Dealer Board will administer sections of the Commonwealth's Motor Vehicle Dealer Laws and regulations as charged; promote the best interests of both the automotive consumer and dealer body; and process all motor vehicle related complaints promptly and professionally; while providing a high level of customer service.*

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## Advertising New Vehicles

In June, the Supreme Court of Virginia issued a decision in a case involving a franchised new car dealer who had advertised a new vehicle for sale by stock number. The dealer believed that regulations of the Virginia Motor Vehicle Dealer Board allowed him to show limited availability of the advertised vehicle by simply listing the stock number. The trial court determined that advertising a new vehicle by stock number to show limited availability was inconsistent with the advertising statute. In the appeal, the dealer argued that the advertising was consistent with the regulation of the Motor Vehicle Dealer Board and that advertising one vehicle clearly denoted the limited availability of the new vehicle advertised by stock number.

In ruling against the dealer, the court found that the advertising statute does not permit a dealer to show limited availability of a new car by just listing a stock number "unless the advertisement clearly and conspicuously discloses that it relates to only one vehicle."

Because of the uncertainty created by this decision, it is recommended that dealers advertising specific new vehicles for sale by price indicate the number available at the price. If only the advertised vehicle is available, the phrase "one at this price, stock number xxx" should be used.

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**Specifically, Section § 46.2-1581 of the Code of Virginia states in part:**

If a specific vehicle is advertised, the seller shall be in possession of a reasonable supply of said vehicles, and they shall be available at the advertised price. If the advertised vehicle is available only in limited numbers or only by order, that shall be stated in the advertisement. For purposes of this subdivision, the listing of a vehicle by stock number or vehicle identification number in the advertisement for a used vehicle is one means of satisfactorily disclosing a limitation of availability. Stock numbers or vehicle identification numbers shall not be used in advertising a new vehicle unless the advertisement clearly and conspicuously discloses that it relates to only one vehicle.

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

Monday, July 9, 2007

Time: 8:30 a.m.

Dealer Practices Committee Meeting

Monday, July 9, 2007

Time: Immediately following

Dealer Practices Licensing Committee Meeting

Monday, July 9, 2007

Time: 9:30 a.m.

Advertising Committee Meeting

Monday, July 9, 2007

Time: Immediately following Advertising

Transaction Recovery Fund Committee Meeting

Monday, July 9, 2007

Time: 10:00 a.m.

Full Board Meeting

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

**Fun Fact:** In the first 18 months that the dealer-operator course has been offered, over 670 students have attended.

## Dealer Operator Course

Beginning January 1, 2006, the dealer-operator of any new independent motor vehicle dealership will be required to successfully complete a course of study before they will be allowed to take the independent dealer-operator qualification test at any DMV Customer Service Center.

The Virginia Community College System and the Virginia Independent Automobile Dealers Association (VIADA) have teamed up to present the two-day course. The following is a list of up-coming classes. The list is regularly updated on our WEB site at <http://www.mvdb.virginia.gov/licensingprocess.htm>

**August 8 & 9 - Blue Ridge Community College, Weyers Cave**

Contact: Lisa or Sandi; 540-453-2215; [www.brcc.edu](http://www.brcc.edu)

**August 21 & 22 - Virginia Western Community College, Roanoke**

Contact: Anne Koon; 540-767-6131; [www.virginiawestern.edu](http://www.virginiawestern.edu)

**September 11 & 12 - Paul D. Camp Community College, Suffolk**

Contact: Randy Betz; 757-569-6064 or Renee Brown; 757-569-6050; [www.pc.cc.va.us/](http://www.pc.cc.va.us/)

**September 25 & 26 - Thomas Nelson Community College, Hampton**

Contact: Denice Siegfeldt; 757-825-2768; [www.tncc.edu](http://www.tncc.edu)

**October 16 & 17 - Piedmont Community College, Charlottesville**

Contact: Valerie Palamountain; 434-961-5333; [www.pv.vccs.edu](http://www.pv.vccs.edu)

**October 30 & 31 - Danville Community College, Danville**

Contact: Ruth Green; 434-797-8571; [www.dcc.vccs.edu](http://www.dcc.vccs.edu)

**November 14 & 15 - Tidewater Community College, Norfolk**

Contact: Becky Yingling; 757-822-1402; [www.tcc.edu](http://www.tcc.edu)

**November 27 & 28 - Central Virginia Community College, Lynchburg**

Contact: Twila DeMaster; 434-832-7607; [www.cvcc.vccs.edu](http://www.cvcc.vccs.edu)

**December 5 & 6 - Southwest Virginia Community College, Richlands**

Contact: Robert Chambers; 276-964-7241; [www.sw.edu](http://www.sw.edu)

**December 18 & 19 - Lord Fairfax Community College, Warrenton**

Contact: Bill Pence; 540-868-7061; [www.lfccworkforce.com](http://www.lfccworkforce.com).

## HOLIDAY HOURS

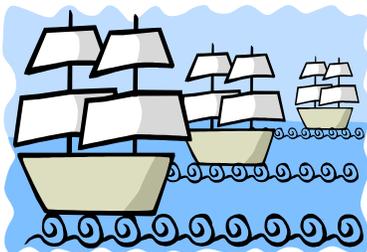
In observance of the upcoming holidays, all state agencies, including the Dealer Board, will be closed on the following dates:

**SEPTEMBER 3, 2007  
LABOR DAY**



AND

**OCTOBER 8, 2007  
COLUMBUS DAY**



## Board Actions

**Saleem Khan and Tri State Auto.** From February 2005 through January of 2006, this dealer paid three civil penalties totaling \$1,000 for failing to be opened during its posted business hours. A fourth visit to the dealership during its posted business hours found no one there and as a result, an informal fact-finding conference was convened. Based on the information provided at the conference and the hearing officer's report, the Board voted to assess a \$1,000 civil penalty and revoke all licenses and certificates issued by the Board to Mr. Khan and Tri State Auto. Mr. Khan has the option of appealing the Board's decision.

**Dealer Practices.** The Motor Vehicle Dealer Board ("Board") was contacted by a consumer regarding the purchase of a motor vehicle from a dealership in southwest Virginia. The consumer alleged that he negotiated the purchase and financing of the motor vehicle at a rate of 12.6%. Further, the consumer alleged that once he received the payment documents for the vehicle, he discovered that the finance rate (APR) was increased to 14.1%, without his knowledge. Lastly, the consumer alleged, and provided substantiating documentation including a report from a handwriting expert, that his signature was forged on a subsequent contract for financing. Given the evidence provided, an informal fact-finding conference was conducted. Based on the information provided at the conference, the hearing officer concluded that there was not enough evidence to determine if and who might have committed a violation. The Board agreed and took no further action.

**Dealer Practices.** Educational efforts by Board staff were unsuccessful at stopping a Richmond area dealer from displaying vehicles "for sale" from a residential location. As a result, an informal fact-finding conference was conducted to address alleged violations of Virginia law related to displaying a motor vehicle for sale from a location other than the licensed location. Other alleged violations that were considered in the conference by the hearing officer were related to record keeping and use of dealer tags. Based on the information provided at the conference and the hearing officer's recommendation, the Board voted to assess a civil penalty of \$1,750 and require that both the owner of the dealership and the dealer-operator attend and successfully complete the Dealer-Operator Course by September 1, 2007. Failure to do so will result in immediate suspension of the dealer's license.

**Dealer Practices.** In the span of just over one year, this Haymarket area dealer was assessed civil penalties three times totaling \$1,750 for not maintaining its posted business hours. All of the penalties were paid. As this pattern continued, an informal fact-finding conference was convened. Based on the evidence and the hearing officer's report, the Board voted to suspend the dealer's license for a minimum of 60 days or until what time the dealer-operator successfully completed the dealer-operator class, whichever is longer.

*(continued to page 4)*

# Board Actions

(continued from page 3)

## New at the Dealer Board

Check-out our refreshed WEB site at [www.mvdb.virginia.gov](http://www.mvdb.virginia.gov). The WEB site has a new look to go along with our new logo. This issue of *Dealer Talk* is also sporting a new look. Please let us know how you like our new "looks" and our new logo.

**Dealer Practices.** An informal fact-finding conference was conducted to address a number of alleged violations of the Dealer Laws by a Manassas dealer. The allegations included violations of record keeping; established place of business; display of a signs listing salespersons and processing fee; compensating an unlicensed salesperson; and failing to post business hours. Based on the information provided at the conference, and the hearing officer's report, the Board voted to assess a \$1,400 civil penalty and suspend the dealer's license for a minimum of 60 days or until what time the dealer-operator and the owner successfully completed the dealer-operator class, which ever is longer.

**Unlicensed Salesperson.** In the course of conducting an investigation on an unrelated issue, the Board field representative discovered that this Manassas dealer appeared to be compensating two unlicensed salespersons and there were some record keeping problems as well. Per the authority granted by the Board, the executive director determined that the dealer could pay a \$5,100 civil penalty or choose to participate in an informal fact finding conference. The dealer asked for the conference. Based on the information provided at the conference and the hearing officer's report, the Board voted to assess civil penalties totaling \$5,000. The Board also voted to require the owner to attend and successfully complete the Dealer-Operator Course by September 1, 2007. Failure to do so will result in immediate suspension of the dealer's license.

**Unlicensed Salesperson.** Dealer Board staff received information that an individual was selling cars for a Manassas dealership and this individual was not licensed. Research showed that the individual's license application had been denied on two separate occasions. Based on this information an inspection of the dealership was conducted and several other deficiencies were discovered. The hearing officer recommended that a \$2,150 civil penalty be assessed and that the dealer-operator be required to attend and successfully complete the Dealer-Operator Course. The Board agreed with this recommendation and gave the dealer until September 1, 2007 to successfully complete the class.

**Unlicensed Salesperson.** Dealer Board staff received information that several employees of this Woodbridge dealership might be selling cars for the dealership without first obtaining a license. Based on this information, an inspection of the dealership, which is owned by the same individual who owns the Manassas dealership noted above, was conducted and several other deficiencies were discovered. An informal fact-finding conference was conducted to address the alleged violations. After reviewing the evidence and the hearing officer's report, the Board voted to assess a \$2,500 civil penalty.