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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; while providing a high level of customer service for the automotive consumer and dealer community.*

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## IMPORTANT MESSAGE FROM DMV

It has come to DMV's attention that out-of-state repossessed vehicle titles may have previously been processed inaccurately. Therefore, DMV is making a policy change that affects the titling of out-of-state repossessed vehicles. As a result of this policy change, effective August 15, 2008, all out-of-state repossessed vehicles must be titled in the name of the lien holder before the lien holder may transfer title to a subsequent purchaser.

The sale of repossessed out-of-state vehicles is governed by Virginia Code §46.2-633. This section specifically relates to vehicles acquired through the "operation of law" such as bankruptcy, repossession, legatees, or surviving joint owners. Under current titling law, a person acquiring a vehicle title must acquire title in their name before they can transfer title to another party. Similarly, in accordance with Section 46.2-633 and DMV's revised policy, a lien holder must obtain a repossessed vehicle title in the lien holder's name before they can dispose of that vehicle at auction, regardless of whether they have a Virginia title or an out-of-state title.

Not only does this updated policy comply with the law, it also supports the integrity of the titling process and promotes consistency in DMV's handling of repossessed vehicles. The updated policy supports the integrity of vehicle titling records by including the lien holder in the title ownership chain as an owner. Accordingly, beginning August 15, 2008, regardless of whether the vehicle was titled in Virginia or another state, the lien holder must first apply for a Virginia repossessed vehicle title before selling the vehicle.

The August 15th effective date is to accommodate those vehicles that were purchased under the "old" procedure and not yet titled. Since Virginia law requires all vehicles to be titled within 30 days of purchase and DMV is effectively providing notice of this change as of July 14, 2008, this date will not be extended.



## Calendar of Events

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

Monday, September 8, 2008  
Time: 8:30 a.m.  
Dealer Practices Committee Meeting

Monday, September 8, 2008  
Time: Immediately following  
Dealer Practices  
Licensing Committee Meeting

Monday, September 8, 2008  
Time: 9:30 a.m.  
Advertising Committee Meeting

Monday, September 8, 2008  
Time: Immediately following  
Advertising  
Transaction Recovery Fund  
Committee Meeting

Monday, September 8, 2008  
Time: 10:00 a.m.  
Full Board Meeting

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

# BOARD ACTIONS

**Southwest Virginia Area Dealer.** The Motor Vehicle Dealer Board received a report that a licensed salesperson for a Southwest area dealer was also a full-time employee of a bank and that this individual was selling cars from the bank and in conjunction with his duties of a loan officer of the bank. It was also alleged that a dealer plate in possession of the individual and belonging to the dealer where he was licensed, was used on a vehicle in the inventory of another dealer. Lastly, inspections of this dealership revealed several on-going deficiencies. On April 17, 2008, an informal fact-finding conference was conducted to address the alleged violation(s) of VA Code Sections 46.2-1516 (Allowing vehicles to be exhibited for sale at a location not listed as part of his dealership location), 46.2-1529 (related to record keeping), 46.2-1537 (failure to have salesperson properly employed), 46.2-1550 (Improper use of dealer license plates) and 46.2-1575(1) (Material Misstatement) and (2) (failure to comply subsequent to receipt of a written warning from the Board or any willful failure to comply with the Dealer laws). Based on the information provided at the conference, and the hearing officer's report and recommendation, the Board assessed a civil penalty of \$750 on the dealer and voted to mandate that the owner of the dealership attend the Dealer-Operator Course.

**Motor Vehicle Transaction Recovery Fund.** At the July Board meeting, the Transaction Recovery Fund Committee and the Board considered and approved the following claim:

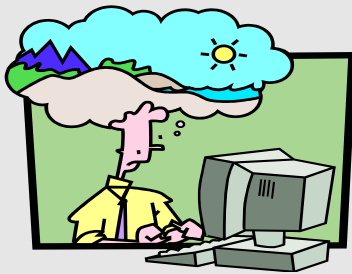
**Mustafa S. Hashimi & Sequoia Auto Mart, Inc.** On February 4, 2008, the Stafford County General District court awarded a consumer a Default Judgment against Mustafa Hashimi t/a Sequoia Auto Mart, Inc. in the amount of \$9,395.96 and costs in the amount of \$36.00 in connection with a sale of a motor vehicle to the consumer. The consumer never received a title to the vehicle. Based on the recommendation from Dealer Board staff and the hearing officer, the Board approved payment to the consumer from the Fund in the amount of \$9,431.96.

**Romulo B. Garcia & K J Auto Group, Inc.** On March 21, 2008 a consumer was awarded a default judgment in the Circuit Court for the County of Frederick against K J Auto Group, Inc. in the amount of \$27,825.86, plus attorney fees in the amount of \$8,347.76. As the dealer had been in business under three years at the time of the sale, he was required to carry a bond. The bond paid the consumer in the amount of \$16,500.48 (The amount remaining in the \$25,000 bond.) The Board voted to pay the consumer an additional \$3,499.52 from the Fund, thereby meeting the maximum allowed per consumer of \$20,000.

## HOLIDAYS HOURS

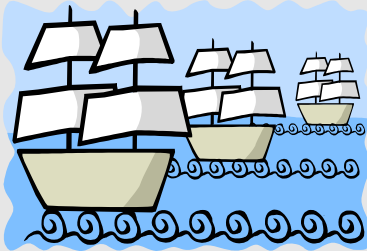
In observance of the upcoming holidays, all state agencies, including the Dealer Board, will be closed on the following date:

SEPTEMBER 1, 2008  
LABOR DAY



AND

OCTOBER 13, 2008  
COLUMBUS DAY



## GOVERNOR KAINE ANNOUNCES NEW ASSEMBLY PLANT IN CITY OF ROANOKE

Recently, Governor Timothy M. Kaine announced that Westport Corporation, a Kentucky based automotive components company, will invest approximately \$3 million to open an assembly plant in the City of Roanoke. The company will occupy the 203,000-square-foot former Smurfit-Stone building. The new facility, which will assemble axles for the Volvo Heavy Truck plant in Dublin, will employ 60 people. Virginia successfully competed with West Virginia for the project.

“The Roanoke Valley’s impressive automotive industry cluster continues to grow with the addition of Westport Corporation,” Governor Kaine said. “The company’s new plant will be in close proximity to its customer base and will provide 60 strong job opportunities for the region. The existing facility meets Westport’s needs, and reutilizing the former Smurfit-Stone building will continue the revitalization of the City of Roanoke.”

Founded in 1986 in Louisville, Westport began operations as a just-in-time facility for Ford’s Kentucky Truck Plant. Since then the company’s product offerings have expanded to include modular assembly and sequencing for various automotive components including the front steer axle modules for commercial vehicles, recreational vehicles and tag/pusher axles used mainly on construction vehicles.

“This is an important move for the company,” said Rena Sharpe, vice president of operations for Westport. “We are pleased to be working with Volvo and to be operating in the Roanoke Valley. This building fits our needs and we are impressed with the region’s business climate.”

The Virginia Economic Development Partnership worked with the City of Roanoke and the Roanoke Valley Economic Development Partnership to secure the project for Virginia. The company is eligible to receive state benefits from the Virginia Enterprise Zone Program, administered by the Virginia Department of Housing and Community Development. The Virginia Department of Business Assistance will provide training assistance through the Virginia Jobs Investment Program.

## Continuing Education Regulations

Beginning January 1, 2006, the dealer-operator of any new independent motor vehicle dealership is 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 independent dealer-operator is the individual who is responsible for the day-to-day operations of used car businesses. In most cases this is the owner.

Since January 1, 2006, over 1,200 individuals have taken the two-day course. Many of those who have taken the class are already in the motor vehicle sales business, including title clerks, dealer-operators, salespersons, owners and employees of new car dealers. These individuals see the value in continuing their education. With the success of this course, the Board believes it should explore additional educational requirements.

The Board is in the early stage of exploring how we may mandate and deliver continuing education for independent (used) motor vehicle dealer-operators. Major issues to be considered, include how often dealers should be required to complete an educational requirement; the methods for delivering classes and the impact upon the dealer community and consumers.

(Continued on page 5)

## DEALER PLATES

The last issue of *Dealer Talk* included a Legislative Update. The update included a paragraph from the law concerning use of dealer tags that had been amended by the 2008 General Assembly and effective as of July 1, 2008. Because of space limitations we were not able to print the entire section of the Code of Virginia related to the use of dealer tags. Below is that entire section:

### **§46.2-1550. Use of dealer's and manufacturer's license plates, generally.**

A. Dealer's license plates may be used on vehicles in the inventory of licensed motor vehicle manufacturers, distributors, and dealers in the Commonwealth when operated on the highways of Virginia by dealers or dealer-operators, their spouses, or employees of manufacturers, distributors, and dealers as permitted in this article, which shall include business, personal, and family purposes. Except as otherwise explicitly permitted in this article, it shall be unlawful for any dealer to cause or permit: (i) use of dealer's license plates on vehicles other than those held in inventory for sale or resale; (ii) dealer's license plates to be lent, leased, rented, or placed at the disposal of any persons other than those permitted by this article to use dealer's license plates; and (iii) use of dealer's license plates on any vehicle of a type for which their use is not authorized by this article. Manufacturer's license plates may be used on company vehicles as defined in §46.2-602.2 operated on the highways of Virginia as provided in §46.2-602.2 and as permitted by this article. It shall be unlawful for any dealer to cause or permit dealer's license plates to be used on:

1. Motor vehicles such as tow trucks, wrecking cranes, or other service motor vehicles;
2. Vehicles used to deliver or transport (i) other vehicles; (ii) portions of vehicles; (iii) vehicle components, parts, or accessories; or (iv) fuel;
3. Courtesy vehicles; or
4. Vehicles used in conjunction with any other business.

B. A dealer may permit his license plates to be used in the operation of a motor vehicle:

1. By any person whom the dealer reasonably believes to be a bona fide prospective purchaser who is either accompanied by a licensed salesperson or has the written permission of the dealer;
2. When the plates are being used by a customer on a vehicle owned by the dealer in whose repair shop the customer's vehicle is being repaired; or
3. By a person authorized by the dealer on a vehicle that is being driven to or from (i) a point of sale, (ii) an auction, (iii) a repair facility for the purpose of mechanical repairs, painting, or installation of parts or accessories, or (iv) a dealer exchange.

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## Continuing Education Regulations

*(Continued from page 5)*

The Board is seeking your ideas and comments as we develop draft regulations. Your comments and suggestions should be directed to:

Mr. Bruce Gould,  
Executive Director,  
Motor Vehicle Dealer Board  
2201 W. Broad St., Suite 104,  
Richmond, Virginia 23220,  
Bruce.gould@mvdv.virginia.gov  
Tel: (804) 367-1100; ext. 3002;  
FAX (804) 367-1053.

Comments will be accepted until September 5, 2008. We also invite you to attend a Public Hearing that will be held at the Department of Motor Vehicles (DMV) Headquarters at 2300 West Broad Street, Richmond, Virginia 23220 on August 21, 2008 at 2:00 pm.

Federal and state laws and court decisions are in constant change. Continuing education will not only help used car dealers keep up with these changes, but also refresh their knowledge of "old" laws and regulations.

Educated dealers are less likely to have problems with consumers and regulators. In addition, education enhances the professionalism of the motor vehicle sales industry.

## DEALER PLATES

*(Continued from page 5)*

The dealer shall issue to the prospective purchaser, customer whose vehicle is being repaired, or other person authorized under subdivision 3 of this subsection, a certificate on forms provided by the Department, a copy of which shall be retained by the dealer and open at all times to the inspection of the Commissioner or any of the officers or agents of the Department. The certificate shall be in the immediate possession of the person operating or authorized to operate the vehicle. The certificate shall entitle a person to operate with dealer's license plates under (i) subdivision 1 or 2 of this subsection for a specific period of no more than five days or (ii) subdivision 3 of this subsection for no more than twenty-four hours. No more than two certificates may be issued by a dealer to the same person under subdivision 1 or 2 of this subsection for successive periods.

## FRIENDLY TIPS AND REMINDERS

As of March 1, 2008, dealers who sold motor vehicles to residents of Northern Virginia were to stop collecting the 1 percent initial registration fee and the \$10 annual regional registration fee that they had begun to collect as of January 1, 2008. It has come to our attention that some dealers have not made the adjustments to their buyers order and have continued to collect these fees. Please check you buyers order carefully to ensure that you are not still collecting these fees. If you are using an automated system to produce a buyers order, check with your vendor to be sure you have the most up-to-date version. If you discover that you continued collecting these fees after March 1, you must refund this money to your customers.

We have been receiving applications for salespersons licenses that are incomplete and even for applicants who have not yet earned their Certificate of Qualification by passing the qualification test administered at DMV Customer Service Centers. Incomplete applications must be returned to the dealer, thereby delaying issuing your new employee his/her license.

If you are participating in an off-site sale and need a temporary supplemental license, please use this [form](#) (MVDB-22) and follow the instructions as the process was changed last June. It is easier to obtain a temporary supplemental license if you follow the new process.

# DEALER-OPERATOR COURSE

The Virginia Community College System and the Virginia Independent Automobile Dealers Association (VIADA) have teamed up to present a two-day Dealer-Operator 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>.

## 2008

### **August 19 & 20 - Northern Virginia Community College, Reston**

Contact: Claire Wynn; 703-450-2551 or 2552; [www.nvcc.edu](http://www.nvcc.edu)

### **September 9 & 10 - Patrick Henry Community College, Martinsville Campus**

Contact: Donna Craighead; 276-656-0354; [www.ph.vccs.edu](http://www.ph.vccs.edu)

### **September 23 & 24 - Blue Ridge Community College, Weyers Cave**

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

### **October 7 & 8 - Thomas Nelson Community College, Hampton**

Contact: Registration; 757-825-2037 or 2935; [www.tncc.edu](http://www.tncc.edu)

### **October 21 & 22 - Piedmont Community College, Charlottesville**

Contact: Maggie Myers; 434-961-5354; [www.pvcc.edu](http://www.pvcc.edu)

### **November 5 & 6 - Danville Community College, Danville**

Contact: Melissa Cross; 434-797-6437; [www.dcc.vccs.edu/workforce](http://www.dcc.vccs.edu/workforce)

### **November 18 & 19 - Community College Workforce Alliance at J. Sargeant Reynolds - Community College, North Run Campus, Henrico, County**

Contact: Sandy Jones; 804-523-2292 [www.ccwa.vccs.edu](http://www.ccwa.vccs.edu)

### **December 2 & 3 - Lord Fairfax Community College, Fauquier Campus, Warrenton**

Contact: Registration; 540-351-1524; [www.lfccworkforce.com](http://www.lfccworkforce.com)

### **December 16& 17 - Paul D. Camp Community College, Franklin**

Contact: Renee Brown; 757-569-6050; [www.pc.vccs.edu/workforce](http://www.pc.vccs.edu/workforce)

Registration materials and information are available from each of the Community Colleges' WEB site or by calling the individual college.

The cost is \$300 and must be submitted by check or credit card, payable to the college, and submitted with the registration.