

DEALER TALK

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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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NEW BOARD MEMBERS APPOINTED

Recently, Governor McDonnell announced the following appointments to the Motor Vehicle Dealer Board:

- Larry T. Bailey of Chesapeake, Owner of Airline Auto Sales/U-Save Auto Rental
- Roy E. Boswell of Stafford, Owner of Boswell Automotive
- **Brian P. Hutchens, Sr.** of Newport News, Owner and President of Hutchens Chevrolet
- Ronald F. Kody of Rockville, Owner and President of Richmond Ford LLC
- Charles T. Lindsay, III* of McLean, President of Lindsay Cadillac Company
- George R. Pelton of Roanoke, CEO and Owner of First Team Auto Group
- **Joe C. Tate*** of Troutville, General Manager of Peaks Motors, Inc.
- Rodney G. Williams of Bristol, Owner and President of Williams Auto Mart, Inc.
- One additional franchise dealer to be appointed at a later date

* Denotes reappointment

We thank the following Board members who are leaving the Board for their service to the Commonwealth. Their time, dedication and expertise are appreciated. We wish them well as they become "alumni" of the Motor Vehicle Dealer Board:

T.K. Hughes, T.K. Hughes Auto Sales Henry Jones, E-Z Auto Rental, Inc. David Lacy, Lacy Auto Parts Pat Patrick, Patrick Auto Group

Frank Pohanka, Pohanka Auto Center, Inc.

Larry Shelor, Shelor Motor Mile

Robert Woodall, Woodall Chev-Buick-GMC-Cadillac-Hyundai-Nissan



Calendar of Events

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

Monday, September 12, 2011

Time: 9:00 a.m.

Dealer Practices Committee Meeting

Monday, September 12, 2011 Time: Immediately following Dealer Practices

Licensing Committee Meeting

Monday, September 12, 2011 Time: Immediately following Licensing

Advertising Committee Meeting

Monday, September 12, 2011 Time: Immediately following Advertising

Transaction Recovery Fund Committee Meeting

Monday, September 12, 2011 Time: 10:00 a.m. Full Board Meeting

NOTE: Meetings may begin later, but not earlier than

scheduled.

DEALER OPERATOR RECERTIFICATION

The independent dealer-operator recertification program continues to move forward very smoothly. Ninety-eight percent of those that had a July 31 recertification deadline successfully recertified on-time.

In our ongoing efforts to increase awareness of the new Independent Dealer Operator Recertification requirement, we have added a couple new communication tools. We have a large group of independent dealeroperator's with a September and October recertification deadline. If you fall into this group, we urge you to complete your recertification requirements sooner rather than later! We have posted an alphabetic list on our WEB site (www.mvdb.virginia.gov) of all individuals that must recertify in 2011. To see the list, click on this link: Dealer Name and Recertification Deadline Date. Soon we will post a list of those that need to recertify in 2012. In addition to website postings, and mailing recertification notices to the home address of independent dealeroperators on a monthly basis, we continue to offer additional cost effective reminders. For example, in September, over 30 DMV locations will offer MVDB Recertification informational flyers, directed at independent dealer-operator's who use the DMV Customer Service Centers and do not use online services.

Online recertification is by far the most "user friendly" way an independent dealer-operator can fulfill their recertification requirement. The MVDB has successfully recertified close to 300 independent dealer-operators online. Of those, approximately 7% were NOT recertified due to invalid information submitted, or the student was not required to recertify for various reasons. For example, 13 registrations were not the independent dealer-operator of record, 4 dealers took the online course too early, and the rest had "other" invalid data. The take away here is to make sure the independent dealer-operator of record is the student taking the online course, and that the all the registration data entered is legally correct & accurate.

To meet demand, our recertification partners continue to schedule classes for those who prefer taking a class rather than completing the recertification on-line or by taking a test at any DMV. For more information on both classroom and on-line recertification contact the providers:

- Virginia Independent Automobile Dealers Association (VIADA)
 1-800-394-1960
 www.viada.org
- Compass Systems
 1-800-296-5585
 www.eProLearn.com

If you have any questions, comments or suggestions about the recertification program, please contact Ann Majors at ann.majors@mvdb.virginia.gov or by telephone at 804-367-1100 x 3016.

WATCH US ON THE WEB

The next Motor Vehicle Dealer Board meeting, which is scheduled for July 11 at 9:00 am, will broadcast live on the WEB once again. A hot link will be posted on the MVDB Home Page (www.mvdb.virginia.gov) for a quick and easy connection to the broadcast. Mark your calendars now!

OUT-OF-STATE WHOLESALERS

Dealers from other states may only sell motor vehicles in Virginia if they have a "foreign dealer" license. A foreign dealer license allows out-ofstate dealers to sell motor vehicles at wholesale auctions only. If you are purchasing motor vehicles from out-of-state dealers at locations other than a wholesale auction, you are a party to a criminal act. For example, an out-of-state dealer cannot lawfully visit your dealership in an attempt to sell a motor vehicle to you.

HELPFUL TIPS AND REMINDERS

Home address changes. Please be sure to notify us if any of your salespersons, owners or dealer operator has a change of home address. It is important that we have accurate records in the event we need to contact any individual licensed by the Motor Vehicle Dealer Board.

Photocopy your renewal application. We recommend that before you submit your dealer renewal form (DSD 10) that you make a photocopy for your records and refer to the photocopy when completing the renewal for the following year. If you are making any changes on your renewal form, please include a note with your renewal, calling our attention to the change. In this way we can be sure that we update our computer systems/records.

Salesperson Application Form. Many dealers are still submitting old and obsolete salesperson application forms to us. For the past several years, we have been imaging (scanning) all documents we receive from dealers. The old and outdated versions of forms slow-down the scanning process. The salesperson application (DSD 7) you are using should have a revised date of 2/10/2010). Please check your supply of these applications and if they have a date other than "2/10/2010" please destroy (recycle) and print the updated version of the form: DSD - 7

VIRGINIA DEPARTMENT OF BUSINESS ASSISTANCE

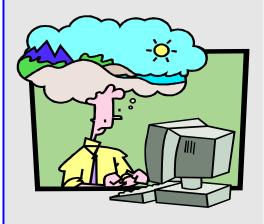
The Virginia Department of Business Assistance (VDBA), (www.dba.state.va.us/) was created by the Virginia General Assembly in 1996, to provide a one-stop-service for technical assistance related to business formation, access to capital, and workforce development. VDBA works with existing businesses as they grow their workforce and mentors entrepreneurs from ideas such as launching their first business venture. To accomplish the objectives set forth in Governor McDonnell's Economic Development and Jobs Creation agenda, VDBA has facilitated \$1.3 billion in financing for Virginia businesses, provided technical assistance to over 16,250 businesses and will host over 60 Entrepreneurial Workshops statewide this year.

The VDBA entrepreneurial business and management workshops are being held across Virginia to assist new business startups and existing small businesses! These FREE workshops are designed to provide information on available business resources and deliver practical, hands-on training covering key elements of business practice. Workshop segments will include information on how to start and operate a business, growing an existing business, marketing strategies, financing and available resources. To learn more about these workshops go to http://www.vastartup.org/

HOLIDAYS HOURS

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

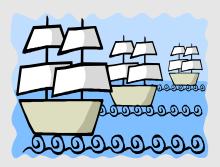
MONDAY SEPTEMBER 5, 2011



FOR LABOR DAY!

AND

MONDAY OCTOBER 10, 2011



FOR COLUMBUS DAY!

BOARD ACTIONS

Richmond Auto Sales and Earmias Y. Gutahun. From February of 2006 through November 2010, this dealer had six failed inspections. Two of those inspections resulted in letters being written to the dealer and the dealer responding that all problems had been corrected. As a result of on-going problems, an informal fact-finding conference was conducted to address a number of deficiencies including those related to record keeping; improper use of dealer tags and failure to comply subsequent to receipt of a written warning. Based on the information provided at the conference and the hearing officer's report, the Board voted to assess a \$6,000 civil penalty and to suspend all licenses issued by the Board to Mr. Mr. Getahun until he has had a satisfactory inspection and the dealer-operator of this dealership successfully completes the Dealer-Operator course.

M & I Auto Sales, Inc and Issmail Alchaleh. Since 2005, this Haymarket dealer has been the subject of four administrative hearings; has paid thousands of dollars in civil penalties; was mandated by the Board to complete the dealer-operator course and has had his license suspended. As problems at this dealership have continued, an informal fact-finding conference was conducted to address multiple alleged violations of the dealer laws. At its March meeting, the Board reviewed the evidence and the hearing officer's report and adopted a resolution assessing a civil penalty of \$3,000 and to revoke all licenses and certificates issued by the Board.

Mr. Alchaleh appealed the Board's decision and requested a formal hearing. The formal hearing was held in June and the hearing officer's report was discussed at the July Dealer Board meeting. After discussing the issue and reviewing the evidence, the Board voted to assess a \$3,000 civil penalty against Mr. Alchaleh and to revoke all licenses issued by the Board.

Razaq Auto Sales, Inc. and Jamal A. Abdulwahab. A customer complaint against this Richmond dealer and subsequent investigation by DMV and MVDB centering on not receiving a title revealed multiple problems and illegal actions by this dealer. As a result of this investigation, Mr. Abdulwahab was convicted of two misdemeanors related to the sale of a motor vehicle. The convictions and business practices of this dealer led to the Board convening an informal fact-finding conference in November of 2010. At its March meeting, the Board adopted a resolution assessing a civil penalty of \$2,000 and revoking all licenses and certificates issued by the Board to Jamal A. Abdulwahab and Razaq Auto Sales.

Mr. Abdulwahab appealed the Board's decision and requested a formal hearing. On June 1, 2011, a formal hearing was conducted and the evidence and hearing officer's report was presented to the Board at its July meeting. At the July meeting the Board voted to assess a \$2,000 civil penalty and to revoke all licenses issued by the Board to Mr. Abdulwahab.

COURSE SCHEDULE

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.

IMPORTANT NOTICE TO ALL PROSPECTIVE DEALERS

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. "Grandfathered" dealer-operators, title clerks and salespersons are encouraged to take the course as well.

2011

August 23 & 24 - Piedmont Community College, Charlottesville

Contact: Maggie Myers; 434-961-5495 or mmmyers@pvcc.edu; www.pvcc.edu

September 6 & 7 - Tidewater Community College, Norfolk

Contact: Registration; 757-822-1234; www.tcc.edu/wd

September 20 & 21 - Lord Fairfax Community College, Warrenton

Contact: Registration; 540-868-7021; www.lfccworkforce.com

October 11 & 12 - 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

October 25 & 26 - Northern Virginia Community College, Reston

Contact: Claire Wynn; 703-450-2551; www.nvcc.edu/loudoun/continuing

November 15 & 16 - Blue Ridge Community College, Weyers Cave

Contact: Lisa or Sandy; 540-453-2215; www.brcc.edu

December 13 & 14 - Lord Fairfax Community College, Middletown

Contact: Registration; 540-868-7021; www.lfccworkforce.com

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

The cost is \$325 if you register at least two weeks prior to the date of the course and \$375 if you register within two weeks of the first day of the course.