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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.

In This Issue

Print on Demand (PoD)	pg 1
TrueCar	pg 3
Internet Lead Providers	pg 3
Insurance	pg 4
DMV Mobile Units	pg 4
Power of Attorney (VAD70A)	pg 4
Board Actions	pg 5
D-O Course Schedule	pg 7

PRINT ON DEMAND (PoD) TEMPORARY TAGS

Since December 2009, Virginia dealers have been participating in the Print-On-Demand (PoD) Temporary Tag Program and issuing 30-day temporary tags directly from their printers. Through the use of vendor software, dealers electronically transfer information to DMV and produce unique temporary tags with vehicle, dealer, and expiration information; eliminating the need to hold physical inventory (plates, decals, etc).

All dealers who wish to issue temporary tags are required by DMV to participate in the PoD program. DMV has partnered with four vendors (*See Page 2 for the list of vendors.*) to offer software that allows dealers to electronically produce and print temporary tags for customers.

DMV recently upgraded print-on-demand 30-day temporary tags with a durable paper that no longer requires a plastic sleeve to affix to the vehicle. The weather-resistant paper is now available from DMV at no charge.

In order to use the new paper, dealers must have a laser printer. The printer must use toner, not ink cartridges. Toner fuses with the synthetic paper to make the finished product durable and resistant to water, chemicals, and grease. Ink applied from ink cartridges will not properly fuse to the paper, which may cause smudging, smearing, and run-off when wet. To ensure the quality of temporary tags, only PoD participants with the appropriate laser printer may order this paper from DMV.

(Continued to page 2)



Calendar of Events

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

Monday, September 10, 2012

Time: 9:00 a.m.

Dealer Practices Committee Meeting

Monday, September 10, 2012

Time: Immediately following Dealer Practices

Licensing Committee Meeting

Monday, September 10, 2012

Time: Immediately following Licensing

Advertising Committee Meeting

Monday, September 10, 2012

Time: Immediately following Advertising

Transaction Recovery Fund Committee Meeting

Monday, September 10, 2012

Time: 10:00 a.m.

Full Board Meeting

NOTE: Meetings may begin later,
but not earlier than
scheduled.

PRINT ON DEMAND (PoD) TEMPORARY TAGS

(Continued from Page 1)

Dealers who do not have a laser printer may continue to issue temp tags using bond paper and plastic sleeves. However, over the course of the next year, plastic sleeves and red cardboard tags will be phased out.

Orders for the new PoD paper are accepted through the Dealer Services Work Center. To place an order, send an email to podtemptag@dmv.virginia.gov with the following information: dealer name, dealer number, shipping address, order quantity, tag size(s) (standard/small), and printer make/model number. Approved order requests will be shipped within five business days. Standard tags will be issued in packs of 100 and small tags (motorcycle/trailer) in packs of 25.

For more information, contact the PoD Help Desk at (804) 367-1474 or podtemptag@dmv.virginia.gov. or visit www.dmv.virginia.gov/webdoc/commercial/dealer/pod_intro.asp

Print on Demand Vendors

CVR
Scott O'Laughlin
solaughlin@cvrreg.com
(919) 753-8008

Virginia Interactive
Kay Breeding
kbreeding@egov.com
(804) 786-4718 press "0" for assistance
<https://www.pods.vi.virginia.gov>

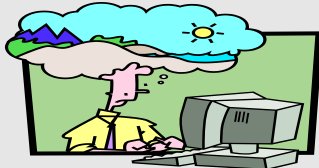
DealerTrack/triVIN
Mike Audette
maudette@trivininc.com
(860) 448-3177 ext. 4645

TitleTec
Kim Haddaway
khaddaway@titletec.com
(757) 469-0310

HOLIDAY HOURS

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

**MONDAY
SEPTEMBER 3, 2012**



**FOR LABOR DAY!
&**

**MONDAY
OCTOBER 8, 2012**



**FOR
COLUMBUS DAY!**

WATCH US ON THE WEB

The next Motor Vehicle Dealer Board meeting, which is scheduled for September 10 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!

TIME TO RECERTIFY?

Dealer-Operators of independent dealerships must recertify every three years by either taking a class on-line or in a classroom, or by passing a test. Click [HERE](#) for more information and [HERE](#) to determine if you must recertify between now and March 31, 2013.

TRUECAR

TrueCar's billing model for Virginia dealers was formulated over a period of many months and presented for discussion at the July 9, 2012 Motor Vehicle Dealer Board (Board) meeting. The Board discussed this model and adopted the following resolution:

The Motor Vehicle Dealer Board does not believe that dealers participating in the TrueCar model presented at the July Board meeting would be in violation of VA Code Section 46.2-1537.

VA Code Section 46.2-1537 is known as the "anti bird dogging law". This section of the Code prohibits dealers from compensating anyone who is not licensed as a salesperson for the dealership.

The Board determined that the pricing model presented at the July meeting did not constitute compensating an unlicensed individual in connection with the sale of a motor vehicle. The pricing model is based on a "flat fee" that may be adjusted every six months and is determined by the location of the dealership and line-make. The actual fee charged by TrueCar and any retroactive billing by TrueCar is not under the purview of the Motor Vehicle Dealer Board.

INTERNET LEAD PROVIDERS

Dealers are reminded that VA Code Section 46.2-1537 states that it is unlawful for any motor vehicle dealer to solicit the sale of a motor vehicle or to compensate any person in connection with the sale of a motor vehicle, unless the person is licensed as a salesperson employed by the dealer. This includes prohibiting dealers from paying third parties on a "per lead" basis. However, dealers may compensate an unlicensed third-party vendor by a flat payment structure (e.g., per month) rather than per sale, per referral or any other transactional basis.

INSURANCE

Virginia law requires that each dealer license plate issued to you have liability insurance. As part of our routine visits/inspections of dealerships, our field representatives verify that all dealer plates are insured.

We have discovered that many dealers are under insured. That is, the number of dealer plates insured is less than the number of dealer plates issued to the dealership. We urge you to verify with your insurance agent that the number of dealer plates noted/listed on your policy is the same as the number of plates issued to you by the Motor Vehicle Dealer Board. (For example, if you have been issued 20 dealer plates your insurance policy should state you have insurance for 20 dealer plates.)

DMV MOBILE UNITS

The Department of Motor Vehicles has announced a new, mobile platform that can perform the same functions as any static location DMV store provides.

DMV now has a fleet of five mobile offices, called DMV 2 Go, traveling across the Commonwealth to serve customers at a time and location convenient to them. The DMV is aggressively scheduling locations all over Virginia and will likely be making a stop near you soon.



DMV 2 Go is a full service DMV office on wheels. Anything you can do inside a brick and mortar DMV office, you can do onboard DMV 2 Go.

To see where and when the mobile office will arrive in your area, visit the DMV's public calendar at www.dmvNOW.com/DMV2GOCalendar. The mobile office team is constantly adding new locations, so be sure to check back frequently. DMV hopes to have the entire 2013 schedule posted by November 2012.

POWER OF ATTORNEY (VAD 70A)

The Power of Attorney (POA) form has limited use. This form may be used only when your customer's title is physically held by a lienholder or the owner has lost their title; in which case you may apply for a lost title from DMV using Form VSA 66, "Application for Replacement and Substitute Titles".

The POA form allows the dealer to sign for the titled owner and disclose mileage to subsequent owner when you receive the title.

Part A requires that you disclose the mileage upon transfer of ownership by the seller (customer) to you the buyer (dealer). The seller appoints you, an employee, with a letter of authorization on file, "attorney in fact" allowing you to disclose the mileage and sign the Certificate of Title or other supporting papers necessary to register or transfer ownership of said motor vehicle on their behalf.

Part B is used when the vehicle is sold before title is received. Federal and state laws require mileage disclosure to transfer ownership by the seller (dealer) to the buyer (customer). The buyer appoints you (the dealer) "attorney in fact" which allows you to disclose the mileage and sign the Certificate of Title, or other supporting papers necessary to register or transfer ownership of said motor vehicle on the buyers (customers) behalf.

Part C is to certify, by their signature (dealer), the person exercising above power of attorney, that the mileage disclosed on the title document is consistent with the mileage provided to them (dealer).

The Power of Attorney (Form VAD 70A) can only be used by auto dealers. They can be purchased from VIADA or VADA. They are sold in lots of 50 and are printed with a control number assigned to your dealership. They are printed in a secure fashion to comply with federal regulations.

BOARD ACTIONS

Acars, Inc. and William Cairns: While investigating a complaint against this Virginia Beach dealership, DMV Special Agent McClam discovered that the dealer had virtually no records for use of temporary tags. In March of this year, Mr. Cairns (Dealer-operator) was convicted of two misdemeanors for failure to maintain a permanent record of temporary and transport tags. As a result, an informal fact-finding conference was conducted in reference to the convictions. Based on the hearing officer's report the Board voted to assess a \$500 civil penalty and require that the dealer be inspected by an MVDB field representative. If the inspection is not satisfactory, Mr. Cairns' licenses are to be suspended and he would be required to pay an additional \$250 in civil penalties.

Boyd Honda of South Hill/Boyd Chevrolet, Buick, GMC of Emporia and Charles H. Boyd: During a routine inspection of this dealership it was discovered that the insurance policy on file with the dealership indicated the dealer had insurance for 16 dealer plates and they were issued 40. A second location owned by Mr. Boyd was issued 32 dealer plates and the insurance policy showed they had coverage for 16. A telephone call to the insurance agent at the time of the inspection confirmed that each dealership had coverage for 16 plates. On May 18, 2012, an informal fact-finding conference was conducted to address possible Code violations related to not having insurance on all dealer license plates. The Board decided to "table" this item until the September Board meeting.

Diamond Auto Sales, LLC and Avneet Singh: This dealership was opened in October of 2011 in Lynchburg. At least six attempts to inspect this dealership was not successful, as no one was present. Letters were also sent to the dealer concerning this problem. On one occasion, there was someone present at this dealership and he attempted to sell a consigned motor vehicle to a Dealer Board field representative before the field representative identified himself. Further investigation revealed that this individual was not licensed. On April 30, 2012, an informal fact-finding conference was conducted to address several alleged violations of the Dealer Laws. Based on the hearing officer's report, the Board assessed a civil penalty of \$4,000 and suspended the dealer's license pending an inspection. If the inspection is not satisfactory, an additional civil penalty of \$500 is to be assessed. On May 23, 2012 this dealership relocated to Dumfries.

Jason Farneth Auto Sales and Terry Farneth: A history of deficient record keeping; misuse of tags; lack of or having liability insurance on dealer tags; a misdemeanor conviction for mis-use of dealer tags as well as material misstatements on applications, and failure to comply after written warnings; caused the Board to convene an informal fact-finding conference to address these alleged violations. The Board determined that Ms. Farneth should pay a \$2,500 civil penalty and successfully complete the dealer-operator two-day class. Failure to complete the class will result in an additional \$500 civil penalty.

(Continued to page 6)

BOARD ACTIONS

(Continued from page5)

Christopher B. Bower and General Imports of Salem: Per a request from the Roanoke City Police, DMV Special Agent Weatherford conducted an investigation on this dealer related to the use of temporary transport tags. Agent Weatherford determined that Mr. Bower did not maintain records for transport tags. Mr. Bower was convicted of a misdemeanor for unlawful use of dealer plates. On a later date, Mr. Bower completed renewal applications stating that he had never been convicted of a criminal act involving the motor vehicle sales business. The Board convened an informal fact-finding conference to address Mr. Bower having made a material misstatement on an application and for being convicted of any criminal act involving the business of selling vehicles. Based on the evidence and the hearing officer's report, the Board assessed a \$100 civil penalty.

Michael L. Schmidt and Speedtrap Motors, LLC: DMV Special Agent Weatherford conducted an investigation on this Boones Mill dealer related to the use of a temporary transport tag. Mr. Schmidt was convicted of a misdemeanor for misuse of a dealer plate. On a later date, Mr. Bower completed renewal applications stating that he had never been convicted of a criminal act involving the motor vehicle sales business. As a result, an informal fact-finding conference was conducted to address the alleged violations of the Dealer Laws related to use of dealer's license plates; having made a material misstatement on an application, and having been convicted of any criminal act involving the business of selling vehicles. The Board determined that Mr. Schmidt should pay a civil penalty of \$100.00.

Robert C. Bailey and Bailey's Auto Sales: DMV Special Agent Weatherford visited this Cloverdale dealer per a consumer complaint related to a title. In the course of this visit, Agent Weatherford observed that a dealer tag was not accounted for as Mr. Bailey had lent the tag out. Mr. Bailey was convicted of a misdemeanor for misuse of a dealer plate. On a later date, Mr. Bower completed renewal applications stating that he had never been convicted of a criminal act involving the motor vehicle sales business. On March 29, 2012, an informal fact-finding conference was conducted to address the alleged violations of the Dealer Laws related to improper use of dealer license plates and having been convicted of any criminal act involving the business of selling vehicles. The Board determined that Mr. Bailey should pay a \$200 civil penalty.

Cynthia O'Neal Akerson, Salesperson for Bob's Car Corner in Roanoke: DMV Special Agent Weatherford conducted an investigation on this dealer related to the issuance of a second set of 30-day temporary tags after a title had been issued to a purchaser. Ms. Akerson was convicted of a misdemeanor for misuse of temporary tags. On a later date, Ms. Akerson completed a renewal application stating that she had never been convicted of a criminal act involving the motor vehicle sales business. An informal fact-finding conference was conducted to address the alleged violations of the Dealer Laws related to misuse of dealer license plates; having made a material misstatement on an application; having been convicted of any criminal act involving the business of selling vehicles. Based on evidence and the hearing officer's report, the Board decided not to take any further action against Ms. Akerson.

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.

The Virginia Community College System and the Virginia Independent Automobile Dealers Association (VIADA) have teamed up to present two-day courses at Community College campuses throughout the state.

Course Schedule

2012

August 21 & 22 - Piedmont Community College, Charlottesville

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

September 11 & 12 - Tidewater Community College, Suffolk

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

September 25 & 26 - Lord Fairfax Community College, Warrenton

Contact: Patricia Leister; 540-251-1524; www.lfccworkforce.com

October 9 & 10 - 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 23 & 24 - Northern Virginia Community College, Reston

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

November 13 & 14 - Blue Ridge Community College, Weyers Cave

Contact: Registration; 540-453-2215; www.brcc.edu

November 27 & 28 - Germanna Community College, Fredericksburg

Contact: Susan Brown; 540-891-3012; www.germannna.edu/workforce

December 11 & 12 - 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.