

GOVERNOR ANNOUNCES NEW BOARD MEMBERS

Recently, Governor Gilmore announced the appointment of six new members to the Board and the reappointment of four others.

Appointed to the Board were Bennie M. Cupp, Independent Dealer from Elkton, Bruce Farrell, Franchise Dealer from Roanoke, Peter Iaricci, Independent Dealer from Petersburg, Michael C. Martin, Franchise Dealer from Manassas, Geoffrey M. Ottaway, Independent Dealer from Roanoke and Max H. Pearson, Franchise Dealer from Richmond.

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GOVERNOR ANNOUNCES NEW BOARD MEMBERS

(Continued)

Reappointed to the Board were Thomas A. Barton, Franchise Dealer from Virginia Beach, Joel W. Lyles, Independent Dealer from Hamilton, Larry Matthews, Franchise Dealer from Petersburg and Karen Radley, Franchise Dealer from Fredericksburg.

Members of the Board who continue to serve as they are just half-way through their four year terms are Margo Clarke, J. Carlton Courter, Frank L. Cowles, Bobby Joe Dotson, L. Steve Farmer, Richard C. D. Hunt, Clyde H. King, and Leo Trenor.

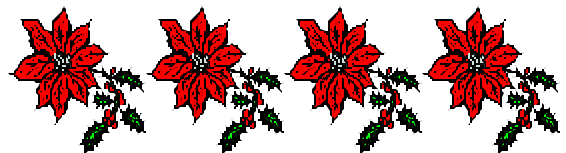
HOLIDAY HOURS!

In observance of the upcoming holidays, Governor Gilmore has authorized state agencies, including the Dealer Board, to close on the following dates:

December 23, 1999: Close at Noon
 December 24, 1999: Closed
 December 31, 1999: Closed
 January 3, 2000: Closed

For those who renew in person, in order to avoid long lines; please renew before December 22, 1999. For those who mail their renewals, please send them as soon as possible.

***HAPPY HOLIDAYS FROM THE
DEALER BOARD!***



ACTIONS FROM THE NOVEMBER BOARD MEETING

- **Motor Vehicle Transaction Recovery Fund:** At the November Board meeting, the Transaction Recovery Fund Committee and the Board considered five new claims filed against three different dealers. After reviewing the five new cases, the Board voted to approve payment from the fund for four of the claims totaling \$34,145. The Board denied the fifth claim as the claimant was not a purchaser. The dealers will have 30 days to repay the Fund. Failure to repay the Fund will result in license revocation.
- Determined that a dealer should be sent a "warning letter" for employing an unlicensed salesperson. Through an informal fact finding conference, it was determined that the salesperson was previously licensed and secured a license just as soon as it was discovered that his license had expired. By an administrative error, his renewal application was not submitted to the Dealer Board.
- The Board reviewed information and a report from a hearing officer concerning a dealer who has criminal convictions in the connection of selling automobiles. The Board concluded that all licenses issued to this individual by the Board, should be revoked.
- After reviewing evidence and the report of a formal hearing prepared by a hearing officer, the Board voted to assess a \$1,000 civil penalty on a dealer for failing to maintain records and for failing to maintain required business hours.
- After reviewing evidence and the report of an informal fact finding conference prepared by a hearing officer, the Board voted to assess a \$1,500 civil penalty for failing to have a telephone in the name of the dealership and for refusing to surrender licenses upon closing (temporarily) his business. The Board also suspended all licenses issued to the dealer, for a period of one year, for "renting" a dealer tag.

Editors Note: Dealers have the option of "appealing" any of the above Dealer Board decisions by requesting a hearing in front of a hearing officer.

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

Monday, January 10, 2000:
Place: DMV Headquarters
Time: 9:00 a.m.
Dealer Practices Committee Meeting

Monday, January 10, 2000:
Place: DMV Headquarters
Time: 11:00 a.m.
Franchise Law Committee Meeting

Monday, January 10, 2000:
Place: DMV Headquarters
Time: 12:30 p.m.
Licensing Committee Meeting

Monday, January 10, 2000:
Place: DMV Headquarters
Time: 2:30 p.m.
Transaction Recovery Fund Committee Meeting

Monday, January 10, 2000
Place: DMV Headquarters
Time: 3:30 p.m.
Personnel Committee Meeting

Tuesday, January 11, 2000:
Place: DMV Headquarters
Time: 8:30 a.m.
Finance Committee Meeting

Tuesday, January 11, 2000:
Place: DMV Headquarters
Time: 8:30 a.m.
Advertising Committee Meeting

Tuesday, January 11, 2000:
Place: DMV Headquarters
Time: 9:30 a.m.
Full Board Meeting

REMINDERS & USEFUL TIPS

Check Your Renewal Packages. When you receive your license renewal package from the Board, please check it carefully. Be sure there is a preprinted application card in the package for each and every salesperson in your employ. Check especially for salespeople you have recently hired as their license, like all of your salesperson's licenses, will expire the same month as your dealer license. Therefore, if they were hired after your renewal package was printed, their preprinted application renewal form will not be included in the renewal package you receive. If you are missing any applications, contact the Board right away. Also, remind your sales staff to carefully read and answer every question on the application.

Advertising. The focus of the Motor Vehicle Dealer Board's advertising program, is to educate dealers on the laws and regulations relating to advertising. Our approach is to call and/or write to a dealer when we become aware of an advertising violation. If the violations continue, then enforcement action is taken. Two of the most common types of violations we see are related to "Truth in Lending" and "Truth in Leasing". While these are federal regulations, the Board has authority to enforce them as well.

While the Board takes an "education first" approach, the Federal Trade Commission (FTC), who enforces the Federal Truth in Lending/Leasing Regulations, may not be so understanding. Recently, the FTC assessed sanctions against Mazda (September 30), two St. Louis area dealers (November 9) and six Philadelphia area dealers (December 3) for violations of these regulations. For more details, go the FTC's web site at www.ftc.gov. (Also available as a "hot link" from the Board's web site.) Once you are at the FTC home page, click on "News Releases, Publications & Speeches" and then click on the appropriate month.

More Advertising. The laws and regulations concerning advertising apply not only to the print media – but also all other types of advertising media such as television, radio, and internet. Please be sure that all disclosures are included and that they can be read. If they are not "clear and conspicuous", you will be in violation of the law. Be sure to review all of your advertisements carefully. If disclosures cannot be read or understood, you may want to redo the advertisement.

Cellular Telephones. The motor vehicle dealer laws state that a dealer must have " . . . a working telephone listed in the name of the dealership . . . " (See § 46.2-1510.2). We have been asked if a "cell phone" may be used to satisfy this requirement. The answer is "Yes" **provided** the cellular telephone is listed (In the telephone book and from directory assistance.) in the name of the dealership and that the cellular telephone remains in the dealership during the dealer's posted business hours.

REMINDERS & USEFUL TIPS

Sales Commissions. Virginia law is very clear: Only licensed salespeople may receive compensation in the connection of a sale of a motor vehicle. Specifically, § 46.2-1537 of the Code of Virginia states: "It shall be unlawful for any motor vehicle dealer or salesperson licensed under this chapter, directly or indirectly, to solicit the sale of a motor vehicle through a pecuniarily [financially] interested person, or to pay, or cause to be paid, any commission or compensation in any form whatsoever to any person in connection with the sale of a motor vehicle, unless the person is duly licensed as a salesperson employed by the dealer."

Temporary Tags. It is advised that you safeguard your temporary (30-day) tags. There is a demand for these tags by the criminal element. Dealers are discovering that they are unable to account for large quantities of these tags. The assumption being, that employees and others are stealing these temporary license plates from dealerships.

Insurance. If you cancel your insurance on a dealer tag, be sure to turn that tag back to the Board Office. We will take the plate "out of the system" and you will no longer be responsible for it. Neglecting to return these tags could cause you problems down the road.

Record of Wholesale Sales and Retail Sales to be Registered Out of State (DSD 21). This form should only be used to list and document: (1) wholesale sales and (2) retail sales where the purchaser will be registering the vehicle outside of Virginia. Please do not include on this form sales made to retail customers who will be registering the vehicle in Virginia. Copies of this form can be downloaded from our Web site at www.mvdb.vipnet.org/forms.htm.

Notification. Please note that all dealers must maintain their posted business hours. If you need to close for an extended period of time, please notify the Board Office as soon as possible by mail, fax or e-mail message. Also – if you are permanently closing your dealership, you must give us 30 days notice. Once we receive that notice, we will schedule a "closing inspection." Lastly – please include your dealer number on all correspondence to the Board. This will help speed-up your request.

NEW COMMITTEE CHAIRS

With the appointment of new members to the Board, (See story on page 1) Chairman Holcomb announced the following as Committee Chairs: Dealer Practices: Karen Radley, Chairperson and Jeff Ottaway, Vice-Chairman. Franchise Law: Tom Barton, Chairman and Max Pearson, Vice-Chairman. Licensing: Larry Matthews, Chairman and Bennie Cupp, Vice-Chairman. Transaction Recovery Fund: Joel Lyles, Chairman and Bobby Joe Dotson, Vice-Chairman. Personnel: Margo Clarke, Chairperson and Leo Trenor, Vice-Chairman. Advertising: Bruce Farrell, Chairman and Pete Iaricci, Vice-Chairman. Finance: Steve Farmer, Chairman and Rick Hunt, Vice-Chairman. Also, Mike Martin and Clyde King will be the Board's Co-Vice Chairs.

NEW MEETING DAYS

Beginning in January, the Board will meet on the second Tuesday of the month. The Dealer Practices, Franchise Law, Licensing, Transaction Recovery Fund and Personnel Committee meetings will be held on the Monday before the Board meetings and the Advertising and Finance Committees will meet on the day of the Board meeting. The Board is scheduled to meet in January, March, May, July, September, and November. The dates, times and locations of the January meetings are listed on page 2 of this newsletter.

FLOOD DAMAGED VEHICLES

By now you have probably heard and seen a number of warnings about flood damaged vehicles as a result of Hurricane Floyd. The Virginia Department of Motor Vehicles has provided the Dealer Board with information to pass along to the dealer community concerning the branding of titles of flood damaged vehicles.

If an insurance company pays a claim of \$1,000 or more because of water damage -- whether or not that insurance company takes possession of the vehicle -- the insurance company is required to notify DMV. DMV will then issue to the vehicle owner, a new certificate of title with a permanent "Water Damage" brand on the title. This action makes it impossible to obtain a clear title. Please note that in North Carolina, the brand is not done until after the vehicle is sold. This requires the seller to disclose that the vehicle has water damage.

Unless the vehicle has other damage, a salvage certificate is not required as long as the "Water Damage" brand appears on the title.

CURBSTONING REPORT

Since the last Board meeting held in November, 150 "Curbstoner Notice Forms" have been issued by Dealer Board field representatives and DMV special agents. These forms notify the vehicle owner that they may be in violation of the law.

The Motor Vehicle Dealer Board field representatives have identified 3 property owners that were displaying vehicles for sale on several repeated instances. These property owners were notified by written warning that the activity is a violation of the dealer licensing laws. These locations will continue to be monitored.

Motor Vehicle Dealer Board staff recently ran a report that identified individuals who may be curbstoners. Based on that report, 150 individuals were identified and educational/warning letters were mailed to them. This report also reflected 10 individuals who, even though they got a warning letter in 1998, have also repeatedly continued to sell without being licensed by the Board. These 10 cases have been referred to DMV for follow-up regarding potential criminal violations of the law. We will keep you up-to-date on actions taken against these individuals.

As a matter of information, a case in Rockingham County involving an individual that owns property, that just so happens to be a corner lot. This particular individual admitted to allowing vehicles "for sale" to be displayed on that property. This person admitted to the DMV special agent that she had even supervised the sale of those vehicles. That case went to court the end of October and that individual was found guilty of violating §46.2-1508. She was fined \$1,500, given 10 days in jail and was placed on probation for one (1) year.

WELCOME NEW DEALERS!

The Motor Vehicle Dealer Board formally welcomes the following new dealers for September & October! Should you have comments, suggestions or questions, please do not hesitate to contact the staff of the Dealer Board. Our telephone and FAX numbers, mailing address and e-mail address are all listed on Page 2.

SEPTEMBER	
Shenandoah Ford, Inc. 703 N. Royal Avenue Front Royal, Virginia 22630	Auto Buying Service, Inc. 9854 Lee Highway Fairfax, Virginia 22030
J & L Used Cars & Parts 13430 Jefferson Davis Highway Chester, Virginia 23831	Motes Motor Company, Inc. 11 Goose Creek Road Fishersville, Virginia 22939
Empire Ford Used Car & Truck Center #2 520 Porterfield Highway Abingdon, Virginia 24210	East Coast Exotics, LTD. 2524 George Washington Memorial Hwy. Yorktown, Virginia 23693
Comfort Motors, Inc. 14524 Jefferson Davis Highway Woodbridge, Virginia 22191	Hunting Hills Motorcars 4064 & 4084 Franklin Road, SW Roanoke, Virginia 24014
S & S Motors 402 West Rock Road Radford, Virginia 24141	MBH of Virginia, Inc. 635 Virginia Beach Boulevard Virginia Beach, Virginia 23451
United Import Co., LTD. 5515A Midlothian Turnpike Richmond, Virginia 23225	K & B Motors 11703 Nokesville Road Manassas, Virginia 20110
Brown Motors, LLC 204 Catocin Circle SE Leesburg, Virginia 20175	Rainbow Auto Sales & Rentals, Inc. 342 East Belt Boulevard Richmond, Virginia 23224
Kimbles Auto Sales, Inc. 12356 James Madison Parkway King George, Virginia 22485	Mobility Independent Transportation of Mits of VA 2075 W. Main Street Waynesboro, Virginia 22980
Big Daddy Detail and Auto Sales R415 East Main Street Berryville, Virginia 22611	Bayside Auto & Marine Center 881 East Little Creek Road Norfolk, Virginia 23518
Truck Service of Virginia, Inc. 707 Albany Avenue Richmond, Virginia 23223	Universal Auto Leasing, Inc. 15017 Washington St. #1, P.O. Box 52 Haymarket, Virginia 20168
Saturn of Winchester, LLC 2205 Valley Avenue Winchester, Virginia 22601	RAA Auto Sales 523 East Stuart Drive Galax, Virginia 24333
Tom's Truck Sales 1726 Valley Avenue Winchester, Virginia 22601	Jimmy's Auto Sales 15030 Warwick Boulevard Newport News, Virginia 23608
Nelson Auto Sales 8168 Thomas Nelson Highway Lovingson, Virginia 22949	Turner Equipment Sales 25768 Jeb Stuart Highway Stuart, Virginia 24171

SEPTEMBER (continued)

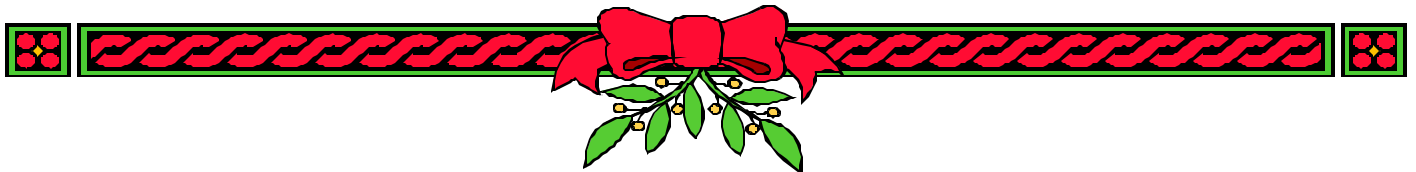
Riverside Auto Auction 12619 Newland Hollow Road Weber City, Virginia 24290	Car Country 423 N. Main Street, P.O. 128 Mt. Crawford, Virginia 22841
Caldwell Used Cars 38 Conner Lane Galax, Virginia 24333	Michaels Auto Body, Inc. 3116 South Main Street Harrisonburg, Virginia 22801

OCTOBER

Fredericksburg Public Auto Auction 239 Warrenton Road Fredericksburg, Virginia 22405	A & T Auto Sales #2 16701 Jefferson Davis Highway Colonial Heights, Virginia 23834
Johnson Auto Refinishing, Inc. 130 Courtland Road Emporia, Virginia 23847	R C Restoration & Repair, Inc. 501 East Eighth Street Salem, Virginia 24153
Real Deal Auto Sales 8533 Jeff Davis Highway Fredericksburg, Virginia 22407	Auto One 18506 Jefferson Davis Highway Triangle, Virginia 22172
Legend Auto Sales, Inc. 14950 Washington St., #105 Box 1131 Haymarket, Virginia 20168	Elliott's Auto Sales 1140 Halifax Road Danville, Virginia 24541
Jim McCormick Cars 9382 Seminole Trail #4 Ruckersville, Virginia 22968	J & H Auto Sales 15508 George Washington Highway Saluda, Virginia 23149
RK Lease & Rental System RK Leasing 2661 Virginia Beach Boulevard Virginia Beach, Virginia 23452	Green Gifford Jeep 933 East Little Creek Road Norfolk, Virginia 23518
Auto Gallery 106 W. Market Street Leesburg, Virginia 20176	Sportsman Motors, Inc. 800 E. Hundred Road Chester, Virginia 23836
Foster Motors, Inc. 13475 Wards Road Lynchburg, Virginia 24501	Fast Eddie's Classic Motor Cars, Inc. Route 33, P.O. Box 160 Hartfield, Virginia 23071
Main Street Auto Sales 1110 West Main Street Abingdon, Virginia 24210	3-A Auto Sales, Inc. 14548 Jefferson Davis Highway Woodbridge, Virginia 22191
E-Z Auto Sales, LLC 220 N. Witchduck Road Virginia Beach, Virginia 23462	ABS Vans, Inc. 206 Tyler Von Way, Suite 202 Fredericksburg, Virginia 22405
Forish Family Auto Sales, LLC 334 South Eastside Highway Elkton, Virginia 22827	Crown Motors 101 East Belt Boulevard Richmond, Virginia 23224
Koons of Fairfax 9854 Lee Highway Fairfax, Virginia 22031	The Car Store II 11761 James Madison Highway Troy, Virginia 22974

OCTOBER (continued)

City Motor Co., Inc. 317 A Boulevard Colonial Heights, Virginia 23834	Charlie Falk Auto Post Office Box 11328 Norfolk, Virginia 23517
Green Gifford Chrysler, Plymouth, Jeep 6440 N. Military Highway Norfolk, Virginia 23518	Johnson Automotive, LLC 1228 W. Stuart Drive Hillsville, Virginia 24343
Cantrell Auto Sales RR 3, Box 2053 Cedar Bluff, Virginia 24609	Export Car Connection, Inc. P.O. Box 1232, 15001 Wash Street, #2 Haymarket, Virginia 20168
Flowers Motorcars, Inc. 3832 Williamson Road Roanoke, Virginia 24012	Affordable Auto, Inc. 9970 Jefferson Avenue Newport News, Virginia 23601
C & S Auto Sales and Service 1095 Skippers Road Emporia, Virginia 23847	Wade's Motors, Inc. 127 US Highway, 23 South Weber City, Virginia 24290
Charlottesville Auto Sales 500 Monticello Road Charlottesville, Virginia 22902	Family Auto 10824 Courthouse Road Fredericksburg, Virginia 22401
Rozell Oil & Trucking Co., Inc. 9283 Rozell Road Woodford, Virginia 22580	Hawkes Automotive Group, Inc. 3016 Lowwer Hill Road #3020 Powhatan, Virginia 23139



DOWNLOAD FORMS

You can now get many of your dealer and salesperson forms directly from the MVDB Website at <http://mvdb.vipnet.org/home.html>. From the MVDB Website homepage, select the *Dealer/Salesperson* button. From the Dealer/Salesperson homepage, select the *Forms* button, and the list of available forms will appear. Just select the form(s) you need and print. (Adobe Acrobat Reader is required--but that's available free from our website too.) A few forms have been converted in size from vendor cards to 8½ x11 pages. But that's the only difference--nothing else has changed.

RENEW FOR TWO!

Many dealers are discovering the advantages to the two-year renewal option now being offered by the Board. Since the Board began to offer a two-year renewal, over 20% of all dealers have decided to take advantage of this option. Renewing for two saves time and the hassle of replacing your "year" decals on your dealer plates. When your renewal notice arrives in the mail, please consider renewing for two.

ATTENTION ALL DEALERS:

Inside this issue, please read about the following:

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