

DEALER-OPERATOR COURSE & TEST

Legislation adopted by the 2005 General Assembly will require, beginning January 1, 2006, all applicants for a dealer-operator license for an independent dealership to complete a course of study before taking the dealer-operator test. Those who are listed with the Board as the dealer-operator of independent dealerships as of December 31, 2005, will be "grandfathered". That is, they will not be required to take the course of study. (Dealer-operators of franchise dealerships are exempt from the course requirements.)

If, on December 31 you are the dealer-operator of an independent dealership, you will not be required to take the course of study as long as you maintain your dealer-operator license.

The Virginia Community College System and the Virginia Independent Automobile Dealers Association (VIADA) have teamed up to present the two-day required course at least once each month at one of the many Community College campuses throughout the state.

The first two-day course was held at the Norfolk Campus of Tidewater Community College (TCC) on December 14 and 15. The January course will be held at the Community College Workforce Alliance's North Run Corporate Center. (Located across the street from the J. Sargeant Reynolds Parham Campus.) The North Run Corporate Center is located 1630 East Parham Road, Richmond, Virginia 23228. More information and registration materials are available by calling 804-523-2292 or the Web at www.ccwa.vccs.edu. Type "dealer" in the "Find a Class" box. The course will run from 8:30 am to 5:00 pm each day.

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Seasons Greetings

HOLIDAY HOURS

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



CHRISTMAS

December 23, 2005
December 26, 2005

NEW YEARS

January 2, 2006

LEE-JACKSON DAY

January 13, 2006

MARTIN LUTHER KING DAY

January 16, 2006

BOARD ACTIONS

Dealer Records: A Dealer in Haymarket had a history of unsatisfactory inspections related to numerous, on-going violations of record keeping requirements. In February of 2003, the dealer was assessed and paid a \$1,500 civil penalty for violations of record keeping requirements. As these problems continued, an informal fact-finding conference was convened. Based on the evidence and the hearing officer's recommendation, the Board voted to assess a \$3,000 civil penalty and revoke all licenses and certificates issued to the dealer by the Board. The dealer will have 33 days to either pay the civil penalty or appeal the Board's decision and request a formal hearing.

Temporary Tag Records: An informal fact finding conference was convened for a Richmond area dealer for alleged record keeping violations related to temporary tags. After hearing all of the facts, the hearing officer believed that the dealer had not maintained records as required by law, but the Board Staff had erred in citing the wrong section of the Code. The hearing officer recommended and the Board agreed that no action be taken at this time against the dealer.

Salesperson Application: In June of this year, an informal fact finding conference was convened to determine what action, if any, should be taken by the Board against a licensed salesperson who had been convicted of two felonies related to the business of selling motor vehicles. Based on the facts of the case and the hearing officer's report, and acting under the authority granted to the executive director by the Board, the executive director revoked the salesperson's license. The salesperson appealed this decision.

In August of 2005, a formal hearing was conducted. Based on the information provided at the conference, the hearing officer recommended that the Board impose civil penalties totaling \$4,000 and suspend the sales license for nine (9) months.

After considering the facts of the case and the hearing officer's report, the Board voted to assess a \$4,000 civil penalty and a six month suspension and require that the salesperson submit a letter from the General Manager and owner of the dealership employing the salesperson, stating whether or not the salesperson is in good standing with the dealership. This decision may be appealed to circuit court.

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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

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

Monday, January 9, 2006
Time: 8:30 a.m.
Dealer Practices Committee Meeting

Monday, January 9, 2006
Time: Immediately following Dealer Practices Licensing Committee Meeting

Monday, January 9, 2006
Time: 9:30 a.m.
Advertising Committee Meeting

Monday, January 9, 2006
Time: Immediately following Advertising Transaction Recovery Fund Committee Meeting

Monday, January 9, 2006
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

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Request for a Variance from the Minimum Hours Requirements:

The Board has the authority to exempt dealers, "for good cause", from the minimum hours requirements as stated in the law. A dealer who specializes in the sale of ambulance type vehicles requested a variance to reduce his minimum hours of operation to 9:00 a.m. to 12:00 p.m. every Monday for a total of three (3) hours per week. In his request, the dealer stated that none of their business is "walk in". After some discussion, the Board decided to table this request until the January Board meeting.

Motor Vehicle Transaction Recovery Fund: At the September Board meeting, the Transaction Recovery Fund Committee and the Board considered and approved the following two claims:

- A consumer filed a claim against Betterdays Auto Sales, a dealership owned and operated by Mr. Augustine Amagoh of Richmond. The dealership is no longer in business. The consumer had been awarded judgment in court for "improper conduct, fraud and/or violations of the provisions of the Dealer Laws in connection with the sale of a motor vehicle". The Board approved payment from the Fund in the amount of \$3,240.00.
- A consumer filed a claim against Imperial Motors of Christiansburg, a dealership owned and operated by Mr. Gregory Nagy of Christiansburg. The consumer had been awarded judgment in court by a jury for Common Law Fraud and violations of the Virginia Consumer Protection Act. The Board approved payment from the Fund in the amount of \$12,318.65.



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Registration information is also available through the MVDB at 877-270-0203 and VIADA at 800-394-1960.

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

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Course delivery dates at these colleges will be announced in the near future.

Blue Ridge Community College
Central Virginia Community College
Danville Community College
J. Sargeant Reynolds Community College
John Tyler Community College
Lord Fairfax Community College
Germanna Community College
Patrick Henry Community College
Paul D. Camp Community College
Virginia Highlands Community College
Wytheville Community College

Remember – anyone can take the class. You may want to consider sending your sales/general manager, title clerk, dealer-operator and you may even attend yourself!

Also, in late December, a new dealer-operator test will be implemented. The new test will require the applicant to correctly answer 80% of the questions on the test. (Sixty-four out of eighty questions.)

The test will continue to be given on the automated testing machines located in DMV Customer Service Centers. A Study Guide can be seen and printed from our WEB site (WWW.mvdb.virginia.gov), click on "Dealer/Salesperson Info" and then click on "Forms". Scroll down the list of forms and click on MVDB 34 for the dealer-operator Study Guide and MVDB 35 for the salesperson Study Guide, or one can be mailed to you by calling 804-367-1100 or from outside of Richmond, toll free at 877-270-0203.



ADi Motorsports

Governor Warner recently announced that ADi Motorsports, a subsidiary of American Detail, Inc., will expand its facility in Halifax County. The company will create 32 new positions to do the fabrication, detail and top and body repair for race cars. This expansion includes the launch of a new race team in the Grand American Rolex Sports Car Series at Virginia International Raceway (VIR). Virginia successfully competed against North Carolina for the project.

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ADi Motorsports

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"ADi Motorsports' expansion in Halifax County is a significant announcement for the region as well as the motorsports industry," said Governor Warner. "It is exciting to see our Virginia Motorsports Initiative accomplish its purpose of supporting existing industry and promoting motorsports-related jobs. Virginia has a strong cluster of racing venues and motorsports businesses, and I am gratified that ADi Motorsports has chosen to build on the existing assets of Halifax County and VIR."

American Detail moved to VIR after 15 years of servicing the commercial paint, body and graphics needs of its customers in Greensboro, North Carolina. American Detail moved to VIR to become situated in an area that would allow the company to pursue racing customers and an eventual race team ownership. American Detail founded ADi Motorsports in early 2005 after adding Shawn Bayliff, a former Karting, Sprint Car and Sports Car Club of America champion, to head up its racing program.

"We are very happy to be a part of what we feel will become a major hotbed for the migration of more race teams," said Hassel Moran, President, ADi Motorsports. "We look forward to helping those teams with all their needs, as well as demonstrating our racing prowess in the highly competitive and fast-growing sport of sports car racing and the Grand Am Rolex Series. The growth of VIR and the attention to making it a first-class facility makes it the perfect place to continue with our racing business plans."

"We are so excited about working with ADi on this announcement," said William Fitzgerald, Chairman of the Halifax County Board of Supervisors. "It is a great opportunity for Halifax County to diversify our economy and expand our motorsports market."

Mike Eades, Executive Director of the Industrial Development Authority of Halifax County stated, "ADi understands that Halifax County is serious about the motorsports industry. The Virginia International Raceway complex provides us with a unique selling point to this booming industry."

HELPFUL TIPS AND REMINDERS

Temporary Certificate (DSD 5): Virginia law states that you must retain an original copy of each of these forms you complete and issue for a period of five years. Further, they must be maintained " . . . in a manner that permits systematic retrieval." (Va. Code Section 46.2-1529.)

Salesperson License Required: Please remember that salespersons must be licensed in the name of your dealership in order to sell or participate in the sale of motor vehicles. Allowing someone to sell vehicles without first being licensed could cost you up to \$1,000 in civil penalties per vehicle sold. The "Dealer Database Search" feature on the Board's WEB site (www.mvdb.virginia.gov) allows you to view a list of salespersons licensed to your dealership.

