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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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## CONTINENTAL TO EXPAND NEWPORT NEWS OPERATIONS

Governor Timothy M. Kaine recently announced that Continental AG, a leading global automotive supplier, will transfer its South Carolina manufacturing operations to its Newport News facility, creating 318 new jobs. The consolidation will combine the diesel and gasoline fuel injector manufacturing operations into a single location. The company will invest \$194 million to relocate diesel fuel injector manufacturing as well as expand the existing gasoline fuel injector business line.

"This consolidation project is tremendous news for Virginia," said Governor Kaine. "Valuable jobs could have been transferred out of state and not only did we retain more than 500 positions, we will gain an additional 318 employment opportunities. The infrastructure in place in Newport News fit Continental's needs and the trained workforce in the region put the Commonwealth in the lead."

Continental AG is the fourth largest automotive supplier worldwide. As a supplier of brake systems, systems and components for the powertrain and chassis, instrumentation, infotainment solutions, vehicle electronics, tires and technical elastomers, the corporation contributes towards enhanced driving safety and protection of the global climate. Continental is also a competent partner in networked automobile communication. Today, the corporation employs approximately 150,000 people at nearly 200 locations in 36 countries.

"Continental appreciates the assistance and cooperation of the City of Newport News and the Governor's office to help make our expansion of the Newport News facility a reality during tough economic times," said Gregg Wiggins, of Continental Automotive Group - NAFTA region. "As a direct result in gaining these manufacturing efficiencies, we look forward to maintaining our position as a strong global supplier, producing high quality, cost effective products for our customers."

"We are delighted that a company as valued as Continental AG will continue its success and expand its presence in Newport News," said Mayor Joe S. Frank. "Our City's ability to retain over 500 jobs and attract over 300 new jobs along with nearly \$200 million in new capital investment in today's challenged economy is a testament to our community's resilient business climate and dedicated workforce."



## Calendar of Events

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

Monday, January 12, 2009  
Time: 8:30 a.m.  
Dealer Practices Committee Meeting

Monday, January 12, 2009  
Time: Immediately following  
Dealer Practices  
Licensing Committee Meeting

Monday, January 12, 2009  
Time: 9:30 a.m.  
Advertising Committee Meeting

Monday, January 12, 2009  
Time: Immediately following  
Advertising  
Transaction Recovery Fund  
Committee Meeting

Monday, January 12, 2009  
Time: 10:00 a.m.  
Full Board Meeting

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

# BOARD ACTIONS

**Initial Dealer-Operator Course.** Jeff Smelly of *Compass Systems* gave a presentation on his proposal to develop a “multi-media internet based” initial dealer-operator class as an alternative to the two day dealer-operator class that is taught at Virginia Community Colleges. After much discussion the Board decided that an internet class would not be an effective alternative for the initial dealer-operator class. However, internet based education should be considered for continuing education.

**Ayman J. Awadallah and A & M Auto Sales, LLC.** This Fredericksburg dealer was the subject of several deficient inspections by MVDB field representatives. Record keeping, and in particular, accounting for temporary tags, was the primary deficiency. On November 5, 2007, Mr. Awadallah was convicted of a class 3 misdemeanor related to temporary tag record keeping. On September 2, 2008, an informal fact-finding conference was conducted to address the alleged violation(s) of VA Code Sections 46.2-1529 (not having the required records, failure to keep records, failure to keep record of temporary tag issuance, etc), 46.2-1530 (not completing buyers order), 46.2-1550 (use of dealer’s license plates, generally), 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) and 46.2-1575(9) (having been convicted of any criminal act involving the business of selling vehicles). Based on the information provided at the conference and the hearing officer’s recommendation, the Board voted to require that a field representative inspect Mr. Awadallah’s dealership within 30 days. If he fails the inspection, the dealership would be suspended for a minimum of 30 days. In addition, the Board assessed a \$5,000 civil penalty.

**Mohammad S. Nakbeen and A & S Imports.** From February of 2000 through August of 2006, Field Representative Smith attempted to inspect this Manassas area dealership on five occasions. Only once was the dealership opened during business hours. A \$250 civil penalty was assessed in September of 2006 which the dealer paid. A December failed attempt to inspect this dealership resulted in a \$500 civil penalty which the dealer appealed. On August 12, 2008, an informal fact-finding conference was conducted to address the alleged violation(s) of VA Code Section 46.2-1533 (failure to maintain posted business hours). Based on the information provided at the conference, the hearing officer recommended that, while A & S Imports was in violation, a civil penalty should not be assessed in this particular case as there were extenuating circumstances. The Board agreed and voted to not take any further action.

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## HOLIDAYS HOURS

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

### CHRISTMAS

December 24, 2008 (half day)  
December 25, 2008  
December 26, 2008

### NEW YEARS

January 1, 2009  
January 2, 2009

### LEE-JACKSON DAY

January 16, 2009

### MARTIN LUTHER KING DAY

January 19, 2009



Seasons Greetings

## BOARD ACTIONS

*(Continued from page 2)*

**Wafi S. Akbary, Salesperson.** Mr. Akbary is a licensed salesperson at Guarantee AutoMax. Previously Mr. Akbary was licensed with Sequoia Auto. Sequoia is now closed. The Board has received a number of complaints against Sequoia and payment has been made from the Recovery Fund. Based on the consumer complaints and other evidence, Board staff believed that Mr. Akbary took part in fraudulent and deceptive acts as a salesperson at Sequoia. Therefore, on September 9, 2008, an informal fact-finding conference was conducted to address the alleged violation(s) of VA Code Sections 46.2-1575(2) (failure to comply subsequent to receipt of a written warning from the Board or any willful failure to comply with the Dealer laws), 46.2-1575(4) (defrauding any retail buyer, to the buyer's damage, or any other person in the conduct of the licensee's or registrant's business and 46.2-1575(6) (having used deceptive acts or practices). Based on the information provided at the conference and the hearing officer's report, the Board voted to revoke Mr. Akbary's salespersons license and certificate of qualification.

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

**Zouhair Ghazi and Mobile Wholesalers, Inc.** On August 12, 2005, the Circuit Court for the City of Virginia Beach awarded a consumer a default judgment against Mobile Wholesalers, Inc. in the amount of \$152,775.50 (\$52,775.50 actual damages + \$100,000.00 punitive damages). The consumer received \$11,208.00 from the dealer's surety bonding company. The Board approved payment from the Fund in the amount of \$8,792.00. This amount is based on the \$20,000.00 maximum allowed by law minus \$11,208.00 received from the surety bond.

**Muhammad Ahsan and Motor Point, Inc.** This dealer failed to remit the title, tax and registration fees to DMV that the consumer had paid to the dealer. On January 31, 2008, the consumer filed a Warrant in Debt against Muhammad Ahsan & Motor Point, Inc. for breach of contract, which were the fees they had paid the dealer and then had to re-pay those fees to DMV in order to register and title the vehicle plus for a Warranty they never received. On March 7, 2008, the General District Court of Warren County awarded the consumer a judgment against Muhammad Ahsan & Motor Point, Inc. in the amount of \$1,666.58 plus \$48.00 in costs. The Board approved payment from the Fund in the amount of \$1,554.24. This amount is based on the fees paid to DMV they had to repay (\$741.47), a Warranty Contract (\$764.77) they never received and the costs of court (\$48.00).

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## Continuing Education Regulations

In the last issue of Dealer Talk, it was reported that a public hearing was held on August 21, 2008 to receive comments and suggestions concerning the Board's proposal to require independent dealer-operators to participate in continuing education. The official period to receive comments and suggestions ended on September 5.

At the November Dealer Board meeting, a report was given to the Board that combined comments and suggestions received at the August public hearing; comments and suggestions received in writing during the public comment period; decisions made at the September Board meeting and research on continuing education requirements of other states and other Virginia professions.

The report and discussion at the November Board meeting revolved around two major components of the proposal: (1) Regulations that address the continuing education requirements for dealer-operators and (2) Regulations pertaining to course providers.

On November 21 a Public Hearing was held to gain additional feedback before Dealer Board staff began to draft the actual regulations. The first draft of the regulations will then be published in order to receive further comments.



## BOARD ACTIONS

**Fredy Quiroz and International Motors, LLC.** Between May 19, 2007 and June 23, 2007, a consumer gave Fredy Quiroz, the owner of International Motors, LLC, the sum of \$7,500.00 to be applied to the purchase of a BMW which Mr. Quiroz indicated he would procure for them. Mr. Quiroz never procured a vehicle for the consumer to purchase. When the consumer requested the return of their money, Mr. Quiroz refused and the consumer obtained legal counsel. On May 22, 2008, the Chesterfield County District Court awarded the consumer a judgment against Fredy Quiroz and International Motors, Inc. in the amount of \$15,000.00 with interest of 6 percent, \$150 in court costs and \$6,000 for attorney fees. The Board approved a claim in the amount of \$5,000.00. This amount is based on the \$20,000.00 maximum allowed by law minus \$15,000.00 that was paid by the dealer's surety bond.

**Joseph P. Battista and Auto Express of Manassas, Inc.** Auto Express issued the consumer four consecutive temporary certificates of ownership concealing the fact that they had not paid the existing lien nor had they registered the vehicle in the District of Columbia as promised. The consumer eventually received the title to the vehicle; however, he incurred expenses to repair the many defects of the vehicle. On July 18, 2008, the Circuit Court for Fairfax County awarded the consumer a judgment in the amount of \$24,639.45 against Auto Express of Manassas, Inc. Breakdown of judgment amount is for \$8,850.00 actual damages (repairs made to the vehicle), \$15,303.45 for attorney fees, \$395.00 expert witness fee and \$91.00 court costs. The Board approved payment in the amount of \$20,000.00, which is based on the maximum recovery from the Fund.

## BIENNIAL REPORT

In November, the Board submitted its Biennial Report for review by the Governor and the General Assembly. The Report is posted on our WEB site and can be viewed by going to <http://www.mvdb.virginia.gov/reports.htm>. The following are some interesting facts from the Report:

- Approved payments from the Transaction Recovery Fund totaling \$192,357.
- Board staff processed 6,554 dealer and 45,940 salespersons renewal/applications.
- Assessed civil penalties totaling over \$121,000 for dealer/salesperson practices.
- Assessed \$3,500 in advertising related civil penalties.

## 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

**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)

### 2009

**January 6 & 7 - Germanna Community College, Fredericksburg**

Contact: Susan Brown; 540-891-3012; [www.gcc.vccs.edu/workforce](http://www.gcc.vccs.edu/workforce)

**February 10 & 11 - Northern Virginia Community College, Reston**

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

**February 24 & 25 - Blue Ridge Community College, Weyers Cave**

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

**March 3 & 4 - Virginia Western Community College, Roanoke**

Contact: Anne Koon; 540-767-6131; [www.virginiawestern.edu](http://www.virginiawestern.edu)

**March 17 & 18 - Piedmont Community College, Charlottesville**

Contact: Maggie Myers; 434-961-5495 or [mmmyers@pvcc.edu](mailto:mmmyers@pvcc.edu); [www.pvcc.edu](http://www.pvcc.edu)

**April 7 & 8 - Germanna Community College, Fredericksburg**

Contact: Susan Brown; 540-891-3012; [www.gcc.vccs.edu/workforce](http://www.gcc.vccs.edu/workforce)

**April 21 & 22 - New River Community College, Dublin**

Contact: Dianne Belcher; 540-674-3657; <http://www2.nr.edu/admissions/>

**May 5 & 6 - Danville Community College, Danville**

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

**May 19 & 20 - Thomas Nelson Community College, Hampton**

Contact: Registration; 757-825-2934; [www.tncc.edu](http://www.tncc.edu)

*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.*