

DEALER TALK

Volume 2, Issue 11

October 1999

DOWNLOAD YOUR DEALER FORMS

That's right! You read correctly! 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 8-1/2 x11 pages. But that's the only difference--nothing else has changed.

Making these forms available to our customers in a downloadable print format is just the first step in our efforts to introduce electronic commerce (e-commerce) to the community we serve. Once fully implemented, e-commerce would allow our customers to complete their document information on-line via an interactive form, pay associated fees with a credit card over a secured, password-protected line, and electronically complete the transaction by e-mail or faxing the forms directly into the MVDB Office--all from the comforts of your home or business! *(Continued next column)*

INSIDE THIS ISSUE:

- 1 DOWNLOAD DEALER FORMS
- 1 CURBSTONING UPDATES
- 2 BEWARE
- 2 TEST YOUR KNOWLEDGE
- 2 CALENDAR OF EVENTS!
- 3 REMINDERS & USEFUL TIPS
- 4 ACTIONS!
- 5 WELCOME NEW DEALERS (JULY)
- 6&7 WELCOME NEW DEALERS(AUG.)
- 7 DOWNLOADABLE FORMS

DOWNLOAD YOUR DEALER FORMS

(Continued from previous column)

Plans to make forms interactive (the ability to be filled out on-line) are currently underway, and should be completed by the December 1999 timeframe. Until then, please visit our website and view the new additions. You can find a list of downloadable forms on page 6 of this newsletter.

As always, your comments and suggestions are welcomed!

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CURBSTONING UPDATES

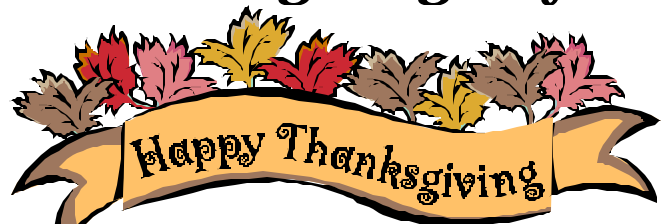
NOTICE FORMS

Since the last Motor Vehicle Dealer Board Meeting held in September, the MVDB Field representatives and DMV special agents have issued 175 curbstoning notice forms. No criminal convictions or significant investigative activity occurred during the reporting period.

* * * * *

**Our office will be closed on:
November 25th & 26th, 1999
in observance of:**

Thanksgiving Day!



BEWARE!

DMV has received reports of a new scam that crooks are using to steal Temporary ("30-day") Tags from dealerships. Several "gentlemen" will enter a dealership and begin some sort of commotion. Once this commotion distracts your staff, one of the partners in this scam steals your Temporary Tags. The reports we have received have been from franchised dealers in the Richmond area, and in particular, Chesterfield County. It is possible that these suspects are not from the Richmond area and could surface anywhere in the Commonwealth.

As a reminder, dealers should keep all license plates, including Temporary Tags, in out-of-sight, secure locations. If possible, they should be kept in a locked location.

TEST YOUR KNOWLEDGE...

The following questions were taken from the Salesperson Study Guide. Do you know the correct response without looking at the answers on page 7?

Which of the following must be licensed to engage in business in Virginia?

- A. Motor Vehicle Dealer.
- B. Motor Vehicle Distributor or Manufacturer.
- C. Motor Vehicle Salesperson.
- D. All of the above.

The Motor Vehicle Transaction Recovery Fund

- A. Is funded only by dealers.
- B. Is funded by dealers and salespersons.
- C. Is funded by the dealer's processing fee.
- D. Is funded by an additional fee paid by the consumer.

In financing a vehicle on an installment sales contract, the APR stands for

- A. Annual periodic rate.
- B. Annual percentage rate.
- C. Actual percentage rate.

When should the Buyers Guide be placed on a vehicle?

- A. As soon as it comes into inventory.

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, November 15, 1999:
Place: DMV Headquarters
Time: 9:00 a.m.
Transaction Recovery Fund Committee Meeting

Monday, November 15, 1999:
Place: DMV Headquarters
Time: 10:00 a.m.
Licensing Committee Meeting

Monday, November 15, 1999:
Place: DMV Headquarters
Time: 1:00 p.m.
Dealer Practices Committee Meeting

Monday, November 15, 1999:
Place: DMV Headquarters
Time: 3:00 p.m.
Advertising Committee Meeting

Tuesday, November 16, 1999
Place: DMV Headquarters
Time: 8:30 a.m.
Finance Committee Meeting

Tuesday, November 16, 1999
Place: DMV Headquarters
Time: 9:00 a.m.
Franchise Law Committee Meeting

Tuesday, November 16, 1999
Place: DMV Headquarters
Time: 9:30 a.m.
Full Board Meeting

REMINDERS & USEFUL TIPS

- **Do you have a Post Office Box Number?** Generally, we ship packages to you by United Parcel Service (UPS). If you ask us to send a package to a Post Office Box Number or if that is all you provide, we will not be able to use UPS. UPS can only deliver to a physical address. If all we have is a Post Office Box Number, your package will be sent by U.S. Mail.
- **Buyer's Guide.** Virginia law requires that your customers sign and date the fully completed Federal Buyer's Guide and incorporate this document with the buyers order when you sell a vehicle. (See Virginia Code Section 46.2-1529.1.) Our field representatives have noticed that some dealers have neglected to perform this step in the sale of used vehicles.
- **It's a Used Car!** As you know, a "Demo Vehicle" is a "used" vehicle. We have had reports from consumers that salespeople refer to demos as "new" vehicles. In addition, we have seen a few instances where a computer generated buyers order has marked demos and other 1 and two-year-old cars as "NEW". All the other paperwork clearly indicates the vehicle is used, however, consumers are using these erroneously marked buyers orders as leverage to attempt to cancel a purchase. Please check your computer systems carefully for this potential problem.
- **Attention On-Line Dealers:** We have received reports from consumers that in some instances, on-line dealers are not completing the transaction within the required 30 days. The registration portion of the transaction is completed and the consumer is issued their "metal tags." The dealer then fails to complete the titling portion of the transaction. Failure to complete this transaction within 30 days could jeopardize your dealer status.

REMINDERS & USEFUL TIPS

(Continued from page previous column)

- **Qualification Test.** As you know, before an individual can receive a salesperson's or dealer-operator's license, they must first become qualified by passing a test that can be taken at any DMV Customer Service Center. The test is taken on an automated testing machine that contains a database of questions. The machine "randomly selects" a different set of questions each time the test is taken. The database of questions was expanded as of July 1, 1999. The Motor Vehicle Dealer Board and DMV began distributing a new study guide that included the new questions, in March. The new study guide has a blue cover and includes a revised date of "02/99." The new study guide is also available from our website.
- **Advertising.** We have seen a rash of advertisements (Usually with a heading of "PUBLIC NOTICE".) that includes a statement within the advertisement that says something like "SALESPeOPLE and FINANCE PeOPLE have been brought in from 3 states to assist you with your purchase and special finance needs." As you know, only salespersons licensed to your dealership can assist customers with their purchase. This type of advertisement and practice should be avoided. Please review the work of your advertising agencies.
- **More Advertising.** The Motor Vehicle Dealer Laws and Advertising Regulations say that whenever the price of a vehicle is mentioned in an advertisement, the advertisement must also include the YEAR, MAKE and MODEL of the advertised vehicle. For example, the Advertising Committee and the Board has concluded that advertisements such as those that state "Cars for \$99" must also include the YEAR, MAKE and MODEL of the \$99 car(s). Another example is a statement that you have a specific YEAR, MAKE and MODEL "starting from \$9,999". In this type of advertisement you should show how many are available at the stated price or in the alternative, list a stock number(s) for those at the advertised price.

ACTIONS FROM THE SEPTEMBER BOARD MEETING

- **Motor Vehicle Transaction Recovery Fund:** At the September Board meeting, the Transaction Recovery Fund Committee and the Board considered three new claims filed against three different dealers. They also reconsidered a payment amount from a previous award after the consumer asked for an informal conference as the consumer disagreed with the amount of money approved by the Board. After reviewing the three new cases, the Board voted to approve payment from the fund for all three claims totaling \$25,300. The dealer will have 30 more days to repay the Fund. Failure to repay the Fund will result in license revocation.

After carefully re-reviewing the case of the consumer who requested a conference, the Board determined that its original decision should stand.

- Based on a recommendation of a hearing officer, who had conducted a formal hearing, the Board assessed a \$300 civil penalty on a truck dealer who allowed unlicensed salespersons to sell trucks. It was noted that the dealer had immediately taken the steps necessary to correct the problem once he had been informed.
- Based on a recommendation of a hearing officer, who had conducted an informal conference, the Board assessed a \$200 civil penalty on a dealer who had a number of poor inspections related to keeping records and use of dealer plates. It was noted that on a suggestion by the hearing officer, the dealer contacted the local Dealer Board field representative, who worked with the dealer to get things in order.

(Continued on next column)

ACTIONS FROM THE SEPTEMBER BOARD MEETING

(Continued from previous column)

- Based on a recommendation of a hearing officer, who had conducted an informal conference, the Board assessed a \$5,000 civil penalty on a dealer who allowed unlicensed salespersons to sell vehicles. It was noted that the dealer had been in business for many years and had a history of problems including an earlier assessment of civil penalties by the Board.
- Based on a recommendation of a hearing officer, who had conducted an informal conference, the Board assessed a \$250 civil penalty on a dealer who was not maintaining his minimum, posted hours despite efforts by the Board staff to bring the dealer into compliance.
- Based on a recommendation of a hearing officer, who had conducted a formal hearing, the Board assessed a \$1,000 civil penalty on a dealer who was displaying and selling vehicles from a location other than from his licensed location.
- The Board reviewed information and hearing officer recommendations on two individuals who had been previously denied a salesperson's license for having been convicted of consumer and/or automobile sales related crimes. In both cases, the Board denied their applications.
- Advertising Violations: Board staff issued five violation letters in July and August. Also, during the months of July and August, Board staff contacted dealers, by telephone, concerning 54 first violations. The purpose of the telephone call is "educational". Common problems included: Truth in Lending/Leasing, failing to include a "Sale End Date" when advertising a "sale", advertising a "Free Item" when a purchase is necessary to receive the "free" item; failure to clearly disclose that the vehicles are "used"; disclosure not conspicuous; and failing to disclose freight/processing fee.

WELCOME NEW DEALERS!

The Motor Vehicle Dealer Board formally welcomes the following new dealers for July! 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.

JULY	
Farrish Pontiac-GMC Truck, Inc. 10925 Lee Highway Fairfax, Virginia 22030	Arlington Imports, Inc. 14950 Washington Street, #100, P.O. Box139 Haymarket, Virginia 20168
Besso's 2701 Airline Boulevard Portsmouth, Virginia 23701	Arey Auto Parts, Inc. 11496 Washington Highway Ashland, Virginia 23005
A Plus Car Rental Route 460 Business West Cedar Valley Drive Cedar Bluff, Virginia 24609	4C Credit Cars, Inc. Route 460 West Doran, Virginia 24612
Winchester Ford Mazda Subaru 1911 Valley Avenue Winchester, Virginia 22601	Rappahannock Tractor Co., Inc. 544 N. Main Street Kilmarnock, Virginia 22482
Sport Connection 3733 Williamson Road Roanoke, Virginia 24012	Best Buys Auto Sales 100 West Shirley Avenue Warrenton, Virginia 20186
Global Leasing 9426 Wards Road Rustburg, Virginia 23588	Parkers Automotive & Tire Center 232 S. Royal Avenue Front Royal, Virginia 22630
Grants Auto Sales 612 W. 4 th Street Salem, Virginia 24153	Mid Atlantic Auto Sales 6530A E. Virginia Beach Boulevard Virginia Beach, Virginia 23502
TNT Motor Sports 25000 Virgil H Goode Highway Boones Mill, Virginia 24065	Global Auto Exchange, Inc. 14950 Washington Street, #301, P.O. Box A Haymarket, Virginia 20168
Peter Farrell Supercars, Inc. 9141 Centerville Road Manassas, Virginia 20110	Universal Motors 3901 Wilson Boulevard Arlington, Virginia 22203
Auto Exchange 15034 Warwick Boulevard Newport News, Virginia 23608	Jimmies Auto World Car Sales 4153 Chimney Hill Parkway Virginia Beach, Virginia 23456
Kenny's Auto Mart 1895 Pear Street Harrisonburg, Virginia 22801	

WELCOME NEW DEALERS!

The Motor Vehicle Dealer Board formally welcomes the following new dealers for August! Should you have comments, suggestions, 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.

AUGUST	
Shelor Toyota, Inc. 2340 Roanoke Street Christiansburg, Virginia 24073	Auto King, Inc. 1007 N. King Street Hampton, Virginia 23669
Berglund Chevrolet, Buick, Jeep 2202 Williamson Road Roanoke, Virginia 24012	Autocraft Express 901 South Military Highway Virginia Beach, Virginia 23464
Berglund Chevrolet, Buick, Jeep 2126 Williamson Road Roanoke, Virginia 24012	Bob Bailey, Inc. 2936 West Main Street Salem, Virginia 24153
Oliver Auto Sales, Inc. 3608 Pruden Boulevard Suffolk, Virginia 23434	4 Wheels Auto Sales, Inc. 8901 Jefferson Davis Highway Richmond, Virginia 23233
Imported Car Specialist 1218 North Boulevard Avenue Richmond, Virginia 23220	Old Town Auto Sales 8901 Mathis Avenue Manassas, Virginia 20110
Farrell Wholesale, Inc. 2515 Grenoble Road Richmond, Virginia 23294	Colonial Motor Company 3517 Boulevard Colonial Heights, Virginia 23834
J & E Sales & Service, Inc. 4487 Lee Highway Troutville, Virginia 24175	T & T Auto Sales #2 279 US 23 South, P.O. Box 94 Duffield, Virginia 24244
A & K Auto Sales 7207 Fleming Road New Church, Virginia 23415	Great Neck Auto Sales II 184 South Rosemoor Road Virginia Beach, Virginia 23452
Virginia Automax, Inc. 9242 Sills Court Manassas, Virginia 20110	The Car Planet 1211 King Street Charlottesville, Virginia 22903
M & B Autosports, LLC 3617 Mechanicsville Pike Richmond, Virginia 23223	Beuchert Auto Body & Used Cars, Inc. 938 White Oak Road Falmouth, Virginia 22405
Roc, Inc. 948 E. Wythe Street Petersburg, Virginia 23803	Litchford Garage P.O. Box 336, Highway 460 Concord, Virginia 25538

AUGUST (continued)

Blue Ridge Motors, Inc. 2024 Jefferson Highway Fishersville, Virginia 22939	Star Cars, Inc. 10921 Courthouse Road Fredericksburg, Virginia 22404
Parkers Auto World 770 Cornell Road, P.O. Box 945 Rocky Mount, Virginia 24151	Eller's Auto Sales 1427 St. Clair Creek, P.O. Box 25 Chilhowie, Virginia 24319
Church Street Auto 926D East Church Street Martinsville, Virginia 24112	B & R Auto Sales 1800 Greenville Avenue Staunton, Virginia 24401

DOWNLOADABLE FORMS

(See Story on Page 1)

Listed below are forms that are now available to you to download and print from our Website. All you will need to download and print these forms is the free Adobe Acrobat Reader software. If you do not have this software, you can download it from our website on the Forms Homepage. To go directly to the list of available forms on the Forms Homepage, visit us on the WEB at: www.mvdb.vipnet.org/forms.htm.

Buyer's Order Checklist

Criminal History Form

DSD-10, Initial and Renewal License application

DSD-2, Dealer Bond/Surety

DSD-21, Record of Wholesale and Retail Sales

DSD-4, Application for Temporary Plates/Transport Plates

DSD-7, Qualifications/Salesperson License Application

DSD-9, Application for Dealer Plates

DSD-9A, Application for Promotional Plates

MVDB-13, Judgement Claims Request

MVDB-19, Certificate of Zoning Compliance

MVDB-22, Application for Permanent/Supplemental License

MVDB-24, Assignment of Claimant's Rights

MVDB-36, Request for DMV Forms

Salesperson Termination Notice

Answers D, B, B, B

ATTENTION ALL DEALERS:

Inside this issue, please read about the following:

- 1. DOWNLOAD YOUR DEALER FORMS**
- 2. CURBSTONING UPDATES**
- 3. BEWARE**
- 4. REMINDERS & USEFUL TIPS**
- 5. CALENDAR OF EVENTS**
- 6. SEPTEMBER ACTIONS**
- 7. WELCOME NEW DEALERS**
- 8. DOWNLOADABLE FORMS**