

## BUDGET ADJUSTMENTS

The Commonwealth's budget deficit is having an immediate impact on Board Operations and programs. The staff at the Board and the Board members has carefully evaluated programs and operations and have begun implementing cost saving measures.

We will no longer be offering a discount for dealers who renew their licenses for two years. The two-year renewal option will still be available and it still provides a more convenient option for you, however, a discount will not be included.

Soon, you will receive a postcard from us, explaining that we will be reducing the number of issues of Dealer Talk that will be printed and mailed to you. We will continue to produce six issues per year and all six issues will be posted on our WEB site. We encourage you to sign-up for an e-mail notification. If you sign-up for e-mail notification, we will send you an e-mail when new issues of Dealer Talk are posted on our WEB site. To sign-up for e-mail notification, go to our WEB site at [www.mvdb.vipnet.org](http://www.mvdb.vipnet.org) and "click" on the "Subscribe to Our E-Mail List" button. Please note that we do not share your e-mail addresses with anyone else. There is no limit as to how many individuals in your dealership can sign-up and you may sign-up from your dealership or from home.

You can read past editions of Dealer Talk by going to our WEB site and selecting "Dealer/Salesperson Info." If additional service compromises are necessary, we will inform you through future editions of Dealer Talk.

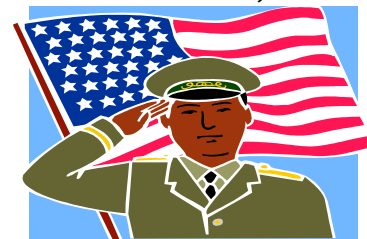
### INSIDE THIS ISSUE:

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### HOLIDAY HOURS

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

**November 11, 2002**



**November 28<sup>th</sup> & 29<sup>th</sup>, 2002**



## TASK FORCE UPDATE

At the July Board meeting, a special Task Force was created to examine some of the Board's operations, policies and laws including those tied to salesperson licensing, the Transaction Recovery Fund and some of the "internal" workings of the Board such as committee meetings and assignments and setting meeting agendas.

The first meeting of the Task Force was held on August 28, 2002. The focus of this meeting was on the "internal" workings of the Board. After some discussion, the committee developed a number of suggestions for streamlining Board meetings. The following suggestions were made and adopted by the Board at its September meeting:

Audio tapes of meetings will be retained for 30 days after the meeting summaries are approved. Further, the current archived tapes should continue to fall under the current policy – that is, as they reach the three year mark, they should be destroyed or recycled.

Other than "hearing decisions and public comment", meeting agenda items should be submitted to the committee chairs a minimum of 10 days in advance of meetings to allow staff to conduct research and prepare for the topic. If they are to be added to the agenda, the committee chair will notify the executive director.

Disband the Finance and Personnel Committees. Personnel and Finance issues would be handled by the Full Board. The financial and budget reports will be included in the notebook and reviewed at the Full Board Meeting.

The Franchise Committee will only meet if the committee or Board Chair calls a meeting at least 10 days in advance of the Board meeting or if an emergency exists. The Franchise Report currently prepared by DMV would be included in the Board meeting notebooks distributed to all Board members. No verbal presentation would be given, however, a representative from DMV would be available to answer any questions at the Full Board Meeting.

The Dealer Practices and Licensing committees should be combined and renamed the "Dealer Practices and Licensing Committee". This would require legislation as the Code mandates two separate committees. Legislation will not be introduced for the 2003 session, however it was decided that the two committees will have the same membership and will meet one after the other with no break in between.

The next meeting of the Task Force will be held directly after the November 12 Dealer Board meeting. The Dealer Board meeting is scheduled to begin at 1:00 at the DMV Headquarters building at 2300 West Broad Street in Richmond. At the November 12 meeting, the group will focus on licensing issues and the Transaction Recovery Fund.

## TASK FORCE UPDATE

*(continued)*

All meetings of the Task Force are open to the public. If you would like to receive an e-mail notification of the meetings, please go to our WEB site at [www.mvdb.vipnet.org](http://www.mvdb.vipnet.org) and "click" on the "Subscribe to our e-mail list" button. If you would like to receive notification by regular mail, just let us know by sending a note to Alice Weedon, c/o Motor Vehicle Dealer Board, 2201 West Broad Street, Suite 104, Richmond, VA 23220 or send a FAX to 804-367-1053.

### 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**

Tuesday, November 12, 2002

Time: 8:30 a.m.

Dealer Practices Committee Meeting

Tuesday, November 12, 2002

Time: Immediately following Dealer Practices

Licensing Committee Meeting

Tuesday, November 12, 2002

Time: 9:30 a.m.

Advertising Committee Meeting

Tuesday, November 12, 2002

Time: Immediately following Advertising

Transaction Recovery Fund Committee Meeting

Tuesday, November 12, 2002

Time: 1:00 p.m.

Full Board Meeting

**NOTE:** Meetings may begin later, but not earlier than scheduled. Meeting end times are approximate.

# BOARD ACTIONS

## **Selling from an Unlicensed Location.**

Acting on a number of complaints that Lawrence E. Coffey t/a Small Time Auto Sales in Lynchburg was displaying vehicles for sale at various unlicensed locations, a Board field representative conducted an investigation. Despite both verbal and written warnings, this practice continued. As a result, an informal fact-finding conference was convened. Based on the investigation and the informal fact-finding conference, the Board revoked all licenses issued to the dealer and assessed a \$2,000 civil penalty.

**Selling from an unlicensed location and misuse of dealer Tags.** Based on the initial action of a DMV special agent and a follow-up investigation by the special agent and a MVDB field representative, an informal fact-finding conference was convened for a Haymarket area dealer for numerous alleged violations related to displaying and selling a vehicle from an unlicensed location, misuse of dealer tags and being convicted of a crime related to the business of selling vehicles. The Board levied civil penalties on this dealer totaling \$2,150.

**Failing to Maintain Records.** This case against Sebghatullah Nassiri t/a Export Car Connection in Haymarket, started as the result of a random inspection of the dealership. Because of alleged violations of record keeping requirements and failing to comply with a written warning/willful failure to comply with the law, an informal fact-finding conference was convened. Based on the evidence and the hearing officer's recommendation, the dealer's license was suspended for 30 days and he was assessed a \$1,000 civil penalty.

**Compensating an Unlicensed Salesperson.** Based on evidence gathered by a Dealer Board field representative, an informal fact-finding conference was convened concerning sales made at a Southwest Virginia Dealer by an unlicensed salesperson. The unlicensed salesperson was paid commission on 30 vehicles. The Board assessed a \$3,000 civil penalty on the dealer.

# BOARD ACTIONS

*(Continued)*

## **Material Misstatement on an Application.**

On his transfer application dated July 13, 2001, Mr. Wayne E. Gormus of Richmond indicated that he had never been convicted of a felony when in fact Mr. Gormus was convicted of two felonies involving false application for title and a misdemeanor for selling a vehicle with a tampered odometer on June 29, 2001. Based on this information, and court records, an informal fact-finding conference was convened. Based on the nature of the convictions, the executive director determined that his license should be revoked.

Mr. Gormus appealed the executive director's decision and requested a formal hearing. After reviewing the case, the Board voted to revoke Mr. Gormus' license.

## **Motor Vehicle Transaction Recovery**

**Fund:** At the September Board meeting, the Transaction Recovery Fund Committee and the Board considered one new claim filed against a Virginia dealer. In this case, the purchaser was unable to obtain a title for the motor home he had purchased as the dealer failed to "pay-off" the individual who held title to the motor home. The title holder eventually regained possession of the motor home and the purchaser was left with a loan payment. The purchaser obtained a judgment in the amount of \$62,999 and the Board approved payment of \$20,000, the maximum allowed by law.

# CURBSTONING REPORT

Since we have established a full-time curbstoning enforcement position, the curbstoning report has grown to the point that it is not practical to publish the entire report in this newsletter. The following is a summary of all curbstoning related court convictions. The full report will be posted on our WEB site ([www.mvdb.vipnet.org](http://www.mvdb.vipnet.org)) and "clicking" on Special Reports.

- In Buchanan County, an individual was charged with curbstoning. Because he moved out-of-state, he was tried in his absence. The judge imposed a \$100 fine.
- In Waynesboro, an individual was charged and convicted of selling vehicles without being properly licensed and operating a vehicle without insurance, resulting in a \$2500 fine, with \$750 suspended, and one year unsupervised probation.
- In Fairfax County, a DMV Special Agent determined the same individual had four cars displayed for sale at a shopping center. The "for sale" signs listed a New York telephone number. One of the vehicles displayed a Washington, DC dealer tag, and the others displayed Virginia temporary tags. When asked for the titles to the vehicles, the individual opened a folder containing 10 titles, windshield marker, Buyer's Guides, dealer reassignment forms, and bills of sale from an independent dealer in Arlington. He initially claimed he was selling the cars for the dealership, and that any deals would have to take place there.

# CURBSTONING REPORT

*(continued)*

The dealership acknowledged selling the vehicles to the individual, but denied he was affiliated with them. The individual later stated he paid cash for the cars and maintained a storage lot for them in Annandale. The Agent confiscated all of the titles for evidence, and charged the individual with selling vehicles without being properly licensed, and ten counts of unlawful possession of a title. Since he failed to appear in court as scheduled on September 9<sup>th</sup>, the judge issued a bench warrant for his arrest. Disposition of the charges are pending.

Subsequent investigation revealed the independent dealer purchased the cars at a Washington, DC auction and sold them to the individual at the auction. The dealer used new reassignment forms to transfer title. The individual then removed the reassignment forms, so there was no record of the transactions in his name. This information has been forwarded to the MVDB for further consideration.

- After an arrest by a DMV Special Agent, an individual pled guilty to the improper display of license plates and unlawful possession of a title. The Prince William County General District Court imposed a \$50 fine on the first offense, and a \$2500 fine on the second, with \$1500 suspended on condition that the 1984 Nissan truck is forfeited to the Department of Motor Vehicles.

**NOTE:** New and Used Car dealers coming into the business are now located at our website. Please go to [www.mvdb.vipnet.org](http://www.mvdb.vipnet.org) and hit the "Special Reports" button.

## **ATTENTION ALL DEALERS:**

Inside this issue, please read about the following:

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