

BOARD ACTIONS

At the September 11, 2006 Motor Vehicle Dealer Board Meeting, the Board took the following actions:

Maintaining Posted Business Hours: Attempts were made by a MVDB field representative to inspect a Richmond area dealership on at least two occasions during the posted business only to find the dealership closed. An educational/warning letter was sent after each of these two attempted inspections. A third unsuccessful attempt to inspect this dealership resulted in the assessment of a \$250 civil penalty which was paid by the dealer. A further unsuccessful attempt to inspect the dealership resulted in the assessment of a \$500 civil penalty. The dealer appealed this assessment and the Board convened an informal fact-finding conference. Based on the information provided at the conference, the hearing officer recommended that a civil penalty of \$500 be assessed against the dealer. The Board agreed with this recommendation.

Record Keeping and Misuse of Dealer Tags: Inspections of the Haymarket area dealership in February and April of 2006 by a DMV special agent and a MVDB field representative, revealed a number of record keeping issues and other problems. As it appeared that educational efforts were not yielding positive results, an informal fact-finding conference was convened. Based on the information provided at the conference, the hearing officer recommended that a civil penalty of \$750 be assessed against the dealer. After carefully examining the evidence, the Board voted to assess a \$1,000 civil penalty and require the owner of the dealership to successfully complete the Dealer-Operator Course within six months.

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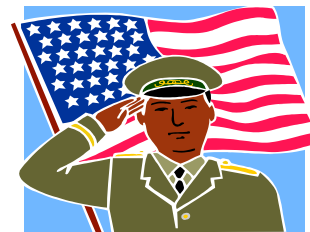
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HOLIDAY HOURS

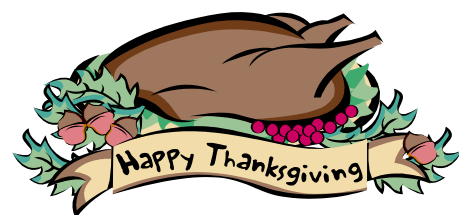
In observance of the upcoming holidays, all state agencies, including the Dealer Board, will be closed on the following dates:

November 10, 2006



VETERAN'S DAY

November 23 & 24, 2006



BOARD ACTIONS

Misuse of Dealer Tags: The Board received an anonymous tip that a central Virginia area dealer was allowing an individual to use dealer tags on a vehicle that was not in the inventory. An informal fact-finding conference was convened. Based on the information provided at the conference, the hearing officer recommended, and the Board agreed, that a civil penalty of \$250.00 be assessed against the dealer.

Record Keeping: Based on deficient inspections in 2000, 2001 and 2002, and informal fact finding conference was convened for Sebghatullah Nassiri and Export Car Connection of Haymarket. This conference resulted in a \$1,000 civil penalty and a 30 day suspension. This decision was appealed and after having a formal hearing, the Board assessed a \$1,500 civil penalty, which Mr. Nassiri paid. Another series of deficient inspections ensued and another informal fact-finding conference was convened for alleged violations of several record keeping requirements as mandated by law. Based on the information provided at the conference, the hearing officer recommended and the Board agreed, to assess a civil penalty of \$3,000 and revoke all licenses certificates issued to the dealer. Mr. Sebghatullah appealed this decision and a formal hearing was conducted and based on the information provided at the hearing, the hearing officer recommended, and the Board agreed, that a civil penalty of \$3,000.00 be assessed and that all licenses held by Mr. Nassiri and Export Car Connection be revoked.

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DEALER TALK

A Bi-monthly newsletter of The Virginia Motor Vehicle Dealer Board
Bruce Gould, Executive Director
Peggy Bailey, Office Manager
Debbie Allison, Field Representative Supervisor

Virginia Motor Vehicle Dealer Board
2201 West Broad Street
Suite 104
Richmond, Virginia 23220
Phone: (804) 367-1100
FAX: (804) 367-1053
Toll Free: (877) 270-0203 (Intra-State only)
E-mail: dboard@mvdv.virginia.gov
Website: www.mvdb.virginia.gov

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, November 13, 2006
Time: 8:30 a.m.
Dealer Practices Committee Meeting

Monday, November 13, 2006
Time: Immediately following Dealer Practices
Licensing Committee Meeting

Monday, November 13, 2006
Time: 9:30 a.m.
Advertising Committee Meeting

Monday, November 13, 2006
Time: Immediately following Advertising
Transaction Recovery Fund Committee Meeting

Monday, November 13, 2006
Time: 10:00 a.m.
Full Board Meeting

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

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Salesperson License: An audit performed by Daimler-Chrysler of Oyster Point Dodge revealed irregularities in the distribution of monies related to rebates and other incentives. It was alleged that a licensed salesperson for the dealership, Mr. Alfred S. Stevens, was falsifying documents resulting in him receiving monies from Daimler-Chrysler that he was not entitled to. An informal fact-finding conference was convened under Virginia Code Sections 46.2-1575 (4) and (6) – defrauding a buyer or any other person and deceptive acts and practices.

After hearing all of the evidence, the hearing officer recommended that Mr. Stevens' license be revoked. Under authority granted to the executive director, the executive director issued a letter of revocation. Mr. Stevens appealed the decision and a formal hearing was conducted on July 31, 2006. At this hearing additional evidence was introduced alleging that Mr. Stevens had also misappropriated funds from Hall Automotive after being terminated by Oyster Point. Based on the information provided at the formal hearing, the hearing officer recommended, and the Board agreed, that Mr. Stevens' salespersons license be revoked.

Advertising: The Advertising Committee discussed advertisements where the dealer would pay the advertising medium each time someone "clicked" the computer mouse on an advertised motor vehicle. Specifically, the discussion centered around a proposal put forth by the Fredericksburg Free Lance-Star who would publish a tabloid section showing basic information about specific cars. While the tabloid would indicate that all of the cars belonged to dealers, dealer names would not be included in the listings.

Each listing would include a URL that a consumer could type into their computer to get more details about that particular car. The dealer would not be charged anything to list a vehicle, rather, each time a potential purchaser types in the URL and "clicks" on it – the dealer would be charged a fee. After much discussion, it was the belief of the Advertising Committee that this was an acceptable model for advertising.

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

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BOARD ACTIONS

A consumer filed a claim against Price is Right Auto Sales in Falls Church, a dealership owned by Mr. Charles M. Pirrera and operated by Mr. Patrick G. Ainsworth. The dealership is no longer in business. The consumer had been awarded judgment in court for violations of the Virginia Consumer Protection Act (VCPA) and for Fraud. The Board approved payment from the Fund in the amount of \$9,768.50.

HELPFUL TIPS AND REMINDERS

- Help us help you quicker: Please include your dealer number on all correspondence you send to us.
- If you have a WEB site and/or advertise on an on-line site, please remember that all advertisements must comply with the Advertising Laws and Regulations. Requirements such as processing fee and sale end date are often overlooked by dealers using the internet to advertise their inventory.
- As of July 1, your "F & I" staff must have a salesperson's license. Anyone who meets **any** of the following criteria must have a sales license:
 - ✓ Any person who is hired as an employee by a motor vehicle dealer to sell or exchange motor vehicles and who receives or expects to receive a commission, fee, or any other consideration from the dealer.
 - ✓ Any person who supervises salespersons employed by a motor vehicle dealer, whether compensated by salary or by commission.
 - ✓ Any person, compensated by salary or commission by a motor vehicle dealer, who negotiates with or induces a customer to enter into a security agreement on behalf of a dealer.
 - ✓ Any person who is licensed as a motor vehicle dealer and who sells or exchanges motor vehicles.

"Motor vehicle salesperson" or "salesperson" means (i); (ii); (iii); or (iv). For purposes of this section, any person who is an independent contractor as defined by the United States Internal Revenue Code shall be deemed not to be a motor vehicle salesperson.