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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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CONTINUING EDUCATION REGULATIONS

The Motor Vehicle Dealer Board held a Public Hearing in Richmond on August 21 to accept comments and discuss the concept of required continuing education for dealer-operators.

Twelve individuals attended the meeting that was publicized in an earlier issue of *Dealer Talk* that was mailed to all dealers as well to all those on the MVDB "interested parties" list. In addition, notices were published in the Virginia Register of Regulations and in the Virginia Town Hall WEB site. We received two written comments and no comments were posted on the Town Hall. Below is a summary of the August 21 meeting:

At the opening of the meeting, one individual spoke against mandatory continuing education, stating that:

- Education is a good thing and dealer-operators can keep up-to-date without mandatory education as there are plenty of educational opportunities for dealers without making it mandatory.
- Mandatory education is over regulation - it is not necessary.
- The percentage of dealers that need education is small. Should only mandate education for those dealers that have problems/not following the laws and regulations.
- Mandatory education would be a waste of money.

Three individuals spoke in favor of mandatory continuing education stating that:

- Education is information.
- Laws and regulations are always changing and mandatory education is the best way to keep up.
- There is always something new to learn.
- Many other professions require continuing education. Continuing education enhances the professionalism of the industry.
- Recognize that many seek-out educational opportunities and keep up to date without mandatory education, however, most do not and will not unless it is mandatory.



Calendar of Events

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

Monday, November 10, 2008
Time: 8:30 a.m.
Dealer Practices Committee Meeting

Monday, November 10, 2008
Time: Immediately following
Dealer Practices
Licensing Committee Meeting

Monday, November 10, 2008
Time: 9:30 a.m.
Advertising Committee Meeting

Monday, November 10, 2008
Time: Immediately following
Advertising
Transaction Recovery Fund
Committee Meeting

Monday, November 10, 2008
Time: 10:00 a.m.
Full Board Meeting

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

CONTINUING EDUCATION REGULATIONS

(Continued from page 1)

By a show of hands, one individual believed that mandatory education was not necessary; one individual was undecided; two did not indicate their preference and the remainder were in favor of mandatory continuing education for independent dealer-operators.

It was the clear consensus of the group that current dealer-operators should not be exempted from mandatory educational requirements. A system would need to be developed and included in the regulations to mandate over a certain period of time that dealer-operators fulfill the continuing educational requirements.

While there was not a great deal of discussion on how often continuing education would be mandated, every three years was the consensus.

There was a lengthy discussion on the question of requiring dealer operators to pass a test to become recertified. Some believed that attending a class by itself would be enough to become recertified while others were of the opinion that passing a test must be part of the recertification process.

The primary argument against requiring a test; was that many have a fear of taking a test and a dealer should not be shut down because he was not able to pass a test. Those in favor of requiring a test noted that a test is the only way to ensure that an individual absorbed the educational materials.

After much discussion the clear consensus of the group would be to offer two options:

- To become recertified the dealer operator must attend a six-hour class. No test required if one attended the class.
- OR
- To become recertified, the dealer operator must pass a test administered at DMV Customer Service Centers. Dealer operators who choose this option could elect to take the exam without any formal preparation, or they could take an on-line course, purchase a CD or book to study.

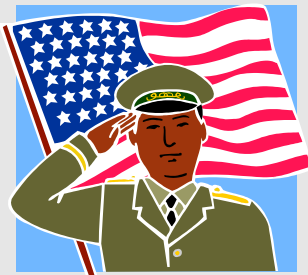
Some at the meeting believed that any qualified dealer operator that was not the designated dealer operator of a dealership should be exempt from the mandated continuing educational requirement. Only if and when one of these dealer operators stepped into the role of a designated dealer operator, would they be required to become recertified by successfully completing the continuing education requirement. Some at the meeting believed that in order to retain certification, all dealer-operators would be required to follow the recertification process.

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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:

**NOVEMBER 11, 2008
VETERANS DAY**



AND

NOVEMBER 26 (Closed at noon) and all day November 27 & 28, 2007 for

THANKSGIVING



CONTINUING EDUCATION REGULATIONS

(Continued from page 2)

Finally there was some discussion on fees and start-up and on-going costs to the MVDB. Generally, it was believed that over time, the recertification process should pay for itself. This may require that start-up costs to come out of the MVDB Special Fund, however, over time, these costs would be paid back.

A full report of the public hearing and public comments was given to the Dealer Licensing Committee Meeting at its September 8, 2008 meeting. After some discussion, the Committee decided that staff should continue with the regulatory process to establish regulations for mandatory continuing education for independent dealer-operators. Further, six hours of mandatory education would be required for all independent dealer-operators every 36 months in order to retain their certification and that a test would not be required. Lastly, the Committee was not in favor of allowing a dealer-operator to take a test at a DMV CSC in lieu of completing the educational requirements. However, the Committee was supportive of dealer-operators having options other than in a traditional classroom setting for taking the course such as on-line, etc.

Anyone wishing to submit comments and/or assist in writing the regulations should contact:

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Motor Vehicle Dealer Board
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Bruce.gould@mvdb.virginia.gov
Tel: (804) 367-1100; ext. 3002; FAX (804) 367-1053.



Virginia Department of Transportation, Secretary of Transportation, and Deputy Secretary Receive Awards

Recently, Governor Kaine announced that the American Road and Transportation Builders Association has honored the Virginia Department of Transportation (VDOT), Secretary of Transportation Pierce R. Homer, and Deputy Secretary of Transportation Barbara W. Reese for their outstanding work on Virginia's nationally recognized public-private partnerships (P3s). The three honorees were recognized at the ARTBA's 20th Annual Conference on Public-Private Ventures in Transportation.

"Virginia is recognized by Forbes.com as the best place to do business in the U.S. and as the best managed state in the U.S. by Governing Magazine," said Governor Kaine. "I think we can now safely add that Virginia has the best P3 program in the U.S., thanks to leaders like Secretary Homer and Deputy Secretary Reese, and the hard working men and women of VDOT."

According to the ARTBA, these three were honored "for their outstanding advocacy and leadership in promoting the 'practice, use and adoption' of public-private partnerships on transportation improvement projects." Since 1995, the Commonwealth's Public-Private Transportation Act has delivered approximately \$9 billion in transportation projects.

Secretary Homer was the 2008 recipient of the ARTBA Public Sector Entrepreneur of the Year award. During his service as Secretary and Deputy Secretary of Transportation, he has been instrumental in the development of Virginia's P3 program, working to ensure competition and accountability.

Deputy Secretary Reese was honored as a "Champion" for her "exemplary work in advancing the practice, use and adoption of P3s in transportation in the United States." The ARTBA says that Reese has "set the standard" for the implementation of P3s, citing projects such as Dulles Rail, the Capital Beltway HOT Lanes, and the Pocahontas Parkway. Reese's expertise is a valuable asset to senior-level federal officials, and local and state officials seeking to implement their own P3s.

VDOT was also honored as a "Champion" for its 13 years of commitment to P3s, demonstrated by the dedication of resources to major P3 projects including the Capital Beltway and I-95 HOT Lanes, Pocahontas Parkway in Richmond, Route 28 in Northern Virginia, the Coalfields Expressway in Southwest Virginia, and Route 460 and Midtown Tunnel projects in Hampton Roads. Thomas W. Pelnik III, VDOT director of innovative project delivery, and Deborah Brown, VDOT director of innovative finance were specifically recognized for their work.

Board Actions

Haymarket Area Dealer. Between August of 2000 and January of 2008, an MVDB field representative attempted to visit this dealership at least 12 times. On at least nine of these visits, the dealership was not opened during its posted business hours. The dealer paid two civil penalties of \$250 each and one \$500 civil penalty. The last unsuccessful attempt to inspect this dealership resulted in a \$1,000 civil penalty being assessed by the executive director. The dealer requested that an informal fact-finding conference be convened rather than paying the civil penalty. This conference was convened on July 8, 2008 to address the alleged violation(s) of VA Code Section 46.2-1533 (failing to maintain posted business hours) and 46.2-1575(2) (failing to comply with the law after receiving a written warning). Based on the information provided at the conference, and the hearing officer's report and recommendation, the Board assessed a civil penalty of \$750 on the dealer and voted to mandate that the owner of the dealership attend the Dealer-Operator Course.

Charles J. Manning and M&M Motors, Bassett, Virginia. On September 19, 2006, the executive director assessed a \$250 civil penalty on this dealer as there were several failed attempts to conduct an inspection during his posted business hours and the dealer was not opened. The dealer paid this civil penalty. Another failed attempt resulted in the assessment of a \$500 civil penalty. The dealer appealed this decision and on July 7, 2008 an informal fact-finding conference was conducted to address the alleged violation(s) of VA Code Sections 46.2-1533 (failing to maintain posted business hours) and 46.2-1575(2) (failing to comply with the law after receiving a written warning). Four additional attempts after the assessment of the \$500 civil penalty to inspect this dealer were unsuccessful as he was not opened. Based on the information provided at the conference, and the hearing officer's recommended the Board voted to assess a \$500 civil penalty and revoke all licenses issued by the Board to Mr. Manning.

Front Royal Area Dealer. A series of failed inspections centered on inadequate record keeping and consumer complaints lead to an investigation of this dealer. It appeared that the owner and a salesperson together and separately were responsible for the problems at this dealership. On June 3, 2008, an informal fact-finding conference was convened to cover alleged violations by the owner and the salesperson. It was alleged that the owner was in violation of VA Code Sections 46.2-1529 (related to record keeping), 46.2-1539 (inspections of vehicles required, in specific, safety inspection requirements), 46.2-629 (odometer reading to be reported on certificate of title, application, or power of attorney), 46.2-722 (altered or forged license plates or decals. In this case, 30 day tags) and 46.2-1575 (2) (failure to comply with the law after receiving a written warning.) Based on the information provided at the conference and the hearing officer's report, the Board assessed a civil penalty of \$1,000 on the owner and voted to mandate that the owner of the dealership attend the Dealer-Operator Course. In addition, the Board voted to assess a \$500 civil penalty and revoke the salesperson's license of **Mr. Benjamin C. Waters.**

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Reassignment on an MCO/MSO

DMV has learned that motor vehicle dealers are experiencing problems with transferring new motor vehicles when the reassignments on the MCO/MSO are full. In the past, DMV customer Service Centers (CSCs) were required to title a new motor vehicle in the dealership's name if the reassignments on the MCO/MSO were full even though the vehicle was still new. This has caused problems for franchise motor vehicle dealers as customers who purchase a new vehicle my belief that the vehicle was previously sold at retail as it has been previously titled.

DMV has established a new policy to allow the use of the VAD-20, Dealer Reassignment Form, with either a MCO or MSO. A new VAD form is being designed, but until then dealers can use the VAD-20 as a reassignment when running out of space on MCO/MSO itself.

If a motor vehicle dealer sells a new motor vehicle to another dealer or customer and the reassignments on the MCO/MSO are full, the dealer can use the current VAD-20, Dealer Reassignment Form, to transfer ownership of the vehicle.

A new VAD form is being designed for this situation. Until then dealers can use the VAD-20 for dealer reassignments when running out of space on MCO/MSO itself.

Remember to



on November 2, 2008

IMPORTANT NOTICE: TO ALL PROSPECTIVE DEALERS

The dealer-operator of any new independent motor vehicle dealership is required to successfully complete a course of study before they will be allowed to take the independent dealer-operator qualification test at any DMV Customer Service Center. "Grandfathered" dealer-operators, title clerks and salespersons are encouraged to take the course as well.

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

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Board Actions

(Continued from page 4)

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

Rocky Robinson and Southern Toy Store of Woodbridge. On April 24, 2008, the Prince William County General District court awarded a consumer a Judgment against Rocky Robinson and Southern Toy Store of Woodbridge in the amount of \$1,812. This is the amount that the consumer had paid to the dealer, plus court costs, for tax and registration fees. The dealer did not submit the tax and fees to DMV. Based on the recommendation from Dealer Board staff and the hearing officer, the Board approved payment to the consumer from the Fund in the amount of \$1,812.



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

October 21 & 22 - Piedmont Community College, Charlottesville

Contact: Maggie Myers; 434-961-5354; www.pvcc.edu

November 5 & 6 - Danville Community College, Danville

Contact: Melissa Cross; 434-797-6437; www.dcc.vccs.edu/workforce

November 18 & 19 - Community College Workforce Alliance at J. Sargeant Reynolds -

Community College, North Run Campus, Henrico, County Contact: Sandy Jones; 804-523-2292

www.ccwa.vccs.edu

December 2 & 3 - Lord Fairfax Community College, Fauquier Campus, Warrenton

Contact: Registration; 540-351-1524; www.lfccworkforce.com

December 16& 17 - Paul D. Camp Community College, Franklin

Contact: Renee Brown; 757-569-6050; www.pc.vccs.edu/workforce

2009

January 6 & 7 - Germanna Community College, Fredericksburg

Contact: Susan Brown; 540-891-3012; 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

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

Contact: Registration; 540-453-2215; www.brcc.edu

March 3 & 4 - Virginia Western Community College, Roanoke

Contact: Anne Koon; 540-767-6131; www.virginiawestern.edu

March 17 & 18 - Piedmont Community College, Charlottesville

Contact: Maggie Myers; 434-961-5495 or mmmyers@pvcc.edu; www.pvcc.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 registration be submitted by check or credit card, payable to the college, and submitted with the.