



DEALER TALK

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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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DEALER MANUAL

The DMV Dealer Manual has been completely re-written and it is now available on-line. (A hard copy can be purchased for \$10 from DMV Dealer Services.)

This link will take you directly to the Manual: [Dealer Manual](#) (The DMV WEB site address is <http://www.dmv.virginia.gov/webdoc/commercial/dealer/index.asp> and click on " Dealer Manual".)

A link has also been added to the Motor Vehicle Dealer Board's WEB site (www.mvdb.virginia.gov) in the "What's Hot" area. Future updates/revisions will be announced on the "Dealer Correspondence" area of DMV's WEB site, under Dealer Services, and on the main page under " Important Notices". Also, those that subscribe to the MVDB email list will be notified by email of any updates.

Dealers and others may choose to print the manual, download to their PC or access it via our WEB site or DMV's WEB site.

The Manual is in PDF format and is therefore searchable. For example, if one was looking for information on insurance requirements, just type "insurance" in the "find" area at the top of the page. The system will find and highlight the word "insurance" throughout the entire Manual and by clicking on the "find next" arrow you can find each reference to "insurance".

Re-writing this Manual was a huge undertaking. The Virginia Department of Motor Vehicles (DMV) with assistance from the Motor Vehicle Dealer Board (MVDB), the Virginia Independent Dealers Association (VIADA) and the Virginia Dealers Association (VADA) did a great job. DMV deserves a big "thank you" for getting this done.



Calendar of Events

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

Monday, November 9, 2009
Time: 8:30 a.m.
Dealer Practices Committee Meeting

Monday, November 9, 2009
Time: Immediately following
Dealer Practices
Licensing Committee Meeting

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

Monday, November 9, 2009
Time: Immediately following
Advertising
Transaction Recovery Fund
Committee Meeting

Monday, November 9, 2009
Time: 10:00 a.m.
Full Board Meeting

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

BOARD ACTIONS

Edward D. Stephens, Jr. and E Z Ride Auto Sales, Inc.

Following the Board's established process, this dealer was sent an educational/warning letter by certified mail for not maintaining his business hours. A second attempt to inspect this dealer nine months later was also unsuccessful as the dealership was not opened. As a result, a \$250 civil penalty was assessed. The dealer appealed this penalty and on July 2, 2009, an informal fact-finding conference was conducted to address the alleged violation(s) of VA Code Sections 46.2-1533 (failure to maintain posted business hours) and (46.2-1575(2) (failure to comply subsequent to receipt of a written warning/willful failure to comply). Based on the recommendation of the hearing officer, the Board determined that Mr. Stephens must successfully complete the Dealer-Operator Course by October 14, 2009. If Mr. Stephens does not successfully complete the course within that time frame, his license will be suspended.

Karen D. Munns and Valley View Motors. Field Representative Jackson attempted to inspect this dealership on two different dates. The dealership was closed and appeared to be out of business. An educational/warning letter was sent to the dealer. At a later date, Ms Munns notified the Board that she had moved her dealership. Jackson attempted to inspect the dealership only to find it closed. Another educational/warning letter was sent to Ms Munns who subsequently contacted Jackson and told him that she had been in a car accident on the date he attempted to conduct his inspection.

Jackson attempted to inspect this dealership on multiple times in March and April 2009 only to find it closed. This last series of failed attempts resulted in the assessment of a \$250 civil penalty. The dealer appealed this penalty and on July 30, 2009, an informal fact-finding conference was conducted to address the alleged violation(s) of VA Code Sections 46.2-1533 (failure to maintain posted business hours) and 46.2-1575(2) (failure to comply subsequent to receipt of a written warning/willful failure to comply). Based on the recommendation of the hearing officer, the Board determined that Ms. Munns must successfully complete the Dealer-Operator Course by November 14, 2009. If Ms. Munns does not successfully complete the course within that time frame, her license will be suspended.

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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 dates:

NOVEMBER 11, 2009
VETERANS DAY



AND

NOVEMBER 25 (Closed at noon) and all day November 26 & 27, 2009 for

THANKSGIVING



BOARD ACTIONS

(Continued from page 2)

Beryl Saddler and Quick Cash Auto Sales. From June of 2008 through July 2009, this dealer was the subject of four unsatisfactory inspections including not being open and deficient record keeping. The dealer received at least two educational/warning letters. The fourth failed inspection resulted in the Board convening an informal fact-finding conference on August 13, 2009. The conference addressed the alleged violation(s) of VA Code Sections 46.2-1518 (failure to display list of salespersons employed), 46.2-1529 (failure to maintain all dealer records), 46.2-1532 (failure to maintain odometer disclosure statements), 46.2-1539 (failure to have vehicles inspected prior to retail sale) and 46.2-1559 (failure to keep a written record of temporary license plates and have them available for inspection). The Board voted to assess a \$1,000 civil penalty and require Ms. Saddler to successfully complete the Dealer-Operator class by March 14, 2010.

Qasim Abbasi and Luxury Auto Sales. This dealer was running advertisements in the *Auto Trader* where the disclaimer stated that the advertised price did not include a \$3,000 cash down payment or equivalent trade. Staff called the dealer and informed the general manager that such advertising appeared to be deceptive; in violation of the prohibition of "bait advertising"; and that the disclaimer contradicted the actual advertised price. About three months later, another educational call was made to the dealership in reference to advertisements in the *Auto Trader* with a disclaimer that the advertised price did not include a \$1,895 "pre-delivery fee. This was in addition to a \$595 processing fee. Board staff informed the dealer that the law did not allow for a "pre-delivery fee" and that the pre-delivery fee disclaimer could be in violation of the same three laws/regulations as explained in the earlier educational call.

The dealer continued to advertise with the pre-delivery fee and as a result, a \$5,000 civil penalty was assessed. The dealer appealed the assessment and on June 2, 2009, an informal fact-finding conference was conducted to address the alleged violation(s) of VA Code Sections 46.2-1581(8) (which states in part ". . . the advertised price or credit terms shall include all charges which the buyer must pay to the seller", 46.2-1581(12) ("Bait" advertising, in which an advertiser may have no intention to sell at the price or terms advertised) and 46.2-1575(2)(failure to comply subsequent to receipt of a written warning/willful failure to comply). The Board voted to assess a \$5,000 civil penalty and require that Mr. Abbasi successfully complete the Dealer-Operator Course by November 14, 2009.

IS IT ON DISPLAY OR A SHOW?

It has been common practice for motor vehicle dealers to show motor vehicles in malls and airports. These types of static displays have been interpreted as a “show”. The Motor Vehicle Dealer Board has not required an off-site (temporary supplemental) license as long as no sales activity was taking place away from the licensed location.

In addition, some commercial establishments such as Costco and Sam’s Club have relationships with dealers whereby the dealers offer special pricing for members of these stores. Often times a vehicle will be on display at the entrance of the commercial establishment as an advertisement for the buying service. The only price posted on the vehicle would be the Monroney Sticker and no sales would be taking place at the store.

Criteria for Display/Shows

The following criteria are used to differentiate between an Advertising Display/Show and display for sale requiring a supplemental off-site sales license. Situations meeting the listed criteria are deemed to be an Advertising Display/Show and would not require a supplemental license. Displays not meeting the criteria would require a supplemental license.

- Vehicle should not be readily visible from a public roadway.

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DMV ACTIONS

The MVDB does not have “police powers” and therefore can not make arrests in matters that carry a criminal sanction. Over the years, MVDB and DMV have worked very closely to investigate situations that may include alleged criminal activity.

The DMV LAW ENFORCEMENT SERVICES (LES) unit plays a significant role in enforcing criminal laws related to the sale of motor vehicles as well as titling and registration of motor vehicles.

Occasionally, Dealer Talk will include a summary of some of the investigations conducted by DMV Law Enforcement Services. Many of these investigations were conducted in partnership with Dealer Board staff.

Richmond . . . Jody Crown of *Carnet* in Richmond reported that Chris Williams and Bruce Hendrix were buying used vehicles wholesale from local franchise dealers in Henrico and Hanover Counties. When purchasing the wholesale vehicles, Williams and Hendrix represented themselves as employees of CARNET. Neither Williams or Hendrix are employed by CARNET. There were approximately 20+ purchases made by Williams and Hendrix. Warrants have been obtained and served. Charges are pending in Henrico and Hanover General District Courts.

Winchester . . . Based on information received from the Dealer Board, DMV Agents visited a dealer in Winchester and found a non-licensed salesperson on the premises. The non-licensed salesperson admitted to selling nine (9) motor vehicles since he was hired in July 2009.

The unlicensed salesperson had in his possession a dealer tag he used to allow prospective buyers to test drive the vehicles. The unlicensed salesperson admitted he had been issuing 30-day temporary tags to customers who had made vehicle purchases.

The dealer-operator was not on the premises and was contacted by telephone. The dealer tag in possession of the unlicensed salesperson and 30-day temporary tags in his possession were seized and are being held as evidence, pending court adjudication.

Winchester . . . Ed Spence of South Loudon Auto Sales notified the Dealer Board about an individual selling vehicles in the Winchester area without a dealer’s license.

On July 9, 2009, a DMV agent met with the individual and found him in violation of selling vehicles without a dealer’s license. The agent reviewed the curbstoning and dealer licensing laws with the individual and advised him that further violations could result in criminal charges.

Strasburg . . . DMV agents charged Gary Holsinger with violations of 46.2-1508 (Curbstoning). The Shenandoah County Commonwealth’s Attorney entered into a plea agreement with Holsinger. Holsinger agreed to “Be of good behavior for a period of one-year and not violate any laws and pay all court costs.” If he complies, the court will have the charges quashed.

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IS IT DISPLAY OR A SHOW?

(Continued from page 4)

- Advertising on the vehicle may only include the Monroney Sticker for a new motor vehicle and a Monroney like sticker (No larger than 8.5 inches by 11 inches.) and the buyers guide for used vehicles; the dealership or auto buying program name, address, and telephone number.
- The price of the vehicle should not be displayed anywhere on the vehicle other than on the Monroney Sticker for new motor vehicles or the Monroney like sticker as described above for used motor vehicles.
- With the exception of the Monroney Sticker for new motor vehicles or the Monroney like sticker as described above for used motor vehicles or the dealership or auto buying program name, address, and telephone number, no advertising should be displayed or written on the vehicle.

DMV ACTIONS

(Continued from page 4)

Lynchburg . . . Ms Peggy Dixon stated in a letter that she purchased a 2001 Nissan Maxima from *Lynchburg Imports* and it was not inspected prior to her purchase.

A DMV agent reviewed *Lynchburg Imports'* records and discovered that the vehicle was sold three times to retail customers (reposed twice) and was inspected only once.

The DMV agent served two warrants on Wilson charging him with two counts of violating Virginia Code 46.2-1539. Wilson was released on a summons and was later convicted for violating Virginia code 46.2-1539 (Fail to inspect a vehicle prior to retail sale). Wilson was fined and placed on 12 months unsupervised probation.

Wytheville . . . The Gate City DMV reported to a DMV agent that Mr. Everett Garland had titled a great number of vehicles. The agent found that he sold 18 vehicles from April 2008 to October 2008. The DMV agent obtained three warrants, "Acting as a Dealer without a License". The Judge in Scott County General District Court Found that Garland was guilty and assessed a \$125.00 fine and \$65.00 in court costs.

Wytheville . . . DMV received information that Dereck Cordle was selling vehicles in Scott County. DMV records indicate he sold seven vehicles in 2008. A DMV agent made contact with Cordle advising him to obtain a dealer license. Cordle agreed that he would not sell any more vehicles until he obtained a dealer license. A summons was issued for acting as a dealer without a license. On September 1, 2009 in Scott County General District Court, the Judge dismissed the charge.

Roanoke . . . In early June 2009, a DMV agent received an anonymous complaint alleging that Mr. David Allen was engaging in business as a motor vehicle dealer and was also passing along titles that he had never secured in his own name.

The assigned DMV agent reviewed the information and confiscated several open titles from Allen's residence. The DMV agent contacted Allen, who advised that he was currently working out of state. Allen further advised that he was giving his wife permission to sign his name to the titles and transfer the titles into his name.

The assigned DMV agent met with Mrs. Allen at the Roanoke CSC and she titled five vehicles into her husband's name. Case closed - SUT and fees collected; subject counseled and warned.

**Department Of Motor Vehicles (DMV)
Customer Service Centers Hours**

Open To The Public	Open To The Public	Open To The Public
<p align="center">Mon-Fri 9:00 – 5:00 Sat 8:00 – 12:00 (Except where otherwise noted.)</p>	<p align="center">Mon-Fri 8:00 – 5:00 Sat 8:00 – 12:00 (Except where otherwise noted.)</p>	<p align="center">Mon-Fri 10:00 – 6:30 Sat 10:00 – 6:30</p>
<p>Bristol District Abington Bristol Clintwood - * <i>Closed Saturdays</i> Galax Gate City - * <i>Closed Saturdays</i> Jonesville - * <i>Closed Saturdays</i> Lebanon - * <i>Closed Saturdays</i> Marion - * <i>Closed Saturdays</i> Norton Pulaski Tazewell Vansant - * <i>Closed Saturdays</i> Wytheville</p>	<p>Roanoke District Lynchburg Roanoke</p> <hr/> <p>Staunton District Charlottesville Harrisonburg Winchester</p> <hr/> <p>Fairfax North District Arlington Fairfax Westfields Leesburg Sterling Tysons Corner</p>	<p>Fairfax North District Fair Oaks Mall</p> <hr/> <p>Fairfax South District Springfield Mall</p>
<p>Roanoke District Altavista - * <i>Closed Saturdays</i> Bedford Christiansburg Covington - * <i>Closed Saturdays</i> Danville Martinsville Rocky Mount South Boston</p>	<p>Fairfax South District Alexandria Franconia Fredericksburg Manassas Stafford Woodbridge</p>	<p align="center">Open to Pentagon employees Mon – Fri 8:00 – 4:00</p> <p>Fairfax South District Pentagon (Pentagon Employees Only)</p>
<p>Staunton District Culpeper Front Royal Lexington - * <i>Closed Saturdays</i> Staunton - * <i>Closed Saturdays</i> Warrenton Waynesboro - * <i>Closed Saturdays</i> Woodstock - * <i>Closed Saturdays</i></p>	<p>Richmond District Chester Chesterfield East Henrico Hopewell North Henrico Petersburg Richmond West Henrico</p>	
<p>Richmond District Emporia - * <i>Closed Saturdays</i> Farmville Kilmarnock - * <i>Closed Saturdays</i> South Hill - * <i>Closed Saturdays</i> Tappahannock</p>	<p>Portsmouth District Chesapeake Hampton Newport News Norfolk Military Circle Onancock - * <i>Closed Saturdays</i> Portsmouth VA Beach Buckner VA Beach Hilltop</p>	
<p>Portsmouth District Courtland – * <i>Closed Saturdays</i> Gloucester Norfolk Widgeon Road Smithfield - * <i>Closed Saturdays</i> Suffolk Williamsburg</p>		

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>.

2009

October 20 & 21 - New River Community College, Dublin

Contact: Patricia Ryan and Kathy Ridpath at 540-674-3633; <http://www2.nr.edu/admissions/>

November 10 & 11 - Tidewater Community College, Norfolk

Contact: Registration; 757-822-1234; www.tcc.edu/wd

November 17 & 18 - Piedmont Community College, Charlottesville

Contact: Maggie Myers; 434-961-5495 or mmmyers@pvcc.edu; www.pvcc.edu

December 8 & 9 - Lord Fairfax Community College, Middletown

Contact: Registration; 540-868-7021; www.lfccworkforce.com

2010

January 5 & 6 - Germanna Community College, Fredericksburg

Contact: Susan Brown; 540-891-3012; www.gcc.vccs.edu/workforce

January 19 & 20 - New River Community College, Dublin

Contact: Kathy Ridpath at 540-674-3633; www.nr.edu/workforce/

February 9 & 10 - Northern Virginia Community College, Reston

Contact: Claire Wynn; 703-450-2551; www.nvcc.edu/loudoun/continuing

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. **NOTE:** Beginning January 1, 2010 the cost will be \$325 if you register at least two weeks prior to the date of the course and \$375 if you register within two weeks of the first day of the course.*