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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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INDEPENDENT DEALER-OPERATOR RECERTIFICATION

As of October 15, 2011, over 1,060 independent dealer-operators have recertified their independent dealer-operator qualification for 3 years, or until 2014! Year to date, of all independent dealer-operators required to recertify, our rate of recertification is around 94%!

In our ongoing efforts to increase awareness of the new independent dealer-operator recertification requirement, we continue to add new communication tools. On our WEB site (www.mvdv.virginia.gov), we have posted an alphabetic list of all individuals that must recertify before March 2012. To see the list, click on this link: [Dealer Name and Recertification Deadline Date](#). In addition to website postings, and mailing recertification notices to the home address of independent dealer-operators on a monthly basis, we continue to offer additional cost effective reminders. Our two authorized recertification vendors have been contacting dealers directly on our behalf, as well as offering additional classroom recertification dates.

Online recertification is by far the most convenient and “user friendly” way an independent dealer-operator can fulfill their recertification requirement. The MVDB has successfully recertified close to 750 independent dealer-operators online. As a kind reminder, **ONLY** the assigned independent dealer-operator is required to recertify, and only after **MVDB validation**, will the independent dealer-operator be recertified. The take away here is to make sure the independent dealer-operator of record is the student taking the online course, and that all the registration data entered is legally correct & accurate.

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Calendar of Events

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

Monday, November 14, 2011

Time: 9:00 a.m.

**Dealer Practices Committee
Meeting**

Monday, November 14, 2011

Time: Immediately following Dealer
Practices

Licensing Committee Meeting

Monday, November 14, 2011

Time: Immediately following
Licensing

Advertising Committee Meeting

Monday, November 14, 2011

Time: Immediately following
Advertising

**Transaction Recovery Fund
Committee Meeting**

Monday, November 14, 2011

Time: 10:00 a.m.

Full Board Meeting

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

HUDGINS APPOINTED TO THE BOARD

In the last issue of *Dealer Talk* there was a list of newly appointed Board members. The list noted there was still one open franchise dealer spot on the Board. Shortly after the last issue of *Dealer Talk* was published, Governor McDonnell appointed William “Art” Hudgins, owner of Holiday Chevrolet Cadillac, to the Board. Below is a list of all the Board members.

- **Andy Alvarez**, Director of the Division of Consumer Protection, VA Dept. of Agriculture/Consumer Services
- **Larry “Ted” Bailey**, Owner of Airline Auto Sales/U-Save Auto Rental
- **Roy E. Boswell**, Owner of Boswell Automotive
- **Rick Holcomb**, Commissioner of the Department of Motor Vehicles
- **Lynn Hooper**, President of Hooper’s Quality Cars, Ltd.
- **William “Art” Hudgins**, Owner of Holiday Chevrolet Cadillac
- **Brian P. Hutchens, Sr.**, Owner and President of Hutchens Chevrolet
- **Ronald F. Kody**, Owner and President of Richmond Ford LLC
- **Wanda Lewark**, President of Auto Buying Service, Inc.
- **Charles T. Lindsay, III**, President of Lindsay Cadillac Company
- **Matthew McQueen**, Vice-President of the Government & Industry Relations at Northrop Grumman
- **Thomas Moorehead**, President of Sterling BMW
- **George R. Pelton**, CEO and Owner of First Team Auto Group
- **Kevin Reilly**, President of Alexandria Hyundai
- **Joe C. Tate**, General Manager of Peaks Motors, Inc.
- **Jimmy Whitten**, President of Whitten Brothers, Inc.
- **Rodney G. Williams**, Owner and President of Williams Auto Mart, Inc.
- **Sally Woodson**, President of Rick Woodson Honda
- **Tommy Woodson**, President of Woodson Auto Sales

WATCH US ON THE WEB!

The next Motor Vehicle Dealer Board meeting, which is scheduled for November 14 at 9:00 am, will broadcast live on the WEB once again. A hot link will be posted on the MVDB Home Page (www.mvdb.virginia.gov) for a quick and easy connection to the broadcast. Mark your calendars now!

HOLIDAYS HOURS

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

NOVEMBER 11, 2011
for
VETERANS DAY



AND

NOVEMBER 24 & 25, 2011
for
THANKSGIVING



OUT-OF-STATE WHOLESALERS

The last issue of *Dealer Talk* (August) included an article about purchasing vehicles from out-of-state dealers. The article caused some confusion based on the way it was worded. Here is a clarification:

Dealers from other states may only sell motor vehicles in Virginia if they have a “foreign dealer” license. A foreign dealer license allows out-of-state dealers to sell motor vehicles at wholesale auctions only. Out-of-state dealers cannot lawfully visit your dealership in an attempt to sell a motor vehicle to you. If you are purchasing motor vehicles from out-of-state dealers and those dealers are physically located in Virginia at the time they are arranging to sell the vehicle to you, you are a party to a criminal act.

It is lawful to visit the out-of state dealer at their location and complete the sale at their location or purchase a vehicle over the internet from an out-of-state dealer.

SUPPLEMENTAL SALES APPLICATION

We have revised the MVDB-22 ([PDF](#)) | ([Word](#)) (*Motor Vehicle Dealer Application for a Permanent/Supplemental [Odd - Site Sales] License*). The revised form has been posted to our WEB site.

On the backside (page 2) of the form we have added a checkbox to the two areas that the applicant signs. The Code of Virginia states that in order for a dealer to conduct a temporary off site sale - they must be in compliance with local ordinances and requirements. The revised form now includes a check box to both remind the dealer of this requirement and for the applicant to attest that the location is in fact in compliance with all local ordinances and regulations.

The applicant is not required to submit any additional information or documents - they just need to check the box. Please recycle any supplies of the old forms you may have and next time you apply for a Supplemental License, use the revised form (Revision date of “10/11”).

BOARD ACTIONS

Nolen Used Cars and Layton M. Nolen. Several inspections of this dealership revealed record keeping deficiencies and failure to maintain business hours, in August of 2007. The board staff assessed a \$250 civil penalty on this dealer. Mr. Nolen appealed and an informal fact finding conference was convened. At its January 2008 meeting, the Board determined that Mr. Nolen should complete the dealer-operator two-day course, which he did in August of 2008. Follow-up inspections in April, July and December of 2009 as well as May 2011, all showed the lack of record keeping has continued, to include lack of inventory records, titles and transport tags. As a result, an informal fact-finding conference was convened. Based on the information provided at the conference and the hearing officer's report, the Board voted to assess a \$1,000 civil penalty and suspend all licenses issued to Mr. Nolen until such time that he has had a satisfactory inspection. Mr. Nolen has the right to appeal this decision and request a formal hearing.

Whatever Automotive & Sales, Inc. and Paul Robinson. A January 2011 inspection of this dealership revealed that the dealer was issued six dealer tags and had liability insurance to cover only one tag. The dealer was given the option to pay a \$500 civil penalty or participate in an informal fact finding conference. As the dealer did not pay the penalty, staff determined that a conference should be convened. In addition to the allegations of failing to maintain insurance, the hearing officer was also presented with evidence concerning record keeping and making a material misstatement on an application. Based on the information provided at the conference and the hearing officer's report, the Board voted to assess a \$1,250 civil penalty. Mr. Robinson has the right to appeal this decision to circuit court. This dealer has since gone out of business.

Cosmo's Autos and Jennifer Lynn Cook. Inspections conducted in February of 2009 and December 2010 resulted in educational/warning letters being sent to this dealer concerning record keeping and use of temporary tags. A third deficient inspection conducted in February of 2011 noted record keeping and titling problems. This third unsatisfactory inspection caused the MVDB staff to convene an informal fact-finding conference. Based on the information provided at the conference and the hearing officer's report, the Board assessed a \$1,000 civil penalty and determined that the penalty would be reduced if Ms Stevenson, Manager of the dealership, completed the dealer operator course. Ms. Cook has the right to appeal this decision to circuit court.

Lee's Auto and John J. Lee. In November of 2005, the Board assessed a \$5,500 civil penalty on this dealer for on-going record keeping problems to include accounting for temporary tags. The dealer paid the civil penalty. Inspections conducted in 2008, 2010 and 2011 revealed continued record keeping problems including accounting for temporary tags; also noted were questionable safety inspections and at the last inspection, the field representative observed that two dealer plates attached to vehicles had "year stickers" that were issued to passenger vehicles. Board staff convened an informal fact finding conference based on a number of allegations including failure to maintain records; improper use of or permitting the improper use dealer's license plates; material misstatements, and failure to comply subsequent to receipt of a written warning. Based on the information provided at the conference and the hearing officer's report, the Board voted to assess an \$8,000 civil penalty; suspended for 90 days all licenses and certificates issued by the Board to Mr. Lee; and the suspension will be lifted only upon Mr. Lee having a satisfactory inspection and successfully completing the dealer-operator course. Mr. Lee has the right to appeal this decision and request a formal hearing.

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BOARD ACTIONS

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Auto Gallery and Mohammad R. Eskandari and Ryan Eskandari. It had been alleged that this dealership had overcharged customers more than \$45,000 for taxes and fees. Further investigations revealed a number of other problems including failing to conduct safety inspections; improper use of dealer license plates; record keeping; material misstatements; failure to comply subsequent to receipt of a written warning; defrauding retail buyers; and having been convicted of any criminal act involving the business of selling vehicles. (Mohammad). Based on the information provided at the conference and the hearing officer's report, the Board voted to assess a \$50,700 civil penalty against Auto Gallery and revoke all licenses and certificates issued by the Board to both Mohammad R. Eskandari and Ryan Eskandari. Both Mohammad R. Eskandari and Ryan Eskandari have the right to appeal this decision and request a formal hearing.

Pruitt Automotive Wholesale, LLC and Paul W. Pruitt. In June and August of 2010, MVDB field representative Mack-Nelson attempted to conduct a random inspection of this dealership. As the dealership was closed on both attempts, an educational/warning letter was sent to Mr. Pruitt. A third attempt to inspect this dealership on November 22 showed that the dealership was once again closed. As a result, a \$250 civil penalty was levied. Mr. Pruitt paid this penalty. On May 10, another attempt was made to inspect this dealership only to find it closed. A \$500 civil penalty was assessed and Mr. Pruitt appealed this penalty and requested an informal fact-finding conference. Based on the information provided at the conference and the hearing officer's report, the Board voted to assess a \$500 civil penalty and suspended all licenses and certificates issued to Mr. Pruitt for fifteen days. Mr. Pruitt has the right to appeal this decision and request a formal hearing.

Cars Unlimited and Scotty M. Laughlin. Working with the Virginia State Police, an investigation revealed that this dealer purchased eight inspection stickers from an inspection station and affixed them to motor vehicles in his inventory. In the course of the investigation, the field representative noted several other alleged violations including misuse of dealer tags and sales by an unlicensed salesperson. On July 28, 2011, an informal fact-finding conference was convened. Based on the information provided at the conference and the hearing officer's report, the Board assessed a \$2,000 civil penalty and suspended for two years; Mr. Laughlin's salesperson license; salesperson certificate of qualification, and dealer-operator certificate of qualification. (The Virginia State Police suspended the inspection license of inspector who sold the safety inspection stickers to Mr. Laughlin for two years.) Mr. Laughlin has the right to appeal this decision and request a formal hearing.

INDEPENDENT DEALER-OPERATOR RECERTIFICATION

(Continued from page 1)

To meet demand, our recertification partners have increased the number of classes for those who prefer taking a class rather than completing the recertification on-line or by taking a test at any DMV. For more information on both classroom and on-line recertification contact the providers:

Virginia Independent Automobile Dealers Association (VIADA)

1-800-394-1960

www.viada.org

Compass Systems

1-800-296-5585

www.eProLearn.com

If you have any questions, comments or suggestions about the recertification program, please contact Ann Majors at ann.majors@mvdb.virginia.gov or by telephone at 804-367-1100 x 3016.

COURSE SCHEDULE

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>.

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.

2011

October 25 & 26 - Northern Virginia Community College, Reston

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

November 15 & 16 - Blue Ridge Community College, Weyers Cave

Contact: Lisa or Sandy; 540-453-2215; www.brcc.edu

November 29 & 30 - Germanna Community College, Fredericksburg

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

December 13 & 14 - Lord Fairfax Community College, Middletown

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

2012

January 10 & 11 - Germanna Community College, Fredericksburg

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

January 24 & 25 - Patrick Henry Community College, Martinsville Campus

Contact: Registration; 276-656-0260; www.ph.vccs.edu

February 7 & 8 - Paul D. Camp Community College, Franklin

Contact: Renee Brown; 757-569-6050, www.pdc.edu/workforce-development

February 21 & 22 - Virginia Western Community College, Daleville

Contact: Registration; 540-966-3984; www.virginiawestern.edu

Registration materials and information are available from each of the Community Colleges' WEB site or by calling the individual college. The cost is \$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.