A summary of changes and important reminders are provided below.

On November 14, 2013, the Virginia Department of Motor Vehicles (DMV) will implement a pilot project that will expand the Print on Demand (PoD) temporary tag program to include 5-day temporary transport tags (PoD transport tags). PoD participants need to be aware of the following changes:

- They will be able to print 5-day temporary transport tags through the PoD program using the weather resistant paper. As a reminder, PoD participants have the ability to print PoD temporary tags from a laptop.
- They can continue to use the cardboard transport tag (green & white) until further notice. Additional information will be provided as the pilot project progresses.

Effective November 14, 2013, Online Dealer participants will no longer issue cardboard 60-day multi-use tags (blue & white), but instead will issue 30-day temporary tags from the PoD program. If you plan to issue specialty plates, you must be a participant in the PoD program.
- Online Dealer participants are required to return any remaining inventory of cardboard 60-day multi-use tags (blue & white) to a DMV Customer Service Center. Refunds will not be issued for returned tags.

continued on page 4
Upcoming EVENTS

BOARD MEETINGS

All Meetings are held at DMV Headquarters
2300 W. Broad Street, Room 702  Richmond, VA, 23220

Monday, January 13, 2014  Time:  9:00 a.m.

Dealer Practices Committee Meeting
Monday January 13, 2014
Time:  Immediately following Dealer Practices

Licensing Committee Meeting
Monday, January 13, 2014
Time:  Immediately following Licensing

Advertising Committee Meeting
Monday, January 13, 2014
Time:  Immediately following Advertising

Transaction Recovery Fund Committee Meeting
Monday, January 13, 2014
Time:  Immediately following Transaction Recovery Fund

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

MVDB HOLIDAY
Office Hours

CLOSED:
Monday, December 23, 2013
Tuesday, December 24, 2013
Wednesday, December 25, 2013
Wednesday, January 1, 2014

Gen Y Drivers Crave Car Tech, But Can't Afford It

Excerpt from Matt Schmitz, Cars.com  1:12 p.m. EDT October 21, 2013

So-called millennials are not only the most technologically savvy age group, but also the most willing to pay extra for advanced features in cars. Still, their budgets are limited while generally such features are still associated with luxury vehicles.

That's according to a study released by research company GfK and the Consumer Electronics Association on "The Future of Automotive Technology."

According to the study, three-quarters of people in Generations Y (ages 25-34) and Z (18-24) rank among the "most tech-interested" segments of car buyers. Both those generations were significantly above average — 70 percent of Gen Y and 61 percent of Gen Z — in reporting to be "especially interested" in car tech.

"These two groups also indexed well above-average in their willingness to pay extra for a variety of advanced car technologies, including visual warning of nearby emergency vehicle activity, seats that automatically go to driver's preferred position, and spill-proof car devices," according to a news release.

Meanwhile, Generation X (ages 35-44) showed average willingness to pay for new tech, while baby boomers (45-64) showed the least.

Reminders...

The Federal Trade Commission’s (FTC) Used Car Rule requires dealers to post a Buyers Guide in every used car they offer for sale. This includes light-duty vans, light-duty trucks, demonstrators, and program cars. Demonstrators are new cars that haven’t been owned, leased, or used as rentals, but have been driven by dealer staff. Program cars are low-mileage, current-model-year vehicles returned from short-term leases or rentals. Buyers Guides do not have to be posted on motorcycles and most recreational vehicles.
Governor Appoints New Board Members
continued from pg 1

Car Credit Nation, succeeds Lynn Hooper. **Jacques J. Moore, Jr.** of Richmond, President of Moore Cadillac Company and Subaru of Richmond, succeeds James Whitten. **Clayton S. Huber** of Woodford, President and Owner of Rosner Automotive Group, replaces Sally Woodson.

One additional appointment is pending from the Governor, to replace Rodney Williams.

All members listed above who are leaving the Board have served their maximum 8 years allowed by law. The Board would like to thank all of the members for their loyal service, and especially the above members who are leaving the Board in January 2014.

All Board meetings are available to stream and watch live. Click on the following link during the scheduled Board meeting to connect:

http://www.dmvnow.com/about/#media/video/live_event.asp

Regarding Recertification, there are a few things to keep in mind:

If you are an Independent Dealer-Operator (IDO) and operate multiple locations, you only need to register & complete your recertification ONCE. The recertification is for the IDO, not the dealership. Meaning, ONE recertification completion will “cover” all the locations you are assigned as the Dealer-Operator. If you have multiple IDO’s assigned to multiple locations, then and only then would each IDO location need to recertify independently.

Make sure you complete the entire recertification process. Registration alone will not be accepted as recertification. Click **HERE** for more information and **HERE** to determine your recertification deadline. If you are unclear on your recertification deadline or have any other recertification questions, please contact Ann Majors, at 804-367-1100 x 3016, or by email at ann.majors@mvdb.virginia.gov

**DID YOU KNOW?**

.....that a new car is second only to a home as the most expensive purchase many consumers make. According to the National Automobile Dealers Association, the average price of a new car sold in the United States is about $30,000 and the average price of a used car surged 10 percent, to $16,474 in 2010 from $14,976 in 2009. In the first seven months of 2013, the average price has climbed 2 percent, to $17,926, over the same period last year.

.....that EV automaker Tesla Motors may soon be able to list Virginia in its column of state jurisdictions where it is licensed to retail its vehicles directly to consumers. Per an agreement reached with all interested parties, Tesla withdrew its motion to appeal DMV’s earlier rejection of Tesla’s application to retail vehicles in Virginia. In return for withdrawing their suit, Tesla will be able to open a single factory store in the Tysons Corner or greater Northern Virginia area. The agreement further provided that Tesla must apply to the Virginia Motor Vehicle Dealer Board where approval for a license normally takes about two weeks, according to MVDB director Bruce Gould.
Emerging Advertising Trends

Study by Advanced Interactive Media Group

In a recent survey of 20 automotive advertising executives, 17 expected improvement this year in online advertising revenue. Declines are expected to continue in print auto ads. Executives of online auto sites in the United States and Canada, projected double-digit online advertising growth. A report by the AIM Group finds automobile advertising is increasing worldwide. Most of the growth, however, is online: mobile, social media sites, and traditional web sites. Our research shows automotive advertising worldwide is on the rebound this year. Unfortunately, for many newspapers, most of that growth is likely to come online.

Our research indicates the three major developing areas for online auto advertising are:

- Growing use of mobile devices for searches, rather than just PC screens.
- Interactive video and its use by dealers, manufacturers, and private-party advertisers to sell cars.
- Integration of social media into auto sales.

Social media will continue to play an even larger role in vehicle purchases as communities grow and share information and opinions, outside the direct guidance of advertisers and manufacturers. Knowing this, Virginia Dealers need to be aware that ALL advertising needs to follow the same rules as any other media such as print, radio, TV, etc.

Reminders...

Recently, Craigslist began charging Dealers $5.00 to advertise. Please note, if you are a Dealer, it is DECEPTIVE to list vehicles for sale under the “owner” section If you are a motor vehicle Dealer in the Commonwealth of Virginia, and you advertise on Craigslist, you and your entire staff must adhere to the following guidelines:

Be sure you advertise in the “DEALER” section and not the “Owner” section.

Once you have created your ad in the DEALER section, you must state “VA DLR” or the name of your Dealership in the ad.

Upcoming DMV Changes

Effective November 14, 2013, motorcycle dealers will be able to title and register mopeds.

Effective January 1, 2014, cardboard 30-day temporary tags (red & white) can no longer be issued. If you plan to issue 30-day temporary tags, you must be a participant in the PoD program.

- Dealers are required to return any remaining inventory of cardboard 30-day temporary tags (red & white) to a DMV Customer Service Center. Refunds will not be issued for returned tags.

The following reminders provide important information impacting dealer transactions.

- Dealers not participating in the PoD program are encouraged to contact a PoD vendor as soon as possible. For a list of PoD vendors, visit www.dmvNOW.com > Commercial Services > Dealer Services > Print on Demand Temporary Tags.

- All vehicles must be titled within 30 days of purchase to ensure that titling tax is paid to the Virginia Department of Motor Vehicles as required by law.

- Print-on-Demand (PoD) temporary tags on bond paper and plastic sleeves are no longer authorized for use. This change was effective July 1, 2013. All PoD temporary tags must be printed on the weather resistant paper supplied by DMV Dealer Services.

It is important to note that continued use of the plastic sleeves and bond paper may result in the loss of your privileges to participate in the PoD program. Also, law enforcement may ticket vehicle owners displaying the bond paper and plastic sleeves for illegal use of license plates. The same goes for the old red/white cardboard temporary tags.

To place an order for the weather resistant paper, email podtemptag@dmv.virginia.gov. For more information contact Jenna Westbrook at (804) 367-4323 or jenna.westbrook@dmv.virginia.gov, or call the Dealer Services Help Desk at (804) 367-0901.
Board Actions

Little Man’s Auto, Inc. and Charles R. Mullins. This dealer had two failed inspections and educational/warning letters for record keeping. Based on consumer complaints, Board staff documented at least three vehicles being sold without first being safety inspected and at least one sale where a title was not provided in a timely manner, and of a collection of fees and taxes. On June 20, 2013, an informal fact-finding conference was conducted to address the alleged violations of buyers order, collecting sales and use tax, title fee, safety inspection of vehicles required, temporary registration and willful failure to comply with a written warning.

At the September 9, 2013 Full Board meeting, a motion was made to table this issue until the November 4, 2013 meeting, so that Mr. Mullins had an opportunity to make restitution and rewrite the contracts for the 52 customers who were overcharged. Dealer Board staff have been in touch with Mr. Mullins since the September Board meeting. He did not provide staff with proof that he has made restitution and rewritten contracts as noted. The Board assessed a civil penalty of $4,250, a re-inspection, and evidence be provided to MVDB staff that restitution has been made to all customers due restitution; all before the January 2014 Board meeting.

Alleghany Motor Corporation and Robert C. Garten. On three occasions, over a six month period of time, law enforcement officers discovered Dealer-tag use violations. One for misuse and two for not issuing a “permission to drive” form. In addition, an inspection of this dealership revealed temporary tag violations. After the misuse of dealer tags and improper issuance of temporary tags was discovered, the dealer was given the choice of paying a $1,500 civil penalty or participating in an informal fact-finding conference. He decided on the later. Therefore, on September 4, 2013, an informal fact-finding conference was conducted. Based on the information provided at the conference, the hearing officer recommended a written warning for violations of temporary tag use, and willful failure to comply with a previous written warning; and to assess a civil penalty of $2,750 for violations of misuse of Dealer-tags, and acts of officers, and require Mr. Garten to successfully complete the 2-day Dealer-Operator course before May 4, 2014. At the November 2014 Board meeting, the Board accepted the recommendation of the hearing officer.

P&N Auto Sales, LLC and Predrag Jovic. An inspection of this dealership revealed that he did not have liability insurance for his dealer tags. In addition when visiting the dealership, the wife of the landlord of the building was maintaining business hours, however she had no knowledge of any of the records. On August 22, 2013, an informal fact-finding conference was conducted to address the alleged violations of display of license; change of location; display of salesperson’s license; notice of termination, dealer records, acts of officers, directors, officers and salespersons; material misstatement or omissions in applications; willful failure to comply with a written warning; and failure to maintain Dealer-tag liability insurance. At the November 2014 Board meeting, the Board assessed a $1,000 civil penalty, and revoked all licenses and certificates issued by the Board to Mr. Jovic.

The Auto Connection and M. Zaki Stwodah. Dealer Board records show that this dealer has been the subject of consumer complaints, failed inspections related to record keeping and use of Dealer-tags. In addition there was evidence of vehicles not being safety inspected; selling salvage vehicles without revealing this fact to the customer; attaching a safety inspection sticker to a vehicle that was issued to another vehicle; and not completing buyers orders and buyers guides. On August 29, 2013, an informal fact-finding conference was conducted to address the alleged violations of display of salesperson’s license; notice of termination, dealer records, odometer disclosure, Dealer-tag insurance required, misuse of dealer’s license plates, acts of officers, directors, partners, and salesper-

continued on pg. 6
H L McGeorge Auto Sales, Inc. and Howard L. McGeorge, Jr.  This dealer had four inspections and resulting letters from the Board dating back to 2008 concerning record keeping and maintaining hours.  The most recent inspections revealed that the dealer was displaying and had sold cars that belonged to a North Carolina dealer and two dealer tags were being used on vehicles that were not in the dealer’s inventory.  As a result, on September 23, 2013, an informal fact-finding conference was conducted to address the alleged violations of dealer records; buyers guide not completely filled out, signed and dated by buyer; buyers order; consignment vehicles; contract; signs; certificate of title issued to dealers or reassignment; transferable license plates; misuse of Dealer-tags; failure to comply with written warning; having used deceptive acts and practices; and leasing, renting, lending Dealer-tags used by persons not authorized. At the November 2014, Board meeting, the Board assessed an $8,000 civil penalty, suspended all licenses and certificates for 90 days, and require Mr. McGeorge successfully complete the 2-day Dealer-Operator course before the 90 day suspension expires.

Mayrock Motors and Hong Chen.  In May of this year, this dealership was inspected in conjunction with an investigation being conducted by the Shenandoah County Sheriff’s Office and DMV.  The landlord for the dealership was on site/maintaining hours.  No employees were at the dealership and the landlord was not able to access records.  In addition the dealer’s WEB site stated the dealer’s inventory was located in Sterling Virginia (Owner lives in Great Falls Virginia and dealership is in Strasburg).  On July 31, 2013, an informal fact-finding conference was conducted to address the alleged violations of licenses required; display, parking, selling, advertising sales (curbstone); display of license; change of location; dealer records; odometer disclosure; prohibited solicitation and compensation; transferable license plates; misuse of D-tags; failure to have an established place of business; having used deceptive acts and practices; and knowingly advertising by any means an assertion, representation, or statement of fact which is untrue, misleading or deceptive in any particular relating to the conduct of the business licensed or registered or for which a license or registration is sought.  At the November 2014 Board meeting, the Board assessed a $2,250 civil penalty, and a satisfactory re-inspection of the dealership before January 4, 2014.

Five Star Used Auto, Inc and Nidal Motii.  This dealership has been out-of-business for a little over a year.  Shortly after closing this dealership, Mr. Motii transferred his sales license to another dealership.  Board staff initiated administrative action while Mr. Motii was employed as a salesperson.  Mr. Motii is no longer licensed as a salesperson.  Per a consumer complaint, this dealership was the subject of a joint inspection and investigation with MVDB and DMV.  A number of deficiencies were discovered; including failing to safety inspect a vehicle before selling at retail.  Mr. Motii was found guilty of this misdemeanor.  On April 8, 2013, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1539 (Inspections), 46.2-1575 (1) (Material misstatement or omission in application for license) and 46.2-1575 (9) (Having committed a criminal act involved with the business of selling vehicles).  At its May Board meeting, the Board passed a resolution the revoked all licenses and certificates to Mr. Motii and assessed a civil penalty of $3,500.  On May 29, 2013, Mr. Motii appealed the decision and requested a formal hearing.  On July 16, 2013, a formal hearing was conducted.
Board Actions

At the November 2014 Board Meeting, the Board assessed a $2,500 civil penalty, revoked Mr. Motii’s Dealer-Operator certificate of qualification, but did not revoke Mr. Motii’s sales license.

Z Best Auto Sales, LLC and Ahmed Alqadi. Field representative Jackson attempted to inspect this dealership and found that neither the owner nor dealer-operator were on sight. However, the landlord was apparently given permission by the owner to open the dealership to Mr. Jackson. The landlord could not show Mr. Jackson the dealership records and it did not appear that any were on site. As a result of this failed inspection, on April 4, 2013, an informal fact-finding conference was conducted to address the alleged violations of dealer records; odometer disclosure statements; signs; prohibited solicitation and compensation; temporary registration; transferable license plates; misuse of dealer’s license plates; issuance and use of temporary transport plates; records to be kept by dealers inspection; and non compliance to written warning. In the hearing, the owner did state that the records were not at the dealership on the date of the inspection. At its July 2013 meeting the Board adopted a resolution to assess a $5,000 civil penalty, require that the dealership have a satisfactory inspection and require the dealer-operator to take the 2-day course. On August 8, 2013, Mr. Alqadi appealed the decision and requested a formal hearing. On September 19, 2013, a formal hearing was conducted. The Board assessed a $5,000 civil penalty, a satisfactory inspection, and a successful completion of the 2-day Dealer-Operator course before May 4, 2014.

Select Cars of Thornburg and Wilmer A. Nunez Villatoro. A consumer complaint resulted in an investigation by MVDB and State Police concerning illegal switching of safety inspection stickers. Mr. Villatoro was convicted of a misdemeanor for switching safety inspection stickers. On April 8, 2013, an informal fact-finding conference was conducted to address the alleged violations of having been convicted of any criminal act involving the business of selling vehicles. At the May Board meeting the Board assessed a $1,000 civil penalty and revoked all licenses and certificates issued to Mr. Villatoro. On June 11, 2013, Mr. Villatoro’s attorney, Marc R. Thomas, appealed the decision and requested a formal hearing. On July 23, 2013, a formal hearing was conducted. At the November 2014 Board Meeting, the Board assessed a $1,000 civil penalty, a satisfactory inspection, and Mr. Villatoro successfully complete the 2-day Dealer-Operator course before May 4, 2014.

Heritage Motor Company and Stellios Karayiannis. Assessed a $1,000 civil penalty for violation of prohibited solicitation and compenion. On October 7, 2013, the Dealer requested an Informal Fact Finding Conference.

GN auto LLC, and Gaby Antoine Tourma, assessed a $2,200 civil penalty for failure to have insurance on D-tags.

Lee’s Auto Sales, and John J. Lee. Assessed a $500 civil penalty for failing to maintain business hours.

Classic Leasing, LLC, and Larry A. Makowski. Assessed a $250 civil penalty for failing to maintain business hours.

Dealer Practices

Heritage Motor Company and Stellios Karayiannis. Assessed a $1,000 civil penalty for violation of prohibited solicitation and compenion. On October 7, 2013, the Dealer requested an Informal Fact Finding Conference.

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Lee’s Auto Sales, and John J. Lee. Assessed a $500 civil penalty for failing to maintain business hours.

Classic Leasing, LLC, and Larry A. Makowski. Assessed a $250 civil penalty for failing to maintain business hours.
Anthony Vargas, Jr., Salesperson. It is alleged that Mr. Vargas had advertised vehicles on the internet for a business called “Ride 2 Day”. This business was not a licensed dealership. Mr. Vargas at various times held sales licenses at dealerships in Virginia Beach. It is alleged that Mr. Vargas would take prospective customers to dealerships in the Virginia Beach area in an attempt to sell them a car. Based on information received from military personnel who had dealings with Mr. Vargas, an informal fact finding conference was convened on October 1, 2013 for alleged violations of prohibited solicitation and compensation, Salesman selling for other than his employer prohibited, willful failure to comply, and having used deceptive acts or practices. Based on the evidence and testimony, the hearing officer recommended a $2,000 civil penalty and revocation of Mr. Vargas’ certificate of qualification. (He is not currently licensed) At the November 2014 Board meeting, the Board assessed a $1,000 civil penalty, and revoked all licenses and certificates issued by the Board to Mr. Vargas.

NOTE: Depending on the circumstances, all Board Actions may be appealed to Circuit Court, or for an administrative hearing.

For prior issues of Dealer Talk click HERE.
The path to a Dealer-operator license begins with a required two-day course of study each month at various community colleges in Virginia with the curriculum and instruction provided by VIADA. The course takes the attendee from establishing the dealership under local zoning and Dealer Board requirements, through the sales process with its multitude of forms, laws and regulations, in to a sampling of opening and operating expenses, and ending with a discussion on ethics. The course is open to all existing dealers and their employees. The course offers 1.6 continuing education credits transferable to any college.

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**Dealer Software and DMV Fees on Buyers Orders**

During routine inspections by MVDB Field Representatives, our representatives are reporting an increase in the number of incorrect fees on buyers orders. Many dealers are using third party purchased dealer software to assist in calculating their buyers order for their dealerships. So whether you hand write your buyers orders, or use software, please ensure you are charging the correct fees. For example, a frequent mistake we see on buyers order is the “Vehicle Registration fee for Passenger – 4,000 lbs or less * ***”. Please ensure your buyers orders reflect the correct fees, even if your software needs to be updated to reflect the actual / correct fee for each vehicle type. [http://dmvnnow.com/webdoc/pdf/dmv201.pdf](http://dmvnnow.com/webdoc/pdf/dmv201.pdf)

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**What’s Wrong with this Picture??**

**Improper use of Dealer Tags**

The Code of Virginia clearly states that it is unlawful for any dealer to create Independent Dealer tags. All Dealer tags are the property of DMV, and are issued by the DMV.

These “tags” were confiscated from a dealer who had hand written them with blue ball point pen on plain paper, and placed on a vehicle.
MVDB 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.

From all of us at the Motor Vehicle Dealer Board, we wish you all a Happy and Safe Holiday Season!

Reminder...

Increases in Dollar Thresholds in Regulations Z and M for Exempt Consumer Credit and Lease Transactions. The adjustments to the thresholds reflect the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers will take effect on January 1, 2014. Based on these adjustments, the protections of the Truth in Lending and Consumer Leasing acts generally will apply to consumer credit transactions and consumer leases of $53,500 or less in 2014 --an increase of $500 from 2013.

Regulation M
Regulation Z