

**NATIONAL ASSOCIATION OF MOTOR VEHICLE  
BOARDS & COMMISSIONS**

**Fall Workshop  
October, 2004  
San Antonio, Texas**

**MINUTES**

**October 24, 2004**

**CALL TO ORDER AND WELCOME ATTENDEES**

***Bruce Gould***, President of NAMVBC and Executive Director of the Virginia Motor Vehicle Board, opened the meeting and welcomed the attendees to the October 2004 Workshop. The list of attendees and organizations represented are attached to these minutes.

***Brett Bray***, Director of the Texas Motor Vehicle Division, welcomed the group to Texas and introduced some of his staff who worked on the workshop planning team. Brett also introduced ***Kevin Pagan***, an attorney from McAllen, Texas, who is a Public Member and the Chairman of the Texas Motor Vehicle Dealer Board. Mr. Pagan also welcomed attendees to Texas.

**PRESENTATIONS**

***1. Charlie Ryan, Vice President, Legal Affairs, Gulf States Toyota, Inc.***

***The San Antonio Toyota Plant and Its Impact on the Local Economy***

Mr. Ryan presented an overview of the anticipated effect of the new Toyota truck assembly plant being built in the San Antonio area. Along with the local economic impact, he reported that all Toyota dealers in the Gulf States Toyota distribution area are being asked to improve/expand facilities in order to adequately compete in the increased truck market.

***Aaron Seamon***, Toyota Motor Manufacturing, Texas, Inc. spoke about the direct impact on the San Antonio community. The \$800 million initial Toyota investment demonstrates the heavy commitment that Toyota is making. The plant is anticipated to be operational by summer 2006.

***2. Annette Sykora, NADA Director for Northern Texas***

***Current Issues for Franchise Dealers as Seen by NADA***

Ms. Sykora is a Texas new car dealer and a member of the NADA Board of Directors. She spoke about the regulatory environment from the perspective of a car dealer. Compliance with all of the federal and state regulations, especially in the post-9/11 environment, has become very time consuming and expensive, especially for the smaller dealer.

**3. Rob Rogers, President, National Vehicle Leasing Association**

***The Relationship of the Leasing Industry to Franchise Dealers***

Mr. Rogers explained the purposes and functions of Independent Leasing Companies (ICLs) and the National Vehicle Leasing Association (NVLA). Their main focus is small vehicle fleets for personal, commercial, and government entities. ICLs consider themselves customers of dealers, not competitors, by filling a niche market that is typically not served by franchised dealers. The NVLA website is [www.nvla.org](http://www.nvla.org).

**4. Molly Cost, Director of Licensing, Texas Motor Vehicle Division**

***Motorized Scooters – A New Frontier***

Ms. Cost spoke about many of the problems most states are having regarding the licensing and regulation of motorized scooters. Among those identified are:

- Inadequate definitions of terms such as motorcycle, moped, motor-assisted cycle, motor vehicle, scooter, street-legal, highway or street, and public highway.
- What is the primary purpose of the vehicle?
- Who is a dealer, and who is a distributor, given the fact that many are sold over the internet and on street corners?
- Who is the manufacturer?
- Do they comply with NHTSA requirements?
- Are they safe to ride? And, who can legally ride them?

**5. Cesar Ignacio Ochoa-Reyes, Attorney**

***Impact of NAFTA on the Distribution and Sales of Motor Vehicles in Mexico***

Mr. Ochoa-Reyes spoke about the increased trade among our NAFTA partners as a result of the globalization trend. Nearly 76% of all U.S. exports of motor vehicles and parts went to our NAFTA partners in 2002. The global trend of reducing/eliminating tariffs will continue to be a major policy of the U.S. no matter who is elected President.

**6. Ernesto de Kerry, Senior Trade Specialist, U.S. Commercial Service**

***Joaquín Cervantes de Hoyos, COO, Dicex Corporation***

***Jose Manuel Rivero Santos, General Director, Grupo Rivero***

***Adrian Benitez Doria, General Director, Automobile Division, Grupo Galeria***

***Panel Discussion: Distribution and Sales of Motor Vehicles in Mexico***

This panel discussion focused on how motor vehicles are distributed and sold in Mexico, and how it differs from the United States. Topics covered included franchise agreements, Federal and State regulations, consumer remedies, tariff issues, used vehicles, and factory/dealer relations.

**October 25, 2004**

### **CALL TO ORDER**

**Bruce Gould**, President of NAMVBC and Executive Director of the Virginia Motor Vehicle Board, called to order the second day of the meeting.

### **ROLL CALL**

The President asked for a Roll Call of members and attendees. The Secretary called the roll, which showed that a quorum was present. A list of those present, and their membership status, is attached to these minutes.

### **APPROVAL OF MINUTES**

**Roy Dockum**, Secretary of NAMVBC and Executive Director of the Oklahoma Motor Vehicle Commission, presented the Minutes from the Winter Workshop held February 1-2, 2004 in Las Vegas. MOTION was made for approval by Lessie House, Executive Director of the Louisiana Motor Vehicle Commission, and seconded by Rex Green, Dealer Operations Supervisor for the Idaho Division of Motor Vehicles. MOTION CARRIED.

### **PRESENTATIONS**

1. **Bill Jackson**, Executive Director, Nebraska Motor Vehicle Industry Licensing Board  
**Bruce Gould**, Executive Director, Virginia Motor Vehicle Dealer Board  
**Chuck Supple**, Chief, Dealer Section, Wisconsin Department of Transportation  
**John Maile**, Executive Director, Oklahoma Used Motor Vehicle and Parts Commission

#### ***Panel Discussion: Curbstoning – Various Methods that Worked***

Sales by unlicensed dealers is a problem faced in every state, and has been highlighted nationally by the airing of a segment on *Dateline NBC*, which cautioned buyers about curbstoners. Some of the regulatory ideas discussed included:

- Progressive discipline (warning, citations with fine)
- Providing consumer information
- Cutting-off at the source; tightening of licensing laws for auction buyers
- Injunctions – cease and desist orders
- Requiring a wholesaler's license at a lower threshold of sales
- Regulating "electronic curbstoning" on the internet

2. **Dave Garnett**, Executive Director, Kentucky Motor Vehicle Commission  
**Roy Dockum**, Executive Director, Oklahoma Motor Vehicle Commission  
**Brett Bray**, Director, Motor Vehicle Division, Texas Department of Transportation  
**Chuck Supple**, Chief, Dealer Section, Wisconsin Department of Transportation

***Panel Discussion: Offsite Sales – Permits and Prohibitions, How are they Controlled?***

The panel presented how different states address the issues of displays and sales of new motor vehicles at offsite locations. Issues addressed included:

- Permits: when are they required, and how are they administered?
- Displays vs. Sales: under what circumstances are sales permitted?
- Are out of state dealers and/or manufacturers allowed to participate?
- Geographic restrictions on participants within relevant market areas
- Length of time for the display/sale and costs of permits

3. **Bill Wolters**, President of the Texas Automobile Dealers Association

Mr. Wolters spoke to participants about issues facing Texas auto dealers and the efforts to continually work with state and federal regulators to look for ways to improve the industry.

4. **Morgan Filbey**, Senior Counsel, Nissan North America, Inc.  
**Lisa Gibson**, Senior Counsel, Nissan North America, Inc.

***Processing Dealer Buy-Sell Packages***

Ms. Filbey and Ms. Gibson presented an overview of the process that Nissan goes through when examining a Dealer package. Packages include: change in ownership, relocation, buy/sell, term to standard, letter of commitment, facility change, and others. Over 775 packages were processed in fiscal year 2003. Some of the issues which cause delays include: incomplete documentation, meeting financial qualifications, market studies, state regulatory issues, dualing/exclusivity issues, etc.

5. **Bill Nicholson**, Executive Director, VSSM Retail Relationships, General Motors Corporation

***Status of the Oldsmobile Phase Out***

December 12, 2000	GM announces the phase out of Oldsmobile 2,802 active Oldsmobile dealers on that date
October 22, 2004	2,704 (97% of total) dealers have signed TFAP agreements 98 have yet to sign an agreement 959 continue to operate as Olds dealers There are 6 active lawsuits

**October 26, 2004**

**CALL TO ORDER**

**Bruce Gould**, President of NAMVBC and Executive Director of the Virginia Motor Vehicle Board, called to order the third day of the meeting.

**PRESENTATIONS**

1. **Carol Kent**, Director of Enforcement, Texas Motor Vehicle Division  
**Ron Reynolds**, Administrator, Dealer Licensing, Florida Division of Motor Vehicles  
**Monica Weischedel**, Dealer Inspector, South Dakota Division of Motor Vehicles  
**Rex Green**, Dealer Operations Supervisor, Idaho Division of Motor Vehicles

***Panel Discussion: Dealer Training, Education, and Testing***

The panelists presented what requirements their individual states have for dealer education.

- Texas – no mandatory education. Dealer training seminars (DTS) are made available six (6) times per year.
- Florida – Statutory requirement for initial dealer licensee training. The training is outsourced to a private company.
- Idaho – Mandatory continuing education began January 2004 for independent dealers. Franchise dealers are exempt. Four (4) hours per year continuing education is required for renewals.
- South Dakota – Before licensing, a dealer manual is sent to the prospective dealer. The applicant must fill out a test prior to the inspector approving the application. Although it is not mandated statutorily, all new prospective dealers participate.

2. **Joe Sullivan**, Senior Counsel for Rules, Trust, and Safety, eBay Inc.  
**Rob McBryde**, Fraud Investigation Team Supervisor, eBay Motors

***eBay Working with Government to Ensure Safe Online Transactions***

Mr. Sullivan and Mr. McBryde described eBay's efforts to achieve a safe site for consumers and to ensure dealer compliance with rules and regulations. Some of the current objectives include complying with state advertising laws that require dealer name and/or license number to be disclosed in an ad, complying with state laws regarding scooter sales and ATV sales, and working with law enforcement to aggressively pursue fraud. All cars listed on eBay are checked for VIN verification, and an AutoCheck history is available for a cost of \$4.99. They also described how the eBay fraud investigation team operates.

3. **Ray Grant**, *Chief Investigator, Texas Motor Vehicle Division*

***Title and Odometer Fraud Training of Title Clerks***

Mr. Grant presented a synopsis of the course which teaches title clerks to improve their knowledge of genuine security documents, and therefore be able to readily recognize fraudulent documents.

4. **Jerry Dike**, *Director of Vehicle Titles and Registration, Texas Motor Vehicle Division*

***Updates on AAMVA's Initiatives***

As Chairman of the American Association of Motor Vehicle Administrators International (AAMVA International), Mr. Dike gave an overview of current activities, such as the progress of NMVTIS, and initiatives in various states regarding titling and tags.

**BUSINESS MEETING**

1. ***Election of Officers***

Nominating Committee Chair **Dave Garnett** presented the following slate of candidates to serve beginning January 1, 2005:

President	<b>Bruce Gould</b> , Executive Director, Virginia Motor Vehicle Dealer Board
Vice President	<b>Lessie House</b> , Executive Director, Louisiana Motor Vehicle Commission
Secretary	<b>Roy Dockum</b> , Executive Director, Oklahoma Motor Vehicle Commission
Treasurer	<b>Tom Novi</b> , Executive Director, California New Motor Vehicle Board

MOTION was made by Rex Green, and seconded by Bill Jackson that the nominations close, and the candidates be elected. MOTION carried by unanimous voice vote.

2. ***New Business***

**Rex Green** recommended that NAMVBC consider becoming an associate member of AAMVA. Discussion included "piggy-backing" some of our meetings with other associations such as AAMVA, IALLA (International Association of Lemon Law Administrators) or ATAIE (Automotive Trade Association Executives). It was agreed that the Executive Committee would discuss the issues and suggestions raised.

### **3. *Round-Table Discussion of Issues with Individual States***

*Below is a summary of the comments:*

***John McCurry, Maine***

The State of Maine has a brand new Board. Therefore, they are concerned with significant start-up issues such as how to conduct a Hearing.

***Ron Reynolds, Florida***

Scooters continue to be a major issue.

***Carol Kent, Texas***

Texas is now limiting the number of dealer plates issued to a dealer.

***Monica Weischedel, South Dakota***

South Dakota is having problems with regulating mobile homes. They are also problems with Mexican trailers having improper VINs. She encouraged everyone to utilize the NAMVBC website, especially the links to the individual states.

***Bill Jackson, Nebraska***

He has begun calling dealers before the Board for Hearings regarding advertising violations. Nebraska has a new type of license so that a dealer's agent can work for more than one dealer when buying at an auction.

***Nate Walker, Missouri***

Currently, there is no Motor Vehicle Commission in Missouri. Dealer licensing is a part of the Missouri Department of Revenue.

***Carl Compton, Ontario Canada***

Unlike most U.S. Commissions, the Ontario Motor Vehicle Industry Council does not regulate dealer/manufacturer issues. It only regulates dealer/consumer issues.

***Chuck Supple, Wisconsin***

Wisconsin has raised the dealer bond to \$50,000 for dealers and \$20,000 for wholesalers. The state also now requires disclosure of all DOC fees. Thirdly, Wisconsin is offering online title application.

***Rex Green, Idaho***

Dealer education requirements became effective in 2004. They are still working their way through it. Also, dealers are now required to have liability insurance.

***Lyle Paulson, North Dakota***

ND has 115 franchise dealers and 650 independents. Each is inspected every year.

***Dave Garnett, Kentucky***

Spot deliveries continue to be a problem.

***Lessie House, Louisiana***

There are a number of interesting court cases pending involving dealer/manufacturer issues.

***Thomas Blackburn, Pennsylvania***

Concerned with off premise sales and participation of out-of-state dealers. Pennsylvania is also concerned about small motor scooters.

***Dan Devoe, Washington***

Dan is just 3 months on the job, coming from criminal law. So, he is still trying to learn what is going on.

***Bruce Gould, Virginia***

All dealer advertisements must now contain identification as a VA dealer.

In addition, most every state is upgrading technology by offering more internet based services.

**ANNOUNCEMENT**

***Bruce Gould*** reminded participants that the next meeting will be held in New Orleans, Louisiana in conjunction with the NADA convention, January 29-31, 2005

**ADJOURNMENT**

There being no further business, the meeting was adjourned at approximately 4:00 pm.

Respectfully Submitted,

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Roy Dockum, Secretary



**ATTENDEES - NAMVBC CONFERENCE - SAN ANTONIO, TEXAS - OCTOBER 23-27, 2004**

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