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LOUISIANA USED MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA

REGULAR MEETING
OCTOBER 19, 2020
BEGINNING AT 9:32 A.M.
HELD BY VIDEOCONFERENCE
3132 VALLEY CREEK
BATON ROUGE, LOUISIANA

REPORTED BY:
BETTY D. GLISSMAN, CCR

1 APPEARANCES:

2

3 CHAIRMAN:

MR. JOHN POTEET

4

5 COMMISSIONERS PRESENT:

MR. JEFFEREY BRITT

6

MR. RICKY DONNELL

7

MR. GEORGE FLOYD (arrived late)

8

MR. STEPHEN OLAVE (arrived late)

9

MR. MATTHEW PEDERSON

10

MR. DINO TAYLOR

11

MR. RICHARD WATTS

12

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REPRESENTING THE LOUISIANA USED MOTOR

17

VEHICLE COMMISSION:

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ROBERT W. HALLACK, ESQUIRE

HALLACK LAW OFFICE

13007 JUSTICE AVENUE

BATON ROUGE, LOUISIANA 70816

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SHERI MORRIS, ESQUIRE

DAIGLE, FISSE & KESSENICH, PLC

8480 BLUEBONNET BOULEVARD, SUITE F

BATON ROUGE, LOUISIANA 70810

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1 ALSO PRESENT:

2 MS. KIM BARON

3 MR. DEREK PARNELL

4 MS. MONA ANDERSON

5 MS. TONYA BURKS

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1 (Pledge of Allegiance.)
2 MR. POTEET:
3 Kim, roll call.
4 MS. BARON:
5 John Poteet?
6 MR. POTEET:
7 Here.
8 MS. BARON:
9 George Floyd?
10 MR. FLOYD:
11 (No response.)
12 MS. BARON:
13 Tony Cormier?
14 MR. CORMIER:
15 (No response.)
16 MS. BARON:
17 Matthew Pederson?
18 MR. PEDERSON:
19 Here.
20 MS. BARON:
21 Richard Watts?
22 MR. WATTS:
23 Here.
24 MS. BARON:
25 Steve Olave?

1 MR. OLAVE:

2 (No response.)

3 MS. BARON:

4 Ricky Donnell?

5 MR. DONNELL:

6 Here.

7 MS. BARON:

8 Darty Smith?

9 MR. SMITH:

10 (No response.)

11 MS. BARON:

12 Dino Taylor?

13 MR. TAYLOR:

14 Here.

15 MS. BARON:

16 Mr. Britt?

17 MR. BRITT:

18 Here.

19 MS. BARON:

20 We have six. Mr. Chairman, we have a
21 quorum.

22 MR. POTEET:

23 Excellent. Okay. So I don't have
24 the agenda in front of me. What's first on the
25 agenda?

1 MS. BARON:

2 First on the agenda is public
3 comments. We do not have any. And the
4 approval of the minutes.

5 MR. POTEET:

6 All right. I am assuming everybody
7 has had a chance to read the minutes. Do we
8 have a motion?

9 MR. DONNELL:

10 I make a motion.

11 MR. WATTS:

12 Second.

13 MR. POTEET:

14 All right. That motion passes.

15 MS. BARON:

16 Next are the financials.

17 MR. POTEET:

18 Mona.

19 MS. BARON:

20 We don't have any financials, but we
21 have Mr. McKowen.

22 MR. POTEET:

23 Okay.

24 MS. BARON:

25 The legislative auditor.

1 (Mr. Olave and Mr. Floyd joined the meeting.)

2 MR. POTEET:

3 Mr. McKowen, do you want to start?

4 MR. MCKOWEN:

5 Good morning. I audited your
6 financial statements as of June 30 of 2020.
7 And you should have a copy of my report in your
8 packet. But on page 1, as always, I will point
9 out that the financial statements are the
10 responsibility of management and my
11 responsibility is to offer an opinion as to
12 whether I think you are in accordance with
13 generally accepted accounting principles.

14 So on the top of the second page, I
15 say: Yes, in my opinion the financial
16 statements are presented fairly in accordance
17 with generally accepted accounting principles.

18 If you look over to page 5, that's
19 the management's discussion and analysis.
20 That's a required section of the report. It's
21 mostly just a summary of the numbers, which we
22 are going to go over anyway, so let's skip over
23 that to page 11, which is statement of net
24 position or your balance sheet.

25 You ended the year on June 30 with

1 2 million-3 in cash. You had investments of
2 \$750,000 and that's all in CDs. You had
3 accounts receivable from fines of about
4 \$450,000. We have set up an allowance for that
5 receivable for what we think is probably going
6 to be a pretty close number of what's
7 uncollectible of \$79,000. So that leaves you
8 your net of about \$375,000 in receivables at
9 year end. And then you got your office
10 building. You got some vehicles. In all of
11 your total assets of 3 million-6.

12 Deferred outflows of resources, we
13 talked about that briefly before. It is an
14 overcomplication related to your pension
15 liability and your other post-employment
16 benefits, which is health issue that you
17 promised your employees after they retired. So
18 that number is \$731,000.

19 Current liabilities is \$350,000. The
20 biggest part of that is unearned revenue and
21 that's just the second year of your two-year
22 license fee. It is like a deposit that will be
23 earned next year.

24 Long-term liabilities, you got
25 vacation time that you owe to your employees

1 right at \$60,000. Other post-employment
2 benefits, that's the health insurance that you
3 promised in their retirement of 1 million-7.
4 Net pension liability, that's your share of
5 LASERS' unfunded liability and that's
6 2 million-2. So you got total liabilities of
7 4 million-3. That leaves you with a deficit of
8 right at \$400,000 in net position. And that's
9 been ongoing for the last several years since
10 they had forced you to show all of these
11 liabilities. But keep chipping away at it. We
12 will look at that on the next page.

13 Page 13, your total revenues for the
14 year were a million-7. Total expenses were a
15 million-5. Change in net position was a
16 positive \$245,000. So, as I mentioned a minute
17 ago, you are chipping away at that deficit. It
18 was 463,000 in the prior year and now it is
19 right at 400,000.

20 Statement of cash flows on page 14 is
21 just an attempt to explain why you earned
22 245,000 and your cash only went up by 140.
23 Well, a little of this, a little of that. Your
24 receivables went up, your liabilities went
25 down, and it's just related to non-cash items.

1 The notes to the financial statement,
2 I am not going to go through that. The only
3 thing that I might mention is something about
4 subsequent events. The last note on page 36
5 and that relates to House Concurrent Resolution
6 71 that that, I think, y'all had talked about
7 before at commission meetings; whereby, the
8 State suspended renewals fees for all of the
9 businesses that is under your jurisdiction for
10 this current year. So we mentioned that.

11 Let's see what else they have. You
12 have a budget report on page 38 that looked
13 fine. We had more required information on
14 pensions and health insurance. Page 46
15 disclosed your per diems. Page 47 discloses
16 Derek's salary and benefits for the year. And
17 then, finally, on page -- starting on page 48
18 is my report on compliance and internal control
19 and I had no findings there.

20 Mr. Chairman, everything looked good
21 to me and that is my report.

22 MR. POTEET:

23 Thank you, John. Are there any
24 questions from any of the Commissioners?

25 Okay. No questions. I am glad to

1 hear the report. It sounds like it went pretty
2 well. Thank you, Mona, in your help in getting
3 that done.

4 Do we need any kind of a motion on
5 this?

6 MS. BARON:

7 No. It is just a report, she said.

8 MR. POTEET:

9 Not on the audit. Well, thank you,
10 Mr. McKowen. We look forward to hearing from
11 you again next year.

12 MR. McKOWEN:

13 Okay. Great. Thank you.

14 MR. POTEET:

15 Next on the agenda is Mona?

16 MS. BARON:

17 No. We don't have financials from
18 Ms. Mona at this time. But we do have --
19 Commissioner Watts wanted me to put -- he wants
20 to talk about temporary tags.

21 MR. POTEET:

22 Okay. Mr. Watts.

23 MR. WATTS:

24 Yes. Just, I guess, for Kim, I got
25 people calling and buying cars going through

1 these temp tags. A friend of mine bought a
2 car. I talked to Kim about it.

3 Derek, are we having any problem
4 getting their title to their car, you know,
5 they can't -- and I don't know what to tell
6 them. So instead of referring y'all to the
7 office, I would like to know what to tell them.

8 MS. BARON:

9 Well, basically, they are going to
10 have to be referred to us so we can file a
11 complaint. And we can get one of our
12 compliance investigators on it. So that's the
13 best way is for them to contact us. The one
14 that we had talked about previously was against
15 CarMax. And I have talked with that lady and
16 she is sending it -- actually, she has already
17 sent in a complaint. I gave it to compliance
18 investigator Monroe Almond, because that's his
19 area, and he will be checking on that this
20 week.

21 MR. WATTS:

22 Okay. Anybody across the state have
23 any problems? Any commissioners? With the
24 auctions, Derek? You and Matt and John are
25 getting titles?

1 MR. POTEET:

2 Not any more than usual.

3 MR. PEDERSON:

4 That's normal.

5 MR. BRITT:

6 Usually by the time we hear of
7 something, Richard, it is to the point that one
8 of our investigators need to get on it. That
9 particular dealer, what I find in mine and
10 Dino's and Ricky's area is by the time they get
11 to doing that, they are in a bind. Something
12 is going on.

13 MR. WATTS:

14 Kim, what does the law read? What's
15 by law how many days they get a -- so they
16 don't penalized? Does the customer get
17 penalized? If they get pulled over, do they
18 get fined?

19 MS. BARON:

20 The dealer has 20 days to get it to
21 the consumer. We usually allow them up to,
22 probably, 40 days because -- like these did not
23 start until then and that's when, you know,
24 those circumstances where they can't get more
25 than 20 days. But even if the dealer cannot

1 get it to them within that 20 or 30 or 40 days
2 or whatever, and the late fees, penalties, and
3 adding up that whole time when the consumer
4 goes to register the vehicle, we have them pay
5 the late fee, penalty, and interest. And then
6 they send me a claim against their surety and I
7 go against that dealer's bond -- if the dealer
8 is not going to pay those back to the consumer,
9 I go against the bond and then they will get
10 the penalties and interest.

11 MR. WATTS:

12 Once the consumer gets pulled out
13 with an expired temp tag, he explains this to
14 an officer, why happens after that?

15 MS. BARON:

16 That depends on the officers. Some
17 officers are very understanding; other ones are
18 not. So it just depends on what area they are
19 in. A lot of times if there is a lot of people
20 involved and it is a whole huge, you know, a
21 lot of consumers, I send them out a letter that
22 says, look, we are working on this. We are
23 trying to help these people get their license
24 plate. There has been a problem, yada, yada.
25 And a lot of times if they show that to the

1 policeman or whatever, he will let them slide
2 for right now.

3 But we have not had that problem but
4 maybe twice or three times recently, you know,
5 like, in the past three or four years. So it
6 doesn't happen very often. It is just -- this
7 does not he happen with CarMax. They said it
8 had something to do with a title out of Texas
9 that they had to send back for a signature.
10 They talked to the lady at CarMax the last
11 time. She said it would take three or four
12 weeks for it to come back. So I don't know if
13 Texas is dragging their feet. This is just a
14 story they are telling or what. So that's why
15 we are going to go ahead and send Monroe out
16 there so we can talk to them and see what
17 exactly the problem is.

18 Compliance Investigator Gaudin is in
19 the building. She wants to make a comment on
20 it.

21 MS. GAUDIN:

22 One thing with the new dealers and
23 when we do the seminars, what we drill home
24 with our new dealers is there is an issue with
25 that title, do not wait until the 58th day, two

1 days before that 60-day tag runs out. Reach
2 out to one of investigators in the area and we
3 will get them with the manager of the local DMV
4 office. That way they can apply for
5 authorization to issue a second tag. I just
6 want to kind of put that out there. It is not
7 that our dealers don't know that that's the
8 process to issue a second tag.

9 MR. WATTS:

10 Good deal. That's all that I have.
11 Thank you.

12 MR. POTEET:

13 Okay. Where are we now?

14 MS. BARON:

15 I was going to -- I don't know if
16 everybody has hearing when we were talking
17 about Darty. But for those that do not know,
18 Darty is in the hospital. He is fighting COVID
19 right now. He is in ICU. I talked to his wife
20 probably five or ten minutes ago -- well, it
21 was right before the meeting. And she said
22 that they took last night or a little bit
23 promising -- more promising. They are looking
24 a little better. They are giving him plasma
25 that has the antibodies in it for COVID, and

1 they are trying to get that to kin in. They
2 said he's on a BIPAP machine. He's not on a
3 ventilator yet, but he is on a BIPAP machine,
4 which, if I am not mistaken, it is sort of like
5 a CPAP machine. You can take it on and off or
6 whatever. And he can only stay off of that for
7 about ten minutes and then his oxygen level
8 begins to drop. So said he is strong, so
9 hopefully -- she got to FaceTime with him last
10 night for just a few minutes. She said his
11 throat is very sore and he can only take the
12 mask off long enough to take oral meds and
13 drink fluids and stuff. But just keep praying
14 and asking -- you know, she is asking for
15 everybody to pray for him and hopefully that he
16 will be okay. And I told her, I said, well, I
17 feel like it is going to be all right. She
18 said we are staying positive. So I will keep
19 y'all updated if I hear anything, you know,
20 else. She is going -- she updates it on
21 Facebook pretty regularly. But I will send
22 out, you know, an update every once in a while
23 when I hear from them and let y'all know how he
24 is doing.

25 MR. BRITT:

1 What's the name on Facebook?

2 MS. BARON:

3 It is under Melissa Smith. That's
4 his wife.

5 MR. POTEET:

6 Okay. Where are we now? What's
7 next?

8 MS. BARON:

9 Ratifications of imposed penalties.
10 That will be Derek.

11 MR. PARNELL:

12 Commissioners, you will find in your
13 packet a chart that illustrates the licensees
14 that were in violation of state law. These
15 cases have been investigated and I have
16 determined that public interest can be served
17 without further administrative hearing. I will
18 go through the chart and list the name of the
19 dealership and its location and the dollar
20 amount of the fine.

21 The first one listed is Da Spot Auto
22 Sales from Lafayette, Louisiana, fine amount is
23 \$400. Darryl Jackson doing business as DJ's
24 Used Cars from Baton Rouge, Louisiana, fine
25 amount is \$900. Southside Motors, LLC, from

1 Baton Rouge, Louisiana, fine amount is \$150.
2 And MJ Auto Sales, Inc., doing business as MJ
3 Auto Sales, from Shreveport, Louisiana, fine
4 amount \$150. The total of civil penalties for
5 the month was \$1600. Commissioners, I do ask
6 that you ratify the imposed civil penalties
7 that were assessed.

8 MR. POTEET:

9 I need a motion.

10 MR. BRITT:

11 I make a motion.

12 MR. OLAVE:

13 Second.

14 MR. POTEET:

15 Any opposed?

16 (No response.)

17 Okay. That passes.

18 All right, Derek.

19 MR. PARNELL:

20 I kind of want to give some updates
21 about what has been going on. One of the main
22 things that we discussed at the last meeting
23 was the Office of Motor Vehicles dealer plates.
24 I want to just give some updates on that.

25 The DPS Office of Motor Vehicles is

1 right now is working with additional public tag
2 agents to provide dealer plates for new car
3 dealers. According to the Office of Motor
4 Vehicles, in addition to Office of Motor
5 Vehicles issuing the dealer plates to our
6 licensed dealers, what they did give permission
7 and basically saying that we can apply to
8 become a public tag agent. While becoming a
9 public tag agent, we will be able to collect
10 the convenience fee of \$18 to offset the cost
11 to the LUMVC for issuance of the dealer plates.
12 That would cover pretty much the staff's
13 additional duties and training them and what it
14 takes to get this done. And, mainly, updating
15 our licensing programs to accommodate an
16 additional license type. Otherwise, we cannot,
17 as an agency, charge any convenience fee. And
18 all of the proceeds currently goes to the State
19 Highway Fund. What they advised me, they have
20 recently been sued or maybe a year or so ago,
21 Office of Motor Vehicles was sued because they
22 were charging a fee that they were not by
23 statute able to do. Gerald Johnson and Jill
24 Jarreau is the person that I have been dealing
25 with in regards to this. Gerald Johnson is

1 putting together an application package for us
2 that he said should be ready for us shortly.
3 There is an application fee; however, DPS, they
4 said they will waive any surety bond
5 requirements for us to become a public tag
6 agent.

7 So what that will mean is basically
8 we would be another agent for our independent
9 used car dealers to come get their dealer
10 plates from our agency. OMV will still
11 facilitate that function as well. But I think
12 that it will be much -- a better situation for
13 our dealers and for our agency to get it
14 because we have all of the information pretty
15 much here and on hand.

16 The Office of Motor Vehicles
17 sometimes run into issues of trying to get
18 information off the website. Sometimes they
19 don't do it as fast as our dealers like it. It
20 would be better convenience and more efficient
21 for our agency to do it. So I am looking
22 forward to getting through this process so we
23 can provide that for our dealers.

24 The other thing that I kind of want
25 to discuss with you all is to let you know that

1 renewals, we sent out the postcards and a mass
2 email regarding renewals for this year. The
3 postcard email explains to the dealers how the
4 renewal process -- pretty much how it is going
5 to be handled this year. Specifically, due to
6 House Concurrent Resolution 71.

7 As we know and pointed out, the
8 House -- HCR 71, renewal fees are suspended
9 between July 1, 2020, through June 30, 2021.
10 All of the dealers, they must still complete
11 and send in a dealer application. The bond
12 requirements must be met. Insurance
13 requirements must be met. Renewal fees are not
14 affected by HCR 71, suspension of fees. So
15 since we are a two-year license, the dealer
16 will receive their 2022 license upon receipt of
17 renewal fee of \$400 starting July 1 of 2021.
18 Late fees will not be applied until assess
19 December 30, 2021.

20 It is our hope that this process goes
21 well. During renewal period, the lobby will be
22 open to the public, but very limited based
23 according to the Governor's proclamation of
24 134. It basically states that if we don't have
25 enough space in your lobby to social distance

1 for more than X amount of persons, that the
2 lobby shall remain closed about. But we kind
3 of estimate that we can have about two dealers
4 in at a time. Masks will be required to enter
5 the building and temperature screens will be
6 conducted.

7 So I just kind of wanted to update
8 everyone and let you know that the renewal
9 process has started. We have got the
10 information out. We have had dealers just
11 initially just send in documents for themselves
12 as they go. That the renewal process, it takes
13 a little bit sometimes, but, hopefully, we can
14 get through this process very efficiently.

15 Commissioners, I don't have any other
16 new information that's out there. But if you
17 have any questions or concerns at this time,
18 please bring it to my attention.

19 MR. POTEET:

20 Thank you, Derek. Where are we now,
21 Kim?

22 MS. BARON:

23 That is it. We have a hearing. And
24 that's about it. We do have a quorum now. So
25 those of you that have to go may go. We have

1 two commissioners that are going to have to
2 leave, but even with those gone, we still have
3 a quorum.

4 MR. POTEET:

5 I make a motion that we adjourn and
6 we will take a one-minute break.

7 MR. OLAVE:

8 I second the motion.

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10 (Meeting adjourned at 10:00 a.m.)
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REPORTER'S CERTIFICATE

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2
3 I, BETTY D. GLISSMAN, Certified Court
4 Reporter, Certificate No. 86150, in and for the
5 State of Louisiana, do hereby certify that the
6 Louisiana Used Motor Vehicle Commission October
7 19, 2020, meeting was reported by me in the
8 stenotype reporting method, was prepared and
9 transcribed by me or under my personal
10 direction and supervision, and is a true and
11 correct transcript to the best of my ability
12 and understanding.

13 This November 3, 2020, Baton Rouge,
14 Louisiana.

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21 _____
22 BETTY D. GLISSMAN, CCR
23 CERTIFIED COURT REPORTER
24
25