

LOUISIANA USED MOTOR VEHICLE COMMISSION

STATE OF LOUISIANA

REGULAR MEETING

AUGUST 16, 2010

BEGINNING AT 9:38 A.M.

3132 VALLEY CREEK

BATON ROUGE, LOUISIANA

REPORTED BY:

BETTY D. GLISSMAN, CCR

Betty D. Glissman, CCR
(225) 754-8609

1 APPEARANCES:

2
3 CHAIRMAN:

4 MR. GLEN ROBINSON

5
6 VICE CHAIRMAN:

7 MR. JOHN POTEET

8
9 COMMISSIONERS PRESENT:

10 MR. GEORGE BREWER

11 MR. TONY CORMIER

12 MR. RON DUPLESSIS

13 MR. GEORGE FLOYD (arrived late)

14 MR. KIRBY ROY

15 MR. HENRY "DARTY" SMITH

16 MR. DOUGLAS TURNER

17
18
19 REPRESENTING THE LOUISIANA USED MOTOR
20 VEHICLE COMMISSION:

21 ROBERT W. HALLACK, ESQUIRE

HALLACK LAW OFFICE

13007 JUSTICE AVENUE

22 BATON ROUGE, LOUISIANA 70816

23 SHERI MORRIS, ESQUIRE

ROEDEL, PARSONS, KOCH, BLACHE,

24 BALHOFF & McCOLLISTER

8440 JEFFERSON HIGHWAY, SUITE 301

25 BATON ROUGE, LOUISIANA 70809

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1 ALSO PRESENT:

2
3 MS. KIM BARON

4 MR. DEREK PARNELL

5 MS. HEATHER ELLIS

6 MR. RONNIE WISENOR

7 MS. JUNE POWELL

8 MR. ERIC LOCKRIDGE

9 MS. PHYLLIS SIMS

10 MS. JANET HENDERSON COGLEY

11 MR. TERRY McLAIN

12 MR. JOHN ALARIO

13 MR. JESSE McCORMICK

14 MR. DERRELL COHOON

15 MR. FRANK HILEMAN

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25

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1 MR. ROBINSON:
2 Good morning, everybody. We
3 will start with the Pledge of Allegiance.

4 (Pledge of Allegiance)

5 MR. ROBINSON:
6 Ms. Kim, if you will call
7 role, please.

8 MS. BARON:
9 Glen Robinson?

10 MR. ROBINSON:
11 Present.

12 MS. BARON:
13 George Brewer?

14 MR. BREWER:
15 Here.

16 MS. BARON:
17 Louis Bourgeois?

18 MR. BOURGEOIS:
19 (No response.)

20 MS. BARON:
21 Tony Cormier?

22 MR. CORMIER:
23 Here.

24 MS. BARON:
25 Ron Duplessis?

1 MR. DUPLESSIS:

2 (No response.)

3 MS. BARON:

4 George Floyd?

5 (No response.)

6 MR. ROBINSON:

7 Let the record show that Ron
8 is here. He is just not able to articulate
9 that at this time.

10 MS. BARON:

11 John Poteet.

12 MR. POTEET:

13 Here.

14 MS. BARON:

15 Kirby Roy?

16 MR. ROY:

17 Here.

18 MS. BARON:

19 Darty Smith?

20 MR. SMITH:

21 Here.

22 MS. BARON:

23 Douglas Turner?

24 MR. TURNER:

25 Here.

1 MS. BARON:

2 Mr. Chairman, we have a
3 quorum.

4 MR. ROBINSON:

5 Thank you.

6 We do have public comments
7 today. I do know there are a number people
8 here that are interested in an item on the
9 agenda which is under Section 5, Item 5, and
10 we are going to address them real quick
11 here, so those of you who are here for that,
12 we can get you in and out and get into a
13 discussion on that.

14 Items for discussion,
15 approval of the minutes. Has everyone
16 looked at the minutes from last month?

17 MR. SMITH:

18 I make a motion to approve
19 them.

20 MR. ROBINSON:

21 Motion to approve the
22 minutes.

23 MR. BREWER:

24 Second.

25 MR. ROBINSON:

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1 Anyone opposed?

2 (No response.)

3 MR. ROBINSON:

4 All in favor?

5 (All "Aye" responses.)

6 MR. ROBINSON:

7 It passes unanimously.

8 And then financial matters,

9 Ms. Heather.

10 MS. ELLIS:

11 Good morning. On Pages 1, 2,
12 and 3 of your financial statements for this
13 month, they are still showing the '09/2010
14 budget balances, because we have to wait
15 until we are completely through our audit
16 before we can determine the 2010/2011
17 budget. So we will start with Page 4.

18 On Page 4, our July license
19 fee totals, \$15,195. Our total revenues for
20 the month, \$16,053.06.

21 Page 5 shows total salaries,
22 operating services. On Page 6 is your total
23 expenses, \$81,987.71, leaving us with a
24 difference of \$65,000, almost \$66,000, which
25 we will make up in the coming months as we

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1 send out renewals.

2 On Page 6 is our total
3 revenues again, \$16,000.

4 Page 7 and Page 8 -- I'm
5 sorry, Page 7 and Page 6 were out of order.

6 Page 6, Page 8 and Page 9 are
7 our three month comparisons.

8 On Page 9 is our total
9 expenditures again of almost \$82,000.

10 On Pages 10 and 11, you will
11 see our assets at petty cash, cash in the
12 bank, and CD investments are all close to
13 what they were last month. The cash in the
14 bank has changed a little bit due to the
15 lower revenues and the higher expenditures
16 for July.

17 Page 11 is about the same as
18 last month, also. This will be changing as
19 we go through our audit period to reflect
20 any changes that have occurred within the
21 past year.

22 On Page 12, we start our new
23 revenue expenditure comparison for the year
24 and we are a little bit lower in revenue
25 than we were last year at this time, but we

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1 are also a lot lower in expenditures than
2 last year at this time, and we are negative
3 almost \$66,000 for the year, but that is to
4 be expected at this time.

5 Page 13, our CD summary is
6 unchanged from last month.

7 Page 14, from hearings, we
8 have \$2,400 that's uncollected as of --
9 there is one from 2007. The rest are all
10 2009 hearings and/or fines that have been
11 assessed. We have filed a claim against the
12 bond for the 2007 one.

13 On Page 15, the major
14 differences in this month from last month,
15 you had three payrolls in July instead of
16 the regular two. So our salaries and
17 related benefits are up. Our auto
18 maintenance was higher due to the regular
19 maintenance on all of the vehicles. We had
20 \$674.54 less office supplies than the
21 previous month due to trying to pay out all
22 of the 2009/2010 invoices in 2010. We paid
23 legal services, June services for Sheri
24 Morris, and Roy Hebert's CPA bill for June
25 services, also.

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1 And the major difference, we
2 did have to replace a broken
3 air-conditioning unit in the building. It
4 was over 20 years old, and so that was
5 replaced. We went through state purchasing
6 and used their emergency -- I guess
7 emergency procurement method by getting five
8 bids and we did take the lowest bid, and we
9 had that replaced and paid out in July. We
10 did also receive the \$12,000 for the cars
11 and the equipment that we sold. So that was
12 taken in, in July. So it was taken in this
13 year and we are expecting to purchase the
14 new vehicle this year, also. So they will
15 offset each other.

16 MR. ROBINSON:

17 Questions for Ms. Heather,
18 anyone?

19 MR. ROY:

20 I move to approve.

21 MR. ROBINSON:

22 Motion to accept the
23 financials.

24 MR. CORMIER:

25 Second.

1 MR. ROBINSON:

2 Before we vote, I've got a
3 couple of questions.

4 MS. ELLIS:

5 Okay.

6 MR. ROBINSON:

7 As far as cash flow, because
8 it is the middle of the summer, do you think
9 we are going to need to cash in one of these
10 CD's or are we going to be okay?

11 MS. ELLIS:

12 I think we are going to be
13 all right. We do have \$450,000 in the bank
14 currently and we should start taking in
15 renewals in September, around September.

16 MR. ROBINSON:

17 Not necessarily just for you
18 to answer, but we have done so much better
19 on these claims for bond, but yet we have
20 got this one from '07. I mean, does anybody
21 know where we are at, really know where we
22 are at, and why it is still dragging on? I
23 mean, we need to --

24 MR. PARNELL:

25 I'll have to get a report

1 from Attorney Hallack, because this was one
2 that was sent to him to reclaim, go ahead
3 file the procedure legally against them to
4 actually get that bond.

5 MR. ROBINSON:

6 If it hasn't been -- I mean,
7 if it can't be resolved immediately, unless
8 any Commissioner disagrees, we need to file
9 suit immediately to the collect the money.
10 Any disagreement?

11 MS. BARON:

12 No, sir.

13 MR. ROBINSON:

14 We have a motion and a second
15 to approve the financials? Any other
16 questions, comments?

17 (No response.)

18 MR. ROBINSON:

19 All in favor?

20 (All "Aye" responses.)

21 MR. ROBINSON:

22 Anyone opposed?

23 (No response.)

24 MR. ROBINSON:

25 The motion passes.

1 Thank you, Ms. Heather. I
2 know you have a commitment you need to get
3 to.

4 Item C, legal matters,
5 pending litigation. Is that same two cases?

6 MR. PARNELL:

7 Yes. It's the same two that
8 we are still in the appeals process. I put
9 it on the agenda, because we haven't
10 completed the process as of yet, but I don't
11 know if it will -- if it pleases the
12 Commission, if we are in the same position
13 next month with this, would you request for
14 me to not put it on the agenda?

15 MR. ROBINSON:

16 I don't see the need until we
17 have some kind of resolution or some kind of
18 status change. I would say just don't worry
19 about it until the attorneys have something
20 for us. So that takes care of Items 1 and
21 2?

22 MR. PARNELL:

23 Yes.

24 (George Floyd enters the room.)

25 MR. SMITH:

1 That does take care of 1 and
2 2?

3 MR. ROBINSON:

4 Yes, sir.

5 MR. SMITH:

6 I make a motion to move 5/5
7 to D-1.

8 MR. ROBINSON:

9 I've got a motion to change
10 the agenda moving Item #5, #5 up to items
11 for discussion #4, D-1. So we are going to
12 move discussion in place of business and
13 FEMA trailers up to D-1.

14 Is there a second?

15 MR. ROY:

16 Second.

17 MR. ROBINSON:

18 Okay.

19 All in favor?

20 (All "Aye" responses.)

21 MR. ROBINSON:

22 Anyone opposed?

23 (No response.)

24 MR. ROBINSON:

25 Okay. We will make that

1 agenda change.

2 Director Parnell, discussion
3 of established place of business and FEMA
4 trailers.

5 MR. PARNELL:

6 This came up from discussion
7 because of a meeting that was held with the
8 New Car Commission and the Used Car
9 Commission on August 8 of 2010. Myself,
10 Attorney Hallack and Commissioner Poteet
11 attended that meeting. In your packet what
12 I asked Attorney Hallack to do was I asked
13 him to put a memo of what was talked about
14 during that meeting, so you all could kind
15 of read it and kind of know what was talked
16 about prior to this meeting here.

17 The primary concern was the
18 pop-up auctions or auctions which open at a
19 site temporarily, and then move to another
20 location. They wanted to know what the
21 Commission was doing to stop temporary
22 auction locations, particularly those
23 dealing with FEMA trailers. The LMVC, and
24 particularly the attorneys, interpreted our
25 statute to mean that an applicant must show

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1 some permanence in its location. He pointed
2 that Revised Statute 32:781.7 defines place
3 of business as a place regularly occupied
4 and suggested that temporary locations are
5 not acceptable.

6 In reviewing the rules and
7 regs, we also -- he also pointed out to us
8 established place of business and found that
9 the structure must be a permanently enclosed
10 building and shall not mean tents, temporary
11 stands, lots or other temporary quarters.
12 They interpreted this to mean that permanent
13 is in order to obtain a license. However,
14 that plainly acknowledges that we do have
15 portable buildings and trailers with some of
16 our licensees. One of -- another thing that
17 they asked of us is that they wanted to see
18 about us adopting an emergency rule with
19 them to require our dealers to have an
20 appropriate license from the L.P. Gas
21 Commission before they obtain a license to
22 sell RVs.

23 So mainly -- the discussion
24 initially was told that we were just going
25 to go down and we were going to talk about

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1 some things, established place of business,
2 and we wanted to work together and make sure
3 we were on the same page as it relates to
4 our dealers that are out there that we
5 licensed. It kind of came up because of one
6 issue as it relates to we have one out of
7 state auctioneer and an in-state dealer that
8 we license and an in-state dealer that the
9 New Car Commission licenses and what their
10 dealer was doing. The out of state
11 auctioneer company, they used our location
12 -- not our location, but our dealer's
13 location to hold a license -- to hold an
14 auction. And the meeting -- well, we got to
15 a some point where it got a little
16 adversarial there at some point. I would
17 like to defer to Commissioner Poteet if he
18 has some words about it, because he was in
19 attendance at the meeting.

20 MR. POTEET:

21 Well, I think that the
22 meeting was -- for the most part, it was,
23 you know, useful. I think that there was an
24 overriding sort of -- an opinion of the New
25 Car Commission that we were somehow failing

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1 to perform our duties, that we were just
2 letting these things occur without any
3 regard to the consumer that ends up with the
4 FEMA trailers. You know, as we spent a
5 little more time discussing it, you know,
6 the thing that we were trying to figure out
7 was exactly what are we doing wrong. I
8 mean, what are we not doing as a Commission,
9 and the more we discussed it, I think we
10 came down to the idea that we really were
11 doing most of the things that were required
12 and the examples that they were giving us
13 and bringing up really didn't fit into
14 anything that we thought was really wrong.

15 So I think that it really
16 kind of revolves around this whole idea of
17 FEMA trailers and what is going to happen
18 with the FEMA trailers. So I think that
19 Derek and Robert and I felt like what we
20 need to do is discuss it with the whole
21 Commission and see what everybody else's
22 ideas are on this. So what more did we need
23 to do, if anything? Does that sound like
24 pretty much what we witnessed there?

25 MR. PARNELL:

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1 Yes.

2 MR. ROBINSON:

3 So the bottom line is FEMA
4 trailers?

5 MR. PARNELL:

6 Yes.

7 MR. POTEET:

8 That's what it was all about.

9 MR. PARNELL:

10 Yes.

11 MR. ROBINSON:

12 I had a visit -- I've got to
13 look this up. I know we have more than two
14 or three state agencies in the state.

15 MS. BARON:

16 Just a few.

17 MR. ROBINSON:

18 There is a state agency, and
19 actually I didn't save it, but that you have
20 to go to get a permit for electricity. Do
21 you know what it's called, Ms. Morris? It's
22 relatively new. It's post-Katrina
23 Commission.

24 MS. MORRIS:

25 It's done by the local

1 agencies, I believe, through an occupancy
2 license, but they have to comply with the
3 building standards of the Uniform Building
4 Standards Commission, something like that.

5 MR. ROBINSON:

6 They came to see me to tell
7 me that they knew a lot of FEMA trailers
8 were being auctioned and that they have
9 taken the position they won't allow any
10 utilities turned on in those FEMA trailers.

11 MS. MORRIS:

12 It's the Uniform Code
13 Council.

14 MR. ROBINSON:

15 This is statewide is what I'm
16 told. So if a consumer goes to an auction
17 and purchases a FEMA trailer and takes it to
18 a mobile home park, then calls to have the
19 electricity turned on, this state agency is
20 going to refuse them the permit to have the
21 electricity turned on. So they are somewhat
22 involved in the number of FEMA trailers that
23 are being auctioned off, too. So that's
24 something new since you had your meeting. I
25 think that was last Friday that came up. So

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1 is it two separate issues, one is FEMA and
2 one is still the established place of
3 business?

4 MR. PARNELL:

5 Well, established place of
6 business was a concern. It was the item
7 that they were suggesting that we were not
8 enforcing by issuing licenses to our
9 auctioneers to sell FEMA trailers,
10 basically.

11 MR. ROBINSON:

12 We have also invited here for
13 this meeting -- Derek, why don't you go
14 ahead and have them introduce themselves?

15 MR. PARNELL:

16 I have the Executive Director
17 for the L.P. Gas Commission, Mr. John
18 Alario, and one of his investigators. The
19 main thing we wanted to have him come in and
20 someone from their agency to come in and
21 kind of explain to us exactly what's
22 required of the FEMA trailers before they
23 leave the lot, what is required from their
24 agency as it relates to that. So if you
25 will introduce yourself.

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1 MR. ALARIO:

2 John Alario, I'm the
3 Executive Director for the Liquified
4 Petroleum Gas Commission. This is Terry
5 McLain, I dub him as a FEMA trailer expert
6 within the agency since he has worked with
7 it quite a bit since Katrina. I'm going to
8 let him get into exactly what we are looking
9 for through the auctions, to let you know
10 what we find with the BP oil spill. We have
11 been working this quite a bit. We find a
12 lot of FEMA trailers that are showing up in
13 the coastal areas where they house workers
14 and it's not BP that is purchasing them.
15 It's individuals who have purchased a lot of
16 them and put them in a trailer park or
17 vacant land. I find it quite interesting
18 that you say there is an agency that will
19 refuse power to it, because they've got a
20 lot of workers --

21 MR. ROBINSON:

22 Because they are not built to
23 code is what they told me.

24 MR. ALARIO:

25 That's the whole other issue

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1 that is going to get into the federal
2 government about inhabiting them, also.
3 Most of these -- the problem we are finding
4 is they won't pass the pressure test. In
5 order to have the bottles filled, we require
6 a leak check on these trailers and as soon
7 as --

8 MR. ROBINSON:

9 Prior to inhabitation?

10 MR. ALARIO:

11 Prior to the ultimate
12 consumer.

13 MR. ROBINSON:

14 Okay. So that will include
15 at an auction?

16 MR. ALARIO:

17 Correct. That's correct.
18 And that's the problem we are having. They
19 are being corrected as they come along with
20 them. Some of them, they just have to
21 rebuild the whole system. We found some
22 instances where the hot water heaters have
23 been removed out of them and bubble gum
24 actually stuck in one of the holes to try to
25 plug it up, so it wouldn't leak and just

1 stuff like that that we are finding. But
2 Mr. McLain can explain to you more what we
3 look for at the auction and so forth and, of
4 course, we offer any cooperation that y'all
5 may need from us.

6 MR. ROBINSON:

7 Before he explains that -- so
8 you have statutes that they are required to
9 meet before these -- it's any, it's not just
10 FEMA, is it any trailer?

11 MR. ALARIO:

12 It's -- a licensed plumber
13 has to have a license through us to do these
14 things. So, of course, the plumber has to
15 be licensed by the state under their code
16 and in order to do pressure tests not only
17 on FEMA trailers, but on residents, cooking
18 trailers, just any type of thing that
19 requires a pressure test for L.P. gas, they
20 get a license through us.

21 MR. ROBINSON:

22 So I just want to make sure
23 that we are all on the same page, not to be
24 redundant, but before it is sold at an
25 auction, your agency requires a pressure

1 check?

2 MR. ALARIO:

3 That's correct.

4 MR. ROBINSON:

5 Just a moment.

6 MR. ALARIO:

7 That's correct.

8 MR. ROBINSON:

9 We are going to let everyone
10 have their opportunity.

11 Sir, if you want to continue
12 on.

13 MR. ALARIO:

14 Tell them about before they
15 get to auction.

16 MR. McLAIN:

17 Basically, what we do is with
18 any travel trailer, motor coach, motor home,
19 the regulation states upon the sale of the
20 actual unit that a pressure test for -- on
21 the L.P. gas system must either be performed
22 by a person holding a card of competency,
23 that is someone who has taken a written test
24 with our agency and possesses basically a
25 license, an individual license. And that

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1 person must perform the pressure test on
2 these units and they must pass the test and
3 must be witnessed by the customer that has
4 taken delivery.

5 Now, you may say, well, why
6 do you do all of this? Well, the last
7 judgment on L.P. gas in Louisiana that I'm
8 aware of was year before last in Greensburg,
9 Louisiana. It's 15 million dollars on
10 judgment. Accidents are very expensive
11 unlike, you know, if you and I bump into
12 each other on the street out there and you
13 have a lawsuit where you -- everybody is
14 made whole again, with L.P. gas, you have
15 punitive damages and it's whatever -- the
16 sky is the limit. So that is the reason why
17 we regulate it so vigorously.

18 It's -- when these particular
19 -- not to single them out, but yet I do have
20 to single them out when they were new and
21 was being put in by either Fluor, Shaw or
22 Hill back during Katrina and Rita, I got a
23 memo from one of these major contractors
24 where they had a 30 to 40 percent L.P.G.
25 failure rate. That's when they were brand

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1 new. And recently we have had a case with
2 the BP response where they were -- out of
3 about 15, 11 of them failed the pressure
4 test and it was because the piping had
5 rotted out from underneath them. So there
6 is an intrinsic safety factor to our people
7 here in Louisiana. In our case on the BP
8 response, we had occupants in the trailer
9 and I was present and I was smelling gas
10 outside and they were going on about their
11 business which, you know, as an inspector, I
12 was looking at this and I was seeing a
13 Greensburg type situation lawsuit, people
14 hurt, burned, and everybody was going on
15 about their business and let's rent the
16 things, let's get the money in, let's get --
17 I think we just -- you know, we need to
18 really make sure and -- you know, they have
19 got water in them, they have got electric in
20 them. The only thing hazardous is liquified
21 petroleum gas. It will put you on the moon
22 and, you know, that part needs to be
23 respected.

24 MR. ROBINSON:

25 But you are saying your

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1 agency requires that the person taking
2 delivery is there to witness the test?

3 MR. McLAIN:

4 Witness the test, yes, sir.

5 MR. ROBINSON:

6 How can an auction, though,
7 be required to do that?

8 MR. McLAIN:

9 Well, they are doing it now.
10 They are turning in papers. Somebody is
11 signing them as a customer and somebody is
12 signing them as a -- there is an affidavit
13 and this is nothing new. We have been
14 around since 1948. A lot of your dealers
15 that you normally have that are RV dealers
16 here is our dealers, too. The FEMA trailer
17 is a -- something that was new where, you
18 know, they auction them off and it is
19 usually people who were not -- a majority of
20 some of these folks were not in the
21 traditional recreational vehicle business
22 prior to this. So there has been a learning
23 curve. They had to obtain -- which they've
24 got the option of doing that. They can go
25 to an RV dealership, which some of them did

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1 do that, and they hire their service men to
2 come and do the pressure test for them.
3 Some of them trained people and got their
4 own permits. It can be done.

5 MR. ROBINSON:

6 But you are saying go to the
7 RV dealer and hiring their guy, but it still
8 has to be done in front of a consumer that
9 they don't know who is going to buy that
10 trailer.

11 MR. McLAIN:

12 Well, if the consumer bought
13 it, if I go to the auction and I bought the
14 trailer, am I not a consumer? If I walk
15 in -- anybody walks into the auction at
16 Henderson, I'm going to use them as an
17 example.

18 MR. ROBINSON:

19 They are in attendance.

20 MR. McLAIN:

21 I know. And I bought a
22 trailer, would I not indeed -- if the law
23 says I am to witness a pressure test and
24 they are there to perform it with a licensed
25 service person, I should be the one who

1 would witness the pressure test and sign it.
2 Because like I say, the alternative is --
3 and even with some of these auctions we had
4 FEMA trailers -- it didn't make the news
5 here so much, but there was a father and a
6 son from Ponchatoula who got blew up in a
7 FEMA trailer about six weeks ago and was in
8 a burn center and, here again, it is from
9 L.P. gas.

10 MR. ROBINSON:

11 Does any Commissioner have a
12 question for either of these two gentlemen?

13 MR. TURNER:

14 I'm confused on one thing.
15 Should this be inspected before it is sold
16 at the auction or after the auction sells it
17 to an individual, exactly what we are
18 talking about?

19 MR. McLAIN:

20 Well, sir, probably -- you
21 know, I have been in the L.P. gas business
22 and regulatory for over 30 years. If it was
23 me and if I was dealing with the auctions, I
24 would have my people go through those
25 trailers prior to the auction and make sure

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1 that the L.P. gas system -- more or less do
2 a preliminary test and inspection of the
3 system and make sure the heater has not been
4 taken out and you have uncapped outlet there
5 with -- like Mr. Alario talked about earlier
6 with bubble gum stuck in it. I mean, that
7 was a statement from one of these -- from
8 one of these people who actually work at the
9 auction who is doing the test was made to
10 me, that actually happened at an auction.
11 So, you know, a week or two prior to these
12 auctions coming up, if you had a large
13 number of them, I would have my people
14 inspect each one of them, go in and do a
15 preliminary pressure test and make sure
16 everything is going to pass, and then when
17 auction day comes, if I'm selling it to John
18 Q public, they are there, they can run the
19 pressure test. There is not going to be no
20 problem. It is a foregone conclusion.

21 MR. TURNER:

22 So the answer to the question
23 is, this has to be tested and certified to
24 the consumer at the time of any purchase,
25 not at the auction. The auction is not

1 responsible to do that.

2 MR. ALARIO:

3 When it gets to the ultimate
4 consumer, that's right.

5 MR. McLAIN:

6 When it gets to the ultimate
7 consumer.

8 MR. TURNER:

9 So if the auction has a
10 dealer.

11 MR. McLAIN:

12 That dealer would be
13 responsible for doing the pressure test.

14 MR. ROBINSON:

15 Dealer to dealer, it's not --

16 MR. McLAIN:

17 Dealer to dealer is not.

18 MR. ROBINSON:

19 Any other questions?

20 MR. CORMIER:

21 If the test fails on the
22 trailer, do they still pass the sale?

23 MR. McLAIN:

24 It needs to be fixed before
25 that consumer -- the consumer is not

1 knowledgeable with L.P. gas and that's one
2 of the litigation factors we have had over
3 the years. There's a lot of different
4 avenues with propane that is used, failure
5 to warn, failure to override, failure to
6 notify. All of the buzz words that you hear
7 at all of the different district courts
8 around is applied to the max here. And I'm
9 going to tell you the truth, if I was in the
10 L.P. gas business today and I had one of
11 these trailers and it went to auction and it
12 failed the test, somehow if it got through
13 all of my screening prior to the auction and
14 when they were doing the test and John Q
15 public bought it and it just failed right
16 then and there, well, we would see about
17 getting that trailer repaired before -- if
18 they would like to buy it, so be it, but we
19 would have to go ahead and repair the L.P.
20 gas system first, and then maybe the
21 following Monday you could come back and
22 re-witness a pressure test after we get
23 whatever the problem was corrected. I would
24 not let it go to an ultimate consumer.

25 MR. ALARIO:

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1. Basically, our law is a
2 consumer protection type thing. It's to
3 make sure that the consumer knows that that
4 trailer passed the test. So if it fails the
5 test, it is not going to stop the sale, but
6 the consumer has been notified that you've
7 got a problem, you know.

8 MR. CORMIER:

9 I see.

10 MR. ALARIO:

11 That's basically how it
12 works.

13 MR. ROBINSON:

14 But as far as state statutes,
15 the sale can take place.

16 MR. ALARIO:

17 The sale can take place.

18 MR. DUPLESSIS:

19 Do y'all put a sticker on
20 them?

21 MR. ALARIO:

22 We do condemn them. That
23 will alert gas companies to come and they
24 won't fill it, but the consumer can
25 certainly take those bottles off and go fill

1 them themselves, but at least we've done our
2 due diligence on it.

3 MR. FLOYD:

4 What about -- I've seen these
5 trailers at the auction. They have not for
6 occupancy already on them.

7 MR. ALARIO:

8 Okay. Good question.

9 MR. FLOYD:

10 So what are you doing a test
11 for L.P.G. gas for if they are not for
12 occupancy anyway?

13 MR. McLAIN:

14 Well, I've got an
15 acquaintance of mine. He is with the
16 Homeland Security, special agent with them,
17 and I've talked to him -- I've asked him the
18 same question, I said, you know, why do you
19 -- why is the federal government doing this?
20 They are obviously -- he said, well, the
21 federal government put a disclaimer on these
22 units. They are not supposed to be for
23 human occupancy. And, you know, you can buy
24 them and use them for storage. I mean, they
25 even have -- I noticed the GSA even has some

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1 deactivation contracts out to -- well, no,
2 dismantling contracts to -- and I'm assuming
3 this is to take some of the interiors out of
4 them, but they put their disclaimer on it
5 and they are finished with it and his
6 comment was that the auction companies and
7 the people who are selling these units use
8 the same disclaimer that the federal
9 government is using on their websites. So,
10 therefore, they are covered. So the State
11 of Louisiana -- it's up to us as a state,
12 are we going to allow these to go forward
13 and be sold or are we not?

14 MR. ALARIO:

15 As far as we are concerned,
16 we look at it -- we don't look at it as it
17 is inhabited or not. The law says it is a
18 travel trailer. We are required to have
19 that pressure test.

20 MR. McLAIN:

21 On the L.P. side.

22 MR. ALARIO:

23 On the L.P. system.

24 MR. McLAIN:

25 But, that's what I was told

1 when I asked the same question because, you
2 know, we were concerned with the L.P.
3 system, some of them that we were seeing.
4 Some of them were great. We went to some
5 and we witnessed some of these tests. Some
6 of them passed. The people had done a real
7 good job on preliminary inspection and
8 pressure test and when we went to witness
9 those, they would all pass, but then we have
10 had some just was terrible. They were death
11 traps, to be honest with you.

12 MR. ROY:

13 Mr. Terry, two questions.

14 MR. McLAIN:

15 Yes, sir.

16 MR. ROY:

17 One, why would some of these
18 trailers not pass the test? And the second
19 is, what's the bottom line, what do you want
20 to this Commission to do?

21 MR. McLAIN:

22 Well, I don't know really
23 what your powers are, but I just wanted to
24 relate to you what our experience have been.
25 Now, going back --

1 MR. ROY:

2 That's where I was having
3 trouble.

4 MR. McLAIN:

5 We wanted to give you the
6 knowledge of what we have been through since
7 Katrina. And even back during those times
8 with those units being new, you know, we
9 have had -- you would pick up the paper
10 occasionally and you will see fires or
11 explosions and, you know, I'm sure this also
12 occurs with regular RVs from time to time as
13 well and -- but, you know, I have had
14 probably in New Orleans, south of New
15 Orleans, probably 13, 14 explosions of L.P.
16 back during Katrina. And like I said, the
17 main thing back then, I had the memo come
18 from one of these major companies that, you
19 know, they started reporting a 30 to 40
20 percent failure rate that they had to turn
21 back then.

22 MR. ROY:

23 What's the major cause
24 basically?

25 MR. McLAIN:

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1 It was a lot around the hoses
2 where the hoses --

3 MR. ROY:

4 Connect.

5 MR. McLAIN:

6 It was at the fixed piping.
7 This round, a lot of the fixed piping was
8 rusting out getting holes in it. Like maybe
9 they were originally -- maybe some that was
10 installed closer to the salt water and maybe
11 some of them wasn't. It seemed like they
12 are graded better. You have some that I
13 have looked at, like I said earlier, we
14 witnessed the BP response, no problem
15 whatsoever. Then, I had another line, we
16 went through the whole line and all of the
17 piping was eat up.

18 MR. ALARIO:

19 It's not just FEMA trailers.
20 You know, like for the BP response, we find
21 it with these disaster companies, it's got
22 to be custom built trailers that can sleep
23 people, shower trailers, cooking trailers
24 and we find the same problems with those,
25 too, you know, the piping. A lot of it has

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1 to do with travel, you know, when they are
2 transporting these vehicles, things, you
3 know, they shake loose, you know. We have
4 great roads in Louisiana. Some other states
5 might not have such good roads.

6 MR. ROY:

7 We have some that aren't
8 great. But what about the auction owners,
9 what are they doing to protect themselves,
10 just a disclaimer or are they required to
11 get a release signed?

12 MR. McLAIN:

13 Well, that's what I was told
14 as far as selling them.

15 MR. ROBINSON:

16 Why don't we do this,
17 Henderson auction is here and they want to
18 participate. So whichever would like to
19 step up and speak for Henderson.

20 MS. HENDERSON COGLEY:

21 I'm Janet Cogley with
22 Henderson auction and the first thing I
23 would like to clarify is the not for housing
24 issue, because if they were indeed not for
25 use by humans at all, we would have a

1 completely different animal than we are
2 dealing with, but when FEMA first sold these
3 back a few years ago, they did sell them as
4 salvage or scrap and they had scrap painted
5 on the sides of them, the titles or the
6 certificates to obtain title came to us. We
7 didn't actually buy any like that, but the
8 title came in with not for human use, scrap
9 stamped across them. That was because of
10 the formaldehyde issue. That's when all the
11 big formaldehyde thing was going on. Well,
12 then FEMA started testing some of the units,
13 randomly testing, taking sample units out of
14 each field and determined that they did not
15 have a formaldehyde issue that they had
16 originally had thought they had, that they
17 really tested within the range of permanent
18 housing, which I don't know if you are aware
19 of this, but a mobile home tested today can
20 go up to 400 parts per billion of
21 formaldehyde. The FEMA trailers average 77
22 parts per billion. So they determined that
23 although they shouldn't be used for
24 permanent housing, they were for
25 recreational use only.

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1 So then the disclaimer that
2 we signed when we bought the packages from
3 FEMA don't say anything about not for human
4 use. They say that the travel trailers
5 should not be used for permanent housing,
6 but for recreational use only. That's the
7 exact words it uses. So the stickers you
8 see on the side of them, most of them don't
9 say not for occupancy. I'm not going to say
10 there aren't any like that out there, but
11 the ones I've seen say not for housing,
12 which again we go back to permanent housing.

13 So we go to the L.P. gas
14 issue and the way we handle that at auction
15 is we do pre-check every unit that sits on
16 an auction yard. We have 20 guys, I think,
17 now certified.

18 MR. ALARIO:

19 Henderson does a fantastic
20 job, though, let me interject that.

21 MS. HENDERSON COGLEY:

22 We have about 20 guys
23 certified and they go through pre-check all
24 of the units and if they have a leak or if
25 they don't pass, most of the time it's a

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1 regulator issue, but, you know, I'm
2 certainly not a mechanic. So I'm going to
3 say what else goes on in there, but they fix
4 it, so that it passes.

5 Now, we were doing the three
6 minute test, but after speaking to Larry
7 Pearson, who is kind of our lead L.P. guy,
8 we are going to the five minute test now
9 because he just feels that it is a lot safer
10 and we don't want to hurt anybody. You
11 know, we don't want the liability and we
12 don't want anybody to get hurt.

13 So we test them before
14 auction, and then on auction day we sell
15 them and in our buyer's guide disclaimer, it
16 states that unless you are a dealer, your
17 unit has to be L.P. gas tested before you
18 can leave with it. That's kind of a long
19 process and sometimes customers get
20 aggravated, but we -- at the checkout gate
21 when they come through the checkout, they
22 don't have their pick up slips unless they
23 have brought their L.P. gas paper back to
24 the office to get their pick up slip. So we
25 just have a process there. I won't go into

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1 all of the detail, but there is, you know,
2 anywhere from eight to 10 guys on the field
3 on auction day going with customers to their
4 trailers to test their trailers in front of
5 them.

6 The first time was a
7 nightmare, you know, I will be honest with
8 you. We found out at 3:30 in the afternoon
9 prior to an auction the next day with 300
10 trailers that we had to do this, you know,
11 and so it was a nightmare. We required an
12 RV company to come in and do it and there
13 were people waiting a long time. What we
14 did at that case is we said if you are
15 taking your trailer out of state today,
16 right after you are the winning bidder,
17 please come to this table and let's get your
18 L.P. gas testing done. If the customers had
19 followed that instruction, it would have
20 gone a lot more smoothly, but most of them
21 didn't. They waited until they got ready to
22 leave, and then, you know, needed to get on
23 that six hour wait list for testing, but we
24 do not let them leave unless they tested and
25 passed. If they do fail on auction day,

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1 they have to stay there and be repaired. It
2 doesn't happen much because of the
3 pre-checking and pre-correcting that we do.

4 MR. ROBINSON:

5 Does that answer your
6 question?

7 MR. BREWER:

8 Yes, it does.

9 Are all the auction companies
10 going to this extreme or are they -- just
11 Henderson?

12 MR. ALARIO:

13 No, sir. The last one that
14 came through, they just had them pull the
15 L.P. systems off, didn't we?

16 MR. McLAIN:

17 The one at Grand Isle, yes,
18 it was terrible. If they can't pass the
19 test, we need to have them remove the L.P.
20 system altogether. They just go strictly
21 electric.

22 MR. ROBINSON:

23 That's the question that I
24 had, because I -- you hear from so many
25 different people. I was told that they

1 cannot just cap the systems, they have to be
2 pressure checked.

3 MS. HENDERSON COGLEY:

4 I thought I understood that
5 as well.

6 MR. ROBINSON:

7 But your option then would be
8 just to remove it.

9 MR. ALARIO:

10 Well, the ones that we are
11 looking at is a BP issue. They already have
12 them on a lot and things like that and the
13 gas companies are coming to fill them. We
14 condemn them all and their only option is
15 just to go electric, you know, because we
16 don't want the expense of repairing them.

17 MR. ROBINSON:

18 Excuse me. Going back to
19 re-regulate auctions, would it be an option
20 for them just to remove them prior to the
21 auction and not have them checked?

22 MR. ALARIO:

23 No, because it can be sold to
24 the ultimate consumer. The BP issue that
25 I'm speaking of is a totally different issue

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1 from the auction.

2 MR. ROBINSON:

3 So they cannot just be capped
4 and they can't be removed. They have got to
5 be pressure checked.

6 MR. ALARIO:

7 Pressure checked, because
8 it's going to the ultimate consumer. That's
9 basically what the law reads.

10 MR. ROBINSON:

11 Anything else? If anybody
12 with Henderson wants to make any comments?
13 Anything else that you would like to add?

14 MS. HENDERSON COGLEY:

15 Not really. Just that, you
16 know, we try to follow every law that's
17 there. If we are doing anything wrong, we
18 don't know of it. And please don't do
19 anything that's -- to just completely
20 slaughter us right now. We are employing
21 about 150 people and it would be pretty
22 painful for a lot of people. So, you know,
23 we don't want to get anybody hurt, but, you
24 know, just try to structure the law, so that
25 as long as everybody is following it, people

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1 are safe.

2 MR. ALARIO:

3 I think -- the concern from
4 what I'm understanding is, it's the
5 temporary auctions that come in. It's not
6 the permanent ones, right?

7 MR. ROBINSON:

8 Well, it's any auction,
9 anybody that's within our jurisdiction.

10 MR. ALARIO:

11 Right.

12 MR. POTEET:

13 I have a question for you.
14 Do you actually own the trailers?

15 MS. HENDERSON COGLEY:

16 Yes.

17 MR. POTEET:

18 So you bought all the
19 trailers. You're not auctioning for another
20 company?

21 MS. HENDERSON COGLEY:

22 We have auctioned for other
23 people, but right now we've got 22,000. We
24 have about 14,000 left. A lot of them are
25 going out of state, too. So don't panic.

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1 There are 22,000 of them here in Louisiana.
2 We sold 5,000 to one buyer. They are going
3 to Florida and Illinois. A whole lot of
4 them are going out of state.

5 MR. ALARIO:

6 We find a lot of them are
7 being used for hunting camps.

8 MS. HENDERSON COGLEY:

9 A lot of them are being used
10 for hunting camps. We sell them as not
11 permanent housing after all of the Code
12 Commission stuff with the park models. They
13 are also sold for not permanently housing,
14 just for camps. We didn't do that in the
15 beginning, because that wasn't in the FEMA
16 guidelines, but the State of Louisiana, I
17 guess about two months ago, decided that
18 they would put out a recommendation that the
19 individual Code Commissioners in the
20 parishes not set those up for permanent
21 housing. We only have about 100 of those,
22 but -- and lots of those are going out of
23 state as well, but they are being sold as
24 camps.

25 MR. ALARIO:

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1 That wasn't L.P. gas. That
2 was UCC.

3 MS. HENDERSON COGLEY:

4 Most are the LMHC, the
5 Manufactured Housing Commission. Now, the
6 mobile homes -- and I know that's something
7 in a way I guess you are affected with,
8 because they are titled, those are sold for
9 permanent housing. They are no different
10 than any other mobile home on the market.
11 They have a HUD label on them. You know,
12 they are just a regular mobile home.

13 MR. ROBINSON:

14 Does any other Commissioner
15 have any questions for anybody?

16 Do you have the e-mail from
17 Robert Hallack?

18 MR. PARNELL:

19 That's what that memo is.

20 MR. ROBINSON:

21 Not about the meeting, but
22 about rules and regs for us.

23 MR. PARNELL:

24 One thing I would like to
25 concur with Mr. Alario is that Henderson

1 auctions, they really have been doing an
2 outstanding job of meeting all of our
3 requirements at the time. We let them know
4 what we need, when we need it, and they are
5 really good at doing that. Many situations,
6 I would have our investigator, Mr. Ronnie
7 Wisenor, he would go out just to make sure
8 that everything is going smoothly and going
9 as it should. He has always reported back
10 to me favorably saying that they are really
11 doing a great job at that. His primary
12 concern is that they wanted this discussion
13 to come up today, because it seems to me
14 that -- my personal opinion, I may be wrong
15 for saying that, but it seems as though some
16 other agencies at some point, being that
17 this is an ongoing discussion, they may get
18 to the point where they are just pointing
19 the finger at us and saying what we are
20 doing is we are licensing all of these
21 dealers or we are not licensing them to sell
22 these things to the consumer, which is
23 hurting the consumer ultimately.

24 Now, that's my personal
25 opinion. I don't know if that will ever

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1 come to place, but it just seems that that's
2 where it's going, because, you know, we have
3 four investigators who try to cover this
4 entire state, and I know that the major
5 concern is the pop up ones that pop in for a
6 weekend and they are gone and no one has any
7 way of contacting them or anything like
8 that, but when we know of them, we send
9 someone out there to try to shut them down,
10 basically. But there are so many that's
11 popping up, you know, it's kind of hard for
12 us to kind of take care of everything.

13 MR. ROBINSON:

14 After all this came to light
15 and I was approached about this Commission
16 adopting an emergency rule, and this is in
17 your handout from Robert Hallack, I just --
18 my position on it was I wasn't too
19 interested in doing an emergency rule. An
20 emergency rule kind of circumvents what
21 power the Legislature has. And I had made a
22 proposal to Robert that I thought, you know,
23 might would help the situation, but yet just
24 for auctions or any dealers that we regulate
25 abide by the rules of the state, not just

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1 our rules, but the rules of the state, which
2 would include L.P. gas. It's not in your
3 packet. Kim has gone to get it. So Robert
4 had written one out for us at my request and
5 we will give that to you in a few minutes.
6 I had sent it to Derek, but apparently he
7 wasn't able to open it.

8 MR. ALARIO:

9 Mr. Chairman, I guess as far
10 as the L.P. Gas Commission is concerned, I
11 don't know if a rule or anything needs to be
12 in place, but our concern is that when an
13 auction comes in, if y'all just notify them
14 to contact us, that's all we ask. You know
15 then we can take it from that point forward.
16 That's just the cooperation that -- you
17 know, I've worked with Derek before on a few
18 things. He has had people call us and we
19 have worked it out.

20 MR. ROBINSON:

21 So we are -- that's the FEMA
22 discussion. Derek, what do you want to do
23 on the established place of business?

24 MR. PARNELL:

25 Well, what that is what

1 Commissioner Poteet says --

2 MR. ROBINSON:

3 It's also in your handout.
4 This is the sheet. It says Title 46 on the
5 top.

6 MR. PARNELL:

7 That's something that kind of
8 -- I guess I would say gets into some kind
9 of semantics basically, that what they were
10 saying is basically that we weren't
11 following what we had in rule and regs as it
12 relates to licensing dealers. And with
13 that, you know, it kind of -- let me read
14 what we have already in place, that an
15 established place of business shall mean a
16 permanently enclosed building or structure
17 either owned or leased or rented, which
18 meets local zoning or municipal requirements
19 and regularly occupied by a person, firm or
20 corporation. These are acceptable to the
21 public in which a regular business of
22 selling used motor vehicles will be carried
23 on in good faith and at which place of
24 business shall be kept and maintain the
25 books, records and files necessary to

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1 conduct the business, and shall not mean
2 tents, temporary stand, lots or other
3 temporary quarters.

4 Now, in going through that,
5 whenever we receive an application for
6 license, we have to send an investigator out
7 to ensure that these dealers -- some used
8 dealers are meeting our requirements in
9 order to receive that license. But again as
10 I said, there are some that basically just
11 perch on that we haven't been able to catch
12 all of them, maybe 30 or 40 of them. They
13 sell them, and then the thing, the consumer
14 has no way of getting in contact with anyone
15 to figure out what's going on. And what is
16 really bothersome to me is that, you know,
17 we are looking at some of our -- the way our
18 language is written, regularly occupied by a
19 person. I mean, what does that mean?
20 That's kind of subjective. Regularly
21 occupied could mean once a month. It could
22 mean once every six months. It could mean
23 everyday. Their opinion -- they look at
24 that statute the way that it is written for
25 them maybe 40 hours a week. Where do we

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1 want to look at it as it relates to what's
2 regularly occupied?

3 MR. ROBINSON:

4 Well, part of it, and you
5 read it, but when you come here and apply
6 for a license, basically we defer to Line 3
7 here, which means local zoning and municipal
8 requirements. You have to go to your local
9 zoning or police jury or whoever it may be
10 and have a form filled out that says that --
11 you know, where you are going to open up
12 meets their local zoning. So, I mean,
13 that's kind of where we go to, to rely on
14 the building, plus our fiscal inspection of
15 our investigator.

16 MR. POTEET:

17 At the New Car Commission,
18 they said that they did -- they require that
19 the building be occupied -- they said 8 to
20 5, 40 hours a week, et cetera, you know, and
21 they were somewhat critical of our ruling,
22 that we didn't have something similar. But
23 I think that, you know, there is a big
24 difference between a used car dealer and a
25 new car dealer. So to me I think that

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1 regularly occupied does not necessarily have
2 to be 40 hours a week. That's my opinion.
3 I'm not a used car dealer. We have used car
4 dealers on this Commission. I would like to
5 hear what you guys think about what you
6 think regularly occupied means.

7 MR. TURNER:

8 I would say regularly
9 occupied means that you have a zoning
10 clearance from the parish or city that you
11 are in, and that you have a land line there,
12 which is all required by our licensing and
13 that you do business out of there whether it
14 is one day a week or six days a week.
15 That's where you do business. And you may
16 be a one man operation. So you are not
17 there all of the time. You can't be there
18 all of the time. You are lot buying cars
19 and getting them ready, but you may have a
20 specific day or two where you are there to
21 show the cars and like you said, a used car
22 dealer is a totally different animal than a
23 new car dealer.

24 MR. ROY:

25 I have a dealer at home, the

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1 same situation, he works all day and after
2 his job, he goes to his little dealership
3 and tries to sell a vehicle.

4 MR. PARNELL:

5 Has there ever been a
6 situation or a circumstance whereas someone
7 is -- I guess they met all of the
8 requirements for having a license, but they
9 are regularly occupied. There is someone
10 who really doesn't work in the office, but
11 they have a sign up that says by appointment
12 only and when someone calls that number,
13 they answer the phone, but they may not be
14 in the building. Is that something that the
15 Commission frowns upon or is that something
16 that can --

17 MR. ROBINSON:

18 I don't see where we would
19 try to file on that. So you think that we
20 are okay?

21 MR. PARNELL:

22 I think we are. I think we
23 are meeting the requirements, permanently
24 enclosed structure. I mean, the idea is not
25 to have -- the majority of our dealers

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1 aren't going to have big, huge 20 million
2 dollar facilities. You know, I have seen --
3 since I'm new to this Commission, I have
4 seen -- all of my life, I have seen, you
5 know, used car dealers have smaller
6 buildings. Some may be mobile homes that
7 have clamped down and straightened all of
8 that stuff, but I've always seen that. So I
9 don't know. But I do believe that we are
10 meeting the requirements of the ones we know
11 about.

12 MR. ROBINSON:

13 The Commissioners are okay on
14 our policy on established place of business
15 as it's written?

16 MR. TURNER:

17 I think it's fine.

18 MR. PARNELL:

19 But keep in mind, if you
20 recall, this goes back to our meeting that
21 we had in May that we did add to the
22 established place of business -- this was a
23 situation that came up when we were at the
24 capitol. We were talking with Henderson and
25 we were having some issues as it relates to

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1 getting that phone line.

2 MR. ROBINSON:

3 Not for the permanent place.

4 MR. PARNELL:

5 Right.

6 MR. ROBINSON:

7 And we modified it to where
8 you don't have to have a hard line for a
9 temporary -- like a temporary auction or
10 something like that.

11 We are going to move on the
12 agenda. We are attempting to get this
13 proposed rules and regs that Attorney
14 Hallack sent us. We will have it during the
15 meeting this morning and we will go back and
16 we will review that.

17 Attorney Hallack.

18 MR. HALLACK:

19 Yes, sir.

20 MR. ROBINSON:

21 We are trying to get our
22 hands on the e-mail you sent.

23 MR. HALLACK:

24 Yes.

25 MR. BREWER:

1 When you apply for a license,
2 are you required to have a sign and a phone
3 number and all of that?

4 MR. ROBINSON:

5 On your initial application?

6 MR. BREWER:

7 Yes.

8 MR. ROBINSON:

9 We have approval and it's got
10 to be --

11 MR. BREWER:

12 It didn't mention anything
13 about it. I was just wondering if that's
14 part of it.

15 MR. ALARIO:

16 Yes, sir. We are not in the
17 business of regulating L.P. gas, correct.

18 MR. DUPLESSIS:

19 What I'm thinking is maybe
20 you guys can COME up with a permit that you
21 charge with an educational type seminar, so
22 these auctions and these pop-up auctions you
23 can go through and you can actually see that
24 they are certified.

25 MR. ALARIO:

1 They get a card that they
2 carry with them from us. So like I said,
3 it's just a matter once y'all know that
4 someone is applying for a license with
5 y'all, just notify them that they have got
6 to contact us. And, you know, the same
7 thing, if once y'all know that their auction
8 has applied, I would just ask that y'all's
9 office gives us a call and we will do the
10 call back that way, also.

11 MR. DUPLESSIS:

12 Is that an individual or that
13 a corporation like an auction?

14 MR. ALARIO:

15 It's going to be an
16 individual that's will be licensed. That's
17 what we are looking for. We are looking for
18 that master plumber. You see plumbers can
19 be certified in natural gas and L.P. gas.
20 They are two separate systems. So you have
21 to be certified in both.

22 MR. DUPLESSIS:

23 So they would have to draft
24 the regulation for you. They would have to
25 have at least one certified guy, one staff,

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1 out there.

2 MR. ALARIO:

3 That's correct.

4 MR. McLAIN:

5 They take a test for it, but
6 we spend time with them.

7 MR. ROBINSON:

8 Again, in lieu of reviewing
9 emergency rules, I had gotten with Attorney
10 Hallack, and kind of gave him my thoughts on
11 why I wasn't interested in an emergency
12 rule, and we have come up something that was
13 proposed. Since Robert is here now, Robert,
14 if you would like to stand up and address
15 the Commission and the folks here that are
16 interested in this issue.

17 MR. HALLACK:

18 Basically, what this does is
19 it creates a requirement for the dealer to
20 have all of its certification and
21 documentation from the Liquified Petroleum
22 Gas Commission. And if he doesn't have
23 that, when he sells a unit or -- as part of
24 his application process. Now, as you recall
25 in your application, trailers are on your

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1 application and you check them off. If you
2 check them off, we are requiring that as
3 part of your application process you have
4 certification, but if you don't and you sell
5 a unit without the proper certification,
6 then we are going to consider that to be a
7 fraudulent act in the sale of a vehicle or
8 injury to the public. Basically, this
9 policy statement asks you to look at the
10 overall picture to determine whether or not
11 these things are dangerous if they are not
12 installed or hooked up properly. Finding
13 that, how do you want to deal with it?
14 Well, the way we are going to deal with it
15 is we are going to consider that as part of
16 a violation if you sell a unit without the
17 proper documentation for the L.P. gas issue.

18 MR. ALARIO:

19 I will add to the argument a
20 little bit. I'm not so much worried about
21 the dealer having -- you know, he can
22 contract with the RV companies as long as he
23 has someone that's certified to do the
24 tests. You know, he doesn't have to have
25 his own employees necessarily.

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1 MR. HALLACK:

2 But he has to have some kind
3 of certification --

4 MR. ALARIO:

5 Yes.

6 MR. HALLACK:

7 -- for every unit that's
8 sold.

9 MR. ALARIO:

10 Correct.

11 MR. ROBINSON:

12 We passed out this document.
13 On top, it says from Hallack Law Office.

14 Go ahead, Robert, and finish
15 with this.

16 MR. HALLACK:

17 So, basically, what we are
18 saying is if you sell an RV, travel trailer,
19 without the documentation required from the
20 L.P. Gas Commission, we will consider that a
21 violation of these statutes, one that --
22 fraudulent act in the sale of a vehicle,
23 because you are required by law to have this
24 certification, or in engaging in business in
25 such a manner to cause injury to the public.

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1 MR. ROBINSON:

2 So this is what we are
3 proposing the Commission act on today. You
4 know, the -- this is truly an issue, you
5 know, where we need to make sure that the
6 public is protected. And if they don't go
7 to a so-called pop-up auction and buy one of
8 these trailers and they run it to the state
9 park and put the butane on it and turn on
10 the stove and the thing explodes and, you
11 know, we have cases like the L.P. guys today
12 have even given you, where that happened
13 just a few days ago. So this keeps us away
14 from doing the emergency rule. It really
15 kind of circumvents where it is at the --
16 what the Legislature is supposed to do. So
17 I would ask that you look through this real
18 quick and see if you want to take action on
19 this proposal.

20 MR. POTEET:

21 I have a question. This
22 would also apply to auctions -- to dealers
23 where an auction -- a dealer only auction
24 and not selling to the public?

25 MR. ROBINSON:

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1 No, that's not -- as stated
2 earlier, dealer to dealer is not required.

3 MR. ALARIO:

4 We don't have a problem with
5 that.

6 MR. TURNER:

7 Is there not any kind of law
8 on our books with regard to this now? I
9 mean, over the years, I remember trading a
10 recreational vehicle at a dealership that I
11 worked at and never did a thing about this
12 when we resold it. So is it required now?
13 Does anybody know?

14 MR. ALARIO:

15 Individual to individual is
16 not a problem.

17 MR. TURNER:

18 I'm a franchise dealer and I
19 traded one of these. Okay. And I turned
20 around and sell them a used car. Am I
21 required to --

22 MR. ALARIO:

23 Yes, sir.

24 MR. TURNER:

25 I didn't know that.

1 MR. ALARIO:

2 It's always been that way.

3 MR. TURNER:

4 It's always been that way?

5 MR. ALARIO:

6 Yes, sir, and that's the
7 reason why we partnered with -- you are
8 correct, to get that word out to the
9 dealers, because I know that y'all sell the
10 used vehicles.

11 MR. TURNER:

12 Is this already on the books,
13 though, is what I'm saying? We already have
14 a law covering this.

15 MR. ROBINSON:

16 We don't think so and we
17 believe that it's not well-known and we
18 would like to put some teeth into it where
19 people do --

20 MR. POTEET:

21 A clarification.

22 MR. TURNER:

23 Right. I understand. How
24 would they get it known to our licensees,
25 are you going to send out a note to them or

1 something?

2 MR. ROBINSON:

3 Ms. June.

4 MS. POWELL:

5 I do want to get with Mr.
6 Alario and put this in our seminar, too, for
7 the dealers.

8 MR. TURNER:

9 That is a good idea, but all
10 of the other dealers --

11 MR. PARNELL:

12 That's why I have been trying
13 to use a lot of e-mails and we will do a
14 mail out, e-mail, call and communication.
15 Whatever means is necessary, we will get it
16 out to everyone.

17 MR. TURNER:

18 We have to take that into
19 consideration that we need to do it since it
20 is a safety issue. FEMA trailers seem to be
21 popping up everywhere.

22 MR. ROBINSON:

23 First, we need to decide if
24 we want to take action on what's proposed
25 here, and then if we do, obviously we will

1 get the information, you know, out to those
2 that we regulate.

3 MR. POTEET:

4 So this would be a new
5 procedure?

6 MR. HALLACK:

7 No, sir. What we're doing is
8 we are just using existing law and we are
9 defining what the existing law says. I
10 mean, at one time, we started to delineate
11 out everything that we would consider to be
12 a fraudulent act in the sale of a vehicle.
13 We never did do that. But this is just part
14 of saying this is a fraudulent act. If you
15 sell this vehicle without proper
16 certification from the L.P. Gas Commission,
17 we will consider this to be a fraudulent
18 act.

19 MR. POTEET:

20 So it's a clarification of
21 our current regulations.

22 MR. HALLACK:

23 Yes, sir.

24 MR. ROBINSON:

25 Those of you here from

1 Henderson, you are already doing this. Do
2 you see any problem with that?

3 MS. HENDERSON COGLEY:

4 No. I don't see any problem
5 with it at all.

6 MR. ROBINSON:

7 This would support auction
8 companies that are doing it the right way?

9 MS. HENDERSON COGLEY:

10 Yes. It would help us a lot,
11 because we will be competing with people
12 having the same expenses and doing the same
13 things that we are doing.

14 MR. ALARIO:

15 It legitimizes it.

16 MS. HENDERSON COGLEY:

17 Right.

18 MR. ROBINSON:

19 Everybody, just in case,
20 Ronnie Wisenor, Ms. June, they are two of
21 our investigators. I'm sure everybody
22 knows.

23 MR. WISENOR:

24 I've been working with the
25 auction companies quite a bit, Southeastern,

1 Henderson, Bonnette Auction in Alexandria.
2 I would really like to have it understood
3 with them that if you've got individuals at
4 your auction that are buying multiple units,
5 that this Commission needs to be notified
6 because what I'm seeing is like at Bonnette
7 auction in Monroe, I'm seeing several of
8 those units at different locations just one
9 unit at a time. And according to our law,
10 they have to have five -- you know, sell
11 five vehicles before they are considered to
12 have to have a dealer's license. But these
13 units are not being checked, I'm sure, you
14 know, by the -- when that consumer sells to
15 someone else. But like I say, you know, I
16 think that we need to be notified when it
17 gets into a situation that they are selling
18 more than, you know, four or five vehicles
19 to one person if he's not a dealer.

20 MR. ROBINSON:

21 Let's get with our Director
22 later today and we will see about doing
23 something on that.

24 Does any Commissioner --
25 anything specific anyone want to take action

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1 on what now is before us, to incorporate
2 this into our policy?

3 MR. TURNER:

4 I make a motion that we
5 incorporate the revision into our law.

6 MR. ROY:

7 Second.

8 MR. ROBINSON:

9 Any other discussion,
10 comments, questions from anyone in the
11 audience?

12 (No response.)

13 MR. ROBINSON:

14 Okay. We have a motion and a
15 second.

16 All in favor of adopting
17 this?

18 (All "Aye" responses.)

19 MR. ROBINSON:

20 Anyone opposed?

21 (No response.)

22 MR. ROBINSON:

23 The motion carries.

24 I would like to thank L.P.
25 Gas. I mean we did ask them to attend.

1 And, you know, it's an issue we all have in
2 common. We are trying to protect the
3 public. The more we can work together, the
4 better we can protect the public. So I
5 thank both of you for your time and coming
6 here and helping us with this issue.

7 MR. ALARIO:

8 We appreciate the invite and
9 we look forward to the partnership that we
10 are building here forward.

11 MR. ROBINSON:

12 Thank you.

13 We'll move on in the agenda,
14 now. Executive Director's report.

15 MR. PARNELL:

16 D-1 that I put in your --
17 placed in your packet. This is something I
18 asked Mr. Hallack to go through with me and
19 look at all of statutes and the violations
20 that are out there. For me, it was
21 something that would help me have a basis, a
22 foundation, as it relates to the violation
23 ticket process. I know many on this
24 Commission haven't -- in the past year,
25 haven't really been through much of the

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1 hearing process, and I think this is the
2 first place to start for us, because there's
3 a lot of situations that are coming up now
4 that violations are required and we are
5 writing tickets, but I want to be sure that
6 we're all on the same page as it relates to
7 what these violations are, where the statute
8 is found. I have not put an amount in the
9 fine column, because if you look on the
10 second page, some kind of -- no civil
11 penalty imposed for the violation of the
12 provisions of this Chapter or the rules and
13 regulations shall exceed \$2,000 for each day
14 such violation continues. That's on first
15 offense. Second offense, it would go up to
16 \$3,000. So my idea was for me -- to help me
17 is to have a solid foundation of exactly
18 what our violations are and what our
19 statutes are and I believe it will also help
20 our field investigators.

21 In the past, I looked back
22 over our rules and regs in the past and I
23 saw in '94 there was something that was out
24 there that was very similar to this. It was
25 amended and updated again in 2007, but many

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1 of those statutes are really not relevant
2 right now to what we are doing here. But
3 this, I think, is going to be very
4 beneficial for myself as well as the
5 Commission as a whole. So we have a place
6 to start.

7 MR. ROBINSON:

8 The first thing we need to
9 make sure that we are all understand this is
10 the first offense. Does that mean first
11 offense that comes before the Commission or
12 does it mean first offense -- is there a
13 first offense every time it's a different
14 statute?

15 Ms. Morris.

16 MS. MORRIS:

17 The other licensing boards --
18 I represent one other licensing board that
19 has kind of a set standard fine for a first
20 offense. The first offense is any offense.
21 If you are having a unlicensed person and
22 that was your first offense and that was a
23 first offense. If your second one is
24 practicing without a license, you are a
25 second offender. You don't get a first time

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1 to violate each rule or each law.

2 MR. ROBINSON:

3 What about our particular
4 statute, what does it say about first
5 offense, is it one no matter what the charge
6 is? It's -- once you have been charged,
7 that's your first offense and anything else
8 even if it's a separate issue, it cannot be
9 the first offense?

10 MR. HALLACK:

11 It does not delineate. It
12 does not say.

13 MR. ROBINSON:

14 Exactly, which is one of the
15 reasons that we have this here today. I
16 mean, there could be -- if y'all disagree,
17 speak up, but there could be argument that
18 if you come here and we will get this
19 handout we gave you, and you were charged
20 back two months ago with operating a used
21 motor vehicle dealer without a license,
22 which is the top one, that would be your
23 first offense. If you are back in two
24 months committing a fraudulent act and
25 selling, since that's a different statute,

1 they could argue, well, it is my first
2 offense.

3 Ms. Morris.

4 MS. MORRIS:

5 It is a plan work in process.
6 Enforcement costs a lot of money. So we,
7 you know, settlements for first offenders
8 and you are an enforcement agency that you
9 don't want to put people out of business,
10 you want them to comply with the rules. But
11 if you write a citation and you let the
12 person -- and the other thing is you can pay
13 the fine on the first offense, you have to
14 agree to be on probation for a year, also.
15 So you have another offense and you have a
16 probation revocation and also the new
17 offense. But the problem is, there are some
18 people who just don't follow the rules. So
19 it doesn't matter which rule it is. They
20 are likely not following a lot of rules.
21 And you might have caught them on one rule
22 and you fine them and you put them on
23 probation and here they are violating the
24 rules again, those people have to come
25 before the Board, because they don't get the

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1 seriousness of the violation and you have to
2 protect the public is your vision. You have
3 to protect the public from people who are
4 not following the rules that you put in
5 place to ensure the safety of the public.

6 So we have found -- I have
7 been doing this enforcement. I worked for
8 them for 10 years and we have had a pretty
9 active enforcement program for the last
10 seven years, but we have found that some
11 people just don't get the message from the
12 fines. And we have tried to like let them
13 come back for a second time, so they don't
14 come before the board, and some of them just
15 don't -- they are not following any of the
16 rules. So once they come before the board,
17 it's more serious. They have to leave their
18 place of business, maybe hire a lawyer, and
19 they have to come to a hearing. They have
20 to subpoena witnesses if they -- you know,
21 if the charge is not a valid charge, and
22 they are going to defend against it. But --
23 and then some of those same people that have
24 been before the board or they don't show up
25 for the board hearing, which is another

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1 serious offense, they really don't need to
2 be in the business and the other people that
3 are complying with the rules and are paying
4 the expenses to comply with the rules by
5 maintaining the proper coverage, licensed
6 workers and all of those things, are having
7 to compete against those people. So it's
8 just -- if you just write like parking
9 tickets, the businesses make the
10 determination that it's cheaper for me to
11 pay the \$200 fine and keep violating the
12 law. So you can't really promote that type
13 activity either. You have to have enough of
14 it to be a deterrent to keep everybody in
15 compliance with the law rather than making
16 the decision that it's cheaper for me to
17 violate them and just pay the \$200 fine
18 every time they catch me.

19 MR. PARNELL:

20 Is there an amount of
21 violations that we can decide upon that
22 would say, okay this person is a first
23 offender, okay, but if someone has three or
24 four or five violations, is there a minimum
25 that you automatically want if this person

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1 have these violations that we send an
2 investigator out there and look at them and
3 they have these violations, is there a
4 minimum number that you want to
5 automatically come before a hearing?

6 MR. DUPLESSIS:

7 Derek, I looked at your list
8 here and there are certain violations that I
9 don't think we ought to fine. I think they
10 should be -- just like a class for a felony
11 or class for a misdemeanor, and I'm looking
12 at black market sales, a serious issue.
13 Operating a used motor vehicle dealership
14 without a license is serious. Committing a
15 fraudulent act, I mean, those are, you know,
16 Class 3 in my opinion, and that is something
17 that they need to appear in front us and we
18 need to make a decision. It could be an
19 instance where the first violation should be
20 termination of the license.

21 MR. ROBINSON:

22 So to answer your question, I
23 believe, Derek, there are instances where we
24 feel like they should come before the full
25 Commission. So I think that's part of what

1 -- the big thing that initially you are
2 trying to find out. So why don't we work
3 over the next 30 days to develop a list of
4 proposing it to the Commission as to changes
5 that maybe they should look at, and we will
6 pick this up next month and we will bring
7 you guys -- would y'all prefer it to be done
8 in that way and you can look this over and
9 see if there are charges in here that you
10 think and go ahead and get with Derek
11 Parnell and let him know?

12 MR. TURNER:

13 Can we find out what the fees
14 are now?

15 MR. ROBINSON:

16 Page 2 on the bottom, there
17 is a little -- the civil penalties. Either
18 one of the attorneys, the \$2,000, Robert,
19 you have been here a long time, how did that
20 come to pass?

21 MR. HALLACK:

22 How did the amount come to
23 pass?

24 MR. ROBINSON:

25 Yes, sir.

1 MR. HALLACK:

2 Actually, it was for several
3 years, from 1984 to probably 2007, maybe
4 2006, it was \$1,000 for each violation.

5 MR. ROBINSON:

6 Up to?

7 MR. HALLACK:

8 Up to \$1,000. And then I
9 think it was the 2006/2007 Legislature, we
10 bumped it up to \$2,000 and the subsequent or
11 second violation, we bumped up to three. So
12 prior to that, it was \$1,000 and the second
13 was \$2,000.

14 MR. ROBINSON:

15 So to raise this monetary
16 amount is required passage in the
17 Legislature.

18 MR. HALLACK:

19 Yes, sir.

20 MR. ROBINSON:

21 Does that kind of answer your
22 question, Mr. Turner?

23 MR. TURNER:

24 No. I mean, some of these
25 fines are \$100, \$500. It can't be more than

1 \$2,000, right?

2 MR. HALLACK:

3 Right.

4 MR. TURNER:

5 All of these are \$2,000
6 fines?

7 MR. ROBINSON:

8 Well, there is no -- anything
9 can be up to \$2,000.

10 MR. TURNER:

11 Are we shooting from the hip
12 now as to what we are fining?

13 MR. PARNELL:

14 Basically, I kind of --

15 MR. ROBINSON:

16 You didn't expect that
17 answer, did you?

18 MR. PARNELL:

19 That's the reason for us to
20 get something. That's why I did this. I
21 want to make sure we are all on the same
22 page as to what we are fining. That's the
23 main reason for doing this. As Commissioner
24 Robinson stated, what I will do is I'll go
25 back and have everyone please contact me if

1 there are issues that you see that do
2 deserve an automatic hearing versus the ones
3 that I would handle myself.

4 MR. ROBINSON:

5 But you didn't get your
6 questions answered.

7 MR. TURNER:

8 Yes.

9 MR. ROBINSON:

10 We will have that next month
11 and we will have -- Derek wanted to make
12 sure -- and now we know how the Commission
13 feels. So we will have something to present
14 to you.

15 The public comment policy is
16 something that I asked to be on here. It is
17 -- again, it's in your handout. Public
18 comment period shall be held -- this is out
19 of our Title 46, shall be held before each
20 meeting, and it goes on to explain what you
21 have to do. Persons desiring to present
22 public comments notify the Board Chairman no
23 later than 48 hours prior to the meeting,
24 and you can read that. You know, I think it
25 is cumbersome. We post our agenda generally

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1 Friday after lunch. We meet Monday at 9:30.
2 It just seems to me that we are a state
3 agency, people ought to have the ability to
4 come before us if they see something. We
5 post the agenda at 2:00 on Friday. When
6 they see something on there that directly
7 affects them and they want to comment, I
8 mean, I don't think they should have to find
9 a Chairman and do it 48 hours prior to the
10 meeting and jump through these hoops. So I
11 had asked that the Commission look at making
12 it easier for somebody to come and make a
13 public comment. And that could be something
14 as simple as leaving what we have in place,
15 but adding, you know, that they could be
16 added at the request at the Chairman or the
17 Co-Chairman or the Director or something
18 like that, but if we don't post it until
19 Friday afternoon and we meet Monday at 9:30,
20 people are not entitled to come before us.
21 So whatever any of you think. We can leave
22 it as it is, but I would ask that we add
23 something to it where somebody would have
24 the right to make a public comment without
25 going through all of this.

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1 MR. TURNER:

2 What if we posted it a week
3 before?

4 MR. ROBINSON:

5 You can't. You just can't.

6 MR. ROY:

7 Just add with the approval of
8 the Chairman, that's fine.

9 MR. POTEET:

10 Or the Director.

11 MR. ROBINSON:

12 The Chairman or the Director.

13 MR. ROY:

14 Or both?

15 MR. POTEET:

16 One or the other. So you
17 have two different people that they can
18 request that they come before the Board.

19 MR. ROBINSON:

20 So leave what we have in
21 place, but add where they could be included
22 in the -- do you want to make that a motion?

23 MR. POTEET:

24 I make a motion that we add
25 to this Chapter 27C public comments, a

1 statement that any person can come before
2 the Commission with the approval of the
3 Executive Director or the Chairman of the
4 Commission.

5 MR. CORMIER:

6 Second.

7 MR. ROBINSON:

8 I have a motion and a second.

9 Any other discussion?

10 (No response.)

11 MR. ROBINSON:

12 All in favor?

13 (All "Aye" responses.)

14 MR. ROBINSON:

15 Anyone opposed?

16 (No response.)

17 MR. ROBINSON:

18 The motion passes.

19 Now, we'll move to Item 5,
20 Executive Director's report.

21 MR. PARNELL:

22 The first item in the review
23 of complaint totals, we are looking at July,
24 2010 the total assigned cases was 57. Total
25 complete cases was 27. So we have a total

1 of open cases at 30. These things have been
2 kind of ongoing. We are getting a little
3 bit better. Myself, I'm getting a little
4 bit better at going through them and this
5 fashion in a more timely manner to ensure
6 that my investigators are getting responses
7 as to what the next step is to be, but it is
8 an ongoing process and it's starting to work
9 a little bit more smoothly, as it relates to
10 me getting really good, to be honest with
11 you. That was the reason why, again, that I
12 wanted to look at this proposal that we
13 talked about on the last part. I just want
14 to make sure that I'm being very efficient
15 as it relates to these violations and make
16 sure that I'm getting investigators out
17 there in a more timely fashion to deal with
18 the complaints that may come in.

19 Does anyone have any comments
20 about that?

21 (No response.)

22 MR. PARNELL:

23 The next item is surplus
24 fleet vehicle payment. We did receive, as
25 Heather mentioned to you all with her

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1 financial report, the fund for the surplus
2 vehicles that we got Louisiana Property
3 Assistance. They did come in on August 3rd.
4 The amount was \$12,720. Initially, our plan
5 was to try to purchase a vehicle before the
6 '09 -- 2009/2010 fiscal year ended, but we
7 were not able to do that because the funds
8 hadn't come in as of then. Moving forward,
9 I spoke with Chairman Robinson and the goal
10 is to still to try to purchase a vehicle and
11 this is something that we will report on the
12 top of my radar as it relates to items that
13 we need to work on, but one of the things
14 that he was concerned about is that maybe
15 purchasing a used vehicle.

16 MR. ROBINSON:

17 Pre-owned.

18 MR. PARNELL:

19 A pre-owned. To do this, a
20 special commission must be given to the
21 Division of Administration. We must apply
22 with the fleet manager for exemption to
23 purchase a pre-owned vehicle manufactured
24 with within the fast five years, with the
25 model not to exceed 50,000 miles -- not to

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1 exceed 20,000 from a dealer or rental agency
2 not regulated by this Commission. So I kind
3 of -- that was something that I quoted from
4 Attorney Morris that she supplied to me
5 initially when we were talking about that.
6 So if she can -- can you elaborate a little
7 bit about that, the requirements?

8 MS. MORRIS:

9 In order to do that, we would
10 have to get permission of the Division of
11 Administration, but that's what I had said,
12 that maybe we could propose to the Division
13 of Administration was the purchase of a used
14 vehicle and at the time there was no fleet
15 vehicle contract. You might want to add
16 that you couldn't purchase it from a member
17 of the Commission either, because you have
18 one dealer that's not regulated by this
19 Commission on the Commission, too, so that
20 they don't think that you are trying to
21 purchase it from one of your Commission
22 members.

23 MR. ROBINSON:

24 Where the rubber hits the
25 road on this, and I have said this for

1 several months, but we just didn't -- it
2 took forever to get the money in, under
3 state contract, the 2010 Chevy Impala is
4 \$16,950. A pre-owned 2010 Chevy Impala with
5 miles in the low 20s is more than \$13,500.
6 It's a pretty significant difference. And
7 that's why I prefer we kind of pay cash with
8 the money that we received from the sale of
9 the surplus units. So we just -- now that
10 we have some hard numbers, giving a couple
11 of examples like a Ford Focus and Chevy
12 Impala.

13 MR. PARNELL:

14 A sedan compact four door
15 Ford Focus, the dollar amount through the
16 state would be \$13,128. A mid size four
17 door vehicle, which is a Dodge Avenger,
18 would be \$13,500. A hybrid sedan, mid size,
19 which is Toyota Camry, would be \$22,965, and
20 a large sedan four door Chevrolet Impala
21 would be \$16,908. And if we wanted to get a
22 compressed natural gas vehicle, it would be
23 \$25,000. But this is what's out there on
24 state contract for new vehicles for state
25 agencies, but what I want to do -- what I

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1 will do this week is I'm going to really dig
2 deep into applying -- speaking to the
3 Division to find out exactly what it is that
4 we do to do look at it.

5 MR. ROBINSON:

6 What we want from the
7 Commissioners this morning, we have the
8 actual numbers. That's what it cost to buy
9 those units. In talking with the field
10 people, they feel like the Ford Focus is a
11 little too small. As you know, we've got
12 folks that have a lot of territory. The
13 gentleman from Monroe goes all the way to
14 the Texas line. The gentleman in Winnsboro
15 goes -- you go all the way up to the
16 Arkansas line, right?

17 MR. WISENOR:

18 Arkansas line, all the way to
19 the Texas line, and then I'm working part of
20 Baton Rouge.

21 MR. ROBINSON:

22 We just don't feel like a
23 subcompact is a good working environment for
24 them to work out of. We need at least a mid
25 size vehicle. And, you know, a safety

1 issue, too, they run a lot of back roads. I
2 would rather see them in something a little
3 more substantive than a subcompact. So
4 would you rather we step up and get one
5 under the state contract and get a new one
6 or would you rather we pursue getting a 2010
7 pre-owned? Whatever anyone's feelings are.

8 MR. TURNER:

9 What do you think you can get
10 a 2010 pre-owned for?

11 MR. ROBINSON:

12 About \$13,500.

13 MR. BREWER:

14 It's not that much
15 difference.

16 MR. TURNER:

17 It's only a \$3,000
18 difference.

19 MR. BREWER:

20 But for pre-owned it is
21 tires, may have some service problems. I
22 would start off brand new and get it over
23 with.

24 MR. TURNER:

25 I think that sounds high for

1 a 2010.

2 MR. ROBINSON:

3 You might could get one for
4 12,500.

5 MR. TURNER:

6 Where did you get that number
7 at?

8 MR. ROBINSON:

9 Well, to try to abide by what
10 was presented this morning, we would
11 probably just go to a rental car company
12 that we don't regulate, for instance,
13 Enterprise and buy one from them. You might
14 could get a 2010 Impala for about \$12,500.
15 But I understand we are just looking at high
16 side. But it's whatever, you know, the
17 Commission wants to do, but we are ready to
18 move forward. So we just need to decide.
19 We've got some very old fleets and we've got
20 the money to buy, so thanks to the sale of
21 the old units.

22 MR. WISENOR:

23 Is there any kind of warranty
24 on a new car?

25 MR. ROBINSON:

1 Yes, factory warranty.

2 You just as soon go with new.

3 MR. TURNER:

4 I think new is the way to go.

5 MR. ROY:

6 It's not that much more.

7 MR. ROBINSON:

8 Next, Director Parnell.

9 MR. PARNELL:

10 Renewal late fee assessment
11 date. As you know, we are really getting
12 into our renewal season. Actually, it is
13 starting now. Initially when I came on, I
14 remember discussing it in previous meetings
15 about the actual assessment date of the \$100
16 late fee. Some discussion was held -- and
17 some discussion was said that after December
18 31, it's really not an incentive. Well, let
19 me rephrase that. November 1 is the first
20 deadline. The statute says that the dealer
21 should submit their applications by November
22 1. And what we guarantee at that point is
23 basically that your license -- you will have
24 your license by January 1 if you submit by
25 November 1. But during earlier discussions

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1 with the Commission, it was stated that, you
2 know, there is real no incentive for them to
3 actually get it in prior to November 1, and
4 we were getting to the point where we were
5 getting stuff well into January or actually
6 early February for the year and a lot of
7 these were renewal people.

8 So what we are looking at is
9 just possibly doing something of that
10 nature, but the further -- I kind of dug and
11 read a little bit further that in our
12 statute 32:791(4)(B), any dealer who submits
13 a renewal application after the expiration
14 of an existing license shall be subject to a
15 \$100 late penalty. I know we made some
16 changes in legislation this past year, but
17 what that tells me, what that says, is the
18 idea of doing a November 1 late penalty
19 wouldn't work necessarily right now, because
20 our dealers -- pretty much their expiration
21 date of their license is December 31st.
22 That's how I interpret that statute to read.
23 So I don't think that's something we can do
24 this year, because we just moved into
25 statute, you know, taking away the actual

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1 December 31st date, per se, because we were
2 talking about trying to in the future maybe
3 going to a statute system of licensing, but
4 that was something that I put on here, but
5 after further seeing, I found that --

6 MR. ROBINSON:

7 What do they say?

8 MR. PARNELL:

9 Does anyone have a comment?

10 MS. MORRIS:

11 If you want to go for a
12 longer license so that you could issue two
13 year licenses if you want or you could have
14 some of your licenses come up in June rather
15 than December to spread out the work load,
16 but you are going to have to have a
17 transition period. First of all, you have
18 to decide ones -- are there some licenses
19 that we would issue for 18 months or two
20 years or is there a certain class of
21 licenses that we want to issue July 1st to
22 June to move those out of the work batch.
23 But you have to come up with some sort of
24 how are we going to do that to make sure
25 that the cash flow works. So I don't know

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1 that you have time to do that since we are
2 in the license period and everybody's does
3 expire December 31, now. So that might be
4 something you want to do next year unless
5 you want to just pilot it with a certain
6 group of licenses and see if anybody is
7 interested in the two month license or two
8 year license or a July license.

9 MR. ROBINSON:

10 You were looking at trying to
11 move it up to one year being delinquent,
12 right?

13 MR. HALLACK:

14 Right.

15 MR. ROBINSON:

16 Can we do that?

17 MR. HALLACK:

18 The statute says December 31.

19 MS. MORRIS:

20 You can't charge them a late
21 fee until after. If you mailed your license
22 application on December 29 and it didn't
23 arrive here until after December 31, it is
24 an automatic late fee.

25 MS. BARON:

1 We can go by the --

2 MS. MORRIS:

3 And then you are also subject
4 to being disciplined for operating without a
5 license if their place of business is late.

6 MR. HALLACK:

7 So the answer to your
8 question is, no.

9 MR. ROBINSON:

10 Does that answer --

11 MR. PARNELL:

12 Yes.

13 MR. ROBINSON:

14 So we just need to get
15 quickly moving forward with getting away
16 from everybody's license coming due at the
17 same time.

18 MR. TURNER:

19 There are two things I would
20 like to say. One is that as far as you
21 can't change the December 31st late fee, but
22 we could put a notice in everybody's packet
23 when we send it out, because everybody knows
24 what they went through last year, you know,
25 terrified they didn't get their license by

1 the end of year, that if you do your packet
2 and send your information in timely before
3 November 1st, you will be assured no problem
4 of having your license at the end of the
5 year. A lot of dealers didn't seem to
6 understand that last year when I talked to
7 them.

8 MR. PARNELL:

9 It's actually occurring -- on
10 that cover page that you receive with your
11 packet, it states that --

12 MR. TURNER:

13 Maybe we should read this,
14 maybe something of that nature.

15 MR. PARNELL:

16 But it definitely says that
17 November -- I'm sorry, November 1 is the
18 actual submittal date. Anything after that,
19 you are not guaranteed to have your license
20 before January 1.

21 MR. TURNER:

22 Maybe -- I'm saying --

23 MR. PARNELL:

24 I will try to play with the
25 wording on that.

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1 MR. TURNER:

2 The other thing that I -- we
3 had talked about once before was possibly
4 dealers that maybe had been in business 10
5 years or whatever to get a two year license.
6 I think that would really help and I think a
7 dealer that has been in business 10 years
8 probably wouldn't mind paying two years
9 worth up front, you know. I think that's
10 something we ought to talk about.

11 MR. DUPLESSIS:

12 Derek, what's happening with
13 your online renewals with CAVU, is that a
14 point of frustration?

15 MR. PARNELL:

16 Yes, yes. Honestly, it has
17 kind of stalled right now as it relates to
18 this year. We are moving forward. I kind
19 of -- I just don't know if they are going to
20 be the ones that are able to help us with
21 what we want to do and the direction we want
22 to go.

23 MR. ROBINSON:

24 After their assurance that
25 they could and now they tell us we don't

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1 have the server to do it, which if they
2 would have told us that five months ago, you
3 know --

4 MR. PARNELL:

5 Eight months ago.

6 MR. ROBINSON:

7 Eight months ago. It is not
8 in the cards for this renewal period.

9 MR. PARNELL:

10 But certainly this year, what
11 you can do differently online -- which is
12 the next item, you can actually put your
13 surety bond, change riders, continuation
14 insurance certificates, you can actually do
15 those via e-mail, online or fax, because
16 with statute that we put in place this past
17 legislative session that went into place
18 yesterday actually, it allows us to not have
19 that -- the notary signature for everything.
20 We have gone so far as I had Kim contact the
21 insurance companies and the bond companies,
22 as many as we have gotten to thus far, and
23 they are really excited about that
24 opportunity to be able to e-mail that to us,
25 and what we are doing is sending out a

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1 mailing to all of our dealers just notifying
2 of that particular thing. It's not a big
3 great change for this year's renewal season,
4 but it is something that I believe will help
5 is short term, just get it through the
6 process.

7 MR. ROBINSON:

8 So online this year --

9 MR. PARNELL:

10 If there are no changes, and
11 it's only -- no changes and you are a
12 renewal person, you can actually do it
13 online currently. The problem -- what we
14 were facing before is that you had to have
15 everything notarized and in the building --

16 MR. TURNER:

17 You had to have the original?

18 MR. PARNELL:

19 Right. Yes.

20 So now when you fill out your
21 application -- when you pay online now --
22 it's always been when you pay online, all of
23 the questions that are on the application,
24 you actually fill out at that time. And so
25 we will be able to pull that and use that

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1 for your actual application.

2 MR. ROBINSON:

3 That includes the salesmen?

4 MR. PARNELL:

5 Yes.

6 MR. ROBINSON:

7 It's got to be -- everything
8 has got to be the same to do it online.

9 MR. PARNELL:

10 It's kind of limited.

11 MR. ROBINSON:

12 So, actually, the smaller
13 dealers might be able to, especially, you
14 know, the one or two employee type outlet.

15 MR. PARNELL:

16 That's all I have on
17 Executive Director's report.

18 MR. ROBINSON:

19 Just to go back to one item,
20 to start staggering the renewal period, I
21 mean, dealers need up front notice that we
22 are going to do that or why are you saying
23 --

24 MS. MORRIS:

25 Well, right now, we have

1 licenses that were issued January to
2 December. Some of the boards, you know,
3 issue say a salvage license on a different
4 schedule and a dealer license. So they do
5 all of the dealer licenses at one time and
6 the next quarter they are doing the next
7 type of license. I think architect and
8 engineering boards do that. And then some
9 of them renew -- like your driver's license
10 is on your birthday for individual.

11 MR. ROBINSON:

12 For us to go to that, what
13 will we have to do because that's where we
14 are headed.

15 MS. MORRIS:

16 They would need to know, and
17 so you would have to maybe issue a license
18 for 15 months. You would have to get them
19 through a year for the quarter, and then the
20 next year, they will have a license renewal
21 or a July 1st license renewal. So your
22 initial set of licenses are not -- they are
23 going to be shorter than a one year term,
24 but a little bit longer than a one year term
25 to push them to wherever you want them to

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1 be. But you also need to get with your
2 accounting staff to make sure your cash flow
3 for payroll is okay to do that.

4 MR. WISENOR:

5 You have to coordinate that
6 with the Office of Motor Vehicle on dealer
7 plates because they issue those once a year.

8 MS. MORRIS:

9 Your dealer licenses at one
10 time and then your sales people at a
11 different time or something, you know, by
12 class.

13 MR. ROBINSON:

14 There you go.

15 All right. That's the
16 Executive Director's report.

17 Item 6, the committee
18 reports. We do have a rule and regulation
19 committee meeting that will start after we
20 adjourn and we will probably take a 10
21 minute break, and then that committee is
22 going to meet. I guess you gentlemen are
23 here for that.

24 Hearings, we have no
25 hearings, but we will have some hearings

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1 next month it looks like. So I know a lot
2 of you haven't participated in one yet.

3 Items for next month's
4 agenda, we do ask that you look over these
5 penalties and violations and see what items
6 in there you think you would like to see the
7 full Commission act on, which will be the
8 more serious charges, and get back with
9 Director Parnell, so we can work on that.

10 Anything any Commissioner
11 would like to see on next month's agenda?

12 (No response.)

13 MR. ROBINSON:

14 Does anyone have anything to
15 add today's meeting?

16 (No response.)

17 MR. BREWER:

18 But on the application for
19 licensing renewal, you check off trailers or
20 RVs or whatever that he mentioned earlier.
21 Maybe someone -- some of the dealers might
22 not understand exactly what's required of
23 them to sell campers and trailers. I
24 haven't seen the application, but you may
25 have to put some sort of -- some explanation

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1 in there. That's a suggestion. I don't
2 know.

3 MR. PARNELL:

4 Okay.

5 MR. POTEET:

6 Just put something that you
7 check off that if you are going to sell
8 trailers, you must check off this provision.

9 MR. BREWER:

10 Just automatically checks all
11 of the little blocks.

12 MR. PARNELL:

13 Yes. Okay.

14 MR. POTEET:

15 Just in case, right.

16 MR. ROBINSON:

17 Anyone else?

18 (No response.)

19 MR. ROBINSON:

20 I appreciate everybody's
21 attendance today and participation. We
22 covered a lot of material today.

23 We need a motion to adjourn.

24 MR. TURNER:

25 Motion to adjourn.

1 MR. SMITH:

2 Second.

3 MR. ROBINSON:

4 All in favor?

5 (All "Aye" responses.)

6 MR. ROBINSON:

7 The committee meeting will

8 start in about 10 minutes.

9

10

11 (Meeting adjourned at 11:21)

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1 REPORTER'S CERTIFICATE
2

3 I, BETTY D. GLISSMAN, Certified
4 Court Reporter, Certificate No. 86150, in
5 and for the State of Louisiana, do hereby
6 certify that the Louisiana Used Motor
7 Vehicle Commission Rule and Regulation of
8 August 16, 2010 meeting was reported by me
9 in the stenotype reporting method, was
10 prepared and transcribed by me or under my
11 personal direction and supervision, and is a
12 true and correct transcript to the best of
13 my ability and understanding.

14 This September 2, 2010, Baton
15 Rouge, Louisiana.
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