

1 MR. POTEET:

2 Well, I mean, the staff has been working  
3 on this for a long time and looking at the other  
4 alternatives for CAVU. And, I mean, you weren't  
5 here, but we've been talking about CAVU for seven,  
6 eight years, as long as I've been on the Commission.

7 MR. DUPLESSIS:

8 It's awful. Instead of an electronic  
9 start, it has a crank. I mean, seriously, it's  
10 really an antiquated system.

11 MR. OLAVE:

12 Thank you for your information.

13 MS. ANDERSON:

14 Well, because the program has to be  
15 customized, there aren't a lot of players out there,  
16 I guess what I'm saying.

17 MR. OLAVE:

18 Yes, ma'am, I understand.

19 MS. ANDERSON:

20 This is highly customized to what we do  
21 and we feel like GL Solutions is -- would be a good  
22 partner for that.

23 MR. OLAVE:

24 Thank you. Thank you.

25 MR. DUPLESSIS:



1 plus I bought an add-on, and I can't believe I did  
2 it, and it's \$1,800 from the 9 to 10 range.

3 MR. POTEET:

4 All right. Well, thanks for keeping us  
5 informed. It looks like we're going down the right  
6 path with this.

7 MR. DUPLESSIS:

8 Yes.

9 MR. POTEET:

10 Okay. The next thing on the agenda is  
11 something that we've all been waiting to hear about.

12 (Recess taken.)

13 MR. POTEET:

14 Okay. Time to get started again. We're  
15 going to talk about the flood disclosure forms that  
16 have been put out by the Office of Motor Vehicles,  
17 and there have been a lot of questions about this,  
18 and I think I'm going to let Derek start talking  
19 about what's going on with these two different  
20 forms.

21 MR. PARNELL:

22 All right. Well, if you look in your  
23 packet, you will find -- we do have some examples of  
24 those forms the Office of Motor Vehicles put out as  
25 a requirement as a result of the August 2016 flood.

1 The Office of Motor Vehicles has advised us that  
2 failure to include the form with the title  
3 application will result in the file being rejected.  
4 We have sent out a mass e-mail to all of our  
5 licensees. We have put it out on the website, so we  
6 can notify everyone, but there were still some  
7 questions that were looming out there, one of which  
8 was with the disclosure form, who actually fills out  
9 the disclosure form, what parishes, is it only the  
10 affected parishes or is it all of the parishes in  
11 the state that were affected. We'll need to  
12 actually use the form.

13 We reached out to the Office of Motor  
14 Vehicles on Thursday. We have not heard a response  
15 back as of yet on that. As soon as we can hear  
16 something from them, hopefully, we'll get -- you  
17 know, before we get out of here. I don't know. But  
18 we will definitely try to get that information out  
19 there.

20 One other question that we had was, where  
21 in the chain does -- for example, you go to a dealer  
22 -- to auction the dealer buys from -- the dealer who  
23 buys vehicles in that chain actually is required to  
24 fill out that form. We reached out to them again  
25 and we did get some feedback from them on that.

1 They basically said that a dealer who brings a car  
2 to auction, they must fill out the form. Auctions,  
3 since the vehicle is not actually titled in their  
4 name or anything, they are just transferring that  
5 vehicle off to the next dealer that buys it. That  
6 dealer as well has to purchase -- I'm sorry, excuse  
7 me, has to fill out the form -- the disclosure form.  
8 So within that, we did find out that auctions are  
9 not responsible for filling out that form.

10 MR. POTEET:

11 Well, auctions are not responsible for  
12 filling out the form, but --

13 MR. PARNELL:

14 But you have to facilitate it.

15 MR. POTEET:

16 -- you have to facilitate part of the  
17 title. And you just said something. I'm a little  
18 unsure. I'm trying to understand. Let's take an  
19 example. So let's leave the auction out for just a  
20 second, one with an auction, one without an auction.  
21 So if Dealer A decides to sell a vehicle through  
22 Dealer B, that's a wholesale transaction.

23 MR. PARNELL:

24 Correct.

25 MR. POTEET:

1           So now Dealer A is taking a car in on  
2 trade theoretically. The consumer is not  
3 responsible for filling out the form. Dealer A is  
4 responsible for filling out the form. Am I right?

5           MR. PARNELL:

6           Yes.

7           MR. POTEET:

8           Okay. So now he takes his title and he  
9 gives it to Dealer B with the form filled out.  
10 Dealer B then has to fill out the form again?

11          MR. PARNELL:

12           As we understand from what they've told  
13 us, yes.

14          MR. POTEET:

15           What would be the purpose?

16          MR. PARNELL:

17           I don't know.

18          MR. POTEET:

19           Okay. So now Dealer B has the vehicle.  
20 He has the form.

21          MR. PARNELL:

22           From A.

23          MR. POTEET:

24           From A. He has the title from A. So now  
25 he sells it to a consumer. He gives the consumer

1 both of those forms or just the one that he filled  
2 out?

3 MR. PARNELL:

4 I don't know the answer to that.

5 MR. POTEET:

6 We have a redundant form.

7 MR. PARNELL:

8 I agree.

9 MS. BARON:

10 They have every assignment on the title  
11 has to have a form.

12 MR. POTEET:

13 So each time it passes, there will be a  
14 form.

15 MS. BARON:

16 I'm sorry. I was just agreeing.

17 MR. DUPLESSIS:

18 That was my point to Ms. Morris and  
19 Director Parnell. This is kind of convoluted, but  
20 under federal law, you can skip any portion on that  
21 chain of title to go to the person or entity. It's  
22 pretty onerous and complicated and there's not a  
23 clear cut protocol that I understand.

24 MR. POTEET:

25 I can assure you that the Office of Motor

1 Vehicle hasn't looked at this from these different  
2 positions, that there's -- there are many things  
3 going on here. And if you have the form -- if you  
4 have Form A and Form B, you have to keep all of  
5 those forms. And then suppose B doesn't sell to a  
6 consumer, B sells it to another dealer, who sells it  
7 to another dealer, who sells it to another dealer?  
8 I mean, we get a lot of -- at the auction, we get a  
9 lot of titles that have four, five, six assignments  
10 on the back where they're all dealer to dealer to  
11 dealer, no consumer involved. So now we're going to  
12 be responsible for keeping track of that form, not  
13 just us, I mean, I'm -- okay.

14 So now the other option is, the auction  
15 is included. So when Dealer A turns in this title  
16 to the auction, we treat that form just like we  
17 would, say, repo papers or some sort of a POA or  
18 affidavit, anything that's supposed to accompany the  
19 title. So we would reject the title if the form  
20 doesn't come, right? I mean, I'm telling you right.  
21 I'm not responsible for having the form, but I can't  
22 -- you know, if I turn over a title to another  
23 dealer, if it's not properly filled out or it  
24 doesn't have the right paperwork, that dealer then  
25 can't get the car retailed.



1           So the auction may not be technically  
2 responsible, but our job is to make sure that the  
3 titles that come in are a transferable title with  
4 them going out. I would say -- I mean, we've got a  
5 lot of car people in here. So I would say that the  
6 questions we've got to get answered in writing are,  
7 number one, who is -- which parishes are going to be  
8 held up to this, because, you know, my opinion is it  
9 doesn't need to be any parishes that are not in the  
10 disaster parishes. What would be the purpose? Can  
11 anybody speculate what the purpose of that would be.

12           MR. GRANGER:

13           If someone from Baton Rouge drove to  
14 Shreveport to trade the car in.

15           MR. OLAVE:

16           It wouldn't be off the registration?

17           Mr. POTEET:

18           It wouldn't be off the registration. I  
19 can see the possibility that you drove through the  
20 flood, that you were somewhere else, but that would  
21 also apply to a Texas dealer or a Mississippi -- I  
22 mean, there were people that got flooded here that  
23 didn't live here. It was from all over. So, I  
24 mean, are we going to put the same onerous condition  
25 on cars that come from Mississippi and Arkansas and

1 Illinois or -- I can name them all except for Alaska  
2 and Hawaii probably that would be subject to this.

3 So I think -- me, I think it makes sense  
4 -- you know, we have -- in the auction business, we  
5 already have rules and regulations regarding flooded  
6 cars wherever they come from and we have a very  
7 extensive description of how to look at a flooded  
8 car and we have a timeline on how long a buyer can  
9 bring a flooded car back to us. So, you know, for  
10 that purpose, a car that might come from, let's just  
11 say, you know, Calcasieu Parish, which was not one  
12 of the parishes that was included, that just is  
13 going to go through the same process that cars went  
14 through before the flood occurred. We're still  
15 looking at them. I mean, cars get flooded every day  
16 around the country, not in just some gigantic event  
17 in Baton Rouge. There's just more of them that  
18 happened at one time. So I think that first answer  
19 has got to be, how are we going to do that, is it  
20 going to be just the parishes that were disasters or  
21 is it going to be all parishes?

22 Secondly, we have to decide how many of  
23 these forms need to be filled out and accompany with  
24 a car, because, to me, once the first person has  
25 filled out the form saying that there's no flood, I

1 mean, what is the second guy -- what is he adding to  
2 it? It can be done. It can be done, but it's going  
3 to -- I tell you who's going to come up -- it's  
4 going to come up the OMV. They're going to be  
5 working a lot harder, too. And I can't -- I mean, I  
6 would like for somebody to explain to me how that  
7 second form, or third form, or fourth form adds to  
8 what we're trying to do. If I understand this  
9 correctly, we're here to protect the consumer. So  
10 how is the consumer protected by Tony filling out  
11 the form when he takes the trade in, and then Ron  
12 filling out the form when he sells it to the new  
13 customer? You've got two different people  
14 attesting. Does anybody -- am I going down the  
15 right path here.

16 MR. OLAVE:

17 I just agree with you there, that the  
18 recourse would be with the first person that signed  
19 the form to begin with, wouldn't it? I mean, that  
20 -- well, it would pass through the first -- all  
21 three or four forms would get to the person -- the  
22 first person that had the ownership of the vehicle  
23 or --

24 MR. POTEET:

25 Right. And I can tell you, you know, to

1 an auction, the auction process -- let's forget  
2 about these big flood events and just -- and a  
3 flooded car that comes through. If somebody buys a  
4 vehicle and brings it back to us for flood damage,  
5 we check it out to our satisfaction. If we feel we  
6 need more expertise, we will do that. And then we  
7 would take that vehicle back to the seller at the  
8 auction. That seller would then have the right to  
9 go to wherever he got it from, whether it was from a  
10 consumer or from another dealer or at another  
11 auction and, you know, it can't go on forever, but,  
12 you know, usually these things come up pretty  
13 quickly. It's rare that we don't -- you know, the  
14 last time we had a flooded -- a car come back for  
15 flood damage, it was all within a few days. You  
16 know, somebody bought a car. They came back, you  
17 know, and we did the work and as it turned out, it  
18 was -- in our opinion, it was flooded. We sent it  
19 back to the seller. So, you know, it does -- the  
20 chain goes all the way back to wherever somebody had  
21 the vehicle in a flood, so.

22 MR. DUPLESSIS:

23 That would also include the consumer  
24 committing fraud.

25 MR. POTEET:

1 Yes.

2 MR. DUPLESSIS:

3 And that would simply be held through a  
4 non-insured or paid off vehicle and they simply  
5 could bring it in under the guise and get it traded,  
6 but, you know, the initial was -- the Katrina cars  
7 is where this legislation started. I think this is  
8 well intended legislation with ill affects and  
9 unintended consequences that we may have to deal  
10 with.

11 MR. POTEET:

12 Yes. I think the idea is good, but the  
13 procedures -- you know, there's no reason to -- you  
14 know, I don't know how to else to say this, but to  
15 come up the works with all of these different pieces  
16 of paper when really the first one is the only one  
17 that matters anyway.

18 MR. DUPLESSIS:

19 Yes.

20 MR. POTEET:

21 So I think we need -- we definitely need  
22 to get Office of Motor Vehicles to give us some  
23 definitive answer on those two issues. Number one,  
24 who is going to be he affected, all parishes or just  
25 the flooded parishes? And I would say our

1 Commission highly recommend that it only be the  
2 flooded parishes. Does anyone feel differently  
3 about that?

4 (No response.)

5 MR. POTEET:

6 And I haven't heard from the New Car  
7 Commission, but I would assume that they're probably  
8 on the same page as we are.

9 MR. DUPLESSIS:

10 I'll make that call today.

11 MR. POTEET:

12 Okay. And then the second question is,  
13 how many times does this form have to be filled out?  
14 And, guys, remember, there are two forms. There's  
15 one if the car is sold after September 1st and one  
16 if it's sold between August 12th and August 31st.  
17 There are two different forms. So those have got to  
18 match up to the transaction dates, too. You can't  
19 have one with -- one back and forth. That also  
20 brings up another thing, which is the form came out  
21 after August 31st, yet you are supposed to have this  
22 form with any vehicle that's been sold since August  
23 12th through the 31st. So that's going to be a  
24 difficult thing to do, not impossible, but just  
25 difficult.

1 MR. WATTS:

2 What about if somebody had a non-flooded  
3 car, you still have to fill out this form?

4 MR. POTEET:

5 That's what you're saying.

6 MR. WATTS:

7 I've got a perfectly good car, it didn't  
8 flood.

9 MR. POTEET:

10 Right. Right. You're saying -- you're  
11 -- in essence, you're attesting that my car was not  
12 flooded. And, you know, it's kind of the same as  
13 the Katrina flag. And I kind of forgot how we did  
14 that, but a Katrina flag was essentially if you  
15 lived --

16 MR. GRANGER:

17 In those disaster zones.

18 MR. POTEET:

19 -- in those disaster zones, then your car  
20 was flagged. You could have evacuated to Arkansas.

21 MR. OLAVE:

22 You still see a few of those on CarFax.

23 MR. DUPLESSIS:

24 You were guilty until proven innocent.

25 MR. OLAVE:

1 Right. You had to get your car inspected  
2 from State Police.

3 MR. PARNELL:

4 If you had it flagged, you had to get it  
5 inspected.

6 MR. DUPLESSIS:

7 To get a clean title.

8 MR. POTEET:

9 That was much more onerous than this. If  
10 we can get this down to -- to me, get it down to who  
11 has to do it and in how much time does it have to be  
12 done. And those are the things I think our  
13 Commission is strong in the recommendation. We have  
14 Dwayne here with LIADA. Do you have anything to add  
15 to this?

16 MR. TAMBLING:

17 Not right now.

18 MR. POTEET:

19 I mean, do you feel the same way we do,  
20 that --

21 MR. TAMBLING:

22 Definitely, yes.

23 MR. POTEET:

24 And I think from a -- if you're taking it  
25 from a buying standpoint, the buying dealer or the



1 buying consumer, you want something, but I don't  
2 want to have six or eight pieces of paper that are  
3 just repetitious. And you're kind of attesting to  
4 something you wouldn't know about anyway, right?

5 MR. OLAVE:

6 Yes, that's true.

7 MR. POTEET:

8 Back to Derek, I think it's incumbent  
9 upon us to get an answer from OMV.

10 MR. PARNELL:

11 I'll try to get a written policy on it.

12 MR. POTEET:

13 And Ron is going to check with the New  
14 Car Commission and see if they have anything to add  
15 to that or anything that they disagree with us on.  
16 Those are things I think this Commission is pretty  
17 much in agreement with. All right. I think also  
18 the forms are -- I looked over them before this  
19 meeting. I looked at them the week before last  
20 actually when they first came out and they don't  
21 really look to difficult to fill out. I mean,  
22 they're not asking for a lot of information. So  
23 let's move on to the next thing.

24 All right. We've got a discussion  
25 regarding Import One, Mr. Ghassemi. He's got a

1 written request.

2 MR. PARNELL:

3 If you look in your packet, you will see  
4 a written request for Hamid Ghassemi asking me, in  
5 particular, to appeal the Commission order through  
6 July 18 from our hearing that we held. Ultimately,  
7 he basically asked for an opportunity to come before  
8 the Commission, so he could have a re-hearing. I --  
9 we instructed to -- we let him know that I  
10 personally can't make that kind of decision, because  
11 when it's a Board decision, the Board has to make  
12 that decision. We did send to him -- well, his  
13 reasoning behind it is that there was a mistake on  
14 the order that was sent out to him. The mistake had  
15 been corrected. We sent out all of the evidence and  
16 -- back out to him. So I just kind of wanted to  
17 open the floor and see what your thoughts were as it  
18 relates to having a re-hearing.

19 MR. HALLACK:

20 Yes. We're treating his letter as a  
21 request for a re-hearing of the hearing that was  
22 held on July 18. Basically, what he's saying in  
23 support of a request for -- he doesn't actually say,  
24 this is a request for a re-hearing, but we're going  
25 to treat it as one. Basically, what he's saying is

1 that he would like to be present to explain his  
2 position. He was not present during the hearing.  
3 Obviously, he was in jail. He was incarcerated. He  
4 claims that the basis for his request is that he was  
5 -- he did not intentionally withhold the titles to  
6 these purchases, that he did not intentionally fail  
7 to remit his sales tax, and that's the brunt of what  
8 he was found guilty of.

9 Our law does not require that it be an  
10 intentional act. So he's wrong in that respect.  
11 But, also, too, I think there was evidence at the  
12 hearing that he did use the money like, for  
13 instance, the failure to remit the sales tax, to pay  
14 off some debts and to pay for some of his lawyers.  
15 So I think there was evidence that maybe he did  
16 withhold -- intentionally withhold the sales tax to  
17 pay off other problems. So in a request for a  
18 re-hearing, you have to determine does he -- does  
19 his request justify a re-hearing, one, that he was  
20 not present. Do you think in your mind that him  
21 being here to explain the situation would have  
22 changed your mind? Number two, he claims that we  
23 were wrong in finding him guilty of the violation,  
24 because there was no evidence of intent. So that's  
25 really the two questions you have to look at in

1 determining whether or not you should grant him a  
2 re-hearing. If you do grant him a re-hearing, he's  
3 entitled to come back up here and you have to have a  
4 whole other hearing on the charge.

5 MR. PARNELL:

6 We don't know when that would be, though.

7 MR. HALLACK:

8 Well, I think he can request that he be  
9 present.

10 MR. POTEET:

11 Or send a representative, is that what  
12 you're saying?

13 MR. HALLACK:

14 Well, no. He can actually physically be  
15 present at the hearing.

16 MR. POTEET:

17 They allow that sort of thing?

18 MR. HALLACK:

19 Yes, sir. I've seen it happen.

20 MR. POTEET:

21 Well, I guess my point would be, if his  
22 reasoning -- well, let's go back. Do you recommend  
23 that we have a re-hearing?

24 MR. PARNELL:

25 I do not.

1 MR. POTEET:

2 Okay. So the Director doesn't recommend  
3 it. So now just thinking it through, you know,  
4 intentional, well, I mean, when somebody doesn't  
5 hand over a title to the consumer, we don't ask why  
6 you didn't do it. We just say, you didn't do it --

7 MR. HALLACK:

8 Right.

9 MR. POTEET:

10 -- and you're not doing it. So there  
11 would be no intent. And then regarding his sales  
12 taxes, the same way, I mean, you either pay or you  
13 don't. What's your -- I put it all on, you know,  
14 Lucky Jack in the sixth race. My intent was to --  
15 that I was going to race and I would go ahead and  
16 pay it. I don't think that intent is really a  
17 matter of anything. I don't see anything in this  
18 letter that would indicate any reason that we should  
19 have a re-hearing.

20 Does any Commissioner feel differently?

21 MR. DUPLESSIS:

22 Does this require a motion?

23 MR. HALLACK:

24 Yes.

25 MR. DUPLESSIS:

1           Mr. Chair, I would like to make a motion  
2 to deny the request for re-hearing.

3           MR. GRANGER:

4           Second.

5           MR. POTEET:

6           Second from Mr. Granger.

7           All in favor, say, "Aye."

8           (All "Aye" responses.)

9           MR. POTEET:

10          Any opposed?

11          (No response.)

12          MR. POTEET:

13          That motion carries. Okay.

14          Next, we have ratification of imposed  
15 penalties.

16          MR. HALLACK:

17                 Mr. Chairman, we have a matter that's not  
18 on the agenda. We have a stipulation that was  
19 reached between our agency and a dealer and we would  
20 like to amend the agenda to include this.

21          MR. POTEET:

22                 We need to make a motion to amend the  
23 agenda, right?

24          MR. HALLACK:

25                 Yes.

1 MR. SMITH:

2 (Makes motion.)

3 MR. CORMIER:

4 Second.

5 MR. POTEET:

6 Tony second.

7 All in favor, say "Aye."

8 (All "Aye" responses.)

9 MR. POTEET:

10 Okay. So this is -- explain it to us.

11 MR. HALLACK:

12 A while back, we had a dealer by the name  
13 of Priceline Motors that had entered into a  
14 stipulation to pay some certain fines. He did not  
15 -- Mr. Sponge, Investigator Sponge went out there  
16 and issued a cease and desist for them to stop  
17 operating, because they didn't pay a fine.

18 And, Kim, correct me on this. I may not  
19 be that familiar with the history and what's going  
20 on, but some member of his family Daysi Vicedomini  
21 had applied for a license under the name of Deal  
22 Makers. Is that correct? Did I get that right?

23 MS. BARON:

24 Yes.

25 MR. HALLACK:

1           And we denied that. They were trying to  
2     sell some cars without a license and we had put a  
3     hold on their license. The reason why we put a hold  
4     on their license is that Daysi's husband, Ray  
5     Vicedomini --

6           MS. BARON:

7           His daughter-in-law was the owner of  
8     Priceline.

9           MR. HALLACK:

10          Owner of Priceline, right. And we had  
11     put a hold on the license, because Ray had -- we  
12     thought had been guilty of some violations, but  
13     actually it was his daughter-in-law. So when we  
14     looked to see that Ray Vicedomini had not actually  
15     been found guilty of anything, we decided that we  
16     would go ahead and stipulate to Deal Makers, which  
17     is his wife, Daysi Vicedomini, getting the license.  
18     And we wanted to make sure that the daughter-in-law  
19     -- and what's her name, Kim?

20          MS. BARON:

21          Kristina.

22          MR. HALLACK:

23          Kristina Vicedomini --

24          MS. BARON:

25          Uh-huh.



1 MR. HALLACK:

2 -- that Kristina Vicedomini, who owns  
3 Priceline Motors, had nothing to do with the new  
4 business, Deal Makers. And so this stipulation says  
5 that, that the owner of Priceline, which was found  
6 guilty of violations, has nothing to do with this  
7 new dealership called Deal Makers and they  
8 understand that they're going to be on a  
9 probationary period for us to check and make sure  
10 that the daughter-in-law does not have anything to  
11 do with the new dealership.

12 MR. POTEET:

13 Okay.

14 MR. HALLACK:

15 Also, too, if Ray has anything to do with  
16 the business, that he needs to get a salesman's  
17 license.

18 MR. POTEET:

19 All right.

20 MR. HALLACK:

21 I think the stipulation is he's supposed  
22 to check once a month or something like that to make  
23 sure --

24 MS. BARON:

25 We have the right to go in there and

1 check.

2 MR. HALLACK:

3 Right.

4 MR. POTEET:

5 Monthly inspections.

6 MR. HALLACK:

7 Yes.

8 MS. BARON:

9 Monthly inspections.

10 MR. HALLACK:

11 So we need to -- we need some.

12 Action to approve the stipulation. And  
13 you see the stipulation is signed.

14 MS. MORRIS:

15 Was this case filed in court, because it  
16 has deputy clerk and it refers to a court, but there  
17 was no cease and desist filed?

18 MR. HALLACK:

19 No.

20 MR. OLAVE:

21 Do we need a motion?

22 MR. POTEET:

23 Yes, unless there's any discussion. Does  
24 anybody have any discussion on this?

25 (No response.)

1 MR. POTEET:

2 We need a motion.

3 MR. OLAVE:

4 I make a motion we adopt the stipulated  
5 order.

6 MR. POTEET:

7 Okay. I need a second.

8 MR. SMITH:

9 I second.

10 MR. POTEET:

11 Darty second.

12 All in favor, say, "Aye."

13 (All "Aye" responses.)

14 MR. POTEET:

15 Any opposed?

16 (No response.)

17 MR. POTEET:

18 Okay. All right. The next thing is the  
19 ratification of imposed penalties.

20 MR. PARNELL:

21 Commissioners, you will find in your  
22 packet a chart that illustrates the dealers that  
23 have imposed penalties for July and August. I have  
24 determined that public interest can be served  
25 without further administrative proceeding. I will

1 announce the name for the record of the dealers that  
2 have the imposed civil penalties.

3 Do we have anyone with representation  
4 from any of the persons listed on this chart?

5 MS. BARON:

6 I'll go check. No, sir, we do not.

7 MR. PARNELL:

8 And I will proceed with Big Sug's Wheels  
9 and Deals, LLC from Baton Rouge, Louisiana. The  
10 fine is \$3,075. Kar City, LLC from Lake Charles,  
11 Louisiana with a fine of \$450. Samir Auot Sales,  
12 LLC from Lafayette, Louisiana with a fine of \$200.  
13 C & S Used Cars and Salvage out of Oakdale,  
14 Louisiana for a fine of \$500. Ruston Used Cars, LLC  
15 from Ruston, Louisiana was fined \$1,400. European  
16 Service, Incorporated from Monroe, Louisiana with a  
17 fine of \$150. Autorama Auto Sales from Mandeville,  
18 Louisiana was fined \$400. Wayne Toms Autos, LLC  
19 from Bossier City was fined \$900. Unique Auto Sales  
20 from Shreveport, Louisiana was fined \$250. Hicks  
21 Auto Sales from Monroe, Louisiana was fined \$900.  
22 Gold Coast Motors Auto Sales from Port Allen,  
23 Louisiana was fined \$700. Capitol Auto Sales in  
24 Baton Rouge, Louisiana was fined \$400. Bolar Auto,  
25 Incorporated from Bossier City was fined \$250.

1 Tigers Auto Sales from Eunice, Louisiana was fined  
2 \$200. American Auto Brokers Online, LLC from  
3 Thibodaux, Louisiana was fined \$400. Auto Plaza of  
4 Moss Bluff, LLC from Lake Charles, Louisiana was  
5 fined \$200. Superior Pre-Owned Autos from  
6 Shreveport, Louisiana was fined \$550. Da Spot Auto  
7 Sales, LLC from Lafayette, Louisiana was fined \$250.

8 The total cost of fines was \$11,175.  
9 Commissioners, I would ask that you ratify the  
10 imposed civil penalties that were assessed.

11 MR. SMITH:

12 I make a motion.

13 MR. GRANGER:

14 Second.

15 MR. POTEET:

16 Second from Mr. Granger.

17 All in favor, say, "Aye."

18 (All "Aye" responses.)

19 MR. POTEET:

20 Any opposed?

21 (No response.)

22 MR. POTEET:

23 All right. That passes. Okay. What  
24 have we got next?

25 MR. PARNELL:

1 Revocations.

2 MR. POTEET:

3 Okay. Revocations.

4 MR. PARNELL:

5 Commissioners, on -- in your packet as  
6 well, you do have a chart that has ratifications of  
7 revocations. I do want to make an addendum to this  
8 chart. There's one in the middle, Charles Wright  
9 Auto Center, Incorporated. I would like to delete  
10 that one from the chart.

11 Do we have anyone present?

12 MS. BARON:

13 No.

14 MR. PARNELL:

15 Okay. All right. I'll go through and  
16 we'll go through it. Arkla 165 Automotive, LLC from  
17 Monroe, Louisiana, revocation date was May 2, 2016.  
18 Nola Auto -- Nola City Motors from New Orleans, the  
19 revocation date was February 6, 2016. Surplus Auto  
20 Sales and Salvage, LLC from Baton Rouge, Louisiana,  
21 February 14 of '16. Williams Truck Parts,  
22 Incorporated from Shreveport, Louisiana, December 30  
23 -- I'm sorry, December 31st of '15. Pac Man Auto  
24 Crushers, Incorporated from Vidalia, December 31st  
25 of '15. J Motors, LLC from Many, Louisiana,

1 December 31st of '15. Auto -- National Auto Mart,  
2 Incorporated, Lake Charles, revocation date was  
3 January 1 of '16. Capital Solutions, LLC in Baton  
4 Rouge, Louisiana, revocation date was May 21st of  
5 '16. D & R Used -- I'm sorry D & R Wholesale Cars  
6 in Walker, Louisiana, the revocation date was  
7 January 17th of '16. Bayou Ramos Auto Sales &  
8 Wrecker from Morgan City, Louisiana, revocation date  
9 was December 31st of '15.

10           Commissioners, I would ask that you  
11 ratify the revocation list.

12           MR. OLAVE:

13                   I make a motion that we adopt that.

14           MR. CORMIER:

15                   Second.

16           MR. POTEET:

17                   Tony.

18                   All in favor, say, "Aye."

19                   (All "Aye" responses.)

20           MR. POTEET:

21                   Any opposed?

22                   (No response.)

23           MR. POTEET:

24                   All right. Those revocations pass. Next  
25 we have the Executive Director's report.

1 MR. PARNELL:

2 Commissioners, you also will find some  
3 charts in your packet about the complaints that  
4 we've had, the compliance investigation and  
5 compliance and complaints. The first one is the  
6 alleged issue count. This is for July. In the  
7 month of July, we had 166 alleged issues.

8 The next document is a case report. The  
9 case report illustrates just how many cases have  
10 been -- excuse me, have been assigned, completed,  
11 and open. The total for July is 114.

12 The next document is the department  
13 summary report. The department summary report there  
14 shows to be 37 total cases that have been closed in  
15 July. Next, you will find the alleged issue counts  
16 for August. For August, there are 77 alleged  
17 issues.

18 The next document you will see is a case  
19 report, that there were 48 assigned cases in the  
20 month of August. And you will find also that the  
21 department summary report is there and it lists that  
22 there are 60 cases that have been closed in the  
23 month of August. This is general information. We  
24 have been getting -- as of the last week or two,  
25 getting a lot of complaints from a lot of our



1 licensees, our dealers, about the bond increase. We  
2 had one, he went through the State rep. Once we  
3 spoke with him, he kind of understood the process.  
4 He understood why the bond was increased to \$50,000  
5 versus having the \$20,000 and the \$35,000 bond.  
6 With that said, I don't know if you have all been  
7 hearing anything about that, but I'm sure once we do  
8 send out our renewal postcards, we do list that  
9 information there as a reminder to all of our  
10 licensees that the bond requirement has increased to  
11 \$50,000, I'm expecting an influx of concern from a  
12 lot of dealers. Once the -- the '16 legislative  
13 session that the bond amount was changed, at that  
14 time, we did send out a mass mailing -- e-mail out  
15 to all of our licensees. We also put it on the  
16 website, but a lot of that is not read. So -- but  
17 be on the lookout. You're probably going to start  
18 hearing a lot of the --

19 MR. GRANGER:

20 What is our official answer to it, what  
21 do we tell them?

22 MR. PARNELL:

23 Well, one of the main reasons why we had  
24 to increase the bond was that before, we had a  
25 \$20,000 bond. If you sold 119 cars or less, you

1 were required to get a \$20,000 bond. If you sold  
2 120 cars or more, you had to get a \$35,000 bond.  
3 One of the reasons -- the main reason why we wanted  
4 to do that was that a lot of the sales tax and  
5 various fines were not being fully paid. Once the  
6 bond is exhausted, that fund -- that money is just  
7 -- it's out there and it's upon that dealer or the  
8 licensee to go out and actually officially pay that  
9 fine. We run into a lot of situations where taxes  
10 haven't been paid and we go after the bond and it  
11 works that way. But when a bond is exhausted,  
12 there's nothing to be paid to the State, basically.

13 MR. POTEET:

14 And we also felt that consumers were not  
15 being covered enough.

16 MR. GRANGER:

17 I agree with it. We had a \$20,000 bond  
18 when I was selling new cars, you know, to the tune  
19 of 180 a month.

20 MR. PARNELL:

21 And one thing we did, we added language  
22 as it relates to restitution, because a lot of  
23 consumers weren't being paid whole.

24 MR. GRANGER:

25 Right.

1 MR. POTEET:

2 Yes. We -- I mean, that was the reason  
3 we changed it. We had done some -- I can't remember  
4 all of it, but pretty much all the states around us  
5 were at 50. So, you know, we felt like it was  
6 really too low to cover the taxes owed and the  
7 consumers that were harmed. It doesn't take --

8 MR. GRANGER:

9 Does it cover the consumer's payoffs?

10 MR. POTEET:

11 No. It covers restitution, though.

12 MR. GRANDER:

13 It does cover restitution?

14 MR. POTEET:

15 Right. Have you heard anything?

16 MR. TAMBLING:

17 I'm just starting to get a few phone  
18 calls. One of my board members in Monroe said that  
19 he had a handful of people, you know, asking him,  
20 you know, why the bond was increased, but it hadn't  
21 really come in yet.

22 MR. PARNELL:

23 I think once we get those postcards  
24 out --

25 MR. POTEET:

1           We're going to get complaints, but I  
2           still feel like we did the right thing and, you  
3           know, we did the best we could to get that  
4           information out, that we're working on it. It was,  
5           you know, public knowledge pretty much. In this  
6           meeting, there wasn't much negative discussion about  
7           it, if any.

8           MR. TAMBLING:

9           When was the last time they had an  
10          increase?

11          MR. PARNELL:

12          Once I -- once we spoke, the person that  
13          was complaining, even the State rep, Miguez's  
14          office, I believe it was, it kind of went away and  
15          they all understood.

16          MR. POTEET:

17          I think once they understand the reason  
18          behind it --

19          MR. PARNELL:

20          I think it's just that initial shock that  
21          they were paying this amount for their bond. Now,  
22          they have to pay more.

23          MR. TAMBLING:

24          What was the average price of increase  
25          per dealer?

1 MR. PARNELL:

2 It kind of depends on their credit, you  
3 know. It varies. This one, in particular, he was  
4 paying, I think, 375 and it went up to 875 for him.  
5 But if I understand correctly, it's kind of based  
6 more on your credit rating.

7 MR. POTEET:

8 Not everybody pays the same.

9 MS. BARON:

10 But it also helps Motor Vehicle, too,  
11 because they were taking a huge hit, because even  
12 when the bond was exhausted, if I have claims  
13 against surety that are already in their office,  
14 then they go ahead and make those right. So they  
15 would lose the sales taxes. They just have to eat  
16 that.

17 MR. SMITH:

18 Mine was 400 and it went up to 800.

19 MS. BARON:

20 Yes.

21 MR. SMITH:

22 I mean, \$800 a year.

23 MS. BARON:

24 They told them it would go anywhere from  
25 \$500 to \$1,000 it would go up, depending on the

1 people's credit.

2 MR. POTEET:

3 Well, it's not insignificant, but I think  
4 it's still something that, you know, it was just too  
5 low. It was just too low, so.

6 When did the postcards go out?

7 MR. PARNELL:

8 We're going to try to get them out --  
9 when are we going to get them out?

10 MS. BURKS:

11 About the end of this month.

12 MR. PARNELL:

13 Around October.

14 MR. POTEET:

15 So around October 1st.

16 MR. PARNELL:

17 Well, that completes my report. Any  
18 questions or comments or concerns?

19 MR. POTEET:

20 Does anyone have any comments?

21 MR. DUPLESSIS:

22 I think that usually with the bond and  
23 lack of protocol about the flood vehicles, we're  
24 probably looking at a special session coming up and  
25 I think we can get a couple items that need to be

1 reviewed. Number one, a definition -- tightening  
2 and cleaning up the definition of used versus  
3 rent-to-own, rental vehicles versus lease-to-own.  
4 And I think that's a critical issue also. This  
5 flood protocol could be cleared up with a joint  
6 meeting of OMV, New Car -- not New Car Commission,  
7 New Car Dealer Association, because they're dealing  
8 with used cars and ourselves, get a cleaner protocol  
9 and get it more streamlined where everybody can  
10 understand it.

11 MR. POTEET:

12 Yes. I would think that really that  
13 states like us, that we get a lot of rain and floods  
14 and hurricanes, stuff like that, we should have a  
15 way to do this every time rather than coming up with  
16 something new every time it happens. So I think  
17 that would be a good idea. Okay.

18 Did you have anything? No, all right.  
19 Motion to adjourn.

20 MR. CORMIER:

21 I make a motion.

22 MR. OLAVE:

23 Second.

24 MR. POTEET:

25 All in favor, say "Aye."

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(All "Aye" responses.)

(Meeting adjourned at 11:06 a.m.)



REPORTER'S CERTIFICATE

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I, BETTY D. GLISSMAN, Certified Court Reporter,  
Certificate No. 86150, in and for the State of  
Louisiana, do hereby certify that the Louisiana Used  
Motor Vehicle Commission September 19, 2016, meeting  
was reported by me in the stenotype reporting  
method, was prepared and transcribed by me or under  
my personal direction and supervision, and is a true  
and correct transcript to the best of my ability and  
understanding.

This October 4, 2016, Baton Rouge, Louisiana.

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BETTY D. GLISSMAN, CCR  
CERTIFIED COURT REPORTER