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6 LOUISIANA USED MOTOR VEHICLE COMMISSION
7 STATE OF LOUISIANA
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14 REGULAR MEETING
15 MARCH 17, 2014
16 BEGINNING AT 9:30 A.M.
17
18
19
20 3132 VALLEY CREEK
21 BATON ROUGE, LOUISIANA
22
23
24 REPORTED BY:
25 BETTY D. GLISSMAN, CCR
Betty D. Glissman, CCR

1 APPEARANCES:
2
3 CHAIRMAN:
4 MR. JOHN POTEET
5
6 COMMISSIONERS PRESENT:
7 MR. TONY CORMIER
8 MR. RON DUPLESSIS
9 MR. GEORGE FLOYD
10 MR. KIRBY ROY
11 MR. HENRY "DARTY" SMITH
12 MR. DINO TAYLOR (arrived late)
13
14
15 REPRESENTING THE LOUISIANA USED MOTOR
16 VEHICLE COMMISSION:
17
18 ROBERT W. HALLACK, ESQUIRE
HALLACK LAW OFFICE
19 13007 JUSTICE AVENUE
BATON ROUGE, LOUISIANA 70816
20
21 SHERI MORRIS, ESQUIRE
ROEDEL, PARSONS, KOCH, BLACHE,
BALHOFF & McCOLLISTER
22 8440 JEFFERSON HIGHWAY, SUITE 301
BATON ROUGE, LOUISIANA 70809
23
24
25 Betty D. Glissman, CCR

1 ALSO PRESENT:
2
3 MS. KIM BARON
4 MR. DEREK PARNELL
5 MS. MONA ANDERSON
6 MS. TONYA BURKS
7 MR. MONTIE WISENOR
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25 Betty D. Glissman, CCR

1 MR. POTEET:
2 Pledge of Allegiance.
3 (Pledge of Allegiance.)
4 MR. POTEET:
5 Kim, roll call, please.
6 MS. BARON:
7 John Poteet?
8 MR. POTEET:
9 Here.
10 MS. BARON:
11 George Brewer?
12 MR. BREWER:
13 (No response.)
14 MS. BARON:
15 Dino Taylor?
16 MR. TAYLOR:
17 (No response.)
18 MS. BARON:
19 Tony Cormier?
20 MR. CORMIER:
21 Here.
22 MS. BARON:
23 Ron Duplessis?
24 MR. DUPLESSIS:
25 Here.
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1 MS. BARON:
 2 George Floyd?
 3 MR. FLOYD:
 4 Here.
 5 MS. BARON:
 6 Kirby Roy?
 7 MR. ROY:
 8 Here.
 9 MS. BARON:
 10 Darty Smith?
 11 MR. SMITH:
 12 Here.
 13 MS. BARON:
 14 Mr. Chairman, we have a quorum.
 15 MR. POTEET:
 16 Very good.
 17 Do we have anyone here for public
 18 comments?
 19 MS. BARON:
 20 Not at this time.
 21 MR. POTEET:
 22 Okay. If -- all of you,
 23 hopefully, have had a chance to review the
 24 minutes from the previous meeting, and we
 25 need a motion to approve that.
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1 MS. BARON:
 2 There was no meeting.
 3 MR. POTEET:
 4 There was no meeting. That's
 5 absolutely right. All right. So we're
 6 going to be looking at the minutes from the
 7 previous meeting that we met, which was
 8 January.
 9 MR. SMITH:
 10 I'll make a motion.
 11 MR. ROY:
 12 Second.
 13 MR. POTEET:
 14 All in favor say, "Aye."
 15 (All "Aye" responses.)
 16 MR. POTEET:
 17 Any opposed?
 18 (No response.)
 19 MR. POTEET:
 20 Now, we'll do the financial
 21 meeting -- financial matters. We have
 22 January and February's reports.
 23 Mona, are you ready to --
 24 MS. ANDERSON:
 25 Okay. If you'll turn to -- in
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1 your packets to the January financial
 2 statements, we're just going to skim through
 3 those since we'll mostly look at the
 4 year-to-date figures. And on the balance
 5 sheet, the cash in the bank was \$1,606,577.
 6 Accounts receivable hearings and fines, was
 7 \$44,584. It was decreased due to
 8 collections. Down at the bottom of the
 9 page, the current liabilities were \$48,594.
 10 On Page 2, the deferred revenue
 11 for 2015 was up to \$233,250. Turning on to
 12 the revenues, expenses, and changes in net
 13 position report, on Page 3 towards the
 14 bottom of the page, our revenues
 15 year-to-date were \$881,015 compared to
 16 \$899,493 last year, but our month-to-date
 17 revenues were higher at \$123,290 compared to
 18 \$114,279 last year.
 19 Under expenses, there was an
 20 increase of \$40,000 in expenses compared to
 21 last year as shown on Page 5, and the net
 22 position year-to-date was \$318,080.
 23 On Page 6, you have the revenues,
 24 expenses, and net position reports. So you
 25 can look at the year-to-date and
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1 month-to-date revenues, expenses, and
 2 compare the net position.
 3 On Page 7 is the graph of that
 4 report and the revenues are beginning to
 5 decline at the end of our renewal period.
 6 On Page 8 is a chart of the fee
 7 revenue for the year, the dark blue, being
 8 '13/'14 and the light blue '12/'13. You can
 9 see some of the fees -- fee revenue went up,
 10 but there were some declines.
 11 On Page 9 is the certificate of
 12 deposit report. The Concordia Bank CDs,
 13 those two CDs renewed at .334 percent.
 14 And on the very last page, on
 15 Page 10, we had fines of \$9,834 were
 16 assessed and we collected \$24,750 in fines,
 17 leaving a balance of \$44,584.
 18 So, Mr. Chairman, do you want to
 19 approve these first -- this one first before
 20 I go on to February or do you want me to do
 21 both?
 22 MR. POTEET:
 23 I think let's go ahead and get an
 24 approval on these.
 25 Do I have a motion to approve?
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<p style="text-align: right;">9</p> <p>1 MR. CORMIER: 2 I make a motion to approve. 3 MR. ROY: 4 Second. 5 MR. POTEET: 6 Kirby second. 7 All in favor, say, "Aye." 8 (All "Aye" responses.) 9 MR. POTEET: 10 Any opposed? 11 (No response.) 12 MR. POTEET: 13 All right. Good morning, Mr. 14 Taylor. 15 MR. TAYLOR: 16 Good morning. 17 MR. POTEET: 18 Let the record show that Dino 19 Taylor is here. 20 MS. BARON: 21 Duly noted. 22 MR. POTEET: 23 All right, Mona. 24 MS. ANDERSON: 25 If you'll turn in your packets to Betty D. Glissman, CCR</p>	<p style="text-align: right;">11</p> <p>1 slight decrease of about \$7,600 there. 2 Again, turning the page to Page 6 3 is the revenue, expenses, and net position 4 and you can see the comparison 5 month-to-month and the year-to-date figures. 6 On Page 7, is the graph of that 7 chart and you can see our net position is 8 increasing and -- but our revenues have 9 begun to decline as our revenue period ends. 10 And on Page 8 is the chart of the 11 fee revenue. This fiscal year compared to 12 last fiscal year, in general, the fees are 13 -- the fee amounts are increasing. 14 On Page 9, the certificate of 15 deposit report, there's no change in that 16 report from January. 17 On Page 10 is our hearings and 18 fines report. In February, we assessed 19 \$24,550 in fines and we collected \$2,250. 20 We transferred -- we had an overpayment on 21 some licenses that we transferred to the 22 fines for Sean Calvit of \$5,834 leaving us a 23 balance of \$66,350. We're still trying to 24 collect from the bond on Knight Affordable 25 and also on Premiere. This month, we'll be Betty D. Glissman, CCR</p>
<p style="text-align: right;">10</p> <p>1 the February report. On Page 1, the cash in 2 the bank at the end of February was 3 \$1,605,887. Total current assets 4 \$2,174,820. Hearings and fines increased 5 significantly to \$66,350, and current 6 liabilities for the period were \$37,650. 7 That includes \$11,500, which is claims 8 against bonds, which we're going to remit to 9 consumers at a later date. We're working on 10 remitting those. 11 On Page 2, the deferred revenues 12 is \$247,650 for 2015. On Page 3, the 13 year-to-date revenues were \$992,758 compared 14 to last year's \$961,050, an increase of 15 \$31,700. The fee revenue was up about 16 \$20,000 and hearings and fines were up 17 \$9,000. On the following pages, expenses, 18 salaries increased \$35,000, and benefits 19 increased \$15,000. The remainder of the 20 expenses decreased \$10,900. 21 And on Page 5, the net position 22 was a gain of \$36,451 for the month, and 23 that was compared to a loss of \$14,400 last 24 year. Year to date the net position was 25 \$354,531 compared to \$362,149 last year, a Betty D. Glissman, CCR</p>	<p style="text-align: right;">12</p> <p>1 sending Value Imports to the Attorney 2 General for collection. 3 So unless there are any 4 questions, that concludes my report. 5 MR. POTEET: 6 Does anybody have any questions? 7 (No response.) 8 MR. POTEET: 9 I need a motion to approve. 10 MR. SMITH: 11 I'll make a motion. 12 MR. POTEET: 13 We have a motion from Darty. 14 Second? 15 MR. CORMIER: 16 Second. 17 MR. POTEET: 18 Tony second. 19 All in favor say, "Aye." 20 (All "Aye" responses.) 21 MR. POTEET: 22 Any opposed? 23 (No response.) 24 MR. POTEET: 25 All right. Let's see. The next Betty D. Glissman, CCR</p>

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1 thing on our agenda is I think is Mr.
 2 Hallack's invoice; is that right?
 3 MR. PARNELL:
 4 Yes.
 5 MR. POTEET:
 6 We have his invoice for February.
 7 MR. PARNELL:
 8 Commissioners, please find in
 9 your packet Counselor Hallack's bill for
 10 services for February of 2014. I have
 11 reviewed the services performed and I have
 12 had accounting review the time calculations
 13 and everything is correct. Counsel
 14 Hallack's bill for services for February of
 15 2014 is \$3,281.25. I ask that you approve
 16 payment for Mr. Hallack's bill.
 17 MR. POTEET:
 18 Okay.
 19 MR. CORMIER:
 20 I'll make a motion.
 21 MR. POTEET:
 22 I have a motion from Tony.
 23 A second?
 24 MR. SMITH:
 25 I'll second.
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1 MR. POTEET:
 2 Second from Darty.
 3 All in favor, say, "Aye."
 4 (All "Aye" responses.)
 5 MR. POTEET:
 6 Any opposed?
 7 (No response.)
 8 MR. POTEET:
 9 All right. Okay. Next we've got
 10 some discussions of policy and procedure.
 11 The first thing is of the meeting with Jeff
 12 and -- Jeff Henderson and Sandy Edmunds with
 13 the LALB.
 14 Derek, do you want to --
 15 MR. PARNELL:
 16 Yes, we can get started. On
 17 February 10th, we had a meeting with the --
 18 our agency and the Auctioneers Board
 19 representative that was in attendance with
 20 Commissioner -- I mean, excuse me, Chairman
 21 Poteet, Counsel Hallack, Kim Baron and I,
 22 for LALB was Jeff Henderson, their counsel,
 23 Anna Dow, and Sandy Edmunds was their
 24 Director. The purpose of that meeting, so
 25 that we can kind of see clarity between the
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1 two agencies concerning licensing auctions.
 2 The discussion primarily addressed a concern
 3 that was raised a month ago regarding the
 4 need for a separate auction license issued
 5 by the LUMVC in addition to the auctioneers
 6 license issued by LALB, and whether there is
 7 a need for an auction to hold two licenses
 8 from the LUMVC. What we kind of gathered --
 9 what we came to the conclusion was that our
 10 Attorney Hallack and Anna Dow would kind of
 11 work together on an interagency agreement,
 12 so that we can make sure that there's no
 13 crossing of paths and you'll see that. It's
 14 #2 and #3 kind of -- under policy and
 15 procedure kind of address those things. #2
 16 is what we received as a proposed agreement
 17 from Anna Dow, and #3 the proposed
 18 interagency agreement from Robert Hallack.
 19 So I'll ask Robert to kind of
 20 talk a little bit about both, if you will.
 21 MR. HALLACK:
 22 We did have a meeting. During
 23 that meeting, we realized -- I guess it was
 24 2010 I think we created two separate
 25 licenses -- two separate categories of
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1 auctions. One is the wholesale auction and
 2 the other is the public or retail auction.
 3 And we wrote -- I think back in 2008 maybe
 4 it was, that we wrote some specific laws
 5 that deal with wholesale auctions. They
 6 didn't deal with public or retail auctions.
 7 And that's one of the reasons why we created
 8 the separate license.
 9 I believe it's Revised Statute
 10 32:794, we set forth the different
 11 categories for which you have to have a
 12 license, and in that, we created a category
 13 of auctions. And at that time, if you did a
 14 public or retail auction, you had to have a
 15 separate license for an auction, and we
 16 realized that we didn't really -- we didn't
 17 regulate public or retail auctions any
 18 differently than we did a used motor vehicle
 19 dealer. In other words, there was -- the
 20 laws that were developed for wholesale
 21 auctions did not pertain to public or retail
 22 auctions. So what we decided to do in
 23 legislation was to remove wholesale auctions
 24 from the definition of a used motor vehicle
 25 dealer and make sure it was clearly
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1 understood that only public or retail
 2 auctions were included within the definition
 3 of a used motor vehicle dealer. And then in
 4 the categories, we removed public or retail
 5 auctions as a separate category. So the end
 6 result is public or retail auctions, no
 7 longer under our law, are required to have a
 8 separate license for an auction. They are
 9 required to have a UD license. Now,
 10 wholesale auctions, who also sell used motor
 11 vehicles to the public or retail or for
 12 whatever reason need the ability to transfer
 13 title, are still required to get the UD
 14 license. So basically that's what this
 15 says. And if we have any complaints, which
 16 we think may involve an auctioneer or
 17 something peculiar to auction legislation or
 18 rules and regs, we're going to transfer that
 19 for them work and if they get something that
 20 comes under our law, they're going to send
 21 that to us.

22 MR. POTEET:

23 I think that sums it up pretty
 24 well.

25 MR. HALLACK:

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1 And I know that they met last
 2 Tuesday and they had both proposals before
 3 them. I don't know what action they took,
 4 though.

5 MR. POTEET:

6 Do we have to take any action on
 7 this?

8 MR. HALLACK:

9 No.

10 MR. POTEET:

11 Okay. I think we've pretty much
 12 got that cleared up.

13 MR. HALLACK:

14 Well, I take that back.

15 Probably, we need to look at the proposal
 16 that we drafted and maybe acknowledge it or
 17 maybe get approval to it, because I'm sure
 18 we'll get a call or an e-mail from them
 19 saying, did your board approve it?

20 MR. POTEET:

21 Okay. Has anybody had a chance
 22 to read that, the proposed interagency
 23 agreement between the Louisiana Used Motor
 24 Vehicle Commission and the Louisiana
 25 Auctioneers' Licensing Board regarding used
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1 motor vehicles? There's a lot there, but it
 2 pretty much sums it up.

3 Shows you what a great negotiator
 4 I am. I sat in on this meeting and I still
 5 have to get two licenses. All right. So,
 6 yes, I think we can separate the public from
 7 the wholesale. Okay.

8 Would anybody like to make a
 9 motion to approve this interagency
 10 agreement?

11 MR. CORMIER:

12 I'll make a motion.

13 MR. POTEET:

14 Motion from Tony.

15 I need a second.

16 MR. SMITH:

17 I'll second.

18 MR. POTEET:

19 Second from Darty.

20 All in favor, say, "Aye."

21 (All "Aye" responses.)

22 MR. POTEET:

23 Any opposed?

24 (No response.)

25 MR. POTEET:

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1 All right. So we've approved
 2 that and hope that we can move on from that
 3 and make all those people happy over there.
 4 I think that that was a glitch that dragged
 5 on a little bit longer than needed to.
 6 Okay.

7 The next thing on our agenda is
 8 the Executive Director'S report, review of
 9 complaint totals, a little information from
 10 Derek.

11 MR. PARNELL:

12 If you turn with me to your
 13 packets, you will find the January and the
 14 February 2014 totals. The alleged issue
 15 count for the month of January -- the
 16 alleged issue document, it illustrates the
 17 amount of complaints broken out specifically
 18 to the actual issue that the person or the
 19 complainant was stating was done incorrect
 20 to them.

21 During the month of January,
 22 there were 60 alleged issues. The next
 23 document -- I don't know what order you put
 24 them in. It may be a little bit different
 25 from what I have. I have grouped up the
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1 alleged issues for both together. So it
 2 will probably be your third document.
 3 The alleged issue counts for the
 4 month of February is 82 alleged issues.
 5 Case report for the month of January is 44,
 6 and you have five completed. For February,
 7 the case report, the assigned cases were 61.
 8 There were 12 completed cases. The
 9 department summary report for the month of
 10 January illustrated 32 cases that were
 11 closed, and in the month of February were
 12 43.

13 The investigators have been
 14 working pretty hard trying to satisfy
 15 consumer complaints and ensuring that the
 16 licensees are in compliance. Other
 17 functions that they have been working with,
 18 they've had the meetings with Louisiana
 19 State Police, Rapides Parish Sheriff's
 20 Department, Alexandria PD, Office of Motor
 21 Vehicle and conducted two seminars. Other
 22 actions taking place during the month for
 23 both months were -- audits conducted were
 24 three. Five day notices that were issued
 25 were three. Total number of site visits was
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1 103. Hand deliveries of cease and desist
 2 orders were five. Citations for violations
 3 issued were 45. Physical inspections were
 4 69. And total funds refunded were
 5 \$6,152.62. That kind of concludes what went
 6 on with the complaint side and investigative
 7 side and general information.

8 Civil Service, we did do a
 9 re-post with the Civil Service position that
 10 we were looking for, a compliance
 11 investigator. I did post that position and
 12 I received 26 applicants. Of that pool of
 13 applicants, I really wasn't satisfied with
 14 what I received. So I did re-post the
 15 position again for seven days. Tomorrow, it
 16 will end. So, hopefully, I will have some
 17 additional persons that I can look at and go
 18 ahead and fill that position from District
 19 3, and that's the Alexandria Lake Charles
 20 area, because of constantly pulling other
 21 investigators over and it's kind of getting
 22 a little bit more difficult to try to manage
 23 that as we're going.

24 Other items that I had to talk
 25 about is the replacement of the
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1 Commissioners. I've been in contact with
 2 persons from the Governor's Office, but I do
 3 not have any additional updates on
 4 appointing a Commissioner.

5 And I believe one other item Kim
 6 wanted to kind of address a concern or issue
 7 or something that we need to do.

8 MS. BARON:

9 Yes. The -- Commissioners, y'all
 10 need to remember that the financial
 11 disclosure statement that you're required to
 12 turn in to the Louisiana Board of Ethics is
 13 due by May 15th. So do not forget. I will
 14 send a reminder e-mail for y'all, but that
 15 has to be done by the 15th. And you have to
 16 -- they won't let -- you can fill it out
 17 online, but then you have to print it off
 18 and either fax it, mail or hand deliver it.
 19 So they won't let you shoot it straight from
 20 that form. So -- but that's due by the
 21 15th.

22 And it's always nice to do our
 23 ethics training before the end of the year.
 24 So I'm going to start reminding everybody to
 25 do that before December 31st, but I will
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1 send you a reminder e-mail, but that does
 2 have to be done by May 15th, the financial
 3 disclosure statement.

4 MR. PARNELL:

5 That concludes the items under
 6 the Director's report.

7 MR. DUPLESSIS:

8 I have a question for you. I see
 9 a couple fines down here in February. Can
 10 you explain -- tell us about them real
 11 quick?

12 MR. PARNELL:

13 On the --

14 MR. DUPLESSIS:

15 You have Sign and Drive.

16 MS. MORRIS:

17 If they don't pay their fines,
 18 then they come for a hearing.

19 MR. PARNELL:

20 Say that again.

21 MS. MORRIS:

22 If these people don't pay their
 23 fines, then they come for a hearing.

24 MR. PARNELL:

25 Yes. Some of them have already
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1 paid.
 2 MR. DUPLESSIS:
 3 One is an \$18,000 fine. That's a
 4 pretty good fine.
 5 MR. POTEET:
 6 Well, yes, I mean --
 7 MR. DUPLESSIS:
 8 That will be a source of revenue,
 9 but that must have been significant
 10 activity.
 11 MR. PARNELL:
 12 What was it, 20?
 13 MS. BARON:
 14 It was 20 counts of non-delivery
 15 of title, four counts of fraud, and four
 16 counts of posing as a dealer with -- she was
 17 posing as a used dealer, which she was not.
 18 MR. PARNELL:
 19 And if they don't make payment,
 20 this item will come before us and I guess --
 21 MR. DUPLESSIS:
 22 Well, she doesn't have a bond if
 23 she's not a dealer.
 24 MS. BARON:
 25 At the time she did.
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1 MR. DUPLESSIS:
 2 Oh, at the time she did?
 3 MS. BARON:
 4 At the time these things were
 5 done, she did have a --
 6 MS. MORRIS:
 7 You can talk about the ones that
 8 were paid, but you can't discuss the ones
 9 that are unpaid. They have to come before
 10 the Board.
 11 MR. DUPLESSIS:
 12 Oh, that's fine. I just saw it
 13 on there and I thought it was concluded as a
 14 judicial matter.
 15 MR. POTEET:
 16 You're all right with that?
 17 MR. DUPLESSIS:
 18 Sure. We can't talk about it,
 19 anyway.
 20 MR. POTEET:
 21 Okay. So we've got the committee
 22 reports. We've got the 2014 legislative
 23 session. The Legislature is in session now.
 24 We've got a couple bills we need to talk
 25 about it.
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1 Ron, would you like --
 2 MR. DUPLESSIS:
 3 The first activity, I'm going to
 4 let Derek talk about the sunset activity,
 5 and he'll explain it to you real quick.
 6 MR. PARNELL:
 7 All right. House Bill 232 by
 8 Representative Ponti, this bill refers to
 9 the sunset law. The bill recreates certain
 10 entities transferred to or placed within the
 11 Office of the Governor. Under the present
 12 law, it requires under the sunset law
 13 agencies listed shall begin to terminate
 14 operations on July 1 of 2014, shall cease
 15 operation on July 1 of 2015, unless
 16 legislation is enacted and authorized and
 17 re-creation. So this bill basically
 18 recreates the listing -- the agencies that
 19 were listed on this bill fall under the
 20 Governor's Office, and it's extending -- I
 21 guess it's extending our time. A new
 22 termination date begins -- is July 1 of
 23 2019. The termination will begin July 1 of
 24 2018.
 25 I did receive a call from the
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1 Governor's Office requesting our
 2 representation there during the Commerce
 3 Committee hearing, which is scheduled for
 4 March 25th at 9:00 a.m. They're going to --
 5 they just -- we've done it before. We
 6 typically don't have to say anything during
 7 this hearing unless there are some other
 8 issues that may arise, but they should
 9 extend our time. I -- it was recent -- I
 10 didn't realize that every agency has a
 11 sunset and you have to get extended and
 12 re-created throughout time frame. So we
 13 will be there in representation in case they
 14 have any questions or comments.
 15 MR. DUPLESSIS:
 16 So we'll get a new expiration
 17 date. It will be good. I guess on the --
 18 there's two sides of the legislative
 19 session. One is offense and one is defense.
 20 And under the defensive side, I've seen no
 21 significant bills except for sunset pop up
 22 that we have to take a position on.
 23 Have y'all seen anything pop up
 24 that -- Sheri, Robert, Derek?
 25 MR. PARNELL:
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1 No.
 2 MR. DUPLESSIS:
 3 Nothing adversarial to us that we
 4 know of.
 5 MR. PARNELL:
 6 Not at this time, no.
 7 MR. DUPLESSIS:
 8 Okay. That's the key word.
 9 MR. SMITH:
 10 There's a Senate bill. Hang on
 11 just a second.
 12 MR. HALLACK:
 13 475.
 14 MR. SMITH:
 15 475.
 16 MR. DUPLESSIS:
 17 What does it contain?
 18 MR. SMITH:
 19 It's scrap yards.
 20 MR. DUPLESSIS:
 21 Okay.
 22 MR. SMITH:
 23 I went to Robert to look at it
 24 and see if the Senate Bill 475 --
 25 MR. DUPLESSIS:
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1 What does it say, what position?
 2 MR. SMITH:
 3 I just got it over the weekend.
 4 I haven't even read it. They sent it to me
 5 over my phone.
 6 MR. DUPLESSIS:
 7 We might be able to make it up
 8 right here. It should be scrap metal.
 9 MR. PARNELL:
 10 That's why it goes to the scrap
 11 metal.
 12 MS. BARON:
 13 The present law provides for the
 14 purchase of auto hulk as scrap to scrap
 15 metal processor or dismantler or parts
 16 recyclers. The proposed law repeals the
 17 present law. And then it says, the present
 18 law regulates the purchase of scrap metal,
 19 and then the present law defines the term
 20 operator as any person employed in a
 21 responsible charge of operating all or any
 22 portion of a scrap metal recycling facility.
 23 The proposed law removes from present law
 24 the definition of the -- for the term
 25 operator and defines the term scrap metal
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1 recycler as any person in this State engaged
 2 in the business of buying, selling,
 3 recycling, or otherwise acquiring or
 4 disposing of scrap metal. Present law
 5 provides for certain duties of an operator.
 6 The proposed law transfers the duties of an
 7 operator to a scrap metal recycler. The
 8 present law prohibits a person from doing
 9 business as a scrap metal recycler in this
 10 state without having first obtained the
 11 occupational license required by law.
 12 Present law requires a signed statement to
 13 be obtained from the seller that states that
 14 the scrap metal has been paid for or is
 15 owned by the seller. Proposed law changes
 16 present law to require an affidavit rather
 17 than a signed statement be obtained from the
 18 seller of the scrap metal. Present law
 19 provides that an operator who obtains the
 20 required statement from the seller shall be
 21 exonerated for being fraudulent, willful or
 22 criminal knowledge. Proposed law removes
 23 present law the in immunity provision.
 24 Present law provides that any
 25 licensed operator who violates, neglects, or
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1 refuses to comply with certain provisions of
 2 the law shall be penalized as follows. A
 3 fine of not less than \$1,000, no more than
 4 \$10,000 or not less than 30 days, nor more
 5 than 60 days or both. For the second
 6 offense, his occupational license shall be
 7 suspended for a 30-day period. For the
 8 third offense, the occupational license
 9 shall be revoked and he shall not thereafter
 10 be permitted to engage in the business of
 11 the scrap metal recycling in the State of
 12 Louisiana.
 13 Proposed law retains present law
 14 in providing for the licensed scrap metal
 15 recycler to abide by the certain provisions
 16 of law shall be subject to penalties and
 17 actions of the Unfair Trade Practices and
 18 the General Protection Law. This is
 19 effective upon signature of the Governor or
 20 lapse of time from gubernatorial action.
 21 MR. SMITH:
 22 Well, the question I've got is,
 23 where are the auto recyclers going to fall
 24 under this?
 25 MR. DUPLESSIS:
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1 That's inclusive.
 2 MS. MORRIS:
 3 Right now it provides that it --
 4 it defines operators as subject to the
 5 current law as any person employed in the
 6 responsible charge of operating all or a
 7 portion of a scrap metal recycling facility.
 8 So you are complying with this already?
 9 MR. SMITH:
 10 No. We're under the auto
 11 recycling, not the scrap metal.
 12 MS. MORRIS:
 13 Recycling. Under the auto hulk
 14 part.
 15 MR. SMITH:
 16 It would be under the auto hulk.
 17 MS. MORRIS:
 18 It seems like under scrap metal
 19 recycler, we could ask that persons licensed
 20 under the other provisions be exempted from
 21 the definition and that would take care of
 22 it, right?
 23 MR. DUPLESSIS:
 24 Who authored it?
 25 MS. MORRIS:
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1 Kostelka.
 2 MR. DUPLESSIS:
 3 I mean, what position -- well, I
 4 think they've labeled you green now that
 5 you're a recycler. So that's a good thing.
 6 MR. SMITH:
 7 We don't buy the stuff off the --
 8 you know, the cans and scrap.
 9 MR. MORRIS:
 10 The scrap metal.
 11 MR. SMITH:
 12 We just buy vehicles.
 13 MR. POTEET:
 14 Yes. Auto recycler is all you're
 15 doing.
 16 MR. DUPLESSIS:
 17 I guess we could ask for a
 18 provision in the law that clarifies y'all's
 19 license.
 20 MS. MORRIS:
 21 Right. The -- just the
 22 definition of scrap metal recycler, you can
 23 accept those persons licensed pursuant to
 24 other provisions, the auto salvage
 25 provisions --
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1 MR. DUPLESSIS:
 2 That's legitimate.
 3 MS. MORRIS:
 4 -- because you already have title
 5 --
 6 MR. SMITH:
 7 Right.
 8 MS. MORRIS:
 9 -- and it transfers it. I think
 10 a lot of this scrap metal is because of all
 11 the copper.
 12 MR. DUPLESSIS:
 13 Sure.
 14 MS. MORRIS:
 15 With titled vehicles, it's
 16 already being tracked.
 17 MR. DUPLESSIS:
 18 Sheri, you want to -- you're
 19 going to write something up and propose it?
 20 MS. MORRIS:
 21 I can do that.
 22 MR. DUPLESSIS:
 23 Let's go ahead and do that,
 24 because I think we don't need the auctioneer
 25 thing again.
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1 I guess on the offensive side, we
 2 have House Bill 770 that we authored and,
 3 Sheri, would you give us an update on that,
 4 please.
 5 MS. MORRIS:
 6 Well, at our last meeting, we
 7 didn't have a quorum. So we just went with
 8 the draft that we had, but we wanted really
 9 the Commission to review it to make sure
 10 that everybody was okay with it. It be can
 11 changed, you know, without much trouble
 12 before the committee hearing, but there were
 13 some -- some of it is just clarification.
 14 Like you'll see on Page 1 of 8, we're adding
 15 auction -- wherever we have auction, we're
 16 trying to clarify whether it's retail,
 17 public, or both, because some of that wasn't
 18 done previously. We're incorporating the
 19 policy that you all have on advertising --
 20 on misleading advertising into the statute.
 21 So you'll see on Page 2 of 8, Line 21, it's
 22 been a violation to use false, misleading,
 23 or unsubstantiated advertising in connection
 24 with a business but it was defined as it was
 25 defined in the policy what that is.
 Betty D. Glissman, CCR

1 MR. POTEET:

2 We're really just taking our
3 policy and --

4 MS. MORRIS:

5 Putting it in the statute.

6 MR. HALLACK:

7 That's bad numbering and that's
8 the way it's been forever. You see it -- it
9 comes under Subsection #1 and it really
10 should come under Subsection #2. #1 deals
11 with problems -- the reasons for denying an
12 applicant for license, and #2 actually deals
13 with penalties. So you could put them under
14 B2 instead of B1. It's always been like and
15 that's an error.

16 MS. MORRIS:

17 We can fix it then.

18 MR. DUPLESSIS:

19 This is a cleanup bill. So let's
20 do it.

21 MS. MORRIS:

22 Okay. But the language that's in
23 here was lifted from our policy. So I think
24 it needs some cleanup or clarification. We
25 can certainly do that.

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1 MR. TAYLOR:

2 Before we move to the down
3 payments and what-have-you, I read over it
4 for a pretty good while yesterday. If
5 you'll go to Page 3 of 8 in this bill, go
6 down to your second line.

7 Let me just kind of show y'all
8 something that's going on around my town,
9 and I don't even know -- it reads
10 advertising guaranty credit approval without
11 restriction or limitation. We've got a
12 couple of car lots in my town. I'm sure
13 y'all can see the guaranteed approval on the
14 bottom right here. Can y'all see that.

15 MR. POTEET:

16 I can see it.

17 MR. TAYLOR:

18 All right. Well, then you go
19 back to this one, too, which is -- if you
20 look right here in the middle on my
21 right-hand side, you'll see it, also. Well,
22 the way this reads -- the way this reads is
23 that you can put some type of disclaimer
24 about your guaranteed approval and you can
25 still run it, is the way I read it, but

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1 that's an oxymoron.

2 I mean, you can't say that you're
3 guaranteed approval, but go to this asterisk
4 and go down to the bottom and it will tell
5 you why you're not guaranteed approval. It
6 doesn't make sense. I think -- and don't
7 worry about guarantee approval, because
8 these things are like computer viruses or
9 anything else. If you get the guaranty
10 approval out, then they're going to come up
11 with another phase and another phrase and
12 another phase, but that needs cleaned up
13 somehow, in my opinion. We are giving
14 dealers permission to do this if they will
15 put an asterisk. Is that how you read it,
16 Ron.

17 MR. DUPLESSIS:

18 No, it is not.

19 MR. TAYLOR:

20 It's not?

21 MR. DUPLESSIS:

22 No. And I think this is a
23 clarification with Derek. The basis of how
24 this was originally written was based on the
25 Federal Trade Commission Law based on being
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1 true and -- well, in my opinion, an asterisk
2 doesn't make it true. So my vision of that,
3 if you put that case in front of me and I
4 look at the Federal Trade Commission Rules,
5 it's just not -- it's fraudulent. So I
6 think it's a broad scope. And I think what
7 we tried to do here at the Used Car
8 Commission was to have a broader scope
9 unlike the New Car Commission, that has
10 factory and they have proprietary captive
11 lenders.

12 In my instance, you have GM
13 that's got rebates. That's a huge issue,
14 and then all those asterisks have to be
15 calculated, because they don't include the
16 entire buying public because of the
17 manufacturer's commissions. The exact same
18 thing takes place, if you will, with GM
19 Financial or GMAC or Allied, and those
20 asterisks are legit, because it comes from a
21 higher authority. So when you're dealing
22 with a bank or you're dealing with our own
23 credit approval, I don't think those -- I
24 personally don't think that those asterisks
25 carry today, and I think it's fraudulent.

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1 And I think if you read the Federal Trade
2 Commission, I think it's clear that they
3 should be hammered and the appropriate
4 action taken. So that's how I see it as
5 encompassing, but, you know, let the two
6 lawyers speak to that, you know.

7 MS. MORRIS:
8 And I think it's two issues. I
9 mean, can you put guaranteed approval in
10 three inch letters and, you know --

11 MR. TAYLOR:
12 Well, I wrote that down, too.
13 There should be a percentage or something,
14 some type of ratio that we use, no one
15 guarantying approval, should not be there.
16 I mean, it just shouldn't be there.

17 MR. DUPLESSIS:
18 Well, it's guaranteed approval
19 with approved credit. The whole deal is --

20 MR. POTEET:
21 This guy doesn't even have an
22 asterisk. He's got approved all around the
23 thing and he's guaranteed approval with an
24 exclamation point, and not only that, he has
25 the best tax deals ever.

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1 then you've got all of these different
2 qualifying.

3 MR. HALLACK:
4 No, I don't. I think it's still
5 false and misleading.

6 MR. TAYLOR:
7 Go back to this right here. The
8 way this reads, advertising guaranteed
9 credit approval without restriction or
10 limitation, does that give them, if you read
11 this --

12 MR. POTEET:
13 An out.

14 MR. TAYLOR:
15 -- an out? So that's my
16 question. It does.

17 MR. HALLACK:
18 Subject to what you're saying, we
19 should remove the language without
20 restrictions or limitation.

21 MR. TAYLOR:
22 Right. But I think it's got
23 broaden over the, you know, guaranteed
24 credit approval. I think we need to figure
25 out some way to broaden that, you know --

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1 MR. TAYLOR:
2 Open that one up, he does have
3 asterisks. So open that one up. He does
4 have asterisks and if you go down there to
5 the bottom and read -- I don't know what
6 size that font is, but it's probably five
7 percent as big as the -- what he put in
8 there, you know, and they are competitors,
9 but, you know, I don't think that
10 relationship has anything to do with this.

11 MR. DUPLESSIS:
12 It does not.

13 MR. POTEET:
14 It says 700 beacon score or
15 better.

16 MR. DUPLESSIS:
17 Well, 700 beacon score or better,
18 you think they've got a good chance. I
19 think they've got a pretty good chance of
20 getting approved with 700.

21 MR. POTEET:
22 Yes. I tend to agree with Ron.
23 I think that the way it's written -- what do
24 the attorneys think, does this give them any
25 out by saying we're guaranteeing it, but

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1 MS. MORRIS:
2 They shouldn't be able to whether
3 it's credit or not without a full
4 disclosure.

5 MR. HALLACK:
6 But then that still gives them an
7 out. I think you need to change it to say
8 advertising guaranteed credit.

9 MS. MORRIS:
10 If it's guaranteed, it has to be
11 available to everybody.

12 MR. DUPLESSIS:
13 Yes. I think the more you write
14 in there, the less control that we end up
15 having, because then, you know, we may have
16 lawyers like Wade Shows, who I respect,
17 reads the law and they start chipping away
18 at the meaning and intent and -- of the law
19 and, to me, the great thing is the broad
20 basis of fraudulent, 700 beacon, in my
21 opinion, that's fraudulent. If you tell me
22 550, I might say, well, maybe. If you told
23 me 475, I'd say you're good, but at 700,
24 that's just -- it's obscene.

25 MR. TAYLOR:
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1 You know, if we send Montie to --
2 out to a car lot in town and tell him to
3 enforce advertising guaranteed credit with
4 no restriction or limitation, that dealer is
5 going to look at him and tell him right
6 there across their desk that I've got it.
7 It's right down here on the bottom. I don't
8 care what the beacon score is.

9 MR. DUPLESSIS:

10 That's not a problem. Montie
11 just needs to go ahead and write that
12 citation and hand it to him.

13 MR. POTEET:

14 What would be the downside of us
15 taking it out?

16 MS. MORRIS:

17 None, really.

18 MR. POTEET:

19 I mean, it's a little more
20 direct.

21 MR. TAYLOR:

22 Well, it falls back on over where
23 it says misleading on the other side.
24 Maybe, you know, it's sustained claims
25 regarding the dealerships such as -- no, no,
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1 that's not it.

2 MS. MORRIS:

3 Well, we have that without
4 restriction and several things adverting an
5 interest rate without restriction,
6 advertising credit approval without
7 restriction and advertising a monthly note
8 without restriction. All three of those
9 have that restriction language.

10 MR. DUPLESSIS:

11 Yes. I think currently the law
12 is good. If you want to go write the cites,
13 it's okay.

14 MR. HALLACK:

15 And these were written -- just to
16 give you a little bit of understanding,
17 these were written with Glen Robinson's
18 assistance. So he had a lot of -- a lot to
19 do with the way that this was written and
20 bearing in mind a lot of the practices that
21 were going on in Monroe, you know, so.

22 MS. MORRIS:

23 Well, that one seems a little bit
24 more specific on the monthly note, but that
25 restriction and limitation and without
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1 reference to an approved credit rating, you
2 might want to consider adding that to the
3 other ones, and then make it similar size
4 front.

5 MR. DUPLESSIS:

6 Well, I think it's good if y'all
7 want to straighten it. You've just got to
8 find a way to straighten it. And if you get
9 into typesets and other ratios, they did
10 that on the New Car Commission, we've got
11 all the new car dealers squabbling, but at
12 the end of the day, they all comply,
13 inclusive of myself, you know.

14 MR. POTEET:

15 Can we work on getting that done?

16 MS. MORRIS:

17 Yes.

18 MR. TAYLOR:

19 And I've got two other questions.
20 If you go down to Line #5 -- I think that's
21 actually #6 right there, advising a
22 guaranteed amount for trade ins, what is the
23 problem with that? Why can't you advertise
24 a guaranteed amount for trade ins? Why
25 can't I say I'll, you know, guarantee \$2,000
Betty D. Glissman, CCR

1 for a trade?

2 MR. DUPLESSIS:

3 Well, the reason is, is it
4 doesn't stand the test of the ultimate
5 contractual price. So, basically, you take
6 a \$6,000 car and give \$1,000 trade and now
7 it becomes an \$8,000 car. It affects the
8 ultimate pricing transaction of the new car.

9 MR. TAYLOR:

10 Okay.

11 MR. DUPLESSIS:

12 So the other -- you know, I lost
13 one at the New Car Commission. One of my
14 competitors was advertising and I thought it
15 was clever, but it irritated me, that we'll
16 pay off your car -- if we make a deal, we'll
17 pay off your car no matter how much you owe.
18 Well, no kidding.

19 Of all things, the New Car
20 Commission, as concerned as they are, that's
21 truthful. And I said, well, ultimately,
22 that's correct, but let's turn to some of
23 your other provisions, and that one actually
24 flew.

25 Now, I don't know if that will
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1 fly again in today's world. There's a new
2 order there and they're dealing with some
3 different things, but that's an example.
4 And you can overbear this and I think we
5 tighten it up a little bit at a time,
6 because it takes away, I think, your control
7 to take away bad players, if you will, and
8 that's an art that I think the two lawyers
9 are going to have to come together as to how
10 you word these things. I always like the
11 word "shall" a lot.

12 MR. POTEET:

13 Yes. I think that that -- I
14 agree with you, Ron, because I think that
15 the thing on the guaranteed amount for trade
16 ins, that's a little sliver of all the
17 things that go on around that situation. So
18 it's making it -- you're not really telling
19 the whole story if you do that.

20 MR. TAYLOR:

21 Well, moving on to #8, that's --
22 it discusses description of vehicle. I
23 think there needs to be some type of VIN
24 number or something added to that. It says,
25 when a price is advertised, the dealer is
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1 required to provide a complete and accurate
2 description of the vehicle including make,
3 model, and year, and I think we need have to
4 a portion of VIN, complete VIN, stock
5 numbers, and used cars probably -- you know,
6 I can make up a stock number. I think stock
7 number is too broad and I think it needs to
8 have some --

9 MR. DUPLESSIS:

10 Last six of the VIN.

11 MR. TAYLOR:

12 Last six of the VIN.

13 MR. DUPLESSIS:

14 That's the standard in the
15 industry at the end of the day. I'd go for
16 that.

17 What do y'all think?

18 MR. HALLACK:

19 Sure.

20 MR. DUPLESSIS:

21 That's solid and it's safe and
22 it's not unreasonable.

23 MR. TAYLOR:

24 And I'm glad you brought that up,
25 too. That font size, I mean, my God, come
Betty D. Glissman, CCR

1 on.

2 MR. DUPLESSIS:

3 So we're empowering the citations
4 already.

5 MR. TAYLOR:

6 Do you have any comments on this,
7 Montie?

8 MR. WISENOR:

9 I mean, I see discrepancies in
10 just about every ad that's running in those
11 papers in Monroe, and that's why -- and I
12 think we met with Derek and Robert one day
13 and I didn't know if we needed to get
14 something definitely agreed upon, and then
15 go to the dealers and either give them an
16 idea or if we could just go write violations
17 and let them all come here and argue the
18 case at the Commission.

19 MS. MORRIS:

20 Maybe once this is adopted, we
21 could send out a memo to everybody.

22 MR. DUPLESSIS:

23 Let me give you fair warning.
24 The New Car Commission -- we're so -- with
25 new cars and all the stuff I described
Betty D. Glissman, CCR

1 earlier, they have a provision that we think
2 that we're on the edge and we're speaking
3 over and it looks good on the other side.
4 We can call them and get a clarification and
5 that is a service they provide to keep the
6 dealers out of their office. You know, if
7 that happens, y'all might be opening up this
8 can of worms to start pre-approving ads and
9 when you do that, you're going to have to
10 start keeping a chart of what you approve.

11 MR. POTEET:

12 And who you approve.

13 MR. DUPLESSIS:

14 And -- yes, and how you interpret
15 it and maybe bring it to the Commission, put
16 out something, but they will pre-approve
17 your ad. Because we have a lot of weird
18 action programs and a lot of times, we don't
19 even understand them. And we still apply
20 for the money any ways, we are cautious so
21 they don't lose it. So they have to
22 actually interpret that sometimes for us to
23 be on the safe side.

24 MR. POTEET:

25 You know what else is interesting
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1 about this ad is, in the upper left-hand
 2 corner, it says, zero down, 1.79 percent.
 3 It doesn't really connect it to anything
 4 else, but if you're reading that and said --
 5 and you read that, it says, zero down, 1.79
 6 percent guaranteed approval, then I get down
 7 here to the bottom and it says, 72 months,
 8 66 months, 60 months, 20 percent down, well,
 9 you've already contradicted in your ad that
 10 zero down. I mean, you've said right up
 11 front it's zero down, and then in your
 12 disclaimer, you say you have to put a down
 13 payment. That's just contradictory.

14 MR. DUPLESSIS:

15 Well, I think you have to
 16 disclose your conditions.

17 MR. POTEET:

18 Yes.

19 MR. DUPLESSIS:

20 Yes, because we have 09, 19 and
 21 29 and it comes with -- like the months. So
 22 I think that's legitimate to offer the
 23 customer, but I think you're going to have
 24 to have full financial disclosure on your
 25 financial -- on your financing
 Betty D. Glissman, CCR

1 opportunities.

2 MR. TAYLOR:

3 And, guys, these aren't the
 4 things that aggravate me. I'm going to do
 5 my thing. I'm going to sell my cars, but
 6 these are the things that are giving the New
 7 Car Commission their continual, you know,
 8 just a hard, hard look at us guys. Those
 9 guys don't bother me. Like, I'm going to
 10 take care of my business and sell my cars,
 11 but I'm telling you, it's aggravating these
 12 guys, these new car dealers greatly.

13 MR. DUPLESSIS:

14 I mean, Sheri and Robert, y'all
 15 can come up with something about full
 16 financial disclosure, kind of a broad
 17 coverage and basically if they violate that,
 18 we need to sit in adjudication and make our
 19 own decision as to what we think is fair to
 20 the consumer.

21 MR. HALLACK:

22 It would be impossible to do what
 23 you're saying if we have like a
 24 clearinghouse for ads, because they run so
 25 many ads so often at different times. For a
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1 lawyer, we have to get our ads cleared, but
 2 it's not that many, you know, and we're not
 3 running ads in the paper as often, but.

4 MR. DUPLESSIS:

5 I'm just warning you today --

6 MR. HALLACK:

7 You bring these guys in for a
 8 hearing and word gets out and --

9 MS. MORRIS:

10 Well, if we had a sample ad that
 11 -- you know, if we had several samples, at
 12 least they can use them as templates or
 13 something like that, I guess. Yes, I don't
 14 think we have the manpower to do what the
 15 Bar Association does, but --

16 MR. HALLACK:

17 It would be a great idea. We
 18 just couldn't enforce it.

19 MR. DUPLESSIS:

20 And that's what I was going to
 21 say.

22 MS. MORRIS:

23 The ads change so much, but, I
 24 mean, if they had a template as to what --
 25 how they could do the financing terms, that
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1 takes care of most of it, I think.

2 MR. DUPLESSIS:

3 I did bring Derek something that
 4 I thought was pretty cool that we might be
 5 evolving to, and that's my LADA handbook,
 6 Louisiana Auto Dealers, New Car Dealers
 7 handbook, and it's pretty voluminous, and if
 8 we could work with LAIDA, come up with
 9 something like that. I think it's kind of a
 10 compilation of work once you do it, and it
 11 can be available online or maybe LAIDA could
 12 charge a fee for it and make it updated
 13 annually if they like or something that way,
 14 but it's pretty comprehensive. If there's
 15 any doubt -- and we could have our chapter
 16 in there working with that association. And
 17 that's the industry standard association
 18 and, you know, that's perfectly fine,
 19 because we've worked with, you know, Motor
 20 Vehicle, New Car, and the Department of
 21 Transportation, Licensing, everybody, but
 22 that's the size of the handbook for this
 23 year. It comes out every year and it's got
 24 a lot of -- just read the tab chapters to
 25 us.

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1 MR. ROY:

2 You're talking about this?

3 MR. DUPLESSIS:

4 Yes, just the -- it will tell you
5 what all it contains.

6 MR. ROY:

7 Dealership, cross reference,
8 associates, the franchise law, sales finance
9 law, LMVC rules, and records and retention.

10 MR. DUPLESSIS:

11 It's a pretty good handbook. We
12 could do something online, just add an entry
13 on that.

14 MR. PARNELL:

15 We are already kind of working --
16 Tonya is kind of working on that already, a
17 similar handbook, maybe not as comprehensive
18 as that one, kind of a smaller item rather
19 than -- because I know at one point, they
20 had a book that they would hand out to the
21 dealers, a guide that they would go by, but
22 we've kind of been working on something like
23 that that we can kind of hand out, put
24 online when dealers come in for seminars or
25 just something for our investigators to have
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1 with them, so a dealer has a quick reference
2 to look at what they should and should not
3 be doing. It's not as comprehensive as
4 that, but we've kind of already started that
5 process and we wanted to put something out
6 there online like that as well.

7 MR. POTEET:

8 Well, once you get it in place,
9 you can add to it later. You can add to it
10 over time.

11 MR. DUPLESSIS:

12 Yes. You can make it --

13 MR. POTEET:

14 I'm sure that wasn't that thick
15 when it started.

16 MR. DUPLESSIS:

17 No. It was a third that thick.
18 I mean, that was a few years ago.

19 MR. POTEET:

20 Okay. Dino, what else? You're
21 on a roll.

22 MR. TAYLOR:

23 Down here on the deposit and down
24 payments, we've had a slew of dealers in
25 Monroe at one time using -- telling people
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1 they could get them financed and
2 what-have-you. Then, they would take that
3 mileage and they would take those deposits
4 and what-have-you and call those profit when
5 they would -- couldn't get the people
6 financed.

7 Well, in here, one of those
8 people worked for me, actually, for a
9 minute, but in here, it states that if the
10 customer cannot get financed, then they can
11 forfeit their deposit.

12 So if a customer went out there
13 and tried to obtain financing on their own
14 and they couldn't get it done, it reads --
15 and I forget where it was at -- that they
16 would have to -- that they would have to
17 forfeit their deposit when they brought the
18 car back, because they couldn't honor their
19 end of the agreement. But on the other side
20 of that ball, if a dealer tells a customer,
21 I can get you financed and they spot deliver
22 them in that car, they should have some type
23 of obligation to -- you know, they shouldn't
24 be able to keep that money. They should be
25 able to give that money back to them. If I
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1 told a customer of mine, hey, I'm going to
2 get you done, drive all weekend, blah, blah,
3 and I got \$500 of their money, and they come
4 back to me on Monday morning, I can't get
5 you done, I'm -- personally, I'm going to
6 hand them their money back. Everybody is
7 not -- everybody doesn't do it that way.

8 MR. CORMIER:

9 Well, what you should do is put
10 -- deposit refundable if financing cannot be
11 arranged is what you should --

12 MR. DUPLESSIS:

13 Well, that's already on the
14 books.

15 MR. TAYLOR:

16 It's the law.

17 MR. DUPLESSIS:

18 You've got to have a bailment
19 agreement for that, but that law is already
20 there on -- in the State under spot
21 delivery.

22 MR. TAYLOR:

23 Okay.

24 MR. DUPLESSIS:

25 The difference -- the
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1 differential in the two is one -- is what
 2 we'll call a cash deal where the customer
 3 says, look, I'm going and I'm going to go to
 4 the credit union and I've got a friend and
 5 before you know it, they're abandoned and
 6 they get their financing. Well, the dealer
 7 has been kind of duped and they might drive
 8 forever.

9 So I think there is a mileage
 10 penalty in there. There's a time line.
 11 That dealer needs to have a legitimate
 12 bailment agreement, not the bailment
 13 agreements that I see floating around.
 14 That's just -- that is your ticket to a
 15 civil suit, a good bailment agreement. We
 16 cannot print those, because we can't take
 17 that responsibility, but -- and we've seen
 18 those issues over a period of time, but a
 19 cash deal, the dealer is entitled to get
 20 some mileage, some wear and tear on the
 21 vehicle. But if he puts the car out there
 22 for spot delivery, he's on his own. He's
 23 obligated to return the deposit.

24 MR. HALLACK:

25 What this law does is it tells
 Betty D. Glissman, CCR

1 you what must be in your agreement. You
 2 know, we have a lot of dealers who operate
 3 with no agreement at all, which if you
 4 operate with no agreement at all, really it
 5 falls back on the deposit law, the earnest
 6 money law.

7 So basically what this does, it
 8 really just -- it takes the earnest money
 9 law and puts it toward -- it's fashions it
 10 for a used motor vehicle dealer, but the
 11 part where you're talking about -- you know,
 12 this was something that was discussed again
 13 eight, ten years ago in detail and we just
 14 said, you know, let's make sure we adopt
 15 something that has a lot more detail.
 16 Because the way the law is written right now
 17 the way it is right now is that the dealer
 18 has to return the money if he can't get the
 19 customer financed. But at the time that we
 20 were writing this, the thought was who
 21 between the dealer or the customer should
 22 know whether they are going to get financed.
 23 And so a lot of the dealers that were
 24 sitting on the Commission then thought,
 25 well, the customer should know what kind of
 Betty D. Glissman, CCR

1 financial situation he is in, so he knows
 2 whether he's going to get financed or not.
 3 And, also, they thought that a lot of --
 4 there was a lot of play from the customer on
 5 what information they may give to a lending
 6 institution and, therefore, they should be
 7 responsible for the information that they
 8 give to a lender in order to get financed.
 9 So, in the end, between the dealer and the
 10 customer, the people who were responsible
 11 for putting this together thought that the
 12 customer should know best.

13 MR. DUPLESSIS:

14 Well, the problem is federal law
 15 and the Truth in Lending Act prevails. So
 16 -- and I think that's something we can put
 17 in our chapters and FAQs, how to approach it
 18 and what our position on it is, and then
 19 that pretty much is our judgment ruling.
 20 But, you know, spot delivery laws, five day
 21 tickets, five day plates and all of that,
 22 you know, we can add all of that in as FAQ
 23 and take a position on that.

24 MR. WISENOR:

25 Are we talking about proposed
 Betty D. Glissman, CCR

1 change to the existing law or the way it's
 2 written now?

3 MR. HALLACK:

4 The way it's written now, the
 5 dealer must give back the money.

6 MR. WISENOR:

7 Always, no matter what, right?

8 MR. HALLACK:

9 No matter what.

10 MR. WISENOR:

11 Okay. It doesn't matter that if
 12 they sign.

13 MR. HALLACK:

14 And we have investigators right
 15 now that can write tickets, but we've got
 16 dealers who are saying, they provided me
 17 with incorrect false information and that's
 18 why I couldn't get them financed, so it's
 19 their fault, I can't get them financed.

20 MS. MORRIS:

21 Drive a vehicle for the weekend.

22 MR. ROY:

23 And then if they get them
 24 financed, how about this extremely high
 25 percentage rate?

 Betty D. Glissman, CCR

1 MR. DUPLESSIS:
2 Well, you've got points.
3 MR. HALLACK:
4 That's federal law.
5 MR. WISENOR:
6 It is regulated by OFI.
7 MR. HALLACK:
8 Well, it's regulated now by the
9 consumer protection people, but --
10 MR. TAYLOR:
11 You're telling me my concern is
12 handled in the spot delivery law, correct?
13 MR. HALLACK:
14 No, no, no, no, no, no. The only
15 spot delivery law that exists right now is a
16 rule and regulation for the New Car
17 Commission, period. There is no federal
18 spot delivery law right now.
19 MR. DUPLESSIS:
20 There's a State spot delivery
21 law.
22 MR. HALLACK:
23 But that's only for new car
24 dealers.
25 MR. DUPLESSIS:
Betty D. Glissman, CCR

1 That's correct. You might want
2 to add that in, too, and we have to make
3 sure it's correct, the 20 day limit.
4 MR. HALLACK:
5 In here, it is. And I can
6 remember Mr. Duplessis was around when we
7 were kicking this around and I think the new
8 car law --
9 MR. DUPLESSIS:
10 Is 25 days -- it was 30 days and
11 it was actually in violation of the federal
12 law. And I'm squalling about it saying
13 you're going to have the dealers for 10
14 days, then you're going to make them
15 financiers. Since then, four or five got
16 hit on it and they had to finance cars that
17 were disasters. Now, they've changed it
18 back.
19 MR. HALLACK:
20 But, see, in the new car spot
21 delivery law, you've got to get this deal
22 going five days, three days?
23 MR. DUPLESSIS:
24 Well, you've got 20 days to
25 secure financing or you buy the paper.
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1 You've got to pay for the car and start
2 servicing the debt. I'm not brave enough to
3 do that.
4 MR. HALLACK:
5 The new car spot delivery law is
6 a lot more onerous than what we've written.
7 MR. DUPLESSIS:
8 But it's accurate.
9 MR. WISENOR:
10 Just like the advertising laws.
11 MR. DUPLESSIS:
12 Do y'all want to address that?
13 MR. HALLACK:
14 Do you want to change that, Mr.
15 Taylor?
16 MR. TAYLOR:
17 I was bringing up an argument,
18 you know. I'm arguing the fact that if a
19 dealer tells a customer if -- once again, if
20 the dealer tells a customer, I can get you
21 done and can't, I don't want them keeping
22 that money.
23 MR. HALLACK:
24 But this at least requires the
25 dealer to put it in writing to the customer,
Betty D. Glissman, CCR

1 if you don't get financed, you lose your
2 deposit.
3 MR. POTEET:
4 And it has to be in writing?
5 MR. HALLACK:
6 It has to be in writing.
7 MR. DUPLESSIS:
8 Well, I'm sure that's legal to
9 begin with under federal law.
10 MR. HALLACK:
11 Well --
12 MR. TAYLOR:
13 You've got to understand the
14 amount of -- these customers don't know if
15 they can get financed or not. They come to
16 me. So at the end of the day, we're having
17 to protect the customer. They're depending
18 on me to tell them if they can or cannot get
19 financed and -- so if you tell me that the
20 customer should know if they can get
21 financed or if you tell them that -- I
22 don't know, guys.
23 MR. WISENOR:
24 Well, the dealer -- the customer
25 -- well, the dealer runs a credit and they
Betty D. Glissman, CCR

1 see who -- the type of customer they're
2 dealing with. Wouldn't they have a better
3 idea to say, I'm pretty sure I can get you
4 financed or this is going to be worth. So
5 --

6 MR. TAYLOR:

7 They should. They should be able
8 to do that. They should.

9 MR. WISENOR:

10 They don't want to turn the
11 customer away, but I'm just saying that --

12 MR. TAYLOR:

13 You know, I mean, we spot deliver
14 people and couldn't get them financed and we
15 thought we could.

16 Ron, you've spot delivered
17 people. You thought you can get done and
18 you couldn't.

19 MR. WISENOR:

20 If the consumer provide false
21 information and we get into that back and
22 forth. So the dealer wants to be
23 compensated for the use of the vehicle.

24 MR. TAYLOR:

25 So once again, if you tell your
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1 customer, I can get you done and you can't
2 get them done, you don't need to have that
3 money.

4 MR. DUPLESSIS:

5 And I would agree. I think it
6 needs to be spelled out. I would move for
7 the adoption of the new car spot delivery
8 law because this act is finally --

9 MR. HALLACK:

10 I mean, this covers things that
11 are in there, too, but we changed it because
12 we got a lot of push back from the
13 investigators who kept coming to us saying
14 the dealers don't like this, the dealers
15 don't want to give back that money because
16 the dealers all believe they're trying to
17 get financing done on what information the
18 customer gives them and if the customer is
19 giving them false information or inaccurate
20 or incomplete, then that's not the dealer's
21 fault and they shouldn't have to give the
22 money back.

23 MR. TAYLOR:

24 But that's an if. That's an if
25 the customer gives them the false
Betty D. Glissman, CCR

1 information.

2 MR. HALLACK:

3 Okay. So we need to amend it to
4 say that it --

5 MR. DUPLESSIS:

6 Just adopt the spot delivery law
7 and the earnest law and you're done for the
8 day, because basically if they give you a
9 credit app, you can't -- you legally cannot
10 make that judgment. You're required by law
11 to submit that, and then get the turn downs
12 and the turn down letters out. And,
13 otherwise, you get guys like Garth Ridge and
14 James McManus, you know, the fair credit
15 lawyers that go after the dealers and, you
16 know, they see that. The good thing is, is
17 that used car dealers are normally good
18 hunting grounds, because they have small
19 portfolios and they don't have the capital.
20 New car dealers are normally the target. So
21 I think if you look at some of the new car
22 regulations under finance, they would be
23 accurate for adoption.

24 MR. HALLACK:

25 The way it reads right now the
Betty D. Glissman, CCR

1 inability of a potential purchaser to secure
2 financing or to obtain State mandated
3 compulsory automobile insurance shall be
4 treated as -- the same as the customer
5 withdrawing. So we'll have to redo that
6 language somehow.

7 MR. TAYLOR:

8 Okay. I mean, I'm done. Are
9 there any questions?

10 MS. MORRIS:

11 We can just say it may be treated
12 the same as the customer withdrawing if the
13 inability is because of misinformation
14 supplied by the purchaser.

15 MR. HALLACK:

16 Or incomplete.

17 MS. MORRIS:

18 Incomplete.

19 MR. DUPLESSIS:

20 If you want to word the body
21 correct, the customer's inability to fulfill
22 the stipulations. It's called stips in the
23 finance world. Stipulation of any financial
24 arrangement, that would cover the dealer
25 totally. So if he didn't have receipts, he
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1 didn't have a W-2, he didn't have a job, you
2 know, he didn't -- couldn't acquire
3 insurance, those are the things they
4 normally start with.

5 MR. CORMIER:

6 But before we even start on a
7 bill like that, we need stips up front
8 before we even begin to start the --

9 MR. TAYLOR:

10 That's because you are doing what
11 you are supposed to do, but we're talking
12 about what dealers do.

13 MR. CORMIER:

14 Yes, I understand, absolutely.

15 MR. DUPLESSIS:

16 Yes. You are so correct. That's
17 your job up front to do that.

18 MR. CORMIER:

19 Absolutely, that's the job of the
20 dealer.

21 MR. DUPLESSIS:

22 Otherwise, you're just -- you're
23 hanging yourself out in the wind.

24 MR. CORMIER:

25 That's a lot of work involved.

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1 Absolutely.

2 MR. TAYLOR:

3 Everything I think I've said that
4 was in benefit to the customer, but do you
5 think I put anything too hard on the dealer?

6 MR. CORMIER:

7 No. It's just keeping the dealer
8 in line of what he's supposed to be doing.
9 Yes.

10 MR. TAYLOR:

11 Okay.

12 MR. CORMIER:

13 Because it gives us a bad name,
14 the guys that are doing it right, you know.

15 MR. DUPLESSIS:

16 I agree. Well, the lawyers can
17 pick up that from there and we can do the
18 rewrite and we'll go from there.

19 Dino, anything else?

20 MR. TAYLOR:

21 No, that's it. I'm done.

22 MR. DUPLESSIS:

23 Sheri, anything, any other notes?

24 Robert, any other notes on the

25 770?

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1 MR. DUPLESSIS:

2 Right.

3 MR. CORMIER:

4 It's a lot of work on y'all,
5 absolutely.

6 MR. POTEET:

7 Why don't we work on that a
8 little bit and get that back out to the
9 Commissioners, so we can look at it.

10 MR. HALLACK:

11 We're going to make the change to
12 B like Sheri said.

13 MR. CORMIER:

14 That's most of the reason why the
15 dealer wants to keep it as a profit, if they
16 do all of this work, and then the customer
17 decides they're going to go down the road
18 and Joe Blow is going to pull their credit
19 and see what bank they send it to and
20 they've done all of the work, you know, and
21 the customer didn't commit to them. So
22 that's where the dealer's argument comes in.

23 MR. DUPLESSIS:

24 That's another day at the office.

25 MR. CORMIER:

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1 Mr. Chairman, that finishes my
2 report.

3 MS. MORRIS:

4 Well, the only thing that Derek
5 had sent me, something he got from Lessie on
6 golf carts --

7 MR. PARNELL:

8 Act 158.

9 MS. MORRIS:

10 -- which was some legislation
11 that was put in, in 2013, which new golf
12 carts are now regulated. The sales are
13 regulated by the New Car Commission, because
14 it's an exception to the cars that have to
15 be registered drivable on the road. They
16 have a definition of ATV in their law. And
17 Lessie had a question about a used golf cart
18 dealership and why it wasn't being regulated
19 by us. Well, that's not in our definition.
20 We have ATVs in our definition, but -- we
21 have the word ATV, but they are all-terrain
22 vehicle, but our definition of motor vehicle
23 is those required to be registered pursuant
24 to the motor vehicle license tax law. And
25 so we don't have an -- the same exception

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1 that they put in their law last year. And I
 2 know this is a cleanup bill. Is that
 3 something that we want to get into, so that
 4 it's consistently regulated whether it's a
 5 new or used vehicle. We could do it in this
 6 instrument. Their law defines an
 7 all-terrain vehicle as a vehicle
 8 manufactured for off road use and issued a
 9 manufacturer statement or certificate of
 10 origin as required by the Commission that
 11 cannot be issued a registration certificate
 12 and licensed to operate on a public road of
 13 the State, because at the time of
 14 manufacture, the vehicle does not meet the
 15 safety requirements in Title 32. We don't
 16 have that. So unless it's a street vehicle,
 17 we're not regulating it.

18 MR. PARNELL:

19 We regulate modified golf cars.
 20 We do license those dealers, but not your
 21 plain run-of-the-mill golf cart.

22 MS. MORRIS:

23 And we had some legislation to do
 24 that one year that was withdrawn or failed
 25 or --

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1 MR. HALLACK:

2 They took all of the recreational
 3 vehicles from us.

4 MS. MORRIS:

5 Well, I don't know if that's
 6 something that we need to cover while we
 7 have this cleanup.

8 MR. HALLACK:

9 How many used golf cart dealers
 10 are there out there? I don't think there
 11 are any.

12 MS. MORRIS:

13 There's one that Lessie found.

14 MR. CORMIER:

15 There is one that I know of.

16 MR. TAYLOR:

17 Well, they have three in Monroe.

18 MS. MORRIS:

19 If they're selling new carts and
 20 used carts, they're going to be licensed,
 21 but I think the one she found is not selling
 22 new, only used.

23 MR. DUPLESSIS:

24 Well, some of those can be
 25 converted and they can be registered.

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1 MR. ROY:

2 Well, I have two of them around
 3 my place.

4 MR. HALLACK:

5 That sell just used golf carts?

6 MR. ROY:

7 Just used.

8 MS. MORRIS:

9 It's just their definition of
 10 vehicle and ours is different, because all
 11 of ours are under the licensing law and they
 12 have two exceptions in their law,
 13 all-terrain vehicle and off road vehicles,
 14 and they basically have the same --

15 MR. WISENOR:

16 A lot of these do not have
 17 stickers as far as titles so how do you get
 18 around the registration.

19 MR. DUPLESSIS:

20 You take it to the State Police
 21 and let them view it and they'll give you a
 22 re-issuance.

23 MS. BARON:

24 Didn't they pass a law that you
 25 could drive them on the road --

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1 MR. DUPLESSIS:

2 You can if --

3 MS. BARON:

4 -- if the speed limits are under
 5 45 or something?

6 MR. DUPLESSIS:

7 They need a speedometer, I think.
 8 They can only be at a low speed in
 9 designated areas. You can -- in my town I
 10 do business, you can drive on the road and
 11 people do.

12 MR. TAYLOR:

13 It's a criminal misdemeanor in
 14 Monroe, I know. You just can't go pay your
 15 ticket. They want you to go to court.

16 MR. POTEET:

17 Do we want to add that in there?

18 MR. PARNELL:

19 She was just -- yes, she was
 20 saying from that legislation last year.

21 MS. MORRIS:

22 We didn't pick it up, because it
 23 was there. I don't know. It wasn't
 24 something we picked up last year, and so we
 25 didn't align our definition with that.

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1 MS. BARON:
2 Because to me that just shows
3 that they're exempt, it doesn't mean -- it
4 doesn't say that we need to pick them up
5 from there, so.

6 MR. TAYLOR:
7 Last year, I said, who's
8 legislating them now?

9 MR. DUPLESSIS:
10 Nobody.

11 MS. BARON:
12 Only if they're new. If they are
13 used, there's nobody regulating them.

14 MS. MORRIS:
15 And I guess they get into
16 misleading advertisement and stuff.

17 MR. DUPLESSIS:
18 I'm thinking potential income
19 here.

20 MS. MORRIS:
21 I mean, if you -- we could just
22 add it --

23 MR. DUPLESSIS:
24 Okay. Let's go ahead and say --
25 I think everybody is in favor of that?
Betty D. Glissman, CCR

1 MR. POTEET:
2 All right. Anything else on
3 that?

4 MS. BARON:
5 It's in our law. The ATV is for
6 the modified golf cart with a floatation
7 device and all of this.

8 MR. HALLACK:
9 Mr. Roy has identified two. Mr.
10 Taylor has identified a couple, and there
11 are golf carts all over the place. It's all
12 over the place.

13 MR. POTEET:
14 Well, let's add it in and make it
15 consistent with new car. We'll go from
16 there.

17 MS. MORRIS:
18 But I don't think we can respond
19 until, you know, Lessie -- you need to do
20 something with these people until we
21 straighten up the law.

22 MR. POTEET:
23 Yes. We'll kind of ease into
24 that.

25 MR. DUPLESSIS:
Betty D. Glissman, CCR

1 If we're going in that direction,
2 why don't we just encompass all original OEM
3 franchise used motor vehicle dealers? What
4 about used motorcycle and used?

5 MS. BARON:
6 Well, used motorcycles and stuff,
7 we still cover. We still have that. We
8 still have that, but those are street legal.

9 MR. POTEET:
10 Yes, street, everything is
11 registered.

12 MR. WISENOR:
13 But off road still have VIN
14 numbers and certificates of origin.

15 MR. HALLACK:
16 Chinese motorcycles don't have a
17 certificate of origin.

18 MS. BARON:
19 So we're going to add that to the
20 language?

21 MR. DUPLESSIS:
22 We are.

23 MS. MORRIS:
24 Yes. I will try to encompass
25 whatever is used and regulated by the New
Betty D. Glissman, CCR

1 Motor Vehicle Commission.

2 MR. DUPLESSIS:
3 Nobody is going to show up to
4 fight it. So write it the way you want.

5 MS. MORRIS:
6 I'm going to first try to make it
7 clear with theirs. Let them fix the law
8 then we'll just tag on.

9 MR. HALLACK:
10 There you go. Would that include
11 segways, because they're road legal, too.

12 MR. POTEET:
13 We'll save that for a future
14 meeting.

15 Do we need to adjourn before we
16 have the hearing? All right. I need motion
17 to adjourn.

18 MR. TAYLOR:
19 I'll make a motion.

20 MR. SMITH:
21 I'll second it.

22 MR. POTEET:
23 Okay. Let's go ahead and adjourn
24 for about 10 minutes.

25 (Meeting adjourned at 10:50 a.m.)
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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 March 17, 2014 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 March 26, 2014, Baton Rouge, Louisiana.

BETTY D. GLISSMAN, CCR
CERTIFIED COURT REPORTER
Betty D. Glissman, CCR