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LOUISIANA USED MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA

REGULAR MEETING
OCTOBER 16, 2017
BEGINNING AT 9:30 A.M.

3132 VALLEY CREEK
BATON ROUGE, LOUISIANA

REPORTED BY:
BETTY D. GLISSMAN, CCR

1 APPEARANCES:

2

3 CHAIRMAN:

4 MR. JOHN POTEET

5

6 COMMISSIONERS PRESENT:

7 MR. TONY CORMIER (ARRIVED LATE)

8

9 MR. RICKY DONNELL

10

11 MR. RON DUPLESSIS

12

13 MR. GEORGE FLOYD

14

15 MR. STEPHEN OLAVE

16

17 MR. HENRY "DARTY" SMITH

18

19 MR. DINO TAYLOR

20

21 MR. RICHARD WATTS

22

23 MR. MATTHEW PEDERSON

24

25

26

27

28 REPRESENTING THE LOUISIANA USED MOTOR

29

30 VEHICLE COMMISSION:

31

32

33 ROBERT W. HALLACK, ESQUIRE

34

35 HALLACK LAW OFFICE

36

37 13007 JUSTICE AVENUE

38

39 BATON ROUGE, LOUISIANA 70816

39

40 SHERI MORRIS, ESQUIRE

41

42 ROEDEL, PARSONS, KOCH, BLACHE,

43 BALHOFF & McCOLLISTER

44 8440 JEFFERSON HIGHWAY, SUITE 301

45 BATON ROUGE, LOUISIANA 70809

1 ALSO PRESENT:

2 MS. KIM BARON

3 MR. DEREK PARNELL

4 MS. MONA ANDERSON

5 MS. TONYA BURKS

6 MR. MONTIE WISENOR

7 MR. DWAYNE TAMBLING

8 MR. JOHN MCKOWEN

9

10

11

12

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15

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19

20 MR. POTEET:

21 All right. Let's get started.

22 Pledge of Allegiance.

23 (Pledge of Allegiance.)

24 MR. POTEET:

25 Kim, roll call for us, please.

1 MS. BARON:

2 John Poteet?

3 MR. POTEET:

4 Here.

5 MS. BARON:

6 Dino Taylor?

7 MR. TAYLOR:

8 Here.

9 MS. BARON:

10 Tony Cormier?

11 MR. CORMIER:

12 (No response.)

13 MS. BARON:

14 Ron Duplessis?

15 MR. DUPLESSIS:

16 Here.

17 MS. BARON:

18 George Floyd?

19 MR. FLOYD:

20 Here.

21 MS. BARON:

22 Darty Smith?

23 MR. SMITH:

24 Here.

25 MS. BARON:

1 Steve Olave?

2 MR. OLAVE:

3 Here.

4 MS. BARON:

5 Ricky Donnell?

6 MR. DONNELL:

7 Here.

8 MS. BARON:

9 Richard Watts?

10 MR. WATTS:

11 Here.

12 MS. BARON:

13 And Matthew Pederson?

14 MR. PEDERSON:

15 Here.

16 MS. BARON:

17 Mr. Chairman, we have a quorum.

18 MR. POTEET:

19 Thank you. It's nice to have a
20 new Commissioner in here with us,
21 Mr. Matthew Pederson. Welcome to the team.

22 MR. PEDERSON:

23 Thank you. Thank you.

24 MR. POTEET:

25 All right. Do we have anyone for

1 public comments today?

2 MS. BARON:

3 No, sir.

4 MR. OLAVE:

5 I have a comment if you don't
6 mind, Mr. Chairman. I would just like to
7 take a second to acknowledge. You know,
8 I've been around the Commission for quite
9 sometime and one of the things I think
10 that's made this Commission successful is
11 the consistency of the staff and the work
12 that they do. And I'd like a second to
13 acknowledge Ms. Kim in a public forum for
14 the incredible job that she's done and the
15 consistency that she's provided the
16 Commission for a lot of years, as long as
17 I've been around anyway. So I just wanted
18 to take a second to acknowledge that. So
19 thank you so much.

20 MS. BARON:

21 Well, thank you.

22 MR. POTEET:

23 Thank you for saying that, Steve.

24 MR. OLAVE:

25 That goes for the entire staff

1 and I'm just acknowledging the leadership
2 that she provides.

3 MR. POTEET:

4 I appreciate that.

5 All right. We have minutes from
6 two meetings to approve. I don't see why we
7 can't approve those together.

8 Do we have a motion?

9 MR. OLAVE:

10 I make a motion, Mr. Chairman.

11 MR. SMITH:

12 Second.

13 MR. POTEET:

14 Second from Darty.

15 All in favor, say, "Aye."

16 (All "Aye" responses.)

17 MR. POTEET:

18 Any opposed?

19 (No response.)

20 MR. POTEET:

21 The motion passes. Those are
22 adopted.

23 The first thing up is financial
24 matters and we've got a couple of reports,
25 plus the legislative audit. We're ready to

1 get going. We're going to do the audit
2 first. Mr. McKowen.

3 MR. MCKOWEN:

4 Thank you, Mr. Chairman. Okay.
5 I think everybody got a copy of the audit
6 report. I did audit your statements as of
7 June 30th of this year. If you flip to page
8 1, that's right after the table of contents.
9 I'm going to tell you again this year, I
10 tell you every year, paragraph 2 says that
11 the financial statements are the
12 responsibility of management. My
13 responsibility is to offer an opinion as to
14 whether I think they're fairly presented in
15 accordance with generally accepted
16 accounting principles. So on page 2, I say,
17 yes, in my opinion, they are.

18 Flip over to page 5, that's
19 management discussion and analysis. It
20 really just goes over the same numbers that
21 we're going to look at in just a second. So
22 we'll skip over that, but I'm just pointing
23 out the different sections of the report.
24 These are all required pages.

25 So if we look on page 11, that's

1 your statement of net position. That's your
2 balance sheet. Up at the top, we're showing
3 cash and equivalent. That's your checking
4 account, 2 million 4. You are earning 1.2
5 percent interest on that. So that's about
6 as good as you're going to get with anything
7 else right now anyway. You do have CDs
8 right at a half million dollars. You've got
9 accounts receivable. So we've got 120,000.

10 We set up an allowance a couple
11 years ago for receivables that don't look
12 like -- these are from the fines and there's
13 a certain percentage of them that each year
14 look like they're never going to be
15 collected. So we set up an allowance
16 account just to net out what we really think
17 is going to be received in the future.

18 (Tony Cormier enters the room.)

19 MR. MCKOWEN:

20 So the net number is 72,000. So
21 you've got a little prepaid expense. I
22 think that's insurance of 4,000. And then
23 net capital assets, that's this building,
24 the parking lot, and so forth and that is
25 160,000. So you've got a -- you've got

1 total assets of about 3 million 1.

2 Moving on, you've got deferred
3 outflows of resources. That's related to
4 all this pension business that they made us
5 start acknowledging a couple of years ago.
6 That's 438,000 this year. Current
7 liabilities, 425,000. Most of that is your
8 unearned revenue. That's the second year of
9 your two year licensing cycle. That's like
10 on deposit until you earn it in the second
11 year.

12 Long-term liabilities, you've got
13 compensated absences. That's vacation time
14 and other post-employment benefits. That's
15 future health insurance premiums that you're
16 going to have to pay on behalf of retired
17 employees. And then we get to the pension
18 liability itself. This year, I think this
19 is a good number. It's right over 2 million
20 dollars.

21 As we discussed last year, some
22 of you may or may not remember, we thought
23 the number was a little high. In fact, Mona
24 went back to LASERS, the state retirement
25 system, and she found out that, in fact,

1 they did make an error. They used a bad
2 percentage last year. So we have restated
3 net assets and net position as of last year
4 and we'll look at those on the next page.
5 Total net position, that's basically your
6 equity, 220,000.

7 On page 12, your revenues for the
8 year, we're just under one and a half
9 million dollars. Expenses, about a million
10 3. And your operating income was 137,000.
11 You also had the interest income of about
12 20,000 and you had a little loss when you
13 got rid of a computer. So your net change
14 for the year was 158,000 to the good.

15 So we restated your -- the
16 beginning net position to account for the
17 bad pension number that they were giving us
18 last year -- or LASERS was giving us last
19 year. So you actually had a positive net
20 position at the end of last year. Whereas,
21 before, we were showing a negative net
22 position. So that's definitely an
23 improvement at the end of this year with
24 218,000 in net position.

25 Statement of cash flow, that just

1 tries -- attempts to tell you how your cash
2 went up by \$464,000 during the year. A big
3 part of that is -- 225 of it was their error
4 on the pension. Next comes the notes. Same
5 thing we look at every year. I don't know
6 if I'm going to go through everything. Note
7 the last -- second to last note, note 14 on
8 page 33 talks about the prior computer
9 adjustment and more required information.
10 Page 35 is the budget comparison. That
11 looked good. Page 36 is more pension
12 disclosures. Page 39 discloses your per
13 diem. Page 40 discloses Derek's salary and
14 benefits. Page 41 is my report on internal
15 control, no findings there.

16 And then, finally, there's a new
17 section. The legislative auditor is no
18 longer happy and just an audit. They've got
19 additional procedures that they want me to
20 do and it takes me an extra two days. So
21 next year, the fee goes up if y'all want me
22 to do it. Maybe you'll find somebody else
23 who's willing to do it for free. But,
24 Mr. Chairman, that's my report.

25 MR. POTEET:

1 All right. Regarding doing it
2 for free, I think most things are worth what
3 you pay for them. So I don't know if we
4 want it done free.

5 Does anybody have any questions
6 for Mr. McKowen?

7 MR. TAYLOR:

8 Just one. What was that actual
9 dollar amount of the pensions -- the
10 adjustment, what was that?

11 MR. McKOWEN:

12 Well, you've got deferred
13 outflows. You've got deferred inflows. The
14 pension number was a million --

15 MR. TAYLOR:

16 A million 1.73, is that it?

17 MR. McKOWEN:

18 Yes.

19 MR. TAYLOR:

20 Okay.

21 MR. McKOWEN:

22 Yes. But then you've got
23 deferred outflows, which is kind of, sort of
24 an asset of 800,000. So it was 429,000 net.

25 MR. TAYLOR:

1 Okay. So bottom line 429,000?

2 MR. McKOWEN:

3 Right.

4 MR. TAYLOR:

5 Okay.

6 MR. McKOWEN:

7 Right, is what your net position,
8 your equity, in the Commission went up by
9 after we made the adjustment.

10 MR. TAYLOR:

11 Okay.

12 MR. DONNELL:

13 Thank you, Ms. Mona, for finding
14 that.

15 MS. ANDERSON:

16 Well, actually, John is the one
17 that pointed out that it was a lot higher
18 than other agencies.

19 MR. DONNELL:

20 Yes. I remember that last year.

21 MS. ANDERSON:

22 And when we looked into it -- on
23 their end of it, they're looking at the
24 whole state. So for their books, that's a
25 negligible amount, but for us, it makes a

1 big difference.

2 MR. McKOWEN:

3 It might have just been rounded.
4 They might have just picked this Commission
5 to round on and it made that big a
6 difference.

7 MR. POTEET:

8 All right. No other questions?
9 No other discussion?

10 (No response.)

11 MR. POTEET:

12 I think we have to approve that.
13 I need a motion.

14 MR. DONNELL:

15 I make a motion.

16 MR. POTEET:

17 Mr. Donnell.

18 Do I have a second?

19 MR. OLAVE:

20 Second.

21 MR. POTEET:

22 Mr. Olave.

23 All in favor, say, "Aye."

24 (All "Aye" responses.)

25 MR. POTEET:

1 Any opposed?

2 (No response.)

3 MR. POTEET:

4 Thank you very much.

5 MR. McKOWEN:

6 Thank you.

7 MR. POTEET:

8 See you next year.

9 MR. McKOWEN:

10 I hope so.

11 MR. POTEET:

12 Probably so.

13 Mona, you ready? We have review
14 of the financial reports. We have August
15 and September.

16 MS. ANDERSON:

17 Okay. So if you'll turn in your
18 packet to your financial statements for the
19 month of August ending August 31, 2017, your
20 total current assets on the statement of net
21 position were \$2,939,973. And of that, the
22 operating account was \$2,007,676. The fines
23 accounts receivable increased in August to
24 \$217,808. And the prepaid expenses, there
25 was an increase -- there was a September 1st

1 payroll that was recorded and prepaid.
2 There were no changes to the remaining
3 assets in August.

4 Under the liabilities and
5 deferred inflows, the escrow fines decreased
6 when we approved the fines at the prior
7 meeting. The claim against bond decreased
8 since we paid out \$29,600 in liabilities
9 that we owed to other parties for which we
10 collected. So we collect those, and then
11 they're sent out to the consumers and other
12 entities. Turning on to the statement of
13 expenses -- revenue, expenses, and change in
14 net position on page 3, the year-to-date
15 revenues were \$124,358 compared to \$142,500
16 last year and that's just the difference in
17 the districts that we're collecting fees
18 from. And we also had some higher fines
19 last year than we had in -- in --
20 year-to-date August this year.

21 On page 4, the salaries and
22 related benefits were higher than last year.
23 We hired additional staff members this year,
24 compliance investigators and others. And we
25 also had increases in retirement and health

1 insurance. Of the remaining expenses, we
2 had higher areas in computer-related
3 expenses and in legal fees and in vehicle
4 maintenance. And on page 5, the change in
5 net position at this point was a negative
6 \$5,070. So we're low on fees nearing our
7 start of our renewal period.

8 On pages 6 and 7, we have a
9 four-year revenue comparison and that shows
10 the last four years of revenue. So you can
11 compare every other year, of course, or
12 comparable districts. So you can see the
13 totals there. The UD and auction
14 transaction fees were significantly
15 increased compared to the '15/'16 year.
16 And, of course, on page 7 is a graph of some
17 of those fees.

18 On page 8, is a year-to-date
19 budget to actual expenditures graph. And so
20 since it's so early in the fiscal year,
21 there's not much to show there. The
22 following report is the -- on page 9 is a
23 list of the certificates of deposit. We
24 renewed these CDs with Business First Bank
25 at 1.15 percent interest. On page 10, the

1 accounts receivable hearing fines report
2 shows that we assessed fines at the July
3 meeting of \$17,150. Those were recorded in
4 August. And \$16,440 was collected. On page
5 11, the balance at the end of that month was
6 \$217,808.

7 And, Commissioner Cormier, you
8 had asked about the information -- getting
9 information to the Attorney General's Office
10 about Sean Calvit and I did talk to Nestor
11 Guillory and he said that they are up on all
12 of his current information. So they're
13 working on that --

14 MR. CORMIER:

15 Okay.

16 MS. ANDERSON:

17 -- balance for us.

18 MR. CORMIER:

19 All right. Thank you.

20 MS. ANDERSON:

21 Okay. And we'll -- do you want
22 to ask for a vote on that one?

23 MR. POTEET:

24 Yes.

25 Does anybody have any questions?

1 (No response.)

2 MR. POTEET:

3 I need a motion.

4 MR. OLAVE:

5 I make a motion, Mr. Chairman, we
6 accept the financial report.

7 MR. CORMIER:

8 Second.

9 MR. POTEET:

10 Second Mr. Cormier.

11 All in favor, say, "Aye."

12 (All "Aye" responses.)

13 MR. POTEET:

14 Any opposed?

15 (No response.)

16 MR. POTEET:

17 All right. So all that passes.

18 Start September.

19 MS. ANDERSON:

20 In the September statements for
21 the month ending September 30, 2017, on page
22 1, the statement of net position, our
23 operating account balance decreased to
24 \$1,958,580. Our fines remained the same
25 since we didn't have a quorum at the last

1 meeting to approve the fines that had been
2 written. We had an increase under
3 noncurrent assets. The equipment increased
4 by \$5,700. We purchased a new
5 air-conditioner for this room, for this side
6 of the building, as we were unable to obtain
7 parts for the old unit.

8 Current liabilities at the bottom
9 of the page were \$47,120. The total is on
10 page 2. And the long-term liabilities
11 included deferred inflows of the 2018 fees
12 that were \$312,280. On pages 3 through 5,
13 the revenue, expenses, and changes in net
14 position report, year-to-date revenues were
15 \$173,669 compared to \$198,000 last year.
16 Mainly, we had a large fine for New Orleans
17 Wholesale in that 2016/'17 year. And on
18 page 4, the salaries were higher due to the
19 additional employee. All other expenses
20 were about \$12,000 higher than the previous
21 year in the areas of the insurance, our
22 insurance went up some, computer-related
23 expenses and legal expenses.

24 And on the last page of that
25 statement, page 5, the unaudited change in

1 net position was a negative 102,176. The
2 following page -- pages 6 and 7, shows a
3 revenue -- four-year revenue comparison,
4 about \$26,000 difference between the '17/'18
5 and the comparable '15/'16 year. Auction
6 transaction fees were higher this year, but
7 again the fines were lower. And the
8 following page is the graph of some of that
9 revenue.

10 Page 8 shows a graph of some of
11 the expense -- expenditure changes,
12 salaries, and related benefits as compared
13 to the operating expenditures. And as I
14 said, the salaries and benefits increased
15 due to increase in employees and just
16 general increases. On page 9 is the
17 certificate of deposit report and there are
18 no changes for September on that report. On
19 page 10 is the accounts receivable report.
20 No fines were assessed due to our meeting
21 and the balance in the accounts receivable
22 was \$217,808.

23 So unless there are any
24 questions, Mr. Chairman, that concludes my
25 report.

1 MR. POTEET:

2 Any comments, questions on that?

3 MR. OLAVE:

4 I make a motion, Mr. Chairman, we
5 accept the financial statement.

6 MR. SMITH:

7 Second.

8 MR. POTEET:

9 Second by Mr. Smith.

10 All in favor, say, "Aye."

11 (All "Aye" responses.)

12 MR. POTEET:

13 Any opposed?

14 (No response.)

15 MR. POTEET:

16 All right. That passes.

17 Thank you, Mona.

18 MS. ANDERSON:

19 Thank you.

20 MR. POTEET:

21 We have one more item under
22 financial matters. We have payment of
23 invoices for August and September for
24 Attorney Hallack. Mr. Parnell.

25 MR. PARNELL:

1 Commissioners, you will find in
2 your packet an invoice of services for
3 August of 2017 and September of 2017 for
4 Attorney Robert Hallack. We've gone through
5 the entire invoice and we noted what the
6 hours were and we always make sure all the
7 calculations were correct. So,
8 Commissioners, the invoice for services for
9 August 2017 was \$3,645. Commissioners, I
10 ask that you approve payment of Attorney
11 Hallack's bill for services for August of
12 2017.

13 MR. TAYLOR:

14 I make a motion.

15 MR. OLAVE:

16 Second.

17 MR. POTEET:

18 Second from Mr. Olave.

19 All in favor, say, "Aye."

20 (All "Aye" responses.)

21 MR. POTEET:

22 Any opposed?

23 (No responses.)

24 MR. POTEET:

25 All right.

1 MR. PARNELL:

2 Commissioners, the second invoice
3 is as well for services rendered for
4 September of 2017, which the number is
5 \$3,195. Commissioners, I ask that you
6 approve payment of Attorney Hallack's bill
7 of services for September of 2017.

8 MR. OLAVE:

9 I make that motion.

10 MR. TAYLOR:

11 I second the motion.

12 MR. POTEET:

13 Mr. Taylor. Mr. Olave.

14 All in favor, say, "Aye."

15 (All "Aye" responses.)

16 MR. POTEET:

17 Any opposed?

18 (No responses.)

19 MR. POTEET:

20 All right. Cut the check.

21 All right. Let's see. Where are
22 we? All right. We've got some ratification
23 of imposed penalties.

24 MR. PARNELL:

25 All right. Commissioners, I ask

1 that we could amend the agenda to delete the
2 first item underneath ratification of
3 imposed civil penalties, United Auto World,
4 LLC.

5 MR. POTEET:

6 We need to amend the agenda. Do
7 I have a motion?

8 MR. OLAVE:

9 (Makes motion.)

10 MR. TAYLOR:

11 Second.

12 MR. POTEET:

13 Second Mr. Taylor.

14 All in favor, say, "Aye."

15 (All "Aye" responses.)

16 MR. POTEET:

17 All right. So amended.

18 MR. PARNELL:

19 You'll find in your chart -- you
20 will find in your packet a chart that
21 illustrates the dealers that were in
22 violation of state law. I have determined
23 that the public interest can be served
24 without further administrative proceeding.
25 Thus, civil penalties were imposed. I will

1 announce the names of the dealers that have
2 been imposed with a penalty for the record.

3 Do we have anyone present that's
4 representing any of these dealerships?

5 MS. BARON:

6 No, we do not.

7 MR. PARNELL:

8 Then, I'll go through the list.

9 MS. BARON:

10 Let me check for sure. No one.

11 MR. PARNELL:

12 The first one on the list is
13 Joe's Used Cars, LLC from Alexandria,
14 Louisiana. The violation fine amount was
15 \$1,450. Second on the list is Blakey Auto
16 Plex, LLC from Shreveport, Louisiana. Fine
17 amount was \$200. Third on the list is North
18 American Automotive Group from Baton Rouge,
19 Louisiana. Fine amount was \$150. Fourth on
20 the list is Southbay Autoplex, LLC from
21 Prairieville, Louisiana. Fine amount was
22 \$600. And last on the list is C & K
23 Automotives, LLC from Baton Rouge,
24 Louisiana. Fine amount was \$500. The total
25 of amount of fines for the month was \$2,900.

1 Commissioners, I ask that you ratify the
2 imposed civil penalties assessed.

3 MR. TAYLOR:

4 I make a motion.

5 MR. OLAVE:

6 Second that motion, Mr. Chairman.

7 MR. POTEET:

8 All in favor, say, "Aye."

9 (All "Aye" responses.)

10 MR. POTEET:

11 Any opposed?

12 (No response.)

13 MR. POTEET:

14 I'm looking at this last one,
15 parking vehicles in the right-of-way. What
16 do they do, just park them in the --

17 MR. PARNELL:

18 By the railroad tracks right
19 there on Choctaw, there's -- in our statutes
20 it is against the law to park there, but he
21 parks across the street right next to the --
22 on the sidewalk, basically.

23 MR. POTEET:

24 Just curious. Kind of crazy. I
25 haven't seen that one in a while or maybe I

1 --

2 MR. TAYLOR:

3 Is -- North American Auto Group,
4 is that -- is this one still an established
5 business? It says for not maintaining.

6 MR. PARNELL:

7 Yes.

8 MR. TAYLOR:

9 So --

10 MR. PARNELL:

11 Typically, what that means is
12 that either their signage, their phone, or
13 one of those things were down, or a
14 salesperson, they didn't have any
15 salesperson licensed at that time when they
16 went out.

17 MR. TAYLOR:

18 Okay.

19 MR. POTEET:

20 All right. Next, we have the
21 Executive Director's report.

22 MR. PARNELL:

23 Commissioners, you will find in
24 your packet some charts that illustrate some
25 of the things that's been going on in the

1 enforcement division. We've been working
2 very hard. We've added staff and it's been
3 going really well. We find that, you know,
4 we're able to not be as reactive as we
5 always have been. We're a little more
6 proactive which is the direction I want to
7 do to move us forward. Well, we've
8 consistently been -- just anything that came
9 up, we would have to go out and deal with
10 it, but as we're trying to be more effective
11 on what we're doing, we're trying to learn
12 how to get in front of those things
13 sometimes. So with this, it will -- I'll go
14 through the alleged issue counts.

15 For August and September, there
16 was a total of 188 alleged issues. The next
17 document is the case report that illustrates
18 the amount of cases that were assigned to
19 the investigators and enforcement staff.
20 For August and September, there were 119
21 cases that were assigned. 31 of those cases
22 were closed and 88 of those cases remain
23 open.

24 The next document is the total
25 department summary report, which illustrates

1 the total amount of cases that were closed
2 for the two months of August and September.
3 The amount of cases that were closed were
4 seven. Also, during the months of August
5 and September, there were five-day notices
6 issued. There were nine of those issued.
7 There were 78 physical inspections that were
8 conducted. There were 44 instances where we
9 helped consumers receive their titles.
10 There were 221 site visits. There's
11 currently 17 audits being conducted. There
12 were 42 violations that were issued through
13 -- for both of those months. And assisted
14 consumers receive money back, the total
15 amount was \$29,445.86.

16 In other news, we did send out
17 our postcards last week, started the renewal
18 process, you know. We did lose some staff,
19 but we're actively trying to get more staff
20 to help us out in the renewal process, so we
21 can make sure it continues real smooth. We
22 still haven't placed the 14-day turnaround
23 once a dealer has submitted their
24 application paperwork and it's complete. We
25 still have a 14 day turnaround in getting

1 that license back out to them.

2 In other news, we did receive the
3 vehicle from -- and, Commissioner Donnell,
4 the dealership is Courtesy of Acadiana in
5 Breux Bridge is where we purchased it.
6 They have the state contract with them. So
7 we did get a 2018 Dodge Charger last week.
8 They -- it took some time for them to put
9 the GPS into it and they called me to pick
10 it up. I was kind of surprised when we
11 looked at the vehicle, because we paid for a
12 2018 SE model, but they gave us a 2018 XT
13 model, which is much bigger and it's a
14 better vehicle, more options in it. So
15 we're going to go ahead and try to issue
16 that out to one of the compliance
17 investigators. It's going to be Montie
18 who's going to get this vehicle. So he will
19 be riding pretty new. And as I said, we're
20 still continuing to try to grow staff. We
21 ran into some issues the last couple of
22 weeks with staff. Some staff left, but
23 we're still in the process of putting
24 information out there, so we can try to hire
25 people and move forward.

1 Are there any other questions or
2 comments?

3 MR. POTEET:

4 What's going on with our computer
5 system again? What was the --

6 MR. PARNELL:

7 Well, we kind of --

8 MR. POTEET:

9 I know that we --

10 MR. PARNELL:

11 Well, currently right now, we're
12 not really -- we're still looking around.
13 We just reached out to MicroPac, which is
14 the company that bought CAVU. We spoke with
15 them, I would say, Thursday of last week and
16 they have some upgrades that they say we can
17 do. We're about three upgrades behind.
18 They said they'd go in there and look at the
19 entire system, the way it looks, the way
20 it's operating, but we don't know that to be
21 factual at this point. What we're going to
22 do now -- we did discuss with another
23 company, but we don't believe that he was
24 exactly where he needed to be for us to kind
25 of go full steam with them.

1 So, currently, our plan is to
2 look at MicroPac and make sure that what
3 we're receiving from them in an upgrade of
4 CAVU is something that's going to benefit
5 us. And, hopefully, it will. We don't know
6 that yet. We're going to set up another
7 meeting with them next week, so we can kind
8 of sit down and look at the product and look
9 at what we have out there, so we can kind of
10 see the direction we need to go in.

11 MR. POTEET:

12 So they've recently acquired
13 CAVU?

14 MR. PARNELL:

15 Three years ago, they did, yes.

16 MR. POTEET:

17 So we have some experience with
18 them?

19 MR. PARNELL:

20 Very minimal. Very minimal.
21 Since I've been here eight years, CAVU has
22 been bought three times. And each time a
23 new company comes in, of course, they
24 express how great they're going to be, how
25 much more they're going to do than the last

1 person. But then it all turns out to be the
2 same for us. So I don't have a lot of
3 confidence that they're going to actually do
4 these things, but I can hope that they will.
5 I'll try to be optimistic about that.

6 MR. POTEET:

7 Yes. I think what we've learned
8 from this is the grass is not always greener
9 on the other side after we had that last
10 group in here and CAVU looked awful good
11 after we got through dealing with them,
12 right?

13 MR. PARNELL:

14 Yes, absolutely.

15 MR. POTEET:

16 Okay.

17 MR. PARNELL:

18 We're not going to really be able
19 to grow and move in the direction we would
20 like to see the agency move if we don't have
21 any more functionality out of our programs
22 and our computer system, everything that
23 we're doing. We're still going to be kind
24 of stagnant and not moving the information
25 the way I would like to see it happen.

1 MR. DUPLESSIS:

2 What do they actually do for you?
3 Can you save it, like, your shopping carts
4 and piece and part it out to people that
5 really do a good job in those areas?

6 MR. PARNELL:

7 We looked into doing something
8 like that, but I don't think that would
9 really be a benefit for us. I don't think
10 that would really work out for us. Just --
11 we need more of a robust program that we can
12 one stop shop we can all go into. The field
13 would have access. They're able to use
14 their laptop. They're able to do everything
15 they need to do out there in the field and
16 coordinate that and have real time that's
17 connecting with the office. So that is
18 something that we are -- we really would
19 like to see happen, you know.

20 On another note, I did reach out
21 to Office of Motor Vehicles and they are
22 going to approve us in person to have the
23 VPN access to their system. So what that --
24 what that's going to do to our
25 investigators, while they're out in the

1 field, they're going to be able to go
2 straight to the Office of Motor Vehicles'
3 website in their vehicles, pull up the VPN
4 to get into the Office of Motor Vehicles
5 site. They can run VIN numbers and do all
6 these things while they're out there in the
7 field versus what we're kind of doing now
8 is, they're calling here in the office and
9 staff here is kind of relaying messages back
10 to them. So what we're kind of wanting to
11 see happen for a few years now, but they've
12 improved that. We since sent some
13 background information, background checks
14 for the staff that I'd like to see have that
15 access and I think that's going to
16 dramatically improve on what we're doing and
17 a speedy efficiency out in the field.

18 MR. OLAVE:

19 Streamline it.

20 MR. PARNELL:

21 Yes.

22 MR. OLAVE:

23 Very good.

24 MR. POTEET:

25 Okay. Thank you. The next thing

1 on our agenda is the legislative session and
2 we've got some proposed amendments for
3 legislation.

4 Ron, do you want to take over
5 here?

6 MR. DUPLESSIS:

7 Absolutely. I think first of
8 all, I'm going to start out by saying
9 there's a big issue on the table. That's
10 going to be the sales finance act this year.
11 And how we handle that, I would offer the
12 Commission to do it very discreetly, but a
13 very pointed plan and work through the
14 Legislative Committee this year. I did some
15 research quite a bit since the last meeting.
16 It appears that Danny Alonzo has appealed
17 his decision with the New Car Commission as
18 to the sales finance act. The
19 upside/downside of that is if he wins, it's
20 pretty cool. The likelihood of the fact of
21 presenting himself in a winning situation,
22 especially New Orleans with the history of
23 the New Motor Vehicle Commission, is
24 probably not that well-founded. The problem
25 with this is that if he loses, it is legally

1 entered as an appellate decision of Westlaw.
2 Then, that is somewhat memorialized into law
3 and it's -- it ratifies their rules to a
4 great degree. So I would recommend that we
5 become involved in that by writing an amicus
6 brief and I'll let the lawyers just jump in
7 and count on me for that, but I don't know,
8 unless we're subpoenaed, we can get any
9 other information.

10 MR. POTEET:

11 What were the grounds for his
12 appeal?

13 MR. DUPLESSIS:

14 Unfair and, basically, it's an
15 unfair act, which is within their own laws,
16 but also they have no jurisdiction over him
17 by the overreach. And I think we discuss
18 the overreach by how you read the law. In
19 my opinion, it's -- the scales are about
20 even on how you interpret it. It depends on
21 who you talk to. I think that they have a
22 strong lobby with LADA and I've seen issues
23 and shared that already, that they're moving
24 toward a very strong legislative session.
25 Being a new car dealer, I'm privileged to

1 get all their information. So they're
2 already meeting with the House and the
3 Senate, all the Legislature. They have
4 their talking points. They distribute them
5 to their dealers. So they know exactly what
6 they're going to do. So I think the -- in
7 order for Danny to be successful, he's going
8 to have to receive pretty much an unbridled
9 support from the LIADA and Danny is going to
10 have to secure very good counsel and he's
11 going to have to fight for what I think is
12 to be possibly a very large fine. And they
13 gave him two options, one, to appeal, one,
14 not to appeal. When -- the one not to
15 appeal was a bargain and the one to appeal
16 was much higher, plus legal fees. So it's
17 going to be quite expensive and extensive to
18 his time.

19 MS. MORRIS:

20 Do you know who's handling that
21 matter? And I know there was a motion to
22 dismiss the appeal filed by the Commission.

23 MR. DUPLESSIS:

24 I did not see that. The only
25 thing I could read was their agenda and

1 minutes. So my ear has not been quite to
2 the ground quite as much. Maybe they have
3 worked that out. The other thing they do is
4 they have a very abbreviated agenda. And I
5 looked back for the last three meetings and
6 found really nothing that supported it and
7 read through boring minutes several hours.
8 I had to take a couple pills to get me
9 through that. But, nevertheless, there was
10 nothing there to substantiate it. So that's
11 the only thing that I know.

12 MR. OLAVE:

13 What -- Ms. Sheri, what did you
14 say you heard? I didn't hear the first
15 part.

16 MS. MORRIS:

17 It was my understanding that
18 there was a motion to dismiss the appeal
19 filed months ago and I do not know if that
20 was disposed of --

21 MR. OLAVE:

22 Okay.

23 MS. MORRIS:

24 -- by the appellant.

25 MR. HALLACK:

1 Just so everybody can understand,
2 Danny Alonzo owns a dealership in Kenner
3 known as Wholesale Auto Group, not to be
4 confused with Wholesale Autoplex, which is
5 in Houma. But Danny was cited for two
6 violations, basically one being that he did
7 not have a motor vehicle sales finance
8 license, and the other one being
9 advertising. He was advertising as a
10 wholesale auto dealer and his name is
11 Wholesale Auto Group. So Danny fought that.
12 He went and had a hearing, I believe it was
13 in March of this year, and the New Car
14 Commission fined him \$100,000 for those
15 violations. Again, that being that he
16 didn't have a motor vehicle sales finance
17 license and that he had "wholesale" in his
18 name. They told him that they would accept
19 the fine of \$25,000 if he agreed to pay it,
20 but if he appealed it, the fine would be
21 \$100,000.

22 Now, Danny had been through some
23 lawyers, one of which just went to jail. So
24 he was very unsatisfied with the lawyers
25 that he had. And so he was in a position

1 where he had to find another lawyer and he
2 only had 30 days to file an appeal. So he
3 had to file the appeal on his own behalf
4 individually.

5 And just so everybody knows, you
6 cannot file an appeal individually as a
7 person on behalf of your business
8 corporation, because that would be the
9 unauthorized practice of law. So that's
10 what's happened. And the New Car Commission
11 in response to his file -- his appeal, filed
12 this motion to dismiss his appeal on the
13 grounds that he could not file an appeal in
14 his name, that he had to have a lawyer to
15 represent his --

16 MR. POTEET:

17 Now, has the time expired?

18 MR. HALLACK:

19 Well, that's -- he's waiting on
20 the court to rule on that, but if the court
21 rules that he could not individually
22 represent his own corporation -- and it's
23 his corporation. It's 100 percent owned by
24 him. He's the only officer of the
25 corporation and everything. But if the

1 court rules that he cannot represent his own
2 corporation without a license to practice
3 law, then his appeal will be dismissed and
4 it will be dismissed with some liability.
5 So I don't know where the court is on that.
6 So that's where we're at. So if he loses
7 his appeal, he doesn't have to pay \$100,000.
8 So, basically, he's out of business and this
9 is a business that he's had for years. And,
10 like I said, the tragedy of it is, there's
11 another business in Houma that goes by the
12 name of Wholesale Autoplex and they've done
13 nothing to them.

14 MR. DUPLESSIS:

15 I guess if that's the case, then
16 Westlaw is not really pertinent to the law
17 going forward except for maybe how they
18 interpret it. I know Victor fairly well and
19 knew nothing of this. So maybe I'll try to
20 distance myself from that group here. That
21 sure took me out of my plan. At the end of
22 the day, if it does, I guess we're going to
23 have to stay focused on that, stay in the
24 know. But we -- if he -- if it is allowed
25 that he could appeal with counsel, then

1 maybe we should present an amicus brief. I
2 think the way your agency probably -- the
3 association should stay on top of this,
4 because it very well may be interpretive law
5 and case law.

6 So, you know, I guess Sheri,
7 Robert, Mr. Chairman, we ought to talk about
8 the sales finance act on how we're going to
9 handle that. I am kind of clueless.

10 MR. HALLACK:

11 Well, I think the Commission
12 needs to be directly involved with whatever
13 happens with Danny Alonzo, not so much as to
14 rely on the LIADA, but I think the
15 Commission needs to find out what's going on
16 there.

17 MR. POTEET:

18 Let me ask you a question at the
19 risk of opening a kind of different can of
20 worms. It is something that confuses me and
21 I have two lawyers in the room. Maybe you
22 can help me out with this. It seems like
23 the basis of the -- their whole idea about
24 the name "wholesale" is that that is
25 misrepresenting to consumers.

1 MR. HALLACK:

2 It's a violation of their
3 advertising laws -- rules and regulations,
4 not laws.

5 MR. POTEET:

6 Okay. And so somebody may or may
7 not have made some decision at some point in
8 time to say that "wholesale" in the name of
9 the business is -- you know, you're
10 defrauding or misleading consumers. But we
11 don't have that in our rules. So if you
12 have to get a motor vehicle finance license,
13 you can't have the name "wholesale." But if
14 you don't want to get one of those licenses
15 or don't need one, you can have the name
16 "wholesale." So if you believe that the
17 consumer is being misled, why would they be
18 misled by one group and not misled by
19 another group? And so that's why I said
20 we're opening another can of worms, but then
21 we're just -- maybe we're pushing the others
22 over the cliff with the rest of them, with
23 the others that have that. But wouldn't
24 that be the basis for us to look at this and
25 say, this is in -- you're putting us in a

1 position of now treating our licensees in
2 two different ways? Does that make sense at
3 all?

4 MR. HALLACK:

5 Oh, absolutely. I mean --

6 MR. POTEET:

7 I mean, we've been looking for a
8 way to sort of get into this. For me, this
9 is the way.

10 MR. HALLACK:

11 We have to be proactive. We have
12 to --

13 MR. POTEET:

14 But we have to have a reason to
15 be proactive.

16 MR. HALLACK:

17 Well, this is one of our
18 licensees that we believe is not being
19 treated fairly under their law.

20 MR. TAYLOR:

21 I think it's about overreach.
22 It's not necessarily -- it's overreach when
23 they're looking at the finance license in
24 their statutes.

25 MR. HALLACK:

1 Right.

2 MR. TAYLOR:

3 You know, I think the name whole
4 -- I don't necessarily agree 100 percent the
5 whole wholesale thing.

6 MR. POTEET:

7 No, Of course not.

8 MR. TAYLOR:

9 But today, that's not what we're
10 arguing, because we're arguing overreach.

11 MR. HALLACK:

12 Well, the bigger argument -- for
13 Mr. Alonzo, the bigger argument is that he
14 shouldn't have had to have a motor vehicle
15 sales finance license. He did not do any
16 direct lending. He refers his customers to
17 banks, to finance companies. So all he did
18 was have them fill out an application and he
19 sent in the application. So to Mr. Alonzo,
20 he was not financing. And so that's why we
21 decided to fight that.

22 And, of course, as we all know,
23 we've been over this for a year now, there's
24 an exemption under their law for motor
25 vehicle dealers. And we think, according to

1 the definition in the motor vehicle sales
2 finance act, motor vehicle includes used
3 motor vehicles as well. There is no
4 definition under the motor vehicle sales
5 finance act for a motor vehicle dealer. The
6 only definition is for a motor vehicle and
7 motor vehicle includes used motor vehicles.
8 So they have to go to the new car law
9 outside of the motor vehicle sales finance
10 act to find a definition that meets to what
11 they're trying to do on the motor vehicle
12 sales finance act. So I can guarantee you
13 that is something that they are going to try
14 to correct in this legislative session.

15 Mr. Duplessis has pointed out
16 that they are going to be -- they are
17 already engaged, involved. They're going to
18 their representatives and senators. There's
19 a reason why they're doing that and they
20 know they've got to make this correction in
21 the motor vehicle sales finance act to
22 include just new car dealers. They only
23 want the exemption to the motor vehicle
24 sales finance act for new car dealers.

25 MR. DONNELL:

1 And, you know, we know what's
2 happening and what I'd like to do is get
3 Derek to get Dwayne to invite all the Board
4 members here. It's very important. I mean,
5 lobbyists in Baton Rouge make the world go
6 around, you know. They have got a strong
7 lobby. We can't lobby. We've got to get
8 them to lobby for us. We've got to get more
9 --

10 MR. PARNELL:

11 I'll try to get something set up.

12 MR. HALLACK:

13 But none of the legislation I've
14 proposed has anything to do with the motor
15 vehicle sales finance act. And the reason
16 is, I just don't think we can do it. As a
17 Commission, we can't do it. We certainly
18 cannot do it, because the grass roots is not
19 there for us. It just is not happening.
20 And it doesn't seem like it's ever going to
21 happen. The LIADA just does not seem to be
22 engaged in this problem. Everybody is happy
23 paying the \$400 a year. Your license --

24 MR. POTEET:

25 They are not happy. They're

1 accepting.

2 MR. TAYLOR:

3 Scared is maybe the word.

4 MR. TAMBLING:

5 Just on that note, maybe off the
6 record --

7 MR. POTEET:

8 Let's not go off the record.

9 MR. TAMBLING:

10 Well, I spoke to Danny Alonzo a
11 couple days ago and as of right now, he has
12 one dealer that has actually sided with him
13 in the lawsuit. And we reached out and
14 touched base with over 130 dealers that had
15 "wholesale" in their name and, you know, we
16 raised money for a lobbyist. We worked hard
17 on this, you know, this year. And out of
18 everybody that we reached out to, the
19 dealers do not want to get involved in it
20 that we've come in contact with. They said,
21 we'll just pay the \$400.

22 MR. HALLACK:

23 You can imagine all those people
24 just paid \$400 toward getting a lobbyist,
25 how much money they could raised.

1 MR. OLAVE:

2 Robert, you had brought up one
3 time that the loan -- that the definition of
4 loan origination had already been defined by
5 a federal agency. I mean, I would just
6 believe that was -- if I was an attorney,
7 that would be my first point of contention
8 is because it has already been defined and
9 they're redefining it for their own
10 purposes. And I don't know, maybe it gets
11 squashed there. If it's a standardized loan
12 origination, in other words, to be at, you
13 know, the time of funding or disclosure or
14 whatever it is, then all of that goes way.

15 MR. HALLACK:

16 Actually, the -- and one time we
17 looked at the definition and the definition
18 doesn't really help us as much as the fact
19 is that there is an exemption under the
20 motor vehicle sales finance act for motor
21 vehicle dealers. That's the biggest thing.

22 MR. OLAVE:

23 Yes.

24 MR. HALLACK:

25 They're interpreting that to be

1 new car dealers are exempted from the law,
2 but the new -- the motor vehicle sales
3 finance act does not say new car dealers.
4 It just says motor vehicle dealers and motor
5 vehicle dealers is not defined, but motor
6 vehicle is defined as also including used
7 motor vehicles.

8 MR. OLAVE:

9 Got you.

10 MR. HALLACK:

11 You know, this law was developed
12 in the '50s, you know, when I don't think
13 anybody was even worried about used motor
14 vehicle dealers at that time, you know. So
15 when the law was written, it was written
16 only -- perhaps, the only thing they knew
17 were new car dealers, I guess. I'm not sure
18 exactly when the independent used motor
19 vehicle industry started taking all away
20 from franchise dealers. But at the time
21 that this was all written, I don't think
22 there were that many independent used motor
23 vehicle dealers in the '50s. Maybe I'm
24 wrong. Do y'all know? Does anybody know?

25 MR. DUPLESSIS:

1 Well, unfortunately, I do, sad to
2 say. You know, in 1975 when I got into the
3 business, the -- everybody normally went to
4 the bank and they had a banker's
5 relationship and the average car loan was 12
6 months. And now there's 72 and 84. I guess
7 times have changed, for sure, maybe both.
8 But there was not that relationship of the
9 indirect lending. Warranties were
10 non-existent. Gap -- none of these products
11 were there. So, therefore, it didn't really
12 kind of rear its head and there wasn't the
13 conversion issues, the lifted trucks and so
14 forth. The used car dealers were there and
15 they were expected to do a job new car
16 dealers didn't want to do. Now, they're
17 emerging to -- I think, in a lot of areas go
18 head to head to see what the new car
19 dealers, what they are allowed to do. New
20 car dealers' threshold responsibility is
21 much higher and when you get on Yelp and you
22 get on so many other consumer sites, a new
23 car dealer can't sell what a lot of used car
24 dealers are known to sell. And they cater
25 to a different segment of the public. So

1 it's changed a great deal. And, again, it
2 kind of reared its head probably the last 10
3 years, I would say.

4 MR. POTEET:

5 Well, I know from the history of
6 the National Auto Auction Association that
7 used car dealers have been around for as
8 long as the National Auto Auction
9 Association has been around, which is about
10 80 years. And I'm sure they were around
11 before that. And if the other -- there's a
12 famous scene in the 1961 movie "Psycho"
13 where there's actually a transaction at a
14 used car dealer lot. So if anybody wants to
15 have some fun with trivia, watch "Psycho."
16 It stops just before the shower scene.

17 So, you know, I -- one of the
18 things that I see in here, we just keep
19 talking about overreach and what they're
20 doing. Something that came up at the
21 auction the other day was, how come new car
22 dealers don't have a used car dealer
23 license. Does anybody know the answer to
24 that.

25 MR. DUPLESSIS:

1 Yes, I do. It's all
2 encompassing. Sheri and I wrote a lot of
3 new car dealer legislation for a couple
4 years and I had been involved with it before
5 that. Basically, the New Car Commission
6 feels that they have the overreach of the
7 entire transaction -- set of transactions of
8 the new car dealer. They can go and examine
9 its books, its records, its licenses, its
10 files and that would encompass finance. It
11 would encompass the body shop and service
12 activities. It covers dealer's entire
13 license. And no one has ever challenged it.
14 I'm not sure it's specifically addressed.
15 But as a new car dealer, you really don't
16 want to piss off the New Car Commission.

17 MS. MORRIS:

18 There's an exemption in the law
19 that says a new car dealer doesn't need a
20 used license. So then the New Car
21 Commission has jurisdiction over that
22 dealer. So, like Ron said, they can still
23 examine the books in the used car shop as
24 well as the new car.

25 MR. HALLACK:

1 During the Foster administration
2 when they tried to take motorcycles, a new
3 car dealer was Peake BMW. Peake BMW also
4 sold BMW motorcycles. Well, motorcycles
5 were our exclusive jurisdiction and
6 authority back then. And Peake BMW said,
7 no, we're not getting a motorcycle license
8 from you, because we got a license from the
9 New Car Commission. And that started the
10 fight that ended up at the Capitol with
11 Governor Foster saying, children behave, and
12 if you can't behave, you -- I'll have to
13 intervene and you -- neither one of you will
14 like it.

15 But during that, when they
16 started the fight over Peake BMW motorcycles
17 is when we fired back and said, okay, you're
18 independent used car lots and the lot that
19 you have that is not at your new car lot,
20 that needs to be licensed by us. And that
21 was a noble reaction to the motorcycle deal,
22 but -- and that's what happened there. So I
23 don't recommend that we go with anything
24 right now with regard to the motor vehicle
25 sales finance act until we're sure that we

1 can get some grass roots backing on that.
2 And I think we need to include the LIADA
3 officers and directors on our agenda. If
4 they see our agenda, they know what's going
5 on. I know we have, what -- Mr. Donnell,
6 you're on the --

7 MR. DONNELL:

8 Matt and I.

9 MR. HALLACK:

10 Okay. Are on the LIADA. And
11 I've said this, we've got to get this done.
12 We've got to become more involved with what
13 we do.

14 MR. POTEET:

15 Well, we -- yes. I mean, if they
16 don't come out and fight for this, it's not
17 going to be something we can push.

18 MR. HALLACK:

19 No. I agree.

20 MR. DONNELL:

21 We got to do it legally.

22 MR. POTEET:

23 All right. With that being said,
24 let's look at what amendments we do have for
25 the legislation. It's going to be a tab

1 under legislation.

2 Robert, do you want to go with
3 this here?

4 MR. HALLACK:

5 Yes. The first thing I think we
6 need to do is, we need to redefine motor
7 vehicles. Our definition of motor vehicles,
8 you can see it there, everything that's
9 marked through is something we want to
10 delete. So where you see marked through,
11 that's a deletion. Where you see underline,
12 that's a new provision. You can tell from
13 what's been marked through under our
14 definition of motor vehicle how confusing
15 and absurd that definition actually is.
16 It's crazy.

17 So what I would suggest is that
18 we go with something a lot more simple and
19 something that's kind of in keeping with
20 what the New Car Commission does. So what
21 I've recommended is that a motor vehicle is
22 defined as a vehicle required to be
23 registered, which was or is designed to be
24 used for the transporting of passengers or
25 goods for public, private, commercial or for

1 hire purposes. It closely follows what the
2 New Car Commission has for motor vehicle.

3 Does anybody have any questions
4 about that?

5 MR. POTEET:

6 You're taking out a lot of words.

7 MR. OLAVE:

8 A lot of them are recreational,
9 motorcycles.

10 MR. POTEET:

11 I don't see any problem with
12 that.

13 Does anybody have any issues with
14 that?

15 MR. TAYLOR:

16 I just wonder if we're excluding
17 me as a recreational dealer. Do all of us
18 have to be registered now that they do?

19 MR. HALLACK:

20 Yes. Even four-wheelers have to
21 be registered, but they have to be
22 registered with the Department of Wildlife
23 and Fisheries.

24 MR. DUPLESSIS:

25 Not licensed, just registered.

1 MR. HALLACK:

2 Right, both. Same thing, they
3 have to be registered. And, like I said,
4 this follows the new car law. Most of this
5 was something that we had previously
6 discussed that we were going to go with
7 before we made the big change and decided to
8 do something with the motor vehicle sales
9 finance act. So you've seen all of this
10 before. The second page, I still think we
11 need to have a better mission statement in
12 our jurisdiction and authority.

13 MR. POTEET:

14 Could I ask a question just going
15 back? This is probably for -- well, Matt is
16 another auction guy here now. So if you get
17 a license from the Motor Vehicle Commission,
18 they license not only new car dealers, but
19 motorcycles, RV, what else, boats?

20 MR. HALLACK:

21 Travel trailers.

22 MR. POTEET:

23 Okay.

24 MR. DUPLESSIS:

25 Anything with a franchise

1 agreement.

2 MR. POTEET:

3 Okay. All right. So if somebody
4 gets a license there, they are allowed to
5 come to the auction and buy and sell, right?
6 They don't need a licensed from us?

7 MR. HALLACK:

8 That's correct.

9 MR. POTEET:

10 Okay. I just wanted to make sure
11 about that. Okay. Thank you.

12 MR. HALLACK:

13 Anyway, this is -- like I said
14 before, I think we need a clear mission
15 statement on what it is that we do. So
16 that's what I agree -- I think we need to
17 try to put that in there. Now, this is
18 going to be something that the New Car
19 Commission is not going to like. If you
20 look at our old definition, it kind of says,
21 you know, you're subservient to the New Car
22 Commission. And I think we need a mission
23 statement that says we're not subservient to
24 the New Car Commission. We do something
25 that is completely different from what you

1 do and we license people that don't do
2 anything like what you do. And so that's
3 why I think we need to have a mission
4 statement that says we're independent from
5 you. We do something completely different
6 from what you do. And that's why we need to
7 be -- we need to have a different
8 commission. We need to be regulated and
9 licensed by a different agency. That's why
10 I think we need to have a mission statement
11 that sets forth what it is that this agency
12 does.

13 MR. TAYLOR:

14 Page 3, if you go to the top, I
15 might be over thinking this, but I'm
16 thinking about our field officers. And it
17 basically -- well, it doesn't basically say.
18 It says, "The Used Motor Vehicle Commission
19 will encourage and strengthen the
20 relationship between dealers and consumers
21 by working with them to resolve disputes."
22 Most of these disputes are civil. When
23 these guys get out there, I wonder if we
24 shouldn't add the words "to help resolve
25 disputes" versus "to resolve disputes." And

1 that might just take a little heat off of
2 Montie and the rest of the field agents. Or
3 am I over thinking that?

4 MR. OLAVE:

5 It says, "encourage."

6 MR. HALLACK:

7 No. We have two investigators in
8 here right now.

9 Guys, how much do you think your
10 time is spent trying to resolve a civil
11 dispute, a lot?

12 MR. WISENOR:

13 Yes, about 70 percent, I mean,
14 because the majority of our complaints are
15 -- turn out to be civil issues, but we still
16 work the complaint to see if anything can be
17 done. But if the dealer chooses not to, we
18 can't force the issue, because no violation
19 has been committed.

20 MR. PEDERSON:

21 We do now try to mediate some
22 kind of fair agreement between the dealer
23 and the consumer.

24 MR. HALLACK:

25 I've seen instances where y'all

1 have gotten the dealer to take back a car
2 that he didn't have to under our law take it
3 back.

4 MR. WISENOR:

5 Or make repairs that by law he
6 wouldn't have -- would have had to do, but
7 he chose to --

8 MR. PEDERSON:

9 Refund portions of money.

10 MR. WISENOR:

11 Right.

12 MR. TAYLOR:

13 He has helped mediate -- Montie
14 has helped mediate my office between me and
15 a consumer over the past nine years we've
16 been in business several times and have done
17 an excellent job of doing that. But, once
18 again, I think that Dwayne should be able
19 help resolve disputes, so he can walk away
20 from it or he does not have to hear anything
21 from the dealer saying, it says right here,
22 you're going to resolve this dispute, or the
23 consumer says, you're going to resolve this
24 dispute.

25 MR. HALLACK:

1 That's an excellent point. We
2 need to make that change.

3 MR. POTEET:

4 Facilitate dispute resolution?

5 MR. HALLACK:

6 I think simply put just to help
7 resolve.

8 MR. POTEET:

9 Let's go with that.

10 MR. HALLACK:

11 The next change that we're
12 proposing is with regard to the bond. We
13 don't really have anything within our law
14 right now that says that we have the
15 authority and jurisdiction to resolve a bond
16 dispute. So, basically, this includes --
17 gives the Commission the authority and
18 jurisdiction to do something it already
19 does, but -- and that includes not only
20 enforcing the bond, but it also includes if
21 a bond company pays a bond that shouldn't
22 have been paid. I mean, we've had that, how
23 many times, Kim, in the last five years
24 where a bond company has paid a bond it
25 shouldn't have paid?

1 MS. BARON:

2 That it shouldn't have paid?

3 MR. HALLACK:

4 Yes.

5 MR. WISENOR:

6 Paid a claim.

7 MR. HALLACK:

8 Paid a claim -- they went behind
9 our back and paid a claim that they
10 shouldn't have.

11 MS. BARON:

12 Yes. Five or six, maybe.

13 MR. HALLACK:

14 Okay.

15 MR. WISENOR:

16 I had a dealer in my area file
17 against his own bond and they paid on two
18 vehicles.

19 MS. BARON:

20 Yes.

21 MR. WISENOR:

22 The customer got -- the only
23 benefit was it was -- the customer would not
24 have been able to file a claim, because they
25 didn't pay the taxes with the transaction,

1 but, I mean, Kim, she was not happy with it,
2 that he was able to do so.

3 MR. HALLACK:

4 And, Kim, how much of a function
5 is this for you every day? How many -- on
6 average, how much time do you spend on bond
7 claims?

8 MS. BARON:

9 I would say probably 40 to 50
10 percent, because I do -- we do a lot of
11 claims against surety. They have a lot of
12 dealers that go out of business or collect
13 those taxes, and then they don't submit them
14 to the state. And so we have to do the
15 claim against surety. We have to go through
16 that process and it's a process. I mean,
17 it's cumbersome to the consumer as well,
18 because they have to get information, you
19 know, from their finance company and from
20 this and that. But it takes a good bit of
21 time.

22 MR. HALLACK:

23 So, basically, this says that we
24 have the authority and jurisdiction to do
25 that and it also permits the Executive

1 Director to initiate a lawsuit if he needs
2 to, to either enforce a claim or to get back
3 money that was paid unlawfully.

4 MS. BARON:

5 And I will tell you that these
6 bond companies take their time about paying
7 this back. And when we're trying to get a
8 reimbursement for a consumer, it's usually
9 because that consumer needs that money, you
10 know. If they have to go and pay late fees,
11 penalties, and interest when they go to get
12 their vehicle registered and it's because
13 the dealer did not give them the title in a
14 timely manner, then that's money out of
15 their pocket. And I've seen it be, you
16 know, 2 or \$300 dollars. That's a lot to
17 some of these people. And the bond company,
18 I mean, they take their time. If there is
19 anything, we should put a regulations on how
20 much time they have to pay it back to us,
21 you know, when we file a claim, that would
22 be great. But I don't know if that's doable
23 or not, but.

24 MR. HALLACK:

25 Well, I can tell you when Kim

1 turned one over to me and I sent them a
2 letter threatening to file suit, they
3 typically get --

4 MR. POTEET:

5 Come to the table, huh?

6 MS. BARON:

7 They send a check.

8 MR. CORMIER:

9 What's the normal turnaround?

10 MS. BARON:

11 Normal?

12 MR. CORMIER:

13 Yes.

14 MS. BARON:

15 Six months.

16 MR. CORMIER:

17 Wow.

18 MS. BARON:

19 It's -- I've had -- I've got
20 claims against surety, claims on the books.
21 When they go to Motor Vehicle, Motor Vehicle
22 requires certain documents from the
23 consumer. I have some dating back to 2004,
24 because the consumer has never given that
25 information back, but once I send it to the

1 bond company, the Motor Vehicle
2 Commission -- the Office of Motor Vehicle,
3 excuse me, sends it back to me and I
4 petition the bond company for that money.
5 It can be anywhere from six, eight months,
6 sometimes a year. I've given them to
7 Robert. These people just won't send me
8 anything. And I send them second notices
9 and stuff and a lot of times, they just drag
10 their feet.

11 MR. DUPLESSIS:

12 Well, they've got a lot of
13 diligence to do to make sure that that's a
14 worthy bond.

15 MS. BARON:

16 Well -- and they send me the --
17 the first time I sent a letter saying, we're
18 getting with the principal and see if he
19 wants to pay. And then I have some of them
20 that call, did they ever pay? He told me he
21 was going to, but he didn't. But, you know,
22 the majority of them are probably six months
23 if not longer.

24 MR. HALLACK:

25 Now, I think we should try to

1 figure out a way to put a time limit from
2 the time that she presents, like,
3 satisfactory proof of loss to the bond
4 company, they should be given, like, 60 days
5 in which to pay a claim.

6 MR. DUPLESSIS:

7 But, Robert, what's the remedy?

8 MR. HALLACK:

9 Well, the remedy is that we can
10 sue them. You also notice under this, they
11 have to pay the attorney fees and court
12 costs.

13 MR. CORMIER:

14 That's affecting the consumer.
15 He's hung out that long.

16 MS. BARON:

17 Yes.

18 MR. HALLACK:

19 You're saying 60 days is too
20 long?

21 MR. POTEET:

22 No, the six months.

23 MS. BARON:

24 No, the six months.

25 MR. DUPLESSIS:

1 No, 60 plus the suit.

2 MR. WISENOR:

3 Act 699 requires you to wait six
4 months from the date of purchase to file or
5 is that through Motor Vehicle?

6 MS. BARON:

7 That's Motor Vehicle law, yes.
8 Motor Vehicle law -- in their law, for some
9 reason, they have -- once I send a claim
10 against surety to them, they -- is it six
11 months or three?

12 MR. WISENOR:

13 Six months.

14 MS. BARON:

15 Six months. They wait six months
16 before they even, you know, work on it and
17 that's so the dealer can come back and say,
18 well, you know, I'm going to pay those
19 taxes, I'm going to -- you know, six months,
20 to me, is a little excessive. If you kept
21 that tax money in the first place, what says
22 you're going to come back in six months and
23 pay it?

24 MR. HALLACK:

25 Any other questions about that

1 provision?

2 MR. DUPLESSIS:

3 We can hash that out later.

4 Let's go ahead and move on.

5 MR. HALLACK:

6 The next section, we have some
7 changes with regard to the businesses that
8 we regulate. For instance, if you look at
9 the -- in 784, it lists out all the
10 businesses that this agency licenses and
11 regulates. And there are a couple that, for
12 whatever reason, didn't make the list. For
13 instance, you see there under #4, and we're
14 on page 4, motor vehicle crusher is not in
15 there and we do license and regulate motor
16 vehicle crushers. Just for some reason,
17 that word just never made our list. The
18 other thing that I've got in here, also, is
19 daily rentals. I know there are -- do y'all
20 have any idea how many daily rental dealers
21 there are? But anyway --

22 MR. DUPLESSIS:

23 A good many.

24 MR. HALLACK:

25 A good many, okay. So we have

1 daily rentals that I recommended that we put
2 in there and also the dealers who rent with
3 the option to purchase we put in there. And
4 the reason why I'm trying to straighten out
5 the daily rentals and take that out of
6 Subsection B, all I'm trying to do is simple
7 bylaws to make sure everybody understands
8 that daily rentals is a license that we
9 license and regulate. We license and
10 regulate daily rentals and let me explain
11 that. For any person who rents vehicles
12 that are two years old or older, and if it's
13 within two years, that is licensed and
14 regulated by the New Car Commission.

15 MR. DONNELL:

16 That's a rent-to-own.

17 MR. HALLACK:

18 That's daily rentals. So I just
19 want to try to clarify the law, because I
20 don't think the New Car Commission is
21 enforcing this provision correctly either.
22 We have a lot of rent-to-own. They call
23 them lease-to-own. They're not actually
24 lease-to-own. They don't follow any part of
25 lease law whatsoever, but they rent-to-own

1 vehicles that are two years old or older,
2 who are licensed and regulated by the New
3 Car Commission. I can give you an example.
4 Everybody Rides is licensed and regulated by
5 the New Car Commission. And not a car they
6 rent at Everybody Rides is within two years.
7 It is all outside of two years. We had a
8 field investigator go to Everybody Rides in
9 Baton Rouge and there were no cars on their
10 lot that were within two years of age.

11 MR. DONNELL:

12 Whatever happened to --

13 MR. TAYLOR:

14 Notice that he wasn't operating
15 now.

16 MR. HALLACK:

17 There are 25 daily rentals.

18 MR. OLAVE:

19 We have 25 dealers that are daily
20 rental?

21 MR. POTEET:

22 25 daily rentals.

23 MR. HALLACK:

24 Now, rent-to-own, I think at one
25 time we counted rent-to-own was like 128,

1 130.

2 MR. TAYLOR:

3 Yes. They moved from the Used
4 Car Commission to the New Car Commission
5 contingent liability insurance for that
6 whole deal back then, which now we cleaned
7 up the legislation a couple years ago and
8 it's no longer a factor. I agree. We had a
9 dealer in Monroe that I whined and
10 complained about for months on end about
11 them operating, selling 15, 18 year-old
12 cars, leasing them, and getting a license
13 from the New Car Commission and being able
14 to operate as a used car dealer after we
15 took their license. I forgot the name of
16 the dealership, but I do see that they're
17 closed now.

18 MR. WISENOR:

19 Well, they're still active.

20 MR. TAYLOR:

21 Are they? I just haven't seen
22 any cars there.

23 MR. DONNELL:

24 I didn't see any cars there the
25 last time I went, but they're still there.

1 MR. HALLACK:

2 There is a business that we took
3 out of business. We revoked their license
4 as a rent-to-own dealer and they went and
5 got a lease-to-own license from the New Car
6 Commission. I'm assuming that's who we're
7 talking about. At one time we looked at
8 this, there were half a dozen, maybe eight
9 rent-to-own dealers that had licenses with
10 the New Car Commission. So what we're
11 trying to do is we're trying to straighten
12 this out, because every time we've sat down
13 with the New Car Commission to get them to
14 understand that they shouldn't license and
15 regulate this, they act confused about what
16 the law says, which is clear by the law.

17 The other thing I think we need
18 to do, I think we need to separate the daily
19 rental license from the rent-to-own license.
20 The rent-to-own license, you have a whole
21 section, 794, which he has to comply with.
22 And I think we need to separate the
23 rent-to-own license from the daily rental
24 license.

25 MR. DUPLESSIS:

1 Any information to put
2 lease-to-own in their law that are two years
3 or older.

4 MR. HALLACK:

5 The biggest difference from lease
6 and rent is what you know -- well, nobody
7 knows. Okay. Well, there are a lot of
8 reasons, but the biggest reason is, when you
9 rent a vehicle, that vehicle stays in the
10 dealer's name and he still owns that
11 vehicle. When you lease a vehicle, it has
12 to go to a lease holding company. So it's
13 no longer in the dealer's name. It goes to
14 a lease holding company. And the lessor, he
15 has to comply with all kind of repossession
16 laws in order to repossess that vehicle.
17 Whereas, a renter, he can go get it, because
18 the car belongs to him. He's got to go get
19 it on a five-day notice, but he can get it.

20 MR. DUPLESSIS:

21 He's also required to pay his
22 federal taxes up front on the entire term of
23 lease.

24 MR. HALLACK:

25 That's right. Whereas, the

1 rental guy only pays his per month. So
2 those are big reasons. And we know that the
3 people who are lease-to-own are not doing
4 that. They're self-help repossessing and
5 not paying their taxes up front, so.

6 MR. DUPLESSIS:

7 I think this is easy to explain
8 once we get it to the table. I'd like to
9 see it included.

10 MR. HALLACK:

11 Yes. So that is kind of -- I
12 wouldn't say anti-new car, but it is
13 something that they're probably going to
14 push back on.

15 MR. POTEET:

16 If you define rent-to-own
17 properly, then once we knew somebody was
18 doing that, we can just --

19 MR. DUPLESSIS:

20 Cite them.

21 MR. POTEET:

22 -- go after them and say, you're
23 not doing lease-to-own, you're rent-to-own.
24 Because this is a curbstoner. It's the same
25 thing as a curbstoner, I'm operating under

1 this license. A curbstoner doesn't have a
2 license, but I'm operating under this
3 guidance, but in reality, no, that's not
4 what you are.

5 MR. HALLACK:

6 The other important thing is that
7 these so-called lease-to-own people like
8 Everybody Rides, they don't have to comply
9 with 32:794, but our rent-to-own guys, they
10 do have to comply with 794. So, I mean,
11 that's a good reason for somebody like
12 Everybody Rides to say, I don't want to be
13 in the Used Motor Vehicle Commission,
14 because I've got to comply with their law.
15 Because the New Car Commission, they don't
16 have real tough laws on lease-to-own.

17 The next thing we have is -- this
18 is a provision that was in our law.

19 MR. TAYLOR:

20 Are you reading 794 right now?

21 MR. HALLACK:

22 I'm sorry.

23 MR. TAYLOR:

24 Let me ask you about this part
25 that concerns me for our auction owners

1 here. "No person, partnership, corporation,
2 LLC, or other entity unless licensed by the
3 Commission as a used car dealer shall engage
4 in business as a broker, purchasing company,
5 sales agent, or similar title for the
6 procurement of prospective purchases for
7 used motor vehicles."

8 So I'm just making sure that this
9 is not going to give our auctions any
10 problems with some of the debates that we've
11 had about if they are not licensed, can you
12 still come buy -- if you're an out-of-state
13 buyer, can you still come in here without a
14 license and buy from the auction. Does that
15 give them any grief or any complications.

16 MR. HALLACK:

17 Well, you see, that's not
18 proposed in the new law. That's existing
19 law. That's already on the book.

20 MR. TAYLOR:

21 Okay.

22 MR. HALLACK:

23 It's not being deleted. It's not
24 being introduced. That's the way it already
25 is right now.

1 MR. TAYLOR:

2 Okay.

3 MR. POTEET:

4 Yes. We had this discussion a
5 few years back when there was a proposal
6 that you had to have a salesman's license to
7 attend the auction. And my argument was,
8 you know, if we do that, you're going to
9 severely hamstring all Louisiana car dealers
10 and make it, you know, tough on the
11 auctions, but really the people you hurt
12 would be the car dealers. And so we got
13 that -- you know, the idea was, if you're an
14 employee, you can be sent to do buying or
15 selling at the auction, because there's no
16 consumer transaction occurring.

17 MR. HALLACK:

18 It's a little bit broader than
19 employees. As long as you have a letter
20 authorizing --

21 MR. POTEET:

22 Yes. You've just got to be
23 authorized and we use that authorization.

24 MR. HALLACK:

25 My understanding is that you

1 might be there on behalf of two or three
2 different dealerships, right?

3 MR. POTEET:

4 You do have that, but we run into
5 this occasionally. Somebody says they're
6 not going to pay for a car, because they
7 fired so and so, but we have a document here
8 that says you authorized that he can buy.
9 Have you run into that.

10 MR. TAYLOR:

11 We're okay.

12 MR. POTEET:

13 All right.

14 MR. HALLACK:

15 The next thing on page 6, we're
16 creating a violation -- a very broad
17 violation. We used to for a long time have
18 this similar provision and it's actually in
19 the law right now under 804(A)3 for
20 dismantlers, parts recyclers, crushers, and
21 others. For them, all we're doing is trying
22 to state the same thing. We are trying to
23 recreate something that we've had in the
24 past. So we're trying to make it a very
25 vague open provision that will allow us to

1 write a violation for any violation with
2 regard to a used motor vehicle transaction.

3 And let me explain a little bit
4 more. There are a lot of laws in the motor
5 vehicle logbook that Motor Vehicles cannot
6 enforce. We had a meeting with Joe Jarreau
7 two or three weeks ago and they have nobody
8 to enforce motor vehicle provisions right
9 now, none whatsoever. We can't get State
10 Police to go do it. State Police refuses to
11 it. If you ask a State Police person right
12 now to go enforce motor vehicle provisions,
13 you know what they'll say? Go to the Used
14 Motor Vehicle Commission. And we just don't
15 have that carte blanche authority to write a
16 violation under any provision, including the
17 motor vehicle law and Motor Vehicle doesn't
18 even have that ability, because they don't
19 have anybody to enforce it. So that
20 basically -- this gives us -- if it's any
21 provision dealing with a used motor vehicle
22 transaction, it's a violation of a
23 provision, then, you know, we can write up a
24 violation ticket for it.

25 Guys, what do y'all think about

1 that?

2 MR. WISENOR:

3 I think it would help at some
4 point, because it would address a lot of
5 disclosure issues, you know, failure to
6 disclose salvage history or any type,
7 branded history, on titles. Right now, we
8 just have to address it as committing a
9 fraudulent act. You've got to prove that
10 the dealer intentionally tried to mislead
11 the customer. For that, you'd be able to
12 actually apply the -- what is it, 707 or 706
13 that addresses the disclosure? I think that
14 would be a good thing for the dealer as
15 well, you know.

16 MR. HALLACK:

17 Yes, that's right. So if you
18 have somebody that's got a car out there to
19 a customer on a dealer tag, they can't
20 really write a ticket on it.

21 MR. WISENOR:

22 You might. That's a misuse of
23 temp tag. We expanded that actually to
24 address different types of tags, because
25 it's mainly applied to 60 day temp tags.

1 MR. HALLACK:

2 Does anybody have any questions
3 about that provision?

4 (No response.)

5 MR. HALLACK:

6 Does anybody have any objection
7 to this provision?

8 (No response.)

9 MR. HALLACK:

10 And this is the reason why we
11 want people in the association to be
12 involved, because we don't want people to
13 come back three months from now when we've
14 written it up and we've got an author that's
15 going to sponsor the bill, we have some
16 dealer from somewhere saying, hey, I don't
17 like that. Well, we've been talking about
18 this since October. Where were you? We
19 need people to be engaged in this process.

20 Page 6, okay. At some point, we
21 wrote into our law the as is warranty. What
22 we wrote in our -- into our law is in
23 conflict with the civil code. And the civil
24 code is the basis for all our law in
25 Louisiana. And the civil code has

1 provisions with regard to redhibition and
2 those provisions are interpreted by the
3 court. What we did was, we came in and
4 said, you know, redhibition doesn't matter
5 anymore and nobody called us on that --
6 nobody has called us on that. But we wrote
7 the provision in there that says, if you
8 sign as is, that's it. There's nothing else
9 we can do.

10 Now, I know if I was a used motor
11 vehicle dealer, I would love this provision
12 in the law. But a lot of times what -- it
13 hinders an investigator's ability to try to
14 negotiate a deal between a customer and a
15 dealer. Also, too, I mean, we put in one
16 paragraph what the civil code has done over
17 several pages. And, basically, this is in
18 conflict with the civil code. So if we're
19 going to do it, and I think we probably
20 should, we should come up with some kind of
21 express waiver of warranty. In other words,
22 for instance, the customer shall acknowledge
23 the terms of the sale. But how? Should
24 they acknowledge it in writing? Should they
25 acknowledge -- and what are they going to

1 acknowledge? There are a lot of things that
2 are in this provision that aren't spelled
3 out.

4 So I think it's something that we
5 need to either delete or we need to revise
6 and we need to revise by giving a lot more
7 language page to it to cover all kinds of
8 situations. Because redhibition has been in
9 the civil code since there was a state. So,
10 I mean, in one fell swoop, we managed to get
11 rid of redhibition and I don't think it's
12 been addressed yet. I know lots of dealers
13 have used this provision and rightfully so.
14 But I'm worried that maybe some dealers will
15 use this provision wrongfully. So I think
16 we need to get rid of it or we need to
17 revise it and put some more language in it.
18 So what do you think?

19 MR. TAYLOR:

20 I'll have to think about that
21 some more.

22 MR. DUPLESSIS:

23 Well, we have to look the at
24 Federal Trade Commission and their
25 redhibition.

1 MR. HALLACK:

2 And that's it.

3 MR. DUPLESSIS:

4 Mr. Chairman, I think -- Sheri,
5 anything on the administrative procedures
6 act that we should be cautious of?

7 MS. MORRIS:

8 No. I think Robert was also
9 working on the revisions.

10 MR. HALLACK:

11 Yes.

12 MR. DUPLESSIS:

13 You have those as well?

14 MR. HALLACK:

15 You should have this, right?

16 MS. BARON:

17 I haven't given it out, yet.

18 MR. HALLACK:

19 So, guys, if y'all don't have any
20 objection to this legislation that we're
21 proposing, we're going to put this in the
22 form of a bill and look for an author for
23 it. So I think we need to have it on the
24 agenda for next time and I really, really,
25 really think we should get some dealers

1 involved in this.

2 MR. POTEET:

3 Should we have a legislative
4 meeting?

5 MR. DUPLESSIS:

6 We need to have a legislative
7 meeting in November.

8 MR. DONELL:

9 We didn't have a meeting in
10 December.

11 MR. HALLACK:

12 We need to combine the
13 legislative meeting with the regular
14 meeting.

15 MS. BARON:

16 We did.

17 MR. TAYLOR:

18 Well, maybe we need to get the
19 LIADA involved. They should involved in
20 that anyway. They should be there.

21 MR. DUPLESSIS:

22 The third Monday of the month is
23 the 20th. So that might be a safe haven for
24 the holidays.

25 MR. POTEET:

1 That's just before Thanksgiving.

2 MR. DUPLESSIS:

3 Right. Does anybody want to put
4 that in form of a motion?

5 MR. DONNELL:

6 So moved.

7 MR. POTEET:

8 Is the 20th good for everybody?
9 We have a motion on the floor. I need a
10 second.

11 MR. OLAVE:

12 Second.

13 MR. OLAVE:

14 This is for a legislative
15 meeting?

16 MS. BARON:

17 That Thursday is Thanksgiving.
18 So it would be --

19 MR. POTEET:

20 Well, we're still planning on
21 having a regular Commission meeting.

22 MS. BARON:

23 Right. But I'm just saying that
24 to make sure we have enough people.

25 MR. DONNELL:

1 And what day is that on?

2 MR. POTEET:

3 Monday the 20th.

4 MR. DUPLESSIS:

5 When do y'all have your meetings?

6 Could you call possibly a meeting on Monday

7 -- could you do it Tuesday morning? Would

8 that work for everybody?

9 MR. POTEET:

10 Not Tuesday morning for me.

11 MR. DUPLESSIS:

12 That's a terrible idea,

13 Mr. Chairman.

14 MR. POTEET:

15 I think, you know, just doing one

16 back to back. They'll have many meetings

17 between now and --

18 MS. BARON:

19 Do you want to set a specific

20 time, like, noon or 1 o'clock?

21 MR. POTEET:

22 Are we're going to do it -- we

23 did it last year off site.

24 MS. BARON:

25 Last year, we did.

1 MR. DUPLESSIS:

2 The State Archives building was
3 always kind of the home for that since it
4 was a fairly large auditorium.

5 MR. PARNELL:

6 Do you want to try to acquire
7 that building space for this?

8 MR. POTEET:

9 I wish we had --

10 MS. BARON:

11 We're going to have a hearing.

12 MR. POTEET:

13 Okay.

14 MR. DUPLESSIS:

15 Can we push the hearing to
16 December or is it that critical?

17 MR. POTEET:

18 We have a motion on the floor
19 right now. Do we want to vote, no, on
20 Monday, November 20th. Who made the motion,
21 Ricky?

22 MR. DONNELL:

23 I made it.

24 MR. POTEET:

25 Do you want to rescind it for

1 more discussion?

2 MR. DONNELL:

3 Yes. I'll rescind it.

4 MR. POTEET:

5 All right. So what does
6 everybody think about moving it to December?
7 I mean, if you're going to do that with the
8 other meeting, we're going to be into --
9 it's going to around the 20th, roughly.

10 MR. DUPLESSIS:

11 Well, it's a fiscal session.

12 MR. OLAVE:

13 Well, when does it -- yes. When
14 does the session start?

15 MS. MORRIS:

16 March 12th, and this is a general
17 session.

18 MR. DUPLESSIS:

19 Upcoming?

20 MS. MORRIS:

21 2018 is general. And pre-file
22 bills must be sent in, unless there are
23 constitution amendments or retirement, by
24 5:00 p.m. on February 28th.

25 MR. HALLACK:

1 I think we should do it in
2 November, because last time we were so --

3 MR. DONNELL:

4 I mean, I remember we got slammed
5 last time.

6 MR. POTEET:

7 Well, if we do it in November,
8 then if we find more issues, we'll have
9 another one.

10 Do you want to make the motion
11 again?

12 MR. DONNELL:

13 I make a motion we do it in
14 November.

15 MR. TAYLOR:

16 Second.

17 MR. POTEET:

18 Okay. So the motion is that
19 we'll have a regular meeting on the 20th
20 followed immediately by the legislative
21 meeting.

22 MS. BARON:

23 Here?

24 MR. POTEET:

25 Here.

1 All in favor, say, "Aye."

2 (All "Aye" responses.)

3 MR. POTEET:

4 Any opposed?

5 (No response.)

6 MR. POTEET:

7 All right. You know what you've
8 got to do now, right?

9 MR. DUPLESSIS:

10 Mr. Chair, there's one other
11 item. I'd like to see if the Commission
12 would entertain Mr. Dino Taylor as the
13 Co-Chairman the legislative committee. I
14 plan to probably roll off the legislative
15 committee after the end of this year. So
16 he's been greatly involved and would be a
17 good asset and I would offer that up to the
18 Commission.

19 MR. POTEET:

20 Are you okay with that?

21 MR. TAYLOR:

22 I am.

23 MR. POTEET:

24 Does anybody have any -- I don't
25 think we need to make a motion for that

1 appointment. Does anybody have any
2 objection to that?

3 (No response.)

4 MR. POTEET:

5 All right. So appointed. All
6 right.

7 MR. DUPLESSIS:

8 All done.

9 MR. POTEET:

10 What do we have?

11 MR. HALLACK:

12 We have some rules and regs that
13 we need to clean up a little bit. When I
14 wrote this revision, I did it off the rules
15 and regs that we have on our website and
16 those were incorrect. Those haven't been
17 updated in a while. But you still have some
18 other clean up stuff to do.

19 If you go page 18, section 2801
20 under chapter 28 -- I'm sorry, 2901. This
21 is what we were talking about earlier.
22 There are some -- this is again going back
23 to a list of businesses that we license and
24 regulate. And I think we should separate
25 rent-to-own from daily rentals. We don't

1 have crusher under here. So we need to
2 include crusher. As you can see under
3 subsection C, used motor vehicle auctions
4 and salvage pools are considered used motor
5 vehicle dealers and must abide by the
6 regulations contained herein. I think we
7 need to separate used motor vehicle auctions
8 from salvage pools. They both have
9 different regulations that they have to
10 comply with. And, again, I think we need to
11 separate them from rent-to-own.

12 The next thing I've got is the
13 bonds. If you go to the bottom of page 18
14 under section 2904, Exhibit B. And if you
15 turn the page to page 19, you'll see that
16 the bond amount is \$20,000. We amended the
17 law in that regard and moved it up to
18 50,000. So it's under our rules and
19 regulations and we need to change that to
20 50,000.

21 The other thing I've suggested --
22 I don't see it in here anywhere. And maybe
23 Kim can show me. But at one time, we
24 allowed dealers to have offsite displays.

25 MS. BARON:

1 It's in the law. It's not in the
2 rules and regs.

3 MR. HALLACK:

4 Okay.

5 MS. BARON:

6 It's an actual statute.

7 MR. HALLACK:

8 Okay. But maybe we should pull
9 that out and see. Is there a whole lot of
10 detail on offsite displays --

11 MS. BARON:

12 No.

13 MR. HALLACK:

14 -- like, how long it can last,
15 how long should you apply for it before you
16 do it?

17 MR. WISENOR:

18 It just has up to three days.
19 You can display up to five vehicles. It has
20 to be in a 35 mile radius of your location.
21 But there's no time period as far as to
22 submit or procedure on that. We just
23 recommend in the seminar to notify the
24 office. Mr. Parnell would be the one to
25 review it and make a determination.

1 MR. HALLACK:

2 How often do we have somebody
3 that applies for an offsite --

4 MR. WISENOR:

5 I've never had one.

6 MS. BARON:

7 Don's Wholesale does it quite
8 often.

9 MR. WISENOR:

10 Well, it's supposed to be up to
11 four every nine days.

12 MS. BARON:

13 Yes.

14 MR. WISENOR:

15 So, basically, four times a year,
16 you can do it.

17 MS. BARON:

18 I'm trying to find it. I don't
19 remember what the actual --

20 MR. WISENOR:

21 783?

22 MR. HALLACK:

23 Where is Don's displaying it at?

24 MS. BARON:

25 Sometimes, they do them at the

1 ball game.

2 MR. WISENOR:

3 It has to be an event.

4 MR. DUPLESSIS:

5 Sports.

6 MR. HALLACK:

7 See, this was a big deal,
8 displaying -- having displays at malls and
9 stuff was a big deal for our recreational
10 products dealers, like boat dealers and RV
11 guys and motorcycle guys. So I just thought
12 we need to eliminate it.

13 MR. DUPLESSIS:

14 They have to have a sign with a
15 phone number posted. And the best I
16 remember, it's three days every 90 days and
17 up to five vehicles.

18 MS. BARON:

19 And it has to be within so many
20 miles of your dealership.

21 MR. DUPLESSIS:

22 Or if you have a franchise
23 agreement, it has to be within the confines
24 of your franchise agreement.

25 MR. HALLACK:

1 I thought we had eliminated that
2 when we eliminated recreational products,
3 but y'all say that's in the law?

4 MR. HALLACK:

5 Also, too, under chapter 44,
6 which starts on page 21, I think at some
7 point -- oh, I'm sorry. Let's go back, 4301
8 on page 20. It has the license renewal
9 period. Do we need to change that to
10 reflect that it's a two year license now? I
11 think we need to change that to reflect that
12 it's a two year license now. So we need to
13 change that to reflect the new renewal
14 period. When that part was adopted, our
15 renewals were every year.

16 MS. BARON:

17 I found it. It's 784.

18 MR. HALLACK:

19 So moving on to page 21, the
20 educational seminar, I think we need to
21 eventually have a discussion on fees.

22 MS. BARON:

23 That's it. It's a permit to any
24 dealer in a 90-day period in accordance with
25 the rules and regulations authorizing a

1 display of up to five vehicles up to 35
2 miles of the dealer's place of business or a
3 period of up to three days.

4 MR. HALLACK:

5 Thank you. I don't think we need
6 anything more specific than that since we
7 only have one dealer in the state that does
8 that.

9 MS. BARON:

10 And they're literally probably
11 the only one I've ever done one for.

12 MR. HALLACK:

13 Okay. Going back to what I said
14 earlier under chapter 44, educational
15 seminar, I think eventually we need to have
16 a discussion on the fees that we can charge
17 for a seminar. We are authorized by law, by
18 statute, to charge fees for the seminar.
19 Now, I don't know if y'all have any exact
20 number on how much it costs to put on a
21 seminar, but I think that's something that
22 we need to figure out. And at one time, it
23 was very expensive for the Commission to put
24 on a seminar, because they had to publish a
25 book. I don't think y'all publish a book.

1 MS. BARON:

2 We have a CD.

3 MR. HALLACK:

4 You publish a CD now. But back
5 when it was a book, Kim, I think that was
6 costing us somewhere 80 and \$100,000 to
7 publish the book?

8 MS. BARON:

9 It was a lot, yes.

10 MR. HALLACK:

11 So I think at some point, we need
12 to consider having at least an expense fee
13 for the --

14 MS. BARON:

15 And I attached the statute to the
16 back of the rules, that provision that you
17 noted, 791.

18 MR. HALLACK:

19 So do y'all want to have that
20 discussion now or think about it and talk
21 about it at the next meeting or is that
22 something you don't want to do, just
23 absolutely do not want to do it? You're
24 authorized by law to do it. I just think at
25 some point, we need to try to at least

1 recoup the cost of the seminar.

2 MR. TAYLOR:

3 Without opening up Pandora's box
4 here, I'd like to expand on that just a
5 little bit and go back to what I think used
6 to happen in the past. And maybe we could
7 move some of these meetings to different
8 parts of the state where our field officers
9 are at, maybe a Shreveport, maybe a Monroe,
10 a Lake Charles, maybe something in that
11 nature, an Alexandria, because it's quite
12 cumbersome if these dealers have to drive to
13 Baton Rouge when there are so many places
14 that we could lease and/or borrow, or
15 auctions that would gladly give up their
16 spaces to help promote their own self to
17 have these courses, you know. I mean, I
18 would think that y'all would, because you're
19 promoting dealers to come to your seminar.
20 I'm speaking for you now. I'm sorry.

21 MR. PEDERSON:

22 Sure. That's fine.

23 MR. HALLACK:

24 I don't think ethically you can
25 use a licensee's premises.

1 MR. TAYLOR:

2 Okay. Well, like I said, I don't
3 want to open up Pandora's box if there's
4 other -- some other type of facility that
5 you house this to make it more convenient
6 for our dealers.

7 MS. BARON:

8 When they first started, where
9 did they hold them?

10 MR. HALLACK:

11 Manheim Auction in New Orleans I
12 know was one place for it.

13 MR. WISENOR:

14 Different auctions.

15 MR. POTEET:

16 Well, they did it at my auction
17 once, too, right after we opened, I don't
18 know, in '03.

19 MR. HALLACK:

20 So that's the licensees giving
21 you something for free, which is not
22 ethically --

23 MR. TAYLOR:

24 And if they don't work at the
25 auction, there's all types of government

1 buildings around the state that I'm sure we
2 can access.

3 MR. POTEET:

4 I think that would be a good
5 idea.

6 MS. BARON:

7 Especially, if you're going to
8 charge --

9 MR. CORMIER:

10 Especially, if you're going to
11 charge.

12 MS. BARON:

13 Yes.

14 MR. POTEET:

15 If you're going to charge them.

16 MS. BARON:

17 If you're going to charge them.

18 MR. POTEET:

19 I think what we should do is
20 table this discussion a little bit and do
21 some research on, one, what it's costing us
22 now, and then what would it cost us just in
23 general to do it in a different location,
24 travel time, et cetera. I think you guys
25 would like to see something like that,

1 wouldn't you? I mean --

2 MR. WISENOR:

3 I come once a month. That's not
4 too much of a burden. And Stacy Gaudin and
5 the other investigator perform them, she's
6 coming from New Orleans. So it's not too
7 bad for her.

8 MR. POTEET:

9 I mean, it is kind of a burden to
10 have to come from Lake Charles --

11 MR. WISENOR:

12 But the dealers --

13 MR. POTEET:

14 -- or Monroe or Alexandria or
15 something.

16 MR. WISENOR:

17 Well, most dealers have to stay
18 the night when they come.

19 MR. POTEET:

20 It's an all day seminar?

21 MR. WISENOR:

22 Well, no, it's four hours. But
23 the -- one of them starts at 8:30 in the
24 morning. So most of them have the expense
25 of a hotel stay.

1 MR. POTEET:

2 I think that's a good suggestion.

3 MR. PARNELL:

4 And also my goal is to really
5 start getting a little bit more automated
6 online in the form of webinar type
7 situations, so that they can login. I was
8 just trying to do some research and figure
9 out exactly how can I really know that
10 they're really attending.

11 MR. TAYLOR:

12 Those speed trap conferences that
13 I always to, I'll get the name off the
14 bottom.

15 MR. PARNELL:

16 Because I don't want it to not
17 necessarily be just once a month where a
18 dealer can go out there on the website and
19 pull it up, because the way we have it
20 written right now, once the dealer gets his
21 license, he has within 60 days to get -- to
22 attend the seminar. But if we had it more
23 open for them online, then they can go out
24 themselves and get the license and go on out
25 there or even before they receive their

1 license, they can go out there and take the
2 class. But I want to find -- do some
3 research and I'm going to understand a
4 little bit more on how to ensure that those
5 persons are --

6 MR. POTEET:

7 Well, we get our email saying
8 we've to do our ethics. I mean, that's how
9 we do our ethics deal.

10 MR. PARNELL:

11 Right. And that's why --

12 MR. POTEET:

13 Everybody does it on their own
14 time. Everybody does it, you know.

15 MR. TAYLOR:

16 Once again, I missed that before.
17 That would cost you 1,000. Don't miss that
18 one.

19 MR. POTEET:

20 The question is about how long
21 the whole thing takes place. In our --
22 again, in the IARA, there's a re-marketing
23 seminar and you can take it in modules and
24 you have to complete all of the modules
25 within a certain period of time. So each

1 module is one hour and they give them 90
2 days to complete it. But you could just --
3 you know, you could set it up to say -- you
4 know, break this down into four one-hour
5 modules. I don't have to do it here, but we
6 also -- I work at Southeastern Louisiana
7 University. We had to take one on safety
8 training and sexual harassment and those are
9 an hour long. And all it does is, it makes
10 you -- you can't quit and go back. That's
11 the only problem. You've got an hour. But
12 if you could set it aside -- if you could
13 set it up, so it's in modules, that might be
14 helpful.

15 MR. WISENOR:

16 I didn't know that.

17 MR. HALLACK:

18 Please keep in mind, the field
19 investigators who put on the seminar, they
20 receive extra pay for that ability.

21 MR. POTEET:

22 Well, that's what I'm saying.

23 MR. HALLACK:

24 If you eliminate that from them
25 doing it, then that might eliminate --

1 MR. PARNELL:

2 We can't entirely eliminate it.

3 MR. DUPLESSIS:

4 Well, they would still do it off
5 premises. Why would you ask for another 150
6 bucks?

7 MR. HALLACK:

8 I'm just saying, keep that in
9 mind.

10 MR. PARNELL:

11 I didn't want to stop that in its
12 entirety. I just want to give them more
13 options.

14 MR. HALLACK:

15 Yes.

16 MR. PARNELL:

17 I still want them to do it.

18 MR. POTEET:

19 You could do it monthly if you
20 can't make it or if you have something type
21 of -- you get fined or something.

22 MR. DUPLESSIS:

23 What is it going to cost them to
24 come here? 100 for a hotel room, 50 or 75
25 for meals. Gas is 100 bucks. That's 225.

1 50 bucks is a bargain.

2 MR. POTEET:

3 I don't know that gas is 50.
4 Maybe give them a coupon to get \$50 off at
5 the hotel right up the street.

6 MR. OLAVE:

7 Make your webinar and the
8 investigators doing the classes -- we
9 couldn't do an online class where they go --
10 they would still be doing the class.

11 MR. HALLACK:

12 But you're eliminating the class.
13 You're eliminating it. As a lawyer, if I
14 could attend all mine online, I would do it
15 in a heartbeat. I would never go to a
16 seminar, but I can only do it for four hours
17 online.

18 MR. POTEET:

19 Well, we can discuss all that.
20 We can put something together.

21 MS. MORRIS:

22 There are several places where
23 you can do, like, a webinar, because I do it
24 for the LMA training. The Bar -- Baton
25 Rouge Bar Association has that capability

1 and you can contract with them. And the
2 Realtors' Association has that capability
3 that -- and they would let their conference
4 room and let the cameras and everything be
5 used, and so it's live. And the people
6 watching on the Internet, you can interact
7 and ask questions.

8 MR. OLAVE:

9 That's how -- the ones I've been
10 involved in, that's how they tell if it's
11 you or not, because the moderator of the
12 class, they'll actually ask you questions,
13 like, hey, Steve, what do you think, or --
14 you know, because they'll know who's logged
15 in or what-have-you.

16 MR. DUPLESSIS:

17 Email in the question and answer.

18 MS. MORRIS:

19 Well, like, the LMA, you have an
20 option to sign on. I can sign on from my
21 office or I can drive down there and sit in
22 a class if I want. You have that option.

23 MR. POTEET:

24 Well, we're going to look into
25 that.

1 MR. HALLACK:

2 The next thing I want to talk
3 about is also on page 21 at the bottom. We
4 have several provisions with regard to the
5 hearing procedures. At one time, the
6 Commission used a hearing procedure where it
7 had a hearing committee of three people, but
8 it still had to be approved by full Board.
9 And according to the administrative
10 procedures act, the whole record had to be
11 made available to the whole Board and it was
12 a tragedy. I mean, it was a train wreck.
13 So we did away with the three man hearing
14 committee. So a lot of this is with regard
15 to the three man hearing committee, but also
16 one of the provisions you'll see down at the
17 very bottom of page 21, calls and duties of
18 the hearing officer. We need a hearing
19 officer position. And Kim and Derek fill
20 that position now. But one of the things
21 that it -- it allows the hearing officer to
22 conduct hearings. And that would be just
23 one person. So I don't think we should do
24 that. I think that should be deleted.
25 We've never done that, ever.

1 MR. POTEET:

2 I agree.

3 MR. HALLACK:

4 The other thing, if you look down
5 -- going to the next page, page 22, it talks
6 about the hearing chairman. Mr. Poteet has
7 always been the hearing chairman since --
8 for a long time. Prior to that, I think
9 Mr. Smith was the hearing chairman for a
10 long time. And it says, #5, "shall only
11 vote to resolve a split division." I think
12 the hearing chairman votes -- has always
13 voted. So I think we need to eliminate that
14 provision. He only votes to resolve a
15 split.

16 Does everybody agree with that?

17 MR. POTEET:

18 Yes.

19 MR. HALLACK:

20 Going over on the other columns,
21 it talks about service of notice. #2 is a
22 little confusing. It needs to read that
23 service may be done through the office staff
24 by certified or registered mail to the
25 mailing address that's on the license.

1 That's not actually provided for there. We
2 need to clear that up.

3 We also have an order
4 examination. If you go to the next page,
5 page 23, and it provides for the order of
6 witness examination. We've never actually
7 followed this order. As you know -- if
8 you've attended the hearings, you know I ask
9 questions. The other side is then allowed
10 to ask questions. And then the
11 Commissioners ask questions. The way this
12 is actually worded, I ask questions, and
13 then the Commission asks questions, and then
14 the defendant then asks questions. I think
15 it's better for me than the defendant and
16 the Commissioners at the end to ask
17 questions. So all I'm saying is --
18 recommending is that we actually adopt the
19 rule that follows what we do. And that's
20 it.

21 MR. POTEET:

22 Nothing too controversial.

23 MR. HALLACK:

24 No, except the fees.

25 MR. POTEET:

1 Okay. Well, we're not -- we're
2 going to do a study on that and we'll be
3 ready by the next time. Maybe a little bit
4 of -- you know, start the ground work on
5 doing some webinars or some kind of
6 interaction seminars.

7 All right. Okay. So the next
8 meeting is going to be -- when is the --

9 MS. BARON:

10 November 20th.

11 MR. POTEET:

12 Oh, that' right. I'm sorry. So
13 any items for the next agenda other than
14 legislative issues, do you guys have
15 anything? Send that in to Derek or Kim.
16 All right. So the next meeting is on the
17 20th and that will be a -- kind of a --
18 well, we'll see. It could be a long
19 meeting.

20 MR. OLAVE:

21 Are we going to have lunch
22 brought in or something? Could we do that?
23 I've been at some Commission meetings until
24 5 o'clock and we had no food, so.

25 MR. DUPLESSIS:

1 I think one -- you know, if you
2 could get a number of people here, we may
3 look for another alternative building
4 besides this one.

5 MR. POTEET:

6 I don't think it's a bad idea to
7 have one lined up or check into it. So if
8 we have an idea that we're going to have 20
9 or 30 people show up, then we could move.
10 We've got one hearing in November?

11 MR. HALLACK:

12 Two hearings.

13 MS. BARON:

14 Possibly, two.

15 MR. HALLACK:

16 One definitely.

17 MR. POTEET:

18 Okay. All right. So we can work
19 on those logistics between now and then.

20 MS. BARON:

21 I can get in touch with the State
22 Archives building.

23 MR. POTEET:

24 And to Mr. Olave's question,
25 we'll look into lunch, too.

1 MR. HALLACK:

2 If we -- if you have a potential
3 author for the legislation, you might want
4 to invite him to the meeting.

5 MR. POTEET:

6 Yes, that would be a good idea.

7 All right. The next thing is
8 we've got two hearings. Let's take about a
9 five- or six-minute break and go back in
10 here.

11 MR. TAYLOR:

12 Motion.

13 MR. POTEET:

14 Motion to adjourn.

15 All in favor, say, "Aye."

16 (All "Aye" responses.)

17 MR. POTEET:

18 Any against?

19 (No response.)

20

21

22 (Meeting adjourned at 11:29 a.m.)

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24

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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 October 16, 2017, 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 30, 2017, Baton Rouge, Louisiana.

BETTY D. GLISSMAN, CCR
CERTIFIED COURT REPORTER