

LOUISIANA USED MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA

REGULAR MEETING
SEPTEMBER 20, 2010
BEGINNING AT 9:32 A.M.

3132 VALLEY CREEK
BATON ROUGE, LOUISIANA

REPORTED BY:
BETTY D. GLISSMAN, CCR

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(225) 754-8609

1 APPEARANCES:

2
3 CHAIRMAN:

4 MR. GLEN ROBINSON

5
6 VICE CHAIRMAN:

7 MR. JOHN POTEET

8
9 COMMISSIONERS PRESENT:

10 MR. GEORGE BREWER

11 MR. RHETT BOURGEOIS

12 MR. TONY CORMIER

13 MR. RON DUPLESSIS

14 MR. HENRY "DARTY" SMITH

15 MR. DOUGLAS TURNER

16
17
18 REPRESENTING THE LOUISIANA USED MOTOR
19 VEHICLE COMMISSION:

20 ROBERT W. HALLACK, ESQUIRE

HALLACK LAW OFFICE

13007 JUSTICE AVENUE

21 BATON ROUGE, LOUISIANA 70816

1 ALSO PRESENT:
2

3 MS. KIM BARON

4 MR. DEREK PARNELL
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1 MR. ROBINSON:

2 I will lead us in the pledge
3 of allegiance.

4 (PLEDGE OF ALLEGIANCE).

5 MR. ROBINSON:

6 Good morning. I'm glad
7 everybody could attend.

8 As normal, we do have some
9 circumstances and issues to deal with this
10 morning, some things that we need to get
11 resolved for the Commission.

12 Ms. Kim, if you will call the
13 roll, please.

14 MS. BARON:

15 Glen Robinson?

16 MR. ROBINSON:

17 Present.

18 MS. BARON:

19 George Brewer?

20 MR. BREWER:

21 Here.

22 MS. BARON:

23 Louis Bourgeois?

24 MR. BOURGEOIS:

25 Here.

1 MS. BARON:
2 Tony Cormier?

3 MR. CORMIER:
4 Here.

5 MS. BARON:
6 Ron Duplessis?

7 MR. DUPLESSIS:
8 Here.

9 MS. BARON:
10 George Floyd?

11 MR. FLOYD:
12 (No response.)

13 MS. BARON:
14 John Poteet?

15 MR. POTEET:
16 Here.

17 MS. BARON:
18 Kirby Roy?

19 MR. ROY:
20 (No response.)

21 MS. BARON:
22 Darty Smith?

23 MR. SMITH:
24 Here.

25

1 MS. BARON:

2 And Douglas Turner?

3 MR. TURNER:

4 Here.

5 MS. BARON:

6 Mr. Chairman, we have a
7 quorum.

8 MR. ROBINSON:

9 Y'all received by e-mail the
10 minutes from last month.

11 Any questions, comments?

12 (No response.)

13 MR. ROBINSON:

14 Does anybody want to make a
15 motion?

16 MR. POTEET:

17 I make a motion that we
18 approve the minutes from the prior meeting.

19 MR. BOURGEOIS:

20 Second.

21 MR. ROBINSON:

22 First and a second.

23 Any discussion?

24 (No response.)

25 MR. ROBINSON:

1 All in favor?

2 (All "Aye" responses.)

3 MR. ROBINSON:

4 Anyone opposed?

5 (No response.)

6 MR. ROBINSON:

7 None, the motion passes.

8 The review of the financial
9 report, Director Parnell is going to do that
10 for us this morning.

11 MR. PARNELL:

12 All right. Commissioners,
13 join with me. Page 1 of our financials,
14 budget balance sheet. Pages 1, 2 and 3 are
15 our basic financials. The total revenues
16 year to date, \$43,409.19.

17 If you would turn with me to
18 Page 3, it shows our total expenditures year
19 to date are at \$168,590.74. On Page 4, if
20 we are looking at specifically August of
21 2010, total license fees for the month were
22 \$26,078.25, which at this point last year in
23 2009, it's an increase actually for that
24 month, in particular. Our total revenues
25 for the month was \$27,356.13.

1 On Page 5 is the total
2 salaries, operating services, and total
3 expenses is on Page 6, and the total
4 expenses for the month of August is
5 \$86,603.03, which is a little bit less than
6 what we took in last year August of 2009,
7 which was \$94,180.49.

8 If you turn with me, on Page
9 7 is a three-month comparison where we are
10 comparing June 2010, July 2010, and August
11 of 2010, you will get the total revenues in
12 June was \$60,222.98. July was \$16,053.06,
13 and August again is \$27,287.88. So the
14 three-month comparison kind of shows exactly
15 where we are for the last three months on
16 one document.

17 So if we would go to Page 9,
18 total expenditures for the month of August
19 2010 was \$86,603.00, which is what I
20 recorded on the last line. On Pages 10 and
21 11, you will see our assets, petty cash,
22 cash in the bank, those funds -- cash in the
23 bank has gone down a little bit from where
24 it was. That's due to not being a licensing
25 period right now and we are just now really

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1 starting to enter into. In September, we
2 actually start getting many more license
3 renewals coming in. So those -- the numbers
4 will start adjusting as such.

5 Page 12 is -- the revenue
6 totals are greater August of 2009 and
7 expenditures are a bit less, if you look at
8 last column August 2010. On Page 13, it
9 shows the CDs that we have in the bank. It
10 shows the maturing dates on those and if you
11 notice that the one that we have in Landmark
12 Bank in Zachary, the date that it matures is
13 October 28 of 2010, and one of them also
14 matures November 1 of 2010. So those we
15 will be working on very closely to see if
16 that's the same route that we want to take.
17 I know once before, we were talking about
18 some other ways of actually doing
19 investments and I will begin looking into
20 that and making sure that we are investing
21 in the proper fashion.

22 On Page 14, it shows the
23 accounts receivables, hearings, and that's
24 what's out there right now. The amount is
25 at \$3,900 balance due. That's less than

1 what it was, but it's still more than what
2 it should be, what we have out there looking
3 at some of those dates on there. We will be
4 putting forth a concerted effort to make
5 sure that we take care of those things.

6 Page 15, if you look at the
7 salaries and related benefits, group
8 insurance is lower to credit issued by OGB.
9 The paid for supplies needed for renewals
10 mailed out and renewal processing. We spent
11 a bit more than I wanted to on those
12 supplies for sending out those renewals and
13 they are kind of further along of what I
14 want us to start getting into the future.
15 So the mail outs that we are doing, it costs
16 a lot of paper and a lot of mailing cost. I
17 want to get to the point where we can
18 actually have the whole packet out online
19 and you can just go -- you are directed to
20 go there and either print it out. If need
21 be, we can send something out, because I do
22 understand that a lot of dealers may not
23 have Internet access, but I believe that the
24 majority of them do. So we want to get to
25 that level of doing our business.

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1 So if there are any questions
2 or comments, please feel free. I hope that
3 I can answer them.

4 MR. ROBINSON:

5 Does anyone have any
6 questions on the financials?

7 (No response.)

8 MR. ROBINSON:

9 The one item that we are
10 showing a claim against bond, Page 14, Taryn
11 Auto Sales. I mean, it's '07. We are at
12 the point where we need to quit carrying
13 this on our books. I mean, we are talking
14 about stuff that's three years old. We can
15 get with Mr. Hebert, I guess.

16 Does anybody know the status
17 on these '07 things?

18 MR. HALLACK:

19 No. I mean, they never
20 existed. They shouldn't be on here at all.
21 These were part of a plan to go out with the
22 Assistant Director and collect fines and it
23 was a total sham. No one ever agreed to pay
24 anything and we never collected any money.
25 No dealer ever signed anything.

1 MR. ROBINSON:

2 Do you know which ones?

3 MR. HALLACK:

4 The top four.

5 MR. PARNELL:

6 We talked about that.

7 MR. HALLACK:

8 Those were a complete sham.

9 There was nothing to any of those.

10 MR. PARNELL:

11 I looked into the file and it
12 just shows a document that just says they
13 are supposed to pay this amount for a
14 violation, but there's nothing else in
15 there, no supporting documents there.

16 MS. BARON:

17 And they weren't sent
18 certified. So there was no way to know if
19 they actually got them or not.

20 MR. ROBINSON:

21 Okay. We will get it cleaned
22 up.

23 Any other questions from
24 anyone as far as the financials?

25 (No response.)

1 MR. ROBINSON:
2 Motion to approve?

3 MR. BOURGEOIS:
4 I make the motion.

5 MR. TURNER:
6 Second.

7 MR. ROBINSON:
8 A motion and a second to
9 approve the financial report.

10 Any discussion?
11 (No response.)

12 MR. ROBINSON:
13 All in favor?
14 (All "Aye" responses.)

15 MR. ROBINSON:
16 Any opposed?
17 (No response.)

18 MR. ROBINSON:
19 The motion passes.
20 While we are on the financial
21 report, since it deals with revenue, I
22 renewed my 2011 license online. I wanted to
23 see how the process worked. So as soon as I
24 got my forms in -- and I was pleasantly
25 surprised, actually. It was pretty quick.

1 It was pretty easy. It was pretty much
2 self-explanatory. The big draw back with
3 the system is you have to do every item
4 individually. So you have to go in and
5 renew your dealership and they charge your
6 card. Then, every salesman, you have to do
7 individually. So if you have six salesmen,
8 you have to go six times back through the
9 system, six more charges on your credit
10 card. But as far as doing it, I mean, I
11 renewed my salesmen and my license in
12 probably 12, 15 minutes, which beats the
13 heck out of mailing it in and wait, wait,
14 wait, wait. So, you know, it is available.
15 It's not where it needs to be. This year
16 since we sent the forms out, we have had a
17 lot of people renew online already.

18 MR. PARNELL:

19 Yes.

20 MR. ROBINSON:

21 And I don't mean 10 or 15.

22 We have had --

23 MR. PARNELL:

24 Just in the month of
25 September, the first 14 days of September,

1 we had 169 transactions with like \$16,000
2 worth of just renewals online. At this
3 point in the month, I'm not really sure
4 exactly where it stands right now, but that
5 was pretty much the first month and once we
6 got the letters out and they reviewed them,
7 we started getting a lot in. So that number
8 is growing a great deal.

9 MR. ROBINSON:

10 So, you know, as you talk to
11 people, the more we can move what we do on
12 online renewals, the better off we are as an
13 agency. So as you are talking to people,
14 really it's not a tedious thing to do. Any
15 bookkeeper that, you know, keeps your books,
16 it's just going to be a very easy thing for
17 them to do. So if you get an opportunity,
18 recommend it to people and it saves this
19 agency a tremendous amount of labor costs
20 when it comes through the mail.

21 MR. BOURGEOIS:

22 A few trees, too.

23 MR. PARNELL:

24 Oh, yes.

25 MR. ROBINSON:

1 Next under financial matters,
2 we have an annual review from the
3 Legislative Auditor. She is here to present
4 her findings. There's a pretty good size
5 handout in your packet that has to deal with
6 that and I think before we get started, we
7 did have an item that came up. I think it
8 would just be easier to deal with it up
9 front, and then let you present the report.
10 Is that okay?

11 MS. STAGES:

12 Yes.

13 MR. ROBINSON:

14 I just mentioned online
15 renewals and Derek will give you some
16 particulars, but during this audit, we found
17 that people that were renewing online, we
18 were not actually going in and accessing
19 their credit card the cost of the renewal.
20 So where the dealer would go into the system
21 and do his thing legitimately and put in his
22 credit card and all of that, it would be
23 approved and there would be an authorization
24 number issued. Internally, we were not
25 going in and actually taking that money and

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1 charging his credit card. And this came up
2 during the review with the Legislative
3 Auditor. It started back at the end of 2008
4 and it's been an ongoing issue and I'll let
5 them get into more of the details. The
6 final total at this point is about 24 --
7 well, \$23,300. And, of course, you know
8 what our fees are. So it's 210
9 transactions, give or take, that we never
10 actually went in and got our funding for and
11 we used some creative ways, financials, to
12 keep it current. So that's, you know, the
13 big issue.

14 Now, when Derek found out, he
15 immediately got involved, not only got
16 involved, but took the situation over. I
17 have known about it for sometime, I guess
18 three weeks. I had consulted with
19 Commissioner Turner since he's over the
20 Finance Committee, and Commissioner Poteet.
21 So I have had some other Commissioners
22 involved as to what we're doing. And at
23 this point, Derek has recouped about half of
24 that money and we fully expect to recoup all
25 of the money. The bottom line is, these

1 people are still licensed through us and
2 they are just going to have to pay, but this
3 is what, about a month, five weeks now that
4 we have actually known about it. So in
5 pretty short order, we were able to get the
6 first 50 percent of the money and, you know,
7 we fully expect to collect all of it. So
8 it's not going to be a loss of revenue.
9 It's just other problems that, obviously, we
10 found out about because of it. So I think
11 before -- Derek will give you some more
12 specifics.

13 Ms. Mary Sue Stages is here.
14 She is from the Legislative Auditor. She is
15 actually under contract and she is going to
16 present her findings, if you would, please.
17 Again, it's in your handout.

18 MS. STAGES:

19 Okay. We will start from the
20 back of the report, back on page -- and
21 let's start with Page 33. We will talk
22 about the findings from the previous years
23 that have been resolved. The first one is
24 the budget act. Basically, you cannot spend
25 more than five percent of what you have

1 budgeted without amending your budget. You
2 have to amend your budget if it looks like
3 you are going to collect less than five
4 percent of you budget in revenue. I believe
5 there was just a misunderstanding in the
6 prior year. The budget wasn't amended, but
7 they looked at that very closely this year
8 and I have seen one of your reports. It's
9 actually looking at your budget to actual
10 compare them. So that was resolved.

11 The other issue last year was
12 the abuse of time and property. If you
13 remember, there was an IG report as well
14 that gave a great deal of recommendations as
15 far as internal controls go and processes.
16 Those have all been put into place. I
17 didn't really find that that was an issue in
18 this current year. So we reported that as
19 resolved.

20 And then on Page 35, this is
21 the management letter and this explains what
22 Mr. Robinson was talking about as far as the
23 online payments go. There was a
24 misunderstanding, I believe, as far as the
25 process. There are two different ways you

1 can do it. One is automatic where when you
2 go in and say, I want to pay this, the
3 authorization is given and automatically at
4 the end of the day, that money is taken out
5 of -- charged to your credit card and put
6 into the account for the Commission. The
7 other way that it can be set up is manual
8 where at the end of the day, the Commission
9 has to actually go and batch all of the
10 payments that were received that day and
11 they have to say, yes, go ahead and put this
12 in our bank, and that's what was the missing
13 link there and they, you know, were trying
14 to resolve it, and then once it was brought
15 to Derek's attention, of course, he got
16 right on it and took care of it.

17 MR. ROBINSON:

18 You are the one that brought
19 it to Derek's attention?

20 MS STAGES:

21 Yes, sir.

22 MR. ROBINSON:

23 It wasn't internal. It was
24 the audit that did it.

25 MS. STAGES:

1 Two of the steps or I guess
2 the process that we talked about as far as
3 recommendations that may be put into place
4 is that each month a detailed general ledger
5 for that month, along with the bank
6 reconciliation and the bank statement, will
7 be given to Derek and he will -- there will
8 be physical evidence. He will sign off on
9 both of those that he has actually looked at
10 it. So that way he can see what was -- the
11 bank reconciliation showed a deposit in
12 transit that was, of course, several months
13 old, and that would have been something
14 unusual that he could have asked about and
15 said what's the issue with this and what's
16 being done about it? So he will be looking
17 at that each month and making sure that the
18 reconciliation agrees with the general
19 ledger and he will review the reconciling
20 items.

21 MR. ROBINSON:

22 Just so -- I want y'all to
23 fully understand and you need to ask
24 questions, if you would like, but to keep
25 everything even as far as the financial

1 statements, we were showing deposits in
2 transfer?

3 MS. STAGES:

4 Right, in transit. You were
5 showing that money as cash, but what we did,
6 for June 30th, if you look at Page 9, we
7 took the money out of cash and put it as a
8 receivable, because it actually wasn't cash.
9 It was not cash that was ever put into the
10 bank account. So you will see this accounts
11 receivable there at the top, \$24,203.00,
12 where about \$21,000 of that are the licenses
13 that were issued where the credit card
14 payment had not actually be been put into
15 the bank. So that was how it was accounted
16 for June 30th. So it still is an asset.
17 It's just an asset you are going to have to
18 work out a little more to get.

19 MR. ROBINSON:

20 It went back to -- do you
21 remember the date in 2008?

22 MS. STAGES:

23 The first one was December
24 2008 and it was about \$257, and then there
25 was about \$2,000 in the June 30th of '09

1 year, and then the rest of it was pretty
2 much all 2010. That was where the big bulk
3 of it is, because in that prior year, there
4 really wasn't a lot of online payments going
5 on.

6 MR. TURNER:

7 Did we fix that or we still
8 have to batch it?

9 MR. PARNELL:

10 Well, what I did was, when I
11 -- upon my discovery of it through the
12 Legislative Auditor, I immediately contacted
13 -- well, I spoke with our accounting and got
14 the contact information of whom she was
15 trying to deal with. I spoke to the
16 gentleman on the phone within about 15
17 minutes. He wasn't the person that still
18 dealt with that issue, but he moved me on to
19 someone else. Once I got with that person,
20 I set up the system to actually
21 automatically batch all of the transactions
22 that take place per day. How this was
23 originally set up is that it was set up to
24 manually batch. What that means is
25 basically that once you pay online, you get

1 the authorization number. It goes over to
2 -- the first step in the accounting
3 department is it needs to be posted to each
4 licensee's account. That was done. It is
5 posted to each license's account. So I
6 pulled the report and go back since 2008 and
7 saw that none of those transactions were
8 ever deposited into the bank. So it was 20
9 months worth of transactions that were not
10 deposited into the bank, and this was
11 something that I didn't know about. It was
12 concealed from me and upon my discovery is
13 when I actually was able to start talking to
14 somebody to get the logistics in order, so
15 we can actually start getting it back,
16 because after 30 days, once someone pays
17 online, the authorization code that you
18 receive at that time is null, null and void.
19 So when I initially talked to the person on
20 the phone, they said it was just gone, that
21 money is just gone. But after some more
22 coercion, I got her to dig deeper and go to
23 some of her researchers and they were able
24 to pull a lot of the accounts, about half of
25 the accounts, through what -- their

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1 transactions that they had on that end and
2 actually go in and charge the accounts.

3 What I did was, we sent a
4 letter out at that time contacting the
5 dealers that were in that group of dealers
6 notifying them that it's going to be -- we
7 are going to charge the account and -- or if
8 they didn't want it to be charged to their
9 account, they can go ahead and send us a
10 check in, because their dealer's license was
11 issued to them for an entire year, almost a
12 year now, that they -- well, they knew they
13 didn't get charged for it, but, you know, it
14 was an internal issue. From their
15 standpoint, it was done, but internally it
16 was never done. So the gist of it is, since
17 2008, all renewal licenses -- and I found
18 out approximately August 25 of 2010, all of
19 those licenses from 2008 to that point had
20 never been deposited into our account. And
21 the way it was listed, as Commission
22 Robinson said, on our financials was that
23 they were in transit.

24 MR. TURNER:

25 But now it's automatically

1 done there, we don't have to do anything, it
2 is automatic?

3 MR. PARNELL:

4 Right. Yes. We have gone
5 every day and make sure that it is doing it
6 automatically as it should be.

7 MR. POTEET:

8 Is there a report that's
9 generated that's reconciled back to the
10 ledger?

11 MR. PARNELL:

12 Yes, yes. I have been going
13 in and pulling the general report that shows
14 the posting of the transactions and I can
15 compare that with the general ledger, so I
16 will know if something is out of place.

17 MR. ROBINSON:

18 That's kind of where the
19 rubber hits the road. I did it online and
20 I've been charged.

21 MR. PARNELL:

22 And you did it like maybe a
23 day or so after I found out. So it actually
24 charged him.

25 MS. STAGES:

1 If y'all want to turn to Page
2 5 and sort of look at the comparison between
3 the two years, your current assets went up
4 by just a little bit. The non-current
5 assets went down just a little bit. The
6 majority of that non-current assets is your
7 CDs. You have \$400,000 -- just shy of
8 \$400,000 in CDs, the same place where you
9 are last year, the same place that you are
10 at right now. So you were actually able to
11 operate without dipping into that money
12 during the year. The current liabilities
13 went down a little bit. And as I said, we
14 reclassified from cash to accounts
15 receivable by \$20,000 and it still went
16 down. So, basically, as far as your trade
17 payables go, those were down much more than
18 from the prior year. So everything is being
19 paid timely.

20 The non-current liabilities
21 went up. The majority of that is because of
22 the other post-employment benefits. That's
23 really something that's kind of out of your
24 control. It is an actuarial assumption that
25 you have to report. At this point right

1 now, you are not required to fund it, thank
2 goodness, because it's like probably
3 \$600,000.

4 As far as your operating
5 revenues go, they went down by about
6 \$490,000. That's something that was really
7 expected, because you switched all of the
8 new dealers, the recreational and that type
9 of thing, went over to the Motor Vehicle
10 Commission. So that was an expected loss.
11 The operating expenses went down almost
12 \$700,000. So really the staff did a very
13 good job at holding down the expenses and
14 making changes there to be able to live
15 within your means. The operating loss, you
16 are still showing an operating loss of
17 \$72,000 for the year, but it is down quite a
18 bit from a previous year. That was
19 \$223,000.

20 MR. ROBINSON:

21 That's calendar year?

22 MS. STAGES:

23 Fiscal year, July to June.

24 Now, of that \$71,000, almost
25 \$15,000 of that is depreciation.

1 If you look at Page 9, this
2 is a little bit more detailed for this year,
3 about \$522,000 in cash, \$24,000 in
4 receivables, which the majority of that is
5 part of that license. Half of it has been
6 -- a little bit more than half has been
7 already recouped. You have \$562,000 in
8 non-current assets. The biggest part of
9 that being your investments, almost \$400,000
10 in CDs. Down below, you have accounts
11 payable, the payroll. That's just your
12 normal operating expenses, utilities,
13 telephone, all of those things, gas, that
14 are paid in the subsequent month. The
15 accrued salaries of \$25,000, there were a
16 few days up to June 30th that were actually
17 paid in the July payroll. So those had to
18 be accrued. So that actually got paid right
19 at the first of July.

20 Long-term liabilities, your
21 compensated absences is \$29,000. That went
22 down by quite a bit. Basically, your
23 long-term employees that had built up the
24 majority of unused time are no longer with
25 the Commission. So it went down by quite a

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1 bit, but this is what is owed to employees
2 for time that they have earned and not used
3 for their vacation time. And then other
4 post-employment benefits, \$577,000. Each
5 year, the statewide reporting has an
6 actuarial report where they make a lot of
7 assumptions and based on those assumptions,
8 they say this is what your liability would
9 be, you know, if everyone stayed to
10 retirement here, if they live to retirement,
11 if they live for so many years after
12 retirement. This is sort of what you would
13 owe them as of right now in present time
14 dollars. So your expenses actually are
15 increased by the change each year. Let me
16 see what that change is. The change during
17 the year was \$123,000.00. So you can see if
18 you took out the \$15,000 in depreciation and
19 the \$123,000 in the actuarial
20 post-employment benefits, you would have
21 actually operated with a profit. As I said,
22 right now there is no requirement for you to
23 fund those other post-employment benefits.

24 On Page 10 is your revenues
25 and expenses. You had a little over a

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1 million dollars in revenue, a million
2 dollars in expenses. So you had a loss --
3 operating loss of \$71,000. As far as the
4 changes in your fixed assets, there were no
5 fixed assets purchased during the year.
6 There were some that were sold. There was
7 quite a bit that was sold at auction or
8 considered obsolete that were written off,
9 but this depreciation of \$15,000, it's
10 always a good idea to consider that in your
11 funding, because you are going to have to
12 replace in the future. And I think your
13 plan right now is to take your auction money
14 and put that towards the purchasing vehicles
15 in the future, which is a good plan, because
16 those will wear out.

17 If you look at Page 11, you
18 can see what happened -- this was what
19 actually happened with your cash. It's
20 actually -- it's on a cash basis, strictly
21 looking at cash that you brought in, the
22 cash that you put out. You increased your
23 cash by almost \$15,000 for operating, \$800
24 for non-capitol financing activities, and
25 those are refunds, like worker's comp

1 refunds and those kinds of things. You
2 increased your cash by almost \$8,700 for
3 interest. So as far as your cash goes, you
4 added \$24,000 to your cash during the year.

5 Does anybody have any
6 questions or other concerns?

7 (No response.)

8 MS. STAGES:

9 You actually had a good year.
10 Even though the revenues went down, which
11 was something that was expected, you were
12 able to bring your expenses down with it.

13 MR. ROBINSON:

14 Now is the time to ask, even
15 questions not necessarily about this report,
16 but something on the financial. I mean, has
17 a lot of information. Anyone?

18 MS. STAGES:

19 Well, I appreciate it.

20 MR. ROBINSON:

21 We thank you for being here
22 again.

23 MS. STAGES:

24 Thank you.

25 MR. ROBINSON:

1 We need to make a motion to
2 accept that or just --

3 MR. HALLACK:

4 I would, yes, sir.

5 MR. BOURGEOIS:

6 I make a motion.

7 MR. SMITH:

8 I second it.

9 MR. ROBINSON:

10 We've got a motion to accept
11 the report from the Legislative Auditor and
12 a second.

13 Any discussion on that
14 report?

15 (No response.)

16 MR. ROBINSON:

17 All in favor?

18 (All "Aye" responses.)

19 MR. ROBINSON:

20 Anyone opposed?

21 (No response.)

22 MR. ROBINSON:

23 That motion passes.

24 Thanks for coming. I guess
25 we will see you about next July.

1 MS. STAGES:

2 Next July.

3 MR. ROBINSON:

4 The next item on the agenda,
5 invoices for payment, which is Mr. Hallack.

6 Before we do that, Derek, is
7 there anything else you want to say to the
8 Commissioners about the posting of the
9 money, the money that was missing, or you
10 have kind of covered it?

11 MR. PARNELL:

12 Yes. We kind of covered it.
13 I didn't put the amount. I don't think it
14 was that amount. There was -- \$23,342 was
15 missing. So -- but I pretty much covered it
16 all.

17 MR. ROBINSON:

18 Again, good news, they are in
19 business. So it's not people who have come
20 and gone. It will take a little time. As
21 Derek said, we sent letters. The ones that
22 do not get resolved by the end of this
23 month, at that point, Derek and I decided to
24 let the field investigators call them at
25 that point and, you know, explain to them

1 what happened and that we need their money
2 now, and then after that, if we have any
3 more problems, then we will have to deal
4 with it through, you know, I guess the rules
5 and regulations that, you know, this
6 Commission has, but we don't really
7 anticipate that. And, again, we got half
8 the money really in no time, in a couple of
9 weeks really. So once they know what
10 happened, you show them what happened, you
11 know, and they have the opportunity to go
12 back and look at their statements and see it
13 was never on their statement, but, you know,
14 those things take a little time. But next
15 thing that we will do will be a field
16 investigator will contact them and try to
17 get the money.

18 All right. Mr. Hallack.

19 MR. HALLACK:

20 Look at my invoice. I think
21 the largest item is where I prepared the
22 guidelines for the penalties and violations,
23 something that you will be discussing later
24 on this morning. The next largest item is
25 the compliance meeting that we had with a

1 dealer that had some violation tickets.
2 Other than that, there's no other extremely
3 large item.

4 MR. ROBINSON:
5 The invoice is \$2,887.50.

6 MR. HALLACK:
7 Yes, sir.

8 MR. ROBINSON:
9 Any questions about Mr.
10 Hallack's invoice?

11 (No response.)

12 MR. ROBINSON:
13 Motion to approve?

14 MR. POTEET:
15 I make a motion that we
16 approve Mr. Hallack's invoice.

17 MR. CORMIER:
18 Second.

19 MR. ROBINSON:
20 First and second. Again,
21 that's for \$2,887.50.

22 Any discussion?
23 (No response.)

24 MR. ROBINSON:
25 All in favor?

1 (All "Aye" responses.)

2 MR. ROBINSON:

3 Anyone opposed?

4 (No response.)

5 MR. ROBINSON:

6 The motion passes.

7 We'll move on to #4, Item C,
8 policy and procedures. That will be
9 Director Parnell.

10 MR. PARNELL:

11 This is something we talked
12 about during our last Commission meeting,
13 discussion of the violation fee chart. This
14 was originally drafted by Attorney Hallack,
15 as he just mentioned. What I did was, I
16 went back in and did a different version of
17 it, whereas, I added in the penalty and fine
18 columns to the right. What it actually --
19 basically, what it's showing is that each of
20 the description of the violations are down
21 the middle, chapter, the statute where it
22 shall be bound is there as well. I just
23 broke out the first offense, second or
24 subsequent offenses. That \$2,000, for
25 example, each day means that, you know, your

1 first offense is not to exceed \$2,000 per
2 day. Each circumstance will be a little bit
3 different. So that is just in place to show
4 that that's the maximum that it can be. For
5 a second or subsequent offense, it's not to
6 exceed \$3,000 each day.

7 What we talked about at the
8 last meeting, there were some items that
9 potentially the Commission would like to
10 actually see immediately if some of the
11 violations are maybe more of a serious
12 nature that the Commission would like to see
13 as a whole and as a hearing. If you notice
14 that some of those items are bold -- printed
15 in bold. For example, under used motor
16 vehicle dealers, I have black market sales,
17 using fraudulent practices escape licensing
18 requirement. That offense second -- first
19 offense, second and/or subsequent in the
20 statute is not to exceed \$1,000. The second
21 one that I have listed as automatic hearing
22 is committing a fraudulent act in selling,
23 purchasing or dealing in used motor vehicles
24 or misrepresenting the terms and conditions
25 of the sale. I have that listed as well as

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1 the \$2,000 each day, \$3,000 each day for
2 second and subsequent.

3 The next one that I have is
4 engaging in business to cause injury to the
5 public and that has a hearing. Tampering
6 with the odometer to reflect lower mileage
7 than the true mileage is a hearing as well
8 under the used motor vehicle section. Are
9 there any other violations within that
10 section that the Commission sees that they
11 want to come before the Board as a hearing
12 versus a violation and have -- and I deal
13 with the violation side.

14 MR. DUPLESSIS:

15 Well, there is nothing on
16 here about title cleansing where you are
17 taking a branded title and you are
18 converting it to a good title. That should
19 be addressed. Is that in the statute or
20 not?

21 MR. HALLACK:

22 We don't have a violation for
23 that.

24 MR. DUPLESSIS:

25 Well, it's under fraudulent

1 act. That's something we might want to put
2 on the agenda next year. With Wreck Check
3 and all of these other things, it's going to
4 become an issue.

5 MR. BREWER:

6 Are the dealers going to
7 receive a copy of this?

8 MR. PARNELL:

9 I can. What I'm going to do
10 is post it on the website and have them
11 refer to the website. But if the Commission
12 sees fit, I can send it out to them, but I
13 don't want them to think immediately that
14 it's going to be \$2,000. That's why I want
15 to put it on the website and have a little
16 explanation exactly what it's saying.

17 Would the Commission see fit
18 to have it sent out to them? I think it
19 would probably be a little bit better and
20 more cost effective for us to put a copy on
21 the website and have them -- and refer them
22 -- if they have questions, refer them to the
23 website and they can actually go on and look
24 at it and read it.

25 MR. ROBINSON:

1 We don't have the budget on
2 postage to do a lot of mass mailing.

3 MR. PARNELL:

4 What this is, it's kind of --
5 it's simplified. It's really helping me
6 more than maybe you guys, but it really
7 helps me to really look at when we get these
8 violations in, when I get the tickets or
9 what Commission deems as immediate hearing,
10 I will know immediately what I need to get
11 done, you know, because there's so much
12 going on and going around for me, it will
13 help me and it will help the Commission, are
14 we all on the same page as it relates to
15 what's going on with the violation process.

16 MR. TURNER:

17 Where did you come up with
18 these numbers, \$2,000 a day?

19 MR. PARNELL:

20 Straight out of the statute.
21 If you look at Chapter -- I wrote it on the
22 second page at the back. We fall under
23 Chapter 32 of the Revised Statutes, #78, #88
24 talks about the civil penalties. If you
25 want, I'll go through that. No civil

1 penalty imposed for violation of the
2 provisions of this chapter on rules and
3 regulations of this Commission shall exceed
4 \$2,000 for each day this violation
5 continues. However, no penalty imposed for
6 a violation of Part 3 of this chapter, which
7 is the dismantler, parts recycler and
8 crusher shall exceed \$500 each day such
9 violation continues. On the second or
10 subsequent violation, no civil penalty
11 imposed shall exceed \$3,000 for each day
12 such second or subsequent violation
13 continues. However, no penalty imposed for
14 a violation of Part 3 of this Chapter shall
15 exceed \$1,000 for each day such second or
16 subsequent violation continues. In order to
17 constitute a second or subsequent violation,
18 there must occur a lapse of at least one day
19 following the first or previous violation.
20 Under 789 -- 32:789, which is black market
21 sales, any person shall -- violating this
22 section shall be liable for a fine up to
23 \$1,000. So that's specific to what we have
24 in the statute.

25 But that's why I did the

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1 numbers up there, but it says it's -- it's
2 specifically in the statute that that's our
3 math and we are not to exceed that dollar
4 amount.

5 MR. TURNER:

6 Well, I think if you are
7 going to put this on the website, it ought
8 to say that, up to, okay.

9 MR. POTEET:

10 It says not to exceed.

11 MR. PARNELL:

12 What do you think --

13 MR. TURNER:

14 Oh, at the top.

15 MR. PARNELL:

16 Right. You see where it says
17 penalty fine --

18 MR. TURNER:

19 I missed that. Maybe put
20 bigger letters.

21 MR. PARNELL:

22 I'll put bigger letters and
23 maybe put a little writing kind of leading
24 to that, so they'll understand that.

25 MR. POTEET:

1 I've got a question about a
2 couple of these categories and I'll start
3 with one that's most obvious to me. Under
4 auctions, the very last one down there says
5 failure to disclose that sale took place off
6 the block is \$2,000 each day. I wonder if
7 that should be \$2,000 each occurrence.

8 MR. DUPLESSIS:

9 I agree with that.

10 MR. PARNELL:

11 If it happens, it happens.

12 MR. HALLACK:

13 I understand. But if you
14 look at the definition of what constitutes a
15 day, it tells you that another day has to
16 transpire between them. So it can't be per
17 occurrence. If you have three occurrences
18 in one day, it's still just one day.

19 MR. ROBINSON:

20 It would require a
21 legislative act.

22 MR. HALLACK:

23 Right.

24 MR. POTEET:

25 I don't want that. I'm happy

1 with that then.

2 MR. DUPLESSIS:

3 That sure cleared it up.

4 MR. POTEET:

5 You said the word
6 Legislature. I'm happy with that.

7 MR. PARNELL:

8 If you notice on auction, the
9 only one that I have as a hearing is
10 engaging in fraudulent act. Does anyone
11 find that there needs to be more in that
12 section than a hearing is needed
13 immediately?

14 MR. DUPLESSIS:

15 Derek, if you start hitting
16 people with these things, several questions
17 arise from -- I think Glen has probably seen
18 it, too. Lawyers are going to want to come
19 and have a hearing and they are going to
20 want to know who is kind of judge, jury and
21 executioner on this. If they are really
22 guilty, they are paying a pretty good fine
23 and they will practice some damage control,
24 but I think that the people that we have
25 seen, if the fine gets up to \$50,000 like

1 when we had that T-tag violation deal, the
2 whole question was, what has been the
3 consistent policy of the Commission, and
4 that's what we immediately cling to. So,
5 you know, I think the stated policy is fine
6 and state the statute, but how are we going
7 to adapt a policy of utilization, because
8 that's what the lawyers will immediately go
9 to when they run out of bullets.

10 MR. PARNELL:

11 Right.

12 MR. ROBINSON:

13 How much has that argument
14 changed based upon the fact that we are a
15 new Commission as of 14 months ago?

16 MR. HALLACK:

17 The argument that Mr.
18 Duplessis makes, there was no good and bad
19 involved in the hearings process. I mean,
20 the Commissioners -- the previous Commission
21 took their job very honestly and earnestly
22 when it came to a hearing and assessing
23 fines. The particular case that Mr.
24 Duplessis was talking about was they were
25 selling their temp tags to other dealers,

1 and so the Commission actually assessed a
2 fine of \$50 per temp tag that they sold to
3 another dealer, and that turned out to be a
4 pretty large amount and they actually came
5 in and paid.

6 MR. DUPLESSIS:

7 Well, they were actually
8 selling them to people -- even more so, they
9 were selling them to people on the street
10 who didn't have a license and they were
11 avoiding sales tax and many of them were
12 illegal aliens that didn't hold a green
13 card. So it was -- and there were
14 reportedly drug dealers and it went on and
15 on and the act was much more egregious. And
16 I think that the fine in some cases hit
17 \$50,000. They were squalling about the
18 implementation, but to me \$50 a T-tag, if
19 you get 50 grand, I'm not sure I find that
20 unreasonable. It's just the repetition of
21 the act.

22 MR. ROBINSON:

23 It is the repetitiveness of
24 it. If you do it one time, it's \$50. If
25 you do it 100 times, then you've got a

1 problem.

2 MR. DUPLESSIS:

3 Right. But the old
4 Commission, I think the problem we've had,
5 is something that Derek has cleaned up. We
6 never brought anything to hearing. We never
7 hammered anything. Everything has slid
8 under the table and this is new day here and
9 the Commission. You have a lot more ethics
10 in this Commission and the state government
11 than you had a few years ago. So we had to
12 make a new mark I think to rewrite our --
13 and correct our fine policies and make sure
14 we are consistent.

15 MR. ROBINSON:

16 And this is an overall part
17 of something that Derek and I have been
18 working on and something I made a commitment
19 when I agreed to be Chairman, and it's --
20 part of that is not just this, but to be
21 proactive and to quit doing things how we
22 want it done and do things the way the
23 statute says it's supposed to be done. You
24 know, Derek and I have talked a lot, even
25 the last couple of three weeks, about, you

1 know, where is the middle of the road, where
2 is it when you are not over aggressive when
3 your investigator is out and what is it when
4 you are just not aggressive enough. I mean,
5 it's something that he and I worked on, on a
6 continual basis. This is needed to help,
7 you know, get us to that point. And, you
8 know, this is a lot more clear and concise.
9 It brings to the Commission what we think
10 are serious issues. So it kind of takes it
11 out of the hands of the field investigator.
12 If you are doing this and that's an
13 egregious act, he now knows they should come
14 before the Commission and he or she has to
15 start that process. So this is all part of
16 the overall picture what it is that we are
17 trying to accomplish as a Commission. This
18 is an integral part of that.

19 MR. BREWER:

20 Is there a lot of dealers
21 that fail to give a monthly report, do y'all
22 know there is?

23 MR. HALLACK:

24 Yes, sir.

25 MR. BREWER:

1 There is.

2 MR. ROBINSON:

3 You are talking about the
4 trade in?

5 MR. BREWER:

6 The monthly sales report
7 showing that the taxes have been paid
8 properly to the state.

9 MR. PARNELL:

10 Yes.

11 MR. BREWER:

12 I see I'm in violation of one
13 of these one these already.

14 MR. ROBINSON:

15 Don't say it.

16 MR. BREWER:

17 A secretary can't sell cars,
18 I take it. So, I'll have to get her a
19 license.

20 MR. ROBINSON:

21 She has to be licensed.

22 MR. BREWER:

23 I'll take care or it.

24 MR. ROBINSON:

25 If you want your secretary to

1 sell a car, she would need to be licensed.

2 MR. BREWER:

3 No, she just took it upon
4 herself.

5 MR. TURNER:

6 I have a question. What is a
7 change in condition of the license after the
8 license has been issued, what is that
9 referring to?

10 MR. HALLACK:

11 That would be if your bond
12 went out or your insurance cancelled on you.
13 That would be a change in the condition for
14 which you were granted a license or you were
15 zoned out. In other words, you were in a
16 business zone and they changed the zone,
17 something like that.

18 MR. TURNER:

19 Okay.

20 MS. BARON:

21 Could it also be selling
22 something that you are not licensed to sell?

23 MR. HALLACK:

24 That's correct.

25 MR. PARNELL:

1 You can and the licensee is
2 supposed to contact the Commission and let
3 them know that these changes have occurred
4 or will occur.

5 MR. TURNER:

6 It's very broad.

7 MR. PARNELL:

8 Yes.

9 MR. ROBINSON:

10 Any other questions about
11 these penalties?

12 MR. TURNER:

13 Who determines if the
14 advertising is misleading or false?

15 MR. PARNELL:

16 Well, what we will have them
17 do, we will have them do -- send an
18 investigator out there. Typically, what
19 happens is a complaint will come in. That
20 usually triggers most of them, but I want to
21 be a little bit more proactive than reactive
22 waiting on a complaint to come in. I know
23 we can't do it as good as I would like to do
24 due to the fact that we don't have a lot of
25 investigators, but I would like them to

1 review just random paper and just see -- in
2 their area and see what's going on with the
3 advertising that some of the dealers are
4 doing.

5 MR. ROBINSON:

6 But you've got to be able to
7 black and white prove your claim. If you
8 are sitting in June and you are advertising
9 no payments until January of next year,
10 you've got to be able to prove how you can
11 do that. And if you can't, then it is false
12 or misleading advertising. If you are
13 claiming you are the #1 dealer in the state,
14 you've got to be able to prove and if you
15 can't prove it, then it's false and
16 misleading advertising.

17 MR. DUPLESSIS:

18 You have to follow the tried
19 Commission rules.

20 MR. ROBINSON:

21 But, again, you've got to be
22 able to prove what you say. So it's on the
23 dealer to back up and substantiate the
24 claims that he makes.

25 MR. BREWER:

1 John, are you going to be
2 able to police as an auction owner, are you
3 going to be to police the unauthorized
4 people at the auctions?

5 MR. POTEET:

6 Yes. We do it now.

7 MR. BREWER:

8 I know y'all attempt to, but,
9 I mean, all of the auctions are doing that?

10 MR. POTEET:

11 I only know of one auction.

12 MR. ROBINSON:

13 Keep in mind this is nothing
14 new. This is just setting the penalties.

15 MR. TURNER:

16 Right. I think John will
17 admit it is very difficult. And, you know,
18 you go to auctions. It's very hard to
19 police that.

20 MR. POTEET:

21 It's easier today than it
22 used to be years ago, because everybody has
23 a bidder badge. I don't force them to wear
24 it. I mean, sometimes they put it on their
25 pads.

1 MR. TURNER:

2 If I come and tell you this
3 guy is my mechanic, driver or whatever, he
4 is allowed in, right?

5 MR. POTEET:

6 He's not allowed to be inside
7 the auction facility.

8 MR. TURNER:

9 A mechanic is not?

10 MR. POTEET:

11 He can go --

12 MR. ROBINSON:

13 He can go on the grounds. He
14 can't be in the room.

15 MR. POTEET:

16 In the lanes where the
17 vehicles are sold. But, actually, the law
18 makes it a lot easier to enforce, because I
19 can point to it. People say, you know,
20 whatever. If you have situations -- like
21 suppose people bring their wives to the
22 auction who have no -- you know, no reason
23 to be there other than it's their wives, and
24 what I will do is in a case like that,
25 that's my guest. The auction can have any

1 guests we want. There's nothing in the law
2 that says I can't have a guest. So you can
3 deal with the situations that are obviously
4 not intent -- there's no intent to bring in
5 a retail customer. But, in our case, what
6 we do is we require either my approval or my
7 auction manager's approval for any auction
8 guest. So if somebody shows up and says,
9 hey, this is my next door neighbor, they
10 aren't going to get approved to come in.

11 MR. ROBINSON:

12 I was at an auction a little
13 over a year ago and there was a dealer there
14 that had three or four people with him and
15 it was obvious that they were trying to pick
16 out cars, and I wasn't a Commissioner, but
17 it aggravated me as a guy that has to buy
18 the license and do all the things, and I
19 went to the general manager and said
20 something to him and within two minutes, all
21 of those people were gone. So, I mean, it
22 can be done and it needs to be done. I
23 mean, this guy was letting people shop for
24 cars in the ring.

25 MR. POTEET:

1 It's actually getting easier
2 than it used to be because of the badges.
3 The bidding badges makes it a lot easier.

4 MR. TURNER:

5 Just every now and then, we
6 will be working at a retail deal at the
7 dealership and the guy will say, well, I
8 went with my friend to Slidell yesterday and
9 looked at that car and y'all bought it and I
10 know what you paid for it.

11 MR. BREWER:

12 Yes, that's kind of tough.
13 They push it down your throat.

14 MR. TURNER:

15 Yes. I think that's the way
16 to go.

17 MR. BREWER:

18 Yes. I was just curious to
19 see how -- I know that you were on top of
20 that, but that's still a lot of guests that
21 were there trying to buy cars. It's pretty
22 obvious like you said.

23 MR. ROBINSON:

24 Any other questions on this
25 form?

1 Do you want us to act on it
2 today, Derek?

3 MR. PARNELL:

4 Yes. I would like that, but
5 I know your process is to introduce it and
6 look at it at the next meeting and adopt it
7 or act on it at the next meeting, but since
8 this was something that we looked at the
9 last meeting --

10 MR. ROBINSON:

11 That's the way I thought. We
12 did it last month. The way I look at it, we
13 brought it up last month and we can vote on
14 it this month.

15 So does anyone else have any
16 questions or comments? If you don't like
17 it, it's okay.

18 MR. CORMIER:

19 I have one question. Are we
20 going to do this on a case by case basis as
21 far as what we are going to charge them,
22 because it says not to exceed?

23 MR. DUPLESSIS:

24 Yes.

25 MR. ROBINSON:

1 Yes, case by case.

2 Obviously, you know, if you
3 have one count of an issue versus 21 counts,
4 you know, it's going to be handled
5 differently.

6 MR. BREWER:

7 Your field representative
8 sets the amount?

9 MR. PARNELL:

10 Well, actually, it will come
11 from me. What I will do at that point is,
12 it's like you are saying, It will be
13 circumstantial to the violations and the
14 amount of violations that person has, their
15 history of having violations. Yes, I will
16 actually set those fees, and I will bring it
17 before the Board to move on it.

18 MR. BREWER:

19 All right.

20 MR. ROBINSON:

21 And I can tell you just --
22 you know, we are coming up on a year that
23 Derek and I have been working together. He
24 doesn't over exercise authority. I mean,
25 things come up on a regular basis and he

1 calls and he will bounce it off of me. And
2 sometimes like the findings, you know, from
3 the Legislative Auditor, and I call the
4 appropriate Commissioners. So no one
5 really, I don't think, takes on a level of
6 authority that goes above and beyond.

7 MR. BREWER:

8 That's good.

9 MR. ROBINSON:

10 So even with this issue,
11 which was a major issue, there were -- three
12 Commissioners were actually spoken to and
13 notified and we got, you know, any of their
14 input that they wanted to offer, and I try
15 to do that based on -- like in this
16 instance, the finance chair is the
17 Commissioner, is who you would call, but it
18 could be you the next time an issue comes
19 up, you know.

20 MR. BREWER:

21 Right.

22 MR. ROBINSON:

23 If there is no other
24 discussion by anyone, I need a motion to
25 approve this.

1 MR. TURNER:
2 I make a motion that we
3 approve.

4 MR. BREWER:
5 I second.

6 MR. ROBINSON:
7 Any other discussion?
8 (No response.)

9 MR. ROBINSON:
10 Okay. All in favor?
11 (All "Aye" responses.)

12 MR. ROBINSON:
13 Anyone opposed?
14 (No response.)

15 MR. ROBINSON:
16 The motion passes.
17 And the next is the
18 appointing authority.

19 MR. PARNELL:
20 Yes. The next item is the
21 resolution regarding the Louisiana Used
22 Motor Vehicle Commission and the appointing
23 authority. I actually spoke with Attorney
24 Sheri Morris who drafted this resolution.
25 It was the last drafting of the resolution

1 that took place with the last Commission.
2 They removed the appointing authority from
3 the Executive Director and moved it to the
4 Transition Committee. This resolution
5 simply clarifies and defines the appointing
6 authority of the Commission. The appointing
7 authority, in many terms, deals a lot with
8 Civil Service and personnel concerns,
9 typically before any action can take place,
10 the appointing authority must sign off on
11 any action that is be taking place.

12 So with this resolution --
13 and let me just read the section where the
14 it designates the appointing authority,
15 which it says, "Therefore, be it resolved
16 that the Commission hereby designates its
17 Executive Director, Derek Parnell and
18 Chairman Glen Robinson, to act individually
19 as the appointing authority with full
20 authority to supervise and employee
21 personnel of the Commission."

22 What that states basically is
23 that either of us is appointing authority.
24 If I'm not available, it will be referred to
25 him and if he is not available, it will be

1 referred to me. Typically, what the
2 practice has been with Chairman Robinson, he
3 puts that on me if it's dealing specifically
4 with the day-to-day issues of the office.
5 So, basically, this resolution kind of
6 clearly defines it. We didn't know once the
7 other Commission was gone did that mean that
8 the appointing authority that was taken away
9 from the Executive Director -- the past
10 Executive Director, did that carry over to
11 me. Being that we were unclear on that,
12 that's why we went in and went ahead and had
13 the resolution drafted.

14 MR. ROBINSON:

15 And I had asked for the
16 resolution to include the Executive Director
17 and the Chairman. That way there is always
18 somebody. If Derek is gone for a week or
19 something comes up and we need somebody
20 dealing with Civil Service, just to pick
21 one, which -- and Kim is aware of, we didn't
22 have an interim Director. They wouldn't
23 acknowledge anything that the interim
24 Director did. They had to be the Chairman.
25 They wouldn't take anything. So there is a

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1 need to have more than one.

2 My only question, of course,
3 Ms. Morris isn't here, but do we want to do
4 this by name or position? Would this not be
5 easier just saying the Executor Director and
6 the Chairman?

7 MR. PARNELL:

8 I'll agree with that. I'll
9 change that.

10 MR. ROBINSON:

11 But it's needed. We learned
12 in the last couple of weeks, because there
13 is some -- the previous Commission did take
14 some of the powers away from the Executive
15 Director, and this has actually come up in
16 the last couple of weeks. So we need to do
17 this just to clean that up.

18 MR. BOURGEOIS:

19 Do we need to make a motion
20 on that?

21 MR. ROBINSON:

22 Make a motion to remove the
23 names and just do it by positions.

24 MR. BOURGEOIS:

25 I make the motion.

1 MR. CORMIER:

2 Second.

3 MR. ROBINSON:

4 A motion and a second.

5 Any other discussion or any

6 questions?

7 (No response.)

8 MR. ROBINSON:

9 All in favor?

10 (All "Aye" responses.)

11 MR. ROBINSON:

12 Anyone opposed?

13 (No response.)

14 MR. ROBINSON:

15 The motion passes.

16 Make sure she changes that,

17 please.

18 MR. PARNELL:

19 I will.

20 MR. ROBINSON:

21 That will be good forever.

22 MR. PARNELL:

23 Right. Yes.

24 The next item, policy and

25 procedure, is a resolution regarding holding

1 and staging areas for FEMA trailers. This
2 is something that I had Attorney Hallack
3 draft. We were having a lot of issues.
4 Particularly, what happened was, out on
5 Highway 190, I think I mentioned to everyone
6 that there was a lot of concern that a lot
7 of FEMA trailer businesses were out there
8 operating without licenses. I have really
9 been hitting that area pretty hard and I
10 spoke with all of my investigators to ensure
11 that they are not just driving by these
12 trailers -- the FEMA trailer sites and just
13 ensuring that they are meeting all of the
14 requirements that they should as it relates
15 to holding a license.

16 What we found is that a lot
17 of -- I would say it was six or seven of
18 them out in that area. Three of them when
19 an investigator rolls up, they tell them,
20 oh, well, this is just a staging area or
21 holding area. What was going on is that we
22 had some licensees that had a primary
23 location that they were operating from, and
24 what was happening, they were actually
25 selling the trailers from the primary

1 location, but they were having the consumer
2 go to a holding area and pick them up.

3 So I had Attorney Hallack
4 draft this resolution to kind of clearly
5 define what we would look at as it relates
6 to what does holding area mean, what does
7 staging area mean. So I will have Attorney
8 Hallack kind of speak to that, if you will.

9 MR. HALLACK:

10 As y'all may recall, we had
11 gotten a complaint from the Louisiana Motor
12 Vehicle Commission that there were a number
13 of people selling used FEMA trailers
14 throughout the state, and Derek got the
15 investigators to go check some places, the
16 places in particular that they were
17 complaining about, and a lot of these places
18 were just pieces of property with a bunch of
19 FEMA trailers on it, no sign, no employees,
20 no nothing. As they began to dig, these
21 were just holding areas or staging areas for
22 somebody who had sold some. They were just
23 moving or transporting them up and down the
24 highway and they were just being placed to
25 drop them off.

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1 So the two investigators went
2 out and looked at all of these places that
3 we had gotten complaints about and found
4 that they were just staging or holding
5 areas, but the investigators really didn't
6 know what to do with it, should I write a
7 ticket, because, I mean, you could say they
8 are displaying, although they are not
9 actually offering them for sale there.

10 So what we did was we wrote
11 this resolution in an effort to give the
12 field person some guidance as to what they
13 should be looking for in terms of whether
14 this person is actually dealing or not.

15 For instance, one
16 investigator stopped off and this guy said,
17 well, this is a staging area for me to send
18 the trailers up to Michigan to resell in
19 Michigan, and I'm just bringing them here to
20 get them satisfactory, so they can be
21 transported. But he said if somebody stops
22 and asks me if I can buy one, I probably
23 will sell it. Well, that person needs to
24 get a license. You know, just because you
25 are -- your primary purpose is to move them

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1 to Michigan, but you are going to sell a
2 couple if somebody stops and asks you for
3 it, you have got to get a license.

4 So this policy basically
5 tells the investigator what they should do
6 if they see a staging area or a place where
7 there are a lot of FEMA trailers.

8 MR. PARNELL:

9 But as Attorney Hallack said,
10 this is something that we could put in place
11 that can help the investigator clearly
12 define what we are looking at as it relates
13 to using a holding or a staging area and
14 what they should do, and the circumstances
15 they run across and those things.

16 So are there any questions or
17 concerns specific to this resolution?

18 (No response.)

19 MR. ROBINSON:

20 Anyone?

21 (No response.)

22 MR. ROBINSON:

23 Anything else on that, Derek?

24 MR. PARNELL:

25 No, that's all.

1 MR. ROBINSON:

2 You just wanted this
3 introduced at to the Commissioners?

4 MR. PARNELL:

5 That's correct.

6 MR. ROBINSON:

7 All right. Item D, it won't
8 be long and it will be legislative time. So
9 we want to go ahead and start getting a hand
10 on things that we might want to get done
11 this legislative session. Of course, Ron is
12 the Chairman of the Legislative Committee.
13 So we want to go ahead and get started early
14 and try to have all our ducks in a row in
15 plenty of time and time to hold the public
16 hearings and get our bills in, in a timely
17 manner. So this will be on every month,
18 items or issues that you think we need to
19 address in next year's session.

20 We will go ahead and start
21 with you, Ron, since you are the Chairman.

22 MR. DUPLESSIS:

23 Well, you know, last year we
24 had a pretty good year. It was a little
25 sticky and we addressed a lot of complicated

1 cleanup matters, but I think we came out
2 okay. Everybody at the end of the day
3 agreed and we did well. That doesn't mean
4 it wasn't bloody. I suspect it will be less
5 controversial this year, but I think we need
6 to go ahead and set the date for the hearing
7 and we need to reserve the archives
8 building. We need to post it on the website
9 and I think people are starting to adhere to
10 this and looking forward and getting their
11 say and we can clear a lot of it up. We did
12 our job by posting the public meeting. We
13 do need to do a better job of getting the
14 word out to the industry, and we did it a
15 little late, a lot of stuff going on, but,
16 you know, I think FEMA is going to be an
17 ongoing nonstop issue for another couple of
18 years. It is just hard to manage that.

19 MR. ROBINSON:

20 I think it's going to get
21 worse, because what seems to be taking place
22 now is we have licensed dealers with
23 thousands of -- literally thousands of these
24 FEMA trailers and their market seems to have
25 dried up substantially. And now we've got

1 dealers that are sitting on -- I know of one
2 that still sits on about 10,000. So it's
3 not going away any time soon.

4 I've got a couple of minor
5 things. You tell me if it needs a
6 legislative act. From my whole time here,
7 my prior four years, I wanted to not require
8 salesmen to have a license for the first 30
9 days, that the dealer does not have to
10 request a license. We've talked about it.
11 Every Commissioner was in agreement. Is
12 that a legislative act? I have been told it
13 was. I have been told it's --

14 MR. HALLACK:

15 I think it is.

16 MR. ROBINSON:

17 That's something -- and,
18 again, we kind of all agreed that you
19 shouldn't have to license a salesman the day
20 he hits the floor. A lot of salesmen come
21 and go in a week or two and I would like to
22 see it change to where you have 30 days to
23 actually get a license for a new salesmen.
24 So everybody is in noncompliance. You hire
25 them today, you don't a license for him. So

1 that's something I would like to see.

2 MR. HALLACK:

3 I will say that it requires a
4 legislative act, but I think this body here
5 has passed a policy statement interpreting
6 that. I think the statement that y'all made
7 it was, what, five days --

8 MS. BARON:

9 I think so.

10 MR. HALLACK:

11 -- that you are entitled to a
12 trial period of five days before they have
13 to --

14 MR. ROBINSON:

15 Who passed one for five days?

16 MR. HALLACK:

17 This Commission here.

18 MS. BARON:

19 I think the prior Commission.

20 MR. ROBINSON:

21 It wasn't this Commission.

22 MR. HALLACK:

23 It was this Commission. Mr.
24 Robinson was the chairman.

25 MR. ROBINSON:

1 I don't recall passing one
2 for five days. So the bottom line is --

3 MR. HALLACK:

4 No, I don't think that it
5 requires --

6 MR. HALLACK:

7 I think we have a resolution
8 on the books.

9 MR. ROBINSON:

10 We need to look for that. I
11 don't recall that at all.

12 MS. BARON:

13 I recall the discussion and I
14 recall possibly a policy and procedure, but
15 I don't know if it was ever signed or not.
16 I don't remember.

17 MR. BOURGEOIS:

18 Do you want to put it on the
19 agenda for the next meeting?

20 MR. DUPLESSIS:

21 Why don't we do that though
22 rule and just be done with it, if you can?
23 We've only got -- legislators have only have
24 five bills and this is a fiscal session. So
25 we want a fee increase. I'm here to tell

1 you this is the year and we better act early
2 to get somebody to sponsor that.

3 MR. TURNER:

4 You think there is any shot
5 at getting that with the current situation?
6 Everybody I've talked to says there is no
7 way.

8 MR. BOURGEOIS:

9 Everybody says it's hurting
10 us.

11 MR. DUPLESSIS:

12 I think it's so early right
13 now that I think after the first of the
14 year, you are going to start to see how
15 everything is coming together. I'm not able
16 to voice my opinion on it. I can't get a
17 feel on that.

18 MR. BOURGEOIS:

19 I know this is a long shot.
20 I'm agreeing by listening, but invite Merck
21 to a meeting and just tell him why and
22 whatever. If we get him -- because I'm
23 hearing a lot of Legislators look at him,
24 you know, because he is in the business and
25 they ask him, hey, do they really need it

1 and I hate to say it, but, I mean, getting
2 him on our side is going to be --

3 MR. ROBINSON:

4 I don't think you are going
5 to a get a fee increase with a \$400,000
6 surplus.

7 MR. TURNER:

8 They see the finances.

9 MR. BOURGEOIS:

10 Right. We have got an actual
11 yearly surplus.

12 MR. ROBINSON:

13 But it's a surplus.

14 MR. DUPLESSIS:

15 Well, you can posture a bill
16 where we could go to if needed and that
17 would be a way to shape it, I would guess.
18 But we also have this legislative task force
19 of all the automotive groups and, basically,
20 I think we are going to have to listen to
21 what the pulse is there to get a feel for
22 it. Right now, I have no feel. If I had to
23 voice an opinion, I would say it's going to
24 be tough. The Governor -- they are looking
25 at this big layoff of 17,000 jobs. Do I

1 have that correct? So, basically, if there
2 is a 17,000 layoff, they are not going to
3 have the stomach for fee increases.

4 MR. ROBINSON:

5 I wouldn't be a proponent of
6 a bill for a fee increase this year. Also,
7 it is an election year. You are dead in the
8 water with a fee increase in an election
9 year. Nobody is going to vote for it and
10 have that hanging over their head.

11 MR. BOURGEOIS:

12 So we will have to wait
13 another two years.

14 MR. ROBINSON:

15 Because it is a tax and
16 that's how they will view it, okay, just
17 another tax. With over \$400,000 surplus, I
18 just don't -- no one wanted that bill harder
19 than I did. I spent a lot of time at the
20 Capitol. I talked to a lot of legislators,
21 and I don't see it happening and I think the
22 election year just makes it even just
23 absolutely impossible.

24 MR. DUPLESSIS:

25 The risk and run -- you run

1 the risk of taking the rest of your
2 legislation. That's the downside.

3 MR. BOURGEOIS:

4 I agree with that.

5 MR. DUPLESSIS:

6 That's why we had to call it
7 when we realized the ship was taking on a
8 lot of water.

9 MR. BOURGEOIS:

10 Do you want to wait two years
11 then?

12 MR. DUPLESSIS:

13 At least until we get past
14 the first of the year.

15 MR. ROBINSON:

16 And keep in mind, we did
17 increase our cash by \$24,000 over the year.

18 MR. DUPLESSIS:

19 Whatever y'all can think of,
20 bring it to Derek or Glen or myself and
21 we'll start compiling a list. I think the
22 industry is going to start bringing their
23 stuff.

24 MR. ROBINSON:

25 Y'all go ahead and get a

1 couple of dates that we can have a meeting
2 on there. Let's get two dates and next
3 month, let's -- we will be -- as a
4 Commission, we will pick a date and lock it
5 in. So then we will know and have an actual
6 timeframe when we have to have our stuff to
7 go by.

8 MR. BOURGEOIS:

9 Actually, you have all of the
10 businesses and ask them for their -- what
11 they would like to bring up, so Ron --
12 instead of waiting to the last minute?

13 MR. PARNELL:

14 I'll with what e-mail address
15 I have, yes.

16 MR. DUPLESSIS:

17 Just post it.

18 MR. PARNELL:

19 Post it on the website.

20 MR. ROBINSON:

21 Which is another issue I
22 have. I think the world we are in today,
23 part of the licensing requirement would be
24 that you maintain a current e-mail address.
25 We should be able to go in there and e-mail

1 our licensed dealers whenever for anything.
2 I mean, that's how we need to communicate
3 with these guys. If you are a very small
4 dealer, you do not have a computer at your
5 business, you can go to your local library
6 and get a free one, but I think we are at
7 the point where we need to require as part
8 of the licensing requirement that you have
9 and maintain a current e-mail address, and
10 that becomes this Commission's official
11 notifications. Now, what does that -- what
12 would -- what would we have to do to get to
13 that point?

14 MR. HALLACK:

15 To require that as part of
16 your license to have -- yes, you would have
17 to have legislation for that, absolutely no
18 doubt about that.

19 MR. PARNELL:

20 What we did in the past year
21 is we had the bottom -- we talked about this
22 at the last meeting, at the bottom of our
23 cover sheets, we ask that each dealer supply
24 us with a valid e-mail address. So that way
25 we can kind of start communicating that way,

1 but it wasn't, you know, a requirement. We
2 just asked.

3 MR. ROBINSON:

4 Well, it's just like this
5 procedure. I would like to notify them all,
6 but we can't send a mailing to everybody
7 every time we want to do that. The easy way
8 -- I mean, these e-mail addresses are free.
9 We just need to make people have one and
10 pass something that says that, you know, you
11 have to have it. This could go out to
12 everybody before the end of the month. It
13 would be so simple to do. We've got to get
14 past these -- what does it cost to packet a
15 mail out for renewals?

16 MS. BARON:

17 If you get in an envelope,
18 it's 80 cents to \$1.05.

19 MR. ROBINSON:

20 It costs hundreds of dollars
21 to print the forms. We need to get past
22 that. We should e-mail this out with an
23 attachment. They print it and they've got
24 their renewals.

25 MR. DUPLESSIS:

1 Well, we have no
2 capitalization requirement to become a used
3 car dealer or any other dealer and, to me,
4 if you can't ask a business to have a \$300
5 computer, and you can buy one today for 300
6 bucks, why don't you think that a business
7 can't afford a \$300 computer?

8 MR. ROBINSON:

9 It's not afford. It's just
10 they choose not to. They are a solo or a
11 two person operation and they don't want
12 them. They don't want them.

13 MS. BARON:

14 You would be surprised the
15 phone calls we've had that people say, we do
16 not want to renew online, we will not renew
17 online when this packet comes out. Then,
18 I've had people call me up and say I am
19 totally computer illiterate and your online
20 renewal was wonderful, it walked me straight
21 through.

22 MR. PARNELL:

23 Currently, right now, every
24 time I go to coordinate and check on these
25 fess by phone, and I have asked for an

1 e-mail address and ensure that we have
2 something in the system. That's growing,
3 but it's growing slower, but we're hoping
4 with the new renewals and the new licenses
5 this year, we are going to have a lot more
6 for them to put in. We actually put it on
7 the application, the actual application
8 itself, it's on there.

9 MR. ROBINSON:

10 So would you --

11 Commissioners, would you support adding that
12 as a requirement for a license for say 2012?

13 MR. TURNER:

14 Absolutely.

15 MR. ROBINSON:

16 Again, I know computer -- you
17 can go to the library and for free have an
18 e-mail and there is --

19 MR. BOURGEOIS:

20 Use their computer.

21 MR. ROBINSON:

22 The don't require -- I'm sure
23 that probably every place has a library
24 offers that or they have a son or daughter
25 or wife. There's some way, you know, but

1 that's one of the big reasons, is to get
2 this information to people.

3 MR. BOURGEOIS:

4 Put it up, that's simple.

5 MR. ROBINSON:

6 So let's get that on there.

7 That's certainly an issue I would like to
8 see. And then y'all just, you know, give us
9 some thought. If there are things that you
10 think would make what we do better or
11 whether consumer protection or dealers or
12 the Commission, you know, let us know and
13 let's get it talked about. Let's get it on
14 the agenda.

15 MR. DUPLESSIS:

16 What are you saying, I think
17 the way that -- a lot of times, you posture
18 your legislation is what you see in your
19 enforcement area. Are you guys having any
20 -- we are not seeing anything coming in
21 front of the Commission. I mean, I'm not
22 criticizing that, but what I'm saying is,
23 it's -- normally, agencies will take what
24 they are seeing as consistent offenses and
25 that sort of thing. So maybe you want to

1 meet with your investigators.

2 MR. PARNELL:

3 That's what I was about to
4 say. That's something that I plan to do
5 very soon. Once we put that on the agenda,
6 I do want to get with them, because they
7 have a lot of things, because they are the
8 ones that are pretty much enforcing it and
9 they have a lot of ideas on a lot of things.
10 I told them to start -- at the end of last
11 session actually I told them to start
12 jotting those things down. So we can kind
13 of talk about it and discuss it and bring it
14 before the Commission as a whole. So they
15 already have lists. I don't know how long
16 they are at this point, because I haven't
17 talked to them since I mentioned it, but I
18 told them to just continue doing that
19 because of those issues that will arise. We
20 will definitely have a lot more feedback
21 from what's going on out in the field at
22 this coming up session.

23 MR. DUPLESSIS:

24 Bring them and we will go
25 through them and Robert and Sheri and I will

1 kind of start posturing it.

2 MR. PARNELL:

3 Okay.

4 MS. BARON:

5 Ron, going back to the two
6 days, what months are you looking at to do
7 that?

8 MR. DUPLESSIS:

9 January. That should give us
10 enough time that we need to harang our
11 legislators prior to.

12 MR. TURNER:

13 I think it would be a good
14 idea with the investigators to tell you
15 their findings. If you would share that
16 with all of us by e-mail, not just at the
17 meetings, so we can be kind of be brought up
18 to speed.

19 MR. ROBINSON:

20 Would the Commission have any
21 interest in having that public hearing the
22 afternoon following our meeting, so if the
23 Commissioners wanted to attend, they could
24 attend or do it like we have in the past
25 and, you know -- of course you had other

1 Commissioners come in for that, Ron?

2 MR. DUPLESSIS:

3 I would assume have the whole
4 Commission if we want.

5 MR. HALLACK:

6 To do what?

7 MR. PARNELL:

8 To have that --

9 MR. HALLACK:

10 If you want -- as a
11 Commission body, you have to have six.

12 MR. ROBINSON:

13 What I'm saying is, though, I
14 mean, if you had seven Commissioners at that
15 public hearing, then you have a quorum,
16 right? So you can't have but five at that
17 meeting.

18 MR. HALLACK:

19 It depends on how you do it.
20 If you do it as the Legislative Committee, I
21 mean, then I think there are only three
22 committee members. You have two out of
23 three to have a quorum for the Legislative
24 Committee meeting.

25 MR. DUPLESSIS:

1 But you can have more than
2 that.

3 MR. HALLACK:

4 It needs to be an official
5 meeting, it absolutely -- whether you do it
6 as a Legislative Committee meeting or you do
7 it as an entire body.

8 MR. TURNER:

9 Why don't we have that
10 meeting here?

11 MR. DUPLESSIS:

12 We don't have enough room.

13 MR. TURNER:

14 The meeting I went to last
15 year, there was hardly anybody there.

16 MR. DUPLESSIS:

17 You are right. You are
18 correct about that. But the three we had
19 were very vocal.

20 MR. HALLACK:

21 You can RSVP it, I guess.

22 MR. ROBINSON:

23 Y'all just get a couple of
24 dates. We'll do it like last year.

25 MR. HALLACK:

1 January is a little late,
2 though, because you've got to pre-file by
3 March 15 and, generally, you try to get the
4 Commission's approval to vote on it. So if
5 you are looking at the Commission voting on
6 it in February, then it has got to be
7 pre-filed by March 15, and then you are
8 really up against the wall to find an author
9 and everybody.

10 MR. DUPLESSIS:

11 The third Monday in December,
12 you are starting to getting pretty testy
13 with a lot of people. That was my only
14 observation.

15 MR. ROBINSON:

16 I agree. I think it needs to
17 be prior to January.

18 MR. TURNER:

19 Why don't we do it in
20 November?

21 MR. ROBINSON:

22 The big thing is trying to
23 get authors.

24 MR. HALLACK:

25 Trying to get what?

1 MR. ROBINSON:

2 Sponsors.

3 MS. BARON:

4 Do you want to shoot for
5 November or December?

6 MR. DUPLESSIS:

7 How is your calendar looking?

8 MS. BARON:

9 The Commission meetings
10 actually are on the 15th, which is the week
11 before.

12 MR. ROBINSON:

13 We are getting ready to
14 discuss dates.

15 MR. DUPLESSIS:

16 I'm all good with that. I'm
17 fine with that. I'm good with whatever
18 suits the Commission, just as long as you
19 get a turnout and input where did y'all come
20 up with this.

21 MR. ROBINSON:

22 You see, there again, we
23 could e-mail everybody that, you know, this
24 is the date and time for the public forum
25 and what we are going to do.

1 MR. DUPLESSIS:

2 Contact the industries.

3 MR. ROBINSON:

4 It's just the greatest way to
5 get our issues out there to people, so they
6 can be involved if they want to be involved.

7 And in conjunction with Item
8 E, I wanted to see if we might have
9 conflicts with our meetings, because they
10 are very close to holidays. So as it comes
11 in November and December. Our November date
12 would be what?

13 MS. BARON:

14 The 15th, which is the week
15 before Thanksgiving.

16 MR. ROBINSON:

17 That's good.

18 MS. BARON:

19 December is the 20th, which
20 is the week of Christmas.

21 MR. ROBINSON:

22 So do we want to meet the
23 week of Christmas? I didn't know, you know,
24 if the week of Christmas was something that
25 the Commission wants to do or not.

1 Any thought? Does it matter?

2 MR. CORMIER:

3 It doesn't matter to me.

4 MR. TURNER:

5 It doesn't matter.

6 MR. ROBINSON:

7 Anybody?

8 (No response.)

9 MR. ROBINSON:

10 And we will just leave it --
11 we'll leave it like it is. That way,
12 nothing has to change. That was actually
13 Item E on the agenda.

14 Again, stay in touch with us
15 about things on the legislative issue.

16 All right. Item 5, Executive
17 Director's report.

18 MR. PARNELL:

19 The first item is complaint
20 totals for the month of August 2010. This
21 is something that Chairman Robinson and I --
22 he kind of wants me to be a little bit more
23 proactive in reporting that to you as it
24 relates to this particular session. This
25 meeting, it won't be that way. It will kind

1 of be kind of the same like what I have done
2 in the past, but moving forward, I will go a
3 little bit deeper into what I presented with
4 the complaints.

5 So the total alleged issues
6 for August 2010, there were 45 alleged
7 issues. Thirteen were non-delivery of
8 titles. Fourteen complaints for request of
9 refund or request of down payments. The
10 total cases being worked is 31. Of those 14
11 cases that are out there, they kind of
12 dissolved. Sometimes when complaints come
13 in, by the time somebody calls them, they
14 are okay with it or they don't want to
15 pursue it any further. So that's when the
16 alleged versus the actual being worked cases
17 kind of differs a little bit.

18 The second item that I have
19 out here is surplus vehicle status. Shortly
20 thereafter the last meeting as I was pulling
21 into our parking lot -- and I sent out
22 e-mails to everyone pictures of very nice
23 illustrations of what took place. About
24 7:20 a.m. in the morning I pulled into the
25 parking lot and I noticed that our fleet

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1 vehicle was sitting on bricks. All four
2 tires -- wheels and tires were gone, lugs as
3 well. So what I did was called the police
4 immediately and I sent out e-mails to
5 everybody, so you could kind of see what was
6 going on. That just happened and I was
7 planning on trying to surplus that vehicle
8 the next week. So that kind of prolonged
9 that situation. What happened was with
10 wheels, I was able to get a donation -- a
11 full out donation of the wheels. So I
12 didn't have to spend any money on getting
13 wheels on that vehicle. I needed something
14 that was real cheap that didn't really
15 matter. It could be bald tires. I just
16 wanted to get it there, because there was
17 not a lot of money that was going to be
18 given for that anyway. I spoke with the
19 Ethics Committee, because I wanted to be
20 sure of what we can do as it relates, who
21 could we buy from. I didn't want to do
22 anything that was wrong and that I would
23 have the news crew knocking on the door. I
24 don't want that at all. So I just made sure
25 from them that I could take a full out

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1 donation and that's what we did.

2 Moving forward with the next
3 item that we talked about at the last
4 meeting was that we were looking at trying
5 to get a new vehicle. I was able to go
6 ahead and purchase that vehicle. The funds
7 specifically came from -- if you remember
8 correctly, the first -- we surplused six
9 vehicles. We got \$12,700 from those
10 vehicles, and that was what we -- we wanted
11 to use that money to purchase a vehicle. At
12 the last meeting, we looked at the type of
13 vehicles. So we went ahead and got that mid
14 sized Dodge Avenger. The cost on the state
15 contract was \$13,595. So we went ahead and
16 moved forward with that. On the 31st was
17 the deadline to actually get it in prior to
18 -- I believe that is -- September 14th, they
19 were going to start doing the new bids for
20 renewals for the contract vehicles. So it
21 would have been at the end of October that I
22 could have actually even tried to look at
23 getting a vehicle. So I wanted to try to
24 make sure I can go ahead and get something
25 out there on the road, so we can get rid of

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1 some of these high mileage vehicles that we
2 have out there and use low mileage vehicles
3 and go ahead and get some of the surplus.

4 Last week, I was able to go
5 pick the vehicle up and I brought two
6 vehicles over there. If you notice -- and I
7 submitted -- one of our field investigators,
8 Ronnie Wisenor, is driving a new vehicle now
9 and we are using that car here at the
10 office, kind of just going to keep rotating
11 them until we get them all reasonably good
12 mileage.

13 MR. ROBINSON:

14 We are going to use it as
15 long as it has tires on it.

16 MR. PARNELL:

17 Yes.

18 So, that morning, you know, I
19 got a police officer to come out there and
20 he came out there and he said, well, this is
21 probably just needed. They didn't take
22 anything, because we had the Charger. It
23 was sitting out there parked right next to
24 it and they didn't even look at that. So I
25 was like, well, good. I immediately put one

1 of our field investigators in that car,
2 because it did have more mileage and we
3 needed to trade it out anyway. But, yes,
4 they strategically placed it on six bricks,
5 each tire -- and I don't know what you call
6 it, what the wheel goes on.

7 MR. ROBINSON:

8 So we actually upgraded half
9 the fleet. One is a brand new vehicle. The
10 other one is 58,000.

11 MR. PARNELL:

12 One is 52,000 and one is
13 62,000 miles vehicle. We only have one
14 that's out there right now that's over
15 100,000 miles that's in operation.

16 MR. ROBINSON:

17 It is over 120.

18 MR. PARNELL:

19 109. I surplused the one
20 that was over 120.

21 MR. BOURGEOIS:

22 Is there a best time to trade
23 those in to get your best value back or a
24 cycle time or are y'all just dealing with
25 your budget?

1 MR. PARNELL:

2 Well, the only thing that we
3 can do is go with Louisiana State Purchasing
4 anyway.

5 MR. ROBINSON:

6 We don't control it. They
7 put it out there when they get the ready to
8 put it.

9 MR. PARNELL:

10 Because I brought them last
11 week so it may be another month or two.

12 MR. ROBINSON:

13 And then it took 90 days to
14 get the money after the auction. We have no
15 control over any of that.

16 MR. PARNELL:

17 The next item is, we have a
18 CAVU site visit coming up on the 28th of
19 this month.

20 MR. ROBINSON:

21 That's our software people.

22 MR. PARNELL:

23 Software people.

24 I brought it to your

25 attention that CAVU company was bought out

1 by a large company that -- as they keep
2 telling me everything is going to be so much
3 better now, that they are a large company.
4 They are not a mom-and-pop-operation acting
5 as a large company. So the high
6 administrators, they are coming here on the
7 28th. So I really want to talk with them
8 and let them know what issues I have had
9 with CAVU, what we don't have that we are
10 supposed to have right now. Moving forward,
11 if we are not getting things solved in a
12 better manner, we are not getting what we
13 are paying for, we are not getting
14 everything in order, we are just going to
15 move away from using CAVU as a whole and
16 start looking at other software packages
17 that we can actually start implementing.

18 As you all know that we have
19 been having a lot of issues with getting
20 what we are supposed to get. And I made a
21 concerted effort to be on top of them, so --
22 and they hear my voice quite a bit. They
23 hear me often. So they -- that's why I
24 guess I was one of the ones they wanted to
25 pick to come and talk to, I guess, but I

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1 want to hear what they have to say, but I
2 still want to use this as an opportunity to
3 kind of voice a lot of my concerns.

4 Another issue, the number
5 four item, is staggering licenses as it
6 relates to dealer plates. At the last
7 Commission meeting, we kind of talked about
8 we know that we -- at some point, we did
9 some legislation to kind of help with moving
10 away from all of our licenses expiring at
11 the same time, December 31. So we took that
12 date out of our legislation. What we talked
13 about doing was possibly moving to multiple
14 year licenses and/or breaking up --
15 staggering our licenses, so that we can have
16 some license period maybe in June or July
17 and December, which would kind of help us
18 out here in the office and just to help out
19 the process to make sure everyone would get
20 their licenses in timely fashion.

21 One of the concerns was how
22 would that relate to dealer plates, because
23 typically they are operating on that once a
24 year, their annual timeframe upon which you
25 can get a dealer plate. I spoke with the

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1 Office of Motor Vehicles and they said that
2 right now, it is an issue. They wouldn't be
3 able to really facilitate that with us right
4 now without it being a long drawn out issue,
5 because the system that they are using --
6 they are using a mapper system.

7 Anyone of you all know that
8 that was the system prior to CAVU that we
9 were using here. We still have one computer
10 up front that we use the mapper system and
11 that's when we have to check VIN and the
12 investigators check VIN numbers with. They
13 are moving away from that system. They are
14 going to a completely different system.
15 They should be finished with that system
16 within a month or two is what I was told.

17 And she said after that point
18 is when we can kind of really start talking
19 about trying to formulate how we want to
20 look at doing our staggering. What she said
21 was changing them at that point would be
22 very effective, very efficient for them to
23 do as long as they have information from us
24 of what licenses and what dealers are going
25 to move to that type of licensing. So the

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1 information that I have thus far, and I'll
2 probably report on this again, is that once
3 they update to the next level of software
4 for OMV, we will be able to move to a
5 staggering system. We just have to
6 formulate how we want to do it and let them
7 know at that point.

8 MR. ROBINSON:

9 So we can get it. That's the
10 good news.

11 MR. PARNELL:

12 Yes. We can move to that.

13 So that's all that I have in
14 the Executive Director's report.

15 Are there any questions,
16 comments or concerns? Anything that you
17 want me to kind of look into for the future
18 meetings or anything?

19 MR. ROBINSON:

20 Anybody?

21 (No response.)

22 MR. ROBINSON:

23 Item 6, we have no hearings.
24 We thought we were, but we didn't.

25 MR. PARNELL:

1 We had a compliance meeting
2 with -- as Mr. Hallack mentioned, we had a
3 compliance meeting with someone that we were
4 planning to have them come to this meeting
5 and with that meeting, we learned that, you
6 know, we weren't going to really move
7 forward with actually having that meeting --
8 having the hearing. A compliance meeting is
9 done for the person that's in violation that
10 we are planning on having a hearing on.
11 They have the opportunity at that time to
12 come in and show proof why they were doing
13 what they were doing. If the proof is
14 substantial enough to change that, we won't
15 move to bring it before a hearing unless it
16 is one of the items that we discussed that
17 you all want to hear immediately anyway.
18 But that's what would happen with that.

19 And I want to give -- and
20 that was -- I was telling Kim in the office
21 we have to get more proactive on making sure
22 we get the meeting set up a month ahead of
23 the meeting that is posted out there. So we
24 will make sure that we have that 15-day
25 period upon which a person needs to be

1 notified. So moving forward we are going to
2 tighten up that.

3 MR. ROBINSON:

4 And the last item, which is
5 items for next agenda, every month we tell
6 you if there is something you want on the
7 agenda, to let us know and we will get it on
8 there. There is an item we do need to get
9 on the agenda. I want to get your input as
10 how you want to go forward with it. Derek
11 is going to be here for a year in the very
12 short future. We need to do an evaluation
13 since we are coming up on his first year of
14 employment, and we can set up -- you know,
15 one way would be to do a two or three person
16 committee and do a review. I suspect we
17 could appoint maybe one person to do it and
18 let him do conference calls with all of the
19 Commissioners to get everybody's comments
20 that they would like to make, but we need to
21 get it moving forward. So I wanted to see
22 how you guys thought you might want to
23 proceed with it.

24 MR. BOURGEOIS:

25 I like the latter, one

1 person.

2 MR. ROBINSON:

3 Well, I want to make sure,
4 you know, that everyone has their
5 opportunity to give their input. Hopefully,
6 some specifics, you know, to go into it and
7 that's -- my only big concern is whether we
8 do it with assigning it to one guy or doing
9 a two person -- I guess three person
10 committee. So we have got one that says let
11 one guy do it and contact all of the
12 Commission, in other words.

13 MR. BOURGEOIS:

14 That's good.

15 MR. ROBINSON:

16 What do other people think?

17 MR. POTEET:

18 Do we have a format -- a
19 different format for a review?

20 MR. ROBINSON:

21 I'm going to find one. You
22 know, when we did the -- in the hiring
23 process, I found those forms online. I'm
24 sure that I can find online, a good --

25 MR. BOURGEOIS:

1 I know someone with the
2 state. She does it all the time.

3 MR. ROBINSON:

4 See what she --

5 MR. POTEET:

6 It would be a good idea to --
7 once we pick a review committee, we could
8 send that around to everybody and have them
9 put their input in.

10 MR. ROBINSON:

11 I just as soon somebody call.
12 I mean, I think you can get an idea. I just
13 think it speeds it up. I mean, if you start
14 sending something around to everybody and
15 everybody has it and sit at their desk for
16 three days or a week or nine days or one day
17 and gets it and he is on vacation, you know.
18 If we don't do the committee, I would be in
19 favor of just appointing one person to do it
20 and let him contact everybody and compile it
21 and get it to form.

22 MR. BOURGEOIS:

23 And then fill it out from
24 that.

25 MR. ROBINSON:

1 Get the form to everybody to
2 review.

3 MR. BOURGEOIS:

4 I'll take care of that if you
5 want.

6 MR. BREWER:

7 I will nominate him.

8 MR. ROBINSON:

9 Generally, these are done
10 with a three person committee and if we
11 wanted a committee, the committee wouldn't
12 have to sit down and meet. The committee
13 could do it over the phone, but that way,
14 you have got three commissioners involved in
15 it right off the bat and it's not quite so
16 much work for one person.

17 MR. BOURGEOIS:

18 I will do it if y'all want me
19 to.

20 MR. ROBINSON:

21 You think it would be better
22 with a committee?

23 MR. DUPLESSIS:

24 Just send it out to
25 everybody, just send the form and give them

1 three or four days to get back and we will
2 wrap it up.

3 MR. BOURGEOIS:

4 E-mail. I will scan it and
5 put it in my e-mail and forward it to you
6 guys, and then forward back to me and if you
7 don't, then I will call you, but I would
8 like for you to write your mobile number
9 down on the pad. That way, I can kind of
10 wrap it up one way or the other.

11 MR. ROBINSON:

12 Well, the first thing you
13 need to do is get -- look at the form and
14 see if -- you know, probably we need to
15 quasi custom something.

16 MR. POTEET:

17 You've got all of our phone
18 numbers and addresses and everything.

19 MR. BOURGEOIS:

20 Can you forward it to me?

21 MS. BARON:

22 I will forward it to you.

23 MR. ROBINSON:

24 Does anybody else have
25 anything?

1 MR. TURNER:
2 What is the anniversary date,
3 Derek?

4 MR. PARNELL:
5 November 30th, was my first
6 day.

7 MR. ROBINSON:
8 Which is why I would like to
9 do this next month.

10 MR. TURNER:
11 Do we want to discuss what
12 happened with these online applications and
13 missing funds for a year, do we want to get
14 into that?

15 MR. ROBINSON:
16 In terms of more -- well, I
17 mean, I think we have counted all we can as
18 to how much money and where the money is at.

19 MR. TURNER:
20 I'm talking in terms of
21 personnel responsible for that.

22 MR. ROBINSON:
23 Personnel issues aren't
24 really something for the Commission.
25 Personnel issues are not something that's

1 dealt with by the full Commission. It is
2 dealt with by the Executive Director. And
3 at this point, we are really not prepared.
4 I know Derek is not prepared to talk about
5 it, no. The Commission has one employee and
6 that's the Director and the rest of the
7 staff report to the Director. So, no, not
8 at this time.

9 Is that correct, Derek?

10 MR. PARNELL:

11 Correct. If you want more
12 detail, come see me. I can give you exactly
13 what's going to happen.

14 MR. BREWER:

15 Like you ran into the problem
16 with renewing the application with salesmen,
17 can we get that handled?

18 MR. ROBINSON:

19 No time soon. You know, I
20 have asked Derek when he meets with CAVU to
21 tell them that this Commission had already
22 voted to look at a new software package and
23 we are pretty much fed up with them, and if
24 they want to keep the business, they need to
25 do something today, not four months from

1 now. So the fact that we have already voted
2 as a Commission to look at a different
3 software package, hopefully, you know, he
4 can get them to really get something going.
5 It shouldn't -- you know, it is going to be
6 up to them.

7 When is that meeting, the
8 28th? But we are not going to allow them
9 much time. We have given them too much
10 time.

11 MR. TURNER:

12 Motion to adjourn.

13 MR. BOURGEOIS:

14 Second.

15 MR. ROBINSON:

16 Does anyone else have
17 anything?

18 (No response.)

19 MR. ROBINSON:

20 All in favor?

21 (All "Aye" responses.)

22 MR. ROBINSON:

23 We are adjourned.

24 (The meeting adjourned at 11:13 am.)

25

1 REPORTER'S CERTIFICATE
2

3 I, BETTY D. GLISSMAN, Certified
4 Court Reporter, Certificate No. 86150, in
5 and for the State of Louisiana, do hereby
6 certify that the Louisiana Used Motor
7 Vehicle Commission September 20, 2010
8 meeting was reported by me in the stenotype
9 reporting method, was prepared and
10 transcribed by me or under my personal
11 direction and supervision, and is a true and
12 correct transcript to the best of my ability
13 and understanding. September 28, 2010,
14 Baton Rouge, Louisiana.
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19
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21

22 BETTY D. GLISSMAN, CCR
23 CERTIFIED COURT REPORTER
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