

LOUISIANA USED MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA

REGULAR MEETING
JULY 18, 2016
BEGINNING AT 9:30 A.M.

3132 VALLEY CREEK
BATON ROUGE, LOUISIANA

REPORTED BY:
BETTY D. GLISSMAN, CCR

1 APPEARANCES:

2

3 CHAIRMAN:

MR. JOHN POTEET

4

COMMISSIONERS PRESENT:

5 MR. TONY CORMIER (arrived late)

MR. RICKY DONNELL

6 MR. RON DUPLESSIS (arrived late)

MR. GEORGE FLOYD

7 MR. KIRBY ROY

MR. HENRY "DARTY" SMITH

8 MR. DINO TAYLOR

MR. RICHARD WATTS

9

10

11 REPRESENTING THE LOUISIANA USED MOTOR
VEHICLE COMMISSION:

12

ROBERT W. HALLACK, ESQUIRE

13 HALLACK LAW OFFICE

13007 JUSTICE AVENUE

14 BATON ROUGE, LOUISIANA 70816

15 SHERI MORRIS, ESQUIRE

ROEDEL, PARSONS, KOCH, BLACHE,

16 BALHOFF & McCOLLISTER

8440 JEFFERSON HIGHWAY, SUITE 301

17 BATON ROUGE, LOUISIANA 70809

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ALSO PRESENT:

MS. KIM BARON

MR. DEREK PARNELL

MS. MONA ANDERSON

MS. TONYA BURKS

MR. PERRY ESPONGE

1 (Pledge of Allegiance)

2 MR. POTEET:

3 Kim, roll call.

4 MS. BARON:

5 John Poteet?

6 MR. POTEET:

7 Here.

8 MS. BARON:

9 Dino Taylor?

10 MR. TAYLOR:

11 Here.

12 MS. BARON:

13 Tony Cormier?

14 MR. CORMIER:

15 (No response.)

16 MS. BARON:

17 Ron Duplessis?

18 MR. DUPLESSIS:

19 (No response.)

20 MS. BARON:

21 George Floyd?

22 MR. FLOYD:

23 Here.

24 MS. BARON:

25 Kirby Roy?

1 MR. ROY:

2 Here.

3 MS. BARON:

4 Darty Smith?

5 MR. SMITH:

6 Here.

7 MS. BARON:

8 Steve Olave?

9 MR. OLAVE:

10 (No response.)

11 MS. BARON:

12 Ricky Donnell?

13 MR. DONNELL:

14 Here.

15 MS. BARON:

16 Richard Watts?

17 MR. WATTS:

18 Here.

19 MS. BARON:

20 Mr. Chairman, we have a quorum.

21 MR. POTEET:

22 Thank you. First thing on the agenda is
23 the oath of office for myself and Darty, but I sent
24 mine in. It said on the form they had 30 days from
25 the day you get it. So I received it on Thursday.

1 I sent it -- well, it will go out in today's mail.

2 So I don't guess I need one.

3 MS. BARON:

4 No. Darty, you just need -- well, if you
5 don't have yours --

6 MR. SMITH:

7 I'm sure it's there.

8 MS. BARON:

9 -- and I will send you one. I'll send
10 you one.

11 MR. POTEET:

12 Well, we'll assume that Darty and I will
13 manage to get that done in the next 30 days.

14 MS. BARON:

15 Okay.

16 (Ron Duplessis comes in.)

17 MR. POTEET:

18 Anyone here for public comments?

19 Let the record show Mr. Duplessis is here
20 now.

21 MS. BARON:

22 No, sir. There is no one here for public
23 comments.

24 MR. POTEET:

25 All right. Hopefully, everyone had a

1 chance to review -- read and review the minutes from
2 the prior meeting. Does anyone have any questions
3 or comments regarding the minutes?

4 (No response.)

5 MR. POTEET:

6 No. I need a motion to approve.

7 MR. TAYLOR:

8 I make a motion we approve.

9 MR. SMITH:

10 I second.

11 MR. POTEET:

12 Second by Darty.

13 All in favor, say, "Aye."

14 (All "Aye" responses.)

15 MR. POTEET:

16 Any opposed?

17 (No response.)

18 MR. POTEET:

19 All right. That motion is carried.

20 The next thing we have is Mona is going
21 to give us the review of the financial report.

22 MS. ANDERSON:

23 So if you'll turn in your packets to the
24 financial statements for the month ending June 30th,
25 these are the unaudited financial statements as this

1 is the end of our fiscal year. Our auditor, John
2 McKowen, will begin his field work on September 1st.
3 And so there will be some adjustments to adjusting
4 journal entries made to some of the figures that
5 you've seen and those will come out on the audit.

6 For the statement of net position, on
7 Page 1, the operating account balance was \$1,952,084
8 at the end of June. This was a decrease from last
9 month, but in 2015, it was a million 755. So that
10 is an increase. Fines -- the accounts receivable
11 for fines increased significantly after the meeting
12 last month where the fines were approved for the
13 last couple of months. All of the other assets
14 remain the same.

15 At the bottom of the page, the claim
16 against bonds payable decreased significantly due to
17 payments totaling \$14,700. These were issued to the
18 Office of Motor Vehicles and consumers for money
19 that we received from bond companies. All of the
20 other liabilities on the second page are normal
21 balances.

22 Turning on to Page 3, the statement of
23 revenues, expenses, and changes in net position, the
24 year-to-date revenues increased \$155,000 for a
25 total -- total in revenues of -- I'm sorry total in

1 revenues of \$1,421,293 compared to last year,
2 \$1,258,969.

3 On Page 5, the year-to-date expenses went
4 down slightly from last year, but these are
5 unaudited expenses. So you're going to see those
6 expenses go up whenever we accrue the payments that
7 are being made in July for June services. There
8 were no unusual expenses during the period. Our
9 unaudited change in net position was \$319,255.

10 On the following page is the report
11 showing the month-to-month changes in revenues,
12 expenses, and net position compared to the previous
13 year. On Page 7, that's a graph of those figures.
14 And for those of you who were not with us last year
15 on audit, we wrote off the Lauco account, which was
16 a significant fine at audit. So that's why the
17 revenues showed really low last year compared to
18 this year.

19 Turning on, there's the comparison --
20 year-to-date comparison of the fee revenue.
21 Year-to-date fees decreased slightly and auction
22 transaction fees and hearing fine fees increased.
23 The certificate of deposit summary on Page 9, there
24 were no changes to that statement.

25 And on the final page, the accounts

1 receivable hearing fines, we had \$103,400 in fines
2 assessed and payments of \$28,950 were recorded in
3 June. The accounts receivable fines balance was
4 \$196,250 at the end of the month.

5 And unless there are any questions, that
6 concludes my report, Mr. Chairman.

7 MR. POTEET:

8 Does anyone have any comments, questions
9 for Mona?

10 (No response.)

11 MR. POTEET:

12 You're right. That was boring, but
13 that's good. Any time a financial statement is
14 boring, that's a good sign.

15 All right. Did we have any -- I was just
16 curious, did we have any issues in the past renewal
17 period with the credit cards like we had a couple of
18 years ago?

19 MS. ANDERSON:

20 We did have a few issues. We have some
21 accounts that -- and I have to believe that it's
22 CAVU that is continually -- on some credentials, it
23 continually kicks back the payment. There were some
24 individuals that called that -- you know, we
25 resolved it for them, but it takes them calling us

1 to let us know that they didn't get their license.
2 And on investigation, even though it sends them a
3 receipt, there's no bank payment -- you know, when
4 they go back on their bank records or their credit
5 card records, there's no payment there. There's no
6 application that goes through, but they have a
7 receipt that says that they paid. And that's a hard
8 thing to convince someone that you didn't pay if you
9 got a receipt, you know.

10 MR. POTEET:

11 They got a receipt?

12 MS. ANDERSON:

13 Yes.

14 MR. POTEET:

15 I guess so. I know I had a little bit of
16 an issue with mine, because we have -- you know, we
17 have to buy two licenses and it kept -- whenever I
18 would go back to try to put -- I did the dealer
19 license first, and then I did the auction license
20 and it kept telling me, you already have a license.
21 And I think I ignored it for a couple of days and I
22 went back and said, I'm going to call if I can't get
23 it right, but it went through, so.

24 MS. ANDERSON:

25 We did explore the issues that we've had

1 with -- First Data is the company. PayPoint is the
2 name of their website. That's a State merchant
3 account company. And we did explore that with them.
4 They looked into it from their side and they really
5 felt like it was our program that was not, you know,
6 accepting or behaving properly. And our
7 representative's words were, well, that's an easy
8 programming fix, I don't know why they can't fix
9 that, and neither do we.

10 MR. POTEET:

11 Okay. All right. Thank you very much.
12 Next thing on the agenda are the ratification of
13 imposed penalties. Derek.

14 MR. ROY:

15 I don't think you did a motion on the
16 financials.

17 MR. POTEET:

18 Oh, I didn't. Is there a motion?

19 MR. ROY:

20 Yes.

21 MR. POTEET:

22 Motion to approve from Kirby. I need a
23 second.

24 MR. DONNELL:

25 Second.

1 MR. POTEET:

2 We have a second from Mr. Donnell.

3 All in favor, say, "Aye."

4 (All "Aye" responses.)

5 MR. POTEET:

6 Any opposed?

7 (No response.)

8 MR. POTEET:

9 The motion carries. Thank you, Kirby.

10 Okay. Now, ratification.

11 MR. PARNELL:

12 Commissioners, if you will please turn in

13 your packet, you will see a chart, ratification of

14 imposed penalties. This is all of the imposed

15 penalties that were received, funds that were

16 received in the month of June. I have determined

17 that the public interest can be served without

18 further administrative proceeding. As usual, I will

19 go through and announce the names and the city and

20 the amount of the fine.

21 Do we have anyone present from any of the

22 dealers that are listed for representation, anybody

23 that you know of?

24 MS. BARON:

25 There is no one here.

1 MR. PARNELL:

2 The first one is Automotive One Stop from
3 Lake Charles, Louisiana, Their fine was \$500. Top
4 Auto Rental & Sales, LLC from Lafayette, Louisiana,
5 their paid fine amount was \$5,700. Backyard Rides,
6 LLC from Metairie, Louisiana, fine paid, \$1,200.
7 Auto Match, LLC, Baton Rouge, fine paid \$400. Car
8 King, LLC from Monroe, Louisiana, fine paid \$300.
9 Jessie's Auto Sales #2 from Mamou, Louisiana, fine
10 paid is \$1,500. The total amount of civil penalties
11 is \$9,600. And, Commissioners, I would ask that you
12 ratify the imposed civil penalties.

13 MR. SMITH:

14 I make a motion.

15 MR. POTEET:

16 Motion from Darty.

17 MR. DONNELL:

18 Second.

19 MR. POTEET:

20 Second from Mr. Donnell.

21 All in favor, say, "Aye."

22 (All "Aye" responses.)

23 MR. POTEET:

24 Any opposed?

25 (No response.)

1 MR. POTEET:

2 All right. Those are ratified.

3 MR. PARNELL:

4 Next on the list is ratifications of
5 revocation. You will also find another chart in
6 your packet that illustrates the dealerships whose
7 license has been revoked. Each dealer was given
8 notice and ample time to correct their actions and
9 they have not done so or did not do so in the time
10 that was allotted. I will announce the names once
11 again and let's get started. Cap's Auto Salvage,
12 Vacherie, Louisiana, revocation date was June 22nd
13 of '16. Taxicabmart Car Sales from New Orleans,
14 Louisiana, notice of revocation date is July 2nd of
15 '16. Billy's Used Cars Towing & Recovery, LLC from
16 Marrero, Louisiana, notice of revocation was July
17 2nd of '16. Cajun Customs Auto and Cycle, LLC from
18 Moreauville, Louisiana, notice of revocation is July
19 2nd of '16. Dixie Surplus Machinery, Incorporated
20 from Pollock, Louisiana, notice of revocation is
21 July 2nd of '16. Official Auto Sales, LLC from Lake
22 Charles, Louisiana, notice of revocation was March
23 22nd of '16. A.R. Goode Used Cars in Ball,
24 Louisiana, notice of revocation was July 2nd of '16.
25 Eason Auto Sales from Shreveport, Louisiana, notice

1 of revocation is January 19 of '16. Bosley
2 Services, Donaldsonville, Louisiana, notice of
3 revocation is July 2nd of '16. Premier Auto Group,
4 LLC from Metairie, Louisiana, notice of revocation
5 is July 2nd of '16. Austin's Auto Salvage from
6 Ferriday, Louisiana, notice of revocation is July
7 2nd of '16. Melvin Funchess Junk Cars and Car
8 Crushers from Magnolia, Mississippi, notice of
9 revocation is April 18th of '16. DK Auto Sports,
10 LLC from Greenwood, Louisiana, notice of revocation
11 is May 3rd, excuse me, of '16. A Bear Auto Sales,
12 LLC from St. Martinville, Louisiana, notice of
13 revocation is April 29th of '16.

14 Commissioners, I ask that you ratify the
15 revocation of licenses, which include all associated
16 sales persons.

17 MR. TAYLOR:

18 Just -- we have one on here from
19 Magnolia, Mississippi, the Melvin Funchess Junk Cars
20 and Car Crushers.

21 MS. BARON:

22 He's a crusher.

23 MR. PARNELL:

24 He's a crusher.

25 MR. TAYLOR:

1 Okay.

2 MS. BARON:

3 He has to have a license to come --

4 MR. TAYLOR:

5 All right. I make a motion.

6 MR. POTEET:

7 I need a second.

8 MR. ROY:

9 Second.

10 MR. POTEET:

11 Kirby, a second.

12 All in favor, say, "Aye."

13 (All "Aye" responses.)

14 MR. POTEET:

15 Any opposed?

16 (No response.)

17 MR. POTEET:

18 All right. Those are ratified, now.

19 Now, it's time for the Executive Director's report.

20 MR. PARNELL:

21 All right. Commissioners, if you will
22 turn in your packet, you will also find reports of
23 enforcement. The investigators are working hard at
24 ensuring that consumers are being taken care of and
25 our licensees are following the laws as they're

1 written. You will find in your packet -- the first
2 one is the alleged issue counts. There are a total
3 of 109 alleged issues for the month of June. The
4 second report in your packet is the case report.
5 There are 80 cases assigned. 18 of those cases have
6 been completed. 62 cases remain open for the month
7 of June. The last report is the department summary
8 report. There's a total of 21 cases that have been
9 closed in the month of June.

10 (Tony Cormier came in.)

11 MR. PARNELL:

12 As far as -- in general information, we
13 have been working kind of diligently over the last
14 couple of years trying to research different options
15 as far as our license program. We've kind of
16 started back within the few months meeting with some
17 of those persons and different solutions for us to
18 try to look towards moving forward, because we --
19 the company that we have been working with has been
20 bought out by another company now, which is called
21 Micropack, with our licensing program CAVU, very
22 cumbersome. It's not efficient at all for what
23 we're trying to do. So we've been trying to really
24 dig in once again. We kind of put it on the back
25 burner for a little while, but we started back

1 trying to look at moving our licensing program to a
2 different process, something that can grow with us,
3 something that can move faster, more efficient in
4 the future. So with that said, within the --
5 probably our next month, we will be presenting some
6 options to you all, so we can look at and move
7 forward. So that completes my report. There's not
8 a lot that's been happening. We've been kind of
9 quiet. So that's always a good thing.

10 MR. POTEET:

11 I think that -- I think now would be a
12 good time for us to really seriously look at that --
13 changing that system. We've got quite a bit of cash
14 available to us. Who knows how long we'll have
15 that. So now would be a good time.

16 MR. PARNELL:

17 Yes.

18 MR. POTEET:

19 I see some nods in the audience.

20 MR. PARNELL:

21 Yes.

22 MR. POTEET:

23 Does anyone have any questions for Derek?

24 (No response.)

25 MR. POTEET:

1 Okay. It's been quiet. Let's hope it
2 continues. All right. Well, the next thing we have
3 are our hearings. We need a motion to adjourn.

4 MR. SMITH:

5 I make a motion.

6 MR. TAYLOR:

7 Second.

8 MR. POTEET:

9 All in favor, say, "Aye."

10 (All "Aye" responses.)

11

12

13 (Meeting adjourned at 9:44 a.m.)

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REPORTER'S CERTIFICATE

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I, BETTY D. GLISSMAN, Certified Court Reporter,
Certificate No. 86150, in and for the State of
Louisiana, do hereby certify that the Louisiana Used
Motor Vehicle Commission July 18, 2016, meeting was
reported by me in the stenotype reporting method,
was prepared and transcribed by me or under my
personal direction and supervision, and is a true
and correct transcript to the best of my ability and
understanding.

This ^ sign date, 2016, Baton Rouge, Louisiana.

BETTY D. GLISSMAN, CCR
CERTIFIED COURT REPORTER