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LOUISIANA USED MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA

REGULAR MEETING
HELD BY VIDEOCONFERENCE
April 27, 2020
BEGINNING AT 9:30 A.M.

REPORTED BY:

BETTY D. GLISSMAN, CCR

1 APPEARANCES:

2

3 CHAIRMAN:

MR. JOHN POTEET

4

COMMISSIONERS PRESENT:

5

MR. JEFFEREY BRITT

6

MR. TONY CORMIER

7

MR. RICKY DONNELL

8

MR. GEORGE FLOYD

9

MR. STEPHEN OLAVE

10

Mr. MATTHEW PEDERSON

11

MR. HENRY "DARTY" SMITH

12

MR. DINO TAYLOR

13

MR. RICHARD WATTS

14

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REPRESENTING THE LOUISIANA USED MOTOR

19

VEHICLE COMMISSION:

20

21

ROBERT W. HALLACK, ESQUIRE

HALLACK LAW OFFICE

22

13007 JUSTICE AVENUE

BATON ROUGE, LOUISIANA 70816

23

SHERI MORRIS, ESQUIRE

24

DAIGLE, FISSE & KESSENICH, PLC

8480 BLUEBONNET BOULEVARD, SUITE F

25

BATON ROUGE, LOUISIANA 70810

1 ALSO PRESENT:

2 MS. KIM BARON

3 MR. DEREK PARNELL

4 MS. MONA ANDERSON

5 MS. TONYA BURKS

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1 (Pledge of Allegiance.)
2 MR. POTEET:
3 Roll call, Kim, a couple.
4 MS. BARON:
5 Okay. We have John Poteet.
6 MR. POTEET:
7 Here.
8 MS. BARON:
9 George Floyd.
10 MR. FLOYD:
11 Here.
12 MS. BARON:
13 Tony Cormier?
14 MR. CORMIER:
15 Here.
16 MS. BARON:
17 Matthew Pederson?
18 MR. PEDERSON:
19 Here.
20 MS. BARON:
21 Richard Watts?
22 MR. WATTS:
23 Here.
24 MS. BARON:
25 Steve Olave?

1 MR. OLAVE:
2 Here.
3 MS. BARON:
4 Ricky Donnell?
5 MR. DONNELL:
6 Here.
7 MS. BARON:
8 Darty Smith?
9 MR. SMITH:
10 Here.
11 MS. BARON:
12 Dino Taylor?
13 MR. TAYLOR:
14 I'm here.
15 MS. BARON:
16 Mr. Britt?
17 MR. BRITT:
18 I'm here.
19 MS. BARON:
20 Mr. Chairman, we have a quorum.
21 MR. POTEET:
22 Excellent, okay. So don't have
23 anybody for public comment because the
24 governor's -- so I guess we don't have to do
25 that, right?

1 MS. BARON:

2 That is true. We don't have anybody.

3 MR. POTEET:

4 Hopefully, everybody has had a chance
5 to read the minutes from the February meeting.
6 I am going to make a motion that we approve
7 those minutes.

8 All in favor, say, "Aye."

9 (All "Aye" responses.)

10 MR. POTEET:

11 Any opposed?

12 (No responses.)

13 MR. POTEET:

14 All right, Mona.

15 MS. ANDERSON:

16 All right. If you will turn in your
17 packets to the financial statements for
18 February 2020. We are going to -- we have two
19 months to review. I will not go in-depth into
20 February.

21 On page 1, the operating account
22 balance at the end of February was \$2,470,323.
23 The fines and accounts receivable were
24 \$533,720. At the bottom of the page and the
25 top of page 2, the current liabilities are

1 \$66,428. The long-term liabilities increased
2 to \$4,645,968. And our net position was
3 \$10,336.

4 Turning onto page 3 through 5, the
5 year-to-date revenues were \$1,573,487. And on
6 pages 4 and 5, the expenditures were for the
7 month -- I am sorry -- the year to date was
8 \$919,693. And, in general, that was higher
9 than the 2018/'19 year to date.

10 At the bottom of page 5, the
11 year-to-date change in net position was
12 \$653,793 compared to \$253,727 year to date last
13 year. Page 6 shows the number of licenses paid
14 for year to date for this fiscal year.

15 The following two pages, 7 and 8,
16 show a four-year revenue comparison and a chart
17 of those -- of some of the revenue. Page 9 is
18 the certificate of deposit summary and there
19 were no changes in February. And page 10 is
20 the accounts receivable hearing fines report.
21 In February, we assessed \$50,650 in fees and we
22 collected \$54,495. The balance at the end of
23 February on page 11 was \$533,770.

24 Moving to the financial statements
25 for March 2020. Turning to page 1, the cash in

1 the bank was \$2,462,918. Accounts receivable
2 was \$506,870. The current liabilities at the
3 top of page 2 were \$75,349. And the deferred
4 revenues for the 2021 year total \$256,870.
5 Total liabilities were \$4,585,240. The net
6 position was a negative \$42,306 due to the drop
7 in net position for the month.

8 Moving on to the statement of
9 revenues and expenses, month-to-date revenues
10 was \$60,049, which was lower than last month,
11 primarily due to the hearing fines. Last year
12 we had -- last years' figures include Premier
13 Auto Sales, PCP Auto Brokers. In addition, we
14 recognized Sean Calvit and Lauco again. That
15 drove up those figures for the 2019 year to
16 date.

17 On pages 4 and 5, the month-to-date
18 expenses decreased compared to 2019. And on
19 page 5, the net position was \$601,151 year to
20 date. The month to date was a negative
21 \$52,642. That's due primarily to the fact that
22 we are ending our renewal period.

23 Page 6 shows the number of licenses
24 that we -- number of licenses year to date for
25 the last four years. The 2019 number licenses

1 could be accurately compared to the 2017/'18
2 numbers. Pages 7 and 8 are the four-year
3 revenue comparisons. On page 9 is the
4 certificate of deposit summary. The March CD
5 statement had no changes. Look at these
6 figures now, because you are probably not going
7 to see these rates for a long time after this.

8 Accounts receivable or hearings
9 report is on page 10. Since we didn't meet in
10 March, there were no fines assessed. The
11 payments of \$26,850 were recorded. And the
12 balance at the end of the month was \$506,870.

13 So unless there are any questions,
14 Mr. Chairman, that concludes my report.

15 We are having some connection
16 problems.

17 MR. POTEET:

18 If no one has any comment, I will
19 propose that we accept the financial report for
20 February and March as presented.

21 MR. BRITT:

22 I second it.

23 MR. PARNELL:

24 Mr. Chairman, are we ready for PCC
25 Auto Brokers?

1 Vice-Chairman Watts, the chairman has
2 requested that you go ahead and continue the
3 meeting until he is able to get on.

4 MR. OLAVE:

5 So what's next, Kim?

6 MS. BARON:

7 The next thing on the agenda is PCC
8 Auto Brokers. Is Mr. Shafer still on your
9 line, Mr. Parnell?

10 MR. SHAFER:

11 Can you hear me? I am on.

12 MS. BARON:

13 Mr. Parnell, do you want to take
14 this?

15 MR. PARNELL:

16 Can you-all hear this? You can hear
17 him?

18 MS. BARON:

19 I can hear him.

20 MR. SHAFER:

21 This is Arthur Shafer. Can everyone
22 hear me?

23 MR. PARNELL:

24 I will have Robert go ahead and start
25 the discussion with Arthur Shafer and with PCC

1 Auto Brokers, LLC.

2 Robert, if you will.

3 I can't hear Robert.

4 Arthur Shafer, would you please go
5 ahead and present to the Commission what you
6 would like to discuss with them?

7 MR. SHAFER:

8 Commissioners, I met with
9 Mr. Parnell, Mr. Hallack, and Ms. Baron and
10 made an offer on behalf of PCC Auto Brokers.
11 Tentatively, the offer was that PCC would pay a
12 \$10,000 fine in exchange, also that there would
13 be a statement from Mr. Shereck that he would
14 not be allowed to hold any type of ownership in
15 any dealership. And we had an appeal, also,
16 that was filed on behalf of PCC, and we would
17 agree to drop the appeal.

18 The only other stipulation was that
19 Mr. Shereck, in order to make a living, would
20 be granted a license -- salesman's license. I
21 have sent the \$10,000; I think it is at the
22 office. It was a cashier's check. And we have
23 done everything that, I think, on our end and
24 we are just hoping that the Commission will
25 agree to it. He has been without a license for

1 16 months now and would like to get back in
2 order to make some kind of money.

3 And we are just hoping that the
4 Commission will agree and would okay his being
5 issued a salesman's license and that the fine
6 would be sufficient.

7 MR. PARNELL:

8 Robert, are you still able to hear?
9 You just can't say anything.

10 Kim, would you mind giving the
11 commissioners some background information on
12 PCP Auto Brokers and what took place with the
13 hearing.

14 MS. BARON:

15 During the hearing -- I put the facts
16 in your packet that was -- that was on behalf
17 of PCC Auto Brokers. The total amount of the
18 fine was \$53,800. Mr. Shafer and Mr. Shereck
19 and them have sent the 10,000, and we have
20 petitioned the bond company for 23,800,
21 because, according to our statute, all that we
22 can ask the bond company for is 25,000, plus we
23 can ask for court costs or attorney fees and
24 the arrangements for the hearing or what have
25 you, and that was 800.

1 So we have petitioned the bond
2 company for 25,800. When we told the bond
3 company about the dismissal, they took it to
4 mean that we were dismissing everything, but
5 Mr. Hallack has taken that over. And we have
6 sent an email to the bond company telling -- or
7 he has rather, telling them that is not -- that
8 we did not dismiss everything. We dismissed --
9 the only thing that is dismissed would be the
10 appeal from PCC Auto Brokers.

11 So we are dealing with the bond
12 company on that. But if the bond company pays
13 the 25,800, and then we have the 10,000 from
14 Mr. Shereck, that would leave a balance -- I
15 don't have my calculator. I am sorry. Y'all
16 can kind of do the math on that. That would
17 leave a balance but it would be, you know --
18 and he wants his license back -- a salesman's
19 license. He says he does not want to have
20 anything to do as far as being the owner or
21 being the sole responsibility for a dealership;
22 he just wants to have a salesman's license so
23 he can make a living. And he wanted to
24 petition the Commission, in other words, to see
25 if they would accept that offer.

1 MR. BRITT:

2 Kim, I can't remember. Did we
3 have -- did we ever have any issues with him?
4 Nothing?

5 MS. BARON:

6 Prior to the hearing? Is that what
7 you are asking?

8 MR. BRITT:

9 Yes, ma'am. Did he ever come before
10 the Commission before?

11 MS. BARON:

12 I don't think so. I can look him up
13 right quick and let you know that for sure.

14 MR. BRITT:

15 Derek, I'd just like to know from you
16 and Robert, with a thumbs up or thumbs down, if
17 y'all agree with this?

18 MR. PARNELL:

19 I am fine.

20 MR. HALLACK:

21 (Motions thumb up.)

22 MR. BRITT:

23 Do we need a motion, Richard?

24 MS. MORRIS:

25 My understanding is 18,000 would be

1 unpaid. In the agreement, could that just be
2 suspended provided that there are no further
3 violations once he gets his salesman's license?

4 MS. BARON:

5 We would have to say something about
6 it. If we were not going to collect it, we
7 would have to suspend that.

8 MS. MORRIS:

9 It wouldn't go away. It would just
10 be suspended.

11 Robert, I know we can't hear you, but
12 you can send a message. Can you send the
13 message through the computer through the tab if
14 you need to add anything?

15 He wants to know what happened to the
16 money that was owed to the Department of
17 Revenue for the sales tax. Was any of that
18 paid?

19 MS. BARON:

20 Yes. If I am not mistaken --
21 Mr. Shafer, correct me if I am wrong -- but do
22 you believe that he paid off -- y'all paid off
23 the taxes, true?

24 All taxes were paid, yes, before the
25 hearing was even had.

1 MS. MORRIS:

2 So will the agreement reflect that as
3 well?

4 MS. BARON:

5 I think it was brought up in the
6 hearing that that was paid. Let me see. In
7 the findings and facts, I believe that it was
8 somewhere.

9 MR. SHAFER:

10 Kim?

11 MS. BARON:

12 Yes.

13 MR. SHAFER:

14 I can say that, yes, the Department
15 of Revenue was given \$34,000 plus or minus for
16 all of the back overages. It has been paid and
17 that was paid before the hearing.

18 MS. BARON:

19 Okay. And you see in Robert's
20 comments over there, he put that the sales tax,
21 yes. And it is in the hearing and in the
22 findings and facts that that was dismissed.

23 MS. MORRIS:

24 Thank you for the clarification.

25 MS. BARON:

1 You're welcome.

2 MR. BRITT:

3 Kim, how does this -- or Derek, how
4 does this motion need to be presented? Because
5 you got three or four factors and the suspended
6 another 18,000. Do one of y'all want to or
7 Sheri or Robert, do y'all want to put the
8 motion together and one of us make it?

9 MS. MORRIS:

10 I think the motion that the
11 Commission needs would be a motion to accept
12 the settlement offer proposed and recommended
13 by the staff. You need to reserve your rights
14 to proceed against the bond for the 25,800.

15 So the recommended settlement is to
16 continue with the claim against the bond
17 company for 25,800, to accept a \$10,000 fine
18 from Mr. Shereck, and to bar Mr. Shereck from
19 having any ownership interest in a licensed
20 dealer -- any facility licensed by the
21 Commission, but to grant him a salesman's
22 license.

23 Does that cover everything,
24 Mr. Shafer?

25 MR. SHAFER:

1 Yes, ma'am. I think that covers
2 everything.

3 MR. PARNELL:

4 Yes.

5 MR. BRITT:

6 Are we ready for a motion?

7 MR. PARNELL:

8 Yes.

9 MR. BRITT:

10 I will make a motion that we accept
11 the \$10,000 fine. And we will go against the
12 bond for 25,800. And then he does not ever get
13 a dealer's license, but we are also granting
14 him -- only grant him a salesman's license at
15 this time. And that we suspend the 18,000.
16 And if there is any problem, we try to recoup
17 the 18,000 and take his license. Word it
18 however it needs to be worded.

19 MS. MORRIS:

20 And, also, included would be the
21 dismissal of the pending appeal.

22 MR. BRITT:

23 The dismissal of the pending appeal,
24 which everybody agrees on. His attorney does.
25 That's the motion.

1 John seconds it.

2 MS. BARON:

3 Do we have a second on that motion?

4 MR. OLAVE:

5 Second it.

6 MR. BRITT:

7 We have two seconds.

8 John or Richard, we need one of y'all
9 to call for a vote.

10 MS. MORRIS:

11 Call the roll. And if we can't hear
12 the commissioners, they can just do a thumb up
13 or down.

14 MR. OLAVE:

15 Roll call vote, Kim.

16 MS. BARON:

17 John Poteet. John says all in savor
18 say aye or put your thumbs up or something so
19 we can make sure that we have everybody.

20 (All respond affirmatively.)

21 MS. BARON:

22 Ms. Morris or Mr. Hallack, does that
23 suffice?

24 MS. MORRIS:

25 Everybody voted in favor. Nobody

1 voted against.

2 MS. BARON:

3 Does anybody oppose?

4 (No response.)

5 MR. POTEET:

6 Motion passes.

7 MR. PARNELL:

8 You will find in your packet a chart
9 that illustrates states licensees that were in
10 violation of state law. These cases have been
11 investigated, and I have determined that the
12 public interest can be served without further
13 administrative hearing and civil penalties were
14 imposed. I will read out the names and the
15 fine amounts. We will go through the list.

16 Supreme Detail & Auto Mart, LLC, from
17 Brusly, Louisiana. Fine amount is \$600. The
18 dealer did get a complaint for a title and he
19 forgave whatever remaining monies that was out
20 there. He did make good on everything, and the
21 vehicle was repaired for this individual.

22 Short Dogs Auto Sales, LLC, from
23 Opelousas, Louisiana. Fine amount was \$200.
24 Dealer refunded the money to complainant. No
25 further action was needed.

1 T-Boys Auto Salvage, LLC, from
2 Arnaudville, Louisiana. Fine amount is \$450.
3 The title was delivered to the consumer.

4 DeRidder Dealers' Auto Auction, LLC,
5 from DeRidder, Louisiana. Fine amount is
6 \$1,750. Complainant received title and was
7 refunded in excess of \$500 back to -- the
8 dealer refunded that back to the complainant.

9 Bertice G. Conner doing business as
10 CARS from Sulphur, Louisiana. Fine amount is
11 \$1,250. The dealer supplied complainant with a
12 full refund.

13 Geaux Jeux Auto Sales from Baker,
14 Louisiana. Fine amount is \$250. Illegal
15 possession was rescinded. The vehicle was
16 returned back to the complainant.

17 Mlynarski Associates, doing business
18 as John's Used Cars from DeRidder, Louisiana.
19 Fine amount was \$2,400. Title was delivered to
20 the consumer.

21 Supreme Auto, LLC, from Lafayette,
22 Louisiana. Fine amount was \$600. After the
23 site visit, the dealer is now completing his
24 monthly sales reports and has everything in
25 order.

1 Dien's Auto Salvage, Incorporated,
2 doing business as Dien's Auto Sales and Salvage
3 from Lafayette, Louisiana. Fine amount is
4 \$700. After the dealer's -- after the site
5 visit, the dealer has not started to do monthly
6 sales report at this time.

7 The total amount of civil penalties
8 is \$8,200. Commissioners, I ask that you
9 ratify the imposed civil penalties assessed.

10 MR. OLAVE:

11 Make a motion, Mr. Chairman.

12 MR. BRITT:

13 Second.

14 MR. OLAVE:

15 All in favor, throw your hands up.

16 (All responded affirmatively.)

17 MR. PARNELL:

18 The executive director's report. I
19 kind of want to give some updates on what's
20 been going on. Currently, we are operating
21 about 95 percent remotely. Probably -- about a
22 year ago, we purchased the compliance
23 investigators new laptops. And the laptops
24 that we had -- they already had, what we did
25 was we kind of worked with our IT department to

1 get those laptops up and running so actually
2 other staff could actually use those laptops so
3 we can actually be -- pretty much, like I said,
4 pretty, 95 percent remote. We do have one
5 staff person that does not have a laptop. She
6 is not working remotely. So we do have our
7 managers come in during the week. We allow
8 staff -- we try to stagger times whereas we are
9 not having that many persons here in the
10 office. And that way we can continue to
11 operate and function. And, as always, the
12 licensing process, they are here once a week or
13 twice a week to pick up paperwork and documents
14 so they will have something to work with at
15 home.

16 The compliance investigators always
17 have been able to work remotely. We do have
18 the ability to receive complaints. We have
19 received quite a bit of complaints but not
20 abnormally high during this time. Right now,
21 they are still continuing to work the
22 complaints. Kim and Tonya will put those
23 complaints in and still funnel them out to the
24 investigators. They are still working these
25 complaints.

1 Right now with site visits, as it
2 relates to dealers right before they get their
3 license, what I am asking right now is if the
4 dealer can submit pictures of their signage and
5 their place. On moving forward, allowing the
6 that dealer to be licensed. He will get his
7 site visit on a later date.

8 Accounting is still working. They
9 are able to work remotely. But, as I say, one
10 staff member is not able to so we do have time
11 where we come into the office and try to work
12 with that individual so she can accrue time as
13 well as get her work done.

14 Moving forward, the dealer seminar
15 that is scheduled for May -- we have about 27
16 persons scheduled. We are working on the
17 logistics right now to try to do a webinar to
18 still allow these persons to be scheduled and
19 to continue moving forward with our process.
20 We definitely don't want to have that many
21 persons in the building at one time.

22 Of course, we are still practicing
23 social distancing. I am not sure how long this
24 may last. It may last for a very long time.
25 So we talked about in the past trying to get

1 in March as far as the seminar goes and how
2 does that pertain to any licensed applications
3 that have come in between, you know, from when
4 this started and now? We made a rule that we
5 would require the -- you know, the dealers to
6 take the seminar. We issued licenses without a
7 seminar or we made some allowances for that?

8 MR. PARNELL:

9 What I went ahead and I made some
10 allowances for the last month and this month as
11 it relates to dealer seminars. All of those
12 persons that were scheduled at that time, we
13 have moved them to the May seminar, and this is
14 what I am referring to as we are trying to look
15 at doing the webinars as it relates to that.
16 So those persons have been allowed to move
17 forward, make some concessions with that they
18 can go ahead and get their licenses. But they
19 are within the 27 persons that are scheduled
20 for the May seminar.

21 MS. BURKS:

22 We did have a March seminar. We only
23 canceled the one in April.

24 MR. OLAVE:

25 We did have a March seminar?

1 MS. BURKS:

2 Yes.

3 MR. OLAVE:

4 All right. Thank you.

5 MR. PARNELL:

6 Does anyone have any items for the
7 agenda?

8 MS. BARON:

9 The next meeting is scheduled for May
10 18.

11 MR. OLAVE:

12 Do you think we are going to have
13 that meeting?

14 MS. MORRIS:

15 Until we get further direction from
16 the governor this afternoon, we don't know
17 exactly what it will be. But if some of the
18 agencies believe that it might be possible to
19 have meetings after then because the 10-person
20 limitation may be relaxed somewhat, but we just
21 don't know until we see the order. So once the
22 order becomes available, we can email it to
23 you-all and see where we are going to be on the
24 18th of May.

25 MR. BRITT:

1 Well, this worked out fairly decent.
2 It could have been worse.

3 I make a motion to adjoin.

4 MR. OLAVE:

5 Second.

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8 (Meeting adjourned at 10:12 a.m.)
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REPORTER'S CERTIFICATE

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 April 27, 2020, 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.

May 11, 2020, Baton Rouge, Louisiana.

BETTY D. GLISSMAN, CCR
 CERTIFIED COURT REPORTER

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