

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

LOUISIANA USED MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA

REGULAR MEETING
AUGUST 19, 2019
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 (arrived late)

4

COMMISSIONERS PRESENT:

5

6 MR. JEFFEREY BRITT

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

15

16

17 REPRESENTING THE LOUISIANA USED MOTOR

18 VEHICLE COMMISSION:

19

20 ROBERT W. HALLACK, ESQUIRE
HALLACK LAW OFFICE
21 13007 JUSTICE AVENUE
BATON ROUGE, LOUISIANA 70816

22

23 SHERI MORRIS, ESQUIRE
DAIGLE, FISSE & KESSENICH, PLC
8480 BLUEBONNET BOULEVARD, SUITE F
24 BATON ROUGE, LOUISIANA 70810

25

1 ALSO PRESENT:

2 MS. KIM BARON

3 MR. DEREK PARNELL

4 MS. MONA ANDERSON

5 MS. TONYA BURKS

6 MR. JAMES FAIL

7 MS. EMILY DOMANGUE

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 MR. TAYLOR:
2 Roll call.
3 MS. BARON:
4 John Poteet?
5 MR. POTEET:
6 (No response.)
7 MS. BARON:
8 George Floyd?
9 MR. FLOYD:
10 Here.
11 MS. BARON:
12 Tony Cormier?
13 MR. CORMIER:
14 (No response.)
15 MS. BARON:
16 Matthew Pederson?
17 MR. PEDERSON:
18 Here.
19 MS. BARON:
20 Richard Watts?
21 MR. WATTS:
22 Here.
23 MS. BARON:
24 Steve Olave?
25 MR. OLAVE:

1 Here.

2 MS. BARON:

3 Ricky Donnell?

4 MR. DONNELL:

5 Here.

6 MS. BARON:

7 Darty Smith?

8 MR. SMITH:

9 Here.

10 MS. BARON:

11 Dino Taylor?

12 MR. TAYLOR:

13 Here.

14 MS. BARON:

15 Jefferey Britt?

16 MR. BRITT:

17 Here.

18 MS. BARON:

19 Mr. Chairman, we have a quorum.

20 MR. TAYLOR:

21 Okay. I need someone to make a

22 motion for the adoption and approval of our

23 last month's meeting minutes.

24 MR. SMITH:

25 I make a motion.

1 MR. WATTS:

2 Second.

3 MR. TAYLOR:

4 Okay. And is anybody out there for
5 public comments?

6 MS. BARON:

7 I checked on my way in and there is
8 not.

9 MR. TAYLOR:

10 Okay. So we've got Ms. Mona. Your
11 turn.

12 MS. ANDERSON:

13 Okay. In your binders, you should
14 have the related party questionnaire for the
15 audit. And those will need to be completed
16 either today, or if completed after today, then
17 you need to mail it directly to the auditor in
18 the envelope that's in your packet there.
19 We'll be starting the audit in September.

20 If you turn in your packets to the
21 financial statements for June 2019, these are
22 the unaudited financial statements. As I said,
23 we're going to start the audit. The auditor,
24 John McKowen, will be in here for his -- to
25 start his field work on September 17th. We'll

1 be entering adjusting journal entries into the
2 June financials, which will affect the June and
3 July financials. Turning to page 1, the
4 statement of net position, the operating
5 account balance at the end of June was
6 \$2,202,038. The hearing fines accounts
7 receivable decreased due to collection for an
8 end of the month total of \$233,756. The
9 current -- total current assets are \$3,129,998.
10 There were no changes in noncurrent assets. At
11 the bottom of the page, the current liabilities
12 were \$57,340.

13 On page 2, the long-term liabilities
14 total \$4,087,836. And of that, the deferred
15 inflows portion of the long-term liabilities
16 are the fees that we've already collected for
17 2020. The OPEB liability is the future
18 liability for health insurance for retirees.
19 The compensated absences liability is the
20 annual leave amount that is on the books for
21 staff. Again, these figures are going to
22 change with the audit. And the net pension
23 liability is the agency portion of future
24 retirement liability, which the state actuaries
25 determine our percentages.

1 Turning on to pages 3 through 5, the
2 statement of revenues, expenses, and changes in
3 net positions. The year-to-date revenues
4 decreased \$31,695 compared to last year for a
5 total revenue of \$1,485,476. And on pages 4
6 and 5, the expenses were higher than last year,
7 but -- I'm sorry. Last year's expenses were
8 higher due to the fact that those figures
9 you're looking at there include the audit
10 adjustments, which have not been done for this
11 year yet.

12 On pages 6 and 7, the four-year
13 revenue is a four-year revenue comparison. And
14 the first column, the 2018/'19 revenues compare
15 with the '16/'17 revenues for Districts 4 and
16 5. On page 8, the year-to-date budget to
17 actual expenditures, this includes the actual
18 expenditures by category as compared to the
19 budget and this was the end of the fiscal year.
20 So this is unaudited, but that's pretty much
21 how you're going to compare out for the -- what
22 we budgeted.

23 On page 9, the certificate of deposit
24 report, there were no changes in that report
25 for June. And on page 10, the accounts

1 receivable hearings report. In June, the
2 Commission assessed \$3,950 in fines and
3 collected 5,896. We credited \$386 in fees to
4 the Attorney General for collection, leaving a
5 balance at the end of the month of \$233,756.

6 MR. OLAVE:

7 Ms. Mona, on the -- on the
8 certificate of deposits, I see that one of them
9 -- just a question -- matured on July 28th of
10 this year. Bank of St. Francisville happens to
11 be the largest one, also. Did we move that
12 somewhere?

13 MS. ANDERSON:

14 I'm sorry. What?

15 MR. OLAVE:

16 On the -- on the certificate of
17 deposit, there is a -- one that matured on
18 7/28/19. Did we move that somewhere?

19 MS. ANDERSON:

20 Well, this is the June report. So on
21 the next report I'm going to give you, it's
22 going to have --

23 MR. OLAVE:

24 I'm jumping ahead. I'm jumping
25 ahead. I'm sorry.

1 MS. ANDERSON:

2 At the time, you know, your
3 certificate of deposit report is a snapshot for
4 that end of the month.

5 MR. OLAVE:

6 My apologies.

7 MS. ANDERSON:

8 Okay.

9 MR. TAYLOR:

10 If there's no -- if there's no
11 further questions, I need a motion to --

12 MR. OLAVE:

13 I make the motion.

14 MR. DONNELL:

15 Second.

16 MS. ANDERSON:

17 So if you'll turn in your packets to
18 the financial statements for the month ending
19 July 31, 2019, page 1 is the statement of net
20 position. Our cash in the bank was \$2,127,315.
21 The CD investments total remained the same.
22 Fines accounts receivable were \$253,296. And
23 the prepaid expenses increased. We paid for
24 our business insurance, the CAVU maintenance
25 fee, and there's an August 2nd payroll that was

1 accrued in that -- in July for a total of
2 \$55,356. All the assets -- all the other
3 assets remained the same for the month.

4 Under the liabilities section, again,
5 the accounts payable includes the \$35,200 in
6 maintenance fees for the CAVU e-licensing
7 program and that will be expensed out over the
8 coming year. On page 2, the long-term
9 liabilities are approximately the same as the
10 prior month. And the liabilities related to
11 pensions, again, will be recalculated during
12 the fiscal audit.

13 Pages 3 through 5 are the statement
14 of expenses and changes in net position. In
15 the first month of the fiscal year, the
16 month-to-date and year-to-date figures,
17 revenues and expenses are the same. Overall,
18 the revenues -- revenue totals this month are
19 similar to last year. On page 5, the salaries
20 and related benefits were higher than the
21 previous year and we will accrue more because
22 of the audit. We also had the agency portion
23 of the LASERS retirement benefit increase to
24 2 point -- by 2.8 percent of the gross payroll.
25 So that will be higher ongoing.

1 And then on the following page, page
2 5, the unaudited change in net position was a
3 negative \$45,873. On pages 6 through -- 6 and
4 -- through 8, you have a four-year revenue
5 comparison. And, again, that compares every
6 other year for the past four years. Looking at
7 the chart on page 7, the fees were -- the
8 auction transaction fees were higher this month
9 than in the prior year, but that's generally
10 due to just a fluctuation of when the fees are
11 received since we're only in the first month of
12 the fiscal year.

13 On page 8, that's your four-year
14 comparison of expenditures, salaries, and
15 related benefits, and operating expenditures.
16 The 2019/'20 salaries and benefits still
17 include the amounts to be accrued in June. So
18 they'll be accrued in June and reversed out of
19 the July expenditures. Page 9 is the
20 certificate of deposit report and that was
21 where we renewed the St. Francisville CD.

22 MR. OLAVE:

23 It looks like it has a little better
24 terms, too. A little better terms. Thank you
25 for that.

1 MS. ANDERSON:

2 The rate went from 1.60 to 2 percent.

3 MR. OLAVE:

4 Right.

5 MS. ANDERSON:

6 On page 10, the accounts receivable,
7 the total fines assessed in -- during July were
8 \$20,600 and the total collected was \$1,060,
9 leaving accounts receivable balance at the end
10 of the month of \$253,296.

11 Unless there are any questions,
12 Mr. Chairman, that conclude my report.

13 MR. TAYLOR:

14 Can we get a motion for July's
15 financials?

16 MR. BRITT:

17 I make a motion.

18 MR. SMITH:

19 I'll second.

20 MR. TAYLOR:

21 Okay. I think we have some
22 discussion on title delivery. Steve.

23 MR. OLAVE:

24 Yes, sir. Yes, sir. I just brought
25 that up as a dialogue. I talked to John about

1 it at the auction. Again, I don't know what
2 can be done, but, you know, there's some
3 disconnect. And I know the auction guys can
4 probably help me with this. But, you know, we
5 have -- we have a certain amount of time to
6 deliver a title legislated and we have to
7 maintain that. But, yet, most of the title
8 issues are coming from the banks not sending
9 the titles in a -- in a -- in a timely fashion.
10 They don't have the same restrictions and
11 guidelines, I don't believe, that, you know,
12 forces them to deliver a title on time, you
13 know. I've had some -- I know everybody in
14 here has probably had a title issue here or
15 there. And, again, just opening a dialogue up
16 as to how can we bring -- potentially, how can
17 we bring the lienholders in on an obligation to
18 send the title in, in a timely fashion.

19 Because I don't know about you guys, it's hard
20 to deliver a title in 30 days if it's involved
21 in a -- in a payoff that's coming from a
22 dealership that gets sold at auction, you know.

23 Obviously, our business, you can't
24 sit on a piece of inventory for 60 days waiting
25 on a title to come. You've got to, you know,

1 recondition it. You've got to market it.
2 You've got to try to sell it, you know, in
3 anticipation the title comes. But, again, this
4 is just more of a dialogue that we have
5 restrictions in place that have forced us to
6 deliver the title and rightly so. The
7 consumers need to protected. But, yet, the
8 banks aren't really supporting that. Is that
9 -- is that -- is there some conversation we can
10 have on that? Has anybody experienced those
11 same things.

12 MR. BRITT:

13 I've experienced it, but I can tell
14 you how to -- how to nip it -- how to get a
15 dialogue started. I would think that the
16 Chairman and the Director would probably need
17 to have a conversation with the head of the
18 office of OFI. And I'm going to look next door
19 to you, Dino, for your opinion on that. But I
20 think that would be your initial dialogue. And
21 whether you get it done in statute or just have
22 it done in regulation with the office of OFI,
23 because trust me, the OFI can get their
24 attention quickly. I don't know how familiar
25 y'all are with that office, but I think that

1 that would be a good start. And my personal
2 opinion would be the Chairman or Director have
3 that -- have a meeting with the director of the
4 OFI and express concerns, because, you know, I
5 hear -- that's -- when my phone rings in north
6 Louisiana -- or, actually, I've gotten calls
7 from Baton Rouge, and I put the guys on the
8 stuff. That's the number one complaint I get.
9 And, sometimes, it's from a dealer's fault.
10 Or, sometimes, it's the lienholder's fault, you
11 know. So I always just look at it real close
12 and I direct it to one of the guys in the field
13 when they call me about it. And, you know, we
14 all know sometimes if you get eight or 10 calls
15 about the same dealer in a month, it's not the
16 lienholder and we know what direction that's
17 going in. But, you know, if you want to get a
18 good dialogue, and my 10 cents worth, because I
19 have to deal with OFI just -- with my personal
20 business, that's where I'd start.

21 MR. PEDERSON:

22 Yes. It's a nightmare for everyone
23 involved, for the lienholder, the dealership,
24 the auction, the dealer, the consumer. All the
25 way from start to bottom, it's a nightmare. So

1 I don't know what the end game would be. Would
2 the end game be to try to get -- buy everyone
3 another 20 days, flip it on that end or hold
4 the lienholders liable?

5 MR. BRITT:

6 They need to be regulated.

7 MR. DONNELL:

8 Derek, you and I talked about this.
9 You said we need to have a conversation with
10 the Office of Motor Vehicles.

11 MR. PARNELL:

12 Right. Because that is the actual --
13 the statute -- right. The statute is under the
14 Office of Motor Vehicles.

15 MR. DONNELL:

16 I mean, we could, you know, try to
17 get that statute extended another 20 or 30 or
18 40 days. I understand that. But if these guys
19 can't get a title and get it to us.

20 MR. BRITT:

21 Exactly.

22 MR. DONNELL:

23 I understand about a bad dealer, too.

24 MR. BRITT:

25 No. I'm talking about the bank.

1 That's where it's going to -- that -- the
2 enforcement of it with the lienholder is going
3 to have to come through OFI. They're just
4 going to be backed up with DMV and backed up
5 with us.

6 MR. OLAVE:

7 It's a complex -- it's a -- just so
8 -- I mean, everybody is aware of the flow of
9 money. But, you know, a dealer trades a
10 vehicle and that dealer has to get funded
11 first, that front deal, right. The new sale
12 has to get funded, because that's what
13 generates the payoff for the -- so we're
14 relying on the ability of that dealership to
15 get that deal funded. And we know a lot of
16 people spot deals. Sometimes, deals take
17 longer or what-have-you. So we have that time
18 frame involved with them actually generating
19 the payoff. Then, once the payoff goes in,
20 then we're waiting on the lienholder to
21 generate the payoff, deposit it, get the title,
22 send it back to the dealership. So, you know,
23 there's times that we can't control in that --
24 in that scenario, you know. So, again, I
25 realize the complexity of it. I just thought

1 that some dialogue would be helpful, maybe, to
2 get some direction in order to bring everybody
3 in.

4 MR. BRITT:

5 I agree 100 percent. But it's got to
6 be -- got to be fixed. It's got to be
7 regulated. But at some point, it's going to --
8 he's going to have to be -- the Chairman, I
9 think, be involved with the office of OFI, get
10 that dialogue started along with that statute
11 with the Office of Motor Vehicles and just --
12 you know, I personally -- I mean, I don't know
13 how familiar you are with OFI, but they -- I
14 think they could regulate it without going
15 through the Legislature. I think they can.

16 (Mr. Poteet enters the room.)

17 MR. PEDERSON:

18 See, and I think the -- but I don't
19 know how you're going to regulate national
20 lienholders.

21 MS. MORRIS:

22 A lot of them are not regulated in
23 our state. It depends upon the local bank.

24 MR. PEDERSON:

25 Right.

1 MS. MORRIS:

2 And, maybe, contacting the bankers
3 association, because they have a very strong
4 association and, maybe -- they could initially
5 without having to change any rule or
6 regulation, maybe, get information to their
7 members that might -- you know, so the members
8 are aware of the problems that are being caused
9 and, maybe, handle it that way until we can
10 have a meeting with the OFI.

11 MR. BRITT:

12 Yes. I think that would be the best
13 way to get everybody's attention.

14 MR. TAYLOR:

15 Yes. And I don't know that we need
16 any more extension from 30 days, because you
17 have to perfect that lien. You have to get
18 that consumer in that car with a perfected
19 lien. And we all know how that statute reads.
20 You're not supposed to sell that car without a
21 title. But we all know how that happens. But
22 I agree. OFI, I think -- I think you're dead
23 on.

24 MR. PARNELL:

25 I just wanted to say this, because

1 I've heard 30 days twice and I want to make
2 sure we're clear, that the statute actually
3 reads the dealer has 20 days to have that title
4 delivered.

5 MR. OLAVE:

6 That was my fault.

7 MR. PARNELL:

8 It falls under issues as well. You
9 have 20 days and the dealer is supposedly to
10 get that title to the consumer. 40 days of
11 penalties and interest start adding up and 60
12 days is when that temp tag expires, you know.
13 All of those dates are different. So,
14 typically, what we do on the enforcement side,
15 we know the statute does say 20, but we don't
16 typically write any tickets on anybody unless
17 they're beyond 40 days. And we get to the
18 point where they're 60, sometimes, 100 days
19 out.

20 MR. OLAVE:

21 From the investigation side of that,
22 do you hear that -- like, I'm sure the
23 investigators talk to the dealership about
24 where the title is at. Do you hear a lot that
25 it's tied up in a payoff? Is that -- is that

1 -- is that a common -- we're waiting for the
2 title or, you know --

3 MR. PARNELL:

4 I would say 50 percent of the time.
5 A lot of times, it's not that -- but about
6 50 percent of the time. Because if you always
7 look at any of the reports that we always do,
8 that is always going to be the highest
9 complaint that's out there, is non-delivery of
10 title and it always usually stems from the
11 dealer trying to get the title from the -- at
12 auction or the bank or whomever. But, you
13 know, that's just.

14 MR. TAYLOR:

15 I hear a lot of new car stories, a
16 lot of non-delivery title, just -- I'll be down
17 in the office.

18 MR. BRITT:

19 All Star is one that Ricky and --
20 Ricky and I know very well. The other day was
21 some mutual friends of mine and yours with
22 three vans that were paid for in cash on the
23 new dealer and they were four months.

24 MR. OLAVE:

25 Let me ask: Do the new car dealers

1 have any requirements to sell? Like, if they
2 sell a car at auction, do they have -- what are
3 the requirements for them to actually send the
4 title? Is it 20 days? Or is it 30 days?

5 MR. PARNELL:

6 30 days.

7 MR. OLAVE:

8 What is it?

9 MR. PARNELL:

10 30.

11 MR. OLAVE:

12 So they have 30 days to send the
13 title in.

14 MR. DONNELL:

15 And we have 20 days to deliver.

16 MR. TAYLOR:

17 But we're not supposed to sell
18 without a title.

19 MR. POTEET:

20 We're not selling to the consumer.
21 The purpose of the auction is to -- is to
22 facilitate, you know. It's like a stock market
23 for cars. So our purpose is not to get you a
24 title as quickly as you need it to sell the car
25 in 20 days. Our purpose is to showcase the

1 cars and to get them sold. It's to everybody's
2 advantage, the seller, the buyer, and the
3 auction, to get the title as soon as possible.
4 And we have -- most auctions have a late title
5 fee. We have, you know, requirements that if
6 you get past -- and I don't know -- I don't
7 know about yours, but some of these rules,
8 you've always play by the rules pretty close.
9 So, you know, we -- for example, let's say you
10 sell a car to a guy in Florida and he brings it
11 back because of no title. The dealer is
12 responsible for the transportation to and from
13 that location. So he's going to lose 4 or 500
14 bucks, maybe, 600 bucks by not facilitating
15 that title. You know, the auction doesn't get
16 paid unless it's a cash customer and we don't
17 have a lot of cash customers. So we don't get
18 paid. I don't put the buyer's money in the
19 bank until I collect the title. So, for me, my
20 fee is sitting out there waiting for that
21 seller to bring the title. So there are
22 disadvantages to us. I mean, I -- if you look
23 at the auction business, if we had a law -- a
24 federal law that said you had to have the title
25 in hand before you sold a car, 98 percent of

1 everything that goes wrong at the auction would
2 be fixed down here.

3 MR. PEDERSON:

4 Yes. And in the northeast, they
5 actually -- they're catching titles the day of
6 sale.

7 MR. POTEET:

8 Well, in the northeast -- well, I
9 started my career in New York and here's what
10 they did up there: If you showed up at the
11 auction without a title, there was a -- in
12 1989, there was a \$55 fee that you had to pay
13 to get the car registered, even if you brought
14 the title an hour later. If you bought -- and
15 we would put the blue light on. That means no
16 title. If that blue light went on, they'd
17 scurry like cockroaches when the lights come
18 on. Because here's what the auction did: You
19 buy a car with no title, you know when you put
20 the check in the bank, right then. So there
21 was -- the industry really kind of, you know,
22 made that all happen. And we required the
23 dealers to have the title there within two
24 weeks. If you didn't have it there within two
25 weeks, it was another \$100 fee. But we still

1 cashed your check if you were a buyer. You
2 could bring the car back two weeks later if we
3 still didn't have the title. Yes, I think
4 that, you know, to me, it's just a -- layer
5 upon layer of issues that are related to this.
6 And, you know, the other part -- problem that
7 we have is if you buy a car and it needs work,
8 you don't get -- you don't get to return the
9 car. If you bring the car back for any reason
10 other than some sort of fraudulent reason. But
11 if you're just waiting on the title and the
12 guys says, yes, I can't get your title for 60
13 days, just go on and bring the car back. I
14 said, well, okay, all we're going to pay is
15 transportation to and from. So it's -- you
16 know, there are a lot of negatives to it. And
17 I'll even tell you, I've called general
18 managers at the selling dealerships before and
19 I said, hey, just want to let you know I've got
20 \$100,000 of your money sitting here. Are you
21 interested in getting it? Well, what do you
22 mean? Well, you sold \$100,000 worth of cars
23 that I'm waiting for the titles. It's been 45
24 days since you sold them. I've done that
25 before and had the titles all the next day.

1 MR. OLAVE:

2 Yes. Dino brought that up. You
3 know, you get bogged down in the office or
4 what-have-you. I get it. This is just more
5 about I've got find that -- you know, there's
6 potentially, you know, a way that we could fix
7 some of that or?

8 MR. POTEET:

9 Well, in the end, the consumer is the
10 one that gets hurt the most. I mean, for all
11 of us in business, it's more cash flow than
12 anything and that's what can run you out of
13 business, but -- or the lack of it. But it's
14 the consumer in the end that's really getting
15 hurt, because the consumer has no way of
16 knowing where the title is, how long it's going
17 to take, you know, when you're going -- it's --
18 they're completely in the dark. I'd love to
19 see something, but you can't -- you know, we're
20 two competitors in the room. Mike, if I said,
21 hey, you can't rent a car without a title, he's
22 going to go -- he's going to run over here with
23 that title.

24 MR. PEDERSON:

25 I wish we would all get together and

1 do that. That would be fantastic.

2 MR. POTEET:

3 That's called collusion, anti-trust.

4 MR. PEDERSON:

5 That would sure be nice.

6 MR. POTEET:

7 Yes, it would be a law that would
8 help everybody or some kind of law.

9 MR. DONNELL:

10 Are you looking for a motion?

11 MR. OLAVE:

12 No. I mean, this was more just a
13 dialogue and I don't know -- yes. I don't -- I
14 don't -- I don't where to go with that or how
15 to solve it. But I just --

16 MR. DONNELL:

17 I'd like to make a motion if I can.
18 We can get Sheri and Derek to look into it with
19 OFI.

20 MR. BRITT:

21 Yes. I think that's a good way to
22 start.

23 MR. WATTS:

24 You know, when you pay off a car at a
25 dealership, they will hold that check until

1 they get -- the check clears.

2 MR. DONNELL:

3 They've held a cashier's check on me.

4 MR. WATTS:

5 That's right.

6 MR. DONNELL:

7 That's ridiculous.

8 MR. WATTS:

9 So they're not going to give you the
10 title unless their money is in the bank.

11 MR. PEDERSON:

12 Just pass a law it can't be sold
13 without a title.

14 MR. POTEET:

15 All right. We have a motion on the
16 floor.

17 Do I have a second?

18 MR. OLAVE:

19 I'll second. I'll second. Yes, we
20 need more information, you know.

21 MR. POTEET:

22 All in favor, say, "Aye."

23 (All "Aye" responses.)

24 MR. POTEET:

25 Any opposed?

1 (No response.)

2 MR. POTEET:

3 I will tell you a story real quick.
4 My paid off her car with GM Financial Services.
5 It took her six weeks to get her title. She
6 called them up and they said they have
7 everything in their system but to send the
8 title. Then, she complained after three weeks.
9 They said it would be 10 to 15 working days
10 from now. She said that is what you told me
11 before. But it ended up taking six weeks.

12 MR. OLAVE:

13 Who does the consumer -- that's a
14 good question. Who does the consumer turn to
15 in a situation like that then?

16 MR. POTEET:

17 You know, that -- it's not easy to
18 find out, because she went online, because she
19 wanted to complain and --

20 MR. OLAVE:

21 I mean, you can take it -- like, GM
22 Financial, you can take it up their ladder and
23 call, you know, supervisors.

24 MR. POTEET:

25 I tried that by the way. That isn't

1 easy either.

2 MR. OLAVE:

3 You know, that's not easy, but then
4 how do you complain about -- who do you
5 complain about GM Financial if they're not
6 sending the -- you know, not to GM, obviously.

7 MR. POTEET:

8 If we hadn't gotten it eventually, I
9 guess I would have gone to DMV -- OMV.

10 MR. HALLACK:

11 I've represented two people the same
12 scenario as your wife. I mean, they wrote
13 them. They called them. Three months and
14 still couldn't get the title. One was to a --
15 a title to a mobile home and the other one was
16 a title to a truck. And one person -- I called
17 the financial institution, called them, called
18 them, wrote them. Nothing. I filed a
19 complaint with the Office of Financial
20 Institutions. They Federal Expressed me the
21 title.

22 MR. POTEET:

23 I guess it's who you complain to.

24 MR. HALLACK:

25 The next time -- the next time, I got

1 somebody on the phone and she -- immediately,
2 she had the attitude, I don't care who you are,
3 you'll get this whenever I decide to give it to
4 you. And then I said, well, I'm just going to
5 file a complaint with the Office of Financial
6 Institutions. The next day, I got a title.

7 MR. TAYLOR:

8 That's the button.

9 MR. HALLACK:

10 Yes, yes. And if it's not covered
11 under OFI, which some of them aren't, the CFPB,
12 Consumer Financial Protection Bureau, file a
13 complaint with them.

14 MR. OLAVE:

15 Good information, Robert. Thank you.
16 Thank you. Thank you for your time.

17 MR. POTEET:

18 All right.

19 MR. TAYLOR:

20 I have a motion, please.

21 MR. POTEET:

22 Okay.

23 MR. TAYLOR:

24 I'd like to make a motion that we
25 discuss the continuing education and the

1 process of going through the fiscal office with
2 our bill, statute, whatever.

3 MS. MORRIS:

4 You need to add that to the agenda.

5 MR. POTEET:

6 You're making a motion to add --

7 MR. TAYLOR:

8 To add that discussion to the agenda,
9 that's correct.

10 MR. POTEET:

11 Okay. I need a second.

12 MR. WATTS:

13 I'll second.

14 MR. POTEET:

15 All in favor, say, "Aye."

16 (All "Aye" responses.)

17 MR. POTEET:

18 Any opposed?

19 (No response.)

20 MR. POTEET:

21 All right. Where can we add that in?

22 MR. TAYLOR:

23 I guess we can do it right now,
24 couldn't we?

25 MS. MORRIS:

1 Yes.

2 MR. POTEET:

3 All right. Let's go.

4 MR. TAYLOR:

5 Me and Derek have been talking about
6 the continuing education over the last couple
7 of days and he sent out a timeline -- or he has
8 a timeline.

9 MS. BARON:

10 It's in your packets.

11 MR. TAYLOR:

12 And if we could just -- if Sheri
13 could kind of tell us the process of what -- or
14 not the process, but where we're at right now.

15 MS. MORRIS:

16 Okay. We had various drafts of the
17 rules. They need some, you know, just kind of
18 clerical cleanup and to be put in a format that
19 is required by the Office of State Register.
20 The Office of State Register won't accept any
21 rules until they're approval of the fiscal
22 office. So the first day that you see, August
23 20th, they accept rules for the next -- for
24 this schedule up to August 20th, which is
25 tomorrow. So that will be submitted by

1 tomorrow. Derek prepared the fiscal and
2 economic impact statement, which needs to be
3 submitted with the draft. And the fiscal and
4 impact -- economic impact statement was really
5 no material fiscal or economic impact as a
6 result of the rules to the agency, to the
7 state, or to local government.

8 September -- so it will be at the
9 fiscal office on the 20th, and then they will
10 turn those around before September 10th. And
11 then once they give the approval, generally the
12 8th or the 9th or right before, then somebody
13 from the agency has to go to the fiscal office
14 and pick up the documents and deliver them to
15 the Register, which is all downtown. So
16 they'll be delivered to the Register by the
17 10th. And then they will go in the September
18 20th publication. That is an online
19 publication. So you'll be able to see the
20 notice of intent. In the notice of intent,
21 there will be a deadline to -- see the period
22 for requesting public hearing within 20 days.
23 If, you know, more public comments are
24 received, then you have to have a public
25 hearing. It's -- some of the agencies go ahead

1 and just schedule a public hearing date, which
2 is what we talked about doing, just putting a
3 date in there, so that if we need a public
4 hearing, we don't have to stop or delay. So
5 there will be a date in there. And then it
6 will be -- that's -- your public hearing can be
7 anywhere from the 25th to the 30th. At the
8 same time it is sent to the Register, it has to
9 go to the Legislature.

10 MR. TAYLOR:

11 Because there's already a date.

12 MS. MORRIS:

13 No. Every rule has to go the
14 Legislature. They don't always have oversight
15 hearings and, quite actually, it's very rare to
16 have an oversight hearing.

17 In 20 years of doing this, I only had
18 one set of rules that there was an oversight
19 hearing scheduled and when we got to the
20 hearing, they said we're not going to her it.
21 It was, like, after we all arrived. But that's
22 the only time I've ever had an oversight
23 hearing. But, I mean, they have been
24 sometimes. So those are the -- you know,
25 there's variable dates. If there is an

1 oversight hearing, that will cause a delay,
2 because the Legislature picks the date and it
3 would be your commerce committee to do that.
4 If you get unfavorable oversight, then you
5 would have, you know, other obligations. But,
6 hopefully, we don't have any of that. So we
7 would be able to then publish the rules with
8 any amendments, if we had any amendments that
9 were not substantive, and then the final rule
10 would be effective. It's effective upon
11 publication. So the effective date would be
12 December 20th if we don't have this oversight
13 hearing or anything that causes us to have to
14 go back and amend anything, which we anticipate
15 will be the case. So they're anticipating a
16 December 20th deadline.

17 MR. TAYLOR:

18 Derek, when we were talking this
19 morning, you had a -- you made a statement --
20 and I do not remember what it was -- that there
21 might be away to expedite our --

22 MR. PARNELL:

23 This is what I wanted to ask Sheri
24 just now, from when we were at the fiscal
25 office that we submit the document by August

1 20th and I think you kind of answered it a
2 little bit. My thought was: If we get that in
3 to them today or tomorrow, which is the 20th
4 tomorrow, and they approve it sooner than
5 September 10th, will we be able to move through
6 the process?

7 MS. MORRIS:

8 Well, the next publication is
9 September -- is September 20th. The Register
10 publication on the 20th. So your September
11 20th would be your notice of intent publication
12 and December 20th. They only publish the
13 Register once a month on the 20th.

14 MS. BARON:

15 So regardless of when we get it
16 there, it won't be published --

17 MS. MORRIS:

18 And their deadline is the 10th. So
19 you see the December 20th. The deadline for us
20 to get it there is December 10th. And for
21 September 20th, the deadline is September 10th.
22 So there's really no way -- this is the best
23 case scenario, publication deadline. So this
24 chart was made by the Office of State Register
25 and this is the best case scenario. Now, the

1 20th of December could be several months later
2 if you have these variable dates, if you have
3 an oversight committee hearing, or if you have
4 enough people to comment and request an
5 amendment that you subsequently decide to make,
6 because you'll have to wait for a meeting to
7 amend it, and then you'll have to re-publish
8 it. But -- so -- but that's -- I don't see
9 that that's probable. I think that probably
10 the 20th will be fine.

11 MR. POTEET:

12 So this is the most likely scenario?

13 MS. MORRIS:

14 Yes.

15 MR. POTEET:

16 And the soonest?

17 MS. MORRIS:

18 Yes. And what this does not have on
19 here, actually, is, it also has to go to -- our
20 rules have to go to occupational and
21 professional licensing oversight. But I
22 believe that can generally be done within this
23 variable date, because you're not -- because
24 you have industry participants on your board.

25 MS. BARON:

1 Occupational and what?

2 MS. MORRIS:

3 Occupational licensing oversight
4 committee, I think. It's a new requirement
5 that started this year. And the reason that we
6 have that oversight, the Legislature put it in
7 to try to avoid some anti-trust issues.

8 MR. DONNELL:

9 Is this the continuing education that
10 we do or what we're trying to award to an
11 outside entity?

12 MS. MORRIS:

13 Outsourced.

14 MR. DONNELL:

15 We've not even voted to do this.

16 MS. MORRIS:

17 We did vote on the rules.

18 MR. HALLACK:

19 Not on the vendor.

20 MR. PARNELL:

21 Is that what you're referring to, a
22 vendor?

23 MS. MORRIS:

24 The rule is going to allow for a
25 vendor to submit an application to be approved.

1 MR. POTEET:

2 Right.

3 MS. MORRIS:

4 And once you're approved --

5 MR. POTEET:

6 Right.

7 MS. MORRIS:

8 -- the hours -- the course that is
9 approved would be able to be applied to your
10 licensing renewal.

11 MR. POTEET:

12 Under our first purview once we have
13 all this done.

14 MR. BRITT:

15 You've got to get this done before
16 you can say yea or nay on any vendor or even
17 discuss it, right? That's what you just
18 brought up?

19 MS. MORRIS:

20 Well, the office will have to design
21 forms and do programming while this is going
22 forward --

23 MR. BRITT:

24 I mean, if five vendors come in here
25 today and they want to do business, we can't

1 say, no, we don't or, yes, we do to you or you,
2 because we don't have the authority to do it
3 right now. We've got to have this done.

4 MS. MORRIS:

5 Correct.

6 MR. BRITT:

7 Okay.

8 MS. MORRIS:

9 But the law is permissive. The law
10 did not -- some of the agencies, the continuing
11 education is set forth in law and ours said
12 that we could require continuing education. So
13 we have to set the parameters by rule.

14 MR. TAYLOR:

15 I have no further questions. Thank
16 you, guys.

17 MR. BRITT:

18 Are we looking for a budget on that?

19 MR. POTEET:

20 He just want to discuss it. Thanks,
21 Dino.

22 All right. Next thing on our agenda
23 is the ratification of imposed penalties.

24 MR. PARNELL:

25 Commissioners, please find in your

1 packet a chart that illustrates the licensees
2 that are in violation of state law. These
3 cases have been investigated and I have
4 determined that public interest can be served
5 without further administrative proceedings.
6 Civil penalties were imposed. I will announce
7 the names of the dealers that have been imposed
8 civil penalties for the record.

9 Do we have anyone present -- anyone
10 representative on this chart, Kim?

11 MS. BARON:

12 Let me check. There's no one.

13 MR. PARNELL:

14 All right. I'll go through the list.
15 Mandeville Motors, LLC, from Covington,
16 Louisiana, fine amount is \$2,450.00. J.S.
17 Autos, LLC, from Baton Rouge, Louisiana, fine
18 amount is \$200. Oladimeji Olaleye, doing
19 business as Hephzibah Auto Sales -- I'm not
20 going to try to pronounce his name -- from
21 Jeanerette, Louisiana, is \$800. Southern
22 Wholesale Company, Incorporated, from Lake
23 Charles, Louisiana, fine amount is \$1,300.
24 Paul Hartman and Larry Lavigne, doing business
25 as L & H Enterprises, from Lake Charles,

1 Louisiana, fine amount is \$200. Coy Dupree,
2 doing business as, Dupree's Auto Salvage, from
3 Opelousas, Louisiana, fine amount is \$500.
4 Bill Bailey's Affordable Auto Sales,
5 Incorporated, from Lake Charles, Louisiana,
6 fine amount is \$2,150. Commissioners, I ask
7 that you ratify the imposed civil penalties
8 assessed. The total amount of civil penalties
9 for the months of July and August was \$7,600.

10 MR. POTEET:

11 I need a motion.

12 MR. PEDERSON:

13 I make a motion.

14 MR. BRITT:

15 I second.

16 MR. POTEET:

17 All in favor, say, "Aye."

18 (All "Aye" responses.)

19 MR. POTEET:

20 Any opposed?

21 (No response.)

22 MR. POTEET:

23 All right. Let's move on to
24 revocations.

25 MR. PARNELL:

1 You will find in your chart -- an
2 additional chart that illustrates the licensees
3 that had their license revoked. Please note
4 that each licensee on this list has been
5 through the revocation process. Once again, I
6 will announce the names of the licensees that
7 have been revoked for the record. 610 Motors,
8 LLC, from New Orleans, Louisiana, notice of
9 revocation was 5/15 of 2019. AJ's Auto World,
10 LLC, from Kenner, Louisiana, notice of
11 revocation was 6/5 of '19. Anba Beyro
12 Enterprise, LLC, from Harvey, Louisiana, notice
13 of revocation was 6/6 of '19. Austen's Auto
14 Sales, Incorporated, doing business as
15 Wholesale Auto Outlet, from Marrero, Louisiana,
16 notice of revocation was 6/5 of '19. Auto King
17 of Baton Rouge, LLC, from Hammond, Louisiana,
18 notice of revocation was 6/7 of '19. Car King,
19 LLC, from Monroe, Louisiana, notice of
20 revocation was 5/10 of '19. Diamond Auto
21 Sales, from Marksville, Louisiana, notice of
22 revocation was 5/21 of '19. K & M Kustom Made
23 Automotives, LLC, from Baton Rouge, Louisiana,
24 notice of revocation was 5/15 of '19. Noland
25 Auto Sales, LLC, from Zachary, Louisiana,

1 notice of revocation was 6/6 of '19. Precise
2 Auto Repair Center, LLC, doing business as
3 Exclusive Auto & Truck Sales, from New Orleans,
4 Louisiana, notice of revocation was 5/15 of
5 '19. Westbank Motor Cars, LLC, from Marrero,
6 Louisiana, notice of revocation was 6/8 of '19.
7 Commissioners, I ask that you ratify the
8 revocation of dealers I have just mentioned.

9 MR. DONNELL:

10 I have a question. When they apply
11 for a dealer's license, they don't have
12 salespeople?

13 MR. PARNELL:

14 No. They -- that's one of the
15 requirements, for them to have a dealers's
16 license. Typically, what happens is, when you
17 go through a renewal period, sometimes they
18 don't renew the salesperson's licenses. The
19 salesperson's licenses are annual, where the
20 dealer's license is two years. So what happens
21 is, a lot of them say that they forget to do
22 the salesperson's license. They seem to think
23 sometimes that it's on the same timetable as
24 the dealership license. So when we get into
25 the year, you know, we send out notices to let

1 them know, hey, you don't have any
2 salesperson's licensed. And if they continue
3 with that process, you know, they can't --

4 MR. DONNELL:

5 We ought to send out letters.

6 MR. PARNELL:

7 Oh, yes. We -- we'll send out -- the
8 investigator will go out. And what happens
9 first is: The licensing department, they'll
10 send out an email or letter letting them know
11 and if there's no response back, then we send
12 the investigator out to look at it again. And
13 if nothing is happening then, then they'll go
14 ahead and write a violation on them. So that's
15 one of the requirements, to hold the license
16 just to have a licensed salesperson.

17 MR. POTEET:

18 Do I have a motion to ratify?

19 MR. OLAVE:

20 I make a motion, Mr. Chairman, to
21 ratify the revocations.

22 MR. SMITH:

23 Second right here.

24 MR. POTEET:

25 Darty.

1 All in favor, say "Aye."

2 (All "Aye" responses.)

3 MR. POTEET:

4 Any opposed?

5 (No response.)

6 MR. POTEET:

7 All right. Now, for the Executive
8 Director's report.

9 MR. PARNELL:

10 All right. Commissioners, you will
11 find in your packet a couple of charts for the
12 months of June and July. The first one is
13 alleged issue counts. June and July alleged
14 issues, there were 320 alleged issues for that
15 -- those two months. And the next chart that
16 you have there is the case report for the total
17 amount of cases that were assigned during those
18 two months. It was 137. The department
19 summary report shows the amount of cases that
20 were closed for that two month time frame. It
21 shows 18 cases were closed during that time
22 frame. I kind of want to give an update on
23 something that's been kind of happening with
24 our agency that we've been working on and
25 that's been a little bit of a headache for us.

1 The Department of Treasury advised us that they
2 were changing the state contract with our
3 online provider. Currently, we have PayPoint.
4 Now, they're moving to another provider called
5 Elavon. The transition deadline is scheduled
6 for November 30 of 2019. The deadline poses a
7 problem for us, because that's right in the
8 middle of our renewal period. So what we've
9 been doing for the last few weeks -- Mona has
10 been kind of spearheading this charge -- we've
11 been dealing with the payment provider, our
12 CAVU licensing system, because what we were --
13 we found out that our licensing system has to
14 be updated prior to us moving forward with the
15 conversion from PayPoint to Elavon. So we're
16 in the process of not only getting our -- the
17 conversion from PayPoint to Elavon, we're also
18 trying to update our CAVU system to the 8.1
19 product that they have out, the most recent
20 product that's out there. All this before our
21 renewal season starts, which is August -- I
22 mean -- I'm sorry, October 1. October is
23 usually a later time for us to start. We
24 normally try to start mid September, but this
25 year, we're still scrambling and working with

1 them, conference calls, 15 to 20 people on the
2 line at one time and everybody is trying to,
3 you know, figure out how can they facilitate
4 this, especially for our agency, because it
5 poses a problem for us for the renewal period.
6 Other agencies, it doesn't affect them as much
7 because of the timeline that we're effectively
8 on right now. So I just kind of want you --
9 everyone to know that we're kind of working
10 through this process. Hopefully -- we've been
11 assured that our upgrade is going to be done
12 and our transition over to the Elavon program
13 is going to be done prior to our renewal season
14 starting. So just keep in mind if --

15 MR. OLAVE:

16 So what you're saying -- we're going
17 to get a lot of phone calls is what you're
18 saying, in November.

19 MR. PARNELL:

20 If by October -- midpoint October,
21 you know, hopefully it will go smooth. We -- I
22 don't know right now --

23 MR. OLAVE:

24 I'm sure it will be fine. I'm sure
25 it will be fine.

1 MR. POTEET:

2 I hate -- I hate sentences that start
3 with the word "hopefully."

4 MS. ANDERSON:

5 And with PayPoint, the contract
6 doesn't run out until the end of the year. So
7 if they should fail to get this done by October
8 1st, we still have a provider. It's just we'll
9 have to make a switch to the new provider mid
10 renewal period, which is going to be difficult,
11 but we still have a provider.

12 MR. BRITT:

13 Can you keep old computer hooked up
14 to the original provider and let it run out.

15 MS. ANDERSON:

16 You can, but then, you know, when you
17 -- when you switch, you're looking at probably
18 a day or a day and a half down to switch the
19 program, you know, because that program is
20 integrated with that card provider.

21 MR. PARNELL:

22 So it's interesting. So that's all I
23 have. Any questions, comments, or concerns
24 that anyone has?

25 MR. OLAVE:

1 I make a motion that everything goes
2 smoothly.

3 MR. POTEET:

4 All right. I guess the next thing
5 are our hearings, right?

6 MS. BARON:

7 Yes. They are in the back of your
8 packet.

9 MR. POTEET:

10 Okay. We're going to adjourn and
11 take about a 10-minute break. Motion to
12 adjourn.

13 MR. OLAVE:

14 I make it.

15

16

17 (Meeting adjourned at 10:15 a.m.)

18

19

20

21

22

23

24

25

REPORTER'S CERTIFICATE

1
2
3 I, BETTY D. GLISSMAN, Certified Court
4 Reporter, Certificate No. 86150, in and for the
5 State of Louisiana, do hereby certify that the
6 Louisiana Used Motor Vehicle Commission August
7 19, 2019, meeting was reported by me in the
8 stenotype reporting method, was prepared and
9 transcribed by me or under my personal
10 direction and supervision, and is a true and
11 correct transcript to the best of my ability
12 and understanding.

13 August 29, 2019, Baton Rouge, Louisiana.
14
15
16
17
18
19
20

21 BETTY D. GLISSMAN, CCR
22 CERTIFIED COURT REPORTER
23
24
25