

**TENNESSEE MOTOR VEHICLE COMMISSION
BOARD MEETING
APRIL 11, 2011 10:30 A.M.
CONFERENCE ROOM 160
DAVY CROCKETT TOWER, 500 JAMES ROBERTSON PKWY.
NASHVILLE, TENNESSEE 37243**

ROLL CALL:

	<u>PRESENT</u>	<u>ABSENT</u>
EDDIE ROBERTS	X	
REED TRICKET	X	
GEORGE BASS	X	
WILLIAM TARR		X
JOE CLAYTON	X	
KEVIN CULLUM	X	
DONNIE HATCHER	X	
NATE JACKSON	X	
CHAD JONES	X	
DON PARR	X	
STAN MCNABB		X
FARRAR SCHAEFFER		X
MARK PIRTLE	X	
RONNIE FOX	X	

The Tennessee Motor Vehicle Commission Meeting was called to order by Chairman Eddie Roberts on April 11,2011 Roll Call was taken with a total of (11) member's present.

A Motion was made by Commissioner Joe Clayton, and seconded by Commissioner George Bass, to approve the minutes from the February meeting.

MOTION PASSED UNANIMOUSLY

REVIEW COMMITTEE

The Review Committee advised the Commission that the Committee had discussed the attached legal report with counsel and moved that the Commission adopt the attorney's recommendations.

23. Case No.: 2010029331

An internal complaint was opened after an inspection of a motor vehicle dealership finding discrepancies in its temporary tag log. An investigation was conducted and found that Respondent was in possession of four (4) open titles and failed to maintain its temporary tag log by not accounting for numerous tags.

Recommendation: Authorization for a Civil Penalty in the amount of Three Thousand Dollars (\$3,000.00) for four (4) open titles and failing to maintain its temp. tag log. To be settled by Consent Order or Formal Hearing.

Commission Action: Authorization for a Civil Penalty in the amount of Four Thousand Five Hundred Dollars (\$4,500) for four (4) open titles and failing to maintain its temporary tag log. To be Settled by Consent Order or Formal Hearing.

#. Case No.: 2010036901

Consumer/complainant alleged false/deceptive acts on part of Respondent/dealer involving the purchase of a motor vehicle advertised at a residence. An investigation was conducted and found that Respondent had a private investor in a pool of vehicles. The investor drove a vehicle home with a temp. tag on it and for sale sign in window and parked it in his yard. Complainant saw vehicle and contacted the investor. The investor had Complainant come to the dealership where Complainant purchased the vehicle. Complainant's Bill of sale indicates sold AS/IS, however complainant also had a Buyer's Guide with a limited one-month warranty on the engine and transmission. The transmission had mechanical failure within one month. Respondent indicated the vehicle was sold AS/IS and refused to repair according to Buyer's Guide and refuses to acknowledge the Buyer's Guide.

Recommendation: Authorization for a Civil Penalty in the amount of Two Thousand Five Hundred Dollars (\$2,500) - \$1,000 for off-site sales, \$500 for temp. tag misuse, \$1,000 for false/deceptive act regarding Bill of Sale / Buyer Guide discrepancy. To be settled by Consent Order or Formal Hearing.

Commission Action: Authorization for a Civil Penalty in the amount of Five Thousand Dollars (\$5,000) for off-site sales, temp. tag log misuse, false/deceptive act regarding the Bill of Sale/Buyer's Guide discrepancy. To be settled by Consent Order or Formal Hearing.

25. Case No.: 2010009121, 2010009171

Complainant/consumer alleged she purchased a motor vehicle from an unlicensed dealer who provided her with a temporary tag and failed to deliver title. She further stated that the title was located at a licensed dealership who indicated to her she had to pay taxes prior to purchasing the vehicle. An investigation was conducted which found the following:

Respondent, Dealer A met unlicensed salesperson (Mr. X) at Dealer A's location. Mr. X indicated he wanted to sell vehicles and had customers waiting. Prior to hiring Mr. X, Dealer A took him to a car auction where Mr. X purchased a vehicle. At some point, Mr. X purchased three temp. tags from Dealer B at an auction also. Mr. X along with an unknown Mr. Y sold the vehicle to Complainant and provided temp. tags obtained from Dealer B. Complainant called Dealer A asking for title. Dealer A had Mr. X bring title to his location. Dealer A told Complainant she would have to pay taxes before he would provide her with the title. An inspection of the facility of Dealer B indicated that Dealer B did not maintain a temp. tag log but admitted to selling the temp. tags to Mr. X, in belief that he was a licensed salesperson.

Recommendation:

1) Authorization for a civil penalty in the amount of One Thousand Dollars (\$1,000.00) against Dealer A for using an unlicensed salesperson as an agent at auction. To be settled by Consent Order or Formal Hearing.

2) Authorization for a civil penalty in the amount of One Thousand Five Hundred Dollars (\$1,500.00) against Dealer B for providing 3 temp. tags and failing to maintain a log. To be settled by Consent Order or Formal Hearing.

3) Authorization for a civil penalty in the amount of One Thousand Dollars (\$1,000.00) against Mr. X for acting as an unlicensed motor vehicle salesperson. To be settled by Consent Order or Formal Hearing.

Commission Action:

1) Authorization for a Civil penalty in the amount of Two Thousand Five Hundred Dollars (\$2,500) against Dealer A for using an unlicensed salesperson as an agent at the auction. To be Settled by Consent Order for Formal Hearing.

2) Authorization for a civil penalty in the amount of One Thousand Five Hundred Dollars (\$1,500.00) against Dealer B for providing 3 temp. tags and failing to maintain a log. To be settled by Consent Order or Formal Hearing.

3) Authorization for a civil penalty in the amount of One Thousand Dollars (\$1,000.00) against Mr. X for acting as an unlicensed motor vehicle salesperson. Flag Respondent for any future license application. To be settled by Consent Order or Formal Hearing.

4) Authorization to issue a letter of warning to the auction company for allowing Mr. X, an unlicensed salesperson in the auction.

29. Case No.: 2010010271, 2010010272, 2010021551

Complainant/consumer alleged that Respondent/unlicensed dealer engaged in unlicensed activity and fraud in the sale of a motor vehicle claiming she was sold a motor vehicle that had a salvaged title and that Respondent hid material defects that he failed to inform complainant about prior to the sale. An investigation was conducted and found that Respondent owns a repair shop and used to own a motor vehicle dealership across the street, which license expired in 2009. In 2006, under the dealership, Respondent purchased a salvaged motor vehicle at auction. Respondent then in 2010 sold the motor vehicle with a sales receipt from the repair shop to complainant. The vehicle still has a salvaged title and is not rebuilt. Complainant after purchasing vehicle moved to Washington. The vehicle is

alleged to be unsafe to drive, complainant states she was never informed of the material defects of the vehicle and claimed Respondent would not provide title. Respondent claimed complainant owed him money on the vehicle. Respondent also gave complainant a temporary tag he received from a licensed motor vehicle dealer that he admitted to accepting commissions for selling vehicles they had in his shop for repairs. Complainant still has the vehicle without a clean title. Vehicle currently has a salvaged title.

Recommendation: Authorization for a civil penalty in the amount of Seven Thousand Dollars (\$7,000.00) – \$2,000.00 for unlicensed activity and misuse of temp. tags, \$5,000 for fraudulent and deceptive acts on part of Respondent/repair shop. To be settled by Consent Order or Formal Hearing.

Authorization for a civil penalty in the amount of One Thousand Dollars (\$1,000.00) upon Respondent, dealership providing temporary tags for misuse of temp. tags. To be settled by Consent Order or Formal Hearing.

Commission Action: Authorization for a civil penalty in the amount of Seven Thousand Dollars (\$7,000.00) – \$2,000.00 for unlicensed activity and misuse of temp. tags, \$5,000 for fraudulent and deceptive acts on part of Respondent/repair shop. Flag Respondent for any future license. To be settled by Consent Order or Formal Hearing.

Authorization for a civil penalty in the amount of One Thousand Dollars (\$1,000.00) upon Respondent, dealership providing temporary tags for misuse of temp. tags. To be settled by Consent Order or Formal Hearing.

APPEALS

The following appeals were heard by Commission.

Nile LaRue- Oak Ridge Nissan, Oak Ridge, TN
Staff denied application

Motion was made by Commissioner Chad Jones, and seconded by Commissioner Kevin Cullum for the MVC office to investigate Mr. LaRue applications and make sure they were accurate, and that he has a current license. If Mr. LaRue does have a current license that had been approved thru the Commission then he should be granted this license.

ROLL CALL VOTE

Eddie Roberts	Yes
George Bass	No
Ronnie Fox	Yes
Joe Clayton	Yes
Don Parr	Yes
Mark Pirtle	Yes
Donnie Hatcher	Yes
Reed Trickett	Yes
Kevin Cullum	Yes

Nate Jackson Yes
Chad Jones Yes

Motion passed to grant the license.

Chad Cubb- Rent To Own Cars & Sales Group, Inc
Staff denied application

Motion was made by Commissioner Nate Jackson, and seconded by Commissioner Ronnie Fox to grant the license.

ROLL CALL VOTE

Eddie Roberts Yes
George Bass Yes
Ronnie Fox Yes
Joe Clayton Yes
Don Parr Yes
Mark Pirtle Yes
Donnie Hatcher Yes
Reed Trickett Yes
Kevin Cullum Yes
Nate Jackson Yes
Chad Jones Yes

Motion passed to grant the license.

Tad Maddox-Town & Country Ford, Inc
Staff denied application

Motion was made by Commissioner Kevin Cullum, and seconded by Commissioner Reed Trickett to grant the license.

ROLL CALL VOTE

Eddie Roberts Yes
George Bass Yes
Ronnie Fox Yes
Joe Clayton Yes
Don Parr Yes
Mark Pirtle Yes
Donnie Hatcher Yes
Reed Trickett Yes
Kevin Cullum Yes
Nate Jackson Yes
Chad Jones Yes

Motion passed to grant the license.

Michael T. Lumpkins-Miracle Chrysler-Dodge-Jeep, Inc
Staff denied application

Motion was made by Commissioner Donnie Hatcher, and seconded by Commissioner Nate Jackson to deny the license.

ROLL CALL VOTE

Eddie Roberts	Yes
George Bass	Yes
Ronnie Fox	No
Joe Clayton	No
Don Parr	No
Mark Pirtle	No
Donnie Hatcher	Yes
Reed Trickett	Yes
Kevin Cullum	Yes
Nate Jackson	Yes
Chad Jones	Yes

Motion to deny license.

Limited Auto Sales, Inc- Ayman R. Ayoub, Nashville, TN
Staff denied application

Motion was made by Commissioner Donnie Hatcher, and seconded by Commissioner Nate Jackson to grant the license if Mr. Ayoub sends the Motor Vehicle Commission proof of the titles of 24 vehicles that were sold, and pay \$1000.00 fine within 60 days.

ROLL CALL VOTE

Eddie Roberts	No
George Bass	No
Ronnie Fox	Yes
Joe Clayton	Yes
Don Parr	Yes
Mark Pirtle	Yes
Donnie Hatcher	Yes
Reed Trickett	Yes
Kevin Cullum	No
Nate Jackson	Yes
Chad Jones	Yes

Motion passed to grant the license.

DIRECTORS REPORT

Since the last Commission meeting in February, 2011 the following actions have been taken:

Dealers Opened, or Relocated59

Active Licensees as of April 1, 2011

Dealers.....3970
 Applications in Process.....67
Distributions/Manufacturers212
Auctions.....30
Representatives.....588
Salespeople.....12582
Dismantlers.....342
RV Dealers.....20
RV Manufacturers.....51

Motor Vehicle Show Permits Issued Since February 2011, ...8
 Revenue Received \$ 1600.00

Old Business

New Business

A rulemaking hearing is scheduled for June 6, 2011 at 9:30 a.m. in order for the Commission to vote on not only the new automotive dealer rules (same as emergency rules) to make them permanent, but also other rules relating to motor vehicle dealers.

Legal Report

Motion was made by Commissioner Donnie Hatcher, and seconded by Commissioner George Bass to approve these recommendations made by the Review Committee.

Motion passed unanimous.

Motion was made by Commissioner Joe Clayton, and seconded by Commissioner Nate Jackson to adjourn the meeting.

Eddie Roberts, Chairman

Leon Stribling, Executive Director