

NATIONAL ASSOCIATION OF MOTOR VEHICLE  
BOARDS & COMMISSIONS

**Winter Workshop February 1-2, 2004  
Las Vegas, Nevada**

MINUTES

CALL TO ORDER 9:15 am.

**Bill Jackson**, Immediate Past President of NAMVBC and Executive Director of the Nebraska Motor Vehicle Industry Licensing Board, opened the meeting and welcomed the attendees to the 2004 Winter Workshop. Jackson introduced the new officers of NAMVBC, who were elected at the fall meeting in Virginia Beach:

<b>President</b>	<b>Bruce Gould</b> , Executive Director of the Virginia Motor Vehicle Dealer Board
<b>Vice-President</b>	<b>Lessie House</b> , Executive Director of the Louisiana Motor Vehicle Commission
<b>Secretary</b>	<b>Roy Dockum</b> , Executive Director of the Oklahoma Motor Vehicle Commission
<b>Treasurer</b>	<b>Tom Novi</b> , Executive Director of the California New Motor Vehicle Board

Mr. Jackson then turned the meeting over to Bruce Gould, President. Gould thanked Bill Jackson for his years of service as President of NAMVBC, and the entire membership also expressed their appreciation.

ROLL CALL

The roll was called and it was determined that a quorum was present. The attendees introduced themselves to each other.

PRESENTATIONS

1. **Gregory R. DePasquale**, *Assistant General Counsel, Copart, Inc.*

*The Salvage Pool Industry*

Mr. DePasquale presented an overview of the salvage pool industry and Copart, which is the largest salvage pool operator in the United States. Approximately 3,000,000 vehicles annually are processed as total loss vehicles from insurance companies. A total loss vehicle is defined as one that is more economical to replace than to repair, and includes both collision vehicles and theft vehicles. Although the insurance companies must bring titles into their names, state laws widely vary as to branding requirements. Sales from salvage pools are to dismantlers, rebuilders, dealers, wreckers, and exporters. Although the average sales price is around \$1500, they can range from \$10 to \$100,000.

Mr. DePasquale's email address is [greg.depasquale@copart.com](mailto:greg.depasquale@copart.com)

2. **Jim Moors**, *Director of Franchising and State Law, NADA*

**Consumer Issues and Complaints**

Mr. Moors discussed 4 issues that he considers to be the most current ones facing dealers and regulators.

- a. **Rate Spread.** Probably the hottest topic involves dealer arranged financing and the subsequent finance reserves. NADA is taking this issue very seriously by putting together a consumer information guide, downloadable from [www.nada.org](http://www.nada.org), and adopting a new NADA code of ethics. Of particular concern are allegations of discriminatory practices, and of nationally reported instances of consumer lawsuits.
- b. **State Franchise Laws.** The FTC is looking at the legitimacy of states' franchise laws, initially prompted by the debate about internet vehicle sales. There have not been any recent significant changes to franchise laws, since the wave of "factory store" legislation around 1999-2000.
- c. **Extended Service Contract Companies.** Moors noted that the failure of a couple of national companies have caused dealers to rethink with whom they should do business.
- d. **Daewoo.** GM picked up the responsibility of warranty and replacement parts on existing Daewoo vehicles. NADA is still concerned about the strength of some overseas manufacturers.

3. **Jules Gollins**, *Dealer and Founder of National Wholesale Auto Dealers Association, NWADA*

**The Changing World of Wholesaling and His Efforts to Start an Association of Wholesalers**

In 2000, Mr. Gollins, a Texas dealer, formed the NWADA, a group for bonded wholesale professionals who run efficient and ethical businesses. However, mainly due to bonding requirements, the organization had trouble recruiting an adequate number of members. Although efforts to upgrade the practices of wholesalers continue, the organization is currently not active. Mr. Gollins believes that because wholesaling is an integral part of the industry, dealers should avoid unethical persons in the business, and insist on wholesalers adopting the same standards that the dealership wants to portray to the public.

4. **Jay Landers**, *Senior Director, Government Affairs, Recreational Vehicle Industry Association*

**Emerging Issues in the Recreational Vehicle Industry**

Mr. Landers explained some of the major differences between RVs and other vehicles, and the distinctives of RV customers. Many of these differences present challenges for dealers and for regulators. Some of these differences were:

- RV dealers add and/or delete manufacturers' products more often than in the auto industry.
- Individuals can often buy direct from the manufacturer.
- Average use per year of an RV is 20 days and 6,000 miles.
- Warranty issues due to multiple component manufacturers.
- There are 80-100 RV manufacturers in the U.S.

Mr. Landers also presented some of the emerging trends in the RV industry:

- The industry has been strong the past 2 years.
- There has been some consolidation among manufacturers; fewer, but stronger ones.
- There has been some consolidation among dealers; fewer, but stronger ones.
- Consumers (baby boomers) have been desiring better quality, and manufacturers are working hard to respond.
- Van conversions seem to be a dying breed.

### **SITE SELECTION FOR FALL 2004 WORKSHOP**

**Carol Kent**, Director of Enforcement for the Texas Motor Vehicle Board, made a presentation to the group about San Antonio, TX for the Fall 2004 NAMVBC workshop. The NAMVBC members from Texas would host the workshop, possibly the dates of October 23-26, 2004. The consensus of the members was that San Antonio would be a great site for the meetings.

### **ADJOURNMENT**

The meeting was adjourned at approximately 1:00 pm.

**February 2, 2004**

### **CALL TO ORDER**

NAMVBC President Bruce Gould called the meeting to order, welcomed all in attendance, and asked that everyone introduce themselves to the group.

### **SPEAKER**

***Peter Brown***, *Associate Publisher and Editorial Director of Automotive News*

Mr. Brown presented what he viewed as the major topics buzzing at the NADA convention. First, he spoke about the October 2003 J.D. Power column in the *New York Times* about the franchise distribution system. Brown feels that the auto industry is different from other retail business in that disintermediation is not going to occur. He cited Ford's failure in the retail business. Secondly, he believes that changes will occur in the area of finance reserves to dealers. More disclosure and some limitation will be forced, if it does not come about voluntarily. Thirdly, he noted that because of a slower economy and excess capacity of auto makers, the past couple of years has brought "brutal competition" to the auto industry, including huge incentives and huge cost-cutting on the part of most manufacturers.

## BUSINESS MEETING

### 1. Treasurer's Report

Tom Novi, NAMVBC Treasurer, presented the financial statement and a revenue and expenditure summary for the period January 1, 2003 through December 31, 2003.

Motion was made by Bill Jackson and seconded by Lessie House to approve the report.  
Motion carried unanimously.

### 2. 2005 NADA Workshop

The NAMVBC workshop in conjunction with the NADA convention will be in New Orleans, January 30 and 31, 2005. Lessie House will suggest a hotel for the meeting.

### 3. NAMVBC Internet Site

There was discussion about the possibility of re-establishing an internet site for the association. The consensus was that it would be good to have a simple site that would give information about the association and provide links to the member states' sites. The Executive Committee will look at possible web developers and hosts for the site.

## NEW BUSINESS

1. **Rex Green**, Idaho Dealer Operations Supervisor, expressed concern about out-of-state RV dealers wanting to sell in Idaho at FMCA rallies. Discussion followed that numerous other states' franchise laws did not allow this practice.
2. **Bruce Gould** brought up certain problems occurring in Virginia regarding the misuse of temporary tags. Similar problems exist in other states. Discussion about how different states' statutes work, or don't work followed.

## ROUNDTABLE DISCUSSION REGARDING LICENSING AND REGULATING ISSUES IN VARIOUS STATES

**Berta Phelps**, Manheim Auctions, reported that they have had some difficulty obtaining dealer license information for their national database. They are working hard to keep the integrity of dealers at auctions.

**Brett Bray**, Director of Texas Motor Vehicle Board, discussed a pending Circuit Court suit about Ford factory-direct pre-owned sales to consumers on the internet.

**Carol Kent**, Enforcement Director for the Texas Motor Vehicle Board, brought up the issue of curbstoning and suggested that it could be a discussion topic at the next meeting.

**Sherri Miller**, Executive Director of the South Dakota DMV, discussed the "Self Park and Sell" lots, which are legal in SD. She also spoke about the overall need for better tracking of violations.

**Joe Sullivan**, Director of Compliance for eBay, Inc., talked about continuing efforts by the company to minimize fraudulent title issues, curbstoners, and deception by sellers.

**Rex Green**, Dealer Licensing Administrator of the Idaho Division of Motor Vehicles, brought up Idaho's continuing education requirement. Further discussion of this issue brought the suggestion that it would be a good topic for everyone at the fall workshop.

**Lessie House**, Executive Director of the Louisiana Motor Vehicle Commission, informed the group of a lawsuit brought by a dealer regarding warranty reimbursement that had come before the Commission. She also discussed the usage of "debt waivers" in lieu of GAP Insurance by some lenders.

**Ron Reynolds**, Florida Administrator of Dealer Licensing, discussed how Florida now requires that bonds be written by a Florida resident agent. He also brought up the issue of "backfilling" by manufacturers, by moving a point, and then later putting another dealer in the vacated area. Lastly, he spoke about the ongoing problems regarding small scooters (49cc).

**Roy Dockum**, Executive Director of the Oklahoma Motor Vehicle Commission, spoke about a significant amount of legislation which has been introduced this session affecting motor vehicle regulations. They include repealing the anti-brokering statute, licensing lease facilitators, defining scooters, and whether to allow out-of-state RV dealers to sell at special events in Oklahoma.

#### **ADJOURNMENT**

The meeting was adjourned at approximately 1:30 pm.

Respectfully Submitted,

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Roy Dockum, Secretary