

LOUISIANA USED MOTOR VEHICLE COMMISSION

STATE OF LOUISIANA

REGULAR MEETING

JULY 19, 2010

BEGINNING AT 9:30 A.M.

3132 VALLEY CREEK

BATON ROUGE, LOUISIANA

REPORTED BY:

BETTY D. GLISSMAN, CCR

Betty D. Glissman, CCR
(225) 754-8609

1 APPEARANCES:

2
3 CHAIRMAN:

4 MR. GLEN ROBINSON

5
6 VICE CHAIRMAN:

7 MR. JOHN POTEET

8
9 COMMISSIONERS PRESENT:

10 MR. GEORGE BREWER

11 MR. TONY CORMIER

12 MR. RON DUPLESSIS

13 MR. GEORGE FLOYD

14 MR. KIRBY ROY

15 MR. HENRY "DARTY" SMITH

16
17
18
19 REPRESENTING THE LOUISIANA USED MOTOR
20 VEHICLE COMMISSION:

21 SHERI MORRIS, ESQUIRE
22 ROEDEL, PARSONS, KOCH, BLACHE, BALHOFF &
23 McCOLLISTER
24 8440 JEFFERSON HIGHWAY, SUITE 301
25 BATON ROUGE, LOUISIANA 70809

1 ALSO PRESENT:
2

3 MS. KIM BARON

4 MR. DEREK PARNELL

5 MS. HEATHER ELLIS

6 MR. FRANK HILEMAN
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1 MR. ROBINSON:

2 George, would you lead us in
3 the Pledge of Allegiance?

4 (Pledge of Allegiance)

5 MR. ROBINSON:

6 Good morning, everybody,
7 appreciate you being here. One is on
8 vacation. One is ill this morning. So this
9 is all that's going to be here and we
10 appreciate the turn out.

11 Anyone for public comments
12 this morning?

13 MS. BARON:

14 No, sir.

15 MR. ROBINSON:

16 Okay. Before we get onto
17 Item 4, Ron, you've got a motion?

18 MR. DUPLESSIS:

19 Yes. I would like to take
20 the legislative portion out of order. I
21 need to -- I have a doctor's appointment
22 this morning so I will be leaving early if
23 y'all can so accommodate me.

24 MR. ROBINSON:

25 Moving up to Item 4 --

1 MR. DUPLESSIS:

2 Yes, please.

3 MR. ROBINSON:

4 -- and everything else down.

5 Is there a second?

6 MR. POTEET:

7 Second.

8 MR. ROBINSON:

9 All in favor?

10 (All "Aye" responses.)

11 MR. ROBINSON:

12 The motion passes.

13 So we will do committee
14 reports, the Legislative Committee.

15 Director Parnell, do you want
16 to start with that?

17 MR. PARNELL:

18 Well, what has happened is
19 House Bill 1189 was signed by the Governor
20 and actually turned into Act 987. We went
21 through the process. There was opposition
22 that was sent in to the Governor's office as
23 it relates to that particular bill, but the
24 Governor did sign off on it. So I will ask
25 the Commissioner the speak on it, if you

1 will, if you want to go ahead.

2 MR. DUPLESSIS:

3 Well, I think the controversy
4 arose in the auction portion. You know, it
5 was kind of an unintended pull out
6 consequence and we were trying to
7 accommodate all premises auctions to license
8 the trailers and control Ebay and -- to some
9 degree and put in a warranty, that sort of
10 thing, being progressive with the
11 marketplace. And I think the issue of LKQ
12 and Copart came up about salvage auctions.
13 It is of the belief that Copart is going to
14 move to an Ebay type auction, which I pretty
15 much agree with. I think they are clearly
16 going to move to whole vehicles.

17 The problem that we have in
18 the auction world, either we have so many
19 bulk items, let's say the FEMA trailers,
20 that they can't physically be moved into an
21 auction. You have to go off premises to
22 auction lots. So we are going to have to
23 have an off premises auction. And to ask
24 them to move those in, those large lots, I
25 mean, that's kind of not conducive to

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1 business, and we are not here to kill
2 business, we are here to control the enemies
3 of business and make sure the consumers get
4 a fair deal.

5 And if you want to do a
6 auction where they -- you've seen them on TV
7 where they do the fancy cars and all of
8 that, and if they wanted to do it at a
9 location, a real nice location, and do
10 attend, we can allow them to do that under
11 that regard.

12 Also, the movables, the heavy
13 equipment, the big cranes that cost \$3,000
14 or \$4,000 to move, for one move it takes a
15 permit and a trailer and the weights and, I
16 mean, that's pretty expensive. So the
17 industry standard is to take a photograph or
18 do the location on site where the equipment
19 is. So we are trying to accommodate that
20 sort of thing.

21 And then we got into the
22 salvage pool. Well, the salvage pool is a
23 whole different type of entity. The one
24 thing about salvage that I don't think is
25 going to be as big of a problem because with

1 salvage items, they are either intact and
2 you can move them as a whole, but if they
3 are split up, you've still got to comply
4 with Hazmat.

5 So auctioning these things
6 across the Internet, you are going to have
7 to make sure the batteries are taken care
8 of, the oil, that all the fluids are
9 transportable under hazardous waste control
10 or they are going to fine you and it's going
11 to trickle back and Copart is going to have
12 a problem or whoever the salvage company is
13 if they don't handle all of those items. If
14 you put a sea container -- put a car in a
15 sea container and it's leaking and it's
16 wrecked, that is emitting fumes or oil or
17 gas or something, they are in big trouble.
18 I mean, that's under the homeland security
19 issue.

20 MR. ROBINSON:

21 That's something we get
22 involved in every once in a while, too,
23 because we have crushers that are doing just
24 that.

25 MR. DUPLESSIS:

1 Exactly. So I didn't see it
2 as that big a deal. In reality, I do
3 realize that -- what all of the implications
4 are, but Frank probably -- is here today
5 from LKQ and is going to speak to that and
6 they were in opposition of it. And we
7 invite your input.

8 MR. HILEMAN:

9 No, we are just here to, you
10 know, offer our assistance on regulations.
11 We are not here for anything else.

12 MR. DUPLESSIS:

13 Sure, but what we also have
14 to do before this law really takes effect
15 for us is we are going to have to have the
16 application process, and then we are going
17 to have to have all of the stipulations and
18 policies and regs that we are going to have
19 to write and we are going to have a response
20 from the Commission. So once we pass the
21 law, I think it's kind of the beginning of
22 the formation of the law that we are
23 responsible for and we are going to have to
24 listen to the industry and take in all of
25 the information and make good choices.

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1 Pretty much the rest of it -- I believe the
2 rest of the bill was unopposed. Am I
3 correct in saying that? And everything else
4 that we wanted to get passed we did get
5 passed.

6 MR. ROY:

7 Can you explain the -- so I
8 can say it right, the redhibition?

9 MR. DUPLESSIS:

10 Redhibition?

11 MR. ROY:

12 Yes.

13 MR. DUPLESSIS:

14 Redhibition, let me tell you
15 about what we did. There is a conflict in
16 redhibition. We look at redhibition in two
17 lights. Number one, if you are buying over
18 the Internet, you've got to be aware that
19 you are buying over the Internet. If it's
20 sold in Louisiana on the Internet, it's
21 going to have a disclosure that you know
22 what you are doing, you are buying this at
23 your own risk.

24 MR. ROY:

25 As is.

1 MR. DUPLESSIS:

2 As is. And the other thing
3 it does is it brings federal guidelines into
4 play. It kind of memorializes the federal
5 guidelines that are going to be changed to,
6 I'm sure, homeland security and there is a
7 new NVIRA, a new national vehicle
8 identification registration act. If there
9 is a vehicle out there that has a bad
10 history to it, it now can track the VIN
11 number, the license plate, the mileage, that
12 sort of thing via homeland security and
13 insurance and everybody else. It can track
14 that vehicle and it will show up on Carfax,
15 Auto Check and a few other companies.

16 So you can take a look at
17 that, but there is a national registration
18 now, if you will, under this new vitae.
19 What this does is it brings the federal
20 redhibition and the guidelines with the
21 State guidelines. It's not a conflict
22 anymore. Pretty much the federal guidelines
23 are the ones, I think, that we want because
24 they are going to be in control for the
25 consumer through all of this -- through all

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1 the reporting acts so pretty soon free
2 enterprise via Carfax and Auto Check and
3 those sort of things. They are going to be
4 pretty much your controlling agency.

5 So we thought it was best to
6 bring in the redhibition there and if
7 anybody violates any of these acts, then
8 they would have redhibition against the
9 dealer under the federal guidelines.

10 MR. ROY:

11 But as far as the dealership,
12 they do not sell as is.

13 MR. DUPLESSIS:

14 They can. All they have to
15 do is follow the federal guidelines. It
16 takes away all of the --

17 MR. ROY:

18 Under the federal.

19 MR. DUPLESSIS:

20 Yes, and the federal is
21 simple. You check it off. You write what
22 you know on the -- you post the sticker, and
23 the consumer can check it on Carfax. He can
24 check it on Auto Check. He can inspect the
25 vehicle. He can do whatever he wants, but

1 at the end of the day, if that's the deal
2 you made, then that's the deal you made.

3 MR. ROBINSON:

4 Most are sold as is.

5 MR. DUPLESSIS:

6 As is, correct.

7 MR. ROY:

8 I didn't know that.

9 MR. ROBINSON:

10 And our state does not have
11 what most states refer to as a lemon law.
12 Redhibition kind of is our substitute for
13 what most states call a lemon law, but most
14 pre-owned vehicles are sold as is.

15 MR. DUPLESSIS:

16 You need to -- the used car
17 dealer needs to comply with the federal
18 guidelines and I think part of the
19 Commission's problem in the past was the
20 previous Director said we don't have any
21 jurisdiction over that. So when a consumer
22 came with the federal guidelines and said,
23 "Look, I bought this car and this is how it
24 was announced," and the Commission said,
25 "Well, we can't help you, because that's a

1 federal issue." That's not really true.
2 That was a state issue, but the Commission
3 at that time I think disregarded that.

4 So now it's kind of the real
5 enemy where if they did sell a lemon
6 intentionally, then they've got a problem.
7 If they sold it as is and they followed the
8 federal guidelines, then it's a fair sale.

9 MR. ROBINSON:

10 Commissioner Smith.

11 MR. SMITH:

12 The recyclers association was
13 just wanting to know why they didn't have,
14 you know, a chance, you know, to put their
15 input in the --

16 MR. ROBINSON:

17 Which association?

18 MR. SMITH:

19 The recyclers association,
20 LKQ.

21 MR. DUPLESSIS:

22 Well, they do. I mean, we
23 are going to write the guidelines. So I
24 think right now is the time to have the
25 input on the application and all of the

1 regulations, all of the policies that will
2 eventually go to regulation. I think we
3 will invite anybody.

4 MR. SMITH:

5 I just -- you know, why
6 weren't they contacted or me contacted
7 before the amendment was put up, you know,
8 because we could sit down and discuss it or
9 consider our part, our story.

10 MR. DUPLESSIS:

11 Well, you know, I think we
12 can still do that and we can modify the
13 application.

14 MR. ROBINSON:

15 I don't think you two are
16 talking about the same thing, right?

17 MR. SMITH:

18 The amendment that was put on
19 before the Senate floor.

20 MR. DUPLESSIS:

21 Well, the amendment -- tell
22 me what y'all are unhappy about the
23 amendment and I will tell you how the
24 amendment occurred.

25 MR. HILEMAN:

1 Well, I guess we can just
2 make it. We've just got to agree to
3 disagree about the extent on what the
4 amendment does.

5 MR. ROBINSON:

6 Do you want to introduce
7 yourself?

8 MR. HILEMAN:

9 Sure. I'm sorry. I am Frank
10 Hileman with the LKQ Corporation.

11 We've hashed it out,
12 Commissioner Duplessis and I, to a large
13 degree. We have passed the amendment
14 process at this point. It would have been
15 nice to have been involved before it went to
16 the floor, but it is what it is. I guess
17 one question I would ask is during the
18 process after the bill passed, we had a
19 meeting. Commissioner Poteet, I think, was
20 on that call, and one of the arguments he
21 was making was that this would be -- anybody
22 having an auction would be required to
23 obtain an auctioneer's license, and I was
24 wondering how you-all were planning on
25 addressing that issue.

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1 MR. POTEET:

2 I don't remember saying that.

3 MR. DUPLESSIS:

4 Well, it is in the standard
5 course of business. Number one, if you are
6 an auction in the State of Louisiana,
7 whether it's Internet or anything else, if
8 you are auctioning vehicles, you have to be
9 licensed through us, and to be auctioned --
10 to be licensed through us, you actually have
11 to hold two auctions. And I'm going to let
12 Mr. Poteet talk about that, because you have
13 to be dual licensed in order to obtain a
14 license.

15 MR. POTEET:

16 Yes. What I was saying is if
17 you were doing an auction in Louisiana, you
18 have to be licensed by this Commission. In
19 fact, you have to have two licenses from
20 this Commission. You have to have a
21 dealer's license and an auction license, and
22 then you also have to be licensed by the
23 Louisiana Auctioneer Board, which they
24 actually oversee all types of auctions, the
25 state auctions, the gun auctions, real

1 estate auctions. If you can think of a type
2 of auction that you would have, the
3 Auctioneer Board, they license all
4 auctioneers and all auction businesses. You
5 can be licensed simply as an auctioneer and
6 go around and work for different auctions,
7 but if you have a business like mine, an
8 established business, then you have to have
9 a license from them. So you have two
10 different entities that are overseeing
11 everything that you do and, you know, I
12 think that's -- I doubt that there are that
13 many businesses that have that much
14 oversight into what they do.

15 MR. HILEMAN:

16 That was my question. I was
17 just wondering how you were going to
18 incorporate your regulations to, I guess,
19 recognize the auction. I guess you don't
20 have to, but I presume that in order to
21 operate, the auction has now been created
22 the public auction. You are going to have
23 to as well go through the Auctioneer's Board
24 and obtain that license.

25 MR. POTEET:

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1 Yes.

2 MR. ROBINSON:

3 And we will start on the
4 rules and regs, and then there will be, you
5 know, time for everybody to have input.
6 We'll introduce it at one meeting. We will
7 not vote on it until the next month. So
8 there will be plenty of time.

9 MR. HILEMAN:

10 We will be happy to do it.

11 MR. ROBINSON:

12 That's something we try to do
13 as a new Commission established last year is
14 to introduce it at one meeting and vote on
15 it at the next. In the past, they did it
16 all at one time. So I think we will have a
17 draft to look at for next month, but we will
18 not take action on it. You are welcome to
19 come, but if nothing else, get a copy of it
20 and give us your input on it, but we won't
21 vote on it next month. We will just
22 introduce it next month.

23 MR. HILEMAN:

24 I appreciate the invitation.

25 I will be here.

1 MR. DUPLESSIS:

2 In January we will have the
3 next Legislative Committee meeting, public
4 open forum. If at that time you think
5 anything needs to be changed, massaged or
6 legislation you want to put forth, the
7 Recyclers Association, that's your time and
8 your forum to modify that and bring it to us
9 and we will try to figure out what the
10 abuses are and how to correct them.

11 MR. HILEMAN:

12 Okay. Thank you for the
13 invitation.

14 MR. DUPLESSIS:

15 That pretty much wraps up my
16 side, Derek. You can take the rest of it.

17 MR. PARNELL:

18 That actually kind of wraps
19 it up. What we -- also within that bill,
20 there were some other things that we really
21 wanted to do as it could help us move
22 forward with our process of licensing.
23 Being that that was passed and we still have
24 to look at some different applications that
25 we need to change, maybe some of our

1 processes here within an office that we need
2 to change and move forward for our next
3 year's renewal period, but that's it.

4 MR. ROBINSON:

5 Do you have anything else you
6 would like to add?

7 MR. HILEMAN:

8 No, thank you.

9 MR. ROBINSON:

10 Any questions?

11 MR. HILEMAN:

12 No, thank you.

13 MR. ROBINSON:

14 Commissioner Smith?

15 MR. SMITH:

16 No.

17 MR. ROBINSON:

18 Does anyone else have
19 anything on the Legislative Committee?

20 (No response.)

21 MR. ROBINSON:

22 Okay. Go back up to items
23 for discussion, approval of the minutes. I
24 wasn't here last month. So did y'all have a
25 chance to read them? Do they look right?

1 MR. ROY:

2 Yes.

3 MR. ROBINSON:

4 Motion.

5 MR. SMITH:

6 I'll second.

7 MR. ROBINSON:

8 Motion to approve the minutes
9 and a second.

10 All in favor?

11 (All "Aye" responses.)

12 MR. ROBINSON:

13 Anyone opposed?

14 (No response.)

15 MR. ROBINSON:

16 The motion passes.

17 Item B, financial matters,
18 review of the financial report. I
19 appreciate everybody being here last month.
20 I was -- I had taken off a few days and was
21 on vacation. I appreciate you getting the
22 budget amended. The good news is that for
23 the year, we actually came in for the first
24 time in many years with a little surplus.
25 And I don't know if you want to venture a

1 guess, but --

2 MR. PARNELL:

3 I believe you missed the roll
4 call.

5 MR. ROBINSON:

6 Let's call roll.

7 MS. BARON:

8 Glen Robinson?

9 MR. ROBINSON:

10 Present.

11 MS. BARON:

12 George Brewer?

13 MR. BREWER:

14 Present.

15 MS. BARON:

16 Louis Bourgeois.

17 MR. BOURGEOIS:

18 (No response.)

19 MS. BARON:

20 Tony Cormier?

21 MR. CORMIER:

22 Present.

23 MS. BARON:

24 Ron Duplessis?

25 MR. DUPLESSIS:

1 Present.

2 MS. BARON:
3 George Floyd?

4 MR. FLOYD:
5 Here.

6 MS. BARON:
7 John Poteet?

8 MR. POTEET:
9 Present.

10 MS. BARON:
11 Kirby Roy?

12 MR. ROY:
13 Here.

14 MS. BARON:
15 Darty Smith?

16 MR. SMITH:
17 Here.

18 MS. BARON:
19 Douglas Turner?

20 MR. TURNER:
21 (No response.)

22 MS. BARON:
23 Mr. Chairman, we have a
24 quorum.

25 MR. ROBINSON:

1 Thank you, especially since
2 we already took a vote.

3 So going back to the present.
4 Ms. Ellis.

5 MS. ELLIS:

6 Good morning. We will start
7 with Page 1. Our year to date balance for
8 revenues was \$993,692.08. We came in 11
9 percent under what we had budgeted for,
10 which considering the economy and the
11 unknown with losing a lot of the licenses
12 was pretty close.

13 On Page 3, is your total
14 expenditures for the year, \$976,351.22.
15 That was 10 percent under what we had
16 budgeted to spend.

17 On Page 4, our total revenues
18 for the month of June, \$41,309.82 as opposed
19 last year's June revenues of \$18,000.

20 On Pages 5 and 6,
21 expenditures, total expenses for the month
22 of June were \$89,477.58, which we were
23 \$48,000 under what we had taken in for the
24 month, but our previous months of excess
25 covered that. And our year to date balance,

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1 we were \$17,000 to the good.

2 On Page 7, the same amount of
3 revenues. This is April, May and June
4 compared and our June revenues were actually
5 up compared to the last two months.

6 On Pages 8 and 9, we see some
7 of our expenses.

8 One of the questions that I
9 was specifically e-mailed about was the
10 microfilm. We had budgeted \$3,000 and we
11 ended up spending \$10,000. The reason for
12 this was there were two years that we had to
13 get microfilmed and there were also --
14 rather than \$3,000 per year, because we had
15 so many extra licenses the past couple of
16 years, we had more pages and it is by your
17 per page amount. So that's where the
18 \$10,000 is coming from.

19 MR. ROBINSON:

20 Does anybody know, do we have
21 to stay married to the microfilm because the
22 State requires it or are they going to let
23 us move to the 19th Century at some point,
24 does anybody know? Ms. Morris.

25 MS. MORRIS:

1 The state archives sets the
2 standards for records retention. You can
3 file a records retention schedule with them
4 only if you have a permanent record. You do
5 have to have two sources if you are going to
6 use an image system, but temporary records
7 have a different standard. So if you have
8 permanent records and you are going to image
9 them, you either have to have microfilm of
10 the image or the record image, but if they
11 are temporary records, they will allow just
12 imagining.

13 MS. ELLIS:

14 These are specifically
15 licenses. These are not -- like our
16 accounting files and stuff don't get
17 microfilmed. These are specifically just
18 licenses from the previous year.

19 MS. MORRIS:

20 You are required to have a
21 retention schedule that is updated every two
22 years. I don't know -- I have not looked at
23 yours, but it is required to be updated
24 every two years to be valid.

25 MR. ROBINSON:

1 You are saying we are only
2 microfilming licenses and it costs that kind
3 of money, \$5,000 a year.

4 MS. BARON:

5 It's the whole file. It's
6 the applications and the bonds and
7 insurance. If they are doing it by page,
8 some of those have several pages. The last
9 couple of years like when we had the
10 motorcycles and ATVs and all of that, they
11 had franchise agreements and stuff that were
12 scanned in as well. It may go down now
13 because we don't have that in the file and
14 it is what we have left.

15 MS. MORRIS:

16 One of the licensing agencies
17 that I represent just recently acquired a
18 copy machine that is also a scanner. So
19 when the records are coming in, they are
20 scanning them, so they will have the images,
21 and so they are able to scan on site. And,
22 also, some of the scanning companies, the
23 scan documents have gone down in the last
24 several years.

25 MR. ROBINSON:

1 We need to do some due
2 diligence and see what's available to us
3 other than this archaic system.

4 MS. MORRIS:

5 You will have to request the
6 Secretary of State to approve whatever your
7 records retention is and they will work with
8 you to have staff over there that will work
9 with you.

10 MS. BARON:

11 But we do scan.

12 MS. MORRIS:

13 And look at other licensing
14 agencies.

15 MR. ROBINSON:

16 Let's put that on the to do
17 list. I'm sorry to interrupt. When I saw
18 that amount this morning, I was -- I guess I
19 was like some other Commissioners, it's a
20 staggering amount of money just to archive
21 some records.

22 So go ahead.

23 MS. ELLIS:

24 Okay. Our expenses for June
25 as opposed to May and April are up due to

1 paying all of the end of the year bills out,
2 trying to get everything in this budgeted
3 year paid for with this budgeted money.

4 On Page 10, you will see our
5 revenues \$41,000 against our expenses of
6 \$89,000, still left us with a surplus of
7 \$17,000 for the year. So our fund balance
8 is up by the \$17,000.

9 On Page 11, all of our CD
10 amounts are still the same, \$397,970.

11 On Page 12, our accounts
12 receivable, we did have one that paid off in
13 June, which was Westside for 5850. So our
14 total accounts receivables are \$2,400 now.

15 MR. ROBINSON:

16 That's the best they have
17 been in a long time.

18 MR. BREWER:

19 Did they go against his bond
20 to get that?

21 MS. BARON:

22 Yes.

23 MS. ELLIS:

24 And Page 13 is our summary.
25 We did pay postage in the month of June to

1 go and get that taken care of in the
2 previous year since we had extra money
3 budgeted in that account. We had \$1,400
4 extra of phone charges due to paying two
5 months instead of just one month. Our
6 office supplies were up \$655 as well due to
7 paying any May and June invoices out. We
8 paid Sheri's April and May services and
9 Robert's June services. And on our other
10 professional services, we paid Keith, Betty
11 and Roy for -- through the end of the year.

12 MR. ROBINSON:

13 We paid Ms. Morris' April
14 invoice in June?

15 MS. ELLIS:

16 Yes.

17 MR. ROBINSON:

18 Why were we so late on that?

19 MS. ELLIS:

20 We didn't have it in in time
21 for the May meeting. So April and May were
22 both reviewed at last month's meeting.

23 Any questions, comments?

24 MR. ROBINSON:

25 It is really an

1 accomplishment to come in with a surplus.
2 We didn't anticipate -- I know Ron and I
3 looked at the numbers a long time ago and I
4 don't think we ever dreamt we would come in
5 with a little surplus. I would like to
6 compliment Director Parnell and the staff
7 for -- I mean, they really paid a lot of
8 attention to the budget and to the finances
9 and I think it's a real compliment to them
10 for the first time. In fact, when you get a
11 chance, I would like to know how long it's
12 been since we had a surplus, just when you
13 get time, go back and look at and let's see.
14 I know it has been a long time. I just want
15 to say congratulations and thank you to
16 everybody for being able to do that.

17 Does anyone else have any
18 questions or comments on the financials?

19 (No response.)

20 MR. ROBINSON:

21 I need a motion to --

22 MR. CORMIER:

23 I make a motion we approve
24 the financials.

25 MR. ROY:

1 I'll second.

2 MR. ROBINSON:

3 Motion and a second to
4 approve the June financials.

5 All in favor?

6 (All "Aye" responses.)

7 MR. ROBINSON:

8 Anyone opposed?

9 (No response.)

10 MR. ROBINSON:

11 The motion passes.

12 And, Ms. Morris, your June
13 invoice, if you would, please.

14 MS. MORRIS:

15 You will see from the invoice
16 that the account number is under legislation
17 and pretty much during the month of June,
18 the bill went through the Senate side and we
19 had a lot of conferences with people that
20 were interested in the bill and to adjust
21 changing and you will see there will be
22 charges that go through July because of the
23 request to re-do our bill. So that was
24 basically everything I did in the month of
25 June. The only other project I have is for

1 rules for the auctions and I kind of put
2 that on hold knowing that it was the end of
3 the year and y'all were kind of tight. So
4 that will be in July.

5 MR. ROBINSON:

6 Does anyone have any
7 questions for Ms. Morris about her invoice?

8 (No response.)

9 MR. ROBINSON:

10 Does anyone want to make a
11 motion?

12 MR. POTEET:

13 I move that we pay Sheri
14 Morris' invoice for the month of June.

15 MR. CORMIER:

16 I second.

17 MR. ROBINSON:

18 In the amount of --

19 MR. POTEET:

20 In the amount of \$3,062.50.

21 MR. ROBINSON:

22 Motion and a second.

23 Any discussion?

24 (No response.)

25 MR. ROBINSON:

1 All in favor?

2 (All "Ayes" responses.)

3 MR. ROBINSON:

4 Anyone opposed?

5 (No response.)

6 MR. ROY:

7 What is SMM?

8 MS. MORRIS:

9 That's me, Sherri Morris. I
10 did the work. If you have multiple
11 attorneys in our office working on your
12 account, it will distinguish your initials.

13 MR. ROBINSON:

14 Item C, legal matters and
15 pending litigation.

16 MR. PARNELL:

17 I spoke with Attorney Hallack
18 on these issues. The first two, we have
19 seen in the past on our agendas. The first
20 one, appeal of Atchafalaya RV versus Double
21 Tree RV, we are waiting on a ruling from the
22 court on that one. LUMVC versus Sundance
23 Boats, we are waiting on a date for the oral
24 arguments before the Court of Appeal on that
25 one in particular.

1 Claims against surety bond,
2 we have executed a release for the New York
3 Marine in the sum of \$20,000. We have not
4 yet received that. We did that at the end
5 of last month. Once we get to -- we said 30
6 days period, then actually file suit against
7 them. Also, the same situation is going on
8 with Southwest Marine. They have been over
9 the 30 day period. So we haven't received
10 those payments yet. So I have asked Hallack
11 that we go forward with pursuing them
12 legally to get those funds.

13 MR. ROBINSON:

14 Why wouldn't those funds be
15 in our report, accounts receivable?

16 MS. ELLIS:

17 If they are not taken in, in
18 the same period that they are assigned, like
19 the one that we took in was for 2008, it
20 credits to 2008. That's one of the things
21 that we had spoken to the Legislative
22 Auditor about. It credits to the period for
23 which it was assigned.

24 MR. ROBINSON:

25 How can something not

1 received be credited?

2 MS. ELLIS:

3 Well, it is credited as far
4 as we have the money in the system. It's
5 just not credited like -- since that was
6 2008, it's not going to show up on your June
7 statement, because it's not crediting to
8 June, it's crediting to the previous.

9 MR. ROBINSON:

10 I mean, it's got to be on
11 account receivable. It's money that's owed
12 to the Commission. The only way it can be
13 off account receivable is if the Commission
14 voted to remove it or, in essence, charge it
15 off or write it off. It's got to be.

16 MS. MORRIS:

17 Y'all are talking about two
18 different things. I think your questions is
19 why are the ones that Mr. Parnell just said
20 and she is talking about where -- the
21 revenue on the other ones.

22 MR. ROBINSON:

23 I'm talking about our -- Page
24 12, account receivables. Why are those not
25 on the outstanding monies owed the

1 Commission?

2 MR. PARNELL:

3 Actually, both of these are
4 going to the Office of Motor Vehicles.

5 MS. BARON:

6 It's not money that's coming
7 directly to us.

8 MR. ROBINSON:

9 That answers that question.

10 MR. POTEET.

11 It's not a receivable to us.

12 MR. ROBINSON:

13 Do we get a commission for
14 collecting it?

15 MS. BARON:

16 Yes, I do all of the work and
17 send it over to Motor Vehicles and what the
18 bond is doing is paying the tax, title and
19 license that was paid to the dealer that he
20 did not remit to the State, and in those two
21 cases, it was \$20,000.

22 MR. ROBINSON:

23 So we do all of the work at
24 our expense and we don't get any --

25 MR. BREWER:

1 But you have to pay the
2 attorneys to pursue this, too.

3 MS. BARON:

4 We are going to have to pay
5 Mr. Hallack for pursuing it, yes.

6 MR. ROBINSON:

7 Out of our funds?

8 MS. BARON:

9 Yes.

10 MR. ROBINSON:

11 And not the state agency that
12 receives it. I will look into that myself.

13 MS. MORRIS:

14 One of the reasons is because
15 we didn't simultaneously file a proceeding
16 with the Commission. If the person has not
17 timely paid the sales tax, then there should
18 have been a violation notice and have a
19 hearing like the other ones that we have
20 collected, and if they were fined by the
21 Commission, the Commission would get the
22 fine out of the bond as well.

23 MR. ROBINSON:

24 Why do we have to pay the
25 fees, the cost, to collect money for another

1 state agency out of our budget?

2 MS. MORRIS:

3 We probably can come up with
4 some agreement with the Office of Motor
5 Vehicle for the bond in favor of the
6 Commission. The Commission is the one that
7 has to file the claim, but really if the
8 money is going to the other agency, we
9 probably could have an agreement where they
10 just do all of the work and we approve it
11 and send it in or something. That's just
12 the way it's been done in the past.

13 MR. ROBINSON:

14 We need -- we are not going
15 to pay the fees where somebody else is
16 collecting money.

17 MS. MORRIS:

18 They have in-house counsel.

19 MR. ROBINSON:

20 Exactly.

21 Is that all under legal
22 matters and pending litigation?

23 MR. PARNELL:

24 Yes.

25 MR. ROBINSON:

1 Does anyone have any
2 questions or comments on any of those that
3 he reported on?

4 (No response.)

5 MR. ROBINSON:

6 All right. The Executive
7 Director's report.

8 MR. PARNELL:

9 The first item is a review of
10 June complaint totals. There were a total
11 assigned cases of 66 for the month of June
12 and total completed were 22, total open
13 cases were 44. Total percentage of complete
14 was 33 percent. Some of those numbers seem
15 a bit skewed, because the way the reporting
16 does, it actually shows myself and Kim
17 actually in that -- in those numbers,
18 because that's -- it's assigned to me, per
19 se, on -- in the system. And I will just
20 have to close them out or either move them
21 back to the actual investigator and ask
22 questions about it if we need to go further
23 detail in some of on cases. So it's kind of
24 -- some of the numbers sometimes seem a
25 little skewed, but a lot of them actually

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1 are in my work to do for me to actually move
2 them forward through the process.

3 The second item in my report
4 is the CAVU online renewal update. As I
5 mentioned to everyone in the past, we have
6 been working very close with the CAVU
7 representatives and looking forward to
8 moving in a positive direction, a more
9 updated direction, than what we had
10 previously done in the past as it relates to
11 renewals. I got a bit of a shock here, a
12 rude awakening, so to speak, in our last
13 conversation with CAVU representatives. We
14 had been talking about since January, I
15 believe it's been, we have been talking
16 about the new dot-net capabilities and we
17 would be able to upgrade to and move forward
18 with our online renewal process. In our
19 last meeting, we found out that our server
20 is not up to par, so to speak, to handle
21 that type of -- handle that program. But it
22 was kind of a bit of shock and one of my
23 first questions was to him, though, when we
24 initially started talking about this process
25 and started talking about what we don't have

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1 and what we need. When they first mentioned
2 it to us, why wasn't it told to us and why
3 didn't we know what would be compatible with
4 that particular program. They really didn't
5 have a good answer for me, you know. It was
6 just they claim that it was a communication
7 issue. But that was very disappointing for
8 me for us to move forward with our online
9 process, because we actually put legislation
10 in place, so that we can do that.

11 Now, some of it what we did
12 discover, is that again when we go back --
13 initially, one of the first things I said is
14 that we probably have a system in place that
15 we can do a little bit more than what we are
16 doing. So we did kind of go back in and I
17 kind of talked with them, went through the
18 process, just to exactly see what we can do.
19 On renewals just currently we won't be able
20 to do it in a grander fashion, so to speak,
21 but we can actually do renewals online now,
22 but we just can't make any changes. So if
23 you were renewing and you don't have any
24 changes on your application, we can actually
25 process it through our online CAVU system

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1 right now, what we have. Therefore, you
2 wouldn't have to send out a paper
3 application.

4 What we are going to do this
5 month -- this actually week coming up, I
6 want to sit down and -- I'm going to sit
7 with Kim. What we are trying to do is
8 develop those questions that we need to send
9 out to everyone. I kind of want to if you
10 know that you don't have any changes, we
11 want to give you the opportunity to actually
12 do it online versus doing it with all the
13 paper that we have been doing in the past.
14 I think it's going to be a little bit easier
15 for you to do it that way. Recent
16 developments, we found that we can do a
17 continuous bond so that that hard copy
18 document wouldn't have to come in with the
19 document itself, with the application
20 process. But, again, it's -- we are not
21 able right now to move to the dot-net to
22 gear up to be ready for this upcoming
23 renewal season. Another reason why is that
24 the process through purchasing would be
25 extremely long. Typically, it takes about a

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1 month or so to approve for us to make that
2 kind of purchase. So that would put us
3 right in the middle of our renewal period
4 and trying to upgrade and do all of that
5 during the renewal period and I don't know
6 if that is really a good idea for us.

7 MR. ROBINSON:

8 I have become kind of
9 disillusioned with CAVU. It's something
10 that Derek and I talk about on a regular
11 basis, and it just seems like we don't get
12 anywhere. And as he has stated, they were
13 supposed tell us months ago what we need to
14 do and why we have a server problem. So I
15 wonder if we need to go back and get a --
16 you know, look at something from another
17 company, maybe do some competitive window
18 shopping, if you will, see if we want to
19 stay with CAVU. It's something we talked
20 about many, many months ago. They certainly
21 -- they don't handle the business
22 relationship like I think they should handle
23 the business relationship. They are telling
24 you they are going to do something and a lot
25 of times it doesn't happen. We were going

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1 to have something to look at as
2 Commissioners 90 days ago, you know. So I'm
3 just not impressed. So, you know, I think
4 it would be good for us to look into
5 exploring some other alternatives. And I
6 wanted to see what maybe some of the rest of
7 the Commissioners thought about it.

8 MR. POTEET:

9 I think based on the most
10 recent turn of events, it makes a lot of
11 sense to look at some alternatives.

12 MR. PARNELL:

13 One of the -- same thing that
14 they typically do, at least they have done
15 with me, is that they gave a reasoning why,
16 you know, what they said is recently
17 happening, that they have been acquired by a
18 large company. He said in the past they
19 were kind of, quote/unquote, "a mom-and-pop
20 operation" and were trying to do more than
21 what they can actually handle. Now, they
22 have seemingly corrected those things. They
23 are with a larger company now who will, in
24 his words, be able to work with us a little
25 bit better and closer and we will be able to

1 have much more versatility with them, but --
2 I don't know.

3 MR. ROBINSON:

4 They didn't even have a
5 system in place to keep us apprised about
6 updates and things of that. I mean, we
7 stubbed our toe and found that out several
8 months ago. So, I mean, it just hasn't been
9 a real conducive business relationship from
10 what I have seen.

11 So what do some of the rest
12 of you think, do you think we ought to look?
13 We realize it would be a major expense to
14 change.

15 MR. PARNELL:

16 A lot of other state
17 agencies, they do use CAVU.

18 MR. ROBINSON:

19 Some do.

20 MR. PARNELL:

21 Yes.

22 MR. BREWER:

23 Does anyone have any comments
24 or suggestions?

25 MR. CORMIER:

1 Let Derek and them look into
2 other software, definitely.

3 MR. DUPLESSIS:

4 They have not been user
5 friendly whatsoever.

6 MR. ROBINSON:

7 They are just not.

8 MR. DUPLESSIS:

9 I agree.

10 MR. ROBINSON:

11 But we need to, you know, put
12 all of this in the fast lane. We have been
13 kind of stuck in the mud on this and we
14 purposely, you know, set it aside for a
15 period time while we worked on the
16 legislative issues, but we really need to
17 get going on either getting where we need to
18 be with CAVU or look at the alternative to
19 CAVU.

20 MR. DUPLESSIS:

21 Derek, you might be able to
22 call the New Car Commission because they do
23 exactly what we do and that might be a
24 solution for you.

25 MS. MORRIS:

1 At one time maybe almost a
2 year ago we talked about contacting the New
3 Car Commission because their system was
4 designed, they paid somebody to design the
5 system, and see if we could acquire a
6 license or just with some modifications from
7 that programmer, but it never got pursued.

8 MR. ROBINSON:

9 You know, in today's world,
10 it is almost a little hard for me to believe
11 that with our system, we couldn't work
12 together with some kind of imaging system.

13 MR. DUPLESSIS:

14 That's what I think.

15 MR. ROBINSON:

16 It just seems like we are
17 still way behind the curve on technology,
18 even to the point -- you know, if we need to
19 maybe -- I hate to say this word, but even
20 look at a consultant and bring a consultant
21 in and not a consultant that's got a system
22 they want to sell, but an honest to goodness
23 consultant. You know, we might need to look
24 at needing that and getting some expert
25 advice from somebody that isn't trying to

1 promote their own product. It seems like
2 this ought to be something that could more
3 so make our job a whole lot easier than what
4 we have and what we have had for a number of
5 years.

6 MR. PARNELL:

7 I agree.

8 The last item is the facility
9 update, the A/C replacement. Within the
10 last -- past two weeks, the air unit on this
11 side of the building, there's four total
12 units in this building, the other three have
13 been already upgraded, updated. We had one
14 unit on this side, which left this hallway
15 over here. We changed the motor out, I
16 believe, two months ago, if I'm not
17 mistaken. We've countless times had them
18 come in and look at doing the freon outside
19 or at the condensor. So what we did was, we
20 -- it broke on us. So we had no air for two
21 weeks and I've got to tell you, it gets real
22 hot in here during the day on this side of
23 the building. So what we had to do was, we
24 went through -- we made our calls to the
25 Division -- is it the Division of

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1 Administration?

2 MS. ELLIS:

3 Purchasing.

4 MR. PARNELL:

5 Purchasing, facility
6 management. Typically, what happens is, you
7 get three bids and it has to go through them
8 and their process and sometimes that takes
9 upwards to a month. What they told us we
10 could do since we were in an emergency
11 situation, we could get five bids and go out
12 and just bid the things out ourselves. One
13 reason was that we are self-generated, so
14 they said that we can actually do it that
15 method and we went out and did that. We got
16 five bids in. I believe we got six. We got
17 a gentleman out here on last Thursday and he
18 put the system in for us upstairs. He put a
19 new condensor outside. He did new piping as
20 well as a new thermostat for us. So the
21 total cost of that was \$4,774. So that was
22 a bit cheaper than some of the other ones.
23 He was a gentleman that -- a very small
24 business owner, but he was recommended very
25 highly. So that's the last I have.

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1 MR. ROBINSON:

2 Five bids, that's what the
3 State requires, five.

4 MR. PARNELL:

5 That's the end.

6 MR. ROBINSON:

7 Any questions for Director
8 Parnell?

9 (No response.)

10 MR. ROBINSON:

11 We have -- moving on with the
12 agenda, we have no hearings scheduled. And
13 then items for next agenda, we do have two
14 or three issues we are going to get back on
15 track. Obviously, the software is the first
16 one. We still haven't received the money
17 from the sales of the vehicles that we sold.
18 That's only been 60 days, maybe. We are
19 still trying to get that in. We do intend
20 -- as you all have been told before, we do
21 intend to upgrade a vehicle with that
22 funding when it gets here, but we don't have
23 it yet. Hopefully, it will be here before
24 long.

25 Is there anything that any of

1 the Commissioners want us to look into or to
2 work on? Who wants to work on the rules and
3 regs? Do you want to do that with staff or
4 do you want a Commissioner or two to work
5 with you on that?

6 MS. MORRIS:

7 I think we are going to need
8 the input of someone in salvage, someone in
9 auction, and someone from the dealer side in
10 order to have a good draft to get input then
11 from the other.

12 MR. ROBINSON:

13 How many Commissioners do we
14 have that represent auctions? I forgot.

15 MR. POTEET:

16 I was nodding my head.

17 MR. ROBINSON:

18 Who has time to -- this is
19 just telephone work. Do we have a dealer
20 who has time to work on that? Of course, we
21 got --

22 MR. DUPLESSIS:

23 I will be happy to do some of
24 it. I will be happy to work on it. And we
25 need to get that SEADRA issue.

1 MR. ROBINSON:

2 So John is going to be
3 involved, and Darty Smith has time to be
4 involved, and then Ron. So that's plenty.
5 Does anybody have anything
6 else?

7 MR. PARNELL:

8 Towards the end of this week,
9 I'm going to be out of the office on
10 personal business -- personal things that I
11 need to take care towards the end of this
12 week. So Thursday and Friday I won't be in
13 the office.

14 MR. ROY:

15 And also not a big problem,
16 but your agenda has June 19. It should be
17 July.

18 MR. ROBINSON:

19 So is this shorter than last
20 month?

21 If anybody wants to make the
22 magic motion?

23 MR. CORMIER:

24 I make a motion to adjourn.

25 MR. ROBINSON:

1 There you go.

2 MR. POTEET:

3 Second.

4 MR. ROBINSON:

5 All in favor?

6 (All "Aye" responses.)

7 MR. ROBINSON:

8 The meeting is adjourned.

9

10

11 (Meeting adjourned at 10:21 a.m.)

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1 REPORTER'S CERTIFICATE
2

3 I, BETTY D. GLISSMAN, Certified
4 Court Reporter, Certificate No. 86150, in
5 and for the State of Louisiana, do hereby
6 certify that the Louisiana Used Motor
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