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LOUISIANA USED MOTOR VEHICLE COMMISSION  
STATE OF LOUISIANA

REGULAR MEETING  
JANUARY 22, 2018  
BEGINNING AT 9:30 A.M.

3132 VALLEY CREEK  
BATON ROUGE, LOUISIANA

REPORTED BY:  
BETTY D. GLISSMAN, CCR

1 APPEARANCES:

2

3 CHAIRMAN:

4 MR. JOHN POTEET

5

6

COMMISSIONERS PRESENT:

7

MR. TONY CORMIER (Arrived Late)

8

MR. RICKY DONNELL

9

MR. GEORGE FLOYD

10

MR. STEPHEN OLAVE

11

MR. HENRY "DARTY" SMITH

12

MR. DINO TAYLOR

13

MR. RICHARD WATTS

14

15

16

REPRESENTING THE LOUISIANA USED MOTOR

17

VEHICLE COMMISSION:

18

19

ROBERT W. HALLACK, ESQUIRE

20

HALLACK LAW OFFICE

21

13007 JUSTICE AVENUE

BATON ROUGE, LOUISIANA 70816

22

SHERI MORRIS, ESQUIRE

23

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. MONTIE WISENOR

7               MR. PERRY ESPONGE

8               MR. MONROE ALLMOND

9               MR. ROBERT PERRY

10              MR. DANIEL GUINN

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1 (Pledge of Allegiance.)  
2 MR. POTEET:  
3 Kim, roll call, please.  
4 MS. BARON:  
5 John Poteet?  
6 MR. POTEET:  
7 Here.  
8 MS. BARON:  
9 Dino Taylor?  
10 MR. TAYLOR:  
11 Here.  
12 MS. BARON:  
13 Tony Cormier?  
14 MR. CORMIER:  
15 (No response.)  
16 MS. BARON:  
17 Ron Duplessis?  
18 MR. DUPLESSIS:  
19 (No response.)  
20 MS. BARON:  
21 George Floyd?  
22 MR. FLOYD:  
23 Here.  
24 MS. BARON:  
25 Darty Smith?

1 MR. SMITH:

2 Here.

3 MS. BARON:

4 Steve Olave?

5 MR. OLAVE:

6 Here.

7 MS. BARON:

8 Ricky Donnell?

9 MR. DONNELL:

10 Here.

11 MS. BARON:

12 Richard Watts?

13 MR. WATTS:

14 Here.

15 MS. BARON:

16 Matthew Pederson?

17 MR. PEDERSON:

18 (No response.)

19 MS. BARON:

20 Mr. Chairman, we have a quorum.

21 MR. POTEET:

22 Thank you. Do we have anyone  
23 here today for public comments?

24 MS. BARON:

25 No, we do not.

1 MR. POTEET:

2 All right. Hopefully, everybody  
3 has had a chance to read the minutes from  
4 the last meeting. It seems like about a  
5 year ago. So do we have a motion?

6 MR. SMITH:

7 I'll make a motion to approve.

8 MR. OLAVE:

9 Second the motion, Mr. Chairman.

10 MR. POTEET:

11 Second Mr. Olave.

12 All in favor, say, "Aye."

13 (All "Aye" responses.)

14 MR. POTEET:

15 Any opposed?

16 (No response.)

17 MR. POTEET:

18 All right. That passes.

19 First thing up is the financial.

20 Mona.

21 MS. ANDERSON:

22 So if you'll turn in your packet  
23 to the -- we have two months of financials  
24 to review. The first one is November of  
25 2017. And the operating account balance was

1           \$2,162,690. The fines were \$37,468 and that  
2           was a decrease. At the bottom of the page,  
3           the short-term liabilities, which includes  
4           accounts payable, escrow fines, and benefits  
5           payable, total \$43,419.

6                     On page 2, the long-term  
7           liabilities increased to \$3,384,093 total.  
8           Of that, the 2018 deferred revenue was  
9           \$314,080 and the 2019 was \$126,750. Moving  
10          on to page 3, the year-to-date revenues at  
11          the bottom of that first page. Year-to-date  
12          revenues were \$445,158.

13                    And on page 4, your -- the  
14          salaries and related benefits increased  
15          \$47,680. The remainder of the expenses  
16          increased \$22,664 over the year to date last  
17          year. We had some maintenance work that was  
18          done on our heating and air-conditioning  
19          system during November. On page 5, the  
20          change in net position was a positive  
21          \$51,083 for the month, but a negative  
22          \$27,705 year-to-date.

23                    On page 6 is a four-year revenue  
24          comparison and that reflects an increase in  
25          most of the license fees. The remainder of

1 the fees -- some of the fees decreased. The  
2 operating account and interest on the  
3 operating account increased significantly.

4 And page 7 is a graph of that --  
5 those figures. Page 8 is the year-to-date  
6 budget to actual for some line items of the  
7 budget and these look to be on target for  
8 that time -- this time of the year,  
9 November. On page 9 is the certificate of  
10 deposit summary. There were no changes to  
11 that report in November. Page 10 is the  
12 accounts receivable report. Fines assessed  
13 were \$3,050 and we collected \$5,170. The  
14 balance remaining in that account was  
15 \$37,468.

16 Mr. Chairman, I'd like to move on  
17 to the next financial, which is Tab B.

18 MR. POTEET:

19 For the November --

20 MR. OLAVE:

21 I make a motion that we accept  
22 the financial report for November,  
23 Mr. Chairman.

24 MR. SMITH:

25 Second.



1 MR. POTEET:

2 All in favor, say, "Aye."

3 (All "Aye" responses.)

4 MR. POTEET:

5 Any opposed?

6 (No response.)

7 MR. POTEET:

8 Okay.

9 MS. ANDERSON:

10 Moving on to the December  
11 financials, which are next in your packet.  
12 The cash in the bank was 2 million 7 -- I'm  
13 sorry, \$2,331,564, which reflects an  
14 increase of \$168,874. And that was due, of  
15 course, primarily to the renewals being  
16 received in December. The fines, accounts  
17 receivable were \$36,858. And the current  
18 liabilities, the total is on page 2, is  
19 \$52,982. The escrow fines were higher since  
20 there was -- were not higher since there was  
21 not a meeting that month. The benefit  
22 liabilities increased somewhat, though. The  
23 long-term liabilities increased \$526,155 due  
24 to the influx of the second year renewal  
25 fees. \$212,075 of that was for 2019 and

1           \$314,080 was for 2018. And, of course, on  
2           the January financials, the 2018 money is  
3           going to roll into revenue.

4                         Moving on to the statement of  
5           revenues, expenses, and changes in net  
6           position, year-to-date revenues were  
7           \$622,151, which is about 39.8 percent of  
8           budget, which may seem a little bit low, but  
9           if you turn on to page 5, the year-to-date  
10          expenses were \$580,000, which is about 41  
11          percent of budget. The change in net  
12          position was \$42,026.

13                        On page 4 is the four-year  
14          revenue comparison and the figures are  
15          comparable to the year -- the '15/'16 year.  
16          The -- and there's a graph on the following  
17          page showing the revenue comparison. Page 8  
18          has the four-year expenditure comparison.  
19          And, again, this is the halfway point. So  
20          this is pretty much what we would expect.  
21          And as with most organizations, our salaries  
22          and benefits are increasing.

23                        On page 9 is the CD report and  
24          there were no changes in December. Page 10  
25          is the accounts receivable report. We

1 collected \$610. There were no fines  
2 assessed due to the meeting not being held  
3 in December.

4 And unless there are any  
5 questions, that concludes my report,  
6 Mr. Chairman.

7 MR. POTEET:

8 Does anybody have any questions?  
9 (No response.)

10 MR. POTEET:

11 I need a motion.

12 MR. TAYLOR:

13 I make a motion that we accept  
14 the December financials.

15 MR. SMITH:

16 I'll second.

17 MR. POTEET:

18 Second Mr. Smith.

19 All in favor, say, "Aye."

20 (All "Aye" responses.)

21 MR. POTEET:

22 The motion passes. Thank you,  
23 Mona.

24 All right. Next on the agenda is  
25 a requested topics of discussion, the LIADA

1 continuing education presentation. Is  
2 somebody here for that?

3 MR. PERRY:

4 Yes, sir. Hello, everyone. For  
5 those of you who don't know me, my name is  
6 Robert Perry. I am the president of the  
7 Louisiana Independent Auto Dealer's  
8 Association. I'd first like to thank each  
9 and every one of you on the Commission for  
10 giving me the opportunity to speak on behalf  
11 our association. First off, I'd like to  
12 walk you through our continuing education  
13 website, and then I'd like to paint you our  
14 vision. It's in the beginning stages right  
15 now, but before we sink a lot more money and  
16 a lot more time into it, we would like some  
17 reassurance from the Commission that if we,  
18 you know, do present a tangible continuing  
19 education course that we will have your  
20 support in trying to pass it through the  
21 Legislature.

22 So, Ms. Kim, if you would go  
23 ahead and -- this is our -- this is our  
24 starting page. We just have our logo right  
25 now. I didn't have a Used Motor Vehicle

1 Commission logo. I was going to put it on  
2 there, too. But we're going to start just a  
3 test. So Louisiana Independent Auto Dealers  
4 Association continuing education in  
5 partnership with the Louisiana Used Motor  
6 Vehicle Commission. And so this right here  
7 is just a basis of -- I've taken the  
8 Louisiana startup class to become a dealer.  
9 I've taken the Texas continuing education  
10 class and the Florida continuing education  
11 class in the last 45 days. And let me tell  
12 you, that has been one of the biggest pains  
13 of my life, but I feel very strongly that  
14 this is something that we need in our state.

15 Almost every single business that  
16 you can acquire a license for has some sort  
17 of continuing education other than the used  
18 motor vehicle license. So just something --  
19 food for thought is, like, the real estate,  
20 you have to have continuing education every  
21 year and it's on a \$50 basis and they use a  
22 third-party company. So they're not really  
23 receiving any of the revenue, but they are  
24 requiring it, because the laws are updating  
25 and ever changing. This right here, I'll

1 just, you know, go through a couple of the  
2 questions, but this is the test that we --  
3 we've got the software in place. And you  
4 take this test and it will score you.

5 So first question, you know, how  
6 many LUMVC field investigators are there in  
7 the state? Well, as of right now, there's  
8 not actually five. There's supposed to be  
9 five, one for each district. And I got that  
10 directly from the Used Motor Vehicle  
11 Commission's startup class that I took  
12 again. Mr. Parnell was gracious enough to  
13 hand that over to us, so we could use it as  
14 reference material. So if you click C, and  
15 then true or false, a Louisiana independent  
16 dealer is required to have at least once  
17 active salesman's license for their  
18 dealership, that is also the true answer  
19 there.

20 And then which of the following  
21 is not required by the LUMVC to have an  
22 established place of business for a used car  
23 dealer? A permanently enclosed building, a  
24 structure owned, leased, or rented, and meet  
25 local building requirements, must be

1 regularly occupied, must be easily  
2 accessible to the public, or must have a  
3 bordering fence. Well, all -- the first  
4 three are required by the Used Motor Vehicle  
5 Commission, but D is not. So that would be  
6 the correct answer. Now, we don't have to  
7 go through all these things. If you'd like  
8 to go to the bottom of the page and click  
9 "submit," it will say you've got a 25  
10 percent.

11 So here's our vision as the LIADA  
12 in having a continuing education class. We  
13 would like to have videos established --  
14 short videos, 5 to 10 minutes long, and then  
15 have a 15 to 25 question thing for each  
16 section. It's very reasonable for us to do  
17 that. It's something that we -- it just  
18 takes a little bit of time and a little bit  
19 of money. Now, we are very open to anything  
20 that we come up with obviously being vetted  
21 by the Used Motor Vehicle Commission and  
22 Mr. Parnell. And if there's anything that  
23 you would like included, you know, we're  
24 open to any suggestion. Right now, this is  
25 our website. We own the domain. It's very

1 easy to update. It's very easy to add and  
2 omit things.

3 But before we spend the thousands  
4 of dollars it's going to take to create the  
5 videos and the interactive software, we  
6 would like to ask the Used Motor Vehicle  
7 Commission for their support and that if we  
8 are to be able to follow through with our  
9 vision and that we can try to push this  
10 through the Legislature, which would be  
11 beneficial for all of us, you know, we're,  
12 of course, going to give the Commission a  
13 handsome cut of all the revenue for the  
14 future. And it's going to help us, you  
15 know, with our monthly budget and we're  
16 going to be able to do things such as hire a  
17 lobbyist full-time instead of case-by-case  
18 and that's going to be able to help us carry  
19 y'all's legislation through as well as our  
20 own. And it's going to benefit not only the  
21 Commission and our association, but the  
22 dealer and the state of Louisiana. And I  
23 feel very strongly that a used motor vehicle  
24 -- or a used dealer continuing education  
25 course is something that the state has



1           needed for a long time. I took the test --  
2           not the test, but I took the class. There's  
3           237 slides and I went through every single  
4           one of them and there is so much on there  
5           that you -- I hate to admit that so many  
6           people do not do and do incorrectly on a  
7           day-to-day basis just because they're  
8           ignorant to the subject. You know, you take  
9           the class one time and you're a dealer for  
10          30 years. A lot of things change, you know.  
11          Mr. Hallack is going to go through, you  
12          know, legislation that is trying to change  
13          and all that stuff for the, you know, coming  
14          year.

15                        So this is something that when we  
16          develop our software further than what we  
17          already have, it's going to be something  
18          that we can add to and omit from every  
19          single year and we would like to do it in  
20          partnership with the Commission. But at  
21          this point, you know, we have -- we've spent  
22          enough money to get to here, but before we,  
23          you know, go all in, you know, push all our  
24          chips in, we would like some reassurance  
25          from the Commission that this is -- that you

1 share the same vision. And I'll understand  
2 if you don't. But I feel that, you know,  
3 after speaking with so many of you that I  
4 believe that, you know, it's time coming and  
5 we're willing to, you know, grab that bull  
6 by the horns and take care of it. So if  
7 y'all have any questions for me, I'm more  
8 than willing to answer them if I can.

9 MR. POTEET:

10 Anybody have any questions about  
11 this?

12 (No response.)

13 MR. POTEET:

14 I've got a couple of comments. I  
15 think we do need continuing education, you  
16 know. The Commission itself, how often do  
17 we have our courses?

18 MR. PARNELL:

19 Once a month.

20 MR. POTEET:

21 And once you take the course,  
22 you're grandfathered?

23 MR. PARNELL:

24 As a new dealer, you take the  
25 course initially, but if you have any other

1 violations that come up, then I require you  
2 to come back again and take it again. But  
3 that doesn't mean -- you know, that's still  
4 -- that's not enough. I think the  
5 continuing education is very much needed.

6 MR. POTEET:

7 Yes. I think so, too. I --  
8 obviously, in my business, I talk to car  
9 dealers every day and I'm sometimes amazed  
10 at how little they know about certain  
11 things, you know. It's not because they're  
12 dumb or they don't, you know, pay attention.  
13 It's just that they don't have any way to  
14 learn and they're like most of us, they're  
15 trying to run their business day to day.  
16 And if somebody doesn't tell you that is  
17 required, you just kind of forget about it.  
18 I think that -- as I understand it, we'd  
19 have to endorse this, right?

20 MR. PARNELL:

21 Right. The way the statute is  
22 written now, yes, basically, we would have  
23 to endorse it. We would have to make sure  
24 that whatever that they are -- well, there  
25 is nothing out there that relates to

1 continuing education, but there is  
2 discussion about whatever they are doing.  
3 If we do go with a third party, it would  
4 have to go through the Commission, yes.

5 MR. POTEET:

6 It would be approved. What would  
7 the next step be for us?

8 MR. PARNELL:

9 I would have to probably ask  
10 Sheri or Robert. My thought would be, it  
11 would have to be legislatively looked --  
12 added into a bill.

13 MR. POTEET:

14 Because if we're going to make it  
15 required --

16 MR. PARNELL:

17 Yes.

18 MR. POTEET:

19 -- then it would have to be --

20 MR. PARNELL:

21 Yes.

22 MR. POTEET:

23 -- a law would have to be passed.

24 MR. PARNELL:

25 And we would have to really

1 understand -- because a requirement means  
2 that they would just have to take these  
3 courses, and then get a -- score a certain  
4 percentage on --

5 MR. PERRY:

6 Oh, yes.

7 MR. PARNELL:

8 -- how would that --

9 MR. PERRY:

10 Okay. So --

11 MR. POTEET:

12 Like, what do they do in Texas?

13 MR. PERRY:

14 Okay. So in Texas, it is one  
15 long four hour course. It is -- they spent  
16 over \$30,000 on it. I don't think we're  
17 going to have to sink quite that amount of  
18 money, but it's going to be substantial.  
19 The Texas course is basically a very fancy  
20 PowerPoint presentation similar to the one  
21 the Louisiana Used Motor Vehicle Commission  
22 has, but it is 100 percent interactive and  
23 it has voice over. So you'll be sitting  
24 there and it's interactive to make sure you  
25 don't just go click, click, click, click,

1 done, submit, whatever.

2 MR. POTEET:

3 Sort of like our ethics training.

4 MR. PERRY:

5 Yes, just to make sure you're  
6 paying attention, click this button in the  
7 right-hand corner to continue. So if you  
8 just turn on your computer and let it play  
9 and walk out of the room and you come back,  
10 well, shoot, I clicked on this 30 minutes  
11 ago. Why has it done this? Also, it has  
12 drop down menus and things of that nature.  
13 But, you know, you kind of get lost in it.  
14 It's a lot to absorb. I mean, I don't know  
15 about everybody, I can't speak for  
16 everybody, but I am definitely an auditory  
17 and visual learner. So it is my opinion  
18 that -- because this is something that  
19 Florida has done. They have a video, but  
20 it's a very, very long video. After about  
21 the first 10 minutes, you catch yourself  
22 kind of snoozing at the information. But  
23 what I would like to do -- our vision is to  
24 break it down to 237 slides, plus or minus,  
25 whatever we decide, with -- in partnership

1 with you is to make some videos, 5, 10, 15  
2 minute videos, and then follow it with a  
3 quiz. Like, this example right here, 15 to  
4 25 questions for each section. And, you  
5 know, there's going to be people who decide,  
6 yes, I'm going to try to cheat the system,  
7 I'm not going to watch the video, and  
8 they're going to, more than likely, you  
9 know, score low on the test or, you know,  
10 fail the test, because there's going to be  
11 some information in there that, you know, if  
12 I ask 10 dealers, I promise you eight of  
13 them wouldn't know.

14 I was -- I thought I was, you  
15 know, pretty educated in terms of the laws  
16 and what is required to be a dealer. And I  
17 was, you know, pretty leveled when I was  
18 going through the slides and some of the  
19 stuff that people -- just dealers, you know,  
20 they hang a sign in their backyard and they  
21 think they're good, you know. There's so  
22 much more to it than just that. But I don't  
23 think that -- you know, there's some stuff  
24 that's pretty elementary that I don't think  
25 would necessarily have to be included, but I

1 would think our course with the videos and  
2 the quizzes would somewhere be around the  
3 four -- maybe three and a half, four hour  
4 mark. And I would like to make videos of  
5 people going through -- going through the  
6 presentation, you know, maybe having some of  
7 the field investigators, you know, they can  
8 come in here and give some examples.

9 Also, I'd have it all  
10 professionally done. This isn't going to be  
11 me with an iPhone and a tripod, you know.  
12 It's going to -- it's going to be the real  
13 deal. And after a discussion with our board  
14 of directors and after taking three classes,  
15 I've taken what I think is the good out of  
16 all of them and they're very good. Let me  
17 just add that. But they can be improved and  
18 they can be a lot more user friendly. And,  
19 you know, I see people on their cell phones  
20 all the time watching YouTube videos, videos  
21 on Facebook, and it captures their  
22 attention, 5, 10, 15 minutes. You plug in a  
23 VCR tape as they did in the old days or, you  
24 know, you have this video like Florida, it's  
25 almost a webinar and you sit there and you



1 watch it, and it's two hours long and, I  
2 mean, it's very hard to stay disciplined.

3 I mean, I was there trying to  
4 gather as much information as I could to try  
5 to, you know, paint a vision for our course  
6 and I'm sitting there really eagerly wanting  
7 to take the class, and most people aren't  
8 eager to take it, and I found myself after  
9 20 minutes trying to look at my cell phone.  
10 What was that buzz.

11 And so I think that as far as our  
12 vision goes, you know, the first page is not  
13 going to be a black and white page. It's  
14 going to be something that really grabs your  
15 eye and it has y'all's logo and our logo on  
16 it and you're going to click on it. It's  
17 going to have all your sections lined out.  
18 So you click section 1 video. You go  
19 through the video. And then in order to go  
20 to section 2, you have to pass the -- pass  
21 the quiz. Well, we're got going to make it,  
22 you failed, you've got to start over again.  
23 You can take the quiz again.

24 But I think that even if people  
25 try to cheat the system and just take the

1           quizzes and they fail and they get -- go  
2           back to reading the questions, at least  
3           they're going to have some sort of  
4           education, you know, some sort of, you know,  
5           way to learn from their mistakes,  
6           repetition. You know, they say practice  
7           makes perfect. I disagree. I think  
8           practice makes permanent, but if you take a  
9           -- if you have to take a quiz three or four  
10          times, you're going to memorize the answers  
11          by the time you get to it.

12                        So, I mean, as far as our vision  
13          goes, that's where I'm at. And I'm willing  
14          -- we're willing to -- you know, open to  
15          suggestions. But I think that the best way  
16          for us to go forward is to go the video  
17          route and go the quiz route and basically  
18          take all the information that is on your  
19          Used Motor Vehicle Commission startup course  
20          and paint the picture in a way that the  
21          dealer can benefit from it and do it every  
22          year or every two years. And, of course,  
23          you know, whatever revenue we generate off  
24          of that, y'all are going to get, you know, a  
25          handsome cut and we would, too.

1                   And we would be able to do things  
2                   that we've been talking about doing for the  
3                   last three and a half years since I've been  
4                   on board, but we just haven't had the funds.  
5                   And this is just a way we're trying to, you  
6                   know, benefit the dealer and raise our  
7                   revenue, so that we can help you by y'all  
8                   helping us kind of thing, so.

9                   MR. DONNELL:

10                   What is the passing grade in  
11                   Texas and Florida?

12                   MR. PERRY:

13                   75 percent.

14                   MR. DONNELL:

15                   75.

16                   MR. PERRY:

17                   See, but, like, Florida is the  
18                   only one that had a quiz with it. And I  
19                   don't even -- to be honest with you, I don't  
20                   even think the quiz was required to have a  
21                   passing grade. It was just, like, hey,  
22                   let's see how well you retain the  
23                   information. Texas had a -- their class was  
24                   click here, check here, all that stuff, get  
25                   to the end, and it would have a few review

1 questions. And I never intentionally failed  
2 them, but I never got less than 75 percent.  
3 They let me go. So that's why I'm making  
4 that 75 percent assumption. I don't know --  
5 you may have been able to click all the  
6 wrong answers and it say, well, at least  
7 they, you know, made it through the  
8 material, but it was --

9 MR. POTEET:

10 Isn't that how our -- the ethics  
11 test is? You just have to get through, it  
12 doesn't matter how many you get right?

13 MS. BARON:

14 I don't think -- I don't think it  
15 matters.

16 MR. POTEET:

17 But, you know, even when you're  
18 taking that, all of us in here have done  
19 that in the last month or so, you're still  
20 kind of learning, because when it tells you,  
21 oh, that's not why, this is why. In fact, I  
22 learn more by missing the question. It  
23 explains why that's not right.

24 MR. PERRY:

25 I think it's beneficial to have a

1 passing grade, you know. Like I said,  
2 repetition. It's only going to be 15 to 25  
3 questions for each section, you know. It  
4 could be 10 questions, but if you had a  
5 certain number of questions and they didn't  
6 pass it and they just take the quiz again,  
7 and the more times you read and try to  
8 answer the questions, the more it's going to  
9 be beaten into your brain.

10 MR. POTEET:

11 Okay. Well, I think it's a good  
12 idea. Does anybody disagree with that? I  
13 mean, it -- I think it's a good idea to have  
14 continuing education for our dealers. I  
15 think that it's a good way for the LIADA to  
16 raise funds to do the lobbying efforts that  
17 they need. I think that it helps us in our  
18 -- you know, I've got an investigator back  
19 there. I think he would like to see dealers  
20 more educated than having to give them a  
21 seminar every time you go to meet with them.  
22 So I don't see any down side in this. I  
23 guess, what's the next step?

24 MR. PARNELL:

25 I think it would require a pretty

1 extensive amount of planning as it relates  
2 to rules and regulations, because when we  
3 have a dealer -- if a dealer doesn't take  
4 it, we have to understand we have to have a  
5 plan in place to handle that situation, so.

6 MR. TAYLOR:

7 Well, he can't get a license,  
8 right? They can't?

9 MR. POTEET:

10 If we make it required --

11 MR. PARNELL:

12 If we make it a requirement. I  
13 mean, we can set our own rules and regs, but  
14 I'm sure we will probably get a lot of  
15 feedback from dealers, because it's a new  
16 requirement and a new cost for them. So --  
17 but I think it's more of -- we have to do a  
18 lot of planning with this. I don't think  
19 it's a real quick situation, you know.

20 MR. PERRY:

21 No. This is a process. We're at  
22 stage 1, obviously. You know, this is a  
23 very primitive thing, because, you know,  
24 we're still almost in the idea stage. We're  
25 just finally getting here. But my thoughts

1 on requiring a dealer to do it is you  
2 register by your dealer number. I feel like  
3 that's the easiest way, you know, UD002323  
4 -- or 252593. That's was my -- that's mine.  
5 You register that and you type that in. You  
6 put your credit card information in and you  
7 start the course. And when you finish the  
8 course, it sends you a notification. And we  
9 have been in contact with, you know, the IT  
10 department. That's not my department. But  
11 they -- everything I've said, they said,  
12 that's -- oh, that's a cake walk for us to  
13 take care of, you know, we've just got to  
14 hire a professional to do that. And as far  
15 as the rules and regulations go, you know,  
16 hey, you're going to get a fine or you're  
17 not going to get your license renewed, I'm  
18 sure there is going to be some sort of push  
19 back, because let's face it, most used car  
20 dealers are very cheap and tight with their  
21 money. They don't want to spend any more.  
22 I know I don't. I lay awake at night trying  
23 to figure out how I can cut my costs. But  
24 it's something that could benefit everybody,  
25 benefit the consumer, benefit the

1 Commission, benefit our association. I feel  
2 like it's something that has to be done  
3 almost -- I know that there's continuing  
4 education required for even an auctioneer.  
5 You know, just to have an auctioneer's  
6 license, you have to do your continuing  
7 education. I think it's every five years.  
8 And it's just one of those things. I feel  
9 like it's -- that we need it. But we're  
10 going to have to do -- it's going to be a  
11 team effort.

12 MR. POTEET:

13 Yes.

14 MR. PERRY:

15 You know, we can work very  
16 closely with Mr. Parnell.

17 MR. POTEET:

18 Well, I think -- I think your --  
19 and pardon this expression, you're talking  
20 past the close, Robert. I think we're on  
21 your side.

22 MR. PERRY:

23 Okay.

24 MR. POTEET:

25 And I think that the next steps



1 are to spend some more time with Derek, with  
2 his staff, and come up with some something,  
3 find out what we have to do to get it  
4 through the legislature, what's the best way  
5 to -- I mean, if you don't make it a  
6 requirement --

7 MR. OLAVE:

8 Nobody is going to do it.

9 MR. POTEET:

10 For it to be a viable thing, it's  
11 going to have to be some kind of  
12 requirement, so.

13 MR. HALLACK:

14 Well, you could make it a fine.

15 MR. POTEET:

16 Okay.

17 MR. HALLACK:

18 As opposed to a requirement for a  
19 license.

20 MR. POTEET:

21 I think we're -- we've gone as  
22 far as we can now. So the next step is --  
23 you have our support.

24 MR. PERRY:

25 Okay.

1 MR. POTEET:

2 We think it's a good idea. And  
3 you guys start working on putting this  
4 together and see what we need to do next.

5 MR. PERRY:

6 Sounds good. I appreciate all  
7 your time. And I'm done unless y'all have  
8 any more questions for me.

9 MR. POTEET:

10 Anybody?

11 (No response.)

12 MR. POTEET:

13 All right. Thank you.

14 MR. PERRY:

15 Thank you very much.

16 MR. HALLACK:

17 I think we need to probably take  
18 a vote on this to give us some kind of  
19 direction on what you want us to do.

20 MR. POTEET:

21 Well, I don't know if we need a  
22 vote at this point. I think what we need to  
23 -- I mean, that -- what do we need a vote  
24 on, that we support?

25 MR. HALLACK:

1           Yes. That you want the office to  
2 pursue to this.

3           MR. POTEET:

4           All right. We'll do that.

5           MR. DONNELL:

6           Mr. Chairman, I'm on both boards.  
7 So should I stay out of this vote? I'm on  
8 this Commission and I'm on the LIADA board.

9           MR. POTEET:

10          No, I don't think so.

11          MS. MORRIS:

12          Well, I guess we need to clarify  
13 what we're voting on.

14          MR. POTEET:

15          To study it.

16          MS. MORRIS:

17          If we're just going to study it  
18 or is this something that they're going to  
19 try to introduce this session?

20          MR. POTEET:

21          I don't know.

22          MR. HALLACK:

23          I think that we approve of  
24 letting LIADA do this and we just --

25          MR. POTEET:

1           It's like one of those long  
2 binding resolutions that's attached  
3 sometimes. Like, we're going to honor the  
4 Boy Scouts. We're going to say, we're going  
5 to give them our support?

6           MR. HALLACK:

7           Well, I mean, yes, because you  
8 don't want some other association or some  
9 other groups coming in and saying, we can do  
10 this, we can do this cheaper.

11          MS. MORRIS:

12           You can't direct it to one  
13 association. You can't have one mandatory  
14 provider --

15          MR. HALLACK:

16           Okay.

17          MS. MORRIS:

18           -- I don't believe. I mean, if  
19 you approve -- if the law says that so many  
20 hours of continuing education is required  
21 per year or per three-year period or  
22 five-year period.

23          MR. POTEET:

24           Well, wait a minute. When we  
25 came up with the thing about the certified

1 programs, we said these are the approved  
2 programs.

3 MS. MORRIS:

4 Right. But you didn't exclude  
5 anybody from coming --

6 MR. POTEET:

7 Well, we're not going to exclude  
8 anybody.

9 MS. MORRIS:

10 Right. So it would be anybody  
11 that applies and meets the criteria, which  
12 could be a provider.

13 MR. HALLACK:

14 I think, maybe, then the  
15 direction should be that we want to adopt  
16 legislation requiring continuing education.

17 MR. POTEET:

18 Okay. We can do that.

19 MR. TAYLOR:

20 I make that motion.

21 MR. OLAVE:

22 Second.

23 MR. POTEET:

24 All in favor, say "Aye."

25 (All "Aye" responses.)

1 MR. POTEET:

2 Any opposed?

3 (No response.)

4 MR. POTEET:

5 And the next part of that will be  
6 -- that passes. And then the next part of  
7 that will be for Derek to work with the  
8 LIADA to put something together and when we  
9 get to that point, we can say, here is what  
10 it is. Who else wants to get involved? And  
11 nobody is going to do it.

12 MR. HALLACK:

13 So you want some type of final  
14 product by the next meeting, because your  
15 pre-filing deadline --

16 MR. POTEET:

17 Well, let's let them -- let's let  
18 them talk about it. If we don't get it done  
19 by this session, we'll spend a year working  
20 on it and refining it.

21 MR. DONNELL:

22 Well, here is the problem. Are  
23 we going to need a lobbyist this year?  
24 Because they've got to provide it for us.

25 MR. POTEET:

1                   Well, but -- okay. But before we  
2 get too far, I mean, they're not going to  
3 run out and raise any money in the next six  
4 months or a year. I mean, whatever they do  
5 -- I think it's best to leave it to Derek  
6 and to the LIADA to come up with a plan at  
7 this point.

8                   MR. OLAVE:

9                   Yes. We're at the beginning of  
10 the beginning.

11                  MR. POTEET:

12                  Yes. This is really just an  
13 idea. I don't want to disappoint you guys,  
14 Daniel and Robert, for coming in here, but,  
15 I wouldn't be surprised if this doesn't lop  
16 over into the next year. But then, again,  
17 this gives you plenty of time to refine your  
18 program and look at maybe any other  
19 programs. I agree with you. I mean, you  
20 know, you see people with the YouTube  
21 videos. Hopefully, you'll have some of the  
22 screaming goats and that will help me get on  
23 and watch it.

24                  Okay. Let's move on. The next  
25 thing on our agenda is ratification of

1 imposed penalties. Derek.

2 MR. PARNELL:

3 If you will look in your packet,  
4 the chart illustrates the dealers that are  
5 in violation of state law. These cases have  
6 been investigated and I have determined that  
7 the public interest can be served without  
8 further administrative proceeding. Thus,  
9 civil penalties were imposed. What I will  
10 do, as normal, go through the names of the  
11 dealers, and then discuss about the  
12 violation fine amount.

13 Do we have any representation for  
14 the dealers here on the list for the  
15 ratification of the imposed penalties?

16 MS. BARON:

17 No.

18 MR. PARNELL:

19 No. Okay. All right. Let's get  
20 started. Affordable Auto Wholesalers,  
21 Incorporated from Baton Rouge, Louisiana,  
22 fine amount is \$250. Dream Auto Sales, LLC  
23 from Jefferson, Louisiana, fine amount is  
24 \$250. Jordan's Automotive, LLC in New  
25 Orleans, Louisiana, fine amount is \$1,800.



1 Extreme Wheels & Tires, LLC doing business  
2 as Extreme Auto from Alexandria, Louisiana,  
3 fine amount is \$450. Baton Rouge Teen  
4 Summit Foundation, Incorporated from Baton  
5 Rouge, Louisiana, of course, is a fine  
6 amount of \$1,050. M. Auto Sales, LLC from  
7 Covington, Louisiana, fine amount is \$1,000.  
8 Pull-A-Part, LLC from Baton Rouge,  
9 Louisiana, fine is \$200. JP Market  
10 Management, LLC doing business Motor City  
11 from Lafayette, Louisiana, fine amount is  
12 \$300. Finish Line Auto, LLC from Luling,  
13 Louisiana is \$1,550. D&H Auto Sales, LLC  
14 from Baton Rouge, Louisiana, fine amount is  
15 \$150. Tom Williams, individually, and doing  
16 business as Williams Wholesale Auto from  
17 Shreveport, Louisiana, fine amount is \$250.  
18 Preferred Motors, LLC from Kenner,  
19 Louisiana, fine amount is \$1,200. Charlot's  
20 Used Auto Sales, LLC from Church Point,  
21 Louisiana, fine amount is \$150. Kenneth R.  
22 Smith, individually, and doing business as  
23 K&W Auto Center from Shreveport, Louisiana,  
24 fine amount is \$250. A.M.A. Education  
25 Solutions, doing business as, AST from Lake

1 Charles, Louisiana, fine amount is \$250.  
2 Cross Enterprises of Louisiana, LLC from  
3 Baton Rouge, Louisiana, fine amount is \$150.  
4 Joshua, I'm not going to try that, doing  
5 business as Tiger Imports from Baton Rouge,  
6 Louisiana, fine amount is \$350. Michael's  
7 Wholesale, LLC from Kenner, Louisiana, fine  
8 amount is \$150.

9 Commissioned, I would ask that  
10 you ratify the revocation of the dealers I  
11 have just announced.

12 MR. DONNELL:

13 So moved.

14 MR. TAYLOR:

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 That passes. Okay.

24 Then, we've got the ratifications  
25 of revocations.

1 MR. PARNELL:

2 You will find also in your packet  
3 an additional chart that illustrates dealers  
4 who their license has been revoked. Please  
5 know that each dealer on this list has been  
6 through the revocation process. Once again,  
7 I'll announce the name of the dealer and the  
8 date that their revocation took place.

9 Do we have anyone present to ask  
10 about the --

11 MS. BARON:

12 No, we don't. I checked when I  
13 was out there before.

14 MR. PARNELL:

15 First on the list is Quality Auto  
16 Traders from Bossier City. Their notice of  
17 revocation was November 6th of 2017. Ready  
18 to Go Autoplex, LLC from Hammond, Louisiana,  
19 notice of revocation was the same date. It  
20 was November 6th of 2017. Best Buy Autoplex  
21 from Gonzales, Louisiana, notice of  
22 revocation was December 11th of 2017.  
23 Donovan Gaudet Auto Sales, LLC from  
24 Mandeville, Louisiana, notice of revocation  
25 was December 11th of 2017.

1                   Commissioners, I would ask that  
2                   you ratify the revocation of the dealers I  
3                   have just announced.

4                   MR. SMITH:

5                   I'll make a motion.

6                   MR. OLAVE:

7                   Second the motion.

8                   MR. POTEET:

9                   Second Mr. Olave.

10                  All in favor, say, "Aye."

11                  (All "Aye" responses.)

12                  MR. POTEET:

13                  Any opposed?

14                  (No response.)

15                  MR. POTEET:

16                  All right. It passes.

17                  Next on our list is the Executive  
18                  Director's report.

19                  MR. PARNELL:

20                  All right. Commissioners, you'll  
21                  also find in your packet some charts that  
22                  illustrate the amount of violations and  
23                  alleged issue counts that took place in the  
24                  months of November and December. For the  
25                  month of November, we had 82 alleged issues.

1 In the month of December, there were 87  
2 issues. There was a total of 169 alleged  
3 issues for the months of November and  
4 December.

5 (Tony Cormier arrived.)

6 MR. PARNELL:

7 The next item is the case report,  
8 which illustrates the amount of cases  
9 assigned during those two months of November  
10 and December. There was a total of 124  
11 assigned cases for the months of November  
12 and December. 13 of those cases have been  
13 completed, which means 111 of those cases  
14 remain open. During the months of November  
15 and December, there was a total of 30 cases  
16 that have been closed.

17 In other news, coming to the  
18 conclusion of our renewal period -- our  
19 licensing renewal period and, although, we  
20 didn't have the opportunity that we wanted  
21 to, to have a new licensing program in  
22 place, I will say that staff in all  
23 departments have worked really hard and they  
24 continue to work very hard and efficient and  
25 they're doing a great job in ensuring that

1           these licenses are getting out in a timely  
2           manner, you know. We kind of imposed -- if  
3           we have a dealer submitted their packet and  
4           they had all -- everything that they are  
5           supposed to have in their packet, I've  
6           instructed the staff there is a 14-day  
7           turnaround. I don't want it to go beyond  
8           that. But that does mean that the dealer  
9           does have to submit everything at once, but  
10          that doesn't always happen. It doesn't  
11          happen most of the time. So we're still  
12          trying to work through it, trying to make  
13          sure that we can still become more and more  
14          efficiency. But we did increase staff size  
15          a little bit. So that did help a great  
16          deal. This past renewal period, I really  
17          didn't get any calls from senators or state  
18          reps trying to, you know, get their guy to  
19          move their licenses through.

20                   MR. POTEET:

21                           And no one wanted to threaten to  
22                   eliminate our --

23                   MR. PARNELL:

24                           No, not this year. So I had no  
25                   problem with that. I think we've made some

1 great strides and are just trying to make  
2 sure that we can get better and better every  
3 year. With that said, you know, we're still  
4 -- we still need and we still want to get a  
5 newer licensing software, something that  
6 could really take us out of the antiquated  
7 stages and the processes that we're doing  
8 right now, because it's very menial. We  
9 spend a lot of time and it's just not really  
10 worth it. It works for us now. We know  
11 that, but we're still searching for  
12 something.

13 And a few weeks ago, we received  
14 a presentation. It was someone who just  
15 cold called us, basically. He's got us  
16 running around to all of the licensing  
17 agencies in the area. It's a company called  
18 System Automation. He came in here, like, a  
19 preliminary show for us, a presentation.  
20 What we saw, we liked a lot. But with  
21 anything, that means, you know, we have to  
22 kind of vet it much more, understand more  
23 about what it can do, how it could really  
24 benefit us on all aspects of our business,  
25 which is our licensing, our enforcement, and

1           our accounting side. So we just want to  
2           make sure what we do put in place is going  
3           to be something that is very viable and  
4           that's really going to take this Commission  
5           to the next level in the next 15 years. So  
6           we're still working at that. And so with  
7           that said, that completes my report. So if  
8           there are any questions or comments or  
9           concerns.

10           MR. TAYLOR:

11                   I have a comment. Not receiving  
12           phone calls, I mean, y'all did an excellent  
13           job in licensing this year. Y'all did an  
14           excellent job, but it was this year, nobody  
15           was calling. In the years past --

16           MR. PARNELL:

17                   They were calling y'all, too?

18           MR. TAYLOR:

19                   Yes. I did not receive one phone  
20           call, so.

21           MR. POTEET:

22                   I usually get a few, too.

23           MR. PARNELL:

24                   I forget that.

25           MR. POTEET:



1                   Or get harassed at the auction,  
2                   hey, can I talk to you for a minute?

3                   MR. TAYLOR:

4                   Oh, and the non-answering the  
5                   phone calls, you know, I didn't get any of  
6                   those this year either. I mean, y'all  
7                   really did a great job, guys.

8                   MR. POTEET:

9                   Let the record show that Mr.  
10                  Cormier has joined us.

11                  Okay. Thanks, Derek.

12                  So the next thing on our agenda  
13                  is the legislative session. Robert, are you  
14                  going to talk about that?

15                  MR. HALLACK:

16                  Yes, sir. It's basically the  
17                  same stuff that we went over in November.

18                  MR. POTEET:

19                  Okay.

20                  MR. HALLACK:

21                  There were a few minor changes.  
22                  If you look at the proposed amendments,  
23                  we're going to change the definition of  
24                  motor vehicle, make it much simpler, make it  
25                  more in conformity with what the New Car

1 does -- New Car Commission does. We changed  
2 it there and we also changed it for  
3 dismantlers under 801. So this is the same  
4 definition we presented to you the last  
5 time. The jurisdictional statement, again,  
6 is to clarify what it is we do, who we  
7 represent, and how we represent these  
8 people. Page 3, we're adding a particular  
9 power that allows us to handle claims  
10 against the bond. It's something we already  
11 do, but we really don't have any legislative  
12 guidance on how to do it. It's something  
13 that we've performed since day one of this  
14 Commission, but, yet, there is no guide on  
15 how we're supposed do it. So, basically,  
16 this is a law that guides on how to handle  
17 bonds if there's a problem with the bond.  
18 Whether somebody is getting paid by a bond  
19 when they shouldn't have been paid or if  
20 somebody is refusing to pay on a bond, this  
21 is the procedure that will help us to either  
22 get it paid or to stop an overpayment or to  
23 stop an illegal payment.

24 The next page is page 4. This is  
25 a list of businesses that we represent.

1 Section 784 is a list of the businesses that  
2 we represent and we just mainly went through  
3 there and clarified that. For instance,  
4 motor vehicle crusher, we're including them.  
5 They have always been licensed and regulated  
6 by this agency, but it was never a business  
7 that was set up and set aside and  
8 particularly pointed out as a business that  
9 we license and regulate. So we're including  
10 those. We're also making it clear that we  
11 license and regulate daily rentals and that  
12 we define what a daily rental is compared to  
13 what the New Car Commission licenses and  
14 regulates. And that's that.

15 If you turn to page 2, #5, the  
16 same thing that we've talked about before.  
17 It makes it a fine or a penalty for anybody  
18 that sells a used motor vehicle with a  
19 malfunctioning or altered airbag. Going to  
20 the next page, page 6. At one time, our law  
21 had an all encompassing provision with  
22 regard to what is a violation. And we lost  
23 that law for a long time, and then we got it  
24 back. And, now, we just want to make sure  
25 that it goes back to the way it used to read

1 before. So, in other words, if you violate  
2 any provision of this law or any law with  
3 regard to a used motor vehicle transaction  
4 between a dealer and a consumer, we can  
5 write a violation for that. I mean, there  
6 are times when we've had investigators who  
7 call me up and say, can I write a ticket for  
8 that? I mean, he's not following the  
9 certificate of title law. It's not  
10 specifically spelled out in our law. Can I  
11 write a ticket for that? And I said, well,  
12 unless it's specifically set out in our law,  
13 you can't really write a ticket for that.

14 Montie, do you agree with that?

15 MR. WISENOR:

16 Well, there are certain  
17 violations -- or I won't say violations,  
18 maybe a dealer didn't disclose a salvage  
19 title or a reconstructed title or something  
20 like that, it really didn't specify it in  
21 our rules and regs -- I mean, our law to  
22 address that particular issue and others  
23 like that. But by having this in there, it  
24 should resolve the scope of that.

25 MR. HALLACK:

1           And I know that Perry has called  
2           me and said, can I write a ticket for that?  
3           And I told him, unless it's specifically set  
4           forth in our violation statute, no, you  
5           can't.

6           Perry, do you have an instance  
7           that you can think of?

8           MR. ESPONGE:

9           A salvage title, right off the  
10          top of my head, is 600 -- 706, which is not  
11          in our chapter.

12          MR. HALLACK:

13          Okay. So changing this and  
14          making it broader will allow them to write  
15          tickets for stuff like that.

16          Does anybody have any questions  
17          about it?

18          (No response.)

19          MR. HALLACK:

20          Rent with the option to purchase  
21          program, we have a change here. This was a  
22          little different the way it was originally  
23          written a couple of months ago. I changed  
24          it a little bit. We're still -- this is  
25          still a work in progress and let me explain.

1 We recently had a situation where a used  
2 motor vehicle dealer was -- did not have the  
3 title in his name at the time that he put  
4 the car in the rent-to-own program and was  
5 renting it out. And the Office of Motor  
6 Vehicle was allowing him to do a temporary  
7 tag for 60 days. So in the dealer's mind,  
8 he thought, well, if I don't have to get it  
9 in my name for 60 days, then I can rent it  
10 out on a temporary tag for 60 days. Our law  
11 right now says that you must have the title  
12 -- it must be properly titled in your name  
13 at the time that it's being rented out on  
14 our rent with option to purchase program.  
15 And his argument was that under 705A2, it is  
16 properly titled when it is assigned to the  
17 dealer. And our interpretation of that for  
18 a long time was always it is properly titled  
19 when the dealer has the new title in the  
20 dealer's name. So we have got to really  
21 figure out when is a vehicle properly titled  
22 in the dealer's name at the time that it's  
23 set out on a rent-to-own program.

24 Any thoughts on that? What would  
25 you like to see? Do you agree that it is

1 properly titled at the moment that he gets  
2 the title?

3 MR. DONNELL:

4 We title it to us the day that  
5 it's rented out. We don't use temp tags.  
6 You go that day.

7 MR. HALLACK:

8 I think, though, there are a lot  
9 of dealers out there who rent out vehicles  
10 that don't have a title.

11 MR. DONNELL:

12 Well, in fact, I asked that  
13 question to Ronnie and Ronnie told me, no.  
14 He said, you go that day.

15 MR. WISENOR:

16 Well, the only issue in my  
17 discussion with rental dealers -- with the  
18 rent with the option to purchase dealers is  
19 that when they go to buy their inventory,  
20 they don't specifically buy this group --

21 MR. DONNELL:

22 No, no, no. I mean --

23 MR. WISENOR:

24 -- for the rental of this group.  
25 So that means they would have to register

1 every vehicle on their lot, I mean.

2 MR. DONNELL:

3 No, no, no, no. You know, if we  
4 rent-to-own, that's when we go that day and  
5 put a rent-to-own.

6 MR. WISENOR:

7 Right. But if you do a  
8 transaction over the weekend or after Motor  
9 Vehicle hours, that's just one of those  
10 where --

11 MR. DONNELL:

12 Yes.

13 MR. WISENOR:

14 -- you're --

15 MR. DONNELL:

16 You may have to use a temp tag,  
17 like, over the weekend or something, you  
18 know.

19 MR. WISENOR:

20 There's a question about how --  
21 the way the policy is --

22 MR. DONNELL:

23 Like, West Monroe is real tough  
24 on cars running around without registrations  
25 on them.



1 MR. HALLACK:

2 Well, see, right now, the law  
3 requires that it be properly titled.

4 MR. PARNELL:

5 That's really defined -- that's  
6 not a question. It has to be properly  
7 titled. What does that mean?

8 MR. DONNELL:

9 I mean, we can't -- we can't go  
10 out there and say, these five are going to  
11 be rent-to-own and these are going to be  
12 retail, because you don't know that. I  
13 mean, you'd stay at the DMV office all the  
14 time if you had to do that.

15 MR. POTEET:

16 It's not titled. It's assigned.

17 MR. TAYLOR:

18 It's, like, a 45-day window or  
19 something like that. If we could write it,  
20 like, a 45 day, I think that would  
21 compliment the dealer to make sure there's  
22 not a first payment default. They would  
23 like to see that. And the second thing that  
24 could happen is, if there was any title  
25 issued, 45 days, you ought to be able to get

1           them cleaned up and titled at -- you know,  
2           properly and not assigned, but title it if  
3           they're going to be on a rent-to-own  
4           program.

5           MR. HALLACK:

6                     Right. Right.

7           MR. TAYLOR:

8                     And I think 45 days would be  
9           adequate time. Once again, first payment  
10          default, plenty of time to get your title in  
11          most cases.

12          MR. DONNELL:

13                    Are we going to have to have two  
14          different temp tags?

15          MR. TAYLOR:

16                    We've got 60 day temp tags. You  
17          write up a temp tag on the day of the sale  
18          and --

19          MS. BARON:

20                    Don't you write that date in  
21          anyway? You could write it for 45 days.

22          MR. TAYLOR:

23                    I might be wrong here. I don't  
24          think we actually -- I don't think a used  
25          car dealer actually even has to provide a

1 temp tag. I heard some talk about that  
2 before.

3 MR. WISENOR:

4 If they deliver the title at the  
5 point of sale, they're not required to.

6 MS. BARON:

7 Yes.

8 MR. TAYLOR:

9 Okay.

10 MR. WISENOR:

11 A dealer has a temp tag for five  
12 days from the date of the sale --

13 MS. BARON:

14 Yes.

15 MR. WISENOR:

16 -- if they receive the title on  
17 the date of the sale to get it transferred.

18 MR. TAYLOR:

19 Montie, could you -- I'm sorry.  
20 Could you say that again, please, so I'll  
21 know?

22 MR. WISENOR:

23 If a dealer delivers a title at  
24 the point of the sale, at the time of sale,  
25 they don't have to use a 60 day tag. The

1 dealer has five days from that date to get  
2 it transferred and they can rent out without  
3 any tag.

4 MR. TAYLOR:

5 Okay.

6 MR. WISENOR:

7 Because a lot of dealers feel  
8 they should have a five-day tag in it, but  
9 we -- that's not what that issue is for.  
10 They don't even have to have a tag, period.

11 MS. BARON:

12 A temporary tag is supposed to be  
13 a courtesy to the consumer.

14 MR. WISENOR:

15 It's stated somewhere in 707 --  
16 32:707, somewhere in there, I believe. I  
17 believe it addresses that.

18 MR. POTEET:

19 See, if we had -- if we had the  
20 continuing education, everybody would have  
21 known all of that. I'm just saying.

22 MR. WISENOR:

23 Also, an issue with liens on the  
24 rent-to-own.

25 MR. HALLACK:

1 I think this also is making a  
2 change, too. According to the statute as  
3 it's written right now, you cannot put a  
4 vehicle on rent-to-own if there's a lien on  
5 it. And you may remember we had a case with  
6 a fellow up around Bossier named David Toms  
7 --

8 MR. WISENOR:

9 Wayne Toms.

10 MR. HALLACK:

11 Wayne Toms, I'm sorry. Wayne  
12 Toms where he was -- he borrowed against his  
13 rent-to-own vehicles and was making payments  
14 to the bank based on the money that he  
15 received on the rent-to-own. So, in other  
16 words, if he had 10 out, he would pay his  
17 bank according to how many vehicles he had  
18 out on contract. And our law absolutely  
19 prohibits you from renting out on a  
20 rent-to-own program a vehicle, which has a  
21 lien on it and it says, a recorded lien at  
22 the time that it's rented out. And in Wayne  
23 Toms's defense, maybe he didn't take a lien  
24 out on the car until later and he probably  
25 did.

1 MR. WISENOR:

2 Well, the law states it has to be  
3 removed prior to.

4 MR. HALLACK:

5 Right.

6 MR. WISENOR:

7 It doesn't really say anything  
8 after the rental.

9 MR. HALLACK:

10 So we're changing that and we're  
11 saying that you cannot have a lien on a  
12 rent-to-own vehicle at any time. And the  
13 problem is -- we've this problem in the past  
14 where rent-to-own people have gone under. A  
15 lot of times, they're out of trust with the  
16 floor planner and the next thing you know,  
17 you have a floor planner that's got all  
18 these vehicles that are on rent-to-own  
19 contracts and what in the world do you do  
20 with them? It's a much simpler problem when  
21 it's a vehicle that's been purchased and  
22 there are loans out there that can take care  
23 of it, but it's a lot different problem  
24 where you have a rent-to-own contract.  
25 Nobody wants to pick up a rent-to-own

1 contract, because there are lots of  
2 obligations with a rent-to-own contract,  
3 because you have to make sure your customer  
4 is complying with insurance.

5 MR. WISENOR:

6 Well, with Wayne Toms, the bank  
7 that he was doing business with, they didn't  
8 try to go after the vehicle saying, well,  
9 Wayne Toms owes us X amount of dollars. If  
10 there was a balance still owed on the  
11 contract, they're just trying to collect the  
12 remaining balance. They assumed the  
13 contract, whether that -- I don't know where  
14 that falls as far as --

15 MR. TAYLOR:

16 And he went and borrowed money at  
17 another bank on that title, which was almost  
18 like double flooring a car.

19 MR. WISENOR:

20 No. That was -- I know which one  
21 you're talking -- that was a little  
22 different situation.

23 MR. TAYLOR:

24 Okay.

25 MR. WISENOR:

1                   He didn't want to pay the bank  
2                   for as long as he could.

3                   MR. HALLACK:

4                   But understand a dealer has an  
5                   obligation to make sure that that car is  
6                   insured. The bank who's making those -- or  
7                   who's picking up those collections, they  
8                   don't care if that car is insured or not.  
9                   So our law makes it an obligation to ensure  
10                  that that car is insured if it's on a  
11                  rent-to-own contract. And it's the dealer's  
12                  obligation just as much as it is the  
13                  purchaser's obligation. So this is a change  
14                  we want to make. I think maybe some people  
15                  are going to give us a little push back,  
16                  because they want to be able to borrow money  
17                  against their rent-to-own program, too.

18                  What do you think? You don't  
19                  like that? You think it's okay?

20                  MR. TAYLOR:

21                  I'll say from jump street from  
22                  that last meeting that, you know, if it was  
23                  going to keep a dealer from obtaining a line  
24                  of credit if he couldn't borrow against the  
25                  title, we would probably have a problem.



1 But what I'm finding out, most of the  
2 research, except for NextGear and maybe one  
3 other, that people are actually borrowing  
4 against the contract versus borrowing  
5 against the title, which is how we even do  
6 it on our owner finance program at home.  
7 I've sent it to LIADA. I think I sent it  
8 out to about five to seven different people.  
9 And I have not -- and Eric Stodert, which I  
10 think they do lease-to-own. They had  
11 rent-to-own. But I haven't heard any push  
12 back. Have you heard any push back?

13 MR. PERRY:

14 I spoke with Kevin Reeves about  
15 it and when I started getting into it, he  
16 was like, people do that? And I said, yes,  
17 there are people who do that. And he was,  
18 like, sounds like some crooks. Okay. Yes.  
19 So he was in full support of it saying, you  
20 know, they don't do that, they've never done  
21 that. And if you put it into law that --  
22 you know, they follow the law anyway, that  
23 this is just going to prevent certain people  
24 from, you know, hurting the consumer or  
25 hurting the bank somewhere. So he seemed to

1 be in full support of it when I spoke with  
2 him on the phone. He was actually going to  
3 be here today, but his father suffered a  
4 heart attack on Saturday. So he was unable  
5 to make it here today.

6 MR. TAYLOR:

7 As a board member and not the  
8 chair, as a board member, I would like to  
9 see it move forward, but you keep on doing  
10 research with the -- with your dealers to  
11 see if there's anybody that actually funds  
12 their line of credit on title versus  
13 contract and make sure that we're not fixing  
14 to put 15 dealers out of business, you know.  
15 That would just be my fear. And that was my  
16 fear. But I'd like to see us keep on  
17 pushing forward with it, because we need  
18 that leg in place.

19 MR. HALLACK:

20 Okay. So going back to properly  
21 titled, you would like for that to clearly  
22 read that the title must be in the dealer's  
23 name?

24 MR. WISENOR:

25 I think so.

1 MR. TAYLOR:

2 And give them a 45-day window  
3 after the sale. I think everybody believes  
4 -- I think everybody agrees that would be an  
5 adequate amount of time.

6 MR. HALLACK:

7 So for it to read properly that  
8 it must be in the dealer's name within 45  
9 days.

10 MR. TAYLOR:

11 After the --

12 MR. HALLACK:

13 It's a violation.

14 MR. TAYLOR:

15 Don't put that on there.

16 MR. WISENOR:

17 The title delivery is already 90  
18 days, because 21 days is an automatic  
19 violation, but depending on the  
20 circumstances, we don't automatically write  
21 a violation on 21 days.

22 MR. HALLACK:

23 Well, see, in that particular  
24 case that we recently had, it was obvious  
25 that he was waiting -- the dealer was

1           waiting to get the first payment before he  
2           put the vehicle in the -- in his name.

3           MR. WISENOR:

4                     That's a whole different  
5           situation. It's not a matter of waiting on  
6           the title to come in.

7           MR. HALLACK:

8                     But he was still right at 60 days  
9           on the temp tag. So he figured he was  
10          within the law. So not just properly  
11          assigned, but titled.

12          MR. TAYLOR:

13                     Titled.

14          MR. HALLACK:

15                     Okay.

16          MR. WISENOR:

17                     I think we even have dealers that  
18          do sales finance, they even do that legally.  
19          They're not supposed to, but they do. They  
20          wait it out and see if the customer makes  
21          the first payment. If not, they won't do  
22          any paperwork. I don't know if anybody  
23          will.

24          MR. TAYLOR:

25                     I don't know anybody.

1 MR. WISENOR:

2 Not offhand.

3 MR. HALLACK:

4 The next section, we're on page  
5 7. Again, I think it's very important we  
6 get rid of this as-is language that we have  
7 here. I know that Monroe called me two  
8 weeks ago, Investigator Monroe, he called me  
9 a couple of weeks ago. He called me a  
10 couple of weeks ago saying, I've got a  
11 problem. I've got a dealer and he knows he  
12 sold a bad car. So he won't take his money  
13 back. And the reason why is it had as-is on  
14 the bill of sale. And the customer is  
15 yelling, he knew it was a bad car when he  
16 sold it to me. There's proof of it.  
17 There's evidence of it, but he won't take it  
18 back, because there's as-is. And that law  
19 says he doesn't have to take it back, he  
20 doesn't have to reduce the purchase price,  
21 he doesn't have to do anything.

22 Monroe, I was just telling them  
23 about a conversation you and I had, I hate  
24 to put you on the spot, where you had called  
25 me about a dealer who knowingly sold a

1 defective car to a customer and he wanted to  
2 know what you could do, because it was sold  
3 with an as-is statement on the bill of sale.  
4 Do you remember that?

5 MR. ALLMOND:

6 Well, actually, I had two of  
7 them. Basically, they sold them as-is. But  
8 then almost immediately, the consumer had a  
9 problem with them, I mean, like, literally  
10 the day or the next day of the purchase.  
11 And two separate dealers wound up entering  
12 into verbal agreements with them to, well,  
13 I'll fix this, I'll fix that, and fix  
14 several things. And then all of a sudden,  
15 it got to the point they had several  
16 thousand dollars worth of repairs that they  
17 were fixing. So they were losing money on  
18 the deal. And then they finally cut the  
19 customer off, you know. But the way I see  
20 it, once they entered into that verbal  
21 agreement, I mean, that's, you know, an  
22 applied warranty from that point forward.  
23 So they need to either keep fixing or refund  
24 the whole purchase price.

25 MR. HALLACK:

1           And that's the situation that he  
2           was telling me about, that the dealer said,  
3           okay, the car has problems, I'll make good  
4           on it, until the problems got to be too  
5           expensive. And then the dealer says, hold  
6           it, you signed an as-is statement on the  
7           bill of sale. So I just think it's a law  
8           that we need to get rid of. The biggest  
9           reason why, it is contrary to the law of  
10          redhibition, which has been on our books  
11          since statehood.

12                    Any push back on that? Do you  
13           think it would be a good idea to delete this  
14           provision?

15           MR. WISENOR:

16                    Out here in the field --

17           MR. BARON:

18                    You don't think it would be --

19           MR. TAYLOR:

20                    No, no, no. I'm in agreement.

21           MR. WISENOR:

22                    Where would that put us on  
23           enforcement of that kind -- I mean, we --  
24           even though you would lose that from the  
25           law, that still doesn't give us any --

1 MR. HALLACK:

2 Like, in most situations, the  
3 only thing that I can tell him is that this  
4 is a civil matter. And redhibition has  
5 always been a civil matter. There's not  
6 much you can do with it, period, either way.

7 MR. WISENOR:

8 Right.

9 MR. HALLACK:

10 So -- and, Mr. Perry, do you  
11 understand what we're getting rid of?

12 MR. PERRY:

13 Yes.

14 MR. HALLACK:

15 Okay.

16 MR. PERRY:

17 It's my understanding that, you  
18 know, typically, that -- I've heard of a lot  
19 of people selling cars and they'll tell them  
20 it has this problem and they'll buy it  
21 anyway. And then there becomes another  
22 problem and they say, I'll fix it. Well,  
23 we're an implied warranty state. And they  
24 always go to court. They get sued. One of  
25 my good friends, he's been sued a bunch. He



1 sells cash cars and he's like, man, when I  
2 get sued, I -- if they bring me a lawsuit, I  
3 just by it back, because 9 times out of 10,  
4 you're going to lose the civil suit. So,  
5 you know, typically, I feel like it's  
6 handled in -- like you said a civil matter,  
7 you know, why, you know, make it -- I mean,  
8 I understand making it a -- deleting the law  
9 or -- I'm sorry. I'm kind of on the spot  
10 here. I wasn't prepared for it. But, yes,  
11 it makes sense, because at -- the end being  
12 trying to protect the consumer. And, you  
13 know, I think that anything you can do to  
14 protect the consumer is good for everybody,  
15 because if you do the right thing, you don't  
16 have these problems. But, of course, not  
17 everybody does the right thing, just kind of  
18 like the rent-to-own. So you've got to make  
19 protections for that.

20 MS. BARON:

21 And redhibition is civil?

22 MR. HALLACK:

23 Yes.

24 MS. BARON:

25 Is it still within the 72 hours?

1 MR. HALLACK:

2 No. It's within a year.

3 MS. BARON:

4 It is. Okay.

5 MR. HALLACK:

6 A year from the purchase --

7 MS. BARON:

8 Right.

9 MR. HALLACK:

10 -- a year from the date you  
11 discover there's a problem.

12 Anyway, the last thing is what we  
13 talked about earlier under 801, which is the  
14 last page, page 8, changes in the definition  
15 of a motor vehicle. Again, we're removing  
16 all that superfluous language that I can't  
17 begin to understand what it is. So let's  
18 make it simple.

19 Any questions?

20 MR. TAYLOR:

21 Just one quick, quick question on  
22 page 5, if you go down to B, you underlined  
23 B. You scratched B. And then you  
24 underlined that B right there. And it says  
25 at the bottom of the page, no person,

1 partnership, corporation, limited liability  
2 company, or other entity, unless licensed by  
3 the Commission as a used car dealer shall  
4 engage in the business as a broker,  
5 purchasing company, sales agent, et cetera.  
6 Is this kind of helping our issues that  
7 we're having with people paying these broker  
8 companies around the country? Is this -- is  
9 this our defense?

10 MR. HALLACK:

11 This does not change. You're  
12 talking about --

13 MR. TAYLOR:

14 If you go to 8-B and B has a line  
15 struck through it. And then there's a B  
16 right below it with a line under it. You  
17 see that?

18 MR. HALLACK:

19 Yes. No, that language is being  
20 -- I think it's a previous proposal. We'll  
21 just -- it's being deleted.

22 MR. TAYLOR:

23 Okay. And, now, this right here  
24 is going to become B; is that what's  
25 happening?

1 MR. HALLACK:

2 That's correct.

3 MR. PARNELL:

4 It's already in the statute.

5 MR. HALLACK:

6 It's already in the statute.

7 MR. TAYLOR:

8 Okay.

9 MR. HALLACK:

10 There's no change to it.

11 MR. TAYLOR:

12 We don't need it. We're  
13 protected from those companies that are  
14 letting people, I guess, buy a license from  
15 them from out of state. Is that what --  
16 well, what was the name of that company that  
17 we were having trouble with? There was a  
18 guy in Eunice, I think Devillier, I believe.

19 MR. HALLACK:

20 I think Montie is familiar with  
21 that, the dealer in Eunice that was -- he  
22 was -- he was dealing with a Canadian  
23 company and he was only lending his name.

24 MR. TAYLOR:

25 We talked about there was another

1           guy in the Carolinas that had a licensing  
2           company.

3           MR. WISENOR:

4                     Right. Well, if you're online,  
5           you can sign up to be a dealer and they  
6           just, I guess, hook you up with a licensed  
7           dealer either -- it could be in Louisiana.  
8           It could be Texas. It could be Arkansas,  
9           wherever, and just give you auction access  
10          to buy dealer plates and all that kind of  
11          stuff. Yes. I mean, he was brought up at  
12          the last meeting. I think Tiger said he had  
13          spoken with someone about it, because that  
14          particular company was out of Alabama, but  
15          -- and I think we were going to change --  
16          because it would have excluded a couple,  
17          like, New York, California or something.  
18          And we were going to -- supposed to check  
19          and see why they were excluded or -- but we  
20          didn't get further than that.

21          MR. HALLACK:

22                     Okay. That has been addressed.

23          MR. TAYLOR:

24                     Yes. I don't want to bog this  
25          meeting down by any means, but maybe we can

1 talk about it after the meeting or something  
2 and see if we can throw something in. I  
3 don't know.

4 Have you seen any of these guys  
5 at your auction, John?

6 MR. POTEET:

7 No. I don't know what you're  
8 talking about.

9 MR. TAYLOR:

10 I don't want to start something  
11 over one person.

12 MR. HALLACK:

13 Well, we had a problem in Eunice.  
14 I mean, he -- for \$10, he'd let him use his  
15 name on each transaction. And I think Tiger  
16 uncovered, like, 1,500 transactions where he  
17 allowed them to use his dealership name to  
18 sell a used motor vehicle. It's just been  
19 part of the chain.

20 MR. WISENOR:

21 Dwayne Tambling with the LIADA  
22 contacted me, or the office, about a Texas  
23 -- Manheim auction in Texas had contacted  
24 him about a -- someone that was attending  
25 their auction, was there buying cars. And I

1 think someone there, either the manager,  
2 asked this man where his location was and he  
3 just told him he was selling them out of his  
4 house. But he was using another license out  
5 of another state to do the transaction, you  
6 know. He was -- even though he legally  
7 could wholesale, but he's actually retailing  
8 them out of Texas, which we don't have any  
9 control over that. But he was using a  
10 Louisiana dealer's license to do all of  
11 that, but he was doing it in Texas. So --  
12 and I had another dealer up in -- around  
13 Shreveport that was using an Alabama  
14 dealer's license to do that, which when I  
15 found out what he was doing, he ended up  
16 getting a Louisiana license. As it turned  
17 out, he was thinking about the same to buy  
18 our license as he was paying for their fees.

19 MR. TAYLOR:

20 That company.

21 MR. WISENOR:

22 Yes. By the time -- you know,  
23 when they really looked into it, pay their  
24 own insurance, pay their own license fees,  
25 it's about the same.

1 MR. HALLACK:

2 No, but we -- is that something  
3 that you want to try to include in  
4 legislation, is some kind of outright  
5 prohibition like in California and New York  
6 for that licensing sharing business? We  
7 need to look into that.

8 MR. TAYLOR:

9 I would ask John if he thinks we  
10 need to look into that or not.

11 MR. POTEET:

12 Well, you know, it's one of those  
13 things where I haven't seen any issues with  
14 it, but if it starts happening, it's going  
15 to be an issue, because it can cause -- all  
16 kinds of problems it causes for the  
17 auctions, but from a consumer standpoint,  
18 it's even worse.

19 MR. HALLACK:

20 At one time many, many, many  
21 years ago, there was a situation that came  
22 up with -- in that regard and it was our  
23 position that if you wanted to do this, that  
24 you need to have a license with us anyway.  
25 If you want to license share, you, yourself,



1 have to have the license, too.

2 MR. POTEET:

3 Well, if I have somebody that  
4 comes into the auction and they say, I want  
5 to sign this guy up as a buyer for me, the  
6 first thing we always say is, do you  
7 understand that you're responsible for  
8 everything he does here? If not, it's not  
9 like we're going to deal with him. We're  
10 going to deal with you. I had a guy -- this  
11 is going way back to the days when I was  
12 managing the auction in Slidell. We had a  
13 guy that -- I'm not sure how this happened,  
14 but, you know, we took a check from the  
15 buyer and the dealer said, well, that's your  
16 problem. I said, no, it's your problem. He  
17 bought under your license. And, you know,  
18 that kind of thing comes up. But we've got  
19 safeguards in place to kind of protect us.  
20 It's just more of an annoyance. But, to me,  
21 I think it's consumer side that -- where it  
22 gets scary. Somebody is, you know, buying a  
23 license, but they haven't been vetted. They  
24 haven't, you know, gone through -- if you're  
25 buying a license -- if I'm going to sell to

1 George Washington, do I check his  
2 background? No, I take his \$25 or his \$100  
3 or whatever and he's on his way. I think it  
4 deserves at least to look into it and if we  
5 have -- if we have two states that have  
6 already banned it, then we could find out  
7 what their legislation says.

8 MR. HALLACK:

9 Okay. We will.

10 MR. POTEET:

11 Okay. Thank you, Robert.

12 MS. MORRIS:

13 I just have a question on 784 on  
14 page 5. It says -- you're leaving B as it  
15 is, because the new B with the underline,  
16 that was actually C. So B and C are staying  
17 the same? So we're taking out these?

18 MR. TAYLOR:

19 Yes, that's correct.

20 MR. HALLACK:

21 Yes. We're moving B and B is --  
22 C is now B.

23 MS. MORRIS:

24 Okay. So then D is going to come  
25 back, because there's also a D and a C.

1 MR. HALLACK:

2 That's correct, yes. Yes, sorry.

3 Anything else?

4 MR. POTEET:

5 Anything else on legislative?

6 (No response.)

7 MR. HALLACK:

8 So I guess next month, we'll have  
9 a complete bill for you as long as we can  
10 find an author.

11 MR. DONNELL:

12 We'll get an author.

13 MR. PARNELL:

14 It needs to be submitted to the  
15 staff by February 28th and pre-filed by  
16 March 2nd.

17 MR. DONNELL:

18 Pre-filing begins March 2nd?

19 MS. MORRIS:

20 It's got to be to the staff by  
21 the 28th or before. Hopefully, not on the  
22 28th.

23 MS. BARON:

24 So before February 28th or as  
25 soon as possible.

1 MR. POTEET:

2 Okay. Items for next agenda.  
3 February 19th, I will not be at that  
4 session.

5 MS. BARON:

6 And who would you like to put in  
7 your place?

8 MR. POTEET:

9 Dino or George, whichever one is  
10 going to be here.

11 Is one of you guys going to be  
12 here?

13 If George is not here, then it's  
14 Dino, then Darty Smith. After that, you  
15 don't have a quorum.

16 So that concludes our regular  
17 session. We will take a few minutes break.  
18 Then, we'll come back for the hearings.

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21 (Meeting adjourned at 10:48 A.M.)

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I, BETTY D. GLISSMAN, Certified Court Reporter, Certificate No. 86150, in and for the State of Louisiana, do hereby certify that the Louisiana Used Motor Vehicle Commission January 22, 2018, meeting was reported by me in the stenotype reporting method, was prepared and transcribed by me or under my personal direction and supervision, and is a true and correct transcript to the best of my ability and understanding.

This January 29, 2017, Baton Rouge, Louisiana.

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BETTY D. GLISSMAN, CCR  
CERTIFIED COURT REPORTER

Betty D. Glissman, CCR