

LOUISIANA USED MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA

REGULAR MEETING
JANUARY 24, 2011
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 VICE CHAIRMAN:

4 MR. JOHN POTEET

5 COMMISSIONERS PRESENT:

6 MR. GEORGE BREWER

7 MR. RHETT BOURGEOIS

8 MR. TONY CORMIER

9 MR. GEORGE FLOYD (arrived late)

10 MR. KIRBY ROY

11 MR. HENRY "DARTY" SMITH

12 MR. DOUGLAS TURNER

13
14 REPRESENTING THE LOUISIANA USED MOTOR
15 VEHICLE COMMISSION:

16 ROBERT W. HALLACK, ESQUIRE

17 HALLACK LAW OFFICE

18 13007 JUSTICE AVENUE

19 BATON ROUGE, LOUISIANA 70816

20 SHERI MORRIS, ESQUIRE

21 ROEDEL, PARSONS, KOCH, BLACHE,

22 BALHOFF & McCOLLISTER

23 8440 JEFFERSON HIGHWAY, SUITE 301

24 BATON ROUGE, LOUISIANA 70809

1 ALSO PRESENT:

2
3 MS. KIM BARON

4 MR. DEREK PARNELL

5 MS. MONA ANDERSON

6 MR. MARVIN HENDERSON

7 MS. PHYLLIS SIMS

8 MR. FRANK HILEMAN

9 MR. JESSE McCORMICK

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1 MR. POTEET:

2 I guess we will start off
3 with the Pledge of Allegiance.

4 (PLEDGE OF ALLEGIANCE)

5 MR. POTEET:

6 All right. Kim, roll call.

7 MS. BARON:

8 Glen Robinson?

9 MR. ROBINSON:

10 (No response.)

11 MS. BARON:

12 George Brewer?

13 MR. BREWER:

14 Here.

15 MS. BARON:

16 Louis Bourgeois?

17 MR. BOURGEOIS:

18 Here.

19 MS. BARON:

20 Tony Cormier?

21 MR. CORMIER:

22 Here.

23 MS. BARON:

24 Ron Duplessis?

25

1 MR. DUPLESSIS:
2 (No response.)
3 MS. BARON:
4 George Floyd.
5 MR. FLOYD:
6 (No response.)
7 MS. BARON:
8 John Poteet?
9 MR. POTEET:
10 Here.
11 MS. BARON:
12 Kirby Roy?
13 MR. ROY:
14 Here.
15 MS. BARON:
16 Darty Smith?
17 MS. BARON:
18 Here.
19 MS. BARON:
20 Douglas Turner?
21 MR. TURNER:
22 Here.
23 MS. BARON:
24 Mr. Chairman, we have a
25 quorum.

1 MR. POTEET:

2 Thank you.

3 Do we have anybody here for
4 public comments?

5 MS. BARON:

6 Not that I'm aware of.

7 MR. POTEET:

8 Okay. Items for discussion.
9 I'm sure all of you received Kim's --
10 the minutes from the previous meeting
11 e-mailed to you by Kim. You have had a
12 chance to read over those. We need an
13 approval of --

14 MR. BOURGEOIS:

15 I make a motion to approve
16 the minutes.

17 MR. CORMIER:

18 Second.

19 MR. POTEET:

20 All in favor?

21 (All "Aye" responses.)

22 MR. POTEET:

23 All right, that's approved.
24 Review of the financial
25 report for December.

1 MS. ANDERSON:

2 Good morning. If you will
3 turn in your packet to the financials, Page
4 1 is your balance sheet. Your cash balance
5 as of December 31st was \$808,373.00. Under
6 that, the hearings, we did collect \$20,000
7 from Pro Auto Sales on the hearing. It was
8 collected at the end of December, but
9 deposited in January. So you will see that
10 on the report that's attached, but not on
11 the balance sheet until January. The
12 uncollected balance on the online
13 receivables was \$6,723 as of the end of
14 December, but \$5,700 in January. So total
15 out of the \$21,000, we have collected
16 \$15,300.

17 You will see there is a new
18 account on your balance sheet, accounts
19 receivable, credit card deposits in transit,
20 and those reflect licenses that were renewed
21 at the end of December, December 31st, but
22 not deposited in our account until January.
23 So at the bottom of the page there, our
24 year-to-date profit was \$292,405.

25 Turn the page to Page 2. At

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1 the bottom of Page 2, you can see our
2 year-to-date total revenues was \$773,419,
3 which was higher than the revenues for the
4 same period last year, which was \$704,000.
5 \$42,000 of that was an increase in the
6 number of license fees and \$27,000 was other
7 revenues, primarily hearing costs.

8 If you flip on over on Pages
9 3 and 4 which shows your expenses for
10 December. And at the bottom of Page 4, your
11 total expenses for December was \$671,500,
12 which is slightly higher compared to 2009,
13 but the year to date was significantly
14 lower, about \$79,000 lower, and that's
15 primarily due to lower operating and
16 professional services costs. The
17 year-to-date revenue over expenses was
18 \$147,000 higher than in 2009.

19 And if you will flip over to
20 the budget balance report, the year-to-date
21 revenues were at 70 percent of budgeted,
22 which is about six percent improvement over
23 2009. And on Page 6, on the expenditures,
24 expenditures were pretty normal. The
25 salaries were 48 percent of budget, which is

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1 very good for peak season -- peak license
2 renewal season. The operating services are
3 on target at 50 percent, and the contracted
4 professional services were well below
5 budget. If you will turn on to the revenue
6 and expenditure comparison, the net revenue
7 to expenditures was \$292,405, and if we
8 continue on at the -- only the same net as
9 we had in 2009, we are going to end the year
10 significantly over last year. We could
11 exceed the net by \$147,000.

12 On the following page, the
13 certificate of deposit summary, it is pretty
14 much the same as what you saw last month.
15 Now early in January, we did convert those
16 -- that Concordia \$200,000 CD into two
17 separate CDs, both of which will renew in
18 July. One of them will renew again for
19 three months and -- putting that in October
20 and the other one for a year. So that will
21 make -- that will spread the maturity dates
22 throughout the year, have an even spread of
23 our money.

24 And lastly on the final page,
25 you know, as we discussed on the balance

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1 sheet, we did collect \$20,000 from Pro Auto
2 Sales. It was actually collected at the end
3 of December, but deposited the first day in
4 January, and that left a balance on that
5 account of \$1,600.

6 Derek, did you want to say
7 something?

8 MR. PARNELL:

9 Yes. That will be the next
10 item.

11 MS. ANDERSON:

12 That would conclude my report
13 unless you have any questions.

14 MR. POTEET:

15 I don't have any questions,
16 but I would like to commend you on a very
17 professional presentation. It finally looks
18 like a real financial report, the kind I
19 learned about in college 40 or 50 years ago.

20 MR. PARNELL:

21 Number 2 on the financial
22 report is the discussion of
23 Glenn Smith Pro Auto Sales bond exhaustion.
24 I put this under financials because it's
25 dealing with finances. A hearing was

1 conducted in the October Commission meeting
2 involving Glenn Smith of Pro Auto Sales.
3 During the Commission meeting, a judgment
4 was placed upon him for the sum of \$21,600
5 in penalties and fines. Mr. Smith didn't
6 have that financing to pay that. So what we
7 did, we went against his bond, exhausted his
8 bond to \$20,000, which left a remaining
9 balance of \$1,600. In speaking with him, he
10 does not have the funding to the pay that.
11 What I'm coming to the Commission for today
12 is asking what would you have me do with
13 that remaining balance? Do we write that
14 remaining balance off for \$1,600 or do we go
15 after him in court to get it? Because he
16 doesn't have it.

17 MR. POTEET:

18 \$1,600?

19 MR. PARNELL:

20 Yes.

21 MR. POTEET:

22 That's what's remaining?

23 MR. PARNELL:

24 The total judgment was
25 \$21,600. We went against his bond,

1 exhausted the bond. That was \$20,000, and
2 that was the funds that we were referring to
3 that came in at the end of December. So we
4 have received that in the Commission. So
5 what's remaining left is \$1,600.

6 MR. BREWER:

7 I would say probably just
8 write it off. From personal experience, he
9 owes me quite a bit money, too, and I've
10 written it off.

11 MR. PARNELL:

12 He is kind of spread out. He
13 is not specific -- there are a lot of
14 different areas in what he owes.

15 MR. POTEET:

16 Yes. I would expect it would
17 cost us more -- way more than that in time
18 and effort. And, you know, he is never
19 going to be a dealer again in the State of
20 Louisiana. So I would recommend that we go
21 ahead and write that off.

22 Do we need a vote on that?

23 MS. MORRIS:

24 Yes.

25 MR. SMITH:

1 I'll make the motion.

2 MR. BOURGEOIS:

3 Second.

4 MR. POTEET:

5 Motion and a second.

6 All in favor?

7 MR. ROY:

8 What is the motion?

9 MR. POTEET:

10 The motion is to write off
11 the \$1,600 owed to us by Pro Auto Sales.

12 I have a motion and a second.

13 All in favor.

14 (All but one "Aye" response.)

15 MR. POTEET:

16 Any opposed?

17 MR. ROY:

18 Aye.

19 MR. POTEET:

20 You are opposed?

21 MR. ROY:

22 Yes.

23 MR. POTEET:

24 We will write it off.

25 MR. PARNELL:

1 The next item, number three,
2 is discussion of previous judgments and
3 administrative hearing. On May 20, 2003,
4 Dana Thibodaux, Auto One Depot from
5 Opelousas, this gentleman is actually living
6 in Georgia -- Stone Mountain, Georgia. On
7 June 10, 2003 a judgment was issued, which
8 resulted in an administrative hearing on May
9 -- from an administrative hearing on May 20,
10 2003 for Dana Thibodaux, Auto One Depot in
11 Opelousas. The fines total \$4,140.50. Mr.
12 Thibodaux -- which was 40 counts of
13 non-delivery of title, \$50 each, which is
14 \$2,000; 23 counts of improper use of temp
15 tags, \$50 each, which totaled \$1,150. Court
16 reporter and attorney fees were included in
17 the \$4,140.

18 He called and basically
19 stated that he was going through some of his
20 old books and since 2003, he found that he
21 had a judgment out there. He called our
22 offices to find out what that judgment paid.
23 Kim received the phone call first, and then
24 we kind of did some research and went
25 through our books to find out that it was

1 not paid. He offered to pay half of that
2 fee. During my discussions, I spoke with
3 Attorney Hallack about that and what he was
4 basically saying, in a way this gentleman --
5 and we had already written it off in 2005.
6 So any fees that we actually get in from it
7 is kind of like a given, in so many words.

8 Mr. Hallack, if you don't
9 mind, can you kind of tell us about -- since
10 it's been from 2003, what could we do in
11 relation to him?

12 MR. HALLACK:

13 Well, it's been eight years
14 ago. There's nothing we can really do to
15 collect the money, first of all. Second of
16 all, he lives in Georgia, so an additional
17 difficulty in trying to collect the money.
18 We would spend a lot of money trying to
19 collect a debt that is stale. So any money
20 that you receive from the guy, like Derek
21 said, is a gift.

22 MR. PARNELL:

23 When I spoke with him, he
24 said -- he offered again. He said, I will
25 definitively -- I just want to try to clear

1 up as much as possible. He is not planning
2 on opening up another business here in
3 Louisiana again. He said he would like to
4 pay half if that's okay. I told him what I
5 would do is present it to the Commissioners
6 to find their pleasure. So I will put that
7 to you all.

8 MR. POTEET:

9 Is there any disadvantage to
10 us accepting a settlement?

11 MR. HALLACK:

12 No, sir.

13 MR. POTEET:

14 Once again, he can't be a
15 dealer in the State of Louisiana, can he?

16 MR. HALLACK:

17 He can apply.

18 MR. BOURGEOIS:

19 Can we make a motion that we
20 accept it provided -- with the stipulation
21 that he cannot have -- be a dealer without
22 paying the second half?

23 MR. HALLACK:

24 Yes.

25 MR. PARNELL:

1 He can't ever come back and
2 be a dealer, he has to pay the rest.

3 MR. BOURGEOIS:

4 That's my motion.

5 MR. POTEET:

6 Do we have a second on that?

7 MR. SMITH:

8 I'll second.

9 MR. POTEET:

10 All in favor in accepting
11 this payment?

12 (All "Aye" responses.)

13 MR. POTEET:

14 Any opposed?

15 (No response.)

16 MR. POTEET:

17 Okay. All right. I guess
18 the next thing we have here is legal matters
19 and pending litigation, an update on the
20 Commission versus Sundance Boats.

21 MR. HALLACK:

22 Again, this is a matter where
23 we are trying to collect a fine and penalty
24 that's owed to the Commission. I think it's
25 \$2,000 per day since June of 2008. So it's

1 over a million dollars. They were scheduled
2 for February 18 to appear before the judge
3 to have the order of the Commission
4 confirmed. Under the full faith and credit
5 clause in the Constitution, every state has
6 to acknowledge another state's judgment. So
7 it has to come from district court. They
8 are under no obligation to enforce the order
9 of the state agency, but when that agency
10 has a judgment confirmed by district court,
11 then another state will have to honor that
12 judgment. So this is the step in getting a
13 judgment from district court. So that
14 hearing will take place February 18. Once
15 we get the judgment from state district
16 court, then we can execute on that judgment
17 in the State of Georgia.

18 MR. POTEET:

19 What was the condition
20 of Sundance Boats, are they still in
21 business?

22 MR. HALLACK:

23 Yes, they are still in
24 business.

25 MR. PARNELL:

1 At one point they stated that
2 they wanted to make an offer to the
3 Commission once they lost the appeal, but
4 they haven't responded back to that and
5 that's when Attorney Hallack moved forward
6 with the filing.

7 MR. POTEET:

8 Any other discussion on that?

9 (No response.)

10 MR. POTEET:

11 Let's move on to the
12 discussion of the server concerns. This is
13 the situation with the Department of Public
14 Safety and Division of Administration.

15 I guess, Derek, you are the
16 expert here.

17 MR. PARNELL:

18 At our December meeting, I
19 kind of brought up that the Division of
20 Administration, for years, they have been
21 paying fees associated with the server that
22 was housed at Public Safety -- the
23 Department of Public Safety. There are two
24 agencies that actually use one of the
25 servers. It is ATC, Alcohol, Tobacco

1 Commission, and ourselves. What the
2 Division of Administration -- what's been
3 happening with them, they have been cutting
4 a lot of costs with the Division. They laid
5 off like 20 employees and a lot of the extra
6 financing that they were doing out there,
7 they are not going to do anymore. It just
8 so happens that they were paying our fees,
9 which was totaling \$1,344 per month -- oh,
10 I'm sorry, annually. It was \$1,344 annual
11 fee that they were paying for ourselves and
12 ATC to house that server at Public Safety.
13 Since they stated that they were not going
14 to pay that anymore, the Division -- our
15 representative for that I've been dealing
16 with, I've been in talks with him and ATC,
17 trying to decide exactly what is a good
18 method for us since it was such last minute.
19 The Division of Administration has stated
20 that they will pay the prorated amount. So
21 from July of 2010 until January of 2011,
22 they will pay that fee. So for the rest of
23 the fiscal year from February on, either ATC
24 and our Commission will split that cost,
25 which leaves about \$540 and we will split

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1 that cost or we will actually move the
2 server from Public Safety to one of our
3 commissions.

4 When I spoke with ATC about
5 it, their IT personnel basically stated that
6 they are actually -- they won't need it
7 anymore -- that server anymore, because they
8 are going to cloud computing, but they
9 probably won't be able to get approved for
10 that for another month or so, and that's
11 something that we are actually researching
12 right now is whether we should have our own
13 servers here or actually move to a cloud
14 computing methodology.

15 So what I'm thinking and what
16 I'm looking at is that since it is such
17 short notice and the fee is not incredibly
18 high, I would like to know what do you-all
19 think is the best solution. Should we try
20 to have someone trying to pull that server
21 over here or just go ahead and pay that fee
22 in order to house it at DPS? I don't want
23 to rush into making a decision as it relates
24 to cloud computing versus a server, because
25 I understand that this is going to be the

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1 framework -- the foundation of where we are
2 trying to go in the future. I want to make
3 sure I make a really good decision and we
4 all make a good decision on what we are
5 going to do. So it buys us some time until
6 the end of the fiscal year. I think it is a
7 really good idea to do so, but I would
8 definitely like to open the floor for
9 discussion, if you have any questions, and
10 let's see if we can discuss it.

11 MR. POTEET:

12 Does anybody have any
13 comments on that?

14 MR. TURNER:

15 How much time would you say
16 you need to look into the cloud scenario, I
17 mean, what is your timeframe on that, 60, 90
18 days?

19 MR. PARNELL:

20 I would give it another 60
21 days or so because -- to really dig into it.
22 We have been actually meeting with a couple
23 of agencies that -- and talking about what
24 they use and a couple of companies that
25 actually supply it, you know. They have

1 some high numbers, some of them, you know.
2 The ATC, what they plan on doing is going to
3 CAVU, and we talked with them as well. They
4 are looking at \$2,000 per month just moving
5 forward. Every month is \$2,000, which will
6 total about 24 grand a year. So I just want
7 to be sure we make the right decision on it.
8 And maybe I can speed it up, but I just want
9 to make sure, you know. I will give myself
10 60 days or so, but the.

11 MR. TURNER:

12 We should have a timeframe.

13 MR. PARNELL:

14 Yes.

15 MR. TURNER:

16 Especially, if we are just
17 going to pay the \$500 something. I mean, it
18 makes sense to me, but I don't think we want
19 to wait until the end of the fiscal year,
20 and then be paying it.

21 MR. PARNELL:

22 No. We need to make
23 something happen prior to that, just to
24 actually get it in motion. If we go to the
25 cloud, we need to make sure that they can

1 actually house the server size that we
2 require. A lot of the conversations that I
3 had with some of those companies, they are
4 looking at our size and it may be not the
5 best idea to go to cloud. It just depends
6 on what we are going to prefer in the
7 future.

8 MR. POTEET:

9 We are too big or too little?

10 MR. PARNELL:

11 They are saying we are kind
12 of small to actually go -- you know, for
13 what we want and what we want to do. Some
14 of them are saying it is more cost effective
15 to actually house our own.

16 MR. POTEET:

17 Have our own server?

18 MR. PARNELL:

19 This is the company that can
20 actually do the hosting that they are
21 actually saying and I was surprised to see
22 them --

23 MR. POTEET:

24 They don't want to sell you
25 something.

1 MR. PARNELL:

2 So the cost is very minimal,
3 very miniscule. So it is really what do you
4 prefer we do? I can't get it over -- I can
5 get the -- I can take the server from over
6 there. I can house it here in some empty
7 area. We would have to pay a fee then and
8 we would still have to share it with ATC,
9 though.

10 I spoke with the IT guy and
11 he said that he can bring it over here and
12 just house it somewhere in the office
13 because we do have some empty space here.
14 The size of it, I don't know how big it is.

15 MR. POTEET:

16 It shouldn't be very big.

17 MR. POTEET:

18 I don't see any -- unless
19 somebody has another idea, I don't see any
20 reason to move it at this time other than to
21 save the 500 bucks, at most \$560. If ATC is
22 not able to move to the cloud computer, we
23 would share that cost of \$560.

24 MR. POTEET:

25 I'm hoping that we can have

1 an answer in the next 60 days. I mean, I
2 know you have been working on it. You and I
3 have talked some, too, but my opinion on
4 something like this is let's just leave it
5 where it is for now. We've got a little bit
6 of time to work on it and figure out what we
7 are going to do.

8 MR. CORMIER:

9 I agree.

10 MR. POTEET:

11 Does anybody have an opinion
12 on that? I think that we can do that. We
13 don't need a motion for that.

14 Discussion of staggering of
15 dealer licenses.

16 MR. PARNELL:

17 This came out -- Chairman
18 Robinson wanted me to put this on our agenda
19 today because during our 2010 Legislative
20 Session, we made some changes with our law
21 that would allow us some flexibility with
22 our licensing requirements. One thing that
23 I brought up at an earlier meeting, I think
24 it was in October, is that if we move to a
25 staggering methodology of how we are

1 licensing our lapse in fees, we wouldn't run
2 into the situation that we are in right now.
3 We are not doing horribly bad with our
4 licensing, but right now we all know our
5 staff is a lot smaller than it has been in
6 quite sometime. We have been working
7 overtime quite a bit to actually get that
8 stuff out of here. But right now, we are
9 working -- we are around December 10th on
10 our renewals.

11 So one thing we talked about
12 on several occasions in the past is that we
13 may think about going to a staggering of our
14 licensees, so we won't have all 7,000
15 licensees coming in at one time and getting
16 renewed at one specific time. One thing
17 that -- I'm still waiting to hear a reply
18 from Office of Motor Vehicles, Ms. Jill
19 Jarreau, is that one concern is how would it
20 affect the dealer plates because the way it
21 is right now, the way it is set up
22 currently, is that the dealer plates expire
23 on the same day, on the 31st of December. I
24 spoke with Jill Jarreau probably about 30
25 days ago and I tried to get with her this

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1 past week and I wasn't successful. She was
2 telling me that they were actually moving to
3 a new system, which would allow us the
4 ability to do a staggering method. One
5 thing we would have to do is ensure her that
6 whatever we -- whatever licensees we do
7 decide we move to a staggering method that
8 we inform them, so that they will know
9 exactly which ones the dealer plates would
10 -- how it will affect the dealer plates.

11 So with this discussion, I do
12 want to hear some feedback from you as
13 Commissioners what are your thoughts as
14 it relates to staggering the licenses, how
15 would you want to do that, would you want to
16 do half July, December? There was even talk
17 about doing two year licenses. The
18 logistics have not been worked out at all,
19 but we do want to again really discuss this
20 method as much as possible.

21 MR. POTEET:

22 Do you guys have any
23 comments?

24 MR. ROY:

25 I thought we decided to do it

1 twice a year.

2 MR. HALLACK:

3 Well, we talked about it.

4 MR. ROY:

5 We talked about it, but we
6 never --

7 MR. POTEET:

8 The dealer plates was the
9 thing that kind of got thrown up in our
10 faces, that we didn't -- we wouldn't be
11 coinciding the dealer plates. We have to
12 have their agreement to work with us on that
13 before we can do it.

14 MR. PARNELL:

15 As I understood, they have
16 been actually working on a new program that
17 would allow them some flexibility on issuing
18 dealer plates and I'm still waiting on them
19 to see if that program has been put in
20 place, yet. So I guess in a way then pretty
21 much if -- we are really just waiting to
22 hear what's coming up with them, if they are
23 in agreement with it. We will just have to
24 talk about the logistics about how we would
25 go about doing it.

1 MR. POTEET:

2 Does anybody have any -- do
3 any of the car dealers have any feelings
4 about that? I mean, you know, I guess what
5 we would have to do is we would have to do
6 some people on either a six month license or
7 some on a year and a half license, and then
8 -- so that first logical move would be kind
9 of crazy, but --

10 MR. TURNER:

11 If we did it, let's say, in
12 July, we are going to issue licenses and you
13 had already paid for a year, can you prorate
14 the license that you are renewing, which
15 would be the 2012, is that legal to do that,
16 can we do that?

17 MR. POTEET:

18 I have no idea, but I assume
19 since we have the option of going to a
20 staggered license that we would have some
21 sort of mechanics for getting that done. We
22 just have to figure out what's the best way
23 to do it. It seems to me that -- I think it
24 is obvious that if you can spread the work
25 out and try to do 7,000 in two months, you

1 can do 3,500 in two and 3,500 in another two
2 months.

3 MR. PARNELL:

4 One way that -- Mona and I
5 were actually talking about it because I
6 know that it is going to impact us
7 financially, is that when we get close to
8 the end of the year, whichever licenses we
9 do decide to move to that, we will give them
10 a six month extension with the payment, of
11 course, and so that would just prorate them
12 for that six months. So the normal ones
13 that we don't do, we are just going to renew
14 them again in December. So the next one is
15 going to fall in July, which is similar to
16 what you are saying, but you are breaking it
17 up and moving it to 2012.

18 MR. TURNER:

19 Another question, would it be
20 more feasible to do it quarterly? That is
21 really spreading it out where going to two
22 times a year instead of the whole year by
23 maybe alphabetically from A to Z.

24 MR. POTEET:

25 We had talked about it, but I

1 can't remember.

2 MR. PARNELL:

3 We also talked --

4 MR. POTEET:

5 We also talked about maybe
6 getting it for two years or something.

7 MR. PARNELL:

8 Yes, there were two year
9 licenses as well that we are working on as
10 well. So I don't know which one would be
11 better.

12 MR. BREWER:

13 It seems like the year rolls
14 around so quick.

15 MR. POTEET:

16 Well, I think from the
17 workload, the two years wouldn't help us
18 unless we staggered it, also, because you
19 are still going to have -- I guess as people
20 came in over time, it would --

21 MR. BREWER:

22 Did we get all of the
23 licenses issued?

24 MR. PARNELL:

25 No, no. Right now, we are --

1 January 24th, we are working on around
2 December 10th with renewals.

3 MR. BREWER:

4 What happens with a case like
5 that where the dealers can't get their
6 license? They are still able to operate,
7 I'm sure?

8 MR. PARNELL:

9 Well, technically, no, but I
10 get a lot of calls about that and I let them
11 know that we are not going to send anybody
12 out there to mess with them about that. We
13 do get a lot of calls -- a lot of the young
14 ladies get a lot of calls from Office of
15 Motor Vehicles calling and asking, you know,
16 can -- what's going on with this person?
17 They are actually further behind than we
18 are. They are about six months behind. So
19 they are really behind, but what they have
20 been doing, they have been calling over here
21 and if -- we speak to them on the phone and
22 if they do have their license in and we just
23 need to get it out there, we will let them
24 know that and they will go ahead and issue
25 the dealer plate.

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1 MR. BREWER:

2 Y'all are still returning
3 phone calls at a certain time, around three
4 or four o'clock in the afternoon?

5 MR. PARNELL:

6 Yes.

7 MR. BREWER:

8 I informed a couple of people
9 who complained they couldn't get through.

10 MR. PARNELL:

11 Yes. They do it. You know,
12 it does slow them down a bit. We need it,
13 we have to do it, just to keep the --

14 MR. TURNER:

15 I got a call from several
16 dealers that said that the auctions won't
17 let them purchase until they have their new
18 license. Have you come across that?

19 MR. POTEET:

20 What we did at the auction
21 was, if they are on the website as pending,
22 we let them -- I don't think I have rejected
23 anybody.

24 MS. BARON:

25 There is only one auction

1 that has been rejecting them and she called
2 me the other day and I said, well, they can
3 buy. They can buy as many as they want.
4 They just shouldn't sell them. But, you
5 know, I said, if you don't let them in to
6 buy, there's not a problem there, or if they
7 are bringing stuff in there to sell, I said,
8 but we just haven't got the licenses out to
9 them yet or they haven't sent their
10 paperwork in.

11 MR. POTEET:

12 I had a suggestion for Derek.
13 This is something that might be way out of
14 the box. What if we allowed people to
15 actually file their licenses at the auction?
16 What I suggested to Derek was, we could take
17 -- we can't do it with new ones or anybody
18 that had kind of a change, but if you had no
19 change, what we would do -- and the reason
20 for this is, I would say -- well, I don't
21 know what percentage, but a huge percentage
22 of dealers go to at least one auction every
23 week. They are at the auction. They know
24 the people. They see the people. We know
25 them. We kind of know their level of

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1 ability to fill out paperwork. So we could
2 offer to have them actually fill out their
3 license at the auction, you know, pay us, we
4 will pay you, take out a fee for ourselves
5 for the work that we are doing, let's just
6 say \$25, and then what I told Derek is, we
7 would look over the paperwork, make sure it
8 was right before it is sent over here, and
9 then in our case, I would say it would be a
10 money back guaranty. If we don't send you
11 good paperwork, we won't collect the \$25.

12 But the reason I bring that
13 up is, the auction has as much trouble with
14 this as any other entity. I mean, we've got
15 theoretically 7,000 dealers, not all 7,000
16 dealers come to my auction, but I've got
17 hundreds of dealers that are coming in and
18 they don't have their license. They don't
19 know where it is. They want me to, you
20 know, find out about it. They are wanting
21 all of our people -- I mean, there's a big
22 administrative turmoil that is created by
23 this. Would there be any problem with us
24 doing that?

25 MS. MORRIS:

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1 Splitting the fee, there is,
2 because you don't have authorization from
3 the Legislature to do that, but --

4 MR. POTEET:

5 It wouldn't be a split. It
6 would just be, I take \$25. I mean, whatever
7 it is, I realize we would have to get that
8 approved. I'm just saying a normal amount
9 to pay for the time that we take.

10 MS. MORRIS:

11 Right. I understand. The
12 Commission right now doesn't have authority
13 to hire out an agent, so to speak. They
14 have in-house processing. So you don't have
15 authority to outsource that at this point.

16 MR. POTEET:

17 Could we do it for free?

18 MS. MORRIS:

19 I would think so if the
20 Commission authorized you to.

21 MR. POTEET:

22 So we are just negotiating on
23 the price now.

24 MR. TURNER:

25 We don't mind you doing the

1 work. We just don't want to pay you.

2 MR. POTEET:

3 Would that be something that
4 we could take to the Legislature or is that
5 something we would get --

6 MS. MORRIS:

7 I would have to look at it,
8 but I would think you would need legislative
9 authorization just like they do tag agents,
10 a similar concept as tag agents. There are
11 private entities that do that work for them.

12 MR. POTEET:

13 Well, as I said, the reason I
14 suggested it is because the dealers are at
15 auctions. I mean, this is a place that they
16 are regularly going. They know the people
17 behind the counter. We know them. You
18 know, it might be a way to --

19 MR. BOURGEOIS:

20 How would they show the bond
21 capacity?

22 MR. POTEET:

23 We require them to do the
24 same thing when they have to send it here.
25 There would be no difference. They would

1 have to have everything, the paperwork
2 exactly. In other words, when we took it,
3 all that would be left to do is for us to
4 take it to the Commission with the fees. If
5 I had 10 of them, I would have -- you know,
6 I would write a check for all these 10
7 dealers and we would do them maybe, you
8 know, weekly or --

9 MS. MORRIS:

10 It is similar to the clerk of
11 court accepts marriage licenses at their
12 locations for Vital Records and all they do
13 is they provide a process to fill out the
14 paperwork. They check it. They send it to
15 Vital Records. I think they get \$5 a
16 license or something like that. But it is
17 -- and there are similar processes that
18 other agencies use.

19 MR. BOURGEOIS:

20 Could they add a fee on top
21 of the license fee rather than just use the
22 license fee?

23 MS. MORRIS:

24 That's up to the Legislature.

25 MR. POTEET:

1 Well, the fee is not as
2 important, you know. I mean, I would want
3 to get something for time that it takes my
4 people to do it, but the fee is not as
5 important as looking for a way to expedite
6 the licensing process. And I think a lot of
7 dealers would feel comfortable at an auction
8 that they go to a regular basis working with
9 them on that. I'm sure some people say, I'm
10 not going to do that, but if -- I think --
11 how many licenses -- auctions do we license
12 in the state, 14, 15?

13 MR. PARNELL:

14 Fourteen.

15 MR. POTEET:

16 If just half of those would
17 do each 100, I mean, you are talking about
18 700 out of -- that's 10 percent. That's a
19 little less workload there. Maybe --

20 Derek, could you check into
21 that more?

22 Does anybody have any
23 objection to this or any idea that this just
24 absolutely wouldn't work or shouldn't be
25 done?

1 MR. TURNER:

2 I'm not sure how much time it
3 will take because they are sending their
4 packets in, which they are taking the
5 packets and bringing it here.

6 MR. POTEET:

7 But also we would sit down
8 with people and make sure that they fill it
9 out properly. How many do you reject,
10 because --

11 MS. BARON:

12 A lot.

13 MR. POTEET:

14 A lot. That's what I would
15 be, you know, doing. We know how to do it,
16 come here and we'll fill it out for you.
17 It's just like going to H&R Block to get
18 somebody to do your 1040EZ. I mean, I don't
19 know why anybody would do that, but people
20 do. They want to make sure it is filled out
21 properly. And at least from my standpoint,
22 I would -- again, I'm would make sure it was
23 filled out right or if you made a mistake or
24 something that we wouldn't charge you for
25 it, you know, it would just be a rejection.

1 I'm just looking for something that adds a
2 little bit of ease for the dealer and since
3 we are affected at the auction as much as
4 anybody, I would like to see something that
5 helps us.

6 MS. BARON:

7 They would still go on the
8 shelf and -- the date that we received them,
9 but when the girls pulled them, they would
10 be able to issue that one right there
11 instead of having to write out a letter
12 saying, this is what we need from you, and
13 putting it back in the stack and waiting for
14 that requirement to come in.

15 MR. POTEET:

16 That's what I thought.

17 MS. BARON:

18 So that would cut down a
19 little bit on that.

20 MR. TURNER:

21 What would you say the
22 percentage is, Kim?

23 MS. BARON:

24 Percentage of what?

25 MR. TURNER:

1 Rejected license
2 applications.

3 MS. BARON:

4 Probably -- it's probably
5 about 50 percent, if not more.

6 MR. PARNELL:

7 I would say about 45.

8 MS. BARON:

9 It's high.

10 MR. ROY:

11 John, it wouldn't be a
12 conflict -- since you are on the Commission,
13 it wouldn't be a conflict, you don't think?

14 MR. POTEET:

15 I don't know.

16 MR. ROY:

17 The ethics --

18 MR. POTEET:

19 I don't know what the ethical
20 conflict would be.

21 MR. HENDERSON:

22 I mean, I think it's a great
23 idea, John, but I was just wondering, would
24 the auction have an option to participate or
25 not participate?

1 MR. POTEET:

2 Yes.

3 MR. HENDERSON:

4 I don't think we would do it
5 because we have so many retail customers
6 that are there.

7 MR. POTEET:

8 No, I don't think it would --

9 MR. HENDERSON:

10 Probably half of your dealers
11 would be at those auctions instead of having
12 to come participate in other ways.

13 MR. POTEET:

14 No. I wouldn't require any
15 auctions to participate in this. It would
16 be this is a place you could do it if the
17 auctions --

18 MR. HENDERSON:

19 I think that would be a great
20 idea.

21 MR. POTEET:

22 Why don't you do a little
23 more research on that?

24 MR. ROY:

25 I mean, he's not an elected

1 official, but he is on the Commission.

2 MR. POTEET:

3 We can check on that, if
4 somebody could follow up as to what the
5 ethics are.

6 MR. PARNELL:

7 The next item on discussion
8 is discussion of proposed revisions to the
9 LA Administrative Code 2907. During our
10 December meeting, we had a discussion and we
11 had some opposition from Mr. Frank Hileman
12 from LKQ Corporation on our proposed license
13 changes in Rule 2907B. The language change
14 in the rule was proposed to better
15 facilitate and more clearly define the
16 Commission's rule regarding requirements for
17 licensure of the used motor vehicle dealer
18 and established place of business. Since
19 that time, Ms. Morris -- and we have talked
20 with Mr. Hileman and Ms. Morris, she made a
21 change to that revision.

22 Ms. Morris, if you don't
23 mind, can you go over that change that we
24 looked at?

25 MS. MORRIS:

1 Okay. I just reworded the --
2 in 2907, I reworded Subsection B to clarify.
3 I think we all knew that if you were
4 conducting an auction, you had a separate
5 license, but now it says a dealer licensed
6 by the Commission to conduct auctions. So
7 it cannot be applicable to anyone that
8 doesn't have an auction license by the
9 Commission. And then, it clarifies -- I
10 think it was always the intent that you had
11 to get a license for that temporary
12 location, but it clarifies in the third line
13 that after -- you can do the auction at
14 another site after receipt of a license for
15 that site. So it really doesn't change the
16 substance of what we are trying to do. It
17 just maybe clarifies the language some. I
18 did submit it to the Register for review to
19 see if it would be accepted as a technical
20 revision or whether they deemed it
21 substantive, which meant we have to
22 re-advertise it and they said they would
23 accept it as technical.

24 MR. HILEMAN:

25 They really did a good job of

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1 solving the problem that we objected to.

2 MR. POTEET:

3 Ms. Morris e-mailed it to me
4 and I guess that she e-mailed it to
5 everyone. I thought it was very clear and
6 concise and it answered the issue that we
7 had.

8 MR. HILEMAN:

9 Absolutely.

10 MR. POTEET:

11 I guess we'll move forward to
12 that. I thought we were already on the
13 Executive Director's report.

14 MR. PARNELL:

15 As far as -- review of
16 complaints, totals this month, we had a
17 total of 45 alleged issues. Fourteen
18 complaints were non-delivery of titles, nine
19 are request of refunds. We are still -- I
20 still have the investigators be a little
21 more proactive than they had been in the
22 past as it relates to looking at violations,
23 if they are actually committing the
24 violation. It's something that they know is
25 habitual, let's go ahead and do a violation

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1 ticket on them and they will be looking -- I
2 will be looking at some of the violations
3 out there this month to see where I need to
4 find them. These numbers may be skewed a
5 little bit as it relates to 45, because as
6 violations were coming in and the reports
7 were coming in, I actually moved Kim, who
8 actually does all of that work in the
9 system, I have had her working with the
10 ladies in the front quite a bit helping them
11 go through the license process. So the
12 number may be a little skewed of 45. It may
13 be a little bit more than that of alleged
14 issues, but once we get them all into the
15 system, we will start working through them
16 as soon as possible.

17 License renewal status, I
18 pretty much gave you that already. We are
19 currently working on December 10th, a bit
20 behind, of course, but not as bad as I
21 thought it would have been. We have been
22 coming in pretty regularly. Saturdays,
23 holidays, we have been here. And they have
24 been really putting their noses to the grind
25 stone and trying to get them out of here.

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1 Like Ms. Baron said that a lot of them --
2 the ones that have everything they need,
3 process them and get them out the door. The
4 ones that we have to require -- request
5 other documentation, those take some time,
6 you know. And a lot of those individuals
7 are the ones that we hear a lot of
8 complaints about. We'll send the e-mails
9 back out and will send letters out as well
10 and we don't hear anything from them and
11 they will call irate, but, you know, they
12 never responded to what we required them to
13 initially supply.

14 So the process is getting --
15 we are getting through it. I do want to
16 make some improvements going into next year.
17 It is an ongoing process as we have to
18 really, really, really look at doing it for
19 next year. So as an update, that's where we
20 are right now. I do want to mention to you
21 -- I know Co-Chairman Poteet just said that
22 he will let people in the auction as long as
23 they go online and see that they are in
24 pending status. If you as dealers or
25 whomever, your friends, if you let them know

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1 that on our system now, if you remember -- I
2 think it was last month in our Commission
3 meeting, I gave a report letting you know
4 that we changed our license type to the
5 legal name. From now on when you go on the
6 website and you click in the dealership
7 name, they are doing business as name, it
8 may not come up. It needs to be in the
9 legal name. Our IT personnel, he changed it
10 were it is the legal name on the website
11 now. So if you go into the website, type in
12 the legal name, then it will show a pending
13 status. It should show a status. I've been
14 getting a lot of phone calls, I'm trying to
15 plug in my dealership name, nothing is
16 coming up, it is saying nothing is there.
17 You've just got to notify them that, that's
18 what we need to do.

19 I think we could put a note
20 out there on the website and let everyone
21 know on the website that that's what you
22 need to use, the legal name. But as
23 dealers, please notify whomever, especially
24 in your circumstance, let everyone know that
25 it is the actual legal name that we need to

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1 use. And that is it for me.

2 MR. POTEET:

3 Do you know what -- I guess
4 you really wouldn't know a percentage that
5 you got done because some people don't
6 renew, et cetera, but do you know like a
7 percentage? Do we know how many that you
8 have done so far?

9 MR. PARNELL:

10 What I will do is this -- I
11 meant to do that prior to this meeting, run
12 the actual number so we could have a solid
13 number percentage to let you know. Today I
14 will do that, run that number, and send it
15 out to you-all via e-mail to let you know
16 exactly where we are and where we stand, a
17 hard number where we have gotten in the
18 process and what we still need to process.

19 MR. POTEET:

20 Thank you, Derek.

21 Does anybody have any other
22 comments about any of that? I think if we
23 could get this done with the staggering, I
24 think it would be a huge, huge improvement
25 on all of this.

1 Okay. The next thing, I
2 guess, we've got hearings is the last thing?

3 MS. BARON:

4 At 10:30.

5 MR. POTEET:

6 So we will take a 20 minute
7 break.

8 MR. BOURGEOIS:

9 I make a motion we adjourn.

10 MR. TURNER:

11 Second.

12 MR. POTEET:

13 All in favor?

14 (All "Aye" responses.)

15 MR. POTEET:

16 Get back here at 10:30 for
17 the hearing.

18
19 (Meeting adjourned at 10:13 a.m.)
20
21
22
23
24
25

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
7 Vehicle Commission January 24, 2011 meeting
8 was reported by me in the stenotype
9 reporting method, was prepared and
10 transcribed by me or under my personal
11 direction and supervision, and is a true and
12 correct transcript to the best of my ability
13 and understanding.

14 This February 9, 2011, Baton
15 Rouge, Louisiana.
16
17
18
19
20
21

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

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