

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

LOUISIANA USED MOTOR VEHICLE COMMISSION  
STATE OF LOUISIANA

REGULAR MEETING  
NOVEMBER 18, 2019  
BEGINNING AT 9:30 A.M.

3132 VALLEY CREEK  
BATON ROUGE, LOUISIANA

REPORTED BY:  
BETTY D. GLISSMAN, CCR

1 APPEARANCES:

2

3 CHAIRMAN:

MR. JOHN POTEET

4

COMMISSIONERS PRESENT:

5

MR. JEFFEREY BRITT

6

MR. TONY CORMIER

7

MR. RICKY DONNELL

8

MR. GEORGE FLOYD

9

MR. STEPHEN OLAVE

10

Mr. MATTHEW PEDERSON

11

MR. HENRY "DARTY" SMITH

12

MR. DINO TAYLOR

13

MR. RICHARD WATTS

14

15

16

17

18

REPRESENTING THE LOUISIANA USED MOTOR

19

VEHICLE COMMISSION:

20

21

ROBERT W. HALLACK, ESQUIRE  
HALLACK LAW OFFICE  
13007 JUSTICE AVENUE  
BATON ROUGE, LOUISIANA 70816

22

23

24

SHERI MORRIS, ESQUIRE  
DAIGLE, FISSE & KESSENICH, PLC  
8480 BLUEBONNET BOULEVARD, SUITE F  
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                   MS. LAUREN DEBETAZ

10                  MS. HALIE GUIDRY

11                  MR. JOHN McKOWEN

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 MR. POTEET:  
2 Roll call, Kim.  
3 MS. BARON:  
4 John Poteet?  
5 MR. POTEET:  
6 Here.  
7 MS. BARON:  
8 George Floyd?  
9 MR. FLOYD:  
10 Here.  
11 MS. BARON:  
12 Tony Cormier?  
13 MR. CORMIER:  
14 Here.  
15 MS. BARON:  
16 Matt Pederson?  
17 MR. PEDERSON:  
18 Here.  
19 MS. BARON:  
20 Richard Watts?  
21 MR. WATTS:  
22 Here.  
23 MS. BARON:  
24 Steve Olave?  
25 MR. OLAVE:

1                   Here.

2           MS. BARON:

3                   Ricky Donnell?

4           MR. DONNELL:

5                   Here.

6           MS. BARON:

7                   Darty Smith?

8           MR. SMITH:

9                   Here.

10          MS. BARON:

11                  Dino Taylor?

12          MR. TAYLOR:

13                  Here.

14          MS. BARON:

15                  And Jefferey Britt?

16          MR. BRITT:

17                  Here.

18          MS. BARON:

19                  Mr. Chairman, we have a full quorum.

20          MR. POTEET:

21                  All right. Anyone here today for

22                  public comments?

23          MS. BARON:

24                  There is not.

25          MR. POTEET:

1                   Okay. So we'll get started with the  
2 adoption and approval of the minutes.  
3 Hopefully, everybody has had a chance to read  
4 those.

5                   MR. TAYLOR:

6                   I make a motion.

7                   MR. POTEET:

8                   I've got a motion by Mr. Taylor.

9                   MR. PEDERSON:

10                  Second.

11                  MR. POTEET:

12                  Second, Mr. Pederson.

13                  All in favor, say, "Aye."

14                  (All "Aye" responses.)

15                  MR. POTEET:

16                  Any opposed?

17                  (No response.)

18                  MR. POTEET:

19                  That motion carries.

20                  All right. Financial matters. It  
21 looks like we've got the review today of the  
22 Legislative Audit report. Mr. McKowen is here  
23 today with us.

24                  MR. MCKOWEN:

25                  Thank you, Mr. Chairman.

1 MR. POTEET:

2 Good to see you again.

3 MR. McKOWEN:

4 Thank you. Okay. Again, this year,  
5 I audited your financial statements as of June  
6 30, 2019. My audit report -- the actual report  
7 starts on page 1. So you can flip through the  
8 table of contents. And I'm not going to go  
9 through all this other than to say, in my  
10 opinion, the financial statements are fairly  
11 presented in accordance with generally accepted  
12 accounting principles. The second section is  
13 Derek's management discussion and analysis.  
14 That goes through all the numbers that I'm  
15 going to look at in the financial statements.  
16 So we're going to skip over that to page 11,  
17 the statement of plan -- statement of net  
18 position. That's the same as your balance  
19 sheet. We ended the year with 2 million 2 in  
20 cash. That was all in your bank account. You  
21 were earning a pretty good interest rate, a  
22 little over 2 and three-quarters, I think it  
23 was paying. And it is collateralized. They  
24 had over 2 million dollars in treasury notes  
25 pledged against your balance.

1                   So between that and the FDIC, it was  
2 all covered. You also had \$750,000 in CDs.  
3 You had -- receivables were about 235,000.  
4 Mona and I talked about that. We've got an  
5 allowance set up for about 60,000 of that that  
6 y'all are probably never going to be able to  
7 collect. So the net balance of your  
8 receivables as reported is 176,000.

9                   You also had fixed assets. That's  
10 the building, computer equipment, vehicles that  
11 the field staff has. And the net of that is  
12 176,000. So your total assets are 3 million 3.  
13 You had deferred outflows. That's all of the  
14 pension and the health insurance for retirees,  
15 stuff that we don't want to go into.

16                   MR. POTEET:

17                   I take your word for it.

18                   MR. MCKOWEN:

19                   The current liabilities, the biggest  
20 number there is unearned revenue. That's the  
21 second year of your license fees. That's like  
22 a deposit that you're sitting on that you'll  
23 claim as revenue next year. So you had  
24 \$375,000 in current liabilities. Long-term  
25 liabilities, that's vacation time, your pension



1 liability, other post-employment benefits,  
2 which is insurance. That's 4 million dollars.  
3 And most of that is just stuff that one day  
4 you're going to be responsible for. Deferred  
5 inflows, that's again the pension and stuff,  
6 140,000. So that leaves you with a negative  
7 balance of 643,000. And, again, it's all  
8 related to the pension, your share of LASERS  
9 unfunded liability, and what you're going to  
10 have to pay for retirees' health insurance in  
11 the future.

12 Page 13, total operating revenues  
13 were a million 4. Expenses a million 7. About  
14 325,000 of that, again, is the pension and  
15 insurance stuff. And so that leaves with you a  
16 deficit for the year of 313,000. You did have  
17 some interest income. So your net change was a  
18 negative 248,000. And, again, that left you  
19 with a -- with an ending net position of  
20 643,000. Cash flow is pretty much unchanged  
21 for the year, which goes back to the fact that  
22 this is all -- the loss is all due to the  
23 liabilities that really mean nothing to you  
24 currently. Most of the financial statements,  
25 I'm not going to go through all of that. It

1 just gives you more detail of the numbers we  
2 just looked at.

3 Required supplementary information,  
4 on page 38 is your budget. And, again, the  
5 pension stuff messed y'all up. You over spent  
6 salaries and benefits by 250,000 because of --  
7 because of the liability.

8 Internal controls and compliance, I  
9 had no findings, but the back up disclosure,  
10 your per diems on page 45. You disclosed  
11 Derek's salary on page 46. And then, finally,  
12 the Legislative Auditor requires you to use new  
13 procedures now. There was really nothing there  
14 except there was one little thing on page 58  
15 where they're asking if there's documentation  
16 showing that all of you and all of the  
17 employees have read your ethics policy during  
18 the year and y'all didn't have anything  
19 written. Kim says she's going to take care of  
20 that next year. That's it.

21 Mr. Chairman, that's my report.

22 MR. POTEET:

23 Okay. Does anybody have any  
24 questions for Mr. McKowen?

25 (No response.)

1 MR. POTEET:

2 Nice clean audit is always good. The  
3 thing about the ethics, we take the ethics --

4 MS. BARON:

5 They want us to have an internal  
6 ethics policy. So I'll just have to write an  
7 internal ethics policy. Me and Mr. Parnell  
8 have already started looking around and seeing  
9 -- getting some ideas for the language and  
10 stuff that's going to go in it.

11 MR. POTEET:

12 Okay. If no one has a question?

13 (No response.)

14 MR. POTEET:

15 No questions.

16 MR. MCKOWEN:

17 Okay.

18 MR. POTEET:

19 All right. Thank you very much.

20 Speaking of ethics, did everybody get  
21 the email from Kim? We've got to get that. If  
22 you haven't already done that, that needs to be  
23 completed by year end.

24 MS. BARON:

25 I did.

1 MR. POTEET:

2 And then you have to send Kim a copy,  
3 right?

4 MS. BARON:

5 Yes. I have to have a copy of the  
6 certificate that you get when you're done.

7 MR. POTEET:

8 All right. Next, we have Mona for  
9 the review of financial report.

10 MS. ANDERSON:

11 Okay. So if you'll turn in your  
12 packets -- since we didn't have a board meeting  
13 last month, we're going to go through the  
14 September and October financials together. You  
15 can review the September statements at your  
16 convenience. And, like I said, we'll discuss  
17 both of them through the October statement.

18 So these financials do include the  
19 audit adjusting journal entries. The balance  
20 in the operating account decreased in  
21 September, but it increased in October to  
22 \$2,083,848. The fines accounts receivable were  
23 approximately the same for September and  
24 October. Non-current assets decreased due to  
25 the fact that we surplused some older equipment

1 and a vehicle and we also recorded the  
2 depreciation at audit time. Current  
3 liabilities had -- at the bottom of the page,  
4 had normal balances for payables and employee  
5 benefits.

6 On page 2, the long-term liabilities  
7 include deferred revenue. The 2020 deferred  
8 revenue was \$285,755. And the 2021 at the end  
9 of October was 27,100. Of course, in January,  
10 we'll move that 2020 income -- that revenue to  
11 -- defer it to revenue. And we will -- by  
12 then, we will be increasing the 2021 deferred  
13 with the renewal period. The OPEB liability,  
14 as John said, increased after the audit and --  
15 by about 494,000. And, as he said, those  
16 things are not really amounts that are going to  
17 be due now, but we are required by GASB to  
18 report those as a possible later, you know,  
19 obligation.

20 MR. BRITT:

21 Can I ask a question? How long has  
22 that been required? Just a few years?

23 MS. ANDERSON:

24 Yes, sir. OPEB was last year or year  
25 before, I believe. And the pension has been

1 for a while -- pension liability has been for a  
2 while. But the OPEB, which is other  
3 post-employment benefits that has to do with  
4 providing health insurance to your retirees  
5 and, you know, that just came up recently.

6 MR. BRITT:

7 That's what's made -- if y'all  
8 noticed around -- since we just finished  
9 political season, if you'll look at all these  
10 local offices where somebody threw up that  
11 somebody was running a deficit, and then when  
12 you read the spreadsheet, it really -- wasn't  
13 really running a deficit, but they're having to  
14 show that now.

15 MS. ANDERSON:

16 Correct.

17 MR. BRITT:

18 Whereas, back in the day, you didn't  
19 have to. We just knew it was there. But, now,  
20 they're making them.

21 MS. ANDERSON:

22 Right. And the pension liability  
23 makes sense, because as your agency  
24 contributions to the pension increase, you're  
25 going to be putting that out, you know, over

1 years. So it makes sense to accrue that. I'm  
2 not sure about the health insurance, you know.  
3 We will have to pay an agency portion on  
4 retirees who retired with the health insurance  
5 benefit, but I think they sort of overdid it.

6 MR. BRITT:

7 Well, it can be deceiving, because  
8 the common -- that guy that doesn't or lady  
9 that doesn't understand governmental finance.

10 MR. OLAVE:

11 The spin.

12 MS. ANDERSON:

13 That's correct. That's correct. So  
14 the audit entries changed the unrestricted net  
15 position from a negative 395,000 to 814,000.  
16 And, as you said, that's because of these --  
17 accruing these liabilities.

18 Moving on to the statement of  
19 revenues, expenses, and changes in net  
20 position, year-to-date revenues in October were  
21 \$673,056 compared to last year, which was  
22 \$284,234. This is primarily due to recognizing  
23 some fines that we had written off previously.  
24 Derek will discuss them when I get to the fines  
25 report. But the Lauco and Shawn Calvit fines

1           were considerable and the AG's office has begun  
2           to collect on those. So we have -- when they  
3           collect on them, we have to re-recognize the  
4           income into the statements. The salaries and  
5           related benefits were \$29,500 higher than the  
6           previous year. Again, adjustments to the OPEB  
7           liability affected those totals. The remainder  
8           of the expenses were approximately 15,000  
9           higher than the previous year. And the change  
10          in net position year-to-date was a 2 -- a  
11          positive 218,164. On page 4, there's -- I'm  
12          sorry, not page 4. Page 6, there's a four-year  
13          revenue comparison, so that you can more  
14          accurately compare the revenue. The two-year  
15          license fees can be appropriately compared with  
16          the every other year revenue. And page 7 is a  
17          visual depiction of that report.

18                 MR. OLAVE:

19                         I notice that licenses were off this  
20                         year from October last year.

21                 MS. ANDERSON:

22                         Well --

23                 MR. OLAVE:

24                         That's because of renewals --  
25                         two-year renewals?



1 MS. ANDERSON:

2 Right. It just -- some of it's  
3 timing, you know, that -- whether the dealers  
4 feel they need to renew right away or -- so the  
5 further we get into the renewal period, you'll  
6 be able to see more accurately how those  
7 compare.

8 MR. OLAVE:

9 What I found more intriguing was that  
10 the salesmen's license were about half of last  
11 year as well. So that's not a two-year  
12 license, is it?

13 MS. ANDERSON:

14 No. That's a one year.

15 MR. OLAVE:

16 So are we having fewer applications  
17 for license, maybe?

18 MR. PARNELL:

19 We do have fewer applications  
20 overall, fewer dealers overall. So, yes, it's  
21 going to have an affect.

22 MR. OLAVE:

23 Just noticing it.

24 MS. ANDERSON:

25 But here on this report, we were,

1           like, 9,000 lower than last year and 7,000  
2           lower than the prior year in salespeople, you  
3           know. It's still early in the renewal period.  
4           At the end of October, you know, we started --  
5           we just started the renewal period. So we'll  
6           see how it goes from there.

7           MR. PARNELL:

8                        Late December they'll make their  
9           push.

10          MR. WATTS:

11                        The last week.

12          MS. BARON:

13                        Yes, the last minute.

14          MS. ANDERSON:

15                        On page 8 is the year-to-date budget  
16           to actual expenditures. That part reflects  
17           agency expenditures on the right and -- which  
18           should be approximately one-third of the  
19           budget, which is on the left. Page 9 is the  
20           certificate of deposit report and there were no  
21           changes in October. We did renew a couple of  
22           these in September with -- for Business First  
23           and, as always, their rates are competitive.  
24           They went down a little from -- you can see the  
25           one that renewed in January renewed a little

1 better than 2 percent, but they're still far  
2 more competitive than the other banks.

3 On page 10 is the accounts receivable  
4 hearings report. The fines assessed in  
5 September and October were \$88,700 and we  
6 collected 22,000 of that. Last -- when we were  
7 talking about Michael Laue, Lauco, and Shawn  
8 Calvit, that was all one hearing, I believe.  
9 And we've re-recognized those on the  
10 statements, because the AG's office is  
11 collecting on the Shawn Calvit balance. We do  
12 have to report their -- you know, they do it  
13 net of their fees. However, with Lauco, we  
14 only received one large payment and when I  
15 inquired about it last week, I was informed  
16 that Michael Laue, who is the president of  
17 Lauco, had his bank account garnished for the  
18 one payment, and when that happened, he moved  
19 his funds to another account. So I think -- I  
20 don't know, Sheri, that we can go back to court  
21 to get another judgment?

22 MR. HALLACK:

23 No.

24 MS. MORRIS:

25 Yes.

1 MR. HALLACK:

2 To get another judgment?

3 MS. MORRIS:

4 Well, not to get another judgment, to  
5 get another seizure, you know, another  
6 attachment if they can, if it's not in another  
7 name or -- it just depends. They'll have to do  
8 some more work to get it.

9 MS. ANDERSON:

10 So unless there are any questions,  
11 that concludes my report, Mr. Chairman.

12 MR. POTEET:

13 All right. Does anybody have any  
14 questions?

15 (No response.)

16 MR. POTEET:

17 No questions. All right. We need a  
18 motion to approve the two financial reports.

19 MR. SMITH:

20 I make a motion.

21 MR. OLAVE:

22 Second, Mr. Chairman.

23 MR. POTEET:

24 Second here.

25 All in favor, say, "Aye."

1 (All "Aye" responses.)

2 MR. POTEET:

3 Any opposed?

4 (No response.)

5 MR. POTEET:

6 All right. That passes.

7 Next, we've got the proposed fiscal  
8 budget.

9 MS. ANDERSON:

10 All right. So we're looking at the  
11 2021 budget and it's in your packet there. So  
12 the budgeted revenues -- on page BC-1, the  
13 budgeted revenues are \$1,515,852, which is a  
14 decrease from the 1920, and that's primarily  
15 due to those fines that we were talking about  
16 that we have to recognize again. So the -- for  
17 the 2021 fiscal year, the budgeted license fees  
18 are \$1,187,000. And the enforcement fines are  
19 258,000. So we're going to flip ahead to page  
20 BC-6(a), which is salaries and related  
21 benefits. The salaries you're seeing there  
22 include the Civil Service market adjustment for  
23 that period. The retirement contributions went  
24 up this year to 40.7 percent and the -- that  
25 contribution is reflected there. The group

1 health insurance will increase this year. On  
2 January 1st, our group health insurance is  
3 going up 5 percent and what you -- the figures  
4 you see there are a 4 percent increase that was  
5 built into a following fiscal year.

6 Turning to page to 6(b), those are  
7 the board compensation figures and all of those  
8 are rolled over into the BC-6 salaries and  
9 related benefits. Page BC-7 is a schedule of  
10 the travel expenses for both Commissioners and  
11 staff. That's where we reimburse for personal  
12 vehicle use. BC-8 is a schedule of the  
13 operating expenses that we anticipate. This  
14 budget includes about a 5 percent increase in  
15 operating expenses over the actual that we've  
16 estimated at this time for this fiscal year.  
17 The maintenance/other category includes things  
18 like our alarm, our janitorial service, lawn  
19 care, that type of thing. Miscellaneous  
20 expenses include bank fees, merchant fees for  
21 the online fee transactions, which we should  
22 see some increase in that with -- the state has  
23 moved to a new online payment processor and the  
24 fees will be going up.

25 On BC-9, these are our professional

1 services and these are budgeted at a maximum of  
2 the contract amount. However, if you look at  
3 the '18/'19, they come in roughly about 100,000  
4 less than contract. BC-10 is other charges,  
5 including IT-related expenses, programs,  
6 accounting programs, licensing programs, and  
7 other equipment. Under BC-11, acquisitions and  
8 major repairs, we did not schedule to purchase  
9 another vehicle in that -- in the 2021 fiscal  
10 year. We are going to purchase one in this  
11 year. And there's \$2,000 included there for  
12 replacement of outdated computers, printers,  
13 what-have-you. And so if you'll flip back to  
14 BC-2, BC-2 is a recap of the whole budget and  
15 the -- I'm sorry, the expenditures. And the  
16 total budgeted expenditures are \$1,740,797.  
17 And then BC-3 shows you our fund balances. It  
18 summarizes the budgeted revenue and expenses  
19 and estimated net position. The budget  
20 decreased in the 2021 is a negative \$224,945.  
21 However, keep in mind that 100,000 of that is  
22 probably not going to occur, those being  
23 professional charges, and you do have the fund  
24 balance to fall back on. The net pension  
25 liability and the OPEB liability can only be

1 included in actual figures. We can't budget  
2 for them, because those are calculated at the  
3 time that the figures are put out by Office of  
4 Group Benefits, so on and so forth.

5 So unless anyone has any questions,  
6 that concludes my report on the proposed 2021  
7 -- 2020/2021 budget.

8 MR. POTEET:

9 All right. Does anybody have any  
10 comments?

11 (No response.)

12 MR. POTEET:

13 So I asked this question a while back  
14 and I forgot what the answer was. But what has  
15 been the year-over-year decrease in licenses --  
16 number of licenses over the last couple of  
17 years? Does anybody have that information?

18 MR. PARNELL:

19 I don't have it absolute, but I  
20 looked at it, and I'm going to say about three  
21 months ago, and we had about 1700 dealer  
22 licenses. Normally, we have about 2600, 2700  
23 dealer licenses. The rest of that is made up  
24 usually by the salesperson licenses. What --  
25 why -- a specific number, I don't have right



1 now. So I can't tell you.

2 MR. POTEET:

3 Our licenses are down?

4 MS. MORRIS:

5 They are down, yes.

6 MR. POTEET:

7 Okay. Does anybody have any other  
8 questions or comments?

9 (No response.)

10 MR. POTEET:

11 We have to do a resolution here,  
12 don't we?

13 MS. BARON:

14 Yes.

15 MR. PARNELL:

16 I'll get some numbers for you and  
17 send it via email to everybody over the last  
18 three or four years, so you can kind of have  
19 those numbers.

20 MS. BURKS:

21 And then sometimes the numbers can go  
22 up, like, just around income tax season. Then,  
23 after that, the numbers will jump back down  
24 again.

25 MR. POTEET:

1                   Yes, yes, okay. We need a resolution  
2 to accept the budget.

3                   MR. DONNELL:

4                   So moved.

5                   MR. POTEET:

6                   So moved.

7                   MR. OLAVE:

8                   Second.

9                   MR. POTEET:

10                  Second Mr. Olave.

11                  All in favor, say, "Aye."

12                  (All "Aye" responses.)

13                  MR. POTEET:

14                  That passes and I'll sign that.

15                  All right. So at the last meeting  
16 way back in whatever it was, August, September,  
17 sometime back then, the -- we had talked about  
18 selecting a Commission vice chairperson, who  
19 would also serve as the chairperson of the  
20 Legislative Committee. And so I had asked for  
21 everyone to -- that was interested in that  
22 position to please send an email to Derek and  
23 me. And unless we missed something, we have  
24 two people who are interested in that position,  
25 Mr. Taylor and Mr. Watts. Does anybody else

1 want the job?

2 (No response.)

3 MR. POTEET:

4 Okay. I didn't think so. So what  
5 we're going to do is -- I felt the best way to  
6 handle this was to have the Commission vote.  
7 So what we're going to do is, we're going to  
8 vote on this.

9 MR. OLAVE:

10 I'd like the chance to ask a couple  
11 questions.

12 MR. POTEET:

13 Absolutely.

14 MR. OLAVE:

15 First of all, I've been on the  
16 Commission for quite a long time and I'd like  
17 to say that I don't think we could do wrong by  
18 either candidate.

19 MR. POTEET:

20 I agree.

21 MR. OLAVE:

22 I do -- I do have some questions,  
23 though, and I know some answers before I ask,  
24 but you live in Monroe, correct? You've got a  
25 couple businesses up there?

1 MR. TAYLOR:

2 Uh-uh.

3 MR. OLAVE:

4 Part of the process -- and I'm going  
5 to ask Mr. Richard the same thing. Part of the  
6 process is the legislative part. And even  
7 though I didn't always agree with Ron, he was  
8 very active in the legislative part of this  
9 process and I think that might have been  
10 because he was somewhat closer to it living in  
11 Baton Rouge. So would you explain to me how  
12 that would work for you?

13 MR. TAYLOR:

14 When Ron was working on that, I was  
15 very active with him.

16 MR. OLAVE:

17 I know. That's why --

18 MR. TAYLOR:

19 And I had no problem with Derek --  
20 communicating with Derek, communicating with  
21 Ron, and I don't think I'd have any problem  
22 taking care of --

23 MR. OLAVE:

24 Okay. The reason -- the reason I  
25 asked that and I'm glad -- thank you for

1           answering, is I think part of that is because  
2           he was down at the -- you know, the Capitol  
3           quite a bit. So is that something that you  
4           would be able to do?

5           MR. TAYLOR:

6                     I don't see a problem.

7           MR. OLAVE:

8                     Okay. Richard, I'm going to ask you  
9           the same question. How do you feel about --

10          MR. WATTS:

11                     No. That's no problem at all. I  
12          mean, I'm looking for something to do.

13          MR. OLAVE:

14                     I don't think we can go by -- wrong  
15          by any standard by either candidate. Thank  
16          now.

17          MR. POTEET:

18                     All right. So what I'd like  
19          everybody to do is to vote for only one and  
20          fold it over and Kim will come around and  
21          collect them, and then she will post it.

22          MR. OLAVE:

23                     We're doing this anonymously?

24          MR. POTEET:

25                     Yes. Okay. So did everybody vote?

1 MS. BARON:

2 It looks like Mr. Watts has won that  
3 position.

4 MR. POTEET:

5 All right. Mr. Watts, you will  
6 assume the position of the vice chairman and  
7 the chairperson for the Legislative Committee  
8 effective today.

9 MR. OLAVE:

10 Congratulations, Mr. Watts.

11 MR. POTEET:

12 Thank you, Dino.

13 All right. Update on rules and  
14 regulations, Title 46, Professional and  
15 Occupational Standards. Who's going to talk  
16 about this?

17 MR. PARNELL:

18 I can start and let Sheri jump in if  
19 she wants to. What I need to do is -- I put  
20 another rule making timeline in your binders.  
21 I also put the notice of intent in there for  
22 you to review. We have gone -- the first two  
23 steps of the process is done. On November  
24 20th, the notice of intent, which is here, will  
25 be published in the Louisiana Register. And

1           what happens right after that is, November 21st  
2           through December 10th is when they have the  
3           opportunity -- if someone has something against  
4           some of the language that we put out there,  
5           they have -- they have an opportunity to make  
6           it known to us. Then, after that, December  
7           25th through 30th is a very short time frame  
8           where we have to have a public hearing and kind  
9           of discuss those matters. We went to the  
10          Legislative Committee hearing at the state  
11          capitol on the 30th of October. We did have an  
12          opportunity to present the committee with the  
13          amendments to the rules and regulations that  
14          we're trying to do. During the committee  
15          hearing, all the amendments were approved  
16          except one regarding language about the  
17          approval of the LUMVC and the third-party  
18          vendor charge with the consumer, which is the  
19          dealer in this regard.

20                    If you look at the notice of intent  
21          on page 4, you'll see the language that has  
22          been put in that we were moving forward with.  
23          What it says is that -- it's on -- it's Section  
24          4404, post-license educational continuing  
25          seminar H. "No fee for a post-license

1 continuing education seminar may be charged  
2 unless the seminar is approved by the  
3 Commission." This is the corrected language --  
4 the language that we put in to clear up the  
5 concerns that the Board had. If Ms. Morris  
6 will, if she can expound on it any further.

7 MS. MORRIS:

8 There are two components of 4404.  
9 One is that one of the sentences referred to  
10 online and they asked could there be an  
11 in-person -- if a provider wanted to have an  
12 in-person class, could they do so or could they  
13 do a combination of in-person, online. So we  
14 clarified that it could be either an online  
15 course or an in-person course. So that's in  
16 D-4, 4404.

17 And the other concern was were we --  
18 there was a prepositional phrase were we  
19 approving the course or were we approving the  
20 fee? And there was a concern, what if somebody  
21 invests all this money to put together the  
22 course and you-all say you have to do it for  
23 free and they can't recover their investment.  
24 So I don't think there was any intent to do  
25 that. So we reworded that to show that we



1 would be approving the course and that you  
2 can't charge for the course unless you have  
3 approval. So we couldn't have a vendor out  
4 there indicating they qualified for  
5 post-licensing and charging for post-licensing  
6 if they weren't first approved by us. So  
7 that's what we did to kind of preserve the  
8 approval.

9 MR. POTEET:

10 Okay.

11 MS. MORRIS:

12 And then if anybody has any comments,  
13 they can be submitted, like Derek said, at the  
14 end. If notified, you have until December 10th  
15 to submit comments. It's almost the last  
16 paragraph. And that way, if anybody feels like  
17 it needs to be reworded or anything else needs  
18 to be reworded, then we can do that through the  
19 comment process. I did go in and make some  
20 technical corrections, because online, to say  
21 that you're participating or attending or  
22 completing the course or whatever to cover if  
23 there was an in-person class.

24 MR. POTEET:

25 All right.

1 MS. MORRIS:

2 And it was the Occupational License  
3 Review Board Commission that we went before the  
4 legislative hearing. And quite often, they  
5 don't have a Legislative Committee hearing.

6 MS. BARON:

7 So we have to go back to occupational  
8 now?

9 MS. MORRIS:

10 You have to notify them of the  
11 comments that you received and what you did to  
12 address them, and that would generally cover  
13 any amendments.

14 MR. POTEET:

15 So today is the 18th. So on the  
16 20th, this will be published in the Louisiana  
17 Register?

18 MS. MORRIS:

19 Yes.

20 MR. POTEET:

21 And then the period for requesting a  
22 public hearing. So who -- what would that --  
23 if you have a public hearing -- okay. So in  
24 this time period, from the 21st through the  
25 10th, what if no one requests a public hearing?

1 We just skip over to --

2 MS. MORRIS:

3 Yes.

4 MR. POTEET:

5 Okay. And then on the second report,  
6 what kind of things get discussed there?

7 MS. MORRIS:

8 If you received any comments and how  
9 you addressed them --

10 MR. POTEET:

11 Okay.

12 MS. MORRIS:

13 -- or why you didn't address them.

14 MR. POTEET:

15 Okay. And if there is a public  
16 hearing, would that be here?

17 MS. MORRIS:

18 Yes. I mean, you can have it here.

19 MR. POTEET:

20 Okay. It could be here.

21 MR. PARNELL:

22 It could be here.

23 MS. MORRIS:

24 Wherever you schedule it.

25 MR. POTEET:

1                   December 25th through the 30th, okay.  
2                   Does anybody have any comments or questions  
3                   about that? I think this is pretty clear --  
4                   mostly clear, this rule making timetable. So  
5                   that includes everything that's in here, right?

6                   MS. MORRIS:

7                   Yes.

8                   MR. POTEET:

9                   So anybody can comment on any of  
10                  these things?

11                  MS. MORRIS:

12                  Right.

13                  MR. POTEET:

14                  Well, the first -- the first thing --  
15                  I would make a comment. The first thing I  
16                  would have to do is, I'd have send that request  
17                  to Derek, correct?

18                  MS. MORRIS:

19                  Correct.

20                  MR. POTEET:

21                  And that's this section here at the  
22                  very end?

23                  MS. MORRIS:

24                  Correct.

25                  MR. POTEET:

1                   Okay. All right. I think I  
2 understand.

3                   Does anybody have any questions or  
4 comments about that?

5                   (No response.)

6                   MR. POTEET:

7                   Next on the agenda -- I was just  
8 wondering. We put this -- this is in our --  
9 okay. Next is ratification of imposed  
10 penalties.

11                  MR. PARNELL:

12                  All right. Commissioners, you will  
13 find in your packet a chart that illustrates  
14 the licensees that were in violation of state  
15 law. These cases have been investigated and I  
16 have determined that the public interest can be  
17 served without further administrative  
18 proceeding. Thus civil penalties were issued.  
19 Keep in mind that this is a reflection of two  
20 months' worth of penalties. So it looks like a  
21 large amount of penalties out there. I will  
22 announce the names of the dealers, and then the  
23 civil penalties for the record.

24                  Do we have anyone present here for  
25 any licensees that are listed on the chart?

1 MS. BARON:

2 I will check. There is no one.

3 MR. POTEET:

4 No one is out there.

5 MR. PARNELL:

6 All right. I'll go through the list  
7 then.

8 MR. POTEET:

9 Okay.

10 MR. PARNELL:

11 First Choice Automotive, LLC, from  
12 New Iberia, violation fine amount is \$2,350.  
13 Southern Star Auto Group, LLC, from Kentwood,  
14 Louisiana, fine amount was \$1,700. Russell J.  
15 Francis, Sr., doing business as Fran's Auto &  
16 Truck Sales, from Lafayette, Louisiana, fine  
17 amount was \$750. Wanna Buy, LLC, from  
18 Opelousas, Louisiana, fine amount was \$1,950.  
19 Coy Dupree, doing business as Dupree's Auto  
20 Salvage, from Opelousas, Louisiana, fine amount  
21 was \$1,500. Anderson Auto Sales, LLC, from  
22 Duson, Louisiana, fine amount was \$1,550.  
23 Triple D Auto Wholesale, LLC, from Baton Rouge,  
24 Louisiana, fine amount is \$800. Matchless  
25 Motors, LLC, from Lafayette, Louisiana, fine

1 amount is \$500. Damian Hargroder, doing  
2 business as Hargroder Auto Sales, from Port  
3 Barre, Louisiana, fine amount is \$500.  
4 Luquette Investments, LLC, doing business as  
5 Auto Associates of Breaux Bridge, from Breaux  
6 Bridge, Louisiana, fine amount is \$1,400.  
7 Sanchez Holmes, LLC, doing business as Mardy's  
8 Fine Cars, from Baton Rouge, Louisiana, fine  
9 amount was 1,950. Auto Trends, LLC, from Baton  
10 Rouge, Louisiana, fine amount is \$750. Quick  
11 Stop Auto Sales, LLC, from Jennings, Louisiana,  
12 fine amount is \$1,500. Ammar Syed Hassan  
13 Mathena, doing business as Sam's 1 Used Cars,  
14 from Lafayette, Louisiana, fine amount is \$650.  
15 ENB Auto Sales, LLC, from Baton Rouge,  
16 Louisiana, fine amount is \$1,050.  
17 Commissioners, I ask that you ratify the  
18 imposed civil penalties assessed. The total  
19 amount of civil penalties for the two-month  
20 time frame was \$18,900.

21 MR. BRITT:

22 I make a motion.

23 MR. POTEET:

24 I've got a motion.

25 MR. TAYLOR:

1                   Second.

2                   MR. DONNELL:

3                   I've got -- I've got a few questions.

4                   MR. POTEET:

5                   Go ahead, Ricky.

6                   MR. DONNELL:

7                   I'm not going to vote for this. I'd  
8 like to see the investigators's reports on  
9 these tickets. All the ones for failing to  
10 submit monthly records and failure to maintain  
11 records.

12                  MR. PARNELL:

13                  We submitted some records to you.

14                  MR. TAYLOR:

15                  Yes. But I'd like to see -- I'd like  
16 to see the investigators's report.

17                  MR. POTEET:

18                  Okay. But -- so that's what you want  
19 to see --

20                  MR. TAYLOR:

21                  Yes.

22                  MR. PARNELL:

23                  -- in addition to what you had  
24 before?

25                  MR. BRITT:



1                   Can I ask a question? And I guess  
2 I'm asking --

3                   MS. BARON:

4                   Excuse me just one second. The same  
5 ones you had the last time or?

6                   MR. TAYLOR:

7                   These right here.

8                   MS. BARON:

9                   All of it, okay.

10                  MR. BRITT:

11                  Because I see now -- I see what  
12 you're -- I think what you're talking about  
13 Ricky. If you're -- if you're writing a ticket  
14 for -- and I still make a motion. But if  
15 you're writing a ticket for failing to submit  
16 the monthly report, okay, do you tag the -- for  
17 the same violation, do you give them a ticket  
18 for failing to maintain records?

19                  MR. PARNELL:

20                  What I do is this -- the way I --

21                  MR. BRITT:

22                  That's my question.

23                  MR. PARNELL:

24                  All right. The way I look at it is,  
25 if any documents -- if anything is missing or

1 anything is not present, that's an automatic  
2 failing to maintain records. For example, if  
3 they don't have their monthly sales report --  
4 for example, most of the investigators, they'll  
5 say 14 months they didn't submit their monthly  
6 sales reports. They'll also say 14 months  
7 failing to maintain records. They're charging  
8 them for each month that they're doing that.  
9 In my opinion, that's overcharging.

10 MR. BRITT:

11 Right.

12 MR. PARNELL:

13 I want them to write what they see  
14 when they're out there.

15 MR. BRITT:

16 Got to look. If you've got the  
17 leeway, I mean, that's -- they know when I  
18 leave and drag race down the highway and run  
19 Richard off the road and George Floyd stops us  
20 and he says, well, I'm going to arrest y'all  
21 for reckless operation, but at the same time,  
22 I'm going to write you a ticket for speeding,  
23 it's kind of two -- you know what I'm talking  
24 about?

25 MR. PARNELL:

1                   So what you're saying is you feel --  
2 if everyone feels this way, I have no problem  
3 with it?

4                   MR. BRITT:

5                   I think it's got a lot to do with  
6 your -- how you review it.

7                   MR. PARNELL:

8                   Right.

9                   MR. BRITT:

10                  I mean, if you're -- if I --

11                  MR. DONNELL:

12                  We just don't want to be  
13 double-dipping these dealers.

14                  MR. BRITT:

15                  We don't want -- we don't want to  
16 micromanage our guys, but -- our investigators,  
17 but if they're using it -- if the guy is guilty  
18 of not doing it 20 times or 14 times, you got a  
19 problem. Write him -- write him for one. But  
20 don't do it as double jeopardy if it's their  
21 first time, I guess is what I'm -- but that's  
22 -- if you're going over it and you're using  
23 your discretion --

24                  MR. PARNELL:

25                  Yes.

1 MR. BRITT:

2 -- I'm good with that.

3 MR. PARNELL:

4 What each investigator does, they go  
5 out and they write everything that they see, as  
6 I've asked them to do. I say, let me be the  
7 one that determines what exactly -- I can move  
8 it -- maybe, take some of the counts down,  
9 change some of the charges. If they put  
10 something that I don't agree with, we go  
11 through their report, I'll go back and change  
12 it to what I believe --

13 MR. BRITT:

14 I guess what we're talking about is  
15 an old cop terms, we don't want to "dump truck"  
16 them.

17 MR. PARNELL:

18 Sure, sure. Are you-all suggesting  
19 that I do not use the failing to maintain  
20 records in regards to when I have failing to  
21 submit monthly sales reports?

22 MR. BRITT:

23 No. I'm not. I mean, I -- as long  
24 as I know that -- as long as I know you're  
25 reviewing it -- and I think if Ricky knows that

1           you're reviewing it, he might -- I'm not  
2           speaking for Ricky, but I think when you read  
3           that, it could lead you to understand that  
4           they're getting dump trucked on.

5           MR. PARNELL:

6                     Every single violation that goes out  
7           --

8           MR. BRITT:

9                     Yes.

10          MR. PARNELL:

11                     -- that we send out, I'm going to go  
12          through the --

13          MR. DONNELL:

14                     Just like this ENB Auto Sales,  
15          failing to keep an established place of  
16          business, was he out to lunch or has he -- did  
17          he close the business without telling us?

18          MR. PARNELL:

19                     No. He didn't have his sign -- he  
20          either did not have a sign up or he did not  
21          have a phone connected and no one had been  
22          present. What happens in that situation, if no  
23          one is present, we have them go back out there  
24          at least five to 10 more days consecutively to  
25          see if that person is there. We're not writing

1           them if they're gone two months. We're not  
2           writing them if they're just out for a  
3           vacation. It's going to have to be about 10  
4           days consecutive and we say go back out and  
5           check on that.

6           MR. BRITT:

7                       Great. Because we don't hear that.  
8           What we hear is --

9           MR. PARNELL:

10                      Yes.

11           MR. BRITT:

12                      -- and which most of my -- things I  
13           hear is usually from a consumer that gets  
14           messed around --

15           MR. PARNELL:

16                      Yes.

17           MR. BRITT:

18                      -- by one of these guys that usually  
19           passes our way.

20           MR. PARNELL:

21                      Right.

22           MR. BRITT:

23                      But if a dealer calls one of us and  
24           they go -- because there's two sides to every  
25           story.

1 MR. PARNELL:

2 Absolutely.

3 MR. BRITT:

4 And all of mine are staying with  
5 y'all. But if somebody calls, well, you know,  
6 I just went down to so and so and they put --  
7 what -- I can -- I won't be able to look at  
8 them and say, you're wrong, because our guys  
9 and our Director have a policy of they're going  
10 to come by here six or seven times before they  
11 tag you with this, or three or four times or  
12 whatever.

13 MR. OLAVE:

14 That -- on that same note, like,  
15 First Choice, you've got committing a  
16 fraudulent act, and then right below it,  
17 causing injury to the public. Is that the same  
18 count?

19 MR. PARNELL:

20 I couldn't tell you. I would have to  
21 pull the report.

22 MR. OLAVE:

23 These are all --

24 MR. PARNELL:

25 Do you want every single thing?

1 MR. OLAVE:

2 -- no, no. I understand. These are  
3 all questions I've got and it's just about  
4 having more information on --

5 MR. POTEET:

6 Also, you have to remember that these  
7 -- all of these are penalties that Derek has  
8 discussed with the dealer, right?

9 MR. PARNELL:

10 Yes.

11 MR. POTEET:

12 They've agreed to pay these.

13 MR. PARNELL:

14 They've agreed to pay.

15 MR. BRITT:

16 By the time --

17 MR. PARNELL:

18 They've already paid that.

19 MR. BRITT:

20 By the time --

21 MR. PARNELL:

22 All we would have is, we send out --

23 MR. OLAVE:

24 Yes. But are you getting that call  
25 after he's already agreed to it? Does somebody



1 -- I wouldn't say anybody is putting up --

2 MR. POTEET:

3 Hang on a second. Hang on a second.  
4 Let me say one more thing. Every single one of  
5 these dealers can request a hearing. They can  
6 request a hearing. So they've agreed to it and  
7 they've not requested a hearing. Now, I'm not  
8 saying we shouldn't take a look back, but that  
9 was, you know, back when we first started  
10 working with this kind of set up. The idea was  
11 to reduce hearings, so we didn't have a hearing  
12 on every \$500 fine.

13 MR. PARNELL:

14 Each document that goes out -- the  
15 stipulated agency order that goes out there,  
16 that dealer has 10 days -- we don't really  
17 stick by that -- to -- if they have something  
18 -- if they don't agree with any of the charges  
19 that's out there.

20 MR. DONNELL:

21 They have a right to --

22 MS. BARON:

23 In the letter.

24 MR. PARNELL:

25 In the letter.

1 MR. POTEET:

2 Let me also -- let me also point this  
3 out. Everything we do in this office, any  
4 Commissioner can request to look at. There is  
5 nothing in here that you're not allowed to look  
6 at. Nothing. So, you know, your request is  
7 fine. I mean, you don't even have to come in  
8 to this meeting. Just call up Derek and say, I  
9 want --

10 MR. OLAVE:

11 Mr. Chairman, I disagree with you to  
12 a certain level, because I remember having to  
13 take a vote to get some documentation from this  
14 Commission. So I apologize for that, but I  
15 disagree with you.

16 MR. POTEET:

17 Well, okay. So there are some things  
18 everybody can't see. And those are our part of  
19 things that are part of hearings that you may  
20 have to make a decision on later. So for  
21 anything like this, anything that's been done  
22 that's over with, you can look at it, and then  
23 comment on it and come back -- come back to  
24 Derek or come back to the Commission and say,  
25 you know, after looking at this, I think we

1           should, your term, "quit dump trucking" on  
2           these guys for this reason. And that's what  
3           we're trying -- that's what --

4           MR. OLAVE:

5                     And, look -- and, again, just to add  
6           to that, I don't -- I don't necessarily think  
7           that's happening, but I think those --

8           MR. BRITT:

9                     Well, I don't either.

10          MR. OLAVE:

11                     -- 10 days -- I think those 10 days  
12          that the violator has, a lot of that time is  
13          getting used to calling us and not necessarily  
14          to file for a hearing. And that's just human  
15          nature. I mean, nobody is argue with the  
16          Executive Director when they call up about  
17          fines, but that's why we're asking the  
18          questions. That's the only reason. That's the  
19          only motivation.

20          MR. POTEET:

21                     I get them, too.

22          MR. OLAVE:

23                     That's why I'm asking the questions.

24          MR. PARNELL:

25                     One thing I would suggest is handle

1 -- you-all can handle this any way you want to,  
2 but I think you should refer that dealer to go  
3 ahead and come have a sit down with me, so we  
4 can go through the violations.

5 MR. POTEET:

6 That's the usual way my conversation  
7 goes. I got a problem -- I got a problem with  
8 this: Okay. Did you discuss this with anybody  
9 at the Commission? No, that's why I'm calling  
10 you. Okay. Well -- so, maybe, you should  
11 discuss it first, and then after that, I've  
12 only had one come back to me and say, I think I  
13 was treated unfairly, and that's when he should  
14 request a hearing. Oh, I don't want to go  
15 through all that for \$500. So, you know, I  
16 agree. I think that we should look at these  
17 things, but I also think that, you know, the  
18 reason we're doing it this way is so we're not  
19 inundated with hearings for small situations.

20 MR. DONNELL:

21 Have we ever had a field supervisor?

22 MR. PARNELL:

23 We did.

24 MS. BARON:

25 We did at one time.

1 MR. PARNELL:

2 But I'm the -- I am that role now.

3 MR. DONNELL:

4 I was just wondering if we had anyone  
5 that could make a call before they write a  
6 ticket for which they think may be questioned.

7 MR. PARNELL:

8 They'll call -- in most instances, if  
9 there's something that's questionable, they'll  
10 reach out and call me. They'll call Kim.  
11 They'll call Robert, you know, just to find out  
12 if -- you know, am I looking at this properly,  
13 you know. And then we'll go --

14 MR. POTEET:

15 I get calls from the investigators  
16 about auctions.

17 MR. PEDERSON:

18 I get them.

19 MR. POTEET:

20 What happens in these situations at  
21 the auction?

22 MR. PARNELL:

23 The one thing I didn't want to see  
24 happen is what was happening when I first  
25 arrived here, is the investigator is out there.



1           about the process. The fact that you asked the  
2           question to look at that shows the process  
3           works. Because before, there was no -- there  
4           really wasn't a process. The field  
5           investigators would, as you say, make a  
6           warning, they'd do what they wanted. So, now,  
7           the process is, they go through this --  
8           everything goes to Derek's desk. He reviews it  
9           and makes a decision. He talks to the dealer.  
10          Then, they come back to us to -- I mean, we  
11          could pick one of these out and say, oh, I  
12          approve them all except this one, so. And, to  
13          me, when I look at this, your question proves  
14          that our process works. Now, if you just want  
15          look at them --

16                   MR. DONNELL:

17                           I just noticed it happens in one part  
18                   of the state.

19                   MR. OLAVE:

20                           Well, that's what I was going to say.  
21                   To prove the process would be let's show each  
22                   investigator and how many violations each  
23                   investigator has written over the last six  
24                   months, and then you'll see if the process  
25                   works, Mr. Chairman.

1 MR. POTEET:

2 I don't agree with that.

3 MR. PARNELL:

4 How would that -- how would that --

5 MR. OLAVE:

6 Well, because, I mean, you've got --  
7 you can't say that all of the violations are  
8 coming out of one area, right? I mean --

9 MR. BRITT:

10 It's a pretty good mix.

11 MR. OLAVE:

12 -- it's either -- it's either -- it's  
13 either -- no. It might be. I'm just saying I  
14 think that -- if you've got a consistency  
15 across the board on violations -- on numbers of  
16 violations, that would prove that whatever  
17 process is working.

18 MR. POTEET:

19 No. It wouldn't. I think -- I think  
20 what you're doing is you're making an  
21 assumption that violations occur across state  
22 in a -- in an even manner.

23 MR. OLAVE:

24 Not in an even manner, but there  
25 should be some level to it. If we're -- if



1 we're looking at every dealer the same way by  
2 process, then every dealer is going to have --  
3 percentage-wise, I would believe that every  
4 dealer in the different regions of the state  
5 are going have some issues or the ones we  
6 visit, a percentage of them, are going to have  
7 some issues. Anyway, I'd like to see the  
8 numbers.

9 MR. PARNELL:

10 One of the largest areas since I've  
11 been here, we did a lot of violations in  
12 District 3 primarily because seven years, there  
13 are no investigators period out there. And so  
14 once we -- once I came on, I brought somebody  
15 and with someone out there, a lot of the  
16 dealers had been operating that long without --

17 MR. WATTS:

18 Where is that?

19 MR. PARNELL:

20 District 3, the Lafayette-Opelousas  
21 area, and Districts 4 and 5 as well, the New  
22 Orleans -- that area. The Baton Rouge area,  
23 too, you know. It's a lot.

24 MR. BRITT:

25 Didn't we have an opening there?

1 MR. PARNELL:

2 Well, I have an opening right now,  
3 yes.

4 MR. BRITT:

5 You haven't found --

6 MR. PARNELL:

7 I haven't found anyone to fill that.  
8 We submitted it to Civil Service twice for  
9 candidates. I've gotten a lot of candidates,  
10 but I got a lot of attorneys and a lot of  
11 different people that have no investigative  
12 experience at all in regard to that. I just  
13 haven't found anyone yet, so.

14 MR. BRITT:

15 Avoyelles Parish, in that area?

16 MR. PARNELL:

17 Yes, yes.

18 MR. BRITT:

19 Okay.

20 MR. PARNELL:

21 Well, Avoyelles Parish is in District  
22 2, but it's a connecting parish. But if I --  
23 there was someone I was thinking about. He  
24 actually lives in Avoyelles Parish. I could  
25 have pulled that person -- I could have pulled

1           that parish into the district.

2           MR. BRITT:

3                     Okay. Because you're fixing to have,  
4 probably, a good number of people to pick from,  
5 from there.

6           MR. PARNELL:

7                     Okay.

8           MR. POTEET:

9                     So what is it you want to see now?

10          MR. OLAVE:

11                     I'm just curious to see, you know,  
12 investigators and how many violations these  
13 investigators write.

14          MR. POTEET:

15                     For the last year?

16          MR. OLAVE:

17                     No. Six months. Six months.

18          MR. POTEET:

19                     The complaint totals?

20          MR. OLAVE:

21                     No. You're talking about somebody,  
22 and then they get a fine. I'm talking field  
23 investigation.

24          MR. BRITT:

25                     Are you talking about by region?

1 MR. OLAVE:

2 By investigator only.

3 MR. POTEET:

4 Which is region, yes, yes.

5 MR. PARNELL:

6 The only one that is shared is  
7 District 5.

8 MR. OLAVE:

9 I'm sure some of them are writing  
10 more than others, but, you know, it should be  
11 -- I would think that, you know, there's  
12 violators in every part of the state.

13 MR. BRITT:

14 No. Y'all have more around here,  
15 because y'all --

16 MR. OLAVE:

17 Well, population-wise, I understand,  
18 yes. But there are violators everywhere,  
19 right?

20 MR. PARNELL:

21 In 2015, we had a total of 947  
22 complaints total for that year. 2017, we had  
23 780 complaints. And 2018, we had 546  
24 complaints. So that number is dropping. And I  
25 -- and I -- I -- honestly, I attribute it to us

1           actually policing technique, not, per se.  
2           Actually, looking at the dealer and say, hey,  
3           look, you're doing this wrong. You need to be  
4           doing this differently. This is what you're  
5           supposed to be doing. It's really looking at  
6           dealers as a business owner to understand the  
7           laws of -- the rules of this Commission.  
8           You've been in business for a long time. We  
9           send out emails to you. We send out  
10          information to you. If you don't bother to  
11          read it --

12                   MR. BRITT:

13                           Do we give them a warning the first  
14                   time? Certain number of times?

15                   MR. PARNELL:

16                           Yes. All of these ones that we're  
17                   looking at -- specifically, about the monthly  
18                   sales reports, if you-all recall, I had a  
19                   meeting with the Office of -- Department of  
20                   Revenue. The Department of Revenue was the one  
21                   that said, hey, look, we are coming out and  
22                   we're going to start getting all of your  
23                   dealers, because most of them are not doing  
24                   these reports. They said they had about 200 or  
25                   so dealers that actually consistently did those

1 things. And I was, like, wow. What we did  
2 then and -- we started -- we put out a mass  
3 email and every time we wrote somebody, we did  
4 a warning. We did that warning for almost two  
5 years. At the end of that two-year period,  
6 that's when we started charging for them,  
7 because, I mean, how many warnings can we do?

8 MR. BRITT:

9 Yes. One warning is enough.

10 MR. POTEET:

11 One should be enough.

12 MR. BRITT:

13 Yes.

14 MR. POTEET:

15 All right. We have a motion on the  
16 floor.

17 All in favor, say, "Aye."

18 (All but one "Aye" response.)

19 MR. POTEET:

20 Any opposed?

21 MR. DONNELL:

22 I oppose until I see it.

23 MR. POTEET:

24 All right. That motion carries,  
25 okay.

1                   So, next, we have ratifications of  
2                   revocations.

3                   MR. PARNELL:

4                   Commissioners, you will also see a  
5                   document that shows the dealers that have  
6                   revocations on their license and have had their  
7                   due process.

8                   Do we have anyone here that  
9                   represents anyone on this list?

10                  MS. BARON:

11                  I checked when I did violations.

12                  MR. PARNELL:

13                  I'll go through the list. AB Auto  
14                  Sales, LLC, from Shreveport, Louisiana, notice  
15                  of revocation 8/29/19. Affordable Car Sales,  
16                  LLC, from Marrero, Louisiana, notice of  
17                  revocation was 10/1 of '19. Auto Hub, LLC,  
18                  from Westwego, Louisiana, notice of revocation  
19                  is 10/1 of '19. Baton Rouge Certified  
20                  Automotive, LLC, from Baton Rouge Louisiana,  
21                  notice of revocation was 8/23 of '19. Bayou  
22                  Cars Unlimited, LLC, from Metairie, Louisiana,  
23                  notice of revocation is 10/3 of '19. C & K  
24                  Auto Repair, LLC, from Baton Rouge, Louisiana,  
25                  notice of revocation is 8/23 of '19. C & S

1 Custom Design Paint & Body, LLC, from  
2 Shreveport, Louisiana, notice of revocation is  
3 8/29 of '19. Gretna Auto -- Gretna Wholesale  
4 Auto, LLC, from Gretna, Louisiana, notice of  
5 revocation is 10/1 of '19. Johnnie Davis,  
6 doing business as Hub City Salvage & Used Cars,  
7 from Alexandria, Louisiana, notice of  
8 revocation is 8/16 of '19. Lequita Buchanan  
9 doing business as DJ ATV and Auto Sales, from  
10 Amite, Louisiana, notice of revocation is 8/23  
11 of '19. Lions Used Cars, LLC, from Baton  
12 Rouge, Louisiana, notice of revocation is 8/23  
13 of '19. Omega Auto, Incorporated, from Baton  
14 Rouge, Louisiana, notice of revocation is 9/26  
15 of '19. Quick & Easy Auto Sales, LLC, doing  
16 business as Quick Auto Sales, from Hammond,  
17 Louisiana, notice of revocation is 6/7 of '19.  
18 Rancho Mirage Auto Spa Corporation, doing  
19 business as RM Auto Sales and Accessories,  
20 Baton Rouge, Louisiana, notice of revocation is  
21 8/23 of '19. Riverside Automotive, LLC, from  
22 Plaquemine, Louisiana, notice of revocation is  
23 10/2 of '19. Universal Select, LLC, from Baton  
24 Rouge, Louisiana, notice of revocation is 8/23  
25 of '19. Commissioners, I ask that you ratify



1 the revocation of the dealers I have just  
2 announced.

3 MR. OLAVE:

4 I make a motion, Mr. Chairman.

5 MR. BRITT:

6 Second.

7 MR. POTEET:

8 All in favor, say, "Aye."

9 (All "Aye" responses.)

10 MR. POTEET:

11 Any opposed?

12 (No response.)

13 MR. POTEET:

14 All right. Executive Director's  
15 report, I think. All right. Executive  
16 Director's report.

17 MR. PARNELL:

18 Commissioners, I put in your -- the  
19 Office of Motor Vehicles -- over the past  
20 several years, we've been having a lot of  
21 concerns and a lot of issues about the amount  
22 of dealer inventory plates that each dealer can  
23 possess. As I understand at this point,  
24 there's really no limit on the amount of plates  
25 that you can possess. Effective November 14th,

1 Department of Revenue, they went in and changed  
2 the policy that's going to put a limit on the  
3 amount of dealer inventory plates that a dealer  
4 can have. If you look at that document, look  
5 at the second page, Item B, used motor vehicle  
6 dealer. "The used motor vehicle dealer will be  
7 limited to one dealer plate per valid sales  
8 person." So that's something that they've gone  
9 in and put in place. We do have Lauren  
10 Debetaz, who is here from the Office of Motor  
11 Vehicles. If you have any questions for her,  
12 she'll be glad to answer some things for you.  
13 We're kind of helpless at this point, you know,  
14 What brought the change on, if you will.

15 MS. DEBETAZ:

16 Good morning.

17 MR. POTEET:

18 Good morning.

19 MS. DEBETAZ:

20 So we have within the last six months  
21 to a year seen an influx of an issue with the  
22 used motor vehicle dealer plates. We have a  
23 lot of dealers that will come in, claim they've  
24 lost 20 to 30 plates at a time, and then  
25 request 20 to 30 plates additional. Now, most

1 of these dealers have one to two licensed  
2 salespeople and it's gotten to a point where we  
3 are now trying to limit this, because there's  
4 some legal implications with some of these  
5 plates. They're getting sold on the Internet.  
6 They're getting loaned out from the dealership,  
7 those types of situations. So we had a meeting  
8 with our administration and we are going to try  
9 -- we did implement this policy Friday. So  
10 what we're going to do, based on the insurance  
11 and the LUMVC website printout, we are now  
12 limiting to the number of active salespeople  
13 who are allowed to drive vehicles on that  
14 premises.

15 MR. PARNELL:

16 So what that says is, like, if you  
17 have some dealerships that have active  
18 salespersons, but they're -- not all of the  
19 salespersons drive vehicles on the premises.  
20 And one of the reasons why, you're looking at  
21 the -- our insurance -- if we make them list  
22 who is going to be driving the vehicles on the  
23 premises for that dealership. And so as I  
24 understand, that's going to be the person that  
25 would be able to have that inventory plate, not

1 the other salespersons that are not registered  
2 or licensed.

3 MR. DONNELL:

4 What are you doing for, like, a  
5 dealer like myself that have two or three --  
6 how about two or three different cars?

7 MS. DEBETAZ:

8 Okay. It is one for an active sales  
9 license. And so you would file for yourself as  
10 a salesperson, you're allowed one plate.  
11 There's no addition to that currently.

12 MR. BRITT:

13 I don't think they thought this out  
14 very well.

15 MR. POTEET:

16 That's not us. You have to start  
17 going to their meetings.

18 MR. BRITT:

19 Did y'all -- did y'all have any  
20 different -- because, granted, I'm with you.  
21 Something has got to be done, because that's  
22 one thing I hear all the time mostly from my  
23 law enforcement friends. I mean, did y'all  
24 come up with any other scenarios other than  
25 saying, okay, each dealer is going to have one

1           plate per salesperson?

2           MS. DEBETAZ:

3                   No. So we discussed with legal and  
4           administration per the Office of Motor Vehicles  
5           and it was determined that we couldn't come up  
6           with another scenario where you would need more  
7           than one dealer plate at a time per  
8           salesperson.

9           MR. BRITT:

10                   Okay. Can I ask a question? And I  
11           didn't read it. What about the new car  
12           dealers, same thing?

13           MS. DEBETAZ:

14                   This is regulated to used car  
15           currently.

16           MR. BRITT:

17                   Okay. What's going to happen with  
18           the new car?

19           MS. DEBETAZ:

20                   I don't know at this time.

21           MR. BRITT:

22                   Can I -- can I make a suggestion?  
23           The people that came up with this idea, are  
24           they involved in the car business or they've  
25           just been -- what do they do?

1 MS. DEBETAZ:

2 They are administration with the  
3 Office of Motor Vehicles.

4 MR. BRITT:

5 Administration with -- okay.  
6 Because, evidently, they haven't been out in  
7 the real world very much. I mean, I'm a big  
8 advocate of trimming back these used car guys,  
9 okay, huge. But a country car dealer or a  
10 small town or a medium size town, or any of  
11 these guys here, I mean, I see a big mess  
12 fixing to take place. I mean, what's going to  
13 happen if Ricky jumps out or Dino jumps in a  
14 car on their lot and they have to run to the  
15 auction, and John, and they forget to take  
16 their one tag with them and a state trooper  
17 stops them? I mean.

18 MR. OLAVE:

19 That just raises another question,  
20 too. And no disrespect to the DMV. But  
21 they're responding -- you're responding to the  
22 presumption or -- no. There is -- there's  
23 definitely some nefarious activities going on.  
24 But you're responding with the rest of the 99  
25 percent of the industry restricting the rest of

1 the 95 percent or whatever percentages of the  
2 industry based on some unscrupulous acts and  
3 it's -- I agree with you. I think it's going  
4 to be a mess and I think it's going to affect.

5 MR. BRITT:

6 It's something.

7 MR. OLAVE:

8 Because you've got a lot of good  
9 dealers out there that have more than one tag  
10 per licensed salespeople. They're not --  
11 they're not doing -- it's more for convenience  
12 reasons. You're right. One salesperson is  
13 running a vehicle somewhere. Another one is  
14 running somewhere.

15 MR. BRITT:

16 I mean, don't take this the wrong  
17 way. This is almost a scenario where you've  
18 got two analysts that just graduated from  
19 college and never been out in the field to do  
20 something and came up with an idea.

21 MR. OLAVE:

22 I think there should have been --

23 MR. BRITT:

24 I think it needs some more homework.

25 MR. OLAVE:

1                   -- I think there should have been  
2 some requests from us, too, as far as some  
3 input from the industry.

4                   MR. HALLACK:

5                   Well, there is a note here that says  
6 that you can request additional plates in  
7 writing. But you have to give the reason for  
8 it. So if you need additional plates other  
9 than the number of salespersons that you have,  
10 you can make a request in writing, but you have  
11 to give justification for why you want  
12 additional plates.

13                  MR. OLAVE:

14                  That same clause holds true for temp  
15 tags. And I don't know if anybody has ever  
16 filed for an additional temp tag for good  
17 reasons. Has anybody ever done that? Did you  
18 get it? Did you get -- did you get an answer?

19                  MS. DEBETAZ:

20                  It still has to go through the  
21 office. In fact, that's for the dealer plates  
22 as well is subject to the administration  
23 people.

24                  MR. OLAVE:

25                  I'm going to say an administration



1 approval for temp tags is -- no disrespect,  
2 it's terrible. And so that's the same --

3 MR. BRITT:

4 Well, we don't mean any disrespect.

5 MR. OLAVE:

6 None whatsoever. None whatsoever.

7 And why would you need -- why would --

8 MR. HALLACK:

9 She is only the spokesperson.

10 MS. DEBETAZ:

11 Again, I didn't make any of these.

12 MR. DONNELL:

13 Why did the administration deal with  
14 us and exclude new car dealers?

15 MS. DEBETAZ:

16 The main issues that we've come  
17 across currently are only used dealers. Not  
18 saying that it's not happening in the new motor  
19 vehicle, but it's not --

20 MR. OLAVE:

21 So we penalize -- we penalize the  
22 rest of the industry because of some bad --

23 MR. POTEET:

24 I would -- I would say -- I would say  
25 that the rule should be the same whether it's

1 used or new.

2 MR. OLAVE:

3 Absolutely.

4 MS. DEBETAZ:

5 If I had to guess, it probably will  
6 be. We just haven't gotten to that point yet.

7 MR. POTEET:

8 Whatever the rule ends up being.

9 MR. HALLACK:

10 It's a rule. It's just a rule.

11 MS. DEBETAZ:

12 Yes.

13 MR. DONNELL:

14 Is it the rule now? I mean.

15 MR. OLAVE:

16 And how does that apply to the  
17 dealers that have -- already have 50 tags?

18 MS. DEBETAZ:

19 When they come in for renewal or they  
20 submit their renewal, we're going to verify  
21 that. And we'll give them a rejection letter  
22 stating that if you are eligible for four, you  
23 have 67. We are only going to renew four.

24 MR. BRITT:

25 I'll agree with that to a certain

1 degree. But, I mean, I think what they ought  
2 to do is, maybe, like, just on my 10 cents  
3 worth of free advice -- and one of you guys  
4 throw something at me if I get off base here --  
5 but if I was going to advise you to go back and  
6 look at this thing any closer, I wouldn't just  
7 base it off of salespeople. I would base it  
8 off the amount of cars that are kept in a  
9 dealer's inventory and their amount of sales in  
10 the year, and you could actually, probably,  
11 come up with a number that would give you --  
12 they would say, well, Best Stop Auto Sales in  
13 Winnsboro needs 10 tags.

14 MR. POTEET:

15 You mean, like, a formula.

16 MR. BRITT:

17 A formula, yes. And they'd say --

18 MS. BARON:

19 Determining on the --

20 MR. BRITT:

21 Determine --

22 MS. BARON:

23 -- how many cars you have on your  
24 lot.

25 MR. BRITT:

1                   There is proof.  It's not like it's a  
2 sham.

3                   MS. BARON:

4                   Right.

5                   MR. BRITT:

6                   And --

7                   MS. BARON:

8                   So if you have two cars on your lot,  
9 you can't have three?

10                  MR. BRITT:

11                  Yes.  And it's not like God is giving  
12 me a tag to put on my hunting truck.

13                  MS. BARON:

14                  Right.

15                  MR. BRITT:

16                  Okay.  And I've got my salesman  
17 license through Darty over there.  And God is  
18 giving me the tag to put on my hunting truck,  
19 no.  This is documented based on what your  
20 sales are and your inventory, not necessarily  
21 only what your salespeople are.  I mean, I  
22 think that would be a safer number.  Because  
23 all these guys -- I mean --

24                  MS. BARON:

25                  Do all dealers drive more than one

1 car?

2 MR. DONNELL:

3 Yes. I have three.

4 MS. BARON:

5 You drive three different cars?

6 MR. HALLACK:

7 No. If Ricky Donnell came and told  
8 you he has 100 salespeople, he could get 100  
9 tags?

10 MS. DEBETAZ:

11 No. I can look up on the website how  
12 many active salesman's licenses are --

13 MR. HALLACK:

14 But what Mr. Britt was saying, you  
15 could not verify how many cars were in the  
16 inventory, you would have to rely on him for  
17 that information.

18 MS. DEBETAZ:

19 Correct.

20 MR. TAYLOR:

21 What is the defined usage of a hard  
22 tag as far as the DMV is concerned?

23 MS. DEBETAZ:

24 So the statute is very broad --

25 MR. TAYLOR:

1                   Okay.

2                   MS. DEBETAZ:

3                   -- which we're actually talking about  
4                   legal, maybe, doing something that's actually  
5                   going to hone that in, too, which may help us.  
6                   Demonstration purposes is a big one and it is  
7                   not defined very well. It's just --

8                   MR. WATTS:

9                   I think what we're looking at here,  
10                  everybody's places, we've got family members  
11                  that are under our insurance and driving a  
12                  dealership car with a dealer plate. Now, we're  
13                  going to have to get them -- we have to get  
14                  them --

15                  MR. OLAVE:

16                  Well, demonstration purposes, to me,  
17                  also include, you know, getting the customer's  
18                  information and putting a dealer tag on it and  
19                  letting them take the vehicle to show their  
20                  wife or what-have-you. When that's out, then  
21                  you've got one licensed salesperson and you  
22                  can't demo another vehicle or you can't take  
23                  yours home, because you got your plate?

24                  MR. WATTS:

25                  I've been doing --

1 MR. OLAVE:

2 I'm just saying --

3 MR. WATTS:

4 -- my wife has had a dealer plate  
5 forever.

6 MR. OLAVE:

7 -- I believe there needs to be  
8 control over it.

9 MR. WATTS:

10 How many dealer plates you have on  
11 your insurance. So I've got three, which I do.  
12 Now, I'm just a wholesaler. But some people  
13 got kids ride in cars. They're over 21, which,  
14 I mean, that law, you can't hire nobody 15 or  
15 16 to work on used cars anymore. The insurance  
16 won't cover them.

17 MR. DONNELL:

18 Say, like, I buy a trailer -- a car  
19 at his auction, I want to use it before I sell  
20 it, you know. There's another dealer tag, you  
21 know.

22 MR. POTEET:

23 I don't have any comments on any of  
24 this. I think that they --

25 MR. WATTS:

1                   Why don't y'all come back to us for  
2                   some clarification or help? Y'all decided to  
3                   do this on y'all's own and we're the ones that  
4                   brought it up first. I thought the last couple  
5                   meetings, this has been brought up.

6                   MR. OLAVE:

7                   Yes. We've been talking about it for  
8                   a while now.

9                   MR. HALLACK:

10                  This has been an issue.

11                  MR. WATTS:

12                  It started with us complaining about  
13                  getting stopped and it went the other way.

14                  MR. OLAVE:

15                  Even if -- even if they -- even if  
16                  they apply it to new car dealers, it's really  
17                  not going to affect them. They got so many  
18                  licensed sales people on the lot and don't have  
19                  enough dealer tags, it's going to affect the  
20                  smaller -- the smaller independents and there's  
21                  a lot more of those than new car dealers. I  
22                  mean, that's why -- that's why --

23                  MS. BARON:

24                  What they're actually trying to curb,  
25                  though, is that we have had reports from New



1 York, New Jersey, Indiana.

2 MR. OLAVE:

3 Something has to be done.

4 MS. BARON:

5 People are selling their hard plates  
6 and the hard plates are being used for things  
7 other than just driving.

8 MR. BRITT:

9 That goes back to what I said months  
10 ago in here. We should have input on how many  
11 plates a used dealer can get. We should have  
12 -- Monroe cannot go up to a dealership this  
13 afternoon and find out how many plates have  
14 been assigned to him. Derek and I could be  
15 in there and have 39 plates and we just told  
16 Monroe we've got two. And that should -- some  
17 of that should be under our purview. I don't  
18 know how that gets fixed, but some of that  
19 should be under this Commission's purview.

20 MR. WATTS:

21 You're fixing to get a lot of calls.

22 MS. MORRIS:

23 It's a policy and not a rule.

24 MS. DEBETAZ:

25 It's a policy.

1 MR. BRITT:

2 Yes. It's a policy.

3 MS. BARON:

4 It's --

5 MS. MORRIS:

6 Are you-all going to publish it as a  
7 rule?

8 MS. DEBETAZ:

9 Well, administration is working with  
10 legal to get it published as a rule.

11 MR. POTEET:

12 Well, then, this would come into  
13 play.

14 MR. PARNELL:

15 Right. You will have the opportunity  
16 --

17 MR. POTEET:

18 When you guys have a chance --

19 MS. MORRIS:

20 To make comments or have public a  
21 hearing.

22 MS. DEBETAZ:

23 Yes.

24 MR. POTEET:

25 December 21st -- or, no, November --

1 I assume it's the same for everybody, right?

2 MS. BARON:

3 No. It's per month.

4 MR. POTEET:

5 Okay.

6 MS. MORRIS:

7 It depends on when you start the  
8 process.

9 MR. POTEET:

10 So we will have an opportunity on  
11 some period of time to -- it looks like they  
12 give you about three weeks to request a public  
13 hearing. And then you also have -- you've got  
14 to go, probably, to the -- go over to the head  
15 of the OMV to request that. And then you can  
16 -- you can voice all these things. I think --  
17 from what I've heard -- from what I've heard, I  
18 like Jeff's idea of having some kind of  
19 formula.

20 MR. BRITT:

21 I mean, that keeps it honest. That's  
22 the thing.

23 MR. POTEET:

24 But I have another question for you,  
25 Lauren, on something you were saying. If

1           somebody has -- let's just say somebody has 20  
2           plates and they come to you and they say, I  
3           lost all 20 of my plates, so -- and this is  
4           going to be a law enforcement --

5           MS. DEBETAZ:

6                     It actually happens a lot.

7           MR. POTEET:

8                     I know.

9           MR. OLAVE:

10                    Maybe, that's where you stop it. I  
11           don't know.

12           MR. POTEET:

13                    So let me -- let me -- let me  
14           backtrack a little bit. So I don't have any  
15           dealer plates. I have my -- I own my own car  
16           and I have my own plate on it. If I come out  
17           one day and somebody has stolen my plate and I  
18           report it to you, doesn't that go into some  
19           kind of database, so if somebody is driving  
20           around with that plate, they get stopped?

21           MS. DEBETAZ:

22                    Yes.

23           MR. POTEET:

24                    So wouldn't it be the same process  
25           for people who say, hey, I lost all my plates?

1 Don't you have a database?

2 MS. DEBETAZ:

3 The database is for the cancelled  
4 plates. The active plates or the cancelled  
5 plates. So when they come in to me and  
6 they're, like, oh, I lost 15 of my plates.

7 MR. POTEET:

8 Okay.

9 MS. DEBETAZ:

10 We usually say, can you please give  
11 me something in writing saying you no longer  
12 have these plates, you don't know where they  
13 are, you cannot locate them? At that time,  
14 we'll go in and cancel those. There was just  
15 -- there are still an abundance of them out  
16 there. Three active salespeople, they -- we  
17 cancelled these 15. They still have 45 on  
18 their lot. And the Deputy Commissioner was --  
19 she was, like, no, you know, we've got to start  
20 rolling these in.

21 MS. BARON:

22 We had one -- we had a salesperson --  
23 a dealer that he was the sole owner, the only  
24 salesperson, and everything and he had in  
25 excess of 100 plates.

1 MR. BRITT:

2 Well, that's why there should have  
3 been -- we should have some input on that.  
4 There ought to have been --

5 MS. BARON:

6 Yes.

7 MR. BRITT:

8 -- legal control through the years.

9 MR. POTEET:

10 Yes. I think we went from really bad  
11 to trying to fix it. I mean, we've got a lot  
12 of stuff in the past.

13 MS. DEBETAZ:

14 I don't know if it is trouble or if  
15 it's easier or if it's proactive to try to  
16 facilitate a meeting with my administration, as  
17 well as myself, and whoever here needs to be in  
18 that meeting to kind of hash it out. With  
19 renewal time coming up, we were really just  
20 trying to get something --

21 MR. CORMIER:

22 Maybe, have a maximum per dealer, a  
23 maximum of, like, three plates at most, you  
24 know.

25 MR. POTEET:

1                   Well, you know, I think his idea was  
2                   you have a formula. And somebody could come up  
3                   with a formula that says this is -- this is how  
4                   we're going to calculate this. But to use it  
5                   just on -- I can see the problem with just  
6                   having it for salespersons's licenses.

7                   MS. BARON:

8                   I mean, you've got mom and pop over  
9                   here that has two or three cars. Then, you  
10                  have North American Automotive Brokers that's  
11                  got 500.

12                 MR. POTEET:

13                 The idea I get here is, probably,  
14                 Derek, you should get with them and tell them  
15                 what our concerns are as a Commission, not  
16                 necessarily what our individual concerns are.  
17                 Those of you that want to voice your individual  
18                 concerns, you should pay attention to this, so  
19                 when the rule making comes out, you can voice  
20                 your individual concerns.

21                 MR. BRITT:

22                 I volunteer to help do anything for  
23                 that. I mean, you need an old law dog.

24                 MR. POTEET:

25                 I think one of the other problems we

1           have -- and George and I were talking about it  
2           before the meeting -- is that there is very  
3           little consistency amongst law enforcement  
4           about what needs to be done.

5                   MR. BRITT:

6                           Because nobody knows what -- I had to  
7           put them off on Monroe, but I put them off on  
8           Montie, because they're usually north. But I  
9           can't tell you the troopers.

10                   Mr. Jeff, what are we supposed to  
11           with this? So they're very confused.

12                   MR. POTEET:

13                           They need to be educated.

14                   MR. BRITT:

15                           Because, I mean, I promise you, I  
16           know one, in particular, I would like to go  
17           with Monroe, Montie, and four troopers this  
18           afternoon to go see his location and cue him  
19           in, because I'm telling you, he's got them --  
20           y'all just don't even want to know how much  
21           dope his cars are hauling.

22                   MR. OLAVE:

23                           I think that's the one of the -- I  
24           think that's one of the issues with the state  
25           police, though, that I've heard. It's because



1           they can't verify the ownership of the vehicle  
2           based on the dealer tag. And that concerns me.

3           MR. BRITT:

4                     And they're putting them on --  
5           they're putting them on rent-to-own vehicles.

6           MR. ALLMOND:

7                     I'd like to interject into this --

8           MR. POTEET:

9                     Okay.

10          MR. ALLMOND:

11                     -- because if you read the statute,  
12          basically, it says for you to have a dealer tag  
13          on your plate, you have to be able to prove it  
14          is a dealership owned vehicle, which would mean  
15          you would have to have a copy of your  
16          customer's trade-in document or where you  
17          bought it at the auction. You don't have to  
18          show the prices or anything like that. But, by  
19          virtue, if you read the rule, it says you have  
20          to be able to prove ownership. You also have  
21          to have your proof of insurance. Your garage  
22          liability insurance has to be in the vehicle.  
23          And you also have to be able to prove that you  
24          are an employee. Now, that might necessitate  
25          us going back -- from what I understand, years

1           ago, you had a pocket size salesman ID card.  
2           They don't have that now. So they'd have  
3           something like this all folded up in their  
4           pocket. But that would solve the problem, just  
5           getting people to go along with the rules that  
6           are set up now.

7           MR. OLAVE:

8                        Would you agree that the rules are a  
9           little -- because she even mentioned it's for  
10          demonstrations purposes. So how does that  
11          apply?

12          MR. ALLMOND:

13                        The real thing --

14          MR. OLAVE:

15                        Well, that's what I'm saying. It's  
16          vague. I'm not disagreeing with you. But when  
17          you say you have to prove you're an employee,  
18          what if you have a customer in the vehicle and  
19          the dealer tag for demonstration purposes?  
20          They're not going to be able to prove they're  
21          an employee or prove that that vehicle is owned  
22          by the dealership.

23          MR. ALLMOND:

24                        But do you normally just give the key  
25          to a car to take a test drive or to demo?

1 MR. OLAVE:

2 Not normally, but it happens quite a  
3 bit.

4 MR. ALLMOND:

5 Well, if it happens on that rare  
6 occasion that they get stopped, there had to be  
7 a reason. All I'm saying -- I tell my dealers  
8 right now don't put anything on a car if you're  
9 doing a demo drive. I mean, it's not like  
10 they're going to take it for a day or two. You  
11 don't have to put a metal plate on it. You  
12 don't have to put a five-day plate on it. You  
13 don't have to put anything on it, because  
14 you're supposed to have one of your employees  
15 in the car with them. And if you don't, they  
16 don't have any liability insurance covering  
17 them anyhow. You've got to look at it that  
18 way.

19 MR. OLAVE:

20 What's a loaner agreement. Loaner  
21 agreement, dealer tag, you get a copy of their  
22 insurance. They're driving under your  
23 liability, under their collision.

24 MS. BARON:

25 Most used car dealers don't do

1           loaners.

2           MR. ALLMOND:

3                   Well, believe me, I empathize with  
4           that.

5           MR. OLAVE:

6                   I know it's vague. It's not --

7           MR. ALLMOND:

8                   Just before I -- several years before  
9           I retired from the Baton Rouge Police, I came  
10          over to this office trying to get some rules  
11          and regulations involving dealer plates,  
12          five-day plates, and all that. Before that  
13          week was over, I talked to I don't know how  
14          many different people from here to Motor  
15          Vehicles, to state police, and I wound up back  
16          over here and everybody just keep sending me in  
17          a circle.

18          MR. BRITT:

19                   Well, that's been the problem from  
20          the get-go, hasn't it?

21          MR. ALLMOND:

22                   Right.

23          MR. BRITT:

24                   It just -- it's just never ending.  
25          So I really think we need to move forward with

1           trying to meet with them.

2           MR. OLAVE:

3                     Yes. I'd say this to the DMV, there  
4 needs to be a solution, just not this solution.

5           MR. BRITT:

6                     And we want a solution. We want --  
7 nobody is here wanting --

8           MR. POTEET:

9                     I think we've got -- well, you know,  
10 Derek, you get with them. You get a voluntary  
11 dealer to work with you. We also have the rule  
12 making timetable. And I think all of you that  
13 have complaints should definitely get involved.  
14 I don't have dealer plates.

15          MR. OLAVE:

16                     Can we take a position as a  
17 Commission? Because this affects our dealers  
18 and we represent them.

19          MR. POTEET:

20                     We've got to talk to them to take a  
21 position.

22          MR. OLAVE:

23                     Well, I know, but you said something  
24 about individual. I just want to make sure I  
25 -- I mean, if we need to vote on it, that's

1 cool. But does the Commission have a position  
2 that they oppose this rule and regulation, is  
3 my question?

4 MR. POTEET:

5 Well, I don't know that we need to  
6 take a vote on that. We do --

7 MR. OLAVE:

8 As long as -- as long as we're in  
9 agreement then.

10 MR. POTEET:

11 Yes. We are.

12 MR. BRITT:

13 I wouldn't vote on it just yet.  
14 Let's wait and see where it goes.

15 MS. BARON:

16 Yes.

17 MR. BRITT:

18 If it goes backwards, then that's  
19 when we take a --

20 MR. OLAVE:

21 Yes. I was just making sure that  
22 we've got a consensus on the Commission for  
23 this, because I can't individually oppose this,  
24 but this Commission represents the -- you know,  
25 the --

1 MR. BRITT:

2 Well, we represent the State of  
3 Louisiana.

4 MR. OLAVE:

5 Absolutely.

6 MR. POTEET:

7 Wait a minute. Wait a minute. There  
8 are two points we're trying to make here. One  
9 is the Commission. The Commission, we have an  
10 Executive Director or somebody from the  
11 Commission that's going to go in and say,  
12 essentially, we disagree with this, but we'd  
13 like to work with you to come up with something  
14 that seems to make sense. Then, we can come  
15 back and say here's what we came up with, let's  
16 all talk about it. But I encourage you as  
17 citizens, not as members of this Commission, to  
18 go exercise your right. If 500 people show up  
19 at one of these things, you know, it's like so  
20 many things that have disappointed me about our  
21 dealer body is when, you know, I hear somebody  
22 screaming and yelling at me about some problem,  
23 and then we have a public hearing and three  
24 people show up.

25 MS. BARON:

1                   Yes.

2                   MR. POTEET:

3                   We've got 2700 licensed people and I  
4 got three that show up for this groundbreaking  
5 thing that's going to ruin the car business.  
6 So what I'm saying is, exercise your citizens's  
7 right and we will exercise our rights as a  
8 Commission to try to make this better for  
9 everybody, not only our dealers, but for Office  
10 of Motor Vehicles. I mean, you guys have got a  
11 problem on your hand. And then, hopefully, in  
12 the process, we'll also be able to educate some  
13 of our law enforcement brothers and sisters out  
14 there.

15                  MR. BRITT:

16                   They're at a loss.

17                  MR. POTEET:

18                   They have no idea what we're doing.

19                  MR. BRITT:

20                   These young troopers are just -- if  
21 they had defibrillators like mine, they'd be  
22 blowing up every day, because I mean, they are  
23 at a loss.

24                  MS. BARON:

25                   I'm sorry. There's another problem,



1           too, that they can't do anything -- they can't  
2           deny these dealers license plates or anything  
3           like that unless they're revoked. Is that  
4           true? Unless they're revoked in our system.  
5           So if they're going up there and we don't know  
6           about them, they're contacting us and they're  
7           letting us know, look, these people are  
8           wanting, you know, 50 different plates or  
9           whatever, and they're not revoked. What's  
10          going on? And I say, well, I don't know, let  
11          me send my investigator. I sent -- we sent  
12          Monroe out to Omega here a while back, because  
13          he had some tags that were going from Indiana  
14          to Miami every -- you know, every week. And  
15          come to find out, he was selling his -- he was  
16          renting his tags out for \$1,000 a week or  
17          whatever. And so -- you know, but they cannot  
18          do anything, according to their legal people,  
19          until they're revoked in our system. They  
20          can't deny them plates. So that's another  
21          reason to have the policy.

22                       MR. POTEET:

23                               Well, I think we probably --

24                       MS. BARON:

25                               Yes.

1 MR. POTEET:

2 -- it's obvious to see here that now  
3 that they -- I think you did a good job here.  
4 You've given us something to work with.

5 MS. BARON:

6 Yes.

7 MR. POTEET:

8 You've got to start somewhere.

9 MR. BRITT:

10 We commend you for that.

11 MS. BARON:

12 Yes. No doubt.

13 MR. HALLACK:

14 I think you misunderstood. This is  
15 enforceable now. This is a policy statement.  
16 This is not going through a rule process.

17 MR. POTEET:

18 I understand. But we can't -- we've  
19 got to get with them and talk about it.

20 MR. BRITT:

21 It can be -- it can be amended.

22 MR. HALLACK:

23 Yes, sure. But they can enforce this  
24 right now today.

25 MS. DEBETAZ:

1                   We are.

2           MR. POTEET:

3                   They are enforcing it.

4           MS. BARON:

5                   They are enforcing it.

6           MR. HALLACK:

7                   Right. So the whole process of going  
8 through a rule is not -- this is not part --

9           MR. POTEET:

10                   That's only -- that's part two. Part  
11 one is for us to talk to them.

12           MS. BARON:

13                   She said they are going to make it  
14 into a rule. They're working on that now.

15           MR. HALLACK:

16                   But right now, it's a policy  
17 statement and it's enforceable.

18           MS. BARON:

19                   Yes. It's enforceable.

20           MR. POTEET:

21                   Point well taken. All right. Just a  
22 second. I think -- are you through with your  
23 report?

24           MR. PARNELL:

25                   I am, yes.

1 MR. POTEET:

2 Okay. Let's go ahead and adjourn and  
3 we'll come back in 10 minutes.

4 MR. SMITH:

5 I make a motion to adjourn.

6 MR. TAYLOR:

7 Second.

8

9

10 (Meeting adjourned at 11:01 a.m.)

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

REPORTER'S CERTIFICATE

1

2

3 I, BETTY D. GLISSMAN, Certified Court

4 Reporter, Certificate No. 86150, in and for the

5 State of Louisiana, do hereby certify that the

6 Louisiana Used Motor Vehicle Commission

7 November 18, 2019, meeting was reported by me

8 in the stenotype reporting method, was prepared

9 and transcribed by me or under my personal

10 direction and supervision, and is a true and

11 correct transcript to the best of my ability

12 and understanding.

13 This November 27, 2019, Baton Rouge,

14 Louisiana.

15

16

17

18

19

20

21 \_\_\_\_\_

22 BETTY D. GLISSMAN, CCR

23 CERTIFIED COURT REPORTER

24

25