

LOUISIANA USED MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA

REGULAR MEETING
MARCH 21, 2016
BEGINNING AT 9:35 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

6 MR. GEORGE BREWER

7 MR. TONY CORMIER

8 MR. RON DUPLESSIS

9 MR. GEORGE FLOYD

10 MR. STEPHEN OLAVE

11 MR. KIRBY ROY

12 MR. HENRY "DARTY" SMITH

13 MR. DINO TAYLOR

14

15

16 REPRESENTING THE LOUISIANA USED MOTOR

17 VEHICLE COMMISSION:

18

19 ROBERT W. HALLACK, ESQUIRE
HALLACK LAW OFFICE
20 13007 JUSTICE AVENUE
BATON ROUGE, LOUISIANA 70816

21

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

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ALSO PRESENT:

MS. KIM BARON

MR. DEREK PARNELL

MS. TONYA BURKS

MS. STACY GAUDIN

MR. NESTOR GUILLORY

MR. DWAYNE TAMBLING

MR. VERNON R. QUIROS, JR.

MS. DENISE JACKSON

MS. DENISE JOHNSON

1 (Pledge of Allegiance.)

2 MR. POTEET:

3 Roll call, Kim.

4 MS. BARON:

5 John Poteet?

6 MR. POTEET:

7 Here.

8 MS. BARON:

9 Mr. Brewer?

10 MR. BREWER:

11 Here.

12 MS. BARON:

13 Dino Taylor?

14 MR. TAYLOR:

15 I'm here.

16 MS. BARON:

17 Tony Cormier?

18 MR. CORMIER:

19 Here.

20 MS. BARON:

21 Ron Duplessis?

22 MR. DUPLESSIS:

23 Here.

24 MS. BARON:

25 George Floyd?

1 MR. FLOYD:

2 Here.

3 MS. BARON:

4 Kirby Roy?

5 MR. ROY:

6 Here.

7 MS. BARON:

8 Darty Smith?

9 MR. SMITH:

10 Here.

11 MS. BARON:

12 Steve Olave?

13 MR. OLAVE:

14 Here.

15 MS. BARON:

16 Mr. Chairman, we have a quorum.

17 MR. POTEET:

18 Excellent. Is there anyone here today

19 for public comments?

20 MS. BARON:

21 There is not.

22 MR. POTEET:

23 Okay. Hopefully, all of you had a chance
24 to read -- to read the February minutes and if there
25 are no comments or changes to that, I would

1 entertain a motion to approve.

2 MR. SMITH:

3 I'll make a motion.

4 MR. BREWER:

5 Second.

6 MR. POTEET:

7 Second, Mr. Brewer.

8 All in favor, say, "Aye."

9 (All "Aye" responses.)

10 MR. POTEET:

11 Any opposed?

12 (No response.)

13 MR. POTEET:

14 The motion carries.

15 The -- next, review of the financial
16 report. Mona is not going to be with us for a
17 couple of weeks because of some emergency surgery.
18 So we're going to go ahead and move those financials
19 to the next meeting. We'll do the January and
20 February financials there. Hopefully, all is going
21 to be well with her and you'll let us know what's
22 going on. It's kind of a serious surgery, but
23 she'll be back. She'll be back. Okay.

24 So the next thing on the agenda is Vernon
25 Quiros requests to address the Commission board

1 regarding the administrative hearing held on July
2 21st.

3 Derek, do you want to lead us in that
4 discussion?

5 MR. PARNELL:

6 Mr. Quiros, he was the dealer -- he was
7 Wego Auto Sales. He's present with us today. He
8 sent a letter to me requesting to have an appeal on
9 his hearing a review of the finding that was done.
10 This was a hearing that took place on July 21, 2014.
11 The notice for administrative hearing was hand
12 delivered to him, Mr. Quiros. The Commissioners
13 heard the case -- the Commission board heard the
14 case. They came up with a fine of \$115,000 --
15 \$115,500 and ordered him to pay \$4,000 in
16 restitution to Mr. Barry Joe Humphries. The
17 Commission since then has gone against his bond, has
18 received \$35,000 from the bond and the remaining
19 balance has been submitted to the Attorney General's
20 Office for recovery. It was communicated to me that
21 he wanted to have this opportunity to come before
22 you guys and request --

23 MR. DUPLESSIS:

24 Can you recite us the charges and the
25 fine schedule?

1 MR. PARNELL:

2 If you look in your binder -- if you look
3 in your book, the first pink tag is the letter that
4 he submitted to me for requesting of this
5 information, his hearing here. The next document
6 you will find is the findings of fact, conclusion of
7 law, and the order, which has the order.

8 MR. POTEET:

9 Has everybody had a chance to read
10 through that yet? Has everybody finished reading?

11 MR. CORMIER:

12 Yes.

13 MR. POTEET:

14 Refresh your memory a little bit. I
15 think everybody that is on the Commission now was on
16 the Commission at that time except Steve.

17 MR. OLAVE:

18 I was not.

19 MR. POTEET:

20 Except Steve. Does anyone have any
21 questions regarding the case? It's been almost two
22 years now. It was -- I signed the order on July
23 31st. So it must have been at the July meeting of
24 that year. So is there anything that -- that we
25 need to talk about before we have --

1 MR. DUPLESSIS:

2 Mr. Chairman, I'm curious. The
3 defendant, Mr. Quiros, didn't show up for the
4 meeting.

5 MR. POTEET:

6 Right.

7 MR. DUPLESSIS:

8 Is there a reason that --

9 MR. QUIROS:

10 Correct.

11 MR. DUPLESSIS:

12 I think you probably just need to stand
13 up and --

14 MR. POTEET:

15 That's what I was going to say. Are we
16 ready to have him speak?

17 MR. HALLACK:

18 Well, if you have questions for him, yes.

19 MR. POTEET:

20 Yes, ma'am.

21 MS. MORRIS:

22 This request -- and there is a -- Mr.
23 Quiros wasn't here. I'm just going to go over the
24 procedure. He wasn't here for the hearing, but he
25 did receive notice of this order, is my

1 understanding, by certified mail or hand delivery,
2 and then there's an appeal. He can -- there is a
3 period of which he can come to us and ask for a
4 re-hearing. That expired without a request for
5 re-hearing. And then there's also a period of time,
6 30 days, that he can go to the district court to
7 appeal this order. This order was not appealed to
8 the district court, according to the Commission's
9 record. So this is outside of the request for
10 re-hearing date and it's outside of the appeal
11 delay. I just wanted the Commission to be aware of
12 that.

13 MR. DUPLESSIS:

14 So, Ms. Morris, are we to -- to
15 understand that this is more probably a settlement
16 agreement than it is a finding of fact or a
17 re-hearing?

18 MS. MORRIS:

19 Correct. I think that Mr. Quiros' letter
20 that is in your packet says that he's requesting an
21 appeal. However, as Ms. Baron said, there's only
22 been a claim on the bond. The \$35,000 bond has been
23 exhausted and credited to this judgment, and then
24 we've sent to it Attorney General for collection.
25 So I think the only process available at this point

1 is a settlement of the remainder of the fines and
2 penalties that were in the order.

3 MR. DUPLESSIS:

4 Well, are we capable of doing that?

5 MR. MORRIS:

6 And that could be done by the Attorney
7 General's Office, but it could be done by this
8 Commission as well, I believe.

9 MR. DUPLESSIS:

10 So we're authorized to enter into
11 discussions of settlement agreement if we so choose?

12 MS. MORRIS:

13 Of the remainder of the fine and terms of
14 the order that have not been complied with.

15 MR. DUPLESSIS:

16 Understood.

17 MR. HALLACK:

18 Has the Attorney General's Office filed
19 suit? Have you been served with a --

20 MR. QUIROS:

21 They served me some papers and that's the
22 first time that I received papers on the amount of
23 the fine. I got a divorce. My ex-wife was in my
24 house when I moved out. She was throwing everything
25 away. So I never knew about -- once the judgment

1 came how much it was. I found out when the Attorney
2 General's Office certified mail to my mother's house
3 and that's when I figured it out. That's why all
4 this is so late for me getting the paperwork.

5 MR. HALLACK:

6 Okay. So, apparently, he claims that he
7 did not get the findings of fact originally and was
8 not aware of that until he was served at his
9 mother's house with papers from the Attorney
10 General's Office.

11 MS. MORRIS:

12 If Mr. Quiros is going to make a
13 statement before the Commission, he needs to be
14 placed under oath.

15 MR. POTEET:

16 Okay. Go ahead.

17 (Swearing in of Vernon Quiros.)

18 MR. QUIROS:

19 Okay. Say it again.

20 MR. HALLACK:

21 Well, I think you need to take us -- I
22 think you need to take us from the top.

23 MR. POTEET:

24 Well, you need to make your statement.

25 You requested this time. So we're giving you this

1 time. So go ahead.

2 MR. QUIROS:

3 From the -- from the beginning, Stacy,
4 when she handed me the papers, I said, do I need to
5 go to the hearing, when it was coming up? She said,
6 well, if you want to get chewed out in front of
7 everybody, it's going to be the same result, you
8 don't need to come. So I'm a charter captain. I
9 was in Venice working. So that's the reason why I
10 did not come to the hearing, because I didn't think
11 it was going to be that drastic. Then, like I said,
12 with the filing and everything else, I got my
13 divorce. I sent in the divorce papers that he got.
14 I didn't receive anything on the judgment and
15 everything else until I got it from the Attorney
16 General's Office.

17 MR. POTEET:

18 Okay.

19 MR. QUIROS:

20 And I was speaking with him. From what I
21 was understanding, I thought that with the bond that
22 y'all would pay the people that I owed money to,
23 Humphries. Is that correct?

24 MR. HALLACK:

25 Yes.

1 MR. QUIROS:

2 And Chinese.

3 MR. HALLACK:

4 Brian [sic] Humphries and --

5 MR. QUIROS:

6 That would come out of the bond. I've
7 been making restitution. I've been paying the bond
8 company back and I owed Ray Brandt Nissan money and
9 I paid them back and they got the titles on the cars
10 that those people bought from me. And he was
11 telling me that I can make arrangements to pay
12 Chinese and Humphries, which I could do. I could
13 probably give him \$1,000 a month until I paid him
14 the \$4,000 deposit back on that, and with her, with
15 the taxes, to make restitution.

16 MR. HALLACK:

17 Let me see if I can speed up the process

18 --

19 MR. QUIROS:

20 Right.

21 MR. HALLACK:

22 -- a little bit. This is new to me. I
23 don't understand. Mr. Quiros, he had a dealership
24 called Wego Auto Sales.

25 MR. QUIROS:

1 Correct.

2 MR. HALLACK:

3 He's had that dealership since -- and
4 correct me if I'm wrong on anything. Okay. Mr.
5 Quiros had a dealership called Wego Auto Sales that
6 he's had since 1989.

7 MR. QUIROS:

8 Yes.

9 MR. HALLACK:

10 And I think he had a pretty much clean
11 record up until he started having -- Stacy is
12 shaking her head, yes, that he had a pretty clean
13 record. He may have had some violations, but he
14 always took care of them right away as much as he
15 could.

16 MR. QUIROS:

17 Right.

18 MR. HALLACK:

19 Okay. So I don't think he was ever
20 brought before this Commission on a hearing before.
21 He always took care of his business. At some point,
22 he became -- he got into a bad predicament with DSC,
23 Dealer Services Corporation.

24 MR. QUIROS:

25 Right.

1 MR. HALLACK:

2 And he got out of trust with DSC. The
3 penalties and the interest with DSC kept mounting.
4 He had trouble paying them. He also had a bad
5 salesperson. His name was Anthony Hughes.

6 MR. QUIROS:

7 Correct.

8 MR. HALLACK:

9 And the largest part of what we fined him
10 -- fined him for was the temp tags -- the two
11 missing temp tags. And what he came to find out was
12 that his salesperson, Anthony Hughes, was not only
13 stealing money from his dealership, but he was also
14 taking these temp tags and selling them. And that's
15 what he would have told us had he been able to come
16 here, but at that time, he had closed his
17 dealership. He didn't think anything else was going
18 to happen. He's closed. He's out of business. He
19 has no intent of coming back into business, although
20 that was something he had done since 1989. So he
21 just thought it was over with at that point, that
22 his bond would take care of everything.

23 MR. QUIROS:

24 Right. I thought, you know, y'all would
25 disburse the monies like that and I would just pay

1 them back. I've been paying them back. I never
2 realized that I had to give the people their down
3 payment back and stuff like that, because I thought
4 it came from the bond.

5 MR. HALLACK:

6 Right. So he's been paying the bond
7 company back \$500 a month. He also owed some money
8 to Ray Brandt, which he has fully paid Ray Brandt
9 back. There are two consumers -- two consumers and
10 there were only two only consumer complaints that
11 were before the Commission. The rest of it was a
12 temp tag audit. But there were two consumer
13 complaints and he has pledged to make restitution to
14 both of them. To Brian Humphries, he's pledged to
15 pay him back at \$1,000 a month. I think Chinese --

16 MR. QUIROS:

17 McClure.

18 MR. HALLACK:

19 Yes. I think what happened, she had to
20 pay sales tax.

21 MR. QUIROS:

22 And I'll make restitution with that.

23 MR. HALLACK:

24 And he's promised that he'll make
25 restitution to her to repay her back the sales tax

1 that she's paid. So since this has happened, and
2 actually a little bit before, he -- he's been a
3 charter captain on a fishing service. So he has no
4 intent of going back into the used motor vehicle
5 business again. He -- right now, he -- he does have
6 a judgment of divorce. His attorney did send that
7 to me. You can see by the date on the judgment of
8 divorce that he was going through a divorce and
9 living with his mother and he did bring his mother
10 with him today and she can verify, if you want, that
11 he was living with her when he would have received
12 -- when he should have received the findings of fact
13 and conclusions of law and did not.

14 Like he said before, the first time that
15 he -- he realized that that had happened was when he
16 got served by the Attorney General's Office. So any
17 questions about whether -- well, let's -- have we
18 had similar situations before? Yes, we have, if --
19 if anybody has that question by the way. The first
20 thing that comes to my mind is Main Street Motors in
21 Pineville. I don't know if y'all -- I know Mr.
22 Duplessis was on the Commission. I think Mr. Floyd
23 was on the Commission at that time. Main Street
24 Motors got in a situation with DSC, Dealer Services,
25 and they got out of trust. The penalties and the

1 interest were mounting and they were just absolutely
2 crushing this dealer. He had several temp tags that
3 he couldn't deliver, because DSC refused to turn
4 them over. He appeared before this Commission and
5 he explained his situation with DSC. DSC has filed
6 suit against Mr. Quiros, too. I want to bring that
7 up. They have filed suit. They haven't taken a
8 judgment against him, but he still owes them -- do
9 you have any idea how much you owe DSC.

10 MR. QUIROS:

11 \$28,000.

12 MR. HALLACK:

13 Okay. So he's got that also. But,
14 anyway, Main Street Motors at that time -- I think
15 Mr. Duplessis said we needed to take a closer look
16 into relationships between dealers and DSC and see
17 what we can do to help dealers out at that time. So
18 that was a situation where we chose not to fine
19 anybody.

20 Now, the dealer did show up and he did
21 explain that a lot of his problems were caused by
22 one of his salespeople. He was an older gentleman
23 and he had let this younger fellow take over his --
24 his business and it actually was his son, so. And
25 that's what happened there. And we chose to --

1 instead of hitting him with a bunch of fines, we
2 chose to waive it and forgive it. So, I mean, that
3 is one situation where that's happened. I can think
4 of a couple others if you have any questions about
5 that.

6 MR. POTEET:

7 Okay.

8 MR. ROY:

9 It was forgiven?

10 MR. HALLACK:

11 Yes. Well, actually, no penalty was
12 assessed.

13 MR. ROY:

14 Okay.

15 MR. DUPLESSIS:

16 Well, in that case, there was not the
17 temp tag issue.

18 MR. HALLACK:

19 Right.

20 MR. DUPLESSIS:

21 It was a trust issue and DSC is the way
22 we kind of had it shaped and we couched the case at
23 -- at the end of -- conclusion. So this is a little
24 bit different. He did show up.

25 MR. HALLACK:

1 Yes.

2 MR. DUPLESSIS:

3 Yes.

4 MR. HALLACK:

5 It was all temp tags and it was consumer
6 complaints where we had two complaints here and he's
7 telling you right now that he's willing to make
8 restitution to those, one of them as much as \$1,000
9 a month and that -- I think that was like a \$4,000
10 deal.

11 MR. POTEET:

12 So what -- overall, what would you like
13 to us to do, what's your request?

14 MR. QUIROS:

15 You know, my request is let me pay these
16 people and leave the \$35,000 bond. Let me pay this
17 bond off monthly and let me move on with my life.
18 It's not like I have money to pay all this.

19 MR. POTEET:

20 So you would us like to excuse the rest
21 of the fine?

22 MR. QUIROS:

23 Please. That way, I can afford to pay
24 these people off, and then pay DSC, too.

25 MR. POTEET:

1 Does anybody have any questions or
2 comments about that?

3 MS. MORRIS:

4 One question, do we owe the Attorney
5 General's Office any money for the work that they've
6 done and, if so, what amount is that?

7 MS. BARON:

8 I called them on Friday and they did not
9 return my call. So I don't know.

10 MR. DUPLESSIS:

11 Sheri, we are in waters that I've never
12 sailed in before, so.

13 MS. MORRIS:

14 When we turn over a case to the Attorney
15 General's Office, we are responsible for part of the
16 fees --

17 MR. DUPLESSIS:

18 Right.

19 MS. MORRIS:

20 -- that they incur in filing suit or
21 sending certified mail or whatever if there's not a
22 collection. If there's a collection, they take
23 their fee out. They get a percentage of the
24 collection, but for this one, if there's no
25 collection and we pull the case back from them, we

1 may have some costs that will have to be paid to the
2 Attorney General's Office.

3 MR. HALLACK:

4 Mr. Quiros, are you willing to pay
5 whatever costs to the Attorney General? This --
6 it's not like they filed suit.

7 MR. QUIROS:

8 No. It was a certified letter and they
9 mailed it.

10 MS. MORRIS:

11 So it might not be that much money, but
12 it's still money that if we had had a hearing and
13 somebody present could have been avoided possibly.

14 MR. HALLACK:

15 Yes. We called to see how much it was.
16 It can't be that much, because they haven't done
17 that much.

18 MR. QUIROS:

19 I'm -- I'm fine with that.

20 MR. HALLACK:

21 Okay.

22 MR. POTEET:

23 Does anybody else have any other comments
24 or questions?

25 MR. HALLACK:

1 If you make a motion, make it that he's
2 going to pay the cost of the Attorney General, that
3 he's going to make restitution to Brian Humphries
4 and he's going to make restitution to McClure --
5 Chinese McClure.

6 Are you fine with that?

7 MR. QUIROS:

8 Yes.

9 MR. BREWER:

10 I'd like to make a statement.

11 MR. HALLACK:

12 Yes, sir.

13 MR. BREWER:

14 I've been knowing this gentleman for a
15 long time. He used to do business at our auction in
16 New Orleans. We never had the first problem with
17 him ever. I mean, he did business straight and it
18 seems to me like he's been fined pretty heavy
19 already.

20 MR. POTEET:

21 Well, you know, my view of this case is,
22 you know, I think that -- again, you guys have heard
23 me talk about this for years. Well, why do we
24 exist? We exist to make sure that the consumers are
25 properly taken care of and that -- that we further

1 the ethics and the -- you know, the integrity of
2 used motor vehicles -- used motor vehicle dealers in
3 Louisiana.

4 So when I hear this, what I'm thinking
5 is, Mr. Quiros got himself into a jam partly because
6 he had some people working with him, partly because
7 of circumstances. I would say that unless anybody
8 disagrees with me, I think that we should go ahead
9 and waive the fees, make sure that all these other
10 things -- beyond the \$35,000, that these other
11 things are taken care of, so our consumers are taken
12 care of. He's obviously not interested in getting
13 back in the business. So he was a good guy for 20
14 plus years and I don't see how anyone else can be
15 harmed. I don't see how any -- any part of our
16 industry can be harmed by any decision we would make
17 along those lines. So before we make a motion, I'd
18 like to open the -- the floor up to anyone else to
19 say anything or make any comments.

20 MR. CORMIER:

21 I think that the main thing is that he
22 takes care of the consumers, you know.

23 MR. POTEET:

24 Exactly.

25 MR. CORMIER:

1 I'm good with it.

2 MR. POTEET:

3 Okay. All right. I'm going to make a
4 motion that -- help me out with this. I make a
5 motion that we waive the remainder of the fine beyond
6 the \$35,000, that Mr. Quiros repay all of his
7 consumers that were involved in this case, and that
8 if there's anything left with the Attorney General
9 that -- that he repay that. We need to have some
10 sort of time limit on it. I'm thinking 90 days.

11 Is that going to work for you?

12 MR. QUIROS:

13 \$1,000 a month, I can make that work in
14 90 days. That's fine.

15 MR. POTEET:

16 Let's make it 120 days.

17 MR. QUIROS:

18 Okay. Would y'all let me know about what
19 I need to pay the Attorney General?

20 MR. POTEET:

21 Yes. We'll -- we'll take care of all
22 that.

23 MR. QUIROS:

24 Will I pay y'all?

25 MR. POTEET:

1 Hang on. Let me -- let me finish my
2 motion.

3 MR. QUIROS:

4 Okay, okay.

5 MR. POTEET:

6 Is there anything else that I need to add
7 to the motion, Sheri, Robert?

8 MR. HALLACK:

9 No. I think that covers it.

10 MR. POTEET:

11 Okay. So that's my motion. I need a
12 second.

13 MR. SMITH:

14 Second.

15 MR. POTEET:

16 Second from Darty.

17 All in favor, say, "Aye."

18 (All "Aye" responses.)

19 MR. POTEET:

20 Any opposed?

21 (No response.)

22 MR. POTEET:

23 All right. That's what we've decided to
24 do. We'll give you one of these findings of fact,
25 conclusions, et cetera, et cetera, and -- and we

1 need a good address.

2 MR. QUIROS:

3 Yes. I moved to 27 Willow Drive, it's in
4 Gretna, Louisiana 70056.

5 MS. BARON:

6 27 Willow Drive, Gretna, 70056?

7 MR. QUIROS:

8 Yes.

9 MR. POTEET:

10 If you don't hear anything from us within
11 a week, call us.

12 MR. QUIROS:

13 Okay. And I'm going to need all the
14 information for the customers, their addresses.

15 MS. GAUDIN:

16 I have that.

17 MR. POTEET:

18 All of that will be in there --

19 MS. BARON:

20 In the documentation.

21 MR. POTEET:

22 -- in the documentation. And then we'll
23 follow up in 120 days and, of course, anything --
24 any proceeding that we have here, if you don't
25 follow this -- if something comes up in the

1 meantime, you better communicate with us --

2 MR. QUIROS:

3 Oh, yes.

4 MR. POTEET:

5 -- because if the 120 days comes up and
6 if it hasn't been taken care of, generally it will
7 revert back to what it was before.

8 MR. QUIROS:

9 Okay. No, it will be taken care of.

10 MR. POTEET:

11 It will be another hearing. Okay. All
12 right.

13 MR. QUIROS:

14 Thank you.

15 MR. POTEET:

16 I think you're free to go.

17 MR. QUIROS:

18 All right. Thank you very much.

19 MR. POTEET:

20 Thank you.

21 All right. The next thing on our agenda
22 is a discussion of the meeting with the Department
23 of Public Safety and Corrections.

24 MR. PARNELL:

25 Commissioners, on February 19th, Attorney

1 Hallack, Investigator Gaudin, Kim Baron, and I, we
2 met with representatives from the Office of Motor
3 Vehicles. During the meeting, we had some
4 discussions, just some issues that were -- we were
5 looking into. One of the issues that came up was
6 authorization for the Used Motor Vehicle Commission
7 to give access to a second temp tag. This is a
8 discussion that kind of came up during one of our
9 enforcement meetings with the investigators.
10 Currently, the Office of Motor Vehicles, their
11 regional managers are the ones that actually give
12 the authorization for a dealer to issue a second
13 temp tag. Not very many regional managers out there
14 and they're somewhat hard to get in touch with.
15 Since -- LUMVC, we do, do a lot of auditing of temp
16 tags and we also write violations as it relates to
17 temp tags.

18 The question was posed to the Office of
19 Motor Vehicles, what will it take for Office of
20 Motor Vehicles to give the Used Motor Vehicle
21 Commission permission to authorize the dealer to
22 issue a second seemed tag. Just in discussion went
23 on with that, they kind of mentioned that that's
24 something that they would not be opposed to. What
25 they would want to do, though, is speak with their

1 attorneys about it and maybe we could do a
2 cooperative agreement in relation to that. They
3 haven't said if that's something that they want to
4 do or -- I haven't brought it before you all. It's
5 just a discussion that we had just to see how would
6 that work, because we do get a situation sometimes
7 where dealers get in a bind and they really cannot
8 get in touch with some representatives from the
9 Office of Motor Vehicles to get those second temp
10 tags actually authorized for them. So that's
11 something that's kind of an ongoing discussion that
12 we had with the Office of Motor Vehicles.

13 One other thing that we discussed with
14 Office of Motor Vehicles, their VPN access to their
15 -- their OMV database. Currently, what we have is
16 one computer station here in -- in the license area
17 that we use. It's a system called Mapper. It's
18 kind of antiquated and it just gives us access to
19 their database, which helps us to do research on
20 registration and various things of that nature.
21 They have gone to a better system. What they have
22 now and what we were requesting from them is to get
23 the VPN access, so that we can actually have the
24 investigators have a password, so they can actually
25 log in themselves to -- to use the newer database

1 that they have over there right now. Currently, if
2 an investigator -- if -- excuse me. If an
3 investigator is in the area, they will drop by, go
4 to the station, and pull their research, but if
5 they're not in the area, they have to call staff
6 here to pull the research for them. So that's
7 something that -- what they did was, they agreed to
8 that, but they sent over some contracts. So we're
9 trying to review through those contracts right now
10 just to see how -- how it -- how it looks for us to
11 get access to that. I think it's going to benefit
12 us a great deal and that's something that I think
13 Ms. -- Attorney Morris was -- she looked over those
14 contracts.

15 MS. MORRIS:

16 There's a lot of requirements in them and
17 we would have follow a lot of the policies of the
18 Department of Public Safety and some of the
19 questions, I think, have to ask Keith Horton as to
20 whether our system can handle it and whether we can
21 comply with what they need us to comply with,
22 because there are requirements to secure the access
23 to that data, so.

24 MR. PARNELL:

25 Okay. All right. One of the things we

1 kind of discussed with them was what we were doing
2 this year with our legislative packet. We discussed
3 one of the things that we're doing. You know, we
4 have some dealers that go out of business and they
5 kind of disappear before issuing the title to the
6 consumer. One of the main reasons why we have
7 issues with floor planning companies, they are
8 really making it very difficult for us to -- they
9 won't release titles to us.

10 So we have to try to make the -- the
11 third party, which is the consumer, whole. So we do
12 have legislation this year. There's going to be
13 some amendments to Revised Statute 32:7830. Within
14 that statute, it kind of gives us the -- the
15 authority to have -- to move forward with legal
16 action against those floor planners or whomever is
17 holding those titles that's injuring that third
18 party. So we kind of talked about the legislative
19 packet, what we're doing, just to see what their
20 thought process was with that and they said that
21 they would support that legislation, because it does
22 kind of affect 32:17(D). So they're -- they're
23 willing to support that legislation. That's -- I
24 don't know if Attorney Hallack wants to interject on
25 some of the meeting points, or are you okay.

1 MR. HALLACK:

2 I don't know what's happened since then,
3 but I know that they were very interested in helping
4 us with that legislation, so we can enforce
5 32:17(D). Now I thought they were going to run it
6 by legal to make sure that they can come up and
7 openly -- openly at the Legislature and say, we
8 support the Commission in their efforts to handle
9 this. I mean, that -- I mean, that would go a long
10 way in helping us to do a lot of things. The first
11 thing that came to their mind was Nicholas -- Nick
12 LaRocca and the Performance Cars and Trucks debacle
13 where Nick LaRocca was an individual floor planner
14 for a bad dealer or a dealer that went bad and he
15 held the titles and never would give them up, never.
16 And then we had another situation with Doug Turner
17 where Nick LaRocca was floor planning for Doug
18 Turner and he still hasn't given up those titles,
19 right, Kim?

20 MS. BARON:

21 No, he hasn't.

22 MR. HALLACK:

23 So it's not just NextGear, it's some
24 other people, too, that just take advantage of the
25 situation. If we're there to help enforce that law

1 for the customer, they want us to be able to do
2 that, but they are going to -- they have to run it
3 by legal first, so. And I think we had some other
4 legislation that they were interested in and we were
5 interested in, because we sent them two pieces of
6 legislation. I can't remember what -- what the
7 other one was. I think it was the bond, the changes
8 to the bond, and they were interested in that, too.
9 They were interested in supporting what we wanted to
10 do with the bond as well.

11 Does anybody have any questions?

12 (No response.)

13 MR. POTEET:

14 Okay.

15 MR. DUPLESSIS:

16 If we release the titles, I can't think
17 of a reason that would make the instrument invalid
18 to people pursuing the dealer to recover the their
19 money --

20 MR. HALLACK:

21 No.

22 MR. DUPLESSIS:

23 -- other than the leverage of the title.

24 MR. POTEET:

25 They're just being hardheaded.

1 MR. HALLACK:

2 Yes.

3 MR. DUPLESSIS:

4 Well, they're trying to secure the last
5 shred of --

6 MR. POTEET:

7 Yes, but they really don't have anything.

8 MR. DUPLESSIS:

9 No, they don't, except to make trouble
10 and hopefully get paid off.

11 MR. CORMIER:

12 How does it work now?

13 MR. HALLACK:

14 Well, Kim mainly is the point person for
15 the process, but she's had to turn it over to me a
16 couple of times here lately, particularly with
17 regard to NextGear. NextGear is really -- other
18 than Nick LaRocca, NextGear is our biggest problem.

19 MR. BREWER:

20 The state won't issue new titles?

21 MR. HALLACK:

22 But they don't need to -- well, they
23 will.

24 MS. BARON:

25 Well, if -- my only obligation, from what

1 I've been told by the attorneys, is that I have to
2 notify NextGear or whoever the floor planner is of
3 what we're doing. And most of the time when I need
4 a title, it's because we're filing a claim against
5 surety. If they don't send me the title or
6 whatever, I can go ahead and file that claim against
7 surety with the Department of Motor Vehicle and
8 they'll make these people a brand new people title.
9 If it's with a floor planner, I can pretty much bet
10 there's no lien on it or anything. So it's not
11 going to pose any problem to the consumer or to
12 Motor Vehicle to produce them a new title. And once
13 Motor Vehicle produces them a new title, the -- the
14 title that the floor planner is holding is not worth
15 the paper it's written on.

16 MR. BREWER:

17 Right.

18 MS. BARON:

19 So, you know -- but I do have to notify
20 them and eventually we get the title, but it -- it's
21 crazy. It's like jumping through a hoop. They want
22 an affidavit of purchase. They want proof of
23 purchase. And I finally sent them an e-mail the
24 other day and I told them -- I said, these people
25 that are paying cash for these cars are not people

1 that put this money in the bank, these are people
2 that save and save and save until they have enough,
3 and then they go buy a car. I had a guy come in
4 here the other day. He laid \$5,000 cash on the
5 dealer's desk and said, I need a car. There's no
6 paper trail for that, other than the bill of sale
7 that says he paid \$5,000 and nothing else.

8 MR. GUILLORY:

9 And a sworn affidavit.

10 MS. BARON:

11 Right. And that's what the affidavit of
12 purchase is. They have to get it notarized. They
13 have to sign it and tell the -- you know, NextGear
14 this is what I paid for this vehicle.

15 Then, I have another floor plan company,
16 I called them the other day. I said, you -- you're
17 holding 18 titles. He said, do you want me to send
18 them to you? I said, yes, that would be great. He
19 said, I can't hold them, I'll send them right away.
20 He never asked for anything. He sent me all 18 of
21 them, notarized them, signed them. They have power
22 of attorney. So they signed them and notarized them
23 and sent them on.

24 MR. TAYLOR:

25 So, Kim, how much would this clean up the

1 cumbersome process you're talking about?

2 MS. BARON:

3 Oh, my goodness.

4 MR. HALLACK:

5 It would -- it would end.

6 MS. BARON:

7 It would end. They would send me the
8 titles when I ask for them and we would be done.
9 Right now, I have -- I can't tell you actually how
10 many claims against surety that I have in my office
11 that NextGear is -- is just, here, we'll send you
12 this one now, we'll do -- you know --

13 MR. TAYLOR:

14 A lot of time involved, too.

15 MS. BARON:

16 Yes. It's time that I could be -- that
17 could be spent doing something else when I'm having
18 to go jump through hoops for NextGear, because they
19 just don't want to send me the title. And I told
20 them -- I said, do you not file suit against the
21 dealer, because they're the ones that owe you the
22 money? And she said, well, eventually once we --
23 you know, once we, you know, once you take all the
24 titles, we do. And I'm like, well, you know, that's
25 what needs to happen, because I'm working with, you

1 know, good faith consumers that have had no idea
2 this is what's going on with their title when they
3 purchase that vehicle.

4 MR. GUILLORY:

5 And I'd like to point out I just dropped
6 43 more on her desk Friday and they basically said
7 when we get all the -- jump through the hoops we
8 want, and we'll send you the titles.

9 MR. TAYLOR:

10 Was that NextGear, also?

11 MS. BARON:

12 Yes. NextGear has a huge base of people
13 that -- that have gone with them.

14 MR. CORMIER:

15 Is this like a starter floor plan?

16 MR. TAYLOR:

17 That is.

18 MS. BARON:

19 They'll put just about anything and
20 the -- and the -- if they read the small print, it's
21 over.

22 MR. TAYLOR:

23 Well, getting into business, that's the
24 only way those guys can actually be in the business.
25 There's a lot of them in the industry, but it's so

1 hard to secure any type of financing for those guys.

2 MS. BARON:

3 I have a guy selling -- I think the most
4 expensive car he had was \$3,995 and all of his
5 titles are -- are with NextGear, you know. So I'm
6 jumping through hoops right now for -- I only need
7 six for that. The other ones came from the other
8 guy that just handed them over.

9 MR. DUPLESSIS:

10 I take it they're licensed -- NextGear is
11 licensed with the New Car Commission?

12 MS. BARON:

13 They don't have to be, because they are
14 not considered a -- what they did call it? They're
15 not considered --

16 MR. PARNELL:

17 They're not consumer lenders.

18 MS. BARON:

19 They're an inventory -- they're an
20 inventory --

21 MR. PARNELL:

22 Inventory planners.

23 MS. BARON:

24 Thank you. That's what -- and they're
25 not considered a finance company. So they don't

1 have to have a license with the New Car Commission.
2 We -- we went through -- we have been looking
3 everywhere.

4 MR. OLAVE:

5 So we have to put them in our legislation
6 this year.

7 MR. POTEET:

8 Well, you're going to get -- you're going
9 to get -- I don't know. They might be more trouble
10 than they're worth. There's only a couple of them.

11 MS. BARON:

12 A couple of what?

13 MR. POTEET:

14 Floor planners. I mean --

15 MS. BARON:

16 Yes.

17 MR. POTEET:

18 -- there are -- they are only a handful.
19 There are more auctions than there are floor
20 planners and --

21 MS. BARON:

22 And the majority of floor planners don't
23 give us any titles.

24 MR. POTEET:

25 NextGear --

1 MS. BARON:

2 And like you said, it's NextGear and
3 LaRocca are about the only two that -- that give us
4 any, you know, feedback.

5 MR. POTEET:

6 Yes. Well, you know, at least if we get
7 this passed, we'll have a little more pull with
8 them.

9 MS. BARON:

10 It would be nice, yes.

11 MR. POTEET:

12 Does anybody else have any discussion
13 about that?

14 (No response.)

15 MR. POTEET:

16 How about ratification of imposed
17 penalties?

18 MR. PARNELL:

19 Commissioners, you'll find in your packet
20 a chart that illustrates the dealers that have been
21 imposed penalties in the month of February. I've
22 determined that the public interest can be served
23 without further administrative proceedings. I will
24 just announce the name, the fine amount, and ask for
25 your ratification at the end. Do we have any

1 representation from the dealers that are listed?

2 MS. BARON:

3 I checked just a minute ago and we do
4 not.

5 MR. PARNELL:

6 Okay. All right. The first one on the
7 list is Awesome Jas Used Auto Sales, a fine of \$600.
8 Paul's Auto Sales, a fine of \$2,800. Baton Rouge
9 Sports & Imports, a fine of \$4,000. All State Used
10 Cars, a fine of \$200. Bosley Services, a fine of
11 \$300. Baton Rouge Sports & Imports, a fine of \$250.
12 I-49 Truck & Auto Sales, a fine of \$4,000. Wheels &
13 Deals of Bossier City, a fine of \$700. Millennium
14 Motor Sales, LLC, a fine of \$150. Straight Line
15 Sales, a fine of \$2,800. M&M Wholesale Auto, a fine
16 of \$250. Mo's Auto Wholesale, a fine of \$250. And
17 First Choice -- First Choice Auto Sales, a fine of
18 \$900. Commissioners, a total amount of fines for
19 the month of February was \$17,200. All of the
20 persons on this list have submitted their fine
21 payments and have signed their orders. I ask that
22 you ratify the -- the fine amounts.

23 MR. POTEET:

24 Does anybody have any discussion?

25 (No response.)

1 MR. POTEET:

2 I need a motion to ratify.

3 MR. ROY:

4 I'll make that motion.

5 MR. CORMIER:

6 Second.

7 MR. POTEET:

8 Second from Tony.

9 All in favor, say, "Aye."

10 (All "Aye" responses.)

11 MR. POTEET:

12 Any opposed?

13 (No response.)

14 MR. POTEET:

15 All right. So those are ratified. So
16 next is the legislative report. What's going on?

17 MR. DUPLESSIS:

18 Sheri, I'm out of the loop. So you carry
19 the day on that.

20 MS. MORRIS:

21 House Bill 271, which Mr. Hallack spoke
22 about a portion of it, to allow us easier access to
23 get the titles and also increase the bonds and make
24 some other technical changes that were discussed at
25 the Legislative Committee meeting. It's in your

1 packet. It is set for hearing before the Commerce
2 Committee tomorrow morning at 10. I would
3 appreciate everybody reading it thoroughly in case
4 there's any adjustments that need to be made. It's
5 much easier to make them on the front end than on
6 the back end. But I think that it reflects what we
7 want done. So if there's anything that seems
8 unclear or needs further clarification, just let
9 Derek or myself receive it before 10 o'clock
10 tomorrow.

11 MR. POTEET:

12 So what are we doing with the bond again?

13 MS. MORRIS:

14 Increasing it to \$50,000 --

15 MR. POTEET:

16 \$50,000.

17 MS. MORRIS:

18 -- for everybody is what the proposal is
19 at this point. Before, we had the \$35,000.

20 MR. DUPLESSIS:

21 Sheri, any reason to be down at the
22 Capitol, any opposition -- perceived opposition?

23 MS. MORRIS:

24 We're not aware of any, but usually a lot
25 of times people don't call us. They just show up.

1 I will be there tomorrow with Derek.

2 MR. PARNELL:

3 And Representative Price, he told me that
4 he hasn't heard anything. That was on Friday when I
5 spoke with him and he hadn't heard any opposition at
6 that time.

7 MR. DUPLESSIS:

8 Any opposition from anyone?

9 MR. TAMBLING:

10 I haven't heard any.

11 MR. POTEET:

12 Okay. How about HB467?

13 MS. MORRIS:

14 HB467 was not a Commission's bill, but
15 the one we spoke about at the last meeting, that was
16 a salvage dealer had requested it and it deals with
17 the NVMVTIS system. We had asked -- met with them
18 and asked for some additional information. We
19 didn't receive any additional information. I think
20 they have a representative here and he stepped out
21 to take a phone call. He's coming. He's not
22 scheduled for any hearing at this point and Mr.
23 McCormick is here.

24 MR. McCORMICK:

25 How are y'all doing?

1 MR. POTEET:

2 Okay. We need -- is this sworn testimony
3 or is it just information?

4 MR. McCORMICK:

5 It's just information.

6 MR. POTEET:

7 Okay.

8 MR. McCORMICK:

9 I'm Jesse McCormick. I'm with Capitol
10 Partners. I represent LKQ. We have met with you
11 guys previously. We met with Sheri and Derek, just
12 kind of an exploratory, about wanting to file this
13 bill. Then, we met very briefly with the Office of
14 Motor Vehicles. It was during a budget session
15 where this was not the number one priority for OMV.
16 So we took that hint pretty quickly, but we're going
17 to reschedule and get back in front of them, because
18 they obviously manage the NVMVTIS system in -- in
19 the State now.

20 What really brought this bill, to try to
21 rein in or regulate online buyers of cars with more
22 than 10 or 12 of these wrecked salvaged or abandoned
23 cars and get them licensed just like the bricks and
24 mortar people and the -- that are licensed here in
25 the State and give a unique identifier to some of

1 these cars and some of the purchasers, the people
2 who are buying them.

3 So you have NVMVTIS, and then you have
4 these State systems that come and tailor the data
5 and collection for your own specific purposes, but
6 it identifies the people who are purchasing 10 or 12
7 cars and are not licensing themselves or not, you
8 know, being licensed and we argue that if you're
9 buying 10 or 12 salvaged or wrecked or abandoned,
10 repaired cars, it is not for personal use. That is
11 a -- you know, it's leveling the playing field
12 obviously, in our opinion, for people who have
13 bricks and mortar establishments versus people that
14 are out there. We had the chairman file the bill.
15 He seems to think the bill is, you know, pretty
16 positive. And, recently, as you all know, we've had
17 all this tremendous flooding in north and south
18 Louisiana. So this kind of flood car issue, it
19 resurfaces every natural disaster and he's kind of
20 motivated and fired up. He says this in some way
21 can help with that happening or preventing those
22 cars from ending up on used car lots, preventing
23 them from ending up on parking lots of the Walmart
24 or -- or wherever they end up. So we -- we think
25 it's a good incentive bill.

1 We've spoken with the salvage guys, the
2 scrap yards. So we are still in the -- much the
3 phase of getting everybody's opinion and hearing
4 where they are and we're fully open to amendments
5 and suggestions of -- of making it better or saying,
6 you know, we don't like your bill. So that's where
7 we are today.

8 MR. POTEET:

9 Any questions or comments?

10 MR. SMITH:

11 That's good if you can regulate it. I'm
12 just saying if you can do 10 cars -- how many is
13 used, 6? Used cars is 6 cars?

14 MS. MORRIS:

15 Five.

16 MR. POTEET:

17 Once you get six you are now a dealer.

18 MS. MORRIS:

19 In a 12-month period.

20 MR. POTEET:

21 Oh, once you get five?

22 MS. MORRIS:

23 Right.

24 MR. POTEET:

25 You can do four?

1 MS. MORRIS:

2 You can do four. The fifth one has to be
3 a dealer.

4 MR. POTEET:

5 So is this something that -- now, I'm --
6 I'm always concerned about regulation. Is this
7 something that we've got a problem with or is this
8 something we're concerned that it may become a
9 problem?

10 MR. McCORMICK:

11 Yes. I think we currently -- we can all
12 see that we have a problem, you know. They're still
13 really struggling with tracking these vehicles.
14 They -- they are still ending up in places that they
15 don't belong. And so now we are trying to keep a
16 healthy group of automobiles salvaged out there that
17 we can -- that we can utilize. If it wasn't a
18 problem, I don't think we would have all these
19 continuing news stories and things that pop up that
20 -- and we don't generate, but they're out there
21 about these salvaged vehicles are showing up in
22 areas that may not have identified them as wrecked
23 or -- or abandoned. And we redefined some things
24 and there's some -- some legal technical stuff in
25 here that Sheri has seen and Derek has seen and, you

1 know, there's all kinds of commentary that we would
2 really like from you guys on it.

3 MS. MORRIS:

4 I guess one of our biggest concerns was
5 that it made this Commission the entity responsible
6 for it and this Commission is self-funded. We get
7 no State General Fund dollars. So there would have
8 to be a funding mechanism because our current
9 funding level doesn't allow us to add any additional
10 personnel --

11 MR. McCORMICK:

12 Right.

13 MS. MORRIS:

14 -- or computer systems or software that
15 would be necessary. So all of that would have to
16 have some funding source.

17 MR. McCORMICK:

18 And we have a fee built into the
19 legislation that we think covers that. I mean, if
20 you need to look at it and tell us if it doesn't,
21 you know --

22 MR. DUPLESSIS:

23 Do you have a fiscal note on it?

24 MR. McCORMICK:

25 Not yet. I mean, it -- it's -- it's

1 pretty early for fiscal notes.

2 MR. DUPLESSIS:

3 But this isn't germane to what we do. I
4 mean, that -- you know, we don't disagree with you.

5 MR. McCORMICK:

6 Right, right.

7 MR. DUPLESSIS:

8 But it's not germane to the systems we
9 have set up and, boy, that's going to be kind of --
10 that's a strange new world and I'm not sure that
11 we're prepared to enter into. I mean, this is OMV
12 territory.

13 MR. McCORMICK:

14 Yes, we agree and -- but in other states,
15 the -- your counterparts do this. And if -- and if
16 you say, hey, at the end of the day, we don't want
17 it, we'll move it somewhere else, but we think it
18 could be good for you guys to have it here. I don't
19 think it would -- you know, unless -- and, look, if
20 you guys don't want it, you don't want it.

21 MR. POTEET:

22 You think it fits in with us, because we
23 -- we have salvage dealers; is that why?

24 MR. McCORMICK:

25 Yes. That's where it came from, yes. In

1 other states, you guys are the regulator that does
2 it.

3 MR. DUPLESSIS:

4 I see.

5 MR. SMITH:

6 I don't know what the fees would be.

7 MR. DUPLESSIS:

8 We are car dealers.

9 MR. SMITH:

10 Find out what the fee would be per car.

11 MR. McCORMICK:

12 I think it's going to be the same -- you
13 know, I'll pull it up real fast.

14 MS. MORRIS:

15 I think, Jesse, when we had met, you said
16 you thought that the salvage dealers were paying to
17 input their information, but our salvage dealers are
18 not paying to put it in.

19 MR. SMITH:

20 No, it's free.

21 MS. BARON:

22 Do you have to enter it with all Auto
23 Hulk?

24 MR. SMITH:

25 Auto Hulk and NVMVTIS.

1 MR. McCORMICK:

2 And there's no charge.

3 MS. BARON:

4 And there's no charge for either one.

5 MR. SMITH:

6 No. As long as it's free, it doesn't
7 bother me.

8 MR. HALLACK:

9 To me, one of the most interesting parts
10 of it is that it requires salvage pools to deal with
11 licensed used motor vehicle dealers. Am I right?

12 MR. McCORMICK:

13 It would, yes.

14 MR. HALLACK:

15 See, that's a huge deal, because we
16 fought Copart about six years ago, seven years ago,
17 2007.

18 MR. POTEET:

19 It was before I came on the Commission.

20 MR. HALLACK:

21 Yes. So -- and that was a -- that was a
22 big fight with Copart.

23 MR. POTEET:

24 They switched the bidder card, and we had
25 a bid card and the bid cards were per transaction.

1 MR. HALLACK:

2 Under our old law -- under our old law,
3 Copart salvage pools had to -- they could only allow
4 people with bid cards to bid on salvage, and so they
5 finally got that removed, because that was a big
6 chunk of our revenue, because you could be in
7 Minnesota and bid on salvage, but you had to be a
8 used motor vehicle dealer under Louisiana to be able
9 to do so that. So they would get a license to be
10 able to get a bid card to be able to bid on salvage
11 at Copart. Copart filed some legislation I think
12 around 2007 and they removed that requirement, but
13 then they let us have a per transaction fee for \$5.

14 MR. PARNELL:

15 \$5.

16 MR. HALLACK:

17 So -- and that counts for a pretty good
18 bit of our income. So we are worried about what --
19 what's going to happen to that \$5 per transaction
20 fee if we go back to the old system -- kind of the
21 old system.

22 MR. McCORMICK:

23 Right. I mean, it's still -- it's still
24 somebody buying 10 or 12 cars. Does Copart
25 distinguish between the number of cars you buy?

1 MR. HALLACK:

2 No.

3 MR. McCORMICK:

4 No.

5 MR. POTEET:

6 Anybody can buy on Copart's system,
7 right?

8 MR. HALLACK:

9 Right.

10 MR. SMITH:

11 All the world.

12 MS. BARON:

13 You don't have to a have a license or
14 anything.

15 MR. McCORMICK:

16 And we're saying if you're a local
17 Louisiana guy and you're buying here, if you're
18 buying 10 or 12 cars, you have to get licensed is
19 what this bill would say.

20 MR. DUPLESSIS:

21 Well, that -- that was already out there.

22 MR. HALLACK:

23 Sure.

24 MR. McCORMICK:

25 And register with this database that

1 doesn't exist yet, that you are purchasing. I mean,
2 it's out there. They have data consolidated.
3 There's four or five different vendors out there
4 that you've been tracking that that person is in,
5 right, that they're -- that they're actually buying
6 what they say they're buying.

7 MR. DUPLESSIS:

8 Darty, help us. I'm kind of --

9 MR. SMITH:

10 I mean, to the auction, I mean, I don't
11 know what they got tracking. I don't.

12 MR. TAYLOR:

13 There is no regulation on the auction and
14 the salvage pools.

15 MR. HALLACK:

16 I think it's a good idea. It generates
17 revenue for us, but we can't -- for somebody to
18 manage the database, I think it's going to be at
19 least one full-time position that you're going to
20 have to hire and train and everything like that. If
21 the system will generate revenue to pay for that, I
22 don't see a problem with it, but it's going to be a
23 massive fight with Copart.

24 MR. McCORMICK:

25 I think we're prepared for that.

1 MR. POTEET:

2 Well, I mean, that -- that's not our
3 problem. That's not our problem.

4 MR. DUPLESSIS:

5 It's not my job, man.

6 MR. McCORMICK:

7 That's my world. That is our problem and
8 we're -- and we're prepared to do it. And even if
9 the bill -- the bill doesn't pass, we still think we
10 can bring to light a lot of different ways that
11 things are happening that shouldn't be happening.

12 MR. POTEET:

13 I guess back to Ron's -- Mr. Duplessis'
14 point was, you know, how are going to do this, how
15 does it fit in? I would defer that back to Mr.
16 Hallack and say, if we get the revenue to do it,
17 we'll do it. I mean, you know, that -- that's the
18 big issue with any of these things.

19 MR. HALLACK:

20 Yes.

21 MR. POTEET:

22 You give somebody a task and say, you
23 know, here's something that you're going to have to
24 do, and it looks this big, and then when you get it,
25 it's this big.

1 MR. McCORMICK:

2 Well, in other states, they did it with
3 -- they did it through like General Fund
4 appropriations. I think it's \$60,000 for the -- for
5 the initial set up for the system, and then whoever
6 or however you pay it to maintain it or what it
7 costs you to maintain. I guess I could get with you
8 to tell me. But that's not going to happen here,
9 because this the way, the State is in a position and
10 we're not going to ask for a General Fund
11 appropriation. So there will a fee mechanism to
12 fund it and I guess coming up to a number of what
13 that would cost you guys, maybe help us generate the
14 fee number.

15 MR. HALLACK:

16 The thing that comes to mind, if y'all
17 might remember, we had that -- that guy in DeRidder
18 that had all those cars crushed. I can't remember
19 his name. Do you remember, Kim, the guy in DeRidder
20 that had all the cars crushed?

21 MS. BARON:

22 The Texas car crusher.

23 MR. HALLACK:

24 Texas car -- and they sent us the --
25 their list of people that they were getting cars

1 from and it was tremendous. I mean, we had people
2 that were buying 80 to 120 cars. I remember looking
3 at the list. There was a car on there for \$11,000
4 that was being crushed. I was blown away by it, but
5 these were -- most of these people were all
6 individuals that were selling these cars to the
7 crusher. And then when they checked on the guy in
8 DeRidder, he had at least two cars that were stolen.

9 MR. McCORMICK:

10 That would be the reason to maybe have a
11 better tracking system at the local level.

12 MR. HALLACK:

13 Sure.

14 MR. GUILLORY:

15 Well, the problem with this guy was that
16 he wasn't complying, period. So it really wouldn't
17 have made a difference whether we had a system in
18 place, because he didn't report anything to Auto
19 Hulk regardless.

20 MR. McCORMICK:

21 I hear you.

22 MR. GUILLORY:

23 If he had put it in Auto Hulk, you would
24 have possibly been looking at 16 stolen vehicles,
25 but because they couldn't put hands on them, they

1 couldn't charge him with it.

2 MR. POTEET:

3 Mr. McCormick, I -- you know, I'd -- I
4 would support what you guys are trying to do. I
5 would be cautious as to where we go down the road if
6 the bill passes.

7 MR. McCORMICK:

8 Right.

9 MR. POTEET:

10 I mean, you know, it's -- it is a --
11 funding is always an -- an issue, always.

12 MR. McCORMICK:

13 Well, we respect that, completely. We
14 wouldn't say -- saddle you with something that costs
15 you money. So -- and as we all know and this is the
16 very beginning of the legislative process, that
17 could look very different or not happen. I mean,
18 there's -- you know, it could pass. It could fail.
19 Or it could be heavily amended through the process.
20 So it's going to -- and I can assure you for it to
21 get to the end, it's going to require some
22 amendments. So we'd just ask that you work with us
23 in the beginning. Let us keep an open dialogue with
24 Sheri and Derek and continue to share where we're at
25 in the process. I mean, you know, if updates happen

1 -- you know, it could go to House Committee and not
2 pass, and then we'd all be done, right, and then --
3 but it -- it could come out of there and we would
4 just have to -- like to work with your team kind of
5 keep them updated.

6 MR. HALLACK:

7 I just want to make sure everybody
8 understands that \$5 per transaction bid fee that
9 Copart -- mainly Copart pays accounts for, what, 15
10 percent of our budget?

11 MS. BARON:

12 At least.

13 MR. HALLACK:

14 So -- and we fought hard to get that \$5.
15 Oklahoma, correct me if I'm wrong, they don't get
16 anything. Is that right? I think I heard that.

17 MR. SMITH:

18 I don't know.

19 MR. HALLACK:

20 And a couple of other states, they only
21 get like \$2 per transaction, so.

22 MR. POTEET:

23 And you think that some of that would
24 jeopardize us?

25 MR. HALLACK:

1 Well, it could. It could. We don't know
2 where it's coming.

3 MR. DUPLESSIS:

4 When you put Copart at the table versus
5 LKQ, it is going to be a mess.

6 MR. HALLACK:

7 Well, they are going to --

8 MR. DUPLESSIS:

9 Yes. Yes. I think that's what you are
10 heading for. I personally agree with what you're
11 trying to do. Your funding is going to come from
12 Homeland Security and that's where I would go to try
13 to pick up the debt, but it's really got to -- it's
14 really got to go through OMV, because they're the
15 guys -- and I think the field investigators -- if
16 Stacy was here -- and we'll help you broker that
17 deal, because it's just not germane to what we do.

18 MR. McCORMICK:

19 Right.

20 MR. DUPLESSIS:

21 But we would help you, because we see the
22 point. We see the backlash and the investigators
23 see it. So I tell you, I'd be -- I'd be real
24 careful to get something that -- through the
25 committee and on the floor that is going to blow up

1 in your face later.

2 MR. McCORMICK:

3 Yes. We -- I mean, obviously, we
4 wouldn't want that to happen either.

5 MR. DUPLESSIS:

6 Right.

7 MR. McCORMICK:

8 And we -- and OMV may be the place. You
9 guys may be the place, but as we're going down this
10 path and exploring, we -- we would appreciate, you
11 know, to -- to sit down with y'all and OMV. We can
12 broker the meeting. You can broker the meeting. We
13 just want to solve what we think is the problem and
14 if -- if we don't have a concrete vision of exactly
15 you have to stay this way or do this, we -- we want
16 to do whatever is right by you guys and whatever is
17 right by the consumers. So, yes, I understand if it
18 may not be. I think it could be, but --

19 MR. HALLACK:

20 Well, I can tell you, when we met with
21 the Office of Motor Vehicles, they have such huge
22 staffing problems right now, they were overjoyed at
23 the fact that we could help them in any way. I
24 mean, they were willing to do whatever we'd want
25 them to do to help them with any kind of staffing

1 problems. And when we brought that up in our
2 meeting, this situation with LKQ, they said, if
3 y'all can take that, praise the Lord, do it, because
4 we don't know where we would begin. I mean, they --
5 they've suffered some tremendous cut backs and they
6 don't know what they -- they don't know how they're
7 going to function based on what money they've been
8 -- what money has been taken away from them.

9 MR. McCORMICK:

10 Well, I think we could get some money
11 from DOTD, but -- but you're right. They're --
12 they're struggling.

13 MS. MORRIS:

14 Derek and I are going to be in the
15 Commerce Committee tomorrow with our other deal,
16 which is on the agenda, and you said that the
17 chairman was interested in the bill given the recent
18 flooding and stuff.

19 MR. McCORMICK:

20 Well, we just brought it home. We know
21 how these guys try to relate a real life experience.

22 MS. MORRIS:

23 Perhaps, we could set up a meeting -- set
24 up the meeting with the Department of Public Safety
25 and maybe he could kind of broker the meeting. And

1 that way, it might get expedited. This Commission
2 only meets once a month, which is difficult during
3 the Legislative Session to bring back stuff to them
4 and get input, because just the timing doesn't
5 always work, but we would need to have -- to know
6 where it's going by the April meeting, because then
7 you're getting to the end of the Session. So
8 whatever needs to be worked out, you know, and
9 whether it's going to come here or go to another
10 agency, I think it still needs to be amended one way
11 or the other. So -- but all that takes time and I
12 think it's -- it's something that's going to be
13 discussed -- it needs to be discussed as soon as
14 possible and maybe a legislator could better
15 facilitate that than we could.

16 MR. McCORMICK:

17 Yes. I think it's a great point, Sheri.
18 That's why I respect everything you do. We've
19 worked together on several other things. She's
20 smarter than I am. But we'll -- we'll get -- maybe
21 we will send something out to Derek and the OMV
22 folks and let's just sit down and kind of have a pow
23 wow about it.

24 MS. MORRIS:

25 Yes. And we'll be down there tomorrow

1 morning for the Commerce Committee, so.

2 MR. POTEET:

3 I think in conclusion here that we -- we
4 definitely support what you're doing. We've just
5 got to -- just like you're doing, keep down the path
6 and see how far we get before something jumps out.

7 MR. McCORMICK:

8 And I appreciate that, you know, and just
9 for your -- your guys information, we -- we just had
10 a grueling budget session before, you know, the
11 special session and from the time and the pre-filing
12 deadline, we had to get stuff in and it's all --
13 we're all kind of catching up to where we would
14 normally be because of it.

15 MS. MORRIS:

16 Right. We're in the same place.

17 MR. POTEET:

18 All right. Thank you.

19 MR. McCORMICK:

20 Thank you.

21 MR. POTEET:

22 Next, we have -- does anybody have any
23 other comments about anything?

24 MS. MORRIS:

25 I just -- the only other thing that this

1 bill was -- you know, Carmody's bill was the only
2 one that I saw was directly related to the
3 Commission, but because of the special session and
4 the result of that and the continuing budget crisis,
5 we have to be very aware looking for bills that
6 might take dedicated funds and there are several
7 bills that would remove all dedicated funds. I
8 don't know whether we're considered in there, but I
9 have two bills that I've identified and I was going
10 to send it to -- with your permission, to the
11 legislative staff to look at and say, does this --
12 or to the Treasurer's Office and say, does this
13 include our fund.

14 Technically, we have our own bank
15 account, but technically I think it's still within
16 the treasury. So that's a danger and I know that we
17 are on this two year licensing. So more than other
18 agencies, we are holding funds for the year that we
19 intend to spend the following year. And so that's a
20 very -- that's something that could really cripple
21 the functioning of the agency, especially when
22 you're a smaller agency and the income, you know,
23 comes in, in bits and pieces. And so that's
24 something that we really have to be aware of that
25 and we'll try to alert you all that that is

1 something that you would need to address with the
2 legislators in the committee, because it could take
3 away your ability to function.

4 MR. DUPLESSIS:

5 Speaking of those flood cars, doesn't the
6 Katrina law still prevail?

7 MS. MORRIS:

8 For flooding?

9 MR. GUILLORY:

10 On a flood vehicle?

11 MR. DUPLESSIS:

12 Yes, it is supposed that you might -- you
13 know, Dino, in your area of the world where some of
14 the extensive flooding is. I had that conversation
15 this weekend and it's pretty bad up there. You
16 know, we passed a law after Katrina on the new car
17 dealer side, so we wouldn't get the trade-ins and we
18 might want to send that back out to the guys, for
19 all the dealers to be aware of. And it's a -- it's
20 a draw back bill much like rolling mileage back. If
21 you have a car and that car floods, basically it's a
22 branded title automatically and it has to be
23 self-branded or the State Police has to brand the
24 titles. And then if that car can be -- it can be
25 retained. It can be donated. You can give it to

1 your daughter. You can give it to your son. You
2 can give it to the Holy Ghost, it doesn't matter.
3 As long as there's no monetary value on that car, it
4 can run until it dies, but you can't sell it or
5 represent it as non-flood or you can skip the title
6 back all the way to full value, whoever perpetrated
7 the flood, and you can do that by time frames if you
8 can prove -- if it flooded. So something -- we
9 might want to make sure that our guys are well aware
10 of and the dealers can reach back if they do have
11 that issue and find out where the title skip came
12 from.

13 MR. POTEET:

14 Okay. Executive Director's report.

15 MR. PARNELL:

16 You'll find in your packet,
17 Commissioners, alleged issue complaint totals. One
18 of the documents that is -- we've really been trying
19 to gear up and do things a little bit -- and kind of
20 focus on the enforcement side of things and it's
21 kind of changed. We've had complaints, but not a
22 large amount of complaints regarding the enforcement
23 division and how we're moving right now and what
24 we're trying to get accomplished. But during the
25 month of February, you'll find the alleged issue

1 counts, there were 76 alleged issues for the month
2 of February.

3 The next document we have is the case
4 report that shows there are 63 cases assigned. 19
5 of those cases were completed. And for the month,
6 it was 62 cases that were closed. For the month,
7 there were five -- 11 five day notices that were
8 issued. 48 physical inspections were conducted.
9 117 site visits were conducted. And there are seven
10 audits that are currently being conducted.

11 One thing that we -- as I said before,
12 one thing we're really trying to concentrate on is
13 making sure that, you know, our respectability is at
14 a high level and we're being -- trying to be as
15 consistent as we can on what we're doing and how
16 we're fining and/or regulating our dealers. So
17 we're trying to move in a positive direction. There
18 were some things that I'm making adjustments that
19 we're doing and I'm looking through these cases just
20 to understand what would be better, what -- how we
21 -- how we want to proceed forward. So that's what I
22 have on the -- on the investigation -- the
23 compliance investigators.

24 In general information, we -- during this
25 licensing period, we -- I typically get a ton of

1 phone calls from senators and state reps, but this
2 year, I didn't really get any in regard to dealers,
3 them trying to push dealers to the front of the
4 list, so -- so to speak. What I did get some
5 complaints about were just some concerns that the
6 State senators or some State reps had. What I'm
7 trying to do is, I'm going to try to meet with some
8 of those guys either this week or next week trying
9 to put a face to them. I did resolve their concerns
10 and their issues, but I do want to make sure I
11 continue to work with them, and so when we do have
12 violations that come through, they'll -- they'll
13 recognize who we are and what we're doing.

14 And so the last item that I have is on
15 April 13th, Investigator Gaudin, Stacy and Ronnie
16 Wisenor -- Montie Wisenor, I'm sorry, they're going
17 to do a -- not a seminar, but they're going to go do
18 a little -- I guess you would call it a presentation
19 with the Calcasieu Parish Sheriff's Office. It's
20 something they did once before and there's a lot of
21 information that the law enforcement officers, they
22 really enjoyed speaking with our investigators.
23 There were some things that they didn't know that we
24 did. Some didn't know that we existed to the extent
25 that we do. So I think that will be beneficial for

1 us ongoing and we want to continue doing that.
2 That's about all I have. Are there any questions,
3 comments or concerns?

4 MR. TAYLOR:

5 We discussed at one time putting together
6 a more specific fee schedule or imposed penalty
7 schedule and I think we discussed it. And I don't
8 know if we all had a lot going on, but I would
9 really like to see us in '16 really -- really pursue
10 that more and to get it just a little bit more
11 specific, so we're not writing some people higher
12 fines for temp tags than others and maybe take some
13 of the -- take some of the responsibility off of us
14 and put the responsibility on a piece of paper -- on
15 a piece of paper versus us.

16 MR. PARNELL:

17 I actually have a fee schedule that I
18 kind of go with that when we sit down -- and it's
19 kind of -- since I've been here, I always looked at
20 what you, as Commissioners, have fined individuals
21 when they were coming here and that's what I started
22 doing. And so basically now, when -- when the
23 violation comes in, I just kind of refer to fee
24 schedule and I don't create any fines outside of
25 that. I try to stay within the realm of that fee

1 schedule and if it's a second offense, it does
2 increase in different areas, but I can send that to
3 you so you can see it.

4 MR. TAYLOR:

5 I'd like to. I think -- I think that you
6 are using it, but I think that we need to be using
7 it, also. It would give people something that --
8 you know, they can't contest it if we're across the
9 board.

10 MR. PARNELL:

11 Right.

12 MR. TAYLOR:

13 Unfortunately for some people that
14 weren't doing things as harsh as others, that they
15 might take the brunt of it a little bit, but I still
16 think as a whole, I think we need it.

17 MR. PARNELL:

18 I'll try to get that out to you this
19 week.

20 MR. TAYLOR:

21 Thank you.

22 MR. POTEET:

23 All right. Is there any other --
24 anything else to discuss?

25 (No response.)

1 MR. POTEET:

2 Okay. I guess with that, the meeting is
3 adjourned.

4

5

6 (Meeting adjourned at 10:46 a.m.)

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REPORTER'S CERTIFICATE

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I, BETTY D. GLISSMAN, Certified Court Reporter,
Certificate No. 86150, in and for the State of
Louisiana, do hereby certify that the Louisiana Used
Motor Vehicle Commission March 21, 2016, meeting was
reported by me in the stenotype reporting method,
was prepared and transcribed by me or under my
personal direction and supervision, and is a true
and correct transcript to the best of my ability and
understanding.

This March 31, 2016, Baton Rouge, Louisiana.

BETTY D. GLISSMAN, CCR
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