

LOUISIANA USED MOTOR VEHICLE COMMISSION

STATE OF LOUISIANA

REGULAR MEETING

APRIL 18, 2011

BEGINNING AT 9:33 A.M.

3132 VALLEY CREEK

BATON ROUGE, LOUISIANA

REPORTED BY:

BETTY D. GLISSMAN, CCR

Betty D. Glissman, CCR  
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1 APPEARANCES:

2  
3 COMMISSIONERS PRESENT:

4 MR. GEORGE BREWER

5 MR. TONY CORMIER (arrived late)

6 MR. RON DUPLESSIS

7 MR. GEORGE FLOYD

8 MR. KIRBY ROY

9 MR. HENRY "DARTY" SMITH

10 MR. DOUGLAS TURNER

11  
12  
13 REPRESENTING THE LOUISIANA USED MOTOR  
14 VEHICLE COMMISSION:

15 ROBERT W. HALLACK, ESQUIRE  
16 HALLACK LAW OFFICE  
17 13007 JUSTICE AVENUE  
18 BATON ROUGE, LOUISIANA 70816  
19  
20  
21  
22  
23  
24  
25

1 ALSO PRESENT:

2  
3 MS. KIM BARON

4 MR. DEREK PARNELL

5 MR. BUTCH WRIGHT

6 MS. SHEILA JONES

7 MR. JOEY LAMARTINA

8 MR. WALLY BELL

9 MR. STEVE DUKE

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MR. DUPLESSIS:

I'll call the meeting to  
order.

Mr. Roy, would you lead us in  
the Pledge of Allegiance?

(Pledge of Allegiance.)

MR. DUPLESSIS:

Ms. Baron.

MS. BARON:

George Brewer?

MR. BREWER:

Here.

MS. BARON:

Louis Bourgeois?

MR. BOURGEOIS:

(No response.)

MS. BARON:

Tony Cormier?

MR. CORMIER:

(No response.)

MS. BARON:

Ron Duplessis?

MR. DUPLESSIS:

Here.

1 MS. BARON:  
2 George Floyd?

3 MR. FLOYD:  
4 Here.

5 MS. BARON:  
6 John Poteet?

7 MR. POTEET:  
8 (No response.)

9 MS. BARON:  
10 Kirby Roy?

11 MR. ROY:  
12 Here.

13 MS. BARON:  
14 Darty Smith?

15 MR. SMITH:  
16 Here.

17 MS. BARON:  
18 Douglas Turner?

19 MR. TURNER:  
20 Here.

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

24 MR. DUPLESSIS:  
25 Very good. Thank you.

1                   The next item is public  
2                   comments.

3                   Do we have any public  
4                   comments?

5                   Mr. Bell?

6                   MR. BELL:

7                   I'm sorry.

8                   MR. DUPLESSIS:

9                   Do you have any public  
10                  comments for us?

11                  MR. BELL:

12                  I brought y'all a -- I'm not  
13                  sure what the protocol is. I brought y'all  
14                  each a sheet of our -- a summary of what we  
15                  are doing with Louisiana. That's it. And I  
16                  think Robert has told y'all the fine is like  
17                  1.2 million or something like that. The  
18                  back page is the balance sheet. You have to  
19                  look at it. As you look, you will see that  
20                  that balance sheet is correct as of March  
21                  31st. We are technically bankrupt. So  
22                  anything we do here today, to any big  
23                  extent, Sundance wouldn't be able to pay  
24                  you. I came up here just to try to resolve  
25                  this. Y'all have some attorney fees. We

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1 could probably pay your attorney fees, but  
2 if we start talking \$300,000, \$400,000,  
3 Sundance will be bankrupt. And so we -- I  
4 talked to our attorney in Georgia. He's  
5 already got it prepared and ready to go.  
6 It's not something we want to do. We've  
7 been in business 18 years, but unfortunately  
8 coming out of the recession, our company had  
9 to borrow quite a bit of money to stay alive  
10 and now our debts, you know, exceed our  
11 assets.

12 Our biggest asset, if you  
13 look at the balance sheet, is molds. If you  
14 are familiar with boat companies, the molds  
15 typically sell for about a dollar on the  
16 hundred. So we are quite a bit upside down  
17 against our long-term mortgages. They are  
18 first on everything we own. I would like to  
19 resolve it with you guys, but we are a small  
20 company. You can look by the balance sheet  
21 and see how small we are. So we are very  
22 limited in what we can do.

23 MR. DUPLESSIS:

24 Mr. Bell, do you have a  
25 proposal for the Commission or --

1 MR. BELL:

2 Well, I know y'all have some  
3 attorney fees and y'all need to cover that.  
4 I think that's about \$5,000. We can  
5 definitely cover your attorney fees. We  
6 have enough cash to do that. I'm not sure  
7 if there's anything else that was really on  
8 the table other than fines. I haven't seen  
9 any kind of breakdown of, you know, where  
10 all of the money is at. I just saw a bottom  
11 line number from Robert to the local  
12 attorney. It was 1.2, and when I saw that,  
13 I thought, well, the game is over, you know,  
14 the game is over for our little company.  
15 I'm here to see if we can work it out, see  
16 what y'all need and what y'all would like to  
17 do.

18 MR. DUPLESSIS:

19 Mr. Hallack.

20 MR. HALLACK:

21 Mr. Duplessis, Joey LaMartina  
22 is here. He was the boat dealer that -- if  
23 we would just step back a minute, back in  
24 the old days when this Commission used to  
25 represent recreational products dealers and

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1 manufacturers, we have, and I think they are  
2 still on the books, a re-purchase law, which  
3 says that a dealer can request that a  
4 manufacturer re-purchase product from --  
5 upon demand and that's what Mr. LaMartina  
6 did. Mr. LaMartina and his wife own a boat  
7 dealership in Slidell by the name of  
8 Northlake and they made a demand on Mr.  
9 Bell's company, Sundance, to re-purchase his  
10 product.

11 MR. BELL:

12 About \$66,000 worth.

13 MR. HALLACK:

14 Right. And I think it was  
15 originally seven boats the Commission  
16 ordered having to re-purchase five boats.  
17 And I think in the summer of 2008, Mr.  
18 LaMartina eventually sold four of those  
19 boats like at a fire sale leaving him with  
20 one boat, which Mr. Bell purchased, it looks  
21 like, October 29, 2009. So the original  
22 order from the Commission was for him to  
23 re-purchase the boats. Mr. LaMartina did  
24 finally sell those. It says summer of 2008.  
25 I think it was the summer of 2009. But the

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1 order of the Commission was also that Mr.  
2 Bell was to pay one and a half percent of  
3 Mr. LaMartina's final inventory of the five  
4 boats per month each month that he did not  
5 make the re-purchase, and I don't think that  
6 was done. But, anyway, Mr. LaMartina can  
7 probably explain that a lot better than I  
8 can.

9 MR. LAMARTINA:

10 Correct. We came before the  
11 Board and had sent a letter to Sundance  
12 requesting a buy back. At the time it was  
13 seven boats. There was a hearing and  
14 essentially what was supposed to take place  
15 -- the law says 90 days after request date,  
16 that after 90 days, Sundance is required to  
17 buy back that inventory. The inventory was  
18 roughly \$69,000 -- \$69,191. The effective  
19 date that they were supposed to make the  
20 re-purchase was September 9, '08. At that  
21 time, Mr. Bell came before the Board and  
22 basically -- a couple of things, and I'm  
23 going from memory. I know at one point,  
24 Robert may remember, Mr. Bell said, I'll  
25 just surrender my license in Louisiana and I

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1 won't do business in Louisiana. I'll --

2 MR. BELL:

3 That was not the first  
4 meeting.

5 MR. LAMARTINA:

6 At one meeting, Mr. Bell just  
7 said, I'll surrender my license, I'm not  
8 going to make the re-purchase, which  
9 effectively we had to go to court on this  
10 thing. We ultimately sold the -- as  
11 instructed by the Board, we were not  
12 supposed to sell the boats. We were  
13 supposed to segregate those boats and not  
14 sell them and so forth. Well, with almost a  
15 year passing, we began selling those boats.  
16 We sold the first one June 2 of '09 and  
17 ultimately sold in June, July and August.  
18 Mr. Bell made one re-purchase, only had to  
19 buy -- only ultimately bought back one boat  
20 and that payment was made to Textron Finance  
21 Group on November 13, '09, some 430 days  
22 later.

23 What -- the damages were  
24 suffered is -- and according to the  
25 judgment, it appears that they owe one and a

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1 half percent per month on the unbought back  
2 inventory. I scheduled out, trying to be  
3 fair about this, from the buy back date of  
4 September of '09, the date we sold it. So  
5 if we sold a boat in June of '09, let's say  
6 that's 270 days, so I calculated it out from  
7 the time that we ultimately sold it, one and  
8 a half percent per month there, and then in  
9 some cases, we lost money on these boats  
10 when we sold them.

11 MR. DUPLESSIS:

12 Joey, slow down just a little  
13 bit. You know the subject so well, you are  
14 blowing past a lot of these guys. They  
15 weren't here so slow down just a tad.

16 MR. LAMARTINA:

17 So, effectively, what was  
18 ordered was the buy back, which Sundance  
19 didn't do. We ultimately had this inventory  
20 sitting that we kept clean and so forth,  
21 because we were required to because it was  
22 their inventory and required to buy back.  
23 Ultimately, we started selling the boats  
24 off. The first one, we sold 270 days later  
25 after the required buy back. I scheduled

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1 out a schedule, which I have here, and I  
2 have the -- actually, all of the bills of  
3 sale on the ones we did sell, with one and a  
4 half percent per month with the required buy  
5 back date of September 9, '08 to the  
6 effective date that we start selling each  
7 boat individually to ultimately only one  
8 boat that Sundance bought back, and that's  
9 roughly 13 and a half thousand dollars of  
10 carrying charge at one and a half per month  
11 -- percent per month as ordered by the  
12 judge. In addition on top of that, we have  
13 maintenance, keeping those boats up. We  
14 have insurance that is required on those  
15 boats, and we lost money on some of these  
16 boats, also. So our damages approach  
17 \$20,000 if you put that in along with the  
18 interest that was required.

19 The other frustrating thing  
20 to us was that even though -- again, this  
21 thing moved from the Used Vehicle Commission  
22 to New Vehicle Commission, who unfortunately  
23 to this date still, in my opinion, does not  
24 have a good handle on the marine industry  
25 and getting the new licenses taken care of.

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1 Frustrating to us in the March 2010 boat  
2 show in the Superdome, Sundance boats was  
3 still displayed by Magnum Marine, which was  
4 out of Harvey. So we have Sundance that's,  
5 in theory, licensed -- or not even licensed  
6 in Louisiana anymore, yet they have a dealer  
7 in the New Orleans boat show in March of '10  
8 still selling Sundance boats. So real  
9 frustrating as a dealer saying, wait, they  
10 didn't live up to -- just basically just  
11 turn their nose at the Board and the order,  
12 and then were selling boats. I know the  
13 judgment came down that they owe \$2,000 a  
14 day to the Board for each and every day that  
15 they didn't buy back the boats, but this  
16 could have all been averted by just playing  
17 by the rules that the Board is here to  
18 enforce, the rules of the State of  
19 Louisiana, that say if they had bought back  
20 the boats for \$69,000, all of this wouldn't  
21 have gone on and this would have all been  
22 taken care of.

23 So I appreciate Mr. Bell  
24 saying he is giving you financial statements  
25 which -- you know, I'm a CPA as a

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1 profession. I don't know if those financial  
2 statements are audited. I don't know that I  
3 would rely on those financial statements and  
4 I understand -- I appreciate Mr. Bell saying  
5 if he really had to pay a million and a half  
6 dollars, we know the marine industry isn't  
7 in good shape right now. I understand that.  
8 That's why so many dealers were required to  
9 get these boats bought back. It wasn't that  
10 Northlake said Sundance had an inferior  
11 product. We've never alleged any of that  
12 stuff, but -- and as you guys know and Mr.  
13 Bell would know, '08 and '09 when this  
14 started going on, when Textron Financial  
15 pulled out as the marine industry's floor  
16 company and GE Capital started tightening  
17 up, all of the dealers had requirements to  
18 reduce their inventory.

19 So the squeeze came from --  
20 and it wasn't Mr. Bell that created it, but  
21 the squeeze came down from Textron or from  
22 the floor plan companies that required us to  
23 reduce inventory. So dealers if you had  
24 three million dollars in inventory, you  
25 might have to cut back to two. So you would

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1 have to start reducing inventory. There was  
2 never any allegation that it was an inferior  
3 product or nothing like that. It was, we  
4 need these -- this stuff bought back. And  
5 most manufacturers either reduced our  
6 inventory or did buy back and that went  
7 across industry-wide. All of this could  
8 have been averted where we are right now had  
9 the boats been timely bought back as ordered  
10 by the Board, you know, over two years ago.  
11 And Mr. Bell did come to a couple of  
12 hearings. So that's kind of where we are  
13 right now. We at Northlake have about  
14 \$20,000 -- right at \$20,000 of damages that  
15 I documented.

16 MR. DUPLESSIS:

17 Mr. Bell, do you have any  
18 rebuttal to that?

19 MR. BELL:

20 I think we actually did  
21 buy --

22 MR. LAMARTINA:

23 They bought back one boat on  
24 November 13, 430 days after the required --

25 MR. BELL:



1           We did buy a license in 2010  
2 from the new commission or whatever it's  
3 called now, but we have since let that  
4 lapse.

5           So, Joey, you are saying you  
6 need 20?

7           MR. LAMARTINA:

8           Yes. I mean, just the  
9 interest is \$13,530. I'm not going to say  
10 we lost thousands of dollars. We lost  
11 anywhere from \$300 something to \$1,000 on  
12 the deal, but we just -- it gets difficult  
13 when you are selling the boats and you are  
14 not a dealer anymore. So now your customers  
15 say, well, you're not a dealer, what do I do  
16 for warranty, and so forth. So we just --  
17 basically just tried to move the inventory  
18 and cut the losses. I'm not going to  
19 represent that on a \$10,000 boat we lost  
20 \$4,000. I have the detail of what it cost  
21 us to sell a boat and rig it and put the  
22 battery and our actual cost of what we sold  
23 it for.

24           MR. DUPLESSIS:

25           Mr. Hallack, you and I were,

1 I guess, the only two -- maybe Ms. Baron,  
2 you were here during that time.

3 MR. HALLACK:

4 Sheri Morris was here, also.

5 MR. DUPLESSIS:

6 Right.

7 MR. HALLACK:

8 I think it's going to be  
9 something that we are going to have to take  
10 a closer look at because we are talking  
11 about a lot of money. I know that when we  
12 tackled the issue of whether the Commission  
13 was going to pursue this, I know some of the  
14 Commissioners, their first thoughts were how  
15 do we take care of the dealer in this  
16 situation because it was the dealer that was  
17 the Commissioners' first concern and not so  
18 much the \$2,000 per day. If we look at the  
19 \$2,000 per day, I think that begins to run  
20 March 19, 2008 and will end November 13,  
21 2009, according to what Mr. LaMartina has  
22 just told you, so \$2,000 per day for that  
23 many days. I don't know if anybody has  
24 actually calculated that.

25 MR. PARNELL:

1                   It was March 17, 2009 when  
2 the hearing was. So that's roughly about  
3 six months that they are talking about that  
4 it wasn't bought back.

5                   MR. DUPLESSIS:

6                   So we are talking about  
7 \$360,000 roughly without calculation.

8                   MR. HALLACK:

9                   If it's six months from March  
10 17, 2008 to November 2009, that's more like  
11 a year and six months, right?

12                  MR. PARNELL:

13                  No, March of '09 through  
14 October 29 of '09, from what I understand.

15                  MR. DUPLESSIS:

16                  So six months, 360 grand.  
17                  Any other recitals or  
18 anything?

19                  MR. HALLACK:

20                  Well, I mean, like I said,  
21 it's a lot of money and, therefore, I think  
22 we need to get some better financial  
23 statements from Mr. Bell to consider what we  
24 are going to do. He's only offering to pay  
25 the attorney fees that are five. He may

1 send something to Mr. LaMartina, we don't  
2 know, but I think we better get some better  
3 financial statements, maybe look at some  
4 other financial records, income tax returns  
5 or something like that before you make a  
6 decision based on a threat of bankruptcy.

7 MR. DUPLESSIS:

8 This is not an agenda item.  
9 This has turned into an agenda item from  
10 public comments, but I think it's going to  
11 be an agenda item next month.

12 Comments from the  
13 Commissioners or questions to Mr. Bell or  
14 Mr. LaMartina or Mr. Hallack?

15 MR. BREWER:

16 Was there originally a  
17 restocking charge for the manufacturer to  
18 pick up these boats, how does that work?

19 MR. DUPLESSIS:

20 Actually, the law says it  
21 goes back two model years and unlike the car  
22 industry, it's very difficult. The boat  
23 manufacturers have blatant liberty on  
24 extending model years just like the RV  
25 dealers. You literally could have a 2013

1 model in 2011 or even worse. So, basically,  
2 we always have a hard time determining that,  
3 because it doesn't have the Department of  
4 Transportation mandate as far as we know.  
5 So -- and we have asked the industry -- we  
6 met with the industry and they are on their  
7 own reign there. So, basically, what we  
8 have interpreted is that it's two years from  
9 the time of receipt is the amount of -- are  
10 the boats that qualify for re-purchase. So,  
11 basically, if you took delivery of it in  
12 November of '09, you could still ask for  
13 re-purchase in November of 2011. It's our  
14 interpretation.

15 Just so you'll know, this  
16 case has been all the way to the Louisiana  
17 Court of Appeals, which I believe Mr.  
18 Hallack represented us at, and we won that  
19 decision. So the only other alternative is  
20 either to take a writ to the Supreme Court,  
21 which I don't think they are going to accept  
22 because this thing is -- this type of case  
23 has been ruled on before to ask for  
24 forgiveness. So I think that's where we are  
25 at this point.

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1 Any other Commissioners?

2 MR. TURNER:

3 Well, I agree with Mr.  
4 Hallack that we need to take a more  
5 independent look at the financial situation  
6 of Sundance. I don't think we can just  
7 accept a financial report from the president  
8 of Sundance who has neglected his  
9 responsibility for two years or so now.  
10 And, personally, if bankruptcy is where he  
11 is going, maybe that's a good thing. He  
12 won't do this to another dealer in another  
13 state. Who knows what's going on with other  
14 states he is licensed in and operating in,  
15 now.

16 MR. BELL:

17 It's a little bit unique. I  
18 think this is the only -- we do business in  
19 about 26 states and this is the only state  
20 that we have sort of this whole licensing  
21 and commission type thing. We don't have --

22 MR. TURNER:

23 You didn't fulfill your  
24 obligation, sir.

25 MR. BELL:

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1 I'm just saying we --  
2 Louisiana is a real unique situation with  
3 the licensing type thing and the dealer  
4 laws. We just don't see that in other  
5 states. So it's a unique situation for us  
6 here. We have been doing business in  
7 Louisiana since 1994 when I started the  
8 company. We have now let our license lapse  
9 with the New Vehicle Commission. At this  
10 point, we don't have any dealers in  
11 Louisiana and we are not going to actively  
12 seek any, you know, for the time being. Now  
13 is that forever or ten years, you know, the  
14 rest of my life, I don't know. But we are  
15 just not currently looking to do business  
16 with dealers in Louisiana. It makes it a  
17 little difficult, because we have dealers in  
18 Texas, but that's just where we are at with  
19 it.

20 MR. DUPLESSIS:

21 Mr. LaMartina.

22 MR. LAMARTINA:

23 With all due respect, I  
24 appreciate what Mr. Bell is saying. He has  
25 been doing business in Louisiana since 1994.

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1 This was a buy back ordered in 2008, some 14  
2 years down the road after Sundance was given  
3 the opportunity of two hearings before the  
4 Board and took the time of the Board two  
5 times and the Board was clear saying the law  
6 says you have to buy back these boats.

7 So in 14 years of making  
8 profits from dealers in the State of  
9 Louisiana, now we are saying 14 years later,  
10 two independent hearings of the Board saying  
11 you need to buy back these boats. Instead,  
12 we drag on. We have to go to court and have  
13 to spend money in court doing all of this  
14 stuff. You know, at the time we were  
15 talking \$69,000 worth of boats. That's not  
16 a lot of money. We have had inventory  
17 bought back \$300,000, \$400,000 of boats  
18 bought back. So it wasn't like we were  
19 charging Sundance to buy back a half million  
20 dollars of boats. It was a relatively small  
21 amount of boats that we are talking about,  
22 relatively a small amount of money at the  
23 time. Instead, this has just gone on and on  
24 and on.

25 And I appreciate Louisiana

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1 may have some unique laws, but they are the  
2 laws of Louisiana and if you were operating  
3 from 1994 through '08, you are under those  
4 laws and you profited under those laws by  
5 having dealers. Again, this could all have  
6 been averted had the ruling -- I mean, had  
7 the laws been followed when requested.

8 MR. DUPLESSIS:

9 Okay. Any other  
10 Commissioners?

11 (No response.)

12 MR. DUPLESSIS:

13 Let me say this. I was  
14 around and I'm familiar with the laws on the  
15 new car side and on the boat side. We met  
16 with the marine industry. We're not going  
17 to discuss that. We don't govern that body  
18 any longer and that's the New Car  
19 Commission's side, the new vehicle side, to  
20 hash all of that out. I think what is going  
21 to be an obligation upon us is we are going  
22 to -- obviously, it's not an agenda item.  
23 We are not going to discuss this anymore  
24 today.

25 If you would like, Mr. Bell,

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1 you can ask for an agenda item from our  
2 Executive Director, Mr. Parnell.

3 We cannot order restitution,  
4 but we can order enforcement. And I  
5 remember that -- if I recall, you were  
6 somewhat arrogant in your position of not  
7 re-purchasing the boats. You disagreed with  
8 the law, which doesn't matter. I mean, this  
9 was the order. We went all the way to the  
10 Court of Appeals. I would encourage you to  
11 talk to Mr. LaMartina and Mr. Hallack and  
12 Mr. Parnell here and for the next meeting,  
13 come back with a proposal that we think that  
14 would be acceptable. Do we want to put you  
15 out of business? No. Will we enforce this?  
16 We very well may. But we are going to give  
17 you an opportunity to come up with a  
18 reasonable proposal and if it's attorneys'  
19 fees only, it's not going to work. But I'm  
20 going to let these gentlemen engage in  
21 active communication and try to settle this  
22 matter reasonably without sinking your boat.

23 MR. BELL:

24 Okay.

25 MR. DUPLESSIS:

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1 I would expect, Mr. Parnell,  
2 that it would at least include a two year  
3 voluntary surrender of the license in the  
4 State of Louisiana.

5 MR. HALLACK:

6 And, honestly, when I said  
7 1.2 million dollars, that was me not knowing  
8 that you had re-purchased that unit in  
9 November of 2009. So it's substantially  
10 less.

11 MR. BELL:

12 I kept wondering about that.  
13 I kept seeing it but thinking it was less.

14 MR. DUPLESSIS:

15 We are going to go ahead and  
16 move on with the agenda. I think we have  
17 worn this subject out. Thank y'all both for  
18 your time.

19 MR. BELL:

20 Are you going to e-mail me?

21 MR. HALLACK:

22 Yes, sir.

23 MR. DUPLESSIS:

24 Any other items for  
25 discussion?

1 (No response.)

2 MR. DUPLESSIS:

3 Approval of the minutes of  
4 the previous meeting.

5 MR. CORMIER:

6 I make a motion to approve.

7 MR. TURNER:

8 I second.

9 MR. DUPLESSIS:

10 So moved.

11 Any opposed?

12 (No response.)

13 MR. DUPLESSIS:

14 Payment of invoices for Sheri  
15 Morris and attorney Robert Hallack. If you  
16 will flip over.

17 MR. PARNELL:

18 We skipped number one, review  
19 of the financial report for March 2011, if  
20 we can go ahead and go through that.

21 MR. DUPLESSIS:

22 I'm sorry, my mistake.

23 MR. PARNELL:

24 Turn, if you will, and we  
25 will go ahead and go through our March 2011

1 financial statement.

2 MS. ANDERSON:

3 Good morning. After all of  
4 that, this is just going to be easy. If you  
5 will turn in your packet to the balance  
6 sheet, which is on Page 1 of the financial  
7 statements. Cash balance at the end of  
8 March was \$841,375. Further down, the  
9 uncollectible amount on the accounts  
10 receivable online to date right now is  
11 \$5,179. It's down a little bit. We are  
12 collecting a little bit here and there on  
13 that.

14 In your liability section,  
15 there's a higher amount in the health  
16 insurance liability and what's happening  
17 there is, this month we accrued two months  
18 of the retirees' liability. Previously up  
19 until now, the retirees' liability was just  
20 being accrued in the month that it was being  
21 paid and really it should be like the  
22 employees' liability. It should be accrued  
23 in the month prior to the month we pay it.  
24 So that's -- it's not really an increased  
25 amount, just you've got two months in there.

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1           And if you will turn over to  
2 page -- the following page -- I'm sorry, to  
3 the monthly comparison report on Pages 3 and  
4 5. At the bottom of Page 3, our month to  
5 date revenues were approximately the same as  
6 last year, but the year-to-date revenues are  
7 about \$79,000 higher than the same period  
8 last year, the year to date there. On Pages  
9 4 and 5 of your monthly comparison, in the  
10 salaries and benefits, you will see that the  
11 March salary -- March 2011 is higher than  
12 March 2010. And what happened there is, in  
13 2010 at -- the Commission had amended the  
14 pay at the -- after conferring with our  
15 auditor, we had been paying right up to the  
16 pay date each pay period and we were wanting  
17 to back that up so that each pay period we  
18 would pay through the following -- through  
19 the prior Friday, and so in order to do  
20 that, we only paid nine days in those pay  
21 periods. So that made your total regular  
22 salaries and your total benefits, which are  
23 based on the salaries, lower in 2010.  
24 Actually, there was no difference in the  
25 salaries, but just in how we paid them last

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1 year.

2 And on Page 5, the -- your  
3 revenue over expenditures for the month was  
4 a \$22,600 loss, but the year-to-date net  
5 revenues over expenses was \$295 -- \$290,500,  
6 which is almost double last year's history.

7 If you will turn on to Pages  
8 6 and 8 are your budget balance reports. At  
9 the bottom right-hand corner, your revenues,  
10 we have 13.5 percent of the budgeted  
11 revenues left to collect in the remaining  
12 months of this year, which is pretty much on  
13 target. And on Pages 7 and 8 are your  
14 expenditures and the expenditures -- at this  
15 time, we should be -- have 25 percent of the  
16 expenses yet to expend for this year and,  
17 actually, we have 35. So we are in real  
18 good shape there.

19 On to the next report, your  
20 three month report, which shows the quarter  
21 -- first quarter 2011, your revenues to  
22 expenditure again was \$290,000 and, you  
23 know, as you would expect, your revenues are  
24 down at the end of your licensing year. The  
25 salaries showed that increase, that extra

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1 money in the group benefits there. On to  
2 the next report, the revenue and expenditure  
3 report, again, there's your net revenue to  
4 expenses, \$290,460. And on the following  
5 page is your certificate of deposit summary.  
6 There are no changes to this report for  
7 March, but in April, our CDs with the  
8 Landmark Bank will come up on the 23rd and  
9 the 30th and we probably will allow those to  
10 rollover. Landmark Bank gives their return  
11 -- their renewing customers 30 basis points.  
12 So you are not -- really are not going to  
13 find -- we checked a couple of banks and the  
14 rates at other banks are between one -- less  
15 than one percent or up to 1.15 percent. So  
16 for us to get 1.45, I don't think we are  
17 going to beat that anywhere. And on your  
18 last page, your accounts receivable report  
19 is the same as it was last month.

20 MR. DUPLESSIS:

21 Ms. Baron, we are going to  
22 try to collect on this Midcity?

23 MS. BARON:

24 We have done a claim against  
25 the surety on Midcity and I got a letter

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1 from the bond company saying that they were  
2 looking into it. They were checking with  
3 the principal to see if he was going to be  
4 able to pay that out of his pocket and if  
5 not, they will be cutting us a check for the  
6 full \$20,000, and the remaining \$2,200 has  
7 been turned over. Mr. Hallack did a  
8 collection letter to Midcity for the  
9 remaining \$2,200. He did a collection  
10 letter and that has been sent to Midcity as  
11 well.

12 MR. DUPLESSIS:

13 Very good.

14 Questions, gentlemen?

15 MR. TURNER:

16 I have a question about the  
17 Midcity deal. It was on the local news last  
18 week that Midcity was shut down. Can you  
19 tell me who shut them down, did we send the  
20 State Police or just how did that go down?  
21 I mean, they are still operating.

22 MS. BARON:

23 Stacy went by there and I  
24 kept getting phone calls that said they were  
25 not on the lot any longer and Stacy went by

1 and saw that the lot had been abandoned and  
2 she did a five day notice and they were shut  
3 down as of March 31st in the system, and so  
4 they are no longer -- they are revoked  
5 completely, because the five day notice came  
6 due on March 31st.

7 MR. DUPLESSIS:

8 Very good.

9 Any more questions?

10 MS. ANDERSON:

11 I also wanted to present --  
12 on the next few pages, Pages 15 through 18,  
13 I would like to propose that the Commission  
14 look at this report as a replacement to the  
15 three reports, the monthly comparison, the  
16 budget balance, and the three month  
17 comparison report. All three of those  
18 reports repeat some of the same items. They  
19 repeat the monthly -- month-to-date amounts,  
20 the year-to-date amounts. This report that  
21 I have here would combine all of those  
22 reports. So you go from having nine pages  
23 of reports to four pages of reports. And I  
24 think it's easier to review this because you  
25 can see all of the comparisons on one page

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1 per line item of the budget. So if you  
2 could look at that and maybe we can talk  
3 about whether you think that would suffice  
4 to replace those reports. So you would  
5 still be getting the balance sheet. You  
6 would get this in lieu of all of the income  
7 statement type reports, and then you would  
8 still get your CD report and the accounts  
9 receivable and those types of reports.

10 MR. PARNELL:

11 Commissioners, I found that  
12 this was much more concise. It's easier to  
13 understand and read through it versus going  
14 through all of those pages because it's  
15 quite a lot of pages that we typically go  
16 through every month, but this will condense  
17 it down and thus we will have them -- pretty  
18 much all of those reports on these pages  
19 with the exception of maybe one or two  
20 items, but it's a lot of redundancy in all  
21 of those page reports. I sent a copy of it  
22 out to Commissioner Turner for his review  
23 and I think he had some positive words for  
24 it.

25 MR. TURNER:

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1                   Yes. I think that it makes  
2 sense to condense everything and it's still  
3 giving us the same information, just I think  
4 a cleaner format, easier to understand.

5                   MR. PARNELL:

6                   So if this is something that  
7 you, as Commissioners, would like to see, we  
8 can move forward with all the reports  
9 henceforth in this format, if you will, or  
10 if you want to keep it the way it is, that's  
11 fine. It's just really up to you, how you  
12 want it presented to you.

13                  MR. DUPLESSIS:

14                  Mr. Turner, do you want to  
15 make a motion?

16                  MR. TURNER:

17                  I make a motion that we adopt  
18 this new report.

19                  MR. BREWER:

20                  I second.

21                  MR. DUPLESSIS:

22                  All in favor?

23                  (All "Aye" responses.)

24                  MR. DUPLESSIS:

25                  Opposed?

1 (No response.)

2 MR. DUPLESSIS:

3 The motion carries. Very  
4 good.

5 MS. ANDERSON:

6 Thank you.

7 MR. DUPLESSIS:

8 Anything else?

9 (No response.)

10 MR. DUPLESSIS:

11 Okay. I guess payment of  
12 invoices for Ms. Morris and Mr. Hallack.

13 MR. PARNELL:

14 Commissioners, this is our  
15 payment of invoices for March 2011.  
16 First on the list is attorney Sheri  
17 Morris. If you will, in your packets if you  
18 notice, the balance due for this billing  
19 period is \$10,627.50. I have gone through  
20 -- line item by line item through this --  
21 her document that she supplied to us,  
22 verified the hours and the amount per hour.  
23 If you notice, the majority of this --  
24 without going into great detail, the  
25 majority of this bill \$9,800 of this bill is

1 in reference to the Civil Service concern  
2 that we were dealing with in the past.

3 MR. DUPLESSIS:

4 Any discussion on Ms. Morris'  
5 invoice? She is not here today. She is on  
6 an -- out with a conflict. I did speak with  
7 her about this and that seems to be the  
8 case. The majority of the billing was on  
9 the Civil Service action, which has been  
10 resolved; is that correct?

11 MR. PARNELL:

12 That's correct.

13 MR. DUPLESSIS:

14 Thank you.

15 Any questions or discussion?

16 (No response.)

17 MR. DUPLESSIS:

18 Motion to accept?

19 MR. CORMIER:

20 I make a motion to approve  
21 Ms. Morris' invoice.

22 MR. SMITH:

23 I second.

24 MR. DUPLESSIS:

25 All in favor?

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1 (All "Aye" responses.)

2 MR. DUPLESSIS:

3 Opposed?

4 (No response.)

5 MR. DUPLESSIS:

6 The motion carries.

7 Let's move to Mr. Hallack's  
8 invoice, please.

9 MR. PARNELL:

10 Mr. Hallack is present. So  
11 I'll have him verify his bill as well and  
12 I'll have him kind of discuss it if he will  
13 do so.

14 MR. HALLACK:

15 Most of the bill deals with  
16 Sundance Boats. We had the hearing in  
17 Covington on Sundance. We had several  
18 memoranda, the judgment being prepared,  
19 things of that nature, and that's the  
20 majority of the bill. The other stuff is  
21 with regard to hearings mostly.

22 Does anybody have any  
23 questions?

24 MR. DUPLESSIS:

25 Any discussion?

1 (No response.)

2 MR. PARNELL:

3 That balance due on this one  
4 is \$3,412.50.

5 MR. CORMIER:

6 I make a motion to approve  
7 Mr. Hallack's invoice.

8 MR. SMITH:

9 I'll second it.

10 MR. DUPLESSIS:

11 All in favor?

12 (All "Aye" responses.)

13 MR. DUPLESSIS:

14 Opposed?

15 (No response.)

16 MR. DUPLESSIS:

17 The motion carries.

18 Thank you, Mr. Hallack. Mr.  
19 Hallack, I guess legal matters and pending  
20 litigation, would you tell us about -- I  
21 guess we have kind of worn the Sundance  
22 thing out.

23 MR. HALLACK:

24 Well, we did appear in court.  
25 Derek and I went to Covington on March 30th



1 for the hearing and filed a rule to make the  
2 judgment executory -- or the order  
3 executory. The Commission, a state agency,  
4 does not have the power to enforce its own  
5 orders. You have to go to District Court to  
6 get that done. And so the judge approved  
7 our order and made it executory, which means  
8 that we can now enforce that judgment. It's  
9 a judgment -- the order of the Commission is  
10 now a judgment of the State of Louisiana and  
11 with that, full faith and credit clauses of  
12 the United States Constitution, any state  
13 where they do business, any state where they  
14 have assets, we can now take that judgment  
15 and enforce it in another state. If he has  
16 an operation in Georgia, if he has an  
17 operation in Florida, we can take that  
18 judgment and the courts in Florida and in  
19 Georgia have to recognize that judgment and  
20 allow us to enforce it. So I do not have  
21 licenses in Florida or Georgia. So that  
22 would require you to retain another lawyer.  
23 A lot of times when you have a judgment to  
24 go enforce in some other state, they will do  
25 it on a contingency basis, which means they

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1 take a percentage of what they recover for  
2 you as opposed to paying them an hourly  
3 rate.

4 We haven't gotten that far,  
5 yet. I think Mr. Turner was on the road to  
6 making a motion that we try to get more  
7 financial records from Sundance before we  
8 make a decision on whether to either accept  
9 what he is offering to pay or to enforce it  
10 in another state. When I originally wrote  
11 the letter some years ago saying it was  
12 going to be 1.2 million, I did not know that  
13 he had made a re-purchase in November of  
14 2009. So it was only six months as opposed  
15 to two years. So, I mean, six months that  
16 is still going to be around \$700,000 maybe  
17 -- no.

18 MR. DUPLESSIS:

19 Thirty days.

20 MR. PARNELL:

21 Commissioners, shortly after  
22 Mr. Hallack and I went to court, I did  
23 receive a phone call from Mr. Bell. He  
24 wanted to come sit down and talk with me.  
25 So he came this morning and sat with me for

1 a little while and just kind of --  
2 basically, the gist of what we talked about  
3 is what he talked about in front of you all  
4 and I told him that we wanted to make sure  
5 he was on the agenda. So he came and voiced  
6 that to you as Commissioners. So I think  
7 Mr. Turner -- Commissioner Turner, I should  
8 say, as he said correctly, and we should  
9 look for -- look a little bit deeper into  
10 the assets, asset confirmation because this  
11 document he just supplied to me this  
12 morning. How real it is, I wouldn't know.  
13 I do have a person that we have kind of  
14 talked to briefly about looking at the  
15 assets for us and so we are going to look to  
16 go ahead and do that this coming week, so we  
17 can kind of know exactly where they stand.

18 MR. DUPLESSIS:

19 Mr. Hallack, I think at this  
20 point, we can make any motion or any  
21 discussion on that if we think it requires a  
22 motion for a certified document, financial  
23 statements, but if he brings fraudulent  
24 financial statements to this Commission,  
25 it's going to not be good for him.

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1 MR. HALLACK:

2 No. But I think what Mr.  
3 Turner said is probably what we need to do.  
4 We need to look at his financial statements  
5 and report back to y'all next month and what  
6 we find.

7 MR. DUPLESSIS:

8 I would agree. I mean,  
9 that's going to be up to y'all.

10 MR. TURNER:

11 We need to look at what our  
12 options are. We are going to -- if we are  
13 going to force them into bankruptcy, what  
14 does that mean?

15 The bankruptcy laws are  
16 different than they used to be. You still  
17 have to pay even if you go bankrupt.

18 MR. HALLACK:

19 Well, I think one of the key  
20 things he said was that he could not pay  
21 \$300,000. That would bankrupt him. So if  
22 we are talking about \$60,000, I think he  
23 probably has that. I would venture to say  
24 he probably paid his lawyers 30 to 50 to  
25 defend this. So I would believe that he's

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1 probably got \$60,000. If push came to  
2 shove, I think he would pay it.

3 MR. BREWER:

4 I had a feeling he was trying  
5 to offer the man \$20,000.

6 MR. HALLACK:

7 That's what it looked like.  
8 And if -- he's not required to do that. Mr.  
9 LaMartina was asking for damages. He said  
10 that the real loss in the penalty, the one  
11 and a half percent per month, he valued that  
12 at \$13,000. The rest were damages for  
13 selling his boats at a reduced rate. So I  
14 think if we are able to get Mr. LaMartina  
15 \$10,000, I think that he would be happy with  
16 that. And for ourselves, I don't see why he  
17 shouldn't pay the judgment in full. If it's  
18 only like \$60,000, that shouldn't be too  
19 much to handle, because he was looking at it  
20 from the standpoint that this was going to  
21 be \$200,000 to \$300,000.

22 MR. DUPLESSIS:

23 Now, the judgment is \$60,000.

24 MR. HALLACK:

25 I'm sorry. I made another

1 mistake.

2 MR. PARNELL:

3 The judgment itself is since  
4 March 17, 2009, \$2,000 per day, beginning  
5 that day until the time at which -- that he  
6 had purchased back the inventory from  
7 Northlake. For what he supplied to us this  
8 morning, that was done in -- October 29 of  
9 '09.

10 Was that confirmed?

11 MR. HALLACK:

12 Well, actually, he said  
13 November 14 when the actual re-purchase was  
14 made.

15 MR. TURNER:

16 He only purchased one boat  
17 back.

18 MR. HALLACK:

19 Right, because that's all  
20 that he had left.

21 MR. TURNER:

22 The dealer got rid of them  
23 himself.

24 MR. HALLACK:

25 That's right.

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1 MR. DUPLESSIS:

2 Well, make no mistake, his  
3 arrogance in this room -- and you and I, and  
4 I believe Ms. Baron, were the only ones that  
5 are currently here. Ms. Morris was present,  
6 but she is not here. Mr. Floyd was here.

7 Mr. Floyd, do you remember?

8 MR. FLOYD:

9 He was definitely opposed the  
10 law.

11 MR. PARNELL:

12 Just the law itself.

13 MR. FLOYD:

14 Yes. We will stop selling  
15 boats. It's no big deal.

16 MS. BARON:

17 Yes. That's exactly what --

18 MR. DUPLESSIS:

19 That was his thoughts, you  
20 can't reach me in Georgia and find me. So,  
21 you know, I think it's simple. If we want  
22 to put some motions in place to the  
23 authenticity of the certified public account  
24 statements, I don't think -- he didn't sign  
25 that one, by the way, which I found

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1 interesting, and I think we can negotiate a  
2 way. It's not our problem -- our issue with  
3 this Commission any longer. But, you know,  
4 it was a tough time. I will say that. He  
5 handled it poorly. We cannot order  
6 restitution to Mr. LaMartina. It's not  
7 within the powers of this Commission, but  
8 certainly if they bring a reasonable  
9 settlement to the table, I think as  
10 reasonable people, we will listen.

11 MR. TURNER:

12 Agreed.

13 MR. DUPLESSIS:

14 I don't think we want the  
15 reputation of putting a boat dealer out,  
16 even if he was a horse's behind, you know,  
17 but we still have a job to do. I will  
18 agree, all the way to the point of Court of  
19 Appeals. So he is out of bullets.

20 So, Mr. Turner, do you have a  
21 motion for us?

22 MR. TURNER:

23 I make a motion that we try  
24 to get certified financials on Sundance  
25 Boats.



1 MR. CORMIER:

2 I second.

3 MR. DUPLESSIS:

4 Any discussion?

5 (No response.)

6 MR. DUPLESSIS.

7 All in favor?

8 (All "Aye" responses.)

9 MR. DUPLESSIS:

10 Opposed?

11 (No response.)

12 MR. DUPLESSIS:

13 The motion carries.

14 Mr. Parnell, try to see if we  
15 can't work that out somehow. We'll collect  
16 some of the fine and move on.

17 Okay. Policy and procedures,  
18 the resolution regarding the licensing of  
19 salespeople. If you will turn in your  
20 binders to the proposed policy and procedure  
21 #98, it's allowing up to 30 days for a  
22 licensee to submit for an application for a  
23 salesperson.

24 MR. PARNELL:

25 This is what we did last

1 month at our Commission meeting. Prior to  
2 that, it was 15 days and I think  
3 Commissioner Turner and Chairman Robinson,  
4 they wanted to go to 30 days and made a  
5 motion and it was approved. So this is the  
6 resolution that was actually put in  
7 effect.

8 MR. TURNER:

9 I make a motion that we  
10 accept it.

11 MR. CORMIER:

12 Second.

13 MR. DUPLESSIS:

14 All in favor?

15 (All "Aye" responses.)

16 MR. DUPLESSIS:

17 Opposed?

18 (No response.)

19 MR. DUPLESSIS:

20 The motion carries.

21 Derek, this is something that  
22 maybe Mr. Hallack can shed light. This is  
23 something we probably need to promulgate for  
24 a rule.

25 MR. HALLACK:

1 Oh, yes. This is absolutely  
2 contrary to the statute.

3 MR. DUPLESSIS:

4 It is, but I don't think  
5 there's any opposition that really harms any  
6 dealers, but I would like to put it out for  
7 rule and that would be -- we'll just  
8 schedule it for a ruling. Okay. Very good.

9 Executive Director's report,  
10 Mr. Parnell.

11 MR. PARNELL:

12 If you'll turn with me -- I  
13 have some reports that I have been supplying  
14 to you as it relates to the review of the  
15 complaint totals that we have been  
16 receiving. The first item is the alleged  
17 issue count for the month of May. If you  
18 notice, it's 82 alleged issues for the month  
19 that came in. Thirty are refunds. Fifteen  
20 of those are non-delivery of title. That  
21 kind of switched places there. Typically,  
22 the largest number that we would have is  
23 non-delivery of title and not refunds.

24 If you turn with me to the  
25 second page there, the case report, it kind

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1 of lets you see what was assigned during the  
2 month to each investigator. Once we submit  
3 -- once the documents come in, I do a review  
4 of them. I'll look at it and if it's  
5 something that needs to come before the  
6 Commission, I will bring it before the  
7 Commission. If not, I'll put a violation  
8 out there and that total -- it goes into a  
9 separate area where that total shows up. So  
10 the total assigned cases is 67 for the  
11 month. Total completed cases were 19 for  
12 the month. Open cases are 48 currently.

13 The next page shows you the  
14 total cases that were closed during the  
15 month. As we say, this is an ongoing thing.  
16 Most of the cases are not resolved within  
17 one single 30 day period. So that's why  
18 this number is cited on closing cases versus  
19 what you see on the document prior to that  
20 of 19, which is 56. Fifty-six total cases  
21 were closed, and the next item on there is  
22 basically the same thing. It just shows a  
23 break out of that and the comparison of what  
24 happened last year around this time. I have  
25 been doing a better job of going into the

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1 system and locating exactly the day of  
2 completion of the case and making sure that  
3 these numbers are more actual or factual  
4 than what they were in the past. I'm  
5 actually closing them out on the completed  
6 date versus what I was doing on the date  
7 upon which I was closing it out, which would  
8 kind of distort the numbers a little bit.  
9 So this is what I am presenting to you for  
10 the complaints, complaint totals.

11 Do we have any questions or  
12 concerns as it relates to that?

13 (No response.)

14 MR. PARNELL:

15 All right. The next item  
16 that we are looking at is the renewal of  
17 professional contracts coming up at this  
18 point. At the end of the fiscal year is  
19 when we have to renew all of our contracts  
20 that we have for our professional, I guess,  
21 contractors, which includes our court  
22 reporter, both attorneys, our CPA, and the  
23 informational tech services, our IT guy.  
24 Currently, each of those -- each of the  
25 contracts -- I don't know if there are any

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1 changes that you as Commissioners would like  
2 to see moving forward with the contracts or  
3 as they are. If not, I'll go ahead and  
4 execute them as they are. Last year, I know  
5 we reduced -- it was \$60,000 for each  
6 attorney. We reduced that down to 40, which  
7 is a far better reasonable number. Neither  
8 of the attorneys at this point have gotten  
9 to that point. Mr. Hallack is -- of the  
10 \$40,000, he is at \$16,000 thus far for the  
11 year. Attorney Morris at this time has  
12 \$12,000 for the year. So having that  
13 flexibility doesn't mean necessarily that  
14 they are -- that we are allowing them to  
15 spend that amount, but if needed, we can go  
16 up to that point.

17 So do we have any concerns  
18 about the way the structure of some of the  
19 contracts are in place now or shall I move  
20 forward with just going ahead and renewing  
21 the contracts as they stand?

22 MR. BREWER:

23 I would suggest doing it like  
24 it is.

25 MR. DUPLESSIS:

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1           Derek, what is the -- are you  
2 happy with Mr. Horton's performance?

3           MR. PARNELL:

4           I am. He has been working  
5 really well with us. I've been kind of  
6 putting a little more pressure on him, time  
7 pressure, information, just to really test  
8 him out to see if he is really capable,  
9 because I had been hearing things prior to  
10 my arrival that he may not be the person  
11 that we need to move forward with. I've  
12 been doing that. He has been responding  
13 very well. He has brought on some other  
14 individuals to help out. When he is not  
15 available immediately, he brings someone  
16 else in to come here and help us out with  
17 every issue that we have on the table. So I  
18 -- currently, I would like to continue  
19 moving forward with him.

20           MR. DUPLESSIS:

21           Okay. Further discussion?  
22 Motion to accept?

23           MR. ROY:

24           We need a motion to renew?

25           MR. DUPLESSIS:

1 Yes.

2 MR. ROY:

3 I so move.

4 MR. BREWER:

5 Second.

6 MR. DUPLESSIS:

7 All in favor?

8 (All "Aye" responses.)

9 MR. DUPLESSIS:

10 Opposed?

11 (No response.)

12 MR. DUPLESSIS:

13 The motion carries. Very

14 good.

15 MR. PARNELL:

16 The next item is our staff  
17 computers, the server. What I had proposed  
18 to you all last month was basically just  
19 letting you know that I want to go ahead and  
20 move forward with obtaining our own server  
21 here. The cost of that server for a one  
22 year basis and upgrade and installation will  
23 run around us around \$4,800. I want to make  
24 sure -- at this point, I really need to make  
25 -- move forward with this, so that I can

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1 actually go ahead and get an upgrade with  
2 CAVU. They have been working real close  
3 with us and real well with us. I can't make  
4 that move until I make the adjustment on our  
5 hardware that we have here, and so I want to  
6 go ahead within the next 15 or 20 days or so  
7 and go ahead and make that purchase of the  
8 server.

9           Also, we talked about getting  
10 laptops for our field investigators.  
11 Particularly, I need computers for  
12 everybody, yes, but immediately I think our  
13 field investigators. I need to get them  
14 something a little bit better than what they  
15 have. They are incredibly slower with it  
16 and breaking down on them quite a bit.  
17 Actually, as I stated to you probably about  
18 two or three months ago, that I don't know  
19 any surplus laptops here. You know, we had  
20 13 investigators at one point, and so there  
21 were surplus laptops and laptops we can use  
22 parts. I have none right now four  
23 investigators, four laptops. That's it.  
24 And so -- and I really -- I need to make a  
25 move on that within the next 30 days or so.

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1           But I do want to get the  
2 server in place. I want to get it set up.  
3 I want to get the update on CAVU prior to  
4 making a move on the laptops, but I just  
5 want to let you know that within the next 30  
6 days, I really need to be moving on these  
7 items.

8           Are there any concerns,  
9 questions as it relates to that?

10           MR. DUPLESSIS:

11           So it is not like you need to  
12 make an emergency purchase on the laptops?

13           MR. PARNELL:

14           It's not that bad right now,  
15 but if one breaks, I need to do that. With  
16 the amount of finance, it wouldn't be an  
17 issue for me to do an emergency purchase  
18 with the State. Their requirement as it  
19 relates to the cost of it, I wouldn't need  
20 to do very much to do that. Right now I'm  
21 okay, but if something breaks, you know,  
22 that's another story.

23           MR. DUPLESSIS:

24           Well, you are going to have  
25 to get it fixed and make your move.

1 MR. PARNELL:

2 Right, get something.

3 MR. DUPLESSIS:

4 Do you have a window for us  
5 on the CAVU servers?

6 MR. PARNELL:

7 The server itself, it's going  
8 to be \$4,866. As it relates to the upgrade  
9 of CAVU, the cost, that's the next phase  
10 that I'm trying to work on right now. I  
11 don't think we have -- you don't have a  
12 total on that, do you?

13 MS. ANDERSON:

14 On CAVU, no.

15 MR. TURNER:

16 We need a proposal. I can  
17 give you an okay as far as the cost of the  
18 laptops.

19 MR. PARNELL:

20 Okay.

21 MR. TURNER:

22 We discussed it, we haven't  
23 seen the numbers.

24 MR. PARNELL:

25 I gave you the numbers last

1 month.

2 MR. DUPLESSIS:

3 Yes. As far as I'm  
4 concerned, I think we need to look at going  
5 and get -- that affects no other items, the  
6 server and the CAVU. I mean, those are  
7 independent deals.

8 Sir, a motion?

9 MR. PARNELL:

10 That's immediate. I have to  
11 do that unless we are going to be in the  
12 same position we were this year with  
13 renewals. In order to get more automated, I  
14 have to do the server and do the upgrade on  
15 CAVU in order to do that. As we know --  
16 what is it, three years behind already on  
17 the upgrade of CAVU. So it's -- some fixes  
18 may be already done with the new upgrade in  
19 the system that we run into problems with.  
20 We don't know that until it actually comes  
21 into play.

22 MR. DUPLESSIS:

23 Mr. Turner, do you want to  
24 make a motion on that?

25 MR. TURNER:

1 I make a motion that we  
2 purchase the new laptops for the  
3 investigators.

4 MR. ROY:

5 And I'll second.

6 MR. DUPLESSIS:

7 Any discussion?

8 (No response.)

9 MR. DUPLESSIS:

10 All in favor?

11 (All "Aye" responses.)

12 MR. DUPLESSIS:

13 Opposed?

14 (No response.)

15 MR. DUPLESSIS:

16 The motion carries.

17 MR. PARNELL:

18 The server as well as -- did  
19 you just say laptops? The main thing is the  
20 server.

21 MR. TURNER:

22 I make a motion that we --

23 MS. ANDERSON:

24 I'm sorry, I was going to say  
25 we also have it in the budget for next year

1 already. So we are just moving the  
2 timeframe up a little bit. That's all.  
3 Y'all already approved it.

4 MR. DUPLESSIS:

5 You know, my only concern is  
6 you and I were at the DMV meeting and our  
7 server needs to be changed dramatically.

8 MR. PARNELL:

9 Yes.

10 MR. DUPLESSIS:

11 Do you want to purchase the  
12 \$4,000 server, because the risk of that  
13 information highway in this session is going  
14 to be --

15 MR. PARNELL:

16 I have to --

17 MR. DUPLESSIS:

18 Okay. It's a \$4,000 server.  
19 It could always be daisy changed. That's  
20 not a problem.

21 MR. PARNELL:

22 The \$4,000 is to upgrade what  
23 we are doing, how we are doing it. We  
24 will update it more and get away from  
25 so much paper. I have to do that. That's

1 priority one as it relates to moving into --  
2 forward. The server has to be done.

3 MR. TURNER:

4 Okay. Motion to upgrade the  
5 server, \$4,800 cost --

6 MR. PARNELL:

7 That's --

8 MR. TURNER:

9 -- approximately.

10 MR. DUPLESSIS:

11 Is there a second?

12 MR. ROY:

13 Second.

14 MR. DUPLESSIS:

15 All in favor?

16 (All "Aye" responses.)

17 MR. DUPLESSIS:

18 Opposed?

19 (No response.)

20 MR. DUPLESSIS:

21 Okay. You are on a roll.

22 MR. PARNELL:

23 That concludes the Director's  
24 report for the month.

25 MR. DUPLESSIS:

1                   Very good, thank you, sir.

2                   Legislative report, the last  
3 three weeks have been real interesting. You  
4 may want to read through this and digest  
5 this for a second before we --

6                   MR. HALLACK:

7                   It's something that we should  
8 probably oppose because all the bonds should  
9 go through this office. Any bond that has  
10 anything to do with one of our dealers  
11 should come through this office and not  
12 through the State Treasurer. That's all I  
13 would like to say.

14                  MR. DUPLESSIS:

15                  What this does is, I believe,  
16 Mr. Hallack, it is not correct procedure,  
17 has been reality to create, if you will, a  
18 legal monopoly by being the only admitted  
19 carrier, which is fine. We negotiated it  
20 last year in the session, that the white  
21 list would be appropriate, and that's fine.  
22 And I think we can live with that. There  
23 have been very few complaints in this  
24 industry that I know of, or you can tell me  
25 otherwise, Ms. Baron, but we don't see a lot

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1 of complaints, but that doesn't mean that we  
2 don't need an insurance policy in place. As  
3 this is written, I would oppose it as well.  
4 I think that SEADRA provides a good quality  
5 product, they provide a good service. We  
6 know who they are. This is a whole  
7 different can of worms that I don't think  
8 benefits the consumer, is my guess. I think  
9 it benefits the dealers and I don't think  
10 it's a great savings, but it's going to make  
11 life complicated to reach that bond through  
12 the State Treasurer. I think it's best left  
13 in the hands of independent industry and  
14 insurance companies at this point. So y'all  
15 can read through this. It's very  
16 complicated and it's very -- this is a  
17 spider web of activity here.

18 MR. PARNELL:

19 This was something that was  
20 submitted on the 14th, which was last  
21 Thursday, and we just found out about it  
22 yesterday and this was my first time as  
23 well. I think everyone is kind of reading  
24 through it and seeing exactly what it is  
25 stating.

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1 MR. TURNER:

2 Who is behind this?

3 MR. PARNELL:

4 I don't know exactly who.

5 The author is Representative Cortez. He is  
6 from Lafayette, but who is behind that, I  
7 don't know.

8 MR. DUPLESSIS:

9 Well, clearly, the dealers  
10 that were upset with SEADRA or some of the  
11 other insurance companies, and I think they  
12 want to put it into some sort of bond deal  
13 and make it like a fund where they could  
14 probably seed it and eventually make it a  
15 mutual where they would receive a dividend  
16 back again, which is fine, but based on this  
17 bill, this is not enough information needed.

18 MR. PARNELL:

19 It seems to be giving them an  
20 extra avenue, whereas just contingent  
21 liability insurance, the way it's stated in  
22 here, it's an or. They can still give them  
23 contingent liability insurance or they can  
24 move to the contingent liability bond, the  
25 way it's written. And I think the bond is

1 \$450,000, but as Attorney Hallack stated, if  
2 it's dealing with our dealers and someone  
3 that we license, the bond should actually  
4 come through this Commission versus the  
5 Department of Treasury. But, again, this  
6 was the first draft that was submitted out  
7 there and it's at -- it's not scheduled for  
8 hearing or anything as of yet, but it's  
9 something we really need to look at very  
10 closely.

11 MR. HALLACK:

12 The bond idea is not a bad  
13 idea, because part of our problem with  
14 contingent liability insurance is that it's  
15 not as available as it should be to our  
16 dealers. It's not a very lucrative  
17 insurance to sell. So it comes down to very  
18 few people actually sell it. So our dealers  
19 have a problem securing it. This gives them  
20 an alternative by putting up a bond as  
21 opposed to buying the insurance. The thing  
22 that I have the worst problem with is, this  
23 agency should enforce that bond. This is  
24 where you should be able to make a claim on  
25 that bond, not to the Treasurer.

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1 MR. DUPLESSIS:

2 The problem that I have with  
3 it is, a bond, if it runs out, that's the  
4 limit of the bond.

5 MR. HALLACK:

6 Well, according to the  
7 statute, though, if they run out, they are  
8 supposed to add to it.

9 MR. PARNELL:

10 Add another \$200,000.

11 MR. DUPLESSIS:

12 That's fine. One accident  
13 that's going to linger on and insurance is  
14 going to be per occurrence. So I think what  
15 we'll do is probably have Ms. Morris, who  
16 handles most of the legislation -- or, Mr.  
17 Hallack, you are pretty familiar with this,  
18 if you would like to ask them to submit a  
19 position paper or come see us and explain to  
20 us more at the next meeting, I think we can  
21 add that as an agenda item and let them have  
22 their explanation, so we can make a  
23 judgment.

24 MR. HALLACK:

25 If I had to venture a guess

1 where it came from, there was one dealer, he  
2 was a pretty big dealer in the Lafayette  
3 area, who was trying to put up a group that  
4 would make a self-insured fund. So he was  
5 --

6 MR. DUPLESSIS:

7 Okay. Our other items, I  
8 think we should do by rule this year. The  
9 landscape is quite unusual. Derek and  
10 myself have been -- along with Ms. Baron,  
11 have been to several meetings with the  
12 Department of Motor Vehicle. Licensing and  
13 title issues are going to change  
14 drastically.

15 Some good news on the salvage  
16 end, they are desperately trying to work  
17 with the hulk laws to streamline those.  
18 They put that up at the legislative  
19 conference meeting and they are looking into  
20 unwinding all of your problems and issues  
21 and layering them correctly. They are going  
22 to try to do away with T-tags, to some  
23 degree, some very interesting legislation  
24 there. It seems like T-tags is -- I mean,  
25 it's astounding. Those new systems it's

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1 going to put us on par with Texas and  
2 Florida, which I think are the cutting edge.

3 One of the problems that we  
4 have with enforcement is T-tags being  
5 abused. Well, it's going to give a positive  
6 affirmation to a T-tag being an accurate  
7 T-tag and these guys not selling them as  
8 cash. So they are looking at two or three  
9 plans and I think the latest plan, if I'm  
10 not missing anything, Derek is going to go  
11 through the tag agents, but they are going  
12 to sell you a book of tags and-- or it's  
13 going to be one at a time. We talked about  
14 holographs. We talked about temp tags. We  
15 talked about printing them on your computer  
16 and put in the information where they can  
17 check the accuracy of these tags, and I  
18 think that's a problem.

19 MR. PARNELL:

20 I don't think anything is  
21 concrete as of yet, the direction that they  
22 really want to go in. It's kind of a lot of  
23 ideas that they are throwing out there and  
24 trying to get some feedback on how the  
25 agencies are responding to them. But as

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1 Commissioner Duplessis said, it's something  
2 that they are going to go to a different  
3 method of doing it. So it's just finding  
4 out exactly and seeing exactly how will it  
5 benefit our licensees.

6 MR. DUPLESSIS:

7 Electronic titles as well.  
8 You will see some of the plate legislation  
9 cleanup. Trucks will have passenger car  
10 tags on them this year. One of proposals is  
11 to give us our own UD, used dealer plate,  
12 and I believe that's going to be done by  
13 color and prefix. They want to separate for  
14 investigative purposes, antique tag  
15 purposes, our plate from the new dealers,  
16 which is fine with us. I would assume -- I  
17 don't think there is any opposition there.

18 What were the other pieces,  
19 Derek?

20 MR. PARNELL:

21 I guess it all stems from the  
22 enforcement side of the thing with them,  
23 because they are having a lot of issues  
24 being able to monitor how many T-tags are  
25 out there. One thing I think they mentioned

1 was that they would like the amount of --  
2 you can only get the amount of T-tags as you  
3 have, what was it, salesmen on staff.

4 MR. DUPLESSIS:

5 Dealer plates.

6 MR. PARNELL:

7 Dealer plates, I'm sorry.

8 MR. DUPLESSIS:

9 Dealer plates commemorate  
10 with your salesmen license. So it will cut  
11 back on the T-tag availability and it's  
12 going to become dealer plate abuse. So we  
13 are going to see some legislation there. I  
14 don't think we'll oppose any of that.

15 MS. BARON:

16 They are going to have to  
17 input -- the dealer is going to have to  
18 input that T-tag number into the computer  
19 system that is linked to Motor Vehicle and  
20 that way they will be able to track it. So  
21 they are not going to be able to sell these  
22 illegal temp tags. They are not going to be  
23 able to make -- you know, use them over and  
24 over and change the numbers on them and  
25 stuff. They are going to be printed out,



1 and then you will have to submit that per  
2 your computer -- via your computer to -- and  
3 it will link over to Motor Vehicle, so that  
4 they can keep an audit going of who has got  
5 what temp tag and it will cut down on some  
6 of these people driving around with  
7 excessive temp tags for a long, long period  
8 of time and not registering the vehicles.  
9 It will take some stress off of the dealer  
10 as well as put the -- you know, put some of  
11 the stress on the consumer to go ahead and  
12 get that title and registration and  
13 everything done in a timely manner.

14           They say that there would  
15 come a time when they would be able to go  
16 out there and send the letters. They will  
17 take the car registration and title for how  
18 many days and it is not registered in your  
19 name, what's the problem. So that takes a  
20 lot of stress off the dealer as well. So I  
21 think once they get that in place, I think  
22 that's going to be really -- it will be  
23 nice.

24           MR. DUPLESSIS:

25           The investigators will take

1 their new laptops and go right into the  
2 server. They will be able to see -- they  
3 will pretty much -- I forgot the acronym,  
4 but the national -- we will have access --  
5 our investigators will have view only access  
6 of a lot of the dealer files, which we are  
7 working on now. So before they go into the  
8 audit, they can check everything and they  
9 can ask the proper questions and pertinent  
10 questions.

11 A lot of this is consumer  
12 revenue driven, the guys that are running  
13 around not paying taxes. I guess the  
14 correlation they gave us was buying four  
15 wheelers in Mississippi or vice-versa,  
16 bringing them back and not paying tax. They  
17 are going to send a revenue notice and they  
18 are going to crack down on that. They have  
19 all the computers in place and now we are  
20 going to NHTSA. It's the national tag  
21 identification system and that's with  
22 Homeland Security and all that of that kind  
23 of thing as you are seeing it come out  
24 across the country. So it's just a role out  
25 that Louisiana is putting in this

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1 legislation. So it's pretty interesting  
2 stuff.

3 The other legislation we have  
4 is, I guess, the -- staggering our renewal  
5 base. We found that we could do this by  
6 policy and rule rather than legislation. We  
7 are going to try to memorialize it in the  
8 legislation if we can attach it. Nobody is  
9 wanting to carry a single bill for that. So  
10 we are going to look for an author to attach  
11 that, but that was really the only issue we  
12 had and we didn't think that we could handle  
13 with probably a policy or rule, but I think  
14 we can handle it with a rule as well.

15 Mr. Hallack, any other  
16 pressing issues out there?

17 MR. HALLACK:

18 No, sir.

19 MR. DUPLESSIS:

20 Okay.

21 MR. TURNER:

22 Can I ask you a question?

23 MR. DUPLESSIS:

24 Yes, sir.

25 MR. TURNER:

1           You touched on a minute ago  
2 the electronic titles that the DMV is using  
3 now. I'm not that big of a dealer, but it  
4 creates a cash flow problem for me that I  
5 see coming. If we trade a car in and the  
6 guy puts \$13,000 on it to Ford Motor Credit  
7 and it's an electronic title, in the past we  
8 would have to FedEx a check or a cashier's  
9 check and within a week they would FedEx  
10 back the title so you don't have to floor  
11 plan the car. Now, it's an electronic  
12 title. I've had a few of those and it takes  
13 three or four weeks to get them from Baton  
14 Rouge. Once the lender receives the money,  
15 they notify Baton Rouge to release the title  
16 and the lien is released, but there's a  
17 delay. And I don't know if that's because  
18 it's a new thing we are doing or -- because,  
19 if you get a duplicate title with a dealer,  
20 it only takes a week and you've got that  
21 duplicate title. So I know that they move  
22 faster than that, but if y'all -- have there  
23 been any discussions about the procedure  
24 with the electronic titles?

25           MR. DUPLESSIS:

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1                   It's vast. It's going to be  
2 a three or four year process. Actually, the  
3 people that are behind this is a gentleman  
4 with the Department of Motor Vehicle Mick, I  
5 forget his last name.

6                   MS. BARON:

7                   Gautreaux.

8                   MR. DUPLESSIS:

9                   Gautreaux, and Dave Casey of  
10 Casey and Casey Title. Mick is very  
11 aggressive. He's pushing a lot of stuff.  
12 We talked about that. But he is very  
13 reasonable to phase in. My proposal is to  
14 have Ms. Jarreau come back at the next  
15 meeting along with Mr. Casey, who is very  
16 user friendly, he is very dealer friendly,  
17 and have him explain the legislation and see  
18 how we can massage that. It's very early in  
19 the session. So I would be very welcoming  
20 of those two to come in and spend maybe 20,  
21 30 minutes with all of the Commissioners  
22 asking how it affects them. They have some  
23 good stuff on your side, because it's -- the  
24 layers are complicated and they are trying  
25 to sort it out down to the salvage industry.

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1 And on the used car side, the problem is you  
2 can register one car, and then be in trouble  
3 getting your funds and transferring the  
4 title work. That's the legitimate question.  
5 So I think you need to pose that to them.

6 MR. TURNER:

7 That's a good idea to have  
8 them come here.

9 MR. DUPLESSIS:

10 They are very -- they are an  
11 open book and they are trying hard to phase  
12 them --

13 MR. TURNER:

14 I haven't seen Casey in a  
15 long time.

16 MR. DUPLESSIS:

17 He's a good guy.  
18 Any other questions,  
19 discussion?

20 (No response.)

21 MR. DUPLESSIS:

22 Moving on with the agenda, I  
23 guess.

24 Mr. Hallack, no hearings  
25 today?

1 MR. HALLACK:

2 No, sir.

3 MR. DUPLESSIS:

4 Thank you.

5 Items for the next agenda, I  
6 guess we better get Sundance Boats and we  
7 will put Jill Jarreau from DMV and Dave  
8 Casey on the agenda and we'll let them chat.

9 MR. FLOYD:

10 I have a question about our  
11 hearing last meeting for Value Imports. How  
12 is that coming because he is still selling  
13 and still buying cars.

14 MR. PARNELL:

15 We just got the judgment.

16 MR. FLOYD:

17 It was just something I  
18 thought that he appealed or something.

19 MR. PARNELL:

20 No, he didn't appeal it or  
21 anything like that. We just got the  
22 judgment in hand, I believe this morning.  
23 So I kind of spoke with Attorney Morris  
24 about it, and he came to our seminar the  
25 other day as well and rather than make a big

1 issue out of it, I just let him go ahead and  
2 once he is served with the judgment, and  
3 then I will kind of enforce it a little bit.  
4 At this point, I still don't believe that he  
5 really understood what took place, because I  
6 think he's still trying to operate as  
7 normal.

8 MS. BARON:

9 But he's got 30 days from the  
10 date he receives it. I will send it by  
11 certified mail today. He will have 30 days  
12 from the date he signs the certified. Do  
13 you want to have it hand delivered?

14 MR. PARNELL:

15 I will have June hand deliver  
16 it.

17 MS. BARON:

18 So she will hand deliver it  
19 today or tomorrow and he will have 30 days.

20 MR. ROY:

21 I would like to thank Derek  
22 and recognize him for coming to speak to the  
23 Rotary Club up in Avoyelles and he did an  
24 excellent job. We had some guests as far as  
25 car dealerships and so forth and they threw



1 some tough questions at him, but we really  
2 appreciate it. He did an excellent job.

3 MR. DUPLESSIS:

4 Thank you.

5 MR. PARNELL:

6 I think we have in the  
7 audience Mr. Steve Duke, with the Louisiana  
8 Manufactured Housing Association. I would  
9 like to recognize him if he would like to  
10 say something.

11 MR. DUKE:

12 I don't have anything to say.  
13 I'm just here to observe a little bit to  
14 help the parts people out and the factory  
15 built housing and so on. It's a pleasure to  
16 be here and if I can help you guys ever,  
17 holler at me and let me know.

18 MR. DUPLESSIS:

19 Thank you very much for  
20 coming. We appreciate it.

21 All right.

22 MR. TURNER:

23 Motion to adjourn.

24 (Meeting adjourned at 10:49 a.m.)  
25

1 REPORTER'S CERTIFICATE  
2

3 I, BETTY D. GLISSMAN, Certified  
4 Court Reporter, Certificate No. 86150, in  
5 and for the State of Louisiana, do hereby  
6 certify that the Louisiana Used Motor  
7 Vehicle Commission April 18, 2011 meeting  
8 was reported by me in the stenotype  
9 reporting method, was prepared and  
10 transcribed by me or under my personal  
11 direction and supervision, and is a true and  
12 correct transcript to the best of my ability  
13 and understanding.

14 This April 25, 2011, Baton Rouge,  
15 Louisiana.  
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23 \_\_\_\_\_  
24 BETTY D. GLISSMAN, CCR  
25 CERTIFIED COURT REPORTER

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