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LOUISIANA USED MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA

REGULAR MEETING
APRIL 21, 2014
BEGINNING AT 9:35 A.M.

3132 VALLEY CREEK
BATON ROUGE, LOUISIANA

REPORTED BY:
BETTY D. GLISSMAN, CCR

1 APPEARANCES:

2

3 CHAIRMAN:

4 MR. GEORGE FLOYD

5

6 COMMISSIONERS PRESENT:

7 MR. GEORGE BREWER

8 MR. TONY CORMIER (arrived late)

9 MR. RON DUPLESSIS

10 MR. KIRBY ROY

11 MR. HENRY "DARTY" SMITH

12 MR. DINO TAYLOR

13

14

15

16

17 REPRESENTING THE LOUISIANA USED MOTOR
18 VEHICLE COMMISSION:

18

19 ROBERT W. HALLACK, ESQUIRE
20 HALLACK LAW OFFICE
21 13007 JUSTICE AVENUE
22 BATON ROUGE, LOUISIANA 70816

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

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ALSO PRESENT:

- MS. KIM BARON
- MR. DEREK PARNELL
- MS. MONA ANDERSON
- MS. TONYA BURKS

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MR. FLOYD:

Pledge of Allegiance.

(Pledge of Allegiance)

MR. FLOYD:

Roll call.

MS. BARON:

John Poteet?

MR. POTEET:

(No response.)

MS. BARON:

George Brewer?

MR. BREWER:

Here.

MS. BARON:

Dino Taylor?

MR. TAYLOR:

Here.

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 Kirby Roy?

7 MR. ROY:

8 Here.

9 MS. BARON:

10 And Darty Smith?

11 MR. SMITH:

12 Here.

13 MS. BARON:

14 Mr. Chairman, we have a quorum.

15 MR. FLOYD:

16 Okay. At this time, I would like
17 to see if we have anybody for public
18 comments?

19 MS. BARON:

20 We do not.

21 MR. FLOYD:

22 All right. Items for discussion
23 is approval of the minutes from the last
24 meeting. Can I have a motion for that?

25

1 MR. SMITH:

2 I'll make a motion.

3 MR. TAYLOR:

4 Second.

5 MR. FLOYD:

6 I have a first from Mr. Smith and
7 a second from Dino.

8 So let's move on to financial
9 matters.

10 MS. ANDERSON:

11 If you'll turn in your packets to
12 the financial statements for the month
13 ending March 31st. On Page 1 of the
14 statements, the statement of net position,
15 the total current assets are \$2,178,000. Of
16 that, the cash in the bank was \$1,598,347.
17 The hearings and fines were \$79,550. At the
18 bottom of that page, the current liabilities
19 were \$42,060. That's primarily benefits
20 that were paid in -- at the beginning of
21 April.

22 On Page 2 of the statement of net
23 position, the deferred inflows were \$255,150
24 and those are now solely the 2015 revenues.
25 All of the 2014 revenues -- deferred

1 revenues have been moved to the income --
2 the -- I'm sorry, the revenue expense and
3 changes in net position statement.

4 On -- moving on to the -- to that
5 statement, the revenues at the end of March,
6 the year-to-date revenues were -- the fee
7 revenues were \$979,500 compared to \$947,900
8 last year. So we had an approximate
9 increase of \$31,600 in fees year to date.
10 The hearings -- the hearing cost and fines
11 were \$75,000 compared to \$49,000 last year.
12 So that was an increase of about \$26,000.
13 There were some slight increases in the
14 remaining revenues year to date. For this
15 year was \$1,078,455 compared to a million 17
16 last -- at -- last year at this time.

17 Under the expenses, the salaries
18 year to date were \$372,305 compared to
19 \$335,985 last year. The salary related
20 benefits were 1 million -- I'm sorry,
21 \$198,343. We have been notified already
22 that the retirement is going to go up. It's
23 effective July 1st, but we will start
24 remitting on that in June, a little bit more
25 of an increase than what we were originally

1 expecting. We had budgeted 34 percent.
2 We're currently paying 31 percent and it's
3 going to go up to 37 percent. So that was a
4 little bit more than what we had
5 anticipated. I think we can still fit that
6 into the budget, but that was more -- they
7 had a sizable increase this year.

8 The remainder of the expenses for
9 this year were \$152,000 compared to \$166,000
10 last year. So we had a decrease in
11 expenditures. Under the line item,
12 maintenance/other, you'll see there's a
13 difference there. We had -- as you know, we
14 replaced the -- replaced an air-conditioning
15 unit in the front office and we've also done
16 some work on the signage up front and we're
17 continuing to do that.

18 So at the bottom of Page 5, your
19 gain in net position for the year was
20 \$355,672 compared to \$339,663 last year.

21 Moving on to Page 6, you can see
22 the month-to-month figures for the revenues,
23 expenses, and net position, and our
24 year-to-date net position in the middle of
25 the page there.

1 On Page 7 is the graph of that
2 chart and you can see that the year-to-date
3 net position continues to gain. Our
4 revenues are down and our expenditures are
5 fairly level at this point.

6 On Page 8, you can see a
7 comparison of the fee revenue. The darker
8 shades are for this fiscal year and the
9 lighter shades being the last fiscal year.
10 The only one that's down this year is the
11 salesman license and we're working on
12 notifying dealers who didn't have -- who had
13 only their salesmen to renew this year and
14 failed to do so. So they're being notified
15 they need to take care of that.

16 On Page 9 is the certificate of
17 deposit summary and there are no changes to
18 that this month. We have a couple of CDs
19 that will come up at Landmark next month.

20 And on page -- on the final page,
21 Page 10, the accounts receivable hearings,
22 our fines -- the entered fines are \$18,250
23 and collected fines of \$4,450 leaving a
24 balance of \$79,550 in the hearings and
25 fines.

1 And that concludes my report
2 unless you have any questions for me.

3 MR. FLOYD:

4 Anybody have any questions?

5 (No response.)

6 MR. FLOYD:

7 I need a motion to approve the
8 financial statements.

9 MR. ROY:

10 I move.

11 MR. TAYLOR:

12 Second.

13 MR. FLOYD:

14 I have a first from Mr. Roy and a
15 second from Dino.

16 MR. PARNELL:

17 Mr. Chairman, I ask that we amend
18 the agenda to add Counsel Hallack's bill of
19 services for March, 2014.

20 MR. FLOYD:

21 Do we need a motion to approve
22 the bill? Do we have a copy of the bill?

23 MR. PARNELL:

24 It should be in your packet.

25 MR. FLOYD:

1 Okay. I need a motion to approve
2 the bill for Attorney Hallack.

3 MS. MORRIS:

4 You need to add it to the agenda
5 first.

6 MR. PARNELL:

7 Yes, amend the agenda, so we can
8 add it to the agenda. I think we have to
9 vote on that.

10 MR. FLOYD:

11 So we need a vote?

12 MR. PARNELL:

13 We need to add it to the agenda,
14 Amend the agenda to add Counsel Hallack's
15 bill to the it.

16 MR. FLOYD:

17 So we need a motion to add this
18 to the agenda.

19 MR. SMITH:

20 I make a motion.

21 MR. FLOYD:

22 I have a first.

23 MR. ROY:

24 Second.

25 MR. FLOYD:

1 A second from Mr. Roy.

2 MR. PARNELL:

3 All right. Well, Commissioners,
4 please find in your packet the actual -- for
5 March 2014, the invoice for services. I
6 have gone through and reviewed the services
7 and -- as well as the accounting department
8 and made sure everything is correct. The
9 bill -- the balance due is \$4,068.75, which
10 is a little bit above my threshold -- my
11 approval threshold. So I ask that you all
12 approve Counsel Hallack's bill.

13 MR. FLOYD:

14 Okay. I need a motion to approve
15 the bill.

16 MR. SMITH:

17 I'll make a motion.

18 MR. FLOYD:

19 All right. A first from Henry.

20 MR. TAYLOR:

21 Second.

22 MR. FLOYD:

23 A second from Dino.

24 Do we have any objection to this?

25 (No response.)

1 MR. FLOYD:

2 No objection.

3 All right. Well, now we have the
4 Executive Director's report.

5 MR. PARNELL:

6 We have policy and procedure for
7 large hearing fines. Commissioners, in your
8 packets, you will find some notes that's
9 titled proposed procedures for large hearing
10 fines. This is something that we're working
11 on right now that in the future we will need
12 to have it adopted as procedure. We're
13 working with Counselor Morris on some
14 language. I'll ask Mona to kind of explain
15 why this is going to be necessary for us, if
16 you will.

17 MS. ANDERSON:

18 Basically, a couple of years ago,
19 we had a fine with Affordable Imports that
20 was a large fine that we had to write off
21 the majority of the fine, because it was not
22 collectible and that became a problem on how
23 we recorded it at audit in that the --
24 they've sort of changed the way that happens
25 in accounting, but we want -- so we wanted

1 to look at -- we have another large fine
2 that we may or may not collect all of it,
3 and so we wanted to start talking about a
4 procedure to come up with a policy to handle
5 these on a regular basis. All -- both Ms.
6 Morris and the auditor and Roy Hebert, our
7 CPA, all said that we need to come up with
8 some sort of policy, so that we handle these
9 in the same manner each time that we do it.
10 What you see before you there is not a
11 policy, but just a couple of notes that I
12 made about some things we're going have to
13 do.

14 We need to record the fines when
15 they are levied, and so we would record them
16 as revenue and we would record them as an
17 accounts receivable. From that point, we
18 would need to decide if all of that -- if we
19 anticipate all of that being collectible.
20 With Affordable Imports, I believe, the
21 person that was responsible for the fines
22 was no longer in society. So they were not
23 able to pay. So that needed action right
24 away. In most cases, however, it will go
25 through a process. We will allow them the

1 30 days to appeal. The Office of Debt
2 Recovery, which has been set up this past
3 year, has required us to report to them any
4 accounts receivable that we do not collect
5 within 60 days. So we appealed to them,
6 because within 30 days, we haven't even gone
7 through the appeal process for our fines.
8 So they agree that it had to be 60 days from
9 the date that we were sure that the fine was
10 set and there was not going to be a change
11 in the fine. So they allowed us an
12 additional 30 days for the person
13 responsible to pay to appeal. After that,
14 if there's -- no appeal has gone through,
15 then that fine is set. It's already
16 recorded on our books and, at that point, we
17 would decide how we will collect that. Of
18 course, we would go after the bond. So we
19 would pretty much know, unless there are
20 other cases that apply to that bond, that
21 we're the going to get the bond, but
22 everything over that, then we need to decide
23 whether we have no chance of collecting
24 that, in which case you would want to make
25 some adjustment on the books, or that you

1 want to go through a collection procedure,
2 which could be sending statements for a
3 couple of months or sending certified
4 letters. At the end of it, they will
5 require us -- so at 90 days, we will be
6 required to turn this over to the Attorney
7 General for collection. We have to send
8 that to them and we then write it off of our
9 books and they -- with a little bit stronger
10 arm, they attempt to collect. So we're
11 trying to come up with some sort of
12 parameters for developing this policy.

13 I think Ms. Morris sent us some
14 wording, which, like I said, that -- those
15 are just my notes there on how we would do
16 it on the accounting side of it. She's
17 saying that, you know, we need to reword it
18 to say amounts in excess of some specified
19 amount, maybe the bond amount, you know. I
20 don't know. And all of this being said,
21 that even if you write it off, if you
22 collect it, you can -- you know, there's
23 nothing to prevent you from putting that
24 back on your books once you collect it. So,
25 you know, we -- at that point, we would

1 enter the receivable back on the books. We
2 would post the payment to it and clear the
3 account, so just some things that we would
4 like to input as to what level that you want
5 to set up as the amount to write off or what
6 -- how large the fine needs to be. Ms.
7 Morris said maybe put some wording in there
8 about the bond, that we were going to
9 attempt to collect on the bond first, but
10 we'd just like to hear from you if there's
11 anything you'd like to have us put in that
12 policy.

13 MR. DUPLESSIS:

14 Are any of these businesses still
15 open?

16 MS. ANDERSON:

17 I don't know. Maybe Kim knows
18 more about them than I do. Of course, the
19 one that we just recently did is not there.

20 (Mr. Cormier arrives.)

21 MS. ANDERSON:

22 I don't think -- like I said, the
23 ones at the bottom that we already sent to
24 the Attorney General, I don't see us
25 collecting on those. Those had been on the

1 books for a long time when I got here and I
2 think they're probably going to end up
3 telling us, you know, that they're not going
4 to be able collect on it.

5 MS. BARON:

6 Can I answer the question about
7 the ones being open? Knight Affordable, we
8 have collected on, but it was after the --
9 it was in April. Chaisson Motors has been
10 sent to the bond company. They are no
11 longer in business. Premier Auto Brokers is
12 no longer in business. That's been sent to
13 the bond company. Tommy's Wholesale has
14 paid in April.

15 MR. HALLACK:

16 Kim, I'm sorry to interrupt you.
17 What was the status on Value Imports?

18 MS. BARON:

19 Value Imports is out of business.

20 MR. HALLACK:

21 It's been turned over to the
22 Attorney General?

23 MS. ANDERSON:

24 No, but it will be.
25

1 MR. HALLACK:

2 Okay.

3 MS. BARON:

4 Airline Quality Car Sales has
5 been sent to the bond company. They are no
6 longer in business. Select Car Company is
7 in business, but they have basically said
8 that they're not going to pay that. So we
9 sent that to the bond company as well. I'm
10 thinking they're probably on their way out.
11 Sign & Drive is -- we can't talk about that
12 one. And Red Barn Motors was in the office
13 last week for a compliance meeting with Mr.
14 Parnell. An agreement has been made to
15 amend that amount and they will be paying
16 that by the end of April -- I'm sorry, the
17 end of May, and they are still in business.

18 MR. DUPLESSIS:

19 It just seems if they're still in
20 business and we fined them that we should be
21 able to enforce that, bring them in here for
22 a compliance meeting and shut them down if
23 they don't pay.

24 MS. BARON:

25 Yes. Select Car Company will

1 more than likely have to take that route.

2 MR. HALLACK:

3 Well, some of these are -- they
4 haven't agreed to pay. So they're not
5 really -- they're not really an account
6 receivable. They shouldn't be listed. They
7 shouldn't be something we discuss until
8 they've actually agreed that they're going
9 to pay the fine or they enter into a
10 stipulation.

11 MS. ANDERSON:

12 The Governmental Accounting
13 Standards Board says when that fee becomes
14 due and payable --

15 MR. HALLACK:

16 It's not due and payable.

17 MS. ANDERSON:

18 -- it is to be recorded. You
19 can't wait until they decide -- in other
20 words, you can't wait until they decide
21 whether they -- now, you can do -- have some
22 leeway about the -- you know, about the --
23 when they -- whether they appeal it or not.

24 MR. HALLACK:

25 But it's not due and payable.

1 It's not due and payable until they have
2 agreed to it.

3 MS. ANDERSON:

4 Whenever I put it on the book and
5 when Kim sends that letter and at the top of
6 the letter it says, please remit this and
7 this is the amount, and it's got -- you
8 know, so that's what I go on.

9 MR. HALLACK:

10 That shouldn't be it. It should
11 be when Kim tells you that they've agreed to
12 pay this fine.

13 MS. ANDERSON:

14 I disagree.

15 MR. HALLACK:

16 It's not due and payable.

17 MS. MORRIS:

18 We might need to reword our
19 forms. Well, we don't send it as an
20 invoice. We send it as a settlement offer,
21 and then if they -- when -- if they accept
22 the settlement offer, they have to sign the
23 enclosed the agreement, then send the money.

24 MR. HALLACK:

25 That's right.

1 MS. MORRIS:

2 And so at that point, you're
3 recording it, but you also have the money or
4 sometimes they're agreeing to pay \$1,000 now
5 and \$2,000 over the next couple months.
6 Then, it's due and payable, because they
7 signed and returned the agreement. So we
8 might have to change our forms or letters
9 that we send out, but until they sign -- if
10 they don't sign, then it's going to be set
11 for hearing. So you don't know what the
12 fine is, because you don't know what the
13 Commission is going to assess.

14 MS. BARON:

15 The violation and letter and the
16 stipulated agency order that they're to sign
17 and send back, those go out at the same
18 time.

19 MS. MORRIS:

20 So they need to --

21 MS. BARON:

22 They need to -- they have to sign
23 that and send back their fine.

24 MS. MORRIS:

25 If they don't accept the

1 stipulation, then it's not due and payable.

2 MR. HALLACK:

3 Right.

4 MS. MORRIS:

5 We need to reword it.

6 MR. HALLACK:

7 For instance, Sign & Drive is
8 listed on here as an accounts receivable.
9 She received it. She wants to have a
10 hearing. So it's not due and payable.

11 MS. MORRIS:

12 Until they enter into the
13 stipulation.

14 MR. DUPLESSIS:

15 It shouldn't go on your books at
16 that point.

17 MS. ANDERSON:

18 Well, I'll get you the wording on
19 how GASB handles it. I'm good with whatever
20 y'all decide on that as long as we make it
21 across the board, you know, and that there's
22 a clear understanding when it becomes due
23 and payable.

24 MR. HALLACK:

25 Mona, the problem is, the Board

1 does not -- the Board cannot have any
2 advanced knowledge of what is going on in a
3 case before it gets to them. If we're
4 telling the Board that they have a fine of
5 -- in -- like in Sign & Drive of \$18,000, if
6 Sign & Drive had a pretty decent attorney,
7 they could come along and say, well, the
8 Board was already aware that they tried to
9 make --

10 MS. ANDERSON:

11 I'm good with that as long as we
12 -- like I said, as long as we have some
13 policy and that's what, you know, I've heard
14 from all authorities concerned, you know, is
15 that we need to have a policy that states
16 exactly when that becomes due and payable.

17 MR. HALLACK:

18 I think it's like Ms. Morris
19 said, it's when they agree.

20 MS. ANDERSON:

21 But back to what we were
22 addressing here, the real point is when we
23 write off or when we amend whatever is due
24 and payable. That's where we've gotten into
25 trouble on the audit is that they don't --

1 because it skews our books. If I showed you
2 the revenue statement right now for April,
3 you would see the fines that you levied last
4 month is on there, and compared to last year
5 this time, it skews our revenue by \$300,000.
6 Okay. So we have to address a policy for
7 doing that, for, you know, your fining them,
8 when do you want me to put it on the books,
9 and I will do it however you would like for
10 it to be done as long as it's within GASB
11 regulations, because I have to answer to the
12 auditor at the end of the year.

13 So, like I said, I can get you
14 the wording on how -- what GASB, you know,
15 tells you about when you record your
16 revenues, and then I think if we just come
17 up with a policy -- we just don't want to --
18 it to be different in each case. We want it
19 to be across the board.

20 MS. BARON:

21 As far as reporting this in 90
22 days, is that including the time that we
23 send it to the bond company?

24 MS. ANDERSON:

25 No. They want it 60 days after

1 we collect.

2 MS. BARON:

3 After we collect what?

4 MS. ANDERSON:

5 When we get to the point where
6 the person responsible owes the money and
7 we're not going to collect from anyone else,
8 that's what they owe, they have 60 days from
9 that point to pay or not pay, and if they
10 don't pay, then we're obligated to turn it
11 over to the Attorney General.

12 MS. BARON:

13 Okay. So after 60 days after the
14 bond company pays.

15 MS. ANDERSON:

16 Yes. So if you have a bond
17 company that doesn't pay for 90 days or 180
18 days, then it's after that point.

19 MS. BARON:

20 Okay.

21 MS. ANDERSON:

22 After we have exhausted our
23 ability to collect, then the person
24 responsible has 60 days to pay or we turn it
25 over for collection --

1 MS. BARON:

2 Okay.

3 MS. ANDERSON:

4 -- and that's not --- you know,
5 that's an office set up by the Governor.

6 MS. BARON:

7 No, that's fine. I wasn't -- I
8 was a little confused on the 90 day part,
9 but that's fine.

10 MR. HALLACK:

11 So we're giving a bond company 60
12 days in which to pay the fine?

13 MS. BARON:

14 That's what I was just asking and
15 obviously that's not -- from my
16 understanding that after -- like the bond --
17 just, for instance, Value Imports, the bond
18 paid the \$20,000 and there's still \$18,900.
19 So once I receive that \$20,000, we give
20 Value Imports 60 days or however many days
21 we decide to pay that \$18,900, and then it
22 goes to the Attorney General.

23 MR. HALLACK:

24 That's what -- our understanding.

25

1 MS. BARON:

2 That's what I'm asking.

3 MR. PARNELL:

4 That's about it.

5 MR. HALLACK:

6 Yes.

7 MS. BARON:

8 Okay. Because my bond companies
9 aren't going to --

10 MS. ANDERSON:

11 Yes. The Attorney General -- you
12 know, as long as you're waiting on a bond,
13 they're good with that.

14 MS. BARON:

15 Okay.

16 MS. ANDERSON:

17 But after the bond has paid, then
18 the person responsible, that amount becomes
19 due and payable, they have 60 days to pay it
20 or it goes to the Attorney General.

21 MS. BARON:

22 Okay.

23 MR. HALLACK:

24 But there are situations where
25 the bond doesn't pay in 60 days.

1 MS. BARON:

2 No. They usually never pay --
3 you're looking at three to six months.

4 MR. HALLACK:

5 So then you're required to turn
6 it over?

7 MS. BARON:

8 No. After the bond company pays,
9 it's collected. As long as we're waiting on
10 bond companies, we're good. It's after the
11 bond company pays, then whatever is left,
12 they have 60 or 30 or whatever days to pay
13 that, and then it goes back to the bond -- I
14 mean, to the Attorney General.

15 MR. CORMIER:

16 Well, I have a question. Within
17 all of these grace periods and bond
18 companies and the dealer itself, are they
19 still able to conduct business? I mean --

20 MS. BARON:

21 That's left up to the Board and
22 if they're in here for a hearing or
23 whatever. If it's just a normal claim
24 against surety, most of the time claims
25 against surety are done after the business

1 is shut down. The majority of the
2 businesses that have claims against surety
3 or done. They're shut down.

4 MR. CORMIER:

5 My concern is that they're
6 allowing them more time to -- you know, to
7 do more damage.

8 MS. BARON:

9 Well, in the case of last month,
10 when we did Lauco --

11 MR. CORMIER:

12 Correct.

13 MS. BARON:

14 -- if they -- if the Board hadn't
15 decided to revoke their license, then during
16 this process, they would be able to, but the
17 Board, you know, voted to revoke their
18 license. So they're not able to do
19 business. The only one on this list that is
20 still in business is Select Car Company and
21 I plan to get with the compliance
22 investigator today and find out just exactly
23 if they are going under or what's the
24 process and -- because they may be on the
25 way out. I'm not sure.

1 MR. TAYLOR:

2 Which one?

3 MS. BARON:

4 Select Car Company. They are in
5 Shreveport.

6 MR. HALLACK:

7 Red Barn Motors is also in
8 business.

9 MS. BARON:

10 Yes. Red Barn Motors is also in
11 business, but we have had a compliance
12 meeting with them and they are good to pay
13 their fine.

14 MR. DUPLESSIS:

15 I'm curious. I'm kind of in
16 Tony's court here. Let's take, for
17 instance, Value Imports, give them a \$38,000
18 fine --

19 MS. BARON:

20 Right.

21 MR. DUPLESSIS:

22 -- but you only have a \$20,000
23 bond.

24 MS. BARON:

25 Exactly.

1 MR. DUPLESSIS:

2 So shouldn't we sever this debt
3 into two portions, bond versus overage of
4 bond, and start the --

5 MS. BARON:

6 The bond is paid.

7 MS. MORRIS:

8 Maybe that's something we should
9 do in our process. If we know that --

10 MR. DUPLESSIS:

11 Right.

12 MS. MORRIS:

13 -- the fine and the costs are
14 over the bond then, because we're at a point
15 of holding it and your best chance of
16 collecting it is if they're still in
17 business or they still have some money. So
18 I think -- we're going to turn over the
19 difference --

20 MR. DUPLESSIS:

21 Right.

22 MS. ANDERSON:

23 -- to the Attorney General.

24 MS. BARON:

25 Immediately, that's what you're

1 saying.

2 MS. ANDERSON:

3 Let me just say, too, though,
4 that they do want to -- if you have a viable
5 entity that owes this money, they do want to
6 see some sort of collection effort on that.
7 So if you're expecting to get \$20,000 from
8 the bond, they're going to want at least a
9 couple of statements or --

10 MS. BARON:

11 You can do that at the same time.

12 MS. ANDERSON:

13 -- or -- yes, within that 60
14 days, they want you to send statements, send
15 certified letters, and the final motion is
16 to notify them that you're turning this over
17 to the Attorney General for collection.

18 MS. MORRIS:

19 When you send the letter to the
20 bond company to collect the \$20,000, you
21 could send a certified letter to the dealer
22 saying that we have made a claim against
23 your bond for \$20,000, but you're still
24 responsible for \$18,000.

25

1 MR. DUPLESSIS:

2 Right.

3 MS. MORRIS:

4 We could do that process at the
5 same time, because the further in time you
6 get away from it, the less likely you are to
7 get it, and the more it's going to cost you
8 to collect it.

9 MS. BARON:

10 Select is in Shreveport on West
11 17th Street.

12 MR. HALLACK:

13 And Lauco should be on this list,
14 too, right?

15 MS. MORRIS:

16 Unless they paid.

17 MS. BARON:

18 No. They can't pay.

19 MR. HALLACK:

20 That was a large fine, though,
21 right?

22 MS. BARON:

23 But they have 30 days. That may
24 be why they're not on the list. I don't
25 know. That would be a Mona question. I

1 guess it might show up on next month's
2 report.

3 MR. CORMIER:

4 Someone told me that they were
5 still actually doing business.

6 MS. BARON:

7 They were trying to, but the
8 compliance investigator has been out there.
9 We have gone ahead and had to do a cease and
10 desist. Even after we revoke their license,
11 we do have to do a cease and desist and he
12 will be back out there in the next week and
13 if they're still doing business, we will get
14 with Mr. Hallack and do an injunction to
15 make sure that they stop what they have been
16 doing. Can I discuss this? No?

17 MR. HALLACK:

18 Yes.

19 MS. BARON:

20 Yes?

21 MR. HALLACK:

22 Yes. I mean --

23 MS. BARON:

24 Okay.

25

1 MS. MORRIS:

2 They were revoked. Is it still
3 appealable?

4 MS. BARON:

5 They have 30 days.

6 MR. HALLACK:

7 Well, yes, they have 30 days.
8 Remember, we changed the law that
9 revocations become effective on the day it's
10 rendered.

11 MS. MORRIS:

12 Right, unless they have a stay.

13 MS. BARON:

14 If they were --

15 MR. HALLACK:

16 Yes. I guess we shouldn't,
17 because they did actually apply for a
18 re-hearing.

19 MS. BARON:

20 Yes.

21 MR. DUPLESSIS:

22 Are we done on that?

23 Mr. Chairman, can I ask for a 10
24 minute recess, please?

25 (Recess taken.)

1 MR. FLOYD:

2 Okay. This meeting is back in
3 session. So we're going to do the Executive
4 Director's report.

5 MR. PARNELL:

6 If you turn with me to your
7 packet, you will find our alleged issue
8 counts in the documents. For the month of
9 March, there were 90 alleged issues. The
10 next document is the case report, which
11 illustrates the amount of cases that were
12 assigned to our investigators. Fifty-seven
13 of those cases were assigned to those
14 investigators. The amount completed shows
15 one. It's a huge discrepancy in this,
16 because I do have quite a few cases that
17 need to be closed that's in my work queue at
18 this time. So I still need to close those
19 cases out.

20 So the final document is the
21 department summary report, which illustrates
22 four cases that have been closed. Other
23 items that investigators have been working
24 on, audits conducted were one, five day
25 notices issued, two, site visits and work

1 orders, 31, hand deliveries, which are cease
2 and desists, two, title and registration
3 returned back to the consumer, 17, citations
4 or violations issued, nine, compliance
5 meeting, three, physical inspections, 43,
6 cases assigned and closed, eight, total
7 number of -- total amount of refunds that
8 were -- consumers -- that investigators
9 assisted consumers with to get monies back
10 were \$22,480.

11 Other general information, in
12 District 3, we have a compliance
13 investigator's position that we have been
14 looking at and I do have, like, seven
15 persons that I am going to look at
16 interviewing this week. They will try to
17 fill that position in Area 3 -- District 3.

18 The next item in general is
19 replacement Commissioners. I did speak with
20 the Governor's Office. They contacted me
21 and informed me that they're moving forward
22 with filling the consumer representative
23 seat that was left by Mr. Bourgeois. I have
24 not been given a specific date or time, what
25 month that he will actually start, but I

1 referred it to them once again. I have
2 never heard back from them, if they can give
3 me some more definitive information. That
4 conducts the Executive Director's report for
5 the month of March.

6 MR. FLOYD:

7 All right. That's the Executive
8 Director's report.

9 MR. HALLACK:

10 A minute ago, y'all were shown
11 the attorney's bill for the month of March,
12 and we've already had a question as to
13 whether or not that should be viewed in
14 public, because a lot of the information in
15 the report could be what we call privileged.
16 So we're adopting a policy next month that
17 will talk about how to handle an attorney's
18 bill when it comes before the Board. So
19 because the document does have privileged
20 information -- most of my bill, if you look
21 at it, was about enforcement actions, you
22 know, things that we're doing against
23 dealers or looking into dealers and stuff
24 like that. You can imagine if somebody
25 could go to a dealer and say, hey, I

1 understand they may be looking at you, or
2 something like that. So it needs to be a
3 privileged type report. In other words, we
4 kind of need them back, and next month,
5 we're going to discuss a policy on how to
6 handle like accounts receivable and we're
7 also going to include that within the --
8 within that discussion, how the attorneys
9 are billing, particularly with regard to
10 enforcement actions.

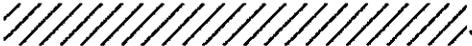
11 MR. PARNELL:

12 Being that his bill was
13 distributed and -- we would like to have
14 those back and have them stricken from the
15 record.

16 MR. HALLACK:

17 Because, it is attorney
18 information.

19 MR. BREWER:

20 Yes. I notice we had on here
21 . I was kind of curious
22 about that, but I didn't ask.

23 MR. HALLACK:

24 Yes, sir.

25

1 MR. BREWER:

2 So there must be something going
3 on there.

4 MR. HALLACK:

5 Well, see, that's the problem,
6 because it is an investigation, you're not
7 supposed to have knowledge of it.

8 MR. BREWER:

9 Right.

10 MR. HALLACK:

11 The same reason why we had the
12 discussion on accounts receivable is the
13 same reason why we need to take out the
14 attorney's bill from the record.

15 MR. BREWER:

16 That's why I didn't ask.

17 MR. HALLACK:

18 Yes, sir.

19 MR. PARNELL:

20 So with that said, can we collect
21 those bills and strike that from the record?
22 Also --

23 MS. MORRIS:

24 Or -- I think on the record,
25 you're trying to say there was no intent to

1 waive any privilege and any material on the
2 bill. So the bill will be stored in the
3 custody of Mr. Parnell.

4 MR. HALLACK:

5 Well, Mr. Brewer, in that
6 situation, we would ask that you not talk to
7 other dealers or anybody else about --

8 MR. BREWER:

9 That's why I --

10 MR. HALLACK:

11 -- any investigation.

12 MR. BREWER:

13 Right. I understand.

14 COURT REPORTER:

15 I will strike out the name he
16 said.

17 MR. BREWER:

18 Yes, please do.

19 MR. HALLACK:

20 At one time, we asked that it be
21 covered in Executive Session, but, you know
22 -- but there's always the attitude that
23 everything has to be public, but when it
24 comes to attorney/client communications,
25 those are privileged --

1 MR. BREWER:

2 Yes.

3 MR. HALLACK:

4 -- and shouldn't be up for public
5 view, you know, and, particularly, when it
6 comes into investigating a dealer. So for
7 the same reason you can't have advanced
8 knowledge of it on the accounts receivable,
9 you can't have advanced knowledge of it
10 through my bill. So --

11 MR. PARNELL:

12 All right. Thank you.

13 MR. FLOYD:

14 So now we're going to move on to
15 committee reports.

16 MR. DUPLESSIS:

17 Let's see. We have a sunset law.
18 It's Senate Bill 288. It seems to be
19 sailing through fine and that just extends
20 the existence of our Commission with many
21 other commissions. I see no opposition
22 there. I think it's going well.

23 Our other Bill 770 that came out
24 as a House bill, it seems to be going
25 through committee without opposition, passed

1 successfully and I guess will move on to the
2 House floor.

3 MR. PARNELL:

4 It's scheduled for tomorrow on
5 the floor.

6 MR. DUPLESSIS:

7 So, Derek, why don't you speak to
8 your experiences down there and Sheri? It
9 seems that they respect what we do and how
10 we're doing it and so forth.

11 MR. PARNELL:

12 What -- there was an amendment
13 and the House -- well, not an amendment.
14 The House Legislative Bureau received some
15 clarification on House Bill 770. I think
16 it's regarding -- Sheri, can you kind of
17 speak to that a little bit?

18 MS. MORRIS:

19 After the -- our bill got out of
20 committee, they are now sending the bills to
21 the Bureau after the first committee rather
22 than the last committee, which is helpful in
23 not having to have the bills cross chambers
24 for technical matters, but there was a line
25 in the bill that said that we could - if you

1 -- if the consumer took delivery of the
2 vehicle that they could -- they would have
3 to reimburse the day rate, not to exceed 75
4 cents per mile, and there was intended to be
5 a day rate in there, but it was left out of
6 our package. Mr. Hallack was able to go
7 back to when that was presented to the
8 Commission several years ago and find a day
9 rate, and so we're going to -- unless the
10 committee has a different rate that you --
11 they want to put in there, I can submit that
12 to the drafter, but the rate -- 2008 when
13 the legislation was first recommended was
14 \$25 per day and 30 cents a mile, not -- I
15 don't know where that came from exactly.

16 MR. HALLACK:

17 The meeting, is that the one we
18 had with the Commissioners? I think Mr.
19 Duplessis was pretty instrumental in getting
20 that language in.

21 MS. MORRIS:

22 So now it's been up -- in this
23 draft, it's 35 cents per mile, but the day
24 rate on that is missing from the bill. So
25 we either need to remove the day rate or put

1 a rate in there.

2 MR. HALLACK:

3 Mr. Taylor, you're familiar with
4 that bailment agreement. The bailment
5 agreement says \$50 a day and 50 cents a
6 mile. The Commission back in 2008 thought
7 the fair amount would be -- what was it
8 again?

9 MS. MORRIS:

10 \$25 a day and 30 --

11 MR. HALLACK:

12 \$25 per day and 30 cents a mile.
13 If she makes that amendment, that's what it
14 will be. So any type of spot delivery
15 agreement you have, it can't exceed \$25 a
16 day and 30 cents a mile. So if you-

17 MS. BARON:

18 The bill has 35 cents in it right
19 now.

20 MR. HALLACK:

21 Right now. So if you want it to
22 be a different amount, you need to talk
23 about that.

24 MR. TAYLOR:

25 Well, two things. Wade Shows,

1 which you sent me to, he took it out of our
2 bailment agreement to where I couldn't --
3 there was something that he read that he did
4 not feel comfortable with me charging a
5 dime, number one. Number two --

6 MS. BARON:

7 For anything or just for mileage?

8 MR. TAYLOR:

9 Mileage and usage.

10 MS. BARON:

11 Okay.

12 MR. TAYLOR:

13 And I forgot which statute he's
14 saying that said that we couldn't charge and
15 I forgot what it was, but the one that I
16 have right now doesn't have anything written
17 into it under his advice. I think everybody
18 else in the State has something written in
19 there for that. I think he was wrong, but I
20 paid for his counsel and I took it.

21 Number two, if we are going to
22 put a day rate in there, surely the same
23 thing as some rental car rate for a midsize
24 car ought to be fine, but what is that rate,
25 do y'all know or do y'all think that I am

1 reaching in the right direction to find --

2 MR. HALLACK:

3 I think that's what it was based
4 on. It was based on what a reasonable
5 rental car rate would be.

6 MR. DUPLESSIS:

7 It's based on what you can see
8 the Legislature on the reasonability clause.

9 MS. MORRIS:

10 What is the Enterprise rate that
11 the State pays, do we know?

12 MR. DUPLESSIS:

13 Probably, \$20 a day or unlimited
14 mileage.

15 MR. HALLACK:

16 What does the State pay for a
17 rental car?

18 MS. ANDERSON:

19 We bypassed that. So I don't
20 know.

21 MS. MORRIS:

22 But we have the rate, I think it
23 might be 40. I don't --

24 MR. DUPLESSIS:

25 I think \$25 and 35 will pass.

1 MS. MORRIS:

2 So just add a day rate not to
3 exceed \$25 per day?

4 MR. DUPLESSIS:

5 You were going to take the
6 mileage out?

7 MS. MORRIS:

8 And 35 cents per mile?

9 MR. DUPLESSIS:

10 Yes.

11 MS. MORRIS:

12 We just need to add those words
13 to make the sentence make sense.

14 MR. TAYLOR:

15 We discussed it at the last
16 meeting. I'm always on the fence about
17 that. There's so many dealers that try to
18 use this as a profit center, you know, and
19 my opinion is skewed because of those two or
20 three bad dealers that do that, and I
21 shouldn't be that way, but that's the way it
22 is, but I think that's fair.

23 MR. DUPLESSIS:

24 Well, what's -- what it's
25 designed to do is help you recover expenses

1 from people that gave you bad stip
2 information --

3 MR. TAYLOR:

4 Right.

5 MR. DUPLESSIS:

6 -- that gave you bad stipulations
7 and they just -- they said they had a
8 residence and they had a job --

9 MR. TAYLOR:

10 Right.

11 MR. DUPLESSIS:

12 -- and they had an income and
13 they're out rolling around town in your car
14 and, you know, I think the law clearly sees
15 that a bailment agreement is enforceable and
16 the fees are there, you know. That's kind
17 of a fraudulent path for them to go down.
18 So it protects the dealer a great deal, but
19 it doesn't give the dealer the right to take
20 advantage of the consumer.

21 MR. TAYLOR:

22 It sets up for a poor finance
23 manager or a poor dealership. It's like
24 setting up a profit center, but once again I
25 think we need this. We do.

1 MS. MORRIS:

2 Then, the other -- they sent us
3 another set of technical amendments. I
4 don't think that's a problem, but that was
5 the only thing of substance.

6 MR. PARNELL:

7 Other than that, going to the
8 table was very quick. We got there and sat
9 down and it was less than 30, 40 seconds or
10 so and we were up. I think the respect for
11 the Commission has changed drastically.
12 We're going down to committee. It's no
13 longer a firing squad at us. We sit down.
14 We give our spiel, so to speak, our
15 proposal, and we go from there. So it's a
16 big change.

17 MR. TAYLOR:

18 Nothing from SEADRA?

19 MR. PARNELL:

20 Not yet. We still have a little
21 time.

22 MR. DUPLESSIS:

23 Well, it seems like the new car
24 dealers have offered their support and the
25 New Car Commission. So I think those are

1 the pinnacle steps that you would have to
2 say we've reached a core in the industry and
3 the Legislature and the industry as a whole.
4 So good work, guys. We're done.

5 MR. FLOYD:

6 Next on the agenda, ratification
7 of license.

8 MR. PARNELL:

9 Commissioners, please find in
10 your packet a chart that illustrates the
11 dealership that has been revoked. I ask
12 that you ratify this revocation and make it
13 official. The dealer has been given ample
14 opportunity to become compliant.

15 Is there someone present to
16 represent Mike's Auto Sales, Incorporated of
17 Shreveport, Louisiana?

18 MS. BARON:

19 There is not.

20 MR. HALLACK:

21 I checked the hallway and there's
22 nobody here.

23 MR. PARNELL:

24 Mike's Auto Sales, Incorporated
25 is located at 4236 Hearne Avenue,

1 Shreveport, Louisiana 71103. License UD
2 number is 239195. They were revoked back on
3 January 1, 2014 because of no licensed
4 salesperson. A suspension notice was sent
5 out October 28th of 20 -- I'm sorry. It was
6 sent out March 26th of 2014. The final
7 revocation letter was sent out April 9th of
8 2014. Commissioners, I ask that you revoke
9 -- excuse me. I'm sorry. I ask that you
10 ratify the revocation of Mike's Auto Sales,
11 Inc., UD number 239195 and all of their
12 salesmen.

13 MR. FLOYD:

14 Would anybody like to make a
15 motion for ratification?

16 MR. SMITH:

17 I will make a motion.

18 MR. BREWER:

19 Second.

20 MR. FLOYD:

21 I have a first from Henry and a
22 second from Dino.

23 MS. MORRIS:

24 Just to be clear, the salesmen
25 licenses that are listed out are all

1 expired.

2 MR. PARNELL:

3 Correct.

4 MR. FLOYD:

5 Items for next agenda? Nothing.

6 All right. Let's go ahead and adjourn this
7 meeting.

8

9

10 (Meeting adjourned at 10:37 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 April 21, 2014 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 May 7, 2014, Baton Rouge, Louisiana.

BETTY D. GLISSMAN, CCR
CERTIFIED COURT REPORTER