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LOUISIANA USED MOTOR VEHICLE COMMISSION  
STATE OF LOUISIANA

REGULAR MEETING  
AUGUST 20, 2018  
BEGINNING AT 9:30 A.M.

3132 VALLEY CREEK  
BATON ROUGE, LOUISIANA

REPORTED BY:  
BETTY D. GLISSMAN, CCR

1 APPEARANCES:

2

3 CHAIRMAN:

MR. JOHN POTEET

4

5 COMMISSIONERS PRESENT:

MR. JEFFERY BRITT

6

MR. TONY CORMIER

7

MR. RICKY DONNELL

8

MR. GEORGE FLOYD

9

MR. STEPHEN OLAVE

10

Mr. MATTHEW PEDERSON

11

MR. HENRY "DARTY" SMITH

12

MR. DINO TAYLOR

13

MR. RICHARD WATTS

14

15

16

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18

REPRESENTING THE LOUISIANA USED MOTOR

19

VEHICLE COMMISSION:

20

21

ROBERT W. HALLACK, ESQUIRE

HALLACK LAW OFFICE

22

13007 JUSTICE AVENUE

BATON ROUGE, LOUISIANA 70816

23

SHERI MORRIS, ESQUIRE

24

DAIGLE, FISSE & KESSENICH, PLC

8480 BLUEBONNET BOULEVARD, SUITE F

25

BATON ROUGE, LOUISIANA 70810

1       ALSO PRESENT:

2                   MS. KIM BARON

3                   MR. DEREK PARNELL

4                   MS. MONA ANDERSON

5                   MS. TONYA BURKS

6                   MR. MONROE ALLMOND

7                   MS. EMILY DOMANGUE

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1 (Pledge of allegiance.)  
2 MR. POTEET:  
3 Kim, roll call, please.  
4 MS. BARON:  
5 John Poteet?  
6 MR. POTEET:  
7 Here.  
8 MS. BARON:  
9 George Floyd?  
10 MR. FLOYD:  
11 Here.  
12 MS. BARON:  
13 Tony Cormier?  
14 MR. CORMIER:  
15 (No response.)  
16 MS. BARON:  
17 Matt Pederson?  
18 MR. PEDERSON:  
19 Here.  
20 MS. BARON:  
21 Richard Watts?  
22 MR. WATTS:  
23 Here.  
24 MS. BARON:  
25 Steve Olave?

1 MR. OLAVE:  
2 Here.  
3 MS. BARON:  
4 Ricky Donnell?  
5 MR. DONNELL:  
6 Here.  
7 MS. BARON:  
8 Darty Smith?  
9 MR. SMITH:  
10 (No response.)  
11 MS. BARON:  
12 Dino Taylor?  
13 MR. TAYLOR:  
14 Here.  
15 MS. BARON:  
16 And Jeffrey Britt?  
17 MR. BRITT:  
18 Here.  
19 MS. BARON:  
20 Mr. Chairman, we have a quorum.  
21 MR. POTEET:  
22 Thank you.  
23 Is there anyone here today for public  
24 comments?  
25 MS. BARON:

1                   No, there is not.

2                   MR. POTEET:

3                   Hopefully, y'all have had a chance to  
4 read the minutes of the last meeting, the July  
5 16th meeting. I would entertain a motion to  
6 approve those minutes.

7                   MR. OLAVE:

8                   I make a motion, Mr. Chairman, we  
9 accept the minutes from the July meeting.

10                  MR. POTEET:

11                  Mr. Olave.

12                  Second?

13                  MR. DONNELL:

14                  Second.

15                  MR. POTEET:

16                  Second by Mr. Donnell.

17                  All in favor, say, "Aye."

18                  (All "Aye" responses.)

19                  MR. POTEET:

20                  Any opposed?

21                  (No response.)

22                  MR. POTEET:

23                  The motion carries.

24                  Items for discussion and action. The  
25 first thing we have are the financial matters.

1 Mona.

2 MS. ANDERSON:

3 Okay. So if you'll turn in your  
4 binders to the financial statement for the  
5 month of July 2018. On the statement of net  
6 position, cash in the bank at the end of the  
7 month was \$2,179,135, which was a \$55,000  
8 decrease from last month, but a 107,000  
9 increase over the prior year. The CD  
10 investments remain the same. Our hearing fines  
11 accounts receivable were \$84,456. And the  
12 prepaid expenses were \$54,630. That included  
13 payments for insurance, the CAVU maintenance  
14 fee, and the August 3rd -- the accrual of the  
15 accrual of the August 3rd payroll.

16 (Mr. Cormier arrived.)

17 MS. ANDERSON:

18 All other -- all of the other assets  
19 were about the same compared to last month. At  
20 the bottom under the liability section, the  
21 accounts payable included the Micropac renewal  
22 at 35,200. That's the maintenance fee for  
23 CAVU. The payroll-related liabilities for the  
24 taxes and the benefits were \$40,993, which is  
25 about normal. Long-term liabilities on the

1 following page include the 2019 revenue of the  
2 \$274,015. The remainder of those liabilities  
3 there will change after we start making entries  
4 for the annual fiscal audit to accrue the OPEB  
5 liability, compensated absences, and the net  
6 pension liability. Total liabilities and  
7 deferred inflows for the month was \$3,335,139.

8 Turning on to the statement of  
9 revenues, expenses, and changes in net position  
10 on pages 3 through 5. In this statement, the  
11 month to date and the year to date are the same  
12 in the first month of the fiscal year. The  
13 revenues increased in a number of areas, the  
14 reinstatement fees, the auction transaction  
15 fees, our operating -- both the interest on our  
16 operating account and the interest on our  
17 certificates of deposit as the interest rates  
18 have started rising. And on page 5, the  
19 salaries and related benefits expenses were  
20 higher than the previous year, but that's  
21 because we haven't done the entries for the  
22 audit. We'll accrue -- the first payroll in  
23 July will be accrued in June and reversed in  
24 July. So that will change those figures to be  
25 more normal.

1           On the final page 5, the unaudited  
2 change in net position was a negative \$40,183.  
3 On the following page, the four-year revenue  
4 comparison, again, the month to date and the  
5 year to date are -- on these are the same. So  
6 this is year to date and there was an overall  
7 increase of 6.2 percent from the similar year,  
8 which was '16/'17.

9           Turning on to page 7, you can see a  
10 graph of that -- of those figures, of all of  
11 the revenue categories, fees, auctions, that's  
12 auction transaction fees, fines, and then  
13 everything else. On page 8, is your four-year  
14 expenditure comparison. The two main  
15 categories being salaries and the related  
16 benefits, and then operating expenditures.

17           On page 9, the certificate of deposit  
18 summary, we had the deposit at -- a \$250,000 CD  
19 at Bank of St. Francisville matured on July  
20 26th. And the rate went up from 1.2 to 1.6.  
21 On page 10, the accounts receivable hearing  
22 fines, we assessed \$3,900 in the fines in July  
23 and the total fines collected in July were 31  
24 -- \$3,133.34 leaving a total accounts  
25 receivable of \$84,456.

1                   So unless there are any questions,  
2 Mr. Chairman, that concludes my report.

3                   MR. TAYLOR:

4                   I have one. I see on 12/23 of '15  
5 Avery's Auto Brokerage. It is the oldest one  
6 that we have. At what point in time does that  
7 go to the Attorney General for collection?

8                   MS. ANDERSON:

9                   Kim, what's the status on that?

10                  MS. BARON:

11                  His bond company is not going to pay  
12 it. He -- because they -- he switched bond  
13 companies in midstream. And so the bond  
14 company before was -- is not going to pay it.  
15 This company is not going to pay it. And he  
16 had told me that he had someone that was going  
17 to pay it if we could get him a -- you know, a  
18 bill or whatever to show. So I sent everything  
19 to him and no response. He did -- well, I will  
20 say no response. He did call several times and  
21 said, I am going to still pay, so I'll send  
22 that money over, and -- but it never  
23 materialized.

24                  MS. ANDERSON:

25                  So we can -- we can send it to the

1 Attorney General.

2 MR. OLAVE:

3 It sounds like it might be time to  
4 send it over there then.

5 MR. TAYLOR:

6 Is he still a dealer?

7 MS. BARON:

8 No, no, he is not a dealer.

9 MR. TAYLOR:

10 Okay.

11 MR. POTEET:

12 Okay. Any other questions?

13 (No response.)

14 MR. POTEET:

15 All right. I'll entertain a motion  
16 to approve.

17 MR. TAYLOR:

18 I make a motion.

19 MR. OLAVE:

20 Second.

21 MR. POTEET:

22 Dino. Second from Mr. Olave.

23 (All in favor, say, "Aye.")

24 (All "Aye" responses.)

25 MR. POTEET:

1 Any opposed?

2 (No response.)

3 MR. POTEET:

4 All right. Thank you, Mona. As  
5 usual, good job.

6 All right. Next thing we have here  
7 is the dealer seminar and continuing education.  
8 Somebody has been working on it for a while.  
9 Derek.

10 MR. PARNELL:

11 Commissioners, you know, current law  
12 currently shows that LUMVC can charge a fee for  
13 the dealer educational seminar. That's  
14 currently in place. When I refer to the dealer  
15 educational seminar, I'm speaking specifically  
16 about the educational seminar that this agency  
17 is going to continue hosting every month that  
18 we do in the second week of every month. I was  
19 trying to do a lot of research, digging and  
20 just trying to get a better understanding of  
21 what's a good fee. Just doing some research  
22 looking at other agencies, other states, and  
23 what they're doing to actually accumulate a  
24 fee. And what I did was, I had Mona kind of go  
25 out and do a cost analysis for our agency. If

1           you go in your packet -- in the beginning of  
2           your packet, you'll find these documents here.  
3           It's a cost analysis. It's at different levels  
4           of whatever we could end up. What we did was,  
5           we went by the first line. It will show the  
6           number of attendees. We looked at the dealer  
7           seminar and this is just a midpoint for the  
8           number of persons that attend the seminars. We  
9           also added in the consumer price index towards  
10          the bottom a 10 year expand on that, just to  
11          kind of go a little bit deeper to see exactly  
12          where we could be and what fees that we may  
13          charge. So I'll ask Mona if she will to come  
14          back and kind of explain the cost analysis and  
15          what the fees mean and, you know, why she came  
16          to this conclusion, so.

17                   MS. ANDERSON:

18                   Okay. So we took the 2017 attendance  
19                   and came up with an average of 27 people. And  
20                   I can change this up to, you know, do the  
21                   actual, but, basically, we do schedule more  
22                   than that, but that's how many generally show  
23                   up. And then the spreadsheets that you're  
24                   looking at, the first one is the \$100 fee, then  
25                   \$125, and then \$150 and \$175. And that would

1 be the revenue that would be generated.

2 And then we looked at the direct and  
3 indirect cost of doing the seminar. For direct  
4 cost, the salaries include the investigators  
5 who do the presentations and that would include  
6 any salaries -- any time that they spend  
7 developing new materials if we have changes in  
8 legislation. Licensing would include the  
9 Administrative Coordinator 3, who schedules the  
10 attendees, who tracks their information, and  
11 the licensing supervisor, who assists with  
12 preparation of the materials. And, of course,  
13 we have to add into that the payroll taxes for  
14 those individuals, travel. We -- our two  
15 investigators that present the seminar come  
16 from New Orleans and from north Louisiana. And  
17 so we've got to pay. The seminar starts at  
18 8:30. They've got to get here and prep  
19 everything, get it all ready to go. So the one  
20 from north Louisiana generally stays overnight  
21 and we pay that hotel rate at a state rate.  
22 Same thing for the meals that they would incur  
23 if they travel, according to the state travel  
24 policy. In addition to that, the state vehicle  
25 would be used to -- for them to drive to the

1 seminar. We pay for supplies, for the  
2 handouts, letters, mailings, that type of  
3 thing. If we charge a fee for it, then we're  
4 going to have additional bank fees to make  
5 those deposits.

6 In the second portion there -- of  
7 course, in any good cost analysis, you need to  
8 look at not just your direct cost, but your  
9 indirect cost. And so we did basically about  
10 3 percent on this. Management staff has to  
11 assist those individuals in that top section  
12 with any problems that might come up. Same  
13 thing with licensing, sending back letters, you  
14 know, things to track that seminar.  
15 Accounting, we have -- would have additional  
16 deposits, posting. We have a computer program,  
17 data storage, that type of thing. And then the  
18 benefits associated with all of those  
19 employees, utilities for our room that the  
20 seminar is held in, and then, of course,  
21 equipment depreciation on the computers and  
22 what-have-you that they use.

23 We used the -- at the very back of  
24 these spreadsheets, you'll see we printed out  
25 -- the Bureau of Labor Statistics gives a recap

1 of the consumer price index for the last 10  
2 years. And we used -- we averaged that and  
3 came up with 1.94. You can see that the first  
4 half of 2018, the CPI was actually 2.5. So  
5 1.94 is pretty conservative. And we used that  
6 to predict our cost over the next 10 years,  
7 because once we start charging for that, then  
8 we don't generally go up on our fees. We  
9 haven't gone up on our licensing fees in quite  
10 sometime. And we have to prepare for increases  
11 in those other areas of cost.

12 MR. POTEET:

13 All right. It looks pretty thorough.

14 MS. ANDERSON:

15 Well, and that's what -- you know, I  
16 was thinking with Mr. Parnell was that, you  
17 know, the funds that we have -- we've been  
18 doing this seminar for nothing and the funds  
19 that we have, you know, we have an aging  
20 building here. We could certainly incur some  
21 natural disaster, fire, tornado, hurricane,  
22 what-have-you. And so we have to keep some --  
23 you know, our CDs and what-have-you in case  
24 that should happen. This building is not going  
25 to stand forever. And if any of you've ever

1           paid a plumber or an air-conditioning guy, you  
2           know what I'm talking about, so.

3           MR. POTEET:

4                     All right.

5           MR. TAYLOR:

6                     You have to have a physical bill to  
7           increase fees, correct? Do we have to have a  
8           physical bill to increase fees?

9           MR. HALLACK:

10                    No, I don't think so.

11           MR. POTEET:

12                    We already did it.

13           MR. HALLACK:

14                    So you're saying at \$100, we're  
15           losing money?

16           MR. OLAVE:

17                    No.

18           MS. ANDERSON:

19                    Yes.

20           MR. OLAVE:

21                    No, no, not for 10 years --

22           MS. ANDERSON:

23                    Yes.

24           MR. OLAVE:

25                    -- according to this.

1 MS. ANDERSON:

2 The net. The net.

3 MR. OLAVE:

4 After 10 years, though, right?

5 That's the way I'm reading this.

6 MS. ANDERSON:

7 Well, if -- your 10 year comes in  
8 with the increase, these figures -- those costs  
9 have -- include that 1.94 consumer price index,  
10 which is based on the last 10 years. And like  
11 I said, this year, the CPI is 2.5. So it could  
12 be more than that. And so based on those  
13 costs, which have been increased by the CPI,  
14 then your -- you come up -- if you charge \$100,  
15 you're going to be in the hole.

16 MR. OLAVE:

17 After 10 years?

18 MS. MORRIS:

19 No, immediately.

20 MR. OLAVE:

21 Not the first year.

22 MR. POTEET:

23 This month -- this is one year.

24 MR. OLAVE:

25 But the CPI increase is 10 year and

1 the total cost is 1,696 year one. So, to me,  
2 that looks like we're going to have a surplus  
3 of \$1,100 or so -- I'm sorry. Yes, \$1,100 or  
4 so the first year, because grand total on  
5 expenses is 1,696 and we would generate \$2,700  
6 a month. The CPI 10 year increase is  
7 forecasting what the cost would be in 10 years  
8 according to this is what I'm thinking. So,  
9 yes, I'm --

10 MR. POTEET:

11 Well, if --

12 MS. ANDERSON:

13 So if I pull the CPI out, it won't be  
14 a negative. But you have -- to do that, you  
15 have to plan on what your fee -- you have to  
16 charge a fee based on what -- your 10 year, you  
17 know.

18 MR. HALLACK:

19 Yes. And then the salaries of the  
20 employees are going to go up. The depreciation  
21 is going to continue to increase.

22 MR. OLAVE:

23 Personally, I'd like to know where  
24 the break-even point is and not the forecast so  
25 much.

1 MR. HALLACK:

2 It's, like, 125.

3 MR. POTEET:

4 It's 125.

5 MR. OLAVE:

6 Yes. Well, that's after 10 years,  
7 Mr. Chairman. I'm talking about -- you know,  
8 and, look, I'm all for making sure the  
9 Commission's costs and everything are up. But  
10 I'm not -- I'm not necessarily for generating a  
11 profit off of this. So I think we burden -- we  
12 burden our dealers with enough and I do believe  
13 they should pay something and it sounds like  
14 the \$100 covers us for at least some point in  
15 time, not the 10 years, but four years, three  
16 years. I'd like to know where the break-even  
17 on the CPI is.

18 MS. ANDERSON:

19 It's not, because you're not going to  
20 be able to say your fee is \$100 now, and then,  
21 you know, some five years out, you're going to  
22 --

23 MR. OLAVE:

24 Why not?

25 MS. ANDERSON:

1                   -- double that or whatever.

2           MR. OLAVE:

3                   Why not?

4           MS. ANDERSON:

5                   Because of the issue with the dealers  
6           having a problem with paying the fees. They're  
7           going to say, well, you know, last year, I paid  
8           this, and, you know.

9           MR. OLAVE:

10                   I think -- I think we could review  
11           that every few years, to be honest with you,  
12           just like our licensing, just like everything  
13           else.

14           MR. POTEET:

15                   So you would like to see it at \$100?

16           MR. OLAVE:

17                   Yes. I believe the costs should be  
18           covered, definitely.

19           MR. POTEET:

20                   125 is closer to break-even.

21           MR. OLAVE:

22                   But that's break-even after 10 years,  
23           Mr. Chairman. We're going to generate a  
24           surplus for the first nine of those years at  
25           \$125, according to this. That's all I'm

1 saying.

2 MS. ANDERSON:

3 I can do you break-even analysis, but  
4 that -- you know, the good management as you  
5 plan long-term --

6 MR. POTEET:

7 Well, it's somewhere between 100 and  
8 125. We know that.

9 MR. HALLACK:

10 Anything beats what we're receiving  
11 now, which is nothing.

12 MR. POTEET:

13 Right.

14 MR. OLAVE:

15 Agreed, Robert. This is about  
16 covering costs, I believe, in my opinion.

17 MR. HALLACK:

18 Yes.

19 MR. POTEET:

20 Anybody else have any comments?

21 MR. BRITT:

22 How many people normally attend, Mr.  
23 Chairman? What's the average number?

24 MR. POTEET:

25 27 is the average. Is that the

1 average for last year?

2 MS. ANDERSON:

3 Right. For 2017, we had -- we booked  
4 a lot more than that. But, like, for instance  
5 -- because this room, they can hold 35 to 40.  
6 And in December of last year, we booked 39, but  
7 only 29 showed up.

8 MR. BRITT:

9 How many times a year do you do it?

10 MR. PARNELL:

11 Every month.

12 MR. BRITT:

13 Once a month.

14 MR. PARNELL:

15 Once a month on the second -- the  
16 second Tuesday.

17 MR. BRITT:

18 I'm just trying to get a grasp.

19 MR. PARNELL:

20 And as she said, we always -- we  
21 schedule at least 35 to 37 every month. And,  
22 typically, you know, on average, 27 show up.  
23 Some months, we'll pull 36 and 22 come, you  
24 know. It just -- it just varies.

25 MR. OLAVE:

1                   One question:  Would you explain to  
2                   us the process of if someone books a meeting  
3                   and doesn't show up, and then doesn't actually  
4                   take the seminar that's required?

5                   MR. PARNELL:

6                   Well, currently -- all right.  So,  
7                   typically, what happens is, when we have  
8                   someone -- the way the law currently states is  
9                   they have 60 days upon which they receive their  
10                  license.  If we book them and they're supposed  
11                  to be scheduled to be here, what we do is, we  
12                  send letters back out to them notifying them  
13                  that you still are responsible for being here  
14                  and taking the seminar within the 60-day time  
15                  frame.  If they don't do that within that time  
16                  frame, then what is the -- what do we do?

17                  MS. BARON:

18                               We suspend the license.

19                  MS. MORRIS:

20                               We suspend the license at that point.

21                  MR. OLAVE:

22                               So, then, theoretically, if they book  
23                  and don't show up, they would still pay.

24                  MR. PARNELL:

25                               Yes.

1 MR. OLAVE:

2 So wouldn't that be the better  
3 average of the people that book and not the  
4 ones that attend, because that would be the  
5 money we generate, correct?

6 MR. PARNELL:

7 I agree. I agree.

8 MR. OLAVE:

9 So since we're just starting fee -- a  
10 fee based --

11 MS. MORRIS:

12 We don't have authority to refund --  
13 do we have to refund it if they don't show? We  
14 don't have authority to keep the money if they  
15 don't --

16 MR. OLAVE:

17 Really, if they make a reservation at  
18 the meeting, we can't -- we can't hold them to  
19 that?

20 MS. MORRIS:

21 Well, I think what happens is, then  
22 they're going to come to the next seminar,  
23 because they don't want to be suspended. So  
24 it's the same people, so.

25 MR. OLAVE:

1                   So we have 100 --

2                   MS. MORRIS:

3                   So we can't keep that money and  
4 charge them again.

5                   MR. OLAVE:

6                   So everyone is taking the seminar,  
7 there's no outstanding?

8                   MS. MORRIS:

9                   Well, there must be.

10                  MS. BARON:

11                  You're going to have to be  
12 consistent.

13                  MR. POTEET:

14                  Well, they paid their -- they paid  
15 their license, right?

16                  MR. PARNELL:

17                  Yes. They've paid their license fee,  
18 yes.

19                  MR. POTEET:

20                  So, it wouldn't -- I mean, it  
21 wouldn't make -- they would be worse off if  
22 they don't take the seminar.

23                  MR. OLAVE:

24                  Oh, certainly, I agree.

25                  MR. POTEET:

1                   I mean, how many do you have that  
2 fall into that category, pay their license and  
3 don't ever take the seminar?

4                   MR. PARNELL:

5                   Not very many.

6                   MR. OLAVE:

7                   So they either do it the first month  
8 or the second month?

9                   MR. POTEET:

10                  Typically, yes.

11                  MR. PARNELL:

12                  It really doesn't last so far out.  
13 Last year -- or 2016, we started doing two per  
14 month, because we were having so many persons  
15 coming in and new dealers coming in. And so we  
16 started having one on a Monday and on a  
17 Tuesday. And so that combines that -- the  
18 numbers a little bit like that. But the way I  
19 really want to see what we're doing now is a  
20 pre-license technically now. So the way -- the  
21 way the statute is written right now, that they  
22 have to have the seminar completed at the point  
23 of which they submit their application packet,  
24 upon which they won't get their license unless  
25 they have that completed already.

1 MR. OLAVE:

2 Very good.

3 MR. PARNELL:

4 So I think that covers the situation  
5 that we're kind of are into now, that some  
6 people forego for a little while. So I think  
7 that we should cover that situation, so we  
8 don't have to -- they won't get a license  
9 unless, you know, they have completed all of  
10 the requirements of holding that license.

11 MR. OLAVE:

12 Thank you.

13 MR. TAYLOR:

14 What about the 2017-'18 fiscal year,  
15 what was our net profit and/or loss?

16 MS. ANDERSON:

17 I don't have it in front of me. It  
18 was --

19 MR. TAYLOR:

20 Yes. I'm not talking about the  
21 seminar. I'm talking about --

22 MS. ANDERSON:

23 It was barely enough, yes.

24 MR. TAYLOR:

25 Do you remember if we were plus or

1 minus last year?

2 MS. ANDERSON:

3 Like I said, you know, the main thing  
4 that you've got to look at is our balance  
5 sheet. And you can see that on that balance  
6 sheet right there that it's our liabilities  
7 that are the important thing. Once you take  
8 out those liabilities that we're held  
9 accountable for, the net pension liability and  
10 the -- then, we're in the negative.

11 MR. TAYLOR:

12 Yes.

13 MS. ANDERSON:

14 And sooner or later, we're going to  
15 have to pay up on those things. The cost of  
16 the retirement and the health insurance  
17 benefits on an aging population are hitting us  
18 and they will continue to, you know. For  
19 instance, if we hire back a -- if we do a  
20 rehired retiree, they come in at a higher rate  
21 on their health insurance than the other  
22 employees do.

23 MR. TAYLOR:

24 I'm interested and the LIADA is  
25 worried about seeing these massive balances

1           that we carry but did not factor in, like, if  
2           we did have to pay for retirement, healthcare,  
3           and all these benefits, which are accounted --  
4           what is it, 600,000 right now, 700,000,  
5           something of that nature?

6           MS. ANDERSON:

7                     Yes. Like I said, I always tell  
8           people, you know, the income statement is a  
9           picture in time. But if you want to see the  
10          health of an organization, look at the balance  
11          sheet or the statement of net position now.

12          MR. TAYLOR:

13                     Right.

14          MS. ANDERSON:

15                     And you can see from our liabilities  
16          that it's significant. And, again, I say that  
17          we are operating. One of the -- one of the  
18          items that you look at in a cost analysis is  
19          your lease amount. We have no lease amount.  
20          But what if that changes? What if we -- and,  
21          you know, there's been other commissions in  
22          Baton Rouge that have had fires. If that  
23          happens and we have to relocate to another --  
24          operate out of another building, pay rent or  
25          lease another building, pay to have our records

1           recreated, you know, we have insurance, but  
2           it's not limitless, as you know. People after  
3           the hurricane, you know, after the flood  
4           suffered greatly. And so, you know, that's  
5           some of the things you have to look at when  
6           you're looking at that 10 year projection.

7           MR. CORMIER:

8                     Are there other states that do this,  
9           the seminar? Are other states doing the  
10          seminar?

11          MR. PARNELL:

12                     And charge a fee?

13          MR. CORMIER:

14                     Yes.

15          MS. ANDERSON:

16                     It's a lot more than ours.

17          MR. TAYLOR:

18                     Almost every license and almost every  
19          fine -- I've been twice -- fined twice by other  
20          commissions here in the state. We are very,  
21          very, very low for what we are.

22          MR. PARNELL:

23                     Some of the other agencies, other  
24          states, they will charge, like, 195, 245 on  
25          cost or whatever, you know. And their license

1 was actually a little bit lower than ours. I  
2 saw some where they had a \$200 license -- a  
3 two-year license upon which they paid \$195 for  
4 the course -- the seminar.

5 MR. OLAVE:

6 But I would -- I would -- I would  
7 suggest that each state is different --

8 MR. PARNELL:

9 Yes.

10 MR. OLAVE:

11 -- and they might not have the sales  
12 license that they purchase and other things  
13 that are required from our state that would add  
14 to the cost of a -- of operating a dealership.  
15 So I would submit that everybody -- every state  
16 is different.

17 MR. PARNELL:

18 Absolutely.

19 MR. CORMIER:

20 You'd have to look into it.

21 MR. BRITT:

22 The other states, do they have  
23 regional training or do they all come to their  
24 headquarters?

25 MR. PARNELL:

1                   Well, they have regional. They have  
2 their continuing education as well as their  
3 normal dealer seminars. But that was something  
4 that we kind of talked about looking into, kind  
5 of moving around a little bit more rather than  
6 having everyone come here.

7                   MR. BRITT:

8                   Yes. I know other organizations --

9                   MR. PARNELL:

10                  Yes.

11                  MR. BRITT:

12                  -- particularly, the sheriffs, with  
13 -- the continuing education is tied to their  
14 salaries. They have to get those hours in.  
15 And that's basically the same thing we're  
16 talking about here is, that they've got to get  
17 this seminar in to have their license. And it  
18 works well when they go to different regions in  
19 our state.

20                  MR. PARNELL:

21                  Right, right. Ultimately, what I  
22 would like to do is, once I get a better  
23 program in place, I would like to do more  
24 online as it relates to giving people the  
25 opportunity to do webinars that come from north

1 Louisiana. So not necessarily everyone has to  
2 be present in this particular room, but it  
3 gives the opportunity for people that can  
4 travel a little bit further, being that we are  
5 going to require these dealers to have a  
6 license prior. I think that is going to  
7 benefit us a great deal.

8 MR. BRITT:

9 And then there are plenty of  
10 locations throughout the state now with some of  
11 these buildings that have been built after the  
12 hurricane, you know. A lot of these different  
13 public agencies have a huge meeting room and it  
14 wouldn't cost anything other than the expense  
15 of sending the people to do the seminar.

16 MR. PARNELL:

17 That was something we kind of  
18 discussed trying to move forward.

19 MR. BRITT:

20 The regional. Maybe, get more  
21 attendance at one time.

22 MR. OLAVE:

23 It sounds like one of these  
24 structures is already in north Louisiana, too.  
25 That can could work out.

1 MR. PARNELL:

2 Absolutely.

3 MR. POTEET:

4 Any other discussion on this topic?

5 MR. PARNELL:

6 Well, to go a little bit further, I  
7 would like to kind of discuss -- as we go a  
8 little bit further in talking about the seminar  
9 and the continuing education, Robert and I have  
10 kind of been doing a lot of research on this.  
11 We did find another agency that kind of has a  
12 pretty good guideline already in place, a good  
13 rule and regulation already in place. So what  
14 we did was -- I kind of went in and kind of did  
15 some updates on kind of the -- what we  
16 discussed last month, the continuing education,  
17 this document right here, the course approval  
18 guidelines. I went in and kind of piggy-backed  
19 a little bit off of what other agencies were  
20 doing and expanded what we are talking about  
21 for our specific agency, just to get more  
22 finalized on moving through, so we can actually  
23 get out to potential vendors what exactly we  
24 are looking for, for approval guidelines. And  
25 it's just a few things, not a lot of things

1           that I changed in this document. We do need to  
2           add a fee to it, but once we make a decision on  
3           what we're going to do moving forward with  
4           that, this document is pretty much as close to  
5           we can get it being prepared to go ahead and  
6           get it out to the vendors, and so we can start  
7           getting proposals in on what we're looking for  
8           as far as guidelines.

9                        The other item I kind of want to talk  
10           about is the rule and regulation, because once  
11           we put this in place, we do have to have set in  
12           place a rule and regulation. If you look at  
13           this document right here, this is a chart that  
14           kind of shows a rule making timeline for the  
15           month of September and for the month of  
16           October. I kind of put this in here, so you  
17           guys can kind of see exactly the process that  
18           you have to go through in order to get your  
19           rule and reg actually put in place. It's kind  
20           of timely. It's kind of extensive. But if  
21           we're able to get to the fiscal office by  
22           September 20th, the fiscal economic impact  
23           statement, which we will have to do, because it  
24           is fees that we are generating -- well, we're  
25           not generating, but we will -- it will change

1           what we're doing. That will be due on  
2           September 20th. And October 10th will be the  
3           submission of the notice of intent. Now,  
4           Robert has already gone in, and so we've  
5           already got pretty much a step two kind of  
6           completed already, which is the notice of  
7           intent. And that's what Ms. Baron is passing  
8           out right now. So let's see.

9           MR. HALLACK:

10                   So the rules and regs are law and  
11           they basically follow the statute and they fill  
12           in some holes that maybe the statute didn't  
13           cover. So this is a notice of intent that will  
14           serve as the basis of the rules and regs. It's  
15           Chapter 44, educational seminars. We do have  
16           some rules and regs on educational seminar.  
17           All they do is follow the previous law. And,  
18           basically, all it does is, is that it follows  
19           the previous law. It divides our seminars into  
20           two kinds. One we call the pre-license  
21           educational seminar, which means this is the  
22           seminar you have to take in order to get your  
23           license. It's what we do right now. We just  
24           really simply don't have any rules and regs  
25           that puts the detail into what is supposed to

1           be done. And this is what we will do to put  
2           the detail into the seminar.

3                        If you look -- for instance, A, under  
4           4402, every applicant who wants to get a  
5           license as a used motor vehicle dealer must  
6           take the pre-license seminar. If you look at  
7           B, this was not spelled out in the statute, but  
8           it is spelled out here. "The seminar shall be  
9           conducted by the employees of the Louisiana  
10          Used Motor Vehicle Commission." And why I put  
11          that in there is, I think it's important that  
12          our employees do that. This is part of how you  
13          get a license, is to make sure that you attend  
14          the pre-license seminar. Plus, we have two  
15          employees who are being paid extra money to do  
16          the pre-license seminar. So if you take that  
17          away from them, they will lose that as their  
18          pay. So it's an important part of why I think  
19          the Commission should continue to do the  
20          pre-license seminar.

21                       The rest of the language in 4402 is  
22          basically what's in the rules and regs now, and  
23          then in the statute as well. It's not in there  
24          -- if you look at number F, "No tests are  
25          required for completion of the pre-license

1 educational seminar." There is a test for the  
2 continuing -- the post-license/continuing  
3 education seminar, but there is no test for you  
4 to get your license, okay. So I want you to  
5 know that's two pretty distinguishing features  
6 between this and the law. This says it's run  
7 by the staff of the Commission. And this says  
8 that you don't have to take a test.

9 MR. PARNELL:

10 Let me ask you this, Robert: In G-1,  
11 "If the applicant has not completed the  
12 educational seminar prior to his application,  
13 he must provide evidence that he has registered  
14 to attend the seminar within 60 days." Should  
15 that language be taken out of this?

16 MR. HALLACK:

17 No, I don't think. That's the  
18 language that's in there now.

19 MR. PARNELL:

20 It's in the statute right now?

21 MR. OLAVE:

22 It's not.

23 MR. HALLACK:

24 No, in the -- in the rules and regs,  
25 it's written that way.

1 MR. PARNELL:

2 Well, do you think we need to make a  
3 correction to this as we just discussed that I  
4 think that needs to be amended to say that the  
5 application -- we shouldn't say anything about  
6 60 days later, to me.

7 MS. MORRIS:

8 The law changed to require  
9 pre-license or education.

10 MR. PARNELL:

11 Pre-education to me is, we shouldn't  
12 have anything that says that they have the  
13 opportunity to send something within 60 days  
14 after issuance of the license, because that's  
15 outside of what we're going to do.

16 MR. HALLACK:

17 Okay. But that is the law right now  
18 today. It's in our rules and regs right now.

19 MR. PARNELL:

20 Is it in the statute?

21 MR. HALLACK:

22 No. It's not in the statute.

23 MR. PARNELL:

24 Okay. So --

25 MR. HALLACK:

1                   It's in the rules and regs.

2                   MR. PARNELL:

3                   -- so what -- if we're submitting  
4 this now, wouldn't it be a good time to amend  
5 that?

6                   MR. HALLACK:

7                   Well, I mean, there was a reason why  
8 we put it in the rules and regs 10, 12 years  
9 ago.

10                  MR. PARNELL:

11                  Right, because we were allowing them  
12 to do this.

13                  MR. OLAVE:

14                  To be licensed, and then take the  
15 seminar.

16                  MS. MORRIS:

17                  The law allowed that before, but the  
18 law doesn't allow that anymore.

19                  MR. PARNELL:

20                  It has to be done prior to them --

21                  MR. HALLACK:

22                  I don't think the law ever allowed  
23 that. It's been only in the rules and  
24 regulations.

25                  MR. PARNELL:

1                   Okay. But at this point, shouldn't  
2 we amend the rules and regulations to state  
3 this particular language?

4                   MR. POTEET:

5                   Yes.

6                   MR. PARNELL:

7                   It's completely contradictory from  
8 one another.

9                   MS. BARON:

10                  They don't get a license unless they  
11 have completed the seminar already.

12                  MR. PARNELL:

13                  They should get it in prior to  
14 receiving a license. This is giving them 60  
15 days to do that.

16                  MR. HALLACK:

17                  The only reason why I included it,  
18 because it's in the rules and regs.

19                  MR. OLAVE:

20                  Mr. Derek, it does say application.  
21 It doesn't say prior to licensing.

22                  MR. POTEET:

23                  We can change that.

24                  MR. OLAVE:

25                  It says application on it.

1 MR. HALLACK:

2 Steve makes a very good point.

3 You're not getting your license until you take  
4 the educational seminar.

5 MR. OLAVE:

6 It does say application on there. So  
7 that -- isn't that the requirement? You apply,  
8 and then once you take the seminar within the  
9 60 days, you get your permanent license?

10 MR. HALLACK:

11 Right.

12 MR. OLAVE:

13 Isn't that what we're doing?

14 MR. HALLACK:

15 No.

16 MR. PARNELL:

17 That's what we're currently doing.

18 MR. OLAVE:

19 Right.

20 MR. PARNELL:

21 But the law --

22 MR. OLAVE:

23 To me, that's important. It says  
24 application. It doesn't say license. It says,  
25 "If the applicant has not completed the

1 educational seminar prior to his application,  
2 he must provide evidence that he has registered  
3 to attend the seminar."

4 MR. PARNELL:

5 Within 60 days.

6 MR. OLAVE:

7 And then you could add -- and then  
8 you could add attend and complete -- attend and  
9 complete the seminar.

10 MR. PARNELL:

11 That is contradictory of the laws.

12 MS. MORRIS:

13 That part has to come out.

14 MR. OLAVE:

15 Yes, yes.

16 MR. PARNELL:

17 I find that to be --

18 MR. OLAVE:

19 Before the license is issued -- I  
20 guess, before the permanent license is issued.

21 MR. HALLACK:

22 It was just something that the  
23 previous board members believed, that they  
24 should allow an applicant to get his license  
25 before he shows that he's attended the seminar.

1 MR. PARNELL:

2 In the past, right.

3 MR. POTEET:

4 We need to change it from what we  
5 have now.

6 MR. HALLACK:

7 How often do people take the seminar  
8 after they've applied?

9 MR. PARNELL:

10 A lot.

11 MR. HALLACK:

12 See, now, you're going to tell them  
13 they can't do that.

14 MR. PARNELL:

15 Correct.

16 MS. MORRIS:

17 The Legislature has always said they  
18 can't do that.

19 MR. HALLACK:

20 The Legislature always said they  
21 couldn't do that. But we have a rule and reg  
22 that said that you could. It allowed for it to  
23 happen. I don't think people will complain.

24 MR. POTEET:

25 Why are we trying to do?

1 MR. HALLACK:

2 I'm just trying to make a point that

3 --

4 MR. POTEET:

5 Your point is taken. We're going to  
6 change this.

7 MR. HALLACK:

8 All right.

9 MR. POTEET:

10 Thank you.

11 MR. HALLACK:

12 I just want to let you know that  
13 they're already --

14 MR. POTEET:

15 We understand. Thank you.

16 MR. HALLACK:

17 H, the fee for attending the  
18 pre-license educational seminar shall be,"  
19 blank, whatever you want it to be.

20 MR. POTEET:

21 Should we vote on that?

22 MR. HALLACK:

23 Yes.

24 MR. PARNELL:

25 I think we should.

1 MR. POTEET:

2 Do you want to vote on it now?

3 MR. PARNELL:

4 That way, we can get the information  
5 now.

6 MR. HALLACK:

7 I would save it to the end.

8 MR. POTEET:

9 All right.

10 MR. HALLACK:

11 The next section is 4403 and it deals  
12 with the post-license educational continuing  
13 seminar. This is completely new. We've never  
14 had a continuing educational seminar. So all  
15 of this is new. It incorporates the law that  
16 was just passed back in July. "Every applicant  
17 seeking to renew his used motor vehicle  
18 dealer's license is required to attend the  
19 post-license/continuing educational seminar  
20 prior to the renewal of their license." So if  
21 you seek to renew your license, you're going to  
22 have to take the post-license/continuing  
23 educational seminar. That's the law as we  
24 adopted it in July.

25 "The post-license/continuing

1 educational seminar shall: Have a program and  
2 materials approved by the commission." It  
3 shall: "Focus on developments and changes in  
4 law, rules and regulations and policy and  
5 procedures which effect their business and  
6 which arise in the two years since the renewal  
7 of their license." It shall: "Not exceed four  
8 hours in length." It shall: "Be conducted  
9 online or through the Internet." Now, that is  
10 in not in the law. The law does not say that  
11 it has to be online or in -- on the Internet.  
12 But I think that's where our focus was, to make  
13 sure that this was done online or on the  
14 Internet. Anybody disagrees with that, you  
15 need to speak right now.

16 (No response.)

17 MR. HALLACK:

18 Okay. And attendees will have to  
19 complete a test as follows. "The test shall be  
20 comprised of ten questions approved by the  
21 commission," which is the law. And "Require  
22 attendees to obtain a minimum of seventy  
23 percent in order to receive credit for  
24 satisfactory completion of the seminar." So  
25 you have to take a test. The test is only 10

1 questions, and you have to be able to answer  
2 seven of those 10 questions in order to get  
3 your renewal. Now, the continuing education  
4 seminar, as you look at subsection C, can be  
5 done by "any educational intuition, private  
6 vocational school, correspondence school, or  
7 trade association." But they must apply to the  
8 Commission prior to providing the seminar. "To  
9 obtain approval to conduct a  
10 post-license/continuing educational seminar,  
11 the applicant-instructor shall: Complete an  
12 application in such form and detail as  
13 prescribed by the commission and shall be  
14 accompanied by any documentation requested  
15 therein and the certification fee(s) prescribed  
16 herein." Now, I threw that in if you want to  
17 charge them a fee for the application process.  
18 Sheri is twisting her head.

19 MS. MORRIS:

20 You don't have authority to --

21 MR. POTEET:

22 Charge the -- like, the --

23 MR. HALLACK:

24 The person who is applying to be an  
25 instructor. I mean, that's a just a process

1           that we have to do.

2           MS. MORRIS:

3                    I don't think that was included in  
4           the statute.

5           MR. HALLACK:

6                    It's not included in the statute.

7           MR. POTEET:

8                    Does it have the opinion on there?

9           MR. HALLACK:

10                   Let me -- let me also say this: At  
11           one time, certain Commissioners believed that  
12           we were going to partake in the educational --  
13           the continuing educational seminar fees and  
14           that ended up not being part of the law in any  
15           way and I don't know how we could have ever  
16           done that anyway. So I just thought a nominal  
17           fee for applying.

18           MR. PARNELL:

19                    As it relates to the vendor?

20           MR. HALLACK:

21                    As it relates to the instructor.

22           MR. TAYLOR:

23                    Do we incur any expense?

24           MR. HALLACK:

25                    Sure.

1 MR. POTEET:

2 Somebody has got to review it.

3 MR. HALLACK:

4 It has to be prepared by staff for  
5 your review.

6 MR. DONNELL:

7 I thought we were doing it, we were  
8 going to incur a fee. Derek.

9 MR. PARNELL:

10 When we first started talking about  
11 it --

12 MR. DONNELL:

13 When we first started talking about  
14 it.

15 MR. PARNELL:

16 But when the LIADA came in and  
17 presented it to us initially, what they talked  
18 about was, yes, they're going to incur a fee  
19 for the person that's going to take it and we  
20 would get a percentage of that fee. But after  
21 the further discussions over the last couple of  
22 meetings, what I understand is, that's not what  
23 we're going to do moving forward.

24 MR. DONNELL:

25 I mean, I think we've got to cover

1           our costs for sure.

2           MR. POTEET:

3                   How much would you charge somebody?

4           MR. HALLACK:

5                   I would suggest \$25.

6           MR. PARNELL:

7                   As, like, a license -- like a --

8           MR. HALLACK:

9                   Just an application fee.

10          MR. POTEET:

11                   How many of these are we going to  
12          have?

13          MR. HALLACK:

14                   One.

15          MR. POTEET:

16                   I mean, let's say 10 people apply for  
17          this, maybe.

18          MR. BRITT:

19                   Probably, more than that. But it  
20          will still be everybody that thinks they know  
21          something that has a computer. And that's why  
22          you've got a problem with accountability where  
23          y'all can enforce something.

24          MR. POTEET:

25                   The fee would be -- only be a

1           deterrent. I mean, I have no idea what you  
2           would charge. Somewhere between \$10 and 1,000.

3           MR. BRITT:

4                     The higher up, you weed out --

5           MR. POTEET:

6                     That's what I'm saying. It would be  
7           a deterrent. But you also don't want to  
8           penalize the --

9           MR. BRITT:

10                    The good guy.

11           MR. POTEET:

12                    -- somebody that we know is -- I  
13           mean, the LIADA is probably going to be able to  
14           do this, if you want to charge them \$200 or  
15           \$400 or \$500. I don't think we want to do  
16           that.

17           MS. ANDERSON:

18                    25, 50.

19           MR. BRITT:

20                    Would you make it accessible for a  
21           Louisiana organization that works --

22           MR. POTEET:

23                    No.

24           MS. ANDERSON:

25                    You can make it a fee -- you could

1 make it a fee to refundable if they attend, you  
2 know.

3 MR. POTEET:

4 And if they get -- if they get  
5 approved?

6 MS. ANDERSON:

7 This is for the vendor?

8 MR. POTEET:

9 Yes, the vendor.

10 MS. ANDERSON:

11 Charge for if they attend, you know.  
12 That way, if they don't attend, they  
13 wouldn't --

14 MR. POTEET:

15 No. It's not for the attendees.  
16 It's for the vendor.

17 MR. PARNELL:

18 I think \$50 max.

19 MR. POTEET:

20 How does \$50 sound to everybody?

21 MR. TAYLOR:

22 I don't know. For the application, I  
23 mean, I agree with Mr. Britt, that you're  
24 willing to weed out anybody.

25 MR. POTEET:

1                   You might want to discourage people  
2                   to do it. So you have to find a price that  
3                   will discourage people, but it's not, you know,  
4                   onerous on those that we know are legitimate  
5                   providers use such as LIADA.

6                   MR. PEDERSON:

7                   How much do they want to pay?

8                   MR. POTEET:

9                   They don't want to pay anything. Our  
10                  number is between zero and \$1,000. I already  
11                  said that once.

12                  MS. ANDERSON:

13                  Are they providing some kind of  
14                  credentials to approve?

15                  MR. POTEET:

16                  Yes, they will. Our attorney over  
17                  here says we need to research our authority to  
18                  charge that fee.

19                  MR. PARNELL:

20                  Because that's a fee increase.

21                  MR. POTEET:

22                  It's not a fee increase if we don't  
23                  have a fee.

24                  MR. PARNELL:

25                  It would be a new fee which will be

1           considered an increase.

2           MR. POTEET:

3                     Would \$100 deter the LIADA?

4           MS. DOMANGUE:

5                     No.

6           MR. POTEET:

7                     Would it deter others?

8           MR. HALLACK:

9                     No.

10          MR. BRITT:

11                     It's just got to be accountability  
12                     for those guys who are going to come in and  
13                     want to do a correspondence school or the -- or  
14                     the guys who've got a -- they're going to do  
15                     this in five states. I mean, they're paying  
16                     somewhere else, too. So, I mean, you've just  
17                     got to have the accountability to kind of  
18                     oversee it, police it, and weed out the good  
19                     ones.

20          MR. TAYLOR:

21                     Should we make it every year, so you  
22                     can do it annually that you reapply?

23          MR. BRITT:

24                     Oh, absolutely.

25          MR. HALLACK:

1                   The law says every two years.

2                   MR. TAYLOR:

3                   Every two years?

4                   MR. HALLACK:

5                   Right.

6                   MR. PARNELL:

7                   The dealer has to.

8                   MR. HALLACK:

9                   No, no, the vendor has to reapply  
10                  every two years.

11                  MR. PARNELL:

12                  Is that what it says?

13                  MR. HALLACK:

14                  Yes.

15                  MR. BRITT:

16                  I think this Commission needs to look  
17                  into the vendor's accountability every year.

18                  MR. HALLACK:

19                  No. That's the law.

20                  MR. BRITT:

21                  It's already a statute.

22                  MR. OLAVE:

23                  Well, there should be -- I mean,  
24                  somewhat with Ricky, there should be some  
25                  disqualifiers in there, but I do believe that

1 the --

2 MR. HALLACK:

3 It's not in the --

4 MR. TAYLOR:

5 We're not meeting these education  
6 guidelines.

7 MR. POTEET:

8 It will be the same as --

9 MR. OLAVE:

10 So who determines that? The  
11 Commission?

12 MR. HALLACK:

13 Yes.

14 MR. OLAVE:

15 Okay. And we have ultimate oversight  
16 in that anyway. So I don't have a problem with  
17 the two years, because they expend -- they  
18 expend resources to develop these programs and  
19 they should have the time to recoup their --

20 MR. POTEET:

21 It would be the same as the dealer,  
22 you know. Once you've got your license doesn't  
23 mean you can't --

24 MR. BRITT:

25 Well, if the Director sees that

1           there's an issue with one of the vendors, then  
2           we just --

3           MR. OLAVE:

4                     Yes. We have ultimate oversight in  
5           that anyway. Sure.

6           MR. HALLACK:

7                     That's covered.

8           MR. OLAVE:

9                     Sorry I jumped ahead.

10          MR. BRITT:

11                     I don't think any fee you put it on  
12          will deter anyone. Look at the ROI. I mean,  
13          you put up 1,000 bucks what do you intend to  
14          make in a year.

15          MS. ANDERSON:

16                     Someone has got to review this  
17          material that they submit. So you're going to  
18          have cost.

19          MR. POTEET:

20                     I'm okay with that. I just don't  
21          know what the dollar figure is.

22          MR. HALLACK:

23                     I'm just trying --

24          MR. POTEET:

25                     What do you think it should be?

1 MR. HALLACK:

2 I think it should be 50 bucks.

3 MR. POTEET:

4 Anybody think it should be less than  
5 50?

6 MR. PARNELL:

7 I think it should be more than that.

8 MR. HALLACK:

9 Derek says more than that.

10 MR. PARNELL:

11 After further discussion -- I did say  
12 50 bucks a little while ago, but after further  
13 discussion, I think it should be more.

14 MR. POTEET:

15 Anybody think it should a thousand?

16 MR. BRITT:

17 I think -- I think 500.

18 MR. OLAVE:

19 I think 500 is the low end, yes.

20 MR. HALLACK:

21 Now, you've got to realize how much  
22 money they're going to make off doing this.

23 MR. POTEET:

24 I'm not -- what's a fair number?

25 MR. HALLACK:

1 I don't have an opinion.

2 MR. OLAVE:

3 Does 500 cover the cost?

4 MR. PARNELL:

5 I would think so, yes.

6 MR. POTEET:

7 500. It sounds like they -- the --  
8 what I'm hearing from the gallery here is about  
9 500.

10 Does anybody feel like that's way too  
11 high?

12 MR. BRITT:

13 I've seen what they charge for other  
14 seminars.

15 MR. POTEET:

16 Is it way -- is it way too low?

17 MR. BRITT:

18 It depends on the organization.  
19 That's all I'm going to say.

20 MR. POTEET:

21 500 is a drop in the bucket for some  
22 people. For other people, that's a lot of  
23 money.

24 All right. So let's start at 500 for  
25 right now. That's not a final conclusion.

1           That's just a suggestion.

2           MR. HALLACK:

3                    Okay.  So subsection E talks about  
4           the grounds for which the Commission may deny  
5           an application for an instructor.  If he's ever  
6           been convicted of forgery, embezzlement,  
7           obtaining money under false pretenses, larceny,  
8           extortion, conspiracy to defraud, or theft.  If  
9           he puts in his application, a false statement  
10          of material fact.  If a previous professional  
11          license or certification held by the applicant  
12          has ever been revoked, or if he fails to meet  
13          the minimum requirements.  Mr. Parnell has  
14          already provided you with the minimum  
15          requirements document, which we'll go over in a  
16          minute.  So that's the grounds for which your  
17          application to be an instructor may be denied.

18                   F, talks about we have to grant the  
19          license within 45 days after it's received  
20          unless there was some other delay, which would  
21          cause it to be extended.  So how do you feel  
22          about that?  Do you think that we should be  
23          able to make a determination on the  
24          instructor's application within 45 days?  Do  
25          you think it should be less?  Should it be 30?

1           Should it be 60?

2           MR. POTEET:

3                     Derek, what do you think about that?

4           MR. PARNELL:

5                     I think 45 is reasonable. 30, if you  
6 look at we meet every 30 days, typically, for  
7 the seminar. From -- what I see happening is  
8 that the document comes in. I do a review of  
9 it, and then submit it at the next Commission  
10 meeting for your approval.

11          MR. POTEET:

12                     Yes. 45 days instead of having  
13 something --

14          MR. OLAVE:

15                     I'd like -- I'd like to say, aren't  
16 we pressed up against a January deadline,  
17 though, for this? So if we wait until the next  
18 meeting to finalize this, and then give 45 days  
19 -- and I'm not saying it works logistically,  
20 but we're going to -- we're going to be  
21 approving a vendor in November or December,  
22 potentially. I mean, I just see that -- I see  
23 that being pressed up against the window that  
24 we're not going to be able to get through.

25          MR. PARNELL:

1                   Are we sure that we can -- do we have  
2 the authority to receive the \$500 as it relates  
3 to the fee, is my -- is the first question.

4                   MR. HALLACK:

5                   I'm sure. Unless somebody complains,  
6 we will.

7                   MR. PARNELL:

8                   We have to have the rule. This is --  
9 my second question is: Do we have to have the  
10 rule and regulation in place prior to us moving  
11 forward with even putting this out there? I  
12 know we have a statute that says we have the  
13 authority to do that, but does that mean that a  
14 rule and regulation needs to be in place prior  
15 to us even moving forward with starting this  
16 process?

17                   MR. POTEET:

18                   You mean just asking for applications  
19 or telling people it's going to be available?

20                   MR. HALLACK:

21                   You have to have this approved by the  
22 Commission first, so any potential instructor  
23 or applicant would know what is expected of  
24 him.

25                   MR. OLAVE:

1                   My question is: Don't we have to  
2                   have the criteria for that?

3                   MR. HALLACK:

4                   You've got to decide that, right.  
5                   It's in here. It's part of what you're looking  
6                   at.

7                   MR. POTEET:

8                   Well, if we approve this at the next  
9                   meeting, that's September 17th.

10                  MR. HALLACK:

11                  Yes.

12                  MR. POTEET:

13                  That should be plenty of time.

14                  MR. HALLACK:

15                  I would agree.

16                  MS. MORRIS:

17                  This calendar that we have, there's  
18                  legislation from the last session that changes  
19                  the rule making process. And so it goes  
20                  through another review, I think, at the  
21                  Governor's Office now.

22                  MR. PARNELL:

23                  Right.

24                  MS. MORRIS:

25                  And there is supposed to be a meeting

1 at the register on August 31st to review the  
2 new process, so.

3 MR. PARNELL:

4 I'll ask.

5 MR. OLAVE:

6 Let me -- let me ask you: What is --  
7 as it pertains to the deadline? Is the  
8 deadline that the continuing education class  
9 actually commence in January? Or does the  
10 Commission have to have it in place?

11 MR. HALLACK:

12 I think we said January, Steve,  
13 because that would begin a new license period.  
14 In other words, we can't implement it right  
15 now, because, you know, it would be easier to  
16 implement when we come up to a new license  
17 period.

18 MR. OLAVE:

19 What happens if we're late?

20 MR. HALLACK:

21 Pardon?

22 MR. OLAVE:

23 What happens if we're after the  
24 January 1st?

25 MR. HALLACK:

1 I just -- I think --

2 MS. MORRIS:

3 It would go into effect the next  
4 year. We -- when we did the legislation, we  
5 didn't put a hard deadline to start it, because  
6 we didn't know what was involved in the  
7 start-up. So we just -- the Commission has the  
8 authority to require the continuing education,  
9 but we did not put January 1st, because we  
10 weren't sure we could make January 1st.

11 MR. POTEET:

12 Well, if you look -- if you look at  
13 the timetable, final rule published, the  
14 timetable is February 20th.

15 MS. BARON:

16 So can't start yet.

17 MR. POTEET:

18 The governor still has got to approve  
19 or disapprove the oversight negative report in  
20 the next 10 days.

21 MR. OLAVE:

22 So we're not going to make it.

23 MR. HALLACK:

24 We could.

25 MS. MORRIS:

1                   This says January, but I think that  
2 the first page is for --

3                   MS. BARON:

4                   The first page is for September.

5                   MR. PARNELL:

6                   I think we were trying to do it by  
7 September 20th, starting the process for the  
8 next renewal process.

9                   MS. MORRIS:

10                   There's -- like I said, the rule  
11 making process was changed during the session,  
12 so.

13                   MR. PARNELL:

14                   December 31st.

15                   MS. MORRIS:

16                   So I think that we might need to  
17 follow that process as well. I don't know.  
18 There's a meeting at the register on August 1st  
19 to go through the new process. But I just  
20 emailed to you -- Derek, I just emailed you  
21 what I got from the register.

22                   MR. PARNELL:

23                   Okay.

24                   MS. MORRIS:

25                   So I'm not sure what impact that's

1 going to have.

2 MR. POTEET:

3 So what do we have to do today if  
4 want to follow this timetable?

5 MR. HALLACK:

6 You have to approve it.

7 MR. POTEET:

8 Approve this?

9 MR. HALLACK:

10 Yes.

11 MR. POTEET:

12 We only changed one thing.

13 MR. HALLACK:

14 We changed a couple of things.

15 MR. POTEET:

16 So we don't have a fee yet or we need  
17 a fee.

18 MS. MORRIS:

19 What's the date of our September  
20 meeting?

21 MR. POTEET:

22 September 17th.

23 MR. OLAVE:

24 And then I'd like to add that  
25 potential vendors may have some time that it

1 takes once they're approved to develop the  
2 process. What time frame are we -- is that  
3 addressed in here as far as what time frame  
4 we're going to give them on the approval to get  
5 the thing kicked off?

6 MR. HALLACK:

7 No, no. The only -- the only time  
8 frame for that is that we must approve it  
9 within 45 days from the application.

10 MR. OLAVE:

11 I'd like to ask the LIADA if there --  
12 if they have any preparations already made, not  
13 -- you're one of the possible vendors, the only  
14 one here. Have you guys made any preparations  
15 for this or any --

16 MS. DOMANGUE:

17 We have something in the works.  
18 We're waiting to kind of see how things  
19 develop, so that we can submit something that  
20 meets all the guidelines. And so as the  
21 guidelines and y'all are determining those,  
22 we're keeping what we have. But, no, we're not  
23 starting from ground zero with something.

24 MR. OLAVE:

25 Well, my question then would be:

1           Theoretically, if we approved you today, how  
2           long do you think it would take to get that --  
3           not giving you an approval. Just,  
4           theoretically, how long would it take the LIADA  
5           to put something together would you thing?

6           MS. DOMANGUE:

7                     30 days.

8           MR. POTEET:

9                     30 days.

10          MR. OLAVE:

11                    30, okay. That's fair enough.

12          MR. HALLACK:

13                    And they've got a substantial  
14           investment in it so far.

15          MR. POTEET:

16                    All right. Where were we?

17          MR. HALLACK:

18                    We were on F. Well, we discussed F.  
19                    G, once approved, the instructor will  
20           be given a certificate issued by the  
21           Commission. "No fee for attending the  
22           post-license/continuing education seminar may  
23           be charged by the instructor unless approved by  
24           the Commission."

25                    What do you think about that? At the

1 last meeting, we discussed the fact that the  
2 market should bear out what it would be and not  
3 what the Commission thinks it should be. And  
4 then the other commission said, whoa, whoa,  
5 whoa, we need to make sure that we have some  
6 oversight on the fee. Do you agree with that  
7 decision or not agree with it.

8 MR. TAYLOR:

9 I agree.

10 MR. OLAVE:

11 Absolutely.

12 MR. TAYLOR:

13 I don't want anybody -- to hold  
14 anybody hostage for their license by charging a  
15 huge fee, you know. So I agree.

16 MR. HALLACK:

17 Okay. Anybody disagree?

18 MR. OLAVE:

19 Again, I would add that that will  
20 potentially delay the process if there's any  
21 going back and forth with a potential applicant  
22 not satisfied with the fees that we authorize,  
23 and then I just -- I see that being somewhat  
24 logistically complex as well.

25 MR. HALLACK:

1           Okay. As you can see in subsection  
2 I, the license for the instructor is only good  
3 for two years and must be re-approved every two  
4 years. That's in the law. That's the way it  
5 is in the law. We can't change that. We can't  
6 go against that.

7           J, the certificate may be revoked or  
8 suspended for good cause upon 30 days notice.  
9 So that's your oversight.

10          MR. OLAVE:

11           Yes, sir.

12          MR. HALLACK:

13           Okay. That's not in the law. That's  
14 something that we added.

15           And K, the educational seminar  
16 instructor shall issue a uniform certificate of  
17 completion as approved by the Commission. So  
18 they issue the certificate. We issue the  
19 certificate on the initial educational seminar.

20          MR. POTEET:

21           All right. So Ms. Morris brought up  
22 something that -- in terms of the actual  
23 deployment of this sort of thing. All right.  
24 If we do this -- if we follow the timetable and  
25 we get this done by January 20th, we're going

1 through renewals already at that point in time.

2 MR. PARNELL:

3 That starts next month.

4 MR. POTEET:

5 I mean, we would be all completed,  
6 except for anybody who's late. So we would be  
7 completed. So if we have the rule in place by  
8 January 20th, wouldn't that mean we would have  
9 to delay it until 2020?

10 MR. HALLACK:

11 Until the application process in  
12 November of 2019, right.

13 MR. POTEET:

14 Okay. And then that brings us to one  
15 point. So how many -- how many renewals do you  
16 have annually, roughly, not counting the  
17 salesperson, just your dealers?

18 MR. PARNELL:

19 I think we have, what -- I think it's  
20 roughly about -- anywhere from 1,700 to 2,300  
21 on each district, because we have it staggered,  
22 Districts 1, 2, and 3 and Districts 4 and 5 --  
23 4 and 5.

24 MR. POTEET:

25 So if my license is due at the --

1           let's say next year, okay. Does that mean that  
2           all -- me and 2,300 other people are going to  
3           be trying to take this seminar between November  
4           15th and January 1st?

5           MS. MORRIS:

6                     Yes.

7           MR. HALLACK:

8                     And remember --

9           MR. POTEET:

10                    Is that the way we want to -- is that  
11           the way we want to do it?

12           MR. PARNELL:

13                    No. Well, the way the statute reads  
14           -- we're going back. The way the statute reads  
15           is that they have to take it prior to the  
16           renewal period, so.

17           MR. POTEET:

18                    So if I -- if I'm up for renewal for  
19           2020, you know, I'm going to do my renewal next  
20           year to be renewed on January 1, 2020. Then, I  
21           can take it in February or March or April.

22           MS. BARON:

23                     Right.

24           MR. PARNELL:

25                     Correct.

1 MR. POTEET:

2 Okay. So if we approve this in  
3 January, we could theoretically tell people  
4 that they need to take it before they renew at  
5 the end of '19.

6 MS. MORRIS:

7 You can start getting the information  
8 out.

9 MR. POTEET:

10 As soon as we -- as soon as we accept  
11 somebody, accept their application, we can say,  
12 okay, this is how it works, you now have  
13 between now -- because I -- I'm just guessing,  
14 I'm not going to say the bulk will not take  
15 that thing. They're all going to wait until --

16 MS. BARON:

17 They're going to wait until --

18 MR. POTEET:

19 So I don't see any --

20 MR. OLAVE:

21 Just like our ethics.

22 MR. PARNELL:

23 Or we may have put the wrong date,  
24 then. If the person is renewing for '19 and  
25 '20, they're going to have to wait.

1 MR. HALLACK:

2 Yes.

3 MR. DONNELL:

4 My dealership is going to renew in  
5 '19.

6 MR. PARNELL:

7 '19 and '20.

8 MR. POTEET:

9 So you're out.

10 MR. DONNELL:

11 I'm out?

12 MR. POTEET:

13 You're out.

14 MR. DONNELL:

15 Okay.

16 MR. POTEET:

17 So the next cycle, even if we don't  
18 get it approved and all of this process -- this  
19 gets back to Steve's point. If we get this  
20 done by February 15th, there will still be  
21 plenty of time.

22 MR. OLAVE:

23 It's not for '19 renewals. It's for  
24 --

25 MR. POTEET:

1 Right. I would say there's some time  
2 and, again, I'm not sure what that date would  
3 be, now that we've gone too far to make the  
4 2020 renewal. Like, maybe, I don't know,  
5 September 1st or October 1st, because then  
6 you're forcing everybody -- they don't know  
7 about the law. They don't understand it. It  
8 hasn't been presented to them. If you present  
9 it sometime in the first quarter of the year, I  
10 think that's fair. Something after that, the  
11 further we get away from the first quarter, the  
12 more -- the more it's hard to disseminate the  
13 information and for people to understand it or  
14 comply with it or whatever, so.

15 MR. TAYLOR:

16 One final question: We do have the  
17 ability to fine and --

18 MR. HALLACK:

19 Yes.

20 MR. TAYLOR:

21 -- if they don't take --

22 MR. HALLACK:

23 It is in the statute that it is a  
24 violation of our law if you fail to take the  
25 continuing education seminar, okay. So it

1           would be nice if y'all could give us some  
2           direction, say this is what we approved and  
3           we'll have a final for you at the next meeting  
4           for your approval.

5           MR. DONNELL:

6                     I make a motion.

7           MR. HALLACK:

8                     Wow. All right. So the first one  
9           that we've got to -- we've got to deal with is  
10          under 4402-H, the fee for attending the  
11          pre-license educational seminar. That's what  
12          Mona spoke to you earlier about, what our  
13          actual costs are. And I think some of y'all  
14          are leaning toward \$100 covering what we do.  
15          Some of y'all are looking at 125 to make sure  
16          we cover what we do. I think Mr. Poteet hit  
17          the nail on the head, the actual probable way  
18          to make sure we get covered is around 110.

19          MR. POTEET:

20                     Or somewhere more than 100 and less  
21          than 125 is what the break even would be.

22                     Well, I think we've discussed it  
23          enough. Would someone like to -- do you want  
24          to discuss it any more before somebody makes a  
25          proposal -- a motion? Excuse me.

1 MR. OLAVE:

2 I make a motion -- I make a motion we  
3 charge \$100 and we can always revisit the fee  
4 once Mona comes up with a break-even on a 100,  
5 because 100 is profitable up until, maybe, year  
6 four or five.

7 MR. POTEET:

8 Okay. That's your motion?

9 MR. OLAVE:

10 I say let's not burden our dealers  
11 with any more costs if necessary.

12 MR. DONNELL:

13 Second.

14 MR. POTEET:

15 We have a motion and a second.

16 All in favor, say, "Aye."

17 (All but two "Aye" responses.)

18 MR. POTEET:

19 Any opposed?

20 MR. TAYLOR:

21 I oppose --

22 MR. POTEET:

23 I oppose.

24 MR. TAYLOR:

25 -- just based on the fact that our

1 Commission as a whole is not a profit center.  
2 We're not making money annually, so. Although,  
3 I respect your concern for the dealers, I would  
4 not oppose it. But I would have recommended  
5 \$125.

6 MR. POTEET:

7 Okay. So we have two opposed. So  
8 the motion carries. So, \$100. All right.

9 MR. HALLACK:

10 Okay. So if you look at 4403 and we  
11 look at the application fee for the instructor,  
12 I think y'all did agree on \$500; is that  
13 correct?

14 MR. POTEET:

15 Well, it sort of looks like we're  
16 settling in on that. Do we need a motion for  
17 that, too?

18 MR. HALLACK:

19 It would be nice.

20 MR. POTEET:

21 Do I have a motion?

22 MR. BRITT:

23 I'd like to make a motion.

24 MR. POTEET:

25 Motion from Mr. Britt.

1 MR. OLAVE:

2 Second.

3 MR. POTEET:

4 Second over here.

5 All in favor, say, "Aye."

6 (All "Aye" responses.)

7 MR. POTEET:

8 Any opposed?

9 (No response.)

10 MR. POTEET:

11 All right. That carries.

12 MR. HALLACK:

13 And then, again, we're deleting  
14 4402-G-1. That allows them a 60-day grace  
15 period to take the seminar.

16 MR. DONNELL:

17 We're deleting that?

18 MR. HALLACK:

19 We're deleting that, G-1, just that  
20 one, okay. All the changes that y'all would  
21 like to see made to the rules and regulations  
22 for the educational seminar.

23 MR. POTEET:

24 I think that covers it pretty well.

25 MR. HALLACK:

1                   Okay.

2                   MR. PARNELL:

3                   Wait, going back to G-1, are we  
4 deleting that entire -- or do we need to state  
5 something different?

6                   MR. OLAVE:

7                   Yes, agreed.

8                   MR. PARNELL:

9                   I don't think we should delete it. I  
10 think we need to amend what's there.

11                  MR. POTEET:

12                  Oh, you mean the wording to say --

13                  MR. OLAVE:

14                  How about just delete after the  
15 issuance of a license?

16                  MR. POTEET:

17                  Well, let's just reword it to match  
18 the statute. That's probably right, Steve.  
19 Let's just reword it to match the statute.

20                  Can we do that, Robert?

21                  MR. HALLACK:

22                  Yes. Okay. So as amended, we need a  
23 motion to approve the rules and regulations.

24                  MR. OLAVE:

25                  I make that motion.

1 MR. DONNELL:

2 Second.

3 MR. POTEET:

4 A motion and a second.

5 All in favor, say, "Aye."

6 (All "Aye" responses.)

7 MR. POTEET:

8 Any opposed?

9 (No response.)

10 MR. POTEET:

11 All right. That carries.

12 MR. PARNELL:

13 The only thing I would like to expand  
14 upon this, I don't know -- as it relates to our  
15 guidelines, we need to require the vendors to  
16 advise us on how will they service the  
17 dealers's data? How will they store the  
18 dealers's data? What type of storage are they  
19 going to use? I think we need to have that  
20 information.

21 MR. POTEET:

22 Can't we study it a little bit?

23 MR. PARNELL:

24 Yes. I would like us to settle down  
25 with this document.

1 MR. POTEET:

2 Yes. And we also need to think about  
3 the fee that we're going to approve for them to  
4 charge.

5 MR. PARNELL:

6 I agree.

7 MR. BRITT:

8 Mr. Chairman, can I interject  
9 something about the vendors? On those vendors,  
10 some of them are going to come in under a  
11 corporate name and they might have 10 guys  
12 around the country hired. So they need to  
13 furnish you in advance, in my opinion, who  
14 their instructors are going to be that are  
15 going to be working Louisiana, because not only  
16 are you going to have to do a check on the  
17 corporation, the corporation's owners, but the  
18 individual instructor.

19 MR. POTEET:

20 That's fine.

21 MR. BRITT:

22 And that's what scares me about some  
23 of these companies that do this stuff, because  
24 there's multiple of them for different avenues.

25 MR. POTEET:

1 Right.

2 MR. HALLACK:

3 And you only have to approve this at  
4 the next meeting.

5 MS. ANDERSON:

6 We need to require them to have  
7 insurance, right, to operate?

8 MR. PARNELL:

9 Yes, they should have --

10 MS. ANDERSON:

11 Professional liability for trainers.

12 MR. POTEET:

13 That would be somewhere in here. If  
14 it's not in here now, we'll need that, yes.

15 Does anybody have any suggestions?

16 I would recommend -- I would  
17 recommended everybody take this home with them.  
18 If you have any recommendations, please send  
19 them to Derek and, maybe, just copy us all, in  
20 reply to all of this, just so everybody sees  
21 what everybody is bringing in. But make sure  
22 Derek is on your email. And we need -- do we  
23 want to discuss the fee right now or do you  
24 want to wait?

25 MR. DONNELL:

1                   We can wait on this.

2                   MR. HALLACK:

3                   I think we need to talk about it a  
4 little bit more, kind of talk with the LIADA --

5                   MR. POTEET:

6                   Okay.

7                   MR. HALLACK:

8                   -- and see how much they're looking  
9 at charging.

10                  MR. POTEET:

11                  Okay. I agree with what Dino said  
12 earlier, though. We need to -- we can't let it  
13 just kind of float to the market. We need to  
14 have some kind of control over it.

15                  MR. HALLACK:

16                  Well, you've got -- the rules and  
17 regs require that you approve the fee.

18                  MR. POTEET:

19                  Okay.

20                  MR. TAYLOR:

21                  Just so we can think about it for the  
22 next 30 days.

23                  Have y'all had any discussion about  
24 what you would want to charge?

25                  MS. DOMANGUE:

1                   Not really. I think it's been on the  
2 agenda for the next meeting. Now that it's  
3 getting closer --

4                   MR. TAYLOR:

5                   So it will be next weekend?

6                   MR. POTEET:

7                   Next weekend.

8                   MS. DOMANGUE:

9                   If I had to throw a number out there,  
10 I'm thinking the \$100 range.

11                  MR. POTEET:

12                  That sounds cheap.

13                  MS. DOMANGUE:

14                  We also talked about doing something  
15 to where if you're a member of the LIADA, then  
16 it's less expensive.

17                  MR. POTEET:

18                  Oh, okay.

19                  MS. DOMANGUE:

20                  So there's some things that we are  
21 considering.

22                  MR. HALLACK:

23                  How many licensed used motor vehicle  
24 dealers do we have?

25                  MR. PARNELL:

1                   Total at 9,000, but the dealership  
2 itself is about 4,300.

3                   MR. HALLACK:

4                   4,300 times 100 bucks. That's  
5 \$430,000.

6                   MR. OLAVE:

7                   Half a year, right? Half of those  
8 are a year's renewal?

9                   MR. HALLACK:

10                   Yes.

11                   MR. OLAVE:

12                   So that will be 200,000 a year.

13                   MR. HALLACK:

14                   Ultimately. Yes, ultimately.

15                   MR. OLAVE:

16                   200,000 a year.

17                   MR. HALLACK:

18                   I think it will be \$215,000 a year.

19                   MR. OLAVE:

20                   Yes. I like the nominal fee not to  
21 burden the dealers.

22                   MR. POTEET:

23                   All right. Let's see. Where are we?  
24 Oh, ratification of imposed civil penalties.

25                   MR. PARNELL:

1                   Commissioners, you will find in your  
2 packet a chart that illustrates the dealers  
3 that were in violation of state law. These  
4 cases have been investigated and I have  
5 determined that the public interest can be  
6 served without further administrative  
7 proceedings. Thus, civil penalties were  
8 imposed. I will announce the names of dealers  
9 that have been imposed civil penalties.

10                   For the record, do we have anyone  
11 present for any dealer that is listed on that  
12 chart for imposed civil penalties?

13                   MS. BARON:

14                   Nobody is here.

15                   MR. PARNELL:

16                   Rich Boys Imports, LLC, from Baton  
17 Rouge, Louisiana, violation fine amount is  
18 \$150. Audler Auto Sales, from Slidell,  
19 Louisiana, fine amount is \$450. 9820 Florida,  
20 LLC, doing business as Blue Ribbon Motors,  
21 Baton Rouge, Louisiana, fine amount is \$500.  
22 I'm not going to try to say this name, doing  
23 business as, Affordable Auto Sales, from Scott,  
24 Louisiana, fine amount is \$750. Ndubuisi  
25 Autoplex, LLC, from Baton Rouge, Louisiana,

1 fine amount is \$350. RV Liquidators, LLC, from  
2 Hammond, Louisiana, fine amount is \$200.  
3 Anthony Dawson, doing business as, Double C  
4 Auto Sales, from Baker, Louisiana, fine amount  
5 is \$850. David Lee Edwards, doing business as,  
6 King Edwards Auto, from Baton Rouge, Louisiana,  
7 fine amount is \$400. Millennium Motor Sales,  
8 LLC, doing business as, Millennium Motors, from  
9 Breaux Bridge, Louisiana, fine amount is \$200.  
10 JP Market Management, LLC, fine amount is \$200,  
11 from Lafayette, Louisiana. Esteban Motors,  
12 LLC, from Lafayette, Louisiana, fine amount is  
13 \$250. First Choice Auto Sales, LLC, from Lake  
14 Charles, Louisiana, fine amount is \$700. Keith  
15 Jones Auto Sales, LLC, from Opelousas,  
16 Louisiana, fine amount is \$150. Escort  
17 Enterprises, Incorporated, from Baton Rouge,  
18 Louisiana, fine amount is \$400. Felix  
19 Arceneaux, doing business as, Highway 31 Auto  
20 Sales & Salvage, from Opelousas, Louisiana,  
21 fine amount is \$550.

22                   Commissioners, I ask that you ratify  
23 the imposed civil penalties assessed. The  
24 total amount of civil penalties for the month  
25 was \$6,100.

1 MR. POTEET:

2 I need a motion to ratify.

3 MR. CORMIER:

4 I make a motion.

5 MR. BRITT:

6 Second.

7 MR. POTEET:

8 Second Mr. Britt.

9 All in favor, say, "Aye."

10 (All "Aye" responses.)

11 MR. POTEET:

12 Any opposed?

13 (No response.)

14 MR. POTEET:

15 All right. That carries.

16 Revocations.

17 MR. PARNELL:

18 All right. Commissioners, you will  
19 find in your packet a chart that illustrates  
20 the dealers, which their license has been  
21 revoked. Please note that each dealer has  
22 already been through the revocation process.  
23 We've already viewed the lobby area. We saw  
24 that no one was present. So I'll move forward  
25 through the list. Brown's Auction Company from

1           LLC -- Brown's Auction Company, LLC, from  
2           Eunice, Louisiana, notice of revocation was  
3           June 14th of 2018. JFAM Auto Sales, LLC, from  
4           Scott, Louisiana, notice of revocation was June  
5           14th of 2018. Spend Five and Drive, LLC, from  
6           Morgan City, Louisiana, notice of revocation  
7           was June 13th of 2018.

8                       Commissioners, I ask that you ratify  
9           the revocation of the dealers I have just  
10          identified.

11                 MR. OLAVE:

12                       I make a motion.

13                 MR. WATTS:

14                       Second.

15                 MR. POTEET:

16                       Second Mr. Watts.

17                       All in favor, say, "Aye."

18                       (All "Aye" responses.)

19                 MR. POTEET:

20                       Any opposed?

21                       (No response.)

22                 MR. POTEET:

23                       Executive Director's report.

24                 MR. PARNELL:

25                       Commissioners, the enforcement

1 division has been working really hard to  
2 investigate the consumer complaints and further  
3 ensure that the licensees are in compliance  
4 with the laws of Louisiana. This Commission is  
5 the regulatory authority for independent used  
6 motor vehicles, but we also have the large task  
7 of being a consumer protection agency as well.  
8 If you look at your packets, I have a few  
9 charts in there.

10 The first one is there the alleged  
11 issue counts for the month of July of 2018.  
12 There were 111 alleged issues during the month  
13 of July. The next document is the case report.  
14 The case report illustrates the total number of  
15 cases assigned to investigators for the month.  
16 There were 58 cases assigned to the  
17 investigators. Three of those cases have been  
18 completed. The next document is the department  
19 summary report. This illustrates the total  
20 number of cases that have been closed for the  
21 month. During the month, there were 28  
22 physical inspections conducted by the  
23 investigators. There were 259 site visits  
24 conducted. Audits that are currently being  
25 conducted is 9. The history of consumers with

1 money being returned is \$10,620.

2 Moving forward, the next thing --  
3 unless you have any questions or comments or  
4 concerns about the numbers as it relates to  
5 compliance and enforcement.

6 (No response.)

7 MR. PARNELL:

8 The next item that I would like to  
9 present to you is to talk about -- right now,  
10 we're in the process of preparing for our  
11 renewal period. We're sending all of our  
12 documents and showing that we're trying to  
13 update online, the renewal portal, make sure  
14 that everything is working properly. Next  
15 month, we will start our process and we'll try  
16 to get out all of our information. We'll send  
17 out emails. We'll also send out those cards to  
18 all the dealers trying to notify them that  
19 we're starting the renewal process, go ahead  
20 and try to get your stuff in, in a reasonable  
21 time. As always, we have -- what we say is  
22 that if you have all of your information in  
23 prior to November 1, you are guaranteed to have  
24 your license by January 1. One thing I imposed  
25 upon licensing staff two years ago, and it's

1 worked out really well, is a 14-day turnaround.  
2 If all of the dealers have all of their license  
3 and requirements in place, that they have a  
4 14-day turnaround. Staff has that time frame  
5 to get that -- get the license out to them.  
6 And that's worked really well. The first year  
7 was a little rocky, last year went by pretty  
8 smooth. We didn't have really a lot of  
9 delinquent persons. We're always going to have  
10 delinquent persons who do not submit  
11 everything, that are piecemeal with their  
12 license package, but, you know, we're going to  
13 always have that and we've got to try to work  
14 through that.

15 The licensing department does a good  
16 job at getting information back out to the  
17 dealer to inform them of what they're missing,  
18 what they're lacking. And as soon as they get  
19 that packet, we can move forward with it.

20 The next item I want to kind of talk  
21 about, the software solution that we've been  
22 talking about in the past. You know, there are  
23 several agencies currently that have CAVU  
24 licensing and most of them are trying to move  
25 forward, trying to going to another solution.

1           One of those companies that we met with was  
2           called System Automation and that was a product  
3           that we really looked at in-depth.  They -- and  
4           they -- and they have a product that I felt  
5           really would elevate what we're doing as an  
6           agency and how we can move forward for the next  
7           10 or 15 years.  But we did receive a quote and  
8           that quote was incredibly high.  So what  
9           they've been doing is, since they've had so  
10          many agencies that have looked at them, they're  
11          trying to do something -- implement something  
12          that they've done, I think it was Pennsylvania,  
13          another state, where they would kind of go  
14          through the Secretary of State.  We had a  
15          meeting that Mona and I attended where they  
16          were presenting to the Secretary of State, just  
17          kind of presenting their proposal to them to  
18          try to see if they can incur some of the --  
19          lower some of the cost for the state agencies  
20          since there are so many that are trying to move  
21          to another licensing software.  This method, we  
22          think, could work out really well as it relates  
23          to all the state agencies getting that software  
24          solution at a lower cost.  But there were some  
25          hang-ups with the Secretary of State.  I don't

1 think -- I think that they are kind of trying  
2 to work through the situation right now with  
3 the Secretary of State, so they can come to a  
4 resolution first. Then, they can kind of move  
5 that product throughout the other state  
6 agencies that are trying to move for that  
7 software solution.

8 MR. POTEET:

9 How many -- how many agencies,  
10 roughly?

11 MR. PARNELL:

12 We -- at the meeting with us, there  
13 were four other agencies that were there. But,  
14 roughly, how many have CAVU, I do not know.

15 MR. POTEET:

16 Is five enough for this company to  
17 consider lowering costs? I mean, it's just  
18 five.

19 MR. PARNELL:

20 I don't know.

21 MR. POTEET:

22 Mona is nodding her head just a  
23 little bit.

24 MR. PARNELL:

25 I mean, they really -- from what they

1 talked to us about, they're really excited  
2 about, you know, trying to set up something for  
3 the next 10 or 15 years, because if they put  
4 something in place, there will be some agencies  
5 that will be the first ones that will go  
6 onboard with this. But if the product works  
7 and it's a smooth transition through  
8 everything, they will sell it better to other  
9 agencies that are having somewhat problems with  
10 theirs.

11 MR. POTEET:

12 Do you know how many use CAVU?

13 MR. PARNELL:

14 I don't know that, no. Is it, like,  
15 nine or 10?

16 MS. ANDERSON:

17 Yes. I was going to say, when we  
18 went to a meeting that Iron Data had, who  
19 originally had CAVU, there were nine or 10  
20 different agencies represented. Now, some of  
21 those have since developed their own program.  
22 But there's a lot of them that are similar in  
23 our size that have gone and contracted with  
24 local people and it didn't work out. You've  
25 got to have some depth with those, you know,

1 programs. And so they're working -- this  
2 company is pretty solid and they worked -- it  
3 was -- in Indiana was the -- they did the GoBiz  
4 in Indiana. It's called something else. Ours  
5 is GoBiz, but theirs is something else. But  
6 then they develop similar programs there for  
7 the different agencies. And so by developing  
8 it across the state, they could cut the cost to  
9 the agency. And they may be able to cut some  
10 of the costs on some of the other programs that  
11 the Secretary of State is using, so.

12 MR. OLAVE:

13 Are there -- are there any costs  
14 involved with the developmental part of finding  
15 out if we're going to use them? Because I know  
16 we spent some money on the logistics part of  
17 that, that we didn't end up doing. So is there  
18 any cost involved with that?

19 MR. PARNELL:

20 Mona?

21 MS. ANDERSON:

22 They don't --

23 MR. PARNELL:

24 They don't charge anything.

25 MS. ANDERSON:

1                   -- they already have it in place.

2           MR. PARNELL:

3                   They already are vetted. They are  
4 already in place so it is not that we would  
5 have go through a developmental process with  
6 it.

7           MR. OLAVE:

8                   Only cost if we decide to do it?

9           MR. PARNELL:

10                   To move forward, right.

11           MS. ANDERSON:

12                   And they operate by -- they get the  
13 Secretary of State and the state to have people  
14 onboard that can kind of troubleshoot the  
15 program. And that way, they can cut the cost  
16 to the agencies. So they use an agency, like  
17 Secretary of State agency staff, to, you know,  
18 assist in the on-ground. That's how they come  
19 in at a lower cost.

20           MR. POTEET:

21                   One last question: Is CAVU -- is  
22 anyone -- are there any agencies that are happy  
23 with CAVU?

24           MR. PARNELL:

25                   None that we've met.

1 MR. POTEET:

2 Okay.

3 MR. PARNELL:

4 And even when they first -- some of  
5 the agencies that we reached out to that are  
6 out of state with them, none of them are happy  
7 with that product. As Mona just said, a lot of  
8 agencies, they went on their own and got a  
9 software solution created, but then none of  
10 them were really happy with that product  
11 either. So that's why they were looking at  
12 this system, because they've seen, like, for a  
13 licensing agency or a regulatory agency, it  
14 would be something that could really work  
15 moving forward.

16 The last item I kind of want to  
17 discuss is the new vehicle that we had talked  
18 about. It was finally approved through  
19 procurement and the purchase order was sent to  
20 the dealer. Once property assistance --  
21 Louisiana -- LPAA, Louisiana Property  
22 Assistance, inventories the vehicle, puts the  
23 GPS, then they will give me a call and say,  
24 hey, look, it's time to come pick it up, send  
25 us a check. Then, at that point, we will go

1 ahead and move forward with trading in the  
2 Magnum that we have out here, the silver car,  
3 and go ahead and do that trade-in and go ahead  
4 and move forward with it. We'll assign it to  
5 an investigator and we'll keep going.

6 So with that said, that concludes my  
7 report. So if there are any questions,  
8 comments, or concerns, please advise.

9 MR. POTEET:

10 Anybody have any questions?  
11 Comments? Concerns?

12 (No response.)

13 MR. POTEET:

14 All right. I think we need to  
15 adjourn for a few minutes and come back for our  
16 hearings, right.

17  
18 (Meeting adjourned at 10:58 a.m.)  
19  
20  
21  
22  
23  
24  
25

REPORTER'S CERTIFICATE

1  
2  
3 I, BETTY D. GLISSMAN, Certified Court  
4 Reporter, Certificate No. 86150, in and for the  
5 State of Louisiana, do hereby certify that the  
6 Louisiana Used Motor Vehicle Commission August  
7 20, 2018, meeting was reported by me in the  
8 stenotype reporting method, was prepared and  
9 transcribed by me or under my personal  
10 direction and supervision, and is a true and  
11 correct transcript to the best of my ability  
12 and understanding.

13 This September 4, 2018, Baton Rouge,  
14 Louisiana.

15  
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19  
20  
21 \_\_\_\_\_  
22 BETTY D. GLISSMAN, CCR  
23 CERTIFIED COURT REPORTER  
24  
25