

LOUISIANA USED MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA

REGULAR MEETING
OCTOBER 17, 2011
BEGINNING AT 9:35 A.M.

3132 VALLEY CREEK
BATON ROUGE, LOUISIANA

REPORTED BY:
BETTY D. GLISSMAN, CCR

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

1 APPEARANCES:

2

3 CHAIRMAN:

4 MR. JOHN POTEET

5

6 COMMISSIONERS PRESENT:

7 MR. GEORGE BREWER

8 MR. RHETT BOURGEOIS

9 MR. RON DUPLESSIS

10 MR. GEORGE FLOYD (arrived late)

11 MR. KIRBY ROY

12 MR. DOUGLAS TURNER

13

14

15 REPRESENTING THE LOUISIANA USED MOTOR
16 VEHICLE COMMISSION:

16

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

19

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

22

23

24

25

Draft Copy

1 ALSO PRESENT:

2

3 MS. KIM BARON

4 MR. DEREK PARNELL

5 MS. MONA ANDERSON

6 MR. BUTCH WRIGHT

7 MS. SHEILA JONES

8 MR. KEVIN REMBERT

9 MR. BRAD SAIA

10 MS. CHERYL WALTON

11 MS. BARBARA ALEXANDER

12 MS. MARY SUE STAGES

13 MS. GINGER EPPES

14 MS. SHELLEY JOURDAN

15

16

17

18

19

20

21

22

23

24

25

1 MR. POTEET:

2 Okay. Let's get started with
3 the Pledge of Allegiance.

4 (Pledge of Allegiance.)

5 MR. POTEET:

6 All right. Kim, roll call.

7 MS. BARON:

8 John Poteet?

9 MR. POTEET:

10 Here.

11 MS. BARON:

12 George Brewer?

13 MR. BREWER:

14 Here.

15 MS. BARON:

16 Louis Bourgeois?

17 MR. BOURGEOIS:

18 Here.

19 MS. BARON:

20 Tony Cormier?

21 MR. CORMIER:

22 (No response.)

23 MS. BARON:

24 Ron Duplessis?

25

Draft Copy

1 MR. DUPLESSIS:

2 Here.

3 MS. BARON:

4 George Floyd?

5 MR. FLOYD:

6 (No response.)

7 MS. BARON:

8 Kirby Roy?

9 MR. ROY:

10 Here.

11 MS. BARON:

12 Darty Smith?

13 MR. SMITH:

14 (No response.)

15 MS. BARON:

16 Douglas Turner?

17 MR. TURNER:

18 Here.

19 MS. BARON:

20 Mr. Poteet, we have a quorum.

21 MR. POTEET:

22 Thank you, Ms. Baron. Okay.

23 Do we have anyone here for

24 public comments today?

25 MS. BARON:

1 No, sir. They are all on the
2 agenda.

3 MR. POTEET:

4 I guess we'll get started off
5 with Mona. Is she here today?

6 I see you back there. You
7 are hiding behind Kim.

8 We are going to do two months
9 at one time.

10 MS. ANDERSON:

11 As you said, we're going to
12 go over two months.

13 MR. PARNELL:

14 First we have to approve the
15 minutes.

16 MR. POTEET:

17 I skipped that.

18 Hopefully, you've all had a
19 chance to read the minutes from the prior
20 meeting and I need a motion to approve those
21 minutes.

22 MR. TURNER:

23 Motion to approve.

24 MR. BOURGEOIS:

25 I second.

1 MR. POTEET:

2 I have a second.

3 All in favor, say "Aye."

4 (All "Aye" responses.)

5 MR. POTEET:

6 None opposed.

7 Now, we'll move on to

8 financial matters.

9 MS. ANDERSON:

10 If you will turn in your
11 packet to the first page of the financials,
12 that is for August, ending August 31. At
13 the end of August, the cash account had a
14 balance of \$658,985, which is about the same
15 balance as we had last month and it's about
16 \$258,000 more than last year for the same
17 period.

18 In the accounts receivable
19 hearings account, we collected \$32,400 in
20 August leaving a balance of \$6,400. In the
21 liability section of the balance sheet, your
22 current liabilities total about \$93,000 of
23 the \$739,000 shown there on Page 1. The
24 compensated absences and the overhead
25 liability were increased for the -- from --

1 at audit time to the figure that you see
2 there.

3 On Page 2, the fund balance
4 is \$303,736, which is slightly different
5 than the unrestricted assets you are going
6 to see on the audit due to some audit
7 entries that we made on our books after the
8 audit was over.

9 Moving on to the next report,
10 the revenue and expenditure statement on
11 Pages 3 through 6, on Page 4 of that report,
12 the year-to-date revenues were \$66,141 in
13 August compared to last year's revenues of
14 \$43,000. Under the expenditures, the
15 year-to-date salaries and related benefits
16 were \$98,370, which is about \$11,000 lower
17 than last year.

18 On Page 5, the operating
19 expenses were \$17,103 compared to the
20 \$59,497 last year. The main difference
21 there is that the total insurance premium
22 was recorded in August last year and we are
23 recording that on a monthly basis now, which
24 is a better understanding of your finances.

25 Under the year-to-date

1 professional services, we were about \$2,600
2 higher than last year. There was a payment
3 in last year's professional services that
4 was voided and reissued the following month.

5 And on the last page there,
6 Page 6, total expenditures were \$56,477.
7 Budgeted, we should have about 83 percent of
8 the expenditures left in the budget and we
9 actually have 87.64. And year-to-date
10 revenue over expenditures was a loss of
11 \$60,000 compared to a loss of \$125,000 last
12 year for the same period.

13 Moving on to the revenue and
14 expenditures report, you see the loss
15 recorded there at mid page \$60,000.

16 On the following page is our
17 certificates of deposit summary. There are
18 no changes in that report. However, we've
19 got some CDs that are coming up and we can
20 expect some changes there.

21 On Page 9 is the accounts
22 receivable report and there you see that
23 \$32,400 that we collected leaving the
24 balance of \$6,400 at the end of August.

25 MR. POTEET:

1 I think we might need to
2 approve the August financials.

3 Are there any questions or
4 comments on the August financials before we
5 move on?

6 MR. BREWER:

7 Midcity Auto, what's the
8 latest on Midcity Auto?

9 MS. ANDERSON:

10 All we have left is \$2,000.

11 MR. BOURGEOIS:

12 They paid \$20,000. Do we
13 want to write off the other \$2,000 or what
14 are we going to do?

15 MR. POTEET:

16 We're going to look at that
17 later, right?

18 MR. PARNELL:

19 Well, I guess we could
20 discuss it now.

21 MR. POTEET:

22 Why don't we save that
23 discussion until the September? Let's go
24 ahead and approve the August financials.

25 MR. ROY:

1 So moved.

2 MR. POTEET:

3 We need a second.

4 MR. TURNER:

5 Second.

6 MR. POTEET:

7 All in favor, say "Aye."

8 (All "Aye" responses.)

9 MR. POTEET:

10 Let's move on to the
11 September financials.

12 MS. ANDERSON:

13 At the end of September, the
14 bank account had a balance of \$605,955. Our
15 accounts receivable hearings account had
16 \$25,775, and you'll see the additions late
17 at that later report at the end of my
18 report. The autos and equipment category
19 for assets, we increased that by adding the
20 computers that we purchased and the phone
21 system update. So at the end of September
22 on the second sheet there, our loss was
23 \$83,823.

24 Moving on to the revenue and
25 expenditure statement on Pages 3 through 6,

1 on Page 4, our year-to-date revenues were
2 \$129,000 compared to the \$146,000 last year.
3 With the upgrade of the online renewal
4 process, the October revenues will kick back
5 up once -- you know, now that's all
6 operational we can bring those figures more
7 in line. So you are going to see an
8 increase in October for the difference
9 there. There was -- last year's credit card
10 collections were in the neighborhood of
11 \$30,000. So that's pretty much the
12 difference there.

13 Under the expenditures,
14 middle of the page, the amount remaining in
15 the budget at the end of September should be
16 about 75 percent and it's actually 77
17 percent in the salaries and related
18 expenses, and overall I think it's probably
19 -- we're probably about four percent better
20 than budget. The year-to-date salaries and
21 expenditures were \$5,300 lower than last
22 year.

23 On Page 5, our operating
24 expenditures were under budget. Some
25 unusual expenses that we had in this period

1 under the auto maintenance and repairs, we
2 had transmission trouble with one vehicle.
3 Of course, the postage, that's our renewal
4 postage that you see there, the mail out of
5 the letter regarding the two year licensing
6 and all of the changes. And the office
7 supplies were related items that we
8 purchased for the computers, cases and
9 what-have-you.

10 Under the professional
11 services, the difference in the year to date
12 is basically our \$5,900 audit, which is the
13 same amount as last year.

14 So on Page 6, the computer
15 system charges there for \$5,940, that
16 includes -- we paid for some updates from
17 CAVU, some training on configuration of the
18 new CAVU dot.net. And the year-to-date
19 revenue over expenditures was an \$83,800
20 loss. And, like I said, at least \$30,000 of
21 that, if not more, is going to show up in
22 October because of the online process being
23 delayed. The same loss is shown on Page 7
24 on the revenue and expenditure report.

25 On Page 8, your certificates

1 of deposit, no changes again, but I have
2 talked to Landmark about the renewal of
3 those October and we are looking at two
4 possibilities. If we renew on a six month,
5 the rate is point 90. If we renew on an
6 annual basis, it's 1.1. And pretty much
7 everywhere else, I've checked some other
8 banks, and the other banks tell me some
9 banks are not even taking certificates of
10 deposit unless you have your account with
11 them.

12 Moving on to the accounts
13 receivable hearing report, we added a couple
14 of items, Eveque's Towing and Scott's
15 Enterprise to that report, and we also --
16 that's the last two items there on the
17 report and we also collected \$1,025 on
18 Eveque's Towing.

19 Did you want to talk about
20 whether we want to write off the rest of
21 Midcity or --

22 MR. PARNELL:

23 Yes. Midcity was -- if you
24 recall, Commissioners, Midcity, we did have
25 a hearing on them. We did fine them

1 \$22,000. We went against their bond and
2 collected \$20,000 of the \$22,000 fine. The
3 \$2,000 that's remaining at this point, do
4 you want to pursue them to collect the
5 \$2,000 or is that something that we need to
6 move forward and try to write off? I'm not
7 really sure what pleases the Commission.
8 They are out of business. They are really
9 nowhere to be found.

10 MR. BOURGEOIS:

11 Do you recommend we write it
12 off?

13 MR. PARNELL:

14 Well, I know that we've done
15 that in the past on some other items, but if
16 we can collect it, I would like to collect
17 it, you know, because it was a fine that was
18 imposed upon them.

19 MR. POTEET:

20 I don't want to spend any
21 time on it, though.

22 MR. PARNELL:

23 The cost of it --

24 MR. ROY:

25 How long has this been going

1 on?

2 MR. TURNER:

3 Since January.

4 MR. PARNELL:

5 That's when he was fined.

6 MR. ROY:

7 Okay. I see the date.

8 MR. TURNER:

9 Have we sent any letters to
10 the owner?

11 MR. HALLACK:

12 I sent a demand letter.

13 MR. TURNER:

14 You sent a demand letter. No
15 response?

16 MR. HALLACK:

17 No response.

18 MR. BREWER:

19 Have they applied for a new
20 license?

21 MR. PARNELL:

22 No.

23 MR. BOURGEOIS:

24 They won't be able to get a
25 bond if they tried to get one.

1 MR. POTEET:

2 Does anybody have --

3 MR. BOURGEOIS:

4 I make a motion we write them
5 off.

6 MR. POTEET:

7 I have a motion to write off
8 the last \$2,000.

9 MR. BREWER:

10 I second.

11 MR. POTEET:

12 We have a second.

13 All in favor, say "Aye."

14 (All "Aye" responses.)

15 MR. POTEET:

16 Any opposed?

17 (No response.)

18 MR. POTEET:

19 All right. We'll write that
20 \$2,000 off.

21 MS. ANDERSON:

22 Unless there are any
23 questions, that concludes my report.

24 MR. TURNER:

25 I have one question. The

1 \$5,900 for the audit, last year, what month
2 did that fall in?

3 MS. ANDERSON:

4 I'm sorry?

5 MR. TURNER:

6 What month did it fall in?

7 MS. ANDERSON:

8 Let's see. I think it was in
9 October is when we paid it. That's why it
10 fell differently.

11 MR. POTEET:

12 Let's see. The next item on
13 the agenda is review of the Legislative
14 Auditor's report. We have Mary Sue Stages
15 here.

16 Come on up, Mary Sue. How
17 are you doing today?

18 MS. STAGES:

19 I'm fine.

20 How are all of y'all?

21 MR. POTEET:

22 Good.

23 MR. ROY:

24 There was no motion on the
25 financial report.

1 MR. POTEET:

2 We didn't do a motion?

3 MS. BARON:

4 Not for October.

5 MR. POTEET:

6 Before you get started, we
7 need a motion.

8 MR. BOURGEOIS:

9 I make a motion we pass it.

10 MR. POTEET:

11 I have a motion right here.

12 MR. FLOYD:

13 Second.

14 MR. POTEET:

15 I have a second, George.

16 All in favor, say "Aye."

17 (All "Aye" responses.)

18 MR. POTEET:

19 All right. That passes.

20 MS. STAGES:

21 All right. Unless y'all have
22 any objection, I'm just going to sort of
23 give you an overview. If you will turn to
24 Page 10, this is your net assets. You ended
25 the last fiscal year with 1.3 million in

1 assets. That's an increase of about
2 \$182,000. Most of that is in cash. You
3 have built your cash reserves from prior
4 years. Your liabilities are \$730,000.
5 \$85,000 of that is current.

6 MR. ROY:

7 I'm sorry. Can you start
8 over, please?

9 MS. STAGES:

10 Sure. Well, you can also go
11 to Page 5. The year -- you ended your year
12 with 1.3 million dollars in assets, which is
13 an increase of about \$182,000, and that
14 increase is pretty much all in cash. The
15 liabilities were \$73,000. The biggest
16 portion of that is your other post
17 employment benefits, which at this point you
18 are not required to fund. However, I would
19 encourage you to keep that in the back of
20 your mind when you are budgeting in the
21 future. I recently read that there are four
22 states now that have required their
23 government to fund their OPEB. So somebody
24 started the ball rolling and I don't know if
25 it will ever get down here to Louisiana, but

1 it is something that other states have
2 started to do. So you may just want to
3 think in the back of your mind when you are
4 budgeting to try to put a little bit aside
5 to fund that OPEB liability.

6 MR. POTEET:

7 Have there been other
8 agencies or commissions in Louisiana
9 that have already started funding their
10 own?

11 MS. STAGES:

12 There are a few. I have a
13 few clients that are beginning to put a
14 little something aside simply because they
15 have enough cash right now to do it, because
16 they are scared that if they don't restrict
17 that money or designate that money for that
18 purpose that the State could spend it for
19 something else.

20 MR. POTEET:

21 Is there some sort of a
22 formula, like, you know, we've got \$614,000,
23 maybe 10 percent a year or five percent a
24 year?

25 MS. STAGES:

1 Maybe five percent a year,
2 between five and 10 percent, depending on
3 your cash availability. And, basically,
4 what y'all would do is you would designate
5 that money for that purpose, so it would
6 show up in your net assets as unrestricted
7 but designated for.

8 MR. BOURGEOIS:

9 Do we need a motion on that
10 later or --

11 MR. POTEET:

12 Well, we can wait until we do
13 the budget.

14 MR. BOURGEOIS:

15 I understand.

16 MS. STAGES:

17 At any point in time that you
18 actually need that money for operations or
19 anything because you have designated it as a
20 Board, then this Board can also undesignate
21 it.

22 MR. POTEET:

23 Okay.

24 MS. STAGES:

25 Okay. The liabilities did go

1 up, but a big portion of that, you know,
2 \$40,000 almost of that was your OPEB
3 liabilities. Another big part of that is
4 the payroll liabilities, but they are paid
5 in the subsequent month. So there's not any
6 type of long-term liability there. So from
7 a working capital point of view, y'all are
8 really in a good position. Y'all are much
9 better than you were the year before.

10 On the next page is the
11 statement of activities. You had one point
12 -- almost 1.1 million dollars in revenues,
13 \$985,000 in operating expenses. So you
14 ended the year with an operating income of
15 \$66,000. In the previous year, you had an
16 operating loss of \$71,000. So you have
17 certainly turned a corner there. Part of
18 your increase in revenues, \$47,000 in the
19 fines, the assessments, and that is
20 something that, of course, you know could be
21 low one year, high one year. You really
22 don't have any predictions as far as that
23 goes. But even without that income, you
24 still would have had an operating income.
25 You would have had an increase in your net

1 assets, and a big part of that is the
2 management that staff has made over the
3 expenses for the year. Then, the
4 non-operating revenues were \$25,000. So you
5 increased your net assets by \$92,000. In
6 the previous year, you had decreased your
7 net assets by \$63,000. I would like to
8 commend the staff because they did keep an
9 eye on it very closely. A lot of the
10 controls, they really tightened up on them.
11 There's much better communication between
12 the two sides. I always call this the
13 accounting side of the building, the
14 operations over there. There's a lot better
15 communication going on there. So I think
16 the accounting -- accounting-wise everything
17 is more timely, and I believe much more
18 accurate.

19 There are no findings this
20 year because everything has been pretty much
21 tightened up. The controls that have been
22 put into place in the accounting department
23 have been made much tighter. So I was
24 really pleased to see that. The only thing
25 -- issue we had last year was the online

1 collections and, you know, there was a big
2 part of that collected, a big part of that
3 collected, just a little bit that had to be
4 written off at the end, but their efforts
5 there were commendable.

6 MR. BOURGEOIS:

7 Do you blame all of that on
8 Derek?

9 MS. STAGES:

10 I blame all of the
11 improvement on Derek. He and Mona did a
12 very good job, very good job. I don't think
13 Mona has left any stone unturned in her
14 quest to go back and make sure that every
15 item on the financial statement is complete
16 and accurate.

17 As far as budget goes, there
18 is a budget report in the back. Let's see
19 if I can get you the page number. I have it
20 here. It's Page 27. The revenues were a
21 little bit less than anticipated, about
22 \$43,000. The biggest part of that you can
23 see is the licensing and other fees and I
24 think that that will improve as the
25 experience of the separation of the licenses

1 is a little bit, you know, clearer. But if
2 you look at the expenditures, they spent
3 \$58,000 less than they were given the
4 authority to spend. So that allowed you to
5 end your year positively by about \$16,000 as
6 far as budgeting goes. They definitely
7 operated within their budget constraints.

8 Do y'all have any questions
9 for me?

10 MR. POTEET:

11 It sounds like a pretty good
12 audit. Do we get a blue star?

13 MS. STAGES:

14 A blue star, getting back on
15 track.

16 MR. POTEET:

17 Personally, I just want to
18 commend the staff, Derek and all of his
19 staff for doing a great job. I mean, we had
20 a fantastic turnaround over the last couple
21 of years. I think it is pretty commendable
22 and you guys are doing a great job. I think
23 the rest of the Commission would agree with
24 me.

25 MR. TURNER:

1 I second that.

2 MR. POTEET:

3 So thank you, Mary Sue.

4 MS. STAGES:

5 Thank you.

6 MR. POTEET:

7 I guess we'll see you next
8 year.

9 MS. STAGES:

10 It comes around every year.

11 MR. POTEET:

12 Good.

13 The next thing we have are
14 legal matters and pending litigation.

15 Mr. Hallack, do you have
16 anything to say here?

17 MR. HALLACK:

18 Yes. We had the appeal of
19 Value Imports. You remember Mr. Ibrahim was
20 before us and we assessed a fine and we
21 revoked his license. He took an appeal on
22 that. We answered the appeal and lodged it
23 in the record. The appeal will be argued on
24 December 5th at 9:30 before Judge Todd
25 Hernandez. Our briefs are due, like,

1 about a month before the --

2 MR. BOURGEOIS:

3 What parish is that?

4 MR. HALLACK:

5 It's in this parish, East
6 Baton Rouge. The briefs are due, like, a
7 month before.

8 MR. POTEET:

9 That's a pretty cut and dry
10 situation, isn't it, really?

11 MR. HALLACK:

12 Yes, sir.

13 MS. BARON:

14 I'm sorry. What was the date
15 on that?

16 MR. HALLACK:

17 December 5th at 9:30, Judge
18 Todd Hernandez. I think it was a
19 substantial fine and I believe we revoked
20 his license.

21 MR. POTEET:

22 Right.

23 Does anybody have any --

24 Derek, do you have any comments on that one?

25 MR. PARNELL:

1 No. I think he said
2 everything that -- I think he did say it was
3 a pretty substantial fine that we assessed
4 to him. He did appeal and we just have to
5 go through the process before we can
6 actually -- his license is not revoked as of
7 yet?

8 MR. BOURGEOIS:
9 It's not revoked?

10 MR. PARNELL:
11 No, because of the appeal.

12 MS. BARON:
13 The appeal.

14 MR. BOURGEOIS:
15 So he may be just buying a
16 little time. He knows he's probably going
17 down.

18 MR. PARNELL:
19 Didn't he get a stay?

20 MR. HALLACK:
21 He did not get a stay. He
22 hasn't requested one, yet.

23 MS. MORRIS:
24 His license was revoked.

25 MS. BARON:

1 His license was not revoked.

2 MR. BOURGEOIS:

3 It's not under appeal?

4 MR. PARNELL:

5 It's under appeal, but his
6 license --

7 MR. HALLACK:

8 It's under appeal, but he has
9 not requested a stay from the court.

10 MS. MORRIS:

11 Is he still in business?

12 MR. PARNELL:

13 No.

14 MR. POTEET:

15 Until the judgment is
16 executable.

17 MR. HALLACK:

18 I don't know if he is in
19 business or not.

20 MR. PARNELL:

21 I believe he still is.

22 MS. BARON:

23 He is still in business.

24 MR. BOURGEOIS:

25 He is still in business

1 without a license? His license hasn't been
2 revoked?

3 MS. BARON:

4 His license hasn't been
5 revoked.

6 MR. PARNELL:

7 I think that was a
8 misunderstanding on our part.

9 MR. DUPLESSIS:

10 It has been revoked if he
11 doesn't have a stay; is that correct?

12 MR. HALLACK:

13 Yes.

14 MS. MORRIS:

15 It's my understanding of the
16 Administrative Procedure Act that unless you
17 a get stay or an order by the court.

18 MR. BOURGEOIS:

19 And he hasn't?

20 MR. HALLACK:

21 He has not requested a stay.

22 MS. BARON:

23 He will be revoked as of
24 today, then.

25 MR. DUPLESSIS:

1 He was to be revoked the day
2 that we revoke him, but --

3 MS. BARON:

4 Can we back date that revoke?

5 MS. MORRIS:

6 Whatever the date the order
7 was signed is the effective date.

8 MR. DUPLESSIS:

9 So he's operating without a
10 license right now.

11 MR. PARNELL:

12 We dropped the ball on that
13 one.

14 MR. BOURGEOIS:

15 Can you go out there and pull
16 that order?

17 MS. MORRIS:

18 Well, the order was delivered
19 to him?

20 MS. BARON:

21 Yes.

22 MR. BOURGEOIS:

23 But he's still doing
24 business?

25 MS. MORRIS:

1 Cease and desist.

2 MR. HALLACK:

3 I'll let his lawyer know
4 today.

5 MR. POTEET:

6 We have to do a cease and
7 desist?

8 MS. MORRIS:

9 Robert can communicate with
10 his counsel to make sure he's not in
11 business.

12 MR. BOURGEOIS:

13 Do we need to make a motion
14 to do a cease and desist?

15 MR. POTEET:

16 No. We'll just have to
17 follow-up on that and make sure that legally
18 he is revoked.

19 Okay. Good old Sundance
20 Boats.

21 MR. HALLACK:

22 We are still in a holding
23 pattern on that.

24 MR. POTEET:

25 Nothing new?

1 MR. HALLACK:

2 I think we have some people
3 here today from the Attorney General's
4 Office that are going to talk to us about
5 that.

6 MR. POTEET:

7 Is that -- that's the next
8 item, B?

9 MS. BARON:

10 Yes.

11 MR. POTEET:

12 So there's no need really to
13 discuss that at this point.

14 All right. Well, let's move
15 on to that.

16 Derek, do you want to take
17 over?

18 MR. PARNELL:

19 Well, D is the discussion of
20 the Interagency Agreement with the Louisiana
21 Used Motor Vehicle Commission and the
22 Louisiana Department of Justice, Collection
23 Section. Commissioners, this is a
24 discussion that has come up in, you know,
25 recent months we have dealt with Sundance

1 Boats, who is the manufacturer domiciled in
2 Georgia. The Commission -- and we were
3 going to attempt to hire counsel in Georgia
4 to actually litigate out there for us. In
5 discussions with the Attorney General's
6 Office, we found out that that's something
7 that we cannot do as a state agency, cannot
8 hire counsel outside unapproved by the
9 Attorney General's Office to do that. We
10 have been in on some formal conversations
11 with Ms. Eppes, who is chief -- section
12 chief within the collections section, and
13 she did confirm that. We cannot do that.
14 But during our conversation, we did talk
15 about some possibilities that we could do,
16 although it's somewhat limited being that
17 they are in Georgia, we did discuss some
18 possibilities or alternatives that we can do
19 in relation to collecting on that fine and
20 subsequent fines.

21 For example, the Interagency
22 Agreement is not necessarily specific to
23 just the Sundance Boats issue. It's all
24 other items that we can't have some
25 collection on. So I have with us today Ms.

1 Ginger Eppes, section chief, and Ms. Shelly
2 Jourdan. I did invite them so we could kind
3 of get a little bit more understanding and
4 clarity on that process that we were looking
5 as it relates to the outside -- outside of
6 the State of Louisiana.

7 Ms. Eppes, if you will, can
8 you kind of address the Commission in kind
9 of regards to what we discussed on the phone
10 as it relates to the -- outside the state,
11 what attorney -- what counsel we can use?

12 MS. EPPES:

13 Well, Shelly is the Assistant
14 Attorney General with our office and I can't
15 answer too many of the legal questions
16 because I'm not an attorney. However, what
17 we do do when we have an account or debt
18 from state agencies or boards or
19 commissions, once you place it with us, then
20 we start making demands on those agencies.
21 We send out demand letters. We have a staff
22 of collectors that make phone calls. We
23 track down who the responsible parties are
24 for those debts and try to work up some kind
25 of payment arrangements with them to get

1 your money back for you.

2 In the event that we are
3 unsuccessful through the nicer method of
4 collection efforts, then we refer it to our
5 legal section who then pursues it through
6 litigation to get your money. This
7 particular case seems to be an issue because
8 it is out of state. In our brainstorming we
9 talked about we have probably 150 attorneys
10 in our office, many of them are licensed in
11 other states. We thought about going
12 through our office to find some that may be
13 licensed in Georgia, which is not unusual,
14 and see if we can't them to file papers on
15 the Georgia side for us.

16 MR. PARNELL:

17 Shelley, do you have any
18 thoughts?

19 MS. JOURDAN:

20 Well, other than that, we
21 file long-arm suits often against out of
22 state debtors and we obtain judgment.
23 Normally, when we file -- once we obtain a
24 judgment within the state, we will pursue
25 garnishment of bank accounts or of -- it

1 will be a bank account with a company, but
2 -- are held with the court with judgment
3 debtor examinations and thing of that
4 nature. Since they are out of state,
5 though, the issue would be we could contact
6 possibly the Attorney General's Office there
7 to see if they would assist us in collecting
8 on the matter, but usually we have to weigh
9 the cost of collection versus the amount
10 that we are going to collect, which would
11 include the filing fees and other costs that
12 come about.

13 MR. POTEET:

14 So what we are looking at
15 here is if we have an out-of-state issue,
16 the best thing -- the procedure is to just
17 take it directly to your section.

18 MS. MORRIS:

19 I'm the one that recommended
20 to Derek that he contact the Attorney
21 General's Collection Section, and even
22 the \$2,000 that you spoke of earlier,
23 you pay Robert and I hourly and a lot of
24 times on collections, it's not really a good
25 investment. Whereas, the Attorney General's

1 Office is set up with a collection
2 department and they have the resources
3 necessary to do the collections and they
4 will collect that for state agencies for 25
5 percent of the -- what they are able to
6 recover plus the court costs.

7 MS. JOURDAN:

8 In addition.

9 MS. MORRIS:

10 So they would look at the
11 debt. And it's kind of another set of eyes
12 to look at your judgment and say this really
13 isn't worth going through the collection
14 process or it kind of is another step toward
15 due diligence when you are writing something
16 off to have somebody else other than the
17 Commissioners that sat on the case really to
18 look at it and see, you know, are there
19 avenues to collect it or not or is there
20 something that we need to write off. So
21 they would review your accounts under
22 agreement and there are some that they would
23 probably say --

24 MS. EPPES:

25 It's not worth it.

1 MS. MORRIS:

2 -- it's not worth it or, you
3 know, sometimes we have a fine that's less
4 than \$1,000 and there might be some
5 threshold that they might say if it's X
6 number of dollars, it's really not worth the
7 cost doing that, but it would be somebody
8 outside the agency to help you make a
9 determination as to what files you should
10 write off and which ones maybe you should
11 pursue collection. And then this particular
12 one, Sundance, which I think is the largest
13 outstanding account, happens to be an out of
14 state manufacturer. So it has other
15 complications and initially the Commission
16 had approved hiring somebody on a
17 contingency fee basis to collect it in
18 Georgia, and when I saw the agreement, I
19 questioned it and was told by the Attorney
20 General's Office that, in fact, we could not
21 hire on a contingency fee basis, not only
22 for the Georgia counsel, but any collection
23 account that we have.

24 MR. HALLACK:

25 What provision of the law is

1 that that will not allow us to hire a
2 non-resident counsel to secure a
3 non-resident debt?

4 MS. MORRIS:

5 Well, I talked with Rick
6 McGimsey and he said -- he wasn't going to
7 say absolutely we couldn't hire out of state
8 counsel if we had an out of state issue.
9 But we can't hire anybody on a contingency
10 fee is prohibited by a state agency.
11 Locally, we can hire on a contingency fee in
12 some instances, but state agencies are
13 prohibited.

14 MR. HALLACK:

15 What is it within our law
16 that prohibits us from --

17 MS. MORRIS:

18 We are under the general
19 state provision for procurement.

20 MR. HALLACK:

21 That would include
22 non-resident counsel?

23 MS. MORRIS:

24 Well, he said that we would
25 have to have it approved by the Attorney

1 General's Office. He said it was a pretty
2 unusual request, but it couldn't be on a
3 contingency fee basis because we are not
4 allowed to hire on a contingency fee basis.
5 So we would have to do it -- first of all,
6 re-negotiate with that attorney and we would
7 have to have it approved by the Attorney
8 General's Office before the contract could
9 be -- it still would have to go through
10 contractual review just as your contract
11 does and Attorney General approval.

12 MR. HALLACK:

13 But you're saying the
14 Attorney General will not approve
15 contingency fee contracts?

16 MS. MORRIS:

17 No. It's prohibited under
18 the case law, in several decisions in the
19 case law. It has to have a special
20 provision and I think there are two or three
21 agencies that have that. I know one of them
22 is the Ethics Board has a collection
23 provision.

24 MR. PARNELL:

25 That would be something

1 through legislation that we would have to
2 add that?

3 MS. MORRIS:

4 Right. We do not have
5 specific legislation to allow it. So the
6 contract that you all were looking at was
7 contingency fee based, which was kind of
8 what I questioned, and then my question was,
9 if it's an out of state lawyer, does it have
10 to go through the same process as with in
11 state lawyers and they said absolutely that
12 it would since it's still a professional
13 service contract, but they said that they
14 don't have -- they have not approved outside
15 counsel, but it's not a request that they've
16 really had from other agencies. So they
17 said they would look at it, but it couldn't
18 be on a contingency fee basis. They were
19 not going to approve that.

20 MR. POTEET:

21 Well, it seems to me that
22 this is a better way to go anyway, to go
23 through the Attorney General's Office and
24 have some help on this kind of stuff.
25 That's just my opinion looking at it from

1 our viewpoint.

2 MS. MORRIS:

3 Our licensees, some of them
4 don't even come to the hearings and don't
5 respond to the Commission demands or
6 whatever, but maybe they will respond to the
7 Attorney General. And I don't really
8 understand that. You would think that
9 somebody licensed by this agency would
10 respond to correspondence by the agency, but
11 they don't.

12 MR. TURNER:

13 So in this case what do we
14 need to do with this, turn it over to the
15 Attorney General's Office and let them
16 collect it?

17 MS. EPPES:

18 Well, there is in your packet
19 a sample contract that they've provided us
20 with and it's the basic contract that they
21 have with agencies. We might need some
22 minor adjustments in the language, but
23 that's their basic terms that they use. And
24 then once -- if you all agree to enter a
25 contract with them, once it is approved,

1 then we can turn over the accounts and meet
2 with them and decide how to go forward with
3 any particular account we have.

4 MR. POTEET:

5 Now, this Interagency
6 Agreement, do we have to do this each time
7 we have -- or is it just --

8 MS. EPPES:

9 It's a three year.

10 MR. POTEET:

11 It's a three year.

12 MS. EPPES:

13 With an option to opt out at
14 any time. You have a 30 day cancellation.

15 MR. POTEET:

16 Is this something we need to
17 approve?

18 MR. PARNELL:

19 If we want it.

20 MR. DUPLESSIS:

21 What have we determined to be
22 the total fine on Crownline?

23 MR. PARNELL:

24 I think it's \$364,000, which
25 is pretty -- very substantial for here, but

1 I'm still confused on what we can actually
2 do with them. Because in talks with Ms.
3 Eppes, one thing they can do is send on
4 department letterhead their documents
5 demanding the fine, but beyond that, I don't
6 know.

7 MR. DUPLESSIS:

8 Well, I think that we need to
9 clear that up if there is 25 percent -- up
10 to 25 percent contingency fee.

11 MR. POTEET:

12 Plus court costs.

13 MR. DUPLESSIS:

14 Plus court costs. Can y'all
15 tell us how you would approach this case?
16 We have \$365,000 out there. Would you
17 negotiate it down and get a payment or how
18 would you all approach collecting these
19 funds?

20 MR. HALLACK:

21 You're talking about
22 Sundance?

23 MR. DUPLESSIS:

24 Yes.

25 MR. HALLACK:

1 It is \$420,000.

2 MS. JOURDAN:

3 \$420,000. Well, we have a
4 policy of not settling on any of our
5 accounts. In order to do that, I believe on
6 a state agency, we normally -- if someone
7 presents something in writing, then we will
8 present it to you. You all can make a
9 decision on that. But I don't believe that
10 is allowed even by the statute, that we can
11 collect -- I mean, that we can settle on any
12 debt owed to the State.

13 MR. DUPLESSIS:

14 If the debt is owed to the
15 Commission, which is a state agency, you
16 wouldn't have any wiggle room?

17 MR. POTEET:

18 It's either all or nothing?

19 MS. JOURDAN:

20 To avoid -- when we do a
21 settlement, it's usually tied to avoidance
22 of additional litigation costs. We are kind
23 of avoiding -- if they come in with an
24 offer, we present it, and then you handle it
25 however you normally handle it.

1 MR. BOURGEOIS:

2 So we can handle -- go ahead.

3 MR. POTEET:

4 I was going to say, so we can
5 make that decision. The Attorney Attorney's
6 General's Office doesn't make that decision.

7 MS. JOURDAN:

8 We will not offer any
9 settlement to anybody out there. We don't
10 have that authority to do that.

11 MR. BOURGEOIS:

12 That's probably better for
13 us, too.

14 MR. DUPLESSIS:

15 You know, this is just my
16 take on it, but the way that -- when we were
17 here and he was collecting two grand a day,
18 plus all sorts of other fines, if we pursue
19 a \$425,000 judgment and we get it, I think
20 that's going to tarnish us in the boat
21 industry pretty good, and he probably
22 deserves everything he gets. But what does
23 that do for our agency? Well, I guess
24 that's really towards the New Vehicle
25 Commission at this point in time, but it's

1 going to be a heck of a blow for the tough
2 economy and that's just kind of my
3 observation. But that's just a hand he's
4 dealt himself.

5 MR. POTEET:

6 My personal opinion on this
7 is, I don't think we are going to collect
8 \$420,000 from this guy no matter what we do.
9 I think our goal here is to get something
10 out of him. I think by going through the
11 AG's Office, we at least get an opportunity
12 to do it the right way and get it taken care
13 of. They do their work and they say, here
14 it is and the guy says that's what we can
15 do, then we make a decision at that point.
16 I think our goal was at one point in time,
17 we've gone so many months, we've had it at
18 different times, we talked about settling or
19 making offers or negotiating and all of
20 these different things. Our goal is to,
21 number one, make sure that, you know, people
22 follow our laws and our guidelines; and,
23 number two, is to collect as much as we
24 possibly can out of somebody who has been a
25 problem for this agency -- for this

1 Commission.

2 MR. BREWER:

3 In this particular case, he
4 came back with a ridiculous offer and said
5 he would declare bankruptcy if we forced the
6 issue.

7 MR. DUPLESSIS:

8 But he seemed to be quite
9 solvent.

10 So, Shelley, with that
11 information, how would you pursue him, would
12 you have -- I know I'm asking kind of a
13 broad question, but just knowing that we are
14 willing to settle and he is willing to
15 declare bankruptcy, we feel quite certain
16 that he is very solvent.

17 MS. JOURDAN:

18 I would start with just the
19 process that we go with everyone, with the
20 letters and some sort of phone calls to try
21 to make contact to see if he is, of course,
22 aware of the debt and what his position is
23 on it. And after that, we would pursue
24 long-arm and file suit. Hopefully, that
25 would either prompt communication with his

1 attorney. With a debt that large, I would
2 assume that he would have one, but maybe
3 not. And usually at some point, they will
4 -- if the problem is -- if he doesn't plan
5 on doing business again in the state, then
6 he may not have interest in -- he may not be
7 afraid at all. This may not scare him one
8 bit.

9 MR. POTEET:

10 And I don't think he thinks
11 we are serious at all.

12 MR. DUPLESSIS:

13 Exactly right. He is very
14 arrogant and cavalier towards the agency.

15 MR. PARNELL:

16 He did say he won't -- he
17 will just never do business here again.

18 MR. BREWER:

19 It will be over in the State
20 of Louisiana.

21 MS. JOURDAN:

22 Well, once we start sending
23 letters and making communication, he may
24 realize that this may go beyond just doing
25 business in the state. I think that that

1 would spark communication.

2 MR. POTEET:

3 Yes, exactly.

4 MR. HALLACK:

5 We have a similar case with
6 Crownline. Crownline is probably over
7 \$600,000.

8 MR. BOURGEOIS:

9 So we just have them paying
10 court costs and then a fee?

11 MR. HALLACK:

12 Crownline is out of Illinois.

13 MR. BOURGEOIS:

14 So our investment is minimal.

15 MR. POTEET:

16 Well, I think we understood
17 that.

18 MR. DUPLESSIS:

19 No downside.

20 MR. POTEET:

21 There's no downside to this
22 at all.

23 MR. BOURGEOIS:

24 I would like to make a
25 motion.

1 MR. POTEET:

2 I have a motion that we
3 accept the Interagency Agreement.

4 MR. ROY:

5 Second.

6 MR. PARNELL:

7 I think there needs to be
8 some language changed on the agreement.

9 MS. MORRIS:

10 Subject to -- if you give us
11 authority, Derek and I authority to make
12 some language adjustments.

13 MR. BOURGEOIS:

14 I would like to make a motion
15 that we allow Derek and Ms. Morris to make
16 an agreement with the Attorney General's
17 Office.

18 MR. POTEET:

19 All right. I have a motion.

20 MR. ROY:

21 Second.

22 MR. POTEET:

23 Second.

24 All in favor say "Aye."

25 (All "Aye" responses.)

1 MR. POTEET:

2 Any opposed?

3 (No response.)

4 MR. POTEET:

5 All right. The next thing we

6 have on the agenda is discussion of

7 authorized use of dealer inventory plates.

8 This is a hot issue.

9 MR. PARNELL:

10 This item was placed on the

11 agenda, and if you look in your packet, we

12 do have a statute, Revised Statute 47:473,

13 Louisiana Department of Public Safety, the

14 Office of Motor Vehicles, as it relates to

15 authorized use of plates. Let me just read

16 what authorized use is. The plate allows

17 the dealer for which the plate is issued to

18 operate any motor vehicle which is held by

19 the dealer as inventory for any purpose

20 which is related to offering the motor

21 vehicle for sale, to displaying or

22 exhibiting the motor vehicle to the public,

23 to demonstrating the qualities of the motor

24 vehicle, or to maintaining or enhancing the

25 condition of the value of the motor vehicle.

1 This item was placed on the agenda by the
2 request of Commissioner Turner because there
3 was some uncertainty as to the proper use of
4 the dealer inventory plates. Some have
5 heard that the vehicles that have dealer
6 plates on them, you cannot -- they cannot be
7 driven outside of business hours. We have
8 been getting calls, you know, spot calls
9 here and there for when licensees think that
10 they are being pulled over by police
11 officers and they are getting tickets
12 written up on them, because the dealer plate
13 -- the language as to authorized use is kind
14 of, I guess, a gray area. There is a lot of
15 interpretation on what is authorized and
16 what is not. What I did was, I invited Ms.
17 Cheryl Walton and we have another
18 representative from the Office of Motor
19 Vehicles as well to kind of help us get some
20 clarity on what specifically authorized use
21 of the dealer plate is. But I would like to
22 start with Commissioner Turner because it is
23 one of his items that he requested that I
24 put on the agenda for today.

25 MR. TURNER:

1 Well, one of my employees got
2 stopped by a local police department after
3 hours with children in the car and wanted to
4 know why she was driving a dealer -- car
5 with a dealer plate on it, did she work for
6 Dealing Doug's, yes. Well, you are not
7 supposed to be driving a car except for --
8 to sell it or show it to somebody. That's
9 what she was told by the policeman. So he
10 just gave her a hard time about it. He
11 didn't give her a ticket. But after I heard
12 that, I started calling around and asking
13 around and nobody could give me a definite
14 definition and what puzzled me is, for 30
15 years, we have been driving with dealer
16 plates and, you know, your manager or
17 whatever, whoever you furnish a car and they
18 have a dealer plate on it, they are allowed
19 to be using it for personal business, going
20 to dinner or whatever after hours. So I
21 just want to get a firm understanding of
22 what you would have to do with a dealer
23 plate. And if you can't use it for that,
24 what can we use for because we don't own
25 cars personally. We drive cars kind out of

1 our inventory.

2 MS. WALTON:

3 I added also about the 505.D,
4 which states, it is unlawful for any
5 manufacturer or dealer to use or display a
6 dealer's plate upon any vehicle not
7 manufactured by such manufacturer or being
8 bona fide demonstrated, sold, purchased or
9 exchanged by such dealer, or to permit such
10 dealer's plate to be used in any manner upon
11 a vehicle belonging to himself or his
12 employees, associates, agents, or
13 representatives upon any vehicle being
14 operated other than as indicated to and part
15 of a legitimate object and purpose for such
16 plates to be issued.

17 The thing is, I think the law
18 enforcement has problems because they can't
19 write -- currently, they can't run a dealer
20 plate to see who that plate is registered to
21 because they are on the antiquated system
22 that we have. We are in the process of
23 putting them into our Legacy system, so that
24 when they -- when law enforcement runs it,
25 it's going to come up through NCIC and show

1 who is the actual owner of that vehicle. So
2 when they stop someone with a dealer plate,
3 they will see it's, I'm going to say, a Bohn
4 Ford it, or whatever, or Duplessis or
5 whoever it comes up to, and the insurance in
6 that car matches the dealership that it's
7 associated to.

8 What has happened lately, and
9 it's probably causing a lot of flack, is we
10 had an incident where a young woman was
11 pulled over at two o'clock in the morning
12 drunk and it had a dealer plate on it. They
13 couldn't run the plate to see who was the
14 dealership that supposedly had it. Well, it
15 was the owner's daughter that was given the
16 use of the vehicle. And at the time when
17 she was drunk, her passenger wasn't drunk,
18 and so she said, "Well, just let her drive
19 it home," but she is the not an employee of
20 the dealership. So if she would have an
21 accident on the way back to her house taking
22 it, then the insurance wouldn't have covered
23 it, you know, but that's putting dealers in
24 a serious situation, also.

25 We had one where we have

1 gotten a call to run the dealer plate, a
2 student. The owner of the dealership let a
3 student, his son, drive the car to school.
4 He got into a serious accident. The
5 insurance was not valid. So you can use the
6 car with a dealer plate on it to go back and
7 forth home and to use it to go to a
8 restaurant or whatever, but to allow someone
9 that is not a part of that dealership, not
10 employee, just a member of your family,
11 that's not acceptable, and not just because
12 it's -- they are not an employee, you have
13 to look at the insurance. Will the
14 insurance pay for it? Are they covered?
15 Because Louisiana is a compulsory insurance
16 state and if that insurance -- if your
17 garage liability or whatever does not cover
18 who is driving that car, then you are
19 putting yourself into great liability.

20 MR. TURNER:

21 That's not the question I'm
22 asking. I think a regular dealer, of
23 course, has insurance and anyone who leaves
24 -- letting them use a car with a dealer
25 plate is listed on the insurance.

1 MS. WALTON:

2 Or should be.

3 MR. TURNER:

4 That doesn't make any sense.

5 So if somebody is listed on your insurance

6 as a driver of a car and they are an

7 employee, they shouldn't have a problem.

8 MS. WALTON:

9 They should not have a

10 problem, and it doesn't matter if it's

11 during business hours or after business

12 hours as long as they are listed on that

13 insurance.

14 MR. POTEET:

15 I think that really clears up

16 the question. So, in other words, if you

17 have a dealer plate, just to simplify it,

18 then as long as your employee is driving it,

19 pretty much 24 hours a day is acceptable.

20 MS. WALTON:

21 Right. And not using it for

22 personal use, I'm sorry, because some of

23 them, like a truck, I know we've gotten

24 calls because someone had a truck and

25 they had a lawnmower business. You know how

1 you can buy those magnetic signs and they
2 put a magnetic side on the side advertising
3 the lawnmower service had a dealer plate and
4 was pulling the trailer with lawn mowers on
5 it.

6 MR. POTEET:

7 He's trying to get two
8 businesses under one license.

9 MS. WALTON:

10 So that you have to be
11 careful of.

12 MR. POTEET:

13 Let me ask a question. I
14 don't want to open up a can of worms, but in
15 his case -- Doug's case here, if I'm --
16 okay, I work for Doug and I get my wife and
17 my kids in the car and we go out to -- go to
18 the movies --

19 MS. WALTON:

20 Not a problem.

21 MR. POTEET:

22 -- is that acceptable?

23 MS. WALTON:

24 Yes, sir. You are still
25 demoing the car.

1 MR. TURNER:

2 What if you go on vacation in
3 the car?

4 MS. WALTON:

5 That I don't know.

6 MR. TURNER:

7 I don't own a car. I own 50
8 something of them, okay, but they are not
9 registered to me, they are Dealing Doug's
10 cars, and I want to go to the coast for the
11 weekend with my wife --

12 MS. WALTON:

13 I can only say what Louisiana
14 allows. Now, if they stop you when you go
15 across the state line --

16 MR. BOURGEOIS:

17 Check with your insurance.

18 MS. WALTON:

19 -- because your insurance is
20 here with Louisiana. I would check with the
21 insurance company.

22 MR. BREWER:

23 I was stopped by the State
24 Police in a dealer vehicle and he told me
25 that I'm supposed to have a copy of the

1 insurance in the glove compartment and a
2 copy of the title showing that I'm --
3 registration or the title, showing that we
4 actually own that vehicle. So we took care
5 of that little problem, right away, but I
6 don't know --

7 MS. WALTON:

8 You do get a registration
9 when you get a dealer plate. It's not to
10 that vehicle. It's to the dealership.

11 MR. BREWER:

12 But he told me that I needed
13 a copy of the title for that vehicle and a
14 copy of our insurance with it.

15 MS. WALTON:

16 He is wrong the title. The
17 registration you would get, but there is no
18 title, because, I mean, it could be an MSO
19 or it could be a title for the previous
20 owner who hasn't gotten it.

21 MR. SAIA:

22 Sometimes we don't get those
23 the titles.

24 MS. BREWER:

25 Showing proof of the owner,

1 that's what they were after.

2 MR. SAIA:

3 I'm talking about the title,
4 it takes several weeks to payoff and
5 everything else.

6 MR. TURNER:

7 Well, if I bought a car down
8 at the auction, you know, I might not have a
9 title for a month.

10 MR. BREWER:

11 I couldn't move that vehicle
12 until my son brought me proof of ownership
13 of that vehicle. I was on the side of the
14 road so we now carry it.

15 MR. TURNER:

16 You make a copy of the title
17 of the car you're driving?

18 MR. BREWER:

19 They brought it and showed
20 proof of ownership and they let it go.

21 MS. WALTON:

22 That's not in the statute.

23 MR. POTEET:

24 Let me ask you a question
25 because I have had a couple of questions

1 come up from -- I own an auto auction. So I
2 see a lot of car dealers every week, and I
3 have people ask me, what do you do when you
4 get -- you know, you have a policeman stop
5 you, usually a state policeman, and they
6 don't know the state law? I said, well, I
7 guess you fight the ticket. I don't really
8 know, but I think that --

9 MS. WALTON:

10 Do you know what this letter
11 says at the bottom, contact Commissioner
12 Gautreaux --

13 MR. POTEET:

14 I don't know if I would want
15 to want to hand it out to a state trooper.

16 MS. WALTON:

17 No, I wouldn't hand that out.
18 No, contact Commissioner Gautreaux and he
19 will refer to it the Colonel if you are
20 having a lot of problems.

21 MR. DUPLESSIS:

22 We probably need to publish
23 this on our website FAQ.

24 MR. POTEET:

25 But we did publish the other

1 information about the plates, didn't we have
2 something on that?

3 MR. PARNELL:

4 Yes. That was about
5 temporary plates. But we will -- I'll
6 publish both of these.

7 MS. WALTON:

8 That was the other thing I
9 was asked to tell y'all is to ask y'all to
10 make sure that all of your dealers have
11 started registering on this temp tag
12 database.

13 MR. POTEET:

14 We're working on that.

15 MR. DUPLESSIS:

16 Let me address something.
17 Derek and I went through a series of
18 meetings, along with the Department of
19 Transportation and so forth, and this became
20 a real hot issue. This year, though, I
21 think the used cars are going to have a
22 different color plate on them designating
23 new and used.

24 MS. WALTON:

25 I'm not aware of that.

1 MR. PARNELL:

2 I know in our discussions --

3 MR. DUPLESSIS:

4 The metal plates are going to
5 have a different either prefix or a
6 different color and it was so state police
7 could identify with homeland security who
8 had new car plates and who had used car
9 plates and insurance and a lot of other
10 things came up and the abuse of these
11 plates. Like the case we had selling temp
12 tags, that's how the temp tag thing kind of
13 came up. So, really, I think it's going to
14 require legislation this year and we be
15 kicking off our legislation hearings in
16 January, I think.

17 MR. POTEET:

18 Yes. We need to start --

19 MR. DUPLESSIS:

20 I think we need to get some
21 input from the dealers and see what they --
22 but, in my opinion, the way we control it
23 just from the 30,000 foot level is every
24 dealer has to have his salespeople, one
25 dealer tag for one salesperson and they have

1 to be listed on the insurance, and then it
2 is done with. And then you use your
3 in-transit and, you know, your other tags to
4 be transitional. So, I mean, that's
5 something, Derek, y'all need to take a look
6 at and get the dealers' input.

7 MR. POTEET:

8 Well, we have some people
9 here from LIADA. So we need to make sure
10 that you guys pay attention to this and get
11 involved with us so we don't go off on the
12 deep end.

13 MS. WALTON:

14 I know another thing that we
15 have problems with is that five day
16 tag.

17 MR. POTEET:

18 The five day tag?

19 MS. WALTON:

20 Yes. That's the one where
21 Scott's Enterprises was actually making his
22 own and giving them 60 days. So a lot of
23 them when they lose their dealer's license
24 -- we have an auto title company in New
25 Orleans right now that's making her own temp

1 tags based on the statute that says you have
2 60 days to title your vehicle. So she is
3 making her own temp tags.

4 MS. BARON:

5 So this database that y'all
6 are implementing now will curb this?

7 MS. WALTON:

8 It's only going to do the one
9 where -- the 60 day temp tags. It won't
10 have to do with the five days because that's
11 not a t-market. That's all trackable.
12 That's something that they print to do an
13 in-transit to bring a vehicle here and
14 there.

15 MR. PARNELL:

16 When is it actually official
17 when Motor Vehicles is going to say this is
18 the cut off where everyone has to have their
19 temp tags -- you have to go online in order
20 to do that because --

21 MS. WALTON:

22 Right now I think the
23 mandatory date they are looking at right now
24 is sometime in December, but I haven't been
25 told the cut off date is right now.

1 MR. BREWER:

2 You have the 60 day temp tag,
3 but after 40 days, they have to start paying
4 penalties.

5 MS. WALTON:

6 Penalty and interest.

7 MR. BREWER:

8 Why the difference in the
9 dates, the time?

10 MS. WALTON:

11 The law allows -- under Title
12 47 for sales tax, they changed the law where
13 a dealer has 40 days to remit the taxes, but
14 you have a 30 day reject. If they send it
15 in on the 39th day and it's rejected, you
16 have an additional 30 day grace. But they
17 never looked at -- typical Louisiana, I
18 mean, they never looked at when you changed
19 this law, they didn't change this law. In
20 fact, under my auto title company, it still
21 says 90 days. When they changed the 60 day
22 for the dealers, they failed to change the
23 90 days for temp tags for auto title
24 companies. So we are looking at cleaning up
25 some of the statutes coming next

1 legislation.

2 MR. BREWER:

3 Okay.

4 MR. POTEET:

5 Any other questions for these
6 folks?

7 We really appreciate you guys
8 coming by and talking to us and clearing up
9 Doug's problems there, because it seems like
10 Doug's problems might be, you know, all over
11 the place.

12 MS. WALTON:

13 I think when these tags are
14 actually out there where the law enforcement
15 can run them on NCIC and verify if that --
16 this dealer is really the one that has
17 this temp tag and they have the proof
18 of insurance showing that they are the
19 licensed dealer or that it will help clear
20 it up.

21 MR. POTEET:

22 I would think so. I can't
23 believe that we don't have that.

24 MR. TURNER:

25 I don't know why it doesn't

1 show up now.

2 MS. WALTON:

3 Well, I've been working on
4 this for five years. It's almost ready to
5 go out there, but, I mean, law enforcement
6 has been asking for it for a long time. But
7 it's just -- our mapper system is
8 antiquated. When we were getting the new
9 system, that was going to be addressed at
10 that time and, as you know, that went by the
11 wayside.

12 MS. BARON:

13 The mapper system that we
14 have now, will we be able to have access to
15 the new system through our mapper system?

16 MS. WALTON:

17 We will have to get with you.
18 Do you currently do LM or VM anymore?

19 MS. BARON:

20 Yes.

21 MS. WALTON:

22 You can still do that and it
23 will come when you do an LM or a VM inquiry
24 because it's going to be out on our Legacy
25 system.

1 MS. BARON:

2 Okay.

3 MS. WALTON:

4 The reason it's taking so
5 long is because this is still a Cobalt
6 system and there's not too many people that
7 know Cobalt.

8 I need to ask one thing,
9 though. Y'all are going to a two year
10 license?

11 MR. POTEET:

12 Yes.

13 MS. WALTON:

14 Is it going to be staggered
15 or non-staggered?

16 MR. POTEET:

17 Staggered.

18 MS. WALTON:

19 Right now everything expires
20 December 31.

21 MS. BARON:

22 Right. But we have five
23 districts now.

24 MR. PARNELL:

25 It's not going to be

1 staggered in terms of throughout the
2 calendar year. It's going to be a two year
3 license. It's going to expire December 31.

4 MS. WALTON:

5 Oh, it is.

6 MR. POTEET:

7 So it will be -- everybody
8 will be on a different -- we are going to
9 some of the dealers are going to have a two
10 year license this year, and then next year
11 we will get everybody on a two year license.

12 MS. WALTON:

13 I'm just looking, do we need
14 to amend our statute because right now it
15 says an annual plate, but if you are going
16 to go to a two year license, there's no
17 reason why we shouldn't go to a two year
18 plate.

19 MR. POTEET:

20 I think you should.

21 MS. WALTON:

22 That's what I need to present
23 for the next legislation.

24 MR. POTEET:

25 That's less work on you.

1 MS. WALTON:

2 On everybody.

3 Thank y'all.

4 MR. POTEET:

5 Next on the agenda is the
6 November and December regular meeting dates
7 and times.

8 MR. PARNELL:

9 Basically, if you look in
10 your packet, you do have calendars. I
11 wanted to be sure that November and December
12 being that it is the holiday season, that we
13 are -- will continue to have our meetings on
14 the same dates or do we need to adjust the
15 meeting dates specifically in November
16 because the month -- November 21st is our
17 regularly scheduled meeting which is the
18 same week of Thanksgiving. Do we need to
19 move that up a week or move the meeting back
20 a week? I think last year we did move it up
21 a week. I don't know if that's what you
22 want to do this year or not.

23 MR. POTEET:

24 November 14, that would be
25 difficult for them to get the financials.

1 Would everybody like to --

2 MR. TURNER:

3 I don't have a problem with
4 the regular date.

5 MR. POTEET:

6 Who is okay with regular
7 date? Anybody here not okay with the
8 November 21st?

9 (No response.)

10 MR. POTEET:

11 So we should be able to have
12 a quorum. So let's not worry about November
13 21. What about December?

14 MR. PARNELL:

15 December is -- the whole week
16 prior is the 19th, which is that Monday and
17 Christmas falls on that next Sunday.

18 MR. POTEET:

19 So does anybody have a
20 problem with December 19th? December 19th
21 looks okay for everybody? I think we are
22 okay.

23 MR. PARNELL:

24 I just wanted to be sure.

25 MR. POTEET:

1 Yes, good idea.

2 The Deputy Director's report.

3 MR. PARNELL:

4 What I will do is go through
5 a review of complaint activities for August
6 2011 and September. In your packet towards
7 the back, you will see the first alleged
8 issue count. For August 2011, there were 75
9 alleged issues for the month of August. The
10 highest alleged issues fell under the
11 category of non-delivery of titles and
12 refunds with 20 alleged issues each on
13 those. Those, typically, are normally our
14 highest alleged issues. Our complaints
15 typically are the highest.

16 The second report is the case
17 report. This breaks out the amount of cases
18 per investigator that were assigned for the
19 month of August. This month in particular
20 was 65 assigned cases in August. Sixteen of
21 the cases were completed. Forty-nine of the
22 cases are open, which leaves us with a 25
23 percent completion rate. The third page in
24 the department summary cases. These are the
25 actual cases that were closed in the month

1 of August, not necessarily all of these.
2 It's just a number that is higher. It's 83
3 because some of these cases were open in
4 prior months, but it was actually just
5 closed in the month in August.

6 The last document for the
7 month of August is the comparison of August
8 2010 to August 2011 assigned cases. August
9 2010, there were 31 cases assigned. In
10 2011, there were 55 cases. If you notice
11 the revised total on the report in relation
12 to the second report shows 65 discrepancies
13 of the 10 cases due to the cases that fall
14 in claims in surety violations and the ones
15 that we need to clear those out.

16 The next one in here is for
17 September 2011. Alleged issue counts, there
18 are 35 -- I'm sorry, 85 alleged issues for
19 the month of September. The highest alleged
20 issue once again was a complaint of
21 non-delivery of title, which was 21 for the
22 month of September. Again, the case reports
23 break out the amount of cases assigned for
24 investigators, 76 for September. Thirty of
25 those were completed. Forty-six are still

1 open. We had a completion rate of 39.5
2 percent.

3 The last item is the case
4 department summary report, cases received.
5 Cases that were actually closed in the month
6 of September was 92. The last page is a
7 comparison of September 2010 versus
8 September 2011. Assigned cases in 2010, it
9 was 29 assigned in September. 2011, it was
10 70 cases assigned.

11 Do we have any questions
12 about the investigators or the complaint
13 totals?

14 MR. POTEET:

15 Is there reason that Ronnie
16 had so many cases?

17 MR. PARNELL:

18 Well, what we've been doing
19 in no man's land out there in the southwest
20 region of the state, we kind of issue him a
21 lot of those cases. We kind of rotate them
22 out. We do call it no man's land. We kind
23 of issue him over that area.

24 MR. BREWER:

25 Speaking of Ronnie, he really

1 handled my case really well. Y'all did a
2 great job. I want to thank y'all for that.
3 I can now sleep at night.

4 MS. BARON:

5 That's awesome.

6 MR. POTEET:

7 Yes. I talked to Ronnie
8 awhile back. He had a question regarding
9 auctions and he called me and he was very
10 thorough what he wanted to know. If he
11 doesn't understand your answer, you've got
12 to keep going until he understands, which is
13 good.

14 MR. PARNELL:

15 He calls me.

16 The next item on the
17 Executive Director's report is the license
18 renewal update. If you turn with me to -- I
19 have a package that we submitted. We sent
20 it out to everyone. It should be in front
21 of -- up front. We sent this renewal
22 information to the licensees September 20
23 informing them of the new licenses. It's in
24 your front pouch, the first item, if you
25 look at it, is the general circular. That

1 was just something we created to get the
2 information out to everybody, what's going
3 on with the licenses because we have moved
4 to a two year license for a portion of our
5 licensees, which were our Districts 4 and 5,
6 New Orleans area, Baton Rouge area. The
7 first part of that just kind of explains
8 online renewals and licensing, that we
9 really want to move everybody to kind of do
10 things online more than the paper based
11 system that we have been using because of
12 the size of our agency and it's really very
13 cumbersome for us to kind of actually get
14 everything in and out in that short of
15 amount of time.

16 I also have information on
17 the second page about temporary tags and
18 this was something that it is the Office of
19 Motor Vehicles, their thing, but I did our
20 part in notifying our licensees that we were
21 asked to do. We put the temp tag
22 information out on the website early. In
23 May, we initially talked about it. It's
24 still remaining out there and whoever wants
25 to make sure we had some -- we do our due

1 diligence to make sure that we got the
2 information out to our dealers and our
3 licensees. Because I think at the end of
4 last month, the Office of Motor Vehicles
5 sent me an e-mail kind of telling me that,
6 you know, we didn't have a lot of them that
7 registered online, and that's why I was
8 asking what is the date that they would say
9 this is it, everybody has to be done at this
10 point moving forward.

11 Monthly sales reports, I put
12 that information on there just because
13 that's something that we don't really push
14 at everybody the way we should. By statute,
15 they are required to submit that information
16 and I just wanted to make sure everyone --
17 we get that out there, the information out
18 to them, so they understand that when we do
19 come in for an audit and we bring this up,
20 it's not brand new to you because we have
21 run into situations where a lot of licensees
22 said that they didn't know they were
23 supposed to do that, which is kind of
24 far-fetched.

25 One other thing, we look at

1 the e-mail addresses on the website. I put
2 a packet -- I put the territory district map
3 out there that we talked about. It kind of
4 breaks down everything. I've heard a lot of
5 positive things about us going to the two
6 year licenses. We had some complications
7 with our online program. We are actually up
8 and running now. It was down for a little
9 while. Once we sent the letters out, I
10 thought it was all going to flow really
11 smoothly, but that was not the case. We
12 recently just got it up and it's running,
13 should be really well received online. It's
14 very simple online. It's a lot easier
15 process versus sending in the paperwork. If
16 you notice, we initially came in by the Coke
17 machine, I rigged up a computer there. I'm
18 probably going to set up two right there. I
19 want our dealers and licensees, whomever, to
20 have the opportunity if they don't really
21 understand the online process or they don't
22 really want to go through it, we will be
23 able to kind of work with them, come look,
24 sit down, just go through it really quick,
25 because a lot of times we have dealers come

1 in and they want to pay with credit cards
2 here in the office and we don't really have
3 that system set up as of yet, and they can
4 actually come in. We can kind of work with
5 them and go through the process and they
6 will see how it's really quick and they can
7 actually pay online right here in the
8 office. It's just something we are trying
9 to do to try to encourage everyone to move
10 forward with the online process.

11 And this year was a little
12 something different. If you will notice, if
13 you did it online last year versus this
14 year, it's a little bit different. There
15 are more upgrades on what you can actually
16 do online, the way it looks, is presented.
17 This year, we can do E-check online, what we
18 couldn't do in the past, just to give an
19 alternative on how we are going to move
20 forward. You can actually upload documents
21 when you are going through answering the
22 questions. If you have some documentation
23 that you need to upload, you can just go in
24 and upload it. So when it comes in here, we
25 can actually put it all online, the bond,

1 everything. We will be able to pull that up
2 and just look at it right there versus last
3 year you could pay for it online, but you
4 still had to submit all of your paperwork
5 with us as a hard copy. I think that's
6 going to really help us this year. I'm
7 expecting it to go over fairly well. The
8 number -- I would hope to have at least 50
9 percent go online and do it. I don't know
10 if I'm going to get that.

11 MR. POTEET:

12 What was the percentage last
13 year, do you remember?

14 MR. PARNELL:

15 It was more like 20 percent,
16 about 23 percent, around in that area.

17 MR. POTEET:

18 That's not too bad.

19 MR. PARNELL:

20 Yes, that's pretty good. But
21 this year, I kind of pushed more the online.
22 If you noticed, I didn't send out all the
23 actual packets that had all of the
24 information in it that we have done in the
25 past because the cost was too high, but

1 trying to get everybody to go online. So
2 it's going to be far better for all of us.
3 Really, here in the office, we can get it
4 out more timely in that instance.

5 This year, another item
6 that's new is if you are new dealer, you can
7 actually do it online as well. The
8 requirements are a little bit different.
9 You still have to submit a little bit more
10 paperwork in to us, but you can go online
11 and pay for it as an initial dealer. That's
12 something that is new. In the future, like,
13 I want to see how this works the way it's
14 set up right now before I start adding more
15 features for our online licensees to
16 actually renew online.

17 The last document on here is
18 kind of -- it just breaks out -- let's
19 everyone know who their dealer tech is.
20 It's kind of more so parish based this year
21 versus last year, parish based, which is our
22 districts, letting everyone know where they
23 fall, who is their dealer tech, who they can
24 contact if they have any questions, comments
25 or concerns, or if they need to submit some

1 information in.

2 I think it's going to really
3 help out two ways in the lobby or
4 what-have-you, having a couple of computers
5 set up because we can -- one, as I said
6 earlier, we can have them do our license --
7 our renewal online and a new application.
8 So it also helps us with the temp tag
9 database, you know, having them register and
10 do that. I mean, that -- the process is
11 pretty easy, pretty self-explanatory, on
12 both issues. But we were clicking when we
13 were setting up our online process, it
14 really cuts down on all of the paperwork.
15 So I'm really looking forward to actually
16 getting into this renewal period. We have
17 started. We did -- it's a little slower
18 than what we were last year at this point
19 because of the delay in our online set up,
20 but we have been -- you know, if they were
21 calling, once they got this letter they
22 couldn't go online because it's down right
23 now. We did go ahead and send them out a
24 packet this year. We've updated mostly all
25 of our forms and if they really, really

1 request to receive a packet, we kind of
2 instructed them to go out onto the website
3 and print it down yourself, which is going
4 to save us on postage, save us some costs
5 online.

6 I wanted to get everybody
7 really into going online, looking at our
8 website. We will have to make some updates
9 on the website, granted, and that's what I
10 will be working on this next month making
11 sure we are updated as we should be on our
12 website so we can facilitate all the
13 questions that could come out.

14 That is pretty much what I
15 have as it relates to my report. That's the
16 gist of -- the main thing that has been
17 going on within the past two months. The
18 main issue was really the online renewal
19 process and getting that. It was pretty
20 hard. A long time we went through going
21 back and forth and just trying to make sure
22 our configurations were proper and the money
23 was coming down as it should. And with the
24 new addition of the two year license, we
25 have been getting a lot of calls, just

1 licensees trying to understand who is going
2 to two years, who is not going to two years.
3 We've tried to simplify it as much as
4 possible. Districts 4 and 5 are going to
5 two years. The salesman licenses are still
6 going to remain at one year. That was a
7 decision we kind of went with because of the
8 turnover issue. I understand it's high at
9 any rate, but when I did get a call the
10 other day, which was an idea I hadn't really
11 thought about, is the dealer -- the owner of
12 the business asked could he have his license
13 -- his dealer license be a two years license
14 versus -- and have everyone else's remain at
15 one year, and as I told him, that's
16 something that we can look at in the future,
17 but right now -- we are not moving forward
18 with that right now. So this is -- that's
19 the end of my report.

20 Do we have any questions or
21 comments or concerns as it relates to the
22 renewal process?

23 MR. TURNER:

24 The renewals are starting off
25 slow?

1 MR. PARNELL:

2 They started off slow, yes,
3 due to primarily us getting the online
4 system set up proper, and I think it was
5 last month, it was -- it may have been about
6 \$30,000 or so that was the difference of
7 what we did last year on the same day
8 just because the online process wasn't
9 really up and running, yet. It's ready now.
10 So we can actually get it going. We have
11 been getting a lot of e-mails, a lot of
12 calls on the online process ever since we
13 sent those licenses out.

14 MR. POTEET:

15 Okay. Also, just a little
16 side note, we -- Derek and I were talking
17 earlier, we got an indication from the
18 Governor's Office that we may get our tenth
19 Commissioner position filled sometime in the
20 next week or two. So that would be nice to
21 have that completed since Glen resigned in
22 January.

23 MR. PARNELL:

24 Yes.

25 MR. POTEET:

1 Some of you may have
2 forgotten that we had 10 Commissioners.

3 MR. PARNELL:

4 I didn't realize it was that
5 long.

6 MR. POTEET:

7 We've been sort of begging
8 them to make a decision.

9 All right. Anything else?
10 Anything else we need discuss?

11 MR. DUPLESSIS:

12 We need to set an agenda item
13 for the buy here, pay here insurance. I
14 think that's starting up, getting e-mails,
15 that's starting to kind of warm up and we
16 have to have an interagency meeting. So if
17 you want to calendar that on the agenda.

18 MR. PARNELL:

19 Do you want to try to set up,
20 I guess, a meeting outside of the Commission
21 meeting after that? I'm thinking about two
22 different things, okay.

23 MR. DUPLESSIS:

24 I think we just need to set
25 up a meeting with the agencies, and then

1 report to the Commission, unless you want to
2 have the full Commission involved, which is
3 going to be kind of cumbersome. I think it
4 should be a small committee, you know.

5 MR. PARNELL:

6 Okay.

7 MR. DUPLESSIS:

8 It's just going to get kind
9 of sticky.

10 MR. POTEET:

11 Do you want to try to doing
12 something in November, for next month?

13 MR. DUPLESSIS:

14 Because we need to start
15 gathering the legislation up for January
16 and, you know we could do it in November. I
17 think in December everybody is going to be
18 scattered.

19 MR. PARNELL:

20 That I will definitely have
21 on there the house resolution that passed.
22 I'll get with the Insurance Commission. So
23 we will definitely have all of that
24 information out there.

25 MR. POTEET:

1 All right. I guess the
2 meeting is adjourned.

3 MR. TURNER:

4 Motion to adjourn.

5 MR. BREWER:

6 Second.

7 MR. POTEET:

8 All in favor? Leave.

9

10

11 (Meeting ended at 10:57)

12

13

14

15

16

17

18

19

20

21

22

23

24

25

Copy

1 REPORTER'S CERTIFICATE

2
3 I, BETTY D. GLISSMAN, Certified
4 Court Reporter, Certificate No. 86150, in
5 and for the State of Louisiana, do hereby
6 certify that the Louisiana Used Motor
7 Vehicle Commission October 17, 2011 meeting
8 was reported by me in the stenotype
9 reporting method, was prepared and
10 transcribed by me or under my personal
11 direction and supervision, and is a true and
12 correct transcript to the best of my ability
13 and understanding.

14 This October 31, 2011, Baton
15 Rouge, Louisiana.

16
17
18
19
20
21

22 _____
23 BETTY D. GLISSMAN, CCR
24 CERTIFIED COURT REPORTER

25 Draft Copy