

LOUISIANA USED MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA

REGULAR MEETING
October 15, 2012
BEGINNING AT 9:58 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. TONY CORMIER

9 MR. GEORGE FLOYD

10 MR. KIRBY ROY

11 MR. HENRY "DARTY" SMITH

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16 REPRESENTING THE LOUISIANA USED MOTOR
VEHICLE COMMISSION:

17

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

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1 ALSO PRESENT:

2

3 MS. KIM BARON

4 MR. DEREK PARNELL

5 MS. MONA ANDERSON

6 MS. BECKY BERTRAND

7 MS. TONYA BURKS

8 MR. KEITH KIRALY

9 MR. GEOFF KATZ

10 MS. SANDY KATZ

11 MS. BONNIE DOZIER

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1 MR. POTEET:

2 Pledge of Allegiance, please
3 stand for the Pledge.

4 Mr. Floyd, would you lead us?

5 (Pledge of Allegiance)

6 MR. POTEET:

7 All right. Roll call.

8 MS. BARON:

9 John Poteet?

10 MR. POTEET:

11 Here.

12 MS. BARON:

13 George Brewer?

14 MR. BREWER:

15 Here.

16 MS. BARON:

17 Dino Taylor?

18 MR. TAYLOR:

19 (No response.)

20 MS. BARON:

21 Tony Cormier?

22 MR. CORMIER:

23 Here.

24 MS. BARON:

25 Ron Duplessis?

1 MR. DUPLESSIS:
2 (No response.)

3 MS. BARON:
4 George Floyd?

5 MR. FLOYD:
6 Here.

7 MS. BARON:
8 Kirby Roy?

9 MR. ROY:
10 Here.

11 MS. BARON:
12 Darty Smith?

13 MR. SMITH:
14 Here.

15 MS. BARON:
16 Douglas Turner?

17 MR. TURNER:
18 (No response.)

19 MS. BARON:
20 Mr. Chairman, we have a
21 quorum.

22 MR. POTEET:
23 Thank you.
24 Mr. Parnell, do we have
25 anyone here for public comments?

1 MR. PARNELL:

2 We do have two persons here
3 for public comments. We have Keith Kiraly
4 with Rock and Roll Motors, and we have Geof
5 Katz with Boomtown Motors. The reason why
6 they came in today is to discuss their RTO
7 contracts. They are expiring on November 1.
8 They did submit some documentation to me,
9 but one didn't come in. So we'll make sure
10 that the documentation that they submitted
11 is correct and everything that we need, so
12 you, as a Commission, can make your decision
13 on what they must do in the future.

14 MR. POTEET:

15 Okay. All right. Gentlemen,
16 do you want to --

17 MR. KIRALY:

18 Yes. My name is Keith
19 Kiraly, Rock and Roll Auto Sales. I
20 received my notice of non-renewal after the
21 hurricane, a few days after in September.
22 They also did not include my loss run. So
23 it was another 14 days before my agent, who
24 I have with me now, could procure it. I had
25 her submit to all of the major insurance

1 companies and she's gotten an e-mail
2 response from them on that, which is the way
3 they do it now, e-mail response. So we've
4 done our due diligence as far as that part.

5 We do have insurance lined
6 up, so that nothing will lapse, actually, a
7 better policy than what we have now, but it
8 is a non-admitted carrier. It's with a good
9 company.

10 So, you know, we feel like
11 we've done everything we can at this time.
12 They are not giving anything in writing now.
13 With the advent of the 21st Century,
14 everything is done via e-mail. I'm sure
15 everybody here is aware of that. That's the
16 way they do everything. So to get something
17 in formal writing is next to impossible.

18 But, like I said, my agent is
19 here and she is an agent for and can write
20 for Great American, the only company, and
21 she went to the broker. I asked her to go
22 to the broker for it and she got the
23 response that they're not going to do any
24 business here. We cannot go to Rent T Own,
25 which is through the same company, because

1 that's the insurance company that did not
2 renew us and they did not give any reasons
3 whatsoever, no reasons. They just flat are
4 not renewing anybody that was with them. So
5 we're all basically out in the cold. We
6 haven't done anything wrong. We have a
7 clean loss run record with us. We have all
8 three years showing no problems whatsoever,
9 and I was hoping that maybe we could get
10 this resolved, so maybe we can move on and
11 get our insurance at this time to make sure
12 that we all have it. Again, I'm not going
13 to let it lapse. Either way I'm going to
14 procure it.

15 MR. POTEET:

16 Okay. Thank you for coming
17 and speaking.

18 MR. KATZ:

19 The only thing I can add is
20 we sent it in writing to SEADRA and we
21 didn't get a response from them. You have
22 in your little packet the return receipt
23 that we got that they received it and we
24 have no answer from them. So, basically,
25 they're on the same path of what Keith just

1 said.

2 MR. POTEET:

3 Okay.

4 MR. KIRALY:

5 And he has the same agent,
6 Bonnie Dozier, who is with us, Geof and I.

7 MR. POTEET:

8 Do any of the Commissioners
9 have any comments on any of this at this
10 time?

11 (No response.)

12 MR. POTEET:

13 Well, this is -- I think that
14 this Commission has already taken the
15 position that if you apply to an admitted
16 carrier and get either a non-response or a
17 negative response or you're with an admitted
18 carrier and that admitted carrier drops you,
19 that for you to stay in business, you've
20 still got to follow our law, which means
21 you've got to have this insurance. It's
22 what they call contingent liability. So
23 contingent liability is required -- still
24 required. You know, I'm not sure that it
25 needs to be required, but that's the law.

1 So the only way you're going to be able to
2 get it is through a non-admitted carrier.

3 So, Mr. Parnell, if you'll
4 help me, I think the way we want to handle
5 things going forward, which makes the most
6 sense, is that we know who is an admitted
7 carrier in the State. We should know. Get
8 that information from the Insurance
9 Commission. And it's just -- all you have
10 to do is apply to those people and if they
11 turn you down, you just move on to the next
12 one and just have that in your documentation
13 when you send your application in.

14 Does that make sense to
15 everybody in this room?

16 (No response.)

17 MR. POTEET:

18 Mr. Hallack, do you have any
19 comments on any of that?

20 MR. HALLACK:

21 Well, I think we know who the
22 only admitted carrier is and that's Great
23 American. I don't think that's changed in
24 the last month or since Mr. Hickey's
25 situation came up.

1 MR. POTEET:

2 Right.

3 MR. HALLACK:

4 So as long as they've made an
5 application to Great American for contingent
6 liability insurance, it's my understanding
7 that SEADRA is the only broker for
8 contingent liability insurance. So as long
9 as they've made an application to SEADRA for
10 it, then we can't expect them to do any
11 more.

12 MR. PARNELL:

13 My question is, National
14 Interstate, is that the same as Rent T Own?

15 MR. KIRALY:

16 Rent T Own, that's who denied
17 us, yes.

18 MR. PARNELL:

19 Okay.

20 MR. POTEET:

21 So if you're -- again, I
22 think that our position here -- and I don't
23 know how many RTO dealers we have registered
24 or licensed, but I think our position here
25 at the Commission should be that when

1 somebody sends in their application, if they
2 don't send in anything, you know, we've got
3 to do an e-mail, and I think e-mail is
4 acceptable. If you send an e-mail to
5 somebody at their e-mail address and they
6 send you back something from that e-mail
7 address, you know, we might here at the
8 Commission do some spot checks to make sure
9 all of that's correct, but if they come back
10 to you through e-mail and say we're not
11 going to quote you or we're not quoting in
12 Louisiana, then I would take that as a
13 rejection.

14 So I would just say that any
15 RTO dealer would have to have evidence that
16 they've applied. I don't know how long this
17 is going to have to go on this way, but at
18 least for the foreseeable future, that's the
19 only way we can make sure we're doing our
20 job as a Commission, because the law says
21 you have to exhaust all of the
22 possibilities, and if all the possibilities
23 are only one company, well, then that's easy
24 to do. If they do quote you, you know,
25 without any unusual requirements, that's all

1 that I'm going to say about that, then you
2 would kind of be obligated to take that
3 insurance. But the cases we've had so far,
4 which would be just these two plus Mr.
5 Hickey, it either wasn't quoted or wasn't
6 quoted in a manner in which it could be
7 utilized. Now, we have a lot of people in
8 this room. Don't let me go down the wrong
9 path here, but I think -- is there any other
10 -- are there any other comments about this
11 or any disagreements with what I'm saying?

12 Kim.

13 MS. BARON:

14 I was just going to say --
15 ask, do they have to appear before the
16 Commission Board or if they send us proof
17 showing that they have applied with SEADRA
18 and SEADRA turned -- or, excuse me, Great
19 American, and Great American turned them
20 down, do we just accept what they send or do
21 they need appear before the Commission
22 Board?

23 MR. POTEET:

24 I don't think they need to --
25 I don't think there's any reason to appear

1 unless there's some issue that goes beyond
2 the information that we can somehow
3 understand.

4 MS. BARON:

5 So they should have something
6 showing that they've been rejected by that
7 company and they send in a company that will
8 carry contingent, then we're good?

9 MR. POTEET:

10 Yes.

11 MR. HALLACK:

12 And not just apply to Great
13 American, but they have to apply to SEADRA,
14 because SEADRA is the exclusive broker for
15 this form of insurance.

16 MS. BARON:

17 So they would have to apply
18 directly to SEADRA.

19 MR. HALLACK:

20 Right.

21 MR. POTEET:

22 So in Mr. Katz's case, he has
23 done that, pretty much.

24 MS. BARON:

25 Right. He has had no

1 response.

2 MR. POTEET:

3 They have no presence. He's
4 got a certified mail receipt and he also
5 shows where he had sent e-mails to them.

6 MS. BARON:

7 How long should they wait to
8 get -- until we can determine that there has
9 been no response?

10 MR. POTEET:

11 Well, we were just talking
12 about that in the hallway. I've bought a
13 lot of insurance in my life and usually by
14 -- well, no, maybe two hours after at the
15 phone call I make to the insurance company,
16 they're either asking for information or
17 they're quoting. So I would say a week at
18 the most.

19 MS. BARON:

20 Tops, okay.

21 MR. POTEET:

22 If you don't have an answer
23 by a week, then I don't know how long you --
24 again, I'm asking. Does anybody have any
25 other way of looking at this? I think what

1 we've done, we've gotten ourselves to this
2 point in time where these RTO dealers were
3 kind of holding out there and saying,
4 "Derek, you better do something," but it
5 looks to me like that's really all that's
6 required is to get -- make the contact with
7 the admitted carrier and you either get a
8 quote or you don't. And if you don't, you
9 move on to the next thing. You can't go
10 without insurance. You can't be licensed
11 without insurance by law.

12 MR. BREWER:

13 Did they drop you because --

14 MR. KIRALY:

15 I have my loss run, okay,
16 which is for the previous three years, no
17 losses, no problems, no issues, George.
18 They dropped everybody. And I understand
19 what you said about applying to SEADRA, but
20 I went straight to my agent who went to the
21 broker.

22 MS. DOZIER:

23 Who went to SEADRA.

24 MR. KIRALY:

25 Who went to -- yes, they went

1 to SEADRA.

2 MR. HALLACK:

3 Do you have something from
4 SEADRA?

5 MR. KIRALY:

6 Again --

7 MS. DOZIER:

8 I have it from my broker,
9 because they will not put anything in
10 writing just like they will not respond to
11 me.

12 MR. POTEET:

13 So this is a two-sided
14 transaction that works properly. If they
15 don't respond to you, then that would
16 indicate to me that you've done everything.
17 I mean, again, Geof said he sent a certified
18 letter.

19 MS. KATZ:

20 Plus an e-mail.

21 MR. POTEET:

22 So, I mean, it can't be more
23 not answered than that.

24 MR. KIRALY:

25 And I had my agent go

1 directly to Adrian through Dwight Andrus.

2 MR. POTEET:

3 Here is what I would say.

4 When RTO dealers apply for their licenses,
5 Kim and Derek are going to look at them and
6 they're going to say, you either have given
7 us enough information or you haven't. And
8 if you haven't, then we'll respond back to
9 you and say, we need more information to say
10 that this is not enough. So I guess in some
11 ways -- every case is different, but in the
12 central issue here, everything case is the
13 same. But we've got to get the word out to
14 people and let them know that this is how
15 it's going to be done. You're still
16 required by law to have an admitted carrier,
17 if available, and if available means that
18 you've exhausted the admitted carriers in
19 the State of Louisiana, and then at that
20 point, all you have to do is document that.
21 Isn't that fair?

22 MR. KIRALY:

23 Yes.

24 MR. POTEET:

25 I think that that's about all

1 we can ask of the dealer.

2 Is that clear to everybody?

3 Does anybody have any issues with that?

4 (No response.)

5 MR. POTEET:

6 I would say definitely Mr.
7 Katz has exhausted the possibilities. We
8 have evidence of that. So he can move on.

9 And I would say just to you,
10 Keith, I think that it looks like you have
11 -- we just might need to look at these a
12 little closer, just not -- I'm not saying
13 it's going to take a week or two weeks. I'm
14 just saying let's review these today and get
15 it over with.

16 MR. KIRALY:

17 I'm sure no one here would
18 believe that Bonnie Dozier with Dwight
19 Andrus would falsify anything.

20 MR. POTEET:

21 I'm not worried about
22 falsifying. We have everything in our
23 documents.

24 MR. KIRALY:

25 I understand.

1 MR. POTEET:

2 So if somebody comes over
3 from SEADRA or another -- or the Insurance
4 Commission or whatever it is, we'll
5 just say, look, this is how we made our
6 decision.

7 MR. KIRALY:

8 And they can contact any
9 of these people, because I made sure she got
10 in touch with the broker directly because
11 the broker kept telling Bonnie, you know, we
12 never got anything back. I said, well,
13 get her to send an e-mail because that is
14 how everybody is communicating nowadays, it
15 is through e-mails, everybody.

16 MR. POTEET:

17 It looks like -- I mean, at
18 my first glance -- and I defer to Derek and
19 Kim to make sure -- but it looks like
20 everything is here.

21 Is there anything else we
22 need to discuss about that?

23 MR. HALLACK:

24 No.

25 MR. POTEET:

1 So we'll get back to you
2 later today.

3 MR. KIRALY:

4 Today?

5 MR. POTEET:

6 Yes. Kim will get back to
7 you later today. I'm quite certain you
8 don't have anything left to do, but just
9 give us -- once this meeting is over, give
10 them a chance to look at it and let's make
11 our decision. I think Geof is okay.

12 Geof, you're okay. You just
13 need to submit your license and make sure --
14 I guess in talking to other RTO dealers,
15 we'll have to get that publicity out, but
16 make sure they understand that we need the
17 documentation to show that you've been
18 rejected or that no one has responded to
19 your request for a quote, so we have that in
20 our files.

21 MR. PARNELL:

22 Can I just ask one question?
23 It kind of goes along with something Robert
24 was saying. So I'm clear in understanding
25 this, what I've learned in these past three

1 years is that trying to obtain insurance,
2 contingent liability, Great American,
3 through any other means other than through
4 SEADRA, they're not going to write. They're
5 not going to really talk to you at all. So
6 it's kind of going along with what Robert
7 said, that they need to apply through
8 SEADRA.

9 MR. POTEET:

10 I think they did and I think
11 that Bonnie made the comment that she has
12 some documentation. She just doesn't have
13 it here.

14 MS. DOZIER:

15 Yes. It's there. It's from
16 the broker. He says --

17 MR. POTEET:

18 This is Paige Rouen?

19 MS. DOZIER:

20 Well, I'll tell you --

21 MR. POTEET:

22 That's the piece I thought
23 you didn't have with you here.

24 MS. DOZIER:

25 Okay. When Kristen Havrilak

1 with Tri-Arc, she said the subject is Great
2 American. I received a call saying not to
3 send in Louisiana business. They're not
4 going to respond to her, and she's going
5 direct to Paige Rouen, which is the way that
6 we insurance agents go. You know, I go
7 through a broker who has access to -- I'm
8 also a Great American agent. I'm a
9 contracted Great American agent, but I can't
10 go to them direct. I went to my broker who
11 is contracted with them, but cannot write --
12 they've told her not to send in any
13 Louisiana business and they will not respond
14 to her in writing.

15 MR. POTEET:

16 Who is Pam Preston?

17 MS. DOZIER:

18 That, I think, is with
19 Philadelphia. There are three different
20 companies I have in here. Pam Preston,
21 she's with Philadelphia.

22 MR. POTEET:

23 Yes, I see that.

24 MS. DOZIER:

25 That's a Philadelphia

1 declination. Then I have a Empire
2 declination in there, also.

3 MR. POTEET:

4 Yes. I saw that.

5 MS. DOZIER:

6 So Tri-Arc goes to all of
7 these companies that she knows sells the
8 contingent liability coverage. Then she
9 sent to me all of the declinations, which is
10 what we do as insurance agents.

11 MR. POTEET:

12 I think this is inseparable.

13 MR. HALLACK:

14 Well, let me just say. I
15 think with Mike Hickey and historically in
16 the past, Paige Rouen has told us they're
17 not going to write contingent automobile
18 insurance in Louisiana and that the
19 exclusive broker for that is SEADRA. So we
20 required Mike Hickey to go to SEADRA to get
21 a quote based on that reason.

22 MR. POTEET:

23 Well, they never did quote
24 him. They gave him an estimate, but they
25 would never come back with a real quote.

1 MR. HALLACK:

2 Well, he still --

3 MR. PARNELL:

4 He said he made contact with
5 them?

6 MR. POTEET:

7 He didn't make direct
8 contact.

9 MS. DOZIER:

10 I went to my broker, which is
11 usual.

12 MR. POTEET:

13 All right. For now, we're
14 going to make you get, like Geof did and
15 just like Mike Hickey did, something back
16 from SEADRA, either -- I mean, if --

17 MS. DOZIER:

18 I go as the agent or should
19 that come directly from the dealer?

20 MR. POTEET:

21 From the dealer.

22 MS. DOZIER:

23 From the dealer. Okay.

24 MR. POTEET:

25 Just do exactly what Geof

1 did. If they didn't respond to Geof and
2 they didn't respond to Mike, why would they
3 respond to you?

4 MS. DOZIER:

5 Right.

6 MR. POTEET:

7 I think that's the path we're
8 going down. I don't know what their end
9 game is here, but if they're not responding
10 to people, they must not be interested in
11 writing insurance. So just do this.

12 MS. DOZIER:

13 Okay.

14 MR. POTEET:

15 We'll take an extra -- you
16 know, I would think so, but you already know
17 what's going to happen.

18 MR. HALLACK:

19 I would use the same letter
20 Mr. Katz wrote, too. It's a very good
21 letter.

22 MR. POTEET:

23 It's excellent.

24 MS. KATZ:

25 Thank your.

1 MR. POTEET:

2 Is that clear? I'm sorry to
3 make you jump through one more hoop, Keith,
4 but I --

5 MR. KIRALY:

6 I know your patience is
7 running out.

8 MR. POTEET:

9 You know what the result is
10 going to be. You know. So we're going to
11 be all right.

12 MR. KIRALY:

13 I just went above and beyond
14 in trying to go straight to them to prove
15 that you can't get it.

16 MR. POTEET:

17 Well, I think Mr. Hallack has
18 a good point. I mean, SEADRA is the
19 exclusive agent. That's who we've required
20 two other licensees to go through. It would
21 be -- looks like we're doing something
22 different now.

23 MS. DOZIER:

24 I have a question. If he
25 sends it in today return receipt --

1 certified return receipt requested, how long
2 is -- his insurance expires on November 1st.
3 How long would you give him in order to get
4 a response back or no response back?

5 MR. POTEET:

6 End of the week.

7 MS. DOZIER:

8 Okay.

9 MR. POTEET:

10 No longer than the end of the
11 week. I mean, if you send it today, they'll
12 have it tomorrow or the next day. There's
13 no reason they can't respond to you within a
14 day or so. So the end of the week. I don't
15 see any reason to go longer than that.

16 Geof, it was delivered and
17 signed for on the 5th of September and you
18 haven't heard anything back?

19 MR. KATZ:

20 No.

21 MR. POTEET:

22 But I don't think you have to
23 wait that long. I think just go through
24 motions and see what happens. Maybe they'll
25 quote you, you never know.

1 MR. KIRALY:

2 I'm sure they will.

3 MR. POTEET:

4 You'll be the lucky one.

5 MR. KIRALY:

6 It will probably be a hundred
7 thousand dollars.

8 MR. POTEET:

9 And then we'll go to the next
10 step. I think everybody knows what the next
11 step is.

12 Thanks, guys.

13 Any other public comments? I
14 guess that was it.

15 MR. PARNELL:

16 Yes.

17 MR. POTEET:

18 We need an approval of
19 minutes from the previous meeting. I'm
20 assuming all of you have had a chance to
21 review those.

22 MR. SMITH:

23 I make a motion to approve.

24 MR. BREWER:

25 Second.

1 MR. POTEET:

2 All in favor, say, "Aye."

3 (All "Aye" responses.)

4 MR. POTEET:

5 That passes.

6 Financial matters. You knew

7 we would get to you eventually.

8 MS. ANDERSON:

9 Good morning. Okay. In your
10 packet, you have your financial statements.
11 The primary activity that we had in the
12 financials this month was, of course,
13 preparation of the renewals. On the balance
14 sheet on Page 1, the ending balance in the
15 bank account was \$986,000. The current
16 assets are up \$509,000 over the same period
17 last year. Roughly half of that is the
18 deferred revenue that we took in. Beginning
19 with the October financials, we'll start
20 moving that deferred revenue into regular
21 revenue and we're going to do that over the
22 period of the renewals, which would be
23 October through March.

24 MR. POTEET:

25 Okay.

1 MS. ANDERSON:

2 The accounts receivable
3 hearings, fines, was the same, \$50,450. On
4 Page 2, the deferred revenue, that's from
5 last year, that's \$253,485. Like I said,
6 we'll just divide that over the months of
7 the renewal and move into it into revenue.

8 On Pages 3 through 6, you
9 have your revenue and expenditure statement.
10 At the bottom of Page 3 in the center, our
11 year-to-date revenue was \$104,000 compared
12 to \$129,000 last year, and that's --
13 primarily, we had some hearing fines that we
14 -- of about \$20,000 that were included in
15 there. The year-to-date auction fees are up
16 to \$67,000 compared to \$65,000 last year.

17 On the next page, the salary
18 and expenditures were well within budget.
19 We were at 80 percent. At this point in the
20 year, we should have 75 percent left in the
21 budget and we had more than that. And the
22 operating expenditures were also within
23 budget.

24 On Page 5, the professional
25 services, we paid for our audit in September

1 and we also paid a small additional fee for
2 Mr. Hebert to assist us with some of the
3 issues that we had on the audit, some GASB
4 related issues that we discussed last month.

5 On the last page of this
6 report the ending of the year-to-date
7 revenue over expenditures was a \$105,000
8 loss and that's the end of our -- you know,
9 right before we hit renewals. It sort of
10 looked like that last year. We were at
11 \$84,400 and the difference there again is
12 that we had collected about \$20,000 in
13 hearing fines additional last year.

14 On Page 7, is a recap of the
15 revenue and expenditures and, again, our
16 loss for the year to date, and you can see
17 that both our revenues and our expenditures
18 were down. Revenues were down about \$36,000
19 and expenditures were down about \$7,000.

20 MR. POTEET:

21 Did you say that that revenue
22 difference was primarily related to
23 collecting fines last year?

24 MS. ANDERSON:

25 We charged fines last year.

1 MR. POTEET:

2 Yes, I mean, charged fines.

3 MS. ANDERSON:

4 We had a couple of fines in
5 September last year that amounted to about
6 \$20,000, and so that was the difference. We
7 have not had that this year that much.

8 On Page 8, you have your
9 certificate of deposits report, which is
10 about the same -- is the same as it was last
11 month, no changes there. Our next CD
12 expires in January.

13 On Page 9, the accounts
14 receivable hearings, again, the total was
15 the same. We are working on getting those
16 top older accounts to the AG. We did
17 contact Double Tree's attorney and sent them
18 a letter regarding getting them to pay that
19 \$600 there. All else remains the same on
20 the report.

21 We would also like to let the
22 Commissioners know that beginning October
23 1st, we started using our Sage 50 Peachtree
24 program. It's a powerful program. It's
25 pretty amazing. It is very user friendly.

1 It's got a number of features. It's going
2 to bring us a whole new level of
3 performance. We have the ability to scan
4 and upload our bills, our invoices, once we
5 pay them. We can scan them and upload them
6 to -- so that whenever we go to look at that
7 invoice on the computer, we don't have to go
8 to the file cabinet to pull that invoice
9 out. It's got recurring transaction entry.
10 So a lot of the automated things that we do
11 every month, even where the figures change
12 like on our health insurance, for instance,
13 the coding and what-have-you, is repetitive.
14 So you can save that in this program.

15 You have automatic access to
16 reports from any screen, which is a
17 refreshing difference from the program we
18 were using. You also have automated help
19 screens. So when we have people in that are
20 new trying to train on this, you don't even
21 have to call up Help. When you get to that
22 screen and you hit the vendor name, the Help
23 screen comes up and it tells you all about
24 how to enter vendors, and it even gives you
25 tips on how do that. And the same thing

1 with all of the fields. As you go down the
2 fields, the Help screen comes up. It's got
3 a lot easier reporting access than our old
4 program.

5 If you wanted a report or if
6 you wanted the trial balance for this month,
7 you go in and call up the trial balance.
8 Well, if you wanted it for -- oh, okay, I
9 changed my mind, I want it for last month,
10 you would have to get out of all the menus,
11 go back in and call the report up, again.
12 Now, you can just go in and change the
13 parameters of the report and it instantly
14 changes that report and it's already up to
15 be the new month.

16 They also have a more robust
17 customer service department. In the last
18 couple of years, I've had -- Kim will attest
19 to this -- we had horrendous problems
20 getting into the DacEasy -- the customer
21 service line at W-2 time, because everybody
22 in the world wants to talk to them about it,
23 and there were major problems with it, also.
24 But this program, they have a wider access.
25 I think -- and I forget the times, but it's

1 like 7:30 in the morning to eight o'clock at
2 night Monday through Friday, and they even
3 have a few Saturdays that they're open
4 during the times that people are doing W-2s.
5 So we feel like this was an excellent move
6 for the Commission, that we're going to get
7 a lot more and we're paying about the same
8 thing we were paying for the other program.

9 MR. POTEET:

10 Very good.

11 MS. ANDERSON:

12 Unless there are any
13 questions, that concludes my report.

14 MR. POTEET:

15 Does anybody have any
16 questions for Mona?

17 (No response.)

18 MR. POTEET:

19 Thank you.

20 MR. ROY:

21 I'll make a motion to accept.

22 MR. POTEET:

23 All right. I have a motion.

24 MR. CORMIER:

25 Second.

1 MR. POTEET:

2 I have a second.

3 All in favor, say, "Aye."

4 (All "Aye" responses.)

5 MR. POTEET:

6 All right. We've got some
7 invoices that need to be paid.

8 MR. PARNELL:

9 Yes, payment of invoices,
10 September, 2012, Attorney Sheri Morris. I
11 have -- it's in your packet. I have gone
12 through the invoice to assure that the
13 services listed are what we did receive and
14 Mona has gone through it and concurred that
15 the hours and the amounts are correct. We
16 have agreed that they are correct. And so I
17 have here for your approval for payment of
18 Ms. Morris' invoice. The invoice amount is
19 \$3,325.

20 MR. POTEET:

21 Any discussion?

22 MR. CORMIER:

23 I make a motion.

24 MR. POTEET:

25 I have a motion.

1 MR. SMITH:

2 I'll second.

3 MR. POTEET:

4 Second.

5 All in favor, say "Aye."

6 (All "Aye" responses.)

7 MR. POTEET:

8 All right. Legal matters and
9 pending litigation.

10 MR. HALLACK:

11 We have a briefing schedule
12 from the First Circuit Court of Appeal on
13 the Value Imports appeal. Our brief is due,
14 I think, November 11th. So we're staying on
15 top of that.

16 MR. POTEET:

17 Nothing new there?

18 MR. HALLACK:

19 No.

20 MR. POTEET:

21 All right. I guess we're
22 ready to move on to the Executive Director's
23 report.

24 MR. PARNELL:

25 Review of complaint totals,

1 the total in your packet, if you turn with
2 me, the total alleged issue counts for the
3 month has been 54. The largest issue this
4 month was refunds, which is a little bit
5 different from normal. Normally, it's for
6 non-delivery of title.

7 The second report there is
8 your case report. It illustrates 38
9 assigned cases for the month. Six of those
10 cases have been completed, which leaves 32
11 of those cases remaining open.

12 The third report you have is
13 the department summary report. As of
14 September 1 through 9/30 of 2012, there are
15 38 cases that were closed for the month. So
16 that -- one other thing I kind of want to
17 touch on is that it's a little bit -- that
18 kind of completes what the enforcement side
19 -- some of what the enforcement side has
20 been doing, but I do want to kind of touch
21 on a little bit what else they've done.
22 We've been working kind of close with the
23 Motor Vehicle Commission concerning our
24 former RTO dealers. Some of those dealers
25 that -- if you recall at the end of last

1 year, beginning January 1, they went over to
2 the New Car Commission to do lease to own
3 and speaking with Director Lessie, and we
4 had extensive conversations about this just
5 because her belief, as well as mine, I was
6 concerned about whether or not they were
7 actually doing RTO at the New Car Commission
8 versus doing lease to own. Initially, when
9 we -- when they left over here, my initial
10 thought was, okay, they're going to change
11 their contract to lease to own, but what we
12 did was, Director Lessie House sent out a
13 letter to all of those dealers notifying
14 them that we're going to do a joint audit
15 starting last month and we're going to start
16 going around and looking at those and make
17 sure that all the contracts are correct and
18 make sure all the -- if you say you're doing
19 lease to own, you're actually doing lease to
20 own, you don't have RTO contracts out there.
21 We did go in with -- the first dealer that
22 we had was on -- off of Airline Highway and
23 we did find some discrepancies on some
24 issues. So in the near future, we're
25 probably going to be looking into all of

1 them just to make sure that they're
2 operating correctly.

3 The next item is our
4 technology update. Mona just kind of really
5 -- you can hear the excitement in her voice
6 about the accounting program. It far
7 supercedes anything that we have had here in
8 our office. That Sage 50 is really exciting
9 to me as well.

10 The other thing is our new
11 website. Hopefully, you all have gotten a
12 chance to go out there and look at it and
13 play with it a little bit, and if you do see
14 anything in there that you want to see added
15 to it or corrected, please let me know. The
16 great thing now, myself, Kim, and Tonya, we
17 have the ability to go into the website and
18 make corrections and changes and updates
19 ourselves now. In the past, you know, we
20 always had to go through our IT person and
21 sometimes they get back to us soon and
22 sometimes they don't. You know, at this
23 point -- you know, that was one thing I
24 wanted built in, that we have our own
25 password to get in. On that home page,

1 there's a very small sign in, in the very
2 bottom right-hand corner, that we can go in
3 and log in and make changes and updates to
4 it. It still needs some tweaking. I'm
5 still trying to add things into it, but it's
6 -- overall, I've been getting a lot of
7 positive feedback from it. So just look at
8 it and let me know if there's anything else
9 that you want to see added.

10 MR. POTEET:

11 I looked at it a little bit
12 last week. I spent about five to six
13 minutes on it just glancing at it. I was
14 kind of in the middle of some other things,
15 but you can see the improvement.

16 MR. PARNELL:

17 Yes.

18 MR. POTEET:

19 It's much better. I think
20 that the key is the ability to change it
21 yourself. That way, if somebody calls up
22 and says, hey, you've got this wrong or
23 something is not in the right place, then
24 you can just go in and, boom, fix it.
25 That's important.

1 MR. PARNELL:

2 That was the primary issue I
3 had. I wasn't able to do it myself and no
4 one here on staff, and we couldn't get in
5 timely. So I really like that aspect about
6 it and I think that's going to help us out
7 long-term getting the information out there
8 and just selling our agency a little bit
9 more than we've ever done in the past,
10 trying to design it just to do that, to give
11 a little bit -- we're not only -- we're a
12 licensing agency, but we still need to
13 promote ourselves in what we're doing and
14 how we look as an agency as well.

15 So the other thing is that
16 the e-mail has been out there. You know, I
17 sent some welcome e-mails. I don't know --
18 I've talked to some of you guys,
19 individually. I did receive some e-mails
20 back, you know, just keep giving me feedback
21 on that. So I sent out some welcome
22 information out to everybody. I kind of
23 really want our licensing team to make sure
24 that they use those e-mails to get out to
25 everybody, so we can be more efficient in

1 what we're doing. That was the whole point
2 of doing that process. I haven't heard a
3 lot back on the e-mail situation. Some
4 people don't want to do it at all, of
5 course. Then, some people love it. So
6 that's always going to be the case.
7 Hopefully, my percentage of ones that don't
8 want to truly comply is very small.

9 The renewals, licensing
10 renewal update, we ran into some issues once
11 the renewals started up. We had the ability
12 this year on the website to do our initial
13 new applications and our renewal applicants
14 can go in and license themselves this year.
15 Typically, in the past, we've only done just
16 renewals. We ran into some problems,
17 because our first day that we opened up, I
18 think out of the first 10 -- the first 10
19 that we opened up, they were renewals, but
20 they applied as new applicants. It was,
21 like, eight of them out of the first 10 that
22 did it incorrectly. So that could be
23 problematic later on. Right now, it's a
24 small number, but, you know, over the
25 weekend, we had --

1 MS. ANDERSON:

2 I think we had \$5,000 worth.

3 MR. PARNELL:

4 Yes. So 130 or so

5 transactions could be a real headache for us
6 to go in and try to switch it back to the
7 renewal side. So what we did was, we just
8 told them to go ahead and turn that off
9 right now, just turn off the initial
10 application side right now. So that's what
11 we're going to do right now. So we just
12 turned that off. So they won't be able to
13 do that, it won't even show for them.

14 MR. POTEET:

15 So what will happen if
16 somebody is trying to make a new
17 application?

18 MR. PARNELL:

19 If they want to make a new
20 application, they can go -- they can contact
21 us and we'll go in and show them where they
22 can download the document and they can just
23 submit it to us via e-mail versus going in
24 and doing the total online process of new
25 applicants. That's where the problem is

1 with the online process.

2 MR. POTEET:

3 Do you know -- do you have
4 any specifics on how many new applications
5 you normally get in, say, the fourth quarter
6 of the year?

7 MR. PARNELL:

8 I think in the fourth quarter
9 -- we kind of talked about it. It's only,
10 like, maybe 15 percent or something. It's
11 kind of small. It might be lower than that.

12 MR. POTEET:

13 So a couple hundred?

14 MR. PARNELL:

15 It's about 150 or 200 or so,
16 and that might be throughout the entire
17 year.

18 MR. POTEET:

19 Okay.

20 MR. PARNELL:

21 We're not getting -- the
22 reason we've been getting a lot, we get a
23 lot of salesmen. I mean, that's ridiculous,
24 but this year, we've gotten more than normal
25 as far as new applicants. Second or third

1 quarter, they -- we've been getting a lot,
2 but it's not -- it dies down at a certain
3 time.

4 MR. POTEET:

5 Just as long as you have a
6 way to address that.

7 MR. PARNELL:

8 That kind of concludes what I
9 had with respect to the Director's report.

10 MR. POTEET:

11 No hearings today.

12 Anything -- what about next
13 month, do we have any hearings scheduled?

14 MR. PARNELL:

15 I don't have any hearings
16 scheduled right now, but there are some
17 violations in my queue that may require a
18 hearing and I will wait and try to move
19 those through the process and go ahead and
20 get them in for a hearing next month, if we
21 can.

22 MR. POTEET:

23 The next meeting is November
24 19th. Everybody is okay with that?

25 MR. PARNELL:

1 That's no conflict with our
2 holiday schedule.

3 MR. POTEET:

4 All right. Any other
5 business, any other information?

6 Motion to adjourn.

7 MR. BREWER:

8 I second that.

9 MR. POTEET:

10 Let's do it. Good meeting.

11

12 (Meeting adjourned at 10:36 a.m.)

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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 15, 2012 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 26, 2012, Baton
15 Rouge, Louisiana.

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23 BETTY D. GLISSMAN, CCR
24 CERTIFIED COURT REPORTER
25