

LOUISIANA USED MOTOR VEHICLE COMMISSION  
STATE OF LOUISIANA

REGULAR MEETING  
MAY 20, 2013  
BEGINNING AT 9:30 A.M.

3132 VALLEY CREEK  
BATON ROUGE, LOUISIANA

REPORTED BY:  
BETTY D. GLISSMAN, CCR

Betty D. Glissman, CCR

1 APPEARANCES:

2

3 CHAIRMAN:

4 MR. JOHN POTEET

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6 COMMISSIONERS PRESENT:

7 MR. GEORGE BREWER

8 MR. TONY CORMIER

9 MR. RON DUPLESSIS

10 MR. GEORGE FLOYD

11 MR. KIRBY ROY

12 MR. HENRY "DARTY" SMITH

13 MR. DINO TAYLOR

14 MR. DOUGLAS TURNER

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18 REPRESENTING THE LOUISIANA USED MOTOR  
19 VEHICLE COMMISSION:

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

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

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1 ALSO PRESENT:

2

3 MS. KIM BARON

4 MR. DEREK PARNELL

5 MS. MONA ANDERSON

6 MS. TONYA BURKS

7 MS. BECKY BERTRAND

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1 MR. POTEET:  
2 Pledge of Allegiance.  
3 (PLEDGE OF ALLEGIANCE)  
4 MR. POTEET:  
5 Kim.  
6 MS. BARON:  
7 John Poteet?  
8 MR. POTEET:  
9 Here.  
10 MS. BARON:  
11 George Brewer?  
12 MR. BREWER:  
13 Here.  
14 MS. BARON:  
15 Dino Taylor?  
16 MR. TAYLOR:  
17 Here.  
18 MS. BARON:  
19 Tony Cormier?  
20 MR. CORMIER:  
21 (No response.)  
22 MS. BARON:  
23 Ron Duplessis?  
24 MR. DUPLESSIS:  
25 Here.

1 MS. BARON:  
2 George Floyd?

3 MR. FLOYD:  
4 Here.

5 MS. BARON:  
6 Kirby Roy?

7 MR. ROY:  
8 Here.

9 MS. BARON:  
10 Darty Smith?

11 MR. SMITH:  
12 Here.

13 MS. BARON:  
14 Tony Cormier, would you like  
15 to reply to your --

16 MR. CORMIER:  
17 Here.

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

21 MR. POTEET:  
22 All right. Thank you.  
23 Do we have anyone here for  
24 public comments?

25

1 MS. BARON:

2 No, sir.

3 MR. POTEET:

4 Before we get started with  
5 the agenda, I just wanted to -- in case you  
6 haven't heard, Doug Turner has resigned from  
7 the Commission. Doug decided that he had  
8 other things that were pressing and he could  
9 no longer devote the time and attention that  
10 he felt that the Commission needed and  
11 deserved. So we'll be looking for two. And  
12 keep in mind that we still are required by  
13 the State to have six people here for a  
14 quorum, even though we don't have 10 active  
15 members. So we did pretty good today. I  
16 think we have everybody here. Make sure if  
17 you're not going to be here or if anything  
18 comes up, please let us know. So there has  
19 to be at least six of us here.

20 All right. So any items for  
21 discussion?

22 (No response.)

23 MR. POTEET:

24 We've got approval of the  
25 minutes from the previous meeting. What was

1 it, one page? We have to get them approved.

2 So do I have a motion?

3 MR. SMITH:

4 (Makes motion.)

5 MR. POTEET:

6 I have a motion.

7 MR. BREWER:

8 Second.

9 MR. POTEET:

10 Second from George Brewer.

11 All in favor, say, "Aye."

12 (All "Aye" responses.)

13 MR. POTEET:

14 Any opposed?

15 (No response.)

16 MR. POTEET:

17 That passes.

18 Financial review, Mona.

19 MS. ANDERSON:

20 Good morning. If you would

21 turn in your packets to the balance sheet on

22 Page 1 of the financial statement, the

23 balance in the bank account for April was

24 \$1,417,000. Accounts receivable hearing and

25 fines declined to \$70,700. At the bottom of

1 the page, your current liabilities were  
2 \$13,384.

3           And on Page 2, the deferred  
4 revenue was \$296,237. On Page 3, on the  
5 revenues and expenditures statement, the  
6 total revenues year to date were \$1,060,000  
7 compared to \$1,062,000 for last year. And  
8 the year-to-date salaries, both on Pages 3  
9 and 4, year-to-date salaries this year were  
10 \$571,000 compared to \$528,000 last year.  
11 However, the total expenditures on Page 5,  
12 total expenditures year to date, were  
13 \$755,000 compared to \$737,000, which was  
14 only a slight increase, \$18,000.

15           On the following Pages 6 and  
16 7, we have graphs of the revenues and  
17 expenditures and the fund balance. You can  
18 see that our fund balance is beginning to  
19 decline a little bit toward the end of the  
20 renewal period. We have a new graph on Page  
21 7, which gives you a pie chart of our fee  
22 revenue. Of course, our dealers' licenses  
23 are the highest -- the largest part of our  
24 fee revenue.

25           And then on the following



1 page, Page 8, is the spreadsheet for the  
2 data for those charts.

3           On Page 9 is our accounts  
4 receivable hearings and fines balance of  
5 \$70,700. And you can see that we collected  
6 \$20,000 on the bond for Affordable Imports  
7 on April 30th, and we brought back an  
8 account, Tangi Auto Sales that was written  
9 off in 2008, but he still had a license and  
10 Kim was talking to him. We collected the  
11 \$500 on that account, which had been written  
12 off. So we brought it back in and paid it.

13           On Page 10, is our  
14 certificate of deposit summary. The two  
15 certificates of deposit with Landmark Bank  
16 renewed in April and the renewal interest  
17 rate was point seven percent.

18           Also included in your packet  
19 is our internal controls policy. We're  
20 working on preparing the accounting policies  
21 and procedures manual and the internal  
22 controls will be a part of that. You can  
23 review that.

24           MR. PARNELL:

25           I don't think you-all have

1 that in your--

2 MR. POTEET:

3 No, it's not there.

4 MS. ANDERSON:

5 I'm sorry.

6 MS. BARON:

7 I didn't get it.

8 MS. ANDERSON:

9 We'll just do that one next  
10 time, then. It is prepared. We'll look at  
11 it next time.

12 MR. POTEET:

13 I would assume that if anyone  
14 wants to make any suggestions, this would be  
15 a good time to do it since you're in the  
16 process of reforming that.

17 MR. PARNELL:

18 We'll send it out via e-mail  
19 as well, so you can kind of look at it and  
20 review it.

21 MS. ANDERSON:

22 I'm sorry. I'm sure I forgot  
23 to give that to Kim.

24 MR. POTEET:

25 Do we have any comments or

1 any questions for Mona? It looks like we're  
2 in pretty good financial shape. Any  
3 comments there?

4 MR. TAYLOR:

5 I think this would just be  
6 discussed better later.

7 MR. POTEET:

8 All right. We'll get to that  
9 either at a later meeting or the next  
10 meeting or something like that. We might  
11 want to have that agenda item regarding our  
12 financial position.

13 So we need to have an  
14 approval of the financial report.

15 MR. CORMIER:

16 I make a motion to approve  
17 the financials.

18 MR. POTEET:

19 Tony makes the motion.

20 MR. SMITH:

21 I second.

22 MR. POTEET:

23 Darty seconds.

24 All in favor, say "Aye."

25 (All "Aye" responses.)

1 MR. POTEET:

2 Any opposed?

3 (No response.)

4 MR. POTEET:

5 It passes.

6 Legal matters and pending  
7 litigation.

8 MR. HALLACK:

9 Well, you should have in your  
10 notebook the judgment we got back on the  
11 appeal on Destini Bowling, A-1. The judge  
12 signed off on the dismissal of the judgment  
13 -- the dismissal of their appeal. So that's  
14 final and over with. The other one, we  
15 still haven't heard back from the Court of  
16 Appeals on Value Imports, yet. Sometimes,  
17 it takes a while. So that's where we're at.

18 MR. POTEET:

19 By the way, good morning.

20 MR. HALLACK:

21 Good morning.

22 MR. POTEET:

23 So I assume -- I've heard --  
24 seen some things and heard some things in  
25 the news about the Bowlings and it sounds

1 like they're digging a deeper and deeper  
2 hole for themselves or maybe the hole was  
3 dug before, but now it's starting to come  
4 up, all of these different things that  
5 they've done.

6 MS. MORRIS:

7 Well, we have a hearing on  
8 this today.

9 MR. POTEET:

10 Good.

11 Does anybody have any  
12 questions for Mr. Hallack?

13 (No response.)

14 MR. POTEET:

15 All right. I guess we're  
16 ready for the Executor Director's report.

17 MR. PARNELL:

18 If you turn with me, I have a  
19 review of the compliance investigation, the  
20 complaint totals. The investigators are  
21 doing their audits trying to satisfy their  
22 complaints and making sure the licensees are  
23 in compliance with our Commission laws.  
24 Actually, you will see that the alleged  
25 issue counts for April is 96 alleged issues.

1 Twenty-seven of those are refunds. As  
2 always, refunds and non-delivery of title,  
3 they kind of go hand in hand. One is  
4 corrected, the other always follows suit.

5 Case report illustrates the  
6 number of cases -- number of the alleged  
7 issue cases assigned in April to  
8 investigators. Seventy-two cases were  
9 assigned. Fifteen case are completed, which  
10 leaves 57 remaining open.

11 The last document is your  
12 department summary report, which illustrates  
13 the number of cases that were closed in the  
14 month of April, which is 63.

15 That pretty much concludes my  
16 report. Are there any questions, comments  
17 or concerns?

18 MR. POTEET:

19 Does anybody have any  
20 questions?

21 MR. DUPLESSIS:

22 You have two curbstoning  
23 cases here. Tell me about those.

24 MR. HALLACK:

25 Well, they may result in a

1 hearing.

2 MR. PARNELL:

3 One was one that you told me  
4 about.

5 MR. DUPLESSIS:

6 I don't recall anything about  
7 that, whatsoever.

8 MR. PARNELL:

9 I did want to say this. I  
10 did speak with the Board of Commissioners'  
11 Director about the two commissioners that we  
12 are down. They informed me that they were  
13 not going to do anything until after the  
14 legislative session was over.

15 MR. HALLACK:

16 Okay.

17 MS. MORRIS:

18 It ends the first week of  
19 June. So it's the last week of the session.

20 MR. POTEET:

21 So let's go on to committee  
22 reports. Discussion of the legislative  
23 session, I guess Ron and Derek, you guys.

24 MR. DUPLESSIS:

25 I guess it's up to Derek on

1 this one. He's carried the whole bill and  
2 has done a fabulous job.

3 MR. PARNELL:

4 Our bill, House Bill 547, was  
5 heard in committee on May 15, 2013.  
6 Commission counsel, Sheri Morris, and I were  
7 present and testified in front of the Senate  
8 Committee. They were asking questions about  
9 the bill, just on language, just about the  
10 -- what was it, the administrative  
11 procedures.

12 MS. MORRIS:

13 They asked about the  
14 provision that the judgments of the  
15 Commission will be final and there was a  
16 question as to does that -- doesn't that  
17 mean that if there was new evidence  
18 discovered or something, that you couldn't  
19 come back and change your decision, and I  
20 think that happened in a very controversial  
21 case that was before the Commission, and  
22 Senator Smith was involved in that and he is  
23 on the committee. So I kind of got the  
24 impression that he didn't ask the question,  
25 but he may have asked somebody to ask the



1 question. But under the Administrative  
2 Procedures Act, you can file a motion for  
3 reconsideration upon specific grounds and  
4 that would be one of the grounds. So they  
5 just kind of turned the -- they asked  
6 several times about that, but then they  
7 said, well, is there any opposition to this  
8 bill, and they said, we're not aware of any.  
9 So they just kind of went on. They had a  
10 full schedule that day it had been in  
11 committee several hours when it got to us.

12 MR. PARNELL:

13 But the bill passed committee  
14 favorably, no opposition at all. So our  
15 bill is doing very well going through the  
16 process. There was another bill that kind  
17 of has a -- relates to us in some kind of  
18 way. It was House Bill 543. It was  
19 Representative Pierre, which provides  
20 relative to the regulation of surplus lines  
21 insurance, specifically to authorize  
22 placement of insurance with a surplus lines  
23 insurer without regard to availability of  
24 authorized insurance. This bill went  
25 through the House Committee without any

1 opposition, if I recall correctly, then it  
2 went to the House floor. There was an  
3 amendment that was put on that bill that  
4 said, however, nothing in the subpart shall  
5 be construed to apply to the provisions and  
6 requirements of Revised Statute 32:793(b)  
7 and contingent liability insurance,  
8 specifically, the rent with option to  
9 purchase program. The bill -- that  
10 amendment that was placed on that kind of  
11 targeted the rent with option to purchase  
12 program. The bill went to the Senate  
13 Committee. One of our licensees, Keith  
14 Kiraly, with Rock & Roll Motors, he  
15 testified in the Senate Committee and the  
16 previous amendments were removed. So I  
17 don't know what's going to happen with that  
18 bill in relation to when it goes to the  
19 Senate -- when it's heard on the Senate  
20 floor. Now, I don't know how much bearing  
21 that would really have with our Commission,  
22 because our statute still says that you  
23 shall have contingent liability insurance  
24 with an authorized and admitted carrier.  
25 I'm not really sure what kind of bearing

1 that would have on that.

2           Would you be able to kind of  
3 comment or would it have any?

4           MS. MORRIS:

5           It wouldn't have any bearing,  
6 because our statute is more specific, unless  
7 they put in there a set of amendments,  
8 something to impact that provision.

9           MR. PARNELL:

10           With that said, I know some  
11 of our rent to own dealers, if it does go  
12 through as it is, we may see them before us  
13 again discussing rent to own insurance,  
14 again.

15           But there's another bill as  
16 well, House Bill 629. It was co-authored by  
17 a lot of representatives. It establishes  
18 the Office of Debt Recovery at the  
19 Department of Revenue for collection of  
20 delinquent debts owed to certain  
21 governmental entities and this Board and  
22 Commission. So we would fall under that.  
23 It did state that -- within that document  
24 that if we already have a contract with the  
25 Attorney General's Office, then we could

1 continue to go that direction, but I think  
2 this is Jindal's bill, if I'm not mistaken,  
3 that he's just trying to -- we're trying to  
4 review it right now to make sure that it  
5 doesn't have a huge impact on us outside of  
6 what we're doing currently, but that's  
7 pretty much all I had, and it is going on to  
8 committee.

9 MR. POTEET:

10 Okay. Does anybody have any  
11 questions or comments about that?

12 (No response.)

13 MR. POTEET:

14 Light meeting for us, I  
15 guess.

16 (Meeting recessed for hearings.)

17 MR. POTEET:

18 So we are re-convened and  
19 we'll wrap up the meeting.

20 MR. DUPLESSIS:

21 Mr. Chairman, under the items  
22 to be discussed at the next meeting, this  
23 has been a very cumbersome lengthy process  
24 and I frankly question the necessity of this  
25 process. I think that you're going to start

1 having less of a quorum if we continue this.  
2 So my recommendation is, and I'll put it in  
3 the form of a motion, to simply have these  
4 revocation hearings approved through our  
5 Executive Director and if there is a cause  
6 for a hearing, then we can -- it seems that  
7 these are mostly administrative issues that  
8 can be handled through the administration of  
9 the office. And I'm probably greatly  
10 mistaken, as I see Counsel are sneering at  
11 me, but either we have to go through this  
12 much quicker or -- if there's a way to do  
13 it, but this is going to impune the ability  
14 for us to manage this Commission.

15 MS. MORRIS:

16 I think that the process can  
17 be streamlined, but when you're dealing with  
18 a revocation, what -- the process is going  
19 to -- the staff is going to go ahead and  
20 send out the notices to make it effective,  
21 but it's got to be ratified by the  
22 Commission, because the licensee has a right  
23 under the Administrative Procedures Act to  
24 an receive formal notice, and then a  
25 hearing. Now, a lot of them are not going

1 to show up. We did have one show up today,  
2 but that's the process that we have to go  
3 through and it is appealable. Once you are  
4 a licensee if the Commission revokes your  
5 license, that's not authority that you can  
6 delegate a final authority to your staff.  
7 So your staff's process -- this is the first  
8 time they've had -- that they're going back  
9 and they're trying to do that. So some of  
10 these are a little bit old and I think the  
11 procedure can be streamlined a little bit,  
12 but they are going to have to be ratified by  
13 the Commission and you are going to have to  
14 have evidence in the record if there is an  
15 appeal.

16 MR. HALLACK:

17 See, I disagree with that. I  
18 think the license is a privilege that can be  
19 revoked. The saving grace to the statute is  
20 that if you have a bond or insurance that  
21 you've renewed or anything like that, it's  
22 incumbent upon you to provide that to the  
23 Commission; otherwise, your license is  
24 revoked. The statute is very plain. It  
25 says, you are revoked the date of

1 cancellation. And it's just like if you  
2 didn't have insurance on your car or  
3 something like that, your driver's license  
4 could be suspended or --

5 MS. MORRIS:

6 You still get a hearing.

7 MR. DUPLESSIS:

8 You know, the way I see this  
9 is, if you're suspended, you can't be doing  
10 business. So if we have a rogue dealer that  
11 ignores the suspension, then we can call him  
12 in for a full hearing and do this if need  
13 be. That's essentially what we did today.  
14 We had a full day of hearings and I don't  
15 think we're up to speed. And I think a  
16 checklist and something to go through this  
17 with, but my gosh, we're going to be here  
18 until -- a long time to hear all of this,  
19 and I think it's an administrative deal.

20 MR. POTEET:

21 I tend to agree with you,  
22 Ron. I think that, you know, we've got to  
23 come up with a little more streamlined  
24 method of getting this done and somehow  
25 separate the ones that are simply an

1 administrative matter and the ones that  
2 really need to be reviewed. So we had two  
3 today that were kind of like that and two  
4 that were -- needed to be discussed. I'm  
5 hoping that -- this first shot at this, we  
6 obviously have got a little bit of a  
7 learning curve and the next time we do it,  
8 it will be better. But I do think you bring  
9 up some good points. I think that's -- you  
10 know, I talked to Derek this morning and he  
11 told me what we were going to be doing. I  
12 kept saying -- I keep using the same word  
13 over and over, why are we doing this, why  
14 are we doing this? So, you know, I  
15 understand the reasons for it, but I think  
16 we can improve upon it and make it so it  
17 doesn't become a cumbersome process. I  
18 think this little corner here heard the word  
19 cumbersome a few times.

20 MR. TAYLOR:

21 Just one other thing, though,  
22 as cumbersome as it was, there's one other  
23 issue we've got here. We've got a pattern  
24 being developed here. And if I didn't care  
25 about my liability, let's just say my



1 company, I don't care about my liability,  
2 this is what I'm going to do. I'm going to  
3 do just like our 10/20/10 guys out there  
4 driving up and down the road. I'm going to  
5 pay my down payment. I'm not going to make  
6 any more payments. I'm going to go six or  
7 eight months before all of this is put  
8 together and not have any insurance. So  
9 there has got to be some type of bond that  
10 we can let in here, too, to hold these  
11 people accountable, you know, because right  
12 now, they're going six, eight months without  
13 any insurance. So we're going to tell them  
14 to go bring your insurance into your  
15 hearing, all right, you've got your license,  
16 you're up and going, again. That's not fair  
17 to me and anybody else that does business  
18 properly. So even though it is cumbersome,  
19 I think we have to figure out some way to  
20 streamline it and levy fines in here when  
21 people go a certain amount of time with no  
22 insurance.

23 MS. BARON:

24 Well, if they can't show any  
25 proof of insurance from the date that they

1 -- the cancellation was issued or  
2 what-have-you, then they do have to pay a  
3 fine. Up to 14 days of a lapse is \$100.  
4 After that 14 days, it's all of your fees  
5 over again. So depending on your dealership  
6 and how many salespeople you have would  
7 determine how much your fee is. If they can  
8 show that they have insurance and they just  
9 failed to send us the certificate and there  
10 is no lapse, then we do let them have their  
11 license with nothing. But if there is a  
12 lapse, there is a fine.

13 MR. TAYLOR:

14 How much is that fine, again?

15 MS. BARON:

16 It's \$100 for 14 days. If  
17 it's more than a 14 day lapse, it's your  
18 fees all over. So for your company, it  
19 would be \$400 for your dealership, plus  
20 however many salespeople you have, \$25 for  
21 each salesperson and that's how much your  
22 fee would be for your lapse of insurance  
23 over 15 days.

24 MR. HALLACK:

25 Just to let everybody know,

1 this is the first time we did this process.  
2 So my thinking is, when we have -- when you  
3 do a hearing, you've got to have the notice,  
4 you've got to have the evidence, you've got  
5 to have the witness statements, you've got  
6 to have all of that together. And so we do  
7 have to figure out a better way to present  
8 this if we're going to do it this way, you  
9 know.

10 MR. POTEET:

11 Well, we can think about  
12 that. I think that if we could kind of find  
13 a way to separate the ones that are more  
14 administrative as opposed to something where  
15 somebody is actually going to come in and  
16 speak, you know, we can know that and can be  
17 prepared for it.

18 MR. DUPLESSIS:

19 I think the other issue we  
20 discovered today, the Governor's Office is  
21 worried about the excessive plates, and here  
22 we've got a company with nine plates doing  
23 business from New York to LA. I think it  
24 warrants a meeting of the minds with the  
25 Department of Motor Vehicle, maybe the

1 gentleman from the Governor's Office is  
2 obviously in receipt of information, or not,  
3 and has a concern. We might want to chat  
4 with him.

5 MR. POTEET:

6 That's what we were  
7 discussing, too. Also, it's our  
8 relationship with them to make sure these  
9 things are being followed up on. Maybe  
10 there needs to be some kind of, I don't know  
11 what the term is, some kind of  
12 administrative interconnection.

13 MR. DUPLESSIS:

14 We can enter an interagency  
15 agreement. I think that's a good idea.

16 MR. POTEET:

17 Yes. We have information  
18 that they may not have and they have  
19 information that we may not have. So I  
20 think that's a good idea.

21 MR. HALLACK:

22 Well, it is a violation of  
23 our law for a dealer to misuse his dealer  
24 plates.

25 MR. DUPLESSIS:

1                   That's a broad brush, but the  
2 whole deal is to stop them and control --

3                   MR. HALLACK:

4                   What I'm saying is, we have  
5 jurisdiction.

6                   MR. POTEET:

7                   Right.

8                   MR. CORMIER:

9                   Why don't we have a limit?

10                  MS. BARON:

11                  There is one on there, now.

12                  MR. POTEET:

13                  There is a limit now, but I  
14 don't remember what it is.

15                  MR. HALLACK:

16                  It's still out there.

17                  MR. PARNELL:

18                  From what I understood, it's  
19 the number of salespersons that you have  
20 licensed, the number of dealer plates that  
21 you have.

22                  MR. DUPLESSIS:

23                  One plate, one place.

24                  MR. BARON:

25                  This is one dealership with

1 one --

2 MR. DUPLESSIS:

3 He has nine plates, no cars  
4 on the lot.

5 MR. HALLACK:

6 I don't think that's in --

7 MR. PARNELL:

8 I think Motor Vehicles was  
9 putting that in place with the online plates  
10 that they have.

11 MR. BREWER:

12 That's what I was wondering.  
13 The business is supposed to be open eight  
14 hours a day and when you kind of go by  
15 there, there's no one there.

16 MR. POTEET:

17 I appreciate your points. I  
18 think those are good points. I think that  
19 this is something that is cumbersome at this  
20 point and we do need to get it streamlined  
21 and make it work for our constituents. And  
22 also maybe looking at some kind of  
23 interagency agreement or whatever is not a  
24 bad idea with the Office of Motor Vehicles.

25 MR. HALLACK:

1                   That's a violation.

2                   MR. POTEET:

3                   That wasn't what was before  
4 us today.

5                   MR. HALLACK:

6                   I understand.

7                   MR. POTEET:

8                   All right. Any other  
9 comments?

10                  MR. BREWER:

11                  Is there any way we could  
12 check on these salvage retention titles  
13 that's becoming a problem with our dealers  
14 -- used car dealers and new car dealers?  
15 It's something we just can't ignore. It's  
16 happening. Two of my dealers questioned me  
17 on it and I said, I'll bring it up, again.  
18 I brought it up once and no one seemed to  
19 know anything about it but us. These  
20 retention titles, you can't resell these  
21 vehicles. The people are trading them in  
22 and you don't know it until you go to  
23 re-title it or transfer it, then it's  
24 flagged at the state that it's salvage  
25 retention and you can't do anything with the

1 vehicle. We've had to sell them at salvage  
2 sales for \$300 for \$2,500 -- you know,  
3 expensive vehicles.

4 MR. CORMIER:

5 Are the titles labeled?

6 MR. BREWER:

7 They're not when they're  
8 traded in. As a new car dealer, you trade  
9 in and you have a clean title. But once you  
10 wholesale it or try to retail it again, it's  
11 flagged as soon as it gets to them. And the  
12 only way you can check on it, Kasey and  
13 Kasey said if you'll give us a serial number  
14 on everything before you trade it, they can  
15 tell you if it's a salvage retention title.  
16 Other than that, that's the only way you can  
17 find out in advance. But that's pretty --  
18 that's a lot of trouble to check everything  
19 -- every car that you sell at an auction or  
20 you trade in.

21 MR. DUPLESSIS:

22 It can be Car Faxed.

23 MR. POTEET:

24 We check every car through  
25 Auto Check through the license.



1 MR. BREWER:

2 Well, you do, but -- through  
3 the license, but the dealers -- the new car  
4 dealers are not checking every one of them  
5 that they're trading in.

6 MR. POTEET:

7 I'm not sure -- I understand  
8 your issue. I think I understand your  
9 issue.

10 MR. BREWER:

11 Well, it's not just new car  
12 dealers, it's used car dealers.

13 MR. POTEET:

14 What can we do about it?

15 MR. BREWER:

16 I don't know. I just feel  
17 like this is --

18 MR. POTEET:

19 Is this something that comes  
20 under our jurisdiction?

21 MR. BREWER:

22 We represent the used car  
23 dealers.

24 MS. BARON:

25 I can call the Office of

1 Motor Vehicles.

2 MR. POTEET:

3 We need to talk to Motor  
4 Vehicles.

5 MR. DUPLESSIS:

6 I can easily give you the  
7 history of it. When Katrina came through  
8 and all of the cars were soiled by saltwater  
9 intrusion of the levee break, the New Car  
10 Dealer Association passed a law that all of  
11 these cars had to be salvaged and they had  
12 to be destroyed. They could not be  
13 conveyed. So if you took on six inches  
14 above your rim or something, that car was  
15 really in pretty good shape. A lot of them  
16 went under in order to prevent them from  
17 filtering out to other states. They were  
18 with a branded title and they branded those  
19 titles fairly well by observation and some  
20 other type of system. They do. It's quite  
21 extensive. Basically, you didn't get a new  
22 title. You just got flag on your title as  
23 being a retained for salvage car. So it is  
24 transferable to your daughter, your son,  
25 someone to drive until that car is just

1 exhausted and gets recycled, but it can't be  
2 sold and it's not tendered. So it can never  
3 bring value and yet, basically, it's only  
4 parts value and that was the intention.

5 In order to do that, you have  
6 to go into Car Fax and you have to take a  
7 look or you can call Kasey. And we just do  
8 it out of an abundance of caution. And your  
9 recourse is against the consumer.

10 MR. BREWER:

11 Right.

12 MR. DUPLESSIS:

13 If you want to pick that  
14 title, that's your choice, but your recourse  
15 is really against the consumer that it is  
16 not a negotiable vehicle.

17 MR. BREWER:

18 Well, to get the consumer to  
19 pick up that vehicle or try to get the money  
20 from them, you probably have to take them to  
21 court, because it even happened to me on  
22 two. It happened to Barker Honda on two.  
23 There's another one, Trap Showland. Just my  
24 little area, in the last couple of months,  
25 we've had about five or six and we tried to

1 get the people to come pick up their vehicle  
2 and refund the money to us, but try to get  
3 that done.

4 MR. DUPLESSIS:

5 Well, there is one other way  
6 you can do it and that's to take it  
7 physically to the State Police and have a  
8 reverse of salvage title done.

9 MR. BREWER:

10 We had the State Police come  
11 out and actually inspect the vehicles. To  
12 bring it back up to par, you would have to  
13 have all the documents showing where the  
14 vehicle was repaired and road worthy. Where  
15 is that going to be, the customer -- what's  
16 happening, these cars are getting wrecked.  
17 They're buying them back from the insurance  
18 company. They're doing a little repair and  
19 keep driving them. A couple of years later,  
20 they trade them in and you don't know it.  
21 There's no way of knowing, not unless you  
22 have -- and there are so many cars being  
23 traded and sold. Kasey and Kasey, I guess,  
24 will start charging to check that serial  
25 number. I was just wondering if there was

1 some way that the insurance company could  
2 flag those things. Once they buy them back,  
3 they should be flagged then, in my opinion.

4 MR. DUPLESSIS:

5 They are.

6 MR. SMITH:

7 It is flagged. It's with the  
8 State.

9 MR. BREWER:

10 They're flagged at the State,  
11 but, I mean, they stamp the title or  
12 something.

13 MR. DUPLESSIS:

14 They do. When they issue the  
15 new title, it is flagged, it is stamped.  
16 They are bringing you the old title.

17 MR. BREWER:

18 They're bringing the old  
19 title.

20 MR. SMITH:

21 The people that buy it have  
22 the title.

23 MR. DUPLESSIS:

24 That's right.

25 MR. SMITH:

1                   The insurance company sends a  
2 letter to the State stating that this  
3 vehicle is totaled. The owner still has the  
4 title, though, and he can fix it, drive it.

5                   MR. BREWER:

6                   That's what happening, and  
7 then they trade them in.

8                   MR. SMITH:

9                   It's flagged at the State.

10                  MR. BREWER:

11                  All you can do is sell them  
12 as salvage.

13                  MR. SMITH:

14                  Right, but every vehicle you  
15 buy, have to call in the VIN number.

16                  MR. BREWER:

17                  You have to call.

18                  MR. DUPLESSIS:

19                  Car Fax.

20                  MS. BARON:

21                  Is it going to show up on Car  
22 Fax?

23                  MR. POTEET:

24                  It shows up on Auto Check.

25                  MR. SMITH:

1                   If it's flagged at the State,  
2 it will be on Car Fax.

3                   MR. DUPLESSIS:

4                   If there's an insurance  
5 payment made it will show up on Car Fax.

6                   MR. BREWER:

7                   Car Fax is not always  
8 correct, though.

9                   MR. POTEET:

10                   They have a high error rate.

11                   MR. BREWER:

12                   As a matter of fact, there's  
13 a Cadillac Escalade that has a clean Car  
14 Fax. The whole right side has been wiped  
15 out.

16                   MR. POTEET:

17                   Well, to your point I'm not  
18 sure what we could do. You know, Darty has  
19 pointed out that it's -- that information is  
20 reported to the State. At the auction  
21 level, we run everything through Auto Check  
22 and they pop up. I mean, they come up. So,  
23 you know, all we do then is go back to the  
24 seller and say, here's the situation.

25                   MR. BREWER:

1 Right.

2 MR. POTEET:

3 Most times, that's the first  
4 time.

5 MR. BREWER:

6 But we're dealing with  
7 dealers.

8 MR. POTEET:

9 Right. That's the first time  
10 they know about it is when we tell them, you  
11 brought a car into my auction, now I'm  
12 telling you that you can't sell it because  
13 of this. And they're surprised to find that  
14 out. So I don't know what can be done other  
15 than -- I mean, I don't know. I don't have  
16 an answer.

17 MR. Floyd:

18 I've had a case like that.  
19 When I sold a car, the girl couldn't  
20 register it. Well, she had a physical  
21 inspection done and as far as repairs are  
22 concerned, she had to sign an affidavit. I  
23 sold it to her unrepaired and we went  
24 through it.

25 MR. BREWER:



1           We try to get the State  
2 Police. Barker Honda, for example, they  
3 wholesaled the car to me. It's a \$2,500  
4 car. As soon as we tried to re-sell it, it  
5 was flagged. So we hadn't paid them for it,  
6 yet. So we said, you can't sell us this  
7 car. So they ended up selling it for \$300  
8 as salvage and the State Police came and  
9 inspected it and they said, well, you can't  
10 re-sell this vehicle, it has to be sold for  
11 salvage. So they got \$300 on a \$2,500 car.

12           MR. POTEET:

13           I'm not in the retail car  
14 business as most of you are, but I would say  
15 that what maybe some of these dealers should  
16 be doing is checking these things when they  
17 come in before they trade them in.

18           MR. BREWER:

19           They're going to have to  
20 start checking every one. I was just  
21 wondering if there's -- if the insurance  
22 company -- I guess the only way to get  
23 around it is having to check them all. I  
24 was wondering if there was something -- if  
25 we could contact the insurance companies or

1 is there a board for insurance companies,  
2 and say, you need to stamp the title -- the  
3 original title or something.

4 MR. DUPLESSIS:

5 Get the Car Fax app on your  
6 iPhone. Just take a picture of the VIN and  
7 it will pop up. That's the easiest quickest  
8 way. It costs a dollar and a quarter.

9 MR. POTEET:

10 Do we have a motion to  
11 adjourn?

12 MR. BREWER:

13 Motion to adjourn.

14 MR. POTEET:

15 Very good.

16

17 (Meeting adjourned at 11:22 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 May 20, 2013 meeting was  
8 reported by me in the stenotype reporting  
9 method, was prepared and transcribed by me  
10 or under my personal direction and  
11 supervision, and is a true and correct  
12 transcript to the best of my ability and  
13 understanding.

14 This May 28, 2013, Baton Rouge,  
15 Louisiana.

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24 BETTY D. GLISSMAN, CCR  
25 CERTIFIED COURT REPORTER