APPEARANCES:

CHAIRMAN: MR. RICHARD WATTS

COMMISSIONERS PRESENT: MR. TRAVIS BROWN

MR. JEFFEREY BRITT
MR. RICKY DONNELL
MR. GEORGE FLOYD
MR. ROBERT "BOBBY" HINES
MR. JOHN POTEET

REPRESENTING THE LOUISIANA USED MOTOR VEHICLE COMMISSION:

SHERI MORRIS, ESQUIRE
DAIGLE, FISSE \& KESSENICH, PLC
8480 BLUEBONNET BOULEVARD, SUITE F
BATON ROUGE, LOUISIANA 70810

## ALSO PRESENT:

 MS. KIM BARON MR. DEREK PARNELL MR. MONTIE WISENOR MS. TONYA BURKS MS. RHONDA ROBERTSON
## (Pledge of Allegiance.)

MR. WATTS:
Roll call.
MS. BARON:
Richard Watts?
MR. WATTS:
Here.
MS. BARON: John Poteet?

MR. POTEET:
Here.
MS. BARON: George Floyd?

MR. FLOYD: Here.

MS. BARON: Tony Cormier?

MR. CORMIER:
(No response.)
MS. BARON: Matthew Pederson?

MR. PEDERSON:
(No response.)
MS. BARON:

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    Jefferey Britt?
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MR. BRITT:
Here.
MS. BARON:
Ricky Donnell?
MR. DONNELL:
Here.
MS. BARON:
Travis Brown?
MR. BROWN:
Here.
MS. BARON:
Robert Hines?
MR. HINES:
Here.
MS. BARON:
Wydette Williams?
MR. WILLIAMS:
(No response.)
MS. BARON:
Mr. Chairman, we have a quorum.
MR. WATTS:
Thank you. Anybody for public
comments?
MS. BARON:
I don't think so.

MR. WATTS:
Adoption and approval of minutes from
last month's meeting -- I mean January's meeting. I need a motion.

MR. BRITT:
I make a motion.
MR. WATTS:
I need a second.
MR. HINES:
Second.
MR. WATTS:
Approval.
All right. Today, items for discussion. First of all, office staff. MR. PARNELL:

Mr. Chairman, if $I$ can, can $I$ make
a -- I would like to amend the agenda to look at -- look a little bit further into under ratification of imposed penalties, Case Number 2020-342, Robert Autin. I would like to pull it off of the agenda and amend it to remove it from the agenda for this month and add it to next month's agenda.

MR. WATTS:
All right. Do $I$ need a motion to do

## that?

MS. MORRIS:

> You don't to defer it.

MR. WATTS:
Just going to defer to next month. MR. PARNELL:

Right.
MR. WATTS:
That's noted.
Our next discussion is our --
Commissioner Ricky Donnell wants to talk about a receptionist here at the office. He has some insight there, knowledge.

MR. DONNELL:
No. I have been receiving some complaints that they couldn't get through to here. Just kind of want to let y'all discuss it. Do y'all have those problems?

MR. HINES:
Yes.
MR. DONNELL:
What about you, Jeff?
MR. BRITT:
Oh, yes. We talked about it. We all talked about it, I mean, it's -- I don't know
how to fix it other than put a human on there, but I know this. I mean, we are not the only ones that has got the problem. The Department of Public Safety's got it.

MR. DONNELL:
They just got called out publicly. MR. BRITT:

And I just don't want to see that happen for us. And I think it might have something to do with not -- I think we hear more complaints because I think of the time of year. Don't our dealers in different parts of the state get their licenses at different months?

MR. DONNELL:
Every other year.
MR. BRITT:
So I think that is why "we," the central, north Louisiana guys heard a little bit more about it this cycle and y'all will hear about the next time if we don't figure something out. All that $I$ want is -- and $I$ don't mind people calling me. Evidently, Kim knows. Evidently, I am the guy that they pull up on the web page and they call me. And I
enjoy interacting with some of these people and listening to their problems and trying to help them. But, you know, it is something that needs to be addressed.

And, like I said, I just saved the article. I don't know if $I$ texted it to any of y'all or not, but the DPS just made the news for it and I don't want to see us. I just want us to fix it any way we can fix it. MR. WATTS:

Making that statement, $I$ am going to
let --
MR. PARNELL:
With that, I do know that there have been concerns for everyone. You know, I am trying to look at the performance of what we have been doing and how we can approve upon it. With that, $I$ went in and tried to really look at it and evaluate what we could do and how we could do it better and differently. So we went in and tried -- I am restructuring that department.

What I mean by "restructuring," I am bringing an additional person on. That person will be a licensing person. They will have the
full responsibility of providing the licenses for an individual. If you notice in that office space right there, we had one person there. I am breaking that up into two persons to be in that office. The persons that are not sitting in the office, number one, their prime responsibility, one of them, is to answer the phone. Second one is to take the walk-ins that is coming up.

With that said, there was a meeting that was held here with those individuals, and if that continues not to operate the way it is supposed to operate, they won't be here anymore. I will get some people in that can conduct it better.

Now, the way that I have the phones set up, I did set it up that way for a reason, because the amount of phone calls that normally would come in without the phones set up that way, it is insurmountable. One person couldn't handle that, period. Reason being because it is the simple question that they are asking. What do I have to submit later? Did I submit everything into you?

So I kind of tried to set it up in a
way to actually kind of put the due diligence on the dealer so that they can understand what they are supposed to have and to conduct and to hold their business and $I$ think it's worked really well. I know we are still getting calls sliding through, I mean, we probably had 20 or 30 or so during this renewal period, we licensed 5100 licensees. I do understand that those calls are coming through, but the way I believe it is going to work moving forward, we won't have as many calls with those kind of complaints.

I believe that's the solution for
now. I will be able to see it more in action once we get into renewal season once again. But bringing on an additional person to handle -- handle our licenses. And so when I say those two persons -- one person right now, their goals are different. They do license the dealerships, but they actually have way less licensees to license because of the two other responsibilities that they are supposed to be covering. So I believe -- I believe it will be handled. I don't believe this is going to be an ongoing issue that's going to create a
larger snowball effect --
MR. BRITT:
Let's just monitor it and see what happens. Monitor the complaints that we get. MR. DONNELL:

When do you think this will go into
effect?
MR. PARNELL-- :
I placed -- right now, I have gone in we are posting for job descriptions. Just creating a job description, which is really transposing them over to the other spaces. Right now we are just waiting to see if the jobs have posted so we can start the interviewing process now.

That's going to be effective
immediately. And surplusing that desk and some other spaces around here, and I purchased two new desks already.

MR. DONNELL:
So two weeks, anybody will be able to call in here and a live person will answer. MR. PARNELL:

No, I am not going to say that is going to happen in two weeks.

MR. DONNELL:
I am just asking.
MR. PARNELL:
I do not -- personally, I do not
believe there will be a live person -- I do not believe to be effective and efficient having a live person answering phone calls, every phone call that comes into this building, is efficient. I do not believe it.

I have seen the difference when we had that in place and I see where we are today. Big difference on the complaints that's coming in. Far less, far, far less.

Now, if these persons take care of the business as they are supposed to in the office, y'all shouldn't be getting the complaints y'all are getting now. I believe the situation will be handled. I can't give you a two-week time frame.

MR. BRITT:
If you got somebody to answer the phone and still got the automated thing, that is going to relieve -- that should help. MR. PARNELL:

So with that said, that is how this
is structured and how it is supposed to go. It wasn't happening. Without getting in too deep with that, that will be happening in the future, so.

But, no, not every single call that is coming in somebody is going to pick up the phone. I just didn't think that's efficient for this agency to be productive.

MR. WATTS:
I would like to remind everybody that we're an agency. That you are out in the field -- Montie, what are you doing? Your people out in the field, they get a complaint and get their number. Do they call Kim and discuss it to help them out if they can't get in for some reason. We are all out there for them.

MR. WISENOR:
Yes, sir.
MR. WATTS:
I know I get plenty -- not plenty,
but I do and $I$ follow up on it. I settled one for Ricky. He didn't have enough bond for four licenses. So we got the license so he could buy at the auction.

MR. DONNELL:
That was his complaint. He couldn't find out what he needs.

MR. PARNELL:
That's my concern, that's my issue right there. That is what $I$ run into over and over since $I$ have been here. I think that a dealer -- he is a dealer and he should have four licences falls upon that dealer. I don't think that it is our responsibility to constantly be telling you what you need to be in business. All of the information is there. All of the information has been provided. It is printed out. Check it off as you go. We shouldn't run into these problems.

The complaints that usually come in are the persons who, number one, submitted their stuff incredibly late. Number two, they want it within a week. Number three, the persons that did not submit everything. Number four, the persons that have no idea what they are supposed to do who say they have been in business for 20 , 30 , 40 years. MR. DONNELL:

I agree with you solely, but these
dealers pay our salaries -- and do they not?
MR. WATTS:
Do they pay our salaries?
MR. DONNELL:
Not mine, yours.
MR. WATTS:
I don't get much.
MR. PARNELL:
But efficiency -- when I was brought on, I was brought here to make sure this place would be efficient and become an actual
business model that could be looked at. That's what is happening. I don't want to get into the situation where everybody is calling. MR. DONNELL:

I appreciate what you just said, but you just also stated that we license 5800 dealers.

MR. PARNELL:
Yes.
MR. DONNELL:
What's one of the requirements of
licensing a dealer?
MR. PARNELL:
What's one of the requirements?

MR. DONNELL:
They have a phone.
MR. PARNELL:
Okay.
MR. WATTS:
They have to have a land baseline.
MR. PARNELL:
Okay. I hope my suggestion and what I produced to you-all will be taken into consideration.

MR. DONNELL:
Yes, yes.
MR. WATTS:
To follow-up, I went to Derek right when I talked to Jeff right when that happened, and that's what $I$ was waiting for this meeting to discuss this with you-all. I wanted to put it on the agenda, but that's where we are at right now.

I haven't had that problem. I always handle it when $I$ do, but that's just me. MR. POTEET:

You know, in our business, we have a receptionist and we try to get her to -- we have always done this, we try to get her to do
other things besides being a receptionist. Because for one thing, $I$ can be boring and you get somebody good in there and they don't want to be a receptionist anymore, they want new titles or talk to customers or whatever it is. The biggest problem that we find is -- and I kind of feel your pain here a little bit -- is she answers the phone and somebody starts asking her and they go on for two minutes with a question, you know, a two-minute-long question. So now this one lights up, this one lights up. So she tries to answer the question as best she can or move it to another person. But it is the trafficking that they have to really work at. The receptionist or the people answering the phone and, you know, it's amazing to me that a lot of times when our receptionist is out -- she only works three days a week -- we are more efficient without her because the people who are doing the other work can get to the question more quickly. So the receptionist is not, in our case, is not well-versed in Maryland titles, but $I$ have four people that do know about Maryland titles. And so, you know,
it's -- I think the issue that $I$ found when people complain to me, well, $I$ call over there and nobody answers the phone. I think the issue is from what $I$ can see is sometimes you don't know how to answer the question. And so it is like who is going to answer this question.

I want to give Derek a little bit of a pass here and say, I think that if you -- it is not so much hiring a person, although you said that you are hiring a person anyway, but it's a matter of properly dispersing the work. MR. PARNELL:

Right.
MR. POTEET:
So people do get their questions
answered. Theoretically, it should be -- to me, answering the phone is not that big of a deal. Having the message returned is the big deal. If I do leave the message and it gets returned, $I$ am not concerned about it since $I$ am getting a response.

MR. BRITT:
The other thing that I am sure you see it in your business, the guys that have
been around the longest in this business are the ones that are computer savvy or savvy with the modern way of doing things. And that's going to be the ones to first complain, you know. To kind of go with what Derek said a while ago. I mean, it's all self-explanatory, if you get on the internet and you look at it and if you need the guidelines.

But a lot of people aren't -- I mean,
it's just not -- they are not going to. I own a business that has a lot to do with
technology. And I theoretically can say why do you still maintain a call center? I maintain a call center because there is about 25 percent of my business that's never going to get on a phone -- I mean on any app I have got or any web page, they can't do it and they won't do it. So theoretically probably where we are getting complaints from are those people that aren't going to get on and use technology. That's my two cents. But, I mean, all that $I$ know to do is we will try it. And I think if it works, that satisfies everybody. It looks like you got a plan. We will see as long as it works we don't end up on Fox 8 or
whatever that was. We will all be happy.
MR. POTEET:
The worse thing ever happened to me since $I$ have been on this commission is when $I$ get something done. Because somebody will call me and say, I can't get anything done with the commission. And $I$ call up Kim, oh, we just sent that out. So I call the guy back, okay, your license is on its way. Oh, my God, John, you are the best.

MR. PARNELL:
I truly, truly understand the concerns and especially during -- in the middle of the renewal period, I heard everything that you guys were saying and $I$ understood it. That's why I really kind of try to look at it how can $I$ improve upon the process and make it more efficient.

MR. DONNELL:
And thank you. Because I call
sometimes during the renewal and you got right on and tended to it. Thank you.

MR. PARNELL:
Yes. It is just you do what you have to do.

MR. DONNELL:
Good job.
MR. PARNELL:
In a nutshell, that is what we do. We shouldn't be running into those phone calls if everybody is doing what they are supposed to do.

MR. WATTS:
Anybody else have anything to say on this?

I do want to point out, if somebody hears a complaint out there, just pick up the phone and call Kim or something like that.

MR. WISENOR:
Well, when $I$ receive complaints or
calls --
MR. WATTS:
Or call me.
MR. WISENOR:
-- I have explained to the dealers
that during renewal, it is hard for the ladies that are processing the application are the person to stop and have to answer every call that takes them off their actual work that we are trying to process the application. I mean,
as long as that call is returned.
MR. WATTS:
One thing about car dealers, they want their stuff right then. They don't tend to it three or four months ahead of time, they want it right in and they want it done right now.

MR. BRITT:
Either on the deadline or the week
after.
MS. BARON:
Like what Derek said, they can call
him, me, Tonya. If I don't answer my phone, it's because $I$ am not sitting at my desk. MR. WISENOR:

I will try to keep them from calling them. I will call the lady or send an email to whoever is processing and we normally get it sorted out.

MR. WATTS:
All right. That's good. We are going to ratification of imposed penalties. MR. PARNELL:

Commissioners, you will find in your package, a chart that illustrates the licensees
that were in violation of state law. This case was investigated and $I$ have determined that the public's interest can be served without further administrative procedure; thus, civil penalty were imposed. Total amount for civil penalties is 6500 .

Commissioners, I ask that you ratify the imposed civil penalties listed. The dealership name is Auto Trends, LLC, Christen Bossier, in Baton Rouge, Louisiana, committed one fraudulent act of causing injury to the public, one count. 25 counts of non-delivery of title.

MR. WATTS:
I need a motion to ratify.
MR. POTEET:
Make a motion that we ratify this.
MR. WATTS:
I need a second.
MR. BRITT:
Second.
MR. WATTS:
Second by Commissioner Britt.
MR. BRITT:
Quick question. We have seen this
name before, haven't we?
MR. PARNELL:
Yes.
MR. BRITT:
Have they got anything else pending or coming up?

MR. WATTS:
Do we have a whole bunch coming
through?
MS. BARON:
Not a bunch.
MR. WATTS:
This is just a fine right here.
MR. PARNELL:
Yes. Once we go out there and saw something, we issue a fine that is out there. And if they agree to paying, we go ahead and accept the fine amount and present it to you-all. Some of the cases are not -- they don't warrant hearings on this one. MR. WATTS:

The one that sticks out to me is the non-delivery of titles, it is 25 counts. That's a lot. MR. BRITT:

That's my question. Are we going
to --
MR. WATTS:
If we fine them, are we still working on getting the titles for the 25 people? MR. WISENOR:

They have delivered the titles. They were just way late. That seemed to be the pattern that dealer had was very late. Months, many months later after the sale.

MR. WATTS:
Where do we stand with it now?
MR. WISENOR:
They have been delivered. I hadn't
looked to see recently what's new since that's been imposed.

MR. WATTS:
Legal matters.
MS. MORRIS:
So the one case that's pending, Federated Mutual Insurance Company versus $H$ and N Auto Sales and the Commission, that was filed in Orleans. It is being handled by the Attorney General's Office in-house and they filed an exception. So it going to be
transferred to East Baton Rouge. And I am not really sure why it hasn't been transferred earlier, but that's really the plaintiff's issue to resolve. We did receive a letter from Sedgwick Claims Management Services, which is the third-party adjusting company for the Office of Risk Management. This Commission pays into the risk management pool which covers certain losses. And Sedgwick did issue a reservation -- what we call a reservation of rights letter saying that they will provide indemnity in defense tort claims, but any other claims they will not cover.

So, for that reason, you know, it
leads us to monitor it because there may be uncovered claims. But until it gets transferred and the case moves forward, I think it is in good hands with the Attorney General's Office. She has been communicating with me. You know, once it gets transferred and then the records, we will probably have to have some records sent to the other side and request their records and it will go through a discovery phase.

But right now, not much is going on
with it. It seems the transfer was ordered by the Court.

MR. WATTS:
What's the update with $H$ and $N$ ?
MS. BARON:
He was murdered.
MS. MORRIS:
It is not in business anymore. So, for that reason, it is not a concern that any other administrative hearing needs to be taken -- the allegation against the Commission is that the Commission didn't bring a disciplinary action which you-all have discretion to do. So the insurance company is complaining about that.

MS. BARON:
It has to be moved back to Baton
Rouge, you said?
MS. MORRIS:
It is going to be moved to the 19th Judicial District in East Baton Rouge. There was a transfer.

I have another suit that's similar and the judge ordered it transferred before this one and it hasn't made it to Baton Rouge
yet. I don't know if it's because the plaintiffs didn't pay for the cost, there is a transfer cost, maybe they didn't go in and pay their transfer cost. But really, it is the defendant, it is their suit that they need to move.

MS. BARON:
Okay.
MR. WATTS:
Compliance investigator report,
Montie.
MR. WISENOR:
Yes, sir. I have the monthly
production totals for the field for the month of January and February of 2023. The totals for January were -- there were 5 audits conducted. There were no 5-day notices issued. There were 76 site visits conducted. There were no cease and desist or hand deliveries issued. There were 19 cases where consumers were assisted in receiving title and registration. There were 4 violations issued. There were 4 refunds issued which total $\$ 12,900$. There were 16 cases closed that were assigned. 21 cases closed that were not
assigned, and 18 physical inspections.
For the month of February, there were
4 audits conducted. There was no 5-day notice issued for notice of revocation. 79 site visits conducted. There were no cease and desist issued. There were 16 consumers assisted in receiving title and registration. There were no violations issued. There were 5 refunds issued that total 31,884.67. There were 16 cases closed that were assigned. 26 cases closed that were not assigned and then 29 physical inspections conducted. And those are the totals for those two months.

MR. WATTS:
Montie, while I got you here.
MR. WISENOR:
Yes, sir.

MR. WATTS:
I was scrolling through the Louisiana buy and sell app or the websites. MR. WISENOR:
Yes, sir.

MR. WATTS:
Who is that that just came up that we just -- ABC? What's the name?

MR. WISENOR:
ABZ.
MR. WATTS:
He is up there selling cars.
MS. BARON:
Jason Helmke.
MR. WATTS:
I just signed something for him to get something collected over the last time and his response was y'all can't do me nothing. MS. BARON:

He told you that?
MR. WATTS:
That's what one of y'all told me,
that he's above the law.
MS. BARON:
Yes.
MR. WISENOR:
I wondered if he told Monroe --
Investigator Allmond that at some point. We are still pursuing complaints.

MR. WATTS:
He is selling cars out there. They are not in his name, with no license plates and he is advertising them.

MR. WISENOR:
Yes, sir. As a matter of fact, while I was here in town, this week we were working --

MS. MORRIS:
You don't want to discuss the case that might come before the Commission. MR. WATTS:

Okay.
MR. WISENOR:
There are a lot of other moving parts of what we are doing.

MR. WATTS:
We will skip through that. My point is do we oversee these websites? I know when I was -- had a lot, we ran a three-line ad and I had to put an agent behind their name if you were a dealer. And there are a lot of dealers out there that don't try to do that on these websites. They are pretending to be individuals.

So $I$ don't know if you can go to
these administrators on these websites and let them know, hey, they are a dealer. I don't know how can we police that.

MR. BRITT:
I don't think that you can on those marketplaces.

MR. WATTS:
And they were advertised. I don't
know if we can or not.
MS. BARON:
I get complaints every once in a
while saying that they bought a car and they thought it was from an individual, but when it boiled down to it, they were a dealer. And they were not real happy about that because they thought they were buying from an individual.

MR. BRITT:
I texted Montie one the other day that $I$ just kept seeing on marketplace. It looked like he was selling out of his house and I thought the name sounded familiar. And I texted Monty to see if they knew if they had a license. He got back and they stayed they did and they moved their location. But I still say --

MR. WISENOR:
He has been in business for a long
time.
MR. BRITT:
But I still think they are doing it out of their house. But you see that all of the time.

MR. WISENOR:
You see phantom dealers or the vehicles don't even exist and they will post people submitting a deposit on it. And then they will try to get that post removed, but then it will pop up again. There was one up in Shreveport that was just constant. The dealer had never -- had not been in that location for 5 years, but it kept popping up and people were submitting or, like, sending deposits for vehicles that never existed.

MR. BRITT:
They will show a slick-looking car or a truck and it will be $\$ 1500$.

MR. WISENOR:
We need to educate the general public on not doing that. They want us to fix the problem for them.

MR. WATTS:
I just got an email -- I guess it
come to the office here -- a guy in Miller, Oklahoma, bought one online from a dealer here and sent him one. Hadn't got his title yet.

He was likely to get you his title. I said you are real lucky.

MR. WISENOR:
I worked a case out of California. It was filed against one of our dealers in Bossier City and the dealer didn't sell that type of Mercedes. This individual wired $\$ 30,000$ to this -- wherever he advised him to send it. But he had taken this dealer's identity and created a bogus website and listed high-end cars. And he said all of the paperwork looked legitimate, you know, whenever they were going back and forth. He wired $\$ 30,000$ and it was gone. They kept asking us what we could do about it, but $I$ couldn't -- if I couldn't tell that it originated out of Louisiana, period. I told him to contact the Attorney General's office in their state and see if they might be able to track the money. But $I$ figured that money was just gone. MR. POTEET:

I got a case right now that is a

McLaren that went from a construction company in Calgary, Canada, to a dealer in Houston, to a retail customer in Atlanta, to a dealer in Atlanta, to a dealer in Louisiana, and it's never had the right VIN on the title, ever. And it turns out, the VIN that's on the McLaren is actually for a Chevy truck that was manufactured in Mexico.

So we got the FBI involved, we got the state police involved, we got the Canadian FBI involved, we have the city police in Calgary involved, we have got the Houston police department involved, and that car is now sitting somewhere.

MS. BARON:
Do you know where the car is?
MR. POTEET:
Yes, we know where it is.
MR. WISENOR:
Do they know where it came from? Who it was originally stolen from?

MR. POTEET:
You can imagine, look at that, and it is the cloning of VINs, and that is going to be a big, big problem for a while. It can be
fixed with technology, but nobody wants to. I just mentioned to you two states and three countries that are involved in one vehicle.

MR. BRITT:
There is no telling how many are out there like that.

MR. POTEET:
I think the only reason why this one got a lot of publicity here was the last person that got hung with it, it is McLaren. It is a $\$ 280,000$ car. All of these people involved are people of means and they are all mad at each other.

MR. WATTS:
All right. Derek, executive director's report.

MR. PARNELL:
As we talked about this at our last commission meeting in January, we have our Legislative auditor, an audit that is currently still going on. We have to submit the final product by March 31. After speaking with the auditor, he should be finished at that point. He is kind of winding up, closing it out right now. And so with that said, he should be here
next to present the findings to you-all about that audit. It is a pretty extensive audit this year. This newer -- this CPA company that we have gone with, man, they are really going a lot deeper than we were accustomed to, but I didn't have any concern that we would have any problems that they will find. He did make mention he really isn't finding very much to be concerned about. A lot of what he is finding is immaterial so it is not going to cause any real issues, which is great. So, hopefully, I should get some closure to that within this week, the beginning of next week, so we can present it to you guys and submit it to the Legislative auditor.

The second audit that we had going on with our compliance review of our purchase cards, our credit cards, that audit concluded at the end of January. The review did find that we had one item which was not in compliance. It was about a training session that should have been signed off and taken place at the end of last fiscal year that wasn't done. And so that was what they found as an issue with our process.

Nothing about the process of the cards and how we are handling the card situation. They found that to be better than most of the other agencies and how they are handling their situation. Because the way it happens for us, we have four cards, four cardholders, and those persons each and every time that they want to make a purchase on something that's business related, they have to submit or request to me and I have to submit to them what we call the LC number, which is the card number. They must do that prior to any purchase that they make. Anything that's annual, anything that comes out of those cards, they have to have that request to me and approved prior to that purchase.

So in speaking with E-card, that's something that doesn't happen with any other state agency to that degree. I say it works for us because we are so small and we have four cards. We don't have 200 cards so it is not like a large state agency. So that has concluded.

> All right. So I am also really looking at all of our processes. Our
accounting department, $I$ am still really
looking to get the right fit what $I$ am doing in that department. I did bring Ms. Rhonda on. She is a great, great person. She works really well with us, but $I$ am in the process of restructuring the accounting department right now.

When I spoke to Civil Service, I really got kind of frustrated with them because they kind of pigeonhole us in kind of treating us like a large agency, which we are not. We can't get those job titles. We can't get some of those, like, perks, but the job titles that large agencies have. But those titles actually fit what we are actually calling it. We pretty much operate as a small business, not necessarily a large state agency that's getting money from the State.

So I really expressed it and I really need a CFO to actually -- someone in the role of chief financial officer and kind of focus on what positions that are out there that can give me that type of level of accounting experience, and so they did come back with me and they kind of gave me some options. So I am going through
the process right now, as I said, restructuring that department as well as going in and re-creating the job descriptions to fit within everyone's skill set of where we are.

So I just wanted to give you guys an update on that. We also have been in talks with Barrett-Jackson. They are wanting in September to come to the New Orleans Convention Center to hold the auction there. So we kind are working with them throughout the process. I think this morning they went in their license applications. And so we should be holding -they will be holding one in September, so looking forward to that hopefully. MR. WATTS:

What kind of license do they need?
MS. MORRIS:
Trade show.
MR. HINES:
Auction license.
MS. BARON:
They are going to hold an auction. MR. WATTS:

So it is an auction license.
MR. BRITT:

Did they say how often they were going to do it?

MR. PARNELL:
I think it is going to be, like, a week or so, a week or two.

That was all that I had. If you have any comments or concerns.

MR. WATTS:
Anybody have any questions for Derek?
Anything else?
Moving on to the catalytic converter. Anybody have any comment on it?

MS. MORRIS:
It is still in a rough draft. We had a couple of conferences and I think we have a willing author. But, basically, the thing that we were trying to address is that the law that was adopted was for catalytic converter purchasers, you know, the transaction involves purchasers and sellers. So really should have been for the transfer of catalytic converters.

So I have a draft that's very rough. I can pass it out. It needs a little work. But I thought the easiest thing was to make them -- they were catalytic converter purchases
was the definition and then that would carry through the law to make them catalytic converter dealers because that's more parallel with our other licenses.

There were -- I am trying to clean up
just terminology. In some places it talked about detached converters. Other places talked about used converters. So I am trying to make sure it uses both terminologies throughout. There was a reference to the fees and it said that you paid a licensing fee in this section, but it wasn't -- the licensing fee is not actually in that section so $I$ am putting the reference to the statute for dealer fees.

And then there -- one of the concerns
that we have discussed is that the decanters that buy the catalytic converters take them out of state to process them. We didn't have a decanter in the state of Louisiana at this time. So those purchasers don't really have a place of business here. So $I$ did some research and outside of our law, there is what's called a transient merchant law which requires transient merchants to register with the local government and to keep certain records.

Coincidentally, some of the records that they are required to keep is what we were discussing because transient merchants would include people that buy, sell, trade, and acquire for disposal any secondhand property consisting of gold, silver, copper, brass, or other precious metals, jewelry, precious stones or other objects composed of metals and stones. So that's really the catalytic converters that were being purchased for the precious metals. So I was thinking we might -it might be easier really to go into the transient merchant law and to specify that if the objects are detached from a vehicle or catalytic converters that instead of reporting to the local government, you report to this commission rather than creating a whole other structure, or we can just kind of lift it and replicate it in our law. Those are two options.

That's kind of up to the author of the bill and the drafters as to whether they think that it fits better. But I think it gives us some, you know, parallel that, you know, a transient merchant should have to
report somewhere and have an agent that's responsible and have their records available for inspection when requested.

In the transient merchant law, the records have to be available to the chief law enforcement of the area. We could simply add that they be available to our investigators as well. So that, you know, they are tracking the sales. They have a photograph of the person selling or delivering it, and they have to retain that for a certain period and I think address the concerns that we have.

There is still a lot of catalytic converter theft going on, and we did look at some other states. When this was adopted in Louisiana, we were kind of ahead of a lot of the other states. There are now 30-something states that either have pending legislation or active legislation. It's kind of all over the board. So we did look at what California has and we can borrow some language from there.

I heard on the radio this morning, one of the stories was that the cars with catalytic converters most likely to be stolen. It was on the local radio this morning. Last
week, I texted Derek because $I$ was watching the evening news and there was an article about catalytic converter theft.

So it's still very prevalent, but I think in Louisiana we, at least, do have some sort of regulation, it is required reporting, and $I$ think it's discouraging our dealers from buying, you know, the catalytic converters from people that are not willing to disclose the information as to where it came from. MR. BROWN:

If we -- since that many people or states are starting to get licensed, can we require them to have a license in their home state and be in good standing with their state to get a license from us?

MS. MORRIS:
We could if the state issues licenses, if it is a licensed trade within their state.

MR. BROWN:
Rather than somebody just doing it in
the backyard, you know, storing stuff across state line.

MS. MORRIS:

Right. We could allow them to apply for, you know, some -- not really reciprocal license, but --

MR. WATTS:
How much does a license cost?
MS. MORRIS:
\$200?
MR. WATTS:
\$200. Travis brought it up in a conversation last week. If you are an out-of-state hunter, like in Mississippi, it is $\$ 425$ to go shoot a deer. And it seems like in Louisiana, they would pay more to buy converters.

MS. MORRIS:
There are two different things.
Interstate commerce laws for doing business in our state. But, like, hunting, universities -I pay out-of-state tuition for my child to go to Mississippi. But if is supported and maintained by public funds, then the people in the state are paying their taxes for the public parks. Universities and all of those things, you can charge a higher fee for out-of-state residents. But to do commerce in the state,
you can't charge somebody more for retail sales for a fee to engage in the retail. MR. DONNELL:

Is State Representative Rodgers going
to be your author?
MS. MORRIS:
I hope so, yes.
MR. DONNELL:
You hadn't contacted him?
MS. MORRIS:
I have not yet. I wanted to get you-all to approve us going forward with some cleanup legislation. MR. DONNELL:

Well, last week he was onboard but he wants y'all to get that to his staff. MS. MORRIS:

Yes. We do need to do that. But I was waiting for -- to make sure $I$ understood the scope of what you-all are wanting to do. MR. BROWN:

Did we put a description of the vehicle the converter come off of?

MS. MORRIS:
I have not yet, but that was one of
the pieces of information --
MR. BROWN:
I know we do this on the scrap side, but doing the description for buying from individuals, we need a dealer, possibly the dealer/business transaction exemption per se, because salvage yards have all of these cars -they own the cars. They are going to pull them off. They are not buying converters. That's a lot of recordkeeping for a salvage yard to know what every one of those converters came off the cars.

Now, if he is buying them, that's one thing. Same thing with the scrape side, we have a lot to come off the cars we buy. Are we going to have to keep that record of every one we pull off? That were the questions that we had we were discussing the other day. MS. BARON:

Mr. Couvillion is here and he came specifically for that part of the meeting. Do you have anything that you wanted to add? MR. COUVILLION:

I think Travis pretty much summed it up about the dealer -- the dealer transaction.

Because, like I said, we don't actually buy from the general public. All we do is dealer -- you know, like business related. And if you had to go back and keep records on every single converter, you know, basically you would be following like the secondhand dealer law, it actually states like the towing yard, salvage yard, and stuff like that are actually exempt from that because of their recordkeeping with the vehicle to begin with. MR. WATTS:

Who are you with, Mr. Couvillion? MR. COUVILLION:

Couvillion Converters and Recyclers. MR. WATTS:

Okay.
MS. MORRIS:
I think that we can do that in the recordkeeping for -- you know, unless you are licensed a salvage yard or dismantler. MR. BROWN:

Buying one from an individual is completely different than buying from a salvage yard.

MR. COUVILLION:

A lot of shops, you know, your automotive-based shops, like you got your -like if you go to a mechanic shop and they change one out or swap it out for something, there is no core charge for these guys actually can legally sell them because they generate, you know, the converter in their everyday process.

MS. MORRIS:
But they would have the VIN number and the information to supply to you on that one.

MR. COUVILLION:
Yes. You see something like that in a mechanic shop.

MR. WATTS:
What does a mechanic shop do after he takes them off if he needs them? Does he sell them?

MR. COUVILLION:
He just sells them, like, for scrap or whatever.

MR. WATTS:
There is no record of it where it comes from. He just goes in the junk pile.

MR. COUVILLION:
Exactly, exactly. And that is why we try to stay strictly in an automotive-based industry to where, you know, you are less likely to run across the theft if you are dealing with an automotive-based business as opposed to, you know, buying off the streets. And most of the stuff that's getting stolen is being sold to these guys that are coming through from out of states that keep no records; they breeze through here at night and they roll on out. They are not, you know, employing any employees. They are not paying any taxes. They are not buying any licenses. They are just rolling through. And the legal guys like us, we are the ones that are suffering from having to jump through hoops to appease everybody. But, you know, because a basic -- like I always said, a basic criminal is not going to go out there and buy a license and go out, start stealing some.

MS. MORRIS:
I guess one of the things to try to plug the holes, I guess, because automotive shops that provide service are not licensed by
anyone unless they are a dealer or some other category, and so the people stealing them, if they can't go selling them at a salvage yard because they don't want to give their identity and information, then we are going to find another avenue. And is this an automotive shop, do they then go to a muffler shop and start paying the muffler shop? MR. COUVILLION:

Most of the guys, they are catching these guys coming through. You can get on marketplace and you can type it in and you can have 15 different out-of-state unlicensed guys sitting at your door in the morning. And there is no record, all cash, no nothing, and roll on. You know, like with us, you know, like even guys that haul salvage cars, we make them go out and get an occupational license to show that they are an automotive-based business. And $I$ even write them guys checks just to really cover our side of it, you know. MR. BROWN:

Prior to the legislation, there was not even a law against buying converters. So that law enforcement really couldn't do
anything to an extent unless they caught you stealing.

MR. COUVILLION:
Correct.
MR. BROWN:
That's kind of what all of this is geared towards. It is trying to stop some of them. And that's all we are doing here is trying to beef up ours to where what we are buying from the public, we have a description of the vehicle, and hoping to have that back in. And we are already getting licenses and all of that.

So on top of that, our discussion today was from the out-of-state side. Just not licensing every criminal that comes in. Just making sure they got a license in their state or, you know, different ideas of what we are talking about. Making sure they are in good standing with their state.

We know the criminals aren't going to buy a license. But we are narrowing it down to an extent.

MR. COUVILLION:
Only thing on an out-of-state buyer
like that, is if he is coming through and says he is licensed in this state and over here doing illegal stuff, how are you going to go across state lines to do anything? Don't you not have jurisdiction to go out of your state? MR. WISENOR:

We would coordinate in with their state.

MS. MORRIS:
They would still need a license here to do the purchase here and transport them. MR. WISENOR:

They can pass it on -- investigators will pass that on to the other state. MR. COUVILLION:

Like I said, our biggest problem is you got them rolling here with no license. That's our biggest problem, you know. Because, like I said, 9 times out of 10 , a licensed dealer is not going to go out knowing that this is just some Joe off the street, can't prove nothing. These cats are just breezing through, and that's where our biggest issue is coming through with a lot of theft in the state. MR. BROWN:

But if you are pulled over and you are asked for your license, you got a license. They pull him over and he doesn't have license, then that's -- they can take care of him immediately.

MS. BARON:
So if somebody drives up to your dealership and wants to sell you catalytic converters and they don't have a license, what do you do? Send them here to get a license first?

MR. BROWN:
No. I don't buy -- I buy from the public.

MS. BARON:
You know, just saying if they did.
If an out-of-state drives up and wants to sell you a catalytic converter and he doesn't have a license with us.

MR. BROWN:
I wasn't talking about that. I was
talking about the guys coming in and buying from individuals, they don't have a license.

MS. BARON:
Okay.

MR. BROWN:
You can go on marketplace and pull one of those guys up, they will come to your house and buy a converter that you stole from someplace.

MS. BARON:
I see.
MR. BROWN:
But what $I$ am saying is when law enforcement pulls that guy over and has got the trailer behind him and he doesn't have a license, he is going to lose a lot of money. If that trailer is full, $\$ 100,000$ easy.

MR. COUVILLION:
With this new license that we have
now -- we are just talking on the way down here -- just say if you get pulled over in some little parish and all you got detained there, if he is giving you a hard time, will it go through his parish or will they have to go through the State now or the used motor vehicle commission since we are licensed through the commission and not him?

MS. MORRIS:
They are licensed through the
commission, but the way the law was structured, it gives the law enforcement authority to arrest them. There is a site in there. The enforcement is mostly law enforcement.

MR. COUVILLION:
We run into some instances like that where we, you know, gotten pulled over and, you know, and show all of our proper paperwork and all of that and have all a detective that doesn't really know what is going on and we get harassed so bad over that.

MR. BRITT:
That's the problem and that's why we are trying to clean all of this up, because our ultimate end game plan is to train every law enforcement agency in the state and our investigators to do regional training. Then, my hope is to see it implemented in every police academy to where we have one of our guys go to the North Delta Academy in Monroe and do a two-hour program. And the next week, Rapides at their academy or in Thibodaux at the LaFourche Academy. And we do -- we implement it in their POST training. And that's -- it is going to take -- it is not going to happen
overnight.
But the main thing -- you can share
this with your guys, is if you get stopped, just tell the guys, $I$ am not being a smart aleck, but call during business hours, call the Used Car Commission, or get Montie's phone number and have them call Montie. They just don't understand and they will. I field those questions all of the time. That's our plan. MR. COUVILLION:

We will help you anyway we can. Just let us know. MR. BRITT:

We might need you to host a training deal once a month. MR. WISENOR:

Would that fall in part of the recordkeeping requirements is having the -- if you buy from an individual that has more than one converter or off of one vehicle, would you require them to produce that license -- a license, period? If it stands to reason, you can't be in a position of so many without having a license, then that will be part of a recordkeeping piece that is part of you have to
have their license information number or whatever state they are from, either Louisiana. And then would that trickle to these shops you mentioned, exhaust shops, automotive shops that are dealing, would they have to have a license even doing what they are doing with them if they are even taking them off of customer vehicles and accumulating them and then re-selling them, does that put him in that business?

MR. BROWN:
Well, to me the salvage yard -- I
will speak on that behalf -- the salvage yard has a license with this department. They are not buying from the general public. I don't see where they should get a license. As they are a licensed dealer and he comes in and buys from a licensed dealer and they are an automotive dealer, they have a right to have that car with converters on. They are already licensed through us as a dealer.

Now, he can't go to a lawnmower shop because they don't have catalytic converters. If that guy has got converters, he needs to know where they are coming from.

MR. PARNELL:
Sheri, the changes that we are looking at doing, do you foresee any pushback because we know that the law last year changed several times before the final product came out?

MS. MORRIS:
I think it should be easier this time because it was so new last time and it was a bill that was originally drafted by law enforcement without coordinating with the Commission. So I think that then the Commission -- it did not provide who was supposed to issue the licenses. So we kind of had to intervene to become the agency to provide the licenses and define all of that process. So that is all pretty well defined. I think, though, you know, there are some other definitions that we probably needed, you know if purchasing doesn't include an auto mechanic who is used once to repair a car, we would have to carve that out so that those auto mechanics don't have to be. But there were very little specifics at that time. And, like I said, we were kind of, you know, ahead of a lot of other
states because we kind of followed Mississippi. Mississippi was kind of ahead and we were following theirs. So I think now that we kind of understand the transactions a little bit better and the licensing structure, I think we could -- last time we just ran out of time, I think, to get it.

MR. BROWN:
I can show you some wording that's in the scrap law like for copper. You know, you can't buy -- we will have to have all of this information for buying copper wire. And a dealer-to-dealer transaction is basically if a dealer is generating that product in his -- I don't know the exact wording, but it is in his normal course of business, then they are exempt on a dealer to dealer.

If a guy brings in a whole truckload of wiring harnesses from a salvage yard, he generated that from his normal course of business. And there is some wording in it that we need to look at.

MR. WATTS:
I think that as a licensing body, we just want the fees. There is no sense to make
the laws and give our input for the scrap yards or -- we can't afford it. It seems like state police should be sitting here talking with us. Somebody with the law. We collect the fee and give them a license.

MR. BRITT:
We are going to wind up investigating it and then involving local authorities or the state police; that's exactly what was going to happen. And, Sheri and Derek, last year when it all evolved so quickly, I think the LSA understood that this -- what we did last year is not the final. That it was going to take some tweaking like this. And, you know, a year from now, two years from now, it might be tweaked a little bit more. And I see -because the world is evolving and I see this commission evolving with what they are going to be involved in.

And I just -- you summed it up right there, Mr. Chairman, you said we just need to be the licensing agency. That's not the way this is going to work. We are going to be a training agency. We are going to be working with the enforcement more because this is a hot
topic and it's all -- it is on our lap.
MR. BROWN:
If we don't take a point on it, it is just another bill.

MR. BRITT:
Another dead law. And just like Mr. Couvillion said -- and where are you from? MR. COUVILLION:

Pollock.
MR. BRITT:
Pollock and you are a Couvillion.
You are not from Vermilion Parish. But what he said a while ago -- and I've seen it happen a thousand times even when $I$ was a deputy, you would stop -- you would stop somebody for whatever and you have got nothing. Whatever it is, you have to call somebody to figure it out.

And it is just like those young
troopers at home and the sheriff's office at home, they know that $I$ am on this Commission. My phone will ring at 11 o'clock at night, it will be a young trooper on the side of the highway or a deputy saying, what are we supposed to do about this? Call Montie, don't call me.

But, you know, they are going to be -- and that's why I am going to be adamant about why we are here and we are involved in this is we finish our job and we get the training done. And once that training is done, all of those guys is going to be just like them writing a ticket for speeding. They are going to know. They are looking for drugs. They are going to know what they can do and what they can't do. And I think that should be our ultimate goal in the end game is for us to finish fine-tuning everything. Get our guys trained. Get our ladies in the office to know. We know how to answer the questions if we get asked and then we get the training done. Then, in 24 months or 36 months, everybody in the state will be trained. And if it's a 2-hour deal or an hour-and-a-half deal, if we can narrow it down, every police academy from here on out, then it is done. We have done our jobs.

MR. WATTS:
It sounds like the legislature pointed to us as a commission. MR. BRITT:

If we hadn't, it is no telling where it would have wound up. The only other place I could have seen this landing would be DPS with the standards guys. And that's now under LSP. MR. WATTS:

It sounds like they should be the lead, the state police.

MR. BRITT:
Well, they are not. We saddled this horse and we have to ride it now. MR. BROWN:

We got a good group in this here from
law enforcement to scrap to auctioneers and used car guys. This is our problem. It is in our realm of what we do and we know how it moves. I know certain parts. They know certain parts. So the best place for it. If it goes to state police, they are going to just stamp it.

MS. MORRIS:
It was really for the local
governments -- and that's just we have over 300 municipalities in 64 parishes, and so it kind of was whether or not it was going to be enforced. In some of those municipalities, it
is made up of 200 in population. They don't have the resources to even sometimes go to the training or to enforce it. So I think it's good that it's a statewide commission. And I don't think we are going to get the push -- we are trying to take what we have and make it work for the legitimate businesses. And I don't anticipate that the people who are going to steal them are going to show up at the Capitol.

MR. COUVILLION:
One other thing that we need to try to work on, too, is the law. It states that if you are buying from the general public, you are allowed to buy one converter per person per day with proof of ownership. The problem is that 95 percent of your vehicles have two to four converters on it. So if a man comes every day for four days with his proper paperwork and he's doing a legal deal, but then, say Montie comes in and checks our books, and he is, like, you got the same title for four different converters, four different days, you know, this is going to look bad on the dealer. MR. BROWN:

We have addressed that. We are trying to put wording there for one VIN number. One car up to four or five converters. MS. MORRIS:

I failed to mention that but that was discussed on our call and $I$ think some of us weren't aware that there is more than one converter in a vehicle. So that was something that came up and so that's why it is good to have car dealers as well.

MR. WATTS:
That's all fine with me. We are a self-supporting agency. This is coming out of our pockets, this agency; we are paying for all of this. We don't get a check from the State to pursue all of this is what $I$ am saying, you know, funds.

MR. BROWN:
We are not going to be pursuing
anything as far as --
MR. WATTS:
We got schooling we have to give. We have to get commissioners out there, all of that. That comes out of this budget. That's why $I$ am making the point, so.

MR. BRITT:
That's why we license them and we are going to charge them. Raise the fee.

MR. PARNELL:
Sheri, what title is the transient merchant law under?

MS. MORRIS:
It is in Title 37. It starts at 37:19901 and it defines transient merchant. And it almost fits, but it doesn't. But I think it was designed for the companies that come in and buy gold and silver and jewelry, that kind of stuff, a lot of them are from out of state. And so to keep them from buying stolen goods, I think they have to hold on to the merchandise for 15 days. After 15 calendar days after they purchase it, they have to have, you know, the person's ID. They have got to document where that came from.

MR. BRITT:
Who oversees it?
MS. MORRIS:
Unfortunately, probably the local
governments. So I don't know how much enforcement is behind it. And what happens
sometimes -- kind of came from local
government, you know, what happens is if -- I am going to say Denham Springs, because it is close to here. So they will have good enforcement. Well, they are not going to go to Denham Springs, they are going to go to Livingston or they are going to go to someplace that has a weaker enforcement.

So sometimes when it's left to the local governments, the dealers or the people that are not following the law, they just find the holes in the law so they are not going to go to a place that has got a police department that's knowledgeable. They are going to get busted there once and then they are going to take that off their map and they are going to go to the next smaller town that maybe doesn't have licensing.

We have a lot of enforcement cases that just avoid the places that are educated and enforcing the law and find the places that aren't. So that's why $I$ think the statewide approach is a whole lot better when you are trying to control crime.

MR. BRITT:

Absolutely. I just don't know what the merchant law fell under.

MS. MORRIS:
You are supposed to register with the parish police jury. And if there is local law enforcement and then you are supposed to register with them.

MR. BRITT:
Like fruit salesmen, you have to have a permit.

MS. MORRIS:
So there are probably a lot of holes. I think that it is a good framework so maybe we can either amend Title 37 to put that if it is a part that came from a vehicle, then the registration would be here or we would just kind of mirror our law. Either way, it would work.

They have to put up a bond and there are penalties and violations for all of that sorts of things. MR. WATTS:

Yes. Sounds like you are on top of it.

All right. Nothing else. Items for
next agenda.
MS. BARON:
I don't have anything.
MR. WATTS: All right. We are adjourned.
(Meeting adjourned at 10:43 a.m.)

## REPORTER'S CERTIFICATE

I, BETTY D. GLISSMAN, Certified Court Reporter, Certificate No. 86150, in and for the State of Louisiana, do hereby certify that the Louisiana Used Motor Vehicle Commission March 20, 2023, meeting was reported by me in the stenotype reporting method, was prepared and transcribed by me or under my personal direction and supervision, and is a true and correct transcript to the best of my ability and understanding.

This April 3, 2023, Baton Rouge, Louisiana.

BETTY D. GLISSMAN, CCR
CERTIFIED COURT REPORTER










