LOUISIANA USED MOTOR VEHICLE COMMISSION STATE OF LOUISIANA

REGULAR MEETING MAY 18, 2015 BEGINNING AT 10:03 A.M.

## 3132 VALLEY CREEK

 BATON ROUGE, LOUISIANA REPORTED BY: BETTY D. GLISSMAN, CCR```
Betty D. Glissman, CCR
```

APPEARANCES:

## CHAIRMAN:

MR. JOHN POTEET

COMMISSIONERS PRESENT:
MR. GEORGE BREWER
MR. RON DUPLESSIS
MR. GEORGE FLOYD
MR. KIRBY ROY
MR. HENRY "DARTY" SMITH

REPRESENTING THE LOUISIANA USED MOTOR VEHICLE COMMISSION:

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

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

ALSO PRESENT:

MS. KIM BARON
MR. DEREK PARNELL
MS. MONA ANDERSON
MS. TONYA BURKS

MR. MONTIE WISENOR
MR. NESTOR GUILLORY
MR. RONNIE WISENOR
MR. DWAYNE TAMBLING
(Pledge of allegiance.)
MR. POTEET:
Kim, roll call, please.
MS. BARON:
John Poteet?
MR. POTEET:
Here.
MS. BARON:
George Brewer?
MR. BREWER:
Here.
MS. BARON:
Dino Taylor?
MR. TAYLOR:
(No response.)
MS. BARON:
Tony Cormier?
MR. CORMIER:
(No response.)
MS. BARON:
Ron Duplessis?
MR. DUPLESSIS:
Here.
MS. BARON:
George Floyd?

MR. FLOYD:
Here.
MS. BARON:
Kirby Roy?
MR. ROY:
Here.
MS. BARON:
Darty Smith?
MR. SMITH:
Here.
MS. BARON:
And Steve Slave?
MR. OLAV:
(No response.)
MS. BARON:
Mr. Chairman, we have a quorum.
MR. POTEET:
Thank you. Do we have anyone here today for public comments?

MS. BARON:
We do not.
MR. POTEET:
All right. Hopefully, everyone has had a chance to read the minutes of the last meeting and if you have any comments on
those, we'll take those now. If not, I will entertain a motion to approve those.

MR. SMITH:
I make a motion.
MR. BREWER:
Second.
MR. POTEET:
Okay. Second.
All in favor, say, "Aye."
(All "Aye" responses.)
MR. POTEET:
That motion is approved.
Items for discussion, review of the financial report. Mona.

MS . ANDERSON:
Okay. If you'll turn in your packets to the financial statement for the month ending April 30, 2015, the statement of net position is on Page 1. The current assets at the end of April were $\$ 2,781,445$ and, of that, $\$ 1,782,000$ was cash in the bank. Hearings and fines were $\$ 503,300$. Current liabilities were $\$ 48,347$, which includes the escrowed fines you see at the top of that bottom section, $\$ 17,300$, which
will be considered for approval today in order to be moved to revenue.

On Page 2, the deferred inflows, the revenue for 2016 was $\$ 294,115$. Moving on to the statement of revenues, expenses, and changes in net position on Page 3, the year-to-date revenue was $\$ 1,502,706$ compared to a million 92 last year. That's an increase of $\$ 409,771$. Under expenses, the salaries year to date were $\$ 419,787$ and related benefits on the next page were $\$ 249,168$. The remainder of the expenses were $\$ 189,777$ compared to $\$ 175,753$ last year. The increase in the expenses -- all other expenses was primarily in the area of computer related expenses, professional services, and vehicle maintenance.

On Page 5, the year-to-date net position was a loss of $\$ 21,000$-- I'm sorry, the month-to-date net position was a loss of $\$ 21,865$ compared to a loss of $\$ 70,000$ last year. And on Page 6, you can see the comparison month-to-month this year to last year of the revenues and expenses and the net position of $\$ 643,974$.

MR. ROY:
Mona, going back to Page 5 --
MS . ANDERSON:
Yes, sir.
MR. ROY:
-- April 2015, you stated $\$ 21,864$ compared to when, to last year?

MS . ANDERSON:
Last year.
MS . ROY:
Did you say $\$ 7,000$--
MS . ANDERSON:
\$70,000 loss.
MR. ROY:
Oh, \$70,000. Okay. I thought you said 7. All right.

MS . ANDERSON:
Okay. And on Page 7, is a graph of the revenues, expenses, and net position, which have been sort of flat for the last three months, about the same. On Page 8, the -- it shows a graph of the year-to-date fee revenue comparing last year to this year.

On Page 9 is the certificate of
deposit summary. It shows the -- we had two CDs that were at Landmark that renewed. Originally, they had quoted us a rate of point 65 on both of them, but the one that renewed second came in -- actually came in at point 6.

On Page 10, the accounts receivable, hearings and fines, fines were -- $\$ 21,050$ were assessed in April and $\$ 33,800$ was collected. We received insurance money on those top four accounts that we had been waiting on for a while. They paid on that. The total on the accounts receivable on April 11 was $\$ 503,300$ for the month.

Unless there are any questions, that concludes my report.

MR. BREWER:
The one, Wego Auto Sales, what are we doing about that?

MS. BARON:
We got the payment on that, but it came in this month. So it won't be on -it will be on next month, but we did get the money.

MR. BREWER:
Okay.
MR. POTEET:
All right. Does anyone have any other questions for Mona?
(No response.)
MR. POTEET:
Thank you, Mona.
Do we need a motion to approve?
MR. ROY:
I move.
MR. POTEET:
So moved.
MR. BREWER:
Second.
MR. POTEET:
Second from George.
All in favor, say, "Aye."
(All "Aye" responses.)
MR. POTEET:
The motion carries.
Next, we have a -- payment of an invoice. Derek.

MR. PARNELL:
Commissioners, please find in
your packets Attorney Morris' bill for services for April 2015. We have reviewed the services performed and we have reviewed the time calculations. The total amount that is invoiced is $\$ 4,515$. Commissioners, I'd ask that you approve payment of Attorney Morris' bill.

MR. POTEET:
I need a motion to approve that. MR. SMITH:

I move.
MR. POTEET:
Second?
MR. BREWER:
Second.
MR. POTEET:
Second from George.
All in favor, say, "Aye."
(All "Aye" responses.)
MR. POTEET:
The motion carries.
All right. The next thing we've got here, discussion of second amended stipulated order. Derek.

MR. PARNELL:

Betty D. Glissman, CCR

Commissioners, Select Car Company came before us in an administrative hearing originally in November, and then he came back again in January, then once again in April. And at that time, we had a second amended stipulated order that he must respond to and the Commission -- we agreed to suspend the fines totaling $\$ 15,800$ if he met some of the requirements. In your packet, we have the second amended stipulated order. One of the items was responded, shall deliver all outstanding titles to consumers on or before May 4, 2015. I think after that last Commission meeting we gave him an additional two weeks in order to get that taken care of. I have Montie Wisenor with us today. Mr. Anthony was not able to be here today. He had a death in his family and he was unable to be here today, but Montie is here. He can kind of address some of the issues, he has been working the case with him. So he can kind of address some of these questions that you may have.

MR. WISENOR:

At the last meeting, at that time, there were still two outstanding title issues with the dealership. During those two weeks, he was able to get one of them secured and delivered to the consumer. The other one still is pending. He still -- and that's the one that was held up by $Z$-Best Cars that he was trying to secure. He said his attorney has been communicating with Z-Best counsel to try to work it out. I spoke with him Friday and it still has not been done. So there's still one outstanding title issue right now.

MR. POTEET:
So what do you think?
MR. WISENOR:
I think -- according to him, there's still a dispute about what's owed on this vehicle. At one point, he told me he would pay whatever they were asking to get this matter resolved, but $I$ don't know if he was advised by his -- he's not here. I don't know if he was advised by his attorney to let him try to handle it. I'm not sure on that. He didn't mention it. And like I
said, he couldn't reach his attorney when I contacted him about it.

MR. POTEET:
If I remember from the last meeting, there wasn't a big dollar amount difference. It was some, but it was -MR. WISENOR:

I'm thinking it was around \$5,000 that was owed on the vehicle.

MR. POTEET:
Yes. I think the difference what the disagreement, it was a pretty small amount, because I thought I asked the question somewhere along the line. If that's all it is, why don't you go ahead and pay it?

MR. WISENOR:
That's why I let him work it out assuming he was going to do it, but he didn't. Like I said, I don't know if he was doing it aside from his attorney or what.

MR. POTEET:
We've given him a lot of chances here. Where do we go, now, give him another 30 days, give him 2 more weeks, cut him off?

Do we have a recommendation from you, Montie?

MR. PARNELL:
I think we've given him ample time.

MR. POTEET:
That's what $I$ think.
MR. PARNELL:
I think that he should be cut off at this point. We can't continue to extend it out, in my opinion.

MR. POTEET:
Does anyone else on the
Commission have a comment about this or an opinion?

MR. DUPLESSIS:
He's got a $\$ 15,000$ fine and he's worried about the difference of 2 grand to clear it up? MR. POTEET:

I don't even think it was 2 grand.

MR. DUPLESSIS:
I think it was.
MR. HALLACK:

It was like $\$ 700$ or $\$ 750$.
MR. DUPLESSIS:
You know when in $\$ 750$ principle gets in the way of a $\$ 15,000$ principle. MR. BREWER:

Sometimes when you hire an attorney, that drags it out, too.

MR. POTEET:
Well, I guess the next step would be to tell him that he's out of time and we'll go back to the original -- the original fine. He hasn't lived up to his agreement.

MR. WISENOR:
I advised him of that. He told me he had been working on it, but I told him, you know, he's exceeded every deadline we've given him. I said, I don't think the Commission is going to be too happy or sympathetic at a certain point.

MR. POTEET:
No, not after a certain point.
MR. WISENOR:
Well, he's been making progress a little bit along the way, but not to the
point of satisfying everything.
MR. DUPLESSIS:
Mr. Chairman, I don't think he
takes us seriously after we were pretty gracious to him.

MR. POTEET:
Well, we gave him really -- in
reality, we gave him three chances -MR. WISENOR:

> Yes, sir.

MR POTEET:
-- and he hasn't progressed very much at all. I would say we revert back to the original order and go from there.

Okay. I need a motion.
MR. HALLACK:
I don't think you need a motion. MR. POTEET:

Just do it administratively. MR. HALLACK:

Yes. You've given direction to the Executive Director to do something. MR. BREWER:

Since he hired an attorney, he's trying. Maybe give him one week to contact
his attorney and say, the time is over. MR. POTEET:

Well, $I$ don't know about giving him a week, but $I$ think we can call him and say, here's what we're getting ready to do, if you want do something in 24 hours, can you do something in a day or two, because at that point, it's just going to be -- even if you say a week, $I$ think at that point, Derek can say, I'll give you another day or so, but we'll let Derek decide that.

MR. BREWER:
That's fair.
MR. POTEET:
Okay. The next thing on the agenda, ratification of imposed penalties. MR. PARNELL:

All right. Commissioners, you'll find in your packet a chart that illustrates the dealers that have been fined. We received the stipulated agency order payment, everyone that's on the list. I have determined that the public interest would be better served without an administrative proceeding. I will announce
the names of the dealers and the imposed civil penalties and to expedite time fines. And if there is anyone here representing those dealers, please speak up.

MS. MORRIS:
Is anybody outside?
MS. BARON:
I don't think anybody is outside, but I'll check.

MR. POTEET:
Okay, Derek.
MR. PARNELL:
The first one on the list is LA Auto Sales of Lafayette. The second one is United Auto World of Baton Rouge. The third is Champion Auto Sales of Lafayette. The fourth is M\&A Auto Sales, LLC of Lafayette. The fifth is Ultimate Autoplex of Baton Rouge. The sixth is Quality Autoplex of Baton Rouge. The seventh is Saints Auto Sales, LLC of Baton Rouge. Eighth is J\&M Auto Sales, LLC of Eunice. Nine is Premier Auto Wholesale of Baton Rouge, and 10 is Collins's Auto Sales, LLC of Baton Rouge. The total amount of penalties for the month
of April is $\$ 5,510$. Commissioners, I'd ask that you ratify the imposed civil penalties assessed and accept the signed stipulated orders.

MR. POTEET:
All of these penalties have been paid, right?

MR. PARNELL:
Correct, yes.
MR. POTEET:
Okay. Do we have a motion to --
MR. SMITH:
I make a motion.
MR. ROY:
Second.
MR. POTEET:
Second Kirby.
All in favor, say, "Aye."
(All "Aye" responses.)
MR. POTEET:
Any opposed?
(No response.)
MR. POTEET:
Those ratifications are ratified. All right. Next, we have
ratifications of revocations.
MR. PARNELL:
All right. You'll find as well in your packet an additional chart that illustrates the dealerships that have been revoked. I ask that you ratify the revocations to make them official. I will announce the names once again of the dealers and we'll kind of move from there. First on the list is -- do we have anyone here representing anyone?

MS. BARON:
No, we do not.
MR. PARNELL:
The first one on the list is Professional Auto Brokers, LLC of Slidell. The second one is American Mini Storage \& Auto ATV's, LLC of Lake Charles. Third is Fastlane Automobile Brokers, LLC of Lake Charles, and the fourth one is Fletcher's Auto Sales \& Service of New Orleans. All of these dealerships were -- notice of revocation was sent out on April 28 th of 2015. Commissioners, I ask that you ratify the revocations of the above mentioned
dealers.
MR. MOTET:
Motion?
MR. ROY:
Motion.
MR. POTEET:
Motion Kirby.
MR. SMITH:
I second.
MR. MOTET:
Second.
All in favor?
(All "Aye" responses.)
MR. POTEET:
All right. So those revocations are ratified.

All right, Derek, Executive Director's report.

MR. PARNELL:
If you turn with me, you will find review of compliance investigation and complaint totals. Some charts that are in -- reports are in your packet. The first one is the alleged issue counts. Total alleged issues for the month of April 2015
is 83 alleged issues. The second report is the case report. They were 68 assigned cases for the month of April 2015, and 14 of those cases were completed, 8 -- which leaves open 54 open cases.

The last report is the department summary report and it illustrates the amount of cases closed for the month, which was 56. In addition to that, there were 104 site visits that were conducted. 23 physical inspections were also conducted. A total of $\$ 21,280.10$ where investigators -- compliance investigators in enforcement staff got consumers refunds. We had 24 consumers get their titles for their vehicles.

The one thing $I$ just kind of want to note -- make note of and -- is that we're the change in our public acceptance has changed drastically. We increased a great deal with not only consumer protection with law enforcement.

Also, we had -- we currently had some joint investigations that are going on with the Department of Revenue and Louisiana State Police. On April 2, there was a free
auto theft training at St. Tammany Sheriff's Office official training complex sponsored by the st. Tammany Sheriff's Office and National Insurance Crime Bureau. We had two -- two investigators went out and spoke at the event and kind of let those -- let everyone kind of know what we do and how we can assist them and they can assist us. We made some really great contacts.

The dealer seminar has been going pretty well, but if you notice, we have a lot of violations that's coming and what -we kind of talked about -- kind of working on right now. We're trying to split up our seminar, because we have quite a -- we have a lot of overflow. We're having a lot of dealers coming in. We run into areas where we're kind of packed out in here every month and it's generally because whenever we have fines that's issued to some of our dealers, according to the stipulated agency order, they have to come in to a seminar again. And so we're packing it out every month and it's kind of getting a little difficult for some of the new dealers to get in. And so
we're kind of pondering maybe breaking it up into two separate seminars.

I kind of spoke to Sheri before about the possibility of doing that, by statute if we can do that or not. But I think it would be -- it would benefit our new dealers to add just a specific new dealer seminar and once they have violations to kind of have them separated out a little bit, because when $I$ step in, you know, sometimes the conversation -- investigators do a good job at, you know, getting the room back in order, but sometimes the older dealers are kind of talking over the new guys' heads and they kind of get lost in the conversation. So $I$ think it would really benefit both sets if we could kind of really target what's, you know, specific to their needs at that point. So that's something we've been working on and trying to -trying to move forward in doing.

In general information, last month $I$ kind of told you about we were trying to get two state vehicles. We did get approved for the purchase of the two
state vehicles. Initially, I was told that we couldn't get the -- I got two Chevrolet Impalas 2016, they start production in June on those vehicles. Initially, they -- I was told that $I$ wouldn't be able to get the Impalas, because according to State contract, the midsize vehicle -- any kind of -- they look at it as though -- how many individuals are riding in the vehicle daily as what vehicle that they normally would approve. And they were saying that a midsize is what they would approve. A midsize car was a Nissan Sentra and that's a really small vehicle.

So we -- I wrote a letter in to them and let them know that, you know, this vehicle is pretty much a mobile office for our investigators and they need to have some ground clearance, because they're going into pretty -- you know, some areas are not as paved or nice as others and they need space. We need a little bit more space. And so they went ahead and approved the purchase of the two vehicles. So we have those -- the purchase order is in property assistance and
they've already -- they sent the information to Gerry Lane. So we're just waiting on the vehicles to come in from production, so.

MR. ROY:
What type?
MR. PARNELL:
Chevrolet Impalas, they're going to be 2016s. Chevrolet Impalas, they didn't have any more 2015. So they start production in June. So we should get them early in July, August, around up in there.

So that concludes my general information.

MR. DUPLESSIS:
I got a couple of questions. I'm just curious. You know, I guess these guys have to take the seminars over again and you're packing them in. You have the fine revenue built into that, right?

MR. PARNELL:
Yes.

MR. DUPLESSIS:
Okay. Would it be wise for us to consider empowering our investigators, like Montie, who is up in the northern part and
break them into smaller groups, let him hold the seminar that we approve, and then the fine revenue -- they wouldn't have to travel and the fine revenue could offset that, and then the expenses of getting a hotel somewhere, you know, a room and you can break it into smaller groups where he could have additional income for overtime as well as smaller groups and make sure they understand exactly what he's looking for in compliance with that.

MR. PARNELL:
That's possible. I never thought about that. I'll definitely look at that. MR. DUPLESSIS:

One other question, the computers for the financial report, where are we there with the CAVU system?

MR. PARNELL:
Well, we're still -- we kind of -- we met with a few companies as of late and we kind of -- we're still looking at which direction we want to go. We know CAVU is not going to be the solution for us moving forward and we're just trying to look

Betty D. Glissman, CCR
at those two options that we've been looking at and trying to maybe decide -- at some point, bring it before you all as a Commission and let them present to you all, so we'll kind of all be on the same page and which direction we want to go with that. So it's still in the works. We -- as of last month, we met with one more independent person who could create a program for us and we got the numbers back from him and we're just trying to look at which way we want to go.

MR. DUPLESSIS:
Very good.
MR. POTEET:
A follow-up to his question -Mr. Duplessis' question about the seminars. So everyone in the state has to come here? MR. PARNELL:

Initially, when they first get a license, yes, everyone -- you have to. When you get approval for your license, within six months, you have to attend a seminar. And after that, you know, just the new dealers were the ones that were coming per
month. But now we have where -- you know, if you have fines that's out there, you have to come to the seminar again.

MR. POTEET:
Right.
MR. PARNELL:
You know, many of these dealers say they haven't been to a seminar in 10 years, 15 years. So that's really good for them to come back as well as sit in and listen to that. So at some point, you know, hopefully -- you know, if they don't have any violations, they don't come back.

MR. POTEET:
Right.
MR. PARNELL:
But we do have guys coming from everywhere in the state to the Commission. MR. ROY:

Is this just for new dealers, how about salesmen?

MR. PARNELL:
Salespersons can come as well, you know.

MR. POTEET:

But they're not required.
MR. PARNELL:
They're not required, right. If a dealer, himself, can't come, he can send a representative to come or if we have space, sometimes we can let a salesperson or two come in, you know. The one that runs the business, you know, that's the one that needs to come in. The dealer, it all falls onto the dealer. So that's the most important.

MR. POTEET:
We do the seminars once a month? MR. PARNELL:

Once a month, yes, the second Tuesday of the month.

MR. POTEET:
How many people?
Mr. PARNELL:
We've had about 36 on the record here.

MR. POTEET:
In here?
MR. PARNELL:
Yes, but, you know, not all 36
come usually. So we've probably have about 29, 30 in a year for the most part.

MR. POTEET:
I think we need to look at some other options including a different day of the week, but I think the best -- you know, two things, it seems like a burden for somebody to come all the way from north Louisiana just for what, four hours? MR. PARNELL:

Four hours, yes.
MR. POTEET:
We'll talk that some more.
MR. PARNELL:
Okay.
MR. HALLACK:
Well, we used to do them in Shreveport and New Orleans.

MR. POTEET:
Yes. I think we could probably start moving them closer.

MR. WISENOR:
When the law was first passed, they would have two investigators that would go around once a month, I guess --

MR. POTEET:
And conduct --
MR. WISENOR:
-- and do the seminars in
different -- we have different auctions right now in Shreveport.

MR. POTEET:
I believe when we first opened our auction a long time ago, tomorrow is our 13th anniversary, we did a seminar at the auction in Hammond.

MR. WISENOR:
I think once all dealers have attended the seminar, they were only required to attend it one time. Then, the application -- we don't do applicants.

MR. FLOYD:
Can't we like the Ethics Board have a video?

MR. PARNELL:
Well, I mean --

MR. FLOYD:
They take a test if they pass -MR. PARNELL:
-- I've been trying to work on a
webinar as well. That's definitely the direction $I$ want to move towards, you know. We don't have that.

MR. DUPLESSIS:
Well, I think CAVU -- I don't know how you're set up with your computer deal, but depending on your IT people, webinars are very practical.

MR. PARNELL:
That was the ultimate goal to have those for those dealers that's coming from so far. A lot of boards are using that and that's definitely the direction that we want to go.

MS . GUILLORY:
A lot of the -- I will add, I spoke to most of the troop captains at different times and there's a lot of them that would be more than happy as long we schedule with them ahead of time to make their board rooms available to us at the local troops.

MR. POTEET:
So we have some options. All right. Thanks, Derek.

Okay. So committee reports. Is that where we are? Yes. Legislative session. Ron.

MR. DUPLESSIS:
I guess we're going to talk about two Bills here today. We're going to talk about our Bill 533, and there's been some changes. And I'm going to let Sheri and Derek talk about the changes very briefly. We negotiated with the rent-to-own dealers and modified the Bill and I think the consensus is there's really no harm, no foul, and there's a whole bunch of ethics moving forward that $I$ think we're responsible for at some point in time. But we negotiated a change, which was good and it was healthy for the Bill. We will re-look next -- look at it next year. And there's also a parts issue that's popped up. I think they're more versed on it right now. Then, we'll talk briefly about 833 in a second.

Sheri, Derek, would you bring us up to speed? MS. MORRIS:

The Bill is now on the Senate side having passed the House floor. It's been amended along the way, one of the many. As we discussed last time was with respect to the use of the word certification and provisionally drafted it was a bona fide certification program. That was changed to process approved by the commission.

That process -- that language has now produced some other concerns and it's by LKQ. Copies were made this morning of the e-mail we got from the lobbyist. Derek and I met with him -- telephone conference with him on Friday, but if you'll look at the Bill in your packet at the bottom of the first page, 792, that's the statute that says -- lists the causes for denial, revocation, suspension of a license and it deals with certification. That provision applies to used motor vehicle dealers, used motor vehicle auctioneers, sales persons and dealers of parts -- of used parts.

LKQ, as you know, is a parts -- a used parts dealer and they initially asked to be exempted from that provision. Derek
and I did not feel like we had the authority to make that substantive change to treat one set of dealers different from the other dealers. So we told him we would discuss it with the Commission this morning. And their objection mostly was, $I$ think, having to come before the Commission to get a certification process approved. They did not specifically say that they certify parts, but they provided us with a gold seal certification for facilities and they were concerned about how we would bring that before the Commission and maybe it not being approved, and then wouldn't be able to use that, but that is what LKQ uses. I don't know if it's amicable to any other dealers, but that was submitted to us by LKQ. MR. POTEET:

Just to clarify, what we're saying is that if you use a certified program, if you advertise a certified program with anything, you're certifying your cars, you're certifying your products, your services, then you need to have something that says, this is what this is.

MS. MORRIS:
Right now --
MR. POTEET:
It needs to be more than the word "certify" with it.

MS. MORRIS:
What would be prohibited is the use of the words certified, certification, or other similar terms without having proof of a certification process approved by the Commission, and that's what we discussed at the last meeting, that the word bona fide was giving us enough -- the Commission was ultimately going to have to determine what bona fide was. So this way, you would just submit it in advance, rather than having to wait for a discipline case, you know, somebody using it, and then bring it before the Commission. So you would just submit it in advance and the Commission could approve it and once it's approved and filed here, it could be used in connection with that program.

MR. POTEET:
So let me ask this question.

Let's say we approve four or five -- let's just use used car dealers, because that's the bulk of our constituents. So let's say that we approve maybe four, five, or six different certification programs. Then, someone could say in their advertisement, you know, these cars are certified, and then their ad, which is the $A B C$ certification program, the NADA certification program, once we have approved it, then our constituents would only have to follow that. Is that the way this would work?

MS. MORRIS:
Yes.
MR. POTEET:
You wouldn't have to come in here and get approved to use a specific program. You would just know that once somebody has gotten it approved --

MS. MORRIS:
Anybody could use --
MR. POTEET:
-- anybody could use it.
MS. MORRIS:
-- that exact same.

Betty D. Glissman, CCR

MR. POTEET:
Okay. Okay. So now let's go to this one.

MS. MORRIS:
We had tried to kind of make a list, because the independent auto dealers said that they had one, but they think if we make the list, they're stuck with that list and you're locking out people that might have a regional certification program or their company about to get -- it could be a particular -- a certain company. So we left it wide open.

MR. POTEET:
I think that's less burdensome instead of saying, you have to use this one or these two. Present it to us, and then if it meets the criteria, then we're going to approve it. You know, there might be 30 of them that are -- would qualify.

MS. MORRIS:
And one of their objections was there was no criteria that -- so they didn't know if their program was going to pass muster and -- but they did -- they spoke to

Derek and I about this gold seal certification that we weren't familiar with, but they did call and explain it to us this morning.

MR. DUPLESSIS:
And it appears to pass muster
what we had determined.
MS. MORRIS:
Well, it looks like it has a warranty process.

MR. POTEET:
If you read through this, it gives you -- it's something -- if you're going to advertise yourself as selling certified recycled parts, which I never even heard anyone advertise something like that, but if you did that, this would be their gold seal program?

MS. MORRIS:
You would have to advertise that this particular recycler is certified -uses it.

MR. POTEET:
I don't see what their problem
is, because $I$ would think that -- as a

Commissioner, I would recommend that we approve this. I know that -- yes, sir.

MR. WISENOR:
Mr. Chairman, LKQ sells
aftermarket parts and used parts and I don't know if they are using this particular format as a used part or a -- I feel like it's going to be the Chinese sheet metal and things that they sell in their aftermarket lines. Am I right or wrong there? Because there's two separate deals.

MR. POTEET:
Well, first of all, by the way
the guidelines read or the law reads, as I understand it, you would have to advertise it as a certified thing, whatever it is you're selling. So if you never use the word certified, it wouldn't matter. What we're trying to do is protect the consumers from misleading wording.

MR. WISENOR:
Advising, okay.
MR. POTEET:
Yes. So if you never say
certified, then you don't have to worry
about following one of these. If you're going to say you're certified, then we've got to do something. And I think to your point, which is one of the questions we brought up with LKQ and other parts recyclers is, what -- why would you ever advertise something as certified to begin with.

MR. WISENOR:
Exactly, it's used.
MR. POTEET:
Yes. It's a used part. I don't know why you would do that. So in regards to -- again, this is what $I$ think about this. I don't think we want to exempt anyone from this. I would prefer to have a standard that we follow and work from that standpoint as opposed to exempting someone. MR. WISENOR:

Right.
MR. POTEET:
So I say what we should do here is go ahead and tell them if this is what you're submitting, we would approve this. Well, frankly, $I$ know there are three of us
that would vote to approve it. The rest of you guys could look at it, but we would approve this, and then let our Bill go through and if they have any objections, then let them object at that point in time.

Does anybody have a disagreement with that?

MR. DUPLESSIS:
No. Basically, if you're making a claim, you have to be able to support that claim.

MR. POTEET:
Right.
MR. DUPLESSIS:
It can't be a frivolous claim of certification. Certified means inspected and guaranteed in just the cursory level to me.

MR. POTEET:
Yes.
MR. DUPLESSIS:
But if you don't inspect it and you don't guarantee it, what are you certifying?

MR. POTEET:

Yes. You slap a sticker on it that says certified on your car, that doesn't mean anything has been done to it. That's misleading. And then if you say, well, it's certified, because the guys in the back looked it over for two hours, okay, well, that's not -- that doesn't qualify.

So the next step is, here's my list, this is approved, NIADA, whatever, same as your thing, and then we look at it and say, yes, it qualifies. And, again, it eliminates the misleading nature of using the word certified. We've dealt with this in the auction industry for years and, you know, in the early days, it was kind of a -they would slap these stickers on these cars and say it's certified, and we're like, well, what is your certification program? It's that sticker back there, look at it close.

So, you know, over time there it became -- first of all the different companies that certified had their own program. Then, they started publishing what that was, and then we got a industry
standard. So there's still, you know different standards, but it's pretty simple. If you come to the auction and you buy a car from, let's just say, CPA, and it says, CPA certified, there's a form that says these are the different things that we did. These are the 50 things that have been checked on this car and these are the things that are guaranteed for six days or two weeks or one day, or whatever it is. So I think we're pretty clear on what we're trying to get them to do. And if I -- all of you have this e-mail in front of you, I think. If you read the e-mail, their objection is, we just don't really want to have anything that we might have to cover. I just don't think that qualifies as a reason for us not to pass our Bill or not to present our Bill or to modify the Bill.

MR. DUPLESSIS:
Mr. Chairman, I think we stay status quo on this.

MR. POTEET:
Okay.
MR. DUPLESSIS:

Betty D. Glissman, CCR

And our position is we are protecting the consumer and heavy ratification, inspection, guaranty by the claimed certified.

MR. POTEET:
All right. And if the question comes up, gold seal most likely. We didn't actually vote on it, but I'm pretty sure it would.

MR. DUPLESSIS:
Ms. Morris --
MS. MORRIS:
Do you want to consider approval of that?

MR. DUPLESSIS:
Well, I mean, they can submit if for an agenda item.

MS. MORRIS:
For next month.
MR. POTEET:
I mean, should we do a straw pole. I mean we don't have the law in place yet. So we can do a straw pole. Has everybody read through this gold seal? Just polling the Commission, would all of
you agree -- or how many of you would agree to allow them to use gold seal as their -MS. MORRIS:

Or does anyone have any concern about it as it relates to them?

MR. DUPLESSIS:
No.
MR. POTEET:
So that -- it would probably
pass.
MS. MORRIS:
So no one present has any concern about it?

MR. POTEET:
No. And we have a quorum here, so. Okay.

MR. DUPLESSIS:
Ms. Morris, just kind of go over the rent-to-own law change of last week. Can you cover that?

MS. MORRIS:
I will do that. We did also have some concerns from a group about the rental purchase agreements. So we did eliminate that provision from the Bill, because we
didn't feel like we could resolve the concerns within the time constraints that we need for the Legislature, but it is an issue, which we would recommend that it be looked at in the Legislative process next year, because while we're trying to fix one section, we're messing up some other section.

So I think what we have now in place is better than any resolution we could have come up with and there's just some things with rental purchase agreements I think that we need to get some input from the industry in order to resolve, because I think we're going to wind up with something that we really didn't want. So we're going out eliminate some other solutions that are really needed. So that's something we need to do before next year.

The law is more specific than it was a year ago from the amendments we made last year and they're really asking us to undo some of the things we did last year and I don't think it's a good idea. So I think we have to look at it all together and see,
the provision where we were saying that the deposit couldn't exceed a certain amount. Then, they want that taken out of it. All sorts of things, there is a lot of debate as to how the deposit would be calculated, how you calculate the retail value and what cost is in it. I think that we risk having that whole provision eliminated. I know the provision is not the way we want it to be the way it is now, but it's better than having nothing. I was afraid that was where we were going to wind up.

MR. DUPLESSIS:
Agree. And we recognized that as a Commission and committee and decided that it was best to have more industry input for next year and we can resolve it then with the input of the Commission.

Does that conclude 533 or is there any other --

MS. MORRIS:
That's it. It's been through the House. It has a few amendments attached, which takes out the rental dealers, it requires Commission approval program that
will be certified and it's going to sit for a little while before it gets to the senate hearing, bus they are not really on the House Bills, yet. MR. DUPLESSIS:
Very good.

MS. MORRIS:
We should have the Senate committee hearing in the next month. MR. DUPLESSIS:

Well, I'm also going to address 833, which the New Car Commission Bill, I feel like we're playing defense on there, which is often the other side of the coin in the legislative process. It was brought by Cameron Henry and it was a substitute Bill for the original Bill by the New Car Commission. It seemed to -- not be in favor with the language that was recited in the cleanup Bill. We thought it became even more problematic than the language that we were currently dealing with. So there's been a bunch of activity, attacks, change, modification on this, and at some point in time -- do you want to address it at some
point in time, you can, or if you would like to defer. There is private action going on. MR. TAMBLING:

Everybody knows me. I'm the Executive Director of the Association of LIDA, and Eric Strodert has been working extensively on that House Bill. He's worked with some top lobbyists in the State, several Representatives, and I think the Senator and they're currently, you know, working on that. Our job as the association -- we work on legislation, regulation, and compliance for our independent dealers and that's our most important job, to help these guys. Since I took over the association back in August of last year, when -- when $I$ started, we had 106 members and we're currently right at 300 members in our association. But our top priority, of course, is, you know, take care of the independent dealers and work on the legislation. And Eric Strodert has done a really good job on behalf of us.

MR. DUPLESSIS:
Ms. Morris, any comments on 833?

Betty D. Glissman, CCR

MS. MORRIS:
Well, unfortunately, the day that Derek and I went to the Capitol, it was storming and we chose to the leave the committee right after the hearing of our Bill, not knowing that the New Car Commission was going to come in with a substitute Bill. And we had reviewed 833 and it didn't impact these dealers at all, and then afterwards -- after we saw the substitute Bill, there was some language, which we were concerned about and it's -that's the language on Page 4 of the engrossed bill, amending $1254(\mathrm{~N})$ which used to say any person who sells or offers to sell a new motor vehicle or recreational product is subject to the provisions of Chapter 6 and the rules and regulations. That's Chapter 6 of the New Car Commission's rules. And taking out the word new seemed to imply that it then made the used car dealers subject to regulation by the New Car Commission's rules, and so we discussed that and we were concerned about it.

We recognize that there's an
exemption in the New Car dealer's law for used car dealers, but it creates -- this would be the latest announcement of legislation and it could be argued that this overrode or conflicted with it. So after discussing it with the New Car Commission, they -- and not being able to reach an agreement, $I$ sent some proposed language, which would have made it clear that -- that those provisions and the rules of regulations apply to everyone, but individuals that are licensed by this Commission and they did not want that exception in there, but they did agree to leave in the way it is. So if it -- and it has the new before cars, then it doesn't apply to our dealers, but they weren't real happy about it, but they did go forward with the amendment and they put the amendment on the floor. So it's in the same posture as our Bill, probably will be heard in the Senate the same day that our Bill is heard and we'll watch it more closely, but the New Car Commission, Mr. McCranie, does not agree with my interpretation of what the new
legislation will do, but he did ultimately say, well, then if we can't agree, then let's leave it way it is, which we agreed to.

MR. DUPLESSIS:
Very good.

MR. POTEET:
This is a good summary of that, because, you know, I don't know. The word new means new to me and if you take the word out, it means everything is not new.

MS. MORRIS:
Well, Mr. McCranie has his
interpretation. You would have to read this in the context with two other provisions, which is an argument that somebody may or may not agree with, but $I$ thought it was better for it to be clear right there, so that we didn't have to be in any argument with anybody, because $I$ think it is clear with the current language and the new language, but this Bill that was substituted does not look anything like the original bill.

MR. PARNELL:

That is the 594 that Bill.
MS. MORRIS:
Right, but we looked at 594 and it was just so technical in nature and clearly dealt with new car dealers, and then when this came out, this provision with $N$. The rest of it does deal with new car dealers and specialty vehicles and recreational vehicles, but we don't regulate, but just to avoid anybody having to make the argument.

MR. POTEET:
I agree with you.
MR. DUPLESSIS:
That is all that I have on the legislation.

MR. POTEET:
About either any one of those Bills or anything else that's pending?
(No response.)
MR. POTEET:
Thank you. That's good work.
okay. So the next thing is the administrative hearings. Do we have two people here for the hearings?

[^0]MR. HALLACK:
Yes, we do.
MR. POTEET:
All right. So we need to
adjourn.
MR. HALLACK:
Yes.
MR. POTEET:
We need to adjourn. I need a motion to adjourn.

MR. BREWER:
I make a motion.
MR. POTEET:
So we'll adjourn for maybe five minutes. We will say five minutes.
(Meeting adjourned at 10:53 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 May 18, 2015, 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 May 29, 2015, Baton Rouge, Louisiana.

BETTY D. GLISSMAN, CCR
CERTIFIED COURT REPORTER

Betty D. Glissman, CCR


Betty D. Glissman, CCR


Betty D. Glissman, CCR


Betty D. Glissman, CCR

| ```harm [1] - 35:12 heads [1] - 25:15 healthy [1] - 35:17 heard [3]-41:16, 54:21, 54:22 hearing [4]-12:2, 51:3, 51:9, 53:5 hearings [4]-6:22, 9:8, 56:24, 56:25 heavy [1] - 47:2 held [1] - 13:7 help [1] - 52:14 HENRY [1]-2:11 Henry [1]-51:16 hereby [1] - 58:5 HIGHWAY [1]-2:22 himself [1]-31:4 hire \({ }_{[1]}-16: 6\) hired [1] - 17:24 hold [1] - 28:1 hopefully [2] - \(5: 23\), 30:12 hotel [1] - \(28: 5\) hours [4]-18:6, 32:9, 32:11, 45:6 House [4]-36:2, 50:23, 51:4, 52:7``` idea [1] - 49:24 illustrates [3] - 18:19, 21:5, 23:7 impact [1] - 53:9 Impalas [4]-26:3, 26:6, 27:7, 27:8 imply [1] - 53:21 important [2] - 31:11, 52:14 imposed [3] - 18:16, 19:1, 20:2 includes [1] - 6:24 including [1] - 32:5 income [1] - 28:8 increase [2] - 7:9, 7:14 increased [1] - 23:19 independent [4] - 29:8, 40:6, 52:13, 52:21 individuals [2] - 26:9, 54:12 industry [4]-45:14, 45:25, 49:14, 50:16 inflows [1] - 7:3 information [3] - 25:22, 27:1, 27:13 input [3]-49:13, 50:16, 50:18 | ```inspect [1] - 44:22 inspected [1] - 44:16 inspection [1] - 47:3 inspections [1] - 23:11 instead [1] - 40:16 Insurance [1]-24:4 insurance [1] - 9:11 interest [1]-18:23 interpretation [2] - 54:25, 55:14 investigation [1] - 22:21 investigations [1] - 23:23 investigators [7] - 23:12, 23:13, 24:5, 25:11, 26:18, 27:24, 32:24 invoice [1] - 10:23 invoiced [1] - 11:5 issue [4]-13:13, 22:24, 35:19, 49:4 issued [1]-24:20 issues [4]-12:21, 13:3, 22:25, 23:1 IT [1] - \(34: 7\) item [1] - 47:17 items [2]-6:13, 12:11 J\&M [1] - 19:21 January [1] - 12:4 JEFFERSON \({ }_{[1]}\) - 2:22 job [4]-25:12, 52:11, 52:14, 52:23 John [1] - 4:5 JOHN [1] - 2:4 joint [1] - 23:23 July [1] - 27:11 June [2]-26:3, 27:10 JUSTICE [1] - 2:18```K <br>  <br> KIM $_{[1]}-3: 3$ <br> Kim $_{[1]}-4: 3$ <br> kind $_{[24]}-12: 20$, <br> 12:22, $21: 9,23: 16$, <br> $24: 6,24: 7,24: 13$, <br> $24: 18,24: 24,25: 1$, <br> $25: 3,25: 9,25: 14$, <br> $25: 15,25: 17,25: 23$, <br> $26: 7,28: 20,28: 22$, | $$ | ```21:10, 21:15, 40:6, 40:8, 45:9 listen [1] - 30:11 lists [1] - 36:17 lived [1] - 16:12 LKQ [6] - 36:11, 36:23, 37:15, 37:17, 42:4, 43:5 LLC [7] - 19:17, 19:21, 19:22, 19:24, 21:16, 21:18, 21:19 lobbyist [1] - 36:12 lobbyists [1] - 52:8 local [1] - 34:22 locking[1] - 40:9 look [13]-26:8, 28:14, 28:25, 29:11, 32:4, 35:18, 36:14, 44:2, 45:10, 45:19, 49:25, 55:23 looked [3] - 45:6, 49:5,56:3 looking [3] - 28:10, 28:22, 29:1 looks [1]-41:9 loss[4] - 7:19, 7:20, 7:21, 8:13 lost [1]-25:15 Louisiana [5] - 23:24, 32:9, 58:5, 58:6,58:15 LOUISIANA [6] - 1:5, 1:6, 1:21, 2:16, 2:19, 2:22 mail [3]-36:12, 46:13, 46:14 maintenance [1] - 7:17 matter [2] - 13:21, 42:18 McCOLLISTER[1] - 2:21 McCranie [2] - 54:24, 55:13 mean [5]-33:21, 45:3, 47:16, 47:21, 47:22 means [3] - 44:16, 55:10, 55:11 MEETING [1] - 1:13 meeting [6] - 5:25, 12:15, 13:1, 14:5, 38:12, 58:7 Meeting [1] - 57:18 meets [1]-40:18``` | ```members [2]-52:17, 52:18 mention [1] - 13:25 mentioned [1] - 21:25 messing [1] - 49:7 met [4]-12:9, 28:21, 29:8, 36:13 metal [1]-42:8 method [1] - 58:9 midsize [3] - 26:7, 26:12, 26:13 might [3] - 40:9, 40:19, 46:16 million [1] - \(7: 8\) Mini \({ }_{[1]}\) - 21:17 minutes [3]-5:24, 57:15 misleading [3] - 42:20, 45:4, 45:12 mobile [1]-26:17 modification [1] - 51:24 modified [1] - 35:11 modify [1] - 46:19 Mona [3] - 6:14, 10:5, 10:8 MONA [1] - 3:5 mona [1] - 8:2 money [2]-9:11, 9:25 month [22]-6:18, 7:20, 7:23, 9:15, 9:23, 9:24, 19:25, 22:25, 23:3, 23:8, 24:18, 24:23, 25:23, 29:8, 30:1, 31:13, 31:15, 31:16, 32:25, 47:19, 51:9 month-to-date [1] - 7:20 month-to-month [1] - 7:23 months [2]-8:21, 29:23 Montie [4]-12:17, 12:20, 15:2, 27:25 MONTIE [1] - 3:7 morning [3]-36:11, 37:5, 41:4 morris [2]-47:11, 52:25 MORRIS [22] - 2:20, 19:5, 35:25, 38:1, 38:6, 39:13, 39:20, 39:24, 40:4, 40:21, 41:8, 41:19, 47:12, 47:18, 48:3, 48:11, 48:21, 50:21, 51:7, 53:1, 55:12, 56:2``` |
| :---: | :---: | :---: | :---: | :---: |

Betty D. Glissman, CCR



Betty D. Glissman, CCR


Betty D. Glissman, CCR

| 48:19 |
| :--- |
| weeks $[4]-12: 15$, |
| 13:4, 14:25, 46:9 |
| Wego $[1]-9: 19$ |
| whole $[2]-35: 13$, |
| 50:8 |
| Wholesale $[1]-$ |
| 19:23 |
| wide $[1]-40: 13$ |
| wind $[2]-49: 15$, |
| $50: 12$ |
| wise $[1]-27: 23$ |
| WISENOR $[15]-3: 7$, |
| $3: 9,12: 25,13: 16$, |
| 14:7, 14:17, 16:14, |
| 17:9, 32:22, 33:3, |
| $33: 12,42: 3,42: 21$, |
| $43: 9,43: 19$ |
| Wisenor $[1]-12: 17$ |
| wISENOR $[1]-16: 23$ |
| word $[8]-36: 5,38: 4$, |
| $38: 12,42: 18,45: 13$, |
| $53: 20,55: 9,55: 10$ |
| wording $[1]-42: 20$ |
| words $[1]-38: 8$ |
| works $[1]-29: 7$ |
| World $[1]-19: 15$ |
| worried $[1]-15: 18$ |
| worry $[1]-42: 25$ |
| wrote $[1]-26: 15$ |
|  |
|  |
|  |


[^0]:    Betty D. Glissman, CCR

