LOUISIANA USED MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA

REGULAR MEETING
NOVEMBER 15, 2010
BEGINNING AT 9:31 A.M.

3132 VALLEY CREEK
BATON ROUGE, LOUISIANA

REPORTED BY:
BETTY D. GLISSMAN, CCR

		Page 3
11	ALSO PRESENT:	
2		
3	MS. KIM BARON	
4	MR. DEREK PARNELL	1
5	MS. MONA ANDERSON	
6	MR. TOMMY GEE	
7		
8		
9		
10	 .	
11		**************************************
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23		
24		V-1.
25		ŀ

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MR.
                    ROBINSON:
 2
                    Thank you.
                    Anyone for public comments?
                MS. BARON:
                    No. sir.
 6
                MR. ROBINSON:
 7
                    Derek, do you want to
 8
     introduce --
                   PARNELL:
                MR.
10
                    Yes.
                          I would like to
11
     introduce everyone to Ms. Mona Anderson.
12
     She has been here helping us as a restricted
13
     appointment in the accounting department.
14
     As we all know, Ms. Heather Ellis is out on
15
     FMLA right now, family medical leave, but
16
     during that timeframe, I have been able to
17
     bring her in as a restricted appointment.
18
     She has been very helpful for us within the
19
     office. She has got 15 years of accounting
20
                  So she is very qualified, very
     experience.
21
     well respected in the industry. One thing
22
     that I actually had her working on primarily
23
     is looking at recovering those funds, also
24
     working at our budget for -- January 1 we
25
     have to submit a budget.
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So, Ms. Mona, if you want to
 2
     say something to the Board.
                MS. ANDERSON:
                    I just wanted to thank you
 5
     for having me on board and it's been very
 6
     interesting, a lot of things are very
 7
     familiar, but some new things also, and I
 8
     think we are going to do really well with
     these collections. I've gotten a really
10
     good response. We've got to follow up a
11
     little bit more to finish up the
12
     collections, but I think overall it's going
13
     to go fairly well. And thank you again.
14
                MR. ROBINSON:
15
                    I appreciate you being here.
16
                    All right. Items for
17
     discussion, approval of the minutes from
18
     last month's meeting.
19
                MR. POTEET:
20
                    I make a motion that we
21
     approve the minutes from last month's
22
     meeting.
23
                MR. BREWER:
24
                    I second.
25
                MR. ROBINSON:
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- year in 2009, our total for the month, we've
- 2 got \$215,501.05. Also, on the revenue side,
- 3 October 2010, we are looking at \$237 -- my
- apologies, on Page 7, I'm sorry, it's a
- three month comparison October -- August,
- 6 September and October. Once again, October
- ⁷ is \$237,697.48.
- And our total expenditures on
- Page 9 for the month of October is
- ¹⁰ \$79,597.90. On Page 10 is our balance
- sheet. It shows our total assets. If you
- notice, we have our CD investments on this
- form, our AR hearings. Actually, our AR
- hearings on here, I need to make a
- correction. It shows \$26,377.36. That
- total should actually be \$26,500 even. So
- which leaves us with total assets of
- ¹⁸ \$1,182,284.38.
- Our total liabilities on Page
- 11 is \$650,339.27. Total liabilities plus
- our equity is \$1,182,284.38. On Page 12, it
- kind of gives you a review and expenditure
- comparison. It kind of just maps out where
- we are and how much we have netted so far,
- and we are at \$62,816.03.

If you notice on Page 13, the 2 last two CD summaries that matured, one in the -- beginning one at the end of October and one on November 1. Now, we are looking 5 at the interest rate currently of 1.45 6 percent. Moving forward with the Concordia 7 Bank and Trust, the certificate amount is \$200,000. It's maturing on 1/3/11. On this one, I'm having Mona, she is going to go in 10 and really look at other ways, other things 11 that we can do with that money. Maybe one 12 thing we are talking with the CPA is 13 breaking out -- we've broken out the last 14 two with Landmark Bank, one at \$99,000 and 15 \$98,970. It's kind of staggering those CDs 16 so we will have something every three months 17 maybe probably maturing, which will be a 18 better situation for us in case we needed to 19 pull some money out of one of those 20 accounts. 21 If you will turn to Page 14 22 with me, Page 14 illustrates the accounts 23 receivables, the hearings, hearings and 24 violations that are out there. The first 25 one -- the first four are actually the ones

that have been out there for a little while 2 The one with Pro Auto Sales for now. \$21,600, this is one that was the hearing of last month and that's the one that is going to be out there. But the last three, Alexandria Auto Sales, Discount Auto Sales 7 and Louisiana Auto Brokers, what these three 8 are, these were violations that I went ahead and assessed the penalty, assessed a fine 10 But at this point, you know, what I for. 11 want to do is kind of go -- talk about it a 12 little bit. Alexandria Auto Sales, 13 basically what they are doing, they are 74 operating --15 MR. ROBINSON: 16 Is this something that is 17 going to come before the Commission, these 18 people plan to appeal and come before the 19 Commission? Because --20 MR. PARNETIL: 21 It is possible. 22 MR. ROBINSON: 23 If they do, we don't really 24 need to discuss it. Do we, Robert? 25 MR. HALLACK:

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That's correct.
 2
                MR. ROBINSON:
                     We better let this slide and
     see what happens.
                MR. PARNELL:
 6
                     Okav.
 7
                MR. ROBINSON:
 8
                     Sorry.
                MR. PARNELL:
10
                    Well, Alexandria Auto Sales,
11
     the first one on there, I set the fine at
12
     $500 for violation of unlicensed, but he
13
     went ahead and paid the fine.
14
                MR. ROBINSON:
15
                    Anything that may come before
16
     us, we don't need to discuss.
17
                MR. PARNELL:
18
                    Well, he paid the fine.
                                                So
19
     he wanted to go ahead and move forward with
20
     the fine and just go ahead and continue to
21
     operate.
22
                MR. ROBINSON:
23
                    So he was fined for what
24
     then?
25
                MR. PARNELL:
```

He was fined for operating 2 from an unlicensed location. And so I set a 3 They went out and violated fine at \$500. I set the fine at \$500 and he went 5 ahead and paid the fine. 6 MR. ROBINSON: 7 Okay. MR. PARNELL: 9 Generally, I'm kind of 10 gauging it around the \$250 to \$500 mark 11 depending on what's exactly going on with 12 But moving forward, that's about them. 13 where I am at looking at that. 14 Now, on these -- the total 15 with this again is \$26,500. If you notice 16 on Page 15, the only difference or changes 17 that were made is the other charges down at 18 the bottom, the computer system. We paid --19 \$15,000 was paid to CAVU Corporation for the 20 annual maintenance and support agreement. 21 Typically -- this was actually due in 22 Typically, it was \$9,500 that --August. 23 the cost actually went up once the new 24 company bought them out. They have been

working really well with us, really, really

25

```
well actually and they really have been
 2
     going in and we have been meeting with them,
 3
     had a lot of conference calls with them, any
     issues that come up that we have a problem
     with, we immediately discuss it with them
 6
     and then go ahead and make the fix for us.
 7
                MR. ROBINSON:
 8
                    Does that contract allow them
 9
     to raise the fee from $9,500 to $15,000?
10
                MR. PARNELL:
11
                    It didn't say -- well, I
12
     apologize, I don't know.
13
                MR. ROBINSON:
14
                    Robert, will you look at it?
15
                MR. PARNELL:
16
                    I sent him to review it.
17
                MR. ROBINSON:
18
                    It's not a major issue.
                                               We
19
     just need to make sure that they are -- have
20
     the authority and if they don't, they just
21
     need to send us a refund.
22
                    But you will look at it,
23
     right, Robert?
24
                MR. HALLACK:
25
                    Yes, sir.
```

MR. ROBINSON:

- The other thing in the
- 3 capital outlay and major repairs was the
- \$1,000 that we paid for the deductible for
- Performance Paint and Collision with the
- vehicle that the deer hit on last month that
- 7 we discussed.
- Are there any questions or
- g comments about the financials?
- 10 (No response.)
- MR. PARNELL:
- One thing I do want to do is,
- I kind of want to let Mona kind of tell us a
- little bit more about what her plan was and
- what her goal was as it relates to getting
- those funds back. Initially at the last
- meeting, we talked about making sure and
- assuring that everybody that worked -- that
- was in that group, that we have a hold out
- there on the account. I personally went in
- and I had Kim go in as well and we made
- those changes and put a block out there on
- the system so no one could actually make any
- movement on them unless they go through the
- proper channels and pay that fee.

```
So, Mona, if you will, can
 2
     you kind of discuss with everyone the money
     that was recovered in that process?
                MS. ANDERSON:
 5
                    Sure.
 6
                    What we did was we reordered
 7
     the list according to those companies that
 8
     had the highest fees, so that we could start
     getting collections in as fast as possible.
10
     And we sent -- we called -- we did call in
11
     originally, got some very good responses,
12
     some not so good responses. Then, we also
13
     e-mailed those people who had not responded
14
     so they would have something in writing.
15
     For the people who did respond, we faxed or
16
     e-mailed the letter that we had sent
17
     previously and the update on the
18
     inability -- there had been some cards that
19
     we tried to re-run, but due to old
20
     expiration dates on the cards, they wouldn't
21
     go through. So that was sort of abandoned
22
     and we contacted them directly and had
23
     people submit payments.
24
                   Mostly I found that people
25
     are receptive to it, but they do require
```

- multiple follow ups. You know, you have to
- get people to the idea that this is due, why
- it is due, and then follow up to collect.
- ⁴ And we have had a few who have gone to the
- 5 DMV and figured out that there is a hold on
- their license. So then they call us and, in
- most cases, it's been where we've contacted
- them multiple times already, so they just
- need to remit the fees.
- We are going to continue to
- follow up on this, the holds are on the
- accounts. So I expect that we will get the
- majority of the collections done. There is
- a small portion of the fees that probably
- won't be collected where companies have gone
- out of business and there are no funds left
- to pay the fees. We are still pursuing them
- to see what we can do, but it's probably a
- doubtful account.
- MR. TURNER:
- How many accounts would you
- say that there are like that?
- MS. ANDERSON:
- Well, there were 212
- transactions and pretty much almost

```
every one of them had at least a UD
 2
      and a sales, if not more. So probably in
 3
      the neighborhood of 90, something like that.
                MR. TURNER:
                     Are they uncollectible?
 6
                MS. ANDERSON:
 7
                     Uncollectible, no, sir.
     Uncollectible, you are probably talking
 8
     about under five.
10
                MR. TURNER:
11
                     Okay. Sounds right.
12
                MR. PARNELL:
13
                     The next item that --
14
                MR. ROBINSON:
15
                     Let's make a motion, someone,
16
     to accept the financials.
17
                MR. CORMIER:
18
                     I make a motion to approve
19
     the financials.
20
                MR. TURNER:
21
                     Second.
22
                MR. ROBINSON:
23
                    Motion and a second.
24
                    Any discussion?
25
                MR. ROBINSON:
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All in favor?
 2
                     (All "Aye" responses.)
                MR. ROBINSON:
                    Anyone opposed?
 5
                    (No response.)
 6
                MR. ROBINSON:
 7
                    The motion passes.
 8
                    Okay. Derek, go ahead.
 9
                MR. PARNELL:
10
                    Well, this was something in
11
     the financials.
                       What we have to work on
12
     right now is with the Legislative Auditor.
13
     We have to submit our budget for the fiscal
14
     year starting at July 1 of 2012 -- 2011, I
15
     apologize -- 2012 actually and the deadline
16
     for submitting that is January 1, and this
17
     is also something that I have been having
1.8
     Mona working on, getting facts, getting
19
     information, and she kind of set a timeline
20
     about when we can try to start having some
     information to actually bring before the
21
22
             The problem is it's due January 1.
     Board.
23
     So at the December 20th meeting, we would
24
     have to have some actual numbers, actually
25
     have a budget, so it can be looked at and/or
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- approved with the Board. So we have a game
 plan of trying to get that out to everyone
 so we can actually look at it and be on time
 with our budget submission.
- MR. ROBINSON:
- 6 Legal matters and pending
- ⁷ litigation, we finally had some movement.
- 8 So Mr. Hallack is here to address that.
- MR. HALLACK:
- Well, we won both of these
- appeals, by the way. The first appeal is
- 12 Atchafalaya RV versus Double Tree RV.
- Double Tree RV is a manufacturer that
- refused to re-purchase two or three units
- that Atchafalaya RV had. The court ruled
- and confirmed the Commission's decision
- demanding that the manufacturer re-purchase
- the units.
- That was heard by the First
- Circuit last month and the First Circuit
- ruled in our favor and affirmed the
- judgment. Our only gain from that is the
- hearing costs, \$600 apiece both from the
- dealer and the manufacturer. So they have
- 25 30 days to appeal that or ask for a writ

```
application to the Supreme Court.
 2
     those 30 days have passed and they haven't
 3
     done that, then we will ask them for the
     $1,200.
 5
                MR.
                    ROBINSON:
 6
                    Do they plan to do that?
 7
                MR. HATLIACK:
 8
                    No.
 9
                MR. ROBINSON:
10
                    It would be unusual.
11
                MR. HALLACK:
12
                    It would be very unusual.
13
     The lawyer that represents the manufacturer,
14
     he has appealed several things from the
15
     Commission and he has never asked for a writ
16
     application to the Supreme Court.
17
                    To let you understand, you
18
     have an automatic right of appeal to the
19
     Courts of Appeal, but to the Supreme Court,
20
     you have to ask them first if you can appeal
21
     to them and it's denied probably less than
22
     six percent of the cases. So 94 percent of
23
     the cases, the Supreme Court won't even
24
            So even if they do, the chances are
25
     very unlikely that the Supreme Court will
```

hear it.

The last one is very

- ³ significant. It was also a re-purchase
- 4 case. Sundance Boats had refused to
- ⁵ re-purchase boats that were being held by a
- dealer named Northlake Marine. The
- Commission had ordered Sundance to
- re-purchase the units. I can't remember how
- many units it was. It seems like it was
- like five units, five boats with motors.
- 11 They refused to re-purchase them.
- We ordered Sundance to come
- before the Commission to explain why they
- hadn't made the re-purchase. He appeared
- and he didn't have an explanation, but he
- still didn't re-purchase them. He never did
- anything. And then the Commission had
- another hearing where they determined what
- 19 -- how they were going to punish or fine the
- dealer for not making the re-purchase, and
- then determined at that point that if he
- hadn't made the re-purchase by a certain
- date, they were going to fine him \$2,000 per
- day for each day he had not made the
- re-purchase. I can't remember off the top

```
of my head when that penalty started.
 2
     got it in my file, but $2,000 per day and I
 3
     figured it up through November 17, it's like
     1.2 million dollars that he owes in fines to
 5
     this Commission.
 б
                MR. ROBINSON:
 7
                    That must be $2,000 per day
 8
     per occurrence or per --
 9
                MR. HATTACK:
10
                    No, per day. Just per day.
11
                MR. ROBINSON:
12
                    Per day, it's that kind of
13
     money?
14
                MR. HALLACK:
15
                    Yes.
16
                MS. BARON:
17
                    From September of 2008.
18
                MR. HALLACK:
19
                    Yes, from 2008, September 17,
20
     2008.
            But, anyway, what we had done, we had
21
     filed a judgment in St. Tammany Parish
22
     asking the court to make it into a civil
23
     judgment so that we could go and collect it.
24
     We cannot collect our orders as they are.
25
     We have to have them made into a judgment at
```

district court. So that's what we were in 2 the process of doing is asking the district court to make our order into a judgment so that we could go and collect it. 5 district -- the manufacturer had filed an exception of no right of action saying that this Commission did not have the right to enforce that order, that it was up to the New Car Commission to enforce that order, 10 and the judge agreed. She dismissed our 11 We appealed it to the First Circuit 12 Court of Appeals. The First Circuit Court 13 of Appeals reversed it and said this 14 Commission does have the right to enforce 15 that order. 16 So we had gotten input from 17 the dealer. The dealer had sold all of his 18 boats -- all of the boats in question at 19 substantial discounts. He wrote us back and 20 told us that his loss is about \$23,000 not 21 including the penalty. Not only did the 22 Commission order the manufacturer to 23 re-purchase the inventory, but they assessed 24 a penalty for the manufacturer's failure to 25 make the re-purchase, which is one and a

- half percent of the value of the final
- inventory per month. And I calculated that
- out. It was like -- it was about \$24,000.
- 4 So the dealer estimates his loss about
- 5 \$23,000. The penalty would be \$24,000, and
- the \$2,000 a day per -- each day beginning
- ⁷ September 17 is 1.2 million dollars.
- The attorney for the
- manufacturer called me Thursday -- Wednesday
- late, and said that they are interested in
- paying something as opposed to appealing it
- further to the Supreme Court. So I asked
- Derek to put it on the agenda for discussion
- to see what y'all would like to do.
- MR. ROBINSON:
- Do we have any information
- about the financial well-being of that
- manufacturer?
- MR. HALLACK:
- Only that the manufacturer is
- still in business. According to the dealer,
- he is not operating anywhere in Louisiana
- right now. I think you were going to
- contact Lessie to see if he is licensed.
- Other than that, no.

```
Just from the dealer, we were
 2
     told that the person who owns it, Wallie
     Bell, his family is pretty well off.
                MR. ROBINSON:
 5
                    That owns what?
 6
                MR. HALLACK:
 7
                    That owns Sundance.
 8
                MR. ROBINSON:
                    Well, he wouldn't be
10
     personally liable.
11
                MR. HALLACK:
12
                    That's correct.
13
                MR. ROBINSON:
14
                    I mean, we just need to start
15
     some investigation would be my suggestion to
16
     see exactly what we are looking at, that or
17
     just request -- I mean, you give us some
18
     quidance on it, but the next step to me
19
     would be to look at the status of that
20
     manufacturer and see what the financial
21
     condition of the company is.
22
                    I mean, what do some of you
23
     other guys think?
24
                MR. HALLACK:
25
                    I had asked the lawyer by
```

- letter to submit an offer for your
- consideration and we haven't gotten it.
- MR. ROBINSON:
- Well, I think it needs to be
- 5 -- I think we need to -- you know, to take a
- look into the corporation as well as look at
- 7 an offer.
- Ron, I mean, anybody? Mr.
- 9 George?
- MR. DUPLESSIS:
- I mean, we dealt with him and
- he seemed to be financially viable. He is
- still in business. I think it's going to
- rough to collect 1.2 million dollars.
- MR. BREWER:
- For buying boats, you're
- right.
- MR. DUPLESSIS:
- Yes. I think if we could get
- an offer from them, it would make the -- you
- know, we are not charged with making the
- dealer whole, but I think that is an
- obligation that we have to see that the
- dealer in this action was maybe reimbursed.
- MR. TURNER:

What state is this company 2 MR. HALLACK: 3 Georgia. MR. ROBINSON: 5 So do y'all want to look at 6 information about the company or just try to 7 do a settlement? 8 MR. TURNER: 9 I think we ought to do both 10 at the same time. I think we need to look 11 into the viability of the corporation in 12 Georgia and how strong it is and if they are 13 operating across the country still. 14 MR. ROBINSON: 15 I'm the same way. I think 16 you've got to do both. 17 MR. PARNELL: 18 I did a little Internet 19 research on them to find out that their 20 annual income revenue was what about five to 21 ten million. They are a fairly large 22 Well, they are a national company. company. 23 They have about 20 to 50 employees, but 24 their annual revenue was -- what I found out 25 was five to 10 million. We will dig a

```
little bit deeper to find more about --
 2
                MR.
                    TURNER:
 3
                    Did it say what their gross
 4
     sales are?
 5
                MS. BARON:
 6
                    No, they just showed their
 7
     annual income.
 8
                MR. DUPLESSIS:
 9
                    You are going to have a hard
10
     time getting information. You are going to
11
     have to go to Dunn & Bradstreet, probably
12
     level three getting information and that's
13
     going to run you about $1,000, $1,200.
14
                MR. HALLACK:
15
                    In the meantime, should I
16
     continue to make efforts to go ahead and get
17
     the judgment so that we can enforce it?
18
                MR. ROBINSON:
19
                    Yes.
20
                    Would it be advantageous for
21
     the committee to appoint a member
                                                to
22
     work on that or just let you and
                                             Derek
23
     work on it until we designate somebody to --
24
                MR. HALLACK:
25
                    Derek will be fine.
```

MR. ROBINSON:

- I would just like to keep it
- moving and not just have to deal with it
- 4 every 30 days is all, you know.
- MR. HALLACK:
- Well, hopefully, we will have
- some figure to give to you about what they
- ⁸ intend to do.
- 9 MR. ROBINSON:
- Well, that's good news.
- Any questions for Robert?
- (No response.)
- MR. ROBINSON:
- Item D, policy and procedure.
- Derek.
- MR. PARNETIT:
- This is a resolution
- regarding false and misleading
- advertisement. This was where -- during our
- September Commission meeting, we had run
- across some areas of concern with the false
- and misleading unsubstantiated advertising.
- This was the one I had Attorney Hallack
- draft a document that clearly defines false
- advertising. But, once again, we introduced

- this at our September Commission meeting,
- and then we are going to look at it today,
- what action did you want to take with this
- 4 document.

5

- MR. ROBINSON:
- We had asked that y'all look
- at it and, you know, contact with any
- guestions or changes that you might be
- interested in and that we would take some
- action on it today.
- Does anybody have any
- comments or changes or questions?
- MR. TURNER:
- I feel like it covers all of
- the bases. I don't see anything wrong with
- ¹⁶ it.
- MR. ROBINSON:
- It doesn't cause undue burden
- on the dealers?
- MR. TURNER:
- I don't think so. I mean,
- unless they are shysters or something.
- MR. ROBINSON:
- Does anybody else have any
- comments or questions about the policy that

```
we are trying to adopt?
 2
                MR. POTEET:
 3
                     It looks good to me. I think
 4
     that as long as the used motor vehicle
 5
     dealers in this room agree that that's
 6
     something that makes sense and it should --
 7
     and it is being followed, I think that's the
 8
     most important thing. We have four of you
     guys in here, if everybody is okay with
10
     that.
11
                MR. ROBINSON:
12
                    Anyone else?
13
                MR. CORMIER:
14
                    I don't see a problem with
15
     it.
16
                MR. ROBINSON:
17
                    All right. Does somebody
     want to a make motion that we adopt it?
18
19
                MR.
                    TURNER:
20
                    I make a motion that we adopt
21
     it --
22
                MR. CORMIER:
23
                    Second.
24
                MR. TURNER:
25
                    -- the resolution defining
```

```
false advertising.
 2
                MR. CORMIER:
                     Second.
                MR. ROBINSON:
                     I have a motion and a second.
                    Any other discussion?
 7
                     (No response.)
 8
                MR. ROBINSON:
                    All in favor?
10
                     (All "Aye" responses.)
11
                MR. ROBINSON:
12
                    Anyone opposed?
13
                     (No response.)
14
                MR. ROBINSON:
15
                    That passes.
16
                    Then under --
17
                MR. POTEET:
18
                    I have a question. So how
19
     are we going to get this out to everybody?
20
                MR. PARNELL:
21
                    Currently, I have it out
22
     there on the website as proponents of the
23
                   This was at the request of the
     resolution.
24
     Board last month. What we will start doing
25
     is putting it in with our licenses once we
```

- send them out, also send out a mass e-mail
- of it that this is something that just
- passed, LIADA. We found that we just -- we
- were able to generate a report through CAVU
- 5 and it pulls up everybody's e-mail
- addresses. We sent that out with the notice
- of the legislative meeting and got of lot of
- responses back from it. A lot of those
- ⁹ things were closed out.
- MR. ROBINSON:
- We are getting there.
- MR. PARNELLI:
- We are going to try to start
- pumping it out that way as much as we can
- electronically.
- MR. TURNER:
- I don't think I got an e-mail
- about this.
- MR. ROBINSON:
- I don't think I did either.
- We are making -- we are continually making
- progress. Hopefully, next year, it will be
- part of the requirement to have a license
- and be a current and ongoing e-mail address.
- That's one of the goals. That way we can

- keep everybody informed. Then if they are not informed, then it's on them, really not on us.
 - MR. TURNER:
- ⁵ Right.
- MR. ROBINSON:
- We want to talk a little bit
- 6 -- things have changed actually since Derek
- and I put the agenda together, but we have
- to meet in December because we have to
- approve the budget. And Derek and I had
- looked at the calendar originally and our
- meeting in January is on a legal holiday.
- So we are going to address that for certain.
- Our initial thought was we would move the
- December meeting back to the first of
- January and -- since the January meeting is
- on a legal holiday, but we are going to have
- to meet in December and we are going to have
- to have a quorum and we want to try to make
- sure that we have a date when people can be
- here and we have a quorum.
- The budget has to be done by
- this Commission prior to December 31st. So
- that is Christmas week. That's Monday of

```
But our original plan of
     Christmas week.
 2
     pushing the December meeting into the first
 3
     of January, we abandoned that.
 4
                    So is everyone going to have
     conflicts with coming the week of Christmas?
 6
                MR.
                    TURNER:
 7
                    No.
 8
                MR. POTEET:
                    No.
10
                MR. POTEET:
11
                    That's December 20th, right?
12
                MR. ROBINSON:
13
                    Right.
14
                    Is that enough time to get to
15
     where we will have a budget to approve or do
16
     you guys need a day or two later?
17
                MR. PARNETT:
18
                    I think that sounds -- that
19
     will be fine.
20
                MR.
                   ROBINSON:
21
                    Okay. Then let's talk about
22
              The January date is a legal
     January.
23
     holiday, Martin Luther King. So we need to
24
     -- we might as well look at what we want to
25
     do with that. I know Tuesdays are, you
```

```
know, bad for some people. Wednesdays are
 2
     bad for other people.
                     What is everybody's feeling,
     do something towards the end of that week?
 5
                MR. CORMIER:
 6
                     Can we do it the prior
 7
     Monday?
 8
                MR. ROBINSON:
                     No, we wouldn't be able to
     have the financials together.
10
11
                MR. CORMIER:
12
                     For the Monday after?
13
                MR. ROBINSON:
14
                    We can look at the Monday
15
     after.
16
                MS. BARON:
17
                    That would be the 24th.
18
                MR. POTEET:
19
                    The 24th would be the --
20
                MS. BARON:
21
                    The Mondays of that month are
22
     the 3rd, the 10th or the 24th.
23
                MR. TURNER:
24
                    I would say the 24th.
25
                MR. ROBINSON:
```

```
Either that or push it back
 2
     to Thursday. Seems like the two days that
 3
     always come up in conflict are Tuesdays and
     Wednesdays.
 5
                MR. POTEET:
 6
                     I can't be here on Tuesday.
 7
                MR. ROBINSON:
 8
                     And others can't be here on
     Wednesday.
10
                MS.
                    BARON:
11
                     Darty has got another
     commission like the last week of January on
12
13
     a Thursday or something.
14
                MR.
                    TURNER:
15
                     Thursdays aren't good for me.
16
                MR.
                    ROBINSON:
17
                    Let's push it to the next
18
     Monday then.
19
                MS.
                    BARON:
20
                    The 24th.
21
                MR. ROBINSON:
22
                    If somebody would make a
23
     motion to change the January date to January
24
     24th, the meeting date?
25
                MR. CORMIER:
```

```
I'll make the motion to
 2
     change the next -- the January meeting date
     to January 24th.
                MR. TURNER:
 5
                     Second.
 6
                MR. ROBINSON:
 7
                     That's still at 9:30, that
 8
     works for everybody? Okay. We have a
     motion and a second.
10
                     Comments? Ouestions?
11
                     (No response.)
12
                MR. ROBINSON:
13
                    All in favor?
14
                     (All "Aye" responses.)
15
                MR. ROBINSON:
16
                    Anyone opposed?
17
                     (No response.)
18
                MR. ROBINSON:
19
                    The motion carries.
20
                    Item 5, Executive Director's
21
     report.
22
                MR. PARNELL:
23
                    Activity, we had a field
24
     investigator review complaint totals.
                                               The
25
     total alleged issues for the month was 43.
```

- Seventeen of those complaints were requests 2 for refund of down payment or just wanting money back for various things. Seven are non-delivery of title.
- 5 One thing that we have been 6 working at is trying to be a little more aggressive in how we -- what we do when we go out in there in the field. There are some issues that we still need to address 10 that we kind of discussed at the last 11 meeting that we still will move forward with 12 trying to address those things. As they go 13 out, I want them to be sure that if they are seeing issues out there initially when they go out, go ahead and deal with that situation immediately in the form of a violation because they are already in the wrong.

14

15

16

17

18

19 Typically, the culture here 20 was always to if they were going to work 21 with us, go ahead and if they are going to 22 solve the situation or help the problem out, 23 go ahead and allow them to do that and let 24 them slide on the violation. One thing I 25 make sure to reiterate to them, let's not go

- out there and just try to knock everyone's
- head off. We need to be sure that we are
- being professional on how we are doing. I
- don't want to cause any more grief on any
- 5 dealers than -- any more than is needed, but
- we still need to be a little bit more
- aggressive on how we are actually looking at
- ⁸ our dealers. They need to understand that
- we are here for a reason and we will
- regulate our laws. And a lot of them, what
- I find, they kind of think that we -- I
- guess because the history has actually shown
- that we are kind of soft and kind of
- pushovers as it relates to when they go out
- there and look someone face-to-face.
- The next item on the report
- is the license renewal update. One thing --
- we are still a small staff as we have been
- in the past couple of years, but we are
- doing fairly well with renewals this year.
- I think it is due to we started processing
- the renewals immediately. And once we
- started getting them in, we were able to
- streamline some of the processes of the
- renewals, having the dealers and bond

insurance companies using their e-mails 2 little bit more. Those things have actually helped out a bit. Right now, we are probably about 15 days ahead of where we 5 were last year at this point. So that's Looking at our size, you know, we are 7 pretty much almost at the point where -- we are almost at November 1 as it relates to our dealers getting their information in and 10 having -- guarantying to having a license by 11 January 1. So we've almost met that goal 12 already. You know at this point last year, 13 we were way off from that. We are working 14 through it. It's moving a little bit slow, 15 but we were able to come in on Veterans Day. 16 That was a legal holiday. And so I gave 17 them the option if they wanted to come in 18 and catch up and stay up on it and they all 19 wanted to do that. So I went ahead and 20 allowed them to come in and do that and it 21 was a very productive day, a good day where 22 you didn't have a lot of phone calls coming 23 in. Typically, that is something that 24 They are not really causes some concern. 25 answering calls to answer questions. They

- typically return calls and e-mails around
- three o'clock every day, but you still get a
- lot of phone calls and just questions, not
- necessarily about renewals, but we still get
- a lot of calls coming in daily. So I may
- look at some other avenues as it relates to
- that, but I will have to dig a little bit
- deeper on that.
- One thing we talked about
- during our last meeting was the server
- upgrade. I kind of want to start digging
- around and getting some research done as it
- relates to what kind of cost will be
- associated with the servers because we've
- got to look at budgeting this and moving
- forward. We are going to need to do this
- thing immediately actually because we are
- not able to move up to the dot net
- capabilities that our system can provide for
- us, the CAVU system that we have.
- If you recall, last year we
- were looking forward to trying to move to
- that new system, but at the end we realized
- that our server wasn't capable of moving up
- in that direction. Currently, we are

operating out of two -- we have two servers 2 right now. One is basically housing the web information, the other one is basically data. I kind of got with our IT personnel 5 and we kind of contacted CAVU together and we both -- we will be having a meeting on 7 Thursday so we can kind it sit down and just look at exactly where we need to go, what's the most cost effective. What we kind of 10 found out in looking at it thus far is that 11 it will be more cost effective for us to 12 actually purchase a better stronger server 13 ranging in the price range of about --14 talking about software, hardware, installing 15 for about 13 to 14 grand versus what we 16 Trying to upgrade the servers that we 17 have now, it will cost us much more. 18 finding that the software for those things 19 are -- they are running anywhere from \$3,000 20 and \$3,500 in general software. So we had 21 two trying to upgrade those, that will kind 22 of almost double the cost and that was a 23 round number that I kind of threw out last 24 week, it was about \$27,000, close to \$30,000 25 to do that. We would save pretty much --

- almost half if we look at it in this kind of terminology.
- Another thing we were looking
- at, not only specific to the servers, we
- were also looking at just our overall
- technology. We want to sit down and try to
- get a plan of -- maybe a three to four year
- plan of where we can go with our computers
- that we have on hand. Now, the life of our
- computers right now is pretty bad. We have
- gotten down to, I think -- we don't have any
- spare towers around here and before we did.
- Once the Commission decreased in size, if a
- tower went out, somebody had some issues
- with it, we were able to swap one out, but I
- think we are getting down to the bare bottom
- 17 right now as it relates to that. So we were
- kind of talking about trying to project out.
- We want to be more proactive as it relates
- to keeping our technology up to date because
- we really haven't had an upgrade since 2004.
- 22 And by technology computer standards, we are
- way, way behind trying to keep up with the
- curve. Thursday we are going to sit down.
- I do want to go through a lot -- some plans

- that we may need to try to implement. But
- the first thing we really need to look at is
- the server, and then try to finalize some
- numbers, so I can bring it back to you and
- 5 let you know what we're looking at, but we
- have to make some server improvements so we
- ⁷ can actually move up and move forward with
- the Commission in the future.
- Do we have any questions or
- 10 comments?
- MR. ROBINSON:
- Just one comment as far as
- license renewals. In talking with Derek
- maybe a week or two ago, I told him it would
- be perfectly okay with me if we really see a
- backlog that they change the message on the
- answering machine and basically just return
- calls at the end of the day and not take
- calls during the day so we can continue to
- crank out licenses and leave a message to
- the fact that, you know, because of a heavy
- volume of work, you know, your call is being
- answered, you will get a call back after
- four o'clock this afternoon. But we are all
- know that is one of the things that really

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```
slows you down is when you are trying to,
 2
     you know, put out a high volume of work and
 3
     you are having to stop every few minutes to
     take a phone call and go in a different
     direction. So I told him if he felt like we
 6
     needed to do that, that that would be okay
 7
               And I thought I would just, you
     with me.
 8
     know, see if anyone had any objection to
     that.
            But the big thing from now to the end
10
     of the year is getting license renewals out
11
     versus handling a more minor question or,
12
     you know, something of that nature. So it
13
     just affects the dealers when they don't
14
     have their numbers, you know, and they can't
15
     get their dealer plates renewed and they
16
     can't sell a vehicle and take care of the
17
     sales tax at the first of the year. So we
1.8
     just need to make sure that our number one
19
     focus is getting these renewals out.
20
                   And so if you call in some
21
     day, you may get a message like that and you
22
     will know what's going on. Just trying to
23
     identify our priority.
24
                   That's the end of your
25
     report?
```

PARNELL: MR. 2 Yes MR. DUPLESSIS: I have a question. Have you 5 heard the buzz word in the tech industry called a cloud concept? 7 MR. PARNETIT: 8 No, I have not. MR. DUPLESSIS: 10 The cloud is a new concept 11 that's coming out that I'm looking at in 12 integrating several businesses and, 13 basically, you do away with your servers. 14 And I see Mona is familiar with it back 15 there. And you can probably take your 16 \$13,000, \$14,000, \$15,000 down to about 17 \$3,500, and it gives you unlimited kind of 18 updates, and it also gives you software 19 integration at big discounts. And if you 20 are trying to do mass e-mails or you are 21 trying to do credit card online, it probably 22 will run you about 20 percent if you house 23 no equipment. So you have no equipment 24 upgrades. So it's something that you might 25 want to look at, and it appears that Mona is

familiar with it. 2 MR. ROBINSON: So it's basically a host. 4 DUPLESSIS: MR. 5 Yes. It is a host, but it is 6 now it is starting to cling onto cluster 7 packages or bundles, if you will, is kind of 8 the concept. MR. PARNETIT: 10 Well, I didn't recognize the 11 term but that is something that I'm also 12 going to be looking at. It's actually 13 something that CAVU actually offers. It's 14 pretty much hosting. It will always 15 constantly upgraded, but I don't know if 16 that's the direct we want to look at. But I 17 will look into some other avenues as it 18 relates to that. 19 MR. ROBINSON: 20 That is where everything is 21 going, even like my backups at my 22 businesses, it's all done and stored by a 23 third-party company. The days of doing it

stopped that probably a year and a half ago.

every day are, you know, out of sight.

24

25

```
POTEET:
                MR.
 2
                    Well, we switched -- our
 3
     company switched to Google apps and we got
 4
     rid of our server and it saved us 90 percent
 5
     of what we were spending. It was huge.
     it's more reliable.
 7
                MR. DUPLESSIS:
 8
                    It's very fast, too.
 9
                MR. ROBINSON:
10
                    Any other questions for
11
     Derek?
12
                    (No response.)
13
                MR. ROBINSON:
14
                    All right. Committee
15
     reports, Legislative Committee, Mr. Ron.
16
                MR. DUPLESSIS:
17
                    It's today at one o'clock at
18
     the State Archives Building. I don't know
19
     if anyone knows where that's at. It's just
20
     off the interstate on -- it's Essen, and
21
     it's right as you get off the interstate on
     Essen.
             It's just to your left.
                                        It's the
23
     large white State building and there is a
24
     real nice meeting room there we have used
25
     for two years. And I think we sent out a
```

```
mass number. It looks like we've gotten a
 2
     pretty good response.
                             Sheri will be there.
 3
                    Robert, will you be there at
 4
     that meeting?
 5
                MR.
                    HALLACK:
 6
                    No, not unless y'all need me.
 7
                MR. ROBINSON:
                    Do you want Robert there,
     have him there?
10
                MR.
                   DUPLESSIS:
11
                    I'm not really -- do we have
12
     anything, Robert, on the agenda? We have a
13
     small legislative agenda. I think this year
14
     we are probably playing defense a great deal
15
     and we are looking at maybe some renewal
16
     legislation and that sort of thing, but I
17
     would love to have you there from one to
18
     three o'clock.
19
                    Does anybody have anything on
20
     used -- I know this off premises thing is an
21
     issue that we are looking at, but we are
22
     there really to hear from the industry today
23
     and have a presence from the Commissioners.
24
     And we are not going to make a whole lot of
25
     decisions, we will do that in Executive
```

- Committee or we will do that in committee.
- And once we hear -- you will hear a lot.
- You will hear some frustration of the
- economy and some other things, but we will
- 5 sift through that like any other legislative
- body does and we will put together our
- ⁷ agenda.

8

21

MR. ROBINSON:

- If you have a fair turn out,
- why don't you ask what the feeling would be
- if the bond amount was based on your prior
- year sales? That is something that we
- always talk about. I don't know if you are
- fortunate to have a nice representation from
- the industry. Why don't you throw that out
- and see what kind of feedback we get? The
- small dealers might go down. The medium
- dealer might stay the same. The big dealer
- might go up. Just see what kind of feedback
- you get on that.

MR. DUPLESSIS:

- Is there anything else from
- the salvage industry? I know that's going
- to be -- they are going to be there, a
- real presence today, and I know that is

going to be an unusual issue, but we will be 2 there to handle it. I just know Darty is 3 the only one I am familiar with. MR. POTEET: 5 I'm not going to be able to 6 be there today, but over the last few weeks, 7 I've been sort of, at the auction, trying to 8 talk to as many people as I could about issues and, you know, what kind of things 1.0 they were going to -- that they are 11 interested in, and I recommended that if 12 they could, to go to the meeting. But there 13 were two -- there are only two things that 14 seem to be -- 90 percent of them had some 15 comment on curbstoning and repo laws. 16 I don't know how far we get into the repo 17 laws, if at all, but those are the things 18 that a lot of dealers had -- were concerned 19 about. 20 MR. DUPLESSIS: 21 Well, Sheri and I wrote the 22 repo law. 23 MR. ROBINSON: 24 It is not our agency. 25 MR. DUPLESSIS:

```
We knew it wasn't a imperfect
 2
     science, but we had to get something passed.
 3
                MR. POTEET:
                     I'm just trying -- that is
 5
     pretty much the two things that most people
     wanted to comment on.
 7
                MR. DUPLESSIS:
 8
                    Tell me about the repo laws
     because we knew that was going be a sticky
10
            But what specifically, if y'all can
11
     help on that, because I can get some people
12
     to clarify that.
13
                MR. POTEET:
14
                    To be honest with you, I
15
     didn't get into too much detail. I mean,
16
     maybe some of the dealers can tell you.
17
                MR.
                    TURNER:
18
                    I never repo anything.
19
                    ROBINSON:
                MR.
20
                    Are we talking about repos or
21
     are they talking about self-help.
22
                MR. POTEET:
23
                    Self-help.
24
                MR. DUPLESSIS:
25
                    Self-help.
```

MR. POTEET:

- They want to know why we are
- the only state that doesn't really have
- self-help and why -- and, you know, I tried
- to explain a little bit of what I know, but
- it's -- that's just something at the
- forefront of a lot of people's minds.
- MR. ROBINSON:
- Again, that's not --
- MR. POTEET:
- That's not -- I told them --
- I said I don't think that really falls under
- 13 our --
- MR. ROBINSON:
- Curbstoning, every legitimate
- dealer is interested in curbstoning.
- MR. TURNER:
- I'll give you an example.
- There is a K-Mart 200 feet, 300 feet from
- our store on Veterans, and every day there
- 21 are three or four cars there with shoe
- polish on them for sale and by the end of
- the day, there is an orange tag from the
- zoning people in Jefferson Parish that they
- put on there to remove the car, and it's

```
just a joke. Because whoever this guy is,
 2
     he just takes -- moves the car to another
 3
     location similar and just keeps rotating
     them and rotating them and it's --
 5
                MR. ROBINSON:
 6
                    You think this is a dealer or
 7
     an individual trying to not be a dealer?
               MR. TURNER:
                    I hear rumors of who it is.
10
     I don't really know who it is.
11
               MR. ROBINSON:
12
                    Don't say then.
13
               MR. TURNER:
14
                    But it's -- Stacy has come
15
     out there and tried to do something about it
16
     and was not able to do anything. But it's
17
     just ongoing. It seems like there should be
18
     something that could be done. I mean, it's
19
     obviously the same quy -- people over and
20
     over again and they are doing it in my area.
21
     It's the same locations over and over.
22
     just start putting the cars around.
                                            And I
23
     would have to assume that somebody has made
24
     a deal with a licensed dealer to buy the
25
     cars with their license and put them out
```

```
there and sell them.
 2
                MR. ROBINSON:
 3
                     You see in my market, we
 4
     don't see that. It's almost always an
 5
              Now, there are pockets where there's
     owner.
 6
     always cars, but every phone number is
     different.
                MR. TURNER:
 9
                     They've got cell numbers.
10
                MR. ROBINSON:
11
                     There is an indication --
12
                MR. TURNER:
13
                    They use cell numbers.
                                               There
14
     are different numbers, but there's no plates
15
     on the cars.
                    The plates are off the cars.
16
                MR. ROBINSON:
17
                    These normally have plates.
18
                    TURNER:
                MR.
19
                    So normally they would have a
20
     plate.
21
                MR. ROBINSON:
22
                    Get with Stacy and follow up
23
     on it.
24
                MS. BARON:
25
                    In the last month, I have had
```

- at least four anonymous calls for
- ² curbstoning and it's all been dealers. The
- investigators are working on it, but it's
- 4 getting worse.

5

MR. HALLACK:

- Just to let you know, it is a
- violation in your statutes for a dealer to
- 8 repossess a vehicle any way other than
- what's allowed by law. But also, too, the
- black market sales, which is the statute,
- that is designed to prohibit curbstoning.
- The fine for that right now is only \$1,000.
- Our regular fines can go up to \$2,000. So
- you definitively need to change the fine
- amount for curbstoning.

MR. DUPLESSIS:

- Well, you know, you bring up
- an interesting point. That kind of spurred
- my thoughts. We have been trying -- we
- attacked this last year with curbstoning.
- We got some stuff passed. But I think there
- is a different act between an individual or
- a non-licensed dealer curbstoning and a
- licensed dealer curbstoning. And why don't
- you come to the meeting today and get some

- $^{
 m 1}$ input for just an hour or two. But to me,
- if you have a licensed dealer doing that,
- that's an issue. That's an off premises
- display without a permit and we know the off
- 5 premises thing is going to get some heat and
- we will have to work on that a bit, but
- ⁷ that's a good point.
- MR. HALLACK:
- ⁹ But you definitely need to
- bump the fine for that.
- MR. ROBINSON:
- That doesn't take a
- 13 legislative act.
- MR. HALLACK:
- That will take a legislative
- act, too, because right now it's set at
- 17 \$1,000 is the max. And if that is the
- greatest problem that used motor dealers
- face, then you need to bump that up to at
- 20 least \$5,000.
- MR. ROBINSON:
- It's something -- I don't see
- it, but I hear about it when I go to
- auctions. If -- people if they know who I
- am, I mean, I hear about it.

MR. BREWER:

- How about cars put on
- 3 consignment to different dealers, no problem
- with that?

MR. ROBINSON:

- Well, there is a law on how
- you have to do that. It includes filling
- out some paperwork to be in compliance.
- Generally, that -- those things don't
- happen. If you are taking a vehicle from a
- customer, there is a law on that. They have
- to maintain the insurance and things of that
- nature. So, I mean, there are statutes on
- the books on those things, how you have to
- go about it. Whether dealers do that --
- that's why I won't take a car from an
- ¹⁷ individual.

MR. BREWER:

- I'm talking about dealers
- putting -- swapping inventory or whatever.
- MR. ROBINSON:
- There is a form that the
- dealers have to fill out in order to do that
- and if they follow the compliance, it's okay
- for them to do that. But they have to -- it

```
still has to be on a state license and
 2
     regulated location and, you know, you just
 3
     have to do the paperwork.
                MR. BREWER:
 5
                    Right.
 6
                MR. ROBINSON:
 7
                    But, generally, they probably
 8
     just swap them back and forth, which
     technically is a violation without the
10
     appropriate paper work.
11
                    Is that correct?
12
                MR. HALLACK:
13
                    That's correct. You must
14
     complete a consignment form.
15
                MR. BREWER:
16
                    Can you get that where?
17
                MR. CORMIER:
18
                    The DMV has them, I know.
19
     They have consignment forms.
20
                MR. BREWER:
21
                    They do.
22
                MR. ROBINSON:
23
                    And if you do that and you
24
     are licensed and you are good for that
25
     location, it's 100 percent legitimate.
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MS. BARON: 2 If you have one of the 3 seminar manuals or the disks, there's probably one on there as well. 5 MR. BREWER: 6 Thank you. 7 MR. ROBINSON: We do have a hearing. You want to see if they are here -- see if Ms. 10 Morris is here? 11 Items for next agenda, does 12 anybody have anything? Just remember, it is 13 mandatory we have a quorum. If we are short 14 and we don't have a quorum, we are going to 15 have to come back in December and get a 16 quorum and pass the --17 MR. BREWER: 18 It's going to be December 20? 19 MR. ROBINSON: 20 As always, if there is 21 something you want on the agenda, let me 22 know and we will get it on there. And as 23 far as this, if we get a motion, we can 24 adjourn this part of the meeting. 25 MR. DUPLESSIS:

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1	REPORTER'S CERTIFICATE
2	
3	I, BETTY D. GLISSMAN, Certified
4	Court Reporter, Certificate No. 86150, in
5	and for the State of Louisiana, do hereby
6	certify that the Louisiana Used Motor
7	Vehicle Commission November 15, 2010 meeting
8	was reported by me in the stenotype
9	reporting method, was prepared and
10	transcribed by me or under my personal
11	direction and supervision, and is a true and
12	correct transcript to the best of my ability
1.3	and understanding.
14	This November 24, 2010, Baton
15	Rouge, Louisiana.
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23	BETTY D. GLISSMAN, CCR
24	CERTIFIED COURT REPORTER
25	