

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

LOUISIANA USED MOTOR VEHICLE COMMISSION
STATE OF LOUISIANA

REGULAR MEETING
SEPTEMBER 17, 2018
BEGINNING AT 9:00 A.M.

3132 VALLEY CREEK
BATON ROUGE, LOUISIANA

REPORTED BY:
BETTY D. GLISSMAN, CCR

1 APPEARANCES:

2

3 CHAIRMAN:

MR. JOHN POTEET

4

COMMISSIONERS PRESENT:

5

6 MR. JEFFERY BRITT

7 MR. TONY CORMIER

8 MR. RICKY DONNELL

9 MR. GEORGE FLOYD

10 MR. STEPHEN OLAVE

11 MR. MATTHEW PEDERSON

12 MR. HENRY "DARTY" SMITH

13 MR. DINO TAYLOR

14 MR. RICHARD WATTS

15

16

17 REPRESENTING THE LOUISIANA USED MOTOR

18 VEHICLE COMMISSION:

19

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

23

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

1 ALSO PRESENT:

2 MS. KIM BARON

3 MR. DEREK PARNELL

4 MS. MONA ANDERSON

5 MS. TONYA BURKS

6 MR. PERRY ESPONGE

7 MS. EMILY DOMANGUE

8 MR. ERIC SUNSTROM

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 (Pledge of Allegiance.)

2 MR. POTEET:

3 Kim, roll call.

4 MS. BARON:

5 John Poteet?

6 MR. POTEET:

7 Here.

8 MS. BARON:

9 George Floyd?

10 MR. FLOYD:

11 Here.

12 MS. BARON:

13 Tony Cormier?

14 MR. CORMIER:

15 (No response.)

16 MS. BARON:

17 Matthew Pederson?

18 MR. PEDERSON:

19 Here.

20 MS. BARON:

21 Richard Watts?

22 MR. WATTS:

23 Here.

24 MS. BARON:

25 Steve Olave?

1 MR. OLAVE:

2 Here.

3 MS. BARON:

4 Ricky Donnell?

5 MR. DONNELL:

6 Here.

7 MS. BARON:

8 Darty Smith?

9 MR. SMITH:

10 Here.

11 MS. BARON:

12 Dino Taylor?

13 MR. TAYLOR:

14 (No response.)

15 MS. BARON:

16 And Jeffery Britt?

17 MR. BRITT:

18 Here.

19 MS. BARON:

20 Mr. Chairman, we have a quorum.

21 MR. POTEET:

22 Good. Anyone here for public
23 comments today?

24 MS. BARON:

25 Not public comments, no.

1 MR. POTEET:

2 Okay. Is there something else?

3 MS. BARON:

4 That would be a no.

5 MR. POTEET:

6 Okay. All right. I'd like to
7 make a couple of changes here to the agenda.
8 So I have to make a motion to do this and
9 we'll need to vote on it. So a couple of
10 changes. We'd like to add -- insert between
11 C and D, we want to add in a discussion of
12 the LUMVC versus Dwane O'Quain of Premier
13 Asset Management. We'll move ratification
14 of imposed penalties from B to D. And then
15 under that, we will add in right after Case
16 Number 4, which is 2018-313, we'll add in
17 case 2018-322, Superior Motors of Acadiana.
18 And then we will change ratifications of
19 cases from E to F. Okay. So that's a
20 motion to make those changes.

21 MR. SMITH:

22 I second.

23 MR. POTEET:

24 Second.

25 All in favor, say, "Aye."

1 (All "Aye" responses.)

2 MR. POTEET:

3 Any opposed?

4 (No response.)

5 MR. POTEET:

6 All right. So as we move along,
7 you'll see we'll have those changes.

8 Hopefully, everybody has had a
9 chance to read the minutes from the last
10 meeting. I'll entertain a motion to
11 approve.

12 MR. SMITH:

13 I make a motion.

14 MR. OLAVE:

15 Second the motion, Mr. Chairman.

16 MR. POTEET:

17 Second from Mr. Olave.

18 All in favor, say, "Aye."

19 (All "Aye" responses.)

20 MR. POTEET:

21 Any opposed?

22 (No response.)

23 MR. POTEET:

24 All right. That passes.

25 Items for discussion and action.

1 Financial matters. Mona.

2 MS. ANDERSON:

3 Okay. If you'll turn in your
4 binders to the financial statements for the
5 month of August 2018, under the statement of
6 net position, the current assets at the end
7 of August were \$2,811,664. Of that, the
8 total operating account -- the total on the
9 operating account was 2,031,000. And the
10 accounts receivable hearing and fines was
11 81,000. Under the current liabilities at
12 the bottom of the page, claim against bonds
13 payable decreased by 29,000. We remitted
14 receipts that we had previously received to
15 the Office of Motor Vehicles. On page 2,
16 the long-term liabilities, the deferred
17 revenues were \$276,915. And the total
18 long-term -- total liabilities and inflows
19 was \$3,327,853. The unrestricted net
20 position was 107,800 and the net position
21 was a loss of 140,000.

22 Turning to page 3, the statement
23 of revenues, expenses, and changes in net
24 position, the year-to-date revenues were
25 \$93,030 compared to 92,076 for last year.

1 On page 4, the salaries and related benefits
2 were 199,000 compared to 115,0000 last year.
3 And the remainder of the expenses -- of the
4 expenses were nearly identical to last year.

5 On page 5, the -- again, the
6 change in -- the year-to-date change in net
7 position was a negative \$140,046. On page 6
8 is a four-year revenue comparison. The year
9 to date for this year was 93,030 compared to
10 142,499 the prior year. And the reason for
11 that is, the auction transactions fees, the
12 two largest auctions did not submit their
13 auction transaction fees until the beginning
14 of September.

15 On the following page, the graph
16 of the fee revenue is shown. Miscellaneous
17 revenues includes the interest that the
18 Commission gains on operating and investment
19 accounts. So interest rates are up and
20 those amounts are also up. On page 6 -- I'm
21 sorry, page 8, the four-year expenditure
22 comparison, this graph breaks the
23 expenditures into salaries and related
24 benefits, and then all other operating
25 expenditures. And, of course, we hired some

1 staff and we had increases in health
2 insurance and retirement and that caused the
3 increases in salaries and in benefits.

4 On page 9 is your certificate of
5 deposit report and there were no changes
6 this month in that report. On page 10 is
7 the accounts receivable hearings report.
8 The -- in August, the Commission assessed
9 \$6,100 in fines and collected \$9,376.

10 At the end of the month, the
11 balance in the accounts receivable fines was
12 81,179. And you'll note on there that we
13 moved -- the Avery's Auto Brokerage was
14 forwarded to the Attorney General for
15 collection. And so it got moved down to the
16 bottom into the collections category.

17 So unless there are any
18 questions, Mr. Chairman, that concludes the
19 financial report.

20 MR. POTEET:

21 Okay. Does anybody have any
22 questions? Comments?

23 (No response.)

24 MR. POTEET:

25 Do you know about how much the

1 revenue is that came in from those two
2 auctions that reported late?

3 MS. ANDERSON:

4 I can't tell you off the top of
5 my head, but it is significant. At this
6 time of the year, we hardly have any regular
7 fees. So the auctions are in the thousands
8 of dollars and that makes a difference in
9 the time when they come in. You can look at
10 the other -- the last year and see it's
11 similar, you know. So, roughly, 50,000.

12 MR. POTEET:

13 Okay. All right. So we need
14 adoption and approval.

15 MR. SMITH:

16 I make a motion to approve.

17 MR. OLAVE:

18 Second the motion.

19 MR. POTEET:

20 All in favor, say, "Aye."

21 (All "Aye" responses.)

22 MR. POTEET:

23 Any opposed?

24 (No response.)

25 MR. POTEET:

1 All right. So that goes. Thank
2 you, Mona.

3 All right. The next thing up,
4 we've got an OPEB and GASB presentation.
5 Who's doing that? Mona, are you doing that?

6 MS. ANDERSON:

7 So you don't have anything in
8 your binder, but we have a presentation on
9 the screen there. Beginning with the audit
10 of the '17-'18 fiscal year, the Governmental
11 Accounting Standards Board, or GASB, will
12 require this Commission to implement the new
13 standards of the OPEB liability under the
14 GASB 75 statement, okay. So what does all
15 that mean?

16 So, today, we're going to be
17 looking at the following items, okay. So
18 what is OPEB? What does that mean? Why was
19 GASB 75 issued? How is the OPEB funded and
20 how will that affect us? So what is OPEB?
21 In -- the retirement is not the only
22 post-employment benefit. Most governments
23 provide health insurance and some life
24 insurance to their retirees as part of their
25 compensation package. So OPEB stands for

1 Other Post-Employment Benefits other than
2 retirement. And, generally, these
3 post-employment benefits have gradually
4 become like the elephant you see in the
5 picture. It's really hard to ignore
6 anymore.

7 (Mr. Cormier arrived.)

8 MS. ANDERSON:

9 So why was GASB 75 issued? In
10 2004, GASB issued a statement on OPEB
11 liability, but they only made us record the
12 liability for the current retirees in the
13 future. So that was quite an event. I'm
14 happy to say that I was around when that
15 happened. And, now, they're wanting us to
16 -- so, next, people began to live -- so,
17 next, people began to live longer and GASB
18 and others questioned how government would
19 be able to plan for its retirees' pension
20 and other benefit obligations. So, now,
21 they want us to recognize on the financial
22 statement the -- what they call the net
23 present value of future benefits for
24 employees that are working right now. So
25 what is net present value for the value of a

1 dollar today and the value of a dollar in
2 the future differ? Hopefully, the future
3 dollar is higher.

4 So how is OPEB funded? Well, the
5 insurance companies have always been a jump
6 ahead of us. And they had already built in
7 some funding into our current premiums to
8 account for the offering these retirees this
9 benefit. Agencies had been required to
10 record the liability for the current
11 retirees since 2004. Now, GASB has acted
12 and added the future liability and actuaries
13 are going to have to calculate future
14 benefits, and then discount them to their
15 present value.

16 So how will that affect us? The
17 -- for LUMVC, starting with the audit,
18 you're going to see that they're going to --
19 we're going to accrue a net pension
20 liability and it's going to be similar in
21 size to what we recorded -- I'm sorry.
22 We're going to record an OPEB liability
23 that's similar to the net pension liability.
24 The OPEB net pension liability -- OPEB and
25 net pension liabilities will be accrued at

1 the end of the year, because they can't be
2 accurately estimated throughout the year.
3 It takes actuaries to estimate this. And
4 how will it affect us?

5 Well, it's likely to have a
6 negative impact on our bottom line, but we
7 do have to be keeping in mind that the
8 Commission has an obligation for this in the
9 future, unlike the net pension liability,
10 which is primarily paid through LASERS and
11 passed down to us down through the
12 retirement amounts that the agency pays.
13 With the OPEB liability, we pay that
14 directly. We pay premiums for the agency
15 for retirees. So it's important for us to
16 be viewing these large figures that are
17 going to accrue on the balance sheet.

18 So next month, we'll be going
19 over the audit and our auditor, John
20 McKowen, will be discussing OPEB liability
21 with you. And that's the end of my
22 presentation.

23 MR. POTEET:

24 All right. Does anybody have any
25 questions about that?

1 (No response.)

2 MR. POTEET:

3 It's not much of a question. We
4 have to do it.

5 MS. ANDERSON:

6 Yes, unfortunately.

7 MR. POTEET:

8 Well, you can say unfortunately,
9 but for those who work for the Commission.

10 All right. Mona, thank you for
11 that. I think that, obviously, you see a
12 lot of things going on with companies that
13 have failed to properly fund their pension
14 and what's happened. So, you know, that's
15 part of what we have to do.

16 Next thing, we've got an invoice
17 here for Mr. Hallack.

18 MR. PARNELL:

19 All right. Commissioners, you
20 will find in your packet Attorney Hallack's
21 bill for services for August of 2018. I
22 have reviewed the services performed and the
23 accounting department has reviewed the time
24 calculations and that they are correct.
25 Attorney Hallack's bill for services for

1 August of 2018 is \$6,727.50. Commissioners,
2 I ask that you approve payment of Attorney
3 Hallack's bill.

4 MR. OLAVE:

5 I have a couple of questions.
6 The bills are a little bit higher than
7 normal. Is there -- is there anything
8 associated with that or some of them --

9 MR. PARNELL:

10 Yes. During the past month,
11 we've had a few meetings that I've asked him
12 to come and attend with us. We had a
13 meeting where we worked with the compliance
14 investigators just kind of going through
15 cases, going through making sure that
16 everybody is doing the same thing. Also,
17 he's been more involved in dealing with some
18 of our cases that were kind of problematic
19 that may come before a hearing. So it's
20 just the timing of that. Also, he's working
21 on -- the biggest bulk of his cost was with
22 the notice of intent that he was trying to
23 develop for Commissioners as it relates to
24 the continuing education and making changes
25 on that.

1 MR. OLAVE:

2 I mean, I would -- I would like
3 to review the bill before we ratify a bill
4 that's outside the -- you know, what -- when
5 it -- when it comes before our Commission to
6 -- I think there's a threshold here that
7 each one of the attorneys has within the
8 contract guidelines --

9 MR. PARNELL:

10 Correct, correct.

11 MR. OLAVE:

12 -- but I'm going to -- I would --
13 I would ask that before we ratify anything,
14 for that matter, that we have a -- you know,
15 detail. If nobody else wants to look at it,
16 I'll review it.

17 MR. BRITT:

18 Well, just one quick question.
19 And, I mean, I'm -- when you said that it's
20 dealing with the investigators, it made me
21 think about this. Is there one or two or is
22 there any particular cases that involved
23 extra guidance or consultation that could
24 have stemmed from that?

25 MR. PARNELL:

1 Not in particular, not one or
2 two. It's several --

3 MR. BRITT:

4 Okay.

5 MR. PARNELL:

6 -- that we've kind of worked
7 with. A lot of these cases, when I meet
8 with the dealers and/or consumers, I try to
9 have it involve the prosecuting attorney.
10 He will actually clear up -- when we do have
11 a hearing, he's the one that kind of puts
12 the paperwork together, so we can do the
13 presentation, so.

14 MR. OLAVE:

15 Any time -- any time we'd get a
16 bill that was out -- again, outside that
17 threshold, we'd get an itemization of what
18 was worked on and everything else.

19 And no disrespect, Robert. I
20 think that's part of what we're entrusted to
21 do, ratify the facts of each one of these
22 things.

23 MR. PARNELL:

24 A few Commission -- I don't know.
25 A few years ago, the Commission voted that

1 the itemized bill shouldn't be in the -- in
2 the packet. Is that -- that's why --

3 MS. MORRIS:

4 It includes charges on here and
5 descriptions of things that haven't occurred
6 yet. So we didn't want to have any recusal
7 issues by review of anyone from our putting
8 together a case. It might be on two
9 different bills before the hearing. Like,
10 the ones for hearing today, could be on the
11 August bill. So that was the reason for the
12 description, was not giving information
13 about the cases to the Commissioners.

14 MR. OLAVE:

15 Yes, ma'am. I agree.

16 MS. MORRIS:

17 It can be redacted.

18 MR. OLAVE:

19 It's so difficult to ratify
20 something that we don't have all the
21 information on it.

22 MR. POTEET:

23 Well, at the same time, we
24 decided at that time --

25 MR. PARNELL:

1 It's been a few years.

2 MR. POTEET:

3 Yes. In fact, I think Glen
4 Robinson was the Chairman at the time and
5 Glen had proposed that the Executive
6 Director would review those in detail. And,
7 you know, if there was anything that we
8 wanted to look at after the fact, we could
9 do that. We could always, you know -- but
10 Sheri's point, there are things in there
11 that we probably shouldn't see until we've
12 gotten to that point. So it would be more
13 of a follow-up, you know, further down the
14 road. If you wanted to look at that, you
15 wanted to look at these, maybe, a couple of
16 months from now and if we had a question, we
17 could come back and --

18 MR. OLAVE:

19 Again, please, no contention, but
20 that's back to if we're going to ratify
21 something, then I think that at least a
22 portion of the Commission, or however you
23 want to word it, should be involved in it.
24 I mean, I'm --

25 MR. POTEET:

1 Well, I disagree with that. I
2 disagree, because that's what we have the
3 Executive Director for. And I think that
4 the reasons that Ms. Morris has stated here
5 do make it difficult.

6 Does anybody else have any
7 comments on this?

8 MR. CORMIER:

9 Well, could he -- could he call
10 Derek and ask him any questions he has?

11 MR. POTEET:

12 Sure.

13 MR. OLAVE:

14 I -- listen, I don't have a
15 problem and -- but, you know, back to the
16 proactive approach to this, I'll step up
17 and, I mean, if I have to recuse myself from
18 anything like that, if we talked about this
19 at a meeting or two ago, about, you know,
20 reviewing different thing and contracts and
21 so forth. So if there's -- if there has to
22 be a recusal, maybe there's a way to omit
23 that stuff that would be the basis for
24 recusal, but I think -- I'm interested in
25 knowing -- if I have to do that, report

1 back, that's fine, too. But I think the --
2 I think the Commission should be involved in
3 that, just not one person. But I would do
4 it if -- you know, if the rest of the
5 Commission is so moved, to have somebody
6 review these things.

7 MR. POTEET:

8 Well, I guess we'll have to take
9 that as a motion.

10 MR. OLAVE:

11 All right. I make -- I make a
12 motion that, in some fashion, we review the
13 things that we're asked to ratify, that we
14 -- that we have detail on those just in
15 general.

16 MR. DONNELL:

17 I'll second it.

18 MR. POTEET:

19 He's saying one Commissioner.

20 MR. OLAVE:

21 Well, I'm opening it for
22 discussion. If it's one Commissioner
23 because of the recusal part of that, that
24 may be a better solution. But I believe
25 there should be more Commissioners involved

1 in that than just one, but, again, try to
2 navigate through that is difficult.

3 MR. POTEET:

4 Is that your motion?

5 MR. OLAVE:

6 Yes, sir.

7 MR. POTEET:

8 Okay. Who seconded?

9 MR. DONNELL:

10 Me.

11 MR. POTEET:

12 All in favor, say, "Aye."

13 (All "Aye" responses.)

14 MR. POTEET:

15 Any opposed?

16 I oppose.

17 MR. PEDERSON:

18 I oppose that.

19 MR. POTEET:

20 Okay. The motion passes. So we
21 cannot ratify your bill today.

22 We'll have to be reviewed by Mr.
23 Olave at a time that you and Derek can get
24 together.

25 MR. OLAVE:

1 No disrespect to you, Robert.

2 MR. POTEET:

3 Okay. If we do it that way, then
4 if he has a problem with it, shouldn't we
5 talk about it before we ratify it?

6 MS. MORRIS:

7 You can ratify it subject to his
8 approval. If he has questions, the
9 questions can be answered at the next
10 meeting.

11 MR. OLAVE:

12 Look, I don't ever remember
13 having an issue with recusals or whatnot
14 when we used to get all those bills and
15 things like that. It was never an issue
16 then.

17 MS. MORRIS:

18 It wasn't an issue that was
19 litigated. It could very well be an issue
20 in this case.

21 MR. POTEET:

22 All right. So we need a motion
23 to approve the bill pending Mr. Olave's
24 approval. Anybody want to make that --
25 anybody want to make that motion?

1 MR. BRITT:

2 What's the steps here?

3 MR. OLAVE:

4 Again, I don't -- I don't really
5 have any steps here.

6 MR. BRITT:

7 The first motion was for you to
8 review the bill --

9 MR. OLAVE:

10 Yes. Or a fraction of the
11 Commission or the document. I'm not --

12 MR. POTEET:

13 No. The way we did it was that
14 you would do it.

15 MR. OLAVE:

16 Okay. I'll do it, no problem.

17 MR. BRITT:

18 Right. And then with his --
19 after they -- he and the Director have
20 gotten --

21 MR. POTEET:

22 If he has no questions.

23 MR. BRITT:

24 No questions. Then I'll make
25 that motion.

1 MR. SMITH:

2 I'll second.

3 MR. POTEET:

4 Okay. All in favor, say, "Aye."

5 (All "Aye" responses.)

6 MR. POTEET:

7 Any opposed?

8 (No response.)

9 MR. POTEET:

10 Okay. That motion passes.

11 MS. BARON:

12 Okay. This is only if it goes
13 outside the amount that Derek can approve or
14 it just goes to --

15 MR. OLAVE:

16 Yes, just the threshold. I mean,
17 that's what we're asked to ratify.

18 Everything else is contractual, right, so.

19 MR. POTEET:

20 Okay. The next thing on the
21 agenda is the discussion of the dealer
22 seminar and continuing education.

23 MR. PARNELL:

24 All right. We've been working on
25 these documents for a little while trying to

1 get them finalized, trying to make sure that
2 we have them in the proper context, proper
3 format. I know Attorney Hallack went
4 through after the last Commission meeting
5 and was making changes that you guys
6 requested on the notice of intent that we're
7 looking at. But shortly right after the
8 last Commission meeting, Attorney Morris
9 expressed some concerns as it relates to the
10 fee that we discussed for the LUMVC that we
11 were asking the new dealers to conduce the
12 dealer the seminar. And she was kind of
13 talking with me over the phone about it and
14 I wanted her to discuss and she did a
15 memorandum that she sent out to me, but I
16 wanted her to kind of express some of the
17 concerns that she had. The way the statute
18 is written right now, I don't -- she doesn't
19 believe that it gives us the opportunity to
20 charge a fee for the new dealers that are
21 coming for the dealer seminar that's hosted
22 by the LUMVC.

23 MS. MORRIS:

24 When we had the bill package this
25 session, we were aware of the fact that if

1 there are any fees included in it or any
2 fees that the Commission already charged
3 that were increased, that it would require a
4 two-thirds vote of each house of the
5 Legislature. So we avoided that. And the
6 legislation did not include any fees or
7 increase any fees. Additionally, there was
8 some language in the law that referred to a
9 fee, which was taken out, because no fee had
10 been implemented under that provision.

11 And in 1995, I believe it was,
12 the -- in 1995, the Louisiana Constitution
13 was amended to require any new fee or civil
14 fine or any increase in the existing fee or
15 civil fine imposed or specified, a board,
16 department, agency, or subdivision of the
17 state, to be enacted by law by a two-thirds
18 vote of elected members of each house of the
19 Legislature. So what that did in 1995, it
20 took away the licensing board's authority to
21 adopt fees by rule, which had been done
22 before 1995. So if you had a statute that
23 allows you to adopt a fee by rule, after
24 1995, it became ineffective and you could
25 not use that statute any longer to set fees.

1 So anything that -- anything that was
2 pre-dating the constitutional amendment,
3 those fees stayed in place. So if you have
4 a fee that was enacted by a rule, say, it
5 was \$25, that fee stays. But you can't
6 increase the \$25, because any increase, you
7 have to go through the Legislature with a
8 two-thirds vote. So that is the provision,
9 which is kind of a road block to charging
10 any fee that's not outlined in your statute
11 or some other related statute. And I know
12 the Commission has been doing courses
13 without a fee for many years and they
14 distribute materials and things like that.
15 You do have the ability to charge for copies
16 of public records. And so that's the only
17 fee that I could find that was really
18 related that you could use without having to
19 go to the Legislature and get a specific fee
20 for your courses.

21 MR. DONNELL:

22 Well, when this bill first
23 started, did we not have the president of
24 the LIADA state to us they wanted to do this
25 and share in a fee with us to do this?

1 MR. PARNELL:

2 With the continuing education,
3 but we're talking about the dealer seminar
4 and we're talking about what the new dealer
5 is going to do.

6 MR. DONNELL:

7 Oh, that's --

8 MS. MORRIS?

9 Taught by the Commission.

10 MR. PARNELL:

11 Yes. That's not -- this is a
12 separate thing. That's continuing
13 education.

14 MS. MORRIS:

15 So when Mona did an analysis, you
16 might remember at the last meeting, of how
17 much it costs, because we have investigators
18 come in town and prepare materials --

19 MR. PARNELL:

20 Just new dealers.

21 MS. MORRIS:

22 -- their travel cost, all those
23 things. So it is a cost to the Commission,
24 no doubt, that the Commission's resources
25 are being used for that course do have a

1 cost. But can you take that cost and
2 prorate it among the attendees? I don't
3 believe you can do that except with respect
4 to cost for materials that you're
5 distributing.

6 MR. PARNELL:

7 And that's what -- how it was
8 expressed in the Attorney General's opinion.

9 MS. MORRIS:

10 There was an Attorney General's
11 opinion asked by the Department of Revenue
12 after the amendment, can we charge for
13 preparation of materials that we give out at
14 our -- at our seminars in an amount that
15 exceeds the actual preparation cost? And
16 the Attorney General said, no, you could not
17 charge for that. But the Department of
18 Revenue had a statute -- or has a statute
19 that says that they can charge nominal fees
20 for materials used and they could defray the
21 cost involved with preparation of the
22 publication. So theirs was a little bit
23 broader, because just like I would interpret
24 that to say the staff time and any research
25 to prepare the materials could be prorated

1 and considered a cost to the material
2 distribution. You don't have a similar
3 statute, but you do have the fees you can
4 charge for copies of public records. That
5 does not include preparation cost, it was
6 only the copy cost per page that's set by
7 the Division of Administration.

8 MR. PARNELL:

9 Yes. That's already -- we knew
10 that.

11 MR. BRITT:

12 You've looked at that already?

13 MR. PARNELL:

14 Yes. As it relates to public
15 record.

16 MR. BRITT:

17 It's not going to help with the
18 problem?

19 MS. MORRIS:

20 There's not much money either.
21 It's, like, 25 cents per page. So if you
22 have 20 pages, you're talking about \$5.

23 MR. BRITT:

24 From a legal standpoint, it's
25 legislation. How do you see directing it to

1 get what the Commission needs to move
2 forward?

3 MS. MORRIS:

4 To introduce legislation, I think
5 now you have the information from what Mona
6 put together and you have the information as
7 to what cost is being incurred by the
8 Commission to do the course. You might
9 recall that no fees -- no agency fee bills
10 passed, because we had quite a --

11 MR. DONNELL:

12 So no new fees were legislated --

13 MS. MORRIS:

14 Not for --

15 MR. DONNELL:

16 For the costs.

17 MS. MORRIS:

18 -- new fees. So you would want
19 to put that in an isolated bill. Generally,
20 we try to bundle all of our legislation
21 together, so it will just be easier to
22 monitor. But you would want to -- if you're
23 considering a fee to recoup your cost, then
24 you would want to put that in one bill and
25 just go with it, because you have good data

1 now. We didn't have that during the session
2 either, but we were concerned about losing
3 the whole bill by requiring a two-thirds
4 vote.

5 MR. POTEET:

6 So it -- before, it would have
7 been -- it would have been upfront anyway,
8 because we wouldn't have had any, why did
9 you come up with \$50 or \$100. I'm selling a
10 nice round number that's not going to pass,
11 but now that we have data.

12 MS. MORRIS:

13 And even the agencies that went
14 to the Legislature this year with a lot of
15 data, they're even losing money and need the
16 money. Those bills didn't pass. So it just
17 depends upon the temperature of the
18 Legislature as far as fees. And maybe it
19 will be different next session. But I don't
20 think it would have had any chance of
21 passing. And then you wouldn't have gotten
22 the continuing education, which is what we
23 were trying to do.

24 MR. PARNELL:

25 For clarity, the way the -- the

1 way the bill was -- the way our statute was
2 written before, it did say that we charged a
3 fee. But you said that -- and I think it
4 was 1995?

5 MS. MORRIS:

6 Yes.

7 MR. PARNELL:

8 Anything prior to '95, if we had
9 done that language in there, we would have
10 been able to charge a fee, but anything
11 after that, although that language was still
12 there, it was, no.

13 MS. MORRIS:

14 You would have had to have a
15 statute and it would have had to have a fee
16 in the rule that it's \$25 or whatever the
17 fee was, because if you don't have -- if you
18 didn't set a fee, then setting it at \$5
19 would be an increase. So you couldn't do
20 that by rule. You'd have to go back to the
21 Legislature. So I think that all of the
22 fees fall within that category.

23 MR. POTEET:

24 So we'll have to plan for that
25 the next legislative session.

1 MR. OLAVE:

2 That should go quickly.

3 MS. MORRIS:

4 Yes. Fees are just an uphill
5 battle, have been an uphill battle for a
6 number of years with the Legislature, so.

7 MR. HALLACK:

8 The good news is, the State has a
9 surplus, so.

10 MR. POTEET:

11 Okay. Well, thank you for that.

12 MS. MORRIS:

13 You're welcome. Sorry.

14 MR. OLAVE:

15 I'd like to -- this is on the
16 dealer seminars and continuing education
17 discussion. I'd like to bring this up for
18 some discussion. Last -- I believe, last
19 month -- and it -- and it didn't sink in
20 right away, but last month, we talked about
21 that we would require the dealer -- original
22 dealer seminar prior to issuing a license.
23 I'd like to open that up for some
24 discussion, because I don't know from a flow
25 of business -- again, just thinking out

1 loud -- if there's anything else in there,
2 but, you know, a dealer that applies for a
3 license, and then starts gathering inventory
4 may have to wait 30 or 45 days before the
5 continuing education seminar in order to get
6 the license. I just -- that's a tough
7 business model for a small independent to
8 sit on inventory. And I think -- I think
9 what could happen is, we could create an
10 environment where they're faced with two bad
11 choices, one, to start selling cars before a
12 license is issued, or the other one is the
13 -- you know, spend money on floor planning
14 or whatever other expenses they have in
15 anticipation of this. So, again, just for
16 discussion.

17 MR. POTEET:

18 You're talking about the new
19 dealer seminar?

20 MR. OLAVE:

21 Yes, yes. And I don't know if
22 there's a -- like, a hybrid in there as far
23 as, you know --

24 MR. POTEET:

25 How do we do it?

1 MR. OLAVE:

2 -- we issue a --

3 MR. POTEET:

4 I mean, what is the procedure?

5 MR. PARNELL:

6 Currently, they do -- they have,
7 like, 60 days after they get approved.

8 MR. DONNELL:

9 I'd like to see it go back to the
10 way it was.

11 MR. PARNELL:

12 We just recently changed it in
13 the statute.

14 MR. OLAVE:

15 Well, no, what you're saying is,
16 they have 60 days to take the seminar?

17 MR. PARNELL:

18 Currently.

19 MR. OLAVE:

20 Right. But the last time we
21 discussed having a requirement that they do
22 that --

23 MR. PARNELL:

24 Well, currently, we give them 60
25 days after their license was issued to come

1 in and get their dealer seminar. That's how
2 it's always been done. But during the
3 legislative session last year, the 2018
4 legislative session, we voted on having
5 those -- the dealer have that as a
6 prerequisite to holding their dealer
7 license. And that's what we did
8 legislatively during the 2018 legislative
9 session, have that as a prerequisite. We
10 were already doing 60 days, but the vote was
11 to have the dealers have a prerequisite of
12 having the dealer seminar when they submit
13 their packet for their full application as
14 an application packet for that, so.

15 MR. POTEET:

16 In other words, they would have
17 had to have gone through that seminar before
18 you accept the packet?

19 MR. PARNELL:

20 Correct.

21 MS. MORRIS:

22 Before you --

23 MR. PARNELL:

24 As a completed packet, yes.

25 MR. POTEET:

1 As part of it.

2 MR. PARNELL:

3 Yes.

4 MR. BRITT:

5 As part of the packet?

6 MR. PARNELL:

7 As part of the dealer's packet
8 was to have fees paid, all your
9 documentation in order, all of your -- your
10 seminar taken care of, with a certificate to
11 illustrate that it's part of your packet.

12 MR. OLAVE:

13 How often are we doing the
14 seminars?

15 MR. PARNELL:

16 Once a month.

17 MR. OLAVE:

18 Once a month.

19 MR. PARNELL:

20 There were instances where we did
21 it twice a month when we had a lot of
22 dealers coming in. That's not a problem if
23 we need to do that again. During last year,
24 during 2017, we were having a lot of dealers
25 coming in, because once we issue a fine to

1 them, I would require them to come in for
2 the dealer seminar again, because we had
3 many dealers who hadn't had a seminar in 15
4 years. And in most instances when we have a
5 hearing in here, when the judgment comes
6 out, they're required to come back to the
7 dealer -- to the dealer seminar again. So
8 what we were doing is, we were doing it
9 twice a month at that point. So that way,
10 we would cover more people in a time frame,
11 so the classes weren't so big as well. So,
12 yes, I mean, if that's something that we can
13 incorporate, again, that's not a problem.
14 Because what's happening now is, the
15 licensing staff, they have a 14-day
16 turnaround to get those -- to get everything
17 out to the dealer. If that dealer submitted
18 his packet and it's properly in order,
19 they're going to get their license in 14
20 days. What we're trying to instruct anybody
21 that they talk to is, make sure that you
22 submit -- set up, sign up for the dealer
23 seminar, so you can include that in your
24 packet, so.

25 MR. OLAVE:

1 Was there -- and just thinking of
2 the flow of business, Derek, and I know how
3 many of these independents are struggling
4 and -- you know, with the flow of business.
5 Was there an issue before with the 60 days?

6 MR. PARNELL:

7 I always found it to be an issue,
8 because if we have some dealers out there
9 and you've got -- and they're already
10 operating, they're already in business, then
11 they come 30 or 60 days later after they've
12 done so many things that they could have
13 done incorrectly, because we've had many
14 instances where dealers come in, they're
15 brand new dealers, and they're just
16 operating listening to this person,
17 listening to that person, rather than
18 listening to -- or not even knowing exactly
19 what they should be doing as a used car
20 dealer.

21 And then you get in those
22 situations where 30 days after they've
23 gotten their license, then they're doing
24 something illegal, something wrong. Some
25 situations were pretty bad and they just

1 didn't know, because they had not been
2 educated yet. I always felt like it was --
3 since I've been here, I always felt like
4 it's a better business model and practice
5 for us to make sure that their complete
6 packet is done prior to them operating,
7 because they're going to operate. They're
8 going to start --

9 MR. POTEET:

10 Well, they have a violation
11 before they've even gone to the seminar.

12 MR. PARNELL:

13 That's possible.

14 MR. BRITT:

15 Everything is -- that's a good
16 point. I mean, it's, like, a girl
17 graduating high school or a guy graduating
18 high school going to Our Lady of the Lake
19 and saying, I'm going to be a nurse, and
20 before you start it, you have 60 days to
21 learn it. I mean, it will catch up with you
22 a little bit teaching. It makes plenty of
23 sense, because you would actually be saving
24 some guy or lady from making a huge mistake
25 and costing them twice the money. And I can

1 -- I can get the car guy's point of view,
2 but I also can look back and get the point
3 of view of, you know, then the dealer can
4 say, well, nobody told me.

5 MR. PARNELL:

6 Yes. And that's what we say.

7 MR. BRITT:

8 I mean, it might cost that guy
9 \$3,000 in fines when he had a bad month his
10 first month and he lost \$3,000 besides that.

11 MR. OLAVE:

12 So that was legislated -- it was
13 legislated that way?

14 MR. PARNELL:

15 Yes.

16 MR. OLAVE:

17 So there would have to be
18 legislation to change it? I'm not
19 suggesting we do it, okay. So as it stands
20 right now, they're required to have the
21 continuing education seminar?

22 MR. POTEET:

23 The dealer seminar.

24 MR. OLAVE:

25 The dealer seminar. I'm sorry.

1 Yes, sir. Thank you for the correction.

2 MR. DONNELL:

3 That's new dealers?

4 MR. PARNELL:

5 That's new dealers, yes.

6 MS. BARON:

7 Brand new dealers, yes.

8 MR. DONNELL:

9 In other words, if a present
10 dealer was to open a new location --

11 MR. PARNELL:

12 He should already have been
13 through the seminar.

14 MR. POTEET:

15 Okay. Anything else on the new
16 dealer seminar? Okay. Do you want to talk
17 about -- yes?

18 MR. HALLACK:

19 Well, are we going to vote on it?
20 Because I think from the last meeting, it
21 was discussed that we would vote on a final
22 version of it this meeting of the rules and
23 regs.

24 MR. POTEET:

25 Well, the rule -- the rule is

1 already here.

2 MR. HALLACK:

3 Right. But y'all have not voted
4 to say this is what we approve.

5 MR. PARNELL:

6 But you just recently made
7 corrections.

8 MR. HALLACK:

9 I made the corrections, right.
10 But we didn't -- at the last meeting, we did
11 not vote on a final version of it. So we
12 made the changes to a final version, but we
13 kind of --

14 MR. POTEET:

15 For what's in the seminar?

16 MR. PARNELL:

17 Continuing education.

18 MR. HALLACK:

19 Rules and regulations.

20 MR. PARNELL:

21 Rules and regulations.

22 MR. POTEET:

23 Oh, okay. What does that have to
24 do with the new dealer seminar?

25 MR. HALLACK:

1 Well, they're both in there. The
2 rules and regulations encompass both the
3 initial application and the renewal
4 application.

5 MR. POTEET:

6 Okay. So that's where we're at
7 in the discussion now.

8 MR. OLAVE:

9 I think we were finished with the
10 new dealer seminar and we're going to talk
11 about the continuing education.

12 MR. HALLACK:

13 So the only changes we have are
14 -- you'll see on the second page under G,
15 about the revision for 60 days, it just
16 shows that it's being deleted, okay.

17 MR. POTEET:

18 All right.

19 MR. HALLACK:

20 And, of course, we're not
21 charging a fee. So that will have to be
22 deleted. The other thing that we talked
23 about, which we probably need to delete
24 also, is that we were going to charge an
25 application fee to the potential instructor

1 who was applying to become an instructor on
2 the continuing education for the renewal
3 license.

4 MR. POTEET:

5 Is that -- is that all under that
6 same guideline?

7 MS. MORRIS:

8 Yes. I was going to see if it
9 fell under our other licenses, though.

10 MR. PARNELL:

11 Because that's not a license that
12 we currently -- or application that we
13 currently have on record. So it may not.

14 MR. HALLACK:

15 The instructor won't have to be
16 licensed.

17 MR. POTEET:

18 You mean -- say that again.

19 MR. HALLACK:

20 The instructor is not licensed by
21 us.

22 MR. PARNELL:

23 No. Just the application that he
24 would have to submit.

25 MR. BRITT:

1 He has to be approved for a
2 license.

3 MR. HALLACK:

4 And it's a process.

5 MR. POTEET:

6 But we can't charge them a fee,
7 because we don't have that authority.

8 MR. HALLACK:

9 Okay. So we're going to remove
10 that, also. And that's the only change.

11 MR. POTEET:

12 Sheri just pointed out that when
13 we put that fee bill together, we can --

14 MR. BRITT:

15 Absolutely.

16 MR. POTEET:

17 -- we want to add this in. I
18 mean, we'll get it passed or we won't get it
19 passed so we might as well get everything in
20 the bag and see what happens.

21 MR. BRITT:

22 That's what we talked about last
23 time. I mean, if they're going to teach it,
24 then we're going to approve, they need to be
25 paying it.

1 MR. HALLACK:

2 But here it is on page 3 D-1.

3 MR. DONNELL:

4 Can we charge a fee?

5 MR. BRITT:

6 Not now.

7 MR. POTEET:

8 Not now. In the next legislative
9 session, we'll put that in with our other
10 fees.

11 MR. HALLACK:

12 And that's the only three changes

13 --

14 MR. POTEET:

15 Okay.

16 MR. HALLACK:

17 -- from the last time that you
18 looked at it. So unless anybody has any
19 questions, I think we went over it in detail
20 at the last meeting, these are the three
21 changes that have been requested since the
22 last meeting.

23 MR. DONNELL:

24 Well, since we're on the subject,
25 I heard over the last month that the LIADA

1 got rid of their lobbyists, because a member
2 or members of this Commission told them that
3 they need to part company with their
4 lobbyists if they wanted the class. And I
5 just want -- I just want to know, did that
6 happen?

7 MR. POTEET:

8 What are you talking about?

9 MR. DONNELL:

10 Well, Eric is here. I mean, can
11 Eric get up and speak? I mean.

12 MR. POTEET:

13 Is he here for public comments?

14 MR. DONNELL:

15 I don't know. I just -- I'm just
16 asking a question.

17 MR. OLAVE:

18 I think this is -- and I've heard
19 the -- I've heard the same thing. I think
20 this in light of other interests that we've,
21 you know, talked about as far as, you know,
22 different Commissioners doing things. And,
23 again, not responding to the rumor, but I
24 heard the same thing, that there's
25 Commission influence -- again, I'm not

1 discussing the internal workings of the
2 LIADA -- but I've heard that there were
3 Commission influences in the LIADA as it
4 pertains to who we're going to appoint or
5 who we're going to approve to do these
6 processes. And I'm just -- I'm just curious
7 as Ricky is about that.

8 MR. DONNELL:

9 Who is leaking on the commission?

10 MR. OLAVE:

11 Again, it was -- it was alleged.

12 I don't know. But that's what I heard.

13 MR. POTEET:

14 What was alleged?

15 MR. OLAVE:

16 That the -- there were Commission
17 -- a Commission member -- I'm not -- I'm not
18 real sure, but there was a Commission member
19 that influenced the LIADA's decision to fire
20 their lobbyists, which, again, I don't have
21 anything to do with the internal workings of
22 that. My concern is, somebody on the
23 Commission influencing the trade
24 organization that we're thinking about
25 approving for a -- for a -- for the

1 continuing education seminar. That question
2 has come up.

3 MR. POTEET:

4 SO which Commissioner was it?

5 MR. OLAVE:

6 I -- again, I don't know.

7 MR. CORMIER:

8 So is this a rumor? I mean.

9 MR. OLAVE:

10 Could be. Again, I don't know.
11 But I think it's -- I think it's significant
12 enough that we --

13 MR. CORMIER:

14 Do you know the name of this
15 person?

16 MR. DONNELL:

17 Can Eric -- can Eric speak? I
18 mean.

19 MR. POTEET:

20 That would be -- that really
21 comes under public comments. So I don't
22 know.

23 MR. OLAVE:

24 Is that -- is that concerning to
25 anybody else, that it's possible that that's

1 happened? I mean.

2 MR. POTEET:

3 Well, you know, if we address
4 every single rumor that goes on, I mean,
5 it's concerning to me that we spend time in
6 this Commission meeting talking about
7 rumors, but unless anybody has any
8 objections, I have no problem with Eric
9 standing up.

10 Does anybody have any objections
11 to that? Attorneys?

12 (No response.)

13 MR. POTEET:

14 Okay.

15 MR. SUNSTROM:

16 To address what Mr. Donnell --
17 Mr. Donnell said, I don't have anything in
18 writing or specific proof other than what
19 was spoken to me at the LIADA's board
20 meeting and, consequently, with the
21 conversation I had with the LIADA president.
22 And he roughly paraphrased is, it has been
23 advised by him that he met with a
24 Commissioner and the Commissioner suggested
25 that it would be a lot smoother for the

1 LIADA to receive their continuing education
2 approval if they were to remove their
3 lobbyists.

4 MR. POTEET:

5 Okay.

6 MR. SUNSTROM:

7 So, again, I --

8 MR. POTEET:

9 So which Commissioner?

10 MR. SUNSTROM:

11 Well, the president is from north
12 Louisiana. So, I mean, I don't know who he
13 met with. He didn't -- he didn't specify
14 that.

15 MR. POTEET:

16 Okay.

17 MR. SUNSTROM:

18 So, again, I just -- I was asked
19 to come and speak to that point. So that's
20 what I -- that's why I'm here.

21 MR. POTEET:

22 Does anybody have any comments
23 about that?

24 MR. BRITT:

25 I mean, who is the president of

1 LIADA?

2 MR. SUNSTROM:

3 Bob Perry.

4 MR. POTEET:

5 Bob Perry.

6 MR. BRITT:

7 Mr. Chairman, do we have any
8 authority at all to contact this Bob Perry
9 and ask him if he had a conversation?

10 MR. DONNELL:

11 Do we have any subpoena power?

12 MR. BRITT:

13 I mean, I'm just --

14 MR. POTEET:

15 Well, we don't --

16 MS. MORRIS:

17 Not outside of a disciplinary
18 hearing.

19 MR. BRITT:

20 Okay.

21 MR. OLAVE:

22 So let me -- let me -- let me
23 tell you what my concerns are personally.

24 MR. BRITT:

25 I mean, I was just asking,

1 because I thought of it when he was saying
2 that. I mean, I don't know this Bob Perry
3 and what he's talking about. So, I mean,
4 that would be a real quick fix if we could.

5 MR. POTEET:

6 Well, we can ask him. I mean,
7 we're talking about -- we're talking about
8 private conversations between people that,
9 first of all, the way the process is going
10 to work, if I understand it correctly is,
11 whoever is going to want to teach the
12 seminar is going to give it to Derek,
13 however many there are, one, two, three, 10,
14 20. Derek is going to review it and he's
15 going to make his -- he's going to say,
16 these qualify and these don't. And then
17 he's going to bring it to this Commission,
18 and then we're going to vote on it. So if
19 we have one Commissioner that's had
20 discussions outside of this Commission
21 meeting with somebody, I don't know how that
22 would affect the vote. I mean, we still
23 have -- we have 10 Commissioners. I mean,
24 we can -- we can -- we can go review this.
25 I can call Bob Perry. I know Bob. I'll ask

1 him, you know, what's going on, what was
2 said? I don't --

3 MR. SUNSTROM:

4 I'm sure there were minutes from
5 the board meeting that can be reviewed,
6 also.

7 MR. POTEET:

8 I'm a member of the LIADA. So
9 that would be -- in fact, most people in
10 here, I think, are members of LIADA. We can
11 get that information.

12 MR. OLAVE:

13 Again, just my personal
14 motivation here is not, you know, the inner
15 workings of the LIADA, believe me. I don't
16 -- I'm not familiar with his contact, but
17 I'm sure that they don't need a reason to
18 let the lobbyists go. So that's not really
19 a concern. But when I hear, again, back --
20 not to relive some of the stuff from
21 February and March, but when a Commissioner
22 uses the Commission as an influence to do
23 something and he's not speaking for the
24 Commission -- I agree with you, a personal
25 conversation is a personal conversation, but

1 if the language that the Commission is
2 involved in that personal conversation and
3 the outcome of that, then that's concerning
4 to me, Mr. Chairman.

5 MR. POTEET:

6 Well, I think -- I've never -- as
7 long as I've been on this Commission, I've
8 never had anything like this come up, but I
9 would think -- and we've got two attorneys
10 in the room to give me some guidance here,
11 but I would think that if somebody has a
12 complaint against one of us as a
13 Commissioner, that complaint should be
14 lodged, should it? Shouldn't that be
15 brought before us?

16 MS. MORRIS:

17 Well, this Commission doesn't
18 have the power to remove a commissioner.

19 MR. POTEET:

20 No, only the governor does.

21 MS. MORRIS:

22 So there's an office of boards
23 and commissions.

24 MR. POTEET:

25 There could be a complaint put

1 forth to that board, I guess.

2 MS. MORRIS:

3 We don't have the authority to
4 have a hearing on anything other than
5 somebody's license.

6 MR. POTEET:

7 Yes. I mean, it's not --

8 MR. DONNELL:

9 You don't think it would wind up
10 in an ethics hearing?

11 MR. POTEET:

12 I don't know. I'm not -- I'm not
13 on the ethics board.

14 MR. OLAVE:

15 I don't -- I don't have the
16 answer, but I'd just offer it up to the
17 Commission that I think that is somewhat
18 concerning that if it is happening.

19 MR. DONNELL:

20 I'm just venting here a little
21 bit. I mean, I don't know who all just
22 don't believe how important a lobbyist is to
23 this Commission, to the used car industry as
24 a whole, you know. I just don't understand
25 this. I mean, I ain't telling him to hire

1 Eric. I'm just telling them to keep a
2 lobbyist or they need a lobbyist.

3 MR. POTEET:

4 Yes. Would you like to say
5 something?

6 MS. DOMANGUE:

7 I would.

8 MR. POTEET:

9 The Executive Director?

10 MS. DOMANGUE:

11 I'm the Executive Director of the
12 LIADA. I just want to speak to the subject
13 of Eric being removed. We had several
14 motivations behind that decision. I'm sure
15 that there were personal conversations.
16 However, our primary motivation for
17 continuing education is to help financially
18 stabilize the LIADA. And at this point, the
19 main thing that we were trying to accomplish
20 was continuing to keep the LIADA afloat. I
21 believe it's very important and it's
22 something that we want to have in the
23 future, but it is not something that we can
24 continue to afford at this time. So, there
25 you go.

1 MR. POTEET:

2 Thank you.

3 MR. BRITT:

4 Well, can I ask a question? It's
5 kind of getting off the subject, but I think
6 it's in the realm. When we talk about this
7 --

8 MR. OLAVE:

9 I don't think she is hearing you.

10 MR. BRITT:

11 No, not her, our Director. Our
12 man that knows what the law is and you
13 attorneys might need to answer this. In the
14 realm of all of this, whoever is chosen to
15 do these seminars, whether it be that
16 organization or ABC organization or us, does
17 the Commission have the authority to be the
18 ones to be -- to oversee -- I mean, not to
19 oversee, but to conduct -- to conduct this
20 educational process of these seminars?

21 MR. PARNELL:

22 That's not my understanding.

23 MR. BRITT:

24 What I'm saying, what they want
25 to do, can we not do it ourselves? That's

1 what I'm getting at.

2 MR. HALLACK:

3 No, you cannot do it yourself.

4 MR. BRITT:

5 Okay. Under what statute and how
6 could that be changed? Just -- I'm throwing
7 it out there.

8 MR. HALLACK:

9 The statute specifically
10 provides, like, three or four types of
11 people that can do this, including trade
12 associations, educational -- she is pulling
13 it up.

14 MS. MORRIS:

15 It's D-1.

16 MR. BRITT:

17 Does it exclude us or does it --

18 MR. HALLACK:

19 No, it doesn't exclude you, but
20 it doesn't include us, either.

21 MR. POTEET:

22 Well, it also -- in the
23 discussion of it, the idea was that this is
24 something that we didn't have the ability to
25 do on a regular basis. I mean, we don't --

1 I mean, we'd have to create a seminar. We'd
2 have to bring our people in from the field
3 to teach the seminar. We felt at the time
4 -- and I'm going back into when we started
5 discussing all of this. The reason we
6 wanted to have an outside organization was
7 because they could -- they can provide us an
8 instructor. They can provide a program.
9 And the dealers could go do it when they
10 wanted to. They could do it online. They
11 could do it -- we were going to give them --
12 I forgot the time frame, but it was
13 basically you have to do it every year you
14 get a license. So you've got a whole year
15 -- well, technically, that's two years, I
16 guess, to do the seminar. So it made it --
17 it was inconvenient for us to do it. So
18 what we felt was that if we could get an
19 outside organization, probably the LIADA
20 would be the best example, a trade
21 organization, that could do this. And this
22 is the way it's done in most states, I
23 believe, that they could set that all up
24 themselves, and then all we have to do,
25 technically, is approve the curriculum.

1 MR. BRITT:

2 How much oversight would we have
3 over what they do and over the curriculum?

4 MS. PARNELL:

5 Complete.

6 MR. POTEET:

7 Complete. We could -- we could
8 fire them at any time as long as we felt
9 that they were not --

10 MR. PARNELL:

11 The language -- I was trying to
12 incorporate language that always stated that
13 we could have any person from the staff
14 visit their continuing education site,
15 listen to what they're discussing, and if
16 anything is outside of what we believe is
17 prescribed by the guidelines --

18 MR. BRITT:

19 You bring it --

20 MR. PARNELL:

21 -- we'll bring it up before
22 you-all and let you know what's going on,
23 this is what we found out, and the education
24 shows this, and you decide whether or not
25 you --

1 MR. BRITT:

2 Well, under the statute that's
3 there currently, can we as a Commission --
4 if we had -- and I'm not talking about
5 hiring staff. If we did a contract with a
6 company or an organization, a separate bill
7 where we had -- is that something that we
8 would interested in doing or could we do it?

9 MR. OLAVE:

10 Let me add to that. All right.
11 I mean, again, just brainstorming here, but
12 I like that opportunity.

13 MR. BRITT:

14 And that's all -- that's all --
15 that's all I'm doing is brainstorming.

16 MR. OLAVE:

17 When we talk about, you know --

18 MR. BRITT:

19 You're talking about partnering
20 with somebody and you're talking about at
21 the end of the day trying to help the
22 dealers all over the state, why don't we
23 partner with the trade schools all over the
24 state and have oversight over them and they
25 can do seminars locally in their region, so

1 these guys aren't spending money going to a
2 conference somewhere. And I'm not knocking
3 any trade association, but, I mean, that's a
4 money grab for them. I mean.

5 MR. PARNELL:

6 My initial thought process was,
7 well, yes, a lot of those -- I just got --
8 was it Bossier City Community College? They
9 reached out to me and they --

10 MR. BRITT:

11 Yes.

12 MR. PARNELL:

13 They wouldn't mind --

14 MR. BRITT:

15 You've got them in Madison.
16 You've got them everywhere. And they're
17 being very innovative in what they do now --

18 MR. PARNELL:

19 Yes, yes, they are.

20 MR. BRITT:

21 -- very, very much so. And if
22 y'all don't understand it, you need to go
23 check into it a little bit.

24 MR. PARNELL:

25 Absolutely.

1 MR. BRITT:

2 They're really helping. But my
3 point is, if we're -- if we're still trying
4 to help people, that's a good avenue to help
5 people more so than them having to pay a big
6 fee to go such and such to this seminar.

7 MR. PARNELL:

8 We're not limiting the amount of
9 persons that can conduct the continuing
10 education.

11 MR. BRITT:

12 Right.

13 MR. POTEET:

14 We're just going to approve.
15 It's just like -- this was before you came
16 on the Commission.

17 MR. BRITT:

18 Right.

19 MR. POTEET:

20 But we had -- we had a big
21 discussion about certify and how people
22 advertise certify. And so we said that we
23 could approve any kind of a certification
24 program. But anybody could have a
25 certification program. It only just

1 required that you bring the -- your
2 credentials or your guidelines to us for
3 approval. There could be 1,000 of them.
4 And the same thing would be true here.
5 Every community college in the state, every
6 technical college in the state, can apply to
7 teach this course. We just have to approve
8 it, so.

9 MR. BRITT:

10 But if you were going to do a
11 partnership with them, you would need to be
12 -- it would need to be some exclusivity, in
13 my opinion. And a partnership between the
14 state -- I mean, with us and them, but if
15 you were going to open the door that way. I
16 mean, I think it's something worth looking
17 into myself, but.

18 MR. HALLACK:

19 You've got to keep in mind it's
20 Internet only. So it's not a matter of
21 somebody doing it in Shreveport --

22 MR. BRITT:

23 Right.

24 MR. HALLACK:

25 -- Monroe or Lake Charles. I

1 mean, it's just an Internet program.

2 MR. PARNELL:

3 No, no, it's not Internet only.

4 MR. POTEET:

5 Right.

6 MR. PARNELL:

7 It doesn't have to be -- one of
8 the associations said they're going to do
9 Internet only.

10 MR. POTEET:

11 Well, I think that Mr. Britt's
12 point that we -- you know, it's incumbent
13 upon us to investigate all the possibilities
14 --

15 MR. BRITT:

16 Absolutely.

17 MR. POTEET:

18 -- because we don't want to make
19 --

20 MR. BRITT:

21 Absolutely.

22 MR. POTEET:

23 Yes. And then, you know, from
24 the LIADA's standpoint, from the way I see
25 it is, this is an opportunity for them to

1 earn money, but they've got to do -- they've
2 got to do it the way we want it done.

3 MR. BRITT:

4 Right.

5 MR. POTEET:

6 And if they want to -- if they
7 want to make money doing this, then they're
8 going to have to, you know, go by our
9 guidelines and our -- and market it
10 properly.

11 Yes, ma'am.

12 MS. DOMANGUE:

13 And in addition with the LIADA
14 being able to get financially stable and
15 we're able to bring a lobbyist on. And so
16 there is a double benefit to LIADA being
17 able to do the course for the dealer.

18 MR. POTEET:

19 Again, I -- you know, I guess I'm
20 a little -- I'm a little bit impartial in
21 this. I don't -- to me, I don't really care
22 who teaches the seminar as long as it's
23 accomplishing what we want to accomplish,
24 and that they live up to our standards
25 regularly, because if we monitor them and

1 check on what they're doing and how they're
2 doing it. So, you know, I say the more, the
3 better, the more -- the more opportunity
4 that we have. How many dealers do we have
5 registered right now?

6 MR. PARNELL:

7 It's, like, 4,500, or so.

8 MR. POTEET:

9 Yes. So, I mean, there's a lot
10 of opportunity there for different
11 organizations to do what needs to be done.
12 I think that -- I think that -- to me, in
13 talking to organizations in other states,
14 that's something that we definitely have
15 dropped the ball on as a state, is not
16 keeping our guys educated. I mean, I've
17 been a licensed dealer for 16 years and I
18 went to the seminar 16 years ago. I do know
19 a lot. I do a lot of things the auction,
20 but I've never been required to go do any
21 kind of continuing -- and even as an
22 auctioneer, we're not required to go to
23 continuing ed anymore. So, you know, to me,
24 this is -- this is a good thing that we're
25 getting this thing going and I think it's,

1 you know, kind of -- as Emily said, it's a
2 double edge for them. That's not the right
3 term. But it's a dual opportunity for them.
4 They make more connection with their
5 dealers. They make some money doing it.
6 And, you know, hire a lobbyist and do the
7 things they need to have done.

8 MR. OLAVE:

9 Can I -- can I ask a question?
10 Emily, how many -- -- how many members are
11 in the LIADA right now?

12 MS. DOMANGUE:

13 We only have 300 right now.

14 MR. OLAVE:

15 300.

16 MR WATTS:

17 And you've got 4,500 dealers.

18 MR. OLAVE:

19 And you've got 4,500 dealers.

20 MR. POTEET:

21 Yes. That's another thing.

22 MR. DONNELL:

23 Y'all may need to close this
24 stuff with a lobbyist, you know. You got
25 4,200 out there you didn't hit.

1 MR. POTEET:

2 We need to vote on this.

3 MR. HALLACK:

4 Motion to approve the rules and
5 regulations as amended.

6 MR. DONNELL:

7 I'll make the motion.

8 MR. POTEET:

9 Motion from Mr. Donnell.

10 MR. WATTS:

11 Second.

12 MR. POTEET:

13 And a second from Mr. Watts.

14 All in favor, say, "Aye."

15 (All "Aye" responses.)

16 MR. POTEET:

17 Any opposed?

18 (No response.)

19 MR. POTEET:

20 All right. Good job, Robert.

21 Okay. So C is a discussion of
22 State of Louisiana versus Michael Pazos,
23 individually, and Premier Collections, LLC.
24 Who's leading this discussion?

25 MR. HALLACK:

1 Me. We have a proposed
2 stipulation from the dealer, Michael Pazos,
3 through his attorney, Richard Barber. What
4 Mr. Pazos is willing to do, he's willing to
5 pay the customer -- okay. To refresh your
6 memory, turn to, it looks like, discussion.

7 MR. POTEET:

8 It's the first item under
9 discussion.

10 MR. HALLACK:

11 Y'all fined Michael Pazos \$1,500,
12 one count of fraudulent act for selling a
13 vehicle, one count of injury to the public,
14 and one count of failing to deliver the
15 title. So that was \$500 each for a total of
16 \$1,500. You assessed also Mr. Pazos in the
17 amount of \$1,200. So his total assessment
18 was \$2,700. But you also ordered him to
19 make restitution to the purchaser, the
20 complainant, who was Mr. Neathamer. And
21 that amount was \$7,844. So Mr. Pazos
22 reached out to us and said, what if I make
23 restitution to the complainant of \$7,844?
24 And I said I would have to run it by the
25 Director, and then run it by the Board. I

1 also ran it by the customer and advised the
2 customer, Mr. Neathamer, that he was willing
3 to pay \$7844 to you, but the Commission --
4 he asked the Commission to waive his \$1,500
5 and \$1,200 for the cost. Mr. Neathamer
6 reminded me that he paid for the repairs to
7 the headlight. You might remember the case,
8 that there was a damaged headlight.

9 Mr. Neathamer told the Commissioners that he
10 thinks he spent around \$400 to repair the
11 headlight. So I went back to Mr. Pazos'
12 attorney and said, for this to work, you're
13 going to have to pay for the repairs to the
14 headlight. That was an additional \$400.
15 And Mr. Pazos agreed to pay \$8,244 to the
16 customer in order to settle this matter.

17 Now, he has filed an appeal. We
18 did check the status of the appeal. The
19 appeal was filed. So it is on appeal. He
20 is willing to make this payment within 30
21 days of your approval. What he's asking you
22 as a Commission to do is to waive the \$1,500
23 in fines and the \$1,200 in penalties.

24 MR. POTEET:

25 The total is 2,700?

1 MR. HALLACK:

2 \$2,700, that's correct.

3 MS. MORRIS:

4 Has the Commission sent the
5 record in for the appeal yet?

6 MR. HALLACK:

7 No. He just filed it.

8 MR. OLAVE:

9 What's your recommendation,
10 Derek?

11 MR. PARNELL:

12 You're asking me?

13 MR. OLAVE:

14 I remember some of the case, but
15 you're more involved definitely.

16 MR. PARNELL:

17 The consumer, they are --
18 definitely, they want to be made whole with
19 the \$7,800. But it would mean the
20 Commission is waiving their fines and fees
21 associated with preparing the case and
22 paying our attorneys. Personally, I would
23 prefer to not waive those fees.

24 MR. OLAVE:

25 Would maybe a reduction be a

1 compromise or you're just steadfast?

2 MR. PARNELL:

3 I, personally, prefer to stay
4 with the dollar amount that we have.

5 MR. OLAVE:

6 Yes. That's fine.

7 MR. POTEET:

8 I don't really see what the
9 purpose is of waiving the fee. I mean, I
10 understand he doesn't want to pay the money.

11 MR. OLAVE:

12 Well, what I remember about the
13 case was that it seemed like both sides knew
14 what they were getting into. I mean, you
15 know --

16 MR. POTEET:

17 The problem with that is, if you
18 that with one, you've got to do it with all
19 of them, you know.

20 MR. PARNELL:

21 Yes. It's a --

22 MR. HALLACK:

23 This is a cost sensitive analysis
24 on your part. We're going to have to file a
25 response to the appeal. We're going to have

1 to file a record with the court. All these
2 things cost and take money. Then, we're
3 going to have to have an oral argument
4 before the court. You're going to incur
5 attorneys' fees with that. How much? So, I
6 mean, you're looking at spending money to
7 make a small amount of money. So that's
8 part of the problem. Then, you have to also
9 weigh what are the risks that you're not
10 going to win? I think we talked about who
11 the judge was before. Oh, it's Judge
12 Kelley. And Judge Kelley is a very fair
13 guy. He's going to read the record. He's
14 going to do his job. A lot of judges are
15 just rubber stamp-type judges, oh, the
16 Commission said this, we agree with it.
17 Judge Kelley is not one of those kind of
18 judges. He's not going to just rubber stamp
19 it. So then you have to look at and
20 analyze, did we do the right thing to begin
21 with? And like Mr. Donnell said, they were
22 both in on it. So if they were both in on
23 it, how can you prove that the dealer really
24 committed a fraudulent act?

25 MR. POTEET:

1 Well, I mean, to your point here,
2 if we get before a judge and all these
3 things are pointed out, the judge could rule
4 in favor and say, look, you know, this is
5 too hard to -- we shouldn't penalize this
6 guy. He's willing to pay back the consumer
7 and get the consumer off the hook. I mean,
8 I understand your argument. I -- but I also
9 agree with Derek and with Mr. Cormier, I'm
10 not sure we want to set a precedent for --

11 MR. BRITT:

12 We can't start something.

13 MR. POTEET:

14 Yes. I mean --

15 MR. BRITT:

16 Has this guy got any history?

17 Excuse me. Has this guy got any other
18 history with the Commission?

19 MR. PARNELL:

20 Yes. Not a significant amount,
21 no.

22 MR. HALLACK:

23 No. He's out of business.

24 MR. POTEET:

25 Okay. Well, let me ask another

1 question regarding -- well, again, we're
2 talking about setting precedents and things
3 like that. Does this have any impact on him
4 paying the consumer back?

5 MR. HALLACK:

6 Yes. He's also filed a motion to
7 stay the enforcement of your order. So that
8 means that until the appeal is heard, it
9 could affect -- Sheri is saying, no, but.

10 MS. MORRIS:

11 They're not -- he's not going to
12 pay restitution, because he's appealing the
13 judgment. And if he pays the restitution,
14 then he acquiesces the judgment, so.

15 MR. POTEET:

16 So he's kind of holding the
17 consumer hostage at this point?

18 MS. MORRIS:

19 Right.

20 MR. OLAVE:

21 He's leveraging us.

22 MR. POTEET:

23 Yes.

24 MR. HALLACK:

25 Sure.

1 MR. POTEET:

2 He's out of business. I -- you
3 know, I guess -- I guess --

4 MR. DONNELL:

5 What do you think, Sheri?

6 MS. MORRIS:

7 It's a -- it's a tough call.
8 It's a small -- I mean, \$2,700 is a small
9 amount. You have the consumer kind of stuck
10 in the middle of it.

11 MR. POTEET:

12 That's what I'm concerned about.

13 MS. MORRIS:

14 He has a license.

15 MR. POTEET:

16 That's what I'm concerned about.

17 MS. MORRIS:

18 But if he comes back, you could
19 suspend it, you know, if he has any other
20 complaints that we come across or if he
21 tries to get licensed again.

22 MR. DONNELL:

23 Well, so what do we do, Robert?

24 MR. POTEET:

25 Could we hold that -- could we

1 hold that over his head a little bit, too,
2 and say, we're not going to make you pay
3 this, but if you want to come back and be a
4 licensed dealer again, you would have -- you
5 would be subject to that?

6 MS. MORRIS:

7 Suspend it until such time that
8 he -- before he appears before the
9 Commission on any other violation.

10 MR. HALLACK:

11 We did that last month. We told
12 somebody that we would not give you a
13 license until you came back before the full
14 Commission. That was Mr. DuPont last month.

15 MR. POTEET:

16 That's correct.

17 MR. HALLACK:

18 And, Kim, I heard you say
19 something. Has he re-applied?

20 MS. BARON:

21 Did he re-apply, Mr. DuPont?

22 Yes.

23 MR. HALLACK:

24 No, no, no.

25 MS. BARON:

1 Oh, Mr. Pazos?

2 MR. HALLACK:

3 Yes.

4 MS. BARON:

5 He does want his license back.

6 MR. HALLACK:

7 He does?

8 MS. BARON:

9 Yes. According to the compliance
10 investigator, he has spoken to her and he
11 said that he does -- he would like to get
12 his license back and what would he need to
13 do.

14 MR. POTEET:

15 Pay the fine.

16 MR. BRITT:

17 Pay the fine.

18 MR. OLAVE:

19 If he wants to do that, then I'd
20 say let's uphold the fines and -- yes, I
21 mean.

22 MR. POTEET:

23 I guess what I'm concerned about
24 here is the consumer being put in the
25 middle. But to Mr. Donnell's point, he had

1 little bit of --

2 MR. OLAVE:

3 Right.

4 MR. POTEET:

5 -- culpability there, which
6 really didn't drag it all out of him.

7 MR. OLAVE:

8 Of course, if he wants to go back
9 in business, he's not going to drag this out
10 in the appeal process, because we're not
11 going to issue a license until that's
12 settled, so.

13 MR. POTEET:

14 That's true, too.

15 MR. OLAVE:

16 And definitely to support the
17 hard work of the Commission, I ask the
18 question, because I wanted to know, you
19 know, what Derek's opinion on this was. So
20 he has the most intimate knowledge of this.
21 I make a motion that we -- that we uphold
22 the fines as stated.

23 MR. BRITT:

24 I second it.

25 MR. POTEET:

1 Before we -- before we vote --
2 before we --

3 MR. OLAVE:

4 Sure.

5 MR. POTEET:

6 -- Mr. Hallack wants to say one
7 more thing.

8 MR. HALLACK:

9 This is an unusual situation,
10 because this was probably the first time
11 y'all ever ordered restitution and it does
12 kind of put the Commission in the trick bag,
13 because here we are, one, we're trying to
14 protect the customer, and the other, we're
15 trying to uphold our fees. I think -- my
16 recommendation to Derek was -- when they
17 reached out to me, my recommendation to
18 Derek was that the risk of having the
19 decision overturned compared to the cost
20 that it would be to carry it forward, that
21 it wasn't worth the \$2,700 to do it. And I
22 understand you don't want to send a message,
23 but the message is, this is the first time
24 you've ever ordered restitution. And here's
25 a dealer that's willing to make restitution.

1 MR. POTEET:

2 Well, like I said, I'm more
3 concerned that we would get overturned.
4 It's not the cost of defending this case.

5 MR. HALLACK:

6 I'm concerned about that.

7 MR. POTEET:

8 I'm more concerned about our
9 decision.

10 MR. OLAVE:

11 Yes. It's not the fines either.
12 It's to the fact that we did the right thing
13 when we decided that.

14 MR. BRITT:

15 Yes.

16 MS. MORRIS:

17 And so is there some time frame
18 that he's going to pay this restitution?

19 MR. HALLACK:

20 30 days.

21 MS. MORRIS:

22 30 days?

23 MR. HALLACK:

24 That's what he said.

25 MS. MORRIS:

1 But is the appeal -- what if the
2 appeal is dismissed? Is he going to pay it
3 before the appeal is dismissed?

4 MR. POTEET:

5 So let me understand what he
6 wants. He's going to -- if we drop -- if we
7 drop the fine, he'll pay the restitution and
8 drop his appeal?

9 MR. HALLACK:

10 Yes.

11 MR. POTEET:

12 Well, how would we know that?

13 MR. HALLACK:

14 Well, the customer, the
15 complainant, Mr. Neathamer, has asked that
16 the Commission be involved in the process,
17 so we'll know exactly when it happens,
18 because, apparently, they don't want to meet
19 each other and they -- they're requiring
20 that the customer sign a receipt and
21 release, too. So we'll have an investigator
22 involved in that process to make sure that
23 the money changes hands with the customer
24 and that the customer delivers the vehicle.
25 The customer has to deliver the vehicle and

1 the customer has to sign a receipt and
2 release, so, yes.

3 MR. POTEET:

4 So as I see it, we've got about
5 three different things we could do here.
6 One is we could say, go ahead and appeal it
7 and we're going to stick to our guns.

8 MR. HALLACK:

9 Yes.

10 MR. POTEET:

11 The second thing would be to say,
12 okay, we'll let you off the hook. You pay
13 the guy back and we'll not worry about it.
14 The third thing is to say, we'll let you off
15 the hook for now, but if you want your
16 license back, you've got to pay some kind of
17 -- either the \$2,700 or some portion of that
18 \$2,700. Does everybody agree that's kind of
19 our three choices right now?

20 MR. DONNELL:

21 I'm for what's most effective for
22 this Commission, because we're in here to
23 protect the consumer. Well, the consumer
24 and the dealer both was in the business of
25 washing titles, so.

1 MR. BRITT:

2 It's murky water, I mean.

3 MR. POTEET:

4 What do you think, Derek?

5 MR. PARNELL:

6 I think the third option that you
7 mentioned is much more like what we did last
8 month with the other gentleman. He wanted
9 -- he wanted to get another license and I
10 said, well, you've got to pay the fines
11 first, and then you still have to come
12 before the Board and be approved, but you've
13 got to pay it first, so.

14 MR. POTEET:

15 Okay. I like that idea, but I
16 have -- I have a question for the attorneys.
17 If we tell him that and he says, screw it,
18 I'm just going to go ahead and appeal,
19 right?

20 MR. HALLACK:

21 No. I think Derek's
22 recommendation is, we go back to him and
23 say, okay, they approved waiving it, but if
24 you ever want to get another license, you're
25 going to have to pay it.

1 MS. MORRIS:

2 Suspend it until such time you
3 apply for a license.

4 MR. POTEET:

5 I mean, that's what -- that's
6 what I would like to do. I'm just thinking
7 a little bit forward. I mean, would his
8 next step be to say, well, I'll just appeal
9 it, because I might win, and then I won't
10 have to pay the 7,800 either -- I mean, the
11 8,200.

12 MR. HALLACK:

13 My conversations with the
14 attorney led me to believe he has absolutely
15 no interest in continuing the appeal. He
16 knows very little about administrative law
17 in any regard whatsoever. I think he's
18 mainly a real estate attorney.

19 MR. BRITT:

20 He's just probably somebody that
21 that dealer knows.

22 MR. HALLACK:

23 He is, but.

24 MR. OLAVE:

25 He's just using the leverage he's

1 got. That's all.

2 MR. HALLACK:

3 I think the -- if I was making
4 the motion, this is what I would recommend,
5 that you waive your fee -- you suspend your
6 fee, unless he applies for a license, and
7 then at such time, expect the fee to be paid
8 before the license and that the license must
9 come before the full Commission.

10 MR. PEDERSON:

11 Is it a dealer's license and a
12 salesman's license or just a dealer's?

13 MS. MORRIS:

14 Any type of license.

15 MR. POTEET:

16 Any type of license from this
17 Commission. I think that's what Derek wants
18 to do here, okay.

19 Let's get a motion.

20 MR. OLAVE:

21 I make a motion that we suspend
22 the fee associated with the fine and keep
23 that in place until -- at which time he
24 applies for another license, and then those
25 fees would have to be paid.

1 MS. MORRIS:

2 So it will be the fine and the
3 costs?

4 MR. OLAVE:

5 Fine and the costs, yes.

6 MR. BRITT:

7 I second.

8 MR. POTEET:

9 Second.

10 All in favor, say, "Aye."

11 (All "Aye" responses.)

12 MR. POTEET:

13 Any opposed?

14 (No response.)

15 MR. POTEET:

16 Okay.

17 MS. MORRIS:

18 Also, you need to get an
19 extension to the file the record, because
20 once you file the record, it's more cost.

21 MR. BRITT:

22 Mr. Chairman, can we take a few
23 minutes?

24 MR. POTEET:

25 Yes, yes.

1 (Recess taken.)

2 MS. MORRIS:

3 You need an extension, because
4 it's been more than 30 days.

5 MR. POTEET:

6 All right. Let's get back.
7 Let's see. We're on C, discussion -- no,
8 no.

9 MS. BARON:

10 We're on D.

11 MR. POTEET:

12 We're on D, which is what we
13 added in, the discussion of LUMVC versus
14 Dwane O'Quain.

15 MR. HALLACK:

16 Right. As you may recall, we had
17 a hearing on some violations committed by
18 Dwane O'Quain. The name of his dealership
19 was Premier Asset in Lafayette. There was
20 some pretty bad stuff. I don't have the
21 findings of fact in front of me. But they
22 -- but, basically, what Mr. O'Quain was
23 found guilty of doing as a result of an
24 audit was he was -- he had two bills of
25 sale, one for the customer and one for the

1 Department of Revenue, basically, in which
2 he was showing a lesser amount on the second
3 bill of sale. And the Commission voted to
4 issue a fine. Let's see how much.

5 MS. BARON:

6 We issued the fine. It was 30 --
7 we had to do -- like, we had to do it -- we
8 had to go --

9 MR. HALLACK:

10 You revoked the license. Since
11 the license was revoked, Mr. O'Quain, we
12 have learned or received some information
13 that he's still continuing to be a dealer.
14 We have proof that he engaged in one sale
15 where he sold a Hummer to a -- at retail to
16 a customer. We have other information,
17 rumors, that he's attending other auctions,
18 that he attended, Bayou -- what --

19 MS. BARON:

20 Bayou State Auction.

21 MR. HALLACK:

22 -- Bayou State Auction in
23 Lafayette, right?

24 MS. BARON:

25 Yes.

1 MR. HALLACK:

2 That he tried to sell -- run a
3 car through Bayou State Auction in
4 Lafayette. We -- we've had other dealers
5 tell us that he's continuing to operate as a
6 dealer. And I think what we're asking today
7 is your approval to proceed with getting an
8 injunction against Mr. O'Quain. I met with
9 Derek and I met with the investigator, J.D.
10 Fail. Mr. Fail has more information on this
11 situation than I do, but Mr. Fail is on
12 vacation. I think he's talked to Derek
13 about it a lot. We met and -- because we
14 only had proof of one transaction and the
15 rest of the stuff was merely rumors. I
16 said, I don't believe we've got enough to
17 justify going over to Lafayette and getting
18 an injunction against the man. Now, if you
19 came up with something else, some more
20 proof, another transaction where he sold a
21 vehicle at retail, then I would agree that
22 we need to --

23 MR. POTEET:

24 Well, has Mr. Fail been to his
25 place of business?

1 MR. HALLACK:

2 He really doesn't have a place of
3 business. He has stolen bills of sale from
4 other used motor vehicle dealers and he uses
5 their bills of sale to sell cars with. He
6 doesn't have a location.

7 MR. POTEET:

8 So you're saying he's a menace to
9 society.

10 MR. HALLACK:

11 He is. He really is.

12 MR. POTEET:

13 Okay. So we just need to approve
14 to go -- to go after him with an injunction?

15 MR. HALLACK:

16 Proceed with an injunction. But
17 I really don't recommend it unless we really
18 have something else, because this, again, is
19 a cost benefit analysis. You're going to be
20 spending money for attorney fees, which you
21 can recoup, but who are you going to recoup
22 it from? Can you get blood out of that
23 turnip, you know?

24 MR. BRITT:

25 Did he -- excuse me, Robert. He

1 went to an auction?

2 MR. HALLACK:

3 Yes.

4 MR. BRITT:

5 He tried to sell a vehicle or did
6 sell a vehicle?

7 MR. HALLACK:

8 He tried to sell a vehicle, but
9 the auction ran him off.

10 MR. POTEET:

11 Stopped it, wouldn't accept his
12 --

13 MR. BRITT:

14 Was it midway, was it -- did they
15 catch him in the parking lot? I guess what
16 I'm getting at, is there any documentation
17 or could there be video of him in the lane?

18 MR. HALLACK:

19 No, no, because he tried to sell
20 the vehicle outside of the lane.

21 MR. POTEET:

22 Well, probably, what happened
23 was, when he came to register -- well, we do
24 everything at the auctions. We look at if
25 their license is valid, I mean.

1 MR. SMITH:

2 Well, what license did he use at
3 the Office of Motor Vehicles?

4 MR. HALLACK:

5 Huh?

6 MR. SMITH:

7 What license did he use at the
8 Office of Motor Vehicles?

9 MR. HALLACK:

10 Well, a lot of times, what he's
11 done is, he's backdated prior to your
12 decision revoking his license. So that's
13 what -- he backdates -- he backdates the
14 bill of sale. And, like I said, he's also
15 -- I think he's also using other dealer's
16 license numbers, too, not just their bill of
17 sale.

18 MR. OLAVE:

19 Well, how do we stop that then,
20 Robert? And I agree with the cost analysis,
21 but at the same time, when the public trust
22 and damages is -- exist, I don't know if
23 there's any expense that's too big.

24 MR. POTEET:

25 Go ahead.

1 MR. PARNELL:

2 Because most recently, he
3 contacted the field investigator and
4 requested could he get a Texas dealer's
5 license and still come do business here in
6 Louisiana. So he's still trying to figure
7 out a way how he can -- best he can --

8 MR. BRITT:

9 It sounds like we need to go
10 after him and refer his name to state
11 police.

12 MR. CORMIER:

13 Look, guys, I have to recuse
14 myself from this particular incident, the
15 guy we're talking about right now. And he's
16 currently working with a dealer out of
17 Texas. That's the only information I can
18 tell you right now. I know that for a fact.

19 MR. OLAVE:

20 Yes. I mean, look, I think at a
21 basis level, Mr. Chairman, we've got to --
22 we've got to protect the public even if it
23 costs money.

24 MR. POTEET:

25 Somebody make a motion.

1 MR. OLAVE:

2 I make -- I make a motion that we
3 file an injunction.

4 MR. BRITT:

5 I will second that.

6 MR. HALLACK:

7 The investigator will be really
8 happy.

9 MR. POTEET:

10 All in favor, say, "Aye."

11 (All "Aye" responses.)

12 MR. POTEET:

13 Any opposed?

14 (No response.)

15 MR. POTEET:

16 Yes. I'm not concerned about the
17 cost here. We need to stop this guy. Let
18 me ask this question: When somebody -- I
19 think I know the answer to this, but just to
20 make sure. If someone does file for a
21 license in another state -- Texas is easy.
22 Let's say they file in Utah. Just so
23 there's some kind of a communication between
24 the states, like, the only thing you would
25 have is the auction access card, probably,

1 right?

2 MR. PARNELL:

3 Yes.

4 MS. MORRIS:

5 But don't they --

6 MR. OLAVE:

7 What was that database they
8 brought up a few years ago that they were
9 trying to get some states involved in and it
10 had a name?

11 MR. PARNELL:

12 Have you been licensed by any
13 other state.

14 MR. OLAVE:

15 It's, like, a national database
16 with titles and things like that.

17 MR. POTEET:

18 In the auctions, we have a
19 national database. It's called Auction
20 Access. And any dealer that go to an
21 auction, like, you have to have -- just
22 about every auction uses that card and I
23 know that at Auction Access, they
24 cross-reference -- that they'll
25 cross-reference things like that.

1 MS. BARON:

2 Well, when they have a buyer's
3 card, that's the way you catch it that way.

4 MR. POTEET:

5 Yes, but you guys -- you guys
6 deal with Auction Access, too, right?

7 MS. BARON:

8 They call quite often.

9 MR. POTEET:

10 Yes.

11 MS. BARON:

12 And, in fact, they get a dealer
13 list every month.

14 MR. POTEET:

15 I think that if somebody comes --
16 and Matt might can correct me on this, too.
17 If somebody comes to one of our auctions and
18 we put in their information -- well, they're
19 going to -- they're going to pop up in
20 Auction Access. They're going to -- they're
21 going to pop up as being a problem. So I
22 think there's some opportunity to stop that,
23 but if they're not -- that's just the
24 auction side. I can do lots of other
25 business without being involved in auctions.

1 So I think definitely we're doing the right
2 thing.

3 Okay. Let's move on to
4 ratification of imposed penalties.

5 MR. PARNELL:

6 Commissioners, you will find a
7 chart in your packet, ratification of
8 imposed penalties. I have reviewed the
9 services. The cases have been reviewed and
10 investigated and I have determined that the
11 public interest will not be affected any
12 further. So I went forward and did a fine
13 against these dealers. I will announce the
14 names of the dealers that have been imposed
15 civil penalties.

16 Do we have any persons here on
17 the record?

18 MS. BARON:

19 Nobody is here.

20 MR. POTEET:

21 Okay. Derek.

22 MR. PARNELL:

23 I'll go through the list. Expert
24 Auto Sales & Service, LLC, from Baton Rouge,
25 Louisiana, fine amount is \$450. Jerry

1 Ryder, individually and doing business as
2 Ryder Motors, out of Oakdale, Louisiana,
3 fine amount is \$150. Y & G Auto Sales, LLC,
4 from Metairie, Louisiana, fine amount is
5 \$150. Beth Romero, individually and doing
6 business as Custom Truck, from New Iberia,
7 Louisiana, fine amount is \$100. Superior
8 Motors of Acadiana, Incorporated, from New
9 Iberia, Louisiana, fine amount is \$100.
10 Commissioners, I ask that you ratify the
11 imposed civil penalties assessed. The total
12 amount of civil penalties is \$950.

13 MR. OLAVE:

14 Can I -- can I ask a question?
15 There's one count -- there's one count of
16 failure to submit monthly reports at 100.
17 And then there's four counts failing to
18 submit monthly reports at 100. Is that --
19 is that correct or?

20 MR. PARNELL:

21 No. It's a typo.

22 MR. OLAVE:

23 Okay.

24 MS. BARON:

25 It should one.

1 MR. OLAVE:

2 Then just speaking in
3 consistency. Thank you.

4 MS. BARON:

5 My bad. It's supposed to be 100.
6 It should be 100.

7 MR. OLAVE:

8 The four counts is 100?

9 MS. BARON:

10 No.

11 MR. PARNELL:

12 The four counts should be one
13 count.

14 MS. BARON:

15 One count.

16 MR. OLAVE:

17 Oh, one. I got you.

18 MR. PARNELL:

19 Four counts should be one count,
20 whereas, it would still be that -- the
21 dollar amount.

22 MR. POTEET:

23 All right. I need a motion to
24 ratify.

25 MR. BRITT:

1 Motion.

2 MR. POTEET:

3 Motion, Mr. Britt.

4 MR. OLAVE:

5 Second.

6 MR. POTEET:

7 Second, Mr. Olave.

8 All in favor, say, "Aye."

9 (All "Aye" responses.)

10 MR. POTEET:

11 Any opposed?

12 (No response.)

13 MR. POTEET:

14 All right. Those are ratified.

15 Revocations.

16 MR. PARNELL:

17 All right. Commissioners, you'll

18 also find in the packet a chart that

19 illustrates the dealers that their license

20 has been revoked. Please note that each

21 dealer on the list has been through the

22 revocation process. Once again, I'll

23 announce the names. We have no one present.

24 And I'll go through them. Boss Deals Sale &

25 Auto Care, LLC, from Baton Rouge, Louisiana,

1 notice of revocation is 8/6 of 2018. C & S
2 Automotive Service Center, from -- LLC, from
3 Bossier City, Louisiana, notice of
4 revocation is 8/6 of '18. Champion Motors,
5 LLC, from Pollock, Louisiana, notice of
6 revocation is 8/6/18. Easy Auto Sales, LLC,
7 from Lafayette, Louisiana, notice of
8 revocation is 8/6 of '18. Elmore
9 Generations, LLC, from Monroe, Louisiana,
10 notice of revocation is 8/6 of 2018. James
11 B. Tuck, doing business as J.B. Tuck
12 Equipment and Auction Company, from
13 Leesville, Louisiana, notice of revocation
14 is 8/6 of 2018. Johnathan Esthay, doing
15 business as John's Paint & Body & Auto
16 Sales, from Jennings, Louisiana, notice of
17 revocation is 8/6 of 2018. Michael Lollis
18 and Ashlee Lollis, doing business as A & M
19 Auto Sales, from Abbeville, Louisiana,
20 notice of revocation is 8/6 of '18.
21 Southern Elite Automotive Group, LLC, doing
22 business as Southern Elite Auto Sales, from
23 Lafayette, Louisiana, notice of revocation
24 is 8/6 of '18. Commissioners, I ask that
25 you ratify the revocation of dealers I have

1 just announced.

2 MR. SMITH:

3 I make a motion.

4 MR. WATTS:

5 On your notice of revocation, do
6 you check their dealer plates? How do you
7 come by and get their dealer plates back?

8 MS. BARON:

9 We send a list to the Office of
10 Motor Vehicles and they collect the dealer
11 plates.

12 MR. WATTS:

13 Thank you.

14 MS. BARON:

15 Most of the time these people
16 have already turned them in if they do
17 business correctly.

18 MR. WATTS:

19 Yes.

20 MS. BARON:

21 They've already turn them in, but
22 we do send a list to the Office of Motor
23 Vehicles and they work to get those tags.

24 MR. DONNELL:

25 Does state police pick them up?

1 MS. BARON:

2 It's Office of Motor Vehicles.
3 And it's sent to -- the person that it's
4 sent to is in charge of state police.

5 MR. DONNELL:

6 They send a letter out or
7 something to the dealer?

8 MS. BARON:

9 I don't know how they do that.

10 MR. OLAVE:

11 You turn your plates in.

12 MR. DONNELL:

13 Turn your plates in.

14 MR. ESPONGE:

15 They cancel them in the computer
16 and if there's available manpower, they send
17 out the Department of Public Safety.

18 MR. WATTS:

19 There's a lot of people riding
20 around with them.

21 MS. BARON:

22 Oh, yes.

23 MR. ESPONGE:

24 If there are -- if they are using
25 them and they are cancelled them in the

1 system, on a traffic stop, the tag will be
2 taken and the car will be towed. They
3 eventually will catch up to them.

4 MS. BARON:

5 When they try to get -- renew
6 their tags and they can't.

7 MR. OLAVE:

8 Let me -- on that line, Perry, if
9 you don't mind, is there no limit to how
10 many dealer tags that somebody can buy? And
11 --

12 MR. ESPONGE:

13 No limit.

14 MR. OLAVE:

15 -- and that's a discussion for
16 another meeting, but I don't know if there's
17 anything --

18 MR. POTEET:

19 That's OMV.

20 MR. PARNELL:

21 Some years back, I would say
22 about six or seven years ago, there was a
23 discussion that they wanted to try to
24 incorporate to have the amount of
25 salespersons -- licensed salespersons that

1 you have, but it's only a number. This is
2 the maximum amount of dealer plates that you
3 can have. As I understand, during that
4 legislative session from those years back
5 when they were trying to push that law
6 through, they got a lot of push back. So
7 they kind of backed off of that. Ever since
8 then, it's -- I mean, prior to that and
9 since then, it's been pretty much unlimited.

10 MR. OLAVE:

11 Aren't there, maybe, enough cases
12 now that could influence that type of
13 discussion again? Because, I mean, that --

14 MR. PARNELL:

15 I don't think they're going to.

16 MR. OLAVE:

17 Again, just throwing -- just
18 throwing that out there, you know.

19 MR. PARNELL:

20 We reach out to Office of Motor
21 Vehicles all the time. We tell them, look,
22 we've got -- this dealer we know has 80
23 plates, just send us the records saying the
24 have 80 plates and they don't really want to
25 touch them. And it's their law. So they're

1 going to have to be the ones that --

2 MR. POTEET:

3 I think it's political.

4 MR. PARNELL:

5 Yes. It's very political, yes.

6 I mean, that's why they can't end this, you
7 know.

8 MR. POTEET:

9 It's OMV and we can --

10 MS. BARON:

11 We have dealers in excess of 80
12 plates and they have one salesperson.

13 MR. ESPONGE:

14 One specific dealer has 100
15 plates.

16 MS. BARON:

17 Over -- in excess of 100.

18 MR. OLAVE:

19 I mean, that's just a -- that's
20 just a time bomb waiting to happen right
21 there, I mean, if it hasn't already.

22 MR. SMITH:

23 I make a motion.

24 MR. POTEET:

25 We have a motion on the floor.

1 Mr. Smith made a motion that we ratify those
2 revocations.

3 MR. DONNELL:

4 Second.

5 MR. POTEET:

6 Second Mr. Donnell.

7 All in favor, say, "Aye."

8 (All "Aye" responses.)

9 MR. POTEET:

10 Any opposed?

11 (No response.)

12 MR. POTEET:

13 I've got to go backwards just a
14 second. Derek, we had added in case number
15 5 on the imposed penalties.

16 MR. PARNELL:

17 It's on that chart.

18 MS. BARON:

19 It's on the chart, just not on --

20 MR. PARNELL:

21 It's on the chart. It's just not
22 on this.

23 MR. POTEET:

24 All right. Executive Director's
25 report.

1 MR. PARNELL:

2 Commissioners, you will find in
3 your packet as well some reports that
4 illustrate what has been happening in the
5 month of August. The first report, you'll
6 see the alleged issue counts. Alleged
7 issues, there were 81 alleged issue counts
8 for the month of August. The next report is
9 the case report. The case report
10 illustrates the amount of cases that were
11 assigned to the investigators for that
12 month. The total number of cases that were
13 assigned to the investigators were 49. Nine
14 of those cases have been closed. 40 cases
15 still remain open. The last document is the
16 department summary report. It illustrates
17 the total number of cases that were closed
18 for the month of August, which there were
19 49. Other information, there were 12
20 five-day notices that were issued. 19
21 physical inspections were conducted by the
22 investigators. 17 situations where the
23 investigator assisted the consumer, regain
24 -- get a title or registration. 81 site
25 visits took place. And the total amount of

1 monies that were recovered for consumers was
2 \$15,638.87. Most of that money typically
3 comes back when a dealer did not inform the
4 consumer that the vehicle was sold with a
5 salvage reconstructed title or if a dealer
6 cannot get a consumer a marketable title or
7 if a dealer can't get the consumer financing
8 within the time frame, upon which -- I think
9 it was 25 days -- 20 days, I'm sorry. If
10 they can't get that to happen -- to make
11 that happen. In some incidences, a lot of
12 times, the dealers want to hold that money
13 and the law says that they have to refund
14 that back to them. So we kind of go out and
15 try to help that consumer become whole
16 again.

17 In other news, we have done our
18 postcards that we're getting ready to send
19 out for licensing renewals. We've ordered
20 the postcards. So that should be coming in
21 this week. We try to get those out early,
22 maybe -- I'm just trying to see if we're
23 going to do it at the beginning of month,
24 the first week in October, to get that out
25 to everybody, so we can go ahead and start

1 our process of renewals to get that taken
2 care.

3 MR. DONNELL:

4 When is that start date?

5 MR. PARNELL:

6 I'm trying to get it out the
7 beginning of October. It's not a specific
8 date. It's just whenever they start -- get
9 their postcards and start going online.
10 We've gone in. We've done our checks on
11 online sites just to make sure we've done
12 some examples. We try to go through and
13 make sure we have -- everything is working
14 properly, so it can be smooth. Sometimes,
15 there are hiccups later on that we didn't
16 know of yet, but from our investigation, it
17 looks pretty good. We did -- as I was
18 telling you, Commissioners, last month, that
19 I reached out to property assistance and the
20 vehicle that they -- we purchased a vehicle
21 this past year. I spoke to the dealership
22 and they are -- because it was taking a
23 little bit too long for it to come in. He
24 said that the deadline for them, not what
25 the state had set for us, was past. So what

1 they're going to do is, they -- they're
2 going to give us a 2019 vehicle instead of a
3 2018 vehicle. So it will still be the same
4 vehicle. It's going to be a Dodge Charger
5 for the same cost, but they cut -- the
6 dealership cut their time off versus what
7 the property said would be the cut off. So
8 we will get a newer vehicle. Hopefully --
9 he said it should come by the middle of
10 October.

11 MR. POTEET:

12 That's all you've got?

13 MR. PARNELL:

14 That's it.

15 MR. POTEET:

16 Does anybody have any questions
17 for Derek?

18 (No response.)

19 MR. POTEET:

20 All right. Let's see what's
21 next. I think that's it, except for the
22 hearings. Are all three of the hearings --
23 we're going to have two hearings. All
24 right. So we need to do a -- have a little
25 break. We have to adjourn the meeting. We

1 need a motion to adjourn.

2 MR. SMITH:

3 I make a motion to adjourn.

4 MR. DONNEL:

5 Second.

6 MR. POTEET:

7 All in favor, say, "Aye."

8 (All "Aye" responses.)

9

10 (Meeting adjourned at 11:18 a.m.)

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

REPORTER'S CERTIFICATE

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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 September 17, 2018, 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 September 28, 2018, Baton Rouge, Louisiana.

BETTY D. GLISSMAN, CCR
CERTIFIED COURT REPORTER