

**MINUTES OF THE
LOUISIANA MOTOR VEHICLE COMMISSION
MOTOR VEHICLE SALES FINANCE DIVISION
3519 12th Street
Metairie, Louisiana 70002
Monday, March 13, 2017**

The meeting was called to order at 10:05 a.m. by Chairman Raymond J. Brandt.

Present were:

Chairman Raymond J. Brandt	Commissioner V. Price LeBlanc, Jr.
Commissioner Harold H. Perrilloux	Commissioner Stephen L. Guidry, Jr.
Commissioner Kenneth "Mike" Smith	Commissioner Keith P. Hightower
Commissioner Randy Scoggin	Commissioner Joseph W. "Bill" Westbrook
Commissioner Donna S. Corley	Commissioner Terryl J. Fontenot
Commissioner Maurice C. Guidry	

L. A. House, Executive Director
Adrian F. LaPeyronnie, III, Counselor
Gregory F. Reggie, Counselor
Burgess E. McCranie, Jr., Counselor

Absent were:

Commissioner Allen O. Krake	Commissioner Gregory Lala
Commissioner Eric R. Lane	Commissioner Keith M. Marcotte

Also, in attendance were Commission staff: Ingya Cattle, Assistant Executive Director; Art Quick, Commission Investigator 5; Commission Investigator Supervisors: Mike Laviolette and Scott Landreneau; Commission Investigators: Wayne Lee, Neil Rogers, Antoine Derouen, Kevin Broussard, and Angel Blackford; Stacey Broussard, Administrative Coordinator Supervisor; and Trina Adams, Administrative Coordinator.

The Chairman called to order Hearing #2015-014, Wholesale Auto Group, Inc. for alleged violations of LSA-R.S. 6:969.3. B; LSA-R.S. 6:969.35. A. (1); and Louisiana Administrative Code Title 46. Part V. Subpart 1. Chapter 7. Advertising §703.A.2.a. & 6.; §745.A.; and §749.A.1.e. and 2.a. & b. In attendance representing Wholesale Auto Group, Inc. was Victor Loras, Esq. and Danny Alonzo, Owner. The first order was to hear Wholesale Auto Group, Inc.'s **MOTION TO DISQUALIFY COMMISSIONERS PURSUANT TO LSA R.S. 49:960**. The motion was denied. The trial of this case is proceeded immediately. A court reporter was brought in to record the transcript of the motion and the hearing, which will be made a permanent part of the Commission's files. The following Order and Judgment were rendered.

IN RE:

**Hearing #2015-014
Wholesale Auto Group, Inc.
1337 Veterans Boulevard
Kenner, LA 70062**

ORDER

(With Reason)

On Friday, March 10, 2017 at 4:45 p.m. the defendant in this matter, Wholesale Auto Group, Inc.'s ("Defendant") filed a motion to disqualify and recuse unidentified Commissioners of the Louisiana Motor Vehicle Commission ("Commission") for unspecified alleged bias/biases. Defendant's alleged cause of action/right of action is found in LSA-R.S. 49:960, et seq. (the Louisiana Administrative Procedure Act).

Defendant's motion came to be heard on the next business day, Monday, March 13, 2017, before the Commission at which appeared:

APPEARANCE: Danny Alonzo, Owner and Victor R. Loras, III, Attorney for Wholesale Auto Group, Inc.

Gregory Reggie,
Attorney for the Louisiana Motor Vehicle Commission

Pertinent to Defendant's motion, the Louisiana Administrative Procedures Act provides:

"§960. Ex parte consultations and recusations

A. Unless required for the disposition of ex parte matters authorized by law, members or employees of an agency assigned to render a decision or to make findings of fact and conclusions of law in a case of adjudication noticed and docketed for hearing shall not communicate, directly or indirectly, in connection with any issue of fact or law, with any party or his representative, or with any officer, employee, or agent engaged in the performance of investigative, prosecuting, or advocating functions, except upon notice and opportunity for all parties to participate.

B. A subordinate deciding officer or agency member shall withdraw from any adjudicative proceeding in which he cannot accord a fair and impartial hearing or consideration. **Any party may request the disqualification of a subordinate deciding officer or agency member, on the ground of his inability to give a fair and impartial hearing, by filing an affidavit, promptly upon discovery of the alleged disqualification, stating with particularity the grounds upon which it is claimed that a fair and impartial hearing cannot be accorded.** The issue shall be determined promptly by the agency, or, if it affects a member or members of the agency, by the remaining members thereof, if a quorum. Upon the entry of an order of disqualification affecting a subordinate deciding officer, the agency shall assign another in his stead or shall conduct the hearing itself. Upon the disqualification of a member of an agency, the governor immediately shall appoint a member pro tem to sit in place of the disqualified member in that proceeding. In further action, after the disqualification of a member of an agency, the provisions of R.S. 49:957 shall apply.” (Emphasis added)

Review of Defendant’s motion revealed that:

- 1) Defendant failed to identify the Commissioner(s) alleged to possess an “inability to give a fair an impartial hearing,”
- 2) Defendant failed to state “with particularity the grounds upon which it is claimed that a fair and impartial hearing cannot be accorded.”

These facts being presented to the Commissioners, the Commission unanimously voted in favor to deny Defendant’s motion to disqualify and recuse.

For these reasons and for reasons stated in the record, the Defendant’s motion to disqualify and recuse Commissioner(s) be and is hereby DENIED.

Order read and rendered on the 13th day of March, 2017.

Order signed this _____ day of April, 2017.

Raymond J. Brandt, Chairman
Louisiana Motor Vehicle Commission

IN RE:

Hearing #2015-014
Wholesale Auto Group, Inc.
1337 Veterans Boulevard
Kenner, LA 70062

JUDGMENT

This cause came to be heard on Monday, March 13, 2017 before the Louisiana Motor vehicle Commission (the “Commission”).

APPEARANCE: Danny Alonzo, Owner and Victor R. Loras, III, Attorney for Wholesale Auto Group, Inc.

Gregory Reggie,
Attorney for the Louisiana Motor Vehicle Commission

And after hearing the testimony adduced at trial, the receipt of documentary evidence into the record, and for reasons orally assigned, the Commissioners of the Commission make the following finding of facts and conclusions of law:

Finding of Facts: Wholesale Auto Group, Inc. is and has been engaged in the business of financing motor vehicles in the state of Louisiana since at least January 27, 2015.

Wholesale Auto Group, Inc. has not been licensed to engage in the business of financing motor vehicles in the state of Louisiana from January 27, 2015 through and including the date of this hearing, March 13, 2017.

Wholesale Auto Group, Inc. has advertised using its name as a means of implying to the public that it sells vehicles to the public at wholesale prices.

Wholesale Auto Group, Inc. has advertised using statutorily defined misleading and prohibited terms such as “as low as 1.5 percent APR”, “good credit, bad credit, it doesn’t matter”, and “all credit – guaranteed credit approval”.

Conclusions of Law: By engaging in the business of financing motor vehicles in the state of Louisiana from January 27, 2015 through and including March 13, 2017 without possessing a license issued by the Commission, Wholesale Auto Group, Inc. violated LSA-R.S. 6:969.35.

Advertising by using misleading and prohibited terms, Wholesale Auto Group, Inc. violated Louisiana Administrative Code Title 46. Part V. Subpart 1. Chapter 7. Advertising §703, §713, §745, and §749.

Considering the forgoing and pursuant to the authority vested in the Louisiana Motor Vehicle Commission set forth in LSA-R.S. 32:1251, et seq.:

IT IS ORDERED, ADJUDGED AND DECREED that Wholesale Auto Group, Inc. be and is hereby assessed a fine in the amount of ONE HUNDRED THOUSAND AND NO/100 (\$100,000.00) DOLLARS.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that should Wholesale Auto Group, Inc. obtain a motor vehicle sales finance license from the Commission for the years 2015, 2016 and 2017 within thirty (30) days, and should Wholesale Auto Group, Inc. not be in violation of any law, rule, or regulation administered by the Commission within the next twelve (12) months, the fine of ONE HUNDRED THOUSAND AND NO/100 (\$100,000.00) DOLLARS shall then be reduced to TWENTY-FIVE THOUSAND (\$25,000.00) DOLLARS. The referenced 30 day period and the referenced 12 month shall begin on the date of signing of this Judgment.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Wholesale Auto Group, Inc. pay to the Louisiana Motor Vehicle Commission the "costs" of this matter related to this hearing before the Commission in the amount of THIRTY-FIVE THOUSAND FIVE HUNDRED AND EIGHTY-THREE DOLLARS AND FIFTY-SIX CENTS (35,583.56), as provided for by LSA-R.S. 32:1260(C).

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Wholesale Auto Group, Inc. pay to the Louisiana Motor Vehicle Commission the "costs" related to the matter file in the 24th Judicial District Court, No. 757-019, "Wholesale Auto Group, Inc. versus Louisiana Motor Vehicle Commission in the amount of TWO THOUSAND NINE HUNDRED AND FORTY DOLLARS AND TWENTY-FOUR CENTS (\$2,940.24), as provided for by LSA-R.S. 32:1260(C).

Judgment read and rendered on the 13th day of March, 2017.

Judgment signed this _____ day of April, 2017.

Raymond J. Brandt, Chairman
Louisiana Motor Vehicle Commission

After the hearing, Chairman Brandt announced a recess of the MVSF's meeting and returned to the LMVC's meeting at 1:40 p.m.

The MVSF's meeting reconvened at 1:50 p.m.

At this time, the Executive Director reported to the Commission Members Counselor McCranie's legal contract would expire on March 13, 2017. After a brief discussion, Commissioner Maurice Guidry made a motion to renew Counselor McCranie's contract for one year period, beginning March 14, 2017 and ending on March 13, 2018, for the total of all sums payable under the contract including fees and reimbursement of expenses not exceeding \$50,000.00 on an annual basis. Commissioner Smith seconded this motion and it was unanimously approved.

As a follow up to the Commission's decision at its January 2017 meeting prohibiting the use of the terms wholesale and/or wholesalers in a licensee's name, the commission took up the question posed by a licensee to allow an applicant or licensee who formerly used the terms wholesale and/or wholesalers in the licensee's name to advertise "formerly known as" or "FKA." Commissioner Westbrook made a motion to deny, which was seconded by Commissioner Stephen Guidry, and the Commission then voted unanimously to disallow "formerly know as" or "FKA" or similar language to be used in advertising.

Chairman Brandt called for a reading of the minutes of the January 9, 2017 meeting. Commissioner Fontenot made a motion to accept the minutes as read. Commissioner Smith seconded this motion and it was unanimously approved.

The Executive Director was directed to include in these minutes the following excerpt from the Louisiana Motor Vehicle Commission meeting immediately preceding this meeting.

"Chairman Brandt asked for a review of the January and February financial statements of the Louisiana Motor Vehicle Commission, Motor Vehicle Sales Finance Division, copies of which were before each Commission Member. Commissioner Fontenot made a motion to accept the January and February financial statements as presented and incorporate into these minutes. This motion was seconded by Commissioner Stephen Guidry and it was unanimously approved."

Chairman Brandt called for a review of the motor vehicle sales finance licenses issued.

The Executive Director reported the application and supporting documentation were in order for the following initial motor vehicle sales finance applicants.

SALES FINANCE COMPANY	CITY	LIC. #
Richardson Auto Sales, LLC DBA Richardson Finance	Oakdale, Louisiana	#SF-2016-01348
Great Southern Acceptance Company, LLC	Covington, Louisiana	#SF-2017-00954
Rising Hill, LLC DBA Miller's RV	Baton Rouge, Louisiana	#SF-2017-00955
Joey Couvillion DBA Checkered Flag Used Cars	Alexandria, Louisiana	#SF-2017-00956
Strategic Dealer Services, LP	Irving, Texas	#SF-2017-00984
Hollingsworth Richards, L.L.C. DBA Hammond Pre-Owned	Hammond, Louisiana	#SF-2017-00998
The Coleman Company, Pre Owned Auto Sales, LLC	West Monroe, Louisiana	#SF-2017-01026
Bridgecrest Acceptance Corporation	Mesa, Arizona	#SF-2017-01028
Saed Assaf DBA A & S Auto Sales	Alexandria, Louisiana	#SF-2017-01031
Downtown Powersports, L.L.C.	Leesville, Louisiana	#SF-2017-01033
Auto Supercenter, Inc. DBA Wheel Mart / Gowheelmart.com	Leesville, Louisiana	#SF-2017-01051
St. Martin Parish Acquisitions, LLC DBA Courtesy Value Preowned I-49	Lafayette, Louisiana	#SF-2017-01054
Car-Sign-Mint, LLC DBA Car-Sing-Mint	Franklinton, Louisiana	#SF-2017-01055
Express Mobile, Inc DBA Express Autos LA	Zachary, Louisiana	#SF-2017-01056
Valueyes LLC	Prairieville, Louisiana	#SF-2017-01057
A-Quality Auto Sales, LLC	Metairie, Louisiana	#SF-2017-01058
Ched's Golf Cars of America DBA Ched's Used Cars	Robert, Louisiana	SF-2017-01059
Divine Auto Plex LLC	Baton Rouge, Louisiana	#SF-2017-01060
Redline Motorcars, LLC	Monroe, Louisiana	#SF-2017-01061

Commissioner Maurice Guidry made a motion to ratify the motor vehicle sales finance licenses issued to these initial motor vehicle sales finance applicants. Commissioner LeBlanc seconded this motion and it was unanimously approved.

Chairman Brandt called for a review of the GAP administrative license issued.

The Executive Director reported the application and supporting documentation were in order for the following initial GAP administrative license applicant.

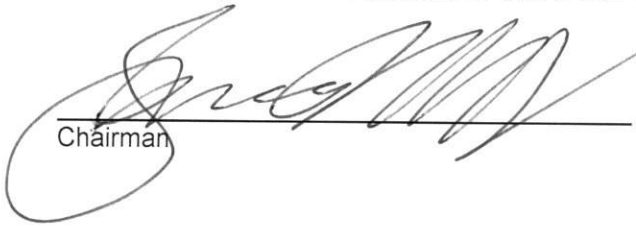
GAP ADMINISTRATOR	CITY	LIC. #
United Service Contract Administrative Company, Inc.	Mission, Kansas	#GA-2017-00131

Commissioner Corley made a motion to ratify the motor vehicle sales finance licenses issued to these initial GAP administrators applicants. Commissioner Hightower seconded this motion and it was unanimously approved.

The Chairman called for a review of the licenses issued. Commissioner Stephen Guidry made a motion to ratify the licenses issued: motor vehicle sales finance, #SF-2016-01348 through #SF-2016-01349 and #SF-2017-00885 through #SF-2017-01061; GAP Administrators, #GA-2017-00108 through #GA-2017-00133; and GAP Administrator Agents, #GAA-2017-00013 through #GAA-2017-00087. Commissioner Smith seconded the motion and it was unanimously approved.

The Executive Director reported on routine matters being handled by the staff and not requiring action by the Commission at this time.

There being no further business, Commissioner LeBlanc made a motion to adjourn the meeting at 2:00 p.m. Commissioner Maurice Guidry seconded this motion and it was unanimously approved.



Chairman



Executive Director