

Quarterly

Meeting

Minutes

April 20, 2015



**TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE  
DIVISION OF REGULATORY BOARDS  
MOTOR VEHICLE COMMISSION  
500 JAMES ROBERTSON PARKWAY, 2ND FLOOR  
NASHVILLE, TENNESSEE 37243-1153  
FAX (615) 741-0651  
(615) 741-2711**

**TENNESSEE  
MOTOR VEHICLE COMMISSION  
MINUTES**

**DATE:** April 20, 2015

**PLACE:** Davy Crockett Tower – Conference Room 1-A  
500 James Robertson Parkway  
Nashville, Tennessee

**PRESENT:** Commission Members:  
Eddie Roberts  
Reed Trickett  
Joe Clayton  
Nate Jackson  
John Murrey  
Stan McNabb  
Farrar Schaeffer Vaughan  
Jim Galvin  
Ronnie Fox  
Stan Norton

**ABSENT:** Donnie Hatcher  
Don Parr  
Billy Keck  
Lynn Webb  
George Bass

**CALL TO ORDER:** Chairman Eddie Roberts called the meeting to order at 9:05am

Paula J. Shaw, Executive Director called the roll. 10 members were present and a quorum was established.

**AGENDA:** Chairman Roberts requested an amendment be added to the Director's Report for Legislative Updates. Commissioner Jackson made a motion to adopt the amended agenda, seconded by Commissioner Vaughan.

**MOTION CARRIED.**

**MINUTES:** Commissioner Clayton made a motion to approve the minutes from the January 12, 2015 meeting, seconded by Commissioner Jackson.

**MOTION CARRIED.**

**MINUTES:** Commissioner Clayton made a motion to approve the minutes of the March 2, 2015 meeting, seconded by Commissioner Fox.

**MOTION CARRIED.**

Notice advising the Commission of the time, date and location of the meeting being posted on the Tennessee Motor Vehicle Commission website and that it has been included as part of the year's meeting calendar since October 6, 2014, was read into the record by Executive Director, Paula J. Shaw. The notice also advised that the Agenda has been posted on the Tennessee Motor Vehicle Commission website since April 16, 2015.

**APPEALS:** The following appeals were heard by the Commission.

Ronnie L. Farmer  
Kia of Johnson City, Johnson City, TN

Chairman Roberts requested appeals of salespersons applications which were previously denied by the staff to be heard by the Commission for their review and consideration. After some discussion Commissioner Galvin moved the application be approved, seconded by Commissioner Trickett.

**ROLL CALL VOTE**

<b>Eddie Roberts</b>	<b>Yes</b>
<b>Stan McNabb</b>	<b>Yes</b>
<b>Jim Galvin</b>	<b>Yes</b>
<b>John Murrey</b>	<b>Yes</b>
<b>Joe Clayton</b>	<b>Yes</b>
<b>Stan Norton</b>	<b>Yes</b>
<b>Ronnie Fox</b>	<b>Yes</b>
<b>Nate Jackson</b>	<b>Yes</b>
<b>Reed Trickett</b>	<b>Yes</b>
<b>Farrar Schaeffer Vaughan</b>	<b>Yes</b>

**Motion carried, therefore the license is granted.**

Marcus A. Tate  
Ole Ben Franklin Motors, Knoxville, TN

Chairman Roberts requested appeals of salespersons applications which were previously denied by the staff to be heard by the Commission for their review and consideration. After some discussion Commissioner McNabb moved the application be approved, seconded by Commissioner Vaughan.

**ROLL CALL VOTE**

<b>Eddie Roberts</b>	<b>Yes</b>
<b>Stan McNabb</b>	<b>Yes</b>
<b>Jim Galvin</b>	<b>No</b>
<b>John Murrey</b>	<b>Yes</b>
<b>Joe Clayton</b>	<b>Yes</b>
<b>Stan Norton</b>	<b>No</b>
<b>Ronnie Fox</b>	<b>Yes</b>
<b>Nate Jackson</b>	<b>Yes</b>
<b>Reed Trickett</b>	<b>Yes</b>
<b>Farrar Schaeffer Vaughan</b>	<b>Yes</b>

**Motion carried, therefore the license is granted.**

Donald A. Durrant  
Oak Ridge Nissan, Oak Ridge, TN

Chairman Roberts requested appeals of salespersons applications which were previously denied by the staff to be heard by the Commission for their review and consideration. After some discussion, Commissioner Clayton moved the application be denied, seconded by Commissioner Norton. The Commission then considered the application further, and after further discussion Commissioners Clayton and Norton withdrew their previous motions and a new motion to deny the application was made by Commissioner McNabb and seconded by Commissioner Jackson.

**ROLL CALL VOTE**

<b>Eddie Roberts</b>	<b>Yes</b>
<b>Stan McNabb</b>	<b>Yes</b>
<b>Jim Galvin</b>	<b>Yes</b>
<b>John Murrey</b>	<b>Yes</b>
<b>Joe Clayton</b>	<b>Yes</b>
<b>Stan Norton</b>	<b>Yes</b>
<b>Ronnie Fox</b>	<b>Yes</b>
<b>Nate Jackson</b>	<b>Yes</b>
<b>Reed Trickett</b>	<b>Yes</b>
<b>Farrar Schaeffer Vaughan</b>	<b>Yes</b>

**Motion passed, therefore the license is denied.**

Travis R. Geer  
Ford-Lincoln of Cookeville, Cookeville, TN

Chairman Roberts requested appeals of salespersons applications which were previously denied by the staff to be heard by the Commission for their review and consideration. After some discussion Commissioner McNabb moved the application be approved, seconded by Commissioner Galvin.

**ROLL CALL VOTE**

<b>Eddie Roberts</b>	<b>Yes</b>
<b>Stan McNabb</b>	<b>Yes</b>
<b>Jim Galvin</b>	<b>Yes</b>
<b>John Murrey</b>	<b>Yes</b>
<b>Joe Clayton</b>	<b>Yes</b>
<b>Stan Norton</b>	<b>Yes</b>
<b>Ronnie Fox</b>	<b>Yes</b>
<b>Nate Jackson</b>	<b>Yes</b>
<b>Reed Trickett</b>	<b>Yes</b>
<b>Farrar Schaeffer Vaughan</b>	<b>Yes</b>

**Motion carried, therefore the license is granted.**

Todd W. Lewis  
Tim Castellaw Ford, Dyersburg, TN

Chairman Roberts requested appeals of salespersons applications which were previously denied by the staff to be heard by the Commission for their review and consideration. After some discussion Commissioner Clayton moved the application be approved, seconded by Commissioner McNabb.

**ROLL CALL VOTE**

<b>Eddie Roberts</b>	<b>Yes</b>
<b>Stan McNabb</b>	<b>Yes</b>
<b>Jim Galvin</b>	<b>Yes</b>
<b>John Murrey</b>	<b>Yes</b>
<b>Joe Clayton</b>	<b>Yes</b>
<b>Stan Norton</b>	<b>Yes</b>
<b>Ronnie Fox</b>	<b>Yes</b>
<b>Nate Jackson</b>	<b>Yes</b>
<b>Reed Trickett</b>	<b>Yes</b>
<b>Farrar Schaeffer Vaughan</b>	<b>Yes</b>

**Motion Carried, therefore the license is granted.**

Jarrold A. Dunn  
Larry Hill Imports, Cleveland, TN

Chairman Roberts requested appeals of salespersons applications which were previously denied by the staff to be heard by the Commission for their review and consideration. After some discussion Commissioner Clayton moved the application be approved, seconded by Commissioner McNabb

**ROLL CALL VOTE**

<b>Eddie Roberts</b>	<b>Yes</b>
<b>Stan McNabb</b>	<b>Yes</b>
<b>Jim Galvin</b>	<b>Yes</b>
<b>John Murrey</b>	<b>Yes</b>
<b>Joe Clayton</b>	<b>Yes</b>
<b>Stan Norton</b>	<b>Yes</b>
<b>Ronnie Fox</b>	<b>Yes</b>
<b>Nate Jackson</b>	<b>Yes</b>
<b>Reed Trickett</b>	<b>Yes</b>
<b>Farrar Schaeffer Vaughan</b>	<b>Yes</b>

**Motion carried, therefore the license is granted.**

Karan (Holley) M. Graham  
T & J Motors, Chattanooga, TN

Chairman Roberts requested appeals of salespersons applications which were previously denied by the staff to be heard by the Commission for their review and consideration. After some discussion Commissioner Jackson moved the application be approved, seconded by Commissioner Fox.

**ROLL CALL VOTE**

<b>Eddie Roberts</b>	<b>Yes</b>
<b>Stan McNabb</b>	<b>Yes</b>
<b>Jim Galvin</b>	<b>Yes</b>
<b>John Murrey</b>	<b>Yes</b>
<b>Joe Clayton</b>	<b>Yes</b>
<b>Stan Norton</b>	<b>Yes</b>
<b>Ronnie Fox</b>	<b>Yes</b>
<b>Nate Jackson</b>	<b>Yes</b>
<b>Reed Trickett</b>	<b>Yes</b>
<b>Farrar Schaeffer Vaughan</b>	<b>No</b>

**Motion carried, therefore the license is granted.**

Corey S. Harper  
Carlock Nissan of Jackson, Inc., Jackson, TN

Chairman Roberts requested appeals of salespersons applications which were previously denied by the staff to be heard by the Commission for their review and consideration. After some discussion Commissioner McNabb moved the application be approved, seconded by Commissioner Vaughan.

**ROLL CALL VOTE**

<b>Eddie Roberts</b>	<b>Yes</b>
<b>Stan McNabb</b>	<b>Yes</b>
<b>Jim Galvin</b>	<b>Yes</b>
<b>John Murrey</b>	<b>Yes</b>
<b>Joe Clayton</b>	<b>Yes</b>
<b>Stan Norton</b>	<b>Yes</b>
<b>Ronnie Fox</b>	<b>Yes</b>
<b>Nate Jackson</b>	<b>Yes</b>
<b>Reed Trickett</b>	<b>Yes</b>
<b>Farrar Schaeffer Vaughan</b>	<b>Yes</b>

**Motion carried, therefore the license is granted.**

Todd H. Nelson  
Greenlight Car Sales, Hendersonville, TN

Mr. Nelson failed to appear.

Chairman Roberts requested appeals of salespersons applications which were previously denied by the staff to be heard by the Commission for their review and consideration. After some discussion, Commissioner Jackson moved the denial by staff be upheld, seconded by Commissioner McNabb.

**ROLL CALL VOTE**

<b>Eddie Roberts</b>	<b>Yes</b>
<b>Stan McNabb</b>	<b>Yes</b>
<b>Jim Galvin</b>	<b>Yes</b>
<b>John Murrey</b>	<b>Yes</b>
<b>Joe Clayton</b>	<b>Yes</b>
<b>Stan Norton</b>	<b>Yes</b>
<b>Ronnie Fox</b>	<b>Yes</b>
<b>Nate Jackson</b>	<b>Yes</b>
<b>Reed Trickett</b>	<b>Yes</b>
<b>Farrar Schaeffer Vaughan</b>	<b>Yes</b>

**Motion carried, therefore the license denial was upheld.**

**DEALERS**

The World of Heaven Sent Cars, LLC

Chairman Roberts requested appeals of dealer applications which were previously denied by the staff to be heard by the Commission for their review and consideration. After some discussion Commissioner Jackson moved the application be approved, seconded by Commissioner Galvin.

**ROLL CALL VOTE**

<b>Eddie Roberts</b>	<b>No</b>
<b>Stan McNabb</b>	<b>No</b>
<b>Jim Galvin</b>	<b>Yes</b>
<b>John Murrey</b>	<b>No</b>
<b>Joe Clayton</b>	<b>Yes</b>
<b>Stan Norton</b>	<b>No</b>
<b>Ronnie Fox</b>	<b>Yes</b>
<b>Nate Jackson</b>	<b>Yes</b>
<b>Reed Trickett</b>	<b>Yes</b>
<b>Farrar Schaeffer Vaughan</b>	<b>Yes</b>

**Motion carried, therefore the license is granted.**

GBM, LLC

Chairman Roberts requested appeals of dealer applications which were previously denied by the staff to be heard by the Commission for their review and consideration. After some discussion, Commissioner Galvin moved the application be denied, seconded by Commissioner Vaughan.

**ROLL CALL VOTE**

<b>Eddie Roberts</b>	<b>Yes</b>
<b>Stan McNabb</b>	<b>Yes</b>
<b>Jim Galvin</b>	<b>Yes</b>
<b>John Murrey</b>	<b>Yes</b>
<b>Joe Clayton</b>	<b>Yes</b>
<b>Stan Norton</b>	<b>Yes</b>
<b>Ronnie Fox</b>	<b>Yes</b>
<b>Nate Jackson</b>	<b>Yes</b>
<b>Reed Trickett</b>	<b>Yes</b>
<b>Farrar Schaeffer Vaughan</b>	<b>Yes</b>

**Motion carried, therefore the license is denied.**

**DIRECTORS REPORT – Paula J. Shaw, Executive Director**

Executive Director Shaw provided the Commission with the following information which is for informational purposes only:

Since the last Commission meeting in January 12, 2015 the following activity has occurred:

**Dealers Opened, or Relocated (Last Quarter)**.....96

**Active Licensees as of April 1, 2015**

Dealers.....	3743
Applications in Process.....	38
Distributors/Manufacturers.....	148
Auctions.....	30
Representatives.....	627
Salespeople.....	15708
Dismantlers.....	297
RV Dealers.....	27
RV Manufacturers.....	62

**Motor Vehicle Show Permits:**

Issued Since January 15, 2015.....	9
Associated Revenue.....	\$1800.00

**Complaint Report- July 1, 2014 to Present:**

Number of Complaints Opened.....	414
Number of Complaints Close.....	144

**Annual Sales Reports-(Due Feb 15):**

Vehicles Reported Sold in 2014.....	1,030,585
(Excluding Dealers Reporting Late)	
Listing Sent to County Clerks April 14, 2015	

**Disciplinary Action Report – (January – March):**

Total Collected.....	\$77,500.00
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**Legislative Update**

- **SB216/HB132** – Curbstoning - Defines curbstoning as the selling or advertising the sale of a motor vehicle that is not titled in the seller's name by a person without a license to sell vehicles or selling more than 5 vehicles within a year when such vehicles are titled in the seller's name. Permits vehicles used in curbstoning to be seized by police provided police give notice of at least 48 hours prior to seizure. Provides penalties for denial, suspension, or revocation of motor

vehicle sales licenses involving curbstoning and possessing closed titles. Distributes revenue from the sale of certain seized vehicles.

Action:

04/01/2015 - Senate passed with amendment 1.

04/17/2015 - Set for House Floor Regular Calendar 04/20/15.

Senate Adopted Amendment SA0174 to change the definition of the term 'curbstoning'

- **SB508/HB443** - Revises the provision that prevents an applicant from obtaining a license to sell motor vehicles if there was a statement in the license application that was, in light of the circumstances under which it was made, false or misleading, by removing the language "in light of the circumstances under which it was made."

Action:

03/23/2015 - Senate passed with amendment 1. - BILL AS AMENDED IN SENATE IS REGARDING ALLOWING THOSE NOT LICENSED AS MOTOR VEHICLE DEALERS TO PURCHASE NONREPAIRABLE OR SALVAGED CARS.

04/08/2015 - House Transportation Committee deferred to 2016. THIS BILL WAS DEFERRED IN HOUSE, BUT LIKELY TO COME UP AGAIN NEXT YEAR.

- **SB789/HB730** - Permits a car dealer licensed to sell used cars to operate multiple businesses at the dealer's established place of business as long as at least 66 percent of dealer's place of business is used for vehicle-related purposes. Allows dealer to install signs at the dealer's place of business advertising the dealer's other businesses. Broadly captioned.

Action:

03/30/2015 - Senate passed with amendment 1. – WITH SENATE AMENDMENT, INCOME FROM ADDITIONAL BUSINESS MUST BE LESS THAN 33% OF THE GROSS INCOME OF THE DEALERSHIP.

04/13/2015 - House passed.

04/13/2015 - Sent to the speakers for signatures.

- **SB1026/HB1030** - Allows producers of motor vehicles who lease vehicles to eligible employees to sell the vehicle to a franchised dealer after the lease. Allows the franchised dealer to purchase no more than 30 of the vehicles per month. Prohibits the sale of the vehicle for 90 days from the time in which the motor vehicle was purchased by the franchised dealer.

**Action:**

03/30/2015 - Senate passed.

04/16/2015 - House passed.

04/16/2015 - Sent to the speakers for signatures.

- **SB1095/HB1296** - Requires that in making appointments to the motor vehicle commission, the governor strive to ensure that at least one person serving on the commission is a woman, one person is a racial minority, and one person is 60 years or older. Broadly Captioned.

**Action:**

03/25/2015 - Taken off notice in Senate Transportation & Safety Committee.

03/18/2015 - Taken off notice in House Transportation Subcommittee.

OFF NOTICE IN BOTH HOUSES

- **SB1098/HB1043** - Establishes various changes to the regulation of motor vehicle dismantlers and recyclers and scrap metal processors. Requires motor vehicle dismantlers and recyclers and scrap metal processors to verify a vehicle is not stolen or subject to any security interest or lien at the time the vehicle is purchased. Establishes criminal sanctions and restitution for losses incurred for any sale of a vehicle based on falsified information. Requires all information necessary to be submitted to the National Motor Vehicle Title Information System. Establishes a Class A misdemeanor for violators with a minimum fine of \$1,000. Specifies that half of the monies generated from penalties for violators shall be deposited in a special fund for use by the department of revenue's vehicle services division, while the other half is to be (1) deposited in the general fund of the municipality or county the suit was brought in, or (2) allocated to the appropriate state agency, if the suit was brought by a state agency. Allows a court to order a defendant seller to make restitution to the lienholder and motor vehicle dismantler, including recyclers and scrap metal processors, for any damage or loss caused. Orders motor vehicles used to transport illegally sold vehicles to be subject to seizure and forfeiture. Requires the department of revenue's vehicle

services division to develop a process to allow dismantlers and processors to verify vehicles are not reported stolen, including verification during the transaction and through the internet. Requires dismantlers and processors to not complete transactions of vehicles that are reported stolen and to notify appropriate law enforcement agencies.

**Action:**

04/17/2015 - Set for Senate Finance, Ways & Means Committee Final Meeting 04/21/15.

04/07/2015 - House Transportation Committee recommended. Sent to House Finance.

PROPOSED AMENDMENT

- **SB1209/HB223** - Authorizes motor vehicle commission to suspend or revoke license of any used car dealer in Davidson County who locates within a mile of another used car dealer after July 1, 2015. Also, makes this provision applicable if used car dealer leases or transfers ownership of business.

**Action:**

03/18/2015 - Taken off notice in Senate Transportation & Safety Committee.

02/11/2015 - Referred to House Transportation Subcommittee.

OFF NOTICE

- **SB1343/HB1321** - Requires motor vehicle dealers to maintain records of waste tires originating from the dealer for a period of at least two years. Urges the department of environment and conservation to study the number of waste tires originating from sources other than tire dealers.

**Action:**

04/17/2015 - Set for Senate Floor Regular Calendar 04/21/15.

04/14/2015 - House Finance Subcommittee deferred to next calendar.

## **LEGAL REPORT**

The legal report was presented to the Legal Review Committee. Commissioner Jackson advised the Legal Report needed to be approved and General Counsel Kim Cooper conveyed the Legal Report was accepted as written by the Legal Review Committee and was referred to the full Commission.

**1. Case No.: 2014020811**

Respondent, who has previously been disciplined for unlicensed activity, was alleged to be again acting as an unlicensed dealer. Insufficient proof of violation at this time.

**Recommendation: Close**

**2. Case No.: 2014023461**

Civil matter between parties with no jurisdiction by Commission; however, Respondent/Dealer will be monitored closely for any consumer complaints regarding difficulty obtaining title.

**Recommendation: Close and flag.**

**3. Case No.: 2014024131**

Complainant alleged that Respondent engaged in predatory and deceptive lending practices. Investigation did not support allegations; however, during the course of the investigation it was found that Respondent had signs placed on several cars that stated "Lifetime Warranty". When questioned by the investigator about the terms of the non-manufacturer offered warranty, Respondent stated it was an option available by purchase to the customer. The disclaimer on the sign was so small that the Investigator was not able to capture it on film.

**Recommendation: Authorization of a civil penalty in the amount of One Thousand Dollars (\$1,000) for failure to disclose material facts in a clear and conspicuous manner as required by Rule 0960-01-.12, to be settled by Consent Order or Formal Hearing.**

**4. Case No.: 2014024141**

Complainant received a mailer from Respondent indicating that if three items on the "Payday Game" matched, she would win \$3000. Respondent's mailer did have three matching items, but when she met with Respondent she was told she was not a winner. Respondent stated the advertisements were "not meant to be misleading", but disclosures regarding chances of winning and that the mailer only gave the recipient an opportunity to win money were not visible.

**Recommendation: Authorization of a civil penalty in the amount of One Thousand Dollars (\$1,000) for failure to disclose material facts in a clear and**

**conspicuous manner as required by Rule 0960-01-.12, to be settled by Consent Order or Formal Hearing.**

**5. Case No.: 2014025531**

Complainant alleged that Respondent issued her three temporary tags as a result of being unable to timely provide title. Respondent confirmed that three tags had been issued to Complainant.

**Recommendation: Authorization of a civil penalty in the amount of Five Hundred Dollars (\$500) for issuing more than two temporary tags to one consumer, to be settled by Consent Order or Formal Hearing.**

**6. Case No.: 2014025631**

Complainant alleged that Respondent/Dealer failed to deliver title for his vehicle and issued more than two temporary tags. Investigation found that the title issue had been resolved, and confirmed that Respondent issued complainant three (3) temporary tags.

**Recommendation: Authorization of a civil penalty in the amount of Five Hundred Dollars (\$500) for issuing more than two temporary tags to one consumer, to be settled by Consent Order or Formal Hearing.**

**7. Case No.: 2014027751**

Two Complainants alleged that they purchased vehicles from Respondent, and were unable to obtain title. Respondent is not a licensed dealer. Investigation confirmed that title was not delivered to Complainants, and found that Respondent's business, an auto repair business, was closed. Respondent stated that the vehicles sold had mechanic's liens on them, and that he sold several vehicles, but could not provide proof of the liens. There was also proof of additional vehicles

**Recommendation: Authorization of a civil penalty in the amount of One Thousand Dollars (\$1000) for two incidents of unlicensed dealer activity to be settled by Consent Order or Formal Hearing.**

**8. Case No.: 2014027781**

Complainant alleged that Respondent was acting as an unlicensed dealer, advertising vehicles for sale on-line and placing them for display at the flea market, then finalizing sales at his home. Respondent denied the allegations, but Complainant provided photos of several different cars for sale, both on Craigslist and on the street, with Respondent's contact information. Two of the sales were for vehicles that Respondent denied knowledge of.

**Recommendation: Authorization of a civil penalty in the amount of One Thousand Dollars (\$1000) for two incidents of unlicensed dealer activity to be settled by Consent Order or Formal Hearing.**

**9. Case No.: 2014028332**

Information was received that Respondent was acting as unlicensed dealer. Investigation found that respondent was at one time a licensed dealer, but after license expired continued to operate and sold thirteen vehicles before contact with the investigator. Respondent indicated she would apply for a new dealer license, but has yet to do so.

**Recommendation: Authorization of a civil penalty in the amount of Six Thousand Five Hundred Dollars (\$6500) for thirteen incidents of unlicensed dealer activity to be settled by Consent Order or Formal Hearing.**

**10. Case No.: 2014028441**

Respondent was alleged to be acting as an unlicensed dealer. Investigator met with Respondent, who refused to answer questions once he was told the nature of the complaint. Investigator was able to document six (6) vehicle sales by respondent in a 12 month period, and identified an additional thirty-three (33) vehicles that Respondent purchased at auction in that same time period.

**Recommendation: Authorization of a civil penalty in the amount of Five Hundred Dollars (\$500) for unlicensed dealer activity to be settled by Consent Order or Formal Hearing.**

**11. Case No.: 2014028461**

The Commission received information that the Respondent was acting as an unlicensed dealer, and was also engaging in unlicensed recycling/dismantling activity. Investigator was able to document eight (8) sales of vehicles between October 2014 and March 2015, and also found evidence of unlicensed dismantling/recycling activity at Respondent's location.

**Recommendation: Authorization of a civil penalty in the amount of Two Thousand Dollars (\$2000) for unlicensed recycler/dismantler activity and three incidents of unlicensed dealer activity and to be settled by Consent Order or Formal Hearing.**

**12. Case No.: 2014028811**

Complainant alleged that she purchased a vehicle from Respondent and that he stated the factory warranty was still in effect, only to learn after the sale that the warranty was not enforceable. Respondent denied allegations, and paperwork provided by both sides is not definitive.

**Recommendation: Insufficient proof of violation, close.**

**13. Case No.: 2014028841**

Complainant alleged multiple issues with vehicle purchased from Respondent, and also alleged that Respondent illegally repossessed her vehicle. Documentation provided by Respondent shows that sale was As-Is, and that Respondent and Complainant had multiple

conflicts over late payments and repairs that Complainant said needed to be made. Insufficient proof of violation.

**Recommendation:** Close.

**14. Case No.: 2014028851**

Complainant alleged that Respondent issued four temporary tags as a result of being unable to timely provide title. Investigation confirmed that four tags had been issued to Complainant.

**Recommendation:** Authorization of a civil penalty in the amount of One Thousand Dollars (\$1000) for issuing more than two temporary tags to one consumer, to be settled by Consent Order or Formal Hearing.

**15. Case No.: 2014028861  
2015000591  
2015000592**

The Commission received two complaints regarding this Respondent allegedly engaging in off-site sales, and one complaint of failure to deliver title. Respondent did not respond to complaint. Investigation found that the Respondent has rented space at mechanic shops as storage for over-flow inventory, but no proof of sales at these off-site locations was found. As to the complaint regarding failure to deliver title, Respondent acknowledged that he failed to deliver title to the Complainant.

**Recommendation:** Authorization of a civil penalty in the amount of Two Thousand Dollars (\$2,000) for failure to timely provide title and failure to respond to Motor Vehicle Commission correspondence in violation of T.C.A. §55-17-114, Rule 0960-01-.11 and Rule 0960-01-.23, to be settled by Consent Order or Formal Hearing.

**16. Case No.: 2014029091  
2014029092  
2014030851**

Complainant/Purchaser alleged that Respondent 1, who was acting as floor planner for Respondent 2, would not deliver title to a vehicle purchased from Respondent 2. Respondent 1 did eventually deliver title to Complainant, and then alleged that Respondent 2 had not paid them for several cars that had been sold to customers. Subsequent to complaint, Respondent 2 closed dealership, and were then charged with criminal activity related to their business.

**Recommendation:** Close and flag.

**17. Case No.: 2014029431  
2014029432  
2014029433**

Respondent 1 is a dealer licensed by the state of Alabama. Respondent 2 owns Respondent 1 and Respondent 3, a business not related to the automotive industry. Respondent 2 uses the dealer license to gain access to Tennessee auctions, purchases vehicles, and then places those vehicles for sale on Craigslist or displays them for sale at Respondent 3. Respondent 2 also used the business account of Respondent 3 on at least one occasion to process an unlicensed sale. Investigator was able to document eight (8) sales by Respondents.

**Recommendation: Authorization of a civil penalty in the amount of Eight Thousand Dollars (\$8,000) for unlicensed sales activity, to be settled by Consent Order or Formal Hearing.**

**18. Case No.: 2014029521**

Complainant alleged that Respondent did not timely deliver title to her vehicle, and was demanding additional funds before resolving the issue. Respondent did not respond to the complaint. Investigator found that at the time of investigation the Respondent's dealer license had expired, that two vehicles on Respondent's lot did not have buyer's guides posted as required by law, and that Respondent did not timely pay off a lien on the vehicle which caused the delay in transferring title to Complainant.

**Recommendation: Authorization for the Revocation of Respondent's Motor Vehicle Dealer License due to unlicensed dealer activity, failure to timely provide registration, failure to post buyer's guides, and failure to respond to Motor Vehicle Commission correspondence in violation of T.C.A. §55-17-114, Rule 0960-01-.11 and Rule 0960-01-.23, to be settled by Consent Order or Formal Hearing.**

**19. Case No.: 2014030821**

Complainant alleged that Respondent misrepresented her vehicle as new when it was, in fact, salvaged, and that Respondent employed an unlicensed salesman. Respondent provided documentation of clean title history, which included sale to Complainant as new vehicle. Respondent's salesman is licensed.

**Recommendation: Close**

**20. Case No.: 2014030871**

Complainant alleged that Respondent did not provide registration for her vehicle as promised. During the investigation, Respondent was found to have an open title, and did not have in his possession his dealer license, or copies of any state or county tax forms.

**Recommendation: Authorization of a civil penalty in the amount of Three Thousand Dollars (\$3,000) for failure to timely provide registration, failure to respond to Motor Vehicle Commission correspondence and failure to maintain business records in violation of T.C.A. §55-17-114, Rule 0960-01-.11 and Rule 0960-01-.23, to be settled by Consent Order or Formal Hearing.**

**21. Case No.: 2014030991**

Respondent/Dealer received an Agreed Citation for failure to maintain city or county business license. Respondent is contesting the citation.

**Recommendation: Authorization of a civil penalty in the amount of Five Hundred Dollars (\$500) for failure to maintain city or county business license, to be settled by Consent Order or Formal Hearing.**

**22. Case No.: 2014031001**

Respondent/Dealer received an Agreed Citation for failure to properly maintain a temporary tag log. Respondent has not paid the citation nor disputed the facts therein.

**Recommendation: Authorization of a civil penalty in the amount of Two Thousand Dollars (\$2,000) for failure to properly maintain a temporary tag log and failure to respond to communication from the Tennessee Motor Vehicle Commission, to be settled by Consent Order or Formal Hearing.**

**23. Case No.: 2014031041**

Respondent/Dealer received an Agreed Citation for failure to properly maintain a temporary tag log. Respondent is contesting the citation. This is Respondent's second offense for this activity.

**Recommendation: Authorization of a civil penalty in the amount of Two Thousand Dollars (\$2,000) for failure to properly maintain a temporary tag log (second offense), to be settled by Consent Order or Formal Hearing.**

**24. Case No.: 2014031511**

Complainant alleged that she purchased a vehicle from Respondent/dealer, and then had multiple engine problems with the vehicle. Respondent stated that the sale was "As-Is", and that they attempted to work with the Complainant to obtain a replacement vehicle. Insufficient proof of violations.

**Recommendation: Close**

**25. Case No.: 2014031701**

Complainant alleged that Respondent misrepresented the condition of the vehicle, and then would not follow through on promises to allow her unwind the deal. Respondent stated that he never offered to refund her purchase monies, but did offer to make any needed repairs to the vehicle, or to "roll" her financing into the purchase of a replacement vehicle. Complainant did not provide rebuttal to Respondent's statements, and there is insufficient evidence of violations.

**Recommendation:** Close

**26. Case No.: 2015000711**

Complainant alleged that Respondent sold a vehicle without disclosing it had a rebuilt title. Respondent denied the allegation and stated that the complainant knew the vehicle was rebuilt and sold "As-Is", which is documented on the bill of sale. Insufficient proof of violation.

**Recommendation:** Close

**27. Case No.: 2015000751**

Complainant alleged that the vehicle purchased from respondent/Dealer had multiple mechanical issues, and felt that the Respondent did not adequately address his concerns. Vehicle was purchased "As-Is", and Respondent offered to take the vehicle back and refund Complainant's money.

**Recommendation:** Close

**28. Case No.: 2015000891**

Respondent/Dealer received an Agreed Citation for failure to maintain a temporary tag log, failure to maintain city or county business license, and two (2) open title violations. Respondent has not paid the citation nor disputed the facts therein.

**Recommendation: Authorization of a civil penalty in the amount of Four Thousand Five Dollars (\$4,500) for failure to properly maintain a temporary tag log, failure to maintain city or county business license, two (2) open title violations, and failure to respond to communication from the Tennessee Motor Vehicle Commission, to be settled by Consent Order or Formal Hearing.**

**29. Case No.: 2015000921**

Respondent/Dealer received an Agreed Citation for failure to properly maintain a temporary tag log and failure to maintain a city or county business license. Respondent has not paid the citation nor disputed the facts therein.

**Recommendation: Authorization of a civil penalty in the amount of Two Thousand Five Hundred Dollars (\$2,500) for failure to properly maintain a temporary tag log, failure to maintain city or county business license and failure to respond to communication from the Tennessee Motor Vehicle Commission, to be settled by Consent Order or Formal Hearing.**

**30. Case No.: 2015001101**

Respondent's surety bond was cancelled as of January 13, 2015. Attempts to contact Respondent have been unsuccessful, and Respondent has not provided information regarding a new surety bond to the Commission.

**Recommendation: Authorization for the Revocation of Respondent's Motor Vehicle Dealer License due to failure to maintain a surety bond to be settled by Consent Order or Formal Hearing.**

**31. Case No.: 2015001131**

Complainant alleged that Respondent issued four temporary tags as a result of being unable to timely provide title. Investigation confirmed that four tags had been issued to Complainant.

**Recommendation: Authorization of a civil penalty in the amount of One Thousand Dollars (\$1000) for issuing more than two temporary tags to one consumer, to be settled by Consent Order or Formal Hearing.**

**32. Case No.: 2015001171**

Respondent/Dealer received an Agreed Citation for failure to properly maintain a temporary tag log. Respondent has not paid the citation nor disputed the facts therein.

**Recommendation: Authorization of a civil penalty in the amount of Two Thousand Dollars (\$2,000) for failure to properly maintain a temporary tag log and failure to respond to communication from the Tennessee Motor Vehicle Commission, to be settled by Consent Order or Formal Hearing.**

**33. Case No.: 2015001181**

Respondent/Dealer received an Agreed Citation for expiration of city business license. Respondent has not paid the citation nor disputed the facts therein.

**Recommendation: Authorization of a civil penalty in the amount of One Thousand Two Hundred Fifty Dollars (\$1,250) for expiration of city business license and failure to respond to communication from the Tennessee Motor Vehicle Commission, to be settled by Consent Order or Formal Hearing.**

**34. Case No.: 2015001281**

Complainant purchased vehicle from respondent, and also purchased a warranty provided by a third party. Complainant is now experiencing mechanical issues with the vehicle. Respondent states he has repaired items not covered by the warranty, and directed Complainant to the dealer who can assist her with repairs that are covered by the warranty. Insufficient proof of violations.

**Recommendation:** Close

**35. Case No.: 2015001711**

Complainant unhappy with condition of vehicle purchased from Respondent and wants her money back. Sale was “as-is”; insufficient proof of violations.

**Recommendation:** Close

**36. Case No.: 2015002231**

Complainant alleged that Respondent “illegally repossessed” vehicle. Respondent denied allegations, and documentation provided by both parties shows lengthy dispute regarding amount of payments and due dates, and that at time of repossession Complainant was overdue on payments and had threatened to damage vehicle.

**Recommendation:** Close

**37. Case No.: 2015002281**

Respondent/Dealer received an Agreed Citation for two incidents of off-site sales, and is requesting additional time to pay the civil penalty.

**Recommendation: Authorization of a civil penalty in the amount of One Thousand Dollars (\$1000) for two incidents of unlicensed sales to be settled by Consent Order or Formal Hearing.**

**38. Case No.: 2015002591**

Complainant alleged multiple issues with vehicle purchased from Respondent, and stated that Respondent did not follow through on promises to fix the car. Respondent denied allegations, stating that the sale was “As-Is”, and alleged that complaint was in retaliation for repossessing the vehicle the week before complaint was filed.

**Recommendation:** Close, insufficient evidence of violations.

**39. Case No.: 2015002901**

Complainant alleged that Respondent misrepresented age of vehicle and then physically assaulted her when she came to business to get paperwork. Respondent denies allegations, and paperwork provided by Complainant shows model of year car very clearly, as well as “As-Is” nature of sale. Insufficient proof of violations.

**Recommendation:** Close.

**40. Case No.: 2015003101**

Respondent/Dealer received an Agreed Citation for employing unlicensed salesman who sold sixteen (16) vehicles after his license expired. Respondent is contesting the citation.

**Recommendation: Authorization of a civil penalty in the amount of Eight Thousand Five Hundred Dollars (\$8,500) for employing an unlicensed salesman who sold sixteen (16) vehicles after his license expired, to be settled by Consent Order or Formal Hearing.**

**41. Case No.: 2015003151**

Respondent/Dealer received an Agreed Citation for expiration of its county business license. Respondent has not paid the citation nor disputed the facts therein.

**Recommendation: Authorization of a civil penalty in the amount of One Thousand Two Hundred Fifty Dollars (\$1,250) for expiration of county business license and failure to respond to communication from the Tennessee Motor Vehicle Commission, to be settled by Consent Order or Formal Hearing.**

**42. Case No.: 2015003991**

Respondent/Dealer received an Agreed Citation for nineteen (19) missing temporary tags and issuing more than two (2) temporary tags to at least four (4) customers. Respondent is contesting the citation.

**Recommendation: Authorization of a civil penalty in the amount Twelve Thousand Five Hundred Dollars (\$12,500): Nine Thousand Five Hundred Dollars (\$9,500) for nineteen (19) missing temporary tags (\$500 x 19 temporary tags) and Three Thousand Dollars (\$3,000) for issuing more than two (2) temporary tags to at least four (4) customers (\$500 x 6 temporary tags), to be settled by Consent Order or Formal Hearing.**

**43. Case No.: 2015004321**

The Commission received a report from a former employee of Respondent of alleged odometer tampering, unlicensed activity, misrepresentation and other violations of Commission rules and state statutes. Investigator attempted to meet with Respondent several times, and instead was eventually directed to the “manager”, who stated he was covering all financial responsibilities and “running the dealership” in Respondent owner’s absence. “Manager” is a former applicant whose license was denied due to a felony conviction, and his appeal was denied by the Commission. The manager could not produce any of the records requested, stating they had been “stolen” and denied allegations. A short time later, Respondent owner contacted Commission staff and surrendered the dealer license.

**Recommendation: Close and flag.**

**44. Case No.: 2015004831**

Respondent was observed advertising for vehicles that he did not have the proper licensure to sell. An application was in process but not yet approved. Respondent admitted to the violations.

**Recommendation: Authorization of a civil penalty in the amount of Four Thousand Dollars (\$4,000) for unlicensed sales activity, to be settled by Consent Order or Formal Hearing.**

**45. Case No.: 2015005351**

Respondent/Dealer received an Agreed Citation for failure to properly maintain a temporary tag log. Respondent is contesting the citation.

**Recommendation: Authorization of a civil penalty in the amount of One Thousand Dollars (\$1,000) for failure to properly maintain a temporary tag log, to be settled by Consent Order or Formal Hearing.**

**46. Case No.: 2015005421**

Respondent/Dealer received an Agreed Citation for failure to maintain a city and county business licenses. Respondent is contesting the citation.

**Recommendation: Authorization of a civil penalty in the amount of Five Hundred Dollars (\$500) for failure to maintain a city and county business license, to be settled by Consent Order or Formal Hearing.**

**47. Case No.: 2015005911**

Complainant alleged that Respondent conducted “bait and switch” advertising regarding a lease program, that he was taken advantage of and is now paying more than what he should be. Respondent denies the allegations, and notes that paperwork signed by the Complainant on the day of the transaction made clear what the monthly payment would be and that the advertised price noted by the Complainant never applied to the vehicle that Complainant ended up selecting. Insufficient proof of violations.

**Recommendation: Close.**

**48. Case No.: 2015006601**

Complainant alleged that Respondent misrepresented the condition of her vehicle, and alleged that Respondent did not refund her the full amount of monies paid toward the purchase of her vehicle. Respondent denies the allegations and allowed Complainant to return the vehicle. Insufficient proof of violations.

**Recommendation: Close.**

**49. Case No.: 2015003131**

Respondent/Salesman received an Agreed Citation for unlicensed sales activity for nine (9) months after his license expired. Respondent is contesting the citation.

**Recommendation: Authorization of a civil penalty in the amount of Four Thousand Five Hundred Dollars (\$4,500) for unlicensed sales activity for nine (9) months after his license expired, to be settled by Consent Order or Formal Hearing.**

50. Case No.: 2015003941  
2014031991

Two complainants allege that they purchased vehicles from Respondent and that they have not been able to obtain title. Investigation showed that the Respondent was not a licensed dealer, and that the business, which signage indicated was a repair shop, was now closed. Multiple attempts to locate Respondent were unsuccessful. Complainants were advised to contact legal counsel to pursue civil remedies.

**Recommendation: Close and flag.**

51. Case No.: 2014028411

Respondent/Recycler received an Agreed Citation for failure to maintain a county business license. Respondent is contesting the citation.

**Recommendation: Authorization of a civil penalty in the amount of Two Hundred Fifty Dollars (\$250) for failure to maintain a county business license, to be settled by Consent Order or Formal Hearing.**

52. Case No.: 2014030801

Complainant alleged that Respondent, an auto mechanic, was acting as an unlicensed dealer. Investigation was done, and while Respondent was largely uncooperative, unlicensed dealer activity could not be proven.

**Recommendation: Close**

53. Case No.: 2014031021

Respondent/Dealer received an Agreed Citation for failure to maintain a county business license. Respondent is contesting the citation.

**Recommendation: Authorization of a civil penalty in the amount of Five Hundred Dollars (\$500) for failure to maintain a county business license, to be settled by Consent Order or Formal Hearing.**

54. Case No.: 2015003091 2014026401 2014031521  
2014031522 2014029541 2014030841  
2015000661 2015002581 2015004241

The above complaints were withdrawn or settled between the parties after submitting to the commission.

**Recommendation: Close – Withdrawn.**

55. Case No.: 2015002401 2015002411 2015002421  
2015002431 2015005161 2015005191  
2015006321 2015006341 2015006351  
2015006361

The above complaints were received stating that the Respondents/Dealers failed to provide proof of liability insurance. The Respondents have been notified to Cease and Desist operations until such proof is received by the Commission.

**Recommendation: Authorization of a civil penalty in the amount of One Thousand Dollars (\$1,000) for failure to maintain liability insurance to be settled by Consent Order or Formal Hearing.**

56. Case No.: 2014030521 2014027081 2014027101  
2014028081 2014030831 2014031541  
2015000611 2015000881 2015001721  
2015001731 2015002571 2015003071  
2015002221 2015004851

The above complaints were received stating that the Respondents/Dealers failed to provide titles/registrations for the purchased vehicles. The dealer has abandoned the business and is no longer operating. Surety Bond information, if available, has been sent to Complainants.

**Recommendation: Close and flag**

## **RE-PRESENTATIONS**

57. Case No.: 2014022131

Respondent was previously authorized for a civil penalty in the amount of \$5000 for false, fraudulent or deceptive acts per TCA 55-17-114 in January 2015. Respondent has since surrendered their dealer license, and is no longer in business.

**Recommendation: Close and flag; Recommend that any future motor vehicle dealer applications filed by Respondent or Respondent’s business manager come before the Commission for review and consideration prior to approval.**

#1. Case No.: 2014030511

Complainant alleged that Respondent was acting as an unlicensed dealer from his home, advertising vehicles on Craigslist and conducting sales in his driveway. Investigation found thirty-one vehicles advertised on Craigslist between April 2014 and April 2015, and Respondent confirmed that those were vehicles he sold.

**Recommendation: Authorization of a civil penalty in the amount of Thirteen Thousand Dollars (\$13,000) for twenty-six incidents of unlicensed dealer activity to be settled by Consent Order or Formal Hearing**

#2. Case No.: 2014030811

The above complaint was withdrawn after submitting to the Commission.

**Recommendation: Close – Withdrawn.**

#3. Case No.: 2015000581  
2015001111

Complainants alleged difficulty in obtaining title, and delay in paying off lien by Respondent. Respondent's dealer license has since expired, Respondent stated he was closing the business, and could not provide business records when requested by investigator. Additionally, when contacted by investigator, Complainants stated that their issues with Respondent had been settled, and wished to withdraw their complaints.

**Recommendation: Authorization of a civil penalty in the amount of One Thousand Dollars (\$1,000) for failure to maintain or provide business records for inspection, to be settled by Consent Order or Formal Hearing**

#4. Case No.: 2014029551  
2014030881

Complainants alleged that they purchased their vehicles from Respondent after being told that the financing was finalized, only to be notified weeks later that they did not qualify for financing and that they had to return the vehicles. In Case No. 2014029551, Respondent sold the Complainant's trade-in vehicle before financing was obtained. Respondent admitted to the allegations, and the employment of salesman and finance manager who participated in the transactions had already been terminated by time of investigation. Respondent also admitted that neither complainant had been provided a copy of the "Conditional Delivery Agreement"

**Recommendation: 2014029551: Authorization of a civil penalty in the amount of Six Thousand Dollars (\$6,000) for failure to provide in writing to the customer a conditional delivery agreement and failure to retain possession of any vehicle used by the consumer as consideration until the dealer has received funding from the financial institution as required by T.C.A. §55-17-114(4)(A) to be settled by Consent Order or Formal Hearing**

**2014030881: Authorization of a civil penalty in the amount of One Thousand Dollars (\$1,000) for failure to provide in writing to the customer a conditional delivery agreement as required by T.C.A. §55-17-114(4)(A) to be settled by Consent Order or Formal Hearing**

**#5. Case No.: 2014018981**

Respondent was previously authorized for a civil penalty in the amount of \$500 for expired city/county business license. Respondent was able to provide proof of valid city/county business license for the time period in question, and would ask for the civil penalty to be reconsidered.

**Recommendation: Close**

A motion was made by Commissioner Jackson to approve the legal report as presented by General Counsel, Kim Cooper, and seconded by Commissioner Trickett. Motion was approved unanimously by voice vote.

**MOTION CARRIED.**

**NEW BUSINESS**

Executive Director Shaw presented to the Commission an application for Philopateer Auto Sales & Repair, LLC to request the Commission's guidance and clarification on whether the application for licensure should be denied. After some discussion, Commissioner Vaughan moved the application be denied, seconded by Commissioner McNabb.

**ROLL CALL VOTE**

<b>Eddie Roberts</b>	<b>Yes</b>
<b>Stan McNabb</b>	<b>Yes</b>
<b>Jim Galvin</b>	<b>Yes</b>
<b>John Murrey</b>	<b>Yes</b>
<b>Joe Clayton</b>	<b>Yes</b>
<b>Stan Norton</b>	<b>Yes</b>
<b>Ronnie Fox</b>	<b>Yes</b>
<b>Nate Jackson</b>	<b>Yes</b>
<b>Reed Trickett</b>	<b>Yes</b>
<b>Farrar Schaeffer Vaughan</b>	<b>Yes</b>

**Motion carried, therefore the license is denied.**

Chairman Roberts announced that the sub-committee meeting calendars be evaluated for possible incorporation into the Commission's annual calendar. Chairman Roberts indicated he would be working with Executive Director Shaw to streamline the calendar. Executive Director Shaw concurred.

Chairman Roberts also announced that, although not on the Agenda, he was going to ask Executive Director Shaw to review and update all applications to ensure transparency and clarity.

Tennessee State Representative Mike Sparks spoke in support of the proposed rule requiring written disclosure regarding the title status of a vehicle and whether it is salvaged/rebuilt.

### **OLD BUSINESS**

Commissioner Jackson made a motion to adjourn the meeting, seconded by Commissioner Norton.

**Meeting Adjourned**

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**Eddie Roberts, Chairman**