

# MINUTES

July 25, 2016



**TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE  
DIVISION OF REGULATORY BOARDS  
MOTOR VEHICLE COMMISSION  
500 JAMES ROBERTSON PARKWAY, 2ND FLOOR  
NASHVILLE, TENNESSEE 37243-1153  
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**TENNESSEE  
MOTOR VEHICLE COMMISSION  
MINUTES**

**DATE:** July 25, 2016

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

**PRESENT:** Commission Members:  
Eddie Roberts  
Stan McNabb  
Jim Galvin  
Joe Clayton  
John Murrey  
Ronnie Fox  
Stan Norton  
Farrar Vaughan  
Nate Jackson  
Ian Leavy  
Steve Tomaso  
Victor Evans

**ABSENT:** Donnie Hatcher  
Reed Trickett  
Lynn Webb  
Kahren White  
Don Parr

**CALL TO ORDER:** Chairman Eddie Roberts called the meeting to order at 9:03 am

Paula J. Shaw, Executive Director, called the roll. 12 members were present and a quorum was established.

**MEETING NOTICE:** 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 July 13, 2015, 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 July 22, 2016.

Chairman Roberts welcomed new appointee, Commissioner Victor Evans to the Commission.

**AGENDA:** Chairman Roberts requested the Commission look over the agenda. Director Shaw requested the Commission add a business process item which is a review and action previously requested by legislature to revised temporary tag log schedule to Old Business. Commissioner Vaughan made a motion to adopt the agenda, seconded by Commissioner Jackson.

**MOTION CARRIED.**

**QUARTERLY MEETING MINUTES:** Commissioner Jackson made a motion to approve the minutes from the April 25, 2016 meeting, seconded by Commissioner Galvin.

**MOTION CARRIED.**

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

Commission. Rocky Goodson – No Show  
Tri-Cities Dodge, Kingsport, 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 denial be upheld, 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>Joe Clayton</b>	<b>YES</b>
<b>John Murrey</b>	<b>YES</b>
<b>Ronnie Fox</b>	<b>YES</b>
<b>Stan Norton</b>	<b>YES</b>
<b>Farrar Vaughan</b>	<b>YES</b>

**Nate Jackson            YES**  
**Ian Leavy                YES**  
**Steve Tomaso          YES**  
**Victor Evans            YES**

**Motion carried, therefore the denial is upheld.**

Ernest Hartsell  
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 Vaughan moved the application be approved, seconded by Commissioner Norton.

**ROLL CALL VOTE**

**Eddie Roberts        YES**  
**Stan McNabb        YES**  
**Jim Galvin            YES**  
**Joe Clayton        YES**  
**John Murrey        YES**  
**Ronnie Fox            YES**  
**Stan Norton        YES**  
**Farrar Vaughan    YES**  
**Nate Jackson        YES**  
**Ian Leavy            YES**  
**Steve Tomaso        YES**  
**Victor Evans        YES**

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

Paul Beard  
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 Vaughan moved the application be approved, seconded by Commissioner Jackson.

**ROLL CALL VOTE**

**Eddie Roberts        YES**  
**Stan McNabb        YES**  
**Jim Galvin            YES**

<b>Joe Clayton</b>	<b>YES</b>
<b>John Murrey</b>	<b>YES</b>
<b>Ronnie Fox</b>	<b>YES</b>
<b>Stan Norton</b>	<b>YES</b>
<b>Farrar Vaughan</b>	<b>YES</b>
<b>Nate Jackson</b>	<b>YES</b>
<b>Ian Leavy</b>	<b>YES</b>
<b>Steve Tomaso</b>	<b>YES</b>
<b>Victor Evans</b>	<b>YES</b>

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

Chauncey Young  
Ride-Rite Memphis, Memphis, 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 Vaughan moved the application be approved, 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>Joe Clayton</b>	<b>YES</b>
<b>John Murrey</b>	<b>YES</b>
<b>Ronnie Fox</b>	<b>YES</b>
<b>Stan Norton</b>	<b>YES</b>
<b>Farrar Vaughan</b>	<b>YES</b>
<b>Nate Jackson</b>	<b>YES</b>
<b>Ian Leavy</b>	<b>YES</b>
<b>Steve Tomaso</b>	<b>YES</b>
<b>Victor Evans</b>	<b>YES</b>

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

Franklin Hughes  
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 Vaughan 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>Joe Clayton</b>	<b>YES</b>
<b>John Murrey</b>	<b>YES</b>
<b>Ronnie Fox</b>	<b>YES</b>
<b>Stan Norton</b>	<b>YES</b>
<b>Farrar Vaughan</b>	<b>YES</b>
<b>Nate Jackson</b>	<b>YES</b>
<b>Ian Leavy</b>	<b>YES</b>
<b>Steve Tomaso</b>	<b>YES</b>
<b>Victor Evans</b>	<b>YES</b>

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

Jeremy Troutt  
Miracle Ford, Inc., Gallatin, 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. Commissioner Galvin recused himself from this appeal. After some discussion, Commissioner Fox 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>RECUSED/ABSTAIN</b>
<b>Joe Clayton</b>	<b>YES</b>
<b>John Murrey</b>	<b>YES</b>
<b>Ronnie Fox</b>	<b>YES</b>
<b>Stan Norton</b>	<b>YES</b>
<b>Farrar Vaughan</b>	<b>YES</b>
<b>Nate Jackson</b>	<b>YES</b>
<b>Ian Leavy</b>	<b>YES</b>
<b>Steve Tomaso</b>	<b>YES</b>
<b>Victor Evans</b>	<b>YES</b>

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

Carlos Gonzales  
TN Auto Sale, Nashville, 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 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>Joe Clayton</b>	<b>YES</b>
<b>John Murrey</b>	<b>YES</b>
<b>Ronnie Fox</b>	<b>YES</b>
<b>Stan Norton</b>	<b>NO</b>
<b>Farrar Vaughan</b>	<b>YES</b>
<b>Nate Jackson</b>	<b>YES</b>
<b>Ian Leavy</b>	<b>YES</b>
<b>Steve Tomaso</b>	<b>YES</b>
<b>Victor Evans</b>	<b>YES</b>

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

**DIRECTOR’S 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 on April 25, 2016 the following activity has occurred:

**Dealers Opened, or Relocated (Last Quarter)**.....59

**Active Licensees as of July 7, 2016**

Dealers.....	3722
Applications in Process.....	30
Salesperson Applications in Process.....	176
Distributors/Manufacturers.....	131
Auctions.....	32
Representatives.....	573
Salespeople.....	16280
Dismantlers.....	273
RV Dealers.....	28
RV Manufacturers.....	59

**Motor Vehicle Show Permits:**

Issued Since April 25, 2016.....1  
Associated Revenue.....\$200

**Complaint Report- April 25, 2016 to Present:**

Number of Complaints Opened.....141  
Number of Complaints Close.....174

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

Vehicles Reported Sold in 2015.....1,294,979  
Recreational Vehicles Reported Sold in 2015.....3,660  
(Excluding Dealers Reporting late)  
Listing Sent to County Clerks .....April 19, 2016

**Revenue Fees submitted to Revenue for FY 2015**

NMVTIS.....\$30,000.00

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

Total Collected.....\$118,242.00

Chairman Roberts called for a motion to approve the Director’s Report.  
Commissioner Jackson made a motion to approve the Director’s Report, and was  
seconded by Commissioner McNabb.

**VOICE VOTE – UNANIMOUS**

The motion carried to approve the Director’s Report.

The Commission moved to the presentation of the legal report by Matthew E. Reddish,  
Asst. General Counsel and legal consultant for MVC. Mr. Reddish presented the legal  
report, with modifications as presented at the legal review committee meeting, as  
follows:

**#1. Case No.:** 2016009321

Respondent/Dealer received a Notice of Violation for failure to maintain a county  
business license. Respondent has since provided proof of coverage at the time of  
inspection.

**Recommendation:** Close

**Commission Action:** Approved

**#2. Case No.: 2016012251**

Respondent/Dealer received a Notice of Violation for failure to properly maintain a temporary tag log. Respondent's temporary tag log was missing information for at least three (3) assigned temporary tags.

**Recommendation: Letter of Warning**

**Commission Action: Approved**

**#3. Case No.: 2016012271**

Respondent/Dealer received a Notice of Violation for failure to properly maintain a temporary tag log. Respondent's temporary tag log was missing information for at least three (3) assigned temporary tags.

**Recommendation: Letter of Warning**

**Commission Action: Approved**

**#4. Case No.: 2016015591**

Respondent/Dealer received a Notice of Violation for improper use of a dealer plate; failure to have a business sign posted; and failure to have business hours posted.

**Recommendation: Authorization of a civil penalty in the amount of One Thousand Five Hundred Dollars (\$1,500) (\$1,000 x 1 improper use of a dealer plate; \$250 x 1 failure to have a business sign posted; \$250 x 1 failure to have business hours posted). To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#5. Case No.: 2016015611**

Respondent/Dealer received a Notice of Violation for possession of one (1) open title and at least two (2) vehicles without Buyer's Guides. Respondent/Dealer has not paid the Agreed Citation nor disputed the facts therein.

**Recommendation: Authorization of a civil penalty in the amount of One Thousand Five Hundred Dollars (\$1,500) (\$1,000 x 1 failure to respond to mail from the Commission; \$500 x 1 possession of an open title). To be settled by consent order or formal hearing.**

**Commission Action: Approved**

#6. Case No.: 2016020691

Respondent/Dealer received a Notice of Violation for failure to properly maintain a temporary tag log and for being unable to account for at least nineteen (19) temporary tags. Respondent/Dealer advised inspector that they had been busy and neglected to record the missing temporary tags.

**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 nineteen (19) missing temporary tags. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

#7. Case No.: 2016020721

Respondent/Dealer received a Notice of Violation for failure to maintain a temporary tag log (Respondent/Dealer has purchased forty (40) temporary tags since opening in 2015, but has failed to maintain a log of said tags) and for an expired county business license.

**Recommendation: Authorization of a civil penalty in the amount of Two Thousand Seven Hundred Fifty Dollars (\$2,750) (\$2,500 x 1 failure to maintain a temporary tag log; \$250 x 1 failure to maintain a county business license). To be settled by consent order or formal hearing.**

**Commission Action: Approved**

#8. Case No.: 2016020741

Respondent/Dealer received a Notice of Violation for failure to properly maintain a temporary tag log; issuing more temporary tags than allowed by law; seven (7) missing temporary tags; and failure to produce business records (Respondent/Dealer could not produce titles to any vehicle at location or a temporary tag log for the required fifteen (15) months).

**Recommendation: Authorization of a civil penalty in the amount of Two Thousand Dollars (\$2,000) (\$1,000 x 1 failure to maintain a temporary tag log and seven (7) missing temporary tags; \$500 for issuing more temporary tags than allowed by law; \$500 for failure to produce business records) . To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#9. Case No.:** 2016021451

Respondent/Dealer received a Notice of Violation for failure to properly maintain a temporary tag log and for being unable to account for at least nine (9) temporary tags. Additionally, Respondent/Dealer could only produce a temporary tag log for one (1) month.

**Recommendation: Authorization of a civil penalty in the amount of One Thousand Dollars (\$1,000) for failure to properly maintain a temporary tag log, nine (9) missing temporary tags and failure to maintain business records. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#10. Case No.:** 2016021711

Respondent/Dealer received a Notice of Violation for being unable to account for at least three (3) missing temporary tags.

**Recommendation: Letter of Warning**

**Commission Action: Approved**

**#11. Case No.:** 2016021771

Respondent/Dealer received a Notice of Violation for failure to properly maintain a temporary tag log and for being unable to account for at least three (3) missing temporary tags.

**Recommendation: Authorization of a civil penalty in the amount of One Thousand Dollars (\$1,000) for failure to properly maintain a temporary tag log and three (3) missing temporary tags. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#12. Case No.:** 2016021971

Respondent/Dealer received a Notice of Violation for failure to properly maintain a temporary tag log; five (5) missing temporary tags; issuing three (3) temporary tags to one (1) consumer; and eight (8) sales from an unlicensed location. While Respondent/Dealer is licensed at its current location, Respondent/Dealer admitted that they wanted to open a second location and had sold eight (8) vehicles at that location.

**Recommendation: Authorization of a civil penalty in the amount of Three Thousand Five Hundred Dollars (\$3,500); Two Thousand Dollars for selling from an unlicensed location; One Thousand Dollars (\$1,000) for failure to properly maintain a temporary tag log and five (5) missing temporary tags; and Five Hundred Dollars (\$500) for issuing more temporary tags than allowed by law. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#13. Case No.:** 2016022491

Respondent/Dealer received a Notice of Violation for an expired city business license; possession of three (3) open titles; and for failure to post Buyer's Guides in vehicles. Upon receiving an Agreed Citation, Respondent/Dealer was able to provide that the city business license was not expired at the time the Notice of Violation was issued, and explained that the open titles were a result of repairs made on vehicles that the customer deemed too expensive.

**Recommendation: Authorization of a civil penalty in the amount of One Thousand Five Hundred Dollars (\$1,500) for possession of three (3) open titles. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#14. Case No.:** 2016022601

Respondent/Dealer received a Notice of Violation for an expired county business license during their annual inspection.

**Recommendation: Authorization of a civil penalty in the amount of Two Hundred Fifty Dollars (\$250) for an expired county business license. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#15. Case No.:** 2016024991

Respondent/Dealer received a Notice of Violation for being unable to account for at least ten (10) temporary tags; altering at least one (1) temporary tag; and for failure to maintain a landline.

**Recommendation: Authorization of a civil penalty in the amount of Two Thousand Five Hundred Dollars (\$2,500) for at least ten (10) missing temporary tags and for altering at least one (1) temporary tag. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

#16. Case No.: 2016025011

Respondent/Dealer received a Notice of Violation for failure to maintain a temporary tag log. According to information obtained from the Tennessee Department of Revenue, Respondent dealer has purchased seventy-five (75) temporary tags since July 2015.

**Recommendation: Authorization of a civil penalty in the amount of Two Thousand Five Hundred Dollars (\$2,500) for failure to maintain a temporary tag log. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

#17. Case No.: 2016025031

Respondent/Dealer received a Notice of Violation for failure to properly maintain a temporary tag log and for issuing three (3) temporary tags to one (1) consumer.

**Recommendation: Authorization of a civil penalty in the amount of One Thousand Five Hundred Dollars (\$1,500); One Thousand Dollars for failure to properly maintain a temporary tag log and Five Hundred Dollars for issuing more temporary tags than allowed by law. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

#18. Case No.: 2016025051

Respondent/Dealer received a Notice of Violation for employing an unlicensed salesperson (evidence obtained to confirm that unlicensed salesperson sold at least two (2) vehicles); misuse of a dealer plate; misuse of temporary tags; and for failure to supervise. Unlicensed salesperson explained that owner was employed elsewhere, and that he had been denied licensure by the Commission on the grounds that he had been in State and Federal prison and is only two (2) years past his parole end date.

**Recommendation: Authorization of a civil penalty in the amount of Three Thousand Five Hundred Dollars (\$3,500); One Thousand Dollars (\$1,000) for employing an unlicensed salesperson; One Thousand Dollars (\$1,000) for unlicensed sales (\$500 x 2 unlicensed sales); Five Hundred Dollars (\$500) for misuse of a dealer tag; Five Hundred Dollars (\$500) for misuse of a temporary tag; and Five Hundred Dollars (\$500) for failure to supervise. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

#19. Case No.: 2016025071

Respondent/Dealer received a Notice of Violation for failure to properly maintain a temporary tag log.

**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.**

**Commission Action: Approved**

#20. Case No.: 2016025091

Respondent/Dealer received a Notice of Violation for possession of two (2) open titles. Agreed Citation was forwarded to Respondent/Dealer, but was not returned to staff because Respondent/Dealer does not have a mail receptacle.

**Recommendation: Authorization of a civil penalty in the amount of One Thousand Dollars (\$1,000) for possession of two (2) open titles (\$500 x 2 open titles). To be settled by consent order or formal hearing.**

**Commission Action: Approved**

#21. Case No.: 2016025111

Respondent/Dealer received a Notice of Violation for possession of five (5) open titles; failure to supervise (at time of inspection, there was not an owner or licensed salesperson available); and an expired city and county business license. Respondent/Dealer was issued a Notice of Violation in 2015 for an expired city and county business license.

**Recommendation: Authorization of a civil penalty in the amount of Four Thousand Dollars (\$4,000); Two Thousand Five Hundred Dollars (\$2,500) for possession of five (5) open titles (\$500 x 5 open titles); Five Hundred Dollars (\$500) for failure to supervise; and One Thousand Dollars (\$1,000) for an expired city and county business license (2<sup>nd</sup> offense). To be settled by consent order or formal hearing.**

**Commission Action: Approved**

#22. Case No.: 2016025501

Respondent/Dealer received a Notice of Violation for failure to properly maintain a temporary tag log and at least two (2) missing temporary tags. Respondent/Dealer stated that complete temporary tag log was at salesperson house, so it could be properly updated but was unable to provide it to the inspector.

**Recommendation: Authorization of a civil penalty in the amount of One Thousand Dollars (\$1,000) for failure to properly maintain a temporary tag log and at least two (2) missing temporary tags. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#23. Case No.: 2016025521**

Respondent/Dealer received a Notice of Violation for failure to maintain a land line business phone. Respondent/Dealer did have a working cellular phone number posted.

**Recommendation: Close**

**Commission Action: Approved**

**#24. Case No.: 2016026521**

Respondent/Dealer received a Notice of Violation for failure to have a license for each location; failure to maintain Garage Liability Insurance; failure to maintain a city/county business license; and possession of two (2) open titles. Respondent/Dealer provided proof of Garage Liability Insurance, proof of city/county business license and is contesting the remaining allegations in the Agreed Citation.

**Recommendation: Authorization of a civil penalty in the amount of Two Thousand Dollars (\$2,000); One Thousand Dollars (\$1,000) for failure to have a license for each location; One Thousand Dollars (\$1,000) for possession of two (2) open titles (\$500 x 2 open titles). To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#25. Case No.: 2016027591**

Respondent/Dealer received a Notice of Violation for failure to maintain a city/county business license. Agreed Citation was returned to staff "Not Deliverable as Addressed; Unable to Forward".

**Recommendation: Authorization of a civil penalty in the amount of Five Hundred Dollars (\$500) for failure to maintain a city/county business license. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#26. Case No.:** 2016027941

Respondent/Dealer received a Notice of Violation for failure to properly maintain a temporary tag log and for false/fraudulent/deceptive acts for selling a vehicle that belonged to a third-party.

**Recommendation:** Authorization of a civil penalty in the amount of One Thousand Five Hundred Dollars (\$1,500); One Thousand Dollars (\$1,000) for failure to maintain a temporary tag log; and Five Hundred Dollars (\$500) for one (1) false/fraudulent/deceptive act. To be settled by consent order or formal hearing.

**Commission Action: Approved**

**#27. Case No.:** 2016028081

Respondent/Dealer received a Notice of Violation for employing an unlicensed salesperson; failure to maintain a temporary tag log; expired city/county business license; and failure to provide business records.

**Recommendation:** Authorization of a civil penalty in the amount of Four Thousand Five Hundred Dollars (\$4,500); One Thousand Dollars (\$1,000) for employing an unlicensed salesperson; Two Thousand Five Hundred Dollars (\$2,500) for failure to maintain a temporary tag log; Five Hundred Dollars (\$500) for having an expired city/county business license; and Five Hundred Dollars (\$500) for failure to produce business records. To be settled by consent order or formal hearing.

**Commission Action: Approved**

**#28. Case No.:** 2016028161  
2016028201  
2016028221  
2016028701  
2016034751

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.

**Commission Action: Approved**

**#29. Case No.:** 2016028771

Respondent/Dealer received a Notice of Violation for failure to properly maintain a temporary tag log and for an expired city/county business license.

**Recommendation: Authorization of a civil penalty in the amount of One Thousand Five Hundred Dollars (\$1,500); One Thousand Dollars (\$1,000) for failure to maintain a temporary tag log; and Five Hundred Dollars (\$500) for expired city/county business license. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#30. Case No.:** 2016028791

Respondent/Dealer received a Notice of Violation for failure to properly maintain a temporary tag log and for being unable to account for at least eighteen (18) temporary tags.

**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 eighteen (18) missing temporary tags. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#31. Case No.:** 2016030491

Respondent/Dealer received a Notice of Violation for failure to maintain a temporary tag log; expired city/county business license; and failure to produce business records.

**Recommendation: Authorization of a civil penalty in the amount of Three Thousand Dollars (\$3,000); Two Thousand Dollars (\$2,000) for failure to maintain a temporary tag log; Five Hundred Dollars (\$500) for having an expired city/county business license; and Five Hundred Dollars (\$500) for failure to produce business records. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#32. Case No.:** 2016030521

Respondent/Dealer received a Notice of Violation for misuse of dealer plate; failure to display buyer's guides; expired city/county business license; failure to produce business records; failure to maintain temporary tag log; and possession of open titles.

**Recommendation:** Authorization of a civil penalty in the amount of Four Thousand Five Hundred Dollars (\$4,500); Five Hundred Dollars (\$500) for having an expired city/county business license; Five Hundred Dollars (\$500) for failure to produce business records; Five Hundred Dollars (\$500) for misuse of a dealer plate; Two Thousand Dollars (\$2,000) for failure to maintain a temporary tag log; and One Thousand Dollars (\$1,000) for possession of two (2) open titles (\$500 x 2 open titles). To be settled by consent order or formal hearing.

**Commission Action:** Approved

#33. Case No.: 2016030651

Respondent/Dealer received a Notice of Violation for failure to properly maintain a temporary tag log and for being unable to account for at least thirteen (13) temporary tags.

**Recommendation:** Authorization of a civil penalty in the amount of One Thousand Five Hundred Dollars (\$1,500) for failure to properly maintain a temporary tag log and thirteen (13) missing temporary tags. To be settled by consent order or formal hearing.

**Commission Action:** Approved

#34. Case No.: 2016030681

Respondent/Dealer received a Notice of Violation for failure to properly maintain a temporary tag log and for being unable to account for at least nine (9) temporary tags.

**Recommendation:** Authorization of a civil penalty in the amount of One Thousand Dollars (\$1,000) for failure to properly maintain a temporary tag log and nine (9) missing temporary tags. To be settled by consent order or formal hearing.

**Commission Action:** Approved

#35. Case No.: 2016009301

Duplicate case opened.

**Recommendation:** Close

**Commission Action: Approved**

**#36. Case No.:** 2016010591  
2016015311

Complainant alleged Respondent failed to timely produce title. Respondent evidenced that title was obtained and provided to Complainant in timely manner.

**Recommendation: Close**

**Commission Action: Approved**

**#37. Case No.:**

	2016021691	
2016011781	2016024671	2016015291
2016011891	2016017971	2016020041
2016012541	2016024421	2016021431
2016020441	2016024581	2016015251
	2016011191	

Complaint has failed to state a violation occurred or Respondent has evidenced that no violation occurred through its response.

**Recommendation: Close**

**Commission Action: Approved**

**#38. Case No.:** 2016011851

Complaint alleges Respondent subjected them to extreme delays and unacceptable communication levels in regard to cancelling of a service contract, a maintenance agreement as well as a GAP insurance refund. Respondent admits to unacceptable delays and has remitted all amounts owed to Complainant.

**Recommendation: Letter of Warning**

**Commission Action: Approved**

**#39. Case No.:** 2016011931  
2016018001  
2016017271

2016020481

Complainant alleges Respondent sold them a vehicle with damage issues. Buyers guide shows vehicle sold “as is.”

**Recommendation: Close**

**Commission Action: Approved**

**#40. Case No.:** 2016012751

Complaint alleges Respondent is withholding title and claiming Complainant must pay taxes and fees before will title the vehicle. Respondent admits to withholding title and demanding additional fees for taxes that are due at time of sale.

**Recommendation: Authorization of a civil penalty in the amount of \$500 for deceptive acts and violations of state/federal law. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#41. Case No.:**

2016014901	2016010021	2016006021
2016017231	2016016051	2016021391
2016018031	2016008331	2016024531
2016021051	2016009901	2016024491

Complainant has withdrawn complaint and states issues resolved to their satisfaction.

**Recommendation: Close**

**Commission Action: Approved**

**#42. Case No.:**

2016009241	2016009246	20160092411
2016009242	2016009247	20160092412
2016009243	2016009248	20160092413
2016009244	2016009249	20160092414
2016009245	20160092410	

Respondent’s investigated due to concerns of unlicensed activity by operating as independent auto brokers. While apparent that Respondents were operating as independent auto brokers, additional investigation was unable to find additional violations as requested by Commission.

**Recommendation: Close**

**Commission Action: Approved**

**#43. Case No.:**

2016023861	2016022321
2016015351	2016019771
2016011211	2016001381
2016022261	2016010411
2016022281	2015022791
2016022301	2016018311
2016016001	2016024401

Respondent dealer is closed and has agreed to voluntary revocation of its dealer license.

**Recommendation: Close and Flag**

**Commission Action: Approved**

**#44. Case No.:**

2016017211  
2016017251  
2016020501  
2016020421  
2016021251  
2016021281

2016022011  
2016022031  
2016022051  
2016022071  
2016022461

2016021331  
2016021351  
2016012221

Respondent dealer is closed, surety bond sent.

**Recommendation: Close and Flag**

**Commission Action: Approved**

**#45. Case No.:** 2016018411

Complaint is contractual in nature, no violation of Motor Vehicle rules or statutes alleged.

**Recommendation: Close**

**Commission Action: Approved**

**#46. Case No.:** 2016023721  
2016022511  
2016024471  
2016017951  
2016006221

Compliant alleged Respondent failed to timely issue title. Evidence shows that title was issued in timely manner.

**Recommendation: Close**

**Commission Action: Approved**

**#47. Case No.:** 2016020171

Staff received notice of Respondent's insurance being cancelled. Staff has attempted to contact Respondent on multiple occasions to ascertain status of insurance, but Respondent has been unresponsive. Notice of violation issued.

**Recommendation: Authorization a civil penalty in the amount of \$2,000 (\$1,000 for failure to maintain insurance and \$1,000 for failure to respond to Commission).**

**Commission Action: Approved**

**#48. Case No.:** 2016019671

Complaint alleges Respondent is withholding title, Respondent alleges Complainant has breached contract. Parties are currently engaged in a civil lawsuit.

**Recommendation: Litigation monitoring consent order until civil suit is resolved.**

**Commission Action: Approved**

**#49. Case No.:** 2016008171  
2016008251

Complainant 1 alleges Respondent made errors while processing paperwork which cause problems with getting title/registration in a timely manner and that Respondent refused to assist in correcting problems. Complainant 2 alleged Respondent dealer failed to timely issue title/registration. Investigation conducted wherein it was found that both allegations are true. Additionally, a review of Respondent's temporary tag log revealed 22 more temporary tags than allowed by law were issued over a 6 month period.

**Recommendation: Authorization of a civil penalty in the amount of \$12,000 (2 x \$500 for deceptive acts related to timely registration/title issues) (22 x \$500 for issuing more temporary tags than allowed by law). To be settled by consent order for formal hearing.**

**Commission Action: Approved**

**#50. Case No.:** 20150226661  
2016005791  
2016014921  
2016019751  
2016021411  
2016019841  
2016019691

Complainant did not satisfactorily cooperate with investigation.

**Recommendation: Close**

**Commission Action: Approved**

**#51. Case No.:** 2016008431

Complaint received alleging Respondent engaging in offsite sales. During investigation, Respondent was found to have 11 motor vehicles for sale across the street. Per Respondent, they had previously been told it was ok to use empty lot for display. Upon being notified that this was considered off-site sales, the vehicles were immediately removed. Respondent has no previous history of similar issues.

**Recommendation: Letter of Warning**

**Commission Action: Approved**

**#52. Case No.:** 2016019571

Complaint alleged Respondent engaging in unlicensed activity, investigation conducted to determine the extent. Investigation revealed that Respondent was engaged in unlicensed activity but had destroyed all her paperwork. Respondent is also under investigation by Revenue. Documents from county clerk show Respondent as having sold six (6) motor vehicles.

**Recommendation: Authorization of a civil penalty in the amount of \$1,000 for unlicensed activity. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#53. Case No.:** 201600841

Complaint alleged Respondent is selling vehicles and not providing titles, investigation conducted. Investigation revealed one occurrence of selling a vehicles and not providing title due to a previous lien that was on vehicle when accepted as trade in. Respondent dealer refuses to provided customer with proper title on the vehicle in question until previous owner pays off lien.

**Recommendation: Authorization of a civil penalty in the amount of \$1,000 for one deceptive act. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#54. Case No.:** 2016015211

Complaint alleged Respondent engaged in bait and switch advertising by advertising a vehicle that was not for sale on its lot. The vehicle in question was actually located in Florida at an affiliated dealership's lot. Complainant states Respondent refused to relocate the vehicle unless Complainant purchased the vehicle. Respondent denies these allegations but confirms it listed a vehicle for sale that was not actually at the lot. The advertisement in question says "1 Additional Vehicles Available In Our Automotive Group." However, the advertisement also says "used Nashville 2007 Nissan Altima." Respondent has been previously warned on several occasions for advertising issues.

**Recommendation: Authorization of a civil penalty in the amount of \$1,000 for deceptive advertisement. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#55. Case No.:** 2016010831  
2016010832  
2016010833

Complaint alleges Respondent 1 is selling motor vehicles unlicensed through Respondent 2 and 3 dealers. Investigation conducted to determine if any unlicensed activity occurring. Investigation did not reveal any unlicensed activity, however it did reveal that Respondent

3 dealer was engaging in tax fraud by under reporting the sale price of its vehicles to the State. Investigation also revealed that Respondent 3 dealer appears to be forging customer's signatures in order to perpetrate the tax fraud.

**Recommendation:**

**Respondent 1: Close**

**Respondent 2: Close**

**Respondent 3: Authorization of revocation to be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#56. Case No.:** 2016007851

Complaint alleges Respondent Dealer is refusing to issue title or accept final payment on vehicle after selling a salvage vehicle to their minor son. Investigation conducted to determine if any deceptive acts occurred. Investigation revealed numerous mathematical errors with the paperwork that are causing confusion. Investigation also revealed that Respondent dealer issued a temporary tag on a salvage vehicle.

**Recommendation: Authorization of a civil penalty in the amount of \$1,000 (\$500 x 1 deceptive act for paperwork, \$500 x 1 temporary tag violations). To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#57. Case No.:** 2016000671

Complaint alleged Respondent operating unlicensed D/R location, investigation conducted. Investigation revealed Respondent was a licensed dealership and was not selling parts.

**Recommendation: Close**

**Commission Action: Approved**

**#58. Case No.:** 2016005771  
2016006281

Complaint alleged Respondent failed to issue title in timely manner and issued them four (4) temp tags, investigation conducted. Investigation revealed that all allegations were truthful.

**Recommendation: Authorization of a civil penalty in the amount of \$1,500 (\$500 x 1 deceptive act for failure to timely deliver title, \$500 x 2 for issuing more temporary tags than allowed by law). To be settled by consent order or formal hearing.**

**Commission Action: Approved**

#59. Case No.: 2016018941  
2016018942

Complaint alleged Respondent 1 was selling vehicles offsite for Respondent 2 dealer, investigation conducted. Investigation revealed that Respondent 1 did not sell any vehicles for another location, only stored them there after auction to clean up and then transport to dealership.

**Recommendation: Close**

**Commission Action: Approved**

#60. Case No.: 201600541

Complaint alleged Respondent failed to timely issue title and issued three temporary tags. Investigation revealed that it took Respondent 3 months to get title/registration complete due to problems getting title from individual that traded vehicle in, and that three tags were issued.

**Recommendation: Authorization of a civil penalty in the amount of \$1,000 (1 x \$500 for deceptive act of not timely producing title, 1 x \$500 for issuing more temporary tags then allowed by law). To be settled by consent order or formal hearing.**

**Commission Action: Approved**

#61. Case No.: 2016024441

Complaint alleges Respondent refuses to issue title/registration, investigation conducted. Investigation revealed that Complainant never paid for the vehicle and the vehicle was sent out for repossession. Investigation did reveal that three temporary tags were issued on the deal in question.

**Recommendation: Authorization of a civil penalty in the amount of \$500 for issuing more temporary tags then allowed by law. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

#62. Case No.: 201601551

Respondent issued a notice of violation for failure to maintain temporary tag log, investigation conducted. Investigation revealed Respondent had several missing entries.

**Recommendation: Authorization of a civil penalty in the amount of \$1,000 for failure to maintain temporary tag log. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#63. Case No.:** 2016018071  
2016017521

Complaint(s) allege Respondent(s) failed to timely title/register vehicle, investigation conducted. Investigation revealed that Respondent was refusing to title/register vehicle because Complainant was delinquent on dealer financing.

**Recommendation:**

**Respondent 1:** Authorization of a civil penalty in the amount of \$1,000 for deceptive act of failure to timely title/register vehicle. To be settled by consent order or formal hearing.

**Respondent 2:** Authorization of a civil penalty in the amount of \$1,000 for deceptive act of failure to timely title/register vehicle. To be settled by consent order or formal hearing.

**Commission Action: Approved**

**#64. Case No.:** 2016015981  
2016015982

Complainant alleged Respondent 1 failed to timely deliver title and issued more temp tags than allowed by law. Investigation revealed that Respondent 2 auction was responsible for title delays and that Respondent 2 had issued 4 temporary tags to Complainant.

**Recommendation:**

**Respondent 1: Close**

**Respondent 2: Authorization of a civil penalty in the amount of \$1,000 for issuing more temporary tags than allowed by law. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#65. Case No.:** 2016020101

Complaint alleges Respondent refuses to honor warranty sold to her, investigation conducted. Investigation revealed warranty was only for powertrain and engine, Complainant's issue is related to the catalytic converter/exhaust system. Dispute is contractual in nature.

**Recommendation: Close**  
**Commission Action: Approved**

**#66. Case No.:** 2016015401

Complaint alleged Respondent running unlicensed D/R from his dealership, investigation conducted. Investigation failed to reveal evidence of D/R activity. Further, investigation revealed that Respondent dealer is now closed.

**Recommendation: Close.**  
**Commission Action: Approved**

**#67. Case No.:** 2016016511

Respondent salesperson received 21 complaints against him for deceptive acts, investigation and sworn statements from dealership show Respondent was integral in dealership's deception and fraud. Dealership is now closed and has signed a consent order.

**Recommendation: Authorization of a civil penalty in the amount of \$10,500 for 21 x \$500 deceptive acts. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#68. Case No.:** 20160010991

Complaint alleges Respondent dealer increased price of her vehicle and did not disclose to Complainant. Investigation was conducted, however no evidence of deceptive acts were found.

**Recommendation: Close**  
**Commission Action: Approved**

**#69. Case No.:** 2016020001  
2016020002

Complaint alleges Respondent 2 salesperson was wholesaling vehicles for Respondent 1 dealer without being licensed to Respondent 1 dealer. Respondent 2 salesperson was licensed to Complainant. Neither Respondent 1 or 2 denied allegations during investigation.

**Recommendation:**  
**Respondent 1: Authorization of a civil penalty in the amount of \$5,000 for employing an unlicensed salesperson. To be settled by consent order or formal hearing.**  
**Respondent 2: Letter of warning**  
**Commission Action: Approved**

**#70. Case No.:** 2016008661

2016008662

Complaint alleges Respondent 2 engaged in unlicensed salesperson activity, investigation conducted. Investigation revealed evidence of one sale by Respondent 2 while unlicensed and portraying himself as a licensed salesperson for Respondent 1. Complaint alleges Respondent 1 dealer employed Respondent 2 salesperson. Respondent 1 dealer is located in Alabama, no evidence found to support allegation that Respondent 2 employed by Respondent 1 dealer.

**Recommendation:**

**Respondent 1: Close**

**Respondent 2: Authorization of a civil penalty in the amount of \$500, to be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#71. Case No.: 2016015331**

Complaint alleges Respondent failed to timely issue title, investigation conducted. Investigation revealed that Complainant's husband was to pay a deferred down payment which he never did. Dealership has purchased truck back from Complainant's husband at full price. Actual purchaser of vehicle does not wish to pursue complaint.

**Recommendation: Close**

**Commission Action: Approved**

**#72. Case No.: 2016001731  
2016006541**

Complaint alleges Respondent engaged in unlicensed sales, investigation conducted. Investigation failed to reveal evidence that Respondent had sold more than 5 vehicles in the last 12 months.

**Recommendation: Close**

**Commission Action: Approved**

**#73. Case No.: 2016016491**

Staff received anonymous complaint alleging Respondent dealer's service team was falsifying work orders and overcharging clients, investigation conducted. Investigation revealed that Respondent received the same anonymous complaint and immediately hired auditors to attempt to verify claims. Respondent's auditors did find billing discrepancies.

Respondent removed the employees responsible for overbillings and refunded all customers to the customer's satisfaction. Respondent willingly shared all information with the Commission's Attorney and Executive Director and worked with the Attorney and Executive Director to create a corrective action plan to ensure similar practices are not repeated.

**Recommendation: Close with letter of warning**

**Commission Action: Approved**

**#74. Case No.:** 2016005751

Complaint alleges Respondent refuses to give paperwork to allow her to title vehicle, investigation conducted. Investigation revealed that Respondent dealer either never created a deal file/contract on this vehicle or is refusing to provide records to Commission. Respondent dealer also failed to maintain records for an earlier repossession of vehicle from Complainant.

**Recommendation: Authorization of a civil penalty in the amount of \$1,500 (1 x \$500 for deceptive act of not providing title in timely manner, 1 x \$500 for failure to provide records, 1 x \$500 for failure to maintain records as required by law). To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#75. Case No.:** 2016012301

Notice of violation indicated Respondent RV dealer was operating without a dealer license, investigation conducted. Investigation confirmed that Respondent was in process of obtaining dealer license and that Respondent had sold several travel trailers in the interim to out of state residents and only one to a Tennessee resident. Respondent had two RVs for sale on site.

**Recommendation: Authorization of a civil penalty in the amount of \$2,500 for unlicensed activity. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#76. Case No.:** 2016014731

New York Resident Complaint alleges Respondent has failed to timely issue title/registration. Investigation conducted wherein allegations were confirmed and Respondent refused to cooperate with investigation. Commission previously authorized revocation or Respondent's license because dealership is only a façade used to obtain temporary tags for use in NY and NJ.

**Recommendation: Refer to litigator to include in revocation proceedings.**

**Commission Action: Approved**

**#77. Case No.:** 2016020631

Notice of Violation issued for attempting to sell a vehicle on an open title, investigation conducted to determine whether any additional unlicensed activity had occurred. Investigation revealed no evidence of unlicensed activity outside the one vehicle found by inspector.

**Recommendation: Authorization of a civil penalty in the amount of \$500 for one unlicensed sale. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#78. Case No.:** 2016021931

Complaint alleges Respondent sold them a vehicle with rolled back miles and did not disclose, investigation conducted. Investigation revealed title was marked actual mileage unknown, however the vehicle was advertised as having 120k miles. Additionally, investigation found two open titles at Respondent dealership.

**Recommendation: Authorization of a civil penalty in the amount of \$1,500 (2 x \$500 for open titles, 1 x \$500 for deceptive advertisement). To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#79. Case No.:** 2016008451

Complaint alleged Respondent operating as unlicensed dealership, investigation conducted. Investigation revealed multiple purchases made by Respondent at auction and sold to individuals using a salesperson license from Oregon. Respondent stated was unaware of violations and intends pursue proper licensure.

**Recommendation: Authorization of a civil penalty in the amount of \$2,000 to be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#80. Case No.:** 2016022581

Complaint allege Respondent failed to timely and properly title/register vehicles. According to response and discussions with Respondent attorney, Respondent did not timely obtain proper registration due to errors in paperwork; however the issue was ultimately fixed.

**Recommendation: Authorization of a civil penalty in the amount of \$500 for deceptive act of not timely issuing proper registration. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#81. Case No.: 2016022921**

Complaint alleges Respondent registered vehicle in co-signor's name instead of Complainant's. Review of documentation shows Complainant signed all paperwork as co-signor. Additionally, Respondent has submitted paperwork to have vehicle registered to Complainant as requested.

**Recommendation: Close**

**Commission Action: Approved**

**#82. Case No.: 2016019441**

Complaint alleged Respondent did not disclose title issues on vehicle, investigation conducted. Investigation revealed that buyer's guide was marked "Salvage History." Vehicle's title was washed in North Carolina, however Respondent dealer states he knew of issues and disclosed to Complainant.

**Recommendation: Close**

**Commission Action: Approved**

**#83. Case No.: 2016009661**

Complaint alleged Respondent failed to timely issue title and issue four (4) temporary tags, investigation conducted. Investigation revealed it took Respondent 4 months to obtain title and that three (3) temporary tags were issued.

**Recommendation: Authorization of a civil penalty in the amount of \$1,000 (1 x \$500 deceptive act of not timely producing title/registration, 1 x \$500 for more temporary tags than allowed by law). To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#84. Case No.: 2016021791**

Notice of Violation issued due to Respondent attempting to sell ten vehicles without a license and all on open titles. Investigation conducted to determine extent of unlicensed activity, investigation revealed that Respondent had ceased unlicensed activities and was in compliance with open title laws.

**Recommendation: Authorization of a civil penalty in the amount of \$2,500 for ten (10) unlicensed sales. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#85. Case No.:** 2016020071  
2016020072

Complaint alleges Respondent 1 dealer deceived them by advertising vehicle on craigslist as if was sold by private individual for their grandma when in fact it was sold by dealership who had purchased at an auction. Respondent 1 sent Respondent 2 unlicensed individual to meet Complainant offsite to complete sale. Complainant alleges in sworn statement that he paid \$5,200 for the vehicle, however records indicate the sale amount was reported as \$2,284 to the state and state sales taxes were only paid on this amount. Additional investigation reveals that Respondent 1 does not maintain normal business hours. Despite multiple visits to the dealership by Investigator, dealership was never open. Owner of business next door in sworn statement advised that dealership is never open, very rarely sees owner, only when owner is dropping off a vehicle or a box. All vehicles on lot of paper in window stating to call a number if interested. Further, Respondent 1 refused to cooperate with investigation in any way and would not produce any business records. Additional investigation revealed a second attempted deceptive advertisement that had been placed on Craigslist listing the vehicle as belonging to “grandma” and listing Respondent’s phone number.

**Recommendation:**

**Respondent 1: Authorization of revocation of Respondent 1 dealer license for deceptive acts, 2 x deceptive advertisements, failure to maintain business hours, failure to produce business records, employing unlicensed sales person, failure to supervise sales person, failure to maintain a license for each location where vehicles are sold and violations of state and federal law. To be settled by consent order or formal hearing.**

**Respondent 2: Authorization of a civil penalty in the amount of \$500 for one unlicensed sale. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#86. Case No.:** 2016033041

Respondent/Dealer received a Notice of Violation while attending an automobile show for advertising to sell more than five (5) vehicles. Respondent/Dealer received an Agreed Citation for \$1,500, but upon further investigation, it was determined by legal that the vehicles advertised for sale did not fall under the definition of a motor vehicle by Tennessee law.

**Recommendation: Close upon the issuance of a Letter of Warning.**

**Commission Action: Approved**

**#87. Case No.:** 2016011831

Complaint alleges Respondent was offering \$50 credit for good online reviews, investigation confirmed allegations.

**Recommendation: Letter of Warning**

**Commission Action: Approved**

**#88. Case No.:** 2016021731

Notice of violation written for unlicensed sales, investigation conducted. Investigation revealed at least eight (8) unlicensed vehicles offered for sale while Respondent posed as a dealer.

**Recommendation: Authorization of a civil penalty in the amount of \$4,000 (8 x \$500 for unlicensed activity). To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#89. Case No.:** 2016026451

Notice of violation issued for sales by unlicensed individuals, unlicensed D/R activity and failure to supervise.

**Recommendation: Authorization of a civil penalty in the amount of \$3,500 (2 x \$500 for employing unlicensed individual, \$500 for failure to supervise employees, \$2,000 for operation of unlicensed D/R facility). To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#90. Case No.:** 2016020422  
2016020423  
2016020424

Complaint alleges unlicensed activity by Respondent 2 unlicensed salesperson with paperwork completed through Respondent 3 dealer. Investigation confirmed allegations regarding one sale. Investigation revealed that Respondent 4, a licensed salesperson at Respondent 3 dealership, completed the paperwork for Respondent 2 without Respondent 3's knowledge.

**Recommendation:**

**Respondent 2: Authorization of a civil penalty in the amount of \$500 for 1 unlicensed sale. To be settled by consent order or formal hearing.**

**Respondent 3: Authorization of a civil penalty in the amount of \$500 for failure to supervise employee. To be settled by consent order or formal hearing.**

**Respondent 4: Authorization of a civil penalty in the amount of \$1,000 (1 x \$500 for unlicensed sale, 1 x \$500 for deceptive act). To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#91. Case No.:** 2016018051

Complaint alleges Respondent sold them a vehicle as new, but onstar computer system was previously registered to another individual. Also claims paperwork stated mileage was 10 when odometer was actually 26. Investigation conducted, however no evidence of a violation could be confirmed.

**Recommendation: Close**

**Commission Action: Approved**

**#92. Case No.:** 2016022941

Complainant alleges Respondent falsified his income in order to get him approved for a \$56,000 Corvette which he could not afford, Investigation conducted. Investigation provided a sworn statement from salesperson who handled the sale which indicated that the sales manager did increase Complainant's income without informing Complainant of the changes.

**Recommendation: Authorization of a civil penalty in the amount of \$5,000 for false/fraudulent/deceptive acts. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#93. Case No.:** 2016015371

Complaint alleges Respondent engaging in unlicensed sales, investigation conducted. Investigation found 16 vehicles registered to Respondent in last 12 month, but found no evidence of transactions taking place. Per Respondent, he does sell or trade some of them, but unsure how many. Respondent is allowed to sell 5 in a 12 month period.

**Recommendation: Letter of Warning**

**Commission Action: Approved**

**#94. Case No.: 2016019711**

Complaint alleges Respondent instructed detail manager to paint over severe rust issues on vehicles. When the detail manager refused, Respondent dealer threatened to retaliate against his job. Per allegations, Respondent dealer attempted to hire third party detailing company to paint over rust, but they also refused. Per Complainant, these vehicles were sold off his lot, he is unsure if they were ever painted over or if the known rust issues were disclosed. Investigation conducted wherein detail manager confirmed these allegations as to 5 vehicles with rust damage. Investigator requested deal files for the vehicles in question, however Respondent dealer refused to cooperate with investigation or to provide any requested records. Per detail manager, these issues no longer occur.

**Recommendation: Authorization of a civil penalty in the amount of \$10,000 (\$1,000 x 5 false/fraudulent/deceptive acts and \$5,000 x 1 failure to provide records to Commission). To be settled by consent order or formal hearing.**

**Commission Action: Approved**

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## **RE-PRESENTATIONS**

**#95. Case No.: 2013019301**

Respondent originally issued a civil penalty in the amount of \$4,000 for failure to disclose a salvaged title to consumer, Respondent contests findings. After review with litigating attorney and discussions with Respondent, a reduced civil penalty is recommended.

**Recommendation: Authorization of a civil penalty in the amount of \$1,000.**

**Commission Action: Approved**

**#96. Case No.: 20150225671**

Respondent originally penalized for failure to timely deliver title. Additional evidence shows that delay in title was due to issues in getting title released from a third party who was uncooperative despite Respondent's best efforts. Complainant has withdrawn complaint and is satisfied with Respondent's actions.

**Recommendation: Close with Letter of Warning**

**Commission Action: Approved**

**#97. Case No.: 2015020441**

Commission authorized a civil penalty in the amount of \$17,500 for unlicensed activity by Respondent. Upon review of additional facts, conversations with Respondent and Respondent's subsequent compliance with licensing laws, penalty amount should be represented.

**Recommendation: Authorization of a civil penalty in the amount of \$6,000 for unlicensed activity. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#98. Case No.:** 2016000591

Respondent penalized for failure to maintain temporary tag log. Upon additional review of case, Respondent did not purchase any temporary tags last year and did not issue any tags to customers.

**Recommendation: Close**

**Commission Action: Approved**

**#99. Case No.:** 20150225441  
20150225561  
2016014061

Respondent originally authorized a civil penalty for employing unlicensed individual. Additional evidence received from Respondent shows that salesperson in question was working following Commission's receipt of application but before license issued.

**Recommendation: Close**

**Commission Action: Approved**

**#100. Case No.:** 2016000531

Respondent issued a civil penalty for expires business license and failure to post business hours. Additional conversations with Respondent's accountant showed business license expired for two months while Respondent was out of work with a liver transplant. Hours of operation were posted following Inspector visiting.

**Recommendation: Close with Letter of Warning**

**#101. Case No.:** 2015017172  
2015017174  
2015017175  
2015017178  
2015017179

2015017173  
2015017176  
20150171710  
2014017177

Respondents originally issued civil penalty for unlicensed activity. Additional investigation revealed that Respondents began selling vehicles prior to application being received by Commission, but believed they had complied with licensing rules by placing application in the mail. Dealership has agreed to pay a civil penalty for employing unlicensed sales people and legal/Executive Director feel a letter of warning is fitting.

**Recommendation: Letter of Warning**

**#102. Case No.:** 2016006501

Respondent penalized for failure to maintain temporary tag log, however, additional evidence shows that temporary tag log was properly kept and Notice of Violation was issued due to inspector mistake.

**Recommendation: Close**

**#103. Case No.:** 20150227571

Respondent penalized for four titles in another's name without consignment agreements. Additional investigation and new evidence presented to legal shows that three of these vehicles did have consignment agreements leaving only one violation.

**Recommendation: Authorization of a civil penalty in the amount of \$500 for one violation of failure to maintain a consignment form.**

**Commission Action: Approved**

**#104. Case No.:** 2014012341

Respondent originally assessed a civil penalty in the amount of \$2,000 in October of 2014 for failure to maintain temporary tag log. This matter was set for formal hearing on June 10, 2016 and by hearing date, Respondent had already paid \$1,500.00 of civil penalty. An inspection was held on June 6 and found the respondent in full compliance with all laws, so the hearing was continued indefinitely. Due to full compliance and partial payment, new recommendation is to dismiss case.

**Recommendation: Close**

**Commission Action: Approved**

**#105. Case No.:** 2016004191

Respondent/Dealer was assessed a civil penalty of \$3,500 for failing to maintain a county business license (repeat offender) and failing to respond to the Commission. Upon receipt of the consent order, Respondent/Dealer contacted legal and provided proof that at no time was there county business license expired. Additionally, Respondent acknowledge that the license may have been removed from the wall by accident, but stated that going forward, all licenses would be framed to prevent misplacing them.

**Recommendation: Close**

**Commission Action: Approved**

**#106. Case No.:** 20150222081

Duplicate case.

**Recommendation: Close**

**Commission Action: Approved**

**#107. Case No.:** 2014018391

Commission authorized a civil penalty in the amount of \$1,000 for unlicensed activity. Legal has been unable to located Respondent in order to move forward with formal hearing.

**Recommendation: Close**

**Commission Action: Approved**

**#108. Case No.:** 20150213931

Complaint alleged deceptive acts on the part of Respondent dealer, investigation was conducted. Investigation revealed deceptive acts did occur regarding the mileage on the vehicle. Commission approved a civil penalty of \$4,000 for deceptive acts and temporary tag violations, Respondent signed the consent order. Respondent retained counsel and filed suit with the Attorney General's office claiming individual who signed consent order did not have authorization, Attorney General's office recommends withdrawal of consent order. Following additional negotiations with Respondent and its legal counsel, Respondent agree to fully refund the Complainant for the price of the vehicle in question and to pay the full \$4,000 penalty in return for removal of the deceptive acts charge.

**Recommendation: Withdraw of previous consent order and authorization of a civil penalty in the amount of \$4,000 for temporary tag violations. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#109. Case No.:** 2015017171

Complaint opened due to allegations of employing unlicensed salespeople, investigation found the presence of numerous salespeople who sold vehicles before Staff's receipt of their application, or without having applied to the Commission at all. Following numerous discussions between legal and Respondent's attorneys, settlement amount of \$12,500 was reached.

**Recommendation: Authorization of a civil penalty in the amount of \$12,500 for employing unlicensed sales people. Respondent also to agree to Commission's interpretation of Tenn. Comp. R. & Regs. 0960-01-.26(1). To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#110. Case No.:** 2013013411

Commission originally authorized a civil penalty in the amount of \$5,000 for unlicensed activity. Following discussions between legal and Respondent, settlement reached in the amount of \$2,500.

**Recommendation: Authorization of a civil penalty in the amount of \$2,500 for unlicensed activity. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#111. Case No.:** 2013010931  
2013010931

Commission originally authorized a civil penalty in the amount of \$4,000 for unlicensed activity. Following discussions between legal and Respondent, settlement reached in the amount of \$2,000.

**Recommendation:**

**Respondent 1: Authorization of a civil penalty in the amount of \$1,000 for unlicensed activity. To be settled by consent order or formal hearing.**

**Respondent 2: Authorization of a civil penalty in the amount of \$1,000 for unlicensed activity. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#112. Case No.:** 2014017321

Commission originally authorized a civil penalty in the amount of \$20,000. Following lengthy discussions with Respondent, Respondent agreed to settlement amount of \$18,200.

**Recommendation: Authorization of a civil penalty in the amount of \$18,200 for unlicensed activity. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#113. Case No.:** 20150226981  
20150226983  
20150226984

Commission originally authorized revocation of Respondent 1 dealer and Respondent 3/4 salesperson licenses. Following lengthy negotiations between legal and Respondent's attorney, and the review of several pieces of new evidence, a settlement of \$7,500 was reached.

**Recommendation: Authorization of a civil penalty in the amount of \$7,500 for deceptive acts, failure to post business hours, failure to produce records, failure to notify commission of a name change and failure to use proper conditional delivery agreement. To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#114. Case No.:** 2014028411

Commission originally authorized civil penalty for expired city/county business license. Respondent dealer is now confirmed to be closed.

**Recommendation: Close**

**Commission Action: Approved**

**#115. Case No.:**  
2015010611 2015010612  
2015016141 2015016142  
2015018531 2015018532  
2015018533 2015018534  
2015018535 2015020451  
2015020452 2015020453  
2015020454 2015020455  
20150219521 20150219522  
20150219523 20150219524

20150219525	20150220171
20150220172	20150220173
20150220174	20150220175
20150224111	20150224112
20150224113	

Respondents have been assessed multiple civil penalties over the last year and a half for unlicensed activity. The Tennessee Department of Commerce and Insurance (the, "Department") filed a Notice of Hearing and Charged with the Secretary of State, Administrative Procedures Division and this matter was set to be heard on July 22, 2016. Despite the department's best efforts, its numerous attempts to locate Respondents were unsuccessful. It appears the various Respondents have ceased unlicensed operations in the state.

**Recommendation: Close and Flag. Should Respondents reappear the cases may be re-opened.**

**Commission Action: Approved**

**#116. Case No.:** 201501119

Notice of violation issued for incomplete temporary tag log, evidence provided is for the wrong dealership.

**Recommendation: Close**

**Commission Action: Approved**

**#117. Case No.:** 2015011271

Respondent original issued a civil penalty of \$14,000 for unlicensed sales. Following discussions between Respondent and legal, Respondent has elected to voluntary revocation of its dealer license in lieu of paying the civil penalty.

**Recommendation: Accept voluntary revocation of Respondent's dealer license.**

**Commission Action: Approved**

**#118. Case No.:** 201504881

Respondent original issued a civil penalty for unlicensed sales. Subsequent investigation has confirmed that Respondent dealer is out of business and has vacated their lot.

**Recommendation: Close and Flag**

**Commission Action: Approved**

**SUBJECT: MVC Supplemental Legal Report**

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**#1. Case No.: 2016030411  
2016031641**

Complainant failed to assert a claim of a violation of the Commission's rules or laws, or the Respondent, through its response, has shown that no violation occurred.

**Recommendation: Close**

**Commission Action: Approved**

**#2. Case No.: 2016031731**

Complaint withdrawn or Complainant has failed to reasonably cooperate with investigation.

**Recommendation: Close**

**Commission Action: Approved**

**#3. Case No.: 2016030221**

Complaint alleges Respondent advertised a vehicle as a Prius 4 and sold them the vehicle under the pretense that it was a Prius 4, when in fact it was a Prius 2. Complainant provided advertisements proving its claim. Respondent dealer failed to contradict complain in its response.

**Recommendation: Authorization of a civil penalty in the amount of \$1,000 (1 x \$500 for deceptive act, 1 x \$500 for deceptive advertisement). To be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#4. Case No.: 2016030331  
2016030332**

Complainant alleges Respondent failed to produce title/registration in a timely manner. Respondent is a known unlicensed dealer in the area and is currently in litigation with the department for multiple unlicensed acts.

**Recommendation:**

**Respondent 1: Close**

**Respondent 2: Authorization of a civil penalty in the amount of Five Thousand Dollars (\$5,000) for unlicensed sales (multiple offenses and currently in litigation), to be settled by consent order or formal hearing.**

**Commission Action: Approved**

**#5. Case No.: 2016019821  
2016019822  
2016019823**

Staff received information indicating that Respondent 3 may be acting as an unlicensed salesperson through Respondent 1 and 2. An investigation was conducted to determine the extent of Respondent 3's unlicensed activity and how Respondent 1 and 2 were associated

with Respondent 3. The investigation revealed that while the Complainant assumed that the three Respondents were connected because they shared the same last name, they were not. However, the investigation did reveal that Respondent 3 was acting as an unlicensed dealer in the state of Tennessee and had purchased at least eighty-two (82) vehicles using a Texas license. Respondent 3 provided the investigator with an affidavit admitting to purchasing the eighty-two (82) vehicles, but the investigator could only obtain evidence of seventeen (17) sales.

**Recommendation:**

**Respondent 1:** Close

**Respondent 2:** Close

**Respondent 3:** Authorization of a civil penalty in the amount of \$8,500 (17 x \$500 vehicles sold by an unlicensed individual). To be settled by consent order or formal hearing.

**Commission Action:** Approved

Commissioner Jackson noted that Commissioner Norton recused himself from #69 on the legal report, and Commissioner Jackson moved to approve the legal report with the amendment of Case #117. Commissioner Vaughan seconded.

**Voice Vote – Unanimous**

**Motion Carried**

Attorney Matthew Reddish conveyed to the Commission he had been asked to request if any Commissioners had any legislative proposals they would like legal to work on.

Chairman Roberts moved to the proposed emergency RV rule and proposed RV rules. Mr. Reddish indicated they had the exact same language and reminded the Commission of the last legislative update. Mr. Reddish went on to explain the new licensing profession created by the passed legislation for RV Dealers. Mr. Reddish indicated the emergency rule would allow the Commission to charge the licensing fee and that the remaining changes applied to

the rules containing consumer protection and other standards currently being applied to motor vehicle dealers will apply to Recreation Vehicle Dealers.

Mr. Reddish explained to the Commission the nuances of the need for the emergency rule and why it was time sensitive.

Anthony Glandorf, Chief Counsel, addressed the Commission regarding the emergency rule and how the law applied to the emergency rule in regards to the time frame of needing the rule passed immediately.

Chairman Roberts requested staff word a motion for the Commission regarding the adoption of the rule.

Commissioner Leavy made a motion to approve the emergency rules as proposed by staff, 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>Joe Clayton</b>	<b>YES</b>
<b>John Murrey</b>	<b>YES</b>
<b>Ronnie Fox</b>	<b>YES</b>
<b>Stan Norton</b>	<b>YES</b>
<b>Farrar Vaughan</b>	<b>YES</b>
<b>Nate Jackson</b>	<b>YES</b>
<b>Ian Leavy</b>	<b>YES</b>
<b>Steve Tomaso</b>	<b>YES</b>
<b>Victor Evans</b>	<b>YES</b>

**MOTION CARRIED**

Mr. Reddish then read the Regulatory Flex Questions into the record. Commissioner Leavy made a motion to approve the Regulatory Flex Questions, 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>Joe Clayton</b>	<b>YES</b>
<b>John Murrey</b>	<b>YES</b>
<b>Ronnie Fox</b>	<b>YES</b>
<b>Stan Norton</b>	<b>YES</b>
<b>Farrar Vaughan</b>	<b>YES</b>

<b>Nate Jackson</b>	<b>YES</b>
<b>Ian Leavy</b>	<b>YES</b>
<b>Steve Tomaso</b>	<b>YES</b>
<b>Victor Evans</b>	<b>YES</b>

**MOTION CARRIED**

Mr. Reddish then indicated he was going to read the Regulatory Reflex Addendum and the Economic Impact Statement. Motion was made by Commissioner Leavy to approve, 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>Joe Clayton</b>	<b>YES</b>
<b>John Murrey</b>	<b>YES</b>
<b>Ronnie Fox</b>	<b>YES</b>
<b>Stan Norton</b>	<b>YES</b>
<b>Farrar Vaughan</b>	<b>YES</b>
<b>Nate Jackson</b>	<b>YES</b>
<b>Ian Leavy</b>	<b>YES</b>
<b>Steve Tomaso</b>	<b>YES</b>
<b>Victor Evans</b>	<b>YES</b>

**MOTION CARRIED**

Anthony Glandorf presented the Commission with a letter from Insurance Auto Auctions regarding a current rule filed at the Secretary of State's office regarding the disclosure of salvaged vehicles. Mr. Glandorf reminded the Commissioner of the need for the rule and the construction of the form which was done by staff and with the assistance of others in the industry. IAA believes this rule will create a hardship and be overly burdensome to them since they only sell to dealers and not the public. IAA indicated they acknowledge on their website whether a vehicle is salvaged and believe the rule would be redundant in their case. Mr. Glandorf indicated to the Commission that it would be possible for IAA to sell to individuals because of newly passed legislation. He went on to explain that the rule is already filed and cannot be altered or amended. If the Commission wished to alter the rule, it would have to be pulled and the Commission would need to start over. IAA is requesting the Commission write in an exception regarding the requirement to disclose salvage/rebuilt status of those licensees who claim to only sell to dealers.

Bob Weaver addressed the Commission for clarity on the spirit and intent of the notice.

Chairman Roberts requested legal staff write a letter in response to the letter submitted by IAA.

## **NEW BUSINESS**

Chairman Roberts moved to New Business to make a determination regarding the next year's calendar. The proposed dates were shared with the Commission and Chairman Roberts indicated that the dates would be used as they were presented.

## **QUARTERLY COMMISSION MEETING**

January 23 – 24, 2017 (Second Day – Formal Hearing)

April 24 – 25, 2017 (Second Day – Formal Hearing)

July 24 – 25, 2017 (Second Day – Formal Hearing)

October 23 – 24, 2017 (Second Day – Formal Hearing)

## **SPECIAL DATES (FORMAL HEARINGS BEFORE THE COMMISSION)**

February 8, 2017

March 15, 2017

May 17, 2017

June 14, 2017

September 13, 2017

December 6, 2017

## **COMMITTEE DATES**

February 7, 2017

May 16, 2017

August 16, 2017

November 8, 2017

Chairman Roberts indicated to move ahead and use this calendar.

## **OLD BUSINESS**

Chairman Roberts entertained the amended agenda regarding the proposed process of the temporary tag log compliance schedule. Chairman Roberts indicated that this stemmed

from Chairman of Government Operations Committee, Jeremy Faison, regarding first time offenders being heavily penalized. This Temporary Tag Log schedule allows for voluntary compliance and takes into account the frequency of violations of a licensee.

Commissioner Jackson moved to approve the temporary tag log schedule, Commissioner Vaughan seconded.

**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>Joe Clayton</b>	<b>YES</b>
<b>John Murrey</b>	<b>YES</b>
<b>Ronnie Fox</b>	<b>YES</b>
<b>Stan Norton</b>	<b>YES</b>
<b>Farrar Vaughan</b>	<b>YES</b>
<b>Nate Jackson</b>	<b>YES</b>
<b>Ian Leavy</b>	<b>YES</b>
<b>Steve Tomaso</b>	<b>YES</b>
<b>Victor Evans</b>	<b>YES</b>

**MOTION CARRIED**

Chairman Roberts called for a motion to adjourn.

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

**Meeting Adjourned**

**Eddie Roberts, Chairman**

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