

BEFORE THE MOTOR VEHICLE DEALER BOARD

STATE OF COLORADO

Case No. BD17-0224 & BD16-2120

STIPULATION AND FINAL AGENCY ORDER

IN THE MATTER OF: **BALBOA AUTOMOTIVES, LLC**
 d/b/a BALBOA AUTOS
 MOTOR VEHICLE DEALER
 LICENSE # 42518

Respondent.

IT IS HEREBY STIPULATED & AGREED by and between the Colorado Department of Revenue, Auto Industry Division (“Division”), Motor Vehicle Dealer Board (“Board”) and Balboa Automotives, LLC., d/b/a Balboa Autos, (“Respondent”) (collectively the “Parties”) in lieu of further legal action:

1. The Board has jurisdiction over Respondent and the subject matter of this Stipulation and Final Agency Order (“Order”) as set forth in article 6 of Title 12, C.R.S. and the Administrative Procedure Act, article 4 of Title 24, C.R.S.

2. Respondent has been licensed as a motor vehicle dealer in the State of Colorado at all times relevant herein.

3. The Board has alleged that Respondent violated the following:

- A. Failing to disclose any of the material particulars required to be stated or furnished to the buyer in violation of section 12-6-118(3)(i) C.R.S.;
- B. Employing an unlicensed motor vehicle salesperson in violation of section 12-6-118(3)(n), C.R.S.;
- C. Knowingly allow a person to exercise the privileges granted under a license they do not hold in violation of section 12-6-109 C.R.S.;
- D. Failure to disclose requirements upon transfer of ownership of a salvage vehicle in violation of section 12-6-118(3)(o), C.R.S., To Wit: section 42-6-206, C.R.S.;
- E. Failure to facilitate initial registration of a vehicle in violation of section 12-6-118(3)(o), C.R.S., To Wit: section 42-6-112, C.R.S.;

- F. Failure of the creditor to give the consumer a proper notice of right to cure as described in section 5-5-110, C.R.S. in violation of section 12-6-118(3)(o), C.R.S., To Wit: section 5-5-111(2), C.R.S.;
 - G. Forgery with intent to defraud, falsely completes a written instrument in violation of section 12-6-118(3)(o), C.R.S., To Wit: 18-5-102 C.R.S.
4. The Respondent understands that:
- A. Respondent has the right to be represented by an attorney of the Respondent's choice, at the Respondent's expense [and is so represented];
 - B. Respondent has the right to a formal hearing in accordance with article 6 of Title 12, C.R.S.;
 - C. By entering into this Order, Respondent knowingly and voluntarily waives the right to a hearing, and relieves the Board of its burden of proving the violations alleged herein;
 - D. Respondent knowingly and voluntarily waives the right to present a defense by oral and documentary evidence, and to cross-examine witnesses who would testify on behalf of the Board; and,
 - E. Respondent knowingly and voluntarily waives the right to judicial review of this matter.
5. Respondent acknowledges receipt of sufficient notice, sufficient advisement of rights, and sufficient process in the proceedings of this case, and desires to resolve all issues, which were the subject of the investigation, by entering into this Stipulation and Final Agency Order.
6. The Respondent admits to the counts alleged in paragraph 3 of this Stipulation and Final Agency Order.
7. Respondent agrees, in lieu of subsequent administrative proceedings, to submit to the following sanctions:
- A. Respondent's motor vehicle dealer license has been suspended for thirty-eight (38) days with credit for time served under the summary suspension order served on Respondent on June 20, 2017. The suspension is removed upon approval of this Stipulation and Final Agency Order by the Board.
 - B. Respondent shall pay a fine \$10,000.00 for the admissions in paragraph 6 above. The Respondent agrees \$2,000.00 of the \$10,000.00 fine shall be payable in four quarterly payments of \$500.00. The first payment will be due on 15th day of August with the remaining payments due on November 15, 2017, February 15, 2018 and May 15, 2018.

- C. The remaining balance, amounting to \$8,000.00, will be held in abeyance for a period of one (1) year provided there are no additional violations of the statutes and regulations pertaining to motor vehicle dealers or commerce, committed by the Respondent dealership during the one (1) year following the date this Order is approved by the Board.
 - D. Respondent shall, prior to the approval of this Stipulation and Final Agency Order by the Board, complete one training session by a Pre-licensing Education Program Provider approved by the Board. Respondent will provide proof of completion to the Board, via the Executive Secretary for the Motor Vehicle Dealer Board, within ten (10) days after the training is completed. The Respondent shall be responsible for all costs associated with the training.
 - E. The Respondent shall contract with an independent person/agency/organization for on-site, training and monitoring audits. Respondent shall contract for four (4) training and monitoring audits to be completed within the first six (6) months of the probationary period. The independent person/agency/organization must be approved by the Executive Secretary for the Motor Vehicle Dealer Board prior to the first training and monitoring audit. Respondent shall assure that the approved independent person/agency/organization will file reports, within fifteen (15) days of the conclusion of each training and monitoring audit, with the Auto Industry Division regarding Respondent's progress. Respondent shall be responsible for all costs associated with the training and monitoring
 - F. Respondent will develop a new business plan which will include policies and procedures that will ensure compliance with all statutes and regulations. The plan and polices will be completed within 60 days and forwarded to the Board, via the Executive Secretary for the Motor Vehicle Dealer Board, to be included in the Board file.
8. If Respondent commits a future violation of any statute or regulation listed in paragraph 3 of this Order within 24 months of the date this Order becomes effective, Respondent understands that the violations admitted will be used for the purpose of establishing the appropriate sanction for the new violation.
9. Respondent agrees to strictly adhere to and to completely fulfill all requirements established in this Order.
10. This Order will not become an order of the Board unless and until the Board approves it. If this Order is not approved by the Board, it is void, and the Parties shall not be bound by any provisions hereof or admissions herein.
11. Each Party shall bear its own costs and fees incurred in this action.
12. This Order is the complete integration of all understandings between the parties. No addition, deletion, or amendment, shall have any force or effect whatsoever, except as mutually agreed to in a writing signed by both Parties.

13. The Parties agree to cooperate fully and to execute any and all supplementary documents and to take all additional actions necessary or appropriate to give full force and effect to the terms and intent of this Order.

14. The provisions of this Order shall be enforceable by the Parties before the Colorado Motor Vehicle Dealer Board, by any lawful remedy.

15. Respondent expressly acknowledges having read and understood completely the terms of this Order. Respondent enters this Order knowingly and voluntarily, after the opportunity to consult with counsel, and with full understanding of the legal consequences of this Order. Respondent expressly states the terms of this Order are fair, conscionable, and appropriate to reach a full and final resolution of this disciplinary matter.

16. This Order and all its terms shall have the same force and effect as an order entered by the Board after hearing pursuant to article 6 of Title 12, C.R.S. except that this Order cannot be appealed.

17. Respondent agrees that any violation of this Order may constitute grounds for disciplinary action and, if proven, may constitute a basis for further sanctions or for any other remedy authorized by law.

18. If this matter is referred to hearing for violation of this Order, this Order shall be admissible as evidence.

19. If an alleged violation of this Order is taken to hearing and the facts that constitute the violation are not proven, the Board shall not impose any additional sanction and this Order shall remain operative and in full force and effect. Respondent must comply with the terms of this Order during the pendency of, and after the conclusion of, such disciplinary action.

20. Once effective, this Order becomes a public record in the Board's custody at all times.

21. Effective Date. This Order becomes an order of the Board when accepted by the Board and signed by an authorized representative of the Board.

22. This Order is a full and final resolution of case number BD17-0224 and BD16-2120 including investigative cases 16-2291, 17-0224, 17-0730, 17-0731, 17-0746, & 16-3271. This Order does not resolve any other cases, complaints or matters, known or unknown to the Parties, as of the effective date of this Stipulation and Final Agency Order.

23. Respondent shall immediately provide written notice to the Board of any change of Respondent's address. Any notice required under this Order shall be valid if provided, in writing, to the last known written address provided to the Board by Respondent, which currently is:

Balboa Automotives, LLC
d/b/a Balboa Autos
5301 W. Colfax
Lakewood, CO 80214

24. All correspondence and notices to the Board must be provided to the Board at the following address:

Colorado Department of Revenue, Auto Industry Division
Attention: Bruce A. Zulauf, Division Director/Executive Secretary
1881 Pierce Street, Suite 112
Lakewood, Colorado 80214

25. Should any term or provision of this Order be declared invalid or become inoperative for any reason, such invalidity or failure does not affect the validity of any other term or provision hereof.

26. This Order may be signed in counterparts, each of which has full force and effect upon execution by all Parties.

27. Respondent warrants that it possesses the legal authority to enter into this Order and that it has taken all actions required by its procedures, by-laws, and/or applicable laws to exercise that authority, and to lawfully authorize its undersigned signatory to execute this Order and to bind Respondent to its terms.

28. The person executing this Order on behalf of Respondent warrants that such person has full authorization to execute this Stipulation and Final Agency Order.

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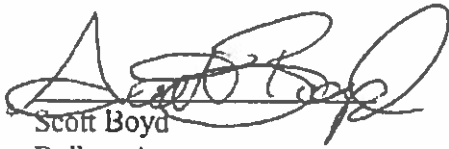
SIGNATURE PAGE TO FOLLOW

AGREED TO BY:

Bruce A. Zulauf
Director/Executive Secretary
Auto Industry Division
Motor Vehicle Dealer Board

Date

FOR THE RESPONDENT:



Scott Boyd
Balboa Autos

Date 7/13/2017

APPROVED AS TO FORM:

Michael McKinnon, #24689
Attorney for Respondent

Date

Bradford Jones, #42583
Assistant Attorney General
Attorney for the Board

Date

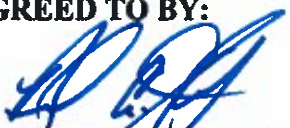
The Order is approved and its terms are hereby adopted as an Order of this Board.

ORDERED AND ENTERED this _____ day of _____, 2017.

COLORADO MOTOR VEHICLE DEALER BOARD

BY: _____
Stan Martin, President

AGREED TO BY:



Bruce A. Zulaut
Director/Executive Secretary
Auto Industry Division
Motor Vehicle Dealer Board

7/27/17

Date

FOR THE RESPONDENT:

Scott Boyd
Balboa Autos

Date

APPROVED AS TO FORM:



Michael McKinnon, #24689
Attorney for Respondent

7/17/17

Date

Bradford Jones, #42583
Assistant Attorney General
Attorney for the Board

Date

The Order is approved and its terms are hereby adopted as an Order of this Board.

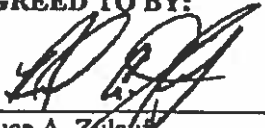
ORDERED AND ENTERED this 27TH day of July, 2017.

COLORADO MOTOR VEHICLE DEALER BOARD

BY: 

Stan Martin, President

AGREED TO BY:



Bruce A. Zulauf
Director/Executive Secretary
Auto Industry Division
Motor Vehicle Dealer Board

7/27/17


Date

FOR THE RESPONDENT:

Scott Boyd
Balboa Autos

Date

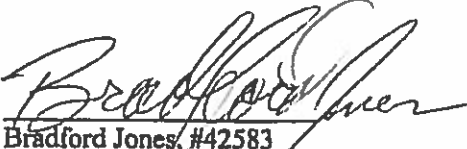
APPROVED AS TO FORM:



Michael McKinnon, #24689
Attorney for Respondent

7/17/17

Date



Bradford Jones, #42583
Assistant Attorney General
Attorney for the Board

7/28/17

Date

The Order is approved and its terms are hereby adopted as an Order of this Board.

ORDERED AND ENTERED this 27TH day of July, 2017.

COLORADO MOTOR VEHICLE DEALER BOARD

BY: 

Stan Martin, President

CERTIFICATE OF SERVICE

This is to certify that I have duly served the within STIPULATION AND FINAL AGENCY ORDER upon all parties herein by depositing copies of same in the United States mail, first-class postage prepaid, at Denver, Colorado, and personal service (as noted), this 28th day of July 2017, addressed as follows:

Mr. Scott Boyd
Balboa Autos
5301 W. Colfax
Lakewood, CO 80214

Michael G. McKinnon, Esq.
5984 South Prince, Suite 100
Littleton, Co. 80120

Bradford C. Jones, Esq.
Assistant Attorney General
Colorado Department of Law
1300 Broadway, 8th Floor
Denver, CO 80203

Bruce A. Zulauf, Executive Secretary
Colorado Motor Vehicle Dealer Board
Director, Auto Industry Division
1881 Pierce Street, Room 112
Lakewood, CO 80214
(Placed in Board File)



Arleen Criddell-Tapanen
Assistant to Director