



**Newsletter of the
Colorado Motor Vehicle
Dealer Board
and
Auto Industry
Division**

April 2002, Vol. XXVIII, No.2

Director's Desk *by Kirk Martelon, Executive Secretary*

Mandatory Disqualifiers – The Board has “no” discretion to issue a license

There still seems to be a lot of confusion and false hope by applicants who have been convicted of a mandatory disqualifier. Beginning on July 1, 1998, **Denial is mandated by state law** when an applicant for any license has been convicted of or pled no contest to any of the following offenses in Colorado or any other jurisdiction during the previous ten (10) years: 1) A felony in violation of Article 3, 4 or 5 of Title 18 C.R.S., or any similar crime under federal law or the law of any other state; or 2) A crime involving odometer fraud, salvage fraud, motor vehicle title fraud, or the defrauding of a retail consumer in a motor vehicle sale or lease transaction.

Article 3 covers crimes against persons such as murder, assault, kidnapping, sexual assault, custody violation, menacing weapon, vehicular homicide, manslaughter, criminal extortion and enticing a child. **Article 4 covers crimes against property** including

arson, theft, burglary, robbery, criminal mischief over \$400, criminal trespass in the 1st degree and unlawful transfer for sale (copyright infringement). **Article 5 covers offenses involving**

fraud including forgery, criminal possession of a forged or forging instrument, criminal impersonation, fraud by check (over \$400), commercial bribery, bribery in sports and equity skimming.

Dealers, if your salesperson applicants have been convicted of or pled no contest to these offenses, **their license application will be denied – the Board has “no” discretion to issue a license.** Remember that the applicant's background is checked through the Colorado Crime Information Center (CCIC). Save yourself time and energy; be prudent in what applications you accept.

ROUTING BOX

Owner
Finance Manager
General Manager
Sales Manager



New Location for Colorado Springs AID Offices



In February 2002, the Auto Industry Division, Colorado Springs office moved to 4420 Austin Bluffs Parkway. (four blocks East of Academy Blvd.) on the North side of Austin Bluffs Parkway.

Investigator Alan Pfeiffer and Compliance Specialist Kathy Williams are now located at the new Regional Service Center, along with the Drivers License, Tax, Emissions, Audit, Liquor, Tobacco and Hearings offices. This is also the location for the Dealer Seminars held at 10:00 A.M. on the first Tuesday of every month.

As a convenience to Dealers, information is available concerning licensing requirements; off premise sales; location changes; and compliance audits. Kathy is available during the day to handle inquiries and take complaint forms. She can also be reached at 719-594-8704 or fax 719-594-8713. Because Alan's investigative area encompasses counties from Colorado Springs to Burlington, Springfield, Wolf Creek Pass and Leadville, he is often out of the office; however, appointments can be made by calling 719-594-8711.

Licensing Leads *by Debby Shriver, Acting Licensing Manager*

Changing Class

When a dealer is changing **from a wholesale license to a retail license** (a change of class), the applicant must complete the License Change of Class Application (DR-2658) as well as a financial statement (DR-2114). The purpose of the financial statement is to up-date the dealership's records and determine the financial fitness of the retail business. If the dealership is set-up as an individual, a financial statement from the individual owner is required. If the dealership is a partnership, a financial statement is required for each

partner. If the dealership is a corporation or an LLC, a financial statement is required for the corporation or the LLC. The License Change of Class Application and the financial statement can be obtained from our web site or you may call our office. The process takes about seven to ten days. Please submit the application at least ten days prior to the effective date of the change.

Investigation Insight *by Supervisor Investigator Mary Marvin*

Forgery of convenience

Investigations are seeing more and more "convenience forgeries" on title documents. Forgot to get customer's signature on a power of attorney; lost the title and don't want to bother the customer? Some dealerships believe it is okay to sign a customer's name to a title document so as not to inconvenience the customer or because the customer cannot be located; believing no harm no foul. The dealership could be found in violation of state statute. Any person who makes any

application for a certificate of title or transfer thereof and who upon such application or transfer swears or affirms willfully and falsely in a matter material to any issue or point, is guilty of perjury in the second degree. Complaints of this nature will be referred to the Dealer Board and criminal charges may be filed by AID Investigations. Dealers and salespersons, avoid trouble by taking the time to secure your customer's signature.



Compliance Corner *by Supervisor Mary Marvin*

Audits

Many dealers are concerned when contacted by the AID auditor. Remember an audit is an educational tool to help bring dealers into compliance with the Motor Vehicle Industry Laws and Regulations. AID conducts routine audits of all dealerships. No one dealership is singled out. Ask some of your Dealer Board members, even they have been audited. AID does conduct Board ordered audits; but, only if the dealership has been subject to disciplinary action. The AID auditor will check

the location to ensure the location meets all requirements; will check vehicles, licenses, titles and MCOs, odometer affidavits, deal jackets for required sales documents, and temporary permits to ensure compliance of Colorado Laws and Regulations. If the auditor does find a problem, the auditor will educate the dealer to ensure future compliance. If you have any questions or concerns, the time to ask would be during the audit.



State of Colorado-Sales Tax Information System

by Taxpayer Service Division

New Automated Services for and about Businesses

The Colorado Department of Revenue Sales Tax Information System provides the following automated services:

- Colorado Sales Tax Rates – find specific city, county and special district rates.
- Verification of Sales Tax License Exemption Numbers – determine whether a Colorado sales tax license or exemption certificate is valid.
- Tax Rates by Account Number – find sales tax rates and locations for specific sales tax accounts.

These services make it possible for taxpayers to help themselves to information 24 hours a day – without requiring the assistance of a customer service representative. In this way, more complicated or confidential tax information inquiries can be reserved for speaking to a live agent.

Listen and look for these services on the department's business tax information phone line at 303-238-FAST (3278) for specific account information, 303-238-SERV (7378) for general information OR the DOR Web site at www.taxcolorado.com.

Web users can try the new system on line at www.taxview.state.co.us. We are interested in your comments about the system. You can send us an e-mail with your comments through our Department of Revenue Web site.

Are you reporting your sales taxes using the correct tax rate for your business location?

To verify your rates, check the Web site and click on "Verification of Sales Tax Rates for Business Locations". If your business location does not have the correct location address, you should contact the department so we may correct your account.

DEALER BOARD MEMBERS

President, Steve Perkins

First Vice President, Fred Emich

Second Vice President, Leo J. Payne

Gretchen Eberhardt, Jeff Carlson,

Mark Striegnitz, Jim Varner, Jon Kroneberger

Executive Secretary, Kirk J. Martelon

AUTO INDUSTRY DIVISION

Division Director, Kirk J. Martelon

Acting Licensing Manager, Debby Shriver

Investigator Supervisor, Mary Marvin

Public Information Officer, Kaye Kopecky

Correspondence is welcome. Address to:

Auto Industry Division

1881 Pierce Street, Lakewood, CO 80214

Phone: (303) 205-5604 FAX: (303) 205-5977

E-mail: dealers@spike.dor.state.co.us

Internet: www.mv.state.co.us/dealer.html

C A L E N D A R

Dealer Board Business Meeting: Second Tuesday of each month at 9:00 am, 1881 Pierce St, Lakewood.

Dealer Board Hearings: Fourth Tuesday of each month, if necessary, at 9:00 am, 1881 Pierce St, Lakewood.

License Law Seminar - Colorado Springs: First Tuesday of each month at 10:00 am, 4420 Austin Bluffs Pkwy, Colorado Springs.

License Law Seminar - Lakewood: Third Tuesday of each month at 9:00 am, 1881 Pierce St, in the Department of Revenue Building, Conf. Rm. C, Lakewood.

Note: Times and locations are subject to change.

Call the Auto Industry Division at (303) 205-5784.

Please note: While every effort is made to make the information in *Wheels* as accurate and helpful as possible, it is not offered as a substitute for legal advice.

DEALER BOARD ACTIONS

John MacAdams, dba US Sales and Leasing, Inc.-Lakewood-#3096 – failure to deliver title within 30 days; failure to perform any written agreement; defrauding any buyer or seller. **LICENSE REVOKED.**

Henry Stepp, dba Banker Auto Outlet, Inc.-Denver-#7881 - failure to deliver title within 30 days; failure to issue a certificate of emissions; employing unlicensed salesperson; fraudulent or illegal sale. **\$130,000 FINE, LICENSE REVOKED, RESTITUTION.**

Paul H Graffis, dba Graffis Motors, Inc.-Cortez-#7471 – failure to deliver title within 30 days; failure to perform any written agreement; defrauding any buyer or seller. **LICENSE REVOKED.**

William Moreland, dba Skyline Automotive, Inc.-Thornton-#8346 – advertising Rules 3 and 13. **\$2,000 FINE, 6 MONTHS PROBATION, RESTITUTION.**

William C Cox, dba Universal Motors aka Tagamet Motors, Inc.-Aurora-#7110 – default on stipulation. **\$62,000 FINE, LICENSE SUSPENDED FOR 5 YEARS, RESTITUTION.**

Shawn Warren and Larry Warren, dba Auto Specialists, Inc. –Commerce City-#4320 – failure to deliver title; failure to perform any written agreement; defrauding any buyer or seller; misuse of temporary permits; failure to inspect vehicle identification number; illegal sale. **\$80,000 FINE, LICENSE REVOKED, RESTITUTION.**

Christopher Hall, dba Christopher's Dodge World –Golden-#2366 – advertising Rules 3 and 13. **\$23,000 FINE, ONE DAY CLOSURE HELD IN ABEYANCE, 1 YEAR PROBATION.**

Richard Munslow, dba, ACLAIM-Denver-#4651 - failure to honor written agreement; failure to honor check/draft; defrauding any buyer or seller; failure to deliver title. **\$63,000 FINE, LICENSE REVOKED, RESTITUTION.**

Michael Bynum, Sr., dba East Coast Auto Sales-Denver-#8537 - failure to deliver title documents; defrauding any buyer or seller; failure to perform written agreement; failure to maintain posted hours. **\$4,000 FINE, 1 YEAR PROBATION, RESTITUTION.**

Stephen Compton, salesperson - misappropriating funds; fraudulent business practice. **\$5,000 FINE, 2 YEARS PROBATION, 5 DAY SUSPENSION, RESTITUTION.**

Arthur C Carter, salesperson – exercising a privilege granted under a license which such person does not hold. **\$3,000 FINE, 12 MONTHS PROBATION, RESTITUTION.**

Enjoy the lazy, crazy days of Spring!

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STATE OF COLORADO
MOTOR VEHICLE DEALER BOARD
DENVER CO 80261-0016

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