



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

August 2000, Vol. XXVI, No. 4

Dealer Board - New Members & New Officers

Motor Vehicle Dealer Board Elects 2000-2001 Officers

Elections were held July 11, 2000 for the Motor Vehicle Dealer Board 2000-2001 officers. **Mike Faricy** of The Faricy Boys Chrysler Plymouth Jeep in Colorado Springs was elected President of the Board. First Vice President is **Steve Perkins** of Centennial Leasing & Sales, Inc. in Lakewood. **Fred Emich** of Auto Nation USA was elected Second Vice President.

Faricy, Emich and **Lee Payne** of Planet Honda in Golden are the new vehicle representatives to the Dealer Board. **Perkins, Mike Weiman** of the Car Lot in Lakewood and **Mark Striegnitz** of Mark's Auto Sales, Inc in Denver represent used vehicle dealers. Public members of the Board are **Clair Villano** and **Jim Varner**. One of the public member positions is vacant.

Ron Rakowsky (former Board President) and **John Covert** left the Board after their terms expired. **Dwayne Dodd** (former Board President) resigned his seat after 5 years of service on the Board. The Board and Auto Industry Division staff extend their good wishes and gratitude to Ron, John and Dwayne.

Governor Owens re-appointed Lee Payne to a three-year term, appointed Striegnitz to a three-year term and appointed Weiman to complete Dodd's term.

Board members are appointed by the Governor for staggered three-year terms. The Board has the power to grant, deny, suspend and fine dealer and salesperson licenses. The Board

also is empowered to pass regulations that have the force of law as well as conduct hearings and monthly meetings. The yearly fees are also set by the Dealer Board.

The Dealer Board typically meets the second Tuesday of each month for a business meeting and the fourth Tuesday of each month for hearings. The meetings are open to people in the industry and the general public.

Weiman and Striegnitz Appointed To Motor Vehicle Dealer Board

Governor Bill Owens appointed **Mike Weiman** of Golden to the Motor Vehicle Dealer Board to fill out Dwayne Dodd's unexpired term. Mike will serve as a licensed used motor vehicle representative on the Board. Mike is the owner of The Car Lot in Lakewood.

At age 16, Mike began his automotive career as a lot man for Roger Mauro. He spent time as a salesperson, sales manager, general manager and business manager for the different Roger Mauro dealerships and nameplates including Chrysler, Plymouth, Dodge, Mazda, Ferrari and Mitsubishi. The financial aspect of the dealership is Mike's strength.

An ownership group including Mike opened The Car Lot in 1985. In 1989, Mike assumed sole ownership and has operated the dealership since that time.

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

Dealers need to be using the correct version of the "Disclosures Required As Part Of A Motor Vehicle Sales Contract". Amendments to Board Regulation 12-6-104(3)(k) became effective October 1, 1999 regarding when a dealer has agreed to arrange financing for a buyer. The purpose of the amendments to the regulation are intended to better disclose to a buyer who accepts spot delivery of a motor vehicle the potential impact of the interest rate to which the buyer agreed to purchase the vehicle, should the proposed financing terms not be approved by a lender.

You are free to approximate the monthly impact of the disclosed rate to adjust for payment terms of a more frequent

basis. For example, should a bi-weekly payment at the interest rate disclosed on the form be \$200, then a monthly payment may reasonably equate to \$433 per month. This is derived by multiplying \$200 x 26, then dividing the total by twelve.

The disclosure would give the buyer a reasonable estimate of the difference from what was initially agreed to by the dealer and buyer, with what it might cost the buyer should the anticipated financing not be approved.

The regulation is available on the Internet. Go to www.mv.state.co.us/dealer.html and then click on the regulation link.

Investigation Insight by Mary Marvin, Investigator Supvr.

Many dealers have the misconception that there must be a monetary amount of damage sustained to a vehicle before damage disclosure must be made to a purchaser. There is no set dollar figure of damages that must be disclosed. Motor Vehicle Industry Law and Regulations and Colorado Deceptive Trade Practice Laws state any material damage sustained to a vehicle at any one time from any one incident must be disclosed to the purchaser in writing prior to sale. Material has been defined as any information that may affect the customer's decision in determining whether to purchase a vehicle.

Dealers should disclose any damage, repaired or unrepaired, sustained to the vehicle that was known by the dealership. Recently, investigations of several consumer complaints revealed vehicles had been repaired by the service (body) department of

a dealership while in possession of the previous owner. Later the vehicle was traded into the dealership. The dealer sold the vehicle without disclosing the damage because the sales department was not made aware of the repairs done by their own service department. The responsibility rests on the dealership when that type information is readily available through the dealer's own service department.

Salvage Law does not require knowledge of the salvage status by any seller. Any time subsequent to sale, the purchaser is entitled to a full and immediate refund, if it is learned that the vehicle had been rebuilt from salvage. Salvage law protects both the consumer and the dealer. Dealers that accept trades and later learn the salvage status, are also entitled to an immediate refund.

continued from page 1 Weiman & Striegnitz Appointed To Board

Mike is a 1974 graduate of the University of Colorado at Boulder with a B.S. in Business Administration. Mike has continued his education by taking Master level courses at the University of Denver.

Organizations that Mike is involved with include the Colorado Independent Auto Dealers Association, National Independent Auto Dealers Association and the Premiere Dealer Finance Group. He is an avid snow skier during his leisure time. Mike and his wife Char recently celebrated their 30th wedding anniversary. They have one grown son, Troy.

Mike commented, "I love Colorado and the car business. I'm looking forward to the opportunity to give back to the State and the industry."

Governor Bill Owens appointed **Mark Striegnitz** of Lakewood to the Motor Vehicle Dealer Board as a licensed used motor vehicle dealer for a 3-year term. Mark is president of Mark's Auto Sales, Inc. located in Denver.

He spent over seven years in the new and used car sales field prior to opening his own dealership. Mark opened Mark's Auto Sales, Inc. in 1983.

Mark is a 1977 graduate of Western State College. He earned a B.S. in Business Administration.

He is a member of the National Independent Auto Dealers Association, the Colorado Independent Auto Dealers Association as well as past president of CIADA. He was also active with the West Colfax Partnership group.

Mark and his wife Leni have two children, Theodore age 16 and Anastasia age 14. Mark enjoys raising and riding horses, elk hunting and flying his own plane.

"As a used vehicle dealer, the most important asset a dealer has is his reputation. It is important that the people involved with the industry strive to make it a good reputable industry. I look forward to serving the people of Colorado and the industry as a member of the Dealer Board", Mark stated.

DEALERBOARD MEMBERS

President, Mike Faricy

First Vice President, Steve Perkins

Second Vice President, Fred Emich

Lee Payne, Mark Striegnitz, Jim Varner

Clair Villano, Mike Weiman

Executive Secretary, Kirk J. Martelon

AUTO INDUSTRY DIVISION

Division Director, Kirk J. Martelon

Licensing Manager, Larry Dyslin

Investigator Supervisor, Mary Marvin

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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, 3650 Austin Bluffs Pkwy, Ste. 188, in the Shops of the Bluffs Mall, Colorado Springs.

License Law Seminar - Lakewood: Third Tuesday of each month at 9:00 am, 1881 Pierce St, Conf. Rm. A, Lakewood.

Note: Times and locations are subject to change.

Call the Auto Industry Division at (303) 205-5604.

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.

Licensing Lot by Larry Dyslin, Licensing Manager

Swaney Joins Business Tax

Division Director **Kirk Martelon** announced that **Janet Swaney**, former Licensing Manager, has joined the Department of Revenue's Taxpayer Service as its Business Tax Manager. Janet assumed her new position on July 1st. Martelon and the Dealer Board expressed their thanks to Janet for her commitment to the Division and Board for the past 3 years. The Auto Industry Division staff and Dealer Board wish Janet the very best in her new job.

Dyslin Named Licensing Manager

Division Director Kirk Martelon also announced that **Larry Dyslin**, Assistant to the Executive Secretary of the Dealer Board, will also assume the role of Licensing Manager. Larry will oversee all the licensing functions, the public information program as well as his duties associated with the Dealer Board.

Larry has been involved with the Auto Industry Division since 1972. His experience includes being the Division Administrator and Board Executive Secretary. Martelon expressed his confidence in Larry when making the announcement.

Montoya Retires

Darlene Montoya retired June 30, 2000 after 20 years of service to the people of Colorado. Darlene was an administrative assistant for the Licensing Section. She was very visible to the people in the industry as she had covered the front walk-in counter for many years. The Division staff extends their best wishes to Darlene in her retirement.

Martinez and Rodriguez Join Staff

Licensing Manager Larry Dyslin is pleased to announce the addition of two members to the Licensing Section staff. **Tony Rodriguez** and **Ray Martinez** are the new administrative assistants. Tony's main responsibilities include staffing the front walk-in counter and processing salesperson licenses. Ray's duties include answering phones, processing mail and microfilming the licensing documents.

Compliance Corner by Mary Marvin

The Compliance Section has received an alarming amount of complaints regarding a simple advertising rule pertaining to delivery and handling (D&H) charges added to the advertised price. Advertising Rule #13 states that advertising is misleading when advertising the price of a vehicle without including all costs to the purchaser, except sales tax, finance charges and the cost of emission tests. No other charges of any kind may be omitted from the advertised price and disclaimed separately. D&H must be included in the advertised price.

Several recently completed compliance audits revealed D&H charges preprinted on the dealer's buyer's order with the charge then added to the advertised price. Dealerships that use automated processing of contractual documents that include the

Tony is a native of Colorado. He graduated from Adams City Senior High in Commerce City.

A lot of Tony's work experience has been in the retail display arena allowing him to use his natural artistic ability in the design and layout of displays. His artistic background also includes being a freelance greeting card designer for many clients, including Regis University and Mary Wilson (former singer with the Supremes) as well as designing calling cards.

Tony has been looking forward to the opportunity to work for the State. Tony commented that although he is new to the Auto Industry Division, his experiences have been interesting and he looks forward to new challenges.

Also a native of Colorado, Ray grew up in west Denver. He graduated from West High School before serving a 2-year stint in the Army. One of those years was spent in Viet-Nam.

Upon his return, Ray went to work for Coors Brewing Co. in Golden. His jobs at Coors were a press operator, safety officer and safety trainer.

Ray shared, "I welcome the opportunity presented by my new job and enjoy working in the Auto Industry Division. Why? I work for and with great people".

Staggered Licenses Require Special Attention When Renewing

Because all licenses are now 12-month licenses, great attention needs to be paid to the expiration dates of all reissued salesperson licenses. If a license is not renewed within 30 days of its expiration date, it will be considered an inactive license and an original application will need to be submitted.

Several instances have occurred where a salesperson's license reissue form was received here after the renewal application was sent to the former dealership. The new employing dealership did not send in the required paperwork to renew the license for the newly employed salesperson and that salesperson's license was not renewed. The Auto Industry Division does not send out an additional notification regarding the renewal for salespersons in the above mentioned scenarios.

addition of D&H must ensure that the base (selling) price of the vehicle and D&H charges combined do not exceed the advertised price.

Dealers may advertise, for example, \$10,000 plus \$289.50 D&H, for a total advertised price of \$10,289.50. Again, use caution that preprinted contractual forms do not include an additional D&H charge on advertised units. Dealers may not advertise a sales price as "\$10,000*" when the asterisk is used to disclose a separate charge for D&H.

The February 2000 issue of *Wheels* contains the 15 advertising rules established by the Dealer Board. The rules are also available on the Auto Industry Division's webpage at www.mv.state.co.us/dealer.html.

DEALER BOARD ACTIONS

David R. Reed, Salesperson - having pled guilty to a crime pursuant to Article 3, 4, or 5 of Title 18 C.R.S. and failing to notify Board of such conviction. **LICENSE REVOKED EFFECTIVE 7-1-2000.**

Eric Cangelosi, Salesperson - making a material misstatement on an application. **\$1000 FINE, 6-MONTH PROBATION.**

J.D. Byrider, Inc. #8236 (Denver) - failure to deliver title within 30 days. **\$2000 FINE, 6-MONTH PROBATION.**

Charles L. Backhaus, Salesperson - having pled guilty to a crime pursuant to a felony and failing to notify Board of such conviction. **30-DAY SUSPENSION, PROBATION CONCURRENT WITH DISTRICT COURT PROBATION.**

Nelson's Auto Body, Inc. #6430 (Glenwood Springs) - purchasing full-use plates when not authorized to do so. **\$1000 FINE, 6-MONTH PROBATION.**

Coachworks Auto, Inc. #8824 (Sheridan) - advertising to create the impression that a vehicle is being offered by a private party and misleading advertising. **\$2000 FINE, 1-YEAR PROBATION.**

Forrest Garrison, #1144 (Montrose) - selling from a non-licensed location, failing to keep records at principal location, acting as a salesperson without being licensed to do so, issuing temporary permits for vehicles not sold, employing an unlicensed salesperson, failing to disclose material damage, violating previous board order. **\$10,000 FINE, 3-YEAR SUSPENSION.**

Title & Registration Tips & Rules by Chris Lowe

On August 2, 2000, House Bill 00-1070 became effective. It allows temporary registration permits to be issued for a maximum of 60 days. There is no change in the fee, it remains \$2.00.

Dealers need to renew the tabs that go on their plates annually. Dealer full-use, demo and in-transit plates all have tabs that are renewed through their local county clerk. Depot plates are purchased annually through the Registration Section.

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