



Newsletter of the
Colorado Motor Vehicle
Dealer Board
and
Auto Industry
Division
December 2002, Vol. XXVIII, No.6

Linda Petkash Named Dealer Board Executive Secretary And Division Director

Linda Petkash was appointed as the new Auto Industry Division Director and Executive Secretary of the Motor Vehicle Dealer Board on September 1, 2002. Linda has worked for the state for over 26 years. The last nine years were with the Division of Gaming, also within the Department of Revenue. She is excited by her move to the Auto Industry Division. Linda stated, "I am looking forward to the future with the Auto Industry Division. I have an open communication and management style, and believe in developing good working relationships with all stakeholders to the industry."

Working for the Auto Industry Division must be in her genes...literally. Her great-grandfather had the first car dealership in Bristow, Oklahoma, where he started out selling Model T Fords. Family lore has it that he and her grandfather drove the first Model T from Kansas City to Bristow...well almost... they only made it two-thirds of

the way. Back then, there weren't any highways. While they were driving through a large pothole, he broke the front axle on a log that wasn't visible. He found a way to get it to the railroad where it "rode" the rest of the way. He was in business for 20 years.

Linda and her husband, Dale, have been married for over 15 years. Dale became an instant parent when they married as Linda already had two daughters, Michele now 30 and Meighen, 25. They also have two sons, Ian, 14 and Evan, 12, who keep them busy with their sports schedules. Linda and her family enjoy camping, fishing, and spending time at their cabin each year in Homer, Alaska.

ROUTING BOX

Owner
Finance Manager
General Manager
Sales Manager



Compliance Corner *by Supervisor Mary Marvin*

Off-Premise Permits

A request for an off-premise permit shall be made in writing and shall list the location and the date(s) of the sale. Contact the Licensing Section for the form or download the form from our web site at www.mv.state.co.us/dlr/dealer.html. The form must be submitted prior to the sale. The permit shall be available for inspection at the sale. The fee for an off-premise permit is \$60.00.

Ambiguous Contracts – AID has learned that several dealers are completing both a cash contract and a finance contract with their customers at the time of the initial contract. If the contract for the sale of a motor vehicle requires a single lump sum payment of the purchase price, it is construed as a cash contract with buyer's order

and Required Disclosure completed as such. If the contact is contingent upon approval of credit financing for the purchaser by the dealer it is construed as a dealer arranged finance transaction with buyer's order and Required Disclosure completed as such. Both contracts cannot be completed at the same time, at time of purchase. It must be made clear to the customer whether the contract is for cash or dealer arranged financing. If the customer cannot fulfill a cash contract and the dealer opts to arrange financing for the customer, a new contract may be completed at that time with a disclosure "this contact supersedes any and all others" - to prevent confusion.



Licensing Leads *by Debby Shriver, Licensing Manager*

Moving Ahead – County Access to Dealer Licensing Records



In early September, all county motor vehicle offices were given access to information relating to dealer licensing records. County Offices now have instant and current information relating to a licensed dealer's record.

The County Offices will be able to see information such as a dealer's number, whether or not the dealer's license is active or inactive, bond information, ownership information, additional location information, dealer franchise information (what a franchised dealer is authorized to sell new) and plate authorization. **All of this information is public record.**

The access will eliminate the need for County Offices to call the Auto Industry Division for this information and also eliminates the need for printing and distributing reports to County Offices twice a year. As for the dealer industry we feel this may even improve the processing of the dealer's titling paper work that occurs in the County Offices.

The Auto Industry Division is researching the possibility of allowing further access (maybe auctions) to the dealer information and even expanding and adding licensing records for salespeople.

Board Addresses Convenience Forgeries

by Mary Marvin, Supervisor Investigator

Investigations has notified the Dealer Board that a significant number of "forgery of convenience" by dealerships has been occurring. Many 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 is 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. Also, the dealership is guilty of Offering A False Instrument for Recording which is a class 1 misdemeanor. The Board has determined that the first such violation will warrant a formal warning letter which will become a permanent part of the dealer's record. Subsequent violations will be referred directly to the Board for a hearing where a fine will be assessed; the fine may be up to \$10,000 per violation per the Board discretion.

False Pretense Coverage, *by Jim R Taylor, Insur Group*

Most commercial insurance carriers offer coverage called "False Pretense" coverage or also known as extended theft coverage. This coverage is added to the auto physical damage coverage or Dealers Open Lot Coverage. Its purpose is to extend coverage for you voluntarily parting with an auto resulting from a trick, scheme, or criminal device. Since each scheme is unique each situation is different. The coverage was originally developed to cover "theft by conversion". When you give permission to a customer to operate a vehicle and the auto is not returned, this is theft by conversion not a stolen car. Most dealer physical damage coverage excludes theft by conversion. False pretense extends coverage to this exposure. Over the years the form has been extended to cover other types of losses resulting from counterfeit instruments, checks written on a closed account, false or

forged identities, social security numbers, or signatures.

Further, coverage is extended to a vehicle purchased by you with a forged, stolen, or invalid duplicate title.

Each policy form of false pretense coverage has limitations and exclusions. You should read the policy coverage form prior to purchasing the coverage to make an informed decision. In most instances the cost of the coverage is small.

We have seen an increase in this type of claim, which is probably a function of our current economic conditions. All dealers should be aware of the potential problems and avoid situations that may create losses. This is easier said than done. Today's accomplished thief is very good at deception. Wherever possible, know your customer and verify information given prior to delivery of an auto.

Previous Dealer Board Actions

Our apologies to Emmett Formby, dba Formby Interstate Ford – Dacono #508, for the incomplete Board Action as disclosed in the August 2002 Wheels. The stipulation entered into by the Board and Formby Ford was: \$20,000 fine of which \$19,500 was held in abeyance, 3 day suspension to be held in abeyance, and 3 months probation.

DEALER BOARD ACTIONS

Gregory A Maceau, dba Downtown Motor Cars, LLC-Colorado Springs #4228 – illegal transaction; financial record; failure to deliver title; defrauding any buyer/seller; failure to perform written agreement. **\$10,000 FINE, 30 DAY SUSPENSION (\$8,000 AND 30 DAY SUSPENSION HELD IN ABEYANCE FOR 18 MONTHS PROBATION IF FULL RESTITUTION IS MADE).**

Ray D Marks, dba Rocky Mountain Motor Company – Aurora #4531 – failure to deliver title (2 counts); defrauding any buyer/seller (2 counts); failure to honor written agreement (2 counts). **\$6,000 FINE, 1 YEAR SUSPENSION (\$5,000 AND 1 YEAR SUSPENSION HELD IN ABEYANCE FOR 2 YEARS PROBATION IF FULL RESTITUTION IS MADE).**

Jennie L and Richard F Wanecek, dba Metro Auto Sales – Lakewood #7150 – failure to honor written agreement (6 counts); defrauding any buyer/seller (11 counts); illegal sale (11 counts); failure to honor check/draft (3 counts); failure to deliver title (2 counts). **\$165,000 FINE (\$148,500 HELD IN ABEYANCE IF FULL RESTITUTION IS MADE) LICENSE REVOKED.**

Jeffrey Felker, dba Colorado Motor Company – Denver #8060 – nondelivery of title (2 counts); defrauding any buyer, seller or financial institution (12 counts); illegal sale/transaction (8 counts); false oath (7 counts); defrauding a secured creditor (12 counts); perjury in the 2nd degree (7 counts); false instrument for record (7 counts); license character record (55 counts). **\$110,000 FINE, (\$99,000 HELD IN ABEYANCE IF FULL RESTITUTION IS MADE) LICENSE REVOKED.**

Robert Bailey, dba Choice 1 Auto Sales – Colo Springs #4811 – failure to perform written agreement (19 counts); defrauding any buyer/seller (19 counts); failure to honor check/draft (15 counts); **\$265,000 FINE, (\$238,500 HELD IN ABEYANCE IF FULL RESTITUTION IS MADE), LICENSE REVOKED..**

Thomas Peterson, Allen Anderson & Richard Peterson, dba Trademark Motors – Loveland #4728 – failure to honor written agreement (5 counts); illegal sale (5 counts). **\$30,000 FINE, 3 DAYS SUSPENSION, (\$29,000 AND 3 DAYS SUSPENSION HELD IN ABEYANCE FOR 6 MONTHS PROBATION) DEALER HAS MADE RESTITUTION.**

Phil Long Ford of Denver, LLC, dba Phil Long of Denver LLC – Denver #8988 – advertising (2 counts). **\$4,000 FINE, 1 DAY SUSPENSION, (\$3,000 AND 1 DAY SUSPENSION HELD IN ABEYANCE FOR 6 MONTHS PROBATION).**

Phil Long Ford LLC, dba Phil Long Ford LLC – Colo Spgs #8991 – advertising (11 counts). **\$22,000 FINE, 1 DAY SUSPENSION, (\$16,500 AND 1 DAY SUSPENSION HELD IN ABEYANCE FOR 6 MONTHS PROBATION).**

Academy LLC, dba Phil Long Ford of Chapel Hills – Colo Springs #8992 – advertising (2 counts). **\$4,000 FINE AND 1 DAY SUSPENSION, (\$3,000 AND 1 DAY SUSPENSION HELD IN ABEYANCE FOR 6 MONTHS PROBATION).**

Valucar LLC, dba Valu Suzuki – Colo Springs #4200 – advertising (1 count). **\$2,000 FINE, (\$1,500 HELD IN ABEYANCE FOR 6 MONTHS PROBATION).**

Vincent L Siravo, Salesperson – fraudulent business practices (9 counts); misappropriating funds (9 counts); unlicensed dealer. **\$20,000 FINE, 30 DAY SUSPENSION (\$18,000 AND 30 DAY SUSPENSION HELD IN ABEYANCE FOR 2 YEARS PROBATION AND FULL RESTITUTION) ATTEND LICENSE SEMINAR.**

Jami Still, Salesperson – fraudulent business practices (42 counts); defrauding any retail buyer (42 counts); misappropriating funds (42 counts); unfitness (84 counts); unlicensed dealer. **\$1,008,000 FINE (\$982,800 HELD IN ABEYANCE IF RESTITUTION IS PAID WITHIN 90 DAYS) LICENSE REVOKED.**

Investigation Insight *by Supervisor Investigator Mary Marvin*

New Investigator Hired

The Investigation Section hired Robert Seaman, the new Investigator for Northern Colorado, based in the Fort Collins office. Bob is a seasoned investigator, formerly employed with the Larimer County Sheriff's Office, with a degree in Criminal Justice. Bob has lived in the Larimer County area for about forty years; is married and has two

grown children. Special **thanks** to Investigator Richard Predovich for accepting the temporary duty in Northern Colorado along with his permanent Denver assignments.



The Wheels They Are A Changing

Beginning with the December 2002 issue Wheels will be published on a quarterly basis. Our next issue of Wheels will be published March 2003. You can always view past and present Wheels, access forms or other written material regarding the Auto Industry Division by visiting our Internet home page website at www.mv.state.co.us/dealer.html. You may also email our Public Information Officer at dealers@spike.dor.state.co.us with any questions or concerns.

DEALER BOARD MEMBERS

President, Steve Perkins

First Vice President, Fred Emich

Second Vice President, Leo J. Payne

Gretchen Olson, Jeff Carlson, Bob Feder,
Mark Striegnitz, Jim Varner, Jon Kroneberger

Executive Secretary, Linda Petkash

AUTO INDUSTRY DIVISION

Division Director, Linda Petkash

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.

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