



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

Director's Desk *by Linda R Petkash, Executive Secretary*

MANDATORY DISQUALIFYING CONVICTIONS

We have received numerous phone calls from dealers wanting to know what a mandatory disqualifying conviction is. Section 12-6-118(7)(a), C.R.S., **mandates the denial or revocation** of a license when an applicant or licensee has been convicted of or pled no contest to any of the following offenses in Colorado or any other jurisdiction during the past ten years: 1) a felony in violation of Article 3, 4, or 5 of Title 18, C.R.S., or any similar crime in another jurisdiction, and 2) any 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 of Title 18 covers crimes against persons such as murder, assault, kidnapping, sexual assault, manslaughter, menacing weapon, custody violation, vehicular homicide, criminal extortion and enticing a child. **Article 4 covers crimes against property** including arson, theft, burglary, robbery, criminal mischief over \$500, criminal trespass in the 1st degree and unlawful transfer for sale (copyright infringement). **Article 5 covers fraud** including forgery, criminal

possession of a forged instrument or forging an instrument, criminal impersonation, fraud by check (over \$500) 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 flexibility under the law to issue a license in these circumstances. Remember the applicant's background is checked through the Colorado Crime Information Center (CCIC). Save yourself time and energy; be prudent in reviewing the applications that you accept. If you have a question regarding the specifics of a particular applicant's criminal history that you would like answered before accepting an application from them, we would be happy to help you sort out the details.

ROUTING BOX

Owner
Finance Manager
General Manager
Sales Manager



Dealer Board Meetings

Effective January 2005 the Dealer Board Meetings will be held on the second and fourth **THURSDAYS** of each month at the Department of Revenue, 1881 Pierce Street, on the north west side of the building, Entrance B in the Gaming Conference Room. The first Dealer Board Meeting of the new year will be held Thursday, January 13, 2005.



Compliance Corner *by Supervisor Mary Marvin*

In previous years the Compliance Section has discovered numerous violations by dealerships at the Denver Auto Show and at the National Western Stock Show pertaining to off premise sales permits. The Division is aware that vehicles displayed for sale may be provided by the manufacturer. However, dealerships participating in these shows must remember that if the dealership chooses to send salespeople to the show to discuss the vehicle with prospective purchasers, the dealership must obtain an off premise permit. A request for an off premise

permit shall be made in writing **prior** to the event and shall list the location and the dates of the sale. The permit shall be posted for inspection at the sale. The National Western Stock Show and the Metro Denver Auto Dealers Association annual Denver Auto Show are two of the three shows allowed to exceed six days, these shows shall not exceed twenty days. The other show allowed to exceed six days is the Colorado State Fair, all other off premise sales shall not exceed six days. **NO SUNDAY SALES ARE PERMITTED.**



Investigation Insight *by Supervisor Investigator Mary Marvin*

Regulation 12-6-118(3)(v) becomes effective December 1, 2004. Colorado State Statute 12-6-118(3)(v) was signed by the Governor and became effective March 9, 2004. The new law states that a dealer's license may be suspended or revoked for failure to give notice to a prospective buyer of the acceptance or rejection of a motor vehicle purchase order or agreement within a reasonable time period, as determined by the Board. The Board has promulgated Regulation 12-

6-118(3)(v), which states, 'a dealer shall give notice of rejection of financing to the prospective buyer within **ten (10) calendar days** from the date of the purchase order or agreement on a finance or consignment sale'. In the event a complaint is filed by a prospective buyer for failure to receive such notice in a timely manner, the dealership shall provide indisputable proof that the notice was in fact received by the buyer or the dealership may be found in violation.

Licensing Leads *by Debby Shriver, Licensing Manager*

Changing Class of License

Financial statements are required for any licensee wanting to change their class of license (retail to wholesale, wholesale to retail, used to new, etc.). A current financial statement (DR-2214) must be submitted for each owner. Verification of assets listed on the financial statement(s) must also be submitted. If the license is set up as a corporation or an LLC, a financial statement for the business must also be submitted, along with the verification of assets. Licensees should allow at least ten business days to process, and cannot operate under the new class of license until the license is in hand.

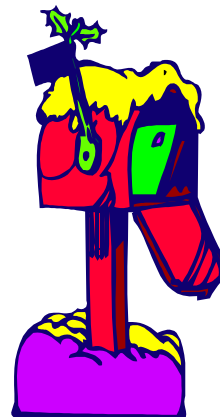
Any licensee not meeting the criteria below will be referred to the Board for review and action:

1. At minimum, one owner must have a net worth of at least fifty thousand dollars (\$50,000).
2. Each owner must have a Trans Union empirica risk score of 600 or higher, no unpaid judgments, liens, or collection accounts, and no foreclosures, bankruptcies or repossessions within five years proceeding the date of application.

3. No negative complaint history or unresolved complaints or investigations.
4. No delinquencies of the State sales tax account or owner's personal taxes.

If you have any concerns with your credit score(s), you may want to run your own report prior to submitting the application to change class.

The Change of Class form and the Financial Statement (DR-2114) are available on the website.



DEALER BOARD ACTIONS

Ricky Marks, dba R&A Auto-Aurora - #4333 – failure to comply with Board's March 2004 and August 2004 Order. **\$52,500 FINE, LICENSE REVOKED.**

James A Carter, dba Carters CarCompany-Commerce City-#36567 – defrauding any buyer/seller; fraudulent sale; misrepresentation; place of business; change of location; unfitness – **DEFAULT, \$60,000 FINE, FULL RESTITUTION, RESOLVE ALL COMPLAINTS, LICENSE REVOKED.**

CEASAR JHA, dba Broadway Kia –Englewood -#36216 – defrauding any buyer/seller (2 counts); failure to honor written agreement; failure to deliver title - **\$40,000 FINE, (\$38,000 HELD IN ABEYANCE FOR FULL RESTITUTION) 1 YEAR PROBATION.**

Larry E. Cain Sr., dba C&J Auto Sales- Westminster-#35943 – failure to comply with Board's June 2004 Order. **\$18,000 FINE, LICENSE REVOKED.**

Iganacio A Gomez, dba Al's Auto Sales-Denver-#3102 – fraudulent sale (6) counts; failure to perform written agreement (4 counts); defrauding any buyer/seller (6 counts); failure to honor check/draft to a dealer/wholesaler (2 counts) - **\$100,000 FINE, FULL RESTITUTION, LICENSE REVOKED.**

Stansell H Greer III – Salesperson – failure to comply with Board's November 2003 and May 2004 Order. **\$157,000 FINE, FULL RESTITUTION, LICENSE REVOKED.**

Garcia, Sendtko and Tice Join Licensing Staff,



by Kaye Kopecky, Public Information Officer

The Division is pleased to announce the addition of three new members to the Licensing Section. **Erika Garcia, Sandra Sendtko** and **Donna Tice** are the new administrative assistants. Erika's responsibilities include processing original salesperson applications and renewals. Sandra processes salesperson renewals and reissues. She also provides administrative support for the Investigation/Compliance Section. Donna processes incoming mail and various types of sales license transactions.

Erika has been an employee with the State for 2 years. She transferred from the Titles/Registrations Section in November 2004. Erika is the mother of a 5-year girl, Makayla. When Erika is not spending time with her daughter she is attending classes at Denver Career College where she is working on her associate degree in Criminal Justice. Her plans are to obtain her bachelor degree and become a probation officer.

Sandra Sendtko also transferred to the Auto Indus-

try Division from the Titles/Registrations Section in September 2004. Sandra is a native of Lincoln, Nebraska (but don't tell anyone) but has lived in Colorado for 23 years. She graduated from University of Nebraska-Lincoln with a bachelor degree in fine arts. She has been with the State for 14 years and has worked for the Department of Education, Health Sciences Center and Department of Revenue. Sandra has been married to her husband Mark for 13 years and has one daughter, Tina. In her spare time Sandra enjoys antiquing, weaving rugs and writing cookbooks.

Donna has worked for our Division as a temporary employee for the past two summer renewal seasons. Donna is a native of Detroit, Michigan but has been in Colorado since 1981. Prior to working for Department of Revenue, Donna worked for Rockwell International and Rocky Flats for 11 years. Donna and her husband Bob, a third grade teacher at Smedley Elementary enjoy traveling in their spare time.

VIN VERIFICATION REQUIREMENTS

CRS 42-6-107 (1)(b) requires specific information to be verified through the VIN verification process. All fields on the VIN verification form, DR2087, must be completed. If the information required on the form does not pertain to a certain type of vehicle, for example, the odometer reading for a trailer, the box requesting that information must be completed with N/A to indicate that the information required is not applicable for this type of vehicle. The field that is most often left blank is the

model field. The verification of the model in the VIN verification process is required by statute. Also, remember that the odometer reading is required on the VIN verification, unless the vehicle is ten years old or older, the box may be marked with the word EXEMPT. If you have any questions concerning the proper completion of a VIN verification form, please contact the Department of Revenue, Title Section at 303-205-5608.

ATTENTION

The Auto Industry Division has a new website address. The address is www.revenue.state.co.us/dlr/home.asp. If you would like to visit the main Department of Revenue website from the Auto Industry website just click on the Colorado Department of Revenue Seal.

DEALER BOARD MEMBERS

President, Gretchen Olson

First Vice President, Jeff Carlson

Second Vice President, Jon Kroneberger

Bob Feder, Fred Emich, Steve Perkins,
Mark Striegnitz, Jim Varner, Dale Spradley

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.revenue.state.co.us/dlr/home.asp

C A L E N D A R

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

Dealer Board Hearings: Fourth Thursday 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 - Ft Collins: BY APPOINTMENT ONLY, Second Wednesday of each month at 10:00 am, 1121 W Prospect Road, Ft. Collins

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.

HAPPY HOLIDAYS

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