

**MOTOR VEHICLE DEALER BOARD
MINUTES
April 18, 2023**

The regular meeting of the Dealer Board was held via video conference with Cisco Webex. The following persons were virtually present:

BOARD MEMBERS:

Charla Berens
Kathleen Chandler
Fletcher Flower
Matthew Gebhardt
Amanda Gordon
David Guttenberg
Kevin Shaughnessy
Seth Wong

EXECUTIVE SECRETARY:

Chris Rouze

DEPT. OF REVENUE SBG/AID STAFF:

John Opeka
Frank Agos
Gloria Breeden
Joshua Dexter
Michael Calo
Billy Maestas
Rob Urbach
Neal Robinson
Kevin Paquette
Cheryl Morrison
Jason Stern
Arleen Criddell Tapanen

ATTORNEY GENERAL'S OFFICE:

Sarah Killeen

VISITORS:

David Cardella, CIADA
Hasanain Alzuwaini
Art Erwin
Rafael Small

President, Amanda Gordon, opened the meeting of April 18, 2023, at 9:03 a.m. Ms. Gordon turned the floor over to Executive Secretary, Chris Rouze.

AGENDA REVIEW AND ANNOUNCEMENTS

Ms. Rouze announced that meetings of the Colorado Motor Vehicle Dealer Board are opened to the public and are recorded. Members of the press may be in attendance and all comments, contributions, videos, images, and documents presented during the public session of the Colorado Motor Vehicle Dealer Board are considered public open records. Members of the media should direct any inquiries about this meeting and or open records to the Division's public information officer, Shannon Gray.

Ms. Rouze reminded the Board that today they will review fee setting recommendations from the Budget team for the Executive Director's approval.

Ms. Rouze introduced and welcomed the Division's new Policy Advisor, Kevin Paquette.

MINUTES

The minutes of the March 21, 2023, meeting was unanimously approved.

FEE SETTING

Jamie Alexander, Senior Budget Analyst for the Specialized Business Group, reminded the Board that two years ago the budget team proposed a reduction in fees and that last year there were no fee changes made at all. However, over the last two years, there has been an increase in direct and indirect costs and an expectation of added increases during the next fiscal year. Based on collaboration with Director Rouze and the Auto Industry Division, the budget team proposes a partial reinstatement of pre-pandemic fees; specifically, a 35% increase to current fees.

Ms. Alexander said that the two major factors considered when discussing fee setting analysis, was the potential industry growth or decline and the level of expenditures the Division assumes. Based on Director Rouze's conversations with industry experts, the Budget team is projecting a flat growth. For the fiscal year, we expect to increase our levels of expenditures. Based on these assumptions, the Budget team is proposing a 35% increase in fees to fund the direct and indirect costs needed to support the Division.

The material in the fee packet will show the fee increase proposed with flat growth compared to what our projected position would be with no fee increase at all.

After a brief discussion, Mr. Shaughnessy made a motion to adopt the proposed recommendation to increase fees by 35% for fiscal year 2024 - passed 6-1 (Chandler opposed).

EXECUTIVE SECRETARY REPORT

Ms. Rouze presented the following to the Board:

- **Initial Decision - Christopher James Davis, Motor Vehicle Salesperson License #209456** - Motion was made to accept the Findings of Fact, Conclusions of Law and uphold the recommended order to deny the license - passed unanimously.

BACKGROUND INVESTIGATIONS REPORT

Ms. Breeden presented the following to the Board:

Dealer Applications:

- **Big Country Trailers and Toppers #45765** - Motion was made to grant the license - passed unanimously.
- **Driveone Auto, LLC #45761** - Motion was made to grant the license - passed 6-1 (Berens opposed).
- **Signature Auto Imports, LLC #45880** - Motion was made to grant the license - passed unanimously.
- **Zee Automotive, LLC #45855** - Motion was made to grant the license - passed 6-1 (Mr. Guttenberg opposed).

Salesperson Applications:

- **Cathey, Shanna Lee #212506** - Motion was made to deny the license based on unfitness of criminal character and unfitness of financial character - passed unanimously.
- **Davis, Christopher James #209456** - Motion was made to grant the license - passed 4-3 (Guttenberg, Gebhardt and Berens opposed).

COMPLAINT INVESTIGATIONS REPORT

Mr. Opeka presented the following to the Board:

Statistical Reporting - Mr. Opeka informed the Board that we started with 323 cases, 181 new cases were opened, and 140 cases were closed, giving the Division a balance of 364 open cases. There were 68 background inquiries performed.

Affidavits of Probable Cause:

- **Auto Mart USA, DL #38257** - Motion that the Board find probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to Auto Mart USA, Dealer License #38257; and that the case be assigned to the Office of Administrative Courts for a hearing on the merits and that the Executive Secretary be permitted to engage in settlement negotiations pursuant to C.R.S. 44-20-104 - passed unanimously.
- **Fowler Honda of Longmont, DL #44822** - Motion that the Board find probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to Fowler Honda of Longmont, Dealer License #44822; and that the case be assigned to the Office of Administrative Courts for a hearing on the merits and that the Executive Secretary be permitted to engage in settlement negotiations pursuant to C.R.S. 44-20-104 - passed unanimously.
- **Horizon Motor Sports of Colorado, DL #44314** - Motion that the Board find probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to Horizon Motor Sports of Colorado, Dealer License #44314; and that the case be assigned to the Office of Administrative Courts for a hearing on the merits and that the Executive Secretary be permitted to engage in settlement negotiations pursuant to C.R.S. 44-20-104 - passed unanimously.
- **Horizon Motor Sports of Colorado, DL #44346** - Motion that the Board find probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to Fowler Honda of Longmont, Dealer License #44346; and that the case be assigned to the Office of Administrative Courts for a hearing on the merits and that the Executive Secretary be permitted to engage in settlement negotiations pursuant to C.R.S. 44-20-104 - passed unanimously.
- **Pyramid Motors, DL #2627** - Motion that the Board find probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to Pyramid Motors, Dealer License #2627; and that the case be assigned to the Office of Administrative Courts for a hearing on the merits and that the Executive Secretary be permitted to engage in settlement negotiations pursuant to C.R.S. 44-20-104 - passed unanimously.

New Business - None

Public Comment - None

The meeting of the Motor Vehicle Dealer Board was adjourned at 10:13 a.m.

(Note: The Minutes of the Motor Vehicle Dealer Board summarize the contents of the meeting. They are not verbatim transcripts and are based principally upon the digital recording of the meeting and upon the later collaboration of staff attendees to ensure that the summary faithfully captures the matters before the Board and the actions the Board took. The digital recording of the meeting is a permanent record of the Board, retained in the electronic filing system of the Auto Industry Division, and is available as a resource for review, as needed.)

Chris J. Rouze
Executive Secretary