

**MOTOR VEHICLE DEALER BOARD  
MINUTES**

**May 16, 2017**

The regular meeting of the Dealer Board was held at the Department of Revenue offices, Lakewood, Colorado. The following persons were present:

**BOARD MEMBERS:**

Robert Endter  
Joseph Gebhardt  
Lucky Heggs  
Michael Jorgensen  
Chris Langley  
Stan Martin  
Steven Perkins  
Dominic Scrivner

**MEMBERS ABSENT:**

Justin Franks

**SENIOR DIRECTOR OF ENFORCEMENT:**

Ron Kammerzell

**EXECUTIVE SECRETARY:**

Bruce Zulauf

**LEGAL ASSISTANT:**

**DEPT OF REVENUE,  
AID, ENFORCEMENT  
DIVISION STAFF:**

Chris Hartman  
Gloria Breeden  
John Opeka  
Cheryl Morrison  
Michael Harlost  
Erica Garcia  
Steve Koenig  
Eric Teklu  
Mark Kelley  
Annamarie Steenbock  
Myia Gilkey-Grays  
Arleen Criddell Tapanen

**ATTORNEY GENERAL'S OFFICE:**

Y.E. Scott  
Randall Cherry  
Bradford Jones

**VISITORS:**

Eric Hartsough, Dealer Services  
Todd O'Connell, CIADA  
Tim Jackson, CADA

President, Joe Gebhardt, opened the meeting of May 16, 2017 at 9:01 a.m. Mr. Gebhardt turned the floor over to Executive Secretary, Bruce Zulauf.

## **AGENDA REVIEW AND ANNOUNCEMENTS**

Mr. Zulauf informed the Board there were no changes to the agenda as posted. Mr. Franks will not be in attendance today. The Executive Director accepted the Board's fee recommendation and signed the order on Friday. The Sunset Bill and the Long Bill were passed. The Division will be receiving a total of five additional fulltime employees (3 criminal investigators, 1 program assistant and 1 licensing specialist). The hiring process will begin in the next few weeks.

Mr. Zulauf announced that with the addition of the new FTE, the Division plans to reinstitute its Compliance Inspection program and Curb-Stoning enforcement.

## **CALENDAR**

Mr. Zulauf advised Board members to keep the following dates open for regularly scheduled Board meetings and Rulemaking, respectively:

- Tuesday, June 20 and Thursday, June 22
- Tuesday, July 18 and Thursday, July 27
- Tuesday, August 15 and Thursday, August 24

## **MINUTES**

The minutes of the April 18, 2017 meeting were approved unanimously.  
The minutes of the May 3, 2017 telephonic meeting were approved unanimously.

## **BACKGROUND INVESTIGATIONS TEAM**

Ms. Breeden presented the following to the Board:

### **Dealer Applications:**

- **Scott Nisbeth d/b/a Scott's Cars #43848** – Motion to deny based on unfitness of criminal character and having been convicted of a misdemeanor under title 18 or any felony – approved unanimously.
- **Taylor Made Automotive #43539** – Motion to deny ownership change based on unfitness of financial character and incomplete application – approved unanimously.

## **EXECUTIVE SECRETARY'S REPORT**

Mr. Zulauf presented the following to the Board:

- **Proposed Stipulation and Final Agency Order – Street Smart Auto Brokers, Dealer #41918** – Motion to accept the Proposed Stipulation and Final Agency Order – approved unanimously.
- **Proposed Stipulation and Final Agency Order – Tammie R. Little, Salesperson #188017** – Motion to accept the Proposed Stipulation and Final Agency Order – approved unanimously.

## INVESTIGATIONS REPORT

Ms. Hartman presented the following to the Board:

**Statistical Reporting** – Ms. Hartman informed the Board that we started with 270 cases, 171 new cases were opened and 160 cases were closed for the month, giving the Division a balance of 281 open cases. There were 510 background inquiries performed.

### **Affidavits of Probable Cause:**

- **EAN Holdings LLC, DL #41278** – Motion that the Board finds probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to EAN Holdings LLC, Dealer #41278; and that the case be assigned to the Colorado Motor Vehicle Dealer Board for a hearing on the merits and that the Executive Secretary be permitted to engage in settlement negotiations pursuant to C.R.S. 12-6-104 – approved unanimously.
- **Groove Subaru, DL #41260** – Motion that the Board finds probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to Groove Subaru, Dealer #41260; 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. 12-6-104 – approved unanimously.
- **Imperial Autos, Inc., DL #38261** – Motion that the Board finds probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to Imperial Autos, Inc., Dealer #38261; and that the case be assigned to the Motor Vehicle Dealer Board for a hearing on the merits and that the Executive Secretary be permitted to engage in settlement negotiations pursuant to C.R.S. 12-6-104 – approved unanimously.
- **WOW Automotive, DL #43347** – Motion that the Board finds probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to WOW Automotive, Dealer #43347; and that the case be assigned to the Motor Vehicle Dealer Board for a hearing on the merits and that the Executive Secretary be permitted to engage in settlement negotiations pursuant to C.R.S. 12-6-104 – approved unanimously.
- **David Phillip Vondy, SP #172557** – Motion that the Board finds probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to David Phillip Vondy, Salesperson #17257; and that the case be assigned to the Colorado Department of Revenue Hearings Division for a hearing on the merits – approved unanimously.

## ATTORNEY GENERAL'S REPORT

Ms. Scott presented the following to the Board:

- **Proposed Stipulation and Final Agency Order – Colorado Car Company, Dealer #7363** – Motion to accept the Proposed Stipulation and Final Agency Order – approved unanimously.

**LEGISLATIVE UPDATE** – Mr. Kammerzell gave the final legislative update for this session.

HB17-1249 Penalties for Unlicensed Motor Vehicle Sales passed and is effective August 9<sup>th</sup>. The bill addresses increased penalties of curb sales or unlicensed sales. SB17-240 Sunset Bill passed and is effective July 1<sup>st</sup>. SB17-298 Motor Vehicle Dealers and Manufacturers passed and is effective August 9<sup>th</sup>.

HB17-1270 Agency Discretion in Enforcing Rules for Small Businesses, SB17-002 Compulsory Rule Review and SB17-186 Regulatory Burden on Businesses were all postponed indefinitely.

Mr. Kammerzell acknowledged CIADA and CADA for their collaboration and cooperation throughout this process.

**New Business** – Mr. Perkins suggested the Board reexamine the 1<sup>st</sup> Choice Motors case and perhaps develop a more effective method of flagging dealers operating in a similar manner. Mr. Zulauf suggested speaking with the Investigator who handled the case to gather additional details.

**Public Comment** – Mr. Todd O’Connell and Mr. Tim Jackson of CIADA and CADA, respectively thanked Mr. Kammerzell and the Division for their participation during this legislative session.

The meeting of the Motor Vehicle Dealer Board was adjourned at 9:50 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.)*

Bruce Zulauf  
Executive Secretary