

MOTOR VEHICLE DEALER BOARD MINUTES

June 18, 2019

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

BOARD MEMBERS:

Fletcher Flower
Lucky Heggs
John Linton
Steven Perkins
Matthew Porter
Jason White
Michael Widhalm

MEMBERS ABSENT:

Carrie Ann Baumgart
Ramona Graves Bode

EXECUTIVE SECRETARY:

Bruce Zulauf

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

Chris Rouze
Chris Hartman
Gloria Breedon
John Opeka
Frank Agos
Josh Dexter
Cheryl Morrison
Erika Garcia
Hunter Helton
Beth Spellerberg
Margaret Jungmann
Arleen Criddell Tapanen

ATTORNEY GENERAL'S OFFICE:

Brad Jones
Dana Showalter

VISITORS:

Kurt Trempert, S&O Auto
Seth Trempert, S&O Auto
Jami McCoy, CIADA
Matthew Groves, CADA
Suzi Karrer, SDO

President, Steven Perkins, opened the meeting of June 18, 2019 at 9:00 a.m. Mr. Perkins 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. Ms. Baumgart and Ms. Bode will not be in attendance today.

LEGISLATIVE UPDATE

HB19-1286 – Motor Vehicle Wholesaler Authorized Individuals – Bill passed and is effective August 2, 2019.

SB19-249 – License Business Selling Its Used Motor Vehicles – Bill passed and is effective August 2, 2019.

The Division is in the process of developing a new business disposal application.

Stakeholder meetings for 2019 Rulemaking are expected to begin late July, early August.

The Hi Tech hearing set for July 24th, 25th and 26th may have to be rescheduled since four board members are unable to attend.

The Division is in the process of preparing a formal record in regard to the NEZ, Ltd. matter.

Three members of the Board terms will expire June 30th and they have reapplied. The Division is waiting to hear from the Governor.

MINUTES

The minutes of the May 21, 2019 meeting were approved 5-1 (Mr. Heggs abstained), with the correction made to separate the two sentences of the second paragraph beneath the Legislative Update.

BACKGROUND INVESTIGATIONS TEAM

Ms. Breeden presented the following to the Board:

Dealer Applications:

- **S & O Auto, LLC #44500** – Motion to grant the license – approved unanimously.

Salesperson Applications:

- **Avila, Edwin A. #670630** – Motion to deny the license based on unfitness of financial character, unfitness of criminal character – approved unanimously.
- **Rivas, Mario J. #190009** – Motion to deny the license based on unfitness of financial character, unfitness of licensing character, unfitness of criminal character and having been convicted of a misdemeanor under title 18 or any felony – approved unanimously.

EXECUTIVE SECRETARY REPORT

Mr. Zulauf presented the following to the Board:

- **Proposed Stipulation and Final Agency Order – Twin Pine Motor Sports #43889** – Motion to accept the Proposed Stipulation and Final Agency Order - approved unanimously.
- **Proposed Stipulation and Final Agency Order – Cuelnos, Inc. #44077** – Motion to accept the Proposed Stipulation and Final Agency Order – approved unanimously.
- **Proposed Stipulation and Final Agency Order – Ortega’s Auto Repair #37756** – Motion to accept the Proposed Stipulation and Final Agency Order – approved unanimously.
- **Proposed Stipulation and Final Agency Order – Car Connection, Inc. #4597** – Motion to accept the Proposed Stipulation and Final Agency Order – approved unanimously.

Per Mr. Perkins request, Ms. Rouze presented a pie chart reflecting the percentage of cases that were violations and non-violations for fiscal year 2018. Mr. Perkins found the information helpful to the Board.

INVESTIGATIONS REPORT

Ms. Hartman presented the following to the Board:

Statistical Reporting – Ms. Hartman informed the Board that we started with 304 cases, 171 new cases were opened and 186 cases were closed for the month, giving the Division a balance of 289 open cases. There were 377 background inquiries performed.

Affidavits of Probable Cause:

- **AutoSource Nation, DL #43239** – Motion that the Board finds probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to AutoSource Nation, Dealer #43239; 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 – approved unanimously.
- **Perri’s Powersports, LLC, PDL #43983** – Motion that the Board finds probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to Perri’s Powersports, LLC, Dealer #43983; 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 – approved unanimously.
- **Mayuran V. Arunachalam, SL #188164** – Motion that the Board finds probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to Mayuran V. Arunachalam, Salesperson #188164; and that the Colorado Motor Vehicle Dealer Board summarily suspend his motor vehicle salesperson license in accordance with C.R.S. 24-4-104 as he has engaged in deliberate and willful acts and his conduct poses a threat to the public health, safety and welfare – approved unanimously.

- **Jeremiah Roy Blomberg, SL #184619** – Motion that the Board finds probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to Jeremiah Roy Blomberg, Salesperson #184619; and that the Colorado Motor Vehicle Dealer Board summarily suspend his motor vehicle salesperson license in accordance with C.R.S. 24-4-104 as he has engaged in deliberate and willful acts and his conduct poses a threat to the public health, safety and welfare – approved unanimously.

New Business – Mr. Perkins thanked the Division for highlighting Title 44 statutes alongside the former corresponding statutes of Title 12 located in the Laws & Regulations folder of the Board packet. Ms. Rouze informed all that Ms. Helen Hayden, the Division’s Investigative Coordinator, was responsible for the update.

Public Comment – None

Board took a 10 minute break.

ATTORNEY GENERAL’S REPORT

Mr. Jones introduced legal fellow, Dana Showalter. She will be with the AG’s office through the end of September or the beginning of October. Mr. Jones reminded all that annual Board elections will take place at the July Board meeting.

Mr. Jones presented the following to the Board:

- **Motor Vehicle Dealer Board v. Lazydays RV** – Mr. Jones would like the Board to give him and the Executive Secretary direction on how the Board would like them to proceed regarding the Lazydays RV stipulation matter.

Mr. Heggs made a motion that the Board enter into executive session at this time in order to seek legal advice pursuant to section 24-6-402(3)(a)(II), Colorado Revised Statutes (C.R.S.): specifically regarding the Board’s authority to administer a letter of reprimand under section 44-20-104(3), C.R.S. and also to seek legal advice regarding an imminent court action involving the Board as a party pursuant to section 24-6-402(3)(a)(II), C.R.S., specifically the In re the matter Lazydays RV matter – approved unanimously.

Board entered into Executive Session at 10:17 a.m. and Resumed Open Session at 11:00 a.m.

After deliberation, the Board decided not to entertain the request that the stipulated matter not be posted on the Division website and has directed the Executive Secretary to proceed in accordance with Level II as laid out in the stipulation matrix.

The meeting of the Motor Vehicle Dealer Board was adjourned at 11:05 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