



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

JUNE 2001, Vol. XXVII, No. 2

President's Perspective

by Mike Faricy, Board President

REFLECTIONS

I attended my first dealer licensing board meeting in July of 1998. I was overwhelmed by the volume of reading material given to me in preparation for the meeting. The morning went by quickly and I felt lost trying to keep up. In the afternoon a hearing was held for a man who was challenging a decision made by the board during a previous meeting to deny his sales license. At the start of the hearing, law enforcement personnel escorted him into the meeting room. He was wearing an orange jump suit, leg chains and handcuffs! As I was driving home to Colorado Springs I wondered what I had gotten myself into.

For me, the disciplinary hearings were my greatest challenge. It didn't take long to realize just how much influence this board can have on the lives of dealers and sales people. Having to make decisions about sanctions for a licensee really drove home the point of what an awesome responsibility each board member has. It can be a real burden knowing that the decisions I make along with other board members can forever change the life of a licensee, especially when the board revokes a license and/or assesses tens of thousands of dollars in fines. The only solace is in understanding that the licensee is merely experiencing the consequences of his/her actions. I believe it is important for this board to continue to deal harshly with licensee's who are serious offenders and bring shame

upon our industry.

On the other hand it is gratifying to see the board grant licenses to people who are starting a small business and fulfilling their life's dream. My advice to them (and to all) is to just treat people like you want to be treated, and do what's right for others. It's pretty hard to get into trouble if you adopt this philosophy.

My term ends this month. Serving on this board has been among the best learning experiences of my 27-year automotive career. I have a deep respect for all the people working in the Division; they are professionals in every sense of the word. I consider myself fortunate to have had the opportunity to work along side board members who respect each other's opinions and are not afraid to stand alone on issues. To the public members of the board...I applaud your willingness to serve on a board for an industry that is as complex as the automobile industry. To my fellow dealers serving on the board...thank you for your passion for your industry. Your knowledge and understanding of our business is impressive. I am humbled in your presence. I wish you all the best! And the guy in the orange jump suit...he's still trying to get licensed from his jail cell. He really is!

ROUTING BOX

Owner
Finance Manager
General Manager
Sales Manager

Director's Desk

by Kirk Martelon, Exec. Secretary/Director

Colorado General Assembly 2001 Legislation

The Colorado General Assembly concluded its 2001 Legislative Session on Wednesday May 9, 2001. One House bill of significance was passed and signed into law by Governor Bill Owens on March 20, 2001. Following is a summary of the bill. Additional information and effective dates on all bills are available from Senate Services at (303) 866-2316 and House Services at (303) 866-2904.

House Bill 01-1115 amended C.R.S. 12-6-108 (1)(b) by eliminating the requirement that the amount of the compensation to be received from the consumer and the amount of compensation to be received from the owner of the motor vehicle be disclosed. The section now reads, a used motor vehicle dealer's license shall permit the licensee to engage in the business of selling, exchanging, leasing, or offering used motor vehicles only. ***Such license shall also permit a licensee to***

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Investigation Insight

by Mary Marvin, Investigator Supvr.

Numerous dealers have reported thefts from the dealership of motor vehicle titles and vehicles. It appears the thieves are well acquainted with the auto industry and may even have "inside" information as to the whereabouts of critical documents located at the dealerships. Keep your title documents and temporary registration permits in a safe place or the smaller dealerships may even wish to take the title documents home at night.

If you have had such a theft, contact your local police department and the Auto Industry Division Investigation Section immediately. The local police will investigate the theft. AID will place holds on the title documents to ensure that **only** the dealership or its customer apply and obtain proper title. An Investigator will be assigned to your case and will contact you to assist in an attempt to reconstruct the title. Once the dealership has obtained the documents to obtain title, contact the Investigator assigned to your case. He/she will then remove the hold.

Compliance Corner

by Mary Marvin, Compliance Mgr.

Compliance has received several complaints regarding used motor vehicle dealers advertising in the Qwest Yellow Pages under "Auto Brokers" **offering new motor vehicles for sale**. Colorado State Statute 12-6-108(b) states "used motor vehicle dealer's license shall permit the licensee to engage in the business of selling, exchanging, leasing or **offering** used motor vehicles **only**. Such license shall also permit a licensee to negotiate for a consumer the sale, exchange or lease of used and new motor vehicles not owned by the licensee, however, the license shall disclose in writing to all parties prior to any such

negotiation for the sale, exchange, or lease of a motor vehicle not owned by the licensee whether the licensee will receive any compensation from the consumer and whether the licensee will receive any compensation from the owner of the motor vehicle as a result of such transaction." The fact that the used motor vehicle dealer will "negotiate" the sale of a new vehicle must be made clear in the advertisement.

Also, all dealer's business must be conducted, including advertising, in the dealer's licensed name or the word "dealer" if your licensed name does not make it clear that you are a dealer.

Licensing Leads

by Larry Dyslin, Licensing Manager

It's that time of year again. For many of you licenses expire June 30. This means you need to submit all of your completed renewal applications, bonds and/or continuation certificates, and license fees by June 15. Once again we are asking your cooperation in carefully completing all forms, making sure applications are signed and the correct fee is submitted.

If you are changing operating entity (individual, partnership, LLC, or corporation) you must complete a new application rather than a renewal application. If you are changing your name, transferring stock ownership, or changing location at

renewal time, please contact our office for the required forms. Dealers adding a new franchise must submit a copy of the franchise agreement or approval from the manufacturer.

To avoid unnecessary delays, we suggest you give your bonding agent a copy of your renewal application. This will assist them in insuring that your bond has the correct beginning and ending dates as well as the correct principal name.

In a separate article you will find a fee schedule for the year beginning July 1, 2001. The Dealer Board was able to lower fees for original applications, change of address, change of class, change of ownership and change of name.

New Information Officer

We are pleased to announce that Kaye Kopecky has been promoted to the Public Information Officer position for the Auto Industry Division. Kaye has been with the Auto Industry Division since January 1988. Kaye originally started her career with the Division as the investigations complaint intake clerk and most recently served as the Division's program assistant handling budget matters and compliance issues.

Kaye will be publishing the **WHEELS** newsletter as well as presenting the License Law Seminar for dealers, salespersons and applicants. She will also be responsible for maintaining and updating the Division's website, consumer education through publications and seminars as well as ongoing dealer and salesperson education. You may reach Kaye at (303) 205-5784. Again, congratulations to Kaye on her promotion.

Board Sets 2001-2002 Fees

STATE OF COLORADO 2001-2002 LICENSE AND APPLICATION FEE SCHEDULE Effective July 1, 2001

Dealers/Wholesalers/Buyer Agents/Auctions

Renewal	\$250
Original	300

Salespersons

Renewal	\$50
Original	65
Multiple (additional location license)	50

Miscellaneous Fees

Temporary License for Out of State Dealer (per event)	\$120
Additional Location	125
Off-Premise Permit	50
Change of Class	70
Change of Location	70
Change of Name	70
Change of Ownership/Stock transfer	70

Manufacturers/Distributors/Branches

Renewal	\$250
Original	300

Manufacturer Representative

Renewal	\$ 50
Original	50

Titles & Registrations Tips & Rules

By Mary Tuttle

A reminder to all dealers: Be sure to indicate on the DR2411 (Application for Title) if the titled owners are "Joint Tenants With Rights of Survivorship" (JTWROS). When JTWROS is marked, ownership automatically transfers to the surviving owner(s) in the event of an owner's death. If this box is not marked, we assume that the owners are "Tenants in Common". In this instance, when one owner is deceased, the ownership of the vehicle **does not** automatically transfer to the surviving owner. In the past, it has been assumed that if both (or more) last names are the same, the title should be issued JTWROS. However, it has become increasingly more difficult to determine by name so we must rely on what is indicated on the title application.

Director's Desk

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negotiate for a consumer the sale, exchange, or lease of used and new motor vehicles not owned by the licensee, except those vehicles defined in section 42-1-102(55), C.R.S., as motorcycles and section 33-14.5-101(3), C.R.S., as off-highway vehicles; however, prior to completion of such sale, exchange, or lease of a motor vehicle not owned by the licensee, the licensee shall disclose in writing to the consumer whether the licensee will receive any compensation from the consumer and whether the licensee will receive any compensation from the owner of the motor vehicle as a result of such transaction. If the licensee receives compensation from the owner of the motor vehicle as a result of the transaction, the licensee shall include in the written disclosure the name of such owner from whom the licensee will receive compensation.

DEALER BOARD ACTIONS

Gary Anderson, dba Anderson Motors-Burlington #8604 – failure to perform a written agreement
\$15,000 FINE, 1-YEAR PROBATION.

Ely Thanh, dba Ely Cars -Englewood - #4020 –failing to perform a written agreement (2 counts). **\$10,000 FINE, 6-MONTHS PROBATION.**

Salvation Army (Corp.) - Denver - #8681 – illegal sale or transaction, temporary permits, emissions certifications, buyers guides, odometer disclosures, contract disclosures, disclosure of material particulars, employing unlicensed sales personnel. **\$7,000 FINE, 2-YEARS PROBATION.**

Jeffrey Felker, dba Colorado Motor Company-Denver #8060 – failure to deliver title within 30 days.
\$2,000 FINE, 6-MOS PROBATION.

DEALERBOARD MEMBERS

President, Mike Faricy

First Vice President, Steve Perkins

Second Vice President, Fred Emich

Gretchen Eberhardt, Lee Payne, Greg Sopkin,
 Mark Striegnitz, Jim Varner, Mike Weiman

Executive Secretary, Kirk J. Martelon

AUTO INDUSTRY DIVISION

Division Director, Kirk J. Martelon

Licensing Manager, Larry Dyslin

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

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, 3650 Austin Bluffs Pkwy, Ste. 188, in the Shops of the Bluffs Mall, 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) 205-5604.

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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