



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

June 2003, Vol. XXVIII, No.2

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

### **Colorado General Assembly 2003 Legislation**

The Colorado General Assembly concluded its 2003 Legislative Session on Wednesday May 7, 2003. **HB03-1341** allows the Auto Industry Division to present a plan to the Motor Vehicle Dealer Board for approval that once implemented, will stagger the 6,400 licenses that expire on June 30 of each year throughout the other months. The June renewals represent 32% of the entire annual workload. This action will benefit all by smoothing the agency's workload allowing us to be more responsive to the needs of customers. The Division will be submitting such a plan to the Board in the near future for licenses that expire in June 2004. This bill was sent to the Governor for signature on May 19, 2003. You will be hearing more on this topic as we proceed through the coming months.

**SB03-241** was signed by the Governor on April 22, 2003. This legislation continues the licensing and regulatory oversight of manufacturers and distributors and their representatives until July 1, 2013, when this function will be subject to another legislative review. The bill combines the two license classes for factory and distributor representatives into one license class called manufacturer representative, and also eliminates the licensing requirements for factory and distributor

branches. The bill gives the Executive Director the authority to impose fines, not to exceed one thousand dollars per day for each violation of the law by a manufacturer, distributor, or manufacturer representative.

**HB03-1016** makes changes in the Emissions Law regarding the emissions testing of motor vehicles. The bill states that "An inspection is not required prior to the sale of a motor vehicle with at least twelve months remaining before the vehicle's certification of emissions compliance expires if such certification was issued when the vehicle was new." Another provision of the bill states that "A motor vehicle dealer shall have a motor vehicle inspected annually pursuant to section 42-4-310, but shall not be required to have such vehicle inspected more than once a year." This bill was signed by the Governor on May 2, 2003, but will not be effective until August 6, 2003. The Emissions Section within the Motor Vehicle Business Group is working on the implementation plan for this legislation.

Additional information and effective dates on all bills are available through the General Assembly's web page at [www.state.co.us/gov\\_dir/stateleg.html](http://www.state.co.us/gov_dir/stateleg.html).

### **ATTENTION FRANCHISED DEALERS AND MANUFACTURERS**

In September 2001 the Division implemented a new computer system, and the franchise information was lost in the conversion to the new system. County offices are now on-line and are checking to ensure dealers are actually franchised to sell a particular vehicle. In order to avoid delays with the titling paperwork at county offices, we are requesting your help in rebuilding this information within the system. If you are a franchised dealer, you must provide us a copy of the agreement/certification for each type of vehicle you are selling at your dealership. Please fax your agreements/certifications to the Auto Industry Division at 303-205-5977. If you are a manufacturer we must also know what type of vehicles you manufacture and what dealers are franchised to sell your products. Please fax this information to us at 303-205-5977.

### **HAVE SEMINAR WILL TRAVEL**

Beginning in July 2003 the Auto Industry Division will be adding a third Licensing Seminar class to be held on the second Wednesday of every month at the Ft. Collins Regional Center located at 1121 W. Prospect Road. This will be a pilot program and will begin on July 9<sup>th</sup> and will continue through December. This seminar could become permanent depending on attendance.

# Licensing Leads *by Debby Shriver, Licensing Manager*

## Changing Class

When a dealer is changing from a **wholesale license to a retail license** (a change of class), the applicant must complete the License Change of Class Application (DR-2658) as well as a financial statement (DR-2114). The purpose of the financial statement is to up-date the dealership's records and determine the financial fitness of the retail business. If the dealership is set-up as an individual, a financial statement from the individual owner is required. If

the dealership is a partnership, a financial statement is required for each partner. If the dealership is a corporation or an LLC, a financial statement is required for the corporation or the LLC. The License Change of Class Application and the financial statement can be obtained from our web site or you may call our office. The process takes about seven to ten days. Please submit the application at least ten days prior to the effective date of the change.

## **NO CHANGE IN FEES**

### STATE OF COLORADO

#### 2003-2004 LICENSE AND APPLICATION FEE SCHEDULE

Effective July 1, 2003

#### Dealers/Wholesalers/Buyer Agents/Auctions

Original .....	360
Renewal .....	300

#### Manufacturer Representatives

Original Manufacturer/Distributor.....	360
Renewal .....	300
Original Manufacturer Representatives .	80
Renewal Manufacturer Representatives .....	60

#### Salespersons

Original .....	85
Renewal .....	60
Multiple (additional location license) .....	60

#### Miscellaneous Fees

Temporary License for Out of State Dealer (per event).....	145
Additional Location.....	150
Off-Premise Permit .....	60
Change of Class .....	85
Change of Location .....	85
Ownership Change .....	85
Change of Name .....	85



## **IMPORTANT INFORMATION**

### **REGARDING RENEWALS**

**Did you know? Dealer and Sales person licenses are issued for a one-year period (example: 07/01/02 through 06/30/03). In order to renew a current existing license, the Auto Industry Division must receive the renewal application prior to the license expiration date. A request for a license to be issued after it is expired requires a new original application and fee.**



## Compliance Corner *by Supervisor Mary Marvin*

Compliance has received several complaints from retail consumers claiming that vehicles were sold or offered for sale by wholesalers. State Statute states a wholesaler's license may be suspended or revoked for the selling or offering or attempting to negotiate the sale or exchange of an interest in motor vehicles by such wholesaler to persons other than motor vehicle dealers, wholesalers or wholesale motor vehicle auction dealers. Wholesalers do not negotiate to sell or offer to

sell a motor vehicle to a retail consumer and later have the paperwork completed by a licensed motor vehicle dealer. Wholesalers may place their vehicles on a licensed motor vehicle dealer's lot as a consignment. The consignment agreement must be completed and in the possession of the licensed motor vehicle dealer. Upon sale by the licensed motor vehicle dealer, the title is transferred from the wholesaler to the motor vehicle dealer.

# DEALER BOARD ACTIONS

**Bryon K Nelson & Sheri Nelson, dba Unique Auto Center-Windsor #36023** – defrauding any buyer/seller, failure to perform written agreement, nondelivery of title. **\$4,000 FINE; FULL RESTITUTION; LICENSE REVOKED. (\$3,200 HELD IN ABEYANCE IF FULL RESTITUTION IS MADE WITHIN 30 DAYS AND ALL COMPLAINTS RESOLVED)**

**Jesus & Juanita Almendarez, dba Auto Lot-E, LLC-Denver #4051** – failure to honor written agreement (2 counts), failure to honor check/draft. **\$3,000 FINE, 3 DAY SUSPENSION, 6 MONTHS PROBATION. (\$2,250 AND 3 DAY SUSPENSION HELD IN ABEYANCE FOR 6 MONTHS PROBATION)**

**Sherwood P Foster, dba Starr Motors, Inc.-Evans #4369** – defrauding any buyer/seller (9 counts), failure to honor written agreement (5 counts), nondelivery of title (4 counts), failure to honor check/draft (4 counts). **\$220,000 FINE; LICENSE REVOKED. (\$198,000 HELD IN ABEYANCE IF FULL RESTITUTION IS MADE TO CONSUMERS)**

**Kenneth J Shaw, dba J.R.'s New & Used Sales, Inc.-Grand Junction #8861** – defrauding any buyer/seller, illegal sale/transaction, nondelivery of title. **\$30,000 FINE, 5 DAY SUSPENSION, FULL RESTITUTION, 1 YEAR PROBATION (\$27,000 AND 5 DAY SUSPENSION HELD IN ABEYANCE FOR 1 YEAR PROBATION).**

**Ray D Marks, dba Rocky Mountain Motor Company-Aurora #4531** – failure to honor written agreement, defrauding any buyer/seller, illegal sale (10 counts), wholesaler employing a salesperson, exercising a privilege granted under a license which such person does not hold, failure to honor check/draft to another dealer/wholesaler, unfitness/violation of Board ordered 2-year probationary period. **\$21,000 FINE PLUS \$5,000 PREVIOUSLY HELD IN ABEYANCE, LICENSE REVOKED.**

**Lenton Thomas & Namon Mack, dba Mr. C's Auto Auction, LLC-Commerce City #3394** – illegal sale (5 counts), defrauding any buyer/seller (8 counts), theft (5 counts), nondelivery of title, off premise permit, failure to notify Board of change of location, failure to disclose company name and address on odometer disclosure statement, failure to perform written agreement, failure to honor check/draft to another dealer/wholesaler. **\$240,000 FINE, FULL RESTITUTION, LICENSE REVOKED.**

**Victor Belov, dba Velvet Touch Auto Sales-Denver #4140** – violation of Stipulation & Order. **\$15,000 FINE, 3 DAY SUSPENSION, FULL RESTITUTION**

**Gregory A Maceau, dba Downtown Motor Cars, LLC-Colo Spgs #4228** – violation of Stipulation & Order. **\$28,000 FINE PLUS \$8,000 PREVIOUSLY HELD IN ABEYANCE, FULL RESTITUTION, LICENSE REVOKED.**

**Alfredo Christoforatos, salesperson** - theft, forgery, fraudulent business practices, misappropriation of funds, material misstatement. **\$10,000 FINE, FULL RESTITUTION, LICENSE SUSPENDED 12 MONTHS, 3 YEARS PROBATION (\$7,500 AND 11 MONTHS SUSPENSION HELD IN ABEYANCE FOR 3 YEARS)**

## Investigation Insight *by Supervisor Investigator Mary Marvin*

### Deceptive Trade Practice

Numerous complaints have been filed regarding the sale of trade in vehicles prior to approved financing of the purchase or lease. Also, numerous complaints have been filed claiming the dealer/salesperson guaranteed financing.

A dealer/salesperson engages in a deceptive trade practice when such person accepts a motor vehicle used as a trade in on the purchase or lease of another motor vehicle and sells or leases such motor vehicle before the purchaser or lessee has been approved for a consumer credit transaction if such approval is a condition of the purchase or lease. **DO NOT** sell the trade until the dealership has received **FINAL** approval. The finance company may provide the dealership with a conditional approval pending more information from the purchaser

or lessee. Remember this is only conditional approval until the purchaser or lessee provides the required additional information. If the purchaser or lessee does not provide the information, the finance company may reject the contract. Wait until the dealership gets final unconditional approval to sell the trade in vehicle.

A dealer/salesperson engages in a deceptive trade practice if he/she guarantees to a purchaser or lessee the approval of financing, if such approval is not final. State statute defines guarantee as a written document or oral representation between the purchaser or lessee and the person selling or leasing the vehicle that leads such purchaser or lessee to a reasonable good faith belief that the financing of such vehicle is certain.

## Reminder to Dealers

All AID forms are available on our website and can be downloaded; however, when submitting these forms make sure that you fill them out thoroughly and accurately and provide the **correct number of copies**.

Besides obtaining all AID forms, our website contains other written material regarding the Auto Industry Division. Please check out our Internet home page website at **www.mv.state.co.us/dealer.html**. You may also email our Public Information Officer at **dealers@spike.dor.state.co.us** with any questions or concerns.

### DEALER BOARD MEMBERS

**President**, Steve Perkins

**First Vice President**, Fred Emich

**Second Vice President**, Leo J. Payne

Gretchen Olson, Jeff Carlson, Bob Feder,  
Mark Striegnitz, Jim Varner, Jon Kroneberger

**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](mailto:dealers@spike.dor.state.co.us)

Internet: [www.mv.state.co.us/dealer.html](http://www.mv.state.co.us/dealer.html)

## 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, 4420 Austin Bluffs Pkwy, 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) 205-5784.

**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.



# floating into summer

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