



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

## **License Your Salesperson Online**

The Department of Revenue is pleased to inform you that the Online Salesperson Licensing service now provides registered dealerships with the ability to acquire salesperson licenses over the Internet. This new online service will enable your dealership to apply for a sales license for each new salesperson and pay the required fee with a credit card.

Future developments of the service will include renewing, reissuing and adding a dealership to a salesperson's license. Please visit [www.colorado.gov/registration/pdf/AIDServiceInfoForm\\_v1.0.pdf](http://www.colorado.gov/registration/pdf/AIDServiceInfoForm_v1.0.pdf) to find out if your dealership is qualified to use this service.

This new online service is offered by the Colorado Department of Revenue's Auto Industry Division in collaboration with Colorado.gov, the state's official web portal. To use the service, dealerships must first register with Colorado.gov by completing and mailing the registration form found at [www.colorado.gov/registration/register.html](http://www.colorado.gov/registration/register.html). There is a \$75 per year registration fee. Once you are registered, you may access the Online Salesperson Licensing service at [www.Colorado.gov/saleslicense](http://www.Colorado.gov/saleslicense).

Please feel free to contact Colorado.gov at 303.534.3468 or [support@www.Colorado.gov](mailto:support@www.Colorado.gov) with any questions or concerns regarding this new online service.

### **ROUTING BOX**

Owner

Finance Manager

General Manager

Sales Manager



## **Renewal Applications - Late Fee**, by Kaye Kopecky, Licensing Manager

Prior to the expiration of a license a renewal notice is mailed to the licensee's business address of record stating when such license is due to expire and the fee necessary to renew the license. Any renewal application submitted after the expiration date of the license will be assessed a late fee. There will be a 30-day grace period following the expiration date of the license to renew. Any licensee submitting a renewal during the 30-day grace period shall pay an additional \$25.00 late fee. If the renewal application is submitted after the 30-day grace period the application will be refused and the applicant must apply as an Original License Applicant and include the bond and fee with the application.

## **Notice of Change of Address**, by Kaye Kopecky, Licensing Manager

Remember to notify the Board of any change of location. If a dealership abandons its licensed location for more than 30 days, the licensee is required to file a new application to renew the license. C.R.S. 12-6-116 states: that should a dealership change the site or location of such dealers' principal place of business, such dealer shall immediately upon making such change so notify the Board in writing, and thereupon a new license shall be granted for the unexpired portion of the term of such license.



## **Closing Your Dealership?**, *by Kaye Kopecky, Licensing Manager*

If a dealer or wholesaler, through either a voluntary or involuntary action, ceases to be a motor vehicle dealer or wholesaler, must surrender their dealer license, plates and temporary permits to the Department of Revenue, Enforcement, Auto Industry Division. Any plates that are not in the dealer's possession shall be reported on an affidavit and submitted to the Department of Revenue in order that the missing plates can be denoted upon the appropriate motor vehicle law enforcement files.

## **Advertising**, *by Bud Heinrich, Licensing Supervisor*

### **12-6-102 (1.5) C.R.S**

**Advertisement** means any commercial message in any news paper, magazine, leaflet, flyer, or catalog, on radio, television or public address system, in direct mail literature or other printed material, on any interior or exterior sign or display, in any window display, **on a computer display**, or in any point of transaction literature or price tag, that is delivered or made available to a customer or prospective customer in any manner whatsoever; except that such term does not include materials required to be displayed by federal or state law.

### **12-6-125 C.R.S. - Inclusion of Dealers Name**

No motor vehicle dealer or used motor vehicle dealer or any agent of either of said dealers shall advertise any offer for the sale, lease, or purchase of a motor vehicle or a used motor vehicle which creates the false impression that the vehicle is being offered by a private party or by a motor vehicle agent or which does not contain the name of the dealer or the word "dealer" or, if the name is contained in the offer and does not clearly reflect that the business is a dealer, both the name of the dealer and the word "dealer". When advertising as defined the dealer must either state that the vehicle is being offered by a dealer or use the word dealer in the advertisement.

In recent weeks when looking at various sites on the internet like Craig's List, the Post-News Markertplace.com, and the Auto Trader Magazine and other publications, the Auto Industry Division is finding vehicles that are not being identified as being offered by a dealer and in some cases the prices on the internet are different than the prices for the same vehicle in the news paper or magazines. The prices that are advertised on any vehicle must be the same whether it is on a tag in the window, in the news paper, on the internet, in a magazine or any other means that is stated in the definition of advertising.

## **General Managers and Finance Managers Are Salespeople**

A motor vehicle salesperson is defined as any natural person who, for a salary, commission, or compensation of any kind, is employed either directly or indirectly, regularly or occasionally, by any motor vehicle dealer or used motor vehicle dealer to sell, purchase, or exchange or to negotiate for the sale, purchase, or exchange of motor vehicles. (12-6-102(14) C.R.S.) Any person who negotiates a sale, purchase or exchange must be licensed as a salesperson. General managers and finance managers must also be licensed. Managers may at some time deal with customers either in negotiating the finance part of the sales transaction; or, in finalizing the purchase or sales contract; or, in resolving a dispute. A dealership may be cited for employing an unlicensed salesperson and the salesperson may be cited for unlicensed sale activities. (12-6-118(3)(n), 12-6-120(2)C.R.S.)

## **Change of Location**, *by Kaye Kopecky, Licensing Manager*

The Compliance Section has been attempting to conduct routine location verification of dealerships only to learn that the dealership is no longer at its licensed location. Remember to notify the Board of any change of location. If a dealership abandons its licensed location for more than 30 days, the licensee is required to file a new application to renew the license. C.R.S. 12-6-116 states: that should a dealership change the site or location of such dealers' principal place of business, such dealer shall immediately upon making such change so notify the Board in writing, and there upon a new license shall be granted for the unexpired portion of the term of such license. You must submit a DR2003 Application for Change of Location and the appropriate fee.

## **Odometer Prohibited Acts,** *Eric Hartsough, Criminal Investigator Supervisor*

The Auto Industry Division has received complaints regarding vehicles ten (10) years and older which have high mileage odometers that have been replaced with low mileage odometers without any disclosure to the buyers and/or without affixing the required notice to the vehicle.

An example of a complaint is where a dealer buys a ten (10) year old or older vehicle with 210,000 miles, changes out the odometer with one that reads 115,000 and sells the vehicle without the required notification affixed to the left door frame. Even though the vehicle is "Exempt", the customer pays more for the vehicle as they believe that it only has 115,000 miles. The dealer makes more money on the vehicle and the customer has made their buying decision based upon misrepresented information.

The explanation by the dealer is that disclosure is not required as the vehicle comes under the Federal Odometer Exemptions.

- 49 CFR Ch V 580 ODOMETER DISCLOSURE REQUIREMENTS

- o 580.6 Exemptions

- § (a)(3) A transferor or a lessee of any motor vehicle need not disclose the vehicle's odometer mileage if the vehicle is ten (10) years old or older.

Those dealers that have relied upon the above noted Federal Exemption as their basis for not disclosing that a vehicle's high mileage odometer has been exchanged with a low mileage odometer are in violation with Colorado State Statutes

### **CRS 42-6-202(2) PROHIBITED ACTS**

- (2) It is unlawful for any person or the person's agent to disconnect, reset, or alters the odometer of any motor vehicle with the intent to change the number of miles indicated thereon.
- (4) When the odometer is incapable of registering the same mileage as before such service, repair, or replacement, the odometer shall be adjusted to read zero, and a notice in writing shall be attached to the left door frame of the vehicle by the owner or the owner's agent specifying the mileage prior to repair or replacement of the odometer and the date on which it was repaired or replaced. Any removal or alteration of such notice so affixed is unlawful.

### **CRS 12-6-118(3)(i) License Grounds for denial, suspension or revocation.**

- Willful misrepresentation, circumstances, or concealment of or failure to disclose through whatsoever subterfuge or device, any of the material particular or the nature thereof required to be stated or furnished to the buyer.

The Federal Exemption Statute allows a dealer to state "Exempt" on the title but on the Dealer's Bill of Sale: the mileage must be noted and the box for "Actual Mileage Unknown" must be checked. Further, any odometer alterations must follow with a notification affixed to the left door frame as required by Colorado State Statute.

## **Secure and Verifiable Identification and Dealer Requirements,** *by Sue*

### *Spriggs, Titles & Registration*

It is the responsibility of the dealer to obtain Secure and Verifiable Identification information of at least one named owner for vehicles that will be titled and/or registered in the State of Colorado. Secure and Verifiable Identification information can be recorded on the DR2395 Application for Title or the DR 2842 Supplemental Secure and Verifiable Identification Attestation Clause.

Secure and Verifiable Identification is required when applying for a duplicate title only when the original title was issued on or after July 1, 2006. Secure and Verifiable Identification information can be recorded on the DR 2375 A Duplicate Title Application or the DR2842 Supplemental Secure and Verifiable Identification Attestation Clause.

For the complete list of acceptable Secure and Verifiable Identification please visit our website at [www.revenue.state.co.us/MV](http://www.revenue.state.co.us/MV), Titles and Registrations, Frequently Asked Questions, Secure and Verifiable Identification (DR 2841). If you have any questions regarding Secure and Verifiable Identification requirements, please contact the Titles and Registrations section at 303-205-5608.

## **COMPLIANCE CORNER,** *by Jerry Smith, Compliance Supervisor*

### **Sales Applications**

Once each month I present salesperson applications to the Dealer Board. In many instances applicants fail to disclose criminal histories, which, in and of themselves, may not be serious enough to deny their application. However, because they failed to disclose the arrest/charges, the board may deny their application. Please assure any applicant that, despite possible embarrassment, their chances of working are better if they simply disclose each arrest/conviction over the questioned period. In addition, many applicants fail to disclose a case because it was dismissed. The question on the form, however, asks if there were charges filed. Again the problem here will be an issue of improper disclosure and not the dismissed case.

### **Internet Sales**

Any vehicle sale done over the internet is subject to the same legal requirements as a sale done at the dealership. The most common internet complaint we receive deals with issues of misrepresentation such as mileage and the condition of the car. If an internet ad makes a representation such as "one owner" or "60,000 actual miles" such representation has to be factual. Similarly if you are offering a car on your website and contract with an out of state buyer, that sale was done in this state and subject to Colorado law. That includes the requirement that any internet offering is an advertisement and must include language demonstrating that the vehicle is being offered by a dealer.

Any questions/problems/concerns please contact me at 303-205-5742

## **Principal Place of Business,** *by Kaye Kopecky, Licensing Manager*

### **CRS 12-6-102(16) defines a dealership business as follows:**

**"Principal place of business"** means a site or location devoted exclusively to the business for which the motor vehicle dealer is licensed and businesses incidental thereto, sufficiently designated to admit of definite description, with space thereon or contiguous thereto adequate to permit the display of one of more new or used motor vehicles, and on which there shall be located or erected a permanent enclosed building or structure large enough to accommodate the office of the dealer and to provide a safe place to keep the books and other records of the business of such dealer, at which site or location the principal portion of such dealer's business shall be conducted and the books and records thereof kept and maintained; except that a dealer may keep its books and records at an off-site location in Colorado after notifying the board in writing of such location at least 30 days in advance.

### **CRS 12-6-117 Principal place of business – requirements.**

- (1) The building or structure required to be located on a principal place of business shall have electrical service and adequate sanitary facilities.

CRS 12-6-116 Notice of Change of address or status.

- (1) The board, through the executive director, shall not issue a motor vehicle dealer's license or used motor vehicle dealer's license to any applicant therefore who has no principal place of business as defined in this part 1.

To comply with these provisions of the law this office can no longer accept new applications or renew used or new motor vehicle dealer applications that do not comply with the principal place of business requirements.

If you have received a letter from the Auto Industry Division regarding the rejection of your application you have the right to appeal this decision pursuant to C.R.S. 12-6-119.

Please contact Kaye Kopecky, Licensing Manager at 303-205-5784 or Jerry Smith, Compliance Supervisor at 303-205-5742 if you have any questions about these issues.



## Changes in AID Personnel

The Auto Industry Division is pleased to announce that Kaye Kopecky has been promoted to the Licensing Manager position. Kaye is also the assistant to the director, Robert Sexton. 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 has also served as the division's public information officer and program assistant handling budget and compliance issues.

Bud Heinrich is the new licensing supervisor. Prior to this appointment Bud held the Compliance Officer position. Bud oversees the licensing activities for salespeople and supervises two administrative assistants. Bud is also responsible for the training classes for dealers and salespeople in licensing issues and advertising. You can reach Bud at 303-205-5729.

Sherry Colborg is also a licensing supervisor for the division. Sherry is responsible for the review of new dealer applications, change of ownership and class change applications. Sherry approves dealer applications that meet Board minimum criteria and submits those that don't to the Board for action. Sherry can be reached at 303-205-5698.

In November 2006 Ms. Birgit Bindel accepted the position of Legal Assistant to the Auto Industry Division with assignment as sole administrator to the Colorado Motor Vehicle Dealer Board and its Executive Secretary. Originally from Germany, Ms. Bindel holds a degree in Business Administration and paralegal degrees from both Germany and the United States. Ms. Bindel has 18 years of legal experience. She worked in Public Relations for the German Parliament, the Federal Bar Association of FRG, and various private law firms. In 1995, she accepted a position with the German Consulate in Denver. In 1997 she returned to Germany to work for a law firm specializing in labor and employment law. Upon her return to Denver in 2001, she worked for the German Consulate then accepted a paralegal position with a private law firm with the primary emphasis in business litigation. Ms. Bindel's multi-lingual skills are of significant value to the Motor Vehicle Dealer Board and the Division. The Division's ability to provide quality service to the Industry has been increased with the addition of Ms. Bindel.

Division Director Robert Sexton has appointed Stephen Koenig, Matt Heap, Donald Jandro and Ian Graham as Criminal Investigators for the Auto Industry Division.

Prior to coming to the Auto Industry Division, Steve Koenig spent 15 years with the Larimer County Sheriff's Office. Of that time, eleven years were spent in the investigations unit with an emphasis on auto theft investigation. Prior to coming to the Sheriff's Office, he spent ten years as a patrolman with the Wyoming Highway Patrol. Steve is a Certified VIN inspector and is also a member of the Northern Colorado Auto Theft Team, the Colorado Auto Theft Investigators Association. He was an original member of the U. S. Customs White Collar Crime Investigative Network for the Rocky Mountain Region. Investigator Koenig has been assigned to the Fort Collins Office.

Matt Heap is a Colorado native. He comes to the Division with 13 years of law enforcement experience. He started his career with the State of Colorado at the Colorado Bureau of Investigation. He was assigned to the Firearms/InstaCheck unit and engaged in white-collar criminal investigations. In 1999, he transferred to the Colorado Department of Corrections, where he was a Supervisor of 5 Peace Officers in the High Intensity Sex Offender Supervision Program. Additionally, he was the Division of Parole's Felony Filing liaison with the metro area District Attorney offices and engaged in the Divisions Fugitive apprehension program. He looks forward to adding to that professionalism and is excited about the positive future of the Division as it works to support the Motor Vehicle Licensing Board in its endeavor to bring trust and integrity to the industry. Investigator Heap has been assigned to the Lakewood Office.

Donald Jandro has an extensive law enforcement career that included eighteen years with the Jefferson Colorado Sheriff's Department where he was promoted to Captain, as the Chief Investigator for the 15<sup>th</sup> Judicial District Attorney's Office and with the Colorado State Correctional Department. Mr. Jandro has been qualified as an expert for crime scene reconstruction and firearms identification, design and function. He has received the Meritorious Award for Life Saving and State of Colorado Employee of the Year. Investigator Jandro has been assigned to the Colorado Springs Office.

Ian Graham began his career with the Camden County Missouri Sheriff's Department then transferred to the Missouri Attorney General's Office with assignment to the Criminal Investigation Division that included being part of the Federal Task Force Criminal Investigations Unit. Prior to being appointed to the Auto Industry Division, Investigator Graham had been assigned to the Central City Office of the Colorado Division of Gaming. Upon being appointed to the Auto Industry Division, Investigator Ian Graham was assigned to the Colorado Springs Office.

For a complete directory of the Auto Industry Division, visit our webpage at [www.revenue.state.co.us/dlr/home.asp](http://www.revenue.state.co.us/dlr/home.asp). Click on Sections and then Directory.

# DEALER BOARD ACTIONS

**Fernando Pena, dba Auto Doctor – Security - #4735** – failure to honor written agreement (4 counts); fraudulent/illegal sale (4 counts); unfitness. **\$30,000 FINE, LICENSE REVOKED.**

**Dario Perovic, dba Redline Motorcycle Specialists – Denver - #38659** – failure to deliver title within 30 days; defrauding any buyer/seller; place of business. **\$7,500 FINE, LICENSE REVOKED.**

**Robert R. Green Jr., dba Victory Sales & Leasing - Greeley - #4653** – defrauding any buyer/seller; change of address status; failure to apply for and obtain a certificate of title within 60 days of purchase; nondelivery of title. **\$4,000 FINE, (\$2,000 held in abeyance if Norlarco Credit Union is made whole).**  
**Dealer may not apply for a license until all complaints are resolved and fine is paid.**

**Louis Stevens, dba Uncle Lou's Auto Sales – Commerce City - #4029** – defrauding any buyer/seller; failure to honor written agreement; failure to honor check/draft to a motor vehicle dealer. **\$30,000 FINE, LICENSE REVOKED.**

**Yervand Tsaturyan and Aleksey Makey, dba TSA Auto Sales – Denver - #4593** –material misstatement in an application for license; principal place of business; unlicensed salesperson; failure to provide disclosure as part of a motor vehicle sales contract form. **\$10,000 FINE, BOND OPENED.**

**Yervand Tsaturyan and Aleksey Makey, dba International Auto Body , aka TSA Auto Sales – Denver - #4593** –failure to provide disclosure as part of a motor vehicle sales contract form; place of business; off-premise permit; signage; fraudulent/illegal sale; odometer disclosure; failure to display FTC Buyer's Guide. **\$8,000 FINE, LICENSE REVOKED.**

**Christopher Hall, dba Christopher's Dodge World, Inc. – Golden - #2366** –advertising Rule 9 and Rule 13. **\$20,000 FINE, ONE-YEAR PROBATION.**

**Charles Lake, dba Lake Auto Consultants – Aurora - #4574** – **VOLUNTARY SURRENDER OF LICENSE, BOND OPENED.**

**Anthony Jurgens, Salesperson - #33059** – fraudulent business practice; misappropriation of funds. **\$2,000 FINE, SALESPERSON LICENSE REVOKED.**

**Sammy Yu, Salesperson - #31900** – defrauding any buyer/seller (4 counts); failure to honor check/draft to a motor vehicle dealer; violation of Board Order. **\$10,000 FINE (\$7,000 HELD IN ABEYANCE PENDING COMPLETION OF SUSPENSION AND PROBATION).** **LICENSE SUSPENDED FOR ONE-YEAR COMMENCING OCTOBER 1, 2006; ONE-YEAR PROBATION COMMENCING OCTOBER 1, 2007.**

## DEALER BOARD MEMBERS

**President, Jeff Carlson**

**First Vice President, Steve Perkins**

**Second Vice President, Jim Varner**

**Bob Feder, Lisa Schomp, Eva Wilson**

**John Medved, Phil Harris, Jim Reitz**

**Executive Secretary, Robert C. Sexton**

## AUTO INDUSTRY DIVISION

**Division Director, Robert C. Sexton**

**Assistant to the Director, Kaye Kopecky**

**Agent-in-Charge, Eugene Tardy**

**Compliance Supervisor, Jerry Smith**

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.revenue.state.co.us/dlr/home.asp](http://www.revenue.state.co.us/dlr/home.asp)

## C A L E N D A R

**Dealer Board Business Meeting:** Second Thursday of each month at 9:00 am, 1881 Pierce St, Lakewood.

**Dealer Board Hearings:** Fourth Thursday 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 - Ft Collins: BY APPOINTMENT ONLY,** Second Wednesday of each month at 10:00 am, 1121 W Prospect Road, Ft. Collins

**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.