



Newsletter of the  
Colorado Motor Vehicle  
Dealer Board and  
Auto Industry  
Division  
October 1999 Vol. XXV, No. 5

## Kirk Martelon Named Dealer Board Executive Secretary And Division Director

**Kirk Martelon** was appointed Executive Secretary of the Motor Vehicle Dealer Board by Director of Revenue **Fred Fisher** after consultation with the Board and **George Turner**, Enforcement Business Group Director. Kirk was also named the Division Director for the Auto Industry Division and assumed both rolls September 1, 1999.

The Board's Executive Secretary has statutory authority to execute actions and directives of the Board and make recommendations to the Board on matters within the authority of the Board. Other power and duties of the Executive Secretary include setting and maintaining the Board's docket, granting motions, issuing subpoenas, corresponding and writing board orders on behalf of the Board, and conducting fact finding conferences.

The Director of the Auto Industry Division, formerly the Auto Industry Licensing Division, is responsible for the three separate sections of the division. The Licensing Section under **Janet Swaney**'s direction processes license applications, administers the distribution of forms and provides educational services to the public and industry. The Investigation Section, managed by **Mary Marvin**, investigates criminal complaints, non-

routine complex complaints and unlicensed activity. The Compliance Section conducts audits, educates licensees and works with consumers and dealers to resolve complaints.

Kirk was born and raised in Denver and graduated from Regis High School. In 1968 he received a Bachelor of Arts from Western State College in Gunnison.

He began his career with the State as a Liquor Enforcement Officer with the Department of Revenue. Kirk worked as the Administrative Assistant to the Liquor Control Chief, Supervisory Investigator and Attorney General Special Investigator in the Liquor Enforcement Division. Kirk joined the Dealer Section on July 1, 1987 as a Supervisory Investigator. For thirteen months, during 1993 and 1994, he was the Acting Administrator for the Dealer Section. He was named the Compliance Manager in October 1997.

Kirk has been married to his wife Beth since 1973. They have a son, Kyle, who is a junior at Lakewood High School. Kirk stated, "I have an open communication management style and I want to foster an open working relationship with the Dealer Board, the industry and the AID". Kirk can be reached at (303) 205-5696.

### Director's Desk by Kirk Martelon, Executive Secretary

Amendments to Board Regulation 12-6-104(3)(k) became effective October 1, 1999 when a dealer has agreed to arrange financing for a buyer. The purpose of the amendments to the regulation are intended to better disclose to a buyer who accepts spot delivery of a motor vehicle the potential impact of the interest rate to which the buyer agreed to purchase the vehicle, should the proposed financing terms not be approved by a lender.

You are free to approximate the monthly impact of the disclosed rate to adjust for payment

terms of a more frequent basis. For example, should a bi-weekly payment at the interest rate disclosed on the form be \$200, then a monthly payment may reasonably equate to \$433 per month. This is derived by multiplying \$200 x 26, then dividing the total by twelve.

This would give the buyer a reasonable estimate of the difference from what was initially agreed to by the dealer and buyer, with what it might cost the buyer should the anticipated financing not be approved.

# Investigation Insight by Mary Marvin, Investigator Supvr.

Organized crime, salvage and unlicensed sales are common factors in the investigations conducted by the Investigation Section. The section conducted sixty-three investigations in just the past two months relating to unlicensed activities. The most common denominator in these cases appears to be the sale of undisclosed salvage vehicles. Investigations also discovered an increasing and alarming amount of the perpetrators to be of Russian origin.

The political and economic changes in Eastern Europe and in the former Soviet Republics have provided significant, unintended opportunities for organized crime groups and criminal enterprises in those countries to expand internationally. Evidence that organized crime activities from those areas is expanding and will continue to expand in

the United States, including Colorado, is well documented.

Russian organized crime groups in the United States have been found to be a firm organizational structure that is fed by fear and corruption. To make matters worse, the Russian organized crime groups have demonstrated a willingness to work in close concert with non-Russian organized crime groups.

The Investigation Section has received numerous phone complaints from consumers who have purchased vehicles from unlicensed individuals of Russian origin. The consumers are afraid to file complaints against these individuals. Therefore, if you become aware of, or suspect, **any** unlicensed sales activities, we ask for your help by informing the Investigation Section.

# Licensing Lot by Janet Swaney, Licensing Manager

The Licensing Section mailed 2423 dealer and wholesaler renewal license applications prior to their June 30, 1999 expiration. Even now, with staggered renewal dates, the majority of all dealer and salesperson licenses still expire each June. 9518 salesperson license renewal applications were mailed out prior to their June expiration.

If a salesperson fails to renew his/her license within 30 days of the expiration date, that salesperson must re-apply as a new applicant. The applicant must submit an original application, the \$75 fee, and a new bond. The applicant is not required to re-take the Mastery Exam unless the application is submitted more than one year after the expiration date.

## Renewal License Applications Mailed By Month

	<u>DEALERS</u>	<u>SALESPERSONS</u>
JUNE	2423	9518
JULY	0	72
AUGUST	10	153
SEPTEMBER	13	289
OCTOBER	16	336
NOVEMBER	20	415
DECEMBER	21	322
JANUARY	18	225
FEBRUARY	30	449
MARCH	24	381
APRIL	26	491
MAY	20	402

## DEALER BOARD MEMBERS

**President**, Ron Rakowsky

**First Vice President**, Clair Villano,

**Second Vice President**, Mike Faricy

John Covert, Dwayne Dodd, Fred Emich,

Lee Payne, Steve Perkins, Jim Varner

**Executive Secretary**, Kirk J. Martelon

## AUTO INDUSTRY DIVISION

**Division Director**, Kirk J. Martelon

**Licensing Manager**, Janet Swaney,

**Investigator Supervisor**, Mary Marvin

Correspondence is welcome. Address to:

Larry Herold, 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, Conf. Rm. A, Lakewood.

**Dealer Board Hearings:** Fourth Tuesday of each month, if necessary, at 9:00 am, 1881 Pierce St, Conf. Rm. A, 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, Conf. Rm. A, 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.

## Aguilar and Aragon : Auto Industry Division Staff

**Celena Aguilar** is one of the administrative assistants with the AID. She was born in Denver, Colorado and grew up with three older sisters and one older brother. Celena went to many Denver area schools including the Denver School of the Arts before graduating from Green Mountain High School in 1997. She attended college for awhile before starting her career with the Department of Revenue. Ms. Aguilar was hired by and works for the same supervisor that her mother worked for when she first started with the State, ten years earlier.

She performs many different tasks including answering phones, mailing forms and processing the lists for criminal background checks while working for both the licensing unit and the investigations unit. Ms. Aguilar will soon attend college again where she hopes to obtain a degree as a Crime Lab Technician or in the behavioral sciences.

At home, she enjoys drawing and painting in the company of her three cats, Nala, Kilo, and Sydney.

**Marie Aragon** joined the AID on August 2nd as an administrative assistant. Her duties include answering dealer, salesperson and consumer's questions over the phone and at the walk-in counter, mailing out forms and microfilming documents.

Ms. Aragon was born in Denver and grew up in the Northwest part of the city. She is a 1999 graduate from North High School. While in high school she worked at St. Anthony's Central Hospital. After graduation she worked as a temporary employee for the Registration Section of the Department of Revenue until her move to the AID.

"I'm looking forward to learning more about the industry and the Auto Industry Division. I enjoy spending time with my family and having fun with my friends when I'm not working", Marie commented.

## Compliance Corner by Larry Dyslin

### Issuance and Use Rules For Manufacturer Plates

The following rules govern the issuance and use of manufacturer plates:

A licensed manufacturer or factory branch with one or more licensed representatives is authorized three plates. Purchase of additional plates may be authorized by providing proof of Colorado title for each vehicle.

Renewal of manufacturer plates is based on the manufacturer or factory branch providing proof of a Colorado title for each vehicle on which a manufacturer plate is to be used. This proof must be included with the renewal application.

**Vehicles bearing manufacturer plates must be OWNED and TITLED in Colorado by the manufacturer or factory branch. Operating a vehicle with manufacturer plates on a manufacturer's certificate of origin is NOT permitted. A Colorado title must be obtained.**

The driver of a vehicle bearing a manufacturer license plate shall have in his/her possession the receipt for application for a Colorado title. This validated receipt will serve as the registration and insurance verification. Verification of employment and authorization for use of the vehicle shall be written on the manufacturer's letterhead and shall be in the driver's possession at all times when the vehicle is being operated on the highways in Colorado.

Vehicles bearing Colorado manufacturer plates must be principally operated and maintained in Colorado. The receipt for title application must show a Colorado address. Manufacturer-owned vehicles operated and maintained principally in other states are subject to the licensing and registration requirements of those states.

No markings or advertising may appear on manufacturer-plated vehicles except those in the name of the manufacturer. Manufacturer-plated vehicles may not be used for demonstration purposes with the retail public. A manufacturer plate is not authorized on any vehicle which has been sold, leased or rented by the manufacturer to another party.

Lost or stolen manufacturer plates must be reported to a local law enforcement agency and the Department of Revenue, Auto Industry Division within 72 hours. All plates must be surrendered to the Division when the manufacturer ceases to operate in Colorado.

Questions regarding these requirements may be sent to the Registrations Section, Motor Vehicle Division, 1881 Pierce Street, Lakewood, CO 80214. Phone: (303) 205-5607. The full manufacturer plate regulations can be viewed on the web at [www.state.co.us/gov\\_dir/revenue\\_dir/MV\\_dir/mvrules.html](http://www.state.co.us/gov_dir/revenue_dir/MV_dir/mvrules.html).

## DEALER BOARD ACTIONS

**Quality Investments, dba Quality Motors, Martin Johnson (Divide, Colorado)**- having been convicted of or pled no contest to any felony (possession/sale of controlled substance). **6-MONTH SUSPENSION, \$2000 FINE.**

**James E. Cline Jr.** - violation of stipulation (changing dealers without prior Board approval). **\$500 FINE, PROBATION.**

**Scott Klostreich, dba Colorado Car Company** - making a material misstatement on an application. **LICENSE SUSPENDED 4 WEEKS, PROBATION.**

**Albert Ambrose, Jr., dba Dean's Auto Sales** - violation of stipulation. **\$500 FINE, ATTEND LICENSE LAW SEMINAR.**

**Gary D. Joselyn** - violation of stipulation. **\$500 FINE, PROBATION.**

**Brian Dickens** - violation of stipulation (changing dealers without prior Board approval). **\$500 FINE, PROBATION.**

**Mackenzie Kerr, dba Kerr Motors** - failure to honor written agreement (failure to pay for vehicles). **LICENSE REVOKED.**

**Phillip B. Scott** - having been convicted of or plead no contest to any felony or crime pursuant to article 3, 4 or 5 or title 18. **SALESPERSON LICENSE REVOKED.**

**Gateway Mazda, Inc. (Aurora)** - defrauding buyer or financial institution to that party's damage (misrepresentation of vehicle options). **REFUND MONIES TO CONSUMER.**

**Daniel J. Sullivan** - having indulged in fraudulent business practices, defrauding a buyer or seller to that party's damage. **SALESPERSON LICENSE REVOKED.**

## Dealer Board's Order Affirmed By Court of Appeals

The Colorado Court of Appeals affirmed the Motor Vehicle Dealer Board's order regarding Tri-State Auto Leasing's disciplinary proceeding. Tri-State Auto Leasing had appealed the Board's January 1998 order that its license be suspended for two days, placed on two years probation, fined \$20,000 and attend the license law seminar.

Tri-State Auto Leasing had been charged with defrauding a buyer and financial institution to such person's damage, changing a purchase agreement from cash to finance and with

committing forgery. The Dealer Board concluded that Tri-State personnel forged the signature of Douglas Tyrone Whipple on a promissory note and security agreement.

Judge Taubman wrote the opinion for the Colorado Court of Appeals. In part he wrote, "On this state of the record, we conclude that ample evidence exists to support the Board's findings and final order. The order is affirmed." Judges Rothenberg and Roy concurred with Judge Taubman.

FORWARDING & RETURN POSTAGE GUARANTEED  
ADDRESS CORRECTION REQUESTED

STATE OF COLORADO  
MOTOR VEHICLE DEALER BOARD  
DENVER CO 80261-0016

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DENVER CO  
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