



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

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

Elections were held July 13, 2004 for the Motor Vehicle Dealer Board 2004-2005 officers. **Gretchen Olson**, a public member of the Board, was elected President of the Board. **Jeff Carlson** of Glenwood Springs Ford, Inc. was elected First Vice-President, and **Jon Kroneberger** of Big Jon's Auto Sales was elected Second Vice-President.

Carlson, **Fred Emich** of Auto Nation USA, and **Dale Spradley** of Dale Spradley Motors, Inc. are the new motor vehicle dealer representatives. Kroneberger, **Steve Perkins** of Centennial Leasing and Sales, and **Mark Striegnitz** of Mark's Auto Sales, Inc. are the used motor vehicle dealer representatives. Public members are Olson, **Bob Feder**, and **Jim Varner**. Governor Owens reappointed Jeff Carlson, Jon Kroneberger, and Jim Varner to another three-year term ending June 30, 2007.

Board members are appointed by the Gover-

nor for staggered three-year terms. The Board has the statutory authority to grant, deny, suspend, revoke and fine dealer and salesperson licenses. The Board is also empowered to adopt regulations that have the force of law as well as conduct

hearings and monthly meetings. The license fees are also set by the Board each year.

The Dealer Board currently meets the second Tuesday of each month for a business meeting and the fourth Tuesday of each month for hearings, if needed. Beginning January 2005, the Board will begin meeting on the second and fourth Thursday. The meetings are open to people in the industry as well as the general public.

ROUTING BOX

Owner	
Finance Manager	
General Manager	✓
Sales Manager	

ATTENTION DEALERS/SALESPERSONS:

CHANGING DEALERSHIPS

When a salesperson terminates employment with a dealership, the dealer is required to return the salesperson license to the AID. The salesperson must immediately cease selling until employment at another dealership is obtained and proper notification is given to the AID. The applicant must submit the "Change of Employer Notification" form to the AID. The "Change of Employer Notification" form is at the bottom of the salesperson's license.

The form must be filled out completely and signed by both the salesperson and the new hiring dealer. **There is a fee to reissue a license and a current bond must be on file with the AID before the new license can issued.** The notification may be sent to Department of Revenue, AID, Denver CO 80261-

0016 OR the applicant may complete form DR2115 which is available on the AID webpage.

The new license will be issued for the remaining months of the 12-month license and will display the salesperson's name, the new employing dealer's name, license number and address. The license will be mailed to the new employing dealer.



Share The Wheels

Owners, managers, salespersons and office staff can all benefit from reading Wheels. The articles provide information on topics that affect the many different employee functions. Keep your staff knowledgeable, "Share the Wheels".

Licensing Leads *by Debby Shriver, Licensing Manager*

Requirements for Places of Business

With the increasing sales of motor vehicles being sold via the internet this is a reminder that dealers' places of business must meet and maintain the following requirements.

1. A permanent enclosed building or structure large enough to accommodate the dealer's office. In no event shall a room in a hotel, rooming house or apartment house building or a part of any single or multiple dwelling house be considered unless the entire ground floor of such hotel, apartment house or rooming house building or such dwelling house is devoted principally to and occupied for commercial purposes and the office of the dealer is located on the ground floor.
2. Books and records stored safely and available for inspections. Books and records shall be open for inspection Monday through Friday between 9 AM and 5 PM by the Board and/or the Board's agents.
3. Electrical service.
4. Adequate sanitary facilities (restroom) which means a permanent sewer hookup, cesspool or septic tank with leaching field, or a portable chemical toilet.
5. Space to display one or more vehicles.
6. If open less than 40 hours, hours of operation must be posted and open at least three days per week for a continuous four hours per day between 8 AM and 9 PM.
7. Must comply with local zoning requirements. It is important that prior to leasing/purchasing a location, licensees check with local zoning to ensure the property is zoned for the selling or leasing of vehicles. It is suggested that licensees obtain written verification from the zoning department because in some instances, licensees may be required to provide the written verification from zoning.
8. The location must be exclusively used for the dealer's business. The office, entrance and display area cannot be shared with another business.
9. The property must be owned or leased by the licensee and occupied by the licensee.
10. A permanent sign must be in place or a temporary sign will be acceptable if permanent sign is ordered.
11. The sign must display the licensed name (DBA name).
12. Sign's letters must be at least six-inch high.
13. Sign is visible to the major avenue of traffic. If location is in an office building the licensee's name must be displayed on the general billboard. If no billboard is available, sign must be located in a place that is visible to the public.
14. The Division requires two photos of the location - one photo showing a full view of the lot and sign from across the street, and a close-up of the office building and sign.

Should a licensee fail to meet and maintain these requirements it could be grounds for denial, suspension or revocation of the license.

Additional reminder, should a licensee change locations or add an additional location the Auto Industry Division must be notified immediately. Please check our web site for the required forms.

Notice of Change of Address, *Kaye Kopecky, Public Information Officer*

Over 100 June 2004 Wheels Newsletter were returned to the division by the post office for insufficient addresses. 12-6-116 C.R.S. states "Should the motor vehicle dealer or used motor vehicle dealer change the site or location of such dealer's 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 at a fee established pursuant to section 12-6-110. If you are changing the location of your dealership you must submit an "Application for Change of Location" and fee. If you are changing your mailing address or telephone number, please notify the AID in writing of the change. All AID forms can be downloaded from our webpage www.mv.state.co.us/dlr/dealer.html.

DEALER BOARD ACTIONS

Antoune Tanios, dba Antoune Leasing and Sales-Englewood -#4340—misrepresentation; advertising. **\$2,000 FINE, ONE-YEAR PROBATION.**

Thomas A Jones, dba Big Boyz Toyz-Colorado Springs-#36793—unfitness of licensing record. **LICENSE REVOKED.**

Kenneth J Shaw, dba JR's New & Used Sales, Inc. -Grand Junction -#8861 – advertising (2 counts); improper transfer of MCO; VIN verification; fraudulent sale (2 counts); second degree perjury; selling retail. **\$80,000 FINE (\$27,000 HELD IN ABEYANCE FROM PREVIOUS BOARD ACTION) TOTAL-\$107,000 FINE IMPOSED); 8 DAYS SUSPENSION (5 DAYS SUSPENSION HELD IN ABEYANCE FROM PREVIOUS BOARD ACTION)-TOTAL 13 DAYS AND \$97,000 FINE AND 10 DAYS SUSPENSION HELD IN ABEYANCE FOR 18 MONTHS PROBATION).**

John Ong, dba Rising Sun Imports-Denver-#4336 – failure to perform written agreement (2 counts); defrauding any buyer/seller (2 counts); fraudulent transaction (2 counts). **\$60,000 FINE (\$50,000 HELD IN ABEYANCE FOR 2 YEARS PROBATION), LICENSE SUSPENDED UNTIL FULL RESTITUTION MADE.**

Steven K Rohac, dba Rohac Motors-Englewood-#3365 – failure to maintain location and failure to comply with Board Order. **\$20,000 FINE (\$55,400 HELD IN ABEYANCE FROM PREVIOUS BOARD ACTION) (PLUS \$1,600 HELD IN ABEYANCE FROM ANOTHER PREVIOUS BOARD ACTION) TOTAL OF IMPOSED FINE \$77,000, FULL RESTITUTION, LICENSE REVOKED.**

Leroy H Jones, dba Intermountain Wholesale, Inc.-Commerce City -#5035 - utilizing trade name in connection with advertising. **DEALER WILL CHANGE TRADE NAME (DBA)**

Harry Lester, dba Harry's Speciality Cars-Englewood-#1676 - defrauding any buyer/seller (6 counts); failure to deliver title (4 counts); violating any state or federal statute dealing with odometers; failure to release lien upon satisfaction of mortgage. **\$24,000 FINE, FULL RESTITUTION, LICENSE REVOKED.**

Phi Long Nguyen-Salesperson - forgery; fraudulent business practice. **\$20,000 FINE, RESTITUTION, LICENSE REVOKED.**

Compliance Corner *by Supervisor Mary Marvin*

Colorado State Statute, 6-1-708, Deceptive trade practices in motor vehicle sales, states, in part, that a motor vehicle used as a trade-in on the purchase of another motor vehicle cannot be sold or leased before the purchaser or lessee has been approved for financing. The vehicle is not part of the dealer's resale inventory until the financing has been arranged. Simply put, the trade-in vehicle belongs to the customer until fi-

ancing has been approved. Making repairs to the trade vehicle, prior to financing approval, may not be beneficial to the dealership. If financing is rejected and the vehicle is returned to the customer, the repairs may be considered unauthorized repairs, repairs not approved by the owner of the vehicle. Therefore, the dealership may be required to assume the cost of the repairs.

Investigation Insight *by Supervisor Investigator Mary Marvin*

Junk vs. Salvage Colorado State Statute 42-6-136(1) states, in part, upon the destruction or dismantling of a motor vehicle, upon its being changed in such manner that it is no longer a motor vehicle shall surrender the certificate of title to be canceled. Once a motor vehicle is sold as "junk", or "parts only", the vehicle will never be retitled again. Do not confuse a "junk" vehicle with a "salvage" vehicle. A salvage vehicle that can be rebuilt to be made roadworthy can obtain a "Rebuilt From Salvage" title. Some dealers selling vehicles as "junk" have been telling their

customers that the customer can obtain a bond title. This is not true. If the bill of sale (buyer's agreement) discloses the sale as "junk" or "parts only", a title cannot be issued. The seller must mark the title "junk" and surrender said title to the Colorado Motor Vehicle Division for cancellation. Dealers selling motor vehicles as "junk" in an attempt to avoid compliance with C.R.S.42-6-112, delivery of title, may be found in violation of both the Motor Vehicle Industry Law and Regulations and Colorado State Statute.

ON THE MOVE

The Arapahoe County Motor Vehicle Office at 15561 E Iliff Ave. Aurora is moving to 490 S Chambers Road, Aurora (located in the City Center Market Place Shopping Center). The move will be in November. For more information call 303-795-4500.

DEALER BOARD MEMBERS

President, Gretchen Olson
First Vice President, Jeff Carlson
Second Vice President, Jon Kroneberger
Bob Feder, Fred Emich, Steve Perkins,
Mark Striegnitz, Jim Varner, Dale Spradley
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
Internet: www.mv.state.co.us/dlr/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 - 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.

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