WHEELS COLORADO
JUNE 2002

Newsletter of the Colorado Motor Vehicle Dealer Board and Auto Industry Division
Junel 2002, Vol. XXVIII, No.3

Bob Feder Joins Board

Bob Feder was appointed to the Motor Vehicle Dealer Board by **Governor Bill Owens**. Bob is filling one of the three public member positions on the Board.

Mr. Feder is the General Manager of Forensic Automotive and the C.E.O. of Automotive M.D.'s. Bob has over 42 years experience in many phases of the automotive industry ranging from a diesel mechanic, test and design engineer to the founder of Auto Rescue Service. He has been an instructor at Colorado Trial Lawyers Seminar on Vehicular Malfunctions and President for Western States Towing Association. Bob has also published articles in the American Society of Mechanical Engineers, Society of Automotive Engineers and the Journal of Forensic Sciences.

Bob and wife Laurie enjoy spending time with their children, traveling for long weekends and taking ocean cruises. They have 5 children, 7 grandchildren and 2 more on the way.

Bob enjoys spending time with people who are involved in the auto industry. He looks forward to serving on the Board and states, " It afforded me the opportunity to get out of my bib overalls and wear a suit for the day".

ROUTING BOX
Owner
Finance Manager ✓
General Manager
Sales Manager
_____
_____
_____
_____
_____

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

Colorado General Assembly 2002 Legislation

The Colorado General Assembly concluded its 2002 Legislative Session on Wednesday, May 8, 2002. Several bills of significance to the motor vehicle industry were passed and signed into law by Governor Bill Owens. Following is a summary of the bills. Additional information and effective dates on all bills are available from Senate Services at (303) 866-2316 and House Services at (303) 866-2904.

Senate Bill 02-005 was signed by Governor Owens on March 22, 2002 and becomes effective on August 7, 2002. It closed a huge loophole and enhanced the penalties against violators banished from the industry by the Motor Vehicle Dealer Board. In part, this bill prohibits a person whose license has been denied, suspended, or revoked from engaging in activities in Colorado for which a motor vehicle dealer's license, used motor vehicle dealer's license, motor vehicle wholesaler's license, or motor vehicle salesperson's is required, even if the person is or becomes licensed in another state. It punishes a first time offense as a class 1 misdemeanor (fine of $500 to $5,000 and/or jail from 6 months to 18 months) and a second or subsequent offense as a class 6 felony (fine of $1,000 to $100,000 and/or jail from 1 year to 2 years).

When a person is charged with violating this prohibition or existing prohibitions on similar activity, and the person is thereafter convicted or the case is disposed of under a plea bargain or other arrangement other than an acquittal, requires the court to give notice of the conviction or other disposition to the motor vehicle dealer board. It directs the board to investigate and determine whether the person was in fact unlicensed at the time of the violation and, if so, to suspend or revoke any other licenses the person may have held and to not issue or reinstate any license to the person for a period of one year.

The bill allows the investigators of the Department of Revenue's Auto Industry Division to issue misdemeanor summonses for violations, and adds such investigators to the existing definition of a level II peace officer for the limited purpose of issuing summonses only.

The bill also amended sections 12-6-118 (3)(o) and (5)(q), C.R.S., which allows the board to deny, suspend, or revoke licenses for the willful violation of any state or federal law respecting commerce or motor vehicles, or any lawful rule or regulation respecting commerce or motor vehicles, UNDER CIRCUMSTANCES IN WHICH THE

(continued on page 3)

Investigation Insight *by Supervisor Investigator Mary Marvin*

Another Tip About Canadian Vehicles

Recently published in Auto Remarketing Weekly was an article entitled "Hot Cars From Canada, Cost Dealers Cold Cash". The article states that U. S. dealers who buy vehicles in Canada put themselves at a high risk of buying a vehicle with a lien if they don't investigate their purchases first. Canadian registration certificates do not contain lien information. The buyer, often times a dealer, buys a vehicle from Canada and can use the certificate to get a legitimate title in the United States, not knowing that there is an existing secured interest on the vehicle. Even if a lender or dealer who sold a vehicle to someone in the United States attempts to place a lien on the United States title, that lender or dealer has four months to file that information. Most of the time, lenders do not know that the vehicle was transported to the states and the lien is never filed. Many times the dealer is held liable to pay off the lien rather than the consumer who bought the vehicle because the consumer is viewed as an innocent purchaser and is not in the business of vehicle transactions. The best protection is to make sure a vehicle has no liens. Auto Remarketing Weekly reports there is a website, lienquest.com, which is a site to connect registration information on vehicles in all 13 Canadian provinces. (For the complete article check the November 26, 2001 issue of Auto Remarketing Weekly, Volume 1, Number 44.)

Compliance Corner *by Supervisor Mary Marvin*

Temporary Registration Permits

The Motor Vehicle Division has brought to our attention that temporary registration permit stubs are sent in with numerous errors. These errors include: failure to complete permit number (numbers without letter); no permit number; wrong information; can't read (not installed in printer correctly)(illegible due to ink fading); same permit number with two vins; sent in after expiration date; and duplicate permit numbers with different purchaser name (permit completed, sale void, second permit stub completed for same permit number but different deal). Take extra care when completing the permit stub because the stub is used by the purchaser as proof of ownership until title and registration can be obtained. If the permit stub does not contain the correct information, the vehicle could be impounded if stopped by the local police. The temporary registration permit must have a 3-part registration (stub) completely filled in. If a sale is void (deal not completed) do not send both stubs, only send the stub for the completed transaction. If customers select another vehicle after permit stub has been completed, send only the stub for the completed transaction. Permit stubs must be sent into the State immediately. Failure to comply with the Rules and Regulations pertaining to Temporary Registration Permits may cause the loss of a dealer's privilege to issue permits.

? PLEASE GIVE US YOUR INPUT ?

We are asking for your input on ways to become more efficient. Now that WHEELS is on the Division's website, do you want to continue receiving a mailed copy of Wheels or merely visit our website for the latest news and information? Please email your response to our Public Information Officer, Kaye Kopecky at www.mv.state.co.us/dealer.html.

STATE OF COLORADO
2002-2003 LICENSE AND APPLICATION FEE SCHEDULE
Effective July 1, 2002

Dealers/Wholesalers/Buyer Agents/Auctions

Original 360
Renewal 300

Manufacturer/Distributor/Representatives

Original Manufactuer/Distributor/Branch 360
Renewal 300

Original Manufactuer Representatives 80
Renewal Representatives 60

Salespersons

Original 85
Renewal 60
Multiple (additional location license) 60

Miscellaneous Fees

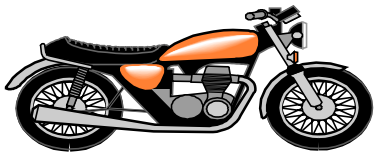
Temporary License for Out of State Dealer (per event) 145
Additional Location 150
Off-Premise Permit 60
Change of Class 85
Change of Location 85
Ownership Change 85
Change of Name 85

Titles & Registration, *by Chris Lowe*

New Full Use Dealer License Plate Fees

Effective June 1, 2002, the Full Use Dealer license plate fees will be as follows:

Full Use Dealer…….$266.00
Motorcycle Full Use Dealer……..…$124.00



CHECK OUT OUR WEBSITE

The Mastery Exam has been added to our website. You can access and download the procedures, license law manual, exam and affidavit for both dealer/wholesaler and salesperson/applicant.

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.**

If you are a dealer/wholesale applicant you **must** submit the test and the affidavit with your licensing packet.

(continued from page 1)

ACT CONSTITUING THE VIOLATION DIRECTLY AND NECESSARILY INVOLVES COMMERCE OR MOTOR VEHICLES.

Another bill of significance, **House Bill 02-1145**, was signed by the Governor on March 26, 2002 and becomes effective July 1, 2002, prohibits installing or reinstalling, as a part of an air bag system, any object not designed in accordance with federal safety regulations for the make, model, and year of the vehicle. It punishes violators with a misdemeanor, and imposes a penalty of a fine of $2,500 to $5,000, or one year in county jail, or both.

House Bill 02-1391, which was signed by Governor Owens on March 27, 2002 and became effective upon passage, concerns the augmentation of the General Fund through transfers of certain moneys in the 2001-02 state fiscal year, and, in connection therewith, provides for the subsequent restoration of certain moneys transferred for such augmentation of the General Fund. In short, this bill transferred $133,012,000 in surplus funds from twenty-one state cash funds, which included $1,100,000 out of the Auto Dealers License Fund.

DEALER BOARD ACTIONS

Namon Mack/Lenton Thomas, dba Mr. C's Auto Auction-Englewood-#3394 – failure to provide valid Certificate of Emissions Compliance; illegal sale. **$2,000 FINE, 3 DAY SUSPENSION, 6 MONTHS PROBATION, RESTITUTION.**

Scott Aragon/Knight Hinman, dba Allied Auto World-Denver-#4307 – misrepresentation. **$5,000 FINE, 5 DAY SUSPENSION, 1 YEAR PROBATION, RESTITUTION.**

Gregory Howe, dba Mile High Auto.Com, LLC-Denver-#4562 – failure to deliver title; place of business; defrauding any buyer/seller; misuse dealer demo plate. **$40,000 FINE, RESTITUTION, LICENSE REVOKED.**

James Haynes, dba Highlanders Trucks, LLC-Commerce City-#3204 – failure to honor written agreement; place of business; failure to deliver title; illegal sale. **$40,000 FINE, RESTITUTION, LICENSE REVOKED.**

Joe Hightower, dba Hightower & Shorty-Denver-#7808 – failure to perform written agreement; failure to deliver title; violation of terms and conditions of probation. **$395,000 FINE, RESTITUTION, LICENSE REVOKED.**

Idrak Din, Salesperson – material misstatement on application; failure to notify Board within 30 days. **$1,000 FINE, 1 DAY SUSPENSION, 6 MONTHS PROBATION.**

DEALER BOARD MEMBERS
President, Steve Perkins
First Vice President, Fred Emich
Second Vice President, Leo J. Payne
Gretchen Eberhardt, Jeff Carlson, Bob Feder,
Mark Striegnitz, Jim Varner, Jon Kroneberger

Executive Secretary, Kirk J. Martelon

AUTO INDUSTRY DIVISION
Division Director, Kirk J. Martelon
Acting 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/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

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

RETURN SERVICE REQUESTED

PRSRT STD
U.S. POSTAGE
PAID
DENVER CO
PERMIT NO. 212