



Newsletter of the Colorado Motor Vehicle Dealer Board and Auto Industry Division March 2004

Director's Desk by Linda R Petkash, Executive Secretary

JUNE 2004 WILL BE A MONTH FOR CHANGE

Does your dealer or manufacturer/distributor license expire in June? With the upcoming June renewal cycle, 1,425 licenses that expire in June will be issued "extended" licenses so the expiration month will be changed to July, August, September, or October. Those of you whose license has been selected as part of this project were sent a letter from the Division detailing what to expect with the upcoming June 2004 renewal of your license. The appropriate bond companies have been notified and given the extended license period information for each impacted licensee. Contact us if you have questions. All renewal applications will be mailed mid-May and are due at the Division June 15. Because of the extra steps this project will require, please submit your renewal early this year if possible.

Regulation Changes Effective June 1. A rule-making hearing was held by the Board at its January 13, 2004 meeting. Several changes to current regulations were passed, and notice was given in the March Colorado Register. The following is a summary of the changes. Regulation 12-6-104(3)(g)6: Any transfer of any percentage amount of ownership or membership interest of any business entity must be reported to the Board within 10 days of such transfer. Publicly traded corporations are exempt from this regulation. Regulations 12-6-118(3)(b) and 12-6-118(6)(a): The regulations regarding material misstatement and unfitness of licensing character or record were strengthened to

include any partner, officer, director or shareholder of any business entity regardless of the amount of percentage ownership. Publicly traded corporations are exempt from these two

regulations. Regulation 12-6-104(3)(j): An applicant who has held a license during the previous 12 months will not be required to retake the license examination. Regulation 12-6-118(3)(k) Ad rule 13 is amended by omitting the words "at the dealers premises" and adding language to allow transportation costs incurred after the sale to deliver the vehicle to the buyer to be added to the advertised price if the buyer has requested such delivery. A new ad rule has been added. Ad Rule 16 states: "Advertising any contest that offers to prospective participants the opportunity to receive or compete for gifts or prizes without such advertisement containing the words "No purchase or payment of any kind is necessary to enter or win this contest" in bold-faced type and at least ten-point type." Regulation 12-6-102(16) has been amended to clarify that off-premise permits must be obtained prior to the event and must be posted at the sale. You can access the complete text of these specific rule changes through our website at: www.mv.state.co.us/dealer.html and click on "Rule Changes Effective June 1, 2004".

ROUTING BOX
Owner
Finance Manager
General Manager
Sales Manager
[checkmark]
[lines]



Compliance Corner *by Supervisor Mary Marvin*

Moving to another location? The Compliance Section has been attempting to conduct routine audits 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 thereupon a new license shall be granted for the unexpired portion of the term of such license.

Training available. The Auto Industry Division provides training in such areas as Advertising, Title and Odometer Fraud, Accuracy in Document Preparation (Titles, Odometer Disclosures) and General Contract and Financing Requirements. If you are interested in any of these training sessions, contact Mary Marvin or Compliance Agent Bud Heinrich.

Investigation Insight *by Supervisor Investigator Mary Marvin*

Mileage Disclosure Record Retention

The Auto Industry Division in conjunction with the National Highway Traffic Safety Administration, Criminal Odometer Fraud Enforcement Division are currently conducting an investigation of odometer fraud in Colorado. We have been finding that Colorado dealers are not keeping mileage disclosures as required by Federal Law. Remember auction invoices are not odometer disclosures. The auction is only required to keep the odometer reading at time of sale. Code of Federal Regulations 49CFR Part 580.8 states: Dealers shall retain for five years a photostat, carbon or other facsimile copy of each odometer mileage statement which they issue and receive. Lessors shall retain, for five years following the date they transfer

ownership of the leased vehicle, each odometer disclosure statement which they receive from a lessee. Dealers who are granted a power of attorney by their transferor shall retain for five years a photostat, carbon, or other facsimile copy of each power of attorney that they receive. They shall retain all odometer disclosure statements at their primary place of business in an order that is appropriate to business requirements and that permits systematic retrieval. A person that violates the Federal Odometer Law or regulation is liable to the United States Government for a civil penalty of not more than \$2000 for each violation. A separate violation occurs for each motor vehicle involved in the violation.

Consumer Credit Finance Notification

Automobile dealers that finance and collect payments from consumer retail installment contracts and consumer leases must file notification and pay an annual fee to the Administrator of the Colorado Uniform Consumer Credit Code. The requirement applies to dealers (and other merchants) that retain these contracts and collect payments for more than thirty days after the contracts are written. No filing or fee is required if the dealer sells or assigns all contracts within thirty days after they are written. In those cases, the sales finance company must file and pay the appropriate fee.

The initial filing is due within thirty days after the dealer engages in consumer credit financing. Subsequent filings are due by January 31 of each calendar year with a grace period until March 1, and include a volume fee based on the amount of the dealer's credit business. In 2000, the law was amended to exempt dealers that sell or assign all of their contracts within thirty days after their contracts are written. The noti-

fication fee is currently \$10.00 per notification (only one notification is required per company regardless of number of locations). The volume fee is \$2.00 per \$100,000 or part thereof over and above the first \$100,000 of the original unpaid balances from contracts written in the prior calendar year.

These fees are used to fund the Administrator's investigations of consumer credit financing complaints. To obtain a notification form, call (303) 866-4494 and ask for a "retail sales" notification form. If a dealer fails to file notification and pay the appropriate fee, it has no legal right to collect finance charges on its contracts and is subject to legal action. For more information contact the Colorado Uniform Consumer Credit Code at 1525 Sherman St., 5th Fl., Denver, CO 80203 (303) 866-4494 or by e-mail at uccc@state.co.us.



Emissions, *by Supervisor Tom Myrsiades*

HB-1016 has been implemented as of January 1, 2004

The following are the changes that went into effect. Vehicles will not require an emissions test on change of ownership if they meet the following criteria:

1. Vehicle was registered for the first time with an MSO in a Colorado Emissions County and received a four-year emissions exemption. The exemption is based on model year and begins when the vehicle is purchased for the first time and expires when the vehicle reaches the anniversary of its fourth model year.
2. The last registration record in the County Clerks office shows at least 12 months remaining on the four-year exemption at the time of sale.
3. The vehicle can be sold multiple times as long as number 1 above applies.

VEHICLES THAT WILL NEED AN EMISSIONS TEST

Late model vehicles sold to consumers who will register the vehicle in a Colorado Emissions County that are less than four model years old that will require an emissions test include those vehicles that:

1. Were re-sold and were tested under the old law.

2. Vehicles that have passed a voluntary emissions inspection for any reason.
3. Vehicles that were titled and registered in an other state.
4. Vehicles that do not have a registration record showing at least 12 months of exemption from the original four-year exemption.

Additionally, the 120-day rule has been repealed.

Under the new law dealers may sell a used vehicle 1982 and newer, but the dealer must provide the purchaser with proof of a Certificate of Emissions Control, (CEC), that is no more than 12 months old from the date of test to the date of sale. Under the new law dealers may sell a used vehicle 1981 and older, but the dealer must provide the purchaser with proof of a Certificate of Emissions Control, (CEC), that is no more than 9 months old from the date of test to the date of sale.

The voucher law is still in affect.

If you have questions, you may call the Department of Revenue's Emissions Program Office at (303) 205-5603

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, Fred Emich

First Vice President, Gretchen Olson

Second Vice President, Jeff Carlson

Bob Feder, Jon Kroneberger, 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/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: Temporarily Suspended.

License Law Seminar - Ft Collins: 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.

DEALER BOARD ACTIONS

Thomas A and Crystal C Jones, dba Midtown Auto Sales – Colorado Springs - #3248 - defrauding any buyer/seller (18 counts), illegal sale (18 counts), nondelivery of title (15 counts), temporary permits (7 counts). **\$580,000 FINE (\$522,000 held in abeyance for full restitution) LICENSE REVOKED.**

Charles V Sari, dba KT Motors – Englewood - #3496 – defrauding any buyer/seller (5 counts), failure to honor written agreement (3 counts), fraudulent transaction (3 counts), failure to honor check/draft to another dealer or wholesaler (3 counts), nondelivery of title (2 counts). **\$160,000 FINE, FULL RESTITUTION, LICENSE REVOKED.**

George D Alexopoulos, dba Executive Sales & Leasing - Aurora - #4670 – nondelivery of title (14 counts), defrauding any buyer/seller (22 counts), failure to maintain a principal place of business, fraudulent transaction (8 counts). **\$450,000 FINE, FULL RESTITUTION, LICENSE REVOKED.**

Fred M Villa, dba Unique Auto Brokers – Greeley - #8579 – defrauding any buyer/seller (2 counts), failure to honor written agreement (2 counts), fraudulent transactions (2 counts), failure to honor check/draft to a dealer or wholesaler (2 counts). **\$80,000 FINE, FULL RESTITUTION, LICENSE REVOKED.**

Howard Koziara, Jonathan Breslow, Arlene Koziara dba Kozy’s Kars – Westminster - #3447 –nondelivery of title (5 counts), defrauding any buyer/seller (7 counts), failure to honor written agreement (2 counts), fraudulent transaction, willful violation of State or Federal Law To Wit: failure to collect and remit Colorado sales tax, unfitness. **\$85,000 FINE, FULL RESTITUTION, LICENSE REVOKED.**

Patricia R Anderson, Salesperson – fraudulent business practices (5 counts), misappropriating funds (3 counts). **\$40,000 FINE, LICENSE REVOKED**

James Fleming, Salesperson – fraudulent business practices, defrauding any buyer/seller, forgery, unfitness. **\$40,000 FINE, 12 MONTHS LICENSE SUSPENSION (\$28,000 HELD IN ABEYANCE, 11 MONTHS LICENSE SUSPENSION HELD IN ABEYANCE FOR FULL RESTITUTION, ATTEND LICENSING SEMINAR, 3 YEARS PROBATION).**

Tim A Karlberg, Salesperson – fraudulent business practices (6 counts), defrauding any buyer/seller (6 counts), unfitness (6 counts). **\$180,000 FINE, FULL RESTITUTION, LICENSE REVOKED.**

Stansell H Greer, III, Salesperson – fraudulent transactions (5 counts), nondelivery of title (10 counts), temporary permits (4 counts), certificate of emissions (2 counts), defrauding any buyer/seller (14 counts), failure to honor written agreement (2 counts), unfitness (41 counts). **\$156,000 FINE (\$140,400 HELD IN ABEYANCE, 30 DAYS SUSPENSION (25 DAYS HELD IN ABEYANCE), RESOLVE ALL COMPLAINTS, 3 YEARS PROBATION.**

Adrian Tiaferro, Salesperson – material misstatement (2 counts), felony conviction, unfitness – **\$50,000 FINE, LICENSE REVOKED.**

Larry J Wickes, Jr. , Salesperson – felony conviction, unfitness – **LICENSE REVOKED.**

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

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