

**MOTOR VEHICLE DEALER BOARD  
MINUTES  
February 18, 2014**

The regular meeting of the Dealer Board was held at the Department of Revenue offices, Lakewood, Colorado. The following persons were present:

**BOARD MEMBERS:**

Stan Martin  
John Schenden  
Deborah Thompson  
Jason Wagner  
Fred Wegener

**MEMBERS ABSENT:**

Joe Gebhardt  
Chris Hefty  
Beau Smith  
Lee Yoder

**SENIOR DIRECTOR OF  
ENFORCEMENT:****EXECUTIVE SECRETARY:**

Bruce Zulauf

**LEGAL ASSISTANT:****DEPT OF REVENUE,  
AID, ENFORCEMENT  
DIVISION STAFF:**

Chris Rouze  
Matt Heap  
Eric Hartsough  
John Opeka  
Gloria Breeden  
Cheryl Morrison  
Margaret Jungmann  
Kaye Kopecky  
Arleen Criddell-Tapanen

**ATTORNEY GENERAL'S OFFICE:**

Y.E. Scott

**BUDGET OFFICE:**

Jill Vaughn

**VISITORS:**

Mary Marvin, CAPSS  
Todd O'Connell, CIADA  
Tami McCoy, CADA  
Christopher Jon Richey, Auto Authority  
Hortencia E. Tizcareno, Truck Town Motors  
Christopher Johnson

Vice President, Jason Wagner, opened the meeting of February 18, 2014, at 9:10 a.m. Mr. Wagner turned the floor over to Executive Secretary, Bruce Zulauf.

## **AGENDA REVIEW AND ANNOUNCEMENTS**

Mr. Zulauf informed the Board there were no additions or corrections. Mr. Zulauf announced that Messrs. Smith, Gebhardt and Hefty will not be in attendance today.

Calendar - Mr. Zulauf announced there will be no Rulemaking Workshop on Thursday, February 27, 2014. The next Board meeting will be Thursday, March 13, 2014. A Rulemaking Workshop is scheduled for Thursday, March 27, 2014.

Mr. Zulauf gave the Board an update on the Craig Ford Affidavit of Probable Cause, which was presented at the January 21, 2014 meeting. Mr. Thompson, owner of Craig Ford, assured Mr. Zulauf that a closing is scheduled for February 28, 2014 with Cook Chevrolet. Mr. Thompson indicated that Craig Ford will become a new entity, Cook Ford. The AID staff will begin the application process with all parties involved. Mr. Zulauf will keep the Board updated as more information is forthcoming.

## **MINUTES**

The minutes of the January 21, 2014 Board meeting were approved unanimously.

## **BUDGET REPORT**

Ms. Vaughn presented the Cash Flow Analysis for fiscal year end 2014. The Division's Cash Flow Analysis reflects the financial position of the Auto Industry Division as of period 6 for FY14 provided all projections hold true. Net revenue collections are \$1,502,000, which is about \$37,000 less than the projected total of \$1,540,000. Expenses for the first 6 months of FY14 total \$1,448,000, which is about \$31,000 less than the projected figure of \$1,480,000. Total expenditures in the amount of \$2.9M equal actual expenses through period 6 and projected fund activity for the remainder of the year. The end of the year fund balance for FY14 is projected to exceed the Division need or target fund balance by \$519,000.

The Division's expenditure projections are continually adjusted to reflect budget cuts, restrictions and increased costs as required by the Department of Revenue and the Governor's office.

Each year fees are analyzed based on projected Division need as demonstrated by the following years Budget request. Dealer Board fee recommendations are presented to the Executive Director's office for approval and implementation. Per statute §24-75-402(g), the target fund reserve should be 16.5% of the amount expended from the cash fund during the fiscal year. Current cash flow document indicates that the Auto Dealer's License fund will exceed this target in FY14, which is an indication that a decrease in fees may be necessary.

Mr. Zulauf stated we can expect a 10%, or slightly less, fee decrease across the board for FY15. He also stated that, historically, April is the designated month for fee setting recommendations with Board discussion and final approval of Executive Director. Mr. Zulauf indicated that if AID receives the expected adjustment to its spending authority for FY14, the Division will be in a position to acquire MYLO and implement by December '2014.

There was general discussion about Mr. Zulauf and Mr. Kammerzell's meeting with representatives from the Office of the State Auditor on January 21, 2014. Further discussions about the audit have been scheduled for February 25, 2014. Mr. Zulauf will keep the Board updated as more information is forthcoming.

## **BACKGROUND INVESTIGATIONS TEAM**

John Opeka presented the following:

### **Dealer Applications:**

- **Auto Authority LLC #42801** – Motion to deny the license based on unfitness of financial character – approved unanimously (Mr. Wagner as Chairperson voted).
- **Truck Town Motors LLC #42762** – Motion to deny the license based on unfitness of financial character – approved unanimously (Mr. Wagner as Chairperson voted).

### **Salesperson Applications:**

- **Carr, Ronald #185467** – Motion to grant the license – approved unanimously (Mr. Wagner as Chairperson voted).
- **Concha, John #33517** – Motion to deny the license based on material misstatement and unfitness of criminal character – approved unanimously (Mr. Wagner as Chairperson voted).
- **Deluca, Xavier #185041** – Motion to deny the license based on unfitness of criminal character and unfitness of financial character – approved unanimously (Mr. Wagner as Chairperson voted).
- **Johnson, Christopher #186324** – Motion to deny the license based on unfitness of criminal character and having been convicted of a misdemeanor under title 18 or any felony – approved unanimously (Mr. Wagner as Chairperson voted).
- **Wilcox, Joshua #184794** – Motion to table for 30 days – approved unanimously (Mr. Wagner as Chairperson voted).

## **INVESTIGATION REPORT:**

Chief of Investigations Chris Rouze presented the following:

**Statistical Reporting** – Ms. Rouze informed the Board that we started with 579 cases, 158 new cases were opened and 203 cases were closed for the month, giving the Division a balance of 534 open cases. There were 234 background inquiries performed.

### **Affidavits of Probable Cause:**

- **Barbees Freeway Ford, Inc., DL #2628** - Motion that the Board finds probable cause for a hearing based upon the Affidavit of Probable Cause presented to the Board today respective to Barbees Freeway Ford, Inc., Dealer #2628; that the case be assigned to the Office of Administrative Courts for a hearing on the merits and that the Executive Secretary be permitted to engage in settlement negotiations pursuant to C.R.S. 12-6-104 – approved unanimously (Mr. Wagner as Chairperson voted).
- **Davey Coach Sales, Inc., DL #7651** – Motion that the Board finds probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to Davey Coach Sales, Inc., Dealer #7651; that the case be assigned to the Colorado Motor Vehicle Dealer Board for a hearing on the merits and that the Executive Secretary be permitted to engage in settlement negotiations pursuant to C.R.S. 12-6-104 – approved unanimously (Mr. Wagner as Chairperson voted).
- **Rush Peterbuilt Truck Center Denver, DL #8865** – Motion that the Board finds probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to Rush Peterbuilt Truck Center Denver, Dealer #8865; that the case be assigned to the Office of Administrative Courts for a hearing on the merits and that the Executive Secretary be permitted to engage in settlement negotiations pursuant to C.R.S. 12-6-104 – approved unanimously (Mr. Wagner as Chairperson voted).

**New Business** – Ms. Thompson asked when new disclosure form will be available. Mr. Zulauf briefed the Board on how the process works and gave potential time frame.

**Public Comment** – There was no public comment.

The regular meeting of the Motor Vehicle Dealer Board was adjourned at 10:20 a.m.

*(Note: The Minutes of the Motor Vehicle Dealer Board summarize the contents of the meeting. They are not verbatim transcripts and are based principally upon the digital recording of the meeting and upon the later collaboration of staff attendees to ensure that the summary faithfully captures the matters before the Board and the actions the Board took. The digital recording of the meeting is a permanent record of the Board, retained in the electronic filing system of the Auto Industry Division, and is available as a resource for review, as needed.)*

Bruce Zulauf  
Executive Secretary