

# MOTOR VEHICLE DEALER BOARD MINUTES

**February 20, 2018**

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

**BOARD MEMBERS:**

Carrie Ann Baumgart  
Ramona Graves Bode  
Lucky Heggs  
Michael Jorgensen  
Chris Langley  
John Linton  
Stan Martin  
Steven Perkins  
Jason White

**MEMBERS ABSENT:**

**SENIOR DIRECTOR OF ENFORCEMENT:**

Flavio Quintana

**EXECUTIVE SECRETARY:**

Bruce Zulauf

**LEGAL ASSISTANT:**

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

Chris Rouze  
Chris Hartman  
Gloria Breedon  
John Opeka  
Frank Agos  
Josh Dexter  
Cheryl Morrison  
Frank Macias  
Chris Clements  
Beth Spellerberg  
Arleen Criddell Tapanen

**ATTORNEY GENERAL'S OFFICE:**

Brad Jones  
Y.E. Scott  
Skip Spear

**VISITORS:**

Todd O'Connell, CIADA  
Matthew Groves, CADA  
Tim Jackson, CADA  
Trinity Lockeit, Avalanche Harley Davidson  
Adrian Flores, O'Meara Ford  
Michael A. Reta, Larry H. Miller  
Art Erwin, Christopher's Dodge World  
Lisa McCann

President, Stan Martin, opened the meeting of February 20, 2018 at 9:05 a.m. Mr. Martin turned the floor over to Executive Secretary, Bruce Zulauf.

## **AGENDA REVIEW AND ANNOUNCEMENTS**

Mr. Zulauf informed the Board there were no changes to the agenda as posted. The Division will start fingerprinting new applicants in March. Rulemaking stakeholder groups are scheduled to begin in March. Mr. Zulauf introduced Beth Spellerberg, the Division's new Deputy Executive Secretary.

## **MINUTES**

The minutes of the January 16, 2018 meeting were approved unanimously.

## **EXECUTIVE SECRETARY'S REPORT**

Mr. Zulauf presented the following to the Board:

- **Initial Decision – Jason Hobeiter, Motor Vehicle Salesperson License #178400**

Assistant Attorney General Skip Spear appears as Conflicts Counsel. Mr. Jones recused himself and left the room.

A motion was made to enter Executive Session for the expressed purpose of seeking legal advice in the matter of Jason Hobeiter – passed unanimously.

Board entered into Executive Session at 9:15 a.m. and Resumed Open Session at 9:33 a.m.

When the Board resumed open session a Motion to have Conflicts Counsel draft Final Order to be presented at the March meeting was made – approved unanimously.

Mr. Jones returned to the room.

- **Proposed Stipulation and Final Agency Order – AutoSource Nation #43239** – Motion to accept the Proposed Stipulation and Final Agency Order – approved 7-1 (Perkins opposed).
- **Proposed Stipulation and Final Agency Order – Shortline Automotive, Inc. #216** – Motion to accept the Proposed Stipulation and Final Agency Order – approved unanimously.
- **Proposed Stipulation and Final Agency Order – Bergland, LLC #37529** – Motion to accept the Proposed Stipulation and Final Agency Order – approved unanimously.
- **Proposed Stipulation and Final Agency Order – The Denver Collection #43174** – Motion to accept the Proposed Stipulation and Final Agency Order – approved unanimously.
- **Proposed Stipulation and Final Agency Order – Erico Motorsports #7895** – Motion to accept the Proposed Stipulation and Final Agency Order – approved unanimously.

Mr. Jones recused himself and left the room.

- **Initial Decision – Chris A. Scott, Motor Vehicle Salesperson License #188695** – Motion was made to accept the Findings of Fact, Conclusions of Law, set aside the recommended Order and revoke the license – approved unanimously.

Mr. Jones returned to the room. The Board took a 10 minute break.

## ATTORNEY GENERAL'S REPORT

Ms. Scott presented the following to the Board:

- **Proposed Stipulation and Final Agency Order – Kyle Jensen, Salesperson #181470** – Motion to accept the Proposed Stipulation and Final Agency Order – approved unanimously.
- **Proposed Stipulation and Final Agency Order – EAN Holdings, LLC, Dealer #41278** – Motion to accept the Proposed Stipulation and Final Agency Order – approved unanimously.

## BACKGROUND INVESTIGATIONS TEAM

Ms. Breeden presented the following to the Board:

### Dealer Applications:

- **Ark Valley Motor Sports LLC #44020** – Application will be presented at a future meeting.
- **Ark Valley Motor Sports LLC #44021** – Application will be presented at a future meeting.
- **Go Green Motors #43987** – Motion to grant the license – approved 6-2 (Baumgart and White opposed).
- **Golden Eagle Auto Sales, LLC #44097** – Motion to table until more information is received – approved unanimously.
- **MHM Autos, LLC #44088** – Motion to deny the license based on unfitness of licensing character – approved unanimously.
- **Star Auto Sale #44034** – Motion to grant the license – approved unanimously.

### Salesperson Applications:

- **Borrego, Yvette A. #182703** – Motion to deny the license based on unfitness of criminal character and unfitness of financial character – approved unanimously.
- **Flores, Adrian B. #171853** – Motion to grant a conditional license based upon applicant providing the standard letter from the employing dealer which includes the normal terms and conditions – approved unanimously.
- **Hall, Korey Shane #26538** – Motion to grant the license – approved 6-2 (Jorgensen and White opposed).
- **Mejia, Gabriel X. #187706** – Motion to deny the license based on unfitness of financial character, unfitness of criminal character and having been convicted of a misdemeanor under title 18 or any felony – approved unanimously.
- **Mohmand, Khalid A. #626900** – Table for 30 days – approved unanimously.

- **Rausch, John M. #24768** – Motion to deny the license based on unfitness of financial character – approved unanimously.
- **Reta, Michael Anthony #630629** – Table for 30 days – approved unanimously.
- **Wylie, Daniel L. #626940** – Motion to grant the license – approved unanimously.

## INVESTIGATIONS REPORT

Ms. Rouze presented the following to the Board:

**Statistical Reporting** – Ms. Rouze informed the Board that we started with 264 cases, 168 new cases were opened and 177 cases were closed for the month, giving the Division a balance of 255 open cases. There were 585 background inquiries performed.

### Affidavits of Probable Cause:

- **Century R. V., Inc., DL #35835** – Motion that the Board finds probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to Century R. V., Inc., Dealer #35835; and 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.
- **Dream Rides, DL #41418** – Motion that the Board finds probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to Dream Rides, Dealer #41418; and 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.
- **Lisabi Motors Inc., DL #39508** – Motion that the Board finds probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to Lisabi Motors Inc., Dealer #39508; and 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 7-1 (Perkins opposed).
- **Nissan of Durango, DL #43522** – Motion that the Board finds probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to Nissan of Durango, Dealer #43522; and 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 6-2 (Perkins and White opposed).
- **Edwards, Jr., James C., SP #166059** – Motion that the Board finds probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to Edwards, Jr., James C., Salesperson #166059; and that the Colorado Motor Vehicle Dealer Board summarily suspend his motor vehicle salesperson’s license in accordance with C.R.S. 24-4-104 as he has engaged in deliberate and willful acts and has been convicted of a mandatory qualifying felony – approved unanimously.
- **Little, Zachary D., SP #197915** – Motion that the Board finds probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to Little, Zachary D., Salesperson #197915; and that the Colorado Motor Vehicle Dealer Board summarily suspend his motor vehicle salesperson’s license in accordance with C.R.S. 24-4-104 as he has engaged in deliberate and willful acts and has been convicted of a mandatory qualifying felony – approved unanimously.

**LEGISLATIVE UPDATE** – Senior Director Quintana gave the following legislative updates:

**SB18-128** -- Restriction on State Agency's Authority to Increase a Fee – The bill places fee increases within the discretion of the JBC.

**HB18-1198** -- Establishes the Best Practices for State Boards and Commissions – Requires the Motor Vehicle Dealer Board provide annual verification to the state Boards and Commissions that its Best Practices, Code of Ethics written policies have been reviewed and are current.

**SB18-30** --Relocate the laws related to motor vehicles and powersports vehicles from Title 12 to Title 44 – Currently moving through legislature and awaiting Governor's signature.

**HB18-1105** -- Unlicensed Sale of Vehicles – This bill would establish the requirement of county court fines for unlicensed sales to be deposited into the Auto Dealers Fund. The bill also exempts licensure requirements for businesses selling less than 20 powersports vehicles within a two year period.

**SB18-077** -- Provides exemption of sales tax for the sale of used motor vehicles. There will be challenges establishing how the tax will be rolled-out.

Mr. Perkins addressed concerns with **SB18-102** Odometer Reading Physical Vehicle Identification Number Verification – This bill precludes having to conduct an Odometer reading when doing a VIN inspection.

Mr. Quintana will provide legislative updates on this matter as they become available.

**New Business:**

- Mr. Langley thanked all who provided vehicles to the Colorado Brotherhood of Fallen Officers and the help they received from CIADA.
- Mr. Perkins followed up on material particular discussions related to the fining authority of the Board and ensuring consumers are taken care of. Mr. Zulauf suggested the Board take the opportunity to address the matter when the rule is reviewed (Regulation 12-6-104(4)) during upcoming Rulemaking stakeholder groups.

**Public Comment** – None

The meeting of the Motor Vehicle Dealer Board was adjourned at 11:53 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