

# MOTOR VEHICLE DEALER BOARD MINUTES

**May 21, 2019**

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  
Fletcher Flower  
John Linton  
Steven Perkins  
Matthew Porter  
Jason White  
Michael Widhalm

**MEMBERS ABSENT:**

Ramona Graves Bode  
Lucky Heggs

**EXECUTIVE SECRETARY:**

Bruce Zulauf

**SENIOR DIRECTOR:**

Corey Amend

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

Chris Rouze  
Chris Hartman  
Gloria Breedon  
John Opeka  
Frank Agos  
Josh Dexter  
Erika Garcia  
Brian Schurmann  
Beth Spellerberg  
Margaret Jungmann  
Arleen Criddell Tapanen

**ATTORNEY GENERAL'S OFFICE:**

Brad Jones

**VISITORS:**

Esteban Murguia, Hot Shot Cousins  
Todd O'Connell, CIADA  
Matthew Groves, CADA  
Michael Landis, U.S. Public Interest Research Group  
Rick Wynkoop, Esq.

President, Steven Perkins, opened the meeting of May 21, 2019 at 9:05 a.m. Mr. Perkins 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. There will be a continuation and open discussion of form 2434. Ms. Bode and Mr. Heggs will not be in attendance today.

## **LEGISLATIVE UPDATE**

**HB19-1286** – Motor Vehicle Wholesaler Authorized Individuals – The bill is awaiting Governor’s signature. If bill is signed, it will become effective August 2, 2019.

**SB19-249** – License Business Selling Its Used Motor Vehicles – The bill is awaiting Governor’s signature. If bill is signed, it will become effective August 2, 2019.

The Division will begin 2019 Group 1 rulemaking agenda for stakeholder meetings in June.

A hearing has been scheduled for the Board regarding the Hi Tech Automotive case on July 24<sup>th</sup>, 25<sup>th</sup> and 26<sup>th</sup>.

Mr. Jones stated that there is an appeal matter pending before the Court of Appeals in regard to the NEZ, Ltd. case.

Senior Director Amend informed the Board that the Department of Revenue has a new Executive Director, Lu Cordova. He went on to say that Executive Director Cordova brings new energy and direction to the department and he anticipates she will attend future Stakeholder and Dealer Board meetings.

## **MINUTES**

The minutes of the April 16, 2019 meeting were approved unanimously with removal of Ms. Breeden’s name from staff attendance.

## **BACKGROUND INVESTIGATIONS TEAM**

Ms. Breeden presented the following to the Board:

### **Dealer Applications:**

- **Hot Shot Cousins d/b/a The Hot Shot Rides #44479** – Motion to grant the license – approved unanimously.
- **Sterling Automotive Group, Inc. #44266** – Motion to deny the license based on incomplete application – approved unanimously.
- **Summit Peak Motors, LLC #44442** – Motion to grant the license – approved unanimously.

## Salesperson Applications:

- **Guerra, Louis Sean #669842** – 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 5-1 (White opposed).
- **Hoffman, Dannah Marie #666996** – 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 and incomplete application – approved unanimously.
- **Marquez, Octavio A. #665573** – Motion to grant the license – approved unanimously.
- **Pineda, Louis Vic #665573** – 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.
- **Reese, John Thomas #669824** – Motion to grant the license – approved unanimously.

## EXECUTIVE SECRETARY REPORT

Mr. Zulauf presented the following to the Board:

- **Proposed Stipulation and Final Agency Order – Groove Ford #41478** – Motion to accept the Proposed Stipulation and Final Agency Order – approved unanimously.
- **Proposed Stipulation and Final Agency Order – Phil Long Valucar, LLC #43265** – Motion to accept the Proposed Stipulation and Final Agency Order – approved unanimously.
- **Proposed Stipulation and Final Agency Order – Camping World RV Sales #38063** – Motion to accept the Proposed Stipulation and Final Agency Order – approved unanimously.
- **Proposed Stipulation and Final Agency Order – Custom Cars West #39275** – Motion to accept the Proposed Stipulation and Final Agency Order – approved unanimously.
- **Proposed Stipulation and Final Agency Order – Tynan’s Kia #41551** – Motion to accept the Proposed Stipulation and Final Agency Order – approved unanimously.
- **Proposed Stipulation and Final Agency Order – Auto Budget Group, LLC #43277** – Motion to accept the Proposed Stipulation and Final Agency Order – approved unanimously.

## INVESTIGATIONS REPORT

Ms. Hartman presented the following to the Board:

**Statistical Reporting** – Ms. Hartman informed the Board that we started with 280 cases, 183 new cases were opened and 159 cases were closed for the month, giving the Division a balance of 304 open cases. There were 439 background inquiries performed.

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

- **Jumping Jack Cash (MV) DL #43471** – Motion that the Board finds probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to Jumping Jack Cash (MV), Dealer #43471; 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. 44-20-104 – approved unanimously.
- **Jumping Jack Cash (PS), DL #43403** – Motion that the Board finds probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to Jumping Jack Cash (PS), Dealer #43403; 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. 44-20-104 – approved unanimously.
- **Land Rover Roaring Fork, DL #43103** – Motion that the Board finds probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to Land Rover Roaring Fork, Dealer #43103; 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. 44-20-104 – approved unanimously.
- **Renato Olivaries, Jr., SL #201258** – Motion that the Board finds probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to Renato Olivaries, Jr., Salesperson #201258; and that the Colorado Motor Vehicle Dealer Board summarily suspend his motor vehicle salesperson license in accordance with C.R.S. 24-4-104 as he has engaged in deliberate and willful acts and his conduct poses a threat to the public health, safety and welfare – approved unanimously.
- **David Anthony Volckmann, SL #181096** – Motion that the Board finds probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to David Anthony Volckmann, Salesperson #181096; and that the Colorado Motor Vehicle Dealer Board summarily suspend his motor vehicle salesperson license in accordance with C.R.S. 24-4-104 as he has engaged in deliberate and willful acts and his conduct poses a threat to the public health, safety and welfare – approved unanimously.
- **David R. Wilson, SL #30327** – Motion that the Board finds probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to David R. Wilson, Salesperson #30327; and that the Colorado Motor Vehicle Dealer Board summarily suspend his motor vehicle salesperson license in accordance with C.R.S. 24-4-104 as he has engaged in deliberate and willful acts and has a mandatory disqualifying conviction – approved unanimously.

At Mr. Perkins requests the Division provide a report of last year's investigations with and without violations during next month's meeting. The Board took a 10 min. break.

### **Open Discussion – Continuation – Request to Address the Board by Gupta Wessler PLLC – Regarding Regulation 44-20-104(3) (I) & Form DR2434**

After a lengthy discussion, a motion was made to table the discussion for twelve (12) months and revisit with additional data at that time – approved 5-1 (Linton opposed).

**New Business** – Mr. Perkins expressed concerns that under SB19-249, United Rentals has the ability to sell passenger vans and trucks. Mr. Perkins perception is that the bill is bad for consumer protection.

Mr. Jones stated that this bill gives the Board authority to promulgate rules and decide what potential legislative fix may need to be made in the future.

**Public Comment** – None

The meeting of the Motor Vehicle Dealer Board was adjourned at 11:50 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