

MINUTES
AUTO INDUSTRY ENFORCEMENT DIVISION
RULEMAKING WORKING GROUP

Meeting of August 19, 2015
1:30 p.m. – 4:00 p.m.

1881 Pierce St.
Lakewood, CO 80214

Working Group Members Present

Chair, Bruce Zulauf (CDOR – Auto Industry Division)
Co-Chair, Matt Heap (CDOR – Auto Industry Division)
Martin Kenney (CDOR – Auto Industry Division)
Leland Bebee (CDOR – Auto Industry Division)
Michael Dommermuth, Esq. – CADA
Tammi McCoy, CADA
Todd O’Connell, CIADA
Matt Osbourne, Esq.
John Schenden, Former Board member
Steve Perkins, Former Board member
Jerry Abboud, PDAC
Ron Kammerzell (CDOR, Senior Director – Enforcement)
Hanah Harris-Yager (Colorado Attorney General’s Office)
Y.E. Scott (Colorado Attorney General’s Office)
Randall Cherry (Colorado Attorney General’s Office)

Working Group Members Absent

Michael McKinnon, Esq. - CIADA
Rick Wynkoop, Esq.
Sean Doyle, Better Business Bureau
Dean Strawn, Auto Dealer

Director Zulauf, Chair, opened the meeting at 1:35 p.m. Each working group member introduced themselves. Director Zulauf stated there will be general discussions of CADA’s material particulars/damage disclosure suggestions and the Motor Vehicle Dealer Board’s comments related to off premise permits.

Disclosing Material Particulars/Material Damage

Ms. McCoy presented her proposed edits/suggestions to Regulation 12-6-118(3) (j) in regard to material particulars/damage disclosure.

Mr. Kenney read Sean Doyle’s email to the Group, which in summary, states his concurrence of CADA’s suggestions but has concerns about repair recalls.

A general discussion of recalls and repair recalls among the group followed.

There was a general discussion of disclosing frame or unibody damage at the time of sale.

Ms. Scott presented her edits/suggestions of the language in regards to disclosing frame or unibody damage.

Mr. Cherry suggested, in an effort to avoid litigation, change language on second line to read: **“As used in this regulation, material particulars means damage sustained or reported or other particular incurred by a vehicle”**.

Ms. Scott suggested language be changed to read: **“Material particulars” shall include, but are not limited to the following, previous or current.”**

A general discussion of disclosing recalls resumed.

Ms. McCoy will submit CADA’s final draft of the Rule with today’s modifications. Once all modifications are made, the Division will have the final draft noticed and inform all working group members that the formal rulemaking record has begun.

Group took a 10 min. break - Reconvened at 3:25 p.m.

There was a general discussion of dealers timing for providing written disclosure prior to sale and the best language to use.

Off Premise Permits -

Director Zulauf stated the Division’s position is that “display only” does not require an off premise permit. The Board was interested in the suggestion made by CADA in regards to having two levels for issuance of a permit.

The two levels are:

- Trade Show vs. True Sale & Fee
- Full blown Sale – engage in sales activity all the time & Fee

Mr. Schenden raised the issue of dealers remaining in their designated sales areas, when holding an off premise event.

There was a general discussion of what the timeframes should be for the two levels for issuance of permits.

There was a general discussion of the need for out-of-state salespersons to be licensed and proper background checks performed.

Ms. Mcoy, Mr. O'Connell and Mr. Abboud will submit final draft suggestions and modifications to the Rule, which the Division will forward to all in the working Group via email.

Mr. Dommermuth suggested language be included in the Rule that dealers provide a list of proposed salespersons who will be working the event when applying for permits.

Director Zulauf reminded the Group that the fee structure for the two permit levels would remain the same until next year at fee setting.

Director Zulauf thanked everyone for their participation and adjourned the meeting at 4:25 p.m.

(Note: The minutes of these rulemaking working groups are very general in nature and only 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 working group and the discussion the group had. The digital recording of the meeting is a permanent record of the Division, retained in the electronic filing system of Division, and is available on the Division's website.)