

Dealer Details

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Form 735-7022 (9-2012)

'Zero percent down' ad must be true to be legal

Dale Geiger, ODAC member and Department of Justice investigator, started the July 26 ODAC meeting by explaining the advertising rules associated with "zero percent down."

Using "zero percent down" can be interpreted that anyone can purchase a vehicle with no out-of-pocket expense, including no payment for title, registration and document preparation.

Dale said that dealers can't advertise "zero percent down" if the dealer is using the customer's rebate, trade-in or security fee as a down payment.

The meeting's next topic also described a pitfall for vehicle dealers. Ron Kramer, DMV Business Regulation's chief of investigations, described a case involving a con artist who has worked for several dealers.

This person has become a manager at dealerships, converted dealer funds to his personal use, then walked away, leaving the dealer to clean up the mess and pay the civil penalties.

His last dealership sold 26 vehicles that were not paid off.

Ron urged dealers to do background checks on their employees.

The balance of the meeting consisted of looking at the proposed fee increase for dealers, dismantler's and other vehicle-related businesses. ODAC agreed to support the

proposed fee increase.

Here are some items of interest the membership considered prior to agreeing to support the fee increase:

- Business Regulation, for the most part, is funded with vehicle dealer licensing dollars. ODAC has been advising DMV on what activities the industries would like to see Business Regulation pursuing. This will continue into the future.

- By the time the proposed fee increase took affect Jan. 1, 2014, it would have been more than 12 years since the last fee increase. DMV has managed to operate Business Regulation over these years by conserving fees during the higher-revenue years and using this fund to cover shortages in lean years.

- The proposed fee increase is in line with spending and may cover the expense of running Business Regulation for the next six to seven years.

- ODAC will continue to help with evaluation of needs in future years. If a fee increase is needed, members of ODAC will be suggesting the best possible ways of stretching existing funds to cover the cost of Business Regulation.

Please join us for the next ODAC meeting on Oct. 25 at DMV Headquarters, 1905 Lana Avenue NE, Salem.

– Mike Wagner
ODAC Chair

Handbook updated August 2012

The August 2012 revision of the Title and Registration Handbook is available to view, print or copy at DMV's website www.oregondmv.com.

This revision updates the May 2012 Handbook.

The Handbook is normally updated quarterly. The next revision is scheduled for November 2012. You may buy a printed copy from one of these organizations:

- Oregon Independent Auto Dealers Association (OIADA), 1-800-447-0302; email: info@OIADA.com; www.oiada.com

- Oregon Vehicle Dealers Association (OVDA), 1-877-541-2277; email: ovda@ordealers.com; www.ordealers.com

Changes in the August 2012 Handbook revision are as follows:

Cover Page – The cover page reflects the latest revision date of 08-12.

Chapters A, B, H, and the Index – These chapters were reviewed and minor updates made. Internet (hyperlink) links were updated due to some links having been broken. (All of the handbook chapters were reviewed to ensure the links were working.)

Chapter C, Application for Replacement Title, Form 735-515 – The Application for Replacement Title, Form 735-515, was replaced with the latest revision (3-12). Two new motor powers have been added to the chapter and to the revised Form 735-515.

“Hybrid” should be checked on the form for vehicles that use

electricity plus another source of power.

“Plug-in Hybrid” should be checked for vehicles that can be charged by plugging in to an electrical receptacle and use gasoline power.

“Natural Gas” should be checked if compressed natural gas is the motor power.

Chapter F, Ownership Documents – If an MCO has been lost, mutilated or destroyed, DMV will accept a certified copy of the manufacturer's invoice to the dealer signed by the dealership owner or office manager with a statement to the effect: “I certify the original MCO was lost or destroyed and this to be a true copy.”

A reference to the optional titling rule has been removed.

Chapter G, Operation of Law – A funeral notice can also be accepted as one of the proofs of death.

The definition of “proscribed” property was updated as defined in ORS 98.805.

Chapter I, Security Interest Perfection – A security interest is defined under ORS 801.465. The statute now refers to ORS 71.2010(2) (ii).

Chapter J, Damaged/Totaled Vehicles – “Rebuilder” has been removed from the list of those who may apply for salvage title to match up with the wording in statute.

A reference to the date of theft on the Stolen Vehicle Notification, Form 735-6927, was added.

Chapter K, Registration – The Custom Plate Application, Form

735-205, was replaced with the latest revision (5-12). The Application for Amateur Radio Call Letter Registration Plates, Form 735-231, was replaced with the latest revision (5-12). The Application for Registration, Renewal, Replacement or Transfer of Plates and/or Stickers, Form 735-268 was replaced with the latest revision (5-12).

The list of vehicles exempt from DEQ was updated to include Racing Activity Vehicles and all ATVs.

National Guard contact information was updated.

Chapter L, Vehicle Types – A reference to the optional titling rule has been removed.

Chapter M, Fees – The Motor Home Schedule of Registration Fees, Form 735-465, was added to the chapter.

Chapter O, Tow/Recovery Vehicles – If customers have questions about insurance requirements, they may call the Oregon Tow Truck Association at (503) 324-9401. Minimum amounts and limits of coverage required are listed in ORS 825 and 822.205.

Chapter R, Dealers – Some examples were replaced with a clearly marked “VOID” stamp.

Chapter T, Flags – Vehicles declared unfit by law enforcement will have a Flag 48 on the record until the Oregon Health Authority, Public Health Division, issues a Certificate of Fitness for the vehicle.

Index – The index has been reviewed and minor updates made.

– Dave Adams
Vehicle Policy

Dealer Sanctions

Note: Fines and sanctions for dealers and unlicensed dealers may not reflect settlements.

Dealer	City	Violations Found	Offense Count	Amount
Civil Penalties				
Greg Springate dba	Newberg	Failure to allow an administrative inspection	1	\$1,000
Greg Springate Auto Construction		Signing/allowing person to sign owner name on any DMV document used in title transfer without obtaining Power of Attorney	1	\$1,500
Premier Auto Import LLC	Wood Village	Failure to maintain records of the title delivery	2	\$1,750
American Auto LLC	Woodburn	Failure to maintain records at main business location	2	\$500
		Failure to maintain proper records	2	\$2,250
		Failure to maintain records of title delivery	2	\$2,250
		Failure to submit notice of sale or transfer of a vehicle	2	\$1,000
		Failure to furnish title within 90 days	2	\$1,000
Jesse Ephrem dba	Salem	Failure to submit fees and application to DMV within 30 days	3	\$2,000
Jesse and Sons		Failure to notify purchaser/lien holder of title delay	3	\$2,000
(1 Yr Probation)		Failure to maintain records of title delivery/submission/delays	3	\$2,000
Craig F and Shawna J Kinley dba	Grants Pass	Failure to furnish title within 90 days	1	\$3,000
Kinleys Korner			3	\$3,000
Patricks Motorsports LLC	Portland	Failure to maintain proper records	2	\$500
GSCO Inc dba	Klamath Falls	Failure to furnish title or application for title within 90 days	1	\$2,000
Town and Country Motors			2	\$2,000
TVP Investments LLC dba	Grants Pass	Failure to satisfy interest within 15 days	1	\$1,000
Next Auto			1	\$1,000
Autoteam LLC	Portland	Failure to satisfy interest within 15 days	1	\$2,000
		Failure to submit fees and application to DMV within 30 days	2	\$500
Woodburn Auto Sales 2 LLC	Woodburn	Failure to maintain records of title delivery/submission/delays	2	\$1,750
Richs Auto Sales LLC dba	Portland	Failure to furnish ownership documents to purchaser within 25 days	1	\$250
Richs Vovos Only		Failure to maintain proper records	3	\$3,000
		Failure to maintain record of title delivery	1	\$250
		Failure to follow proper procedure when issuing Temporary Registration Permits	2	\$250
Affordable Auto Wholesale Inc	Portland	Failure to furnish title to purchaser within 25 days	2	\$250
		Failure to provide notice of title delay to purchaser within 25 days	2	\$250
		Failure to satisfy interest within 15 days	1	\$1,000
		Failure to submit fees and application to DMV within 30 days	2	\$1,000
Bobbys Auto Sales LLC	Portland	Failure to furnish title within 25 days	2	\$250
		Failure to follow proper procedure when issuing Temporary Registration Permits	2	\$50
		Failure to follow requirements for issuing Trip Permits	2	\$50
Andrew O Davids dba	Hillsboro	Failure to submit fees and application to DMV within 30 days	1	\$25,000
Autosport Enterprizes		Failure to furnish ownership documents to purchaser within 25 days	1	\$1,000
(3 Yr Suspension)		Continuing to make false statements of material fact in an investigation by DMV	1	\$1,000
Pioneer West Inc	LaGrande	Late Renewal	1	\$100
The Dalles Auto Sales Inc	The Dalles	Failure to satisfy interest within 15 days	2	\$2,000
Easy Auto Sales LLC	Salem	Failure to submit fees and application to DMV within 30 days	2	\$1,250
		Failure to maintain records of title delivery/submission/delays	2	\$1,250
Salem Auto Service Inc dba	Salem	Failure to submit fees and application to DMV within 30 days	2	\$1,500
Affordable Auto Sales & Service		Failure to notify purchaser of delay in title documents	3	\$1,000
		Failure to maintain records of title delivery/submission/delays	3	\$2,500
		Failure to furnish title within 90 days	2	\$2,000
WFJ Auto Wholesale LLC	Portland	Failure to submit fees and application to DMV within 30 days	2	\$750
		Failure to notify purchaser/lien holder of title delay	2	\$750
Robert and Trenton Rollins dba	McMinnville	Failure to remove and destroy registration plates	2	\$250
Trentons Auto Wrecking and Salvage Yard		Failure to maintain proper records for a motor vehicle	2	\$1,250
		Acquiring a motor vehicle without first obtaining a certificate of sale	2	\$750
Goshen Recycling LLC	Eugene	Failure to remove and destroy registration plates	2	\$1,500
(1 Year Probation)		Failure to maintain proper records for a motor vehicle	2	\$7,000

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Dealer Sanctions

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Dealer	City	Violations Found	Offense	Count	Amount
Civil Penalties					
Sundance Mfg Inc dba Sundance Marina	Portland	Late Renewal	1	1	\$100
Woodburn Auto Sales 2 LLC	Woodburn	Failure to furnish title within 90 days	1	1	\$1,000
Klamath Superior Motor Company Inc	Klamath Falls	Failure to pay consignor within 10 days	2	1	\$1,000
Luis Enrique Munoz Caballero	Salem	Acting as a vehicle dealer without a current dealer certificate	1	8	\$20,000
Mark Groom	Redmond	Acting as a vehicle dealer without a current dealer certificate	1	5	\$12,500
Sunridge Development LLC dba JR Enterprises	Milwaukie	Acting as a vehicle dealer without a current dealer certificate	1	6	\$15,000
Yelena Shevyakov	Portland	Acting as a vehicle dealer without a current dealer certificate	1	16	\$40,000
Robert Wade	Portland	Acting as a vehicle dealer without a current dealer certificate	1	15	\$37,000

Be wary of stolen cars

DMV Business Regulation has seen an increase in the number of dismantlers who have purchased stolen vehicles. In almost every case, this could have been avoided if the dismantler had followed Oregon statutes and rules, and had stayed alert to the obvious.

One recent case involved a dismantler who purchased multiple vehicles from an individual who said he had operated a business and was willing to take less than market value “just to get rid of cars.” Several of these vehicles had been stolen.

This was not the bargain the dismantler had hoped for. The vehicles were taken by the police, the suspect had spent the cash, and the dismantler was not happy.

Some of the warning signals dismantlers can look for:

- Private citizens rarely have evidence of ownership that is not a title. If a member of the public is trying to sell you a vehicle with a possessory lien, look at the paperwork and ask questions about how they acquired the vehicle and why the vehicle was not titled in the seller’s name. Compare the VIN on the paper work to the VIN on the vehicle. If the person is offering to sell multiple vehicles, be very cautious and check everything.
- Businesses such as body shops, repair shops and dealers could have more than one vehicle to sell. If all of the vehicles are

being sold with possessory lien paperwork, check the VIN with the paperwork on every vehicle. Pay by check, not cash.

- Possessory lien documents are only as good as the person you are getting them from. If all of the statutory requirements (such as notification to an owner or security interest holder) have not been met, the damaged party may seek reimbursement from you or your bonding company. Your recourse is back to the person who sold the vehicle to you.

- If someone brings you a vehicle without an ownership document, leaves, and comes back 15 minutes later with an abandoned vehicle form, possessory lien or connecting bills of sale, be extremely cautious.

- If someone provides you with a title for a vehicle, but that person’s name is not on the title, make sure that he or she also provides you with connecting bills of sale for every name that appears on the title.

- If someone provides you with an application for replacement title as an ownership document, check the DAVE system or have the seller bring you a screen print from DMV showing that he or she is the titled owner of the vehicle.

If you have questions about the transaction, call your DMV investigator. Your investigators often are already aware of individuals who are operating outside the law, and the investigator may be able to help you avoid getting in a jam.

– Investigations Unit
DMV Business Regulation

Have dealer number handy on phone

When a dealer calls the DMV Business License unit, it is easiest for DMV staff to look up that dealer by their dealer number.

While staff can search by dealer name, it does take a little more time as some names are very similar and a search can generate several results.

Also, when sending correspondence such as a trip permit or plate order request, please also remember to include your dealer number with it.

By including your dealer number we can more efficiently serve your needs in a much timelier manner.

– DMV Business Regulation