

**TENNESSEE MOTOR VEHICLE COMMISSION  
BOARD MEETING  
October 13, 2008 9:30 A.M.  
CONFERENCE ROOM 160  
DAVY CROCKETT TOWER, 500 JAMES ROBERTSON PKWY.  
NASHVILLE, TENNESSEE 37243**

**ROLL CALL:**

	<u>PRESENT</u>	<u>ABSENT</u>
<b>BRENT SMITH</b>	<b>X</b>	
<b>EDDIE ROBERTS</b>	<b>X</b>	
<b>JOHN BARKER</b>	<b>X</b>	
<b>GEORGE BASS</b>	<b>X</b>	
<b>KENT BEWLEY</b>	<b>X</b>	
<b>MELISSA BLANKENSHIP</b>	<b>X</b>	
<b>KEVIN CULLUM</b>	<b>X</b>	
<b>DONNIE HATCHER</b>	<b>X</b>	
<b>NATE JACKSON</b>	<b>X</b>	
<b>CHAD JONES</b>		<b>X</b>
<b>ALLEN LEWIS</b>		<b>X</b>
<b>TRAVIS MCDONOUGH</b>	<b>X</b>	
<b>STAN MCNABB</b>		<b>X</b>
<b>JOE PREBUL</b>	<b>X</b>	
<b>FARRAR SCHAEFFER PECKHAM</b>	<b>X</b>	

The Tennessee Motor Vehicle Commission Meeting was called to order by Chairman Brent Smith on October 13, 2008. Roll Call was taken with a total of (12) member's present.

**A Motion was made by Commissioner Nate Jackson, and seconded by Commissioner George Bass, to approve the minutes from the July meeting.**

**MOTION PASSED UNANIMOUSLY**

**REVIEW COMMITTEE**

The Review Committee advised the Commission that the Committee had discussed the attached legal report with counsel and moved that the Commission adopt the attorney's recommendations with the following exceptions.

**Case No.: 2008009231**

Respondent is a licensed salesperson for licensed dealer in the Nashville area and purchases salvage vehicles at auction for his employer; however, Respondent is advertising salvage vehicles for sale for the benefit of his employer on an internet website known as the "Local Sales Network". The advertised vehicles are located in Chattanooga. Further, the advertisements do not contain the required

disclosures and information. On May 28, 2008, Respondent's employer advised that he (employer) was in the process of relocating the dealership to Chattanooga and also planning to apply for a Dismantler and Recycler's license also in Chattanooga. As of September 26, 2008, no such relocation has taken place, nor has a D & R license been applied for.

**Recommendation: Letters of Warning to both Respondent and Respondent's employer.**

**Review Committee Recommendation: Further investigation.**

**Case No.: 2008013081**

Complainant purchased vehicle from Respondent, and prior to receiving registration and tags, Respondent issued four (4) temporary tags (two (2) more than allowed).

**Recommendation: Authorization for \$500 civil penalty or Formal Hearing.**

**Review Committee Recommendation: Letter of Warning.**

**Case No.: 2008004941**

Complainant purchased used vehicle from Respondent. Prior to purchasing vehicle, Complainant asked if there was anything wrong with the vehicle. Respondent replied that he knew of nothing wrong with it. After purchasing said vehicle, Complainant and Complainant's lien holder discovered that title was marked "Rebuilt Vehicle". Respondent initially took the subject vehicle in on trade-in, and at that time the title was clearly marked "Rebuilt Vehicle". Respondent eventually refunded Complainant's purchase price.

**Recommendation: Authorization for \$500 civil penalty or Formal Hearing.**

**Recommendation: Letter of Warning.**

**Case No.: 2008010621**

On March 5, 2008, Complainant went to Respondent's dealership interested in purchasing a new 2008 GMC Yukon. Respondent did not have one on the lot, but found one matching Complainant's requirements at a GMC dealership in Louisiana with an odometer reading of 22 miles. The Respondent sent employees to Louisiana to drive the vehicle back to Tennessee – a distance of 505.84 miles. When Complainant took delivery of the vehicle, the odometer read 969 miles, and the inside of the vehicle contained trash and was very dirty.

The purchase order from the Louisiana dealership to the Respondent's dealership shows 22 miles. The purchase order from the Respondent to the Complainant shows 56 miles and was signed by the Complainant. The Odometer Disclosure Statement shows 969 miles written in and the original 56 miles is "x'd" out. Subsequent to the purchase, a second Bill of Sale dated March 15, 2008 was printed by Respondent. This Bill of Sale was unsigned by Complainant. The Purchase Order shows the odometer reading as 969 miles and was also unsigned by the Complainant. The Odometer Disclosure Statement also shows 969 miles, but also was unsigned by the Complainant. When Respondent was asked why there was such a discrepancy in the odometer reading, his response was "We made a mistake". When asked why sales documents were back-dated, the Respondent said, "We got her an extra \$1,000 rebate"; however, no such rebate is reflected in either the signed or unsigned deal documents.

**Recommendation: Authorization for \$1,500 civil penalty or Formal Hearing.**  
**Review Committee Recommendation: Authorization for \$500 civil penalty or Formal Hearing.**

**Case No.: 2008001491**

Respondent is an unlicensed used car dealer. On March 24, 2008 investigator advised Respondent he needed a motor vehicle dealer license. Respondent contacted Motor Vehicle Commission and license packet was forwarded to him. On April 7, 2008 Respondent advised investigator the application was at his accountant's office, and Respondent signed sworn affidavit regarding same. As of the date of this hearing, no such application has been received.

**Recommendation: Authorization for \$500 civil penalty or Formal Hearing.**  
**Review Committee Recommendation: Authorization for \$500 civil penalty and Cease and Desist or Formal Hearing.**

**Case No.: 20080080281**

Respondent issued third drive-out tag without obtaining approval as per motor vehicle rules and regulations.

**Recommendation: Authorization for \$500 civil penalty or Formal Hearing.**  
**Review Committee Recommendation: Letter of Warning.**

**Case No.: 2008008641**

This matter was originally presented to the Commission on 4/14/08, and represented to the Commission on 7/14/08. Dealer was contesting \$40,000 citation issued for failure to have a motor vehicle dealer's license for an additional business location. Dealer maintained that it relied on erroneous information with respect to opening an additional sales office and immediately ceased operation at the additional location upon the subject citation being issued. At the 4/14/08 meeting, the Commission authorized a \$40,500 civil penalty. At representation on 7/14/08, the Commission rejected the dealer's \$1,000 settlement offer.

Dealer requests an informal hearing regarding this matter.

**Recommendation: Authorization for Informal Hearing.**  
**Review Committee Recommendation: Authorization for Formal Hearing.**

**Case No.: 2008009071**

This matter was originally presented to the Commission on 7/14/08. At that time, the Commission authorized a \$1,500 civil penalty for Respondent's failure to pay a \$500 citation issued 2/5/08 for Respondent's operation of an unlicensed dismantler/recycler business.

Respondent is now licensed.

**Recommendation: Rescind civil penalty and close with no violation.**  
**Review Committee Recommendation: Rescind civil penalty against current owner; close and flag former owner.**

### **APPEALS**

The following appeals were heard by Commission.

Lynitta Goodwin-salesman license-Affordable Auto Mart LLC., Jackson, TN  
Staff denied application

**Motion made by Commissioner Eddie Roberts, and seconded by Commissioner Donnie Hatcher to uphold the denial that was made by the staff.**

**MOTION PASSED UNANIMOUSLY**

Motor Cars International Inc.-dealership license-Nashville, TN  
Staff denied application

**Motion made by Commissioner Travis McDonough to over rule staff recommendation, which would allow the license to be granted. Motion was seconded by Commissioner Donnie Hatcher.**

**MOTION PASSED UNANIMOUSLY**

**STAFF ATTORNEY'S REPORT**

Agreed Citation Schedule-  
Staff Attorney Patrick Merkel requested changes to the Agreed Citation Schedule.

**Motion was made by Commissioner Donnie Hatcher, seconded by Commissioner John Barker, to accept the Agreed Citation as presented by the Staff Attorney.**

**VOICE VOTE**

**Eddie Roberts-No  
Kent Bewley-No  
George Bass-Yes  
Travis McDonough-Yes  
Kevin Cullum-Yes  
Donnie Hatcher-Yes**

**Joe Prebul-Yes  
John Barker-Yes  
Melissa Blankenship-Yes  
Farrar Schaeffer Peckham-Yes  
Nate Jackson-Yes**

**MOTION PASSED**

Commissioner Stan McNabb was named chairman of the Director Search Committee.

Arnold Murphy was named Interim Director.

Dates set for next year's Commission meetings:

January 12, 2009

April 13, 2009

July 13, 2009

October 12, 2009

**DIRECTORS REPORT**

Since the last Commission meeting in July 2008 the following actions have been taken:

Dealers Opened, or Relocated .....103

Active Licensees as of October 1, 2008

Dealers.....4526  
    Applications in Process.....57  
Distributions/Manufacturers .....228  
Auctions.....36  
Representatives.....668  
Salespeople.....15048  
Dismantlers.....382  
RV Dealers.....20  
RV Manufacturers.....84

Motor Vehicle Show Permits Issued Since January, 2008.....11  
    Revenue Received                      \$ 1100.00

Meeting Adjourned.

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Brent Smith, Chairman

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Don Trotter, Executive Director