

Used Motor Vehicle and Parts Commission Report By ADR Staff

Commissioner Steve Ross convened the August 13, 2013 session of the Used Motor Vehicle and Parts Commission (UMV&PC). Following roll call and approval of the July meeting minutes, Ross called on Commission Director John Maile for his report.

Director Maile reminded the commissioners that the current meeting would be Deputy Director Kenneth Whitehead's last prior to his retirement. Whitehead's final day of work would be August 21; he would be on annual leave until the effective retirement date of August 31, 2013. Consequently, this meeting would be transitional in nature. Maile reported that financial statements were current through June. Commissioners would receive updated reports via email in advance of the "State of the Commission" discussion tentatively scheduled for the September 2013 meeting.

Director Maile continued by noting that an Expenditures Report was not available for the recent period. Also, the Auditor's report was received during the prior month. The auditor's findings were similar to reports of the previous twenty years. The auditor continues to recommend different division of duties with respect to the handling and processing of receipts. Director Maile maintains the position current procedures are adequate since cash is never accepted. Even though audit standards are not met, Maile contends monies received by the Commission are accounted for in a reasonable and prudent manner. He does not agree with the audit findings that current accounting procedures are a problem.

Maile further reported that oral arguments in the Allen's Auto Sales case were held on July 29, 2013. The court order affirmed the Commission's decision to revoke Nick Allen's license. Harry Allen, father of Nick Allen, was exempted from the order because there was no evidence indicating his involvement in Nick Allen's activities. Harry Allen may still apply for a dealer license and is expected to do so. Mr. Allen's attorney has been informed that the Commission would require assurances that Nick Allen would not be involved in any dealership authorized in Harry Allen's name. Maile indicated that Nick Allen's bond is adequate to cover the assessed fines; he recommends the Commission require payment of the fines in advance of any approval of a license application by Harry Allen. There is still the issue of disposal of inventory held by Nick Allen. The appeal process is limited to thirty days; absent appeal, the inventory must be disposed of within that time period, which does not allow sufficient time for Harry Allen to apply for and receive a license. Consequently, they would be required to transfer titles to Harry Allen as an individual and excise tax would be due.

Commissioner Steve Ross then called on Kenneth Whitehead for the Deputy Director's report. Whitehead reported that Mr. Brett Bryan had been hired to fill one of the open investigator positions. Bryan's area of responsibility had not yet been defined, but he will be working out of the Oklahoma City office. Whitehead further reported that during the preceding month eight

informal hearings had been held. Two fines had been levied. Universal Vehicle Sales of Tulsa was fined \$500 for unlicensed salesman violations. Ben's Auto Sales of Bethany was fined \$100 for improper title procedures. One injunction against Wylie Westbrook of McCurtain County had been issued. In addition, staff had completed 14 inspections during the previous month and had also handled 50 complaints. Of the complaints, 15 were related to Title issues, 24 to Contract issues, 6 to Mechanical, 2 to Spot Delivery, and 3 to Miscellaneous.

Fourteen dealers attended the education program. Applicants for a new license and dealers involved in significant rule violations are required to attend the Commission's education program to acquire or maintain their state license. Sessions are held at 9 a.m. the second Monday of each month – one day prior to the Commission meeting – in the conference room at 2401 NW 23rd, Oklahoma City. Attendees are asked to call 405-521-3600 to make reservations so staff can plan appropriately.

Two consent agreements presented to the Commissioners were approved. Billy Claborn, on behalf of Claborn Motors agreed to pay \$1500 for allowing an unlicensed person to operate under the dealership's name. Mike Gandara, on behalf of Miracle Motors, also agreed to pay \$1500 for allowing an unlicensed person to operate under the dealership's name.

Commissioners then went into Executive Session to consider employee compensation issues. Upon return to open session, the Commissioners approved an increase in the Director's salary.