

Dealer Details

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Identity thieves begin to target auto dealers

Identity theft is fast becoming the mainstay of criminals, not only in terms of the number of crimes but also in the ever-widening ways thieves are collecting ID information.

Automobile dealers are among the targets.

In the "good old days" thieves might break into an auto dealership to steal cash, checks, parts or cars. Now they're stealing information.

In a recent burglary of a Salem dealer, thieves made off with the dealer's records, both the hard copies and the electronic versions. Normally an office break-in is not a newsworthy topic. However, the theft at the Salem dealership was reported in the newspaper and on television.

The newsworthiness of office break-ins has increased due in large part to the efforts of an Oregon Police officer who asked the all-important question: "Why would someone break in and not take anything of value?"

Last year the enterprising police officer found a trend up and down the Interstate 5 corridor of office break-ins where nothing of apparent value was taken. In one case, it was a tax preparation service that was burgled. The

thief, who later was captured, was selling the stolen ID information to other thieves.

Vehicle dealerships are prime targets. A dealership has all the information

needed for thieves to establish false identification for themselves or others. Dealers have names, addresses, credit applications and vehicle information. Very few dealerships keep sales files in locked cabinets, and most do not have high-tech security systems. Thieves know this.

Dealers may wish to limit their exposure and liability by purchas-

ing locking file cabinets, paper shredders and security systems.

Lock up sales files, titles, cash, checks and keys to cars. Make sure credit applications are destroyed if they are not needed or used. Shred old records because some thieves operating as "Dumpster divers" will sort through trash looking for records.

Limit access to financial, computer and sales records. Back up computer records daily and take the backup out of the office each night.

— Chris Ratliff
Business Regulation



Oregon Dealer Handbook updates

The October 2004 revision of the Title and Registration Handbook updates three chapters since the July 2004 version. The current handbook, which is revised quarterly, is available to view, print or copy at DMV's web site www.OregonDMV.com.

Dealers who maintain a printed copy of the handbook may save some paper by downloading and printing only the cover page and the chapters listed below:

Chapter D – Application for Replacement Title, Form 515: A change in DMV policy now allows acceptance of a replacement and transfer title transaction without the owner of record's signature on the replacement title application when no odometer disclosure is required and all ownership releases are provided with the transaction. Form 515 must include a signature certifying to the disposition of the current title.

The current Form 515 (1/04 revision date) and previous versions have the old signature requirements in the instructions section. However, the new policy took effect Oct. 6, 2004, regardless of the revision date of the Form 515 used to apply for replacement title. Form 515 will be revised to include new signature information.

Chapter K – Damaged/Totaled Vehicles: The change in DMV policy described for Chapter D also includes Application for Replacement Salvage Title, Form 230.

The current Form 230 (7/03 revision date) and previous versions have the old signature requirements in the instructions section. However, the new signature policy took effect Oct. 6, 2004, regardless of the revision date of the Form 230 used to apply for a replacement salvage title. Form 230 will be revised to include new signature information.

DMV implemented new title brands in August 2004. House Bill 2133,

passed by the 2001 Legislature, gave DMV the authority to establish title brands by administrative rule. The "previous damage" notation will no longer be used. The new title brands include flood (state name), glider kit (state name), lemon law (state name), replica (state name) and branded (state name).

If an out-of-state title has multiple brands or there is not an equivalent Oregon brand to match, DMV will issue the certificate of title with the notation "branded" and the name of the previous jurisdiction (for example, "Branded-California"). If the title does not have any previous brands, "NONE" will appear in the brand box on the title.

DMV will not convert current records showing "previous damage" notations until those titles are received for transfer. If the title is transferred in Oregon, the "previous damage" brand will be converted to "Branded (state name)."

DMV also has begun using the "glider kit" brand, if applicable, for Oregon vehicles retitled in Oregon with a glider kit. An Oregon vehicle will not be branded as glider kit unless the transaction includes a Manufacturer's Certificate of Origin stating that the kit was manufactured and sold as a glider kit. The new brand will appear as "Glider Kit" without a state name.

Chapter M – Vehicle Types: A manufactured structure may qualify for an exemption from title and registration if the registered owners have a recorded leasehold estate of 20 years or more that includes permission to exempt land where the structure is or will be located.

Additional information about which vehicle types may have Disabled Veteran plates, if the owner qualifies, has been added.

– Margaret Stephens
Vehicle Programs

Beware bond, or insurance cancellations

Oregon automobile dealers who receive a cancellation notice from their bonding or insurance company must act quickly to stay in business.

When DMV receives a cancellation notice from a dealer's bonding company or its liability insurance company, DMV will send the dealer a notice of license cancellation. The dealer must cease all business that normally requires a current, valid dealer certificate, until the dealer obtains the required insurance or bond.

To reinstate a business certificate, the dealer must do one of the following within 45 days of the license's cancellation:

- Have the current bonding company or liability insurance company send DMV a reinstatement; **or**
- Get a new bond or liability insurance certificate (on the DMV form).

If a new bond or liability insurance certificate is not obtained within 45 days of cancellation, the dealer must apply and qualify for a new dealer certificate.

A copy of the letter explaining that a policy has expired also will be sent to the dealer's current liability insurance company asking for a new certificate of insurance or a cancellation notice. If the dealer goes to another insurance company, the new insurance agent needs to complete a DMV form, not the insurance industry's "ACORD" form. DMV Business Regulation recommends that dealers call Business Licensing to see if DMV has received the form.

A dealer who does not have continuous coverage of bonding or any required insurance may not conduct business that normally requires a current, valid dealer certificate during the period the company is not covered by the required bonding or any required insurance.

Protect temporary permits from misuse

A recent traffic stop by law enforcement shows how important it is for dealers to keep a close watch on everything that they use from DMV.

Police contacted DMV after finding a stolen vehicle displaying a temporary permit, and DMV found that the permit had come from a book issued to an automobile dealer. When DMV contacted the dealership, the dealer found that the entire book was missing.

The permit that police recovered was the last from that book, so there may be others ending up in stolen vehicles.

To help prevent these abuses, dealers need to secure their temporary permit books, trip permit books and dealer plates. If these items are left in the open or in unlocked drawers, they may prove tempting to some individuals.

The DMV Business Regulation Section recommends that dealers periodically check their inventories to make sure that no items are missing.

This is particularly crucial for trip permit and temporary permit books. Check the entire book to make sure permits have not been removed from the middle or back of the book.

If a dealer discovers that permits or dealer plates are missing, the company needs to contact the DMV Business Licensing Unit immediately by fax at (503) 945-5289. Please include the dealership name and license number, and a detailed description of the items missing (i.e. plate DA000A, or B, permits A012345 thru A012346, etc.).

To order replacement plates or trip permits, dealers must mail a written re-

quest with payment to the Business Licensing Unit or come to the office, located on the east side of DMV Headquarters, 1905 Lana Ave. NE in Salem.

The plate-replacement fee is \$45 per plate. Replacement trip permit books can be purchased from the Business License Unit. Prices vary depending on the type of trip permit ordered.

Dealers can download the trip permit order form at www.OregonDMV.com.

Replacement temporary permit books can be ordered from the Business License Unit. Fax a request on the dealer letterhead to (503) 945-5289. There is no fee for temporary permit books.

For more information, contact the Business License unit at (503) 945-5052.

– Rick Parsons,
Investigator

Avoid pitfalls of possessory-lien sales

An oversight on the form for lien-based sales can land the seller in some trouble — and make “curbing” easier for unlicensed competitors.

Dealers, wreckers, auctions or tow companies that are acting as lien claimants use a DMV Certificate of Possessory Lien Foreclosure to certify the public sale of a vehicle to a buyer. It is vital that the buyer’s name is listed on the form.

DMV Business Regulation investigations and inspections often find that this ownership document was provided to the buyer without the buyer’s name filled in. The Business Regulation Section also has found that accompanying bills of sale have been provided without the buyer’s name filled in.

With a blank line on the form, a buyer can fill in any name he or she chooses, or simply resell the vehicle and allow the new purchaser to fill in a name on the

documents. This practice opens the door to unlicensed vehicle sales.

As a result, title applications subsequently submitted to DMV often are false and do not reflect the actual name of the purchaser at the lien sale. In addition, lien claimants providing any false information on a Certificate of Possessory Lien Foreclosure can be subject to civil penalties, sanctions, and/or criminal prosecution.

Lien claimants must notify DMV within 10 days of the sale or transfer of

interest in a vehicle by submitting to DMV:

- A completed and signed Notice of Sale or Transfer of Vehicle (DMV Form 6890), if the vehicle is covered by an Oregon title; or
- A completed and signed Notice of Lien Foreclosure; Sale or Transfer of Vehicle (DMV Form 6890(A), if the vehicle is not covered by an Oregon title.

– David Jurgenson,
DMV Business Regulation

Sanctions on unlicensed dealers

Dealer	City	Amount	Note: Fines and sanctions here and on Page 4 may not reflect settlements.
Rick “Buffy” Smith	Salem	\$15,000	
John Arthur Hebert Jr	Sheridan	\$40,000	
Salvador Medina	Hubbard	\$27,500	
Julio Hernandez Arriola dba Pietos Body Shop	Salem	\$20,000	
David Combs	Eugene	\$80,000	

Dealer Sanctions

Dealer	City	Violations Found	Offense/Count/Amt.
RV Direct Inc dba Johnson RV Sales	Portland	Failure to submit fees, application to DMV w/in 30 days	2 / 1 \$250
Robert Kennedy dba W.Coast Perf. Auto Sales	Myrtle Cr.	Failure to provide a means of public contact	1 / 1
SUSPENSION - REINSTATED		Failure to display an exterior sign	1 / 1
		Failure to display the dealer business certificate	
Redstone Auto Inc	Tigard	Failure to provide a means of public contact	2 / 1 \$250
		Failure to display an exterior sign	2 / 1 \$250
		Failure to obtain a supplemental dealer certificate	2 / 1 \$1,000
		Failure to maintain records at the business location	2 / 1 \$500
Chad Whitehead / Chad Whitehead Auto Sales	Roseburg	Failure to pay consignor within 10 days	1 / 1 \$500
		Failure to submit fees, application to DMV w/in 30 days	2 / 1 \$250
Chad Whitehead / Chad Whitehead Auto Sales	Roseburg	Failure to pay civil penalty	
SUSPENSION			
Jake's Auto Inc	Portland	Failure to get corrected cert. for business at new location	1 / 1 \$500
Rose City Car Corp Auto Group LLC	Portland	Failure to submit fees, application to DMV w/in 30 days	2 / 1 \$250
Arrow Imports Inc dba Action Motor Sports	Oregon City	Failure to satisfy interest in a vehicle within 15 days	1 / 1 \$1,000
		Failure to submit dealer notice of vehicle purchase	2 / 1 \$50
		Failure to follow proper consignment laws	2 / 3 \$750
Greg A Hicks dba No Fear Auto	Salem	Failure to pay consignor within 10 days	1 / 1 \$500
		Failure to submit fees, application to DMV w/in 30 days	2 / 2 \$500
George Ephrem dba Lancaster Motors	Salem	Failure to submit fees, application to DMV w/in 30 days	3 / 1 \$500
Kev Auto Sales Inc	Portland	Failure to supply ownership docs to buyer w/in 25 days	4 / 1 \$1,000
		Failure to notify DMV of sale or transfer of a vehicle	3 / 1 \$500
		Failure to remove foreign registration plates	2 / 1 \$50
Pacific West Import Inc	Portland	Failure to maintain records to allow for timely retrieval	2 / 1 \$500
		Failure to maintain proper sales records	2 / 1 \$250
		Failure to maintain record of title delivery	2 / 1 \$250
Cycle Sports of Salem / Cycle Sports of Eugene	Eugene	Failure to notify buyer/lien holder of delay in title docs	2 / 1 \$250
Johnny Dean Graves / Lincoln City Auto Whlsle	Lincoln City	Failure to satisfy interest in a vehicle within 15 days	1 / 6 \$6,000
		Failure to submit fees, application to DMV w/in 30 days	1 / 5 \$5,000
Specialty Cars Inc	Vanc., WA	Failure to pay consignor within 10 days	2 / 8 \$8,000
		Failure to satisfy interest in a vehicle within 15 days	2 / 2 \$2,000
		Improperly changing document processing fee	1 / 4 \$1,000
		Failure to submit fees	1 / 4 \$1,000
		Failure to follow proper consignment laws	2 / 3 \$750
Mikhail Khachaturov / Car Express Wholesale	Portland	Failure to obtain a corrected dealer certificate	1 / 1 \$500
Dan Arenson & Associates Inc	Tigard	Failure to submit fees, application to DMV w/in 30 days	3 / 10 \$5,000
SUSPENSION - HEARING REQUESTED		Making a false statement of material fact in an investigation	1 / 9 \$4,500
		Failure to pay civil penalty	
William and John Deptuch / JDs Auto Wholesale	Veneta	Failure to obtain a corrected dealer certificate	1 / 1 \$500
SUSPENDED - REINSTATED			
Jerry Burger	Prineville	Late Renewal	1 / 1 \$100
Circle of Champions Inc dba USA Auto Whlsle	Gresham	Failure to maintain records of title delivery	2 / 1 \$500
		Failure to maintain proper records	2 / 1 \$500
		Failure to deliver registration items	2 / 5 \$1,250
		Failure to promptly refund excess fees	2 / 1 \$250
		Charging excess document processing fees	1 / 2 \$500
		Failure to notify DMV of sale or transfer of a vehicle	2 / 1 \$250
United States Auto Inc	Portland	Failure to submit fees, application to DMV w/in 30 days	2 / 2 \$500
		Failure to deliver registration items	2 / 2 \$500
		Failure to submit dealer notice of vehicle purchase	2 / 7 \$350
		Failure to maintain proper records	2 / 1 \$250
Brian Poppa dba Grandview Wholesale	Central Point	Late Renewal	1 / 1 \$100
William & Tracy Berglund / Northern Wholesale	Portland	Late Renewal	1 / 1 \$100
Accessible Solutions Elevator & Lift / Auto. Acc.	Beaverton	Late Renewal	1 / 1 \$100
RE/MAX Ideal Properties Inc	Medford	Late Renewal	1 / 1 \$100
Bend Auto Auction Inc	Bend	Failure to pay consignor within 10 days	1 / 2 \$1,000
Byron David Edmonds dba Autolink	Gresham	Failure to satisfy interest in a vehicle within 15 days	1 / 1 \$1,000
		Failure to pay consignor within 10 days	1 / 7 \$3,500