

# Dealer Details

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Form 735-7022 (5-2006)

## Even Internet ads must identify dealer as seller

With the increase of vehicle advertising on the Internet, dealers have increasingly failed to follow one of the oldest and most basic advertising rules – listing the name of their dealership in the advertisement.

This is not only a serious problem to consumers, who have a right to know that a dealer is listing the vehicle, but is hindering DMV and the Department of Justice enforcement against unlicensed dealers.

It is **mandatory** that **every** Internet advertisement contains the name of the dealer or at a minimum discloses that the vehicle is being advertised by a dealer. Violation of this rule carries a potential \$25,000 penalty for each listing that fails to comply.

Just because the advertisement is posted on Ebay or Craigslist does not mean that this important information is not necessary.

These ads do not charge for the size of an advertisement, so there is no excuse not to list the entire name and address. The only type of advertisement that should use the abbreviation “DLR” is small newspaper ads in which even minute additions carry additional advertising costs.

All Internet-based vehicle ads **must** post identifying information regarding a dealer’s identity.

The Unlawful Trade Practices Act – Oregon Administrative Rule 137-020-0050(2)(m) states:

(2) It is unfair or deceptive in trade

2004 Ford Focus	\$11,815	20,930
2004 Ford Focus	\$11,747	21,759
2002 Ford Ranger	\$11,747	40,001
2005 Chevrolet Cavalier	\$11,575	27,071
2003 Ford Ranger XL SuperCab	\$11,000	46,262
2000 Mazda B-Series Truck B3000	\$10,999	33,840
2002 Suzuki XL-7	\$10,998	42,800
2002 Saturn SC 1	\$10,995	11,000
2004 Hyundai Accent GL	\$10,995	25,148
2002 Ford Focus SE	\$10,995	40,000
2003 Chevrolet Malibu	\$10,995	41,759
2004 Hyundai Elantra	\$10,995	22,255

or commerce for a dealer to advertise motor vehicles if:

(m) The dealer advertises any vehicle for sale and does not identify the dealer by the complete business name which indicates that it is a dealer of vehicles, or by the word “dealer” or abbreviation “DLR.”

It is simple to follow this law. The Oregon Department of Justice views non-compliance with this rule as a serious problem, and strict enforcement for violations should be expected.

This bulletin is being published to ensure immediate compliance with the law and to put all dealers on notice regarding the described practices.

Dealers who have any questions regarding this matter should contact the dealer association or Senior Assistant Attorney General Gene Ebersole or Assistant Attorney General Eva Novick at the Financial Fraud Section of the Oregon Department of Justice at (503) 974-4333.

– Eugene F. Ebersole  
Oregon Department of Justice

# Review laws on display of vehicles in ad activity

A new Oregon law that took effect this year requires some clarification.

Dealers no longer need a supplemental certificate when displaying vehicles for **advertising purposes only**.

Some examples of the type of activity considered advertising would be displaying vehicles at a mall as part of a charity promotion, displaying vehicles at a shopping club promoting a member buying program, or displaying vehicles at a financial institution as part of a loan promotion.

Displaying vehicles that are clearly marked for sale or conducting any sales activity at an unlicensed location is not covered by this exemption. Sales activity would include showing vehicles,

answering questions, completing paperwork and other typical sales activities.

The new law limits the display to 30 calendar days and to no more than five vehicles. The display of vehicles must not be in violation of any local zoning laws or ordinances.

The law also requires a signed agreement between the dealer and property owner. The elements that must be included in the agreement are contained in Oregon Administrative Rule, 735-150-0033. This rule can be reviewed by visiting the DMV Web site at [www.OregonDMV.com](http://www.OregonDMV.com).

– Rick Parsons  
*DMV Investigations*

## Expedited title service helps meet rules

Dealers may have a difficult time in meeting documentation timelines if a title is lost on a vehicle that is subject to federal odometer rules.

The federal rule requires that the odometer disclosure from the owner of record be made on the title itself. If the title is lost, a replacement title must first be obtained to enable proper disclosure.

DMV provides an expedited title service in these situations to process the replacement title faster, typically in about five business days from the date received at DMV.

The expedite process is available only through the mail and requires a \$10 fee in addition to any other required fees.

The vehicle must be subject to

odometer requirements (nine years old or less). A written request explaining why the expedited processing is required and how the request relates to odometer disclosure requirements must accompany the transaction.

The transaction, written request and total fees should be mailed to:

Expedite Titles  
DMV Services  
1905 Lana Ave NE  
Salem OR 97314-2252

Special expedite envelopes are available from DMV. They may be obtained by calling DMV's Customer Assistance number at (503) 945-5000 or in the Portland metro area (503) 299-9999.

– Cindi Hormann  
*Vehicle Programs*

# April updates to Dealer Handbook

The April 2006 revision of the Title and Registration Handbook is available to view, print or copy at DMV's Web site at [www.OregonDMV.com](http://www.OregonDMV.com).

Dealers who maintain a printed copy of the Handbook will need to reprint the entire Handbook. Dealers also may purchase a printed copy from one of these organizations:

- Oregon Independent Auto Dealers Association at 800-447-0302 or [info@OIADA.com](mailto:info@OIADA.com).
- Oregon Vehicle Dealer Association at 877-541-2277 or [ovda@oregonvda.com](mailto:ovda@oregonvda.com).

Sections of the Handbook revised in April 2006 are listed below.

### Cover Page

**Chapter H – Odometer Disclosure Requirements:** Adds information that Oregon Vehicle Dealer Association is a provider of secure forms.

**Chapter P – Dismantlers:** Clarifies that a dismantler may sell whole vehicles only to another dismantler. Even if a dismantler also has a dealer license, vehicles purchased under the dismantler's license may be sold only to other dismantlers, but not to the public or elsewhere under the dealer license.

**Chapter R – Dealers:** Adds details about how dealers may renew the registration on vehicles in their stock. Also, after issuing a trip permit, dealers must submit the required copy to DMV within seven days.

– Margaret Stephens  
*Vehicle Programs*

# Law draws clear line around who is a dealer's employee and who is not

When is an employee really an employee?

The answer for vehicle dealers in Oregon is very specific.

Oregon Administrative Rule 735-150-010 defines an employee as a person over whom a dealer exercises the types of control typically associated with an employer.

These may include:

- Determining the frequency, method and amount of compensation.
- Determining whether the person's work is continuous or intermittent.
- Determining the hours or frequency

of a person's work.

- Retaining the ability to terminate the relationship.

Dealers occasionally have allowed individuals to purchase or sell a vehicle or vehicles under the dealer's license for personal benefit.

This type of activity is prohibited because it is allowing a person who is not an employee to imply affiliation with the business.

If an individual engages in unlicensed activity in violation of ORS 822.005, then the dealer is also subject to civil penalties or sanctions for

allowing this activity.

If a dealership gives someone a copy of its dealer's certificate and allows that person to buy and sell vehicles for the dealership, the dealer is required to keep complete records of all transactions.

Dealers are accountable for the activities of those persons and for those records, including title delivery, submission of applications to DMV, and pay-offs.

Most importantly, individuals must be employees of the dealer, not an independent agent or contractor.

# Tell DMV if you need new dealer plates

Dealers and representatives of related industries raised the issue of changing the current dealer license plate at the February Oregon Dealer Advisory Committee (ODAC) meeting.

The membership agreed that the current plate is not easily recognizable to law enforcement and the general public as a vehicle dealer plate.

Possible solutions were discussed at the March ODAC meeting, which included adding the word "Dealer" at the bottom of the plate.

The ODAC members agreed the word "Dealer" should be on the bottom of the dealer plate.

ODAC also agreed that dealers should have the option of requesting replacement plates with "Dealer" on the plate. There is a replacement fee of \$13 per plate.

Dealers may continue to use their

existing dealer plates.

DMV is moving forward with this change but needs additional dealer input. Eventually, all new dealer plates that are ordered will include "Dealer" across the bottom of the plate.

However, DMV needs an estimate of how many dealers will want to replace their current dealer plates.

Dealers who **do not** plan to order replacement dealer plates **do not** need to respond.

DMV asks dealers who plan to purchase replacement dealer plates to complete the form at right and return it to DMV by **no later than May 31, 2006**.

Dealers also may provide their estimated replacement quantities to Chuck Hoffman in DMV Business Licensing at [Charles.B.Hoffman@odot.state.or.us](mailto:Charles.B.Hoffman@odot.state.or.us).

**Cut out or photocopy, then fill out and mail this coupon, or send the information below by e-mail to: [Charles.B.Hoffman@odot.state.or.us](mailto:Charles.B.Hoffman@odot.state.or.us)**

Dealer Name and Number:  
\_\_\_\_\_

Address:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Yes, I plan to replace my dealer plates.  
 I will order \_\_\_\_\_ plates.  
 (quantity of plates)

Mail this coupon to:  
 DMV Attn: Business Licensing  
 1905 Lana Ave. NE  
 Salem, OR 97314

Dealer	City	Violations Found	Off.	Ct.	Amt.
<b>Civil Penalties</b>					
American Car Company dba Tradelink I	Hillsboro	Failure to satisfy interest in a vehicle within 15 days	1	1	\$1,000
		Failure to supply ownership documents to purchaser within 25 days	2	1	\$250
Auto Link Inc dba Auto Link	Gresham	Failure to pay consignor within 10 days	2	7	\$8,000
		Failure to satisfy interest in a vehicle within 15 days	2	1	\$1,000
		Failure to deliver title to DMV within 30 days	2	1	\$250
		Illegal consignment practices	2	3	\$750
		Failure to have proof consignor is registered owner, SIH or Lessor	2	1	\$250
		Failure to provide consignor with a written disclosure	2	5	\$1,250
		Making a false statement of material fact in an application	1	1	\$1,000
Frank and Debra Low dba Import Auto Wholesale	Island City	Failure to submit fees and application to DMV within 30 days	2	1	\$250
Haslam Auto Sales Inc	Pendleton	Failure to satisfy interest in a vehicle within 15 days	1	1	\$1,000
Ron Tonkin Dodge Inc dba Ron Tonkin Dodge	Gladstone	Failure to satisfy interest in a vehicle within 15 days	1	1	\$1,000
Cycle Sports of Salem Inc dba Cycle Sports Eugene	Eugene	Late Renewal	1	1	\$100
Fantasy Auto Inc	Salem	Late Renewal	1	1	\$100
JDL Investments Inc dba A & A Auto Wreckers Inc	Junction City	Late Renewal	1	1	\$100
Thomas A Stout dba North Oregon Auto Sales	Portland	Late Renewal	1	1	\$100
Northwest Elite Auto Sales LLC	Portland	Late Renewal	1	1	\$100
Bobby M Michael dba Bob Michael Auto Sales	McMinnville	Late Renewal	1	1	\$100
Portland Ski Boat Center Inc	Portland	Late Renewal	1	1	\$100
A+ Auto Sales LLC	Hillsboro	Making a false statement of material fact in an application	1	1	\$500
1 Year Probation		Making a false statement of material fact in an Investigation	1	1	\$500
		Failure to maintain original records at main location	2	30	\$15,000
		Failure to submit fees and application to DMV within 30 days	2	33	\$8,250
		Failure to supply ownership documents to purchaser within 25 days	2	2	\$500
		Failure to satisfy interest in a vehicle within 15 days	1	1	\$1,000
		Failure to have proof consignor is registered owner, SIH or Lessor	2	3	\$750
		Failure to submit fees and application to DMV within 30 days	3	2	\$1,000
		Failure to pay consignor within 10 days	1	1	\$500
Carcorp.Biz	Portland	Failure to submit fees and application to DMV within 30 days	3	1	\$500
		Misuse of Temporary Permit books	2	1	\$50
		Failure to satisfy interest in a vehicle within 15 days	1	1	\$1,000
R S V Auto Inc	Portland	Failure to obtain a supplemental dealer certificate	1	7	\$3,500
3 Year Suspension		Failure to supply ownership documents to purchaser within 25 days	2	2	\$500
		Failure to maintain records of title delivery	2	7	\$1,750
		Failure to maintain proper records	2	51	\$12,750
		Failure to submit fees and application to DMV within 30 days	1	16	\$16,000
		Failure to maintain records of title delivery or document delays	2	4	\$1,000
		Failure to maintain proper records	5	6	\$6,000
		Failure to satisfy interest in a vehicle	2	1	\$1,000
		Failure to submit notice of vehicle purchased to DMV (Form 165)	2	1	\$50
		Failure to pay consignor within 10 days	1	1	\$500
Jim Smolich Motors Inc	Bend	Late Renewal	1	1	\$100
Trudeaus Portland Inc	Portland	Late Renewal	1	1	\$100
Steves Auto Sales Inc	Portland	Failure to submit fees and application to DMV within 30 days	3	4	\$2,000
		Failure to maintain records of title delivery	2	2	\$500
Trinity Sales & Leasing Inc dba Credit Auto Sales	Klamath Falls	Late Renewal	1	1	\$100
Auto Adventures Inc	Portland	Late Renewal	1	1	\$100
205 Auto Salvage inc	Portland	Late Renewal	1	1	\$100
Altec Industries Inc	Portland	Late Renewal	1	1	\$100
Miller Truck Salvage Inc	Portland	Late Renewal	1	1	\$100
Quality RV Inc	Portland	Failure to satisfy interest in a vehicle within 15 days	1	1	\$1,000
		Failure to have proof consignor is registered owner, SIH or Lessor	2	2	\$500
		Failure to have consignment agreement in writing	2	4	\$1,000
Freds RV World Inc	Sandy	Failure to submit fees and application to DMV within 30 days	2	4	\$1,000
		Failure to satisfy interest in a vehicle within 15 days	2	3	\$3,000
		Failure to pay consignor within 10 days	1	1	\$500
Hillsboro Auto Warehouse LLC	Hillsboro	Failure to satisfy interest in a vehicle within 15 days	1	2	\$2,000
Duane D Haught dba A-101 Auto Salvage and Towing	Coos Bay	Late Renewal	1	1	\$100
Stalene Sales LLC	Milton-Freewater	Late Renewal	1	1	\$100
<b>Unlicensed Dealers</b>					
Mufid Elias Barbari	Bend	Acting as a vehicle dealer without a current dealer certificate	1	12	\$30,000
Ian Seely	Portland	Acting as a vehicle dealer without a current dealer certificate	1	6	\$15,000

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