

# Dealer Details

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Newsletter of the DMV Business Regulation Section

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## DMV Business Regulation Section



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Form 735-7022 (1-2009)

## ODAC discusses new members, other topics

At the Oregon Dealer Advisory Committee meeting Oct. 23, 2008, Dave Nordberg of the Oregon Department of Environmental Quality brought committee members up to date on low-emission-vehicle regulations.

To date, there have been no problems or complaints.

The committee also discussed new memberships.

ODAC members whose terms expired at the end of 2008 are Lisa Larkin, Don Lulay, Art Ebelmesser and Mary Davis. There is also a vacant position for a new vehicle dealer.

DMV requested nominations from ODAC members and industry representatives. Appointments were made at the end of December.

The Committee discussed and voted to add an insurance industry representative and a representative for the power-sports industry.

DMV Administrator Tom McClellan will appoint a power-sports representative as soon as possible.

DMV will draft revisions to the Oregon Administrative Rules to allow for the appointment of an additional committee member.

ODAC has decided to do research on the options for doing background checks on new dealers. The membership formed a subcommittee to examine available options and to recommend enabling legislation.

The committee also discussed leg-

### Next ODAC meeting set for Jan. 22

You are invited to attend meetings of the Oregon Dealer Advisory Committee at the DMV Headquarters, 1905 Lana Ave. NE, in Salem.

Meetings for 2009 are scheduled for Thursdays:

- Jan. 22
- April 23
- July 23
- Oct. 22

All meetings are held in Conference Room 382 and run from 9 a.m. to noon.

islation that has been proposed or will be proposed during the 2009 legislative session.

DMV reported that the Business Regulations Section is working closely with ODOT collections. DMV is seeing an increase in the number of bad checks as more car dealers are closing because of the weak economy.

ODAC meetings are open to the public, and the committee members would like to see you attend the next ODAC meeting, scheduled for 9 a.m. Jan. 22 at DMV Headquarters, 1905 Lana Ave. NE in Salem.

— Lisa Larkin  
ODAC Chair

# Handbook updates set for January '09 edition

The January 2009 revision of the Title and Registration Handbook is available to view, print or copy at DMV's Web site [www.OregonDMV.com](http://www.OregonDMV.com).

This revision updates the October 2008 Handbook. The Handbook is updated quarterly, and the next revision is scheduled for April 2009.

Changes in the January 2009 Handbook revision are as follows:

**Cover Page:** Information was reviewed. Though no revisions were made, the date of 01/09 reflects the latest review.

**Forward:** Information was reviewed. Though no revisions were made, the date of 01/09 reflects the latest review.

**Preface:** Information was reviewed. Though no revisions were made, the date of 01/09 reflects the latest review.

**Chapter B, Application for Title and Registration, Form 226:** The sample Application for Title and Registration, Form 226, was replaced with the updated form, dated 10/08. Lines 5, 8, and 9 on the form were revised to read, "Print full legal name." Previously, the phrase read, "Print true name."

**Chapter E, Releases of Interest:** Information was reviewed. Minor revisions were made, but do not affect the content.

**Chapter H, Odometer Disclosure Requirements:** The sample Secure Odometer Disclosure/Reassignment, Form 403, was replaced with the updated form, dated 10/02.

**Chapter I, Security Interest Per-**

## Dealer Handbook available in print

Dealers may buy a printed copy of the Dealer Handbook from one of these organizations:

Oregon Independent Auto Dealers Association (OIADA) at 1-800-447-0302; [info@OIADA.com](mailto:info@OIADA.com); or [www.oiada.com](http://www.oiada.com)

Oregon Vehicle Dealer Association (OVDA) at 1-877-541-2277; [ovda@oregonvda.com](mailto:ovda@oregonvda.com); or [www.oregonvda.com](http://www.oregonvda.com)

**fection:** The TOD (Transitional Ownership Document) Chart for 2009 has been added to this chapter. The chart also is available online at [www.oregon.gov/ODOT/DMV/dealers/index.shtml](http://www.oregon.gov/ODOT/DMV/dealers/index.shtml), under "Other Business-Related Info."

**Chapter N, Model, Makes, & Body Styles:** Information was reviewed and updated. Additional makes were included in the table.

**Chapter R, Dealers:** The sample Temporary Motorcycle Permit, Form 309, was replaced with the updated form, dated 08/08. The customer copy of this form was revised to include permit placement information.

**Index:** Information was reviewed. Chapter locations for Low Emissions Vehicles (LEV) were updated.

– Dave Adams  
Vehicle Policy

## Keep required paperwork in one safe place

When you renew your dealer's license be sure to keep your paperwork together.

Sometimes a bond or insurance company will mail the form to DMV rather than the dealer. DMV has a limited amount of space available to hold bonds, insurance certificates and education certificates.

When renewing please make sure your bond and insurance company, as well as your education provider, send the required materials directly to you.

However, if your insurance or bond is cancelled or your insurance is expiring but your license is not due for renewal, then the bond or insurance certificate can be mailed to DMV. Be sure to call the Business License Unit to confirm receipt.

If you receive a Notice of Cancellation from the Business License Unit that is related to your bond or liability insurance coverage, read it carefully. It is your responsibility to ensure that a new bond or insurance certificate is received by DMV within 45 calendar days of the date of cancellation or expiration.

DMV recommends that you, the dealer, contact the Business License Unit at 503-945-5052 to verify for yourself well before the 45th day.

You also can check the status of your certificate or any dealer's certificate by visiting [www.OregonDMV.com](http://www.OregonDMV.com).

– Chuck Hoffman  
Business License Supervisor

# Dealer Sanctions

Dealer	City	Violations Found	Offense	Count	Amount
<b>Civil Penalties</b>					
Freeland Auto/RV Inc (3 Year Suspension)	Portland	Failure to satisfy interest in a vehicle within 15 days	1	2	\$2,000
		Failure to furnish title within 90 days	1	12	\$12,000
		Failure to submit title and application fees within 30 days	2	9	\$2,250
David and Roger Spangenberg dba D and R Auto Sales	Hermiston	Failure to submit title and application fees within 30 days	2	3	\$750
		Failure to satisfy interest in a vehicle within 15 days	3	3	\$3,000
Ahmed Hamade dba Diamond Motors	Milwaukie	Failure to submit title and application fees within 30 days	2	6	\$1,500
		Failure to maintain records of title delivery/submission/delay	2	2	\$500
		Issuing Temp Reg Permits without possessing DEQ certificate	2	1	\$50
		Failure to satisfy interest in a vehicle within 15 days	1	1	\$1,000
West Coast Auto LLC (3 Year Suspension)	Portland	Failure to furnish title within 90 days	2	1	\$1,000
		Making false statement of material fact in DMV investigation	1	1	\$500
		Making false statement of material fact in DMV document	1	1	\$500
D & R Motors LLC (1 Year Probation)	Enterprise	Failure to submit title and application fees within 30 days	2	11	\$2,750
		Failure to notify purchaser/lien holder of title delay	2	11	\$2,750
		Failure to satisfy interest in a vehicle within 15 days	2	13	\$13,000
Sieler Motor Company LLC Joab A Escobar dba Tony's Export Wholesale Truck	Portland	Failure to furnish title within 90 days	2	5	\$5,000
Daniel G Scott dba The Auto Locators	Hubbard	Failure to allow an administrative inspection	1	1	\$1,000
Global Auto Motors LLC	Portland	Failure to allow an administrative inspection	1	1	\$1,000
		Failure to furnish title within 90 days	1	2	\$2,000
		Failure to submit Notice of Vehicle Purchased (Form 165) to DMV	2	3	\$150
		Failure to notify DMV of sale or transfer of a vehicle	2	3	\$750
		Late Renewal	1	1	\$100
CSK Auto Inc dba Schucks Auto Supply	Portland	Failure to maintain records of title delivery/submission/delay	2	4	\$1,000
Apolinar Valenzuela Rodriguez dba Eli Auto Sale	Salem	Failure to provide means for public contact during business hours	1	1	\$250
Bryan Riggs dba Titan Auto Group (3 Year Suspension)	Portland	Failure to display exterior sign	1	1	\$250
		Failure to display in public vehicle dealer certificate	1	1	\$250
		Failure to obtain supplemental dealer certificate	1	1	\$500
		Failure to submit title and application fees within 30 days	2	1	\$250
		Failure to supply ownership documents to purchaser within 25 days	2	3	\$750
		Failure to furnish title within 90 days	1	6	\$6,000
		Failure to remove foreign registration plates	2	1	\$50
Jesse J Ephrem dba Jesse and Sons	Salem	Failure to allow an administrative inspection	1	1	\$1,000
		Failure to submit title and application fees within 30 days	2	2	\$500
		Failure to notify purchaser/lien holder of title delay	2	2	\$500
		Failure to maintain records of title delivery/submission/delay	2	2	\$500
		Improperly conducting dealer business/Failure to maintain proper records	2	1	\$250
		Failure to submit Notice of Vehicle Purchased (Form 165) to DMV	2	1	\$50
RV Roundup LLC	Medford	Late Renewal	1	1	\$100
Quality RV Inc	Portland	Failure to submit title and application fees within 30 days	2	5	\$1,250
<b>Unlicensed vehicle sales</b>					
Serafin Pahua-Pahua	Beaverton	Acting as a vehicle dealer without a current dealer certificate	1	6	\$15,000
Russel Taylor	Salem	Acting as a vehicle dealer without a current dealer certificate	1	6	\$60,000
Charles Emmanuel	Estacada	Acting as a vehicle dealer without a current dealer certificate	12	1	\$30,000
Herman George Terry	Veneta	Acting as a vehicle dealer without a current dealer certificate	1	9	\$22,500

# Closing dealers must report inventory

Dealers who close their businesses often have vehicles remaining in their inventories. Oregon Administrative Rule 735-150-0205 provides specific guidelines for dealers to follow in order to dispose of their vehicle inventory.

First, dealers must provide DMV Business Regulation Section with a complete written inventory of all vehicles in possession of the dealer at the time of closure.

The inventory must include full descriptions of the vehicles including VIN numbers.

The dealer also must provide DMV with a written plan to liquidate the inventory, along with a proposed time frame.

The dealer's options for liquidation include wholesaling the vehicles to another certified dealer, consigning the vehicles to a certified auto auction or titling the vehicles in the name of the closing dealer.

However, vehicles titled in the closing dealer's name may not be immediately resold and are subject to the personal or business use exemption requirements contained in the Oregon

law, under ORS 822.015.

Continuing to sell vehicles or to dispose of inventory without a written plan approved by DMV is considered unlicensed dealer activity and a violation of ORS 822.005. DMV can assess civil penalties up to \$5,000 per vehicle for violations.

Dealers who are closing their businesses and are unsure of how to dispose of their inventories may contact the Business Regulation Section or their local DMV investigator for assistance.

– Rick Parsons  
*Investigations*

## Keep up with laws that may affect dealers

The holidays are over, winter is in full swing, and the Legislature is in session.

DMV tracks and evaluates the effects of hundreds of bills being considered by the Legislature each session.

Not all of the proposed legislation will be enacted. However, any legislation that would have an affect on dealers or dismantlers will be covered in future editions of Dealer Details.

Dealers and dismantlers also can track legislation on their own. To find the text of proposed legislation, visit the Oregon Legislature's Web site at [www.leg.state.or.us](http://www.leg.state.or.us).

## Ensure you've paid insurance

A Portland dealer learned the hard way how important it is to make sure the insurance premium is paid on time.

The insurer sent cancellation notices to the dealer and DMV. As soon as DMV received the insurance company's notice, Business Regulation sent the dealer a notice that the license would be cancelled on the date in the insurance company notice.

The dealer, after being turned away at an auction, called DMV and insisted there was insurance. The dealer faxed a copy of the cancelled certificate to Business Regulation. The dealer called DMV again and was told this was a cancelled certificate. He then asked to speak to the section manager.

The section manager researched the dealer's problem. The insurance agent said the insurance was cancelled for nonpayment and that the dealer then wrote a check that was returned because of insufficient funds.

The head of the insurance company

underwriting unit was contacted and verified that the policy was cancelled and that the dealer knew this because the collections unit at the insurer had tried to collect on the bad check.

The dealer was contacted and told the insurance was cancelled and that the dealership had been without insurance for over 45 days. If the dealer wanted to be licensed, the company would need to apply for a new license.

Lessons learned:

- Pay the insurance premium on time.
- Do not write a bad check to the insurance company.
- Do not wait to follow up with DMV.
- Do not blame DMV for the consequences.
- Do not continue to sell vehicles while unlicensed because it will cost up to \$5,000 per car.

– Chris Ratliff, Manager  
*DMV Business Regulation*