

Meeting Minutes of the Arkansas Motor Vehicle Commission

Business Meeting
900 West Capitol Avenue, Suite 400
Little Rock, Arkansas 72201

May 15, 2024

CALL TO ORDER

The regularly scheduled meeting of the Arkansas Motor Vehicle Commission was called to order May 15, 2024, at 9:37 A.M. by Commission Chair Joy Blankenship.

ATTENDEES

The commissioners in attendance included Commission Chair Joy Blankenship, Jerel Saeler, Michael Johnson, Scott Wood, Jimmy Jones, Michael Moix, and Clay Maxey. Commissioner Duane Neal was not in attendance and was previously excused due to technical difficulties. Staff present included Director Daniel Pace, Licensing Supervisor Alexis Dunlap, and Investigators Margie Sexton and John Aquilino. Also, in attendance was Assistant Attorney General Michael Bynum. This Commission meeting was broadcasted on AR-CAN Arkansas PBS.

NEW BUSINESS

Following a welcome by Commission Chair Joy Blankenship the Commission received a proper introduction to new Commissioners Jerel Saeler and Michael Johnson.

PREVIOUS MEETING MINUTES

The minutes from the Wednesday, March 27, 2024, regularly scheduled meeting were reviewed and unanimously approved by the Commission following a proper motion by Michael Moix and a second by Scott Wood.

REPORTS AND INFORMATION

Director Pace presented the Financial Revenue and Expenditure Reports for fiscal year 2024, which reflected a revenue deposit total of \$463,370.66. Director Pace estimates an additional \$11,500 in revenue has been received and deposited since the report was compiled on May 8, 2024. Following a proper motion by Scott Wood and a second by Michael Moix the commission unanimously approved the Financial Revenue and Expenditure Reports.

Director Pace presented the Monthly License Activity Reports. Director Pace noted the addition of nine franchise dealers and ten new product line additions for previously licensed dealers, he estimated that about 3 Dealers have yet to renew their license. The Commission unanimously approved the Monthly License Activity Reports after a proper motion by Scott Wood and a second by Michael Moix.

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The Investigation Summary Reports compiled by Investigators Margie Sexton and John Aquilino included March 2024, April 2024, and May 2024. There have been 57 investigations into title, warranty, and advertising complaints. In addition, there have been 83 noted dealer visits conducted during the three-month period; investigator John Aquilino has conducted additional dealer visits since the report was compiled. The investigators have completed 8 advertisement reviews for licensed Franchise Auto Dealers since the first of the year. The Commission has seen an increase in complaints in 2024 so far and is on track to surpass the total number of complaints filed and completed during 2022 and 2023 calendar years. As of May 8, 2024, there have been 12 formal complaints and 31 non-formal complaints filed and currently there are 5 Open Formal Complaints in 2024. Investigator John Aquilino has been working on NF#24-028 a nonformal complaint investigation into Moke America of Heber Springs, as Mr. Gary Nobert is interested in obtaining a New Franchise Auto Dealer license and the Commission staff are doing everything possible to assist the owner in obtaining a proper license to sell Cruise Car LSVs. The Consumer Assistance Report included information for the entirety of 2024. At the previous regularly scheduled meeting March 27, 2024, the 2022 Consumer Assistance Report was included for review. Since that meeting, Director Pace has been in contact with the legal team of the two dealerships that filed the remaining 2022 complaints, and both complaints are in the final stages of completion.

Assistant Attorney General Michael Bynum noted an update to the Relevant Market Area Protest Complaint that has been filed with the Commission. An existing cycle dealer has filed the complaint against an active Distributor, as the Distributor has notified the Commission and the existing dealer of their intent to establish a new cycle dealer of the same line-make of products in the existing dealer's relevant market area. The Commission has 180 days from the date of the written protest being filed to conduct a hearing. Both parties listed in the complaint have retained their own legal counsel and are engaged in active discussions to resolve the dispute before a hearing is conducted. Legal counsel for both parties have been informed that if a resolution is not reached within the next 30 days or a written waiver of the 180-Day Hearing requirement has not been filed with the commission by both parties, Mr. Bynum and Director Pace will be scheduling a hearing.

ACTIONS & DISCUSSION

Director Pace presented a Refund Request on behalf of Volkswagen Group of North America, in regard to the company's Distributor Representative Ryan Lemerich, License number DR45202. Volkswagen Group of North America requested a refund of the license fee of \$400.00 due to a renewal of the representative license for Mr. Lemerich in error. Volkswagen confirmed that Mr. Lemerich is not acting as a representative for their company and has not been for the entirety of the 2023 licensing period due to an internal position change. Thus, he has not conducted business in the State of Arkansas on behalf of Volkswagen during that

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time period. All Arkansas business is being conducted by other licensed representatives of the company. The license number DR45202 was originally renewed by a third party and once the account was issued late fees the controller contacted us to inquire about the need for Mr. Lemerich to have a license. After a lengthy conversation with Director Pace, it was determined that Mr. Lemerich no longer met the criteria to be classified as a distributor representative. After this information was obtained, Volkswagen Group of North America sent in a formal request for a refund of the license fee of \$400.00. Volkswagen Group of North America's request to refund the license fee of \$400.00 was unanimously approved by the Commission following a proper motion by Scott Wood and a second by Jimmy Jones.

Director Pace presented a License Renewal Late Fee Waiver Request on behalf of Dennis Eagle Inc., in regard to the company's Manufacturer License M10488. Dennis Eagle Inc. requested that the Commission waive license renewal late fees in the amount of \$1800.00. Dennis Eagle's manufacturer license was renewed four months after the renewal period ended. Dennis Eagle did not make an attempt to utilize the previous renewal method for their Manufacturer license, even though email communications confirmed they had access to the old renewal packet. Dennis Eagle was informed multiple times by Commission staff in 2023 that they would owe late fees. They requested a Late Fee Waiver after being over a month late on paying the Late Fee Invoice that was issued to them through ELP. After considering all of the facts presented in this matter, a proper motion was made by Jimmy Jones to deny the late fee waiver request from Dennis Eagle and the motion was seconded by Scott Wood. The Commission then unanimously approved the motion to deny the late fee waiver request from Dennis Eagle.

Director Pace presented twenty-eight (28) Voluntary License Surrender Agreements from License holders no longer conducting business in the state of Arkansas (listed under Section 7C on the agenda). The listed license holders requested that the license presented be terminated and they all acknowledged that if they wish to engage in business in the state of Arkansas after the license has been terminated, they must apply for a new license through the Arkansas Motor Vehicle Commission. Commissioner Scott Wood inquired with commissioner Clay Maxey on the Voluntary License Surrender Agreements he submitted for approval and the reason; therefore, the commissioners found no issue with the surrender agreements submitted by Commissioner Clay Maxey. Commissioner Michael Moix asked Director Pace a question regarding the Voluntary Surrender Agreement submitted by Kioti Tractor Corporation. Director Pace explained for the group that Kioti Tractor Corporation made the decision to surrender their Manufacturer license and obtain a new Distributor license, so they are still engaged in licensed business in Arkansas. After a proper motion to approve all of the Voluntary License Surrender Agreements listed under Section 7C on the Agenda by Scott Wood and a second by Michael Moix, the Commission unanimously approved the motion.

