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

October 16, 2024

CALL TO ORDER

The regularly scheduled meeting of the Arkansas Motor Vehicle Commission was called to order on October 16, 2024, at 9:34 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. Staff present included Director Daniel Pace, Licensing Supervisor Alexus Dunlap, and Investigators Margie Sexton and John Aquilino. Also, in attendance were Assistant Attorney General Michael Bynum and Certified Court Reporter Miranda McEntire. This Commission meeting was broadcast on AR-CAN Arkansas PBS.

PREVIOUS MEETING MINUTES

The minutes from the Wednesday, August 21, 2024, regularly scheduled meeting were reviewed and unanimously approved by the Commission following a proper motion by Michael Moix and a second by Michael Johnson.

REPORTS AND INFORMATION

Director Pace presented the Financial Revenue and Expenditure Reports for fiscal year 2025. Fiscal year 2025 reflected a revenue deposit total of \$338,850.00 to date. Following a proper motion by Scott Wood and a second by Michael Johnson, the commission unanimously approved the Financial Revenue and Expenditure Reports.

Director Pace presented the Monthly License Activity Reports, License Renewal Reports, and Voluntary License Surrender Reports. Director Pace noted the addition of six new franchise dealers: Hirsch Feed and Farm of Mountain Home, Fun Town RV Little Rock, Routh Sales and Rentals, Dino Equipment, D3 Chrysler Dodge Jeep and Ram, and Lynx Equipment. As of October 10, 2024, there are four licensed Distributors and eight licensed Manufacturers that have not renewed for the 2024-2025 licensing period. Commissioner Scott Wood inquired about the current business signage displayed at Lynx Equipment, and Director Pace explained that the signage is expected to be changed soon to reflect the new dealership name.

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The Investigation Summary Reports compiled by Investigators Margie Sexton and John Aquilino included the time frame of August 2024 through October 2024. There have been investigations into title issues, unlicensed dealers, an unlicensed manufacturer, warranty disputes, and advertising complaints. In addition, there have been 28 noted dealer visits conducted during the August to October 2024 time period. The investigators have completed 12 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 the 2022 and 2023 calendar years. As of October 9, 2024, there have been 22 formal complaints, and 87 non-formal complaints filed. Investigator John Aquilino provided an update on the Investigation into White River ATV owned by Mr. Bill Holifield per the request of the Commission at the August 21, 2024, Commission meeting. Mr. Holifield has remained cooperative with the Commission and is in the process of moving his business to a new location in Batesville-Southside. He plans to have his business completely moved before December 1, 2024.

Assistant Attorney General Michael Bynum provided a status update to the Relevant Market Area Protest Complaint that has been filed with the Commission. An existing cycle dealer, Bradford Marine & ATV, has filed the complaint against an active Distributor, BRP US Inc., 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. Both parties listed in the complaint have retained legal counsel and are engaged in active discussions to resolve the dispute before a hearing is conducted. The Commission approved a motion to reschedule the hearing to the January 2025 regularly scheduled meeting date to take place on the third Wednesday of the month (January 15, 2025) at the previous August 21, 2024, Commission meeting.

HEARINGS

The Commission conducted Hearing H#25-008 AMVC vs. Tham Corporation d/b/a Thamlev pursuant to the Arkansas Administrative Procedure Act. Kevin Tham (Owner of Tham Corporation) did not appear for the Hearing, despite receiving proper notice of the Hearing from the Commission. The Commission Hearing Exhibits Packet was entered into evidence and Commission Director Daniel Pace was sworn in and offered witness testimony to the Commission for the record. No other witnesses were called for this Hearing. After deliberations by the Commissioners, a proper motion was made by Commissioner Michael Moix and seconded by Commissioner Scott Wood, to Revoke license 10364M held by Tham Corporation d/b/a/ Thamlev, pursuant to the findings of the Hearing that the allegations of fact and evidence presented were proven to be true. The motion also required that any new application to the Motor Vehicle Commission made by Mr. Tham or Tham Corporation be subject to the payment of all late penalties and applicable license fees related to license 10364M.

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The proper motion was unanimously approved by the Commission. The Hearing was closed after a proper motion by Michael Johnson and a second by Michael Moix, followed by a unanimous approval from the Commission.

ACTION AND DISCUSSION ITEMS

Director Pace presented thirteen (13) Voluntary License Surrender Agreements from license holders no longer conducting business in the state of Arkansas (listed under Section 8A 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. After a proper motion to approve all thirteen Voluntary License Surrender Agreements listed under Section 8A on the Agenda by Michael Johnson and a second by Michael Moix, the Commission unanimously approved the motion.

Director Pace provided an update to the Commission with respect to the Automotive Technologist Education Grant Program (ATEGP). At the regularly scheduled meeting on May 15, 2024, the Commission approved full funding for all 11 grant applicant requests, and the total amount awarded was \$234,050.43 for 2024. The Commission staff processed the funding requests, and the Grant Warrants were issued before the end of Fiscal Year 2024. The Commission staff has received the first of two required Accounting Reports from all eleven (11) grant applicants.

Cabot High School (ATEGP FY2024-004) has purchased each product requested in their approved grant application and after a change in the price of supplies have been left with approximately \$1357.07 remaining grant funds. They have submitted a request to the Commission to allocate the remaining funds to purchase additional materials and supplies for the program. Following a proper motion by Michael Moix and a second by Jimmy Jones, the Commission unanimously approved for Cabot High School to allocate the remaining grant funds to the requested materials and supplies.

Northwest Technical Institute – Medium/Heavy Duty Truck Technology (ATEGP FY2024-001) has purchased each product requested in their approved grant application and after a change in the price of supplies have been left with an additional \$393.41 in grant funds. They have submitted a request to the commission to allocate the \$393.41 to purchase additional materials and supplies for the program. Following a proper motion by Scott Wood and a second by Michael Moix, the Commission unanimously approved Northwest Technical Institute to allocate the remaining \$393.41 in grant funds to the requested materials and supplies.

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Commission Chair Joy Blankenship requested that Investigators Margie Sexton and John Aquilino recount the findings of the investigation into Formal Complaint C#24-019, AMVC vs. Tractor Supply Company. The investigators visited a total of 24 Unlicensed Tractor Supply locations throughout the state and found that 21 of the visited locations engaged in the act of selling regulated vehicles without a license. The Tractor Supply company currently has one (1) licensed New Franchise Cycle dealership in the state. As instructed by the Commission at the August 21, 2024, Commission meeting, Director Daniel Pace and Assistant Attorney General Michael Bynum composed and sent an official letter to Tractor Supply Company Corporate to facilitate a dialogue regarding the numerous licensing violations discovered by Commission staff and bring all Tractor Supply store locations into compliance with Commission rules and license statutes. The letter was sent by certified mail, standard mail, and email. Tractor Supply Company Corporate was given ten business days to respond to the letter. Director Daniel Pace and Assistant Attorney General Michael Bynum composed a secondary more comprehensive letter to send as a follow-up action if a response is not provided within the allotted time frame. Commissioner Scott Wood inquired about how licensing would work for the multiple locations. Director Daniel Pace explained that each Tractor Supply location would require a separate dealer's license and would be required to meet all facility and licensing requirements.

Investigator John Aquilino recounted the meeting held at Crain Automotive Corporate Headquarters between Chandler Rackley, Chief Financial Officer of Crain Automotive, Chase Bosshart, Chief Title Clerk of Crain Automotive, Investigator Margie Sexton, and himself. The investigators held a meeting with the representatives of Crain Automotive on behalf of the Commission to discuss the numerous non-delivery of title complaints and customer-service issues that have been received, and to request a formal action plan in writing from Crain Automotive. Per the request of the Commission, Crain Automotive submitted a comprehensive action plan addressing each of the main issues identified by the Commission. Since the meeting, Crain Automotive has been more engaging and attentive to any requests from Commission staff with respect to complaints and issues of concern. Commission staff will continue monitoring Crain Automotive dealership responsiveness to complaints, as well as their implementation of and adherence to the comprehensive action plan presented to the Commission.

ADJOURNMENT

Following a proper motion by Scott Wood and second by Michael Johnson, Chair Joy Blankenship thanked everyone for their attendance and adjourned the meeting at 10:50 A.M. on October, 16, 2024, by unanimous approval of the Commission.

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Minutes submitted by:

Alexus Dunlap and Daniel Pace

Minutes Approved by: