



*New Motor Vehicle Board*

# *In-Site*

April 2008

A Publication of the California New Motor Vehicle Board

08.2 Edition

## **FEBRUARY 11, 2008 GENERAL MEETING HIGHLIGHTS**

The New Motor Vehicle Board held a General meeting on February 11, 2008, in San Francisco. This meeting was held in conjunction with the National Automobile Dealers Association Convention and the National Association of Motor Vehicle Boards and Commissions Winter Workshop.

The Proposed Decision overruling *Walker Management, Inc., dba Good Times Kawasaki Suzuki Ducati v. Ducati North America, Inc.*, Protest No. PR-2048-07, was scheduled for Public Member consideration. However, due to the lack of a public member quorum, the matter was postponed and scheduled for the Special Meeting on March 18, 2008, in Los Angeles.



Sossi Keuylian, Howard Weinberg, Bill Brennan

The meeting started off with the members welcoming Sossi Keuylian, an Orange County Lamborghini Dealer and newly appointed Dealer Board member. (See related article on page 2 in this issue).

The Board unanimously approved the presentation of Resolutions to Robert Branzuela, former Dealer Board Member, and David C. Lizárraga, former Public Board Member. These resolutions will be presented at a future General Meeting in Southern California.

The annual election of officers took place with the unanimous reelections of Alan J. Skobin as President and Robert T. (Tom) Flesh as Vice President (see related article on page 3 in this issue). After the election of officers, President Skobin made the committee appointments for the year.

A number of staff reports were given on a variety of topics, including the following:

The Board members were updated on the Consumer Mediation Program which continues to be successful with over 67% of cases being successfully mediated.

Upcoming out-of-state travel plans for fiscal year 2008-09 were approved subject to the Executive Committee authorizing the trips. Dawn Kindel, Staff Manager, reported that staff was prepared to submit travel proposals for upcoming industry related trips.

The members approved a revised version of the *Informational Guide for Manufacturers and Distributors* that is now available on the Board's website at [www.nmvp.ca.gov](http://www.nmvp.ca.gov).

The new policies that were approved in 2007 were discussed and are summarized as follows:

- Dealer members of the Board will participate in, hear, comment on, advise other members on, or decide protests between RV dealers and franchisors, unless a Dealer Member also has an interest in an RV dealership. In this case the dealer member will recuse himself or herself from participation in the matter, unless the parties stipulate to such participation. A stipulation concerning such participation was adopted.

- On an interim six-month basis, Judges Wong and Riggerbach will preside over all Mandatory Settlement Conferences while the Board attempts to hire and train additional ALJs.

- The Board will exercise its discretion to collect or not collect the Arbitration Certification Program fees, when the amount to be collected is nominal, and to provide the Department of Consumer Affairs, Arbitration Certification Program with an accounting of the manufacturers and the

## NEW BOARD MEMBER



Sossi Keuylian

**S**ossi Keuylian, Dealer Member, was appointed to the New Motor Vehicle Board on January 15, 2008, by Governor Arnold Schwarzenegger and is a member of the Board Development Committee. She has been involved in the automotive industry since 1998. She co-owns several dealerships in Orange County and Los Angeles County, including Lamborghini Orange County, Lamborghini Calabasas, Lotus Calabasas, and Commonwealth Volkswagen and Commonwealth Audi, in Santa Ana.

Ms. Keuylian currently serves on the board of the Orange County Automotive Dealers Association. She is a member of N.A.D.A., and A.I.A.D.A. She is also a member of the Santa Ana Chamber of Commerce and the United Chamber of Commerce.

Before engaging in the Automotive Industry, Ms. Keuylian spent 18 years working in the field of Organizational Development and Performance Improvement, partnering with executive management and senior managers on developing initiatives, future vision and execution strategies for their organizations. Ms. Keuylian earned a Bachelor of Arts Degree, a Masters of Science Degree and continued her post graduate Doctoral coursework while attending the University of Southern California.

Ms. Keuylian's life has also been enriched by her involvement with charities such as Child Help USA (an organization helping abused children), the CHP 11-99 Foundation (an organization devoted to the welfare of California Highway Patrol employees and their families), Working Wardrobes (provides at-risk men, women and teens with a new start to help them attain self-sufficiency and dignity), American Cancer Society and several other not for profit organizations. Ms. Keuylian has organized and implemented successful fundraising events and charity auctions for these not-for-profit organizations. Ms. Keuylian's current term will expire on January 15, 2011.



*State of California*  
Arnold Schwarzenegger  
Governor

### IN-SITE

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*Department of Motor Vehicles*  
George Valverde, Director



*Business, Transportation  
and Housing Agency*  
Dale E. Bonner  
Secretary

### *New Motor Vehicle Board*

#### Members

**Officers**  
Alan J. Skobin,  
President  
Robert T. (Tom) Flesh,  
Vice-President

Ramon Alvarez C.  
Ryan L. Brooks  
Robert T. (Tom) Flesh  
Sossi Keuylian  
David C. Lizárraga  
Haig Papaian  
Alan J. Skobin  
Glenn E. Stevens  
David W. Wilson

**Executive Director**  
William G. Brennan  
bbrennan@nmvb.ca.gov  
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Howard Weinberg  
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Robin P. Parker  
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amounts owed but not collected as a result of the Board exercising its discretion.

- The Fiscal Committee will meet each May to review the Board's proposed budget, and consideration of the budget will be agendized each June. This enables the Board to take a more active role in the budget process.

- The Board established a policy to address manufacturers and distributors who are not in compliance with the filings required by Vehicle Code sections 3064/3074 (current delivery and preparation obligations and schedule of compensation) and 3065/3075 (warranty reimbursement schedule or formula). Prior to being placed on an agenda for noncompliance, the licensees will be sent written notices requesting compliance with the applicable statutes. At the noticed Board Meeting, the members will determine whether to request that the DMV withhold the renewal and/or suspend the existing occupational license of the manufacturer for failure to comply with the pertinent Vehicle Code sections.

Bill Brennan, Executive Director, provided the members with a Report on Administrative Matters that identified all pending projects, the Board staff and committee assigned to each, estimated completion dates, and current status. The members were also provided with a summary of case management. Howard Weinberg, General Counsel, updated the members on the status of the pending court matters.

## ELECTION OF OFFICERS

At its February 11, 2008, General meeting, the Board unanimously re-elected Alan J. Skobin to a second term as the Board's President. Prior to the vote for Alan Skobin, Vice President Robert T. (Tom) Flesh made the comment that the motion made for the incumbent for another term was based on the exemplary leadership of Mr. Skobin and his expertise in managing the affairs of the Board. Mr. Skobin previously served on the Board from 1994 to 1997, and during that tenure served as Board President in 1996. He also served two terms as the Board's Vice President in 2005-2006. Mr. Skobin is Vice President and General Counsel, as well as a Director for Galpin Motors, Inc., in North Hills, California. He also holds similar positions with Galpin Jaguar, Honda, Lincoln Mercury, Mazda, Volvo and Aston Martin dealerships, as well as Saturn of the Valley.

Robert T. (Tom) Flesh was unanimously re-elected to serve as the Board's Vice President. Prior to the voting, President Skobin praised Mr. Flesh on his demonstrated service to the Board and that, in his opinion, the Public Members are the real heroes that do the job at a great personal sacrifice. Mr. Flesh was reappointed by Governor Schwarzenegger in 2005, and previously served as Board Vice President in 1999 and President in 2000 and 2001. Mr. Flesh is President of Safety Investment Company and Community Asset Management, multifaceted national real estate acquisition, management, and development companies.

Alan J. Skobin and Tom Flesh will also serve as the Board's Executive Committee.

## 2008

### COMMITTEE MEMBERS

#### ADMINISTRATION COMMITTEE

Haig Papaian, Chair; Ramon Alvarez C., member

#### BOARD DEVELOPMENT COMMITTEE

Ryan L. Brooks, Chair; Sossi Keuylian, Member

#### EXECUTIVE COMMITTEE

Alan Skobin, President; Tom Flesh, Vice President

#### FISCAL COMMITTEE

Ramon Alvarez C., Chair; Ryan L. Brooks, Member

#### GOVERNMENT AND INDUSTRY AFFAIRS COMMITTEE

Tom Flesh, Chair; David Wilson, Member

#### POLICY AND PROCEDURE COMMITTEE

Glenn Stevens, Chair; David Wilson, Member

#### AD HOC RULEMAKING COMMITTEE

Alan Skobin, Chair; Glenn Stevens, Member

## DAVID LIZÁRRAGA REAPPOINTED

The New Motor Vehicle Board is pleased to announce the reappointment of Public member, David C. Lizárraga. Mr. Lizárraga has served on the Board since January 2003, appointed by then Speaker of the California State Assembly Herb J. Wesson, Jr. He was reappointed on March 28, 2008, by the current speaker, Fabian Núñez.

Mr. Lizárraga is internationally recognized as one of the country's top Hispanic leaders. He is sought after as a resource for his guidance on issues involving the Hispanic community, business and civic affairs, inner-city lending and real estate development. For nearly forty years, he has overseen the growth and expansion of The East Los Angeles Community Union (TELACU), a non-profit community development corporation founded in 1968.

Mr. Lizárraga's leadership has taken TELACU from a small community development corporation to the largest, most successful community development corporation in the nation. TELACU has been a catalyst in creating and retaining jobs in Southern California communities. Under his leadership, TELACU has become one of the nation's most prominent Hispanic organizations with more than \$400 million in assets. His current term will expire in January 2011.

## NAMVBC 32<sup>nd</sup> ANNUAL BREAKFAST MEETING

The 2008 Winter Workshop and 32<sup>nd</sup> Annual Breakfast Meeting of the National Association of Motor Vehicle Boards and Commissions ("NAMVBC") was held February 9 through February 11, 2008, in the "City by the Bay", San Francisco, CA. The workshop provides an excellent opportunity for the exchange of information and ideas of common interest to the various motor vehicle board and commission members who attend.

The February 10, 2008, workshop and breakfast meeting was called to order at 9:00 a.m., by Roy Dockum, Oklahoma Motor Vehicle Commission Executive Director and President of the NAMVBC, followed immediately by keynote speaker Rob McBryde of eBay Motors. Mr. McBryde gave a very informational presentation on how eBay is keeping up with the changing environment in online motor vehicle buying and selling. Berta Phelps from Manheim

Auto Auctions and Chuck Stepter with Fishback Dominick Law Firm, presented an entertaining video on the different aspects of the auction and continued with a discussion of current issues in the auction industry.

Following the morning speakers, William G Brennan, New Motor Vehicle Board (NMVB) Executive Director and Treasurer of the NAMVBC, gave the yearly Treasurer's report. A "roundtable discussion" of what was happening in other geographical areas regarding current issues lent an extensive amount of valuable information to all attendees.

The February 11, 2008, breakfast meeting featured Annette Sykora, incoming NADA Chairman, as the keynote speaker. She specifically addressed the challenges that are currently facing the automobile industry and how dealers are adapting to the changing marketplace.

The NAMVBC breakfast meeting was held in conjunction with the NADA 2008 Convention, February 9 through February 11, 2008. Keynote speakers for the NADA Convention included Jay Leno, Bob & Lee Woodruff and Tom Brokaw. The NMVB was represented at both functions by a mixture of NMVB staff and Board members. Mary Garcia, Branch Chief, Occupational Licensing, from the Department of Motor Vehicles was also in attendance.



Annette Sykora

### BOARD WEB "HITS"

The number of web users  
visiting

the Board's web since

January 2000:

**2,160,682**

*Have you visited us yet?*

[www.nmvb.ca.gov](http://www.nmvb.ca.gov)

## MARCH 18, 2008 SPECIAL MEETING HIGHLIGHTS

The New Motor Vehicle Board held a Special Meeting on March 18, 2008, in Los Angeles to consider the Proposed Decision in Walker Management, Inc., dba Good Times Kawasaki Suzuki Ducati v. Ducati North America, Inc., Protest No. PR-2048-07.

Respondent sought to establish a new Ducati dealership within 10 miles of Protestant's dealership. A four day hearing was held in September 2007, before Administrative Law Judge (ALJ) Diana Woodward Hagle.

The Public Members of the Board deliberated in closed Executive Session and unanimously remanded this matter to the ALJ with the following instructions:

The ALJ shall consider the good cause factor enumerated in Vehicle Code section 3063(b): "Effect on the retail motor vehicle business and the consuming public in the relevant market area." The remand is limited to considering if the new Ducati dealership will have a significant impact on Protestant's Ducati sales and service without consideration of the impact on the entirety of Protestant's business. The ALJ shall have discretion, if deemed necessary, to order additional evidence, briefing, and/or arguments.

The Proposed Decision after Remand is set for Public Member consideration at the June 26, 2008, General Meeting, in Southern California.

## CNCDA 2008 DEALER DAY

CNCDA (California New Car Dealers Association), the new name of the former CMCD (California Motor Car Dealers Association), met on Tuesday, March 25, 2008, at the Hyatt Regency Hotel in Sacramento. CNCDA Dealer Day, the Annual Meeting of the Members, is an informative gathering of car dealers. The main purpose of the event is to provide important information about the current state of affairs in the industry and to allow the dealers to meet with their legislators to discuss legislation of interest to the industry.

Jerry Fitzpatrick, Sr., Chairman of Fitzpatrick Chevrolet Buick and HUMMER, and father of CNCDA Chairman Denny Fitzpatrick, was graciously awarded with the Chairman's Award by his son, Fitzpatrick Chevrolet Buick

See CNCDA, page 7

## PENDING COURT CASES

*The Board does not participate in any action unless a significant state interest is implicated.*

RAY FLADEBOE LINCOLN MERCURY, INC., Petitioner v. NEW MOTOR VEHICLE BOARD, Respondent; AMERICAN ISUZU MOTORS, INC., Real Party in Interest.

Sacramento Co. Sup. Court No. 04CS01552

RAY FLADEBOE LINCOLN MERCURY, INC., Petitioner v. NEW MOTOR VEHICLE BOARD, Respondent; AMERICAN ISUZU MOTORS, INC., Real Party in Interest.

Sacramento Co. Sup. Court No. 04CS01553

FORTY-NINER SIERRA RESOURCES, INC., Petitioner v. NEW MOTOR VEHICLE BOARD, Respondent; SUBARU OF AMERICA, INC., Real Party in Interest.

Sacramento Co. Sup. Court No. 06CS00347

Third District Court of Appeal No. C053641

FORTY-NINER SIERRA RESOURCES, INC., Petitioner v. NEW MOTOR VEHICLE BOARD, Respondent; SUBARU OF AMERICA, INC., Real Party in Interest.

Sacramento Co. Sup. Court No. 2007-001881771

(This case is also subject to an unripe appeal by Petitioner in the Third District Court of Appeal)

SERPAAUTOMOTIVE GROUP, INC., Petitioner v. NEW MOTOR VEHICLE BOARD, Respondent; VOLKSWAGEN OF AMERICA, INC., Real Party in Interest. Tulare Co. Sup. Court No. 06-221437.

NADER AUTOMOTIVE GROUP, LLC., and NADER EGHTEHAD., Petitioner v. NEW MOTOR VEHICLE BOARD, Respondent; AUDI OF AMERICA, INC., Real Party in Interest.

Sacramento Co. Sup. Court No. 34-2007-00881746

NADER AUTOMOTIVE GROUP, LLC., and NADER EGHTEHAD., Petitioner v. NEW MOTOR VEHICLE BOARD, Respondent; VOLKSWAGEN OF AMERICA, INC., Real Party in Interest.

Sacramento Co. Sup. Court No. 34-2007-00881745

## MEDIATION SPOTLIGHTS

**M**ediation Representative, Jackie Grassinger, received a complaint from a consumer in Verdi, Nevada on December 10, 2007. The consumer purchased what was advertised as an all-wheel drive vehicle at a dealership in Norco, California. The consumer also paid extra for window tinting and PermaSeal for the tires. The consumer drove the vehicle for four months before realizing that the vehicle was in fact a rear-wheel drive, not an all-wheel drive vehicle, when she could not maneuver it through the snow. The consumer contacted the Board for assistance to have the dealership take back the vehicle and reimburse her for all additional costs involved. Ms. Grassinger contacted the dealership on December 11, 2007, and on December 18, 2007, the dealership responded that they were committed to resolving the issue and would buy back the vehicle. On December 26, 2007, the consumer praised Ms. Grassinger and the Board for the help she received, and was satisfied with the outcome of her complaint.

**O**n January 2, 2008, Mediation Representative, Jackie Grassinger, received a complaint from a consumer who had purchased a 2005 Jaguar S Type in August 2007. The consumer repeatedly tried to obtain the registration on the vehicle, but by the end of December 2007, had not received it. After being stopped by law enforcement for not having current registration, the officer informed the consumer that the VIN number on the car and the VIN number on the contract were different. They then contacted the Board. Ms. Grassinger sent a letter to the dealership on January 2 and January 13, 2008 requesting they review the consumer's complaint. The dealership responded to the Board on February 13, 2008. The consumer immediately contacted the bank to change the VIN to the correct number and also contacted DMV to change the licensing. The consumer then informed the dealership that they did not want the vehicle any longer. The dealership purchased the vehicle back from the consumer for the total pay off amount to the bank. The consumer was very happy with the resolution of the matter.

**O**n January 11, 2008, Mediation Representative, Eugene Ohta, received a complaint from a consumer claiming their 2007 Town & Country vehicle was clearly a "lemon and not safe". The car was purchased new in September 2007. Within 4 months, the vehicle was in for service for 32 days and had to have the engine rebuilt at only 3500 miles.

The consumer contacted the manufacturer but met with an unwillingness to discuss the issue. The consumer then contacted the Board. Mr. Ohta sent a letter to the manufacturer on January 14, 2008 requesting they review the consumer's complaint. On January 28, 2008, Mr. Ohta received correspondence from the manufacturer stating they were willing to offer the consumer a replacement vehicle. On March 11, 2008, the consumer informed Mr. Ohta that the car had been replaced and thanked him for the help he had received.

**M**ediation Representative, Eugene Ohta, received a complaint from a consumer on January 23, 2008, regarding several brake repair attempts on his 2004 Nissan Armada. The consumer had taken the vehicle in for service five times between December 4, 2004 and January 15, 2008, yet the problems were not resolved. The vehicle's warranty expired in January and the manufacturer declined any further work. The consumer contacted the Board for assistance. Mr. Ohta sent a letter to the dealership on February 8, 2008 and received a response on February 13, 2008. The dealership was able to work with the manufacturer to get a goodwill extension on the warranty to pay for the January 15, 2008 repair. They also offered to work diligently on behalf of the consumer should he have any further concerns regarding the repair. The consumer was very pleased with the outcome of his complaint.



### Mediation Services

*You can reach  
Mediation Services Staff at  
(916) 445-1888*

*or*

*[nmvbmediation@nmvb.ca.gov](mailto:nmvbmediation@nmvb.ca.gov)*

CNCDA, cont'd from page 5

and HUMMER is a family owned dealership serving the Greater San Francisco Bay Area since 1948. Tim Smith of Bob Smith BMW-Mini was awarded the Time Magazine Quality Dealer Award.

Governor Schwarzenegger made an appearance and discussed California's economic climate. He also spoke on the importance of the automobile industry in California's economy and how it represents approximately 21 percent of the state's retail sales revenue. Steven Poizner, California Insurance Commissioner, was the keynote speaker and gave a commanding speech on the successful efforts of the insurance industry; most recently, dealing with the high number of natural disasters that occurred in California over the last year, and the expediency in which people were accommodated.

At the conclusion of the presentations, dealers went across the street to the State Capitol to meet with the legislators. Two bills of special interest were AB 1939 and AB 2316. AB 1939 would increase the cap for dealer processing charges. According to CNCDA, the cap which is one of the lowest in the country, has not kept pace with the dozens of legislative requirements dealers must implement and administer. CNCDA supports AB1939. AB 2316 would allow the California Air Resources Board to impose a schedule of new car taxes and revenue give-a-ways based on the amount of greenhouse gases a vehicle emits. CNCDA opposes AB 2316.

## NADA TO LAUNCH ONLINE JOB BOARD

NADA members will soon be able to post dealership job opportunities on a website entirely devoted to promoting automotive careers. Automotive Careers Online will provide NADA members substantial savings over the major online job sites, costing just \$200 for a 30-day listing. Job opportunities posted on Automotive Careers Online also will show up on several job aggregator sites, such as Indeed.com, Googlebase.com, and Simplyhired.com. The site will be free to job seekers, who may also post their resumes and receive e-mail alerts when new jobs are posted. Likewise, NADA members will be able to sign up for e-mail alerts when qualified candidates post their resume or express interest in one of their job ads.

### APRIL IS AUTOMOTIVE CAREER MONTH

All details available at [www.nada.org/careers](http://www.nada.org/careers)

## SPECIAL MENTION

David Wilson Automotive Group, Galpin Motors and Hitchcock Automotive Resources made the 2007 Top 125 Dealerships in the U.S.

## UPCOMING BOARD MEETINGS



**\*General Meeting**  
**May 2, 2008**  
**Riverside**

**\*General Meeting**  
**June 26, 2008**  
**Southern California**

\*Board meeting dates are subject to change.

**NEW MOTOR VEHICLE BOARD**  
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