



New Motor Vehicle Board

In-Site

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A WORD FROM TOM NOVI RETIRING AFTER 37 YEARS

As I retire after 37 years of State service, and the past five with the New Motor Vehicle Board, I would like to share with you what an honor it has been to serve the Board as its Executive Director. What a partnership! When I arrived at the Board, I found a hard working staff that was committed to providing the best possible service in resolving industry and consumer disputes and a willingness to be innovative and creative in doing so. I found a Board that wanted to be a positive force for the motor vehicle industry. I found an industry composed of dealers and manufacturers that want to be successful and profitable, and knew that to be successful they needed each other in spite of their occasional differences. And I also found an industry that is extremely competitive for both manufacturers and dealers yet vitally important to California's economy. To be successful in the vehicle industry you truly have to be the best of the best. It is a tough business!

During this decade the Board has implemented numerous changes including hosting an Industry Roundtable each year, bringing in the Recreational Vehicle industry, and making numerous policy and procedure changes designed to improve customer service. The Board even reduced the fees charged to manufacturers and dealers by 25%. The Board should be proud and the motor vehicle industry pleased.

As I leave the Board, I also tip my hat to the many employees that labor largely in anonymity. The basic decency, dedication, caring and intelligence of the hard working employees who work at the Board, DMV, and the various state departments and agencies, is extraordinary. In California, when government fails its citizenry, it is typically not because employees aren't trying or don't care. By and large the reason can be traced to crazy and conflicting laws, inadequate resources, the lack of political will, and yes, in some cases, we are not good enough leaders. But I am constantly amazed at the resiliency of the typical state

employee to endure and overcome these obstacles. The lesson seems clear . . . provide an environment where our employees can succeed in providing quality service to California's citizens and they will!

Again, thank you. I am deeply honored to have served as the Board's Executive Director, and wish all of you the absolute best!



William G. Brennan

BOARD APPOINTS WILLIAM G. BRENNAN EXECUTIVE DIRECTOR

On September 8, 2005, the New Motor Vehicle Board appointed William G. Brennan to serve as the Board's Executive Director as successor to Tom Novi .

Mr. Brennan brings to the Board an extensive background in the private sector, as well as in federal and state public service. His state public management experience includes nearly eight years as the Deputy Secretary/Special Counsel of the California Business, Transportation and Housing Agency, where he served as the principal management, policy liaison and legal advisor, with major responsibility for the Board's and the Department of Motor Vehicles' programs. In this capacity, he became familiar with the Board's mission, management goals, and implementation plans.

See Brennan, page 2

Brennan, Cont'd from page 1

For the past three years, Mr. Brennan has served as President of Worldwide Safety, LLC, an international technology company that develops and markets highway safety devices. He also currently provides government and business consulting and legal services to various clients on business regulatory, transportation, and housing issues. For the past five years, Mr. Brennan has also been a Director and is now currently Chairman of the Board of Century Housing, a non-profit corporation, where he helps to guide and oversee the board's policy development for affordable housing in the greater Los Angeles area. Before moving to Sacramento in 1992, Mr. Brennan worked in Washington, D.C., where he was general counsel and a lobbyist for New Bedford Panoramex, a Southern California avionics firm. Previously in Washington, D.C., he served as a senior staff advisor to Pete Wilson in the U.S. Senate and prior to that for President Ronald Reagan in the White House Office of Presidential Advance.

A native of Fullerton, Mr. Brennan is a graduate of Santa Clara University and the University of San Diego School of Law.

Board staff anticipate a successful and harmonious working relationship with Mr. Brennan and look forward to his leadership for many years to come.

MESSAGE FROM OUR NEW EXECUTIVE DIRECTOR

I want to thank Tom Novi for his outstanding public service to the State of California for more than 37 years. He has earned a reputation as a straight shooter, rock-solid administrator and a loyal state servant to the people of California. We have all benefited from his efforts, expertise and professional, positive attitude. I know that Tom is looking forward to more time together with his lovely wife Linda, and their sons, as well as the much-anticipated opportunity to shave strokes off his inflated handicap. Good luck and congratulations, Tom, and thanks for leaving the New Motor Vehicle Board in excellent shape! You are a hard act to follow.

As I pick up the reins as Executive Director, I would like to thank the Board for its trust and confidence and assure the motor vehicle industry and consumers that I will do my best to maintain the high level of professionalism that is expected of our organization. You will learn that my management style includes team building and open dialogue. Over the next several months I look forward to personally meeting with many of you at various motor vehicle industry forums and conferences. The automobile industry is of tremendous economic importance to California and its historic, trend-setting car culture. You have my pledge that the NMVB will continue to provide a forum to expeditiously and fairly help you resolve industry specific disputes and challenges for the mutual benefit of the industry and consumers.



State of California
Arnold Schwarzenegger, Governor

Officers

David W. Wilson,
President
Alan J. Skobin,
Vice President

IN-SITE

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Joan Borucki, Director

New Motor Vehicle Board

Members

Robert Branzuela
Robert T. (Tom) Flesh
David C. Lizárraga
Haig Papaian
Andy Robles
Sushil K. Sharma
Glenn E. Stevens



*Business, Transportation
and Housing Agency*
Sunne Wright-McPeak, Secretary

Executive Director

William G. Brennan
General Counsel
Howard Weinberg
Senior Staff Counsel
Robin P. Parker

Questions or comments: nmvb@pacbell.net

JULY 7, 2005 GENERAL MEETING HIGHLIGHTS

The New Motor Vehicle Board ("Board") held a General meeting on July 7, 2005 in Sacramento. No case management matters were considered at this meeting, but several important topics were discussed.

The Board members at the previous April 21, 2005, General meeting, unanimously moved to present Board Administrative Law Judges, J. Keith McKeag (retired), Kenneth Wilson (semi-retired), and Marilyn Wong (semi-retired), with Resolutions in appreciation for their dedication and service to the Board. Unfortunately, the judges were unable to attend the meeting in person to accept their resolutions, so they were mailed to them after the meeting.

The staff reported that Gateway Chevrolet (Rancho Mirada Chevrolet) is now in the Motors Holding Dealer Development Program with a minority candidate having invested in the dealership. The members raised a number of questions concerning the ownership status and requested that Tom Novi, then Executive Director, ascertain the extent to which the dealer candidate has invested in the dealership and whether the investment is at risk. The members requested that Howard Weinberg, Board General Counsel, obtain a copy of the pending lawsuit involving Gateway Chevrolet and Anaheim Chevrolet, and work with the Board's attorney, Glenn Stevens. This matter was subsequently agendized for information only at the September 21, 2005, General meeting.

The members were informed that the Board was in full compliance with all of the audit findings and corrective plans that resulted from its 1996 Business, Transportation & Housing Agency audit.

At the July 18, 2000, meeting, the members adopted an Employee Recognition Award Program to recognize staff for their accomplishments. The program was recently renamed the Solon C. Soteris Employee Recognition Award. The staff submitted employee nominations to the Board Development Committee, Haig Papaian and Tom Flesh, who ultimately recommended Linda Lighter as the Employee Recognition Award recipient.

The members were provided with the Board financial condition report for the 3rd quarter of fiscal year 2004-2005. The Board had expended 62% of its

appropriated budget for the current fiscal year.

The members approved six out-of-state trips for fiscal year 2005-2006. Five of the trip requests are for the Board's five public members to attend the National Automobile Dealer's Association Annual Convention and Exposition in Orlando, Florida in February 2006. Subject to the Board's approval, it is planned that the Board's Executive Director would also attend.

The members approved proposed nonsubstantive amendments to Sections 551.2 and 551.15 of the Board regulations that reflect the amendments to the Civil Discovery Act that took effect July 1, 2005.

The members selected William G. Brennan as the incoming Executive Director upon Tom Novi's retirement October 3, 2005.

SEPTEMBER 21, 2005 GENERAL BOARD MEETING HIGHLIGHTS

The New Motor Vehicle Board held a General meeting on September 21, 2005, in Sacramento. Tom Novi then Executive Director, introduced and welcomed Bill Brennan incoming Executive Director.

The Public members of the Board considered the Proposed Decision in S&C Motors, Inc., dba S&C Kia v. Kia Motors America, Inc., Protest No. PR-1859-03. This was a Vehicle Code section 3060 termination case wherein Kia contended that it had good cause to terminate S & C Kia's franchise. A four-day hearing was held before Administrative Law Judge Richard Lopez. After consideration of the oral arguments, the Public members by a four-to-one vote adopted the Proposed Decision overruling the protest.

Consideration of the Proposed Order in Soutar's Nissan, a California corporation v. Nissan North America, Inc., Protest No. PR-1825-02, was continued to the November 16, 2005, General meeting, at the request of counsel for the parties.

The members approved translating the mediation services portion of the website into Spanish.

The members were provided with the Board financial condition report for fiscal year 2004-2005. The



DAVID C. LIZÁRRAGA ELECTED TO USHCC BOARD OF DIRECTORS

Public Board Member
David C. Lizárraga

Public Board member David C. Lizárraga was recently elected to the chair of the United States Hispanic Chamber of Commerce (USHCC) Board of Directors. For the last 25 years, the USHCC has promoted and supported the needs of more than 150 million Latino businesses that are worth collectively over \$200 billion per year. Currently gauged at \$700 billion a year and a projected growth of \$1 trillion in three years, the Latino presence in the United States is becoming increasingly significant.

Mr. Lizárraga is looking forward to meeting the challenge of this new position. A second generation Mexican-American, he was taught the values of hard work and the need to strive for a higher education by his parents who were born in Mexico. His father was the first Mexican to graduate from the USC School of Theology on a scholarship and subsequently became a Presbyterian minister. Mr. Lizárraga, with his mother, helped run the missionary ministry in the barrio of East Los Angeles. His parents built up programs that reached out to young people and from that, founded TELACU (The East Los Angeles Community Union), one of the nation's largest Latino business organizations. He is currently the President and CEO of TELACU Millennium, LLC.

BOARD APPOINTS NEW ADMINISTRATIVE LAW JUDGE

The Board is pleased to announce the appointment of Marybelle D. Archibald as its newest Administrative Law Judge, and welcomes her to the staff. Judge Archibald received a Bachelor of Arts degree from the University of California, Irvine in 1968 and a Master of Library Science degree from University of California, Berkeley in 1970. In 1976, Judge Archibald was awarded a Juris Doctorate

degree from the University of the Pacific, McGeorge School of Law. She recently retired from the California Attorney General's Office where, from 1983 to 2005, was a Deputy Attorney General and Supervising Deputy Attorney General in the Civil Division. She specialized in litigation of employment cases, DMV licensing cases, and Board cases, including *Phillips Mazda* and *Duarte & Witting*. Judge Archibald lives in Sacramento.



September 21, Cont.d from page 3

Board has expended 84% of its appropriated budget for the current 05-06 fiscal year.

The members were provided with a memorandum concerning the impact of proposed DMV regulations that create a two-year license renewal for dealers, manufacturers, and distributors on the Board's revenue collection. Considering DMV's two-year Occupational License renewal, the Board decided to maintain the current fee structure of \$225 per dealer, and \$.338 per vehicle sold in California, with a minimum of \$225.00 for manufacturers and distributors.

The members were provided with a summary of evaluations from attendees and participants of its 4th Annual Industry Roundtable held in April 2005. The feedback received was favorable. The date and location for the 5th Annual Industry Roundtable has been changed to April 4, 2006, in Sacramento at the Hyatt Hotel. If you are interested in receiving additional information or have topic suggestions, please contact Robin Parker at (916) 445-2080.

The members approved a proposed regulatory amendment to Section 553 of Title 13 of the California Code of Regulations that adjusts Board fees is charged to dealers, manufacturers, and distributors in light of the proposed two-year license renewal. The fee for dealers will be paid per year of licensure. The collection of annual fees for manufacturers and distributors will remain unchanged.

The members unanimously appointed Marybelle Archibald as a part-time intermittent Administrative Law Judge.



NAMVBC

2005

FALL WORKSHOP

The National Association of Motor Vehicle Boards and Commissions (NAMVBC) held its Fall Workshop in San Diego, California from September 28 through October 1, 2005. The workshop provided a forum for the exchange of information and ideas of common interest to motor vehicle regulators, industry associations, manufacturers, and consumer advocates who attended.

During the four day event, keynote speakers from several states discussed industry issues. Thursday's agenda included a presentation by Gregory DePasquale, Vice-President of Copart Auto Auctions, on Copart's response to Hurricane Katrina. Copart donated \$25,000 to a relief fund set-up to assist the staff of the Louisiana Motor Vehicle Commission ("LMVC"). The LMVC offices were heavily damaged and nearly all of the staff were displaced. Carol Kent, Enforcement Director for the Texas Motor Vehicle Dealer Board, discussed their new electronic tag system. Berta Phelps from Manheim Auto Auctions demonstrated their Online Auction System. On Friday, California "Car Buyer's Bill of Rights" legislation was discussed at length by Brian Maas, Director of Government Relations, for the California Motor Car Dealers Association. Doug Sato from Toyota discussed Toyota's Hybrid technology. Bruce Edwards, Executive Director of State Dealer Relations for General Motors discussed GM's response to Katrina as well as GM's commitment to improving its dealer body. Cristian Torres from Nissan North America gave a presentation on efforts by Nissan and Infinity to re-design all of their stores in order to achieve a better environment for their customers. On Saturday, all attendees at the conference, participated in a roundtable discussion that included curbstoning, creating electronic dealer folders, document processing fees, and licensing of mini-bikes, just to name a few.

The NAMVBC elected new officers at the end of the meeting. Ron Reynolds, Dealer License Administrator, Florida Department of Highway Safety and Motor Vehicles was elected President, and Kent Jorgensen, Director, Utah

Motor Vehicle Enforcement Division will serve as Vice-President. Roy Dockum, Executive Director, Oklahoma Motor Vehicle Commission will continue to serve as the Secretary, and Bill Brennan, the new Executive Director of the California New Motor Vehicle Board was elected Treasurer. The NAMVBC will meet next in Orlando Florida in conjunction with the NADA Convention. If you would like to know more about the NAMVBC please visit their website at www.namvbc.org.

REVENUE

NEW MOTOR VEHICLE DEALER	
Annual Fee:	\$ 98,816.00
NEW MOTOR VEHICLE BOARD	
Manufacturer/Distributor Annual fee:	799,961.43
NEW MOTOR VEHICLE BOARD	
Filing fees:	1,400.00
Document Requests:	31.40
Arbitration Cert. Program Reimbursement:	-0-
July and August 2005	\$ 900,208.83

MEDIATION ARTICLE IN SACRAMENTO BEE

Mark Glover, the Sacramento Bee Auto Editor, featured the Board in an August 2005, article on the Wheels and The Web section, which periodically looks at automotive Internet sites that are helpful to readers ranging from highly trained auto technicians to first-time car buyers.

The article offered helpful hints by first giving the Board's web address and how to navigate the site to find specific information. An overview of the entire Board process was given, with the Board's Mediation Program as the main focus.

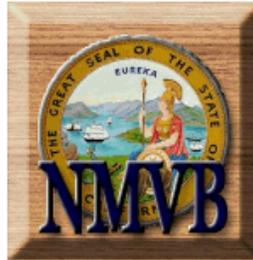
UPCOMING BOARD MEETINGS

Special Board Meeting

*November 15, 2005
San Francisco

General Board Meeting

*November 16, 2005
San Francisco



Special Board Meeting

*December 14, 2005
Sacramento

(*Board Meeting dates and locations are subject to change. A meeting agenda with time and location details is mailed 10 days prior to the meeting and is posted on the Board's website.)

AUTO MANUFACTURERS COME THROUGH WITH RELIEF FOR KATRINA

Just as they did in the 9/11 attacks on the World Trade Center, automakers were once again in the forefront to offer help for the victims of Hurricane Katrina.

General Motors donated \$400,000 to the American Red Cross, matched employees' collective donations up to \$250,000, and deployed 25 vehicles to the Red Cross as needed. They are also giving OnStar subscribers in a six state area affected by the hurricane the system's full range of services, regardless of their subscriptions.

Ford Motor Credit Co. has initially pledged \$100,000, which will probably go higher once the damage is assessed, will allow customers in the declared disaster areas to defer two vehicle payments, and will also match employee donations to the Red Cross.

Nissan North America donated \$500,000 to the American Red Cross, has a continuously running program that matches employees' charitable donations, and is donating 30-day leases for 50 full-sized trucks to assist the Mississippi Emergency Management Agency.

Toyota Motor Sales said it will donate at least \$1 million and will also set up a program that allows employees to donate to a relief fund that they will match.

DaimlerChrysler said it will donate \$500,000.

CMCDA HELPS DEALERSHIP EMPLOYEES IN NEED

The California Motor Car Dealers Association (CMCDA) is doing its part to help victims of Hurricane Katrina. They are raising funds for 7,000 Gulf State dealership employees who suffered personal loss or property damage, by asking California dealerships to contribute \$10 per employee (150,000 employees) to the National Automobile Dealers Charitable Foundation.

BOARD WEB "HITS"

The number of web users visiting the Board's web site:

413,750

January through September 2005

Why not visit us

on the web...

...at www.nmvb.ca.gov