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New Motor Vehicle Board

In-Site

EXECUTIVE DIRECTOR 2014 RECAP

The Board and staff continue to successfully accomplish their goals and responsibilities in accordance with our Mission “to enhance relations between dealers and manufacturers throughout the state by resolving disputes in the new motor vehicle industry in an efficient, fair and cost-effective manner.”

In 2014, 28 protests were filed by new automobile dealers with the Board. The breakdown is as follows:

- 16 termination protests
- 2 establishment protests
- 2 relocation protests
- 8 franchisor incentive program protests
- And, there were no

modification, off-site sales, satellite warranty facility, delivery and preparation obligation, or warranty protests filed.

Motorcycle/ATV dealers filed 5 protests which included one (1) termination; two (2) modification; and two (2) establishment protests.

Finally, no recreational vehicle protests were filed in 2014.

The Board continued its tradition by hosting the 11th Industry Roundtable last March at the DMV Assembly Hall in Sacramento. Again, the event was very successful and well-received by those who attended. The 12th Industry Roundtable is scheduled for March 26, 2015, so mark your calendars.

Please check our website for registration information and to view the proposed agenda for topics and speakers. This event will take place in the DMV Assembly Hall at the DMV Headquarters Building, so it is important to register early and to secure a parking pass for use of the DMV parking lot.

The Roundtable events, both past and future, serve as a valuable forum to educate our members and staff concerning relevant industry issues and encourage members of the vehicle industry to attend and participate. The Board welcomes your comments and ideas to keep this forum current and informative on matters

important to you.

I couldn't wrap up 2014 without thanking our Board members. Your confidence in staff and willingness to be available to participate in general and special meetings despite your own personal business commitments is gratifying. And, a big thank you to staff and ALJ's for their excellent performance, dedication and hard work. We are a small group of state employees with statewide responsibilities and I am proud to say that the entire staff and our ALJ's continue to be committed to providing "first-class" service and demonstrate the highest degree of professionalism. Of course, the high quality of attorneys and members of the new vehicle industry help to make our job easier by continuing to demonstrate your professionalism, fairness and belief in the industry.

Last but not least, a personal, special thank you for the dedication of Administrative Law Judge, Lonnie Carlson. Lonnie decided that his golf game could only improve if he retired from work and spent more time on the course, which sounds like a pretty good idea. Hit it straight!

DECEMBER 11, 2014 GENERAL BOARD MEETING

The New Motor Vehicle Board ("Board") held a General meeting on December 11, 2014, in Sacramento. At that meeting, all members considered the administrative matters and the Public Members considered one case.

San Jose Yamaha Powersports v. Yamaha Motor Corporation, U.S.A.

PR-2394-14

Yamaha sought to terminate San Jose Yamaha's franchise because of abusive and threatening conduct toward third parties and their employees.

Protestant denied each and every allegation. A motion hearing was held before Administrative Law Judge Anthony M. Skrocki on November 21, 2014. Protestant failed to comply with authorized discovery without substantial justification for that failure.

At the meeting, the Public Members unanimously adopted the findings of the Administrative Law Judge and the Executive Director to dismiss the protest with prejudice.

- Tim Corcoran, newly appointed Branch Chief of Occupational Licensing for DMV, was introduced.
- Mr. Corcoran is new to the department but worked at the Bureau of Automotive Repair and is familiar with the industry.
- Mr. Ohta provided an update on the development and use of the Board's website and indicated that a few icons were added to the home page to assist consumers with locating the consumer mediation form.
- For fiscal year 2013-2014, the Board expended 81% of its appropriated budget of \$1.6 million.
- The Board approved six out-of-state trip requests for fiscal year 2015-2016. Mr. Brennan did not anticipate the Board being allocated any funds for out-of-state travel. However, if travel restrictions are eased, staff will submit these requests for approval.
- The 2015 Industry Roundtable is scheduled for March 26, 2015, the day after the California New Car Dealers Association Dealer Day event.
- The Board adopted the 2015 Rulemaking Calendar, which was approved by Agency, and ultimately published by the Office of Administrative Law in the California Regulatory Notice Register.
- The assignment of cases to Board Administrative Law Judges in 2014 was summarized by Ms. Vare; one merits hearing, 4 mandatory settlement conferences, 7 discovery hearings, and 4 law and motion hearings.
- Pending Legislation was discussed: Legislation of Special Interest-Assembly Bill 988 (Assembly Member Jones) and Legislation of General Interest-Assembly Bill 1732 (Assembly Member Stone).

Senate Bill 988 added recreational off-highway vehicles and utility terrain vehicles to the definition of ATV, which makes them within the Board's jurisdiction. These dealers and manufacturers will be licensed by DMV.

Assembly Bill 1732 pertains to advertising the prior ownership of a vehicle and also the use of the term rebate, which is not within the Board's purview.

- The Board had 27 protests pending, 31 protests were filed with the majority being terminations and eight for franchisor incentives. In regard to judicial matters, three writs were pending. The members were provided with the following Board meeting dates for 2015:
- March 25, 2015, General Meeting, Sacramento
- March 26, 2015, Industry Roundtable, Sacramento

2014 OUR PROMISE CAMPAIGN

Each year the Board participates in the California State Employee Charitable Campaign (CSECC), which is now called Our Promise Campaign, to contribute to non-profit organizations supported by the United Way. Eugene Ohta, Legal Assistant was Chair, with Suzanne Luke, Administrative Analyst, as Co-Chair for 2014.

Although the campaign officially kicks off in August, with the Board being a small office, fundraising events are held throughout the year. Several drawings were held for certificates donated by local businesses. Staff also donated items to be included in the drawings. The events raise money that are in addition to the pledge forms which give staff the opportunity to contribute to selected organizations through a one-time donation or through monthly payroll deductions.

Incredibly, State employees remain generous through challenging economic times. The Board raised \$2,400 for the 2014 campaign and also received substantial donations from the Board Members, Administrative Law Judges and staff, in addition to the fundraising events mentioned above.



New Motor Vehicle Board Industry Roundtable Thursday, March 26, 2015 Sacramento, California

For additional information
Contact Danielle R. Vare at (916) 327-3129
or email dvare@nmvb.ca.gov

CNCDA 2015 DEALER DAY

California New Car Dealers Association ("CNCDA") Dealer Day Legislative Conference will be held on Wednesday, March 25, 2015, in Sacramento. Mark your calendars for this important event. Attend a variety of events, including Dealer Day, Annual Meeting of the Members, and informative seminars to learn about the current state of affairs in the industry and see dealers and dealership personnel outside the confines of the office. Contact the California New Car Dealers Association at (916) 441-2599 for more information.

MEET THE NEWEST BOARD STAFF MEMBERS

DANIELLE R. VARE, ATTORNEY

Danielle joined the staff in late October. She brings to the Board a wealth of industry knowledge from her previous six years of employment with a Sacramento law firm that represents new car dealerships in disputes with manufacturers. She is a graduate of the University of the Pacific, McGeorge School of Law. She has a background in public service with internships at McGeorge's Community Legal Services Clinic, the California Attorney General's Office and the Managed Risk Medical Insurance Board.

Danielle's primary responsibility at the Board is to manage the flow of Protests. She is also responsible for analyzing legislation, drafting regulations and planning the annual Industry Roundtable.

MAKALLA TURNER AND HOLLY XIONG, OFFICE ASSISTANTS

Makalla and Holly joined our staff in early November. Both have previous office support backgrounds in both the private and public sector. They are the Board's receptionists and provide clerical support to the mediation and legal programs.

Makalla came to us from the Franchise Tax Board and Holly came from the Department of Fish and Wildlife.

Also late last year, long time Board employee Kathy Tomono retired after nearly 30 years of state service. She is enjoying spending more time with her children and grandchildren, and is greatly missed by the staff!

MEDIATION SERVICES



You can call the Mediation Services Staff at (916) 445-1888 or email them at nmvmmediation@nmvb.ca.gov

YOU MAY ACCESS AND SEARCH FINAL DECISIONS ON THE BOARD'S WEBSITE, AS WELL AS FIND THE GUIDE TO THE NEW MOTOR VEHICLE BOARD AND THE MANUFACTURER GUIDE



2015 COMMITTEE MEMBERS

ADMINISTRATION COMMITTEE

Rahim Hassanally, Chair

Ryan Brooks, Member

BOARD DEVELOPMENT COMMITTEE

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David C. Lizárraga, Chair

Ramon Alvarez C., Member

EXECUTIVE COMMITTEE

Glenn E. Stevens, President

Victoria Rusnak, Vice President

FISCAL COMMITTEE

Anthony A. Batarse, Jr., Chair

Bismarck Obando, Member

GOVERNMENT AND INDUSTRY AFFAIRS COMMITTEE

Victoria Rusnak, Chair

Glenn E. Stevens, Member

POLICY AND PROCEDURE COMMITTEE

Bismarck Obando, Chair

Kathryn Ellen Doi, Member

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