



New Motor Vehicle Board

In-Site

July 2014

A Publication of the California New Motor Vehicle Board

3.14 Edition

JULY 15, 2014

GENERAL BOARD MEETING

The New Motor Vehicle Board ("Board") held a General meeting on July 15, 2014, in San Francisco, California. At that meeting, all members considered the administrative matters and the Public Members considered a proposed decision.

- The Board unanimously decided to present a resolution to Mary Garcia, retiring Branch Chief of Occupational Licensing, Department of Motor Vehicles.

- The Solon C. Soteras Employee Recognition Award was unanimously awarded to Eugene Ohta, Legal Assistant. (See article on page 2)

- The annual discussion and consideration of the methods of determining Board fees was reviewed. A memorandum was prepared outlining how the Board fees are calculated every year to ensure the fees are not construed as a tax and that the fees are cost-justified.

- Through the third quarter of fiscal year 2013-2014, the Board expended 63% of its appropriated budget and expended only 39% of its budget for operating expenses.

- The Board's collection of the Arbitration Certification Programs' ("ACP") annual fee was completed. ACP requested that the Board collect \$1,181,000 to fund its program. This figure was divided by 1,733,178 vehicles distributed in 2012 that were under the ACP's jurisdiction; \$5,000 was added in to cover the Board's costs for administering the collection which resulted in a fee of \$.685 per vehicle.

- The members unanimously approved the Board's proposed budget of \$1,705,226 for fiscal year 2014-2015.

- After the April 10, 2014, Industry Roundtable, the surveys were reviewed. Many attendees commented that they found the discussion on odometer fraud very interesting and enlightening. The presentations on Autonomous Vehicles ("AVs") were well received and several attendees wanted to hear updates on the progression of AVs at future roundtables. There were over 50 attendees

not including Board staff, Members and Administrative Law Judges, 12 were attorneys for either dealers or manufacturers; 22 represented State government; 5 were from the private sector; and 12 represented industry associations.

- The members adopted the 2014 edition of the *Administrative Law Judges' Benchbook*.

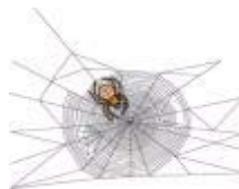
- The following Board meetings were tentatively scheduled for 2015: January 22, 2015, General Meeting in San Francisco; March 25, 2015, General Meeting, in Sacramento; and March 26, 2015, Industry Roundtable, Sacramento.

Santa Cruz Nissan, Inc., dba Santa Cruz Nissan v. Nissan North America, Inc.

Protest No. PR-2358-13

Santa Cruz Nissan filed a Vehicle Code section 3060 termination protest. Nissan sought to terminate Protestant's franchise because it contended Santa Cruz Nissan had unsatisfactory sales penetration performance related to operational deficiencies and breached their Dealer Agreement. Protestant contended that Respondent failed to meet its burden in establishing good cause to terminate their franchise.

A 12-day merits hearing was held before Administrative Law Judge Diana Woodward Hagle January 27 through February 7, 2014, and March 6-7, 2014. The Public Members conditionally sustained the protest and remanded the matter to the Administrative Law Judge to impose conditions on the Protestant with a specified time frame, and encouraged the parties to set a settlement conference.



**WHY NOT VISIT US
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SOL SOTERAS EMPLOYEE RECOGNITION AWARD

Each year, the Board recognizes a member of the staff for his or her outstanding performance with the Sol Soteris Employee Recognition Award. At its July 15, 2014, General meeting, the members considered and unanimously approved the Board Development Committee's recommendation that Eugene Ohta receive the award.

Eugene is being recognized for all around support of Board operations. He is currently assigned to the Board's legal division where he is responsible for processing all documents related to protests. In addition to this role, he is also the Board's tech-guy which makes him responsible for maintaining and trouble-shooting the Board's printers, copiers, PC's and phones. He also updates the Board's website and takes care of all of the audio/visual needs for the Board's meetings, and is the Chair for the United Way campaign.

Eugene is always willing to help his coworkers with any problems that may arise in the areas of his expertise, and even on issues that he might have to research. In summary, his outstanding performance and genuine disposition has contributed greatly to the Board's operations.



UPCOMING NAMVBC EVENT

The NAMVBC Fall Workshop will be held at the Embassy Suites San Diego Bay-Downtown September 17-20, 2014. The theme for this year's Workshop is *"Maintaining Momentum in an Evolving Industry."*

The workshop will begin with a reception on the evening of Wednesday, September 17, and will conclude around noon on Saturday, September 20. NAMVBC provides a great opportunity to interact with many national and international leaders in the motor vehicle industry who provide valuable information and insight.

The planning committee is currently developing the agenda and the program promises to be filled with an outstanding group of speakers and participants. Timely topics for the agenda are being discussed, and possible speakers are being contacted.

The registration fee for this year's workshop will remain \$100.00 for each participant and \$65.00 for each guest and/or spouse. Registration forms and the agenda are available on the NAMVBC website www.namvbc.org.



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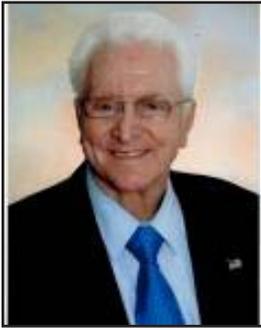
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SOLON C. "SOL" SOTERAS

Sol Soteris passed away on April 20, 2014, at the age of 91. Sol served as a Public Member of the Board from December 1996 to January 2003. While on the Board, he chaired the Fiscal Committee, Board Development Committee, and the former Internal Operations Oversight Committee.

Each year the Board presents an employee with the Sol Soteris Employee Recognition award. This annual award was re-named in Sol's honor in 2006. Sol was a champion of the support staff and each time he was in the Board's offices he took the time to speak with every staff member and thank them for their dedication.

Mr. Soteris spent 50 years in the banking industry with Ahmanson Bank and California Overseas Bank. He served as president of the Beverly Hills Bankers Association and the Beverly Hills Chamber of Commerce and Civic Association, and was a Trustee of the State of California Teacher's Retirement System. Sol was also on the Quality and Productivity Commission, Citizens Economy Efficiency Commission, and the Board of Investments for Los Angeles County.

In his dealings with the Board and staff, Sol was professional, conversational, and charming. It was a pleasure to work with him and he will be missed.



A LITTLE TRIVIA....

THE NADA STORY

The NADA story began in 1917 when 30 auto dealers traveled to the nation's capital to convince Congress not to impose a luxury tax on the automobile. They successfully argued that the automobile is a necessity of American life, not a luxury. From that experience was born the National Automobile Dealers Association. Today, NADA represents nearly 16,000 new-car and -truck dealers, with 32,500 franchises, both domestic and international. For more information, visit www.nada.org.



NADA CONVENTION &
EXPO 2015

SAN FRANCISCO, CALIFORNIA

JANUARY 22 -25, 2015

TESLA TOUR

On July 14, 2014, members of the Board and staff had the privilege of touring Tesla's manufacturing plant in Fremont, California. The tour was led by Jonathan Chang, Tesla's Associate General Counsel, Robert Aguirre, Tesla's Fleet Manager, and Katia Berberi, Tesla's Project Coordinator for Corporate Development.

Mr. Chang provided the Board with the history of the company, its sales goals and plans for future growth. The Board then toured the enormous 5 million square foot main building that sits on 370 acres.

The plant manufactures nearly all of the parts for the Model S in-house, including the batteries. Stamping presses, plastic molding machines, 160 German made Kuba robots, just to name a few, are operated by the plants' 3,500 employees to produce around 100 cars a day.

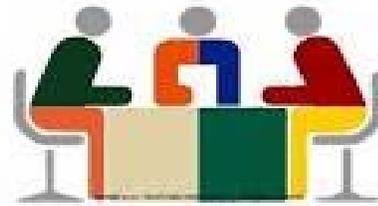
A week after the Board toured the facility it was idled in order to retool for increased production of the Model S and to prepare for the Model X.



TESLA FACTORY

Anthony A. Batarse, Jr., Ryan L. Brooks,
Kathryn Ellen Doi, Victoria Rusnak, Rahim Hassanally,
Glenn E. Stevens and Bismarck Obando

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