TEXAS DEPARTMENT OF MOTOR VEHICLES

CONSUMER PROTECTION ADVISORY COMMITTEE

MEETING

OPEN MEETING VIA TELEPHONE CONFERENCE CALL
PURSUANT TO GOVERNOR’S MARCH 16, 2020
TEMPORARY SUSPENSION OF CERTAIN OPEN MEETING PROVISIONS

Friday,
August 21, 2020
1:32 p.m.

COMMITTEE MEMBERS:

Laird Doran, Presiding Officer
Dorothy Brooks
Richard Cavender
Tiffen Eshpeter
James French
Ruben Gonzalez
Cheryl Johnson
Traci McCullah (Absent)
Ray Olah
Melissa Peace (Absent)
Jeanette Rash (Absent)
Michael Rigby
Carroll (William) Smith
Juan Solis (Absent)
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MR. DORAN: Okay. All right. Good afternoon.

My name is Laird Doran, and I am pleased to open the meeting of the Consumer Protection Advisory Committee. For ease of reference, I will refer to this Advisory Committee as CPAC, which is the acronym for this Advisory Committee.

It is now 1:31 p.m., and I am calling the CPAC meeting for August 21, 2020, to order. I want to note for the record that the public notice of this meeting containing all items on the agenda was filed with the Office of Secretary of State on August 13, 2020.

This meeting is being held by telephone conference call in accordance with Texas Government Code Chapter 551 and as temporarily modified under Governor Greg Abbott's authority to suspend certain statutes due to COVID-19. Governor Abbott suspended various provisions of the Texas Open Meetings Act that require government officials and members of the public to be physically present at specified meeting locations.

Under that suspension, the public will not be able to physically attend this meeting in person. Instead, the public may attend this meeting by calling the toll-free telephone number which is posted in the agenda which was filed with the Office of the Secretary of State.
on August 13, 2020. All Advisory Committee members, including myself, will be participating remotely via Webex.

At this time, please mute your phone for the entire duration of this meeting. I am asking our Webex meeting host to make sure all participants' phones are muted, except for Advisory Committee members and those who are presenting.

Callers will be removed for any disruption, including background noise. I would like to remind all participants that this is a telephone conference call meeting. Because this meeting is being held by telephone conference call, there are a few things that will assist in making the meeting run smoother and assist the court reporter in getting an accurate record.

Department staff, Committee members and any commenters should identify themselves before speaking. Speak clearly. Remember that there may be a slight delay due to the telephone conference call meeting so please wait a little longer than usual before responding to participants.

Do not speak over others, and speakers should ask the Presiding Officer to proceed and be sure to get recognized before speaking. Members should mute their telephones when not speaking and should not conduct side
conversations during the meeting. Because the number of dial-in participants is limited, if you wish to address the Advisory Committee or speak on an agenda item during today's meeting, please send an email to gco_general@txdmv.gov. Please identify in your email the specific item you are interested in commenting on, your name and address, and whether you are representing anyone or are speaking on behalf of yourself.

If your comment does not pertain to a specific agenda item, we will take your comment during the general public comment portion of the meeting. In accordance with Department administrative rule, comments to the Advisory Committee will be limited to three minutes. Then the call will be muted.

Comments should be pertinent to the issue stated in your email. When addressing the Advisory Committee, please state your name and affiliation for the record.

Before we begin today, I'd like to remind all presenters and those in attendance of the rules of conduct at Texas DMV public meetings. In the Department's rules, under 43 Texas Administrative Code, Section 206.22, the Presiding Officer is given authority to supervise the conduct of meetings.

This includes the authority to determine when a
speaker is being disruptive of the meeting or is otherwise violating the timing or presentation rules I just discussed. Disruptive speakers will be muted, given a warning about disruptive behavior, and then removed from the meeting for any continued disruption.

Advisory Committee members, please let us know immediately if you are no longer able to participate for any reason. If your phone call drops and you are disconnected, Texas DMV staff will interrupt the meeting to let us know to get you back on the line before we proceed with the agenda.

And with that, we will turn to Agenda Item 1(a), roll call and establishment of quorum. And now I'd like to have a roll call of the Advisory Committee members.

Please let me know if I pronounce your name incorrectly and when I call your name, please indicate you are present by stating "here" or "present."

Member Brooks?

(No response.)

MR. DORAN: Member Cavender?

MR. CAVENDER: Present.

MR. DORAN: Member Peace or Colvin? You let us know which one you'd like to be -- which name you'd like us to refer to you by. Member Peace or Member Colvin?
(No response.)

MR. DORAN: Okay. Member Eshpeter?

MS. ESHPETER: Present.

MR. DORAN: Member French?

MR. FRENCH: Present.

MR. DORAN: Member Gonzalez?

MR. GONZALEZ: Present.

MR. DORAN: Member Cheryl Johnson?

MS. JOHNSON: Present.

MR. DORAN: Member McCullah?

(No response.)

MR. DORAN: Member Olah?

MR. OLAH: Present.

MR. DORAN: Member Rash?

(No response.)

MR. DORAN: Member Rigby?

MR. RIGBY: Present.

MR. DORAN: Member Smith?

MR. SMITH: Present.

MR. DORAN: Member Solis?

(No response.)

MR. DORAN: For the record, I, Laird Doran, am present as well. We have a quorum.

Members, we are going to take up Agenda Item
No. 2, Discussion, Briefing and Action Items. Now, moving on to Agenda Item No. 2(a), Title and Consumer Financial Issues When a Dealer Goes Out of Business.

Members, the discussion will be led by the Director of Vehicle Titles and Registration Division, Jeremiah Kuntz, and Motor Vehicle attorney, LaDonna Castanuela. I will now turn the meeting over to Mr. Kuntz and Ms. Castanuela.

MR. KUNTZ: Members, for the record, this is Jeremiah Kuntz, Director of the Vehicle Titles and Registration Division. Good afternoon, and hopefully, everybody is having a good day today.

The last time we got together, one of the things that we were talking about were protections for consumers for dealers that have gone out of business. And we had previous conversations about the statute that was passed during the last legislative session, as well as some rules that the agency has adopted with regards to the waiving of certain title and registration fees for customers applying for title and registration when a dealer has gone out of business and they have not done so on their behalf.

I know that there were some questions that came up during the last meeting, and I believe that Ms. Castanuela has provided a memorandum that outlines some of
those questions and some answers that she has put together in that memo. And so, LaDonna, if you would like to go over those, and then we can take the discussion from there.

MS. CASTANUELA: You laid it out exactly right.

On June 18, after extensive discussions about different aspects of the dealer bond requirement and the bond claim process, the CPAC made some specific requests of Department staff.

So if you'll turn pages 5 through 11 of your materials, you will see my memorandum with a couple of attachments. So my thought is to just -- my plan is to just go through it. It's not very long, and then see if you have any questions.

I hope the material is helpful. So Department staff was asked to gather and provide information regarding: exhaustion of bonds; types of dealers against whom consumers are bringing or making bond claims; whether, to the extent it can be ascertained, consumers are being made whole through claims against the bonds; why the Legislature declined to make any change to the bond amount in the last session; and then to research alternatives to the current statutory language requiring a judgment to access the bond.

Included at the end of my research summary is
the full text of the statutory bond requirement,
Transportation Code 503.033. And then at the end, at the
very end of my material, a table of data collected in
January 2019 -- so it's about a year and a half old at
this time -- showing the various bond amount requirements
for all 50 states. I thought that might also be helpful
when I found it.

So a general overview of the dealer bond
requirement. GDN dealers, independent dealers only, are
required to show the Department proof that they have
purchased a $25,000 surety bond in order to get a license.

Subsection (d) of 503.033 requires that person
to first acquire a judgment assessing damages and
reasonable attorney’s fees before they can make a claim
against the bond. The statute also includes specific
limits on the liability imposed by the dealer in
Subsection (e), and then Subsection (g) specifically
exempts franchised motor vehicle dealers.

So then my materials go through the specific
requests that the Committee made in June regarding -- so
let's start with the exhaustion of bonds. So what we
looked at was six months of letters that we received from
surety bond companies.

In the first six months of this year, we
received 1,068 letters. Of those letters, 99 percent were
merely notifications that a dealer bond was cancelled. Usually, the date in the cancellation letter corresponds to the expiration date of the GDN.

Twelve of the 1,068 letters include information about bond claims that are made. When the bond claim letter is received, it tells us the amount that the bond has now been reduced if a claim has been paid, and we have to contact the dealer to tell them that they no longer -- sorry, that they no longer meet the qualifications for a bond.

So the following table in my document, on pages -- that's pages 6 and 7, show the 12 letters and some information about the underlying judgment, what the eventual claim that was paid, and then the last column is the GDN status and notes. Let's see. That’s seven of the 11 -- I'm sorry -- seven of the 11 dealer bonds in the table were exhausted and cancelled after the claims listed below.

The next question that I was asked to research was the types of dealers against whom consumers are bringing or making bond claims. Of the 11 dealers represented in the table, they are all independent motor vehicle dealers. So GDNs are issued in a number of categories of GDNs.

So they are -- those categories include trailer
and travel trailer and motorcycle, and also motor vehicle. It just happens that the 11 dealers that are represented by those letters that we received, in fact, are all used car dealers. I thought it might be helpful to include information about the universe of GDN dealers.

At the time that I was gathering this information, there were 16,603 active GDNs for independent motor vehicle dealers. So the 11 dealers whose bond companies paid claims in early 2020 represent less than one percent.

We were also asked to try to ascertain if the consumers were being made whole, and I refer you back to the table. You can see in the third and fourth columns the difference between the judgments that the consumer or the claimant made -- acquired, as opposed to the amount that actually paid by the bond company. Of course, the bond company is only responsible for up to $25,000. If the judgment was more, they paid the entire amounts, but they did not pay the entire judgment.

Five of the 13 claim payments were made for the entire judgment amount. The remaining eight claim payments were made for amounts less than the associated judgment because the judgment exceeded the $25,000 bond, or in a case where a previous claim payment had been made, the judgment exceeded whatever was remaining on the bond.
We were also asked to research why the Legislature declined to make any changes to the bond amount in the last session. So the bill that ended up becoming new Transportation Code 501.0236, when the dealer goes out of business law, started as House Bill 3802.

The original version of that bill and the version that passed out of the House did not include the increase to the bond amount to $50,000. It made it through the Senate committee without including that increase. And it wasn't until May 22, 2019, which you'll notice is at the very end of session, within the last week or so, that a floor amendment was added to the bill on the Senate floor that included that $50,000 bond increase.

Two days later, the conference committee members were appointed, and the conference committee filed its report. The $50,000 bond increase had been removed from the bill. Unfortunately, there is no documentation or recording of conference committee deliberations, so I was not able to find any more information than that.

The last request made was alternatives to the current statutory language requiring a judgment to access the surety bond. I talked to representatives from surety bond companies and also from the Association -- Surety and Fidelity Association of America, and they told me that not all states require a pre-claim judgment, pre-recovery
judgment, and that some of them require an agency order, and that some of them require no order or judgment before a claim is made.

At the very end of my discussion, I put in there a note that those representatives told me that they believe that the claim payment process is faster in those states that require a pre-claim judgment or administrative order, because the court or the administrative agency has already determined that the statutory requirements for recovery have been met.

On the next page, which is page 9 of your materials, you'll find the body -- or the statute as it reads right now, in case you need it for reference. And then on page 11 -- I'm sorry, 10 and 11 of the materials, the end of my materials is that table including bond requirements for other states.

And again, I'll remind you that that information was collected in January 2019, so it may be a little outdated. But I thought it would be -- it still might be helpful for the Committee's deliberations today.

So that's the end of my prepared remarks.

I don't know if anyone has any questions for me.

MR. DORAN: This is Presiding Officer Doran.

Thank you, LaDonna. This information is very, very
helpful. Appreciate you and staff gathering all this up. I think it will be helpful for our discussion today. I did want to open it up to everybody for a good discussion about this.

One of the questions that I had, looking at the memo -- I want to make sure that I'm clearly understanding this issue. With only -- I guess it was 11 or 12 claims being made against bonds during the first half of this year, that -- and the percentage, I think, you had in your memo was very, very low in terms of the -- you know, the total number --

MS. CASTANUELA: The universe.

MR. DORAN: -- the universe. Yeah. So it paints this picture that this is really a problem that's not coming up that much given the, you know, hundreds of thousands of transactions that dealers are engaged in across the state. And that this is really coming up, you know, very little.

But I want to make sure that I'm understanding this correctly. What we're really looking at here with these figures is just when someone has made a claim against the bond. And so we don't have, necessarily, from this data, the picture of when customers are encountering situations where they are needing to pursue recourse or something has happened because a dealer has gone out of
business.

In fact, I'm curious. With these examples that we have here, the 11 or so, do we know whether those are actually tied to situations where a dealer is in fact -- has gone out of business or is going out of business?

MS. CASTANUELA: So if you'll look in the last column of my table, you can see that the status of the GDN, the underlying GDN, that's what I can tell you from the data we collected and that we maintain in our database, of course, is the status of the GDN.

So for instance, Row 2, that GDN was revoked a year ago. You know, I know that that part of this business is no longer in business, but I -- that's what I know.

MR. DORAN: Okay.

MS. CASTANUELA: I did want to confirm with you that -- yes, these are -- the only way that we know that there is a problem with the bond or a claim made against the bond is if we get these letters.

You know, if there are customers out there or persons who want -- you know, who feel that they've been wronged by a dealer, we don't know about it -- in the Licensing Division, we don't know about it unless we receive one of these claim letters. And then we know that, well, obviously, something happened, and the claim
was paid.

MR. DORAN: This is Presiding Officer Doran again. Also, one of the issues that we've talked about as a group on these calls is the situation with the Reagor Dykes dealership out in the Lubbock area, the group of dealerships out there.

And given the recent nature of what we're looking at here, we don't -- you don't see anything from your research or you didn't come up with anything that showed that there were claims made against the bond for that dealership out in Lubbock, did you?

MS. CASTANUELA: So those dealerships were franchise dealerships or are franchise dealerships. We're not exactly sure what the status is of those dealerships right now. I didn't look into it, but as franchise dealers, they weren't required to carry bonds.

So there wouldn't be a claim letter against them, certainly not in the last six months. I didn't look in their files.

MR. DORAN: Okay. Thank you.

MS. CASTANUELA: Sure.

MS. THOMPSON: Officer Doran, this is Corrie Thompson. May I be recognized?

MR. DORAN: Yes, you're recognized.

MS. THOMPSON: Yes. So I'm glad that you
brought up the franchise dealers, because yes, as LaDonna mentioned earlier, they are not subject to the bond requirement as the independent dealers are. So that's also part of the reason that you see the fewer claims there.

Another reason is also that people may not be aware of the ability to file on the bond. And so a number of those people do just come directly to the Enforcement Division to file complaints there, and oftentimes we're able to resolve their disputes with dealerships through that avenue.

And so you may see fewer bond filings as a result of that as well.

MR. DORAN: Thank you. This is Presiding Officer Doran. So I just want to open it up for the group to ask questions.

(No response.)

MR. DORAN: This is Presiding Officer Doran again. Maybe to instigate those questions, I'll just throw this out there. You know, it seems like it's worthy of discussion if increasing the bond amount on what could be, you know, thousands of dealers in the state of Texas is the right move when you have such a small percentage of dealers that have in fact gone out of business.

And based upon the data that was in LaDonna's
memo, it also suggests that, you know, in some of those instances, the bond was not completely exhausted, or there was enough in the bond amount at 25,000 to make at least a few of the customers whole. But that was not the case in every instance.

So I think we have a couple of things that we're being asked to take up and consider here. Obviously, the prospect of making a recommendation to increase the bond amount.

But also, I think, we as a group need to understand what -- whether that's going to be an effective thing for the public in terms of making them whole in the event that a dealer goes out of business and they have this type of problem.

MR. RICHARDS: Presiding Officer Doran?

MR. DORAN: Yes.

MR. RICHARDS: One thing that we don't know about is -- and it's also a topic for discussion, I would hope. LaDonna's material, which I want to thank her for, it was excellent material. And I think it really sheds a lot of light on the issue at hand.

But then one issue toward the end of her material dealt with the fact that some -- I mean, we obviously require a judgment, and some do. Some don't. Some, you know, require an administrative order.
So I think that's an issue that we'd like for CPAC to discuss during today's meeting, whether that should be something -- a subject of a legislative change. I think that there may be a lot of unsophisticated consumers out there that go to the independent dealers that don't want -- even if they are informed of the bond -- may not have the financial wherewithal to go forward to seek a judgment.

So that's an issue. Other than -- I mean, we can talk about increasing the bond, but also I think we need to look at whether or not the statute as it exists now, requiring a judgment, might be keeping those numbers down. And if so, then maybe, should that be changed?

Should it be an administrative order, or just making the claim directly to the bond company? So I will be quiet and let the members discuss.

MR. DORAN: This is Presiding Officer Doran again. David, I might not let you be quiet just yet, because I want to make sure that, until we understand the question is really whether or not having to get the judgment is a benefit or a burden to a customer in Texas.

And maybe you could shed some light on how that -- or somebody on the staff -- how that process works for the consumer. I mean, simple questions like, does it require them to travel to Austin, Texas in order to
participate in the hearing under normal circumstances?

MR. RICHARDS: I don't want to go to the well too often, but I do know that LaDonna has researched that, and I think maybe at the last meeting in June, she gave us a sample bond. So LaDonna, would you mind just kind of covering that briefly?

MS. CASTANUELA: You want to see the sample bond. So I think I found it in the materials on page -- it's somewhere around page 14. Yes. So a sample bond is on page 14.

And what is it we were looking for, David?

MR. DORAN: This is Presiding Officer Doran. I think we were --

MS. CASTANUELA: Yes?

MR. DORAN: -- I was just asking if you could walk us through a little bit from the consumers' standpoint, standing in their shoes. You know, what they have to do to make a claim against the bond. And if seeking a judgment on that before the agency first, what that process looks like and if it -- trying to, I guess, get an assessment of what is the time and the financial burden on the consumer in order to pursue this remedy?

MS. CASTANUELA: So I'm sorry. I think David gave me a little bit too much credit. I don't have information about how much time it might take a consumer,
or a lot of times, these are, like, auction houses that received a bunch of bad checks from the dealer who was buying motor vehicles.

The claimant -- so I don't know how long it takes and I don't know how expensive it is. I do know that if they hire an attorney, that the statute allows them to recover attorney's fees also. I know a couple of things that I want to [audio skip] a couple of minutes ago, that I'll go ahead and say right now.

I had a concern about looking at the [audio skip] months because of COVID-19 and the pandemic. I thought, well, maybe I'm not -- it's not a good example. So I talked to the staff that processes those types of letters, and I said, okay, we received [audio skip] claim letters in six months, which means about 24 a year.

Does that sound right to you? And I was told that that sounded exactly right. They would have guessed about 20 or 25 claim letters in a whole year. So I did want to say that, in case anyone had the same concern that I did about the particular six months that I looked into.

I also did confirm -- there was a little bit of discussion at the last meeting about if someone who is pursuing a judgment has to hire an attorney, and we talked about if it was possible for them to go to small claims court, and what those limits might be.
So I did look that up, and it is $10,000. That's what I found. And then otherwise, you go to a higher-level court, also not necessarily requiring that you hire an attorney, but --

MR. RICHARDS: Presiding Officer Doran?

MR. DORAN: You're recognized.

MR. RICHARDS: David Richards, for the record.

On the sample bond, if you look at page 16, it says, "Recovery against the bond may be made by a person who obtains a judgment against the dealer assessing damages and attorney's fees for an act or omission on which the bond is conditioned if the act or omission occurred during the term for which the general distinguishing number will be valid."

So I mean, there's not a specific time period, per se. And I would echo what LaDonna said, and you know, the $25,000, $10,000 JP court jurisdictional limit, would most likely bump somebody up to having to retain an attorney on a lot of these cars today, being that they're priced a lot more. And if you have multiple claims, then they're gone before you know it.

So I mean, that's what the consumer would do. On page 15 of the materials, which is on the back of the bond, it gives instructions on what a consumer needs to do in order to access the bond. So again, we don't know,
because of the level of sophistication of consumers and whether or not they want to hire or need to hire an attorney, whether or not that's holding the numbers down.

    Could be. Could not be. I mean, I can't say one way or the other, but it could a factor that might need to be taken into consideration.

    MR. DORAN: This is Presiding Officer Doran. In your research on -- this is to, I think, LaDonna. But on your research into the bonds, did you see any that were in Spanish? Because I think these were all in English.

    MS. CASTANUELA: I didn't. That's a really good question. I didn't see any. Let me just add, even though you didn't ask specifically, but I also did learn that the Motor Vehicles Division receives about 20 requests a month that are Public Information Act requests, specifically for a dealer bond.

    And you know, we assume -- we don't ask, because we can't ask under the law why they're asking for this information, but the assumption is that they're interested in pursuing a claim.

    MR. GONZALEZ: Presiding Officer Doran, permission to speak?

    MR. DORAN: Yes. You're recognized, and could you identify yourself?

    MR. GONZALEZ: Yes. This is Ruben Gonzalez. I
have a couple of questions, if I may ask?

MR. DORAN: Please proceed.

MR. GONZALEZ: Yes. You talk about a dealer's bond. Are they required now to notify the customer, the retail buyer, that they may seek a bond to help them try and get satisfaction if the dealer doesn't transfer title on time? Are they required by law to notify the customer that the bond is available as a recourse?

And the second question is, talking about an order -- or I know a judgment has always been understood for many, many years that you have to go to court, in some cases hire an attorney. But what is the reference or -- of an order? Who would that originate from? Who would issue that so-called order to the offended party?

Those are my questions, please.

MS. THOMPSON: Officer Doran, this is Corrie Thompson. May I be recognized?

MR. DORAN: Yes, you're recognized. Yes.

MS. THOMPSON: I can take on the first answer, Member Gonzalez. So I do not believe that there is any requirement currently in statute that mandates the dealer inform a consumer of the right to pursue an amount the consumer feels is owed to them as a result of the transaction with the dealer, to make them aware of the bond. I don't believe that's a requirement in statute
currently.

MR. GONZALEZ: Okay. Thank you very much.

MR. FRENCH: Presiding Officer --

MS. JOHNSON: Mr. Chairman?

MR. FRENCH: -- Jim French. May I speak?

MR. DORAN: Yes, Member French. I think you were first to speak up there. So you're recognized.

MR. FRENCH: You know, with the very small sample we have concerning percentage exceeds the amount of the bond -- in fact, it's close to two-thirds, 63 percent. And if you look at the amount over 10,000 small claims court, it's probably 92 or 93 percent.

So I -- you know, I think an attorney -- to get a judgment, an attorney is going to have to be involved, which may discourage the public from even pursuing it. So I -- you know, I think we definitely need to look at both those questions.

Thank you.

MR. SMITH: Officer Doran, Member Smith requests permission to speak.

MR. DORAN: Member Smith, you're recognized.

MR. SMITH: A couple of things. One, and correct me if I'm wrong, but the statute does allow for recovery of attorney fees. And I think what LaDonna did here in her chart shows where attorney's fees were
collected.

So I think the fact that you have to get an attorney is not -- you're not discouraged from that because you cannot get the fees recovered. My experience as a dealer has been, when you do, and thank goodness, we don't have very many -- when you do have a customer upset, they -- there's no hesitancy whatsoever, it seems to me, to engage an attorney if a customer feels like he has been wronged.

So I'm not sure that's deterring people at all, the fact that they're requiring an attorney, because that's, I think, the first place they would go. An attorney, of course, is going to be familiar that he can recover fees.

Thank you.

MR. DORAN: Thank you, Member Smith. And I think there was another member that was wanting to speak, as well.

MS. JOHNSON: Mr. Chairman, Member Johnson. I would wish to speak.

MR. DORAN: You are recognized.

MS. JOHNSON: We're almost chasing the horse chasing the cart. It doesn't seem like increasing the bond, which is the question, is the solution, because the bond amount seems to be adequate for most of these claims.
And there's only 29 -- about half of the states in the
country have a bond over the amount that we do, and some
of them are mixed.

What it appears is needed more is JP court
increasing the amount of their judgment limit. Unless the
Department has authority to issue judgments, which I
wouldn't think that it would.

But that would seem to be the more appropriate
action. Either advise the agency that there really needs
to be some changes in JP court which would help satisfy
these or determine whether the Department has the ability
to issue a judgment that these bond companies would
recognize.

Thank you.

MR. KUNTZ: Chairman Doran.

MR. DORAN: You're recognized.

MR. KUNTZ: Yeah. This is Jeremiah Kuntz, for
the record, Director of Vehicle Titles and Registration
Division. I'm going to, kind of, I guess, try and focus
us a little bit on the question at hand. And I'm also
going to, kind of, throw out a real, live example that I
just saw in the last, probably, three weeks, for the
Committee to consider.

The charge that I believe we are trying to
assess in the Consumer Protection Advisory Committee is,
what protections should be afforded to consumers when a dealer has gone out of business? And I know that we've focused a lot on bonds here, which seems to be a protection that could be afforded to a consumer in the instance of a dealer going out of business.

I don't necessarily want to, kind of, debate the merits of what LaDonna has put together, because I think that there is many factors that could or could not playing into what's driving consumers to either claim on a bond, not claim on a bond. I mean, we've heard, you know, potentially attorney's fees may be causing them. Lack of knowledge may be causing them not to seek recourse against the bond.

So in order to try, and I guess, put this into a real-life, contextual scenario for the Committee to really think about, what would you, if you were this consumer, on both sides of this equation -- and I'll tell you, there's more than one consumer that's harmed in this scenario. What would you as a consumer want your protection to be if you found yourself in this scenario?

So a few weeks ago, we were contacted at our Regional Service Center by a customer who -- the dealer had gone out of business, seeking, through our new process, a letter that they would need in order to go to the county to apply for title. The situation is pretty
interesting in the way that it came about.

One customer had brought in a vehicle with a value over $40,000 for trade-in and obtained a new vehicle. So they had traded in one vehicle worth 40,000, they obtained a new.

And when I say, it was worth 40,000, there was a $40,000 lien to a lienholder that still existed on that vehicle when they traded it in. So that lien of $40,000 needed to be satisfied to the previous lienholder for the previous consumer.

That consumer purchased a new vehicle and went about their business, their trade-in sitting with the dealership. The dealership consequently sold that vehicle that he had traded in to another consumer. And this is the consumer who had come into our office.

That consumer had obtained a lien for the financing for that vehicle for $40,000 as well. So we now have two lienholders who have a claim against that vehicle. Both for $40,000, one the old lienholder, one the new lienholder.

The dealer packed up and ghosted. They're gone. The dealer doesn't exist anymore. There's a $25,000 bond. They are one of many consumers that were harmed by the dealer going out of business.

This one transaction essentially has $80,000
worth of liens on it, one to the old lienholder and one to the new lienholder. The question then becomes: who is to be harmed?

So I pose that question for the Committee to consider, because statute, I don't believe, is real clear on this matter of who should be the one that gets harmed in this scenario, the old lienholder or the new lienholder. And what protections do these consumers have for their credit?

Both consumers are being asked by the lienholders to make payments. If they don't make payments, it's going to go on their credit. Should the old lienholder be able to repossess the vehicle and sell it? Should the new vehicle owner be able to apply for title and obtain title from the county office?

One would say that they are not going to be able to. But that then means that the old lienholder would have the ability to repossess that vehicle because they've got the only existing lien on that vehicle.

So I throw that out for this Committee to really chew on. These are the scenarios that we see. We don't see them often. I'm not going to say that this is a daily occurrence where there's hundreds and thousands of these.

But if you were that consumer, what would you
want your protections to be? This is the Consumer Protection Advisory Committee. We're here to make recommendations to protect consumers, innocent consumers, in these situations.

MR. DORAN: This is Presiding Officer Doran. Jeremiah, just a couple of questions about that scenario, and these don't get right to the heart of what to do for the customer. But with that dealer that packed up and left, I'm assuming that the agency, you know, either has revoked or is in the process of revoking their license so that --

MR. KUNTZ: Correct.

MR. DORAN: -- they can't open up shop somewhere else. And do you all contact -- is there some kind of a blacklist that you then put this dealer's name on, so that when they try to open up shop in another state, they're not capable of doing the same thing to customers outside of Texas?

MR. KUNTZ: I will defer to our Enforcement Division on --

MS. THOMPSON: I am unmuted.

MR. KUNTZ: -- that point.

MR. DORAN: And you're recognized.

MS. THOMPSON: Thank you, Officer Doran. I don't believe that there is any database. There is at
least not one that I'm aware of information-sharing between states of people who have been revoked or have been penalized in the system.

LaDonna or somebody from the Licensing Division may be able to speak to the review that takes place when somebody who has previously been in the system tries to come back into our Texas licensing system. Again, past revocations, any outstanding penalties owed, are considered by the licensing specialist who reviews that application.

MR. DORAN: Good.

MS. THOMPSON: I know we've been talking a lot, you know, about the bond and about how few people have filed on the bond. And I mentioned, you know, that, you know, some of the people come and file with the Enforcement Division.

So I just pulled up our annual report from last fiscal year, just to let y'all know -- so we opened 8,648 cases last fiscal year, and we closed out 7,100. And of those, just to make everybody aware, the majority of those cases, 28 percent, the highest number of violations were all title-related.

So that would be late title transfers by the dealer. That could be -- they didn't forward the payoff for a trade-in, anything like that, that constitutes the
biggest percentage of our violations and has so for the last several fiscal years.

And then just to that into perspective a little bit more, the types of ways our cases were closed. Last fiscal year, 23 percent of our cases were closed as the dealer being out of business. So dealer skips town, disappears. That's before we even get to the case.

Of the other types of closures that we did in the Enforcement Division, a number of those dealers will have also ended up being out of business after the fact. It's just that we got to the case before the license was closed out.

So dealers going out of business is not something that happens infrequently. And I do want everybody to also keep in mind too, if we go back to talking about the bond situation, is that we're talking about the bond only covering independent dealers.

It does not cover franchise dealers. So if we're thinking about consumer protection, we should be thinking possibly holistically about consumers who purchase vehicles from all types of dealers, and those protections that should be applied to them all.

MR. GONZALEZ: Officer Doran, do I have permission to speak? This is Member Gonzalez.

MR. DORAN: Member Gonzalez, you're recognized.
MR. GONZALEZ: Thank you. I'd like to reference page 13, the very first paragraph, in alluding to Jeremiah's statement. I think the procedure that's in writing pretty much covers a lot of situations when the dealer goes out of business.

However, his comments came to light -- brought up an idea, a situation where -- on this top paragraph, it says, "Additionally, a release of lien is not required if the only lienholder on the vehicle record is the dealer that went out of business."

All the vehicle records consider what's in the system, unless this is being considered what's -- the dealer's name is shown on the 130 title application. However, if that's the case, then the release of lien is not required.

However, if that dealer that's going -- gone out of business is a floor planner and he's floor planning this vehicle through a third-party lienholder, then that lienholder is not going to be protected. Because the dealer's gone out of business, and there's no release of lien attached to this transaction, unless it's carried forward.

Would a release of lien be required? Say in here that a release of lien would be required if the lien is recorded on the vehicle record. It's not recorded
until it's filed. So I'd like to get a clarification on that, please.

MR. RICHARDS: So -- well, I'll try and break this down a couple of ways. So the way that that notice is written is: "A release of lien is required for a title transaction to go forward for any new title applications."

So in this instance, let's, for example, use the instance I laid out. You would need a release of lien from the previous lienholder in order to apply for title for the new lienholder. What that sentence is referencing is, if the old lienholder is the dealer that went out of business, in other words, it was a buy-here, pay-here dealer, and they themselves were the lienholder on the vehicle that somebody is applying for title on, then we would extinguish that and allow the new lienholder -- the new owner to be recording that title application.

So this is only specific to a recorded lien, where that recorded lienholder is the dealer, i.e., a buy-here, pay-here dealer. Floor plans are not recorded traditionally on title records because most dealers do not apply for title in their own name and record the floor planner as the lienholder.

So floor planners would just be another party in these instances. As you brought up, the Reagor Dykes issue, Chairman, that those floor planners are not
recorded. Therefore, they are not -- we would not require any kind of a release for a floor planner in order to record title for the new owner.

MR. GONZALEZ: Okay. Thank you.

MR. OLAH: Chairman Doran, this is Member Olah. Permission to speak?

MR. DORAN: Member Olah, you're recognized.

MR. OLAH: I'm hearing a number of different things, and I'd like to try to frame some of the issues here. And the way I see it, there's a lot going on here, and maybe -- it's probably not anything we're going to be able to resolve today. But if we could put some structure on the issues, maybe we could start addressing them in future Committee meetings.

The number one thing I'm hearing today is a concern about the difficulty with making a claim on a bond. And I guess, as a lawyer -- and this is just me speaking personally as a lawyer. Obtaining a judgment, whether you hire counsel, or you proceed pro se, it's a difficult proposition.

Even if you're going into JP court, you do have to meet minimum standards of proof. You have to prove up records. You have to have testimony of witnesses. And for a small claim, that seems to be a pretty tall order.

You can also go into county courts, but county
courts and district courts, if your claim exceeds $10,000, you're going to have to hire an attorney. There's a greater expectation that you're going to meet the rules of civil procedure and the rules of evidence there.

So it seems that, to me, with respect to the difficulty of making a claim on the bond, that maybe what we should consider is -- this would probably be a statutory change, allowing for an administrative order, you know, to be -- and to be issued by an administrative law judge. And this could be attained perhaps by DMV and allowing that to amount to a sufficient claim on a bond.

So this would actually mean a statutory change. It would also mean changes to the terms of the bonds. So just putting that out there.

The second thing that I'm hearing concern about is the amount of the bond. And it seems that most individual claims could probably be -- the bond could probably handle a claim, a typical claim, because the bond is $25,000, that where a claim gets to be complex or where there are multiple parties.

For instance, when you have a dealer just abandoning ship and leaving town, to mix metaphors there, but to leave customers high and dry, a $25,000 bond may not be enough. And just listening to the discussion today, I don't know what kind of bond would be enough.
A higher bond means higher premiums, of course, for independent dealers. But that seems to be a second issue. And maybe that's something that needs to be looked into by staff and maybe some recommendations, or at least, some information or data that might help guide the Committee in making a determination as to whether $25,000 is sufficient or the bond should be higher.

And the third thing I heard is that this bond is only required for independent dealers, but that the issue may be broader than -- with respect to title issues and the associated costs, that the issue may be broader than just independent dealers. Because, you know, a typical consumer may not just have an issue with an independent dealer but may have an issue with franchise dealers.

So that seems to entail something, you know, much bigger as far as what this Committee would recommend, which is potentially some sort of larger process for obtaining relief for effective consumers. Perhaps, again, an administrative process where administrative orders could be issued or agreements facilitated by DMV and the dealers and the consumers.

So that's the third thing. I think that's a bigger thing. But I just wanted to try to put some structure on what we're doing today, and maybe we could
start with the simple thing of the amount of the bond and whether or not it should be higher than 25,000.

And in my view, if you're -- you know, you were talking about a legal proceeding. $25,000 is something you can get to really quickly. Your average lawyer probably wouldn't take on even a simple case for less than $5,000. And I would think, just based on what I know from friends in private practice who have small shops, they wouldn't touch anything for less than $5- or $10,000.

So maybe we need to look at, you know, what's a reasonable increase in the amount of the bond? And then secondly, making it -- providing for alternatives other than a judgment, a court-ordered judgment, to be able to perfect a claim on a bond.

Again, I think that's going to require a statutory change because that requirement would have to be imposed on the dealers. And then bond companies would have to adapt and put those terms in the bond, but also they might have to do a bit of underwriting and figuring out how to price a bond that allows for something other than a judgment to perfect a claim.

But just throwing those thoughts out there.

MR. DORAN: Member Olah, this is Presiding Officer Doran. A question that you might be able to answer, given your background and expertise on this, in
terms of incentivizing a lawyer to take a case to help a consumer obtain the recourse that they need, you know, looking at what could motivate that lawyer, I heard Member Smith earlier say that -- and I think this is in the materials -- that attorney's fees are considered or -- I'm sorry -- not considered.

They would be included. So that would be $25,000, the amount of the bond, plus whatever attorney's fees are recovered. But it sounds like what you're saying is, in order to put in the time to take the case, to do the research and the work necessary to kind of work it up, there might not be a whole lot of incentive there, if the lawyer is being paid by the consumer out of pocket on the front side of it.

So my question then becomes one of the consumer protection law. I thought that these types of claims might be something that would be suitable for a Texas Deceptive Trade Practices Act Claim, in which case the consumer might recover, you know, assuming that they could get a judgment of a financial, monetary amount from a defendant, you know, potentially treble damages, if that defendant wasn't judgment-proof.

So has that -- does that factor into this at all? Is that the type of thing that the -- that you see at the Attorney General's Office?
MR. OLAH: Well, it's not something we've been looking at here. I think, because of our resources, we tend to look at much larger cases.

But if I could go back, the way I read the bond -- and I've got the sample bond called up on my screen right now -- the maximum that that bond is going to pay out is $25,000. And while that could include attorney's fees, I think it's pretty easy to see a situation where the consumer is out, say, $5,000 or even $10,000.

And the attorney does enough work to where the attorney feels entitled, and especially if the matter is actually litigated in court, and you know, pretrial and all that. That $25,000 cap could be reached pretty easily.

And if you have -- and given the example that was given to us before, if you have a couple of consumers, if you have a dealer who's leaving town and it's more than one consumer that has an issue, you might have a matter that would require far greater than $25,000. Perhaps as much as, you know, $100,000, if not more.

So as to whether it could be made out to be a DTPA claim, there are several elements to a DTPA claim and you have to basically fit your evidence under that. In other words, the dealer has to be -- you have to show that
the dealer has been engaged in business and commerce.

You have to show that the consumer -- there's a certain amount of reliance that they had on statements made by the dealer. You'd have to show what the dealer said. And there are defenses such as mere breach of contract, that the whole matter was a matter of contract and not a matter of representations and reliance.

So -- and I guess I'm saying there that there would be a lot involved with that. And yes, you could get treble damages, but if you have an independent dealer that, you know, gets $75- or $100- or $150,000 judgment against them and they don't have the wherewithal to pay it, you know, it's been a gigantic waste of time for the consumer and the consumer's lawyer, and essentially a loss of resources in pursuing that type of claim.

You know, to me, from what I've heard today -- and I think the experts on staff, it would be great to hear from them. But I think two things might help in particular, and that is increasing the amount of the bond, but then also allowing something other than a judgment to be used to perfect a claim on a bond, such as an administrative order.

And I'm just throwing those things out, you know, as items for discussion. With that, I'll mute myself.
MR. RIGBY: Michael Rigby, permission to speak?

MR. DORAN: Member Rigby, you are recognized.

MR. RIGBY: Yes. So I think, generally, I'd agree with Mr. Olah's observations. The amount of the bond is going to be insufficient in a large number of cases. DMV's own data shows that two-thirds of those cases, the amount was insufficient.

The fact that you need a judgment from a court probably discourages a lot of folks. And there are administrative courts throughout the state of Texas which might be available to provide that claims adjudication. I agree that DTPA is not going to be a remedy for most consumers.

And in terms of the amount of the bond itself, it's really problematic because -- is 50,000 enough? Is 100,000 enough? Is $1,000,000 enough? I would urge you and encourage you to reconsider the whole idea of a surety bond and perhaps take a look at the way the Department of Insurance is set up.

They have four different guaranty associations, where that risk of loss is pooled among the market participants. And the market participants have a seat at the table in terms of, how do you develop methodologies to mitigate the losses once they happen.

So those are my thoughts. Thank you.
MR. KUNTZ: Chairman Doran, if I may be recognized?

MR. DORAN: You are recognized.

MR. KUNTZ: So for the record, Jeremiah Kuntz. So that comment -- I think, the last comment is something that we have talked a little bit internally about some options. And I would like to just, kind of, throw this out there for consideration for the group.

I had some similar observations that potentially a new product could be created in the insurance world or the, you know, surety bond world, whatever it is, that would provide coverage for any vehicle bought and sold by that dealer, i.e., trade-ins, as well as vehicles that are sold outright at new dealerships. It's somewhat interesting to me that the perception is, is that's there a low number of claims against these bonds, which would seem to me, from an insurance perspective or a shared pool perspective, to be minimizing the premiums that would be paid on that bond if there was very little risk.

So I would assume that, if there's very little risk of claims coming against those bonds, that the premiums would be lower. But even with that, for the consideration of this group, something that we have talked about would be the allowance for the dealer to pass on a
set amount to the consumer for vehicles purchased in order to cover those premium costs.

   And just as an example, I'll throw this dollar amount out there -- but I mean, it could be whatever -- that potentially the dealers would be allowed to, you know, just like the Office of Consumer Credit Commissioner allows them to charge a certain amount for documentary fees, add another fee line for vehicle protection. Basically, a transaction protection premium that could be added to the sales contracts and collected by the dealer, therefore the consumers were paying for their own protection.

   And the thought there being, maybe that that makes it more palatable to the dealer community to offer a protection that is sufficient enough to cover any vehicle or customer that's potentially harmed when a dealer fails to transfer title or goes out of business.

   MR. RIGBY:  Michael Rigby.  Permission to speak?

   MR. DORAN:  Member Rigby, you are recognized.

   MR. RIGBY:  Yes.  So just to clarify and kind of share my experience, the idea of, like, one, giant insurance policy that all dealers could buy into, I didn't think of that.  I haven't, you know -- I'm not familiar with such a product, but maybe it's possible.
The way that the Department of Insurance statutes work is that there are guaranty associations to handle these kinds of claims. So they're associations of licensees. In this case, it would be, you know, motor vehicle dealers who would participate by paying a certain amount into the pool of funds, and those -- that pool of funds would be available to handle the claims.

And it operates kind of like insurance, in the sense that you're pooling the risk. And therefore, you would have sufficient amounts to handle any particular consumer's [audio skip] loss. But that's different from, like, a private insurance policy.

But both models might work because the concern and the problem you're trying to deal with is, there's just not enough money to handle a particular individual claim, much less multiple claims against a dealer, especially when the dealer is long gone, and I think somebody said, ghosted, you know, just left. They don't do business anymore.

The other observation I make -- I understand the motive of allowing dealers to charge, you know, some kind of extra fee for this guaranty, and that might work. It could be a good thing. But our experience at our agencies with doc fees is that there's constant pressure by the industry to increase those amounts.
There is a lot of staff time by the agency that's taken up adjudicating and figuring out and calculating and considering proposals. And so be careful about what you ask for. Those are my comments. Thanks.

MR. SMITH: Officer Doran, Member Smith.

Request permission to speak?

MR. DORAN: Member Smith, you are recognized.

MR. SMITH: Let me just ask a question to understand where we're trying to get to. Is our mission here to -- I mean, as we talk about raising a bond or administrative hearing -- is our intention to put whatever process and whatever funds in place so that there is never a possible loss on the part of a consumer?

And are we trying to make it to where it's extremely easy -- and I understand we want to make easy as possible with -- are we trying to reach for a bar, set a bar, where there's never a step over it? Because I think that's been cause for -- and maybe some other conversation than what we're doing today.

That's a tall order. But where is it that we're trying to reach?

MS. THOMPSON: Officer Doran. This is Corrie Thompson. If I may be recognized?

MR. DORAN: You are recognized.

MS. THOMPSON: So I would just like to say,
Member Smith, that I don't think there's any line in the sand that anybody's trying to get to. There's just been a concern, as Jeremiah brought up, the statutory remedy that came out of last session to start to find ways to help people who are affected negatively by dealers who've gone out of business.

We're just trying to look at other possible remedies or areas that those people can be protected. Jeremiah mentioned at the beginning of the call, like, their credit gets affected when somebody doesn't forward the payoff for the trade-in.

They're not receiving their title. They're out money. Just any of the different ways that would increase consumer protection. No definitive goal point in mind.

Thank you, Officer Doran.

MR. DORAN: Thank you, Corrie. This is Presiding Officer Doran. Along the same lines of what we've been talking about, has the agency looked at, kind of, an assessment of what their licensing fees are?

And the idea being that if licensing fees were an extra, you know, $10 to $15 or more annually, maybe that would be -- maybe the agency will be able to deploy those additional monies for the purposes of, you know, credit protection and helping customers clean up their credit reports when they've -- in the rare instances that
they've stumbled upon a truly bad experience like this with a dealer.

In other words, to kind of build on some of the things that have been suggested today but doing it on a much smaller scale. Would it be within the power and authority of the DMV to look at the licensing fees that they charge to licensees in order to build out a modest financial model that could be used to afford consumers some type of -- not relief for the financial loss that they're out, but at least as it relates to helping them with their credit.

FEMALE VOICE: Officer Doran?

MR. DORAN: You're recognized.

MR. KUNTZ: Member Doran, this is Jeremiah.

MR. DORAN: Jeremiah, you're recognized.

MR. KUNTZ: Okay. While I recognize that that might be a place to look, the only thing I caution on looking at it from a licensing standpoint would be the amount of money per licensee that would be required in order to fund something like that.

And so LaDonna, if you would? I don't know how many franchise and independent dealers we have in the state. I mean, we can do back-of-the-napkin math real quick. I'll [audio interference] that way.

MS. CASTANUELA: Okay. Let me go look for that
email.

MR. KUNTZ: I'm guessing about 30,000 dealers or so statewide.

MS. THOMPSON: Jeremiah, this is Corrie. Officer Doran, if I may be recognized?

MR. DORAN: You're recognized.

MS. THOMPSON: I believe there are maybe just under 3,000 franchise dealers in total of approximately 30,000-some-odd licensed dealers.

MR. KUNTZ: So 33,000. If we were to create, let's call it, a $500,000 fund divided by 33,000 licensees. So that's about $15 per licensee per year to get a half a million dollars.

So I mean, depending on how large this fund needs to be, you know, that could get large per dealer pretty quickly -- is where I'm going with that.

MR. FRENCH: This is James French. May I speak?

MR. DORAN: Yes. You're recognized.

MR. FRENCH: Does anybody know what these independent dealers are paying for these bonds that you're getting for 25?

MS. CASTANUELA: Officer Doran?

MR. DORAN: You are recognized, LaDonna.

MS. CASTANUELA: So I did a little googling,
and found that, for a $25,000 dealer bond in Texas, as advertised on the websites, they say as low as $250. I don't necessarily -- I don't know if that's true.

When I spoke to the vice president of policy and assistant general counsel of the Surety and Fidelity Association, he told me a $25,000 bond was probably somewhere between $1- and $2,000. And that it's -- it will depend on things such as the dealer's credit history.

I know that a lot of these dealers have to pay whatever it costs for their bond. They make a payment plan with the surety company, and a lot of the letters -- several of the letters that we received telling us that a bond has been closed specifically states that it's because the dealer hasn't kept up on those payments.

And that's what I know about the cost of a bond.

MR. FRENCH: This is French again.

MR. DORAN: Member French, you're recognized.

MR. FRENCH: It seems to be, we would lower the incentive of the independent dealers because their costs would go down, if we spread it amongst everybody. You know, so I think they would take advantage of that.

I think the two things that really need to happen is, make an administrative judgment be available, and I think we need to look at considering a $50-
$75,000 limit on a bond.

MR. CAVENDER: Officer Doran, Rick Cavender, Member Cavender to speak, please?

MR. DORAN: Member Cavender, you are recognized.

MR. CAVENDER: Yes. Hi. I'm hearing discussion, and I'm, of course, putting my feet in the dealer's perspective. And I don't live in an independent dealer's life, so I'm not really sure what their -- what the demands are on them on the surety bonds.

I read in my Google that it was somewhere around $300 for $25,000. But I just think, kind of, returning to simplicity and what we're all trying to evolve to, since it's been so long that we haven't changed the amount of the bond from 25, I would agree that possibly 50 would be a better security blanket for the consumer protection.

And then I would say that we would need to build in full disclosures at settlement with any of these independent -- with any of these buyers in the independent dealerships, so that they see in their settlement that there is access to the surety bond. And we can direct them to the Regional Centers of the DMV or small claims court, but it just needs to be maybe some type of a disclosure there at the time of settlement, that they'd
sign.

MR. GONZALEZ: Member Doran, this is Member Gonzalez. Permission to speak?

MR. DORAN: Member Gonzalez, you are recognized.

MR. GONZALEZ: Yes, sir. I want to go back and kind of go back to what Mr. Kuntz reiterated, to put ourselves in the consumer's shoes. I think the procedure that is written up today right now is workable. I think we can work with the procedure right now in place.

The only problem that I see is that the consumer isn't aware of this process. They should be able to be aware when they sign the contract at the dealership. And many of the problems that are facing now -- the consumer doesn't really know that this option is available until the very end or after the dealer closes shop or goes bankrupt and disappears.

So I think the procedure in place is adequate. However, I do -- would want to recommend and agree to the previous member's comment that I think $50,000 is adequate. We're talking about a used car lot. If you look at the type of vehicles that they sell, nowadays, unless they've got -- have a high-dollar type of vehicle, on the average, any vehicle that they sell is not going to exceed $50,000.
Secondly, when they go against the bond, they have to come up with a new bond immediately. Otherwise, they cancel their license. So I think kicking it up to 50, leaving the procedure in place, and disclosing it to the customer at the time of purchase, and making it known, would be adequate to serve the consumer, because this is quick.

This is -- it helps them immediately. Those are my comments. Thank you.

MR. DORAN: Well, members, wanted to see if there was any other discussion on this issue or other recommendations. If not, we could propose taking what Member Cavender just mentioned and maybe offering that up as a recommendation via a motion.

MR. CAVENDER: Member Cavender with permission to speak, please.

MR. DORAN: Member Cavender, you are recognized.

MR. CAVENDER: I guess preparing the motion, that we would increase the security bond to a $50,000 level, and then present a full disclosure to all customers at time of settlement.

MR. DORAN: Members, you have -- I'm sorry. Was that a motion, Member Cavender?

MR. CAVENDER: If it needs to be worded
 differently, we might have to ask some of the attorneys on
board to help me there.

    MR. DORAN: I think it was worded okay, but
I'll defer to staff.

    MR. RICHARDS: Presiding Officer Doran?

    MR. DORAN: Yes. You're recognized, David.

    MR. RICHARDS: David Richards, for the record.

No. That was worded okay for -- to constitute a motion.

    MR. CAVENDER: Thank you, sir.

    MR. RICHARDS: Uh-huh.

    MR. CAVENDER: That would be my motion, then.

    MR. DORAN: Okay, members. Presiding Officer
Doran speaking, that Member Cavender has made a motion.

Is there further discussion on this motion?

    MR. OLAH: Officer Doran, Member Olah.

    MR. DORAN: Member Olah, you are recognized.

    MR. OLAH: Just a point of clarification. By
settlement, do we mean point of sale and signing of all
the documents for the sale?

    MR. CAVENDER: Member Cavender to speak.

    MR. DORAN: Member Cavender, you are
recognized.

    MR. CAVENDER: Yes. Point of sale at the
closing of the sale.

    MR. DORAN: Thank you.
MR. OLAH: Thank you.

MR. DORAN: Members, you've heard the motion, as well as the clarification. Is there further discussion?

(No response.)

MR. DORAN: Is there a second?

MR. FRENCH: Member French would second that motion.

MR. DORAN: Okay. Members, a motion has been made by Member Cavender and it has been seconded. Is there any further discussion?

(No response.)

MR. DORAN: Okay. Hearing none --

MR. RIGBY: Michael Rigby. Permission to speak.

MR. DORAN: Yes. Member Rigby, you are recognized.

MR. RIGBY: Thank you. I agree that the amount of the bond, if you're going to stay with the bond, needs to go higher, but I'm concerned. $50,000 may not be sufficient.

I'm looking at the list provided by staff. I see one judgment for 65,000, another one for 219,000. And so I am a little concerned that, even on the limited data we have here, that the amounts -- a $50,000 amount is
insufficient.

In addition, it doesn't -- and what we're missing from this is the fact that these dealers, like the [audio skip] we talked about, a KamKad situation -- there may be others that may provide examples that are even higher than that.

So I'm just reluctant to say $50,000 is enough, but I'm not sure what is enough. Thank you.

MR. DORAN: This is Presiding Officer Doran. I don't think we've really been presented with any data regarding the franchise dealers. So I would be somewhat reluctant, without any data, to drag them into this, when we're -- the data that we have before us is just involving, you know, 11 or 12 claims against bonds involving independent car dealers.

I do think the amount of the bond, given what other states have done, could be the subject of some additional discussion and debate here. Fifty is probably a good start. I don't know if 75 is a more adequate number.

I'll leave that the other -- to the Committee members.

MR. RIGBY: Michael Rigby. Permission to speak.

MR. DORAN: You are recognized, Member Rigby.
MR. RIGBY: Yes. So I mean, I agree. We don't have data for the franchise dealers because they've been exempted from the statute, but we are familiar with Reagor Dykes and KamKad and there may be others.

We were told that there were 71,000 enforcement cases closed last year that mainly dealt with title problems. And I don't know if there's a -- if staff has a sense of, you know, whether those title problems involving the franchise dealers were resolved through DMV action or there are still some outstanding or if some consumers were just kind of left taking up the scraps in bankruptcy court.

So maybe if staff can give us a sense of that, that might help inform our decision. Thank you.

MS. THOMPSON: Officer Doran, this is Corrie Thompson. If I may be recognized?

MR. DORAN: You're recognized. Yes, Corrie.

MS. THOMPSON: To answer that question, there is not going to be an answer. For part of the reason you mentioned, we don't have any data on bond claims against those franchise dealers because they don't have the bond requirement.

I believe you covered that. You're aware of that. As to the claims for late title transfers, I would say that that's a pretty equal violation amongst the
different types of dealers. I don't have that data in front of me right now.

I would have to try to pull up the information on which of those were affected by franchise dealers as opposed to independent dealers, by virtue of the fact that there are just necessarily more independent dealers in the state. My guess would be that there are more late title transfers with the independent dealers for that reason.

But I would say that the franchise dealer network is immune from late title transfers and failure to forward payoff for trade-in violations.

MR. RIGBY: Michael Rigby. Permission to speak?

MR. DORAN: Member Rigby, you're recognized.

MR. RIGBY: So I guess that begs the question of, why are franchise dealers exempt from this requirement? Why aren't they required to have a bond also? Thank you.

MS. THOMPSON: Officer Doran, this is Corrie Thompson. I was just going to say we would need to refer to somebody from the Motor Vehicle Division as to what -- the history about why they are exempt from the bond requirement.

MR. DORAN: Thank you, Corrie.

MS. CASTANUELA: Officer Doran?
MR. DORAN: Yes. You're recognized, LaDonna.

MS. CASTANUELA: So Corrie, thank you. I don't have any history about why the franchise dealers are exempt. From what I could tell, this bond requirement has been in law since 1995.

And it was -- I had a hard time -- I've been having a hard researching all the way back that far, but at least 1997, the franchise dealers were exempt. So it looks like they've pretty much always been exempt. I don't know why.

MR. RICHARDS: Officer Doran, this is David Richards. Permission to speak?

MR. DORAN: David, you're recognized.

MR. RICHARDS: Thank you. From the staff's, I think, perspective, Member Cavender's motion is a good start. It allows for -- addresses one concern, and -- i.e., it’s raising the amount, so that may help. We don't know.

We can revisit that. But more importantly, in my opinion, is the notice given to a consumer, which is not given now. So I appreciate that suggestion in Member Cavender's motion. I think the motion is -- suffice right now.

If we see -- you know, this makes it through the Legislature and becomes law, we can gather new data to...
see. And then we can reconvene the CPAC or some other
group, whichever is in existence at that time, and make
that determination.

The 25,000 amount has been there, as I think
Member Cavender and others have said, for some time, quite
a while. So I think, from staff perspective, we think --
I think that the 50,000 increase and the notice
requirement at the point of sale is definitely a step in
the right direction, and we would encourage the members to
approve that.

MR. DORAN: Thank you, David. Okay. Well,
there's been a motion made. The motion has been seconded.

Is there additional discussion?

(No response.)

MR. DORAN: I'm not hearing any. So we can
proceed forward with a vote on the motion. Just to recap,
it was 50,000 increasing the bond, and then the disclosure
requirement at the time of closing or point of sale.
Okay.

I will now call for the motion. Members, as I
call your name, please state your support for the --
your -- for the motion by saying, yes, I support the
motion, or no, if you do not support the motion.

Member Brooks?

MS. BROOKS: No, I do not support the motion.
MR. DORAN: Member Cavender?

MR. CAVENDER: Yes, I support the motion.

MR. DORAN: Member Colvin, or Peace?

(No response.)

MR. DORAN: Member Eshpeter?

MS. ESHPETER: Yes, I support the motion.

MR. DORAN: Member French?

MR. FRENCH: Yes, I support.

MR. DORAN: Member Gonzalez?

MR. GONZALEZ: [audio skip] the motion.

MR. DORAN: Member Cheryl Johnson?

MS. JOHNSON: Yes, I support the motion.

MR. DORAN: Member Olah?

MR. OLAH: Yes, I support the motion.

MR. DORAN: Member Rash?

(No response.)

MR. DORAN: Member Rigby?

MR. RIGBY: Yes, I support the motion.

MR. DORAN: Member Smith?

MR. SMITH: Yes, I support the motion.

MR. DORAN: Member Solis?

(No response.)

MR. DORAN: And I, Laird Doran, also support the motion. The motion passes.

Members, are there any more motions that we
should consider with respect to this item?

MR. RIGBY: Michael Rigby. Permission to speak?

MR. DORAN: Member Rigby, you are recognized.

MR. RIGBY: So with respect to the other discussion we had about the exemptions for franchise dealers, I don't know what -- if it's in with the scope of the agenda today to propose that exemption be eliminated? Perhaps David Richards can speak to that.

MR. RICHARDS: Officer Doran, David Richards, for the record.

MR. DORAN: You're recognized, David.

MR. RICHARDS: I would respond to that, that staff would need more time to -- or would like more time to investigate the circumstances behind that and to do a little bit more research and bring it back to a subsequent CPAC meeting.

I don't know that we contemplated discussing -- well, I know we didn't contemplate discussing that today. So I would request permission to research a little bit further and bring the issue back to the full CPAC for consideration at a future CPAC meeting.

MS. BROOKS: Member Brooks.

MR. DORAN: Member Brooks, you are recognized.

MS. BROOKS: Thank you. I did not vote in
favor of the original proposal. The reason being, I think it needs to be addressed that there should be a statutory change allowing for an administrative order, rather than the -- requiring the person to go to get a judgment and an attorney and all of those requirements at a greater expense.

So I think it should be a change in the statutory -- a statutory change for an administrative order as to the 50,000. But the full disclosure should be at the point of sale, and that's an extremely important item that should be included, is the full disclosure of access to the surety bond at the point of sale.

Those are my comments.

MR. DORAN: Thank you, Member Brooks.

MR. RIGBY: Michael Rigby. Permission to speak?

MR. DORAN: Member Rigby, you're recognized.

MR. RIGBY: I guess, to follow up on that comment, I agree with that, that it should be -- the statute should be changed to allow for an administrative adjudication rather than a court judgment. But again, I would ask David Richards to comment on whether that's within the scope of the agenda or DMV needs additional time to explore that issue.

Thank you.
MR. RICHARDS:  Presiding Officer Doran, David Richards for the record.

MR. DORAN:  David, you're recognized.

MR. RICHARDS:  I would consider the vote that was just taken as being the vote of CPAC.  I mean, if we're going to go forward with another vote, which I think might be somewhat inappropriate.  I mean, that discussion could have been had during the discussion period of Member Cavender's motion to change it.

I think what Member Cavender -- and Member Cavender, correct me if I'm mistaken -- his recommendation was to continue the same procedure, 50 -- but raise it to $50,000 bond, and also to provide notice to the consumer at the point of sale.

If your motion did not include the current procedure which requires a judgment, please let me know and then we can take a separate vote on that.

MR. CAVENDER:  Member Cavender to speak?

MR. DORAN:  Member Cavender, you're recognized.

MR. CAVENDER:  Yes.  Member Richards, I was speaking to the protection of the consumer at the time -- at the point of sale.  As we pass signature items to that consumer, we want one of those signature items to be the full disclosure of his access or her access to the surety bond.
And I just think that is so easy to implement, and just put that into the documentation of the deal. So that's what I intended, and I stand by the motion that I presented.

MR. RICHARDS: Okay. Presiding Officer Doran, David Richards again. So your motion to raise the amount to 50,000, as well as include the notification in the point of sale, did that include or did it not include the current procedure?

If it didn't, then Member Brooks' motion, or if she cares to make one, to change what is required under our statute can be a separate motion. That was my question. And forgive my confusion.

MR. CAVENDER: Member Cavender to speak.

MR. DORAN: Member Cavender, you are recognized.

MR. CAVENDER: I have just -- I guess I need to understand what the current procedure is, so I can't really speak to that, Member Richards. I -- you know, do we need to create an additional documentation for that, or are we following that procedure currently?

I can't speak to it because I'm not a dealer.

MR. RICHARDS: Presiding Officer Doran, David Richards for the record. Perhaps I'm the only one confused on this call.
The current procedure requires that the consumer get a judgment. What Member Brooks is talking about now is an administrative order which would not, obviously, be a judgment. It might be somewhat easier and less costly for the consumer to go forward with to make a claim with a bond.

So Presiding Officer Doran, did you understand Member Brooks? And Member Brooks, you can clarify, too. Is your motion -- do you have a motion to make the procedure change to an administrative order written into statute?

Is that your thinking right now?

MS. BROOKS: Member Brooks. That would be -- that appears to be what would be necessary, is to make a change so it is a statutory change. So that it could be an administrative order.

MR. RICHARDS: Okay. What I'm hearing now then is -- we would need, Presiding Officer Doran, a separate motion if we're changing the procedure under the law that currently requires a judgment be secured, to an administrative order being secured.

And we'd need that in the form of a motion and a second, and then we can have further discussion. I was mistaken. I was thinking that Member Cavender's motion included the current procedure.
But I think for clarification, and because those words were not exactly used, that we can entertain a motion from Member Brooks to recommend a statutory change requiring an administrative order versus a judgment, if that's your motion.

MR. SMITH: Officer Doran, Member Smith.

MR. DORAN: Member Smith, you are recognized.

MR. SMITH: As we went through that vote, it was my understanding that Member Cavender's motion was to maintain the current procedure and make those two changes.

I think then we have a little confusing issue here, because the vote to raise that limit might be different if we were talking about changing the whole procedure.

Again, I was under the assumption, because he said, raise the limit, that we were within the current operating procedure.

MR. RICHARDS: Officer Doran?

MR. DORAN: Yes, David.

MR. RICHARDS: David Richards.

MR. DORAN: You are recognized.

MR. RICHARDS: Perhaps we should poll the membership to determine their understanding of Member Cavender's motion, if that included in their minds when they voted, either for it or against it, the current procedure, as well as a change to the -- I mean, the bond
amount to 50,000, and also the second component being that there was a notice requirement to the consumer at point of sale.

So maybe we should go through the roll of membership to glean from them what their understanding of the motion was when they voted.

MR. DORAN: This is Presiding Officer Doran. I'd be happy to do that. I will share with you, David: my understanding was that Mr. -- Member Cavender's motion was essentially status quo, plus raise the bond amount to 50,000 from 25, and make sure that the consumer has adequate -- is provided with adequate disclosure about the bond at the time of sale.

And I think -- I will just share with you and the group, the reason -- one of the reasons why I believe it was not part of the motion is because, sitting here right now, it's still not clear to me, when we talk about some type of determination at the administrative level, through an order, whether we're talking about sending the consumer to SOAH or whether we're talking about providing some type of new procedure at the DMV where there's going to be a member of the staff that would, you know, adjudicate this.

So to me, all of that was still very much open for discussion and fuzzy. Therefore, I did not interpret
Member Cavender's motion to contemplate that.


MR. CAVENDER: Member Cavender, to clarify, please.

MR. DORAN: You're recognized.

MR. CAVENDER: Yes, exactly, Officer Doran.

When I presented that motion, I fully intended status quo, to work with current procedure.

MR. RICHARDS: Okay. Thank you.

MR. DORAN: This is Presiding Officer Doran. David, would it be appropriate then or would staff like for the Presiding Officer to proceed with a roll call on that, or to ask any member who may have misunderstood the motion to speak up so that we can reevaluate things?

MR. RICHARDS: Officer Doran, I think in the interest of time, let's just ask the latter, if any of the members had a misunderstanding of the motion, and they can state it at that time. Otherwise, I think we can conclude that Member Cavender's motion did include the status quo that currently exists under the statute for filing a claim on the bond.

MR. DORAN: This is Presiding Officer Doran. Okay. So members, just so we're clear for the record, did everyone understand the motion that was presented and was voted on?
If you did not understand or were under a different -- if you have a misconception about what was voted on, please speak up and let us know.

MR. RIGBY: Michael Rigby, permission to speak?

MR. DORAN: Member Rigby, you're recognized.

MR. RIGBY: Yeah. I don't think under I'm under a misimpression. What I heard in the motion was, there were two things that were being changed. One is the amount of the bond and one is a requirement that disclosures be given to consumers.

I didn't hear a third part of that motion that said that the current claims process remain in place. So I interpreted that, as you know, that's still open for discussion and possible motion by folks who are interested, and in fact, we had some conversation about that.

So I think it's appropriate to entertain motions for that. And there may be a different road on it, and I can see why, you know, some folks may not agree -- may agree to raise the bond and give the notice, but not agree to change the process, and that's fine.

But I think it deserves a separate conversation and a separate vote. Thank you.

MR. RICHARDS: Presiding Officer Doran, this is David Richards, for the record.
MR. DORAN: You are recognized, David.

MR. RICHARDS: Just to make sure that we're all clear, there's nothing wrong -- if Member Brooks wants to make that motion to change the procedure to require an administrative order versus a judgment, that can be done. Those that voted for the first motion that believe that they were voting for status quo can oppose it if they want to.

So I mean, that might be one way to clarify it for the record.

MS. BROOKS: Member Brooks.

MR. DORAN: Member Brooks, you're recognized.

MS. BROOKS: I would like to make a motion, if appropriate, that there be a statutory change to allow for an administrative order, as opposed to a judicial order. I mean, increasing the amount to 50 is great and the -- also requiring the full disclosure at the point of sale is appropriate.

MR. DORAN: Member Brooks, is your motion limited to just the request to change the statute by allowing for an administrative order, or are you intending to also include the terms that were included in the last motion?

MS. BROOKS: Oh, I would like for the statutory change and the administrative order to be included with
the -- those items that were mentioned in the first vote.

MR. DORAN: Okay. Okay. Members, is there additional discussion?

(No response.)

MR. DORAN: This is Presiding Officer Doran. I do think that this motion does warrant some additional discussion as to what the members understand and contemplate with respect to what that administrative order would be, and who would be making that determination, whether that would be SOAH or the Department of Motor Vehicles, or some other agency or entity.

MR. FRENCH: Member French would like to speak, please.

MR. DORAN: Member French, you're recognized.

MR. FRENCH: Mr. Cavender's motion, I took it to be, you know, raise the limit, make sure we fully disclose it at point of sale, but to leave the judgment process in there. My concern is if we try to change the statutory along with this other, it all may get tied up and never [audio interference] effect. Mr. Cavender's motion, at least, gets us a step closer in [audio interference] a lot of the situations, and if we need to come back and go for the statutory change to allow administrative judgments.

Thank you.
MR. DORAN: Thank you, Member French.

MR. RICHARDS: Officer Doran?

MR. DORAN: Yes, David. You're recognized.

MR. RICHARDS: David Richards, for the record.

I would ask, because you pointed out some good issues regarding the administrative order. Staff would appreciate having the opportunity to go back and look and formulate and see how that would exactly look and play out on paper before we take a vote on administrative order.

I think we're -- suffice with the order that's been made now -- or the motion and vote has been taken, as far as a recommendation goes, that the status quo would continue. $50,000 limit to the bond would be the new standard, and also that the notice of provision would be given to the consumer at the point of sale.

MS. BROOKS: Member Brooks.

MR. DORAN: Member Brooks, you're recognized.

MS. BROOKS: I will withdraw my comments. Mr. French's comments on the potential delay in any kind of action if you get into statutory changes is well-taken, so I withdraw my comments.

MR. DORAN: Thank you, Member Brooks. Members, are there additional motions or items that you'd like to consider as part of this discussion?

MR. RIGBY: Michael Rigby.
MR. OLAH: Member Olah. I ask to be recognized.

MR. DORAN: Okay. Let's start with -- I think it was Mr. Rigby was -- Member Rigby was first there. Member Rigby, you're recognized.

MR. RIGBY: Thank you. And just maybe Mr. Richards can confirm this, but my understanding of the motion that we did approve would require statutory changes with respect to both the amount of the bond and notice to a consumer.

MR. RICHARDS: David Richards, for the record. You are correct. It would require -- it would be a recommendation for statutory change to raise the bond, which is, you know, in statute now at 25. And then the second component would also be recommended for a statutory change as well.

MR. RIGBY: Michael Rigby, can I respond?

MR. DORAN: Yes, Member Rigby. You're recognized.

MR. RIGBY: Okay. Yes. Thank you. I don't -- it's a little bit speculative to figure out whether -- you know, what we voted on wouldn't pass if we added something to it, but I hear Mr. Richards' and DMV's concern that they need some time to study this. And I think that's
appropriate to do some research and figure out exactly how
an administrative process would work, whether that's at
SOAH or at DMV or some other method.

So I appreciate that and encourage DMV staff to
do some research and bring that back to the Committee.

Thank you.

MR. DORAN: Thank you, Member Rigby. Member
Olah, I think you had signaled you wanted to speak as
well?

MR. OLAH: Yes. May I be recognized?

MR. DORAN: You are recognized.

MR. OLAH: I just wanted to make it clear that
my understanding of the motion, in the plain reading of
it, is that it was not a comment or decision on the status
quo, that it was -- it's standalone, that the bond would
be raised to $50,000, and that there would be consumer
disclosure language at the point of sale.

That was my understanding.

MR. DORAN: Member Olah, this is Presiding
Officer Doran. I think my reference to status quo was
meaning to be geared towards the procedure that a customer
or a consumer, excuse me, follows today in terms of having
to seek a judgment.

Obviously, if we're changing the statute and
raising the bond amount and requiring new disclosures to
be provided to the consumer, of course, that's not intended, and I didn't mean to suggest that that would be status quo. Because that is in fact a very material change, and I think that's why we voted on it as a group. But I apologize for any maybe confusion that I caused by referring to the fact that a judgment would be required still as being status quo. But that's what I was referring to.

MR. OLAH: May I respond?

MR. DORAN: Yes, please.

MR. OLAH: Oh, understood. I guess what -- or what I am saying is, I see that motion as not necessarily exclusive of other motions dealing with what is necessary to perfect a claim on the bond. In other words, I see that that's not in conflict with a motion, for instance, to allow for some sort of administrative order to coexist with the requirement of a judgment as a way to perfect a claim on the bond. I just wanted to be clear that I didn't see the need to modify the motion, that it stands on its own. It has a -- to me, a plain intention, which was to raise the bond amount to $50,000, and to provide for consumer disclosures. But for future discussions, whether today or at some other time after some study by staff, I believe that there could be other motions that would not
necessarily be in conflict with the one that we passed today.

MR. DORAN: Thank you. Members, are there any other comments or are there any other motions?

(No response.)

MR. DORAN: Okay. If there's no further motions, then --

MR. RICHARDS: Officer Doran?

MR. DORAN: Yes, David, go ahead.

MR. RICHARDS: David Richards, for the record. I'm sorry to interrupt you. I wanted to get on the record an issue that came up during the -- I believe it was the June 18 meeting, the last time we discussed all of this.

And that had to do with a concern, Reagor Dykes coming to mind, where trade-ins, trade-in vehicles were not being paid, paid off, and consumers of Reagor Dykes transactions found themselves in a pickle. And they had two outstanding lienholders that were demanding money from them.

And the particular issue that was of concern raised by one of our Board members related to negative credit reporting. Some consumers might have been financially -- or had the financial wherewithal to make payments on both, or maybe a reduced payment on the trade-
in vehicle, depending upon whatever arrangement they made with that lender.

But the issue of negative credit reports or derogatory reports made to the credit reporting agencies was a concern that was expressed, and we said we'd bring something back to CPAC. Well, unfortunately, it doesn't appear that there's a state fix to this, that the Fair Credit Reporting Act, which is a federal law, addresses the practices of consumer reporting agencies. And I don't see any state fix right now that we would have to address that.

So I just wanted to bring that issue back, just for comment. We're not asking CPAC to come up with any recommendations as to that, because we don't believe there's a state fix for the issue right now.

Clearly, some of the things that could happen -- consumer awareness, if they could negotiate with the lienholder in a trade-in vehicle situation, or, you know, obviously things that consumers can do on their own.

But the issue before CPAC is one that we really can't recommend, other than maybe consumer, you know -- things to do for consumers in dealing with the situation they're in. There's no statutory fix that we could recommend to the DMV.

It would be -- since it's a federal law, we
would have to look to federal law to rectify that. So I just want to bring that back up, that we did discuss it and say we'd come back with some sort of information for the CPAC membership.

And what I've stated kind of leaves us in a dead end as far as any recommendations from the CPAC for statutory change. So thank you, Officer Doran.

MR. DORAN: Thank you, David. Appreciate that explanation. Okay, members. If there's no further motions, then we will move on to the next agenda item.

Members, moving on to Agenda Item 2(b), Future Meetings. Members, the Office of General Counsel with Texas DMV will send out future meeting invites to determine membership availability.

Members, we will now take up Agenda Item No. 3, public comment. David, are there any comments from the public?

MR. RICHARDS: Officer Doran, we do not have any public comments at this time.

MR. DORAN: Thank you. Okay. That being the case, we will now move on to Agenda Item 4, adjournment. Unless there is any further business, I would like to entertain a motion to adjourn.

Do I have a motion from anyone to adjourn the meeting?
MR. CAVENDER: Member Cavender would so move to adjourn.

MR. DORAN: Okay. Motion is made by Member Cavender. Is there a second? I'll second that motion.

MS. ESHPETER: Member Eshpeter will second it.

MR. DORAN: Okay. Thank you. Members, the motion has been made and has been seconded to adjourn the meeting. All in favor, say aye.

(A chorus of ayes.)

MR. DORAN: Any opposed?

(No response.)

MR. DORAN: Okay. Let the record reflect that the vote was unanimous. Members, it is now 3:33 p.m., and we are adjourned. Thank you, everyone.

(Whereupon, at 3:33 p.m., the meeting of the Consumer Protection Advisory Committee was adjourned.)
CERTIFICATE

MEETING OF: TxDMV Consumer Protection Advisory Committee

LOCATION: Webex conference call

DATE: August 21, 2020

I do hereby certify that the foregoing pages, numbers 1 through 83, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Latrice Porter before the Texas Department of Motor Vehicles.

DATE: August 28, 2020

/s/ Adrienne Evans-Stark
(Transcriber)

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