

**RHODE ISLAND DEALERS' LICENSE & REGULATIONS OFFICE
INTER-OFFICE MEMO**

October 15, 2007

TO: Beverly Najarian, Director

DEPT: Administration

FROM: Walter Craddock, Esq. Chairman

DEPT: Division of Motor Vehicles

SUBJECT: HEARING BOARD RESULTS

Please be advised of the following matters which were heard before the Board on Thursday, October 11, 2007. Also be advised the following people were present during the hearing: Joseph I. Monteiro, Chief, Enforcement/ Regulations and Legal Counsel Marcy Coleman, Esq., Division of Legal Services and the hearing Board members: Walter Craddock, Esq., James Botvin, and Dennis Gerstmeyer

Absent:

Lt. David Palmer of The Rhode Island State Police.

Thomas Ricci

MEETING OF OCTOBER 11, 2007 AT 9:00 AM

**DIVISION OF MOTOR VEHICLES – 100 MAIN ST. PAWTUCKET, RI
02860**

1. WENDY MORINVILLE V. SILVER LAKE AUTO SALES (Patricia Troino, Pres.)

COMPLAINT / SHOW CAUSE HEARING. CASE #KR-07-171

1ST RESCHEDULED HEARING.

DECISION: Based on the fact that the dealer, Silver Lake Auto Sales failed to inspect the vehicle before releasing it to the consumer, it has been determined that the dealership shall buy back the vehicle for the amount of \$1,648.95 which is the price paid of \$2,100.00 minus \$451.05 allowance for mileage. It has also been determined that the consumer shall have the loaner vehicle, a 1998 Volkswagen in their possession, towed to the dealership at her expense. The consumer shall return the original radio in good condition that was installed in the 2000 Chrysler Concord and Silver Lake Auto Sales will return the radio in good condition that is currently installed in the vehicle to the Dealers License and Regulations office to be exchanged.

The Board has also determined that Silver Lake Auto Sales was in violation of the following R.I. Rules and Regulations and is required to pay the amount indicated of \$100.00 to the Dealers' License and

Regulations Office in 10 days from the receipt of the formal decision.

Fine: \$100.00: Rhode Island Rules & Regulations Sec VI (S): All used vehicles which are sold must be inspected and have a new certificate of inspection affixed to windshield at the time of sales.

HEARING BOARD RESULTS

PAGE 2

**2. RAFAEL PEREZ V. FRED'S AUTOHAUS, INC. (Fred Rios, Pres.)
COMPLAINT / SHOW CAUSE HEARING. CASE# KR-07-235**

DECISION: The board has determined that the dealer, Fred's Autohaus, Inc. is in violation of RIGL §31-5-11(10), for having indulged in unconscionable practices relating to business as a motor vehicle dealer. Therefore the board has determined that the dealer, Fred's Autohaus, Inc. shall buy back the vehicle from the Consumer for the amount of \$12,836.70, which is the purchase price of \$15,000.00 minus \$2,163.30 mileage allowance. The dealer is also responsible for retrieving the vehicle from storage and paying all fees levied by Sal's One Stop Automotive, which total \$1848.00 as of September and any additional fees accrued since that date because he failed to send in payment to Eagle Warranty for the 4 year extended warranty.

The Board has also determined that Fred's Autohaus, Inc. was in violation of the following RI Rules and Regulations and RI General Laws and is required to pay the amounts indicated below, which totals \$600.00, within 10 days of the formal decision.

Fine: \$100.00: Rules and Regulations Section VI (L): Dealer allowed person not an employee of the dealership to sell a vehicle to the consumer.

Fine: \$250.00: RIGL § 31-5-12: Dealer shall not allow an independent salesperson to operate from his dealership.

Fine: \$250.00: RIGL § 31-5-11(5): Dealer failed to perform a written agreement with the consumer.

The Board has indefinitely suspended Fred's Autohaus, Inc. license to do business for their violation of RIGL §31-5-11(10) & (11) for having indulged in unconscionable practices relating to business as a motor vehicles dealer and is in violation of laws relating to the sale and distributions of motor vehicles. The dealer must return all dealer plates in his possession and his license to the Dealers' License and Regulations Office within 10 days of receiving the official decision. The dealership must reappear before the Dealers License and Regulations Board to offer proof that Emil Johnson is no longer associated with the dealership or with proof that he has been

registered as a full time employee.

3. INSKIP SMART (Roger Penske, Jr. Chairman / Kimberly O'Brien, Esq.)

REQUEST TO OPEN A DEALERSHIP ON THE SECOND FLOOR OF INSKIP AUTOCENTER, LOCATED AT 1557 BALD HILL ROAD, WARWICK, RI 02886

FOR DISCUSSION ONLY

Marcy Coleman, Esq., legal counsel for the Department of Motor Vehicles shall issue a letter to the effect that per the RI Rules and Regulations Sec VI (B), “the minimum floor space in all instances shall be interpreted as a ground level space and in no instances shall basements or second floors or upper or lower levels be considered in meeting the required minimum floor space.

Walter Craddock, Esq. Chairman

Cc: Charles Dolan, Administrator, DMV

John DiTomasso, Assistant Administrator, DMV

Joseph I. Monteiro, Chief Enforcement/Regulations, DMV

Marcy Coleman, Esq., Division of Legal Services, DOA

File