

MINUTES OF THE ARKANSAS MOTOR VEHICLE COMMISSION

Business Meeting
101 East Capitol Avenue, Suite 204
Little Rock, Arkansas

February 17, 2016

The regularly scheduled meeting of the Arkansas Motor Vehicle Commission was called to order at 9:30 a.m. by Chairman Sandy Stroope. Staff present included Greg Kirkpatrick, Vicki Wright, Gordon McCoy, Crystal Campbell, Kristi Byers, and Kimberly Beavers. All Commissioners were present during the meeting with the exception of Kenneth Burks with an excused absence. Also in attendance were Courtney Massey with Governor Hutchinson's office, Julie Chavis with the Attorney General's Office, Dennis Jungmeyer with the Arkansas Auto Dealer Association, and Jack Caldwell with Caldwell Toyota.

The minutes from the December 16, 2015, meeting were unanimously approved following a proper motion and second.

The Commission unanimously approved the meeting expenditures for the 2016 calendar year, and specifically for the February 17, 2016, meeting following a proper motion and second.

The Commission unanimously approved the fiscal reports for December 2015, and January 2016, following a proper motion and second.

The Executive Director's Report was presented by Greg Kirkpatrick and focused primarily as an update on the 2016 dealer and salesperson renewal.

Greg Kirkpatrick updated the Commission on the December ad hoc actions, and announced no new ad hoc committee recommendations.

The Commission unanimously approved the North Point Mazda Volkswagen Consent Order as presented.

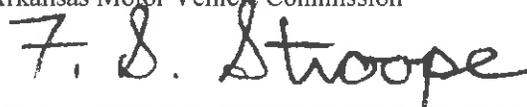
The Commission then moved to a discussion on General Motors new Factory Pre-Owned Collection vehicle sales program. Greg Kirkpatrick presented highlights of the program. Dennis Jungmeyer and Jack Caldwell were recognized, and presented updates on the GM dealer response to this program. Issues discussed included the following: many dealers do not want to sign up to give GM direct sale to customers due to dealer liability, the issues of competitive disadvantage, sales performance issues in terms of objectives related to

certified pre-owned units, and the issue of dealers being required to incur costs related to the actual condition of the vehicle when it arrives for delivery versus what is represented during the online sale. There were additional discussions on how the program might impact consumers in terms of the transaction process such as leverage in negotiating trade-in value as well as opportunities to negotiate financing terms. The Commission requested additional information on program.

The Commission then moved to an update and discussion on Rule 10 Education and Training Grant as presented by Greg Kirkpatrick and Crystal Campbell. The timeline in order to present these awards during the 2016 fiscal year was presented with the deadline for applications being set at March 31, 2016. The Commission approved setting a cap on the maximum amount of each grant award at \$30,000.00. The application format was approved with recommendations. The Commission will determine whether or not to establish a sub committee to review the applications depending on the volume of applications received.

Chairman Stroope accepted a proper motion and a second to adjourn the meeting.

These minutes are subject to approval by
The Arkansas Motor Vehicle Commission



Sandy Stroope, Chairman