



Plain Dealing

A policy and administrative bulletin for licensed dealers from the Dealer Section of the Wisconsin Division of Motor Vehicles.

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“Nothing astonishes men so much as common sense and plain dealing.”

R. W. Emerson

Plain Dealing is back after a dry spell in publication. Dealer Section has reorganized and is a little smaller after losing some positions.

We now have two units instead of three: the Customer Service Unit and the Field Investigation Unit. Customer Service handles our phone hotline answering both dealer and consumer questions (since both dealers and consumers are our customers). In addition to being the friendly voices you talk to on the phone, they review and issue all types of dealer licenses and plates; and handle advertising, Lemon Law and warranty complaints.

The Field Investigation Unit continues to do on-site inspections of dealership and investigates consumer complaints from their offices located throughout the state.

Watch for an updated tear-off territory map and phone list in the next *Plain Dealing*.

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New leasing law explained

Leasing vehicles is growing. Automotive News reports that in 1990 13.5% of new vehicle transactions were leases. In 1995 31.5% were leases and the project an increase to 36% by 1997. Used car leasing is growing as well.

The Wisconsin Motor Vehicle Consumer Lease Act (1995 Wisconsin Act 329) changed the definition of a motor vehicle dealer to include anyone who leases, or offers to lease, a vehicle whether or not there’s an option to buy. Before Act 329 took effect (on October 1, 1996) only lessors who offered an option to buy were required to be licensed as dealers.

Certain companies must be licensed

- Companies, including banks and credit unions, that lease vehicles directly to consumers (i.e. handle all aspects of the transaction including negotiating terms) must be licensed by WisDOT as dealers.
- Leasing companies that carry no inventory are exempt from the facilities requirement to provide a showroom and display lot.
- Financial institutions that only buy lease paper from lessors are not required to be licensed as dealers. (this is similar to banks that provide loans for consumer purchases of cars without needing a dealer license.) Businesses already licensed as dealers are exempt as well.

Law helps consumers compare leases

- Consumers will be able to compare leases more easily. Terms are defined and disclosed.
- WisDOT will investigate consumer complaints about lease transactions.
- Wis DOT will create rules to protect consumers who lease vehicles, regulating such practices as:
 - Writing pre-lease agreements
 - Writing lease contracts
 - Proper completion of forms
 - Display o vehicle disclosure labels
 - Collection of tax, title and license fees
 - Record-keeping
 - Odometer disclosure

Insurance policy required

Act 329 also requires that lessors file an insurance policy with WisDOT to cover damages caused by the negligent operation of each vehicle leased, in an amount equal to the minimum proof of financial responsibility limits. Failure to file this required insurance policy will make the lessor directly liable for damages caused by negligent operation up to the minimum proof of financial responsibility limits.

The Right Way

Cash flow problems

Unpaid liens = unhappy customers and severe penalties

There is a temptation for dealerships in financial difficulty to divert funds earmarked for lien payoffs for other purposes. The dealer principal diverting these funds may have every intention of satisfying the liens once the cash flow improves. However, if the financial situation doesn't improve, there is a downward spiral where even more customer funds must be diverted to keep the dealership open. One FBI agent described this practice as holding a tiger by the tail. If you let go, it will eat you.



This practice has serious consequences for the dealer principal and customers, including other dealers and financial institutions. The dealer is committing a crime by selling encumbered property. Dealers have been sentenced to prison for this.

Another consequence of the crime is that customers have to continue making payments on their trade-ins, and their credit rating can be ruined. Customers who buy cars with unsatisfied liens cannot title, register or operate them on the highway. They can't sell the cars and risk having them repossessed. Dealers who buy these vehicles wholesale can't legally dispose of them and also risk repossession. Financial institutions incur costs and legal fees to repossess their collateral, and in some cases, suffer a loss because of the customer's inability to continue making payments.

Contract creates obligation to pay

When a customer trades in a vehicle, an obligation is created by the motor vehicle purchase contract (and in some cases by the retail installment contract) to pay off the customer's lien. Funds to pay off the lien come either from a financial institution or the customer. In this era of electronic funds transfer, most dealers receive the funds to satisfy the lien shortly after the purchase contract is finalized.

Customers who sign a contract and trade in a car expect the existing lien to be satisfied immediately. They don't expect to make another payment on a car they no longer own. Floating the lien payoff puts the customer's credit at risk and puts the entire transaction in jeopardy. Since there is a contractual obligation to pay off the lien, failing to do so can allow the customer to void the entire transaction.

Payment is considered to be made when the dealer transfers funds or mails the check to the lienholder. Once that is done, the dealer can offer the vehicle for sale, even if the actual lien release hasn't been received yet. The dealer must have the title before offering a vehicle for sale.

\$10,000 fine possible

Floating the lien payoff and selling the trade-in is a criminal act in violation of s.943.25(2)(a), stats., selling encumbered property. The penalty for conviction may be a fine up to \$10,000 or imprisonment up to two years, or both, for each vehicle sold. In addition, the dealer may be charged with theft by fraud under s. 943.20, stats. Failure to pay off the lien in a timely manner may also be grounds to deny, suspend or revoke a dealer's license under s. 218.01(3)(a)6., stats., wilful failure to perform any written agreement with a retail buyer.

We are considering revising statutes or rules to clearly state how long a dealer has to satisfy a customer's lien on a trade-in. We're also recommending that the motor vehicle purchase contract be revised to include language stating the dealer's obligation to pay off the lien in a certain amount of time.

Other activities that indicate potential cash flow problems at dealerships include:

- Selling a vehicle on consignment and failing to pay the consignor.
- Double financing — using the same vehicle as collateral on more than one loan.
- Falsifying the value of cars in order to increase loan amounts.
- Phony lien releases.

The right way — don't grab that tiger by the tail. Pay off liens on trade-ins promptly.

Don't even think about it

"Convenience" forgeries will come back to haunt you. While it may be tempting to sign someone else's name to save them time and trouble, don't do it! We call forgeries where there is no consumer or other harm "convenience" forgeries. They may be convenient, but they are wrong! People become very upset when they learn you signed their name. If getting signatures is a problem, consider alternatives like a power of attorney, express mail or a courier service.



News

New law will simplify ownership transfers

WisDOT can now transfer ownership of a vehicle with just one owner's signature when the names are listed on the title using the conjunction "or." Transfers on titles where the names are listed using the conjunction "and" require all owners' signatures.

When completing the MV11 application for title and registration for your customers, you need to be clear about how multiple owners want their names listed. The latest revision of the MV11 form provides check boxes where you can indicate "and" or "or." On older versions of the MV11, just write in "and" or "or." If nothing is indicated on the application, multiple owners will be listed using "and."

Customers who would like to change existing titles can mail them to: WisDOT - Research and Information, PO Box 7909, Madison, WI 53707-7909; or bring them to the nearest DMV Customer Service Center. There is no charge to make the and/or change on the title, but there is a counter service fee of \$5 for walk-in customers. Changing a title from "and" to "or" requires both signatures. Only one signature is required to change from "or" to "and."

Dealers test electronic title filing program

A technical test has just concluded of an electronic title and registration filing program that gives consumers license plates, stickers and a temporary certificate of registration on the spot when they buy a new or used car or pickup truck from a participating dealer.

Dealers who participated in the test are: Ernie Von Schledorn in Menomonee Falls, Russ Darrow Honda in Mequon, Wilde Toyota in West Allis, Gordie Boucher Nissan in West Allis, Kayser Ford in Madison, and Zimbrick Buick in Madison..

Dealers can provide on-the spot service to their customers with license plates, stickers and a temporary certificate of registration. They can carry any auto and light truck plates except those that require credentials, such as disabled plates. Titles and registration certificates will continue to be printed and mailed by WisDOT.

Computerized Vehicle Registration (CVR) was selected through a competitive bid process to act as the gateway between WisDOT computers and dealers. CVR's computer systems are compatible with those already being used by most new car dealers, so

dealers participating in the test don't have to buy expensive new hardware.

Customers pay a fee of \$17.50 for this faster service option (though during the test period no fees were charged). The fee helps reimburse dealers for the \$750 one-time start-up fee, \$100 monthly support fee and up to \$8 per transaction fee they pay CVR.

The system was tested for six months. Now that it's up and running, a few dealers will be able to join the program each month, starting with areas around Madison, Milwaukee, Green Bay and Wausau. For more information, contact Joan Loden in the Bureau of Vehicle Services at (608) 267-5253.

Join the celebration!

Your customers can order Sesquicentennial license plates celebrating Wisconsin's 150th Anniversary of statehood. This special plate is inspired by the things we value most about our home state: natural resources, spectacular scenery, and the cities and businesses we've helped build. The plate costs only \$15 once, when it is requested, and is renewable indefinitely.

The plates are available for automobiles, motor homes with annual registration, and trucks (up to 8,000 pound gross weight including dual purpose farm and dual purpose motor home; and 12,000 pound gross weight farm trucks). Sesquicentennial plates can only be ordered in 1997 and 1998.

A colorful brochure including the Sesquicentennial Plate Application form is available for display in your showroom. Ask for form MV0150 from WisDOT Maps and Publications Sales, 3617 Pierstorff Street, PO Box 7713, Madison, WI 53707-7713, or fax (608) 246-5632. If you have any questions about the plates, call the Special Plates Unit at (608) 266-3041, Monday - Friday, 7:45 a.m. - 4:15 p.m.

Dealer use tax increases

Wisconsin licensed motor vehicle dealers are permitted to report use tax on a certain dollar amount per plate per month for the use of vehicles assigned to certain employees.

The dollar amount subject to use tax increased from \$96 to \$99 per plate per month on January 1, 1997. The amount subject to use tax will be reviewed and adjusted annually by the Department of Revenue to reflect the annual percentage change in the U.S. Consumer Price Index as determined by the U.S. Department of Labor. If you have questions about use tax, contact Vicki Gibbons, DOR, at (608) 266-3873.

Isuzu certified to handle Lemon Law complaints

American Isuzu Motors is now certified to resolve Lemon Law disputes through its third party arbitrator, Better Business Bureau's Auto Line. Consumers who bought an Isuzu on or after June 15, 1996, must use Auto Line before they can sue under the Lemon Law in court. Consumers who bought their Isuzu before June 15, 1996, can—but don't have to—use Auto Line.

The program offers consumers a free, fair and informal process that will resolve the problem within 60 days. Consumers don't need lawyers to use the process and don't have to accept the arbitrator's recommendation.

Wisconsin now has a total of nine manufacturers whose arbitration programs are certified: Audi, Ford, General Motors, Isuzu, Lexus, Porsche, Saturn, Toyota and Volkswagen.

Help protect endangered resources

More than 10,000 Wisconsin motorists have shown their support for the state's endangered and threatened species by displaying an endangered resources license plate. The plate features a timber wolf and rising moon, and is available for an additional \$25 annual fee when registering vehicles. The fee is a tax-deductible donation to the state's Endangered Resources Program.

If you'd like a supply of colorful brochures containing the application form for endangered resources plates,

ask for form MV2858 from WisDOT Maps and Publications Sales, 3617 Pierstorff Street, PO Box 7713, Madison, WI 53707-7713, or fax (608) 246-5632. Give your customers a choice of plates and help protect our state's resources at the same time.

Tune up your driving skills

Most drivers have their cars tuned up regularly to keep them in good running condition. They may not think about the need to have a personal "tune-up" to keep themselves in good driving condition. WisDOT's Driver Awareness Program gives drivers 55 and older that "tune-up."

There are about 900,000 drivers age 55 or older in Wisconsin, and the number is growing. Driver awareness helps mature drivers answer the question, "Am I keeping up with today's traffic?" It provides them with driving tips, but it isn't a driver education course. Although the program is designed for drivers 55 and older, it is useful for drivers of any age.

Volunteers who relate well to mature drivers present this free program throughout Wisconsin. The program takes about an hour using a slide presentation and discussion format.

If you'd like to sponsor a driver awareness program for your customers or as a public service to your community, contact John Alley at WisDOT, PO Box 7920, Madison, 53707-7920, or call (608) 266-0614.

Dealer Alert

Vernon County has been collecting a ½% county sales and use tax since January 1, 1997. Dealers need to collect the tax on vehicles sold on or after January 1, if the vehicles are *kept* in Vernon County even if they are purchased in another county. For a list of all counties collecting county sales tax, call the Dealer Section at (608) 266-1425.

Pennsylvania has reported the **theft of blank title stock** for 124 titles. If you come across a Pennsylvania title, check the control numbers printed in red on the face of the title. If the control number is 06922001 through 06922124, contact Russ Wight of WisDOT's Correspondence and Title File Unit at (608) 266-2064.

Remember—anyone, including dealers, who acquires a vehicle that meets the definition of salvage (less than seven years old and damage in excess of 70% of fair market value) that isn't already titled as salvage, must promptly apply for a **salvage title**.

If you want to **hold an auction at your dealership** to sell your vehicles to the public be sure the auctioneer you hire is registered with the Department of Regulation and Licensing, and licensed as a salesperson for your dealership. (An auctioneer can only be licensed as a salesperson for one dealership at a time, but can transfer the license to another dealer at no charge.) All disclosure, purchase contract and registration/titling requirements apply.

Starting this year, your renewal packet will contain a **dealership self-inspection form**. It was developed to give you an idea of what our investigators look for when they inspect your dealership. The form is an educational tool—you don't need to send it in to us. Give your business a check-up and see what's being done the right way and where you need to improve.

(Continued on page 7.)

Policy Briefings

Storage lot requirements set

Motor vehicle storage lots are exempt from licensing if they are used for storage *only*. No sales may be conducted at these lots and they can't be accessible to customers under any circumstances.

In 1991, we issued a policy memo outlining facilities requirements for motor vehicle dealers' main locations, branches, sublots and storage lots. Storage lots aren't defined by statute or rule and the policy memo states that no license is required for them because they are to be used for storage only—not for vehicle sales. No physical requirements were noted because a license isn't required. Incidents of so-called storage lots being used as sales lots suggested that we establish criteria storage lots must meet in order to be exempt from licensing requirements.

You don't have to license or notify us of storage lots meeting these requirements:

- The lot cannot be accessible to customers under any circumstances.
- It cannot have an office.
- The lot cannot be shared with another business unless it is fenced and gated.
- It cannot have a dealership sign displayed.
- It should preferably be fenced—this meets the no customer access requirement and provides security.
- It must be in your own relevant market area (for new car dealers) unless you have written permission from the dealer in whose market area it's located.
- It need not be in the same municipality as your main location.
- A security guard may be present, and there can be a "guard house" for security personnel.

Don't display cars on the right-of-way

A brochure explaining policies on encroaching upon highway rights-of-way is available from WisDOT's Division of Transportation Districts. Encroachments are anything that is placed on a public right-of-way, such as displaying a car for sale on a sidewalk.

Removing encroachments is important to avoid traffic crashes when vehicles leave the roadway. Removing them also avoids potential liability for the owner if the encroachment causes deaths or injuries in a crash. Free copies of the brochure are available from the division's Madison district by calling (608) 246-7967.

How to title rebuilt vehicles

A chart explaining what rebuilders need to do when combining chassis, body/cabs and cowl from more than one vehicle is available from Dealer Section. Various possible combinations are listed with requirements on whether an inspection and Wisconsin-assigned VIN are needed. Mileage disclosure requirements are also listed for each combination.

For example, using a chassis from a junked vehicle means that no matter what is added to the chassis, it can never be titled again. Using a chassis from a salvage vehicle (with a salvage title) means the rebuilt vehicle will be able to be titled upon passing inspection no matter whether the body/cab comes from a junked, salvaged or regularly titled vehicle.

Call Dealer Section's Customer Service Unit at (608) 266-1425 to get a free copy of the chart covering the rebuilt vehicle policy.

How to get your renewal plate stickers before the current ones expire . . .

File your *complete* renewal application on time.

There's a filing deadline printed in a box in the upper right corner of every renewal application. The deadline will always be the first day of the month in which your license expires (expiration is always the last day of the month). For example, if your license expires September 30, 1997, your filing deadline is September 1, 1997.

We mail your renewal materials to you the first week of the month preceding the expiration. For example, renewal packets for September 30th expirations will be mailed the first week of August.

If you meet our deadline for filing, we'll have time to process your application and get your new licenses and stickers mailed before the current ones expire. Since we process on a first-come first-served basis, if you file late, chances are your licenses and stickers will be late, too.

Paperwork Pointers

☞ **All dealers should be using form MV11** to apply for title and registration for their customers. The new version of the MV1 form (available at DMV Customer Service Centers) is for use in private party sales only. The MV11 is printed on secure paper and is available from these suppliers:

•Good Morning Advertising
P.O. Box 268
Whitewater, WI 53190
Phone: (800) 747-4647
FAX: (414) 473-4575

•WATDASI Forms
P.O. Box 5345
Madison, WI 53705
Phone: (800) 2FORMS2
[(800) 236-7672]
FAX: (608) 251-5557

•Reynolds + Reynolds
10533 W. National, Suite 205
Milwaukee, WI 53227
Phone: (800) 697-0884
FAX: (414) 321-9597

☞ Be sure the person **trading a vehicle in** to you is the titled owner of the vehicle. Only the owner has the right to sell or trade the vehicle. Don't accept a title that has been signed over to your trade-in customer. He or she must get a title in his or her name first.

☞ When handling a **dealer trade of a new vehicle**, reassignments and odometer statements should be completed on the Manufacturer's Statement of Ownership (MSO) if there is space available. If all reassignment space is full, attach form MV2115, Reassignment Supplement to Certificate of Title to reassign ownership and make the odometer disclosure.

☞ Under **Truth in Mileage Act** regulations, remember to keep a photocopy of the front and back of the title—with all signatures and completed odometer disclosures—for five years.

☞ You can help speed up title processing by paying close attention to these items when **completing the MV11**, Application for Title/Registration:

- List the customer's Social Security number, driver license number or Federal Employer Identification Number (FEIN) on all applications.
- Complete all the information in the dealer area of each form, even when you're mailing a bunch of them together; especially your dealer license number.
- Provide complete lienholder information: secured party number, lender's name and *street address* as well as the city, state and zip code.
- Vehicle owners can't also be listed as lienholders, so don't write them in the lienholder area or collect a \$4 lien filing fee from them.
- List the dealership's phone number (the one that sold that particular vehicle if you have multiple locations) in the dealer area of the form. If there's a question or problem, we can call the right store and get it taken care of.
- Don't write or make any stray marks above section A of the form. The microfilm machine uses the bar code as a trigger and doesn't work if marks come too close.

☞ **Title history fees** are now \$3 per owner in the chain plus 25¢ per page. To get a title history, call (608) 266-3666 between 7:30 a.m. and 4:15 p.m. You may be able to get the information over the phone and receive copies and a bill in the mail. Multiple requests or those over \$6 must be pre-paid. You may want to set up an account to charge fees monthly for records received.

Unlicensed Dealers — Fines and Restitution

Alfahel, Nabil M., Milwaukee — \$506.40
A-Z Auto Dismantling, Madison — \$387.50
Baake, Scott, Milwaukee — \$506.40
Bartus, Simon (Sam), Wausau — \$116.50
(plus court costs and witness fees)
Billco Auto Body, Menomonee Falls — \$116.90
Binsfeld, Robert, Glendale — \$1,000
Bowell, Mark, Richland Center — \$100,000
Brooks, Michael, Minnesota, — \$449
Bush, Charles, Eau Claire — \$590.50
Cornelissen, Gerald, Denmark — \$7,000
Dailey, Michael, Buffalo County — \$898
Donovan, Steve, Vernon County — \$1,347
Doucas, Michael, Milwaukee — \$350.70
Hamrick, Michael, Mukwonago — \$116.90
Hazelton, Bill, Chippewa County — \$898
Knoll, Delbert, Eau Claire — \$898

Knopp, Thomas, Waukesha County — \$447.60
Kosmatka, John, Milwaukee — \$1,162.50
Krzyda, Scott, Waukesha — \$1,162.50
Lynde, Joseph, McFarland — \$3,145
Mayfileds, Enoch Eric, Racine County — \$952
Mettlemann, Richard J., Milwaukee — \$2,148
Owens, William, Grant County — \$1,347
Romanovic, Verko, Kenosha — \$1,295.25
(Executive Auto Sales)
Schwab, Scott, Pewaukee — \$700
Stone, Mackie, Pell Lake — \$3,380.60
Thiele, William E., Arlington — \$100
Ultranaotic Marine, Milwaukee — \$116.90
Welsch, Keith and Betty, Highland — \$600
(and \$20,000 in vehicles forfeited)
White, Tim, Minnesota — \$1,000

Dealer Actions (continued from page 8)

Tom Gorak Motors, Milwaukee—A Special Order was issued for logbook violations, vehicles offered for sale without proof of ownership, failing to submit title/registration applications within seven business days, lack of consignment agreements, and allowing individuals to purchase vehicles with their own funds using this dealer's license.

Grinwald Ford Mercury, Inc., Watertown—A Special Order was issued for misrepresentation of sales through another dealership.

Lee Hornburg Motor Co, Oconomowoc—A Special Order was issued and \$3,000 civil forfeiture assessed for forgery, improperly transferring titles to another dealer, showing a phony transaction in order to borrow money, failing to make an entry in logbook, and having no disclosure label or purchase contract. The dealer also agreed to obtain a supplemental bond of \$50,000 in addition to the \$25,000 mandatory bond before obtaining a dealer license.

Inlet Auto, Delavan—Dealer license was revoked for selling vehicles without title and transferring encumbered property (vehicles with liens on them).

JP Motors, Luxemburg—Wholesale dealer license was suspended for 14 days and a \$500 civil forfeiture ordered for removing and switching a public VIN.

Kennedy's Used Car Factory, Madison—Jack and Michael Kennedy were convicted of multiple counts of theft by fraud, transferring encumbered property, and

making false statements on title applications. Their sentences included incarceration, probation, restitution and denial of any future dealer or salesperson licenses.

Kulp's Corner Cars, Richland Center—A Special Order was issued for allowing a salesperson to buy vehicles with his own funds and making it appear they were bought by the dealership.

Larry's Auto Sales, Marshfield—A Special Order was issued for accepting money without executing a purchase contract, misuse of dealer plates, failure to provide a used vehicle disclosure label and odometer statement.

National Import Autos, New Berlin—Dealer license was suspended for six months beginning in December, 1996, and a \$1,000 civil forfeiture was ordered for failure to execute, keep and provide records.

Ripon Auto Sales, Ripon—Dealer license was suspended indefinitely for failing to maintain the required surety bond.

Ruby Auto Recycling, Gilman—A Special Order was issued for failing to keep a record of every vehicle acquired, failing to mail titles or bills of sale to WisDOT within 30 days, removing or altering a VIN, and acting as a motor vehicle dealer without a license.

Security Excel Corp. dba AXXESS, Kenosha—A Special Order was issued with a \$500 forfeiture for selling new vehicles without a franchise.

Dealer Alert (continued from page 4)

Heavy truck dealers can help customers who buy vehicles 55,000 pounds or more gross weight by providing information on Heavy Vehicle Use Tax (HVUT). Sometimes, new carriers don't learn about HVUT until their registration is held up or suspended for non-payment. For a supply of pamphlets and forms, contact DMV's Motor Carrier Section at (608) 266-1356.

Remember—only licensed motor vehicle salvage dealers are allowed to **sell used motor vehicle parts**.

If you **use a new vehicle** for anything other than manufacturer's tests, pre-delivery tests, dealer

exchange or delivery, it must be sold as used and display a used vehicle disclosure label. For example, putting a plow on a new truck and using it to plow your lot all winter, makes the truck a used vehicle.

Transporter plates may be used on truck, truck/tractor and semitrailers in fullmount or saddlemount combinations. Fullmount means a smaller vehicle mounted completely on the frame of the first or last vehicle in a saddlemount. Saddlemount is a means of connecting a truck or truck/tractor to the vehicle in front of it. The maximum allowable configuration is a towing vehicle and three saddlemounted towed vehicles. One fullmount may also be included.

Dealer Actions

A-J Auto Sales, Milwaukee—A Special Order was issued for failing to enter a vehicle in a logbook, selling a vehicle without a proper title, and offering a vehicle for sale with missing odometer statements.

Anderson Auto Sales, Hatley—A citation was issued for failure to transfer title of a vehicle. The dealer was found guilty by default and assessed a \$500 penalty plus court costs. The dealer is now out of business.

Auto Works, Madison—Robert Vohs pled guilty to one count of false title application which occurred before he was licensed as Auto Works. He was fined \$500 and agreed to a 30-day suspension of his dealer license. A Special Order was issued for making a false statement on an application for title.

Capitol Corvette, Madison—In June of 1996, the dealer violated the terms of a previous Special Order by failing to pay money owed on consignment contracts. In July, Dealer Section assisted the Fitchburg Police Department in executing a search warrant. The owner, David Larson, was arrested and charged with theft by bailee. State charges were dropped so Larson could be charged in federal court, and he was forced into Chapter 7 bankruptcy by his creditors. His dealer license was revoked in December, 1996. Larson was indicted in federal court with 23 counts of fraud relating to investments and consignment schemes.

Car Doctors, Hartford—License surrendered because of odometer and record-keeping violations.

Coulee Sales, Holmen—A Special Order was issued for taking individuals to wholesale auctions and

allowing them to buy cars using the dealer license for a fee.

Elderon Truck Parts, Elderon—The dealer, Donald Schwalbach, pled guilty to federal charges of receiving/concealing stolen parts and having vehicle parts with removed VINs. He was sentenced to serve 18 months in federal prison, three years supervised parole, a \$10,000 fine and special assessment fees. Administrative action is pending.

Executive Auto Sales, Kenosha—The dealer pled guilty to 11 counts of failure to transfer title, three counts of acting as a dealer without a license and one count of misuse of a dealer plate. He was ordered to pay fines of \$1,292.25. The dealer is now out of business.

Franzen Motors, Inc., Dodgeville—The dealer, Dan Franzen, pled no contest to four felony counts of obtaining fraudulent loans in the names of his employees and selling vehicles without paying existing liens. He was sentenced to four years probation and 60 days in the county jail with Huber privileges. He agreed to pay \$46,000 restitution to the Wisconsin Department of Revenue. He further agreed that he will never work in the auto business in Wisconsin, and before charges were filed, agreed to pay \$300,000 restitution. Salesperson, James Franzen, pled no contest to two felony counts of selling encumbered property and was sentenced to two years probation and agreed never to work in the auto business in Wisconsin. In a separate administrative action, the dealer license was revoked.

(Continued on page 7.)

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