



**R O S T E R**  
**NEW MOTOR VEHICLE BOARD**

2415 1<sup>st</sup> Avenue, MS L242  
Sacramento, California 95818

<b><u>NAME</u></b>	<b><u>APPOINTING AUTHORITY</u></b>	<b><u>STATUS</u></b>
Anne Smith Boland Term exp. 1-15-27	Governor's Office	Dealer Member
Ashley Dena Term exp. 1-15-26	Governor's Office	Dealer Member
Kathryn Ellen Doi Term exp. 1-15-25	Governor's Office	Public Member
Ardashes (Ardy) Kassakhian Term exp. 1-15-26	Senate Rules Committee	Public Member
Bismarck Obando Term exp. 1-15-26	Governor's Office	Public Member
Brady Schmidt Term exp. 1-15-25	Governor's Office	Dealer Member
Jacob Stevens Term exp. 1-15-27	Governor's Office	Public Member

2415 1<sup>st</sup> Avenue, MS L242  
Sacramento, California 95818  
Telephone: (916) 445-1888  
Board staff contact: Alex Martinez  
[New Motor Vehicle Board website](#)  
DMV press contact: (916) 657-6438  
[dmvpublicaffairs@dmv.ca.gov](mailto:dmvpublicaffairs@dmv.ca.gov)

STATE OF CALIFORNIA  
NEW MOTOR VEHICLE BOARD  
**A G E N D A**  
**GENERAL MEETING**

Glendale City Hall  
Council Chamber Room  
613 E. Broadway, 2<sup>nd</sup> Floor  
Glendale, California 91206  
(818) 548-2094

November 1, 2024

Please note that Board action may be taken regarding any of the issues listed below. As such, if any person has an interest in any of these issues, they may want to attend.

The Board provides an opportunity for members of the public to comment on each agenda item before or during the discussion or consideration of the item as circumstances permit. (Gov. Code § 11125.7)

1. **9:30 a.m. -- Meeting called to order.**
2. **Roll Call.**
3. **Pledge of Allegiance.**
4. **Presentation of Resolution to Ramon Alvarez C., former Dealer Board Member.**
5. **Virtual presentation of Resolution to Anthony M. Skrocki, designated Law and Motion Administrative Law Judge.**
6. **Virtual presentation of the Solon C. Soteras Employee Recognition Award to Administrative Law Judge Anthony M. Skrocki and Robin P. Parker, Chief Counsel.**

7. **Educational presentation on the automotive franchise system by Darryl Holter, previous owner of Felix Chevrolet and author of *Driving Force* - Board Development Committee.**
8. **Introduction and welcome of Christina Michel, Chief of Investigations, Department of Motor Vehicles - Board Development Committee.**
9. **Approval of the Minutes from the August 9, 2024, General Meeting, and August 9, 2024, Meeting of the Ad Hoc Committee on Equity, Justice and Inclusion.**
10. **Conversion of the Ad Hoc Committee on Equity, Justice and Inclusion to a standing committee, by the Board President.**
11. **Appointment of primary and alternate members to the Committee on Equity, Justice and Inclusion, by the Board President.**
12. **Update on Board Development Activities - Board Development Committee.**
13. **Discussion and consideration of proposed increases to the Annual Fee paid by dealers, manufacturers, and distributors within the Board's jurisdiction to "fully fund the activities" of the Board. (Veh. Code § 3016) - Fiscal Committee.**
14. **Discussion and consideration of proposed regulatory amendments pertaining to Board fees - Policy and Procedure Committee.**
  - A. Annual Board Fee (13 CCR § 553)
  - B. Determination of Annual Board Fee. (13 CCR § 553.20)
15. **Report on the Board's financial condition and related fiscal matters - Fiscal Committee.**
  - a. Report on the Board's Financial Condition for the 4<sup>th</sup> quarter of Fiscal Year 2023-2024.
  - b. Report of the Board's Financial Condition for the 1<sup>st</sup> quarter of Fiscal Year 2024-2025 and the fiscal impact of utilizing the Office of Administrative Hearings to preside over merits hearings.
  - c. Report concerning the Board's collection of its Annual Board Fee.
16. **Discussion of the 2025 New Motor Vehicle Board Industry Roundtable - Government and Industry Affairs Committee.**

17. **Discussion concerning enacted legislation - Legislative Committee.**
  - a. Enacted Legislation of Special Interest: None
  - b. Enacted Legislation of General Interest:
    - (1) Assembly Bill 1755 (Assembly Member Kalra and Senator Umberg; Ch. 938. Stats. 2024) - Civil actions: restitution for or replacement of a new motor vehicle.
    - (2) Assembly Bill 1777 (Assembly Member Ting; Ch. 682. States. 2024) - Autonomous vehicles.
    - (3) Assembly Bill 1849 (Assembly Member Grayson; Ch. 196, Stats. 2024) - Song-Beverly Consumer Warranty Act: services and repairs: travel trailers and motor homes.
  - c. Pending Federal Legislation of General Interest: None
18. **Discussion and consideration of proposed regulatory amendments to the Board's Conflict of Interest Code in Section 599 of Title 13 of the California Code of Regulations - Policy and Procedure Committee.**
19. **Executive Director's Report.**
  - A. Administrative Matters.
  - B. Case Management.
  - C. Judicial Review.
  - D. Notices Filed Pursuant to Vehicle Code sections 3060/3070 and 3062/3072.
  - E. Other.
20. **Selection of Board meeting dates for 2025.**
21. **Closed Executive Session.**

Pursuant to Government Code section 11126(a)(1), all members of the Board shall convene in a closed Executive Session.

**Consideration of annual performance review for Executive Director - Executive Committee.**

Consideration of annual performance review for Executive Director, by all members of the Board.
22. **Open Session.**
23. **Public Comment. (Gov. Code § 11125.7)**

24. **Adjournment.**

To request special accommodations for persons with disabilities at this or any future Board meeting or to request any accommodation for persons with disabilities necessary to receive agendas or materials prepared for Board meetings, please contact Alex Martinez at (916) 445-1888 or [Alejandro.martinez2@dmv.ca.gov](mailto:Alejandro.martinez2@dmv.ca.gov).



## Memorandum

**Date : OCTOBER 17, 2024**

**To : ALL BOARD MEMBERS**

**From : TIMOTHY M. CORCORAN**

**Subject : UPCOMING EVENTS**

The following highlights the upcoming Board and industry events:

- November 1, 2024, Special Meeting (Glendale)
- November 1, 2024, General Meeting (Glendale)
- November 1, 2024, Ad Hoc Committee on Equity, Justice and Inclusion (Glendale)
- November 21, 2024, AutoMobility LA (formerly Los Angeles Auto Show Press and Trade Days; Los Angeles)
- January 23-26, 2025 NADA Show 2024 (New Orleans)
- February or March 2025, General Meeting (date/location to be determined)
- March 26, 2025 California New Car Dealers Association's (CNCD) Dealer Day (Sacramento)
- March 27, 2025 Industry Roundtable (Sacramento)
- Summer 2025, General Meeting (location to be determined)
- September 9-12, National Association of Motor Vehicle Boards and Commissions (NAMVBC) Fall Conference (Arizona)
- Fall/Winter 2025, General Meeting (location to be determined)

If you have any questions or concerns about any of the upcoming Board meetings, please do not hesitate to contact me at (916) 244-6774.



## Memorandum

**Date** : OCTOBER 4, 2024

**To** : BOARD DEVELOPMENT COMMITTEE  
KATHRYN E. DOI, CHAIR  
BRADY SCHMIDT, MEMBER

**From** : TIMOTHY M. CORCORAN

**Subject** : UPDATE ON BOARD ACTIVITIES

In an effort to have on-going discussions regarding Board Member education and activities of interest, the Board Development Committee suggested agendaizing this topic at each Board Meeting to get input from the members. Additionally, education on topics of interest are scheduled for most General Meetings.

The Board education planned for the November 1, 2024 General Meeting in Glendale follows:

- Introduction and welcome of Christina Michel, Chief of Investigations, Department of Motor Vehicles.
- A presentation on the history of the automotive franchise system, by historian and author Darryl Holter.

Educational presentations will be agendaized for each Board Meeting. Board Members can advise staff of any topics they wish to receive more information or training, which will be added to the following list:

- Presentation from dealer and manufacturer attorneys on common disputes between, and differing perspectives of, franchisees and their franchisors.
- Presentation on industry strategies to assure ZEV profitability, by dealer and manufacturer representatives.
- Presentation on implementation of alternative fuel vehicles in mass transit.
- Presentations highlighting local efforts to make communities ZEV-ready.
- Topics on Board procedure, including:
  - Writs of Administrative Mandate.
  - Stipulated Decisions and Orders.
  - Dealer Member Participation.

## Update on Board Development Activities

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October 4, 2024

- Foundational Board published cases and their common application.
- Petitions.
- Case management procedures:
  - Paths a protest can take (law and motion, settlement, merits hearing).
  - Types of protests and the various burdens of proof.
  - Role of the statutorily required notices and time to file a protest.
  - Protests that do not require a notice.

The information in this memorandum is provided for informational purposes only at the November 1, 2024, General Meeting. No Board action is required.

If you have any questions or require additional information, please do not hesitate to contact me at (916) 244-6774.

cc: Ardy Kassakhian, President





## Memorandum

**Date : OCTOBER 10, 2024**

**To : FISCAL COMMITTEE  
BISMARCK OBANDO, CHAIR  
ASHLEY DENA, MEMBER**

**From : TIMOTHY CORCORAN  
KIMBERLEE VAYE  
PENNY BHATTI**

**Subject : DISCUSSION AND CONSIDERATION OF PROPOSED INCREASES TO THE ANNUAL FEE PAID BY DEALERS, MANUFACTURERS, AND DISTRIBUTORS WITHIN THE BOARD'S JURISDICTION TO "FULLY FUND THE ACTIVITIES" OF THE BOARD**

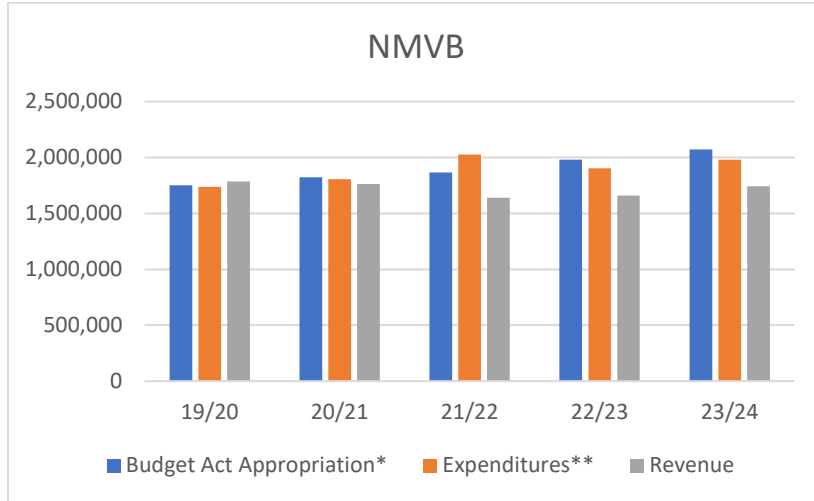
On August 9, 2024 at its General Meeting, the Board determined that its operating fund had depleted below its desired 12-month reserve balance as a result of revenue shortfalls coupled with increased operating costs since the onset of the Covid-19 pandemic, and related supply chain challenges impacting new motor vehicle sales in California. Further, the Board predicted insolvency of the operating fund is likely to occur without an intervening action. Therefore, the Board directed the staff to, in consult with Department of Motor Vehicles Budget Office staff, prepare a fee increase proposal for presentation to the Fiscal Committee and to the full Board at its next General Meeting.

The majority of the Board's revenue is derived from licensing fees collected from dealers of new motor vehicles, and manufactures/distributors who distribute their new motor vehicles in California. The current Annual Board Fee per manufacturer or distributor is charged at a rate \$.45 per vehicle distributed in the State, with a minimum of \$300 per year, and the dealer licensing fee is \$300 per year.

Below is the complete history of fee changes for the New Motor Vehicle Board:

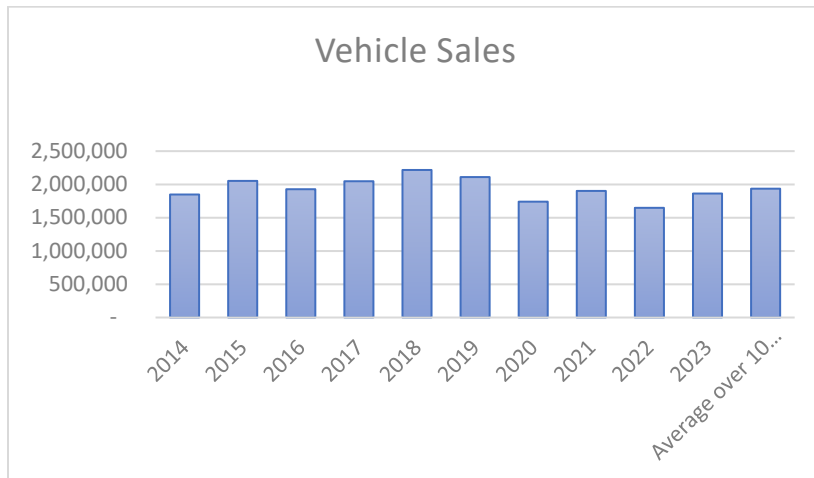
- 2000: Annual Board Fee was reduced to \$0 to reduce an operating fund surplus.
- 2001: Original fees of \$.45 and \$300 were reinstated.
- 2002: Fees reduced to \$.338 per vehicle with a minimum fee of \$225 per manufacturer or distributor and the dealer licensing fee was reduced to \$225. This fee structure was in place for nine years from 2002-2011.
- 2012: Original fees of \$.45 and \$300 were reinstated.
- 2014: The Board considered a fee increase, but ultimately abandoned this proposal based on improving new motor vehicle sales forecasts, indicating the fund condition would likely improve without intervention. Therefore, the fees remained at \$.45 and \$300.

The following chart depicts the Board’s annual appropriation (spending authority), actual expenditures, and actual revenue, for Fiscal Years 19/20, 20/21, 21/22, 22/23, and 23/24.



\*At time of E-Budget Publication  
[California Budget](#)  
 \*\*Includes Pro Rata and Supplemental Pension Payments

The following chart depicts new motor vehicle sales in California, per year, since 2014. Approximately 50 percent of the Board’s revenue is directly affected by new motor vehicle sales.



Vehicle Sales numbers are from DMV / NMVB except for years 2015, 2016, 2017 taken from California Auto Outlook.  
 \*2020- Sales dropped due to COVID 19- sales were subject to periods of ups and downs due to surges in the virus and any business shutdowns.  
 \*\*2022- Sales dropped- Supply chain issues persisted, and vehicle production cutbacks were significantly higher than projected at the beginning of 2022. New light vehicle registrations in California declined 10.2 percent from 2021 to 2022.

\*California Auto Outlook, Volume 16, Number 3, Released August 2020  
 \*\* California Auto Outlook, Volume 19, Number 1, Released February 2023

Looking ahead, if no action is taken, the fund is projected to become insolvent during Fiscal Year 28/29. Our goal is to restore adequate funds in reserve, equal to the Board’s annual expenditures. While the Board has significantly reduced operating costs, and continues to spend below its annual appropriation, those reductions on their own are insufficient to achieve the necessary alignment of revenue to expenditures.

To address the revenue shortfall, Board staff considered and have presented to the Fiscal Committee two fee increase scenarios for consideration, as detailed in the attachment. One scenario proposes an increase of approximately 30 percent, and another proposes an

increase of approximately 41 percent.

To illustrate the impact of these proposals, the attachment also displays tables reflecting the projected changes to the fund condition over time under the respective fee adjustments. A similar table is included which reflects no fee increase, to display the projected trajectory of the continued fund depletion leading to insolvency in Fiscal Year 28/29 without intervention.

This matter will be discussed and considered by the Board at its November 1, 2024, General Meeting.

If you have any questions or require additional information, please contact me at (916) 244-6774, Kim at (916) 818-2993, or Penny at (916) 964-4208.

Attachment as stated

cc: Ardy Kassakhian, President

**Fee increase scenarios assume that revised Regulation will go into effect Fiscal Year 26/27 (collecting on 2025 calendar year new vehicle sales)**

- All options after FY 24/25 are calculated based on average new vehicle sales 2014-2024 =1,935,776 with 99% of vehicles as per vehicle fee.
- Dealer fee of \$300 for new applicants and renewal every two years. Dealer licensing fee average from last 5 years is \$814,238=appx. 2714 dealers.
- Expenditures include Operating Expenses, Pro Rata and Supplemental Pension Payments/SB 84 (if applicable) are calculated with 2% increase starting FY 26/27
- Miscellaneous revenue is average amount collected from Filing Fees, Document Sales, and Arbitration Certification Program

**Scenario 1: No changes made – Insolvency projected during Fiscal Year 28/29**

CY vehicle sales	Fiscal year	Beginning Balance	Dealer Licensing Fee	Average # of Vehicles for per vehicle charge	Fee per vehicle	Total collected from Dealer Fees	Total collected from Manufacturers/Distributors <i>\$30,900 collected from average # paying minimum (103)</i>	Misc. revenue	Total Revenue	Estimated Expenditures
2023	24/25	\$1,639,000	\$300	1,844,365	0.45	\$814,238	\$866,372	\$15,540	\$1,696,150	-\$2,053,000
2024	25/26	\$1,282,150	\$300	1,916,418	0.45	\$814,238	\$893,288	\$15,540	\$1,723,066	-\$2,090,880
2025	26/27	\$914,336	\$300	1,916,418	0.45	\$814,238	\$893,288	\$15,540	\$1,723,066	-\$2,129,518
2026	27/28	\$507,884	\$300	1,916,418	0.45	\$814,238	\$893,288	\$15,540	\$1,723,066	-\$2,168,928
2027	28/29	\$62,022	\$300	1,916,418	0.45	\$814,238	\$893,288	\$15,540	\$1,723,066	-\$2,209,127
2028	29/30	-\$424,038	\$300	1,916,418	0.45	\$814,238	\$893,288	\$15,540	\$1,723,066	-\$2,250,129
2029	30/31	-\$951,101	\$300	1,916,418	0.45	\$814,238	\$893,288	\$15,540	\$1,723,066	-\$2,267,952

**Scenario 2: Fee increase of appx. 30% (\$.60 & \$400) – Fund solvency projected through Fiscal Year 37/38**

CY vehicle sales	Fiscal year	Beginning Balance	Dealer Licensing Fee	Average # of Vehicles for per vehicle charge	Fee per vehicle	Total collected from Dealer Fees	Total collected from Manufacturers/Distributors <i>\$41,200 collected from average # paying minimum (103) starting FY 26/27</i>	Misc. revenue	Total Revenue	Estimated Expenditures
2023	24/25	1,639,000	\$300	1,844,365	0.45	\$814,238	\$866,372	\$15,540	\$1,696,150	-\$2,053,000
2024	25/26	\$1,282,150	\$300	1,916,418	0.45	\$814,238	\$893,288	\$15,540	\$1,723,066	-\$2,090,880
2025	26/27	\$914,336	\$400	1,916,418	0.60	\$1,082,936	\$1,191,050	\$15,540	\$2,289,526	-\$2,129,518
2026	27/28	\$1,074,344	\$400	1,916,418	0.60	\$1,082,936	\$1,191,050	\$15,540	\$2,289,526	-\$2,168,928
2027	28/29	\$1,194,942	\$400	1,916,418	0.60	\$1,082,936	\$1,191,050	\$15,540	\$2,289,526	-\$2,209,127
2028	29/30	\$1,275,342	\$400	1,916,418	0.60	\$1,082,936	\$1,191,050	\$15,540	\$2,289,526	-\$2,250,129
2029	30/31	\$1,314,739	\$400	1,916,418	0.60	\$1,082,936	\$1,191,050	\$15,540	\$2,289,526	-\$2,267,952
2030	31/32	\$1,336,313	\$400	1,916,418	0.60	\$1,082,936	\$1,191,050	\$15,540	\$2,289,526	-\$2,310,611
2031	32/33	\$1,315,229	\$400	1,916,418	0.60	\$1,082,936	\$1,191,050	\$15,540	\$2,289,526	-\$2,354,123
2032	33/34	\$1,250,632	\$400	1,916,418	0.60	\$1,082,936	\$1,191,050	\$15,540	\$2,289,526	-\$2,398,505
2033	34/35	\$1,141,652	\$400	1,916,418	0.60	\$1,082,936	\$1,191,050	\$15,540	\$2,289,526	-\$2,443,775
2034	35/36	\$987,403	\$400	1,916,418	0.60	\$1,082,936	\$1,191,050	\$15,540	\$2,289,526	-\$2,489,951
2035	36/37	\$786,978	\$400	1,916,418	0.60	\$1,082,936	\$1,191,050	\$15,540	\$2,289,526	-\$2,537,050
2036	37/38	\$539,454	\$400	1,916,418	0.60	\$1,082,936	\$1,191,050	\$15,540	\$2,289,526	-\$2,585,091
2037	38/39	\$243,889	\$400	1,916,418	0.60	\$1,082,936	\$1,191,050	\$15,540	\$2,289,526	-\$2,634,093
2038	39/40	-\$100,678	\$400	1,916,418						

**Scenario 3: Fee increase of appx. 41% (\$.65 & \$425) – Fund solvency projected through Fiscal Year 43/44**

CY vehicle sales	Fiscal year	Beginning Balance	Dealer Licensing Fee	Average # of Vehicles for per vehicle charge	Fee per vehicle	Total collected from Dealer Fees	Total collected from Manufacturers/Distributors <i>\$43,075 collected from average # paying minimum (103) starting FY 26/27</i>	Misc. revenue	Total Revenue	Estimated Expenditures
2023	24/25	1,639,000	\$300	1,844,365	0.45	\$814,238	\$866,372	\$15,540	\$1,696,150	-\$2,053,000
2024	25/26	\$1,282,150	\$300	1,916,418	0.45	\$814,238	\$893,288	\$15,540	\$1,723,066	-\$2,090,880
2025	26/27	\$914,336	\$425	1,916,418	0.65	\$1,148,094	\$1,289,446	\$15,540	\$2,453,080	-\$2,129,518
2026	27/28	\$1,237,898	\$425	1,916,418	0.65	\$1,148,094	\$1,289,446	\$15,540	\$2,453,080	-\$2,168,928
2027	28/29	\$1,522,050	\$425	1,916,418	0.65	\$1,148,094	\$1,289,446	\$15,540	\$2,453,080	-\$2,209,127
2028	29/30	\$1,766,004	\$425	1,916,418	0.65	\$1,148,094	\$1,289,446	\$15,540	\$2,453,080	-\$2,250,129
2029	30/31	\$1,968,955	\$425	1,916,418	0.65	\$1,148,094	\$1,289,446	\$15,540	\$2,453,080	-\$2,267,952
2030	31/32	\$2,154,083	\$425	1,916,418	0.65	\$1,148,094	\$1,289,446	\$15,540	\$2,453,080	-\$2,310,611
2031	32/33	\$2,296,553	\$425	1,916,418	0.65	\$1,148,094	\$1,289,446	\$15,540	\$2,453,080	-\$2,354,123
2032	33/34	\$2,395,510	\$425	1,916,418	0.65	\$1,148,094	\$1,289,446	\$15,540	\$2,453,080	-\$2,398,505
2033	34/35	\$2,450,084	\$425	1,916,418	0.65	\$1,148,094	\$1,289,446	\$15,540	\$2,453,080	-\$2,443,775
2034	35/36	\$2,459,389	\$425	1,916,418	0.65	\$1,148,094	\$1,289,446	\$15,540	\$2,453,080	-\$2,489,951
2035	36/37	\$2,422,518	\$425	1,916,418	0.65	\$1,148,094	\$1,289,446	\$15,540	\$2,453,080	-\$2,537,050
2036	37/38	\$2,338,548	\$425	1,916,418	0.65	\$1,148,094	\$1,289,446	\$15,540	\$2,453,080	-\$2,585,091
2037	38/39	\$2,206,537	\$425	1,916,418	0.65	\$1,148,094	\$1,289,446	\$15,540	\$2,453,080	-\$2,634,093
2038	39/40	\$2,025,524	\$425	1,916,418	0.65	\$1,148,094	\$1,289,446	\$15,540	\$2,453,080	-\$2,684,075
2039	40/41	\$1,794,530	\$425	1,916,418	0.65	\$1,148,094	\$1,289,446	\$15,540	\$2,453,080	-\$2,735,056
2040	41/42	\$1,512,554	\$425	1,916,418	0.65	\$1,148,094	\$1,289,446	\$15,540	\$2,453,080	-\$2,787,057
2041	42/43	\$1,178,576	\$425	1,916,418	0.65	\$1,148,094	\$1,289,446	\$15,540	\$2,453,080	-\$2,840,098
2042	43/44	\$791,558	\$425	1,916,418	0.65	\$1,148,094	\$1,289,446	\$15,540	\$2,453,080	-\$2,894,200
2043	44/45	\$350,438	\$425	1,916,418	0.65	\$1,148,094	\$1,289,446	\$15,540	\$2,453,080	-\$2,949,384
2044	45/46	-\$145,867								



## Memorandum

**Date** : OCTOBER 10, 2024

**To** : POLICY AND PROCEDURE COMMITTEE  
JACOB STEVENS, CHAIR  
KATHRYN ELLEN DOI, MEMBER

**From** : TIMOTHY M. CORCORAN  
ROBIN P. PARKER

**Subject** : DISCUSSION AND CONSIDERATION OF PROPOSED REGULATORY AMENDMENTS PERTAINING TO BOARD FEES

Based on the recommendations of the Department of Motor Vehicles' ("Department") Budget Office, staff are proposing regulatory amendments to increase fees collected by the Board that fully fund its operation. (Veh. Code § 3016; 13 CCR §§ 553, 553.20)

### Annual Board Fee

The Board is a special fund agency which derives its operating income from fees assessed on new motor vehicle dealers, manufacturers, and distributors within its jurisdiction that are licensed in California by the Department. None of the Board's annual budget is derived from the General Fund.

Historically, the Annual Board Fee per manufacturer or distributor has been \$.45 per vehicle with a minimum of \$300 and the dealer fee has been \$300. In an effort to reduce the Board's excessive surplus, the Annual Board Fee was reduced to \$0 in 2000. Those fees were reinstated in 2001 and ultimately reduced in 2002 to \$.338 per vehicle with a minimum fee of \$225 per manufacturer or distributor and the dealer fee was reduced to \$225. This fee structure was in place from 2002-2011.

The reduced fees coupled with the economic downturn of 2007-2008, made it necessary for the Board to supplement its annual income with its cash reserves. In 2011, the Board forecasted continued slow growth and recovery in the new motor vehicle industry. So the Annual Board Fee per manufacturer or distributor was reinstated from \$.338 to \$.45 per vehicle with a minimum of \$300 instead of \$225, and the dealer fee was reinstated from \$225 to \$300. This fee reinstatement became effective in March 2012.

From 2013 through 2019, on average, 2.04 million new motor vehicle sales occurred each year in California subject to NMVB fee collection. Since the onset of the Covid-19 pandemic and the global supply chain shortage, annual sales have now averaged 1.78 million. With

Proposed Regulatory Amendments

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roughly 50% of NMVB's revenue tied directly to these vehicle distributions, our funds in reserve have been depleting since 2020 to cover the revenue shortfall. Operating costs and personal services expenditures have increased over this same period, exacerbating the issue and making fund insolvency a fast-approaching certainty. Based on the Department's assessment, if the subject fees remain at current levels, the Board will lack sufficient operating funds, and by the end of the 2028/2029 fiscal year, the Board's cash reserves will be depleted. Therefore, an increase in the Annual Board Fee per manufacturer or distributor to \$.60 per vehicle with a minimum of \$400 and an increase in the dealer fee to \$400 is proposed for Board consideration.

If the Board adopts the proposed regulatory amendments, the staff will proceed with the rulemaking process as delineated in Government Code section 11340, et seq. Updates concerning the status of the rulemaking process will be provided at future Board meetings during the Administrative Matters portion of the Executive Director's Report.

This matter is being agendaized for discussion and consideration at the November 1, 2024, General Meeting.

If you have any questions or require additional information, please contact me at (916) 244-6774 or Robin at (916) 244-6776.

Attachment: as stated

cc: Ardashes Kassakhian, President



## **§ 553. Annual Board Fee.**

(a) Pursuant to section 11723 of the Vehicle Code, every applicant for a license as a new motor vehicle dealer or dealer branch, and every applicant for renewal of a license as a new motor vehicle dealer or dealer branch, shall pay to the department for each issuance or renewal of such license, the sum of ~~\$300.00~~ ~~\$400.00~~, per year of licensure, in addition to all other fees now required by the Vehicle Code. For the purposes of this section, a dealer or dealer branch which is enfranchised to sell both new motorcycles and new motor vehicles other than motorcycles shall be subject to a licensing fee for sales of motorcycles and a licensing fee for sales of motor vehicles other than motorcycles.

(b) Pursuant to section 3016 of the Vehicle Code, every new motor vehicle manufacturer and distributor shall pay to the Board an annual fee of ~~\$.45~~ ~~\$.60~~ per new motor vehicle distributed by the manufacturer or distributor which was sold, leased, or otherwise distributed in California to a consumer of such new motor vehicles during the preceding calendar year, provided, however, that the fee to be paid by each manufacturer or distributor shall not be less than ~~\$300.00~~ ~~\$400.00~~.

The board may waive fees for a new motor vehicle manufacturer or distributor licensed in California, based on a determination that the manufacturer or distributor either does not sell vehicles in California or does not have an independent dealer or dealer branch in California.

NOTE: Authority cited: Section 3050(a), Vehicle Code. Reference: Sections 3016 and 11723, Vehicle Code.

### **§ 553.20. Determination of Annual Board Fee.**

Upon receipt of the information required by Section 553.10(a), or as determined by Section 553.10(b), the Board shall calculate the Annual Board Fee to be paid by each manufacturer and distributor by multiplying the annual fee per vehicle (as set forth in Section 553(b)) by the number of new motor vehicles distributed by the manufacturer or distributor in the preceding calendar year provided, however, that the fee to be paid by each manufacturer or distributor shall not be less than ~~\$300.00~~ ~~\$400.00~~. The Board shall thereafter send a written notice by regular mail or electronic-mail to each manufacturer and distributor stating the number of new motor vehicles distributed by the manufacturer or distributor and the amount of the fee to be paid.

Payment of the fee shall be made to the New Motor Vehicle Board no later than thirty (30) days after the date of receipt of the notice.

NOTE: Authority cited: Section 3050(a) and 3016, Vehicle Code. Reference: Section 3050(a) and 3016, Vehicle Code.



# Memorandum

**Date** : October 10, 2024

**To** : FISCAL COMMITTEE  
 BISMARCK OBANDO, CHAIR  
 ASHLEY DENA, MEMBER

**From** : SUZANNE LUKE  
 KIMBERLEE VAYE  
 TIMOTHY CORCORAN

**Subject** : REPORT ON THE BOARD’S FINANCIAL CONDITION FOR THE 4<sup>TH</sup> QUARTER OF FISCAL YEAR 2023-2024

The following is a financial summary of the Board’s expenditures and revenue through the 4<sup>th</sup> quarter of Fiscal Year (FY) 2023-2024.

### Revenue Fiscal Year 2023-24

Beginning Reserve Balance	Revenue Fiscal Year-to-Date
\$1,818,000	\$1,743,384

### Expenditures Fiscal Year 2023-24

Annual Appropriation	Quarter 1 Expenditures	Quarter 2 Expenditures	Quarter 3 Expenditures	Quarter 4 Expenditures	Total Expenditures	Appropriation Remaining %
\$2,153,000	\$344,927	497,430	392,085	496,065	\$1,730,507	20%

Ending Reserve Balance – The operating fund’s end of fiscal year adjusted balance is \$1,639,000 after expenditure adjustments from Operation Expenditures, Supplemental Pension Payments, and Statewide General Administrative Expenditures (Pro Rata).

This memorandum is being provided for informational purposes only, and no Board action is required. If you have any questions prior to the Board Meeting, please contact me at (916) 244-6778.

Attachments as stated

cc: Ardy Kassakhian, President

## Fourth Quarter Revenue and Expenditure Summary

Fiscal Year 2023-2024

Covers July 1, 2023 to June 30, 2024

### REVENUES

New Dealer Licensing Fee:	\$969,760
Manufacturer and Distributor Fee	\$766,948
NMVB Filing Fee	\$5,800
Miscellaneous Services	\$160
Arbitration Program	\$716
Year-to-date total:	\$1,743,384

### EXPENDITURES

#### Payroll

Full-Time staff salaries:  
Budgeted Amount: \$1,116,000  
Expended: \$940,662

Part-Time staff salaries:  
Budgeted Amount: \$81,000  
Expended: \$166,559

Benefits:  
Budgeted Amount: \$676,000  
Expended: \$469,725

#### Operating Expense and Equipment

*General Expense* (includes equipment, office supplies, dues, legal library, etc.):  
Budgeted Amount: \$34,596  
Expended: \$17,160

*Travel In-State:*  
Budgeted Amount: \$16,000  
Expended: \$4,153

*Rent:*  
Budgeted Amount: \$5,000  
Expended: \$0.00

*Facilities Planning:*  
Budgeted Amount: \$6,000  
Expended: \$427

*Professional Services (Attorney General):*

Budgeted Amount: \$36,000

Expended: \$18,315

*Office of Administrative Hearings:*

Budgeted Amount: \$89,814

Expended: \$98,448

*Professional Services (Court Reporters):*

Budgeted Amount: \$19,000

Expended: \$8,902

**TOTAL OPERATING EXPENSE AND EQUIPMENT**

Budgeted Amount: \$245,000

Expenditure Year to Date: \$153,561

**GRAND TOTAL – Fiscal Year 2023-2024**

Appropriation: \$2,153,000

Revenue Year to Date: \$1,743,384

Expenditure Year to Date: \$1,730,507



# Memorandum

**Date : October 10, 2024**

**To : FISCAL COMMITTEE  
BISMARCK OBANDO, CHAIR  
ASHLEY DENA, MEMBER**

**From : SUZANNE LUKE  
KIMBERLEE VAYE  
TIMOTHY CORCORAN**

**Subject : REPORT ON THE BOARD’S FINANCIAL CONDITION OF FISCAL YEAR 2024-2025  
(JULY THROUGH AUGUST)**

The following is a financial summary of the Board’s most current expenditures and revenue reflecting July through August of Fiscal Year (FY) 2024-2025. The September reports would have completed the first quarter but were not available in time for this meeting.

### Revenue Fiscal Year 2024-25

Beginning Reserve Balance	Revenue July - August	Quarter 2 Revenue	Quarter 3 Revenue	Quarter 4 Revenue
\$1,639,000	\$1,020,641			

### Expenditures Fiscal Year 2024-25

Annual Appropriation	July - August Expenditures	Quarter 2 Expenditures	Quarter 3 Expenditures	Quarter 4 Expenditures	Total Expenditures	Appropriation Remaining %
\$2,163,000	\$261,732	TBD	TBD	TBD	\$261,732	88%

Current Reserve Balance – \$2,397,909 balance after August Expenditures. The Board expended 12% of its appropriated budget.

- New Motor Vehicle Board (NMVB) Annual Fee – The NMVB annual collection of fees from manufacturers and distributors began in July. Staff have collected \$863,371.81 of the \$866,371.81 from manufacturers and distributors under NMVB jurisdiction.

- Fiscal Impact of Office of Administrative Hearings – With tracking of a merits hearing we now have an estimate of costs. We have allotted \$157,590.00 for fiscal year 2024-2025.

This memorandum is being provided for informational purposes only, and no Board action is required. If you have any questions prior to the Board Meeting, please contact me at (916) 244-6778.

Attachments as stated

cc: Ardy Kassakhian, President

**Revenue and Expenditure Summary**  
Fiscal Year 2024-2025  
Covers July 1, 2024 to August 31, 2024

**REVENUES**

New Dealer Licensing Fee:	\$152,180
Manufacturer and Distributor Fee	\$863,372
NMVB Filing Fee	\$3,000
Miscellaneous Services	\$0
Arbitration Program	\$2,089
Year-to-date total:	\$1,020,641

**EXPENDITURES**

**Payroll**

Full-Time staff salaries:  
Budgeted Amount: \$1,117,000  
Expended: \$158,265

Part-Time staff salaries:  
Budgeted Amount: \$78,000  
Expended: \$18,305

Benefits:  
Budgeted Amount: \$685,000  
Expended: \$72,656

**Operating Expense and Equipment**

*General Expense* (includes equipment, office supplies, dues, legal library, etc.):  
Budgeted Amount: \$36,410  
Expended: \$1,139

*Travel In-State:*  
Budgeted Amount: \$10,000  
Expended: \$812

*Professional Services (Attorney General):*  
Budgeted Amount: \$18,500  
Expended: \$0

*Office of Administrative Hearings:*  
Budgeted Amount: \$157,590  
Expended: \$0

*Professional Services (Court Reporter):*

Budgeted Amount: \$19,000

Expended: \$850

**TOTAL OPERATING EXPENSE AND EQUIPMENT**

Budgeted Amount: \$245,000

Expenditure Year to Date: \$2,961

**GRAND TOTAL – Fiscal Year 2024-2025**

Appropriation: \$2,163,000

Revenue Year to Date: \$1,020,641

Expenditure Year to Date: \$261,732





## Memorandum

**Date** : October 10, 2024

**To** : LEGISLATIVE COMMITTEE  
ARDY KASSAKHIAN, CHAIR  
JAKE STEVENS, MEMBER

**From** : TIMOTHY M. CORCORAN  
JASON A. ROSE

**Subject** : DISCUSSION CONCERNING ENACTED LEGISLATION

The following provides a summary of enacted legislation that is of interest to the New Motor Vehicle Board ("Board"). The criteria for reporting on "legislation of general interest" is that the bill impacts the Vehicle Code, the Board, and/or the automotive industry in general and does not directly impact the Board or its enabling statute. For purposes of this report "legislation of special interest" is that which directly affects the Board's laws or functions.

Bill summaries include a brief overview of the bill as provided by the Legislative Counsel's Digest or the Congressional Research Service, if available.<sup>1</sup>

a. Enacted Legislation of Special Interest: None.

b. Enacted Legislation of General Interest:

- (1) **Assembly Bill 1755 – Assembly Member Kalra and Senator Umberg** (Introduced March 2, 2023)<sup>2</sup>  
**Status:** Chaptered September 29, 2024, Chapter 938, Statutes of 2024.  
**Support:** Consumer Attorneys of California (sponsor), General Motors (sponsor), California Judges Association, RV Industry Association.  
**Opposition:** American Honda Motor Company, Autos Drive America, BMW of North America, LLC, CALPIRG, Center for Auto Safety, Consumer Federation of America, Consumer Protection Policy Center/USD School

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<sup>1</sup> All statutory references are to the Vehicle Code, unless otherwise indicated.

<sup>2</sup> Assembly Member Kalra used a gut-and-amend tactic to take an existing bill, scrape out the language and replace it with the new lemon law measure. The bill with the lemon law measure was introduced on August 26, 2024.

of Law, Consumers for Auto Reliability and Safety, Housing and Economic Rights Advocates, Hyundai Motor Company, Kia Motors Corporation, Kids and Car Safety, Lucid, Mazda, Mercedes-Benz, National Association of Consumer Advocates, National Consumer Law Center, National Consumers League, North American Subaru, INC. , Porsche Cars North America, Public Counsel, Rise Economy, Safety Research and Strategies, Strategic Legal Practices, Toyota Motor North America, INC., Trauma Foundation, Tesla, Volkswagen of America, Volvo Group North America

**Legislative Counsel's Digest:** Civil actions: restitution for or replacement of a new motor vehicle.

This bill significantly alters the procedures for handling vehicle defect claims under California's "Lemon Law," so consumers can get their car replaced or bought back within months rather than years. AB 1755 enacts prelitigation notices to enable consumers to resolve claims out-of-court. The bill also streamlines discovery and mediation of lemon law claims and adopts several new consumer-friendly remedies designed to facilitate the timely resolution of lemon law disputes.

Existing law, the Song-Beverly Consumer Warranty Act, provides that if a manufacturer of a new motor vehicle, as defined, or the manufacturer's in-state representative, is unable to service or repair the vehicle to conform to the applicable express warranties after a reasonable number of attempts, the manufacturer must either repurchase or replace the vehicle, as specified. Existing law, the Tanner Consumer Protection Act, creates the presumption that a reasonable number of attempts have been made to conform a new motor vehicle to the applicable express warranties if specified conditions are met. Under existing law, the buyer of a new motor vehicle may not assert this presumption until after the buyer has initially resorted to a qualified third-party dispute resolution process, if that process exists, and certain additional conditions are met. Existing law provides that if, among other things, a qualified third-party dispute resolution process does not exist, the buyer of a new motor vehicle may assert the above presumption in an action to enforce the buyer's rights under the Song-Beverly Consumer Warranty Act. Existing law provides that the buyer of a new motor vehicle who is damaged by a manufacturer's failure to comply with specified requirements of the Song-Beverly Consumer Warranty Act or the Tanner Consumer Protection Act may bring an action for the recovery of damages and other equitable and legal relief.

This bill would provide that an action seeking the restitution for or replacement of a new motor vehicle, or for civil penalties, pursuant to the provisions of the Song-Beverly Consumer Warranty Act or Tanner Consumer Protection Act described above must be commenced within one year after the expiration of the

applicable express warranty, and in no event may be brought no later than 6 years after the date of original delivery of the vehicle, subject to specified tolling provisions. Beginning April 1, 2025, the bill would require the consumer to, prior to seeking civil penalties, provide a written notice to the manufacturer that, among other things, demands the manufacturer's restitution for or replacement of the consumer's vehicle. The bill would require mediation in an action seeking the restitution for or replacement of a new motor vehicle, or for civil penalties, and would stay all discovery, except a limited set of disclosures and depositions, in such actions until mediation is concluded. The bill would, for such actions filed on or after January 1, 2025, authorize the court to impose specified sanctions on represented parties who fail to comply with its provisions. The bill would provide that the duties and obligations it imposes are cumulative with, and do not limit or expand, duties and obligations imposed under any other law.

(2) **Assembly Bill 1777 – Assembly Member Ting** (Introduced January 3, 2024)

**Status:** Chaptered September 27, 2024, Chapter 682, Statutes of 2024.

**Support:** City and County of San Francisco, Consumer Attorneys of California, San Francisco Fire Department, San Francisco Municipal Transportation Agency (SFMTA), and San Francisco Taxi Workers Alliance (SFTWA).

**Opposition:** Aurora Innovation, INC., Autonomous Vehicle Industry Association, California Teamsters Public Affairs Council, California Trucking Association, Gatik, Kodiak Robotics, INC., Tesla INC., and Waabi Innovation US Inc.

**Legislative Counsel's Digest:** Autonomous vehicles.

Existing law authorizes the operation of an autonomous vehicle on public roads for testing purposes by a driver who possesses the proper class of license for the type of vehicle operated if specified requirements are satisfied. Existing law prohibits the operation of an autonomous vehicle on public roads until the manufacturer applies to the Department of Motor Vehicles, as specified, and that application is approved. Existing law requires the department to adopt regulations setting forth requirements for the submission and approval of an application, including, among other things, any testing, equipment, and performance standards the department concludes are necessary to ensure the safe operation of autonomous vehicles on public roads, as specified.

This bill will require, if an autonomous vehicle does not have a person in the driver's seat and commits a violation of the Vehicle Code or has a person in the driver's seat but commits the violation while the autonomous technology is engaged, the manufacturer to be cited for the violation. If an autonomous vehicle has a person in the driver's seat and commits a violation of the Vehicle Code while the autonomous technology is not engaged, the bill will require the driver to be cited

for the violation.

The bill would require manufacturers of fully autonomous vehicles, by July 1, 2026, to comply with certain requirements, including, among other things, to maintain a dedicated emergency response telephone line that is available for emergency response officials, as defined, and to equip each autonomous vehicle with a 2-way voice communication device that enables emergency response officials that are near the vehicle to communicate effectively with a remote human operator, as specified. The bill would authorize an emergency response official to issue an emergency geofencing message, as defined, to a manufacturer and would require a manufacturer to direct its fleet to leave or avoid the area identified within 2 minutes of receiving an emergency geofencing message, as specified.

(3) **Assembly Bill 1849 – Assembly Member Grayson** (Introduced January 17, 2024)

**Status:** Chaptered on August 26, 2024, Chapter 196, Statutes of 2024.

**Support:** Consumers for Auto Reliability and Safety (source) and Consumer Attorneys of California.

**Opposition:** None received.

**Legislative Counsel's Digest:** Song-Beverly Consumer Warranty Act: services and repairs: travel trailers and motor homes.

This bill provides consumers of RVs, travel trailers, and motor homes, with enhanced consumer protections.

Under the Song-Beverly Act, every manufacturer of consumer goods sold in this state and for which the manufacturer has made an express warranty is required to, among other things, replace the warranted goods or reimburse the buyer if the manufacturer does not service or repair the goods to conform to the express warranties after a reasonable number of attempts. The Tanner Consumer Protection Act, which is found within the Song-Beverly Act, applies specifically to new motor vehicles, and provides consumers an additional protection by allowing them to choose whether they want restitution or replacement of a new vehicle if the manufacturer does not service or repair the goods to conform to the express warranties after a reasonable number of attempts.

This bill seeks to allow a consumer of a travel trailer or motor home the similar right to elect reimbursement or replacement. More specific, if a manufacturer or its representative does not service or repair a travel trailer or a portion of a motor home, as specified, to conform to applicable express warranties after a reasonable number of attempts, a buyer may elect reimbursement in lieu of replacement, and the buyer is not required to accept a replacement travel trailer or motor home.

Discussion Concerning Enacted Legislation

Page 5

October 10, 2024

c. Pending Federal Legislation of General Interest: None.

This matter is for information only at the November 1, 2024, General Meeting. If you have any questions or require additional information, please do not hesitate to contact me at (916) 244-6774 or Jason at (916) 505-2114.



## Memorandum

**Date : OCTOBER 4, 2024**

**To : POLICY AND PROCEDURE COMMITTEE  
JACOB STEVENS, CHAIR  
KATHRYN ELLEN DOI, MEMBER**

**From : TIMOTHY M. CORCORAN  
ROBIN P. PARKER**

**Subject : DISCUSSION AND CONSIDERATION OF PROPOSED REGULATORY  
AMENDMENTS TO THE BOARD'S CONFLICT OF INTEREST CODE IN SECTION  
599 OF TITLE 13 OF THE CALIFORNIA CODE OF REGULATIONS**

Pursuant to Government Code section 87300, “[e]very agency shall adopt and promulgate a Conflict of Interest Code...” Additionally, each state entity is required to review its Conflict of Interest Code every odd-numbered year to ensure it remains current and accurate.

Board staff have reviewed the Board’s Conflict of Interest Code as set forth in Section 599 of Title 13 of the California Code of Regulations. “Appendix A – Designated Positions” needs to be updated to reflect Kim Vaye’s position as Assistant Division Chief/Program Manager. The changes are highlighted yellow on unnumbered page two of the attachment. Preliminary review as required by the Fair Political Practices Commission is forthcoming.

If the Board adopts the proposed regulatory changes, the staff will proceed with the rulemaking process as delineated in Fair Political Practices Act and the Administrative Procedure Act. Updates concerning the status of the rulemaking process will be provided at future Board meetings during the Administrative Matters portion of the Executive Director’s Report.

This matter is being agendized for discussion and consideration at the November 1, 2024, General Meeting.

If you have any questions or require additional information, please contact me at (916) 244-6774 or Robin at (916) 244-6776.

Attachment: as stated

cc: Ardashes Kassakhian, President

**CONFLICT OF INTEREST CODE**

**NEW MOTOR VEHICLE BOARD**

The Political Reform Act (Gov. Code, § 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation that contains the terms of a standard conflict of interest code that can be incorporated by reference in an agency's code. (Cal. Code Regs., tit. 2, § 18700) After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices, designating positions and disclosure categories, constitute the conflict of interest code of the New Motor Vehicle Board (Board).

Board Members and the Executive Director electronically file their statements of economic interests with the Fair Political Practices Commission; the Board does not retain a copy. Individuals holding any other designated position shall file statements of economic interests directly with the Board.

Authority cited: Section 3050(a), Vehicle Code; Sections 87300, 87304 and 87306, Government Code. Reference: Section 81000, et seq., Government Code.

CONFLICT OF INTEREST CODE  
NEW MOTOR VEHICLE BOARD

APPENDIX A – DESIGNATED POSITIONS

Designated Positions	Assigned Disclosure Category
EXECUTIVE DIVISION	
Board Member	1
Executive Director	1
<u>Assistant Division Chief/Program Manager</u>	<u>1</u>
Staff Services Manager (all levels)	1
ADMINISTRATIVE SERVICES DIVISION	
Staff Services Analyst	1
Associate Governmental Program Analyst	1
LEGAL DIVISION	
Administrative Law Judge (all levels)	1
Attorney (all levels)	1
Consultant/New Position	*

\* Consultants and new positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitations:

The Executive Director may determine in writing that a particular consultant or new position, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to comply with the disclosure requirements described in this section. Such determination shall include a description of the consultant’s or new position’s duties and, based upon that description, a statement of the extent of disclosure requirements. The determination of the Executive Director is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code. (Gov. Code, § 81008) Nothing herein excuses any such consultant from any other provision of the conflict of interest code.



## APPENDIX B-DISCLOSURE CATEGORY

### Category 1

Designated positions assigned to this category must report:

- (a) Income, including receipt of gifts, loans, and travel payments, received during the reporting period from an individual or entity which the designated position knows or has reason to know is:
  - (1) Any licensee subject to the jurisdiction of the New Motor Vehicle Board pursuant to Vehicle Code section 3050, et seq.;
  - (2) An applicant to the Board who has or has had during the filing period any proceeding pending before the Board;
  - (3) A party contracting with the Board or engaged in the performance of work or services of the type utilized by the Board including, the provision of goods, services, office space or realty.
- (b) Investments held during the reporting period in any business entity, which the designated position knows or has reason to know is described in parts (1), (2) or (3) of subsection (a).
- (c) The fact that the designated position, during the reporting period was a director, officer, partner, trustee, employee or held any position of management in a business entity the designated position knows or has reason to know is described in parts (1), (2) or (3) of subsection (a).



***EXECUTIVE  
DIRECTOR'S  
REPORT***

***November 1, 2024***

**A.**

**ADMINISTRATIVE  
MATTERS**

Project Title/Manager	Project Goal (Description)	Estimated Completion Date	Status
<b>ADMINISTRATION COMMITTEE</b>			
<b>1. <u>Update Concerning Moving the Board's Offices to DMV Headquarters</u></b> Kim Vaye	Update regarding moving of the Board's Offices upon the expiration of the lease at Midtown Building to DMV Headquarters.	Ongoing	In progress.
<b>2. <u>Update Guide to the New Motor Vehicle Board</u></b> Robin Parker	Update the <i>Guide to the New Motor Vehicle Board</i> to incorporate statutory and regulatory changes.	February 2025	In progress. The revised Guide will be considered at the February 2025, General Meeting.
<b>BOARD DEVELOPMENT COMMITTEE</b>			
<b>1. <u>Schedule Board Member Education Presentations</u></b> Tim Corcoran	Develop a schedule for prioritizing topics and speakers for Board member education presentations for upcoming meetings.	Ongoing	In progress. Board education will be presented at each General Meeting.
<b><u>Solon C. Soteris Employee Recognition Award Recipient</u></b> Tim Corcoran	Compile the nominations provided by staff and select a nominee for the Solon C. Soteris Employee Recognition Award.	August 2024	<b><u>Completed.</u></b> At the August 9, 2024, General Meeting, the members approved Administrative Law Judge Skrocki and Robin Parker as the recipients. This award will be presented at the November 1, 2024, General Meeting.

Project Title/Manager	Project Goal (Description)	Estimated Completion Date	Status
<b>EXECUTIVE COMMITTEE</b>			
<p><b><u>1. Strategic Plan July 2024 - June 2030</u></b>            Tim Corcoran, Kim Vaye</p>	<p>Develop and implement the Board’s first Strategic Plan encompassing July 2024 through June 2030. Delegate discretion to the Executive Director to implement action items responsive to the objectives in the Strategic Plan.</p>	<p>Ongoing</p>	<p>In progress. The Strategic Plan was adopted at the April 25, 2024, General Meeting and the Executive Director was granted discretion to implement action items.</p>
<p><b><u>2. Update concerning Board’s Compliance with 1996 Performance Audit</u></b>            Tim Corcoran, Robin Parker</p>	<p>Update regarding the Board’s compliance with the 1996 Performance Audit and the resultant Corrective Action Plan</p>	<p>February 2025</p>	<p>In progress. An update will be given at the February 2025, General Meeting.</p>
<p><b><u>Revise the Board’s Mission and Vision Statements</u></b>            Tim Corcoran</p>	<p>Review and potentially update the Board’s Mission and Vision Statements.</p>	<p>August 2024</p>	<p><u>Completed</u>            This matter was assigned to an Ad Hoc Committee to review the Board’s mission and vision statements.</p>
<p><b><u>Consider Amendments to Board delegations</u></b>            Tim Corcoran, Robin Parker</p>	<p>Review and consider amendments to the Board adopted delegations in compliance with the 1996 Performance Audit</p>	<p>August 2024</p>	<p><u>Completed</u>            The Board adopted revised delegations at the August 9, 2024, General Meeting.</p>

Project Title/Manager	Project Goal (Description)	Estimated Completion Date	Status
<b>FISCAL COMMITTEE</b>			
<b>1. <u>Quarterly Financial Reports</u></b> Tim Corcoran, Kim Vaye, Suzanne Luke, Penny Bhatti	Quarterly reports on the Board’s financial condition and related fiscal matters.	Ongoing	In progress.
<b>2. <u>Proposed Increases to the Board Annual Fee and Filing Fees</u></b> Tim Corcoran, Kim Vaye, Suzanne Luke, Penny Bhatti	In an effort to address the current economic climate and the Board’s decreasing reserves, the annual fee charged to dealers, manufacturers, and distributors within the Board’s jurisdiction needs to be amended so that the fees charged are “sufficient to fully fund the activities of the board...” consistent with Vehicle Code section 3016.	December 2025	In progress. A report will be presented for consideration at the November 1, 2024, General Meeting.
<b><u>Status Report concerning the Board’s collection of the Annual Board Fee</u></b> Tim Corcoran, Kim Vaye, Suzanne Luke, Penny Bhatti	The staff will provide a report concerning the Board’s collection of the Annual Fee.	August 2024	<b><u>Completed</u></b> At the August 9, 2024, General Meeting, the members were provided with an update on the Board’s collection of its Annual Fee.
<b><u>Status Report on the Collection of Fees for the Arbitration Certification Program</u></b> Tim Corcoran, Kim Vaye, Suzanne Luke, Penny Bhatti	The staff will provide a report concerning the annual fee collection for the Department of Consumer Affairs, Arbitration Certification Program.	August 2024	<b><u>Completed</u></b> At the August 9, 2024, General Meeting, the members were provided with an update concerning the collection of the ACP fees.

Project Title/Manager	Project Goal (Description)	Estimated Completion Date	Status
<p><b><u>Proposed Board Budget for the Next Fiscal Year</u></b>            Tim Corcoran, Kim Vaye, Suzanne Luke, Penny Bhatti</p>	<p>The staff, in conjunction with the Fiscal Committee, will discuss and consider the Board’s proposed Budget for fiscal year 2024-2025.</p>	<p>August 2024</p>	<p><b><u>Completed</u></b>            The 2024-2025 Budget was presented at the August 9, 2024, General Meeting.</p>
<b>GOVERNMENT AND INDUSTRY AFFAIRS COMMITTEE</b>			
<p><b><u>1. Develop a Core Four - Safety Initiative related to Improving the Repair Rate of California-Registered Vehicles Subject to the Takata Air Bag Inflator “Stop Drive” Safety Recall</u></b>            Tim Corcoran</p>	<p>In conjunction with various stakeholders, review and identify strategies including consumer outreach to improve the rate of repair for California-registered vehicles subject to the Takata air bag inflator safety recall. Host future meeting to engage all Board members and the public.</p>	<p>Ongoing</p>	<p>In progress.</p>
<p><b><u>2. Host Board Industry Roundtable</u></b>            Tim Corcoran, Robin Parker, Jason Rose</p>	<p>Host the traditional Industry Roundtable with representatives from car, truck, motorcycle and recreational vehicle manufacturers/distributors, dealers, in-house and outside counsel, associations and other government entities.</p>	<p>March 2025</p>	<p>In progress. The Industry Roundtable will be held in conjunction with the CNCDA’s Dealer Day Event on March 27, 2025, in Sacramento.</p>
<b>LEGISLATIVE COMMITTEE</b>			
<p><b><u>1. Review of Enacted Legislation</u></b>            Tim Corcoran, Jason Rose</p>	<p>The staff will provide an overview of enacted legislation of special and general interest, and pending federal legislation, if any.</p>	<p>Ongoing</p>	<p>In progress. A report will be provided at the November 1, 2024, General Meeting.</p>

Project Title/Manager	Project Goal (Description)	Estimated Completion Date	Status
<b>POLICY AND PROCEDURE COMMITTEE</b>			
<p><b><u>1. Draft Proposed Regulatory Amendments to Increase the Annual Board Fee and Filing Fees in sections 553, and 553.20 of Title 13 of the California Code of Regulations</u></b> Robin Parker</p>	<p>In compliance with the Administrative Procedure Act, amend the regulations to increase the Annual Board Fee.</p>	<p>November 2024</p>	<p>In progress. The proposed amendments will be considered at the November 1, 2024, General Meeting.</p>
<p><b><u>2. Draft Proposed Regulatory Amendments to the Board's Conflict of Interest Code</u></b> Robin Parker</p>	<p>In compliance with the Political Reform Act and the Administrative Procedure Act, amend the Board's Conflict of Interest Code as set forth in Section 599 of Title 13 of the California Code of Regulations to reflect Kim Vaye's position as Assistant Division Chief/Program Manager.</p>	<p>November 2024</p>	<p>In progress. The proposed amendments will be considered at the November 1, 2024, General Meeting.</p>
<p><b><u>3. Draft Proposed Regulatory Amendments to Include Electronic Means in Motion Hearings with Live Witness Testimony in Section 551.19 of Title 13 of the California Code of Regulations</u></b> Robin Parker</p>	<p>In compliance with the Administrative Procedure Act, amend the regulation pertaining to live witness testimony in a motion hearing so the hearing may be held in-person or by other electronic means if each party in the hearing has an opportunity to participate in and to hear the entire proceeding while it is taking place and to observe exhibits. This is consistent with the Board's current practice.</p>	<p>February 2025</p>	<p>In progress. The proposed amendments will be considered at the February 2025, General Meeting.</p>



Project Title/Manager	Project Goal (Description)	Estimated Completion Date	Status
<p><b>4. <u>Annual Rulemaking Calendar</u></b> Jason Rose</p>	<p>Consideration of the annual rulemaking calendar.</p>	<p>February 2025</p>	<p>In progress. The annual rulemaking calendar will be considered at the February 2025, General Meeting.</p>
<p><b>5. <u>Report on the Assignment of Cases to Board Administrative Law Judges</u></b> Robin Parker, Jason Rose</p>	<p>Annual report on the assignment of cases to Board Administrative Law Judges (“ALJs”).</p>	<p>February 2025</p>	<p>In progress. A report on the assignment of cases to Board ALJs will be presented at the February 2025, General Meeting.</p>
<p><b>6. <u>Update the Informational Guide for Manufacturers and Distributors</u></b> Robin Parker</p>	<p>Update the <i>Informational Guide for Manufacturers and Distributors</i>.</p>	<p>February 2025</p>	<p>In progress. The revised Guide will be considered at the February 2025, General Meeting.</p>
<p><b>7. <u>Update the Export or Sale-For-Resale Prohibition Policy Guide</u></b> Robin Parker</p>	<p>Update the <i>Export or Sale-For-Resale Prohibition Policy Guide</i> for Vehicle Code section 3085 protests filed by an association, as defined.</p>	<p>February 2025</p>	<p>In progress. The revised Guide will be considered at the February 2025, General Meeting.</p>
<p><b>8. <u>Assign Merits Hearings to the Office of Administrative Hearings (OAH)</u></b> Robin Parker</p>	<p>Effective immediately, assign merits hearings to OAH for all new and existing protests. The Board’s retired annuitant ALJs would remain on the Alternative MSC Assignment Log and the Alternative Law and Motion Assignment Log.</p>	<p>February 2025</p>	<p>In progress. This proposal will be reviewed by the Ad Hoc Committee on Equity, Justice and Inclusion at its November 1, 2024, Meeting. This matter will then be considered by the Board at the February 2025, General Meeting.</p>

Project Title/Manager	Project Goal (Description)	Estimated Completion Date	Status
<p><b>9. <u>Promulgate Amendment to the Definition of Administrative Law Judge in subdivision (a) of Section 550 of Title 13 of the California Code of Regulations</u></b> Jason Rose</p>	<p>In compliance with the Administrative Procedure Act, amend the definition of Administrative Law Judge to exempt the Board from subdivision (b) in Sections 3067, 3081, and 3085.4 when the Office of Administrative Hearings presides over a merits hearing.</p>	<p>Fall 2025</p>	<p>In progress. The Board approved the text at the April 25, 2024, General Meeting. The initial packet prior to publication was reviewed and approved by the California State Transportation Agency (CalSTA).</p>
<p><b>10. <u>Promulgate Amendments to Regulations to Remove References to Facsimile and Residence Addresses in Sections 551.14, 555, and 595 of Title 13 of the California Code of Regulations</u></b> Jason Rose</p>	<p>In compliance with the Administrative Procedure Act, amend Sections 551.14, 555, and 595 of the Board’s regulations to remove references to facsimile and residence addresses.</p>	<p>Fall 2025</p>	<p>The Board approved the text at the April 28, 2023, General Meeting. The initial packet prior to publication was reviewed and approved by CalSTA.</p>
<b>AD HOC COMMITTEE ON EQUITY, JUSTICE AND INCLUSION</b>			
<p><b>1. <u>Develop Strategies for Board Consideration</u></b> Kim Vaye</p>	<p>Develop strategies for the Board’s consideration, which advance California State Transportation Agency’s stated goal of “Enhancing the lives of all Californians – particularly people of color and disadvantaged communities...”</p>	<p>Ongoing</p>	<p>In progress. This will be discussed at the November 1, 2024, Ad Hoc Committee Meeting.</p>

Project Title/Manager	Project Goal (Description)	Estimated Completion Date	Status
<b><u>2. Review Proposed Amended Board Policy Regarding the Assignment of Merits Hearings to OAH</u></b> Kim Vaye	This proposal will be reviewed by the Ad Hoc Committee on Equity, Justice and Inclusion prior to being considered by the Board at its February 2025, General Meeting.	November 2024	In progress. This will be reviewed at the November 1, 2024, Ad Hoc Committee Meeting.
<b><u>3. Create a Charter</u></b> Kim Vaye	Create a Charter that includes the purpose of the Committee, membership, responsibilities, meetings, equity goals, and deliverables.	November 2024	In progress. This will be considered at the November 1, 2024, Ad Hoc Committee Meeting.
<b><u>4. Review and Revise the Board Adopted Mission Statement of the Ad Hoc Committee</u></b> Kim Vaye	Review and revise the Ad Hoc Committee’s Mission Statement for consideration by the full Board.	November 2024	In progress. This will be considered at the November 1, 2024, Ad Hoc Committee Meeting.
<b><u>5. Formally Implement an Equity Lens Rubric</u></b> Kim Vaye	Formally implement an equity lens assessment rubric to utilize when reviewing Board proposed new and amended policies.	November 2024	In progress. This will be considered at the November 1, 2024, Ad Hoc Committee Meeting.
<b><u>6. Establish an Equity Glossary of Terms</u></b> Kim Vaye	Equity Officer will establish an Equity Glossary of Terms to create a shared understanding with staff and Board, to be updated annually to remain accurate and relevant.	November 2024	In progress. This will be discussed at the November 1, 2024, Ad Hoc Committee Meeting.
<b><u>7. Diversity, Equity, Inclusion, Justice and Accessibility Training and Development</u></b> Kim Vaye	Equity Officer will explore no-cost Diversity, Equity, Inclusion, Justice, and Accessibility training and development opportunities for staff and Board members.	November 2024	In progress. This will be discussed at the November 1, 2024, Ad Hoc Committee Meeting.

Project Title/Manager	Project Goal (Description)	Estimated Completion Date	Status
<b>8. <u>Land Acknowledgments for Board Meetings</u></b> Kim Vaye	Explore writing land acknowledgments for Board meetings.	November 2024	In progress. This will be discussed at the November 1, 2024, Ad Hoc Committee Meeting.
<b>AD HOC COMMITTEE TO REVIEW THE MISSION AND VISION STATEMENTS</b>			
<b>1. <u>Revise the Board’s Mission and Vision Statements</u></b> Tim Corcoran, Kim Vaye	Review and potentially update the Board’s Mission and Vision Statements.	February 2025	In progress. A status report will be presented at the February 2025, General Meeting.

**B.**

**CASE**

**MANAGEMENT**

# CASE VOLUME

JULY 24, 2024, THROUGH OCTOBER 15, 2024

VEHICLE CODE SECTION	CASE TYPE	NUMBER OF NEW CASES	NUMBER OF RESOLVED CASES	NUMBER OF PENDING CASES
3060	Termination	1	0	4
3060	Modification	0	1	11
3062	Establishment	0	0	0
3062	Relocation	0	2	1
3062	Off-Site Sale	0	0	0
3064	Delivery/Preparation Obligations	0	0	0
3065	Warranty Reimbursement	1	0	1
3065.1	Incentive Program Reimbursement	0	0	2
3065.3	Performance Standard	1	0	1
3065.4	Retail Labor Rate or Retail Parts Rate	0	0	1
3070	Termination	0	0	
3070	Modification	0	0	0
3072	Establishment	0	0	0
3072	Relocation	0	0	0
3072	Off-Site Sale	0	0	0
3074	Delivery/Preparation Obligations	0	0	0
3075	Warranty Reimbursement	0	1	0
3076	Incentive Program Reimbursement	0	0	0
3085	Export or Sale-For Resale	0	0	0
3050(b)	Petition	0	0	0
<b>TOTAL CASES:</b>		<b>3</b>	<b>4</b>	<b>21</b>

# PENDING CASES

BY CASE NUMBER

<b>ABBREVIATIONS</b>			
<b>ALJ</b>	Administrative Law Judge	<b>Bd. Mtg.</b>	Board Meeting
<b>HRC</b>	Hearing Readiness Conference	<b>IFU</b>	Informal Follow-Up
<b>MH</b>	Merits Hearing	<b>CMH</b>	Continued Merits Hearing
<b>RMH</b>	Resumed Merits Hearing	<b>MSC</b>	Mandatory Settlement Conference
<b>CMSC</b>	Continued Mandatory Settlement Conference	<b>RMSC</b>	Resumed Mandatory Settlement Conference
<b>MTCP</b>	Motion to Compel Production	<b>MTC</b>	Motion to Continue
<b>MTD</b>	Motion to Dismiss	<b>PHC</b>	Pre-Hearing Conference
<b>CPHC</b>	Continued Pre-Hearing Conference	<b>RPHC</b>	Resumed Pre-Hearing Conference
<b>PD</b>	Proposed Decision	<b>RFPD</b>	Requests for Production of Documents
<b>PSDO</b>	Proposed Stipulated Decision and Order	<b>ROB</b>	Rulings on Objections
<b>CROB</b>	Continued Rulings on Objections	<b>RROB</b>	Resumed Rulings on Objections
<b>SC</b>	Status Conference	<b>CSC</b>	Continued Status Conference
<b>* Consolidated, non-lead case</b>			

# PROTESTS

	CASE NUMBER/ DATE FILED	STATUS	PROTEST NAME	COUNSEL	CASE TYPE
1.	PR-2769-22 3-25-22	Parties are working on settlement IFU: 10-17-24	Motorrad LLC, a California limited liability company dba BMW Motorcycles of San Francisco v. BMW Motorrad USA Division of BMW of North America, LLC, a Delaware limited liability company	Protestant: Halbert B. Rasmussen  Respondent: Stephen M. Bledsoe, Eric Y. Kizirian	Modification
2.	PR-2770-22* 3-25-22	Parties are working on settlement IFU: 10-17-24	Moto Miyako Inc., a California Corporation dba BMW Motorcycles of Burbank v. BMW Motorrad USA Division of BMW of North America, LLC, a Delaware limited liability company	Protestant: Halbert B. Rasmussen  Respondent: Stephen M. Bledsoe, Eric Y. Kizirian	Modification
3.	PR-2771-22* 3-25-22	Parties are working on settlement IFU: 10-17-24	O & O Motorrad, Incorporated, a California Corporation dba San Diego BMW Motorcycles v. BMW Motorrad USA Division of BMW of North America, LLC, a Delaware limited liability company	Protestant: Halbert B. Rasmussen  Respondent: Stephen M. Bledsoe, Eric Y. Kizirian	Modification



	CASE NUMBER/ DATE FILED	STATUS	PROTEST NAME	COUNSEL	CASE TYPE
4.	PR-2773-22* 3-25-22	Parties are working on settlement IFU: 10-17-24	Central Coast Powersports LLC, a California limited liability company dba BMW Motorcycles of Ventura County v. BMW Motorrad USA Division of BMW of North America, LLC, a Delaware limited liability company	Protestant: Halbert B. Rasmussen  Respondent: Stephen M. Bledsoe, Eric Y. Kizirian	Modification
5.	PR-2774-22* 3-25-22	Parties are working on settlement IFU: 10-17-24	San Jose Motosport, Inc., a California Corporation dba San Jose BMW Motorcycles v. BMW Motorrad USA Division of BMW of North America, LLC, a Delaware limited liability company	Protestant: Halbert B. Rasmussen  Respondent: Stephen M. Bledsoe, Eric Y. Kizirian	Modification
6.	PR-2775-22* 3-25-22	Parties are working on settlement IFU: 10-17-24	Ride on Powersports, Inc., a California Corporation dba BMW Motorcycles of Riverside v. BMW Motorrad USA Division of BMW of North America, LLC, a Delaware limited liability company	Protestant: Halbert B. Rasmussen  Respondent: Stephen M. Bledsoe, Eric Y. Kizirian	Modification

	CASE NUMBER/ DATE FILED	STATUS	PROTEST NAME	COUNSEL	CASE TYPE
7.	PR-2776-22* 3-25-22	Parties are working on settlement IFU: 10-17-24	Motorrad LLC, a California limited liability company dba BMW Motorcycles of Concord v. BMW Motorrad USA Division of BMW of North America, LLC, a Delaware limited liability company	Protestant: Halbert B. Rasmussen  Respondent: Stephen M. Bledsoe, Eric Y. Kizirian	Modification
8.	PR-2777-22* 3-25-22	Parties are working on settlement IFU: 10-17-24	Powersports Unlimited, Inc., a California corporation dba BMW Motorcycles of Escondido	Protestant: Halbert B. Rasmussen  Respondent: Stephen M. Bledsoe, Eric Y. Kizirian	Modification
9.	PR-2778-22* 3-25-22	Parties are working on settlement IFU: 10-17-24	Winner Motorcycles, Limited Liability Company dba BMW Motorcycles of Santa Rosa v. BMW Motorrad USA Division of BMW of North America, LLC, a Delaware limited liability company	Protestant: Halbert B. Rasmussen  Respondent: Stephen M. Bledsoe, Eric Y. Kizirian	Modification
10.	PR-2789-22* 5-11-22	Parties are working on settlement IFU: 10-17-24	SEAVCO, a California corporation dba Irv Seaver Motorcycles v. BMW Motorrad USA Division of BMW of North America, LLC, a Delaware limited liability company	Protestant: Halbert B. Rasmussen  Respondent: Stephen M. Bledsoe, Eric Y. Kizirian	Modification

**November 2024 Executive Director's Report**

	CASE NUMBER/ DATE FILED	STATUS	PROTEST NAME	COUNSEL	CASE TYPE
11.	PR-2803-22 9-15-22	Proposed Decision Pending Board Consideration 11-1-24	KM3G Inc., d/b/a Putnam Kia of Burlingame v. Kia America Inc.	Protestant: Gavin M. Hughes, Robert A. Mayville, Jr.  Respondent: Jonathan R. Stulberg, John J. Sullivan	Retail Labor Rate
12.	PR-2808-22 11-14-22	HRC: 3-25-25 MH: 5-12-25 (10 days)	Martin Saturn of Ontario, Inc. dba Subaru of Ontario v. Subaru of America, Inc.	Protestant: Timothy D. Robinett, Gary H. Prudian  Respondent: Lisa M. Gibson, Amy M. Toboco, Steven McFarland, Patrick Quinn	Termination
13.	PR-2812-22 11-30-22	PHC: 10-17-24	San Luis Obispo Hyundai LLC dba Hyundai San Luis Obispo v. Hyundai Motor America	Protestant: Gavin M. Hughes, Robert A. Mayville, Jr.  Respondent: Shaun Kim, Sarah Rathke, Nathan Leber	Franchisor Incentive
14.	PR-2821-23 5-11-23	MH: 11-12-24 (4 days)	Liberty Motors, Inc., dba Liberty Chevrolet v. General Motors LLC	Protestant: Gavin M. Hughes, Robert A. Mayville, Jr.  Respondent: Ashley Fickel	Modification

**November 2024 Executive Director's Report**

	CASE NUMBER/ DATE FILED	STATUS	PROTEST NAME	COUNSEL	CASE TYPE
15.	PR-2826-23 5-25-23	CMH: 10-24-24 Resumption of Hearing on Protestant's Post-Hearing Deposition Designations: 10-24-24	KPAuto, LLC, dba Putnam Ford of San Mateo v. Ford Motor Company	Protestant: Gavin M. Hughes, Robert A. Mayville, Jr.  Respondent: Steve Kelso, Camille Papini-Chapla, April Connally	Warranty
16.	PR-2854-24 2-22-24	HRC: 3-25-25 MH: 5-12-25 (10 days)	Martin Saturn of Ontario, Inc. dba Subaru of Ontario v. Subaru of America, Inc.	Protestant: Timothy D. Robinett, Gary H. Prudian  Respondent: Steven McFarland	Termination
17.	PR-2855-24 3-12-24	MSC: TBD	BMNVT Motors LLC dba Serramonte Ford, a Delaware limited liability company v. Ford Motor Company, a Delaware corporation	Protestant: Victor P. Danhi, Franjo M. Dolenac  Respondent: Steven M. Kelso Elayna M. Fiene  Intervenor: Gavin M. Hughes, Robert A. Mayville, Jr.	Relocation

	CASE NUMBER/ DATE FILED	STATUS	PROTEST NAME	COUNSEL	CASE TYPE
18.	PR-2856-24 4-30-24	HRC: 1-3-25 MH: TBD by OAH	IVS NorCal LLC, d/b/a Kuhn INEOS Grenadier v. INEOS Automotive Americas, LLC	Protestant: Gavin Hughes, Robert Mayville  Respondent: Michael Educate, Connor Gants, Marlow Svatek, Jim Vogler	Termination
19.	PR-2857-24 8-9-24	RPHC: 11-4-24	Westlake Coach Company, LLC dba Genesis of Westlake, a California Limited Liability Company v. Genesis Motor America LLC	Protestant: Halbert B. Rasmussen  Respondent: Lauren Deeb	Franchisor Incentive
20.	PR-2858-24 8-13-24	CPHC: 10-17-24	Jasper Auto Group, Inc. dba Victorville Hyundai, a California corporation v. Hyundai Motor America, a California corporation	Victor P. Danhi, Adjoa M. Anim- Appiah, Esq.	Termination

	CASE NUMBER/ DATE FILED	STATUS	PROTEST NAME	COUNSEL	CASE TYPE
21.	PR-2859-24 9-13-24	MTD: 10-23-24 Opposition: 11-8-24 Reply: 11-18-24 Hearing: 11-22-24	Raceway Ford, Inc. dba Raceway Ford	Protestant: Gavin Hughes, Robert Mayville  Respondent: Elizabeth McNellie, Jeremiah Wood, Marcus McCutchen	Performance Standard

# PETITIONS

CASE NUMBER/ DATE FILED	STATUS	PETITION NAME	COUNSEL

# **C.**

# **JUDICIAL**

# **REVIEW**



**Either the Protestant/Petitioner/Appellant or Respondent seeks judicial review of the Board’s Decision or Final Order by way of a petition for writ of administrative mandamus (Code of Civil Procedure section 1094.5). The writ of mandamus may be denominated a writ of mandate (Code of Civil Procedure section 1084).**

1. KPAUTO, LLC, DBA PUTNAM FORD OF SAN MATEO v. CALIFORNIA NEW MOTOR VEHICLE BOARD; FORD MOTOR COMPANY  
San Mateo County Superior Court No. 24-CIV-05035  
New Motor Vehicle Board No. CRT-283-24  
Protest No. PR-2759-21

In December 2021, KPAuto, LLC, dba Putnam Ford of San Mateo’s (Putnam Ford) filed a Retail Labor Rate protest pursuant to Vehicle Code section 3065.4. Putnam Ford argued its current warranty labor reimbursement rate was significantly below its effective labor rate charged to retail customers. Putnam Ford requested an adjusted retail rate of \$436.76 per hour in July 2021. Ford Motor Company (Ford) denied this request because it was alleged to be double the rate being charged by other Ford dealers in the market and it claimed the submission was inaccurate or fraudulent. Ford proposed an adjusted retail labor rate of \$220.00. This was an increase from the \$177 per hour retail labor rate.

An 8-day Zoom merits hearing was held before Administrative Law Judge Wim van Rooyen of the Office of Administrative Hearings in September 2023. In the Proposed Decision, the ALJ determined that Ford had shown by a preponderance of the evidence that Putnam Ford’s submission and determination of its retail labor rate were materially inaccurate. The Proposed Decision overruled Putnam Ford’s protest. At the June 28, 2024, Special Meeting, the Public Members adopted the Proposed Decision as amended as its final Decision.

Putnam Ford filed a Verified Petition for Writ of Administrative Mandate (Petition) on August 12, 2024. The Board was served on August 28, 2024. A copy of the administrative record has been requested and is in process.

Putnam Ford contends that the Board:

- Denied Putnam Ford a fair hearing and prejudicially abused its discretion by failing to proceed in the manner required by law.
- Denied Putnam Ford a fair hearing and violated Putnam Ford’s due process rights.
- Prejudicially abused its discretion by failing to proceed in the manner required by law.

Putnam Ford seeks the issuance of a peremptory writ of administrative mandate directing the Board to set aside and vacate its Decision and to adopt and issue a new and different decision sustaining the protest. In the alternative, the issuance of a writ

of administrative mandate directing the Board to set aside and vacate its Decision and remand this case to the Board to consider evidence which in the exercise of reasonable diligence, could not have been produced or that was improperly excluded at the hearing.

President Kassakhian determined that there is not a state interest at issue in the writ so the Board will not participate via the Attorney General's Office.

# NOTICES FILED

PURSUANT TO VEHICLE CODE SECTIONS  
3060/3070 AND 3062/3072

JULY 23, 2024, THROUGH OCTOBER 15, 2024

These are generally notices relating to termination or modification (Sections 3060 and 3070) and establishment, relocation, or off-site sales (Sections 3062 and 3072).

## SECTIONS 3060/3070

Manufacturer	Number of Notices
BMW/Mini	
Ford	
GM (Buick, Cadillac, Chevrolet, GMC)	
Honda/Acura	
Hyundai/Genesis	
Kia	
Nissan/Infiniti	
Stellantis (Chrysler, Jeep, Dodge, RAM,)	
Stellantis (Alfa Romeo, FIAT)	
Stellantis (Maserati)	
Subaru	
Toyota/Lexus	
Volkswagen/Audi	
Miscellaneous Car	
Miscellaneous Motorcycles	18
Miscellaneous Recreational Vehicle	
<b>Total</b>	<b>18</b>

## SECTIONS 3062/3072

Manufacturer	Number of Notices
BMW	
Ford	
GM (Buick, Cadillac, Chevrolet, GMC)	
Honda/Acura	
Hyundai/Genesis	
Kia	
Nissan/Infiniti	
Stellantis (Chrysler, Jeep, Dodge, RAM)	
Stellantis (Alfa Romeo, FIAT)	
Stellantis (Maserati)	
Subaru	
Toyota/Lexus	
Volkswagen/Audi	
Miscellaneous Car	
Miscellaneous Motorcycles	
Miscellaneous Recreational Vehicle	
<b>Total</b>	<b>0</b>



## Memorandum

**Date : OCTOBER 17, 2024**

**To : ALL BOARD MEMBERS**

**From : TIMOTHY M. CORCORAN**

**Subject : BOARD MEETING DATES**

The following identifies planned Board meeting dates:

- November 1, 2024, Special Meeting (Glendale)
- November 1, 2024, General Meeting (Glendale)
- November 1, 2024, Ad Hoc Committee on Equity, Justice and Inclusion (Glendale)
- February/March 2025, General Meeting (date/location to be determined)
- March 27, 2025 Industry Roundtable (Sacramento)
- Summer 2025, General Meeting (location to be determined)
- Fall/Winter 2025, General Meeting (location to be determined)

If you have any questions or concerns about any of the upcoming Board meetings, please do not hesitate to contact me at (916) 244-6774.