

**OHIO BOARD OF MOTOR VEHICLE REPAIR  
BOARD MEETING AGENDA**

**MAY 13, 2015 10:00 AM**

**Vern Riffe Tower  
77 South High Street  
19<sup>th</sup> Floor, Rm. 1932  
Columbus, Ohio 43215**

1. **THE MEETING WAS CALLED TO ORDER AT 10:06a.**
2. **BOARD MEMBERS IN ATTENDANCE:** Jeff Wagner, Matthew Penney, Earl Dohner, Chris Sterwerf, Andrew Huffman (ASA Ohio), Summer Moses (AAG), Michael Greene, Daniel Gibson, Theresa Peppers, Kimberly Sherfield

**BOARD MEMBERS NOT IN ATTENDANCE:** C. J. Paterniti

3. **REVIEW OF FEBRUARY 18, 2015 MEETING MINUTES:**

**MOTION TO ACCEPT:** Chris Sterwerf

**SECOND:** Earl Dohner

**VOTE:** Motion Carried

4. **BOARD REVIEW AND DETERMINATION RE: PENDING REGISTRATION APPLICATIONS:**

- A. Vote by Board on regular registrations pending from January 31, 2015 through April 30, 2015.

**MOTION TO ACCEPT:** Chris Sterwerf

**SECOND:** Matthew Penney

**VOTE:** Motion Carried

5. **OTHER BUSINESS:**

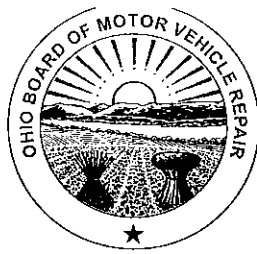
- A. Investigator's Reports – Dan Gibson

Shop Visits	251
Renewals	7
NOV	36
New Shop Applications	54
Complaints Investigated	17 (Involving 17 Shops)
Shops Located "Out of Business"	40

**GIBSON:** So far this year, I have been in 24 out of 88 counties.

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### B. Craig Robinson

Shop Visits	325
Renewals	44
NOV	132
New Shop Applications	33
Complaints Investigated	21 (Involving 21 Shops)
Shops Located "Out of Business"	16

### C. Attorney General's Report – AAG Summer Moses

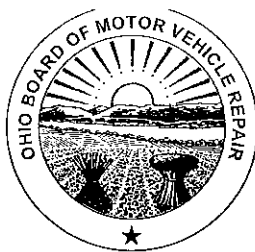
We've received 62 cases that you guys asked for injunctions on. Our office has rejected those cases; we've sent something over for lack of evidence. We can't support based on the evidence the requirement that 5 vehicles – we have to show that within the year 5 vehicles were repaired. We don't have the evidence for that; it is a high standard with injunctions. We have sent over, I believe Rico has sent 8 or 9 letters to be sent out to shops to request that they be put in compliance or come into compliance. I apologize that it's not more thorough, I'm just filling in; I have little bits of information.

### D. Legislation Updates – ASA Ohio Andrew Huffman

At the last board meeting Matt talked about SB 37; that is the mechanical repair registration which mirrors SB 232 from last session. It's extremely similar, there are a few minor changes; one of the main ones to Summer's point about the 5 vehicles being repaired, it would change that standard and create a "primarily engaged in the business of repairing. Hopefully that would maybe help address some of the issues that proving that 5 vehicles are being repaired. That's really the main difference; it's a minor change and I think that everyone is still supportive of it. Just Monday, I believe, HB 199 was introduced; this is Representative Blessing from the Cincinnati area. He visited a shop maybe a year ago and really understood some of the problems in the industry. We have two bills out there both in the House and the Senate. The primary thing in the Legislature right now is the State Operating Budget, HB 64. That's kind of taking most of the attention of the Senate right now so the Senate will not likely (INAUDIBLE) so I doubt if SB 37 moves or even get a hearing over the next 2 months. There might be some hearings of HB 199; so we'll just have to monitor that. Really the main thing is the budget right now; I know, Mike, you testified last week and then received some questions from Senator Jordan

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regarding the money being allocated to The Board and how much that ties into each investigation. I think you said, Mike, 125?

GREENE: That was a 10 year average, yes.

HUFFMAN: And with the funding the Board is being given, he did the math and found out it was \$3000 per investigation which obviously the Board does much more than investigating shops. I don't know if that's necessarily a fair judgement that was given. (INAUDIBLE) maybe that is something we would have to look at with the movement of these two bills.

MOSES: May I ask a question? The "primarily engage in the business of" is that going to both apply to tinting and vehicle repairs.

HUFFMAN: Yes, it will apply to everyone.

MOSES: Are they going to define what "primarily engaged"...how much will reach that level?

HUFFMAN: There's a definition, I don't have the section of the Ohio Revised Code in front of me but refers to the number..

MOSES: Ok so they're going to refer back?

HUFFMAN: Yep!

MOSES: Excellent, thank you.

GREENE: I haven't had a change to read 199, yet. Is it pretty much.....

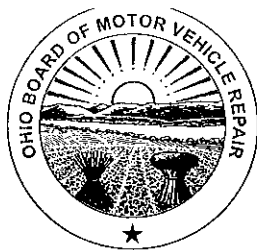
HUFFMAN: The same thing.

WAGNER: With Mike's great testimony that was given and with the questions asked, do we feel like we came away with that representative better understanding?

HUFFMAN: The problem was earlier in the month, there was a gentleman that came in and testified; he's an expert on boards and commissions and tax laws and things like that and tax policies; he's from Ohio University. He is a professor there and he came to testify and he talked about boards and commissions that might want to consolidate or maybe are unnecessary. One of the boards he mentioned was the

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Motor Vehicle Repair Board. In his testimony it was evident that he didn't understand what the Motor Vehicle Repair Board did but he did the math so his questions were from the testimony that was given earlier in the committee process. Senator Jordan simply just re-iterated those comments to Mike when he testified. Mike did a great job at responding to the questions and yes I think he has a better understanding, but he was the 1 no vote last session; you may recall the bill passed 31 to 1, Senator Jordan was the one vote. I don't know if he will ever be on board with this legislation.

### E. Director's Report – Mike Greene (PLEASE SEE ATTACHED)

May 2<sup>nd</sup> Director Greene attended the CARA Workshop in Columbus.

GREENE: It was two separate programs that were for sale or you can subscribe to; one gives you the average labor rates by zip code or however you want to run them by county or state. The other one gives you the average I believe it's by damaged parts or paint material compilations. It was very informative, there wasn't any discussion about any particular rates or any particular shops that had rates or current rates; it was basically a sample across the board. If you got a rate of body repair of \$30, painting \$30, mechanical \$70 and you subscribe to this system, fill out the survey and that automatically goes out into the calculations in your area for whoever wants to look them up. There are a lot of things that go into it like training, certifications – it was pretty interesting, I think the sponsor was Mitchell.

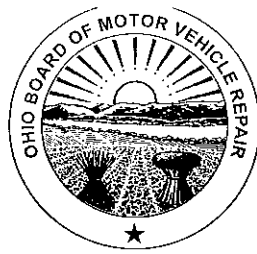
I learned a lot that day; the systems, to me, were pretty impressive. It's only as good as the information you put in it, basically.

May 5<sup>th</sup> Director Greene testified before the Senate Finance Committee for the OMVRB Budget.

The only questions I received at all were from Senator Jordan; he's already discussed that. I think the question caught me off guard a little bit because I would have never compared our budget request to the number of complaints because we do so much more than that. I wished he would have asked me "over a ten year period, how many shop visits do you have?" "How many violations; how many applications; often do you help a new shop owner fill out the paperwork to get the proper permits and get everything correct?" There's a lot more to it than just investigating complaints; he caught me off guard, I don't think I gave him a good answer so that he could understand it, but because I was sitting there thinking "how

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could you come up with.....” That’s missing it! I don’t think I would have done much better if I had all of the details or been expecting a question like that.

WAGNER: With that being said, should we propose a deeper explanation of what we actually do? Is that necessary to send to him? Will that help give him a clearer view?

GREENE: Well he didn’t ask for anything “follow-up” wise. I did go back and re-do my testimony so that I took that out! What I did was, I did a ten-year average because I’ve been here ten-years and Dan has been here almost 9 and I thought it would be nice....before I came they didn’t keep track of complaints, they didn’t keep track of visits, they didn’t keep track of violation notices and all of that. So, I started a recap 10 years ago; I thought that it would be nice now that if I went back here’s what we’ve done in 10 years and then figure out what the average was. That’s where I put that in my testimony. I did change our testimony; I think we’ll be better prepared for the hearings when they come up on the senate bill or the house bill. I can tell you that I’m chomping at the bit to testify at that House Bill 199 because I want to make sure we get that kind of thing cleared up.

HUFFMAN: That decision is up to the Board. Just looking at the investigators reports, you’re doing a lot more than just 125 new investigations. That might be something to look at and just send him .....

WAGNER: Plus in that amount of time, I remember watching Dan compile reports on the computer, pictures and paperwork and everything; the amount of time just for one case. It’s mind boggling when I saw how long it took him to do that.

STERWERF: Does that cost includes the cost of the investigator’s and the board’s time or is that also including the cost of the AG’s office?

MOSES: We’re free, you’re a state agency, there’s no cost to us.

GREENE: Ninety plus percent of the budget is payroll, healthcare, benefits, retirement.....the rest of it goes for the cars, the rent, the computers, the equipment and everything else. The budget includes everything. I would be more than happy if The Board wants me to send a follow-up to Senator Jordan.

WAGNER: Andrew this is your playground, what do you think?

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HUFFMAN: It certainly can't hurt and even if it's just something that's just something that.....now that you have the 2014 totals; I think this is eye-opening. When I turned to this page, I was surprised I didn't realize you travelled so many miles.

### **MOTION TO SEND SENATOR JORDAN AND THE GENERAL GOVERNMENT SUB-COMMITTEE A FOLLOW-UP LETTER**

**REGARDING HB 64:** Chris Sterwerf

**SECOND:** Earl Dohner

**VOTE:** Motion Carried

GREENE: I will copy The Board, Andrew and Matt Dougher.

WAGNER: I know it's only been one day, but still it would be nice to....in case he goes and talk to any of his constituents. You never know what that could lead to...

GREENE: That's all I have on the Director's Report, does anyone have any questions for me?

STERWERF: In regards to the C.A.R.A meeting, were they clear as to how ... instead of looking at the different labor rates across the state how they avoid anti-trust?

GREENE: Well they mentioned that their program has been looked at and has been deemed that it's not an anti-trust issue. Now during the demonstration and during the PowerPoint presentation the majority of it was not in Ohio. They used one Ohio example to find out what shops in a certain zip code were certified BMW or Infiniti or Lexus within a 25 mile radius and they used Perry County. There's nobody in Perry County that has a Lexus or an Infiniti!

WAGNER: That's probably why they used them.

GREENE: I asked Bill Sefcek and I asked him why they were using the – it was either New Lex or Somerset. I said "There's nobody down there that has one." And he said "well, that's the idea. The idea is to show if there's one, it's going to come out and if there's more than one – where the nearest one would be." Other than that, they really didn't use much of anything on Ohio. They did cover the anti-trust thing right of the bat on the labor part.

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### 5. NEW BUSINESS:

WAGNER: I know you've seen a plea for two Board openings; one public and one collision. I know that we've gotten a couple of applicants I believe. Where do we stand on that?

HUFFMAN: They shot one down unfortunately, and I know Jamie Chilcote is working on another one, Rife's Auto body here in Columbus and Don Rife Jr.

He has a great operation; Matt Dougher and I sat down with him this week, this Monday.

WAGNER: I figured he would've been on it already, by now.

HUFFMAN: He hasn't been very involved but he has some great ideas and he's ready to get at it so hopefully that will go through right to the Governor's office.

WAGNER: He will make a great addition!

HUFFMAN: And for the public member we're still working with the Governor's office on that. If you have any ideas, that would be great.

STERWERF: Is the public member typically a hard position to fill?

HUFFMAN: They can't have any financial interest and so I would assume so. I don't know how the Governor's office would want to handle it; they might want to appoint somebody or just might be someone from the board saying "hey, I know somebody who might want to be interested". It's kind of a new area for me as well.

WAGNER: If one of us were to suggest someone that we know who may not have had any financial interest.

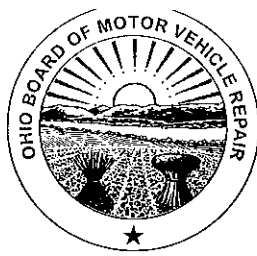
HUFFMAN: I guess that would be up to the AG, just cannot have any financial interest.

GREENE: They still have to go through the application process, the background process and everything. I don't think just bringing up a name or telling somebody to apply would be an issue.

HUFFMAN: Yes, that wouldn't be a problem at all. I still believe ASA Ohio has to make a formal recommendation.

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WAGNER: Alright and if we know somebody get a hold Matt first or you?

HUFFMAN: Matt or myself, whatever works.

DOHNER: Are you looking for any particular area of the state?

GREENE: For the public member?

DOHNER: No, shop member

GREENE: Oh, I don't know what else we have; I don't think so.

DOHNER: I'll make a phone call.

GREENE: We need a collision person for that. Anyone can apply or go to the link on our website; it will take you to the link to apply for it. If you go to the Board Member link anybody can apply.

WAGNER: I mentioned Ethics Training. I'm not sure if everybody has had enough time to go online or whatever to do your Ethics Training fulfillment for the year make sure you let Mike know when you do that.

MOSES: Can I ask a question?

WAGNER: Yes.

MOSES: When was the last time you had your open records meeting training?

GREENE: I don't know, I would have to go back and look. I'm not sure.

MOSES: So we should probably schedule.

GREENE: It was Janice

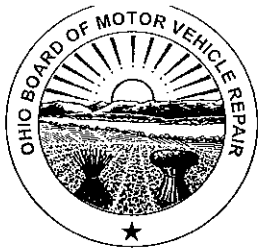
MOSES: Katz

GREENE: Katz, I believe that did it last time; I think

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MOSES: Ok, well our office will do that. I'll tell Rico that we can get that set up. It's quick; 20 minutes that way we can get everybody updated on the Sunshine Law and (INAUDIBLE)

STERWERF: At the next board meeting?

MOSES: Probably, we should be able to have something I have a slideshow prepared. I can come do it or Rico can.

WAGNER: Is there a minimum requirement when that needs to be done?

MOSES: We're supposed to have it yearly.

WAGNER: Ok

MOSES: I think where we switched AAG's it kind of slipped through so we will rectify that quickly.

WAGNER: OK

GREENE: That's the last one I can remember.

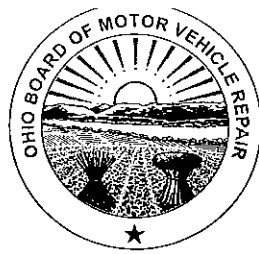
WAGNER: Anymore questions.

DOHNER: I've got a question directed towards her (Summer Moses, AAG). Of the rejected requests for prosecution, is there one thing in particular or what do we really need to be looking at to let you say we can go ahead with it?

MOSES: Your code has a very strict standard that in the last year we have to show that it was 5 different vehicles that had repairs. So that means that we need 5 separate vehicles that are owned by people that aren't with the shop; relatives that they are doing for profit. We need to show that they worked on 5 vehicles. That could be witnesses that were there, it could be pictures and it's hard to get and as I understand, sometimes the vehicles are in there and you don't know and when you ask them they say "Oh, that's my brother's, it's just here." That is a hard standard to meet but we have to show that there are 5 vehicles done in that year that we're going after. Sometimes some of these cases are back dated to 2007 or 2008 and while we have affidavits from the investigator we have to show that it was 5 different vehicles that had work done.

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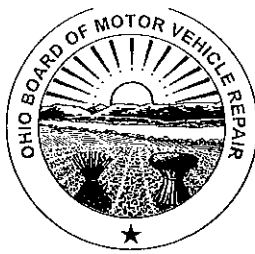
DOHNER: So in other words you need pictures of the vehicle and you can't have or go to a vendor and the bought parts for 50 different vehicles. That wouldn't work?

MOSES: Well if we could get records like that something like that would work. It doesn't have to be pictures it just needs to be some sort of proof; it could be 5 different customers testimony that their vehicles were done, but I can imagine how much that would be for 62 or 152 cases. Dan and Theresa are going to be calling people every day and on top of that you have to figure out how to get that vendor's information and how to get that vendor to turn over. We're trying to work with the Executive Director and the Investigators but we have to have those 5 different vehicles pieces of information.

GREENE: Now keep in mind since I've been here 10 years we've filed injunctions in over 30 counties and this is not a standard that we have had a problem with in the past, ever. When you take a shop to the AG's office that has been in business 8 or 10 years, how does a person stay in business this 8 or 10 years without doing 5 cars a year? The testimony from the investigators, the notes that investigators have been there, the cars the investigators have documented there have always been enough. Now we have to get certified copies of registrations from the Bureau of Motor Vehicles. To that we have to file a public records request. The standards have gotten to the point where it is impossible to do that with two investigators and one investigator's assistant and 88 counties to cover. The 62 shops we've turned over there requesting injunctions had to be more than enough evidence that we've had on any of the others. I don't know why this has been a change. Frankly, Summer, the Attorney General's Office is doing absolutely nothing for us in the past 2 years. Before that, we had a great relationship. We've filed injunctions in like I've said 30 different counties and I don't know how many different shops and we've never lost a case, we've never had the question come up in court, we've never once had a judge or prosecutor or anybody say "How can you not prove that there's ...." Now we have a guy down in Cincinnati that's got 4 shops. If a person can keep 4 shops open, you can't do that by doing 2 cars a year. We've got a guy right down here in Grove City that's been avoiding us for 10 years and I'm not sure what they expect. It's obvious to me and if we're going to go on the record about this then we might as well go on the record with it right. We're turning over as good as cases, or better cases, than we ever had and we're getting no cooperation from the AG's office. My only question is if the Attorney General's Office doesn't want to enforce these laws, then where do we go for some kind of legal representation because I've sat down and I've talked to your supervisor, and we've had a meeting there and the Chairman (Wagner) was there and we explained everything so what are we doing with the Dental Board? What are we doing with the Medical Board? What are we doing with all of the other boards? Are there prosecutions going on with those? I don't know but I'm going to find out. There are 32 boards under Central Services and if they all tell you the same thing then the problems not with us, the problem is with you guys.

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There is something wrong in the AG's office if they don't want to enforce Ohio Laws.

MOSES: The problem is, and I can speak from experience by the amount of hearings and court cases that I myself deal in we are prosecuting under the Ohio Law we are trying to meet the Ohio Law. We can't just take an injunction as a prosecutor in order to protect both public and represent the board, that doesn't rise to the level of 5 shops and I apologize that this is .....

GREENE: Then at what point does the Attorney General's Office decide that they were going to interpret our law differently than it had in the past 10 years?

MOSES: I can't speak to what the past cases have looked like. I can only say what the cases look like now and it's not there. In fact, when Rico and I went before the judge in one of your recent cases, she let us know that the information wasn't there and that for the Franklin County Judges ....

GREENE: If that was the one that I was at she didn't know anything about it until you brought it up!

MOSES: No she .....

GREENE: She wouldn't have known a thing about 5 repairs when we had a shop sitting in front of her; a guy owns 4 shops in Cincinnati and he's keeping them open year round. There was no question until somebody said "well the board can't prove that he's done 5 separate cars in each shop".

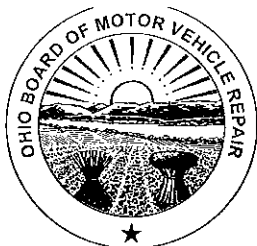
MOSES: And the reason we said that is because of her questions and the things that she was asking which is why we were able to move forward with 1 year but not the past years. However, we do take every case that you send over seriously and we look at and we look at the evidence and are trying to work with you to get that. I understand that it is a lot of evidence that needs to come from you and I do believe the change in the Senate Bill will help greatly, but as it stands the evidence isn't there to take forward.

GREENE: Ok, then let's talk about this, if you want this on record, then let's talk about this...

MOSES: I would advise not to discuss the cases on record.

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GREENE: Ok, then let's just discuss the Monthly Memorandum that comes out from your office and tell me why we've got 4 months here where 3 cases were on here and there hasn't been any updates on any of them?

MOSES: I don't know what the 3 cases, remember I'm just filling in for Rico so I have not read your monthly.....

GREENE: Well your name is on this.

MOSES: Memo. They recently changed that because Keeran left. But if you would like for me to go back and review those 3 cases, I'm happy to and let you know what I can see.

GREENE: I would just like to know what's going on that has changed everything. Who has made a decision to stop enforcement? Who has made a decision, back before when we went to Lorain County – I can't even name all of them, there was never once an issue with anything that we've filed and we never lost a case. Never

MOSES: I cannot tell you what went on in those cases. I know those are different counties and you now bring all of your cases in Franklin County

GREENE: Does the AG's Office keep copies of their cases?

MOSES: We do under the Records Retention Policy. Like I said, I can go back and start reviewing cases and let you know. I can only tell you what the standard of the law is and right now the cases don't meet that.

GREENE: Ok then one more question: I sent over 62 cases that we've requested an injunction on and that was I don't know – April?

WAGNER: March

MOSES: Yes

GREENE: The first time I hear about them being rejected is when I get the Monthly Memorandum May 6<sup>th</sup>. Now, can you tell me what the line of communication is supposed to be with the AG's Office and the agency they are representing?

MOSES: I thought you received.....

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GREENE: I never got an acknowledgment, I never got an e-mail, I never got anything. I sent 30 letters over in April and two weeks went by and they said "Can you send those over again, we've lost them" I sent 30 letters and they were lost at the Attorney General's Office.

MOSES: And I can apologize for that and say that it could be e-mail systems or it could just be where we've shifted AAG's .

GREENE: But the weak link is with us....

MOSES: No, I did not say that, I said that we've shifted so I can review those 30 letters...have you received them back?

GREENE: Yes, we redid them all, the ladies and we've sent them back then we've got them back and we mailed them out. That was 3 weeks after they were dated to be mailed out.

MOSES: I mean 3 weeks for 60 letters isn't a bad length of time we have to review.

GREENE: We've typed the letters for you all you have to do is sign them.

MOSES: We still have to read everything before we sign it to make sure it's correct.

GREENE: It's a form letter!

MOSES: There could be typos, not saying that either one of you ladies .....

SHERFIELD: We received the letter from you guys.

GREENE: You sent the letter to us we downloaded it in our system. We print it and then you guys sign it.

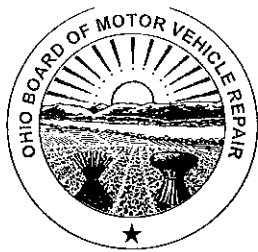
MOSES: Oh, okay. I can go back and I can try to talk to Rico and make sure that we have better communication. You can "cc" me.

GREENE: I just sent him two more batches of letters and never got an e-mail, never got a "hey I got your letters" nothing. I haven't heard from Rico since Keeran left.

MOSES: Did he not attend last month's meeting?

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GREENE: I don't know if he was here at last month's meeting or not but Keeran was still the AAG.

SHERFIELD: He did attend

GREENE: He attended but he attended for Keeran .

MOSES: So are you wanting confirmation e-mails, are you wanting more updates?

GREENE: I don't know, if you send me a case over that's important enough for me to read and look at and do something with, wouldn't you like to know if I got it?

MOSES: We can start sending confirmation e-mails. As I said, we are a little slammed right now. We have lost several AAGs from our section we are quickly trying to replace them. You will be assigned an AAG that will focus on you as one of their primary clients. I can say that Susan is trying to shift that. That person will be more responsive and I can make sure that they are.

GREENE: I appreciate that

WAGNER: Beyond that, let's assume the AG is going to keep this line of being able to prove the 5 cars - that's not going to go away..

MOSES: No

WAGNER: Where do we move from here?

GREENE: We've put it in the House Bill.

WAGNER: We're going to do away with that?

GREENE: Yes

WAGNER: Ok

STERWERF: Is the increased level of scrutiny coming from the AG's Office or the judges when they're reviewing the law saying we need much more detail on these vehicles? Or we're going to have to go back to the BMV to get all of the records?

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MOSES: It's a combination of both. When we bring these cases forward, we looked what the judges have ruled in other cases in case law and we apply that to clients and our job is to protect both public and to represent you. It would be like a prosecutor bringing forward an assault case with no witnesses. That's not this case there are witnesses and testimony but to give you an example, the prosecutor shouldn't bring forward something without evidence. We shouldn't bring forward – we act as a prosecutor in this way. We shouldn't bring forward and shut somebody's business down and take away their license and their livelihood without the correct level of evidence. So, what we do is we review it, we go through the standards that we are told – we are, me personally, low man on the totem pole so we are given instructions on how to go through and what to review. This is based off of what judges have said and then we change that as we bring cases forward and then they say "Oh, we need more" or "oh, you've got too much."

STERWERF: Are prior case law and former injunctions (INAUDIBLE) is enough?

MOSES: We need to look at Franklin County you now don't take them in other counties. They're all based off of Franklin County so we have to look at Franklin County judges.

STERWERF: So by moving everything here is what's creating our "issue"? It's supposed to help expedite things. Now it's making things more difficult.

WAGNER: That was supposed to help the AG's Office.

MOSES: And we appreciate! The new bill should actually help, I make no guarantees but it should.

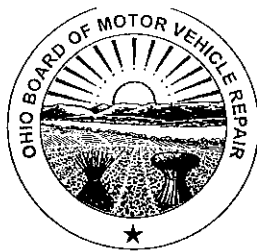
GREENE: We've had injunctions; we've had lockdowns in Franklin County before.

WAGNER: Tongue in cheek – does common sense not play any part – like the guy who owns 4 shops any judge can see – common sense says that he's obviously not doing what he's supposed to be..... It's just hard for me to believe if I was on the bench, I can't see that. I understand there's law but,

MOSES: Right but you have to do the law which says 5 vehicles and while common sense and we agree, if you have 4 or 5 shops each one of those shops is not doing half of a repair or one repair, or most likely making their money of selling floor mats, or whatever else some of these may be doing or selling, however the law says 5 vehicles; we have to show that there was 5 vehicles we have to be able to prove it. Now if we were to subpoenas and pay-ins and things like that that may help. There are different varieties and I believe Rico,

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Keeran and Susan have all discussed all of that and I wasn't at most of those meetings so I don't know what all was discussed to provide in proof what the 5 shops were.

WAGNER: Well I sat at the meeting with your boss and I know that that was brought up and I what I got from her is, and correct me if I'm wrong, it would impossible to get some of these vendors to subpoena them (INAUDIBLE) To subpoena these vendors to turn over records of how many parts they've sold to a business

GREENE: We don't have subpoena power, that's the first thing.

MOSES: Correct

GREENE: The second thing is the vendor is not going to turn in a shop, that's his livelihood, that's his income, his meal ticket. He's not going to turn around and give us anything. We've tried that in the past; when I was an investigator we tried that.

Another part of the standards that have been put on us now is also that for every year that these people are unregistered we have to prove 5 vehicles for every year. So you go down to a shop in Grove City whose got 12 years of running a shop fulltime without a registration the only thing we can prove – while everybody else is paying for their insurance and their registration fee and everything else they are supposed to have for 12 years, he only has to pay a year according to the Attorney General's Office to get legal, otherwise we're going to have to go back to 2001 or 2002 and come up with 5 cars he's repaired. It's a standard that's totally unreasonable and impossible to do and it comes at a point where they're looking at 62 cases and they're saying "My gosh, that's a lot of work, there's got to be a way we can get out of this!" We're splitting hairs is what we're doing; we're looking for an out; we're looking for a loophole in the law so we don't have to do anything.

I guess I've said enough on this.

MOSES: It's not the AG's office, it's the law and that we're trying to interpret it, we have no problem taking forward 62 injunctions. In fact it's pretty exciting for us when what we do is a lot of administrative hearings.

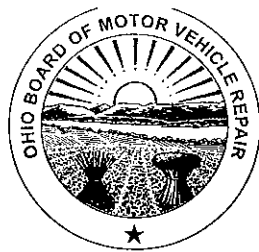
GREENE: Well you can't do administrative hearings on someone that hasn't been licensed.

MOSES: No, I mean for our other clients. A lot of what we do is administrative hearings to actual injunctions in the court arguing, putting together evidence is very exciting for us to do and we would love to do it.

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WAGNER: Perhaps we've just got to hope that this change comes about to make everybody's job easier.

HUFFMAN: That Code Section is 4738.01

MOSES: Thank you

HUFFMAN: It just uses that definition of a business. If you have a big sign outside that says "Bob's Auto Body" I don't know if that would serve as a standard that you're running a business but hopefully this change will open the door to allow the AG's office to pursue that.

GIBSON: To give you an idea of our side of it our end of it, I have obtained actually 6 jobs from the shop owner that Mike referred to in the Cincinnati area and it took me approximately 130 hours to document 5 cases at two locations and then I was told that I needed to get another one to make it 5 jobs at one location and I did that. It took November, December, and January approximately 130 hours for me to document 5 jobs actually six jobs. So, that's one of two investigators and that's how time consuming. When you get to this point of - the business owners we're dealing with, we get absolutely no cooperation. Can't get inside, this was all outside surveillance. Following cars after they pull out of the garage, getting license numbers, contacting the BMV, BMV giving us certified copies of the owners and then on several of the owners, contact the owners and talk with them. That's just one business.

STERWERF: Is electronic surveillance allowed? Like cameras or recording devices?

GREENE: I don't know, we've never had the money to put into that.

STERWERF: Is that something that we should look into as a board? Potentially monitor these situations to ease up manpower?

WAGNER: Let's see what happens here....

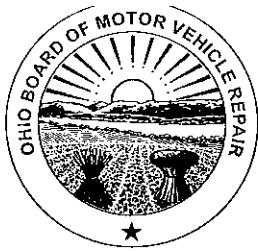
GIBSON: I'm just throwing that out for what's involved and this hasn't even .....

GREENE: But in January, when he finished that up, he turned in the six and we still don't have any action on that case.

STERWERF: We're waiting to hear back on that?

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GREENE: I don't know, the Monthly Report that the AG's office puts out, it says "No Action" on that case every month.

MOSES: Can you tell what the case name is and I'll go look at it personally when I get back.

GIBSON: We've had hearings actually, and it was dismissed and to my knowledge has not been....

GREENE: Since he did the things that were asked nothing has been refiled.

STERWERF: The judge hasn't been able to look at it as what's reasonable as far as if a business has been there and quite an operation – it's reasonable that they are obviously working on more than 5 cars. You have to have the actual evidence?

MOSES: We have to show 5.

STERWERF: You can just us reasonable evidence clause.

MOSES: You have to have the 5.

GREENE: It can't be 5 random cars. You need to identify the owners, we need to identify ....

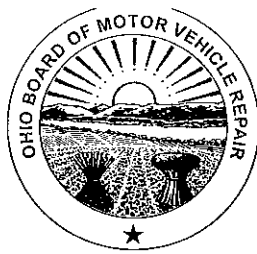
MOSES: And that's so the (shop) owner can't come in there and say "Well those are my 5 cars" or "those are my car, my wife's car, and my two children's cars".

GREENE: But you're not going to get cooperation for the vehicle owner either because somebody that takes a car to a shop like that is not going to turn them in because more than likely, they are getting a large chunk of the insurance money and paying this person under the table.

GIBSON: Especially when you're dealing with window tinters a lot of the ones that aren't registered or are doing illegal window tinting. It's word of mouth, the legitimate guys are saying "Hey I'm not going to put that on, it's against the law" but in these communities everybody knows "take it to so and so because so and so will anything on that you want." Well they're the type of customers that not going to cooperate in an investigation with us or anybody because they got something they wanted and they know it's illegal. So, what I had to do was sit and watch vehicles in the garage and when they leave the garage, follow

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them out to get the license numbers. If the case depended up them testifying in court they wouldn't even show up for court because they wouldn't want to get the business owner in trouble.

WAGNER: Can I suggest Mike that you include in that letter you're going to draft, the amount of hours spent just on that. That will kind of shed a light, they wonder why only a 120 something cases (INAUDIBLE) but there again is 130 hours spent on just one. It will shed some light on goes into trying to get stuff ready.

GIBSON: Well, when you talk about complaints – a complaint in a lot of cases don't go away. Actually, I'm following up on complaints that I got 9 years ago. When I'm back in the area I put another Notice of Violation on them and do more documentation so it's not like if we average 125 complaints a year, it's like you can go and investigate that complaint or make a shop visit and then it stops. It doesn't, we create a monster and the follow-up just becomes more follow-up, more follow-up, and more follow-up. That's the thing that nobody would understand without actually doing it.

PENNEY: Is there a way the insurance companies have to have your federal ID # to write a check, what can't we have a state number that they have to have before they can write a check also?

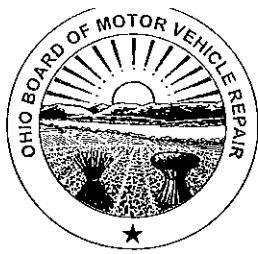
GREENE: We've talked about trying to get that in the bill; having the insurance companies required to get a registration number before they do business with a shop and the push back from the insurance company industry may kill the bill totally. You've got to understand that a large portion of these illegal shops aren't getting insurance checks. The car owner is cashing the check and he's finding this illegal shop that will do it for \$1000 less than what the check is for and he's pocketing the rest of the money. When we run these National Insurance Crime Reports to find out shops, how much business they've done in the past 5 years with an insurance company – we're finding a full blown illegal shop might have 2 insurance claims over 5 years. We're getting nothing from NICB on that. I think that it would be a great thing to have in the law, but I think that it would be enough in Ohio that it would get too much kick back. I may be wrong, Andrew would know better than I would.

HUFFMAN: We've talked to the insurers and it seems like every session and every time they seem to indicate that they might be open to the idea, we can keep on fishing it and see if they'll bite. It's just something that they have a lot clout here in Ohio.

WAGNER: On the outside looking in, it would be advantageous for them to not because they don't have their supplements. There are a lot of tangible things attached to that, they just issue one check.

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GREENE: It's already in the Ohio Revised Code – Fair Labor Standards Act it says the insurance company will not do business with an illegal company. We can't enforce that only the Department of Insurance can and they can only do it probably through the AG's office.

### **ADJOURNMENT: NEXT BOARD MTG. – AUGUST 19, 2015, LOCATION**

Vern Riffe Tower, 77 South High Street, 19<sup>th</sup> Floor, Room 1932, Columbus, 43215.

**MOTION TO ADJOURN: STERWERF**

**SECOND: DOHNER**

**VOTE: MOTION CARRIED.**

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