

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

November 13, 2013 10:00 AM

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

1. THE MEETING WAS CALLED TO ORDER AT 10:15 AM.

BOARD MEETING ATTENDEES: Christopher Sterwerf, William Ogg, Brian Seibert, Jeff Wagner, C. J. Paterniti, Matt Dougher (ASA), Summer Moses (AAG), Rico Barrera (AAG), Michael Greene, Daniel Gibson, Craig Robinson, Theresa Peppers, Kimberly Sherfield

2. REVIEW OF AUGUST 14, 2013 MEETING MINUTES

**MOTION TO ACCEPT: William Ogg
SECOND: Christopher Sterwerf
VOTE: Accepted**

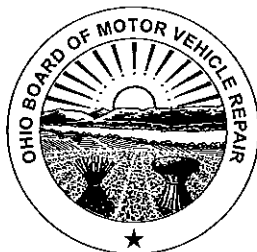
3. BOARD REVIEW AND DETERMINATION RE: PENDING REGISTRATION APPLICATIONS:

A. Vote by Board on regular registrations pending from July 31, 2013 through October 31, 2013.

**MOTION TO ACCEPT: Jeff Wagner
SECOND: Christopher Sterwerf
VOTE: Accepted**

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Effectively and efficiently enforce Ohio laws by implementing Common Sense Initiatives to enhance consumer protection and promote industry growth and compliance.



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4. OTHER BUSINESS:

- A. Investigator's Report – Investigator Dan Gibson /Investigator Craig Robinson/ Inv. Asst. Theresa Peppers

November 04 through November 07, 2013

GIBSON

Shop Visits	556
Renewals	27
NOV	139
New Shop App	174
Complaints Investigated	95 (Involving 95 Shops)
Shops LOB	24

During which time Investigator Gibson visited 71 of the 88 counties. Now that we have Craig, we have divided the state, 44 and 44. I am working the southern counties now; of course Craig is working the northern counties. Next time, I'm not going to be keeping track of all 88 counties. Anyone have any questions for me?

ROBINSON

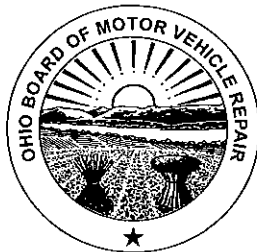
September 16 through November 07, 2013

Shop Visits	197
Renewals	7
NOV	31
New Shop App	29
Complaints Investigated	27 (Involving 27 Shops)
Shops LOB	4

During which time Investigator Robinson visited 17 of the 44 counties. It's been fun, it's been enjoyable, a lot of nice people. The one thing that I've heard that seems to be consistent, the one complaint that I have heard is probably the number one

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outside of "I don't want to pay" is how come used car shops are allowed to run collision shops and not have to be accountable for it. That's probably the number one complaint heard.

B. Attorney General's Report – AAG Summer Moses

Nothing really to report. There's a Senate Bill that's under way that's looking about adding some more shops to you guys with the repairs. Like you were saying that there's a complaint, but that still has to be approved and go through all the channels and work its way so we'll see. Mike probably knows more about it than I do; it just popped up on our radar just the other day.

I am leaving and Rico is going to take my place and be working with you guys. But thank you for being great clients for the last year and working with me and not being a problem.

OGG: Are you leaving the Attorney General's Office or just taking another level or what?

MOSES: I have clients that have a lot more hearings and litigation and things like that so I'm going to be focusing more on that and not doing as many board meetings.

BARRERA: Just by way of introduction, my name is Rico Barrera. I've met a few of you and like Summer said, I'll be transitioning into the role of looking over you guys. Summer has had a lot great things to say about you guys and I'm looking forward to it.

GREENE: Do you have an update on the status of those six injunctions?

MOSES: Oh, yeah, I forgot about that. Those have all been completed, done and are being filed – actually, they should all be being filed right now. We have six packets, they are massive packets of evidence. We have had to rewrite complaints and injunctions even after I sent them. We have had to rewrite two sections to be update with the most current law. They are ready and filed now and we should hear something back from the court when we have dates and stuff. I will still be doing those, these first six and then Rico will take over the next set and he'll have more

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time to do them and it should be up to date. The next six should go a lot quicker than this set did.

C. Legislation Updates – ASA Ohio Rep. Matt Dougher

SB 232 – About mechanical registration; It was dropped the other day by Senator Uecker and is awaiting a time slot for hearings right now. Once we figure out when that is, we will then, at least from ASA Ohio standpoint, put the troops together and support that bill to bring mechanical registrations to Ohio. We still have a bit of opposition out there, but I believe, and you can correct me if I'm wrong, that we have actually never had a bill dropped (in the Senate). We are excited about that and we are looking forward to making that happen.

A couple of other things, and some of this is carryover from last year that didn't get done.

HB 107 – To authorize a tax credit for businesses that employ high school students in career exploration internships. For the shops out there that are looking to bring people in and there's a possible tax credit coming down the road for that, which I think will be good news.

HB 128 - Motor Vehicle Salvage Dealer Law is going to be re-introduced in this session. That has to do with permitting non salvage dealers to sell salvaged vehicles. Right now salvage dealers can only sell salvaged vehicles. This will permit other people, other than dealers like auctions to sell those vehicles.

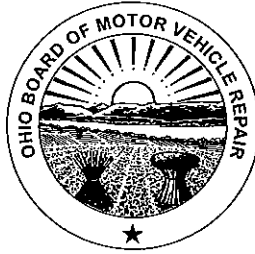
HB 177 – Nonfunctional Motor Vehicle Air Bag – that is still out there about putting some restrictions on counterfeit or nonfunctional motor vehicle air bags causes the vehicle's diagnostic system to indicate the is equipped with a functional (air bag). So we want to make sure that we do something about the air bags that are coming from salvage yards. To make sure they are working also from overseas.

HB 194 – Is designating the month of November as Auto Industry Month.

HB 278 – Freeway Travel – Vehicle Gross Weight – To require that a vehicle with a gross vehicle weight rating or an actual gross vehicle weight of more than 10,000 pounds to be driven only in the right two lanes of the freeway or the right lane. So

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that left lane would be, supposedly, free. Like on the turnpike and of course 71 is being widened. That's going through.

SB 161 – Motor Vehicle Headlights – To require motor vehicle headlights to display a white light.

That's what I have for an update.

OGG: Did you say a gross vehicle weight 10,000 pounds?

DOUGHER: Yeah, 10,000 pounds – they would have to stay in the right two lanes or the right lane.

OGG: That would be a loaded pick-up, wouldn't it?

DOUGHER: Could be. Some people think it would make it safer.

OGG: I've got a question on that Motor Vehicle Salvage License. Are the insurance companies pushing that?

GREENE: I don't know.

DOUGHER: I don't think so, it's more of the used guys that are pushing that. The used manufactured parts companies, they're more pushing it than the insurance companies. We've kind of rode the fence on it in the past and not going either way. What we want to do is make sure that they are safe not only to work on but they are same when you put them into the vehicle. I think that there are some liability issues there.

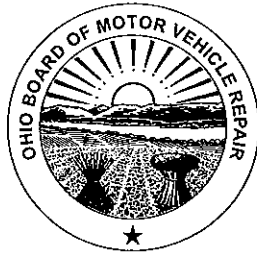
WAGNER: Matt, I'm a little confused on that. I think that what you're thinking about is the originator was a different one when the insurance was pushing one when they wanted to open salvage to allow outside entities to be able to bid. That's when they were pushing, this one is different.

OGG: It's the same one, isn't it?

DOUGHER: I thought that he was talking about the air bags, I'm sorry.

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OGG: No, no, I'm talking about the motor vehicle salvage....

DOUGHER: These are the auction companies and the insurance companies that are pushing that. I apologize, I thought you were talking about the air bags. I apologize.

D. Director's Report – Mike Greene – **SEE ATTACHED**

CURRENT REGISTRATIONS:

We are now tracking used dealers, mechanical shops, everything that could be added with SB 232 or added with other legislation down the road. We're building up that e-Licensing system, putting a lot more exempt business records in there than we were before. When I came eight years ago, when we found an exempt shop, we weren't creating an e-Licensing file for it. We weren't tracking that shop, it was exempt and we left it that way, now we're keeping track of a lot more records than we had before, mainly because of the new legislation and the hopes of bringing a lot more on board.

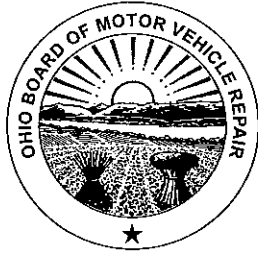
OTHER NEWS:

International Window Film Association Meeting (IWFA) – Originally when we sent the packets (board meeting packets) out it was originally scheduled for today, it has been moved up to the first week in December. They are trying to get a sponsor for a bill to change the 4513.241 Window Tint Regulations as far as percentage goes. We don't really have a dog in that fight other than the fact that by changing it statewide, it's actually going to help keep the smaller tint installers from losing business or from going out of business by changing the percentage. That's what the thought is anyway. They've tried this in Illinois and a couple of other states and have been very successful with it and so they are working on it here in Ohio. I'm just kind of a conduit between the IWFA and DPS (Department of Public Safety) and some of the other entities that they're trying to get on board with that bill.

Right now in Ohio, it's 70 percent on the windshield 50 on the driver's door and the front passenger's door and it can be as dark as you want it from behind the driver on back. So really, safety for law enforcement, safety for people being able to see in the rain and in the fog that kind of thing, it really makes a lot more sense so just

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make it even all the way around. I'm sold on it, even though we really don't have a dog in that fight, we're just trying to support the businesses/shops; keep them afloat.

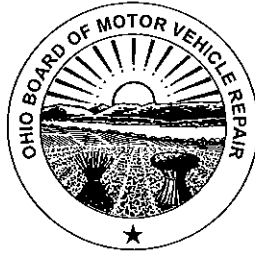
Matt mentioned SB 232 – Senator Uecker – They introduced that bill late yesterday. That bill, as written, will add all mechanical shops in Ohio. It will add all used dealerships that have either mechanical or collision or both. It's very likely that it'll probably triple our work load and my plan is if it goes through the way it's written, I'll probably end up trying to get the Controlling Board and the Office of Budget and Management to let me add more people, again. Possibly an office person and two more investigators is what I'm shooting for. It can do a lot, leaps and bounds for this board, for this agency and everything. It will change the make-up of the board, there'll be two mechanical board members, two collision board members – they don't use word "collision" in the new language, they use the words "body repair", it'll also add restoration shops that do nothing but restoration. It's all good, everything in that bill for us, good for the board, good for the shops, it's good for the industry. There's nothing bad, if it goes through the way it's written – there's nothing bad in that bill. If you get a chance to read it, what I want to do is check to see with Senator Uecker's office to see if we can put the bill on our website and a link to the bill also send it out on our e-mail system. If I get approval on that then everybody will get a copy of it. I just got it this morning, it's fresh. It's all good stuff. While other boards are fizzling out and other boards are being done away with and other boards have to cut people, we're growing – we're the only one growing and that's a good thing. They are supporting the auto industry – the repair part of it. ASA has done a wonderful job and Victor's group, just can't say enough good about them, they're doing great. Andrew Huffman and Victor – it's been good stuff.

WAGNER: Mike, I know at the last meeting you reported on it and Matt kind of hit on it – there's still a little push back, was that still from the car dealers association? I know the last time you reported that was maybe of getting narrowed down.

GREENE: There's still some opposition with dealers association and Here's the way I look at it, we had a bill and Matt was asking if we ever had a bill – we had HB 208 – if you remember 7 or 8 years ago, I don't know how long it's been. All of the opposition that we had from that from the retail merchants association, the tire people and all of that – well, I think those people are on board now. The retail merchants and the tire are on board

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DOUGHER: Yeah, I think our biggest problem now is probably the independent used car guys and the auto dealers are opposed to also and they are a strong group. They are exempt from it but they are opposed to it.

GREENE: Yeah, they are exempt from it. I have said several times, if it goes through as written, it's a perfect bill. There may be some things taken out and we may have to give up something to get something else, if that's what it comes down to, it's still leaps and bounds by getting the mechanical there's no taking that out.

DOUGHER: On the used car side of things, there is a percentage tied to it of gross revenue of sales versus service revenue. If they hit a certain amount then, yeah would have to be registered. If they're servicing cars and sell two or three used, they would have to be a part of the bill. If they are selling more cars than they are bringing in then they would not, they would be exempt. Now where that percentage is right now is 80 percent, I don't if it will be there later on, but we're going to make sure that they come in and defend their position and we're going to make sure the new car dealers come and defend their position on why they don't want this to happen.

WAGNER: They have always been exempt from everything we've ever done.

GREENE: Even this bill doesn't require them to pay for registration. A used dealer would just have to register they won't have to pay.

SEIBERT: Why is that?

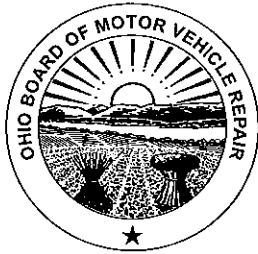
GREENE: Because they're paying the BMV already for a license. That's the way I understand it.

DOUGHER: Yeah

GREENE: But, just like I said with the e-Licensing system, now we've got business records, we've got our foot in the door. We'll take what we can get, I think, is the best thing to do. Little steps at a time, it's been a few years since 208 (HB 208) and this is a big thing. Even the window tint was a big bill compared to what we've had come through. I think it's a step in the right direction. If they'll allow me to put it out there and put it on our website and put it out to our licensees we have in the system, maybe we can drum up enough support, maybe it will make a difference with

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keeping the dealers in, I don't know. Maybe it'll make a difference in the percentage. Anything we can get, this is really good language right here.

WAGNER: It's always been about consumer safety is what we've always pushed. It's always hard for them, we've always wonder how they could defend against consumer safety.

DOUGHER: That's what it comes down to, and they're going to have to go in, like us and defend why they don't want that. The new car guys are strong, there is no question, what has changed is, things like Craigslist has changed and now some of the state representatives are starting to hear from their constituents about how they took their car to someone off Craigslist and it's not good.

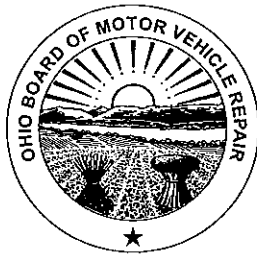
STERWERF: Cars now are getting more and more complicated. It's getting to the point of ridiculousness now. You used to have to worry about the paint on cars with back-up sensors – now you have to worry about the thickness of paint on fenders and quarter panels. There are sensors in cars now that are coming out that are wireless and communicate kind of like blue-tooth technology. The mill thickness of paint is (INAUDIBLE) thickness of a fender or on a quarter panel is shielding where the sensors are, that car will not communicate. There are some safety sensitive areas where the car may not function properly. Bringing in a restorer or body repair is good because they need to know about these idiosyncrasies about cars now where you have to strip a panel to remove paint if there is too much thickness for that car to function properly. Just because the warning light does not come on in the dash doesn't mean that there isn't issues with that car. There could be a lot of other issues that don't come up because that dash light trigger and they could be severely safety sensitive. Things are getting more and more complicated, we've got to bring everybody into the fold or else there are going to be a lot issues with the consumer going forward.

DOUGHER: Yeah, the technology is there that you don't even have to drive anymore. Really, it's there and they're talking about it.

STERWERF: The more you are relying on the car to drive itself, the more you rely on the car for your safety, the more we need to make sure our industry is repairing them properly.

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PATERNITI: Where do the re-manufactures fall in to this, Mike? I guess it's like a body company putting a dump bed on. Because they're doing mechanical up-fitting, does that fall into (under) that umbrella of ...

GREENE: I think it falls into that percentage part of it.

DOUGHER: For a used car?

GREENE: Like tow bed replacements and utility beds, dump beds ...

DOUGHER: That, I don't know, I would have to talk to Victor about that, CJ.

PATERNITI: I wonder if my (INAUDIBLE) business would fall under this.

DOUGHER: Let's get with Victor and Andrew and see where that fits in, that hasn't been brought up.

5. NEW BUSINESS:

A. 2014 Board Meeting Dates

WAGNER: If this Mechanical Legislation passes are we going to be able to conduct enough....

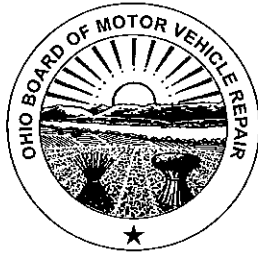
GREENE: No, we will have to have some special meetings for rule making. I don't think you were here when we went through the tinting part of it, what I told the board then, to save time, I could prepare all of that in advance, e-mail it out to them, have everybody review things and then we can come in and have a discussion on a line by line basis. That will save a lot of time, we probably will have to have a couple of special meetings added but we will have to post them for the public. This is just status quo if everything stays the same.

SEIBERT: These are just our standard meetings, Jeff.

MOSES: When you guys send out group e-mails, make sure that you don't respond as a group and start having group conversations. Those all need to be public conversations, because I know in our office send, when someone wants to send and someone wants to "reply all" and just respond back. Now you can have a

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conversation with Mike that's about this or whatever, ask him questions but you can't talk as a group without it being in an open meeting or you will be violating the open meetings act.

GREENE: What I did before was I sent them out the draft rule changes, I didn't ask for any response, just read through these and be prepared when we have a meeting to go down through the lines and tell me what's wrong and what's right, that kind of thing.

MOSES: Which is fine, you can do that and you can e-mail them all just know they can't all e-mail back and forth and chat and talk. Any special meetings you'll have to put a notice out.

GREENE: We'll do all of that when it comes to that we'll have to post it on our website and also put out a notice.

MOTION TO ACCEPT: William Ogg
SECOND: CJ Paterniti
VOTE: Accepted

B. Backyard Competition Report – Chris Sterwerf – LENGTHY DISCUSSION FOLLOWED REGARDING THE REPORT.

6. ADJOURNMENT:

MOTION TO ADJOURN: Jeff Wagner
SECOND: William Ogg
VOTE: Accepted

NEXT BOARD MTG. – FEBRUARY 19, 2014, LOCATION:
Vern Riffe Tower, 77 South High Street, 19th Floor, Room 1960, Columbus.

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