

# NEWS and VIEWS

March 2006

## The Director's Desk....

Roy K. Dockum, Executive Director

### Upcoming Dates for Commission Meetings

April 11

May 9

June 13

Meetings Start at 10:00 a.m.

### OMVC

### WEBSITE

### CAN HELP YOU!

### NEED FORMS?

### WANT A COPY OF THE AGENDA?

### HAVE QUESTIONS ABOUT....

- Laws?
- Advertising?
- Off Premise?
- Licensing Requirements?

For answers, please  
visit:

[www.omvc.state.ok.us](http://www.omvc.state.ok.us)

## Off-Premise Forms & Procedures Revised

As a part of our ongoing efforts to update and streamline OMVC forms and processes, we are introducing new off-premise application forms which are accessible under the Forms tab, located on our website.

Last year the OMVC issued over 4,000 off-premise permits. By simplifying some of the paperwork, the permitting process should be more efficient. One of our goals is to make all of our applications as straightforward and easy to complete as possible, still complying with the applicable statutes.

*These new applications are to be used for all future events, as the previous forms are now obsolete!*

As a reminder, for an off-premise display event, Oklahoma Statutes require:

- the dealer must obtain permits and place them on the vehicles
- no selling activities may be conducted; no salespeople present
- the display must be in the in the dealer's factory-approved area of sales and service responsibility
- the dealer must obtain written approval from the manufacturer/distributor;
- the sponsoring entity must obtain a permit from the OMVC.

The three major changes in the new Forms and Procedures are:

1. The dealership must certify that it has obtained factory approval
2. The dealership must certify that the event location is in its factory approved area of responsibility (and therefore not within another same line-make dealer's area).
3. The dealership *keeps* the written factory approval on file and does not submit to the OMVC, unless requested to do so.

For RV dealers only, there are also new applications on our website for off-premise sale events which incorporate the same changes.

Please keep in mind that the off-premise laws have been in place for many years, requested by Oklahoma dealers, in order to maintain order, integrity, and protection to the franchised dealer system. As you are aware, failure to obtain off-premise permits could result in fines and/or other penalties as allowed by law.

## **BAIT AND SWITCH ADVERTISING**

The OMVC has received an increasing number of allegations of dealer advertised vehicles being used simply as a “**bait and switch**” advertisement. Dealers are either refusing to sell the vehicle(s) at the advertised price or telling customers that it has been sold, even though the ad continues to run for days and/or weeks afterward.

Keep in mind the **three Advertising Rules** which address this issue:

**Rule 465:15-3-4** “Any advertising of a “Bait” or “Bait and switch” nature is prohibited.”  
(Bait is defined at the beginning of the Ad Rules section.)

**Rule 465:15-3-7** states that an advertised price “must be the full and total selling price for which the dealer will sell the vehicle. The only charges that may be excluded from the advertised price are: state and local taxes, license, and title.” *Please note: Adding dealer fees to the advertised price at the time of purchase is not one of the exceptions.* In addition, the most conspicuous advertised price must be the price available to every consumer; it may not include rebates only available to a select group.

**Rule 465:15-3-2** requires that when advertising a price and/or savings claim, the ad must either provide the number of vehicles available at that price or savings claim, or list the stock number if only one unit is available.

Since the OMVC considers allegations of “**bait and switch**” very seriously, we want to remind dealers of these issues, so they don’t grow into major problems. The Advertising Rules can be found on our website [www.omvc.state.ok.us](http://www.omvc.state.ok.us) .

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## **COMMISSION ACTIONS**

### **January 10, 2006 Meeting**

1. \$250 Advertising Fine issued to Edmond Hyundai, Edmond, OK
2. \$150 Unlicensed Salesperson Fine issued to Jack Kissee Ford, Claremore, OK
3. \$100 Unlicensed Salesperson Fine issued to Vinita Chevrolet, Vinita, OK
4. Approved License Applications for 3 Manufacturer/Distributors and 4 Dealers.
5. Denied Distributor Application for Unlimited Power Corp, Santa Fe Springs, CA
6. Approved License Applications for 12 Dealers of ATV/Off-Road Cycles

### **February 7, 2006 Meeting**

1. \$200 Unlicensed Salesperson Fine issued to Saturn of OKC
2. Approved License Applications for 3 Manufacturer/Distributors and 6 Dealers
3. Approved License Applications for 6 Dealers of ATV/Off-Road Cycles

### **March 14, 2006 Meeting**

1. \$550 Unlicensed Salesperson Fine issued to Sand Springs Ford, Sand Springs, OK
2. \$100 Unlicensed Salesperson Fine issued to Johnsons of Enid, Enid, OK
3. \$100 Unlicensed Salesperson Fine issued to Polaris Outdoors, Tulsa, OK
4. Approved License Applications for 7 Manufacturers/Distributors and 10 Dealers
5. Approved License Applications for 4 Dealers of ATV/Off-Road Cycles