

**STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION**

NAC 97 HEARING

March 1, 2012

Minutes

A public hearing set forth by the Commissioner of the Financial Institutions Division regarding the Implementation Date for all form contracts under Chapter 97 of the Nevada Administrative Code (NAC) was held on March 1, 2012 at the Grant Sawyer Building 555 E. Washington Ave., Suite 4401 Las Vegas, NV 89101, with video-conference at Legislative Counsel Bureau 401 S. Carson St., Suite 3137, Carson City, NV 89701.

Nevada Financial Institution Division's Staff in Attendance:

Las Vegas:

Commissioner: George E. Burns

Deputy Commissioner: Carla C. Kolebuck

Division Counsel: Senior Deputy A.G., David J. Pope

Division Counsel: Deputy A.G, Daniel Ebihara

Examiner: Christopher Hui

Carson City:

Division's CPA: Christopher Schneider

1-A) Call to Order

Commissioner Burns commenced the public hearing of Chapter 97 of the Nevada Administration Code (NAC) and stated the agenda for the hearing on March 1, 2012 at 9:32 AM.

1-B) Public Comments

1-B-1

Michael Thorn Hofer with Reynolds and Reynolds Company stated that they would like to see July 1 as the implementation date for the changes to the auto dealer contracts to have adequate time to notify dealers, modify the supplies they have, to minimize loss and provide the final print product for the software providers.

Commissioner Burns asked Mr. Hofer, for how many auto dealers in the State of Nevada does Reynolds and Reynolds provide pre-printed forms.

Mr. Hofer stated that Reynolds and Reynolds provides contract forms to 100% of the dealers in Nevada.

Commissioner Burns requested clarification that Reynolds and Reynolds indeed provides all dealers in State of Nevada pre-printed contract forms.

Mr. Hofer stated that it is correct within a 1 percent (1%) margin of error.

1-B-2

Tyler Kidd, Senior Corporate Counsel for CarMax Auto Superstore stated that CarMax also wants the implementation date of July 1 because they will need the additional time to program their software to be able to print the information correctly. Mr. Kidd also stated that he believes there was not enough opportunity to comment upon the bill.

1-B-3

John Sande IV on behalf of Nevada Franchised Auto Dealers Association stated that the Association also requests an implementation date of July 1 allowing time for the dealers to review their inventory and update their programs.

Commissioner Burns asked Mr. Sande how many of the auto dealers does Nevada Franchised Auto Dealers Association represent.

John Sande stated that the Association represents ninety-seven to ninety-eight percent (97-98%) of the franchised auto dealers in Nevada but that they do not represent used car dealers. Commissioner Burns requested clarification as to the actual number of auto dealers in the State represented by the Association.

Mr. Sande stated an estimate of hundred and five (105) dealers.

1-B-4

Gary Ackerman, Chairmen of Gaudin Auto Group stated that Gaudin would also like the implementation date of the new form contracts to be July 1 in order to have an opportunity to implement the new changes, remove old documents and re-program their computer system. Mr. Ackerman also stated that to his knowledge there has been no public hearing on the contract form changes.

Commissioner Burns stated that there have indeed been public hearings regarding this regulation held on June 29, 2010, October 21 2010, June 14, 2011, September 9, 2011, with the adoption hearing held on September 16, 2011.

1-B-5

Senator Randolph Townsend stated that he believes the form that is used by the auto dealers is very complex and that any time there is a change to the form, it should be shared with all parties, so that all parties are given consideration. He also stated that he hopes that the Commissioner and his staff would avail themselves of the input of the auto dealers due to the complexity and the verbiage used in that industry.

2) Implementation date for vehicle form contracts

Commissioner Burns stated the Financial Institutions Division prescribes an implementation date of July 1, 2012 for NAC Chapter 97 (LCB No. R-016-10) forms used for an application for credit used in any sale of a vehicle if the sale is governed by the provisions of NRS 97.299. He also stated that the order will be issued and posted on the Financial Institutions Division's website.

3) Additional Public Comment

John Sande IV on behalf of Nevada Franchised Auto Dealers Association stated that they will submit a request for a hearing regarding section C of the retail installment contract to address their concerns. Mr. Sande also stated that they would like to request public documentation but they will address it at a later date.

4) Adjournment

Meeting adjourned on March 1, 2012 at 9:53 AM.