



ANNUAL MEETING OF THE DEALER ADVISORY BOARD

Board Meeting Minutes

2nd April 2025 ITD HQ Lake Coeur d'Alene Conference Room/Teams

ATTENDEES

- Board Members
 - Jim White, *Chairman*
 - Con Paulos, *Vice Chairman*
 - Jim Addis, *Secretary*
 - Tim Sexton, *Member*
 - Bobby Petersen, *Member*
 - Grant Petersen Jr., *Member (Absent)*
 - Brett Taylor, *Member (Absent)*
 - Kelly Hirning, *Member (Teams)*
 - Allan Marsh, *Member*
 - David Ballard, *Member*
 - Tom Robideaux, *Member (Teams)*
- Idaho Transportation Department
 - Braidyn Seeley, *Dealer Operations Supervisor*
 - Lisa McClellan, *DMV Administrator*
 - CJ Kendrick, *DMV Deputy Administrator*
 - Heather Fleck, *Stakeholder Program Specialist*
 - Brian Goeke, *Policy Manager*
- Other Attendees
 - Cathy Sexton, *ISIADA*
 - Mike Hunter, *ITS Dealer Education (Absent)*

ORDERS OF BUSINESS

2:48 pm

Chairman White called the meeting to order.

Agenda Item 1 – Recommended Payout Process

The current process for handling ICAR claims begins with the department's active involvement in reviewing court judgments related to dealer fraud. Once a judgment is received, the department assesses whether statutory requirements are met, determines if the fraud is relevant to applicable code sections, calculates the actual loss amount, and identifies what portion ICAR would cover. After this review, the department consults

with the ICAR Chairman, then sends a recommended payout to the claimant. If the claimant disputes the payout, they may request a hearing before a department officer. There has been ongoing discussion about whether the department or the ICAR Board should be responsible for making payout recommendations, as involving the board directly could create liability issues—requiring all board members to participate in hearings, which must occur in Idaho. The recommendation letter provided to claimants clearly outlines how the decision aligns with statute, includes a proposed payout, and notes that the amount is subject to board confirmation. Additionally, the board can delay payout for up to a year to allow for claim aggregation, potentially resulting in prorated payments. While board members can informally discuss the payout, the process is designed to avoid public board debates. If a dealer does not satisfy the judgment within 30 days, ICAR may pay the claim and issue an invoice to the dealer, who then has 30 days to repay. Failure to do so can lead to license suspension, and regardless of repayment, the dealer must obtain and maintain a bond for three years at the required amount if ICAR pays out.

Agenda Item 2— Vehicle Disposition when ICAR Payout Occurs

The current rules around ICAR payouts do not clearly address what happens with the vehicle itself. In one case, the individual was required to return the vehicle before the payout was made, and they complied. However, in a similar situation, the judge ruled that it was too complex to reconcile the payout if the vehicle was returned, so the language of the judgment allowed the individual to retain the vehicle. This highlights the need for a clear policy on when a vehicle must be returned—should it be at 50%, 100%, or some other percentage of the payout value? Additionally, there must be a plan for what to do if the vehicle cannot be returned at all. The current options presented are to either return the vehicle and receive the full payout or keep it and have the appraised value deducted from the payout. It's recommended that the dealer be required to obtain a bond earlier in the process, potentially when the ICAR board approves the payout, rather than waiting until the last minute. Many of these vehicles lack proper titles, complicating their resale and legal disposition. Without title authority beyond the court judgment, ICAR must rely on limited remedies such as bonded titles, which involve specific and cautious procedures due to the high risk of fraud. In some cases, judges may issue a title directly to a claimant, but if the consumer is not made whole through the payout, they may choose to keep the vehicle to recover its remaining value. The current process doesn't fully address scenarios where a title is issued but the consumer isn't financially whole. There needs to be a formal component that deducts the value of the retained vehicle from any claim amount, emphasizing that receiving a title alone does not equate to full compensation.

Agenda Item 3– Definition of Allowable Claims Against ICAR

The payout process currently outlines what is and isn't covered, but it lacks clear language regarding the handling and disposition of vehicles involved in ICAR claims. If there is interest in addressing this gap, changes would need to be made within the Rule itself. To proceed, a decision or direction should be finalized at the upcoming ICAR board meeting in July, allowing sufficient time to negotiate and prepare the rule change for the 2026 legislative session. Board members are encouraged to reflect further on today's discussion and return in July ready to focus in on the most effective approach for managing vehicle-related aspects of ICAR claims.

Agenda Item 4– Approved ICAR Claim #26

An update was provided on the 5CR concession trailer claim, which the board previously voted to hold. The payout is currently scheduled for July 16, 2025. So far, there have been a few conversations with other potential complainants, but no additional formal claims have been filed against the dealer. If no further claims are submitted before the scheduled date, the payout will proceed as planned at the maximum amount of \$50,000.

Agenda Item 5– Demo SharePoint Site

Heather provided a demonstration of the new SharePoint sites, highlighting several key features. She showcased the countdown clock that displays the time remaining until the next meeting, as well as sections containing ITD and member contact information. Additionally, she pointed out where users can easily access documents, including agendas and meeting minutes.

Agenda Item 6- Select Dates for Next DAB Meeting

Tuesday, July 8, 2025

Chairman White made a motion to adjourn the meeting.

Action/Agenda items for July meeting

- Create ICAR/Wholesale working group- Structure of ICAR, reviewing potential improvements
- Extend the duration of time for new applications from 3 years to 5 years and increase the bond amount?
- Election of secretary