

# RULES & REGULATIONS

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# **RULES OF THE ARKANSAS MOTOR VEHICLE COMMISSION**

## **RULE I**

### **GENERAL ORGANIZATION**

- 1.1 Regular meetings of the Commission shall be held on the third Wednesday of each month and will continue in session until business is completed insofar as it is possible. Any regular meeting of the Commission may be set forward, postponed, canceled or adjourned to another day as determined by the Chairman. Five (5) members shall constitute a quorum.
- 1.2 All regular meetings of the Commission shall be held in its office in Little Rock, Arkansas.
- 1.3 Special meetings of the Commission may be called at any time by the Chairman or a majority of the Commission.
- 1.4 Special meetings of the Commission may, upon approval of the Chairman or a majority of the Commission, be held at any place within the State of Arkansas.
- 1.5 Any person desiring to appear before the Commission at any regular meeting, to take up any business within the jurisdiction of the Commission, shall at least twenty (20) days prior to any such meeting, file with the Executive Director three (3) copies of a written request in which the nature and purpose of the appearance shall be clearly and concisely stated in sufficient detail to fully apprise the Commission of the basis and extent of such business. This requirement may be waived, in whole or in part, by the Executive Director or by unanimous consent of the Commissioners present at any meeting; provided that when such a request is in the nature of a complaint against any licensee under A.C.A. § 23-112-101 et seq., the provisions of RULE II shall be complied with.
- 1.6 The Executive Director of the Commission shall arrange the order of business for all meetings of the Commission and shall, at least fifteen (15) days thereto, notify all persons who are to appear before any such meeting of the place and time of the meeting.
- 1.7 The Executive Director shall keep and maintain on file in the Commission Office a record of all proceedings of the Commission. The Executive Director shall also keep on file in the Commission Office a copy of all Rules and Regulations adopted by the Commission, a copy of all Orders issued by the Commission and copies of all applications and license forms adopted by the Commission. These records and such other records as the Commission is by law required to keep and maintain shall be open for public inspection during the regular hours of business of the Commission Office.
- 1.8 At any time a vacancy shall exist in the office of Executive Director, the powers and duties of that office shall be performed by the Commissioner holding the office of Commission Secretary and/or any member of the Commission staff as the Chair may designate.

**RULES OF THE  
ARKANSAS MOTOR VEHICLE COMMISSION**

**RULE II  
HEARING PROVISIONS**

- 2.1 Any hearing to be conducted by the Commission may be held at a regular Commission meeting or at a special meeting convened for that purpose. A hearing may be called on a notarized complaint filed with the Commission or on the Commission's own motion.
- 2.2 Before denying any application for a license under A.C.A. § 23-112-101 et seq., the Commission shall hold a hearing to determine if the applicant is qualified under the provisions of the Act and Rules and Regulations to receive the license for which application has been made.
- 2.3 Before revoking or suspending any license issued by the Commission pursuant to A.C.A. § 23-112-101 et seq., the Commission shall hold a hearing to determine whether sufficient grounds exist under the provisions of the Act upon which to base such revocation or suspension.
- 2.4 Any interested party, including the Commission on its own motion, shall have the right to petition the Commission to call a hearing for the purpose of taking action in respect to any matter within the Commission's jurisdiction. A party requesting a hearing on any allegation that a licensee has violated the Act or any Rules or Regulations promulgated hereunder shall initiate the proceeding by filing with the Executive Director of the Commission a notarized complaint, specifically setting forth the grounds upon which the complaint is based and requesting a hearing on the complaint.
- 2.5 All complaints shall be forwarded to the licensee who is the subject of the complaint for a response pursuant to Regulation 2.8 herein. However, the Commission shall have the discretion to investigate the alleged violations before sending the complaint to the licensee when it determines that prior investigation is appropriate or necessary to establish facts relevant to the complaint.
- 2.6 All pleadings and motions to be filed relative to any hearing or complaint shall be signed, dated and filed with the Executive Director fifteen (15) days prior to the scheduled hearing. The Commission shall retain the discretion to alter the aforesaid time as circumstances dictate.
- 2.7 Upon receipt of a notarized complaint against any licensee, person, firm, partnership, association, corporation or legal entity the Commission shall determine if the complaint alleges facts sufficient to give the Commission jurisdiction. If the Executive Director or Commission is of the opinion that the complaint tendered for filing does not comply with these rules, does not sufficiently set forth required information or is otherwise insufficient, the Executive Director or Commission may decline to accept the complaint and return it un-filed. However, the executive director may proceed on an anonymous complaint regarding violations of commission advertising regulations if the documents clearly show the name of the dealer, the name of the publication, and the date of publication.
- 2.8 If the complaint is sufficient for filing, the Executive Director shall forward a copy of the complaint to the licensee, person, firm, partnership, association, corporation or legal entity against which the complaint is lodged, together with notice that any written response to the complaint must be filed with the Commission within ten (10) days from the mailing thereof. Upon receipt of response to complaint or the expiration of the ten (10) day time period, whichever occurs first, and upon completion of any further investigation which is deemed appropriate, the Commission, in accordance with this Rule, shall determine if the matter should be set down for hearing on the complaint filed with the Commission or on the Commission's own motion.

- 2.9 At least thirty (30) days prior to the date of any hearing before the Commission, Commission's Legal Counsel or the Executive Director shall give written notice to the parties whose rights may be affected. The notice shall include a statement of legal authority and jurisdiction under which the hearing is to be held; along with a brief and concise statement of the matters of fact and law involved. Notice shall be mailed to such parties by registered or certified mail at their last known address.
- 2.10 A "party whose rights may be affected at any hearing" shall mean (1) any applicant for license pursuant to the Arkansas Motor Vehicle Commission ACT whose potential licensing is at issue at a hearing; (2) any licensee under the ACT against whom the Commission could take adverse action at or after a hearing; and (3) the complainant or party who has filed the complaint that led to the hearing.
- 2.11 Any hearing to be held pursuant to the filing of a notarized complaint against a licensee under A.C.A. § 23-112-101 et seq., or any hearing convened by the Commission upon its own motion at which the issuance, suspension, or revocation of a party's license under the Act is at issue shall be held in the county of respondent or in the county where such respondent's principal place of business is located unless the respondent shall agree that the hearing be held at the Commission Office. If the respondent is a non-resident of this State, the hearing shall be held at the Commission Office.
- 2.12 Any party whose rights may be affected at any hearing before the Commission may, by written petition signed and dated, invoke the aid of the Commission in procurement of any witness the party may desire to be present and testify at any hearing; such petition shall be filed with the Executive Director at least ten (10) days prior to the hearing date. Any and all costs anticipated must be deposited with the Executive Director at the time of filing of the petition. The Executive Director shall retain the discretion to alter the aforesaid time as circumstances dictate.
- 2.13 Hearings of the Commission, after being called to order, shall begin with a statement by the presiding officer as to the nature of the cause to be heard and thereafter the hearing shall proceed with the presentation of evidence on behalf of the complainant (petitioner). At the conclusion of such evidence, the party complained against (respondent) may proceed to introduce evidence on his, her or its behalf, after which rebuttal evidence may be offered.
- 2.14 In any proceeding against a licensee under the Act instituted by the Commission, or in other appropriate circumstances, the evidence against such licensee shall be presented by the Commission's Legal Counsel and complaining witnesses will not be allowed to conduct any part of the hearing.
- 2.15 The Commission shall not be bound by the rules of evidence applicable in a court and it may admit and give probative value effect to any evidence which possesses such probative value as would entitle it to be accepted by reasonably prudent men in the conduct of their affairs; provided, however, that the Commission shall give effect to the rules of privilege recognized by law and may exclude incompetent, irrelevant, immaterial, or repetitious evidence and may make rulings to protect witnesses from undue harassment or oppression.
- 2.16 All evidence, including records and documents introduced at the hearing, shall be offered and made a part of the record in a hearing, and no other factual information or evidence shall be considered in the determination of any cause. Documentary evidence may be received in the form of copies or excerpts or incorporation by reference.
- 2.17 If a hearing results from a complaint filed with the Commission, the complainant will be required to appear personally and/or by an attorney and to present any and all evidence against the licensee at the hearing. The complainant and licensee/respondent may introduce evidence, cross-examine witnesses and examine any document or other evidence introduced at the hearing, subject to rulings of the hearing officer.
- 2.18 A final decision shall include findings of fact, conclusions of law and order of disposition separately stated in writing or in the record. A final decision may be rendered after a majority of the Commissioners have heard the case or reviewed a transcript of the proceedings. Parties shall be served either personally or by certified mail with a copy of any decision or order.

- 2.19 No order of the Commission shall become final with respect to any party aggrieved thereby until such party shall have exhausted or had the opportunity to exhaust his appellate remedies under A.C.A. § 23-112-101 et seq.; provided, however, the Commission may make a decision final from the date of its entry if the Commission determines that the failure to do so would be detrimental to the public interest or public welfare.
- 2.20 When the Commission conducts a hearing on the adoption or revision of any Rule or Regulation, the Commission may, in its discretion, require that the views of any interested parties be presented in writing and be filed with the Executive Director at least fifteen 15 days prior to the hearing.
- 2.21 There shall preside at any Commission hearing a quorum of the members of the Commission or one or more examiners or referees designated by the Commission.

The presiding officer(s) shall have the following powers:

- (a) to issue subpoenas,
  - (b) to administer oaths and affirmation,
  - (c) to maintain order,
  - (d) to rule on all questions arising during the proceedings,
  - (e) to hold conferences for simplification of the issues and to rule upon motions,
  - (f) to recommend findings of fact, conclusions of law and decisions, and
  - (g) to generally regulate and guide the course of the proceedings.
- 2.22 The Executive Director shall, as and when directed by the Commission, issue such subpoenas as requested by the parties involved, or as the Commission may designate, to bring before the Commission any person to this State to give testimony under oath, and to compel production of records and documents relative to matters to be investigated, or considered or heard by the Commission.

2.23 Alternate Proceedings:

Prior to proceeding to a formal adjudicative hearing as provided for in Rule II, 2.1 to 2.22, the case will be reviewed by an *ad hoc* committee to determine whether summary proceedings should be invoked. Members of the Committee shall be Chair, Executive Director and Counsel. If the Committee determines that the violation(s), if proved, would not warrant license suspension, revocation or a fine in an amount greater than five thousand dollars (\$5,000), the Committee may recommend that the complaint be handled in a summary manner. This decision will be referred to the Commission for their acceptance or rejection.

If the Commission decides to utilize alternative proceedings, the Respondent will be notified by mail that the Commission has learned that he or she has engaged in actions which violate the licensing law and that it is recommended that under all circumstances the appropriate sanction is a fine of five thousand dollars (\$5,000) or less. This Notice will further inform the Respondent that he or she has a right to reject the proposed fine and have a full evidentiary hearing.

The Respondent will be provided with a formal document on which he or she will admit or deny that he or she had violated the Licensing Law and accept or reject the proposed penalty. The Respondent will indicate that he or she understand that he or she has a right to a full evidentiary hearing before the Commission and he or she elects not to exercise that right.

# REGULATIONS OF THE COMMISSION

## REGULATION 1 ADVERTISING

### OBJECTIVE:

It is the objective of this Regulation to implement the intent of the Legislature as declared in the Arkansas Motor Vehicle Commission Act by defining certain conduct which constitutes false or misleading advertising in the interest of furthering truthful and accurate advertising practices for the benefit of the citizens of this State. Said Regulation defines certain instances of false or misleading advertising but is not an all inclusive list of such conduct.

Violation of any Advertising Regulation(s) by any licensee shall be considered a *prima facie* violation of A.C.A. § 23-112-402(3) or A.C.A. § 23-112-403(a)(2)(D).

Some of these rules and regulations are not as stringent as the requirements of the Federal Trade Commission. Compliance with state law does not assure compliance with Federal Trade Commission regulations.

### 1. DEFINITIONS:

- A. "Abbreviations" means using shortened terms for words or initials for groups of words. Commonly understood abbreviations, such as "2 dr," "AM/FM," "APR," "WAC," "DEMO," "EXEC," may be used. Trade industry abbreviations which are not commonly understood, such as "FTB," "TOP," "POF," "DOC," MAY NOT be used. The regulations do not contain a list of all the abbreviations one may use, nor a list of all the abbreviations one may not use.



**The "Rule of Thumb" is: If in doubt, spell it out.**

- B. "Advertisement" means an oral, written, telecommunicated, graphic, pictorial or other statement made in the course of soliciting business, including without limitation a statement or representation made in a newspaper, magazine, on the Internet or other publication or contained in a notice, sign, poster, display, circular, pamphlet, letter, radio, television, or in any medium.
- C. "Authorized Dealer" means a dealer who holds both a valid franchise agreement, dealer sales and service agreement or contract to sell specified vehicles and a valid Arkansas Motor Vehicle Commission Certificate of License to sell those specified vehicles. The term "authorized dealer" or a similar term shall not be used unless the advertising dealer has met the requirements to sell those vehicles he is holding himself out as "authorized" to sell.
- D. "Bait Advertising" is an alluring but insincere offer to sell or lease a motor vehicle which the advertiser in truth does not intend or want to sell or lease.
- E. "Clear and conspicuous" means that the statement, representation, or term being disclosed is of such size, color, contrast, audibility and is presented so as to be readily noticed and understood. All language and terms, including abbreviations, shall be used in accordance with their common or ordinary usage and meaning by the general public. This standard may be met by the following:
- (1) In a print advertisement, the print size will be of a standard, non-serif type face such as Helvetica, Futura, or Avant Garde.
    - (a) 6 point type with 7 point leading.
      - (1) Leading means the space between lines of type.

- (b) Standard kerning and tracking.
      - (1) Kerning means the space between letters in words.
      - (2) Tracking means the space between words.
    - (c) No electronic horizontal or vertical scaling.
      - (1) Electronic scaling means the compression or expansion of the wording used in advertisements, specifically required disclosures.
  - (2) In a broadcast commercial:
    - (a) In advertisements for sale, lease, lease to purchase, or alternative financing the advertiser may meet requirements by stating name, address, phone number and “See Dealer for more details.”
    - (b) The statement is made orally and is clear and understandable and the same in pace and volume as remainder of commercial.
- F.
  - (1) “Demonstrator” shall be understood to refer to a motor vehicle which has never been sold to an ultimate purchaser. This term describes motor vehicles used by new motor vehicle dealers or their salespersons for demonstrating performance ability, but not motor vehicles purchased by such dealers or salespersons and used as their personal motor vehicles. Demonstrators may be advertised for sale as such only by an authorized dealer in the same line-make of motor vehicle.
  - (2) “Demonstrator,” “Executive,” and “Official” motor vehicles shall be clearly and prominently identified as such in immediate location to the year, make and model offered in the advertisement.
  - (3) “Executive” and “Official” motor vehicles, when so advertised, must have been used exclusively by executives of the parent motor vehicle manufacturer’s personnel or by an executive of an authorized dealer in the same line-make of motor vehicle. These motor vehicles, so advertised, must not have been sold to a member of the public prior to the appearance of the advertisement.
  - (4) “Factory Executive/Official Vehicle” means a new motor vehicle with an original Manufacturer’s Statement of Origin, that has been used exclusively by an executive or official of the dealer’s franchising manufacturer, distributor, or their subsidiaries.
- G. “Disclosure” means required information that is clear, conspicuous, accurate and in the immediate proximity of the year, make and model offered in the advertisement.
- H. “Identification” means
  - (1) When any price of a vehicle is advertised, the following must be disclosed:
    - (a) model year,
    - (b) make and model number,
    - (c) trade, brand or style name,
    - (d) vehicle must be identified as a new, used, demonstrator, or a factory executive/official, or a factory program vehicle, and
    - (e) when an illustration of a motor vehicle is used in an advertisement, it must be that of the motor vehicle advertised.
- I. “Manufacturer Label” means the label required by the Federal Automobile Information Disclosure Act, 15 U.S.C. Sections 1231-1233 (normally referred to as Maroney Label), to be affixed by the manufacturer to the windshield or side window of each new automobile delivered to a dealer.
- J. “Program” means a vehicle that is purchased at a manufacturer’s closed auction or sold by or directly from the manufacturer or distributor which is a current or previous year model, that has been previously tagged and/or titled, and returned to the manufacturer for disposal.

- K. "Used" means a vehicle that has been "previously owned" or "pre-owned" and the title to which has been transferred to an "ultimate purchaser" or a used vehicle dealer. A used vehicle shall not be advertised in any manner that creates the impression that it is new. Terms such as Program Car/Vehicle, Special Purchase, Factory Repurchase or other similar terms are not sufficient to designate a vehicle as used. A used vehicle shall be identified as either "used," "previously owned" or "pre-owned."
- L. Used and Program motor vehicles shall not be advertised so as to create the impression they are new.

## **2. GENERAL ADVERTISING GUIDELINES FOR SALE OR LEASE OF NEW AND USED MOTOR VEHICLES:**

- A. Licensees shall not use unfair or misleading advertising.
  - (1)
    - (a) All required disclosures must be in the immediate proximity of the advertised vehicle.
    - (b) Asterisks (\*) may not be used with disclosures located elsewhere in the advertisement.
  - (2) No advertising containing an offer to sell or lease a motor vehicle shall be published when the offer is not a bonafide attempt to sell or lease the advertised motor vehicle.
  - (3) No statement, illustration or picture shall be used in any advertisement which creates a false impression of the make, value, model or color of the motor vehicle offered, or which may otherwise misrepresent the motor vehicle in such a manner that upon disclosure of the true facts, the purchaser may be switched from the advertised motor vehicle to another.
  - (4) Even though the true facts are subsequently made known to the buyer or prospective buyer, the law is violated by the licensee if the first contact or interview is secured by deception.
  - (5) Each of these acts or practices which will be considered in determining if an advertisement is not a bonafide offer to sell or lease the advertised motor vehicle are:
    - (a) The refusal to show, demonstrate, sell or lease the motor vehicle offered in accordance with the terms of the offer.
    - (b) The failure to have available at all outlets listed in the advertisement, the number of motor vehicles advertised to meet reasonably anticipated demands, unless the advertisement clearly and adequately discloses that a supply is limited and/or the merchandise is available only at designated outlets.
    - (c) Failure to make delivery on the advertised motor vehicle within a reasonable time or to make a refund.
    - (d) Disparagement by acts or words of the advertised motor vehicle, or disparagement of the guarantee, credit terms, availability of service, repairs, or in any other respect, in connection with it.
    - (e) The delivery of the advertised motor vehicle which is defective, unusable or impractical for the purpose represented or implied in the advertisement.



- B. Licensees shall not use bait advertising.
- (1) Bait and switch advertising's purpose is to switch consumers from buying the advertised motor vehicle, in order to sell or lease a different motor vehicle on terms more advantageous to the advertiser. The primary aim of a bait advertisement is to identify potential prospects interested in buying or leasing motor vehicles of the same general type advertised.
  - (2) No act or practice shall be engaged in by an advertiser to discourage the purchase of the advertised motor vehicle if such act or practice is part of a bait scheme to sell or lease other motor vehicles.
  - (3) Among acts or practices which will be considered in determining if the initial sale or lease was in good faith, and not a plan to sell or lease other unadvertised motor vehicles are:
    - (a) Accepting a deposit for the advertised motor vehicle then switching the purchaser to a higher-priced motor vehicle.
  - (4) Sales or leases resulting from an advertisement for a motor vehicle do not by themselves rule out the existence of a bait and switch scheme.
  - (5) To prevent Bait Advertising from occurring, the vehicle(s) advertised must be:
    - (a) at the advertised location,
    - (b) in condition to be shown,
    - (c) willingly shown to the consumer,
    - (d) willingly shown under the same terms as advertised, and
    - (e) sold at the same terms as advertised.

### 3. AVAILABILITY OF VEHICLES.

- A. Specific motor vehicles or line-make of vehicles advertised for sale or lease shall be in the possession of the dealer as advertised at the address given at the time the advertisement is placed. The vehicles shall be in condition to be demonstrated, and shall be willingly shown and sold or leased at the advertised prices and upon the terms advertised.
- B. If a person offers to purchase from a licensee one or more motor vehicles which have been advertised for sale or lease by such licensee and such licensee alleges it cannot consummate the sale or lease for the reason that all such advertised motor vehicles have been sold or leased, it shall, in such event, be the duty of the licensee, upon request, to forthwith show such offeror, or a representative of the Arkansas Motor Vehicle Commission, the licensee's sales records of sales or leases evidencing its bonafide sales or leases of all such advertised motor vehicles.

### 4. DEALER PRICE ADVERTISING FOR NEW, USED AND/OR LEASED VEHICLES:



**“Rule of Thumb” in price advertising is for the most prominent price in the advertisement to be the sales price and/or monthly payments a consumer can reasonably expect to pay for the vehicle.**

**The following are specific but not the exclusive examples of standards for advertising new, used or for lease motor vehicles which shall be adhered to by licensees:**

- A. The advertised price of a motor vehicle must be the full cash price for which the dealer will sell or lease the vehicle to any consumer and shall exclude only the following charges:
- (1) State, county, local and other applicable taxes,
  - (2) License fees, and
  - (3) Title fees.
- B. A qualification may not be used when advertising the sales price of a vehicle such as “with trade,” “with acceptable trade” or “with down payment.”
- C. If a price advertisement discloses a rebate, cash back, discount savings claim or other incentive, the full price of the vehicle (MSRP) must be disclosed as well as the price of the vehicle after deducting the incentive(s).
- D. Any rebate, discount, cash back or other incentive which is not available to all consumers shall be explained by stating the limitations of that incentive.
- E. The suggested retail price of a new motor vehicle when advertised by a licensee who is a manufacturer, distributor, or factory representative or distributor representative shall include all charges, except destination charges and/or state or local sales taxes. Such advertising shall expressly state that said destination charges and/or state or local sales taxes are excluded. Such exclusions are necessary because the destination charges and/or state or local sales taxes cannot be determined due to the national or regional scope of the advertisement. When a nationally placed advertisement appears over the name of a local dealer or local dealers or over the name of several dealers in more than one locality, the Commission will regard such advertising as the responsibility of the dealer or dealers named in the advertisement, and the advertisement shall be subject to the requirements of paragraphs “A,” “B,” “C” and/or “D” above.
- F. It shall be unlawful for any manufacturer or distributor, either directly or indirectly, to advertise, publicize or represent to the public by any means or in any medium, any offer to purchasers of motor vehicles sold by the manufacturer or distributor, of a rebate, refund, discount or other financial inducement or incentive, which is either payable to or for the benefit of the purchaser of the motor vehicle, whether such amount is the motor vehicle purchase price or any other cost accruing to the purchaser in connection with the purchase of the motor vehicle, where any portion of such rebate, refund, discount, or other financial incentive or inducement is paid by, financed by, or in any manner contributed to by the dealer selling the motor vehicle, unless such advertising or publicizing discloses clearly and discernibly the following:
- “The dealer’s contribution may affect the final negotiated price of the motor vehicle.”**
- G. It is unlawful for any dealer, either directly or indirectly, to advertise, publicize or represent to the public by any means or in any medium, any offer to purchasers of motor vehicles sold by the dealer of a rebate, refund, discount or other financial inducement or incentive of the type described in “F” above, whether originated by manufacturer, distributor or dealer unless such advertising or publicizing clearly and discernibly discloses the following:

**“The dealer’s contribution may affect the final negotiated price of the motor vehicle.”**

## 5. CASH PRICE ADVERTISING:

- A. When the cash price, whether for lease or sale, of a motor vehicle is stated in any advertisement, the motor vehicle shall be clearly identified as to year, make, model, and commonly accepted trade, brand, or style name, and all optional equipment included in the advertised price shall be listed in the advertisement. No dealer shall advertise a new motor vehicle at a price which does not include freight or destination charges. Any illustration used in any advertising media, including Internet or television, must be that of the motor vehicle advertised.
- B. The use of stock numbers will not preempt the requirements of full disclosure, as stated above, except that the listing of equipment is not required when only a manufacturer's suggested list/retail price, if an automobile, and not a cash or time price is advertised.

## 6. PROHIBITED STATEMENTS:

The following statements are presumptively false and misleading, and the burden of proving otherwise shall be on the Advertiser/Licensee:

- A. Statements such as "write your own deal," "name your own price," or statements with similar meaning are obviously untrue and shall not be used.
- B. Since the amounts of trade-in allowances will vary, depending on the condition, model, mileage, or age of a buyer's motor vehicle, no specific trade-in amount or range of amounts shall be featured in advertising. Statements representing that no other dealer grants greater allowances for trade-ins, however stated, shall not be used. No "guaranteed trade-in amount" or range of amounts shall be advertised.
- C. Unsupported underselling claims shall not be used. No advertisement shall be worded to imply that because of large sales volume a dealer is able to purchase motor vehicles for less than another dealer selling the same line-make of vehicles. Statements representing that because of large sales volume a dealer is able to purchase vehicles for less than another dealer selling the same line-make of vehicles shall not be used.
- D. Specific claims or discount offers shall not be used in connection with any motor vehicle other than new or a demonstrator and then only to show the difference between the dealer's own current selling price and the bonafide Manufacturer's Suggested List Price, if an automobile, motorcycle or motor-driven all-terrain motor vehicle, or Manufacturer's Suggested Retail Price, if a truck. Full explanation must be given, for example, "Save or discount \$\_\_\_\_\_ from Manufacturer's List/Retail Price." Said price shall include dealer add-ons, if any, which shall be specifically identified.
- E. **No advertisement shall contain the term** "cost," "percent or dollars over or under cost, invoice, or profit," "profit" or "invoice" "take over payments" or terms with similar meaning.
- F. A used vehicle shall not be advertised in any manner that creates the impression it is new.

## 7. REQUIRED DISCLOSURES FOR PRINT OR INTERNET ADVERTISEMENTS:

### A. CREDIT SALES ADVERTISING AND FEDERAL REGULATION Z

- (1) It is an unfair or deceptive act to advertise “closed-end credit” terms in the advertisement, offer of sale, or sale of any motor vehicle if the advertisement contains any one of the following five:
  - (a) “triggering terms”:
    - (i) amount or percentage of down payment,
    - (ii) number of payments,
    - (iii) period of repayment,
    - (iv) amount of any payment (expressed as percentage or dollar amount), or
    - (v) amount of any finance charge,
  - (b) without clearly and conspicuously disclosing:
    - (i) amount or percentage of down payment,
    - (ii) terms of repayment, and
    - (iii) “annual percentage rate” using that term spelled out in full or the abbreviation “APR.” If the annual percentage rate may be increased after the contract is signed, that fact must be disclosed.

An advertisement which complies with the Federal Truth in Lending Act (15 U.S.C. § 160 et seq.) and amendments thereto, and any regulations issued or which may be issued thereunder, shall be deemed in compliance with the provisions of this Section.

- (2) Advertised Terms Unavailable ~

It is an unfair or deceptive act to advertise credit terms that are not actually available.

- (3) Advertised Finance Rate ~

It is an unfair or deceptive act to advertise a finance rate (APR) without disclosing, if such is the fact, any of the following:

- (a) that such rate is limited to certain models,
- (b) that the price may be increased by a dealer’s contribution to lower the rate,
- (c) that to take advantage of such a reduced rate, a consumer must purchase additional options or services,
- (d) that taking advantage of the rate will increase the final price of the vehicle or options or services purchased,
- (e) that the offer expires after a limited time period, or
- (f) any other conditions, qualifications or limitations which materially affect the availability of such rate.

- (4) Advertisement of Credit Terms ~

It is an unfair or deceptive act to advertise credit using the terms “bank rates,” “bank financing” or words with similar meaning unless advertised by a bank, banking association or trust company authorized to do business under the laws of Arkansas or of the United States.

- (5) No advertisement shall offer to defer the first payment on credit sales beyond forty-five (45) days, unless such advertisement states with equal prominence the method and/or terms of extending the first payment.

### B. LEASE ADVERTISING AND FEDERAL REGULATION M

- (1) It is an unfair or deceptive act to advertise the offer of a “consumer lease” if the advertisement contains any one of the following three:
  - (a) “triggering terms”:
    - (i) amount of any payment,
    - (ii) number of required payments, and
    - (iii) statement that any or no down payment or other payment is required at the beginning of the lease,
  - (b) without clearly and conspicuously disclosing:
    - (i) that the transaction is a lease,
    - (ii) the total amount at lease inception or a statement that no such payment is required,
    - (iii) that a security deposit is required or a statement that no such deposit is required,
    - (iv) the number and amounts of scheduled payments,

An advertisement which complies with the Consumer Leasing Act of 1976 (15 U.S.C. § 1601 et seq.), and amendments thereto, and any regulations issued or which may be issued thereunder, shall be deemed in compliance with the provisions of this Section.

# EXAMPLES OF ACCEPTABLE PRINT TYPE FACE

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## Reference Regulation 1, Section 1, Paragraph E(1).

### 6 point Helvetica with 7 point leading with 60% Horizontal Scale NOT ACCEPTABLE DUE TO SCALING

\*ALL PAYMENTS BASED ON \$3,500 DOWN WAC 36 mo Gold Key Plus 10% APR. Raised Roof Van MSRP \$26,070, rebate \$2,000, sale price \$19,977. Customized Van MSRP \$25,598, rebate \$2,000 sale price \$16,977, Caravan MSRP \$17,995 sale price \$16,777, Ram Pickup MSRP \$18,650 sale price \$16,977, Laramie Club Cab 4X4 MSRP \$26,100 sale price \$23,177, Avenger MSRP \$16,255 Sale \$13,997, Rebate \$1,000, Stratus MSRP 16,995, Rebate \$1,000, \$3,500 down 9.5% APR, 48 mo. Choose Balloon. Dakota Club Cab MSRP \$19,965 sale price \$17,877. Neon MSRP \$13,140 Sale 11,377, Rebate \$1,000. 12K miles per year Final payment can be refinanced. Photos for illustration only.

### 6 point Helvetica with 6 point leading with No Horizontal Scale NOT ACCEPTABLE DUE TO LEADING

\*ALL PAYMENTS BASED ON \$3,500 DOWN WAC 36 mo Gold Key Plus 10% APR. Raised Roof Van MSRP \$26,070, rebate \$2,000, sale price \$19,977. Customized Van MSRP \$25,598, rebate \$2,000 sale price \$16,977, Caravan MSRP \$17,995 sale price \$16,777, Ram Pickup MSRP \$18,650 sale price \$16,977, Laramie Club Cab 4X4 MSRP \$26,100 sale price \$23,177, Avenger MSRP \$16,255 Sale \$13,997, Rebate \$1,000, Stratus MSRP 16,995, Rebate \$1,000, \$3,500 down 9.5% APR, 48 mo. Choose Balloon. Dakota Club Cab MSRP \$19,965 sale price \$17,877. Neon MSRP \$13,140 Sale 11,377, Rebate \$1,000. 12K miles per year Final payment can be refinanced. Photos for illustration only.

### 6 point Helvetica with 7 point leading ACCEPTABLE PRINT TYPE

\*ALL PAYMENTS BASED ON \$3,500 DOWN WAC 36 mo Gold Key Plus 10% APR. Raised Roof Van MSRP \$26,070, rebate \$2,000, sale price \$19,977. Customized Van MSRP \$25,598, rebate \$2,000 sale price \$16,977, Caravan MSRP \$17,995 sale price \$16,777, Ram Pickup MSRP \$18,650 sale price \$16,977, Laramie Club Cab 4X4 MSRP \$26,100 sale price \$23,177, Avenger MSRP \$16,255 Sale \$13,997, Rebate \$1,000, Stratus MSRP 16,995, Rebate \$1,000, \$3,500 down 9.5% APR, 48 mo. Choose Balloon. Dakota Club Cab MSRP \$19,965 sale price \$17,877. Neon MSRP \$13,140 Sale 11,377, Rebate \$1,000. 12K miles per year Final payment can be refinanced. Photos for illustration only.

### 6 point Futura with 7 point leading ACCEPTABLE PRINT TYPE

\*ALL PAYMENTS BASED ON \$3,500 DOWN WAC 36 mo Gold Key Plus 10% APR. Raised Roof Van MSRP \$26,070, rebate \$2,000, sale price \$19,977. Customized Van MSRP \$25,598, rebate \$2,000 sale price \$16,977, Caravan MSRP \$17,995 sale price \$16,777, Ram Pickup MSRP \$18,650 sale price \$16,977, Laramie Club Cab 4X4 MSRP \$26,100 sale price \$23,177, Avenger MSRP \$16,255 Sale \$13,997, Rebate \$1,000, Stratus MSRP 16,995, Rebate \$1,000, \$3,500 down 9.5% APR, 48 mo. Choose Balloon. Dakota Club Cab MSRP \$19,965 sale price \$17,877. Neon MSRP \$13,140 Sale 11,377, Rebate \$1,000. 12K miles per year Final payment can be refinanced. Photos for illustration only.

### 6 point Avant Garde with 7 point leading ACCEPTABLE PRINT TYPE

\*ALL PAYMENTS BASED ON \$3,500 DOWN WAC 36 mo Gold Key Plus 10% APR. Raised Roof Van MSRP \$26,070, rebate \$2,000, sale price \$19,977. Customized Van MSRP \$25,598, rebate \$2,000 sale price \$16,977, Caravan MSRP \$17,995 sale price \$16,777, Ram Pickup MSRP \$18,650 sale price \$16,977, Laramie Club Cab 4X4 MSRP \$26,100 sale price \$23,177, Avenger MSRP \$16,255 Sale \$13,997, Rebate \$1,000, Stratus MSRP 16,995, Rebate \$1,000, \$3,500 down 9.5% APR, 48 mo. Choose Balloon. Dakota Club Cab MSRP \$19,965 sale price \$17,877. Neon MSRP \$13,140 Sale 11,377, Rebate \$1,000. 12K miles per year Final payment can be refinanced. Photos for illustration only.

*Examples provided by: Arkansas Democrat-Gazette*

## EXAMPLES OF ADVERTISEMENTS

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EXAMPLE 1: Reference Regulation 1, Section 1, Paragraphs E(1) and G.

GO-IN-THE-SNOW  
1997 4-WHEEL DRIVE  
\*\*\*\$239 PER MONTH LEASE  
OVER 80 IN STOCK

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EXAMPLE 2: Reference Regulation 1, Section 4, Paragraph C.

Manufacturer's Suggested List or Retail Price.....	\$ 9,995.00
less rebate.....	\$ 500.00
less dealer discount.....	\$ 500.00
Sales Price.....	\$ 8,995.00

OR

Sale Priced at \$8995 includes \$500 dollar rebate and dealer discount.

Example 2 is an acceptable format of price advertising with incentives available to all consumers.

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EXAMPLE 3: Reference Regulation 1, Section 4, Paragraph D.

Manufacturer's Suggested List or Retail Price.....	\$ 9,995.00
less rebate.....	\$ 500.00
less dealer discount.....	\$ 500.00
Sales Price.....	\$ 8,995.00
“1st time buyer, college student, etc.,” save an additional..	\$ 500.00
Sales Price.....	\$ 8,495.00

OR

Sale Priced at \$8495 includes \$500 dollar 1st time buyers rebate, dealer discount \$500 and manufacturers rebate.

Example 3 is an acceptable format of price advertising with incentives not available to all consumers.

## EXAMPLES OF ADVERTISEMENTS ~ CONTINUED

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\*\*\* Lease payments based on 24 month closed end lease. First month lease payment, tax, tags, security deposit and \$2500 cap cost reduction due at lease inception. Total payments \$5,736 purchase option price of \$21,196 at lease end. 12,000 miles per year allowance. 15¢ per mile over due at lease end.

EXAMPLE 1 is a violation of Commission and Federal Law as (1) disclosures are not readable and understandable due to print size and (2) disclosure is not made in immediate proximity to advertised product.

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EXAMPLE 4: Reference Regulation 1, Section 7, Paragraph A.

1997 4-WHEEL DRIVE

\*\*\$389 per month/30 months

\$0 down

\*\*SUBJECT TO LIMITED AVAILABILITY. Avail. through Jan 5, 1995 at participating dealers to approved lessees by \_\_\_\_\_ Finance Corp. Advertised rate based on 30-mo. closed-end lease for 1995 LX Sedan I/Automatic Trans. (Model # \_\_\_\_\_) with MSRP \$19,450.00 (includes destination), with actual net capitalized cost of \$19,505.25 (\$19,505.25 in IL, IN, ME, NY & UT where no security deposit is collected); for the LX Sedan II/Automatic Trans. (Model # \_\_\_\_\_) with MSRP \$18,880.00 (includes destination) with actual net capitalized cost of \$18,259.50 (\$18,091.75 in IL, IN, ME, NY & UT where no security deposit is collected); and for the 4WD LX/Automatic Trans. (Model # \_\_\_\_\_) with actual net capitalized cost of \$23,637.25 (\$23,422.75 in IL, IN, ME, NY & UT where no security deposit is collected); DEALER PARTICIPATION MAY AFFECT ACTUAL PAYMENT. Taxes, title, lic. & reg., ins., opt. equip. & services not included. Due at lease signing are 1st mo.'s lease payment, refundable security dep. equal to 1 mo.'s payment rounded to the next highest \$25 increment (except where no security deposit is collected) / applicable title, lic., reg. fee / tax. Total monthly payments \$6,870 for the LX Sedan I, \$8,670 for the LX Sedan II and \$11,670 for the 4WD LX + applicable tax. Opt. to purchase at lease end for \$9,681.50 for the LX Sedan I, \$12,649.60 for the LX Sedan II and \$15,879.50 for the 4WD LX + misc. + official fees, except in MS, NY & SD where no purchase opt. avail. If not purchased at lease end, customer returns vehicle and pays a disp. fee of no more than \$400. Lessee pays maint., ins., repairs, service and related taxes, reg. renewals, excessive wear/use. Mj. charge of .15 mi. over 12,000 mi./year. MSRP actual net capitalized cost and opt.-to-purchase price differ slightly in GA. This offer may not be available in conjunction with any other advertised offer. See your participating dealer for details.

Example 4 is a violation of Commission and Federal Law as disclosures are not readable and understandable due to print size.

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EXAMPLE 5: Reference Regulation 1, Section 7, Paragraph B.

The \$0 down lease

1997 4-WHEEL DRIVE

\$389 per month/30 months

\$1,200 due at lease signing  
includes refundable  
security deposit

Example 5 is in compliance with Commission and Federal Law, Regulation M.



## **REGULATION 2 REQUIREMENTS FOR MOTOR VEHICLE DEALERS BRANCH LOCATIONS LICENSED BY THE COMMISSION**

1. Branch Location name: shall be used on signage at the branch location and in advertisements. The branch location may not include any portion of the franchise name used at the primary location and may not include product nameplates and/or logos.
2. Geographical Location: A new motor vehicle dealer may obtain a license to operate a branch location provided the branch location be within the dealers relevant market area as defined in A.C.A. § 23-112-103 or franchise or selling agreement, which is greater.
3. Product Sold: Only used vehicles may be displayed and offered for sale at a branch location. There shall be no new motor vehicles or demonstrators of any brand located for display or for sales at the branch location.
4. Sales Facilities: There must be a permanent building from which sales are conducted. However, records of sales transactions may be kept at the dealers' primary licensed location.
5. Miscellaneous: Telephone listed in the branch location's name, signage should be legible from the street or road.
6. Service Facilities: The branch location is not required to have service facilities on the premises.

## **REGULATION 3 LIMITATION OF SALES OF NEW MOTOR VEHICLES**

1. A new motor vehicle dealer will be licensed only after the Arkansas Motor Vehicle Commission is provided with a copy of the contract between the dealer and manufacturer or distributor which specifies:
  - A. The line-make(s) which may be displayed and offered for sale;
  - B. That the dealer has sufficient capital to meet or exceed the manufacturer's or distributor's financial requirements; and
  - C. That the dealer's physical facilities meet or exceed the minimum requirements of the manufacturer or distributor.
2. The contract may be in the form of a franchise agreement, dealer sales and service agreement or letter of intent. A letter of intent may be used only if:
  - A. It is executed on the form provided by the Arkansas Motor Vehicle Commission; and
  - B. Upon execution of a subsequent or final contract, a copy of that contract is provided to the Arkansas Motor Vehicle Commission.
3. If, after licensing, the terms of the contract between the dealer and the manufacturer or distributor change, a copy of the new contract must be provided to the Arkansas Motor Vehicle Commission within 30 days of the date the contract is executed.
4. **SPECIALTY VEHICLES** are exempt from regulation and licensure by the Commission. The Arkansas Motor Vehicle Commission Act defines specialty vehicles and authorizes the Commission to add to, by regulation, AMVC Rules & Regulations, effective May 1, 2002 - Page 17

additional vehicles to the list of specialty vehicles. Pursuant to its authority to define specialty vehicles in A.C.A. §23-112-103, the Commission has determined the following to be considered specialty vehicles which are exempt from regulation by the Commission. Licensure exemption shall be meant to apply to manufacturers, distributors and dealers for the following vehicles:

Garbage trucks, Ambulance, Fire Truck, Limousine, Hearse, unassembled motor vehicles such as kits or packaged and sold unassembled, Motorized Bicycles, Mo-peds, go carts, farm implements, construction implements, city transit busses, wheeled trolleys, travel or tour buses, wreckers, passenger shuttle vans, Para-transit vans, 49cc or less scooters.

The Commission may determine, as the need arises, to exempt certain other limited purpose type vehicles.

#### **REGULATION 4 LICENSING DEALER LEASING ACTIVITIES**

1. A new motor vehicle dealer conducting a leasing business at a location licensed for the sale of new motor vehicles and as a part of the same business entity, whether a proprietorship, partnership, corporation or any other entity, shall not be required to obtain a motor vehicle lessor's license.
2. A leasing business conducted as part of a separate business entity or at an unlicensed location shall be separately licensed as a motor vehicle lessor.
3. Motor vehicle lessors licensed by this Commission shall lease vehicles from licensed locations.

## REGULATION 5 OFF-PREMISE SALES AND DISPLAYS

REQUEST FORMS ARE AVAILABLE AT THE COMMISSION OFFICE.

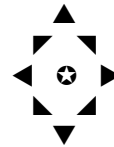
### 1. OFF-PREMISE SALES AND DISPLAYS:

- A. Are strictly prohibited except as provided in this regulation.
- B. Are permitted after prior written approval is obtained from the Arkansas Motor Vehicle Commission.
- C. May include used motor vehicles owned by new motor vehicle dealers.

### 2. DEFINITIONS USED IN THIS REGULATION:

- A. "AMVC" means the Arkansas Motor Vehicle Commission.
- B. "Contiguous" means counties bordering or sharing a common border with the host county.

Example of Contiguous:



Key ~     ★     Host County  
             ◆     Contiguous Counties

- C. "Dealer" means a new motor vehicle dealer licensed by the Arkansas Motor Vehicle Commission.
- D. "Display" means vehicles are present. Dealer personnel, sales and solicitations are prohibited.
- E. "Host County" means the county in which the off-premise sale is conducted.
- F. "Off-Premise Sale" means a motor vehicle show in which personnel are present and sales are permitted.
- G. "Line-make" is a particular make of vehicles for which a franchise or contract is held and offered for sale. Examples: Chevrolet, Harley Davidson, Honda ATV or Fleetwood.
- H. "Local dealer" means a new motor vehicle dealer whose established place of business at which he is licensed by the Arkansas Motor Vehicle Commission is physically located in the host county.
- I. "Model Line" is a particular model of vehicle within a "Line-make." Examples: Fleetwood is the Line-make and Model lines are Pace Arrow, Pace Vision, Southwind. Chevrolet is the Line-make and Model lines are Camaro, Lumina or Geo.
- J. "Reciprocity agreement" is an agreement between the State of Arkansas and another state allowing out-of-state dealers to participate in off-premise sales in Arkansas and allowing Arkansas dealers to participate in off-premise sales in that state.
- K. "Sponsor" means the entity conducting the off-premise sale, such as promoter, private business, trade association or dealer association to promote member products or a manufacturer or distributor.

- L. “Sufficient representation” means a sufficient number of dealers selling all line-makes and manufacturers, whether or not those dealers participate in the off-premise sale.
- M. “Temporary Permit” is a permit or license issued by the Arkansas Motor Vehicle Commission allowing an out-of-state dealer to participate in an approved off-premise sale for a period not to exceed seven (7) consecutive days.
- N. “Qualified dealer” means a new motor vehicle dealer from a contiguous county who has both a franchise agreement or other contract from a manufacturer or distributor and a license or temporary permit from the Arkansas Motor Vehicle Commission to sell any product line-makes in the host county that he makes available for sale at an off-premise sale.
- O. “Public Venue” means when used in conjunction with “off-premises sale” or “off premises display” a location which is open to the general public whether or not an admission fee is charged and which is not a new car dealership licensed by the AMVC or a used car lot licensed by the Arkansas State Police.

### **3. OBTAINING APPROVAL TO CONDUCT OFF-PREMISE SALES:**

- A. In order to obtain approval to sponsor an off-premise sale for new motor vehicle dealers, a sponsor must:
  - (1) Invite all local new motor vehicle dealers to participate in an off-premise sale.
  - (2) Request to conduct any off-premise sale must be submitted for approval to the Arkansas Motor Vehicle Commission on the form provided by the AMVC office at least forty-five (45) days prior to opening day of the off-premise sale. The forty-five (45) day requirement may be waived by the Executive Director for good cause shown. Attached to the request form shall be:
    - (a) A list of all dealers to whom invitations have been extended, with the address, telephone and the name of the contact person.
    - (b) A list of all line-makes to be offered at the off-premise sale.
    - (c) A statement signed by the Sponsor assuring that adequate space will be made available for all invited dealers.
    - (d) A sample notice, invitation or registration form.
    - (e) Two (2) tickets to the off-premise sale, if there is an admission fee.

### **4. CONDUCTING OFF-PREMISE SALES:**

- A. The Sponsor must conduct the off-premise sale in compliance with the Arkansas Motor Vehicle Commission ACT, the Rules & Regulations of the Arkansas Motor Vehicle Commission and all other applicable laws of the State of Arkansas.
- B. Off-Premise Sales may not be conducted for more than seven (7) days.

## 5. PARTICIPATION BY QUALIFIED DEALERS:

- A. Qualified dealers may be invited to participate in an off-premise sale provided that:
- (1) The sponsor obtains written approval from the Executive Director,
  - (2) A reciprocity agreement has been executed between the State of Arkansas and the state in which the contiguous county is located and such agreement is on file in the Arkansas Motor Vehicle Commission office, and
  - (3) The specific industry guidelines in Section 6 of this regulation are followed.
- B. Any qualified out-of-state dealer shall submit an application provided by the Commission office, meet all requirements of Regulation 5, Section 2, Paragraph M, pay a fee of fifty dollars (\$50.00) and obtain a temporary permit prior to participating in the off-premise sale.

## 6. INVITING QUALIFIED DEALERS FROM CONTIGUOUS COUNTIES; SPECIFIC INDUSTRY GUIDELINES:

### A. AUTOMOBILE/TRUCK:

- (1) Sponsor, if not a dealer association, must obtain favorable sanction from the majority of licensed dealers located in the county hosting the off premise sale or display. Written verification signed by a majority of licensed dealers located in the county hosting the off premise sale or display must accompany the request form before consideration of the Arkansas Motor Vehicle Commission.
- (2) If there are no automobile or truck dealers in the host county, all qualified dealers in contiguous counties must be invited to participate.
- (3) If there is even one automobile or truck dealer in the host county, no dealers from outside the host county may be invited to participate.

*Examples: 1. There are no automobile or truck dealers in the host county. All qualified dealers in contiguous counties shall be invited to participate.*

*2. There is only one dealer, a GMC Truck dealer, in the host county. No dealers from contiguous counties may be invited to participate.*

### B. ALL TERRAIN VEHICLE AND MOTORCYCLE:

- (1) Dealers from contiguous counties may be invited to participate in an off-premise sale provided:
  - (a) There are fewer than four (4) local dealers in the host county;
  - (b) There is no local dealer selling the manufacturer's product line sold by the dealer in the contiguous county, whether or not the local dealer participates in the off-premise sale.
- (2) If a sponsor invites any qualified dealers located in contiguous counties, sponsor shall invite all qualified dealers located in contiguous counties, except those who are not eligible to participate because a local dealer sells the same manufacturer's product line.

B. ALL TERRAIN VEHICLE AND MOTORCYCLE ~ CONTINUED:

- Examples:*
1. *There are three dealers in the host county, Honda, Suzuki and Polaris. There is no Yamaha dealer, Yamaha dealers from contiguous counties may be invited to participate in the sale. Qualified dealers in contiguous counties selling all other manufacturers' product lines, except the lines sold by the three local dealers, may also be invited to attend.*
  2. *There are only two dealers in the host county. They sell Yamaha and Suzuki motorcycles. The Yamaha dealer participates in the sale, and the Suzuki dealer does not. No Yamaha or Suzuki dealer in a contiguous county may be invited to participate in the sale.*
  3. *There are five dealers in the host county. No dealers from contiguous counties may be invited to participate in the sale, no matter how many dealers in the host county actually participate in the sale.*

C. RECREATIONAL VEHICLE:

- (1) If there are no local dealers who sell a certain manufacturer's model line products, qualified dealers in contiguous counties who sell that manufacturer's model line products may be invited to attend.
- (2) If a sponsor invites any qualified dealers located in contiguous counties, sponsor shall invite all qualified dealers located in contiguous counties, except those who are not eligible to participate because a local dealer sells the same manufacturer's model line product.

- Examples:*
1. *There is a Fleetwood dealer in the host county who has a franchise agreement and license for Southwind and Pace Arrow model lines. No Fleetwood dealers from contiguous counties with the same model lines may be invited to participate in the sale, whether the local Fleetwood dealer participates or not.*
  2. *There are Fleetwood and Thor dealers in the host county. The Thor dealer participates in the sale, and the Fleetwood dealer does not. No Fleetwood or Thor dealer in a contiguous county may be invited to participate in the sale with the same model line as host county dealer.*

**7. DISPLAYS:**

Dealers may display new motor vehicles at locations other than that for which a license is held, provided:

- A. Commission approval has been granted, and
- B. Display Request Form is on file at the Commission office, and
- C. Dealer personnel shall not be present, and
- D. Sales and solicitations are prohibited, and
- E. Displays are within dealer's relevant market area as defined in franchise agreement or sales and service agreement on file in the Commission office or as defined by A.C.A. § 23-112-101 et seq., whichever is greater, and
- F. Vehicles are the line-make or model line for which license is held.

**8. EXCEPTIONS FOR NEW AND USED VEHICLE DISPLAY AND USED VEHICLE SALES**

A. **NEW & USED VEHICLE DISPLAYS:** A new motor vehicle dealer licensed by the Commission may display not more than five (5) new motor vehicles per franchise held without obtaining prior written approval from the Commission. Provided the display is at a public venue and within the geographical limits of the licensed dealer's relevant market area. There shall be no sales or management personnel present or sales solicitations.

B. **USED VEHICLE SALES:** A new motor vehicle dealer licensed by the Commission may conduct off premises sales of used motor vehicles without obtaining prior written approval from the Commission. Provided the sale location is at a public venue within the geographical limits of the licensed dealer's relevant market area and new vehicles are NOT present for display or offered for sale. There may be solicitations, sales and management personnel present.

Any comments, questions, or concerns regarding these Rules & Regulations as well as any suggestions for enhancing the Commission's Rules & Regulations are welcomed and appreciated.

Please write the Commission Office at the following address:

ARKANSAS MOTOR VEHICLE COMMISSION

101 E. Capitol, Suite 210

Little Rock, AR 72201-3826