

**RULES OF THE
ARKANSAS MOTOR VEHICLE COMMISSION**

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RULES OF THE
ARKANSAS MOTOR VEHICLE COMMISSION

RULE 1

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 2 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 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 2

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 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 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 Rule 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 rules 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 or her 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 and/or women 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 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 Facts, Conclusions of Law and Orders 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 orders 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, 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 2, 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.

**RULES OF THE
ARKANSAS MOTOR VEHICLE COMMISSION**

RULE 3

ADVERTISING

OBJECTIVE:

Rule 3 implements the Legislative intent of the law governing advertising as stated in the Arkansas Motor Vehicle Commission Act. False and misleading advertising will be defined and prohibited in a unified effort to insure truthful and accurate product advertising that will benefit the consumers and businesses of this State affected by legislation. Certain key examples of prohibited advertising will be exhibited, but shall not construed as an all-inclusive exhibit of prohibited practices.

Violation of any Advertising Rule(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).

Arkansas Motor Vehicle Commission Rules and Federal Trade Commission requirements differ in severity and coverage. 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 rules do not contain a list of all the abbreviations one may use, or 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 Monroney 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,” or “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 bona fide 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 bona fide offer to sell or lease the advertised motor vehicle is:
 - (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 offer or, or a representative of the Arkansas Motor Vehicle Commission, the licensee's sales records of sales or leases evidencing its bona fide 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. A statement 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 bona fide 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 §226.24

(a) Actually available terms. If an advertisement for credit states specific credit terms, it shall state only those terms that actually are or will be arranged or offered by the creditor.

(b) Advertisement of rate of finance charge. If an advertisement states a rate of finance charge, it shall state the rate as an “annual percentage rate,” using that term. If the annual percentage rate may be increased after consummation, the advertisement shall state the fact. The advertisement shall not state any other rate, except that a simple annual rate or periodic rate that is applied to an unpaid balance may be stated in conjunction with, but not more conspicuously than, the annual percentage rate.

(c) Advertisement of terms that require additional disclosures.

(1) If any of the following terms is set forth in an advertisement, the advertisement shall meet the requirements of paragraph (c)(2) of this section:

- (i) The amount or percentage of down payment.
- (ii) The number of payments or period of repayment.
- (iii) The amount of any payment.
- (iv) The amount of any finance charge.

(2) An advertisement stating any of the terms in paragraph (c)(1) of this section shall state the following terms,

as applicable:

- (i) The amount or percentage of downpayment.
- (ii) The terms of repayment.
- (iii) The “annual percentage rate,” using that term, and, if the rate may be increased after consummation, that fact.

(d) Catalogs and multiple-page advertisements; electronic advertisements.

(1) If a catalog or other multiple-page advertisement, or an advertisement using electronic communication give information in a table or schedule in sufficient detail to permit determination of the disclosures required by paragraph (c)(2) of this section, it shall be considered a single advertisement if:

- (i) The table or schedule is clearly and conspicuously set forth; and
- (ii) Any statement of terms of the credit terms in paragraph (c)(1) of this section appearing anywhere else in the catalog or advertisement clearly refers to the page or location where the table or schedule begins.

(2) A catalog or other multiple-page advertisement or an advertisement using electronic communication complies with paragraph (c)(2) of this section if the table or schedule of terms includes all appropriate disclosures for a representative scale of amounts up to the level of the more commonly sold higher-priced property or services offered.

An advertisement which complies with the Federal Truth in Lending Act (15 U.S.C. § 1601 et seq.) and amendments thereto, and any rules issued or which may be issued there under, shall be deemed in compliance with the provisions of this Section.

TITLE I—CONSUMER CREDIT COST DISCLOSURE

§ 112. Criminal liability for willful and knowing violation

CHAPTER 1—GENERAL PROVISIONS

Whoever willfully and knowingly

- (1) gives false or inaccurate information or fails to provide information which he is required to disclose under the provisions of this title or any regulation issued there under,
- (2) uses any chart or table authorized by the Board under section 107 in such a manner as to consistently understate the annual percentage rate determined under section 107(a)(1)(A), or
- (3) otherwise fails to comply with any requirement imposed under this title, shall be fined not more than \$5,000 or imprisoned not more than one year, or both.

B. LEASE ADVERTISING AND FEDERAL REGULATION M §213.7

“Consumer Leases” covered under regulation M

Regulation M applies only to “consumer leases” defined as contracts meeting each of the following elements:

- The lease is for the use of personal property, such as an automobile;
- The lease has a term of more than four months;
- The contractual obligation does not exceed \$25,000.

Business leases are not covered by Regulation M. However, a vehicle leased by an individual can be used for business purposes and be covered under Regulation M, if the lease was originated by the consumer in their name. A vehicle leased by a company, in the companies’ name, IS NOT covered by Regulation M.

How the disclosures must be made

Under Regulation M, consumer lease disclosures must meet the following general criteria:

- Disclosures must reflect the terms of the legal obligations between lessor and lessee;
- Disclosures must be legible, whether typed, handwritten, or printed by computer Disclosures must be “clear and conspicuous”, so that the relationship between terms is reasonably understandable and apparent;
- A copy of the disclosures must be given to the lessee at or prior to inception of the lease;
- Disclosures must be made on a dated, written statement which identifies the lessor and lessee;

What must be disclosed

Regulations M also stipulates specific content of the disclosures, and requires that certain information be segregated on the lease contract. The specific content of disclosures required under Regulation M includes:

- Description of property;
- Amount due at lease signing or delivery;
- Payment schedule and total amount of periodic payments;
- Disclosure of other anticipated charges during normal execution of the lease agreement;
- Total of payments;
- Payment calculation;
- Lease term;
- Early termination conditions and penalties;
- Maintenance responsibilities;
- Purchase option;

- Statement referencing “nonsegregated” disclosures;
- The right of appraisal;
- Liability at the end of the lease term;
- Fees and taxes;
- Insurance and warranties.

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

EXAMPLES OF ACCEPTABLE PRINT TYPE FACE

Reference Rule 3, 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 SRP \$13,140 Sale 11,377, Rebate \$1,000. 12K miles per year Final payment can be refinanced. Photos for illustration only. M

Examples provided by: Arkansas Democrat-Gazette

EXAMPLES OF ADVERTISEMENTS

EXAMPLE 1: Reference Rule 3, Section 1, Paragraphs E(1) and G.

GO-IN-THE-SNOW
2003 4-WHEEL DRIVE

***\$239 PER MONTH LEASE
OVER 80 IN STOCK

EXAMPLE 2: Reference Rule 3, 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.

EXAMPLE 3: Reference Rule 3, 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

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.

EXAMPLE 4: Reference Rule 3, Section 7, Paragraph A.

2003 4-WHEEL DRIVE
**\$389 per month/30 months
\$0 down

**SUBJECT TO LIMITED AVAILABILITY. Avail. through Jan 5, 2005 at participating dealers to approved lessees by _____ Finance Corp. Advertised rate based on 30-mo. closed-end lease for 2003 LX Sedan I/Automatic Trans. (Model # _____) with MSRP \$14,450.00 (includes destination), with actual net capitalized cost of \$14,505.25 (\$14,505.25 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 + 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. Mi. charge of .15 mi. over 12,000 mi./year. MSRP actual new 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.

EXAMPLE 5: Reference Rule 3, Section 7, Paragraph B.

The \$0 down lease
2003 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.

**RULES OF THE
ARKANSAS MOTOR VEHICLE COMMISSION**

RULE 4

FACILITY REQUIREMENTS FOR BRANCH LOCATIONS LICENSED BY THE COMMISSION

1. Branch Name: The name used on signage at the branch location and in advertisements for 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. The branch location must be within the dealers' relevant market area as defined in A.C.A. § 23-112-103, or within the market area specified in the licensee's franchise agreement whichever is larger
3. Product Sold: Only used vehicles may be displayed and sold at the branch location. No new motor vehicles or demonstrators of any brand located for displayed or sold at the branch location.
4. Sales Facilities: There must be a permanent building from which sales are conducted. Records of sales transactions may be kept at the dealer's primary location.
5. Service Facilities: The branch location is not required to have service facilities on the premises.

RULE 5

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 rule, 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 that the following vehicles are specialty vehicles which are exempt from regulation by the Commission.

Garbage Trucks, Ambulances, Fire Trucks, Limousines, Hearses, unassembled motor vehicles such as kits or packaged and sold unassembled, Motorized Bicycles, Mopeds, Go Carts, Farm Implements, Construction Implements, City Transit Busses, Wheeled Trolleys, Travel Buses or Tour Buses, Wreckers, Passenger Shuttle Vans, and Para-Transit Vans.

RULE 6

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.

RULE 7

OFF-PREMISE SALES AND DISPLAYS

(REQUEST FORMS ARE AVAILABLE AT THE COMMISSION OFFICE or WWW.ARMVC.COM)

1. OFF-PREMISE SALES AND DISPLAYS:

- A. Are strictly prohibited except as provided in this rule.
- 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 RULE:

- 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, and 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 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 rule are followed.
- B. Any qualified out-of-state dealer shall submit an application provided by the Commission office, meet all requirements of Rule 7, 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 manufacturers 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. § 23-112-103 et seq., whichever is greater, and
- F. Vehicles are the line-make or model line for which license is held.

8. EXCEPTIONS FOR NEW CAR DISPLAYS 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 vehicles per franchise held without obtaining prior written approval from the Commission as long as the display is at a public venue and within the licensed dealer's relevant market area and no sales or management personnel present, nor sales solicitations made.

B. **USED VEHICLE SALES:** A new motor vehicle dealer licensed by the Commission may conduct off-premise sales of used motor vehicles, without obtaining prior written approval from the Commission as long as the sale location is at a public venue within the geographical limits of the licensed dealer's relevant market area and no new vehicles are displayed or offered for sale.

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

Please write the Commission Office at the following address:

ARKANSAS MOTOR VEHICLE COMMISSION
101 E. Capitol, Suite 212
Little Rock, AR 72201-3826