

MAY 23 2011

STATE OF INDIANA  
OFFICE OF THE SECRETARY OF STATE  
DEALER SERVICES DIVISION

INDIANA  
SECRETARY OF STATE

IN THE MATTER OF: )  
 ) Cause No. DLR 11-0001 RO  
TAYLOR AUTO GROUP, LLC )  
and DAN GRISSOM, )  
 )  
Respondents. )

**FINDINGS OF FACT,  
CONCLUSIONS OF LAW, JUDGMENT AND FINAL ORDER**

Pursuant to due notice to all parties, a hearing was conducted on March 28, 2011, by Hearing Officer James A. Joven, duly appointed by Chris Naylor, Indiana Securities Commissioner (“Commissioner”), in Room E-111 of the Indiana Government Center South in Indianapolis, Indiana. Ashley Humphries represented the Indiana Secretary of State’s Office – Dealer Services Division (“Division”). Respondents Taylor Auto Group, LLC (“Taylor”) and Dan Grissom (“Grissom”) did not appear. Having considered the pleadings and the evidence presented at the hearing, the Commissioner now enters the following Findings of Fact, Conclusions of Law, Judgment and Final Order.

**I. FINDINGS OF FACT**

1. On January 13, 2011, the Division filed a Petition for Order of Revocation (“Petition”) against Taylor and Grissom.

2. The Petition alleged Taylor and Grissom violated the Indiana Motor Vehicle Manufacturers, Distributors, and Dealers Act, Indiana Code § 9-23-2 (“Dealers Act”), as well as 75 Indiana Administrative Code (“IAC”) § 2-2-10.

3. On January 13, 2011, the Securities Commissioner (“Commissioner”) issued an Order of Revocation (“Order”) temporarily revoking dealer license #901551 issued to Taylor and Grissom by the Division.

4. On or about January 13, 2011, Taylor and Grissom submitted a request for an administrative hearing to the Division regarding the Petition and Order.

5. Taylor is purported to be a business entity. Taylor has a last known business address of 513 N. Melville Street, Suite 5, Rensselaer, Indiana, 47978. (Petition for Order of Revocation ¶ 5).

6. Grissom is an individual and, upon information and belief, an owner and principal of Taylor. Grissom is the agent for service of process for Taylor and has a last known residential address of 3859 Douglas Road, Downers Grove, Illinois, 60515. (*Id.* at ¶ 7).

7. Taylor is a wholesale dealer, or other entity, defined by Indiana Code § 9-23-2-1, that holds license number 901551. (*Id.* at ¶ 6).

***A. Wholesale Dealer Selling to the General Public***

8. On or about December 10, 2009, Taylor and Grissom filed an application for an Indiana wholesale dealer's license ("license application"). (See Division's Exhibit 2).

9. On or about April 15, 2010, the Division received information from Kenneth Burton ("Burton"), a consumer, who indicated that he purchased a 1998 Dodge Durango ("1998 Dodge"), Vehicle Identification Number ("VIN") 1B4HS28Y0WF186550, through a retail sale from Taylor and Grissom. (Hearing Transcript In the Matter of Taylor Auto Group, LLC and Dan Grissom, 11:9-10) (See Division's Exhibits 1, 3, and 6).

10. An investigator from the Division, Sherri Van Hook ("Van Hook"), conducted an interview with Burton shortly after receiving his complaint, and he indicated that he had found the 1998 Dodge advertised by Taylor and Grissom on Craigslist. (Hrg. Tr., 11:6-8, 18-20; 27:5-16) (See Division's Exhibit 5).

11. Burton called the contact number listed on the Craigslist advertisement and spoke with Grissom. (Hrg. Tr., 27:5-23) (See Division's Exhibit 5).

12. Burton agreed to trade his 1995 truck and One Thousand, Five Hundred Dollars (\$1,500.00) to Grissom for the 1998 Dodge. (Hrg. Tr., 32:2-4) (See Division's Exhibit 6).

13. Burton met Grissom at Grissom's residence to complete the purchase of the 1998 Dodge. (Hrg. Tr., 29:1-8).

14. When he met with Grissom at Grissom's residence, Burton gave the title to the 1995 truck to Grissom along with One Thousand, Five Hundred Dollars (\$1,500.00). (Hrg. Tr., 34:14-18; 33:19-23) (See Division's Exhibit 6).

15. Grissom then gave Burton a purchase agreement, in which Grissom indicates that he received One Thousand, Five Hundred Dollars (\$1,500.00) for the vehicle, along with an Illinois title for the 1998 Dodge. (Hrg. Tr., 32:7-10, 20-25; 33:1; 34:21-23) (See Division's Exhibit 6).

***B. Failure to Produce Records Material to an Investigation***

16. After speaking with Burton regarding his complaint, Van Hook, as a representative and investigator for the Division, determined that an audit of Taylor's sales records were necessary and material to the investigation of Burton's claim. (Hrg. Tr., 20:1-19).

17. Van Hook spoke with Grissom via telephone to set up an audit of Taylor Auto Group. (Hrg. Tr., 21:3-8).

18. Van Hook requested that Grissom meet with her in April 2010 at his place of business in Rensselaer, Indiana so that she could conduct an audit of Taylor's sales records. (Hrg. Tr., 21:3-17).

19. On the date of the scheduled audit, Grissom failed to appear and meet Van Hook at his place of business for the audit of his sales records, and he did not reschedule the audit. (Hrg. Tr., 21:20-24; 22:7-9).

### ***C. Non-Delivery of Title***

20. As was previously referenced, Grissom gave Burton a purchase agreement with an Illinois title for the 1998 Dodge, in which Grissom indicates that he received One Thousand, Five Hundred Dollars (\$1,500.00) for the vehicle. (Hrg. Tr., 32:7-10, 20-25; 33:1; 34:21-23) (See Division's Exhibit 6).

21. After his purchase of the 1998 Dodge from Taylor and Grissom, Burton later attempted to title the 1998 Dodge in the State of Illinois. (Hrg. Tr., 34:24-25; 35:1-3).

22. Burton was unable to title the vehicle in the State of Illinois due to signature errors on the front of the title to the 1998 Dodge. (Hrg. Tr., 16:10-25; 17:1-17; 35:11-25; 36:1-3).

23. Burton then contacted Grissom to request reversal of the sale involving the 1998 Durango because the title was invalid. (Hrg. Tr., 36:1-14).

24. Grissom then told Burton to bypass the Illinois Department of Motor Vehicles and to take the title to Currency Exchange to be titled. (Hrg. Tr., 36:21-25; 37:1-2, 7-25; 38:1-4).

25. Burton purchased the 1998 Durango from Burton on April 12, 2010 but still had not received valid title to the vehicle as of the date of the hearing in this matter, March 28, 2011. (Hrg. Tr., 41:12-21) (See Division's Exhibit 6).

### ***D. Vacation of Business Premises***

26. Taylor provided the Division with a last known business address of 513 N. Melville Street, Suite 5, Rensselaer, Indiana, 47978. (Hrg. Tr., 23:1-4) (See Division's Exhibit 2).

27. On December 31, 2010, Clint Johnson, the owner of the property at 513 N. Melville Street, Rensselaer, Indiana, 47978, signed an affidavit before a notary public stating that

as of December 31, 2010, Taylor and Grissom were notified they had been constructively evicted from their principal place of business. (Hrg. Tr., 23:8-14) (See Division's Exhibit 4).

28. Taylor and Grissom failed to notify the secretary of state that Taylor was going to cease business operations. (Hrg. Tr., 25:4-9, 16-18).

29. Taylor and Grissom failed to return all permanent dealer license plates issued to them by the Division and in their possession. (Hrg. Tr., 25:19-21).

## II. CONCLUSIONS OF LAW

30. All Findings of Fact are incorporated by reference as Conclusions of Law, and all Conclusions of Law are incorporated as Findings of Fact.

31. The Dealer Services Division ("Division") is a division of the Office of the Secretary of State and has jurisdiction over persons engaging in the business of buying or selling motor vehicles, as provided by Indiana Code § 9-23-2 ("Act").

32. Pursuant to Indiana Code § 9-23-0.7-1, the Secretary of State may delegate any or all of the rights, duties, or obligations of the Secretary of State under this article to: (1) the Commissioner, appointed under Indiana Code § 23-19-6-1(a), or (2) another designee under the supervision and control of the Secretary of State.

33. The Act authorizes the Commissioner, among other things, to regulate the licensing of (1) an automobile auctioneer, (2) a converter manufacturer, (3) a dealer, (4) a distributor, (5) a distributor branch, (6) a distributor representative, (7) a factory branch, (8) a factory representative, (9) a manufacturer, (10) a transfer dealer, or (11) a wholesale dealer. *See* Indiana Code § 9-23-2-1.

34. This action was brought pursuant to the enforcement authority conferred by Indiana Code § 9-23-2-14, wherein the Commissioner has, *inter alia*, the authority to deny, suspend, or revoke a license issued under this chapter.

Prohibited Acts

35. Pursuant to 75 IAC § 2-2-10, “[a] wholesale dealer . . . may not sell vehicles to the general public.”

36. Additionally, Indiana Code § 9-23-2-14(c)(3) states that “[t]he secretary of state may issue an order . . . denying, suspending, or revoking a license issued under this chapter for any . . . [w]illful failure to comply with the provisions of this article or a rule adopted by the secretary of state under this article.”

37. Taylor and Grissom are in violation of 75 IAC § 2-2-10 because Taylor, a wholesale dealer, advertised a motor vehicle to the general public on Craigslist with the intent to sell that vehicle. Taylor and Grissom then sold that vehicle to a member of the general public.

38. Taylor and Grissom are in violation of Indiana Code § 9-23-2-14(c)(3) for willfully and voluntarily advertising on Craigslist, with the intent to sell, the 1998 Dodge to the general public.

39. Taylor and Grissom are also in violation of Indiana Code § 9-23-2-14(c)(3) for willfully and voluntarily selling the 1998 Dodge to Burton, a member of the general public.

40. Pursuant to Indiana Code § 9-23-2-14(a)(4), “[t]he secretary of state may investigate a violation of this chapter. In conducting an investigation under this subsection, the secretary of state may . . . [r]equire the production of documents or records that the secretary of state determines are material to the investigation.”

41. Additionally, Indiana Code § 9-23-2-14(c)(3) states that “[t]he secretary of state may issue an order . . . denying, suspending, or revoking a license issued under this chapter for any . . . [w]illful failure to comply with the provisions of this article or a rule adopted by the secretary of state under this article.”

42. Taylor and Grissom are in violation of Indiana Code § 9-23-2-14(a)(4) for failing

to appear and produce the documents requested by Van Hook, which were determined to be material to an investigation against Taylor and Grissom.

43. Taylor and Grissom are also in violation of Indiana Code § 9-23-2-14(c)(3) for willfully and voluntarily failing to appear and produce the records produced by Van Hook. Grissom was aware of the date on which Van Hook and he agreed for the audit of Taylor's sales records, and he failed to be present for that audit and produce the records requested by Van Hook.

44. Indiana Code § 9-17-3-3(a)(2) states, in pertinent part, as follows:

If a vehicle for which a certificate of title has been issued is sold or if the ownership of the vehicle is transferred in any manner other than by a transfer on death conveyance under section 9 of this chapter, the person who holds the certificate of title must . . . deliver the certificate of title to the purchaser or transferee at the time of the sale or delivery to the purchaser or transferee of the vehicle, if the purchaser or transferee has made all agreed upon initial payments for the vehicle, including delivery of a trade-in vehicle without hidden or undisclosed statutory liens . . . .

45. Additionally, Indiana Code § 9-17-3-3(a)(5) states as follows:

If a vehicle for which a certificate of title has been issued is sold or if the ownership of the vehicle is transferred in any manner other than by a transfer on death conveyance under section 9 of this chapter, the person who holds the certificate of title must . . . [d]eliver the certificate of title to the purchaser or transferee within twenty-one (21) days after the date of sale or transfer to the purchaser or transferee of the vehicle . . . .

46. Taylor and Grissom are in violation of Indiana Code § 9-17-3-3(a)(2) for failing to deliver a valid title to Burton upon the sale of the 1998 Dodge to Burton on or about April 12, 2010.

47. Taylor and Grissom are also in violation of Indiana Code § 9-17-3-3(a)(5) for failing to provide Burton a valid title within twenty-one (21) days of the date of the sale of the 1998 Dodge.

48. Indiana Code § 9-23-2-11(1) states, "A person who ceases a business

activity for which a license was issued under this chapter shall do the following:

Notify the secretary of state of the date that the business activity will cease.”

49. Additionally, Indiana Code § 9-23-2-14(c)(1) states that “[t]he secretary of state may issue an order ... denying, suspending, or revoking a license issued under this chapter for any ... [m]aterial misrepresentation in the application for the license or other information filed with the secretary of state.

50. Indiana Code § 9-23-2-2(a)(3)(B) states, “[A]n application for a license...must: [c]ontain the information the secretary of state considers necessary to enable the secretary of state to determine fully the following information: The location of each of the applicant's places of business in Indiana.”

51. Finally, Indiana Code § 9-23-2-11(2) states, “A person who ceases a business activity for which a license was issued under this chapter shall do the following: Deliver all permanent dealer license plates and interim license plates issued to the person to the bureau within ten (10) days of the date the business activity will cease.”

52. Taylor and Grissom are in violation of Indiana Code § 9-23-2-11(1) for failing to notify the secretary of state of the date their business activity ceased.

53. Because Taylor is no longer located at the address listed in its license application, Taylor’s license application contains a material misrepresentation in violation of Indiana Code § 9-23-2-14(c)(1).

54. Taylor and Grissom are in violation of Indiana Code § 9-23-2-11(2) for failing to deliver to the Division, within ten (10) days of the date business activity ceased, all permanent dealer license plates and interim license that were issued.



*Damages/Penalties*

55. Indiana Code § 9-23-6-4 states that:

A person who violates this article or a rule or order of the secretary of state issued under this article is subject to a civil penalty of not less than fifty dollars (\$50.00) and not more than one thousand dollars (\$1,000.00) for each day of violation and for each act of violation . . . .

56. The multiple violations of the Dealers Act and Indiana Administrative Code demonstrated herein subjects Taylor and Grissom to a civil penalty of not less than fifty dollars (\$50.00) and not more than one thousand dollars (\$1,000.00) for each day of violation and for each act of violation.

57. Indiana Code § 9-23-2-14(h) states, “In addition to all other remedies, the secretary of state may seek the following remedies against a person that violates, attempts to violate, or assists in a violation of or an attempt to violate this chapter: . . . (1) An injunction. . . . (3) A civil penalty not to exceed five thousand dollars (\$5,000) per violation.”

58. Additionally, Indiana Code § 9-23-2-14(i) states, “In a court proceeding initiated under this section in which judgment is awarded to the secretary of state, the secretary of state is entitled to recover the costs and expenses of investigation, and the court shall include the costs in its final judgment.”

**III. JUDGMENT AND FINAL ORDER**

Upon consideration of the foregoing Findings of Fact and Conclusions of Law, the Commissioner now Orders, Adjudges, and Decrees the following:

- A. Judgment should be and hereby is rendered in favor of the Division and against Respondents Taylor and Grissom;
- B. A civil penalty is assessed against Taylor and Grissom in the amount of Twenty Five Thousand Dollars (\$25,000.00), which includes the costs and expenses of investigation;

- C. The dealer license, #901551, of Taylor and Grissom is permanently revoked;
- D. Any and all future dealer licenses requested by Taylor and Grissom are denied under the Dealers Act;
- E. All actions taken are in the public interest.

SO ORDERED at Indianapolis, Indiana this 23<sup>RD</sup> day of MAY, 2011.



CHARLES P. WHITE  
INDIANA SECRETARY OF STATE

A handwritten signature in black ink, appearing to read "CN" or similar initials.

CHRIS NAYLOR  
SECURITIES COMMISSIONER