

# Los Angeles County Consumer Affairs Advisory Commission Meeting Minutes

Thursday, July 16, 2015

**Item 1:**        **Call to Order:** The Chair, called the meeting to order at approximately 10:37 a.m.

**Item 2:**        **Roll Call Confirmation of Quorum:**

**Present:**       Dennis Arguelles, Vivian Chan, Ronnie Jayne, Ho-Jeong Eun, Sylvia Southerland, K.W. Tulloss, Ross Viselman, Joan Ostry, Susan Jerich, Karine, Joyce Ayvazi

**County Counsel Staff:**  
LaTayvius Alberty, Emily Issa

**Staff Present:** Brian Stiger, Espie Hernandez, Rose Basmadzhyan, Jessica Gallegos, Armando Nogal

**Absent:**        None

**Public:**        None

The quorum requirement was met with Commissioners present. Commissioner Eun joined the meeting at approximately 10:45 a.m. and Commissioner Jayne at 10:55 a.m.

**Item 3:**        The minutes for the regular meeting of May 21, 2015 were reviewed and approved by Commissioners Eun and seconded by Commissioner Southerland.

**Item 4:**        Department Update

## **Brown Act Overview**

Director Stiger introduced LaTayvius Alberty and Emily Issa from the County Counsel's Office.

LaTayvius Alberty provided an overview of the Brown Act and how it applies to the Consumer Affairs Advisory Commission. Ms. Alberty indicated the purpose of the Brown Act was to ensure that the public could participate in government and that the Board of Supervisors and all commission are subject to it.

The Brown Act requires a quorum of half of the commission plus one. In the case of the Consumer Affairs Advisory Commission, the quorum is 8. The members of the commission must abstain from conducting business of the quorum is not met. If there is no quorum, the commissioner present may converse but must not take action any items. Furthermore, if a commissioner decides to participate from a remote location, this location should be listed on the Commission Meeting Notice and the location must be accessible to the public. The commissioners making up the quorum must all be located within Los Angeles County.

During the Commission meetings the public must be 1 to 3 minutes to comment. The Commission must not vote on any item before there is any public comment on that item. It is not mandatory for a member of the public to provide any identifying personal information to be allowed to speak before the commission. If a vote is made before the public provides its comments, the commission must "reconsider the item".

The District Attorney's Office may investigate complaints of the violation of the Brown Act and impose sanctions. Additionally, the public can sue and request civil remedies.

### **New and Used Car Interest Rates Crisis**

Director Stiger introduced Rose Basmadzhyan, Supervising Investigator at the Department of Consumer and Business Affairs.

California allows parties to charge interest on loans for personal, family, or household purposes at a rate not to exceed 10% per year. For all other loans that are not for personal, family or household purposes may charge the allowable rates of more than 10%.

However, new and used car sales are not subject to usury laws in California because they are considered retail sales. A car purchase is a retail/credit sale not a loan of money. Typical interest rates on car purchases are 12%, 20%, 30%. Usury laws would limit interest rates to 10% on a loan. The car dealer, however, must disclose in writing the amount to be financed and the total amount to be paid at the end of the contract.

Other types of transaction not subject to usury laws are home improvement loans and real estate loans.

Commissioner Viselman asked what were the chances a law could be passed to reduce the ability to repossess vehicles. Director Stiger responded that the Department can submit subject matter and propose laws to the legislature.

Commissioner Tulloss asked how many car dealers in California overcharge interest rates. Ms. Basmadzhyan replied that 80% of dealers are in violation of overcharging interest rates, car titles and disclosure of contract terms.

Commissioner Arguelles asked what would be the next step for the commission in regards to car dealer violations. Director Stiger indicated that it would be to establish a legislative committee and put language together.

Commissioner Eun asked if there is a factsheet listing the violations to disseminate information to the targeted consumers. Director Stiger indicated that the department does have tip sheets on the subject.

### **Do Not Call List**

Director Stiger Introduced Jessica Gallegos, Investigator, Department of Consumer and Business Affairs.

Consumers that complain about excessive telemarketing calls may call and register with the Federal Trade Commission's (FTC) Do Not Call Registry (DNCR). Once consumers have registered with the DNCR, they may still get calls within the first 30 days of registering their telephone number. Most legitimate companies don't call if your number is on the Registry. If a company is ignoring the Registry, there's a good chance that it's a scam. If you get these calls, hang up and file a complaint with the FTC. Although the DNCR is designed to reduce unwanted calls, it does not block all calls. Political calls, charity calls, sales calls by authorized vendors and informational messages are exempt.

Telephone numbers in the system stay registered indefinitely until reassigned, disconnected or requested to be taken off by the registered owner.

Charities that are calling on their own behalf to solicit charitable contributions are not covered by the DNCR requirements. Charities cannot have 3<sup>rd</sup> parties call on behalf of a charity. Consumer may ask

not to receive more call from or on behalf of the specific charity. Tele marketers may be fined up to \$16,000 for each violation.

The FTC is promoting a contest asking for the public's input in stopping robo calls. The FTC is offering a \$25,000 prize to the winner of an innovative idea in stopping robo calls. Up to 2 runners up - \$10,500 each and up to 2 additional finalists \$2,000 each.

Commissioner Jayne commented on the fake caller ids. Ms. Gallegos responded that this practice is called spoofing and it is illegal.

Commissioner Viselman asked how companies purchase telephone number lists. Ms. Gallegos added that these lists are available for purchase, however, the telemarketer must compare it to the FTC Do Not Call Registry and remove any registered numbers.

Commissioner Southerland requested to be e-mailed the Do No Call Registry handout that was given out with this presentation.

**Item 5:** Subcommittee Update – Public Information

Commissioner Ronnie Jayne share the committee's work and development of their role and purpose.

Purpose of Public Information Committee:

- Serve as a bridge between the Department and the community
- Support and enhance the Department's outreach programs to diverse communities
- To identify and facilitate public outreach
- Engage in diversity dialogue

**Item 6:** Future Agenda Items

Director Stiger recommend the Commission's Annual Report, which is due at the end of the year, and Car Title loans

Commissioner Arguelles recommended recognizing Stan Rogers for his extensive service to the Commission and having Kirk Shelton present at the meeting.

**Item 7:** Public Comment - None

**Item 8:** Adjournment:

The meeting adjourned at approximately 12:08 p.m.