

**BUSINESS REGULATION UNIT  
DEALER INVESTIGATION TEAM**

**DATE:** November 11, 2008

**REPORT TYPE:** Request for Civil Penalty; Unlicensed Dealer

**SUBJECT OF REPORT:**

Nicholas Butkovich  
18701 SE 362<sup>nd</sup> DR  
Sandy, OR 97055  
503 789-5879

ODL: 8992451

**INVESTIGATOR:**

Robb McCracken  
1905 Lana AV NE  
Salem, OR 97314  
Tel: 503 945-5286

## **NARRATIVE:**

On 08/19/08 I was attending an auction at Speeds Towing in Portland Oregon conducting an unlicensed vehicle dealer investigation when I was advised by employees of Speeds towing another unlicensed dealer was attempting to register at the auction and was escorted out. The male had registered before being escorted off the property.

I viewed the Registration form and confirmed with Speeds Towing employees each person registering must have picture identification. I was able to identify the male as Nicholas Butkovich, ODL #8992451. Nicholas Butkovich also wrote his phone number down as 503 789-5879. **(Exhibit A-1)**

I later conducted a search on Craig's List using the above listed phone number. I found several vehicles being advertised for sale using the phone number and the name Nick as a contact as the person selling the vehicle.

On 08/26/08 I sent an advisory letter to Nicholas Butkovich informing him of the laws with regards to selling vehicles without a dealer license. As of this writing I have not heard from Nicholas Butkovich nor seen an application for a dealer license submitted by Nicholas Butkovich. **(Exhibit A-2)**

On 09/08/08 I made contact with Kevin VanHoosen of Sergeant Towing who advised me he had records showing Nicholas Butkovich buying five vehicles from the auction in 2008. **(Exhibit A-3)**

On 09/15/08 Dave Reichert who is employed by Speeds Super Tow provided me with all the purchases made by Nicholas Butkovich from Speeds Super Tow. Speeds Auto Service Group INC. is a licensed dealer, #DA0804. Speeds Super Tow holds weekly auctions of vehicles they take in from other dealers and from vehicles never claimed after being towed. Dave Reichert said Nicholas Butkovich was a weekly customer at the auction. Based upon the records I received from Dave Reichert Nicholas Butkovich has purchased over 40 vehicles since 2006. **(Exhibit A-4)**

### **1988 BMW OR PLT: WQU- 457 (Exhibit A-5)**

On 10/07/08 I spoke with Stephen Cozine. DMV records showed Stephen Cozine purchased a 1988 BMW, Oregon license plate WQU-457 on 11/09/08 from Nicholas Butkovich. Stephen told me he saw the vehicle advertised on Craig's List. Stephen said he drove to SE Portland near a trucking company where he met with a male by the name of Nick. Stephen said Nick told him he purchased his vehicles from different auctions and sold the vehicles. Stephen mentioned Nick had several additional vehicles in the lot.

Stephen said he paid \$1,100.00 for the vehicle.

**1987 Volvo OR PLT: VTM-455 (Exhibit A-6)**

On 10/09/08 I spoke with Timothy Webb. DMV records showed Timothy Webb purchased a 1987 Volvo, Oregon license plate VTM-455 from Nicholas Butkovich on 03/10/07. Timothy told me he saw the vehicle advertised on Craig's List and called the phone number listed in the advertisement to view the vehicle. Tim said he met a male who said he was a student at the Clackamas Town Center. Timothy believed the male's name was Nick and that it had been almost two years since he bought the vehicle from the male.

Timothy said he paid \$900.00 for the vehicle and had Nick drive the vehicle back to his home. Timothy said he then drove Nick to his mother's home but she was not at home. Timothy said he drove Nick to another location near Mt Hood Community College. Timothy noted this was a trailer park with many vehicles parked in the area being repaired.

**1989 Toyota Camry OR PLT: PZJ-159 (Exhibit A-7)**

On 10/09/08 I spoke with Ross Lancaster via the telephone. DMV records showed Ross Lancaster purchased a 1989 Toyota, Oregon license plate PZJ-159 from Nicholas Butkovich on 03/26/07. Ross said he saw the vehicle advertised on Craig's List in March of 2007. Ross said he called the phone number on the advertisement and met with a young male in a grocery store parking lot near Mt. Hood Community College. Ross said the male told him he bought the vehicle at an auction. Ross said he paid the male \$1200.00 for the vehicle. I asked Ross if he recalled the male's name. Ross said he didn't recall the male's name but recalled looking at the paperwork for the vehicle and viewed the male's driver's license and the name on the vehicle document matched with the male's driver's license.

**1992 Honda OR PLT: VGK-963 (Exhibit A-8)**

On 10/09/08 I spoke with Jacqueline Walters via the telephone. DMV records showed Jacqueline Walters purchased a 1992 Honda, Oregon license plate VGK-963 from Nicholas Butkovich on 02/25/07. Jacqueline said she bought the vehicle quite awhile ago from a young male who told Jacqueline he purchased vehicles from the auction and sold them.

Jacqueline said she paid \$3,000.00 for the vehicle. Jacqueline said she saw the vehicle advertised on Craig's list and later met with the male purchasing the vehicle.

**1997 Hyundai OR PLT: ZMU-187 (Exhibit A-9)**

On 10/15/08 I spoke with Brett L'Manian via the telephone. DMV records showed Brett L'Manian purchased a 1997 Hyundai Oregon license plate ZMU-187 from Nicholas Butkovich on 02/25/07. Brett told me he saw an advertisement for the vehicle on Craig's List and met with a young male somewhere in Gresham. Brett said he bought the vehicle from the male and received paper work from the male.

Brett said he later learned the year of the vehicle was 1997. Brett said on Craig's List the vehicle was advertised as a 1998 vehicle. Brett said he attempted to register the vehicle at DMV but was advised he needed a bill of sale. Brett said he called the male multiple times in an attempt to have the male sign the bill of sale. Brett said after two weeks he was able to meet with the male and have him sign the bill of sale. Based on DMV documents the bill of sale was signed by Nicholas Butkovich.

On 10/14/08 I searched the ISO computer system looking for salvage vehicles purchased by Nicholas Butkovich. ISO is an insurance data base listing vehicles involved in collisions and vehicles sold with salvage titles.

I located two vehicles registered in Oregon purchased by Nicholas and recently sold. The two vehicles were a 1997 Honda, Oregon license plate, 122-DZQ and a 1998 Honda, Oregon license plate, CK-79257.

**1997 Honda Accord OR PLT: 122-DZQ (Exhibit A-10)**

DMV records show Nicholas Butkovich purchased the vehicle from the salvage auction on 08/21/08 and sold the vehicle to Juan Herrera on 09/05/08.

**1998 Honda Accord OR PLT: CK-79257 (Exhibit A-11)**

DMV records show Nicholas Butkovich purchased the vehicle from the salvage auction on 08/21/08 and sold the vehicle to Olegario Rosa-Ortiz on 09/19/08.

On 10/27/08 I viewed a Craig's List advertisement displaying a 1992 Mercedes Benz for sale. The phone number and name listed for contact was Nick at 503 789-5879.

**(Exhibit A-12)**

On 10/27/08 I contacted the above listed telephone number and spoke to a male who identified himself as Nick. I inquired about the sale of the vehicle. Nick told me the vehicle was in Happy Valley Oregon parked near 11228 SE Causey. I advised Nick I may view the vehicle later in the day and was traveling from Salem.

Chief DMV Investigator Ron Kramer and DOJ Investigator Dale Geiger happen to be traveling to Portland and said they would view the vehicle. In the late afternoon I spoke with Ron Kramer who advised he could not locate the vehicle and was unsure if the address existed. While speaking to Ron Kramer, Nick telephoned me asking if I was still traveling to Happy Valley to view the vehicle. I advised Nick I may view the vehicle the following day. Nick again provided me with an address of 11228 SE Causey, Happy Valley Oregon.

On 11/05/08 I attempted to contact Nicholas Butkovich leaving him a voice mail on his telephone, 503 789-5879. I identified myself as an investigator with DMV inquiring about the letter I sent him in August of 2008.

On 11/06/08 a voice mail was left by a male identifying himself as Nicholas Butkovich stating he was returning my phone call and left me the phone number 503 789-5879 to contact him at. I attempted to contact Nicholas leaving him a voice mail to contact me. I have not heard from Nicholas Butkovich since.

#### **STATEMENT OF NICHOLAS BUTKOVICH:**

On 11/10/08 I spoke to Nicholas Butkovich via the telephone, I explained to Nicholas I was preparing a report for a civil penalty for acting as a licensed vehicle dealer. I asked Nicholas if the address on his driver's license was accurate. Nicholas said it was adding it was the address in Sandy Oregon.

I explained to Nicholas I sent him a letter in August of 2008 explaining he would need to obtain a dealer license if he wished to continue to sell vehicles. Nicholas said he did not recall receiving the letter, stating his aunt might have received the letter but he never did. I advised Nicholas I would send him the letter again.

I asked Nicholas how many vehicles he thought he sold over the past two years. Nicholas said he estimated 10 vehicles. I explained to Nicholas I believed it was higher. Nicholas said he only sells vehicles as a hobby and makes little money selling vehicles and enjoys working on vehicles and fixing them up.

I advised Nicholas I saw his advertisements on Craig's List and noted he had one to two ads a week on Craig's List. Nicholas said often time the advertisements are for the same vehicle.

I advised Nicholas I would be forwarding my report for review and he may receive information in the mail in regards to my investigation. Nicholas again said he was only selling vehicles as a hobby and did not think he was breaking the law while doing this. Nicholas asked how he could get a license to sell vehicles. I advised Nicholas to view the information on the Oregon State DMV website.

## **SUMMARY:**

Nicholas Butkovich has been engaged in unlicensed dealer activity in the buying, selling, offering and displaying vehicles for sale without a valid current vehicle dealer certificate in violation of ORS 822.005(1) (a) (b) (c).

## **RECOMMENDATION:**

The following civil penalty applies:

- A. Civil Penalty of \$2,500.00 for each of the following 13 violations (1<sup>st</sup> offense) of **ORS 822.005(1)(a)(b)(c)** for a total civil penalty of **\$32,500.00** for acting as a vehicle dealer without a valid, current dealer certificate. This penalty is pursuant to **OAR 735-150-0160(1), OAR 735-150-0170(1) and (3) (a)**.

These violations occurred in the sales of the following vehicles:

1. Nicholas Butkovich purchased a 1992 Volvo, OR Plate: 511DAE, VIN: YV1JS8815N1058434 from Speeds Super Tow on 02/06/07. Nicholas Butkovich offered and displayed the vehicle for sale. Nicholas Butkovich sold the vehicle to Dana Williams on 03/2007. The sale of this vehicle is a violation of ORS 822.005(1) (a).
2. Nicholas Butkovich purchased a 1989 Toyota, OR Plate: PZJ159, VIN: JT2SV21W3K0258095 from Speeds Super Tow on 03/20/07. Nicholas Butkovich offered and displayed the vehicle for sale. Nicholas Butkovich sold the vehicle to Ross Lancaster on 03/26/07. The sale of this vehicle is a violation of ORS 822.005(1) (a).
3. Nicholas Butkovich purchased a 1994 Honda, OR Plate: SL19127, VIN: JHMEG8544RS006007 from Speeds Super Tow on 02/13/07. Nicholas Butkovich offered and displayed the vehicle for sale. Nicholas Butkovich sold the vehicle to Vincent Parsons on 03/03/07. The sale of this vehicle is a violation of ORS 822.005(1) (a).
4. Nicholas Butkovich purchased a 1987 Volvo, OR Plate: VTM455, VIN: YV1AX88850H1741232 from Speeds Super Tow on 03/06/07. Nicholas Butkovich offered and displayed the vehicle for sale. Nicholas Butkovich sold the vehicle to Timothy Webb on 03/10/07. The sale of this vehicle is a violation of ORS 822.005(1) (a).

5. Nicholas Butkovich purchased a 1991 Honda, OR Plate: 340DAB, VIN: 1HGCB7667MA225173 from Speeds Super Tow on 02/13/07. Nicholas Butkovich offered and displayed the vehicle for sale. Nicholas Butkovich sold the vehicle to Arturo Tello-Luna on 03/03/07. The sale of this vehicle is a violation of ORS 822.005 (1) (a).
  
6. Nicholas Butkovich purchased a 1997 Hyundai, OR Plate: ZMU187 VIN: KMHVD14N3VU243920 from Speeds Super Tow on 02/13/07. Nicholas Butkovich offered and displayed the vehicle for sale. Nicholas Butkovich sold the vehicle to Brett L'Manian on 02/25/07. The sale of this vehicle is a violation of ORS 822.005 (1) (a).
  
7. Nicholas Butkovich purchased a 1992 Honda, OR Plate: VGK963 VIN: 1HGCB9874NA008344 from Speeds Super Tow on 02/06/2007. Nicholas Butkovich offered and displayed the vehicle for sale. Nicholas Butkovich sold the vehicle to Jacqueline Walters on 02/25/07. The sale of this vehicle is a violation of ORS 822.005 (1) (a).
  
8. Nicholas Butkovich purchased a 1988 BMW, OR Plate: WQU457 VIN: WBABB2300J8857946 from Speeds Super Tow on 10/16/07. Nicholas Butkovich offered and displayed the vehicle for sale. Nicholas Butkovich sold the vehicle to Connie Clouse on 11/09/07. The sale of this vehicle is a violation of ORS 822.005 (1) (a).
  
9. Nicholas Butkovich purchased a 1991 Subaru, OR Plate: 073BZX VIN: 4S4BJ63C7M7903219 from Security Towing on 07/31/08. Nicholas Butkovich offered and displayed the vehicle for sale. Nicholas Butkovich sold the vehicle to Elizabeth Roberts on 08/13/08. The sale of this vehicle is a violation of ORS 822.005 (1) (a).
  
10. Nicholas Butkovich purchased a 1994 Volkswagen, OR Plate: 302CZX VIN: 3VWRB81H4RM056986 from Speeds Super Tow on 01/23/07. Nicholas Butkovich offered and displayed the vehicle for sale. Nicholas Butkovich sold the vehicle to Audrey Contreras on 02/08/07. The sale of this vehicle is a violation of ORS 822.005 (1) (a).

11. Nicholas Butkovich purchased a 1991 Nissan, OR Plate: Z32AMY VIN: JN1RZ26H4MX502726 from Speeds Super Tow on 02/06/07. Charles Emmanuel offered and displayed the vehicle for sale. Nicholas Butkovich sold the vehicle to Amy Logan on 03/31/07. The sale of this vehicle is a violation of ORS 822.005 (1) (a).
12. Nicholas Butkovich purchased a 1997 Honda, OR Plate: 122DZQ VIN: 1HGCD5658VA259064 from Copart Auto Auction on 07/14/08. Nicholas Butkovich offered and displayed the vehicle for sale. Nicholas Butkovich sold the vehicle to Juan Garcia-Herrera on 09/05/08. The sale of this vehicle is a violation of ORS 822.005 (1) (a).
13. Nicholas Butkovich purchased a 1998 Honda, OR Plate: CK79257 VIN: 1HGCG5640WA035688 from Insurance Auto Auctions on 08/21/08. Nicholas Butkovich offered and displayed the vehicle for sale. Nicholas Butkovich sold the vehicle to Olegario Rosas-Ortiz on 09/19/08. The sale of this vehicle is a violation of ORS 822.005 (1) (a).

- B. Civil Penalty of \$2,500.00 for each of the following 8 violations (1<sup>st</sup> offence) of **ORS 822.005(1) (b)** for a total civil penalty of **\$17,500.00** for acting as a vehicle dealer without a valid, current dealer certificate. This penalty is pursuant to **OAR 735-150-0160(1), OAR 735-150-0170(1) and (3) (a)**.

These violations occurred in the displaying of vehicles for sale.

1. Nicholas Butkovich offered and displayed a vehicle for sale on Craig's List. 1993 Ford Festiva for \$695.00 on 08/15/08. DMV records did not show such a vehicle registered to Nicholas Butkovich. The offering and displaying of the vehicle is a violation of 822.0005 (1) (b).
2. Nicholas Butkovich offered and displayed a vehicle for sale on Craig's List. 1998 BMW 328 for \$3495.00 on 08/22/08. DMV records did not show such a vehicle registered to Nicholas Butkovich. The offering and displaying of the vehicle is a violation of 822.0005 (1) (b).
3. Nicholas Butkovich offered and displayed a vehicle for sale on Craig's List. 1999 Honda Accord LX for \$2495.00 on 08/28/08. DMV records did not show such a vehicle registered to Nicholas Butkovich. The offering and displaying of the vehicle is a violation of 822.0005 (1) (b).
4. Nicholas Butkovich offered and displayed a vehicle for sale on Craig's List. 1997 Honda Accord EX for \$2995.00 on 09/04/08. DMV records did not show such a vehicle registered to Nicholas Butkovich. The offering and displaying of the vehicle is a violation of 822.0005 (1) (b).



5. Nicholas Butkovich offered and displayed a vehicle for sale on Craig's List. 1998 Toyota Corolla for \$2495.00 on 09/10/08. DMV records did not show such a vehicle registered to Nicholas Butkovich. The offering and displaying of the vehicle is a violation of 822.0005 (1) (b).
6. Nicholas Butkovich offered and displayed a vehicle for sale on Craig's List. 2002 Toyota Corolla CE for \$3495.00 on 09/23/08. DMV records did not show such a vehicle registered to Nicholas Butkovich. The offering and displaying of the vehicle is a violation of 822.0005 (1) (b).
7. Nicholas Butkovich offered and displayed a vehicle for sale on Craig's List. 1999 Honda Accord LX for \$3495.00 on 10/1/08. DMV records did not show such a vehicle registered to Nicholas Butkovich. The offering and displaying of the vehicle is a violation of 822.0005 (1) (b).
8. Nicholas Butkovich offered and displayed a vehicle for sale on Craig's List. 1992 Mercedes Benz 500SL for \$5995.00 on 10/25/08. DMV records did not show such a vehicle registered to Nicholas Butkovich. The offering and displaying of the vehicle is a violation of 822.0005 (1) (b).

**Civil penalties proposed total: \$52,500.00**

**WITNESSES:**

David Reichert  
Speeds Super Tow  
Portland, OR  
503 572-6424

Timothy Webb  
4995 SE Arden ST  
Milwaukie, OR 97222  
503 519-9277

Kevin VanHoosen  
Sergeants Towing  
Portland, OR  
503 281-1948

Jacqueline Walters  
14800 NW Meadow Lake RD  
Carlton, OR 97111  
503 852-6916

Ross Lancaster  
6019 N Boston AV  
Portland, OR 97217  
503 810-0026

Stephen Cozine  
632 NW 10<sup>th</sup> ST  
McMinnville, OR 97128  
503 472-6434

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