

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

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PA DEPT OF BANKING

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING,
BUREAU OF COMPLIANCE,
INVESTIGATION AND LICENSING

Docket No. 08 0069 (ENF-CO)

v.

FRONT LINE MOTORS, INC.

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking ("Department"), Bureau of Compliance, Investigation and Licensing ("Bureau") has reviewed the business practices of Front Line Motors, Inc. ("Front Line"), and its officers, employees and directors. Based on the results of its review, the Bureau believes that Front Line operated in violation of the Motor Vehicle Sales Finance Act ("MVSFA"), 69 P.S. §601 *et. seq.* The parties to the above captioned matter, in lieu of litigation, hereby stipulate that the following statements are true and correct in the settlement of the above-captioned matter and, intending to be legally bound, hereby agree to the terms of this Consent Agreement and Order ("Order").

BACKGROUND

1. The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the MVSFA.

2. The Bureau is primarily responsible for administering and enforcing the MVSFA for the Department.

3. On October 1, 2006, Front Line was initially licensed as an Installment Seller, License No. 15766, under the MVSFA.

4. The license expired on October 1, 2007.

5. From October 2, 2007 to November 19, 2007, Front Line entered into fifty-two (52) motor vehicle sales finance contracts (“Contracts”) without an installment seller license.

6. On January 15, 2008, Front Line was re-licensed as an Installment Seller, License No. 19257.

VIOLATION

7. Section 4.1 of the MVSFA provides that “no person shall engage . . . in this Commonwealth either as a principal, employe, agent or broker . . . [i]n the business of an installment seller of motor vehicles under installment sale contracts, except as authorized in this act, *under license issued by the department*” 69 P.S. §604.1 (emphasis added).

8. An installment seller is “a person engaged in the business of selling, hiring, or leasing motor vehicles under installment sale contracts or any legal successor in interest to such person.” 69 P.S. §603.

9. By entering into the Contracts without a license, Front Line engaged in the business of an installment seller in violation of Section 4.1 of the MVSFA.

10. Section 37.D of the MVSFA provides that “[a]ny person required to be licensed under this act that violates this act or directs a violation or who engages in any activity for which a license could be suspended or revoked . . . shall be subject to a civil

penalty levied by the department of not more than two thousand dollars (\$2,000) for each offense. 69 P.S. §637D.

RELIEF

11. Fine. Within thirty (30) days of the Effective Date of this Order, Front Line shall pay to the Department a fine in the amount of \$5,000 by certified check or money order. The certified check or money order shall be made payable to the "Department of Banking" and addressed to Non-Depository Institutions, Bureau of Compliance, Investigation and Licensing, 17 North Second Street, Suite 1300, Harrisburg, Pennsylvania 17101.

12. Corrective Measures. Front Line shall maintain its license in accordance with the MVSFA as long as it is engaged in the business of an installment seller.

FURTHER PROVISIONS

13. Consent. Front Line hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's order authority under the MVSFA, and agrees that it understands all the terms and conditions contained herein. Front Line, by voluntarily entering into this Order, waives any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

14. Consumers' Rights. This Order shall not limit or impair any consumers' rights as set forth under Section 35 of the MVSFA.

15. Publication and Release. Front Line consents to the publication and release of this Order.

16. Entire Agreement. This Order contains the whole agreement between the parties. There are no other terms, obligations, covenants, representations, statements,

conditions, or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the Bureau and Front Line.

17. Binding Nature. The Bureau, Front Line, and all officers, owners, directors, employees, heirs and assigns of Front Line intend to be and are legally bound by the terms of this Order.

18. Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

19. Effectiveness. Front Line hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order ("Effective Date").

20. Other Enforcement Action.

(a) The Department reserves all of its rights, duties, and authority to enforce all statutes, rules and regulations under its jurisdiction against Front Line in the future regarding all matters not resolved by this Order.

(b) Front Line acknowledges and agrees that this Order is only binding upon the Department and not any other local, state or federal agency, department or office regarding matters within this Order.

21. Authorization. The parties below are authorized to execute this Order and legally bind their respective parties.

22. Counterparts. This Order may be executed in separate counterparts.

23. Titles. The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document.

WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Bureau and Front Line intending to be legally bound, do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING
BUREAU OF COMPLIANCE, INVESTIGATION
AND LICENSING**

Ryan M. Walsh, Administrator
Bureau of Compliance, Investigation
and Licensing
Department of Banking

Date: April 24, 2008

FOR FRONT LINE MOTORS, INC.

(Officer Signature)

(Printed Officer Name)

FW

(Title)

Date: 4/21/08