

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING

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

: Docket No. 08 0288 DEPT. OF BANKING  
: (ENR-00)

v.

NUVELL FINANCIAL SERVICES, LLC

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**CONSENT AGREEMENT AND ORDER**

The Commonwealth of Pennsylvania, acting through the Department of Banking (the "Department"), Bureau of Compliance, Investigation and Licensing (the "Bureau"), has reviewed the business practices of Nuvel Financial Services, LLC ("Nuvel Financial"), and its officers, employees and directors. Based on the results of its review, the Bureau believes that Nuvel Financial operated in violation of the Motor Vehicle Sales Finance Act (the "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 (the "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 November 1, 2007, Nuvel Financial became licensed as a collector-repossessor, license no. 18947.

4. Nuvel Financial's location is 17500 Chenal Parkway, Little Rock, AR 72223.

#### Unlicensed Activity

5. Nuvel Financial conducts servicing for its affiliates on motor vehicle installment sale contracts (the "Contracts"), including Contracts originated under the MVSFA.

6. The servicing Nuvel Financial conducts includes collecting payments on the Contracts.

7. Nuvel Financial services approximately 13,468 Pennsylvania Contracts originated under the MVSFA.

8. Nuvel Financial does not own the Contracts that it services.

9. The Department received a letter on July 13, 2007, from Nuvel Financial seeking advice on the licensing requirements of Pennsylvania.

10. Nuvel Financial's interpretation of the MVSFA led the company to believe it did not need licensure in Pennsylvania to service motor vehicle contracts.

11. The Department notified Nuvel Financial that its servicing of Pennsylvania contracts required licensing under the MVSFA.

12. Section 3.7 of the MVSFA defines a "collector-repossessor," in relevant part, as "a person who collects payments or installment sale contracts or repossesses motor vehicles, which are the subject of installment sale contracts, as an independent contractor and not as a regular employe of a seller or sales finance company...." 69 P.S. § 603.7.

13. By collecting payments on the Contracts which it does not own, Nuvel Financial is engaging in the business of a collector-repossessor.

14. Section 4.3 of the MVSFA provides in relevant part that no person shall engage or continue to engage in this Commonwealth either as principal, employe, agent or broker “[i]n the business of a collector-repossessor, except as authorized in this act, under license issued by the department.” 69 P.S. § 604.3.

15. On September 13, 2007, the Department received a collector-repossessor application from Nuvel Financial.

16. The Bureau believes that the unlicensed activity by Nuvel Financial was unintentional.

#### Authority of the Department

17. Section 37:1 of the MVSFA provides the Department with the authority to issue orders as necessary for the enforcement of the MVSFA. 69 P.S. § 637.1.

18. 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 under section 10 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. § 637.D.

#### **VIOLATION**

19. The Bureau believes that Nuvel Financial is in violation of Section 4.3 of the MVSFA by collecting payments on contracts when it was not licensed to do so.

#### **RELIEF**

20. Fine. Within thirty (30) days of the Effective Date of this Order, Nuvel Financial shall pay to the Department a fine of \$50,000 payable by certified check or money order.

21. Corrective Action. Nuvell Financial shall not engage in the business of a collector-repossessor without being licensed to do so under the MVSFA.

#### FURTHER PROVISIONS

22. Consent. Nuvell Financial 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 of the terms and conditions contained herein. Nuvell Financial, 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.

23. Publication. The Department will publish this Order pursuant to its authority in Section 302.A.(5) of the Department of Banking Code. 71 P.S. § 733-302.A.(5).

24. Consumer Rights. This Order shall not limit or impair a consumer's rights under Section 35 of the MVSFA. 69 P.S. § 635.

25. 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 Nuvell Financial.

26. Binding Nature. The Department, Nuvell Financial, and all officers, owners, directors, employees, heirs and assigns of Nuvell Financial intend to be and are legally bound by the terms of this Order.

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

28. Effectiveness. Nuvell Financial hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order (the "Effective Date").

29. 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 Nuvel Financial in the future regarding all matters not resolved by this Order.

b. Nuvel Financial 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.

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

31. Counterparts. This Order may be executed in separate counterparts and by facsimile.

32. 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 Department and Nuveel Financial 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**

John Valalai, Administrator  
Department of Banking  
Bureau of Compliance,  
Investigation and Licensing

Date: 10/28/2008

**FOR NUVEEL FINANCIAL SERVICES, LLC**

(Officer Signature)

(Officer Name - Printed)

Assistant Secretary  
(Title) In House Counsel

Date: 10/28/2008