

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

FILED
2011 JAN 27 AM 11:20

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

PA DEPT OF BANKING

: DOCKET No. 100016 (ENF-CO)

v.

RAY PRICE CHEVROLET, INC.

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking's (the "Department") Bureau of Compliance, Investigation and Licensing ("Bureau") has conducted an examination of Ray Price Chevrolet, Inc. ("Ray Price"), and its officers, employees and directors. Based on the results of the examination, the Bureau believes that Ray Price operated in violation of the Motor Vehicle Sales Finance Act (the "MVSFA"), 69 P.S. § 601 *et seq.* Ray Price enters into this agreement and order to resolve this matter without litigation, but without admitting guilt or wrongdoing. 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. Ray Price is a motor vehicle installment seller licensed by the Department of Banking with license number 24918.

4. Ray Price's principal place of business is located at 1400 Route 940, Mt. Pocono, PA 18344.

5. On August 9, 2010, the Bureau commenced an examination of Ray Price's loan files which revealed that the income reported on some credit applications completed by consumers differed from the income on the credit application submitted by Ray Price to the lender, with no support for a change in the income reported.

6. Section 10(14) of the MVSFA provides that the Department may revoke or suspend a license if a licensee "has engaged in unfair, deceptive, fraudulent or illegal practices or conduct in connection with any business regulated under this act..." 69 P.S. § 610.14.

7. Section 37.D of the MVSFA provides, in relevant part, 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.

8. Ray Price cooperated fully with the investigation and provided all the necessary information requested in a timely fashion to the Department.

ALLEGED VIOLATION

9. The Bureau believes that Ray Price violated Section 10.14 of the MVSFA when, through the actions of its employee or employees, loan applications contained altered income from that reported by the consumer without support for such an alteration.

10. The owners of Ray Price state that they did not know that loan applications contained altered income.

11. Ray Price denies that it committed any violations or committed any wrongdoing.

RELIEF

12. Fine. Within thirty (30) days of the effective date of this Order as defined in paragraph 20 below, Ray Price shall pay to the Department a fine in the amount of \$5000. The fine shall be payable by certified check or money order and remitted to the attention of the Bureau of Compliance, Investigation and Licensing, Pennsylvania Department of Banking, 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

13. Internal Control Plan. Ray Price shall submit an acceptable internal control plan (the "Plan") to the Bureau which discloses how policies and procedures will be implemented to actively detect warning indicators of fraud and/or misrepresentation. The plan shall be submitted no later than (30) days after the effective date of this Order as defined in paragraph 20 below. The plan shall be sent to John Talalai, Administrator, Compliance Division, at jtalalai@state.pa.us.

FURTHER PROVISIONS

14. Consent. Ray Price 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. Ray Price, 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.

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

16. 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).

17. 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 Ray Price.

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

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

20. Effectiveness. Ray Price hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes this Order.

21. 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 Ray Price in the future regarding all matters not resolved by this Order.

b. Ray Price 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.

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

23. Counterparts. This Order may be executed in separate counterparts, by facsimile or by PDF.

24. 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 Ray Price 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 Talar, Administrator
Bureau of Compliance,
Investigation and Licensing
Department of Banking

Date: 1-26-2011

FOR RAY PRICE CHEVROLET, INC.

Raymond Price, III
President

Date: 1-14-11