

4. JM Auto is not licensed by the Department.
5. On March 1, 2012, the Department conducted an examination of JM Auto.
6. During the course of the examination, the Bureau determined that JM Auto had entered into 21 installment sale contracts without a license.

7. The MVSFA requires anyone engaging in the business of an installment seller of motor vehicles under installment sales contracts to be licensed by the Department. *See* 69 P.S. § 604.

8. An installment sales contract is

any contract for the retail sale of a motor vehicle . . . under which part or all of the price is payable in two or more scheduled payments subsequent to the making of such contract, or as to which the obligor undertakes to make two or more scheduled payments or deposits that can be used to pay part or all of the purchase price, whether or not the seller has retained a security interest in such motor vehicle or has taken collateral security for the buyer' s obligation . . . Provided, however, That the terms shall not include any sale or contract for sale upon an open book account, wherein the seller has not retained or taken any security interest in the motor vehicle sold or any collateral security for the buyer's obligation, and wherein the buyer is not required to pay any sum other than the cash price of the motor vehicle sold in connection with such sale or extension of credit, and wherein the buyer is obligated to pay for the motor vehicle in full within ninety (90) days from the time the sale or contract for sale was made

69 P.S. § 603.

9. JM Auto indicated that it did not charge interest on the loans it offered.
10. JM Auto indicated that its loan terms did not exceed 3 months.
11. However, JM Auto remained the lien holder on the title of the vehicles until the loans were paid in full.

12. The MVSFA prohibited JM Auto from engaging in the “business of an installment seller of motor vehicles under installment sales contracts” without first obtaining an installment seller license from the Department. *See* 69 P.S. § 604(1).

13. JM Auto stated that going forward it would only offer cash deals and no longer accept more than 2 payments for the sale of a motor vehicle.

Authority of the Department

14. The MVSFA grants the Department the authority to issue orders as may be necessary for the enforcement of the MVSFA. *See* 69 P.S. § 637.1.

15. Section 610(A)(2) of the MVSFA states that the Department may revoke or suspend any license where “[t]he licensee has violated any provision of this act.” 69 P.S. § 610(A)(2).

16. Section 637(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

17. JM Auto is in violation of Section 604(1) of the MVSFA by engaging in the business of an installment seller while unlicensed. *See* 69 P.S. § 604(1).

RELIEF

18. Fine. JM Auto agrees to pay a fine of \$2,100 which shall be payable to the Department within 30 days of the Effective Date of this Order, as defined in paragraph 26 below. The fine payment shall be remitted by certified check or money order made payable to the

“Department of Banking and Securities” and sent to the attention of: Bureau of Compliance and Licensing, 17 N. 2nd Street, Suite 1300, Harrisburg, PA 17101.

19. Corrective Measures. Upon the Effective Date of the Order, JM Auto shall not engage in the business of installment sales unless it obtains an installment seller license.

FURTHER PROVISIONS

20. Consent. JM Auto 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. JM Auto, 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.

21. Publication and Release. JM Auto consents to the publication and release of this Order.

22. Consumer Rights. This Order shall not limit or impair a consumer’s rights under the MVSFA. *See* 69 P.S. § 635.

23. 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 JM Auto.

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

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

26. Effectiveness. JM Auto hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order (the “Effective Date”).

27. 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 JM Auto in the future regarding all matters not resolved by this Order.

b. JM Auto 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.

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

29. Counterparts. This Order may be executed in separate counterparts, by facsimile, and by PDF.

30. 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 of Banking and Securities and JM Auto Sales intending to be legally bound do hereby execute this Consent Agreement and Order.

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

John Talalai, Administrator
Bureau of Compliance and Licensing
Department of Banking and Securities

Date: 5/17/13

FOR JM AUTO SALES

(Officer Signature)

JASON MURAEZEWSKI
(Print Officer Name)

Owner
(Title)

Date: 5-6-13