

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

FILED

2016 FEB 17 PM 3:37

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND
SECURITIES, COMPLIANCE OFFICE

v.

MIRACLE MONEY, INC. d/b/a CNAC

PA DEPARTMENT OF
BANKING AND SECURITIES

Docket No. 16-00013 (BNK-CAO)

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities (“Department”), Compliance Office (“Office”), has reviewed the business practices of Miracle Money, Inc. d/b/a CNAC (“Miracle Money”), and its officers, employees and directors. Based on the results of its review, the Office concludes that Miracle Money operated in violation of the Consumer Credit Code as related to motor vehicle sales finance (“CCC”), 12 Pa.C.S. § 6101 *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 was the Commonwealth of Pennsylvania’s administrative agency authorized and empowered to administer and enforce the former Motor Vehicle Sales Finance Act, 69 P.S. § 601 *et seq.* (“MVSFA”).
2. The Department is the Commonwealth of Pennsylvania’s administrative agency authorized and empowered to administer and enforce the CCC.
3. The CCC replaced the Motor Vehicle Sales Finance Act (“MVSFA”, 69 P.S. § 601 *et seq.*) effective as of November 27, 2014.

4. The Office is primarily responsible for administering and enforcing the CCC for the Department.

5. Miracle Money operates at three licensed locations: 2140 Sans Souci Parkway, Hanover Twp., PA 18706 ("Hanover Twp. Location"); 2261 Lancaster Pike, Reading, PA 19607-2453 ("Reading Location"); and 601 State Ave., Emmaus, PA 18049-3029 ("Emmaus Location").

Unlicensed Period

6. Under the CCC, anyone engaging as a principal, agent or broker in the business of financing or soliciting the financing of an installment sale contract made between other parties needs a sales finance company license issued by the Department. 12 Pa. C.S. § 6211(a)(2).

7. Under the CCC, sales finance companies must submit a yearly renewal license application to the Department at least fifteen (15) days prior to October 1 of each year. 12 Pa. C.S. § 6216.

8. The Department licensed Miracle Money as a sales finance company at the Hanover Twp. Location under license no. 44910, the Reading Location under license no. 16264 and the Emmaus Location under license no. 9818 through September 30, 2015.

9. Miracle Money failed to timely submit separate license renewal applications for the Hanover Twp., Reading and Emmaus Locations by the October 1, 2015 deadline.

10. The Department canceled license nos. 44910, 16264 and 9818 effective on October 1, 2015. 12 Pa. C.S. § 6211(b)(2).

11. Miracle Money submitted separate new sales finance company applications ("New Applications") for the Hanover Twp., Reading and Emmaus Locations on or around October 20, 2015.

12. The Department approved Miracle Money's New Applications and issued sales finance company license nos. 53131 (Hanover Twp. Location), 53168 (Reading Location) and 53169 (Emmaus Location) on October 20, 2015.

13. Miracle Money was not licensed to engage in the sales finance business when it took assignment of the forty-four (44) installment contracts during the period between the cancellation of license nos. 44910, 16264 and 9818 and the issuance of license nos. 53131, 53168 and 53169.

14. Because the Department canceled license nos. 44910, 16264 and 9818, the CCC prohibited Miracle Money from engaging in the Commonwealth as sales finance company without first obtaining sales finance company licenses from the Department. 12 Pa. C.S. § 6211(a)(2).

Authority of the Department

15. The CCC grants the Department the authority to issue orders as may be necessary for the enforcement of the CCC. 12 Pa. C.S. § 6203(a)(5).

16. Section 6218 of the CCC states that the Department may revoke or suspend any license where the licensee violated a provision of this chapter. 12 Pa. C.S. § 6218(a)(2).

17. Section 6274 of the CCC provides that “[a] person required to be licensed under this chapter that violates this chapter, directs a violation of this chapter or engages in an activity for which a license could be suspended or revoked under section 6218 (relating to revocation or suspension of license) shall be subject to a civil penalty levied by the department of not more than \$2,000 for each offense.” 12 Pa. C.S. § 6274.

VIOLATION

18. Miracle Money violated Section 6211(a) of the CCC when it engaged in the business of a sales finance company while unlicensed. 12 Pa. C.S. § 6211(a)(1).

RELIEF

19. Fine. Miracle Money agrees to pay a fine of two thousand (\$2,000). The fine will be due within thirty (30) days of the Effective Date of the Order as defined in paragraph 27 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: Department of Banking and Securities, Compliance Office, 17 N. 2nd Street, Suite 1300, Harrisburg, PA 17101-2290.

20. Corrective Action. Upon the Effective Date of this Order, Miracle Money shall not engage in the business of sales finance company in Pennsylvania unless it is licensed.

FURTHER PROVISIONS

21. Consent. Miracle Money hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau’s order authority under the CCC and agrees that it understands all of the terms and conditions contained herein. Miracle Money, 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.

22. Consumer’s Rights. This Order shall not limit or impair a consumer’s rights under CCC. 12 Pa. C.S. § 6236. (69 P.S. § 635).

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. 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 Miracle Money.

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

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

27. Effectiveness. Miracle Money hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes this Order (“Effective Date”).

28. 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 Miracle Money in the future regarding all matters not resolved by this Order.

b. Miracle Money 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.

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

30. Counterparts. This Order may be executed in separate counterparts and by facsimile or electronic mail in portable document format “PDF.”

31. 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, Compliance Office and Miracle Money, Inc. d/b/a CNAC intending to be legally bound do hereby execute this Consent Agreement and Order.

FOR THE COMMONWEALTH OF PENNSYLVANIA, DEPARTMENT OF BANKING AND SECURITIES, COMPLIANCE OFFICE

FOR MIRACLE MONEY, INC. d/b/a CNAC

Redacted

Redacted

Ryan Walsh, Director
Compliance Office
Department of Banking and Securities

(Officer Signature)

Randy Barson

(Print Officer Name)

Date: February 17, 2016

President

(Title)

Date: 2-10-16