

3. On December 13, 2001, Ace Auto of Duncansville became licensed as an Installment Seller under the MVFSA, license no. 7946, located at 2712 Route 764, Duncansville, PA 16635-8042.

4. Ace Auto of Duncansville was licensed as a sole proprietorship.

5. In 2005, Ace Auto of Duncansville changed its business from a sole proprietorship to a Pennsylvania Business Corporation (“Corporation”).

6. Ace Auto of Duncansville, however, did not submit an application for an Installment Seller license on behalf of the Corporation until October 26, 2007.

7. From January 1, 2007 through October 26, 2007, Ace Auto of Duncansville, the Corporation, entered into approximately sixty-nine (69) installment sale contracts (“Contracts”) with consumers as a Corporation even though it was licensed as a sole proprietorship.

VIOLETIONS

8. The MVSFA provides that,

[N]o person shall engage or continue to 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 (emphasis added).

9. To obtain a license, an applicant must file an application with the Department.

10. The application must contain, *inter alia*,

the name under which the business is conducted, the address of the place of business . . . the date and place of incorporation, if the applicant is a corporation; the name and residence address of the owner, if the applicant is an individual owner; the name and residence address of all owners, partners, or members, if the application is a partnership or association; the name and address of all officers and directors, if the applicant is a corporation, and such other information as the department may require.

69 P.S. §605B (emphasis added).

11. “If the department approves an application for license, it shall issue to the applicant a license certificate showing the *name of the person authorized to do business thereunder* and the address of the licensee.” 69 P.S. §608 (emphasis added).

12. Section 8B of the MVSFA specifically provides that, “[a] license *shall not* be transferred or assigned.” 69 P.S. §608B (emphasis added).

13. Because licenses cannot be transferred or assigned under the MVSFA, Ace Auto of Duncansville had to submit a new Installment Seller application when it changed its business from a sole proprietorship to the Corporation.

14. By failing to submit a new license application and by entering into Contracts between January 1, 2007 and October 26, 2007, Ace Auto of Duncansville, the Corporation, engaged in the business of an installment seller without being properly licensed as an installment seller.

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

Any 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 (emphasis added).

RELIEF

16. Fine. Within thirty (30) days of the Effective Date of this Order, Ace Auto of Duncansville shall pay to the Department a fine in the amount of \$3,500. Payment shall be remitted by certified check or money order to be made payable to the “Department of Banking” and shall be sent to the Attention of the Non-Depository Institutions, Supervision and Enforcement located at 17th North Second Street, 13th Floor, Harrisburg, PA 17101.

17. Corrective Action. Ace Auto of Altoona hereby agrees to maintain its license in accordance with the terms of the MVSFA and any other applicable law and/or regulation as long as it continues in the business of an installment seller in the Commonwealth as set forth in the MVSFA.

FURTHER PROVISIONS

18. Consent. Ace Auto of Duncansville 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. Ace Auto of Duncansville, 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.

19. Publication and Release. Ace Auto of Duncansville consents to the publication and release of this Order.

20. Consumer's Rights. This Order shall not limit or impair any consumers' rights as set forth under Section 35 of the MVSFA. 69 P.S. § 635.

21. Entire Agreement. This Order contains the entire 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 Ace Auto of Duncansville.

22. Binding Nature. The Bureau, Ace Auto of Duncansville, and all officers, owners, directors, employees, heirs and assigns of Ace Auto of Duncansville intend to be and are legally bound by the terms of this Order.

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

24. Effectiveness. Ace Auto of Duncansville hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order (“Effective Date”).

25. 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 Ace Auto of Duncansville in the future regarding all matters not resolved by this Order.

b. Ace Auto of Duncansville 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.

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

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

28. 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 Ace Auto of Duncansville intending to be legally bound do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING
BUREAU OF SUPERVISION
AND ENFORCEMENT**

Ryan M. Walsh, Administrator
Bureau of Supervision and
Enforcement
Department of Banking

Date: January 11, 2008

FOR ACE COMPANIES, INC. d/b/a ACE AUTO SALES

(Print Officer Name)

RMW
(Title)

Date: 1-4-08