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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

PA DEPT OF BANKING

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

: DOCKET No. 09 0125 (ENF-CO)

v.

A TO Z FINANCE, LLC

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 A to Z Finance, LLC ("A to Z Finance"), and its officers, employees and directors. Based on the results of its review, the Bureau believes that A to Z Finance 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. A to Z Finance is licensed as an Installment Seller, License No. 19022 (the "License"), under the MVSFA.

4. A to Z Finance has a location of 645 White Tail Dr, Lewisberry, PA 17339-9403.

5. A to Z Finance advertised on two (2) billboards that investors were earning twenty-one percent interest (21%) by purchasing motor vehicle installment contracts from A to Z Finance.

6. The website for A to Z Finance, www.atozfinancelc.com states that A to Z Finance, LLC "specializing in arranging financing to support what is referred to in the pre-owned automobile industry as Buy Here Pay Here" and "A to Z Finance is a lien holder on all vehicles financed."

7. The website further states that "dealers pay A to Z Finance, LLC and "acquisition fee" for each loan agreement financed through A to Z Finance, LLC" and that "A to Z is licensed with the Commonwealth of Pennsylvania Department of Banking (license #19022) and complies with all State regulations and reporting requirements."

8. On April 21, 2009 the Department initiated an examination of A to Z Finance in order to determine the type of business that was being conducted.

9. The examination revealed that A to Z Finance was purchasing motor vehicle installment contracts (the "Contracts") from a licensed installment seller.

10. A to Z Finance was providing the financing for the Contracts, through third party investors, to the installment seller.

11. All Contracts were written at a twenty-one percent (21%) annual percentage rate.

12. A to Z Finance would forward the interest received on the Contracts to the third party investors on a schedule established through separate contracts between A to Z Finance and the investors.

13. A to Z Finance was listed as a lien holder on the Contracts.

14. Section 3 of the MVSEFA defines a sales finance company as "a person engaged as principal, agent or broker in the business of financing or soliciting the financing of installment sale contracts made between other parties, including but not thereby limiting the generality of the foregoing, the business of acquiring, investing in or lending money or credit on the security of such contracts or any interest therein whether by discount purchase or assignment thereof, or otherwise...." 69 P.S. § 603.6.

15. Section 16.A. of the MVSEFA states "The seller of a motor vehicle under an installment sale contract, executed in the Commonwealth of Pennsylvania, shall not sell, transfer or assign the obligation represented by such contract to any person in Pennsylvania, or elsewhere, who is not licensed as a sales finance company pursuant to the provisions of this act." 69 P.S. § 6016.A.

16. By providing the financing for, and taking assignment of, motor vehicle installment contracts, A to Z Finance was acting in the capacity of a sales finance company thus in violating of the MVSEFA.

17. Section 37.1 of the MVSEFA grants the Department the authority to issue orders as may be necessary for the enforcement of the MVSEFA. 69 P.S. § 637.1.

18. Section 37.D of the MVSEFA 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. A to Z Finance is in violation of the MVSFSA by engaging in the business of a sales finance company when not licensed to do so.

RELIEF

20. Penalty. A to Z Finance agrees to pay to the Department a civil penalty in the amount of eight thousand dollars (\$8,000) within thirty (30) days of the Effective Date of the Order. Payment shall be remitted by a certified check or money order made payable to the "Department of Banking" and shall be sent to the attention of the Bureau of Compliance, Investigation and Licensing, Market Square Plaza, 17th North Second Street, Suite 1300, Harrisburg, PA 17101.

21. A to Z Finance shall cease and desist from providing the financing for, or taking assignment of Contracts until properly licensed as a Sales Finance Company under the MVSFSA.

FURTHER PROVISIONS

22. Consent. A to Z Finance hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's order authority under the MVSFSA, and agrees that it understands all of the terms and conditions contained herein. A to Z Finance, 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. Consumer's Rights. This Order shall not limit or impair a consumer's rights under Section 35 of the MVSFSA. 69 P.S. § 635.

24. 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)

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 A to Z Finance.

26. Binding Nature. The Department, A to Z Finance, and all officers, owners, directors, employees, heirs and assigns of A to Z Finance 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. A to Z Finance 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 A to Z Finance in the future regarding all matters not resolved by this Order.

(b) A to Z Finance 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 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 A to Z Finance 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**

Ryan M. Walsh, Administrator
Bureau of Compliance, Investigation
And Licensing
Department of Banking

Date: July 8, 2009

FOR A TO Z FINANCE, LLC

(Officer Name)

Joseph A. Stude
(Printed Officer Name)

President
(Title)

Date: 7/8/09