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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. 10 <u>0168</u> (ENF-CO)
	:	
v.	:	
	:	
BEAVER MOTORS, INC.	:	

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking ("Department"), Bureau of Compliance, Investigation and Licensing ("Bureau"), has reviewed the business practices of Beaver Motors, Inc. ("Beaver Motors"), and its officers, employees and directors. Based on the results of its review, the Bureau believes that Beaver Motors operated in violation of 69 P.S. § 601 et seq., the Motor Vehicle Sales Finance Act. 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 is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the Motor Vehicle Sales Finance Act ("MVSFA").

2. The Bureau is primarily responsible for administering and enforcing the MVSFA for the Department.

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

4. The Department licensed Beaver Motors as an Installment Seller, License No. 4161 through September 30, 2009.

5. The MVFSFA requires installment sellers to submit a yearly renewal license application to the Department at least fifteen (15) days prior to October 1 of each year. 69 P.S. § 605.

6. Beaver Motors failed to timely submit a license renewal application for License No. 4161 and the Department cancelled License No. 4161 on October 1, 2009. 69 P.S. § 605.

7. On February 2, 2010, Beaver Motors submitted a new application for an Installment Seller license.

8. On February 18, 2010, the Department relicensed Beaver Motors as an Installment Seller in accordance with the MVFSFA under the License No. 30616.

9. Beaver Motors submitted to the Department a list of contracts it entered into while unlicensed from October 1, 2009 to February 18, 2010.

10. The list showed Beaver Motors entered into thirty three (33) motor vehicle installment sales contracts ("Sales Contracts") between October 1, 2009 and February 18, 2010.

11. Because the Department cancelled License No. 4161, the MVFSFA prohibited Beaver Motors 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. 69 P.S. § 604(1).

12. Beaver Motors told the Department it failed to submit the renewal license application by the October 1, 2009 deadline due to an administrative oversight.

Authority of the Department

13. The MVSFSA grants the Department the authority to issue orders as may be necessary for the enforcement of the MVSFSA. 69 P.S. § 637.1.

14. Section 637(D) of the MVSFSA 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

15. Beaver Motors is in violation of Section 604(1) of the MVSFSA by engaging in the business of an installment seller while unlicensed. 69 P.S. § 604(1).

RELIEF

16. Fine. Beaver Motors agrees to pay a fine of three thousand three hundred dollars (\$3,300) which shall be due and payable to the Department, payable in two installments of \$1,650. The first payment of \$1,650 shall be due within thirty (30) days of the Effective Date of this Order. The second payment shall be due within sixty (60) days of the Effective Date of this Order. The fine payment shall be remitted by company checks, certified checks or money orders made payable to the "Department of Banking" and sent to the attention of Bureau of Compliance, Investigation and Licensing, 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

17. Corrective Measures. Upon the effective date of the Order, Beaver Motors shall not engage in the business of installment sales if at any time they should become unlicensed.

FURTHER PROVISIONS

18. Consent. Beaver Motors 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. Beaver Motors, 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. Beaver Motors consents to the publication and release of this Order.

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

21. 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 Beaver Motors.

22. Binding Nature. The Department, Beaver Motors, and all officers, owners, directors, employees, heirs and assigns of Beaver Motors 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. Beaver Motors hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order (the "Effective Date").

WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Department and Beaver Motors, Inc. 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 28, 2010

FOR BEAVER MOTORS, INC.

(Officer Signature)

(Print Officer Name)

President
(Title)

Date: July 28, 2010