

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

FILED

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PA DEPT OF BANKING

Department of Banking :
Bureau of Compliance, Investigation :
and Licensing, :
Petitioner :
v. : Docket No.: 10 0150 (ENF-OSC)
Car Connection Auto Sales LLC :
Respondent. :

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking, ("Department"), Bureau of Compliance, Investigation and Licensing, ("Bureau) has investigated reports of criminal activity at the location of Car Connection Auto Sales LLC. The Bureau found that Joseph Kostack, an owner of Car Connections, was convicted of a felony. Car Connection Auto Sales LLC ("hereinafter Car Connection"), and its principals James Kostack and Joseph Kostack, seek to resolve the licensing issues resulting from the conviction of Joseph Kostack. Accordingly, the parties to the above-captioned matter, in lieu of litigation, hereby stipulate to the following information and 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. 69 P.S. § 601 *et seq.*

2) The Bureau has the primary responsibility for administering and enforcing the Motor Vehicle Sales Finance Act for the Department.

3) Car Connection is a corporation engaged in the business of selling and financing the sale of automobiles.

4) Car Connection is located at 1300 Chester Pike, Sharon Hill, Pennsylvania 19079-1903.

5) Car Connection was licensed by the Pennsylvania Department of Banking as Installment Seller No. 19049 effective on or about November 21, 2007.

6) Joseph Kostack, co-owner of Car Connection at all relevant and material times, resides at 159 Yorktown Road, Swedesboro, New Jersey, 08085.

7) James Kostack, co-owner of Car Connection at all relevant and material times, resides at 123 Windsor Drive, Woolwich Twp, New Jersey, 08085.

8) On February 5, 2009, Joseph Kostack was arrested for possession, sale and distribution of illegal substances from the licensed location of Car Connection in Delaware County, Pennsylvania.

9) On June 22, 2009, Joseph Kostack pled guilty to two felony charges and was subsequently incarcerated.

AUTHORITY OF THE DEPARTMENT

10) Section 11.A. of the Motor Vehicle Sales Finance Act provides the Department with the authority to investigate, at any time, the business and affairs of every licensee and of every person who shall be engaged in the business of motor vehicle sales finance. 69 P.S. § 611.A.

11) Section 10.A.12 allows the Department to revoke or suspend a license for any fact or condition which if it had existed or had been discovered at the time of filing of the application for such license, would have warranted the Department in refusing to issue a license. 69 P.S. § 10.A.12.

12) Section 9.A.(3) provides that the Department may reject any application for license or any application for renewal of a license if the Department is not satisfied that the financial responsibility, character, reputation, integrity and the general fitness of the applicant, owners, officers or directors are such as to command the confidence of the public and to warrant the belief that the business for which application for license is filed will be operated lawfully, honestly, fairly and within the legislative intent of the act. 69 P.S. § 609.A.(3)

RELIEF

13) Car Connection, James Kostack, and Joseph Kostack hereby surrender the license of Car Connection effective immediately.

14) Joseph Kostack agrees that he is ineligible for a license from the Department of Banking because of his lack of character, integrity and general fitness as evidenced by his use of licensed premises for the commission of felonies.

15) Nothing in this agreement bars James Kostack from applying for or receiving approval for a motor vehicle sales finance license from the Pennsylvania Department of Banking in his own name or on behalf of any other corporation he may own.

16) The Bureau retains its full rights and responsibilities to review any such application submitted by James Kostack on behalf of himself, a partnership or corporation, including but not limited to the necessary criminal background checks.

17) The Bureau agrees to grant a license to James Kostack for himself, or any corporation for which he is an owner, effective on the date of application conditional upon full and final review by the Bureau consistent with the Bureau's normal application review and investigation process.

18) In order for James Kostack to receive a license effective on the date of application, but conditional upon full and final review, he must submit a draft version of his application for prior review by the licensing division of the Department.

19) The Bureau retains the right to revoke any license provided to James Kostack or his corporation in the event the full and final review demonstrates his ineligibility for a license for any reason a license may lawfully be denied.

20) The Bureau retains the right to refuse or revoke any license, conditional or final, if Joseph Kostack becomes associated with James Kostack's licensed business as an owner or employee.

21) James Kostack retains all rights to due process in the event his conditional license is revoked upon full review and investigation.

FURTHER PROVISIONS

22) Consent. Car Connection, James Kostack and Joseph Kostack hereby knowingly, willingly, voluntarily and irrevocably consent to the entry of this Order. Car Connection, James Kostack and Joseph Kostack understand all of the terms and conditions contained herein and agree that by voluntarily entering into this Order, they

waive any right to a hearing or appeal concerning the terms, conditions or penalties set forth in this Order.

23) Publication and Release. Car Connection, James Kostack and Joseph Kostack consent to the publication of this order on the Department's website.

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, Car Connection, James Kostack and Joseph Kostack.

25) Binding Nature. The Bureau, Car Connection, James Kostack and Joseph Kostack, all officers, owners, directors, employees, agents, contractors, heirs and assigns, intend to be and are legally bound by the terms of this Order.

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

27) Effectiveness. Car Connection, James Kostack and Joseph Kostack hereby stipulate and agree that, unless otherwise stated herein, provisions of the Order shall become effective on the date that the Bureau executes the Order (the "Effective Date").

28) Other Enforcement Action.

a) The Department reserves all of its rights, duties, and authority to enforce all statutes, policy statements, rules and regulations under its jurisdiction against Car Connection, James Kostack and Joseph Kostack in the future regarding all matters not resolved by this order.

b) Car Connection, James Kostack and Joseph Kostack acknowledge and agree 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.

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 Bureau, Car Connection, James Kostack and Joseph Kostack, 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**

Brian Crossland, Chief
Compliance Division,
Bureau of Compliance,
Investigation and Licensing
Department of Banking

7/9/10

Date

FOR CAR CONNECTION AUTO SALES LLC

James Kostack

6/14/10
Date

FOR JAMES KOSTACK, INDIVIDUALLY

James Kostack

6/14/10
Date

FOR JOSEPH KOSTACK, INDIVIDUALLY

Joseph Kostack

6/11/10
Date