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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

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COMMONWEALTH OF PENNSYLVANIA	:	DOCKET No. 11	PA DEPT OF BANKING
DEPARTMENT OF BANKING, BUREAU	:	<u>0135</u>	(ENF-CO)
OF COMPLIANCE, INVESTIGATION	:		
AND LICENSING	:		
	:		
	:		
v.	:		
	:		
AFFORDABLE AUTO OUTLET	:		

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking (“Department”), Bureau of Compliance, Investigation and Licensing (“Bureau”), has examined the business practices of Affordable Auto Outlet (“Affordable Auto”), and its officers, employees and directors. Based on the results of its examination, the Bureau believes that Affordable Auto 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. Affordable Auto's principal place of business is located at 100 Pike Street, Port Carbon, Pennsylvania 17965.

4. As of the Effective Date of this Order, Affordable Auto has never held an installment seller license issued by the Department of Banking.

5. The Bureau conducted an examination ("Examination") of Affordable Auto on January 3, 2011.

Unlicensed Installment Sales

6. During its examination, the Bureau determined that Affordable Auto entered into twenty-one (21) motor vehicle installment sale contracts while unlicensed.

7. The MVSFA defines installment sale contracts to include "any contract for the retail sale of a motor vehicle, or which has a similar purpose or effect under which part or all of the price is payable in two or more scheduled payments subsequent to the making of such contract." 69 P.S. § 603(10).

8. The MVSFA defines an installment seller as "a person engaged in the business of selling, hiring or leasing motor vehicles under installment sales contracts or any legal successor in interest to such person."

9. The MVSFA prohibited Affordable Auto Sales 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.

10. Affordable Auto violated the MVSFA because it entered into installment sale contracts without obtaining an installment seller license.

Authority of the Department

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

12. Section 637.D of the MVSFA 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

13. Affordable Auto is in violation of Section 604.1 of the MVSFA by engaging in the business of an installment seller without an installment seller license. 69 P.S. § 604.1.

RELIEF

14. Fine. Affordable Auto agrees to pay a fine of two thousand one hundred dollars (\$2,100) which shall be due and payable to the Department in seven (7) installment payments of \$300. The first payment shall be due within thirty (30) days of the Effective Date of this Order, with subsequent payments due every thirty (30) days thereafter until paid in full. The fine payments shall be remitted by company checks, certified checks or money orders made payable to the Pennsylvania Department of Banking and sent to the attention of: Pennsylvania Department of Banking, Bureau of Compliance, Investigation and Licensing, Licensing Division, 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

15. Corrective Measures. Upon the Effective Date of this Order, Affordable Auto shall not engage in the business of installment sales until such time as it becomes licensed as an installment seller by the Department.

FURTHER PROVISIONS

(a) Consent. Affordable Auto 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. Affordable Auto, 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.

(b) Publication and Release. Affordable Auto consents to the publication and release of this Order.

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

(d) 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 Affordable Auto.

(e) Binding Nature. The Department, Affordable Auto, and all officers, owners, directors, employees, heirs and assigns of Affordable Auto intend to be and are legally bound by the terms of this Order.

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

(g) Effectiveness. Affordable Auto hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order (the "Effective Date").

(h) 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 Affordable Auto in the future regarding all matters not resolved by this Order.

b. Affordable Auto 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.

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

(j) Counterparts. This Order may be executed in separate counterparts, by facsimile, and by PDF.

(k) 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 and Affordable Auto Outlet 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 Walsh, Enforcement Administrator
Bureau of Compliance,
Investigation and Licensing
Department of Banking

Date: July 22, 2011

FOR AFFORDABLE AUTO OUTLET

(Officer Signature)

(Print Officer Name)

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(Title)

Date: 7-18-11