

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

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

DOCKET No. 11

0075 DEPT OF BANKING
(ENF-CO)

v.

AUTO WORLD MOTORS, INC.

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking ("Department"), Bureau of Compliance, Investigation and Licensing ("Bureau"), conducted an investigation into the business practices of Auto World Motors, Inc. ("Auto World"), and its officers, employees and directors. Based on the results of the investigation, the Bureau believes that Auto World operated in violation of the Motor Vehicle Sales Finance Act ("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 ("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.
2. The Bureau is primarily responsible for administering and enforcing the MVSFA for the Department.

3. On or around July 27, 2010, Auto World applied to the Department to become licensed as an installment seller.

4. On or around February 17, 2011, Auto World withdrew its application to become a licensed installment seller.

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

6. The investigation revealed that Auto World entered into five (5) motor vehicle sale contracts ("Installment Sales 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 Auto World 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. Auto World violated the MVSFA because it entered into five installment sales 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. Auto World 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. Auto World agrees to pay a fine of five hundred dollars (\$500) which shall be due and payable to the Department within thirty (30) days of the Effective Date of this Order. The fine payment shall be remitted by certified check or money order made payable to the Pennsylvania Department of Banking and sent to the attention of Bureau of Compliance, Investigation and Licensing, Licensing Division, 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

FURTHER PROVISIONS

15. Consent. Auto World 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. Auto World, 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.

16. Publication and Release. Auto World consents to the publication and release of this Order.

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

18. 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 Auto World.

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

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

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

22. 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 Auto World in the future regarding all matters not resolved by this Order.

b. Auto World 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.

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

24. Counterparts. This Order may be executed in separate counterparts, by facsimile, and by PDF.

25. 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 Auto World 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**

Robert Knaub, Enforcement Administrator
Bureau of Compliance,
Investigation and Licensing
Department of Banking

Date: 4/11/11

FOR AUTO WORLD MOTORS, INC.

(Officer Signature)

(Print Officer Name)

X CEO
(Title)

Date: X 4-4-11