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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. 11 0129 (ENT CO)

v.

COVER CHEVROLET, INC.

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 Cover Chevrolet, Inc. ("Cover Chevrolet"), and its officers, employees and directors. Based on the results of its examination, the Bureau concludes that Cover Chevrolet 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. Cover Chevrolet is a Pennsylvania Business Corporation located at 1 Chevy Drive, Windber, Pennsylvania 15963.

4. On or about October 21, 2010 and October 25, 2010, the Bureau conducted an on-site examination ("Examination") of Cover Chevrolet at its principal place of business in Windber, Pennsylvania.

#### Unlicensed Period

5. The MVSPA 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.

6. The MVSPA 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.

7. The Department licensed Cover Chevrolet as an Installment Seller, license no. 3970 through September 30, 2009.

8. Cover Chevrolet Motors failed to timely submit a license renewal application for license no. 3970 and the Department cancelled license no. 3970 on October 1, 2009. 69 P.S. § 605, 609 P.S. § 607D.

9. On January 26, 2010, Cover Chevrolet submitted a new application ("New Application") for an installment seller license.

10. The Examination revealed that Cover Chevrolet entered into sixty-two (62) installment contracts between October 1, 2009 and January 26, 2010.

11. Cover Chevrolet was not licensed to enter into installment contracts when it entered into the sixty-two (62) installment contracts.

12. Upon receiving and reviewing Cover Chevrolet's New Application, the Department granted Cover Chevrolet a new installment seller license, license no. 30413.

13. Because the Department cancelled license no. 3970, the MVSPA prohibited Cover Chevrolet 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).

#### Authority of the Department

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

15. Section 610(A)(2) of the MVSPA states that the Department may revoke or suspend any license where "[t]he licensee has violated any provision of this act." 69 P.S. § 610(A)(2).

16. Section 637(D) of the MVSPA 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

17. Cover Chevrolet is in violation of Section 604(1) of the MVSPA by engaging in the business of an installment seller while unlicensed. 69 P.S. § 604(1).

#### RELIEF

18. Fine. Cover Chevrolet agrees to pay a fine of six thousand two hundred dollars (\$6,200) 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 "Department of Banking" and sent to the attention of Bureau of Compliance, Investigation and Licensing, 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

19. Corrective Measures. Upon the effective date of the Order, Cover Chevrolet shall not engage in the business of installment sales if at any time it should become unlicensed.

#### FURTHER PROVISIONS

20. Consent. Cover Chevrolet hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's order authority under the MVSPA and agrees that it understands all of the terms and conditions contained herein. Cover Chevrolet, 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.

21. Publication and Release. Cover Chevrolet consents to the publication and release of this Order.

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

23. 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 Cover Chevrolet.

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

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

26. Effectiveness. Cover Chevrolet hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order (the "Effective Date").

27. 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 Cover Chevrolet in the future regarding all matters not resolved by this Order.

b. Cover Chevrolet 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.

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

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

30. 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 Cover Chevrolet, 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**

Jack Talala, Administrator  
Bureau of Compliance,  
Investigation and Licensing,  
Department of Banking

Date: 6-27-2011

**FOR COVER CHEVROLET, INC.**

(Officer Signature)

(Print Officer Name)

President  
(Title)

Date: 5-10-11