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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

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PA DEPT OF BANKING

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| COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF BANKING, BUREAU OF COMPLIANCE AND LICENSING, | : | Docket No. 110121 (ENF-ORD) |
| | : | |
| v. | : | |
| | : | |
| LEJCO, INC. D/B/A AUTOS UNLIMITED, and LEIF E. JOHNSON, SR., individually. | : | |

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking ("Department"), Bureau of Compliance and Licensing ("Bureau") has reviewed the business practices of Lejco, Inc. d/b/a Autos Unlimited ("Autos Unlimited") and Leif E. Johnson, Sr. Based on the results of its review, the Bureau believes that Lejco, Inc. d/b/a Autos Unlimited and Leif E. Johnson, Sr. 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 and without Autos Unlimited or Leif E. Johnson, Sr. admitting wrongdoing, 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 and conditions of this Consent Agreement and Order ("Order").

BACKGROUND

1. The Department is the Pennsylvania state governmental administrative agency authorized and empowered to administer and enforce the MVSFA.
2. The Bureau is primarily responsible for administering and enforcing the MVSFA for the Department.

3. Autos Unlimited is an automobile sales dealership located at 805 4th Ave., Coraopolis, PA 15108-1505.
4. Leif E. Johnson, Sr. is the president and sole shareholder of Autos Unlimited.
5. On December 11, 2006, Autos Unlimited was licensed as an installment seller, license no. 17232, under the MVSFSA.
6. Autos Unlimited's installment seller license was cancelled effective October 1, 2009 because the license was not renewed. See 69 P.S. § 605.E.
7. It is the Bureau's position that Autos Unlimited continued to engage in the business of an installment seller without a license since October 1, 2009.
8. Section 4 of the MVSFSA prohibits any person in Pennsylvania from engaging "[i]n the business of an installment seller of motor vehicles under installment sale contracts, except as authorized in this act, under license issued by the department." 69 P.S. § 604.
9. The Bureau alleges that by continuing to engage in the business of an installment seller after the expiration of its license, Autos Unlimited and Leif E. Johnson violated the MVSFSA.
10. The Bureau commenced an investigation of Autos Unlimited and Leif Johnson at Autos Unlimited's business location ("Investigation").
11. It is the Bureau's position that the Investigation revealed that Autos Unlimited and Leif E. Johnson, Sr. allowed certain potential customers to remove the installment sale contract from the dealership prior to execution of the contract and then.
12. The potential customer would then return to the dealership with a signed installment sale contract.

13. It is the Bureau's position that, because of this, Autos Unlimited and Mr. Johnson could not verify that the signatures on the executed installment sale contract were actually that of the purported customer.

14. In addition, the Investigation revealed that some installment sale contracts listed trade-in vehicles or down payments that the Bureau alleges Mr. Johnson could not verify the existence of.

15. The Bureau alleges that Mr. Johnson could not provide verification of an Autos Unlimited employee's salary to Department investigators that was indicated on an installment sale contract.

16. The Bureau alleges that Mr. Johnson, through Autos Unlimited, would submit auto loan applications to lenders based on the information contained in the installment sale contracts.

17. The Bureau alleges that the auto lenders would approve the applications based on the information contained in the installment sale contracts based on the Master Dealer Agreements the lenders had with Autos Unlimited.

18. Section 10.A.14 of the MVSEFA provides, in relevant part, that the Department may suspend, revoke or refuse to renew a license if the "licensee has engaged in unfair, deceptive, fraudulent or illegal practices or conduct in connection with any business regulated [by the MVSEFA]." 69 P.S. § 610.A.14

19. The Bureau alleges that by failing to ensure that the consumers were the individuals signing the motor vehicle installment sale contracts, verifying trade-ins, down payments and salary amount, Autos Unlimited and Leif Johnson may have engaged in unfair, deceptive, fraudulent or illegal practices in connection with a motor vehicle business.

20. On June 24, 2011, the Bureau issued an order against Autos Unlimited and Leif E. Johnson Sr., Docket No. 110121(ENF-ORD).

21. Autos Unlimited and Leif E. Johnson, Sr. timely appealed that order.

22. This Order resolves the June 24, 2011 order and forever resolves those violations of the MVSFA related to the Investigation of Autos Unlimited and Mr. Johnson that occurred prior to the Effective Date of this Order. Specifically, this Order resolves any unlicensed activity by Autos Unlimited and Leif E. Johnson, Sr. from February 1, 2008, to the Effective Date of this Order. This Order also resolves any allegation of unfair, deceptive, fraudulent or illegal practices in connection with a motor vehicle business by the Bureau against Autos Unlimited and Leif E. Johnson, Sr. from February 1, 2008 to June 24, 2011.

23. The entry by Autos Unlimited and Leif E. Johnson, Sr. into this consent agreement and order does not constitute an admission by them and is made solely for the purposes of settlement.

Authority of the Department

24. Section 37.1 of the MVSFA grants the Department the authority to issue orders as may be necessary or appropriate for the enforcement of the MVSFA. 69 P.S. § 637.1.

25. Section 37.D of the MVSFA provides, in relevant part, 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.

ALLEGED VIOLATIONS

26. The Bureau alleges that by engaging in the business of motor vehicle installment sales without a license, Autos Unlimited and Leif Johnson are in violation of the MVSA.

27. The Bureau alleges that by failing to ensure that the consumers were the individuals signing the motor vehicle installment sale contracts, verifying trade-ins, down payments and salary amount, Autos Unlimited and Leif Johnson violated the MVSA.

RELIEF

28. Prohibition. Upon the Effective Date of this Order, Leif E. Johnson, Sr., as a person or as a corporation or as any other form of organization of any kind whatsoever, shall be permanently prohibited from working in the present capacity or in any other capacity, including but not limited to, licensee, employee, independent contractor, agent or representative in any activities regulated by the Department pursuant to:

- a. The Banking Code of 1965, 7 P.S. § 1010 et seq.
- b. Savings Association Code of 1967, 7 P.S. § 6020-1 et seq.
- c. Credit Union Code, 17 Pa.C.S. § 101 et seq.
- d. Check Cashier Licensing Act, 63 P.S. § 2301 et seq.
- e. Consumer Discount Company Act, 7 P.S. § 6201 et seq.
- f. Credit Services Act, 73 P.S. § 2181 et seq.
- g. Debt Management Services Act, 63 P.S. § 2401 et seq.
- h. Money Transmitter Act, 7 P.S. § 6101 et seq.
- i. Motor Vehicle Sales Finance Act, 69 P.S. § 601 et seq.
- j. The Mortgage Licensing Act, 7 Pa. C.S. § 6101 et seq.
- k. Pawnbrokers License Act, 63 P.S. § 281-1 et seq.
- l. Loan Interest and Protection Law ("Act 6"), 41 P.S. § 101 et seq.; and
- m. Mortgage Bankers and Brokers and Consumer Equity Protection Act, 63 P.S. 456.501 et seq.

29. Within thirty (30) days of the Effective Date of this Order, Autos Unlimited and Leif E. Johnson, Sr., jointly and severally, shall pay a civil monetary penalty of \$3,000. The fine

shall be paid by certified check or money order made payable to the Department of Banking.

The check shall be sent to:

Compliance Division
Department of Banking
17 N. Second Street, Suite 1300
Harrisburg, PA 17101

30. Cease and Desist. Upon the Effective Date of this Order, Leif E. Johnson, Sr. and Autos Unlimited shall cease and desist from engaging in the business of an installment seller unless and until such time as Mr. Johnson and Autos Unlimited are properly licensed.

FURTHER PROVISIONS

31. Consent. Autos Unlimited and Leif E. Johnson, Sr. hereby knowingly, willingly, voluntarily and irrevocably consent to the entry of this Order pursuant to the Bureau's order authority under the MVSFA and agree that they understand all of the terms and conditions contained herein. Autos Unlimited and Leif E. Johnson, Sr. by voluntarily entering into this Order, waive any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

32. Publication. The Department will publish this Order pursuant to its authority in Section 302.A.(5) of the Department of Banking Code, 71 P.S. § 733-302.A.(5).

33. 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, Autos Unlimited and Leif E. Johnson, Sr.

34. Binding Nature. The Department, Autos Unlimited and Leif E. Johnson, Sr. intend to be and are legally bound by the terms of this Order.

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

36. Effectiveness. Autos Unlimited and Leif E. Johnson, Sr. hereby stipulate and agree that the Order shall become effective on the date that the Bureau executes the Order ("Effective Date").

37. 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 Autos Unlimited and Leif E. Johnson, Sr. in the future regarding all matters not resolved by this Order.

b. Autos Unlimited and Leif E. Johnson, Sr. 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.

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

39. Counterparts. This Order may be executed in separate counterparts, by facsimile or by PDF.

40. 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, Autos Unlimited and Leif Johnson intending to be legally bound do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING, BUREAU OF
COMPLIANCE AND LICENSING**

Ryan Walsh, Administrator
Compliance Division
Department of Banking

Date: October 21, 2011

FOR LEJCO, INC. D/B/A AUTOS UNLIMITED

(Signature)

(Print Name)

President
(Title)

Date: 10/14/11

LEIF E. JOHNSON, SR.

(Signature)

Date: 10/14/11