

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

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

PA DEPT OF BANKING

Docket No.: 11 0144 (ENF-CO)

THREE RIVERS MOTOR CAR COMPANY

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking ("Department"), Bureau of Compliance, Investigation and Licensing ("Bureau") has reviewed the business practices of Three Rivers Motor Car Company ("Three Rivers"), and its officers, employees and directors. Based on the results of the review, the Bureau has concluded that Three Rivers 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 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 MVSFA.
2. The Bureau is primarily responsible for administering and enforcing the MVSFA for the Department.

3. Three Rivers is a corporation that sells motor vehicles to consumers through installment sale contracts.

4. Three Rivers is located at 3694 Washington Road, McMurray, Pennsylvania 15317.

5. To engage in "the business of an installment seller of motor vehicles under installment sale contracts" in this Commonwealth, Three Rivers must be licensed by the Department. *See* 69 P.S. § 604.1.

VIOLATIONS

6. Three Rivers maintained an installment seller license with the Department from August 5, 2002 through September 30, 2009.

7. The MVSFSA provides that "[a]ll applications for renewal licenses shall be filed at least fifteen (15) days prior to October first annually," that is, by no later than September 15th. *See* 69 P.S. § 605.E.

8. Three Rivers did not submit its application for renewal by September 15, 2009.

9. As a result, Three Rivers's license was not renewed by the Department as of October 1, 2009 and therefore expired.

10. On May 20, 2011, Three Rivers submitted a new application for an installment seller license with the Department.

11. However, between October 1, 2009 and May 20, 2011, Three Rivers sold hundreds of motor vehicles to consumers through installment sale contracts.

12. By selling motor vehicles to consumers through installment sale contracts without being licensed by the Department, Three Rivers violated Section 4.1 of the MVSFSA. *See* 69 P.S. § 604.1.

13. Three Rivers alleges that the violation was not intentional; rather, the violation was a result of problems that it had with its former office manager who was responsible, in relevant part, for ensuring that the renewal application was filed with the Department.

14. In the spring 2011, Three Rivers retained a new office manager.

15. The new office manager could not locate Three Rivers's installment sale license so he contacted the Department for a copy.

16. The Department notified the new office manager that Three Rivers's license had expired due to the company's failure to submit the renewal application.

17. Upon ascertaining that the license had not been renewed, Three Rivers applied for a new license.

18. Three Rivers has cooperated with the Department by providing all of the information and documentation requested in a timely manner.

19. Due to Three Rivers's cooperation and promise to abide by the terms of this Order, the Department issued Three Rivers a new license effective on August 5, 2011, License No. 35376.

AUTHORITY

20. The Department has the authority to issue orders as necessary or appropriate for the enforcement of the MVSFA, 69 P.S. § 637.1.

21. Further, the Department may levy a civil penalty of not more than \$2,000 for each offense to any person required to be licensed under the MVSFA that violates the MVSFA, 69 P.S. § 637.D.

RELIEF

22. Fine. Three Rivers shall pay a fine of \$30,000.00. The fine shall be paid in twelve monthly installments of \$2,500.00 with the first payment due the 1st of each month

commencing September 1, 2011 and the last payment due August 1, 2012. Payments shall be remitted by certified check or money order made payable to the "Department of Banking" and sent to the attention of Pennsylvania Department of Banking, Licensing Division, Bureau of Compliance, Investigation and Licensing, 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

23. Corrective Measures. Upon the Effective Date of this Order (as set forth in Paragraph 30), Three Rivers shall not engage in the business of selling motor vehicles by installment sale contracts unless it is licensed to do so.

FURTHER PROVISIONS

24. Consent. Three Rivers 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. Three Rivers, 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.

25. 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).

26. Consumer Rights. This Order shall not limit or impair consumers' rights under the MVSFA, 69 P.S. § 635.

27. 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 Three Rivers.

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

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

30. Effectiveness. Three Rivers hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order.

31. 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 Three Rivers in the future regarding all matters not resolved by this Order.

b. Three Rivers 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.

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

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

34. 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 Commonwealth of Pennsylvania, Department of Banking, Bureau of Compliance, Investigation

and Licensing and Three Rivers Motor Car Company, 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, Administrator
Bureau of Compliance,
Investigation and Licensing
Department of Banking

Date: 8/23/11

FOR THREE RIVERS MOTOR CAR COMPANY

(Officer Signature)

(Print Officer Name)

VP
(Title)

Date: 8-22-11