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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

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PA DEPT OF BANKING

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

v.

GENERAL SALES CO.,
OF WEST CHESTER, INC.

Docket No. 12 0039 (ENF-CO)

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 General Sales Co., of West Chester, Inc. ("General Sales Co."), and its officers, employees and directors. Based on the results of its review, the Bureau concludes that General Sales Co. 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.
2. The Bureau is primarily responsible for administering and enforcing the MVSFA for the Department.
3. General Sales Co. is a Pennsylvania Business Corporation located at 1265 Wilmington Pike, West Chester, Pennsylvania 19382-8446.

Unlicensed Period

4. The Department licensed General Sales Co. as an Installment Seller, license no. 0553.

5. The MVSFA 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.

6. General Sales Co. failed to timely submit a license renewal application for license no. 0553 and the Department cancelled license no. 0553 on October 1, 2007. 69 P.S. § 605, 69 P.S. § 607D.

7. The MVSFA requires anyone engaging in the “business of an installment seller of motor vehicles under installment sales contracts” to first obtain an installment seller license from the Department. 69 P.S. § 604(1). 69 P.S. § 604.

8. In February of 2012, General Sales Co. discovered that it no longer possessed an installment seller license from the Department.

9. Immediately subsequent to the discovery, General Sales Co. submitted a new application (“New Application”) for an installment seller license on February 15, 2012.

10. General Sales Co. attached to its New Application a list of installment contracts that General Sales Co. entered into while unlicensed from October 2007 to February 15, 2012.

11. After discussions with General Sales Co., it was discovered that General Sales Co. had engaged in numerous installment sales between the cancellation of the prior license and the submission of its New Application on February 15, 2012.

12. General Sales Co. cooperated fully with the Department.

13. Upon reviewing General Sales Co.'s New Application, the Department granted General Sales Co. an installment seller license, license no. 37101 on March 6, 2012.

Authority of the Department

14. 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.

15. Section 610(A)(2) of the MVSFA 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 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

17. General Sales Co. was in violation of Section 604(1) of the MVSFA by engaging in the business of an installment seller while unlicensed. 69 P.S. § 604(1).

RELIEF

18. Fine. General Sales Co. agrees to pay a fine of seventy-five thousand dollars (\$75,000) which shall be payable to the Department in eighteen monthly payments. The first payment of seven thousand dollars (\$7,000) shall be due on May 1, 2012. The remaining seventeen payments of four thousand dollars (\$4000) each shall be due on the first of each month thereafter until the final payment is made on October 1, 2013. 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 and Licensing, 17 N. 2nd Street, Suite 1300, Harrisburg, PA 17101.

19. Corrective Measures. General Sales Co. shall not engage in the business of installment sales if at any time it should become unlicensed.

FURTHER PROVISIONS

20. Consent. General Sales Co. 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. General Sales Co., 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. General Sales Co. 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 MVSFA. 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 General Sales Co..

24. Binding Nature. The Department, General Sales Co., and all officers, owners, directors, employees, heirs and assigns of General Sales Co. 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. General Sales Co. 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 General Sales Co. in the future regarding all matters not resolved by this Order.

b. General Sales Co. 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 General Sales Co., of West Chester, 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 AND LICENSING**

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

Date: 3/30/12

**FOR GENERAL SALES CO.,
OF WEST CHESTER, INC.**

(Officer Signature)

(Print Officer Name)

PRESIDENT
(Title)

Date: 3/30/12