

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

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

PA DEPT OF BANKING

v.

Docket No.: 12 0031 (ENF-CO)

PRESTIGE AUTO SALES, INC.

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking ("Department"), Bureau of Examinations, has conducted an examination of Prestige Auto Sales, Inc. ("Prestige Auto Sales") and its officers, employees and directors. Based on the results of the examination, the Bureau of Compliance and Licensing ("Bureau") concluded that Prestige Auto Sales 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 MVSFA.
2. The Bureau is primarily responsible for administering and enforcing the MVSFA for the Department.

3. Prestige Auto Sales is a corporation that engages in the business of selling motor vehicles to Pennsylvania consumers through installment sale contracts.

4. Prestige Auto Sales's principal place of business at 3970 Roosevelt Boulevard, Philadelphia, Pennsylvania 19124.

5. Prestige Auto Sales was initially licensed by the Department as an installment seller, installment seller license no. 19160, but it allowed the license to expire on September 30, 2009 because it failed to timely submit a license renewal application. *See* 69 P.S. § 605E (requiring all applications for renewal licenses to be filed at least fifteen days prior to October first, annually).

6. Prestige Auto Sales applied for a new license and, on April 2, 2010, the Department issued Prestige Auto Sales a new installment seller license, installment seller license no. 30998.

7. On November 16, 2011, an examiner from the Department commenced a routine examination of Prestige Auto Sales at the principal place of business.

VIOLATION

Unlicensed Activity

8. During the examination, the examiner found that Prestige Auto Sales entered into 19 installment sale contracts between October 1, 2009 and April 2, 2010, the period when it was not licensed as an installment seller by the Department.

9. Section 4.1 of the MVSFA provides, in relevant part, that:

no person shall engage or continue to engage in this Commonwealth either as principal, employe, agent or broker . . . [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

See 69 P.S. § 604.1.

10. By engaging in the business of selling motor vehicles under installment sale contracts while not licensed by the Department, Prestige Auto Sales violated Section 4.1 of the MVSFA.

11. During the examination, the examiner also found that Prestige Auto Sales transferred three installment sale contracts to a sales finance company that was not licensed by the Department in October 2011 when the transfer occurred.

12. Section 16.A of the MVSFA provides that,

[t]he seller of a motor vehicle under an installment sale contract, executed in the Commonwealth of Pennsylvania, *shall not sell, transfer or assign* the obligation represented by such contract to any person in Pennsylvania, or elsewhere, *who is not licensed as a sales finance company* pursuant to the provisions of this act.

See 69 P.S. § 616.A (emphasis added).

13. Due to Prestige Auto Sales's violations of the MVSFA, the Department has the authority to issue an order and impose a "civil penalty" of not more than two thousand dollars "for each offense." See 69 P.S. §§ 637.D, 637.1.

RELIEF

14. Fine. Within 30 days of the effective date of this Order as defined in Paragraph 22, Prestige Auto Sales shall pay to the Department a fine in the amount of \$1,900. The fine shall be payable by certified check or money order and remitted to the attention of the Bureau of Compliance and Licensing, Pennsylvania Department of Banking, 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

15. Corrective Action. Prestige Auto Sales shall not engage in the business of an installment seller in Pennsylvania unless it is licensed by the Department as an installment seller.

FURTHER PROVISIONS

16. Consent. Prestige Auto Sales hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's order authority under the MVSFSA and agrees that it understands all of the terms and conditions contained herein. Prestige Auto Sales, 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.

17. Consumer's Rights. This Order shall not limit or impair a consumer's rights under Section 35 of the MVSFSA. 69 P.S. § 635.

18. 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).

19. 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 Prestige Auto Sales.

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

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

22. Effectiveness. Prestige Auto Sales hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes this Order ("Effective Date").

23. 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 Prestige Auto Sales in the future regarding all matters not resolved by this Order.
- b. Prestige Auto Sales 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.

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

25. Counterparts. This Order may be executed in separate counterparts and by facsimile or electronic mail in portable document format "PDF."

26. 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.

