

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

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

v.

LEHIGH AUTO SALES & SERVICES LLC

PA DEPARTMENT OF
BANKING AND SECURITIES
Docket No. 13 0008 (BNK-CAO)

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities (“Department”), Bureau of Compliance and Licensing (“Bureau”), has reviewed the business practices of Lehigh Auto Sales & Services LLC (“Lehigh Auto Sales”), and its officers, employees and directors. Based on the results of its review, the Bureau concludes that Lehigh Auto Sales 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. Lehigh Auto Sales is a Pennsylvania Business Corporation located at 826 Hanover Avenue, Allentown, Pennsylvania 18109.

4. The MVSFA 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.

5. On April 5, 2011, Lehigh Auto Sales submitted an application to the Department for an installment seller license.

6. Lehigh Auto Sales failed to respond to the Bureau's requests that it complete licensing requirements.

7. As a result of Lehigh Auto Sales' failure to respond, the Bureau considered the application withdrawn/abandoned on August 1, 2011.

8. Lehigh Auto Sales never obtained an installment seller license.

Unlicensed Installment Sales

9. On September 5, 2013, the Bureau initiated a review of Lehigh Auto Sales at its place of business.

10. During the review, the Bureau determined that Lehigh Auto Sales entered into forty (40) motor vehicle installment sales contracts while unlicensed.

11. The MVSFA defines an installment seller as "a person engaged in the business of selling, hiring or leasing motor vehicles under installment sales contracts or any legal successor in interest to such person." 69 P.S. § 603.

12. The MVSFA prohibited Lehigh Auto Sales from engaging "[i]n 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).

13. As of the date of this consent agreement, Lehigh Auto Sales remains unlicensed as an installment seller.

Authority of the Department

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

15. Section 610(A)(2) of the MVSFSA 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 MVSFSA 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. Lehigh Auto Sales is in violation of Section 604(1) of the MVSFSA by engaging in the business of an installment seller while unlicensed. 69 P.S. § 604(1).

RELIEF

18. Fine. Lehigh Auto Sales agrees to pay a fine of four thousand dollars (\$4,000) which shall be due and payable to the Department in fifteen (15) monthly payments. The first payment shall be in the amount of five hundred dollars (\$500) and shall be due on or before December 1, 2013. The remaining fourteen (14) payments shall be in the amount of two hundred fifty dollars (\$250) and shall be due on or before the first of each month thereafter until the final payment is made on February 1, 2015. The fine payment shall be remitted by certified check or

money order made payable to the "Department of Banking and Securities" and sent to the attention of Bureau of Compliance and Licensing, 17 N. 2nd Street, Suite 1300, Harrisburg, PA 17101.

19. Corrective Measures. Upon the Effective Date of the Order, Lehigh Auto Sales shall not engage in the business of installment sales while unlicensed.

FURTHER PROVISIONS

20. Consent. Lehigh 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. Lehigh 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.

21. Publication and Release. Lehigh Auto Sales 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 MVSFSA. 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 Lehigh Auto Sales.

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

b. Lehigh 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.

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 Lehigh Auto Sales & Services LLC intending to be legally bound do hereby execute this Consent Agreement and Order.

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

Lucy Cortez, Administrator
Bureau of Compliance and Licensing
Department of Banking and Securities

Date: 11/5/13

FOR LEHIGH AUTO SALES & SERVICES LLC

(Officer Signature)

FADI HALWANI

(Print Officer Name)

MANAGER/owner

(Title)

Date: 11-5-2013