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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

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PA DEPARTMENT OF
BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND
SECURITIES, COMPLIANCE OFFICE

v.

ZHY AUTO OUTLET, LLC

Docket No. 160022 (BNK-CAO)

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities (“Department”), Compliance Office, has reviewed the business practices of Zhy Auto Outlet LLC (“Zhy Auto”), and its officers, employees and directors. Based on the results of its review, the Office concludes that Zhy Auto operated in violation of the Consumer Credit Code, 12 Pa.C.S. § 6101 *et seq* (“CCC”), as related to motor vehicle sales finance. 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 CCC.
2. The Compliance Office is primarily responsible for administering and enforcing the CCC for the Department.
3. Zhy Auto’s principal place of business is located at 1752 Columbia Ave. Lancaster, PA 17603.

Unlicensed Period

4. Under the CCC, anyone engaging in the business of an installment seller of motor vehicles under installment sales contracts needs a license issued by the Department. 12 Pa. C.S. § 6211(a)(1).

5. The Department licensed Zhy Auto as an installment seller, license no. 49888 through September 30, 2015.

6. Under the CCC, installment sellers must submit a yearly renewal license application to the Department at least fifteen days prior to October 1 of each year. 12 Pa. C.S. § 6216.

7. Zhy Auto failed to timely submit a license renewal application for license no. 49888 by the October 1, 2015 deadline.

8. The Department canceled Zhy Auto's license no. 49888 effective on October 1, 2015. 12 Pa. C.S. § 6211(b)(2).

9. Zhy Auto submitted a new application for an installment seller license on or around October 27, 2015.

10. The Department approved Zhy Auto's new application and issued installment seller license no. 53249 effective October 27, 2015.

11. During a review of the new application, the Department discovered that Zhy Auto entered into four installment sale contracts between October 1 and October 27, 2015, while unlicensed.

VIOLATION

12. Zhy Auto violated Section 6211(a) of the CCC when it engaged in the business of an installment seller while unlicensed. 12 Pa. C.S. § 6211(a)(1).

Authority of the Department

13. The CCC grants the Department the authority to issue orders as may be necessary for the enforcement of the CCC. 12 Pa. C.S. § 6203(a)(5).

14. Section 6218 of the CCC states that the Department may revoke or suspend any license where the licensee violated a provision of this chapter. 12 Pa. C.S. § 6218(a)(2).

15. Section 6274 of the CCC provides that “[a] person required to be licensed under this chapter that violates this chapter, directs a violation of this chapter or engages in an activity for which a license could be suspended or revoked under section 6218 (relating to revocation or suspension of license) shall be subject to a civil penalty levied by the department of not more than \$2,000 for each offense.” 12 Pa. C.S. § 6274.

RELIEF

16. Fine. Zhy Auto agrees to pay a fine of \$400. The fine will be due within thirty (30) days of the Effective Date of the Order as defined in paragraph 24 below. 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: Department of Banking and Securities, Compliance Office, 17 N. 2nd Street, Suite 1300, Harrisburg, PA 17101-2290.

17. Corrective Action. Upon the Effective Date of this Order, Zhy Auto shall not engage in the business of an installment seller in Pennsylvania unless it is licensed.

FURTHER PROVISIONS

18. Consent. Zhy Auto hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Compliance Office’s order authority under the CCC and agrees that it understands all of the terms and conditions contained herein. Zhy Auto, 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.

19. Consumer’s Rights. This Order shall not limit or impair a consumer’s rights under CCC. 12 Pa. C.S. § 6236. (69 P.S. § 635).

20. 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).

21. 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 Compliance Office and Zhy Auto.

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

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

24. Effectiveness. Zhy Auto hereby stipulates and agrees that the Order shall become effective on the date that the Compliance Office executes this Order ("Effective Date").

25. 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 Zhy Auto in the future regarding all matters not resolved by this Order.

b. Zhy Auto 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.

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

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

28. 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 of Banking and Securities, Compliance Office and Zhy Auto Outlet LLC intending to be legally bound do hereby execute this Consent Agreement and Order.

FOR THE COMMONWEALTH OF PENNSYLVANIA, DEPARTMENT OF BANKING AND SECURITIES, COMPLIANCE OFFICE

FOR ZHY AUTO OUTLET LLC

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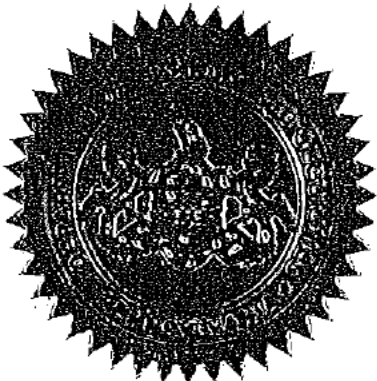
Redacted _____

John Talalai, Administrator
Compliance Office
Department of Banking and Securities

(Officer Signature)

Date: 4/22/2016

ZHYNAL
(Print Officer Name)



OWNER
(Title)

Date: April 17th 2016