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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND SECURITIES

PA DEPARTMENT OF  
BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND  
SECURITIES, COMPLIANCE OFFICE

v.

Docket No. 16 0042 (BNK-CAO)

DEALER FUNDING, LLC & DEALER  
FUNDING TRUST 1

**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 Dealer Funding, LLC & Dealer Funding Trust 1, and its officers, employees and directors. Based on the results of its review, the Compliance Office concludes that Dealer Funding, LLC & Dealer Funding Trust 1, operated in violation of the Consumer Credit Code ("CCC"), 12 Pa.C.S. § 6101 *et seq.*<sup>1</sup> 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. Dealer Funding, LLC's principal place of business is located at 1725 Windward

<sup>1</sup> Formerly the Motor Vehicle Sales Finance Act, 69 P.S. § 601 *et seq.*, effective November 27, 2014.

Concourse, Suite 400, Alpharetta, GA 30005.

4. Dealer Funding Trust-1's principal place of business is located at 300 Delaware Avenue, 9<sup>th</sup> Floor, Wilmington, DE 19801.

5. The Department cancelled Dealer Funding, LLC's license, no. 43644, effective October 1, 2015 due to nonrenewal of its sales finance company license by the deadline.

6. The Department cancelled Dealer Funding Trust 1's license, no. 48158, effective October 1, 2015 due to nonrenewal of its sales finance company license by the deadline.

7. Dealer Funding, LLC submitted a new application for a sales finance license to the Department on or around June 10, 2016, promptly after learning that it had inadvertently failed to renew its sales finance company license and self-reporting to the Department regarding the situation.

8. Dealer Funding Trust 1 submitted a new application for a sales finance license to the Department on or around June 10, 2016, promptly after learning that it had inadvertently failed to renew its sales finance company license and self-reporting to the Department regarding the situation.

9. Dealer Funding, LLC and Dealer Funding Trust 1 cooperated fully with the Department upon learning of the inadvertent failure to renew the sales finance company licenses.

10. The Department issued a new sales finance company license, no. 57000, to Dealer Funding, LLC as of June 17, 2016.

11. The Department issued a new sales finance company license, no. 56997, to Dealer Funding Trust 1 as of June 17, 2016.

12. Dealer Funding, LLC & Dealer Funding Trust 1 purchased installment sales contracts during the unlicensed period.

## VIOLATION

13. The CCC prohibits Dealer Funding, LLC & Dealer Funding Trust 1 from engaging in the business of a sales finance company without a license from the Department. 12 Pa.C.S. § 6211(a).

14. The CCC requires sales finance companies to submit a renewal license application to the Department prior to October 1 of each year. 12 Pa.C.S. § 6211(b).

15. Dealer Funding, LLC & Dealer Funding Trust 1 violated the CCC by purchasing installment contracts after it failed to renew its license by October 1, 2015 and prior to obtaining a new license.

### Authority of the Department

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

17. The Department may impose fines of up to \$2,000 per offense for violations of the CCC. 12 Pa.C.S. § 6274.

## RELIEF

18. Fine. Dealer Funding, LLC & Dealer Funding Trust 1 agree to collectively pay a fine in the total aggregate amount of \$33,050. The fine will be due within thirty (30) days of the Effective Date of the Order as defined 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.

## FURTHER PROVISIONS

19. Consent. Dealer Funding, LLC & Dealer Funding Trust 1 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. Dealer Funding, LLC & Dealer Funding Trust 1, by voluntarily entering into this Order, waive any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

20. Publication. The Department will publish this Order pursuant to its authority in Section 302.A(5) of the Department of Banking and Securities Code. 71.P.S. § 733-302.A(5).

21. Consumer Rights. This Order shall not limit or impair a consumer's rights under the CCC. 12 Pa.C.S. § 6236.

22. 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 Dealer Funding, LLC & Dealer Funding Trust 1.

23. Binding Nature. The Department, Dealer Funding, LLC & Dealer Funding Trust 1, and all officers, owners, directors, employees, heirs and assigns of Dealer Funding, LLC & Dealer Funding Trust 1 intend to be and are legally bound by the terms of this Order.

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

25. Effectiveness. Dealer Funding, LLC & Dealer Funding Trust 1 hereby stipulate and agree that the Order shall become effective on the date that the Compliance Office executes the Order (the "Effective Date").

26. 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 Dealer Funding, LLC & Dealer Funding Trust 1 in the future regarding all matters not resolved by this Order.

b. Dealer Funding, LLC & Dealer Funding Trust 1 acknowledge and agree 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.

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

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

29. 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 Dealer Funding, LLC & Dealer Funding Trust 1, 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 DEALER FUNDING, LLC &  
DEALER FUNDING TRUST 1**  
*by Dealer Funding, LLC for itself and  
as Administrator*

Redacted

Redacted

John Talalai, Administrator  
Department of Banking and Securities  
Compliance Office

(Officer Signature)

CHERYL MILLER  
(Print Officer Name)

Date: 7-25-2016

CEO  
(Title)

Date: 7/21/2016

