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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.

REYNOLDS & REYNOLDS

Docket No. : 17 0069 (BNK-CAO)

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities ("Department"), Compliance Office ("Office"), has reviewed the business practices of Reynolds & Reynolds ("Reynolds"), and its officers, employees and directors. Based on the results of its review, the Office concludes that Reynolds operated in violation of the Consumer Credit Code ("CCC") as related to motor vehicle sales finance, 12 Pa.C.S. § 6101 *et seq.* The parties to the above-captioned matter, in lieu of litigation, hereby stipulate 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. Reynolds' principal place of business is located at 6700 Hollister Street, Houston, Texas 77040.

Unlicensed Period

3. Anyone engaging in the business of a Sales Finance company of motor vehicles under installment sales contracts needs a license issued by the Department. 12 Pa.C.S. § 6211(a)(2).

4. The definition of “sales finance company” as found in Section 6202 of the CCC includes the language “A person engaged as principal, agent or broker in the business of financing or soliciting the financing of an installment sale contract made between other parties.”

5. Beginning in September 2016, Reynolds was brokering installment contracts between other parties.

6. By acting as a broker of installment sale contracts between other parties, Reynolds was acting as a sales finance company as defined in Section 6202 of the CCC.

7. Reynolds is not, and was not, licensed as a sales finance company under the CCC.

8. The CCC prohibits Reynolds from engaging in the Commonwealth as a Sales Finance company without first obtaining a Sales Finance company license from the Department. 12 Pa.C.S. § 6211(a)(2).

Authority of the Department

9. 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).

10. 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.

VIOLATIONS

11. Reynolds violated Section 6271 of the CCC when it engaged in the business of a Sales Finance company while unlicensed. 12 Pa.C.S. § 6211(a)(2).

RELIEF

12. Fine. Reynolds agrees to pay a fine of twenty-seven thousand five hundred dollars (\$27,500). Payment is due within thirty (30) days of the Effective Date of the Order as defined in paragraph 21 below. The fine payments 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. Second Street, Suite 1300, Harrisburg, PA 17101-2290.

13. Corrective Action. Upon the Effective Date of the Order, Reynolds shall not engage in the business of a Sales Finance company in Pennsylvania unless it is licensed.

14. Other. Reynolds agrees to verify that any Installment Sellers or Sales Finance companies with whom Reynolds does business are licensed as appropriate under the CCC.

FURTHER PROVISIONS

15. Consent. Reynolds hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Department's order authority under the CCC and agrees that it understands all of the terms and conditions contained herein. Reynolds, 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.

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

17. 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).

18. 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 Office and Reynolds.

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

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

21. Effectiveness. Reynolds hereby stipulates and agrees that the Order shall become effective on the date that the Office executes this Order (“Effective Date”).

22. 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 Reynolds in the future regarding all matters not resolved by this Order.

b. Reynolds 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.

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

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

25. 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 Reynolds & Reynolds 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 REYNOLDS & REYNOLDS

Redacted _____

John Talalai, Administrator
Compliance Office
Department of Banking and Securities

Date: 10/25/2017

Redacted _____

(Officer Signature)

JERRY KIRWAN
(Print Officer Name)

SVP Reynolds + Reynolds
(Title)

Date: 10/24/17

