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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.

DEALS R US AUTO SALES

Docket No. 18 0019 (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 Deals R Us Auto Sales (“Deals R Us”), and its officers, employees and directors. 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 Chapter 62 of the Consumer Credit Code (“CCC”), 12 Pa. C.S. § 6201 *et seq*

2. The Office is primarily responsible for administering and enforcing the CCC for the Department.

3. Deals R Us is licensed as an Installment Seller # 17217 under the CCC.

4. Deals R Us is located at 500 E Baltimore Ave, Lansdowne, PA 19050-2508.

5. On March 30, 2017, an examiner from the Department commenced an examination of Deals R Us at its principal place of business.

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Improper and Unauthorized Repossession of Motor Vehicles

6. Section 6251(a) of the CCC states that a licensee may repossess a motor vehicle if the buyer (1) is in default in the payment of an amount due under the contract; or (2) has committed another breach of contract, which is by the contract specifically made a ground for retaking the motor vehicle.

7. Deals R Us repossessed motor vehicles when the buyer was not in default regarding making payments as per the contract nor had committed any other breach of the contract.

8. In the cases mentioned above, Deals R Us repossessed the motor vehicles because Deals R Us could not obtain a buyer for the motor vehicle sale installment contract.

9. By repossessing motor vehicles when the buyer was not in default under the contract nor had committed any other breach of the contract, Deals R Us is in violation of Section 6251(a) of the CCC.

10. By repossessing motor vehicles when the buyer was not in default nor had committed any other breach of the contract, Deals R Us engaged in an unfair practice in violation of Section 6218(a)(13) of the CCC.

11. The situations where Deals R Us repossessed motor vehicles when the buyer was not in default nor had committed any other breach of the contract will hereafter be referred to as “improper repossessions”.

12. On some of the improper repossessions, Deals R Us charged the buyer for repossession fees.

13. The repossession fees were deducted from any refund of the down payment which Deals R Us made to the buyers.

14. Charging the buyer for repossession fees when a repossession should not have occurred is an unfair practice and is in violation of Section 6218(a)(13) of the CCC.

15. On some of the improper repossessions, Deals R Us charged the buyer fees for using the motor vehicle prior to the repossession (“user fees”). The charged user fees were deducted from any refunds of the down payment which Deals R Us made to the buyers.

16. There is no provision in the CCC for a licensee to charge user fees.

17. Section 6233(b) of the CCC prohibits a licensee from charging fees not specifically authorized in the CCC.

18. By charging user fees, Deals R Us is in violation of Section 6233(b) of the CCC.

19. Regarding the improper repossessions, the Department has provided Deals R Us with a list of identified repossession fees and user fees (the “fee list”).

Authority of the Department

20. 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).

21. Section 6218 (13) of the CCC states that the Department may revoke or suspend any license when the licensee engaged in an illegal practice or conduct. 12 Pa. C.S. § 6218(a)(13).

22. 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

23. Deals R Us violated 12 Pa. C.S. § 6251 when it engaged in improper and unauthorized repossession of motor vehicles

24. Deals R Us violated 12 Pa. C.S. § 6233(b) by charging fees not authorized in the CCC

25. Deals R Us violated 12 Pa. C.S. § 6257 by failing to notify the appropriate law enforcement agencies of repossessions.

26. Deals R Us violated 12 Pa. C.S. § 6218 when it submitted inaccurate application information when attempting to sell instalment sale contracts to sales finance companies on the secondary market.

RELIEF

27. Corrective Action.

(a) Upon acceptance of this Order, Deals R Us shall refund all fees shown on the fee list and provide documentation of such refunds to the Compliance Office.

(b) Effective immediately and going forward, Deals R Us shall comply with all applicable provisions of the CCC regarding repossessions and repossession procedures.

(c) Fine. Deals R Us agrees to pay a fine of twelve thousand dollars (\$12,000). The fine is payable in twelve monthly installments of \$1,000 each with the first payment due upon Deals R Us' acceptance of the Order and all subsequent payments beginning one month from the day the Office executes the Order. 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. 2nd Street, Suite 1300, Harrisburg, PA 17101-2290.

28. Rescission of Order to Show Cause. The Order to Show Cause dated June 4, 2018, with Docket No. 180019 is hereby RESCINDED as of the Effective Date of this Order.

FURTHER PROVISIONS

29. Consent. Deals R Us 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. Deals R Us, 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.

30. Consumer's Rights. This Order shall not limit or impair a consumer's rights under CCC.

31. 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).

32. 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 Deals R Us.

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

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

35. Effectiveness. Deals R Us hereby stipulates and agrees that the Order shall become effective on the date that the Office executes this Order ("Effective Date").

36. 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 Deals R Us in the future regarding all matters not resolved by this Order.

b. Deals R Us 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.

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

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

39. 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 Deals R Us Auto Sales 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**

Redacted

James Keiser, Chief
Compliance Office
Department of Banking and Securities

Date: June 28, 2018

FOR DEALS R US AUTO SALES

Redacted

(Officer Signature)

Joseph McWard

(Print Officer Name)

President

(Title)

Date: 6-25-18

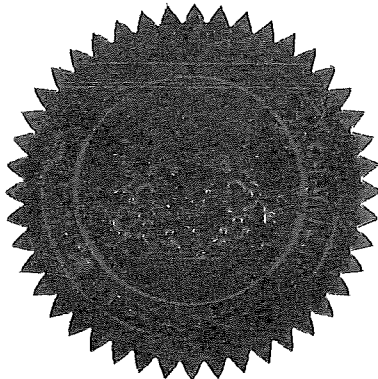


Exhibit A

The following is a list of refunds to be made to consumers.

Redacted	-	\$ 500	Refund of repossession charges
Redacted		\$ 690	Refund of charges for wear and tear
Redacted	-	\$ 500	Refund of charges for wear and tear