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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

vs.

Docket No. 18 0053 (BNK-CAO)

LPFA, LLC

**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 LPFA, LLC ("LPFA"), and its officers, employees and directors. Based on the results of its review, the Office concludes that LPFA operated in violation of the Consumer Credit Code ("CCC") as related to motor vehicle sales finance, 12 Pa. C.S. § 6201 *et seq.* 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. LPFA is licensed as a Sales Finance Company # 36354 under the CCC.
3. LPFA's Principle Place of Business is located at 220 W Lancaster Avenue, Shillington, PA 19607-1860.
4. On May 1, 2018, an examiner from the Department commenced a routine examination of LPFA at its principal place of business.

Repossession Fee

5. During the examination, the examiner found that LPFA collected unauthorized repossession fees on loans involving deficiency judgement filings. 12 Pa. C.S. § 6256(2).

6. LPFA refunded all fees during the examination.

Failure to Notify Police of Repossession

7. During the examination, the examiner found that LPFA failed to notify the local police within 24 hours after the repossession. 12 Pa. C.S. § 6257.

Failure to Provide Deficiency Notice

8. During the examination, the examiner found that LPFA failed to provide deficiency notice within 30 days after the sale of a repossessed motor vehicle. Deficiency Notices were issued to consumers that proceeded to the Commonwealth of Pennsylvania Court of Common Pleas for a deficiency judgment. 12 Pa. C.S. § 6261(d).

Deficiency Notice Contents

9. During the examination, the examiner found that LPFA issued Deficiency Notices to consumers that did not contain the required content. Deficiency Notices were issued to consumers that proceeded to the Commonwealth of Pennsylvania Court of Common Pleas for a deficiency judgment. 12 Pa. C.S. § 6261(d).

Authority of the Department

10. 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).

11. 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).

12. 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**

13. LPFA violated the CCC when it collected unauthorized repossession fees.

14. LPFA violated the CCC when it failed to notify the local police within 24 hours after the repossession.

15. LPFA violated the CCC when it failed to provide deficiency notice within 30 days after the sale of a repossessed motor vehicle.

16. LPFA violated the CCC when it issued Deficiency Notices to consumers that did not contain the required content.

#### **RELIEF**

17. Fine. LPFA agrees to pay a fine of two thousand dollars (\$2,000). The payment is due within thirty (30) days of the Effective Date of the Order as defined in paragraph 25 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.

18. Corrective Action. Upon the Effective Date of this Order, LPFA shall comply with all requirements of the CCC concerning the repossessing of a vehicle including fees, notices and notifications.

## FURTHER PROVISIONS

19. Consent. LPFA 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. LPFA, 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.

20. 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.)

21. 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).

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 Office and LPFA.

23. Binding Nature. The Department, LPFA, and all officers, owners, directors, employees, heirs and assigns of LPFA 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. LPFA hereby stipulates and agrees that the Order shall become effective on the date that the Department docket this Order ("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 LPFA in the future regarding all matters not resolved by this Order.

b. LPFA 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.

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 and by facsimile or electronic mail in portable document format "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 LPFA, 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**

Redacted

John Talalai, Administrator  
Compliance Office  
Department of Banking and Securities

Date: 7/16/2018



**FOR LPFA, LLC**

Redacted

\_\_\_\_\_  
(Officer Signature)

Ronald SLANDIS  
\_\_\_\_\_  
(Print Officer Name)

OWNER  
\_\_\_\_\_  
(Title)

Date: July 11, 2018