

COMMONWEALTH OF PENNSYLVANIA
BANKING AND SECURITIES COMMISSION

FILED

2018 DEC 17 AM 8:57

COMMONWEALTH OF PENNSYLVANIA :
DEPARTMENT OF BANKING AND :
SECURITIES, COMPLIANCE OFFICE :

PA DEPARTMENT OF
BANKING AND SECURITIES

v. :

DOCKET No. 160027 (BNK-ORD)

DEAN M. LAKE, individually :
d/b/a D&M AUTO SALES :

NOTICE OF RIGHT TO APPEAL

You are hereby notified that you have the right to appeal the attached Final Order ("Order") issued by the Commonwealth of Pennsylvania, Banking and Securities Commission.

If you wish to appeal the attached Order, you may file a petition for review with the Prothonotary of the Commonwealth Court of Pennsylvania that complies with the format and timing requirements of the applicable Pennsylvania Rules of Appellate Procedure. Pa. R.A.P. 1511-1561. Failure to file a petition for review within 30 days of the mailing date of this Order will result in the attached Order becoming final and unappealable. You may reach the Commonwealth Court at 717-255-1650.

Please be advised that this Notice of Right to Appeal is not intended to and does not constitute legal advice. You may consult an attorney regarding your legal rights, including your right to appeal the attached Order or your right to file an application for rehearing or reconsideration under the General Rules of Administrative Practice and Procedure. 1 Pa. Code § 35.241.

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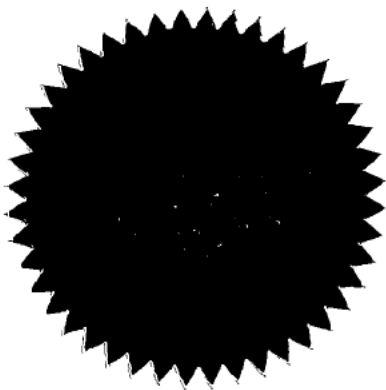
DEAN M. LAKE, individually :
d/b/a D&M AUTO SALES :

FINAL ORDER

AND NOW, this 17th Day of December 2018, the Pennsylvania Banking and Securities Commission ("Commission") issues this final order in the matter of *Department of Banking and Securities, Compliance Office v. Dean M Lake, individually d/b/a D&M Auto Sales*, Docket No. 160027 (BNK-ORD).

The Commission reviewed the proposed report and proposed order of Hearing Officer Marc A. Moyer, which are attached, and which were served upon the parties by letter dated September 28, 2018, pursuant to 1 Pa.Code § 35.207. Neither party having filed exceptions, the Commission adopted the proposed report as written and approved the proposed order as a final order pursuant to the final adjudication authority granted it under Section 1122-A of the Department of Banking and Securities Code, 71 P.S. § 733-1122-A at its meeting on November 7, 2018.

Linnea Freeberg
Docket Clerk
Department of Banking and Securities
Market Square Plaza
17 N. Second Street, Suite 1300
Harrisburg, PA 17101



BY ORDER OF THE COMMISSION:

Redacted

James R. Biery
Chair
Pennsylvania Banking and Securities Commission

So ORDERED

FILED

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BANKING AND SECURITIES COMMISSION

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PA DEPARTMENT OF
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COMMONWEALTH OF PENNSYLVANIA :
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DEAN M. LAKE, individually :
d/b/a D&M AUTO SALES :

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused to be served a copy of the foregoing *Final Order and accompanying report of the hearing officer* upon counsel for the parties in this proceeding, in accordance with the requirements of 1 Pa. Code § 33.32:

BY CERTIFIED AND
FIRST CLASS MAIL:

Farley G. Holt, Esq.
Sharon E. McLaughlin, Esq.
Law Office of Farley G. Holt, LLC
34 North Queen Street
York, PA 17403

BY HAND-DELIVERY AND
ELECTRONIC MAIL:

Gerard Mackarevich, Counsel
David Murren, Counsel
Commonwealth of Pennsylvania
Department of Banking and Securities
17 North Second Street, Suite 1300
Harrisburg, PA 17101
*Counsel for the Department of
Banking and Securities*

Dated this 17 th day of December 2018

Redacted

Linnea Freeberg, Docket Clerk
Pennsylvania Department of Banking and Securities
17 N. 2nd Street, Suite 1300
Harrisburg, PA 17101
Telephone: (717) 787-1471

**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES**

**Commonwealth of Pennsylvania,
Department of Banking and Securities,
Compliance Office**

v.

**Dean M. Lake, Individually,
d/b/a D&M Auto Sales,
Respondents**

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:
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Docket No. 160027 (BNK-ORD)

PROPOSED REPORT

**Marc A. Moyer, Esquire
Hearing Officer**

**Commonwealth of Pennsylvania
Governor's Office of General Counsel
Department of State
P.O. Box 2649
Harrisburg, PA 17105-2649**

PROCEDURAL HISTORY

This matter was initiated by the Commonwealth of Pennsylvania, Department of Banking and Securities, Compliance Office (the "Department") through the issuance of a May 19, 2016 Order (the "May 19, 2016 Order") which found that Dean M. Respondent, individually, d/b/a D&M Auto Sales ("Respondent") entered into two (2) installment sale contracts between October 1, 2014 and October 21, 2014 without having been licensed by the Department. The Order additionally alleged that Respondent charged excess fees to 194 consumers /customers in violation of 12 Pa.C.S.A. §6233(b), failed to accurately represent customer down payments in violation of 12 Pa.C.S.A. §6222(5)(F)(ii), and had altered signatures and amounts in violation of 12 Pa.C.S.A. §6218(a)(13). Pursuant to 12 Pa.C.S.A. §6203(a)(5), 12 Pa.C.S.A. §6218(a)(2) and 12 Pa.C.S.A. §6274, the Department directed Respondent and its owners, officers, directors and/or employees to immediately cease and desist from engaging in motor vehicle installment sales business for a period of no less than five (5) years. The May 19, 2016 Order further directed Respondent to refund 194 consumers / consumers the aggregate amount of (\$113,198.65) in alleged overcharges, and required Respondent to pay a fine of (\$430,000.00).

Respondent filed an "appeal" and requested a hearing by letter dated May 27, 2016. On June 6, 2016, Assistant Counsel for the Department notified Respondent that its letter of appeal did not comply with the Pennsylvania General Rules of Administrative Practice and Procedure ("GRAPP"), and granted Respondent an extension, until June 17, 2016, for which file an appropriate appeal. Respondent filed a Petition for Appeal and request for a hearing on June 17, 2016, with the assistance of legal counsel, Farley G. Holt, Esquire. By letter dated November 15, 2016, the Secretary of Banking and Securities designated the undersigned Hearing Officer to preside over the hearing and issue a proposed report. The Hearing Officer scheduled a hearing in this matter for April 3, 2017, by way of an Order dated January 19, 2018. The Department

requested a continuance of the hearing on March 6, 2017. The Department's request was granted, and the hearing was rescheduled for June 15, 2017 by Orders dated March 8, 2017. The Department requested a second continuance of the hearing on May 26, 2017. The Department's request was granted, and the hearing was rescheduled for September 13, 2017, by Orders dated May 30, 2017.

By Order dated September 18, 2017, following a September 13, 2017 pre-hearing conference, the hearing was rescheduled for November 14, 2017 and November 29, 2017. The hearing occurred, as scheduled, on November 14, 2017 and November 29, 2017 before the undersigned Hearing Officer. Gerard M. Mackarevich, Esquire and David Murren, Esquire represented the Department at the Hearing.

The Department presented testimony from Ryan Walsh, Robert Shaffer, Detective Michael Zinn, Jr., Kerri Nace, Edward Skorupa, .

Redacted

Redacted

Redacted . The Department also moved the following exhibits into the record: Application for Fictitious Name of Dean M. Lake (DoBS Exhibit A), Respondent's January 2014 Installment Seller Application (DoBS Exhibit B), Respondent's October 2014 Installment Seller Application (DoBS Exhibit C), Used Vehicle Order Forms of October 15, 2014 and October 18, 2014 (DoBS Exhibit D), York Dispatch article (DoBS Exhibit E); York Area Regional Police screen shot (DoBS Exhibit F), Fact Sheet and PennDOT Fee Schedule (DoBS Exhibit G), Pennsylvania Bulletin, 2/4/2017 (DoBS Exhibit H), PennDOT Notice of Intent to Terminate (DoBS Exhibit I), October 27, 2015 correspondence re: withdraw of application for Installment Seller License (DoBS Exhibit J), CNA bond claim statement (DoBS Exhibit L), L.A. sale documents (DoBS Exhibit N-1), R.C. sale documents (DoBS Exhibit N-3), R.C. sale documents (DoBS Exhibit N-4), C.C. sale documents (DoBS Exhibit N-5), A.D., Jr. sale documents (DoBS

Exhibit N-6), R.D. sale documents (DoBS Exhibit N-7), E.D. sale documents (DoBS Exhibit N-8), C.D. sale documents (DoBS Exhibit N-9), T.G. sale documents (DoBS Exhibit N-10), A.H. sale documents (DoBS Exhibit N-11), R.J. sale documents (DoBS Exhibit N-12), C.J. sale documents (DoBS Exhibit N-13), J.K. sale documents (DoBS Exhibit N-14), S.K. sale documents (DoBS Exhibit N-15), M.L. sale documents (DoBS Exhibit N-16), D.O. sale documents (DoBS Exhibit N-18), D.P. sale documents (DoBS Exhibit N-19), S.R. sale documents (DoBS Exhibit N-20), A.T. sale documents (DoBS Exhibit N-22), N.T. sale documents (DoBS Exhibit N-23), D.W. sale documents (DoBS Exhibit N-24), V.Z. sale documents (DoBS Exhibit N-25), July 24, 2017 Order (DoBS Exhibit O), PennDOT Vehicle Record Abstracts (DoBS Exhibit P), GoFinancial List of Contracts (DoBS Exhibit Q.1.a), S.R. Retail Installment Contracts and Security Agreements (DoBS Exhibit Q.1.b), Credit Acceptance Finance Company reports (DoBS Exhibit Q-2), Westlake Financial Services Retail Installment Contracts and Security Agreements (DoBS Exhibit Q.3), Redacted contract documents (DoBS Exhibit R), Redacted sales documents (DoBS Exhibit S) and PennDOT Schedule of Fees (DoBS Exhibit T). The Department amended its May 19, 2016 Order at the hearing on November 14, 2017 to add an additional violation of the Motor Vehicle Sales Act based upon Respondent having allegedly conducted a sales transaction during the period his license from the Department had lapsed (N.T. 33).

Respondent was represented by Sharon E. McLaughlin at the hearing. Respondent did not present any witnesses or move for the admission of any documents into the record. By Order dated January 18, 2018, the Department was directed to file its Post-Hearing Brief no later than March 20, 2018. Respondent was directed to file his Post-Hearing Brief no later than April 20, 2018. The Department was directed to file its Reply Brief, if any, no later than May 7, 2018. On

March 9, 2018, the Department filed a Motion to Correct Hearing Transcript. The Department's Motion was granted by Order dated March 14, 2018. The parties filed timely post-hearing briefs.

FINDINGS OF FACT

1. D&M Auto Sales had its principal place of business at 2873 East Prospect Street, York, PA 17402. (DoBS Exhibit B; N.T. 23).
2. Respondent applied to the Department for an installment seller license on or about January 7, 2014, and was issued License No. 44933 on or about January 14, 2014. (DoBS Exhibit B; N.T. 24).
3. On or about October 17, 2013, Respondent registered "D&M Auto Sales" with the Pennsylvania Department of State as a fictitious name for which he identified himself as the owner. (DoBS Exhibit A).
4. Respondent was engaged in the business of selling motor vehicles through installment sales contracts while doing business as D&M Auto Sales. (DoBS Exhibit B; DoBS Exhibit C; DoBS Exhibit D; DoBS Exhibit N-1; DoBS Exhibit N-3; DoBS Exhibit N-6; DoBS Exhibit N-7; DoBS Exhibit N-8; DoBS Exhibit N-9; DoBS Exhibit N-10; DoBS Exhibit N-11; DoBS Exhibit N-12; DoBS Exhibit N-13; DoBS Exhibit N-14; DoBS Exhibit N-15; DoBS Exhibit N-16; DoBS Exhibit N-18; DoBS Exhibit N-19; DoBS Exhibit N-20; DoBS Exhibit N-22; DoBS Exhibit N-23; DoBS Exhibit N-24; DoBS Exhibit N-25; DoBS Exhibit O; DoBS Exhibit P; DoBS Exhibit Q.1.a; DoBS Exhibit Q.1.b; DoBS Exhibit Q-2 DoBS Exhibit Q.3; DoBS Exhibit R; DoBS Exhibit S; N.T. 22-23, 44-70, 77-119, 128-145, 150-173, 175-197, 202-206, 208-241, 257-275, 278-314, 316-385, 388-394, 398-440, 444-454, 458-474, 477-531).
5. Respondent's installment seller license lapsed as of October 1, 2014. (N.T. 26-27).
6. Respondent did not possess an installment seller license from October 1, 2014 through October 20, 2014. (N.T. 27).

7. Respondent answered "No" in his October 16, 2014 Installment Seller Application to the Department when asked whether he had entered into any installment sales contracts since October 1, 2014, or prior to having submitted the renewal application. (DoBS Exhibit C, p. 000026; N.T. 27-28).

8. Respondent answered "Yes" to the question in his October 16, 2014 Installment Seller Application "If you become licensed, will you convey the requirements of the Motor Vehicle Sales Finance Act to any person(s) who engage in installment seller business as your employee?" (DoBS Exhibit C; DoBS Exhibit B; N.T. 24, 228-229).

9. Respondent employed [Redacted], and he identified [Redacted] as a vehicle salesperson in a document filed with the Department of State, Bureau of Professional and Occupational Affairs, State Board of Vehicle Manufacturers, Dealers and Salespersons. (DoBS Exhibit A).

10. The phrase "buy here, pay here" customarily refers to the practice where a vehicle dealer originates a vehicle sale and finances the purchase instead of assigning a financing contract to a sales finance company or to a third party. (N.T. 21).

11. Consumers who purchased vehicles from Respondent made periodic payments to Respondent directly, or to sales finance companies. (N.T. 73).

12. For "buy here/pay here" sales, Respondent provided consumers with amortization schedules which identified the schedule of payments consumers were to make directly to Respondent. (DoBS Exhibit 5; N.T. 497).

13. For purchases funded by sales finance companies, Respondent and/or his employees coordinated consumer financing by drafting installment sale contracts for the consumers before assigning the contracts to finance companies. (N.T. 73, 76-77).

14. Automobile dealers may offer consumers "GAP" insurance which covers the difference in value between a vehicle and the amount a consumer owes on a financed vehicle. (N.T. 77).

15. Respondent sold a vehicle to Redacted on or about October 15, 2014, under a "buy here, pay here" loan arrangement, during the period his Installment Seller License had lapsed. (DoBS Exhibit C, DoBS Exhibit D; N.T. 29-30).

16. Respondent sold a vehicle to Redacted on or about October 18, 2014, under "buy here, pay here" loan arrangements, during the period his Installment Seller License had lapsed. (DoBS Exhibit C, DoBS Exhibit D; N.T. 29-30).

17. Respondent's Installment Seller License with the Department was approved on October 20, 2014. (N.T. 40).

18. Respondent withdrew his Installment Seller License renewal application on or about October 27, 2015. (DoBS Exhibit J; N.T. 34-35).

19. Respondent entered into an Agent Services Agreement with the Pennsylvania Department of Transportation, effective January 9, 2014 (Contract No. 733536), through which Respondent was authorized to collect lien fees, title fees, vehicle registration fees, transfer fees and sales and use tax. (DoBS Exhibit I).

20. A motor vehicle transaction in York County, Pennsylvania is subject to sales tax in the amount of six percent (6%) of the vehicle purchase price. (DoBS Exhibit G).

21. The value of a vehicle which was traded-in pursuant to a vehicle sale was required to be deducted from the purchase price of the vehicle which, in turn, reduced the taxable amount of the purchased vehicle. (DoBS Exhibit G; N.T. 93-95).

22. Respondent was required under the Agent Services Agreement to forward the amounts due to PennDOT in conjunction with appropriate applications for a vehicle purchaser's new vehicle registration and/or certificate of title. (DoBS Exhibit I; N.T. 46, 52-53, 57-61).

23. Vehicle registration applications submitted to PennDOT by vehicle dealers comprised of Form MV-4ST ("Vehicle Sales and Use Tax Return/Application for Registration") or, Form MV-1 ("Application for Certificate of Title") for vehicles originally titled out-of-state. (DoBS Exhibit G; N.T. 48-49).

24. PennDOT published schedules of maximum fees to be imposed by dealers in vehicle sales transactions. The fees were required to be paid and reported to PennDOT on either Form MV-4ST or on Form MV-1. (DoBS Exhibit G; DoBS Exhibit T; N.T. 53-54).

25. Fees incurred for obtaining vehicle titles or related to obtaining a lien on a purchased vehicle did not vary. However, registration fees were determined by the weight class of the vehicle being registered. (N.T. 53-57).

26. Vehicle sales persons act on behalf of consumers/customers when they manually submit Form MV-4ST or Form MV-1 to PennDOT, and they are to provide consumers/customers with a copy of the documents. (N.T. 58-59).

27. A vehicle registration card can be printed and immediately provided to consumers/customers when applications are electronically submitted to PennDOT. (N.T. 59-62).

28. Respondent engaged in the practice of reporting the value of traded-in vehicles when he remitted sales tax on the vehicles. However, Respondent occasionally did not reduce the sales price of vehicles on sales documents he forwarded to sales finance companies. Instead, Respondent calculated the value of traded-in vehicles as down payments. Respondent was, therefore, reimbursed by the finance companies for the full price of the sale vehicle, minus the trade-in value, while only remitting a portion of the sales tax required to be paid. (N.T. 94-95).

29. Respondent was required to maintain a bond payable to the Commonwealth of Pennsylvania for \$30,000.00 to guarantee payment to the Commonwealth in the event he failed

to submit required fees or documentation of vehicle sales to PennDOT. (DoBS Exhibit I; N.T. 62-63).

30. PennDOT made a claim on a bond maintained by Respondent in the amount of \$29,962.52 for insufficient remittance of applicable taxes and fees pursuant to Respondent's Agent Services Agreement. (DoBS Exhibit L; N.T. 62-64).

31. Pursuant to a July 24, 2017 Order issued by the Pennsylvania Commonwealth Court, PennDOT produced to the Department unredacted sales tax returns which contained sales prices, sales tax and fees associated with sixteen (16) vehicle sales transactions conducted by Respondent. (DoBS Exhibit O; DoBS Exhibit P; N.T. 64-69).

32. Michael Zinn, Jr. ("Detective Zinn") was previously employed at a car dealership when he was 19 years-old, and he has been a police officer with the York Area Regional Police ("YARP") for approximately fourteen (14) years. He is currently a detective with YARP. (N.T. 71).

33. In 2015, Detective Zinn became the principal investigator into six (6) consumer / customer complaints YARP had received about Respondent. (N.T. 77-78).

34. Complainant consumers/customers provided Detective Zinn with documents related to vehicles they had purchased from Respondent. (N.T. 78).

35. The Department began an investigation of Respondent based upon information Detective Zinn provided to DoBS Special Investigator II, Keri Nace, during the pendency of Detective Zinn's investigation into Respondent. Senior Financial Institutions Examiner, Edward Skorupa ("SFIE Skorupa"), later joined Ms. Nace in the Department's investigation of Respondent. (N.T. 35, 86, 129-131).

36. Detective Zinn served a search warrant on Respondent at 2873 East Prospect Street, York, Pennsylvania 17402 on September 3, 2015, during which the YARP seized all documentation on the premises. (N.T. 89-91).

37. Copies of the documents seized by Detective Zinn on September 3, 2015 were provided to the Department and Respondent's legal counsel on compact discs. (N.T. 98-99, 151).

38. In response to search warrants served upon them by YARP, three sales finance companies, GoFinancial, Credit Acceptance and Westlake Financial Services (collectively, the "Finance Companies"), produced documents to YARP through which Respondent's consumers / customers financed vehicle purchases. (DoBS Exhibit N; N.T. 84-85, 390).

39. The Finance Companies also provided the Department with the documents that they had produced to the YARP pursuant to its search warrant. (DoBS Exhibit Q1a; DoBS Exhibit Q1b; DoBS Exhibit Q2; DoBS Exhibit Q3).

40. The documents produced by the Finance Companies included retail installment contracts through which Respondent's consumers/customers agreed to pay the Finance Companies periodic payments. (DoBS Exhibit Q1a; DoBS Exhibit Q1b; DoBS Exhibit Q2; DoBS Exhibit Q3).

41. The documents produced by the Finance Companies included Forms MV-4ST and MV-1 Respondent had completed and submitted to PennDOT. The documents set forth dates of the transactions, vehicle purchase prices, sales taxes, and various fees paid by Respondent's consumers / customers. (DoBS Exhibit Q1a; DoBS Exhibit Q1b; DoBS Exhibit Q2; DoBS Exhibit Q3).

42. DoBS Exhibit N consists of documents from 25 vehicle sales transactions seized by YARP during its execution of the September 3, 2015 search warrant, in addition to documents

provided to YARP by Respondent's consumers / customers and vehicle finance companies. (DoBS Exhibit N; N.T. 100-101, 390, 496).

43. Detective Zinn interviewed Respondent and Respondent's employees as part of his investigation. (N.T. 109).

44. Respondent stated to Detective Zinn that he had been "trying to find ways to...make more money off deals...[a]nd the easiest way was to add...fees into the...sales." (N.T. 109).

45. Respondent stated to Detective Zinn that he was aware he was "double charging customers...changing the numbers to the finance company, to make more money that way as well." (N.T. 109).

46. Detective Zinn informed PennDOT of the information he had acquired as part of his investigation of Respondent. (N.T. 92-95).

47. PennDOT terminated Respondent's Agent Services Agreement on or about November 27, 2015 based upon a review of PennDOT records, information Respondent provided during a meeting with PennDOT and information provided to PennDOT by the York Area Regional Police Department and Respondent's customers which indicated that D & M Auto Sales had fraudulently processed or submitted customer applications which contained sales prices, sales taxes due, and titling fees which did not match information Respondent submitted to PennDOT for ten (10) individuals. (DoBS Exhibit I; N.T. 47-48, 92-95).

48. D&M Auto Sales ceased operations in or about 2015. (N.T. 97).

Redacted

49. Redacted purchased a 2007 Jeep Grand Cherokee from D & M Auto Sales on or about April 4, 2015. (DoBS-N1, p. 000093; N.T. 445).

50. Respondent financed the transaction through GoFinancial. (DoBS-N1, pp. 107-112).

51. Redacted wrote two checks on May 4, 2015 to pay for amounts related to sales tax, document preparation fee, title fee, lien fee, other fee, and registration fee which equated to \$995.70. Redacted wrote one check payable to "D&M Auto Sales" for \$227.00 and another check payable to "PennDOT" for \$768.70. (DoBS-N1, 000095; N.T. 446-448, 451-52).

52. The Retail Installment Contract and Security Agreement shows that GoFinancial financed a transaction for Redacted that included payments for government taxes and amounts paid to public officials in the amount of \$995.70, when Redacted had already paid the sales tax, document preparation fee, title fee, lien fee, other fee, and registration fee to Respondent and PennDOT by her checks dated May 4, 2015. (DoBS-N1, p000100-000105, 000107-000112; N.T. 452, 454).

53. Respondent accepted payments for sales tax, document preparation fee, title fee, lien fee, other fee, and registration fee from Redacted and assigned a Retail Installment Contract and Security Agreement to GoFinancial which provided for financing of the same amounts that Redacted had already paid. (N.T. 447-454).

Redacted

54. Redacted purchased a 2003 Jeep Wrangler from D & M Auto Sales on or about February 19, 2015. (DoBS-N3, pp. 000135-000137; N.T. 459).

55. Respondent arranged for Redacted to finance the purchase of the vehicle through GoFinancial. (DoBS-N3, pp. 000144, 000151-000156).

56. Pursuant to the Bill of Sale for the transaction, Respondent charged Redacted \$100.00 for document preparation fee, \$894.00 for sales tax, \$50.00 for title fee, \$23.00 for lien fee, and \$126.00 for another fee related to his purchase. (DoBS-N3, p. 000137; N.T. 466-467).

57. The preparation fee, sales tax, title fee, lien fee, and another fee charged to Redacted was in the aggregate amount of \$1,193.00. (DoBS-N3, p. 000137; N.T. 467).

58. Redacted, on behalf of Respondent, had Redacted execute a promissory note in the amount of \$1,193.00 in connection with Redacted purchase of the vehicle. (DoBS-N3, p. 000138; N.T. 461-462).

59. Respondent offered Redacted a credit of \$225.00 towards the total amount due under the promissory note after Redacted discovered a missing rear seat and mechanical defects with the vehicle. (DoBS-N3, pp. 000138-000139; N.T. 461-463).

60. Redacted paid Respondent the remainder of the amount due for sales tax and tags pursuant to the promissory note after being informed by D & M Auto Sales that he had to pay the taxes as a condition for receiving his Bill of Sale. (DoBS-N3, 000138; N.T. 460, 462-463).

61. The amounts Redacted paid for tax and tags related to the promissory note were also included in the Retail Installment Contract and Security Agreement assigned to GoFinancial related to the transaction. (DoBS-N3, pp. 000145, 000152; N.T. 467-69).

62. Respondent accepted payments for sales tax and tags from Redacted and then assigned a Retail Installment Contract and Security Agreement to GoFinancial which provided for financing the same amounts Redacted had already paid to Respondent. (N.T. 465-468).

63. Redacted traded in two vehicles as part of his transaction with Respondent. Respondent informed Redacted that the combined trade-in allowance for these vehicles would be \$4,100.00. (N.T. 463-464).

64. Information electronically submitted to PennDOT related to Redacted purchase did not list a trade-in allowance for the transaction. (DoBS-P, 000709; N.T. 472-473).

65. The Retail Installment Contract and Security Agreement assigned to GoFinancial itemized a cash down payment of \$4,100.00, but did not include an itemization for a trade-in allowance. (DoBS-N3, pp. 000145, 000152; N.T. 471-473).

66. Respondent did not provide Redacted with a copy of the Retail Installment Contract and Security Agreement assigned to GoFinancial. (N.T. 459-460).

67. Because Respondent did not disclose Redacted trade-in on the PennDOT submission, and had failed to itemize the trade-in value in the Retail Installment Contract, Redacted paid a higher amount of sales tax than required. (DoBS Exhibit N-3, pp. 137, 140, 144-149; N.T. 93-95).

Redacted

68. Redacted purchased a 2006 Jeep Grand Cherokee from D & M Auto Sales on or about January 31, 2015. (DoBS-N4, pp. 000161-000164; N.T. 372).

69. Respondent assigned Redacted Retail Installment Contract and Security Agreement to GoFinancial. (DoBS-Q1a, p. 000795; N.T. 372).

70. The file for Redacted transaction contains two Retail Installment Contracts. One contract shows the amount financed as \$8,805.70, and the other shows the financed amount as \$6,810.70. (DoBS-N4, pp. 000174, 000180).

71. The amount financed by GoFinancial for the transactions was \$8,805.70. (DoBS-Q1, p. 000795; N.T. 391).

72. Detective Zinn obtained the Retail Installment Contract actually used to finance the transaction directly from GoFinancial. (DoBS-N4, p. 000211; N.T. 390-391).

73. Redacted had signed the Retail Installment Contract which identified the amount financed as \$6,810.70. (DoBS-N4, p. 000184; N.T. 382).

74. The Retail Installment Contract used to finance the transaction in the amount of \$8,805.70 contained signatures that were not Redacted signatures. (DoBS-N4, pp. 000176, 000178; N.T. 381-382).

75. Respondent or his agent forged Redacted signatures on the Retail Installment Contract which had a higher amount financed. (DoBS-N4, pp. 000176, 000178; N.T. 381-382).

76. The version of the Retail Installment Contract | Redacted signed called for 32 monthly payments of \$264.28. The Retail Installment Contract used to finance the transaction, called for 45 payments of \$264.28. (DoBS-N4, pp. 000174, 000180).
77. The Retail Installment Contract used to finance the transaction cost | Redacted \$11,902.21 over the life of the loan, instead of \$8,495.25 she would have paid had the amount of \$6,810.70 been financed for the transaction. (DoBS-N4, pp. 000174, 000180).
78. Respondent did not provide | Redacted with a copy of any Retail Installment Contracts. (N.T. 380-381, 383).
79. Respondent did not accurately inform Redacted of the total cost of her vehicle as a result of having not shown her the Retail Installment Contract used to finance the transaction. (DoBS-N4, pp. 000176, 000178; N.T. 380-383).
80. Both versions of the Retail Installment Contracts in the | Redacted file with Respondent contained itemized charges for sales tax and the amounts paid to public officials under the heading "tags." (DoBS-N4, pp. 000175, 000181).
81. The Retail Installment Contracts did not account for cash payments | Redacted had made towards taxes and tags. (N.T. 375-379).
82. A January 31, 2015 Bill of Sale Respondent provided to | Redacted indicated that Redacted was charged sales tax in the amount of \$479.70, and tag fees in the amount of \$236.00, for a total of \$715.70. (DoBS-N4, p. 000162)
83. January 31, 2015) Redacted \$400.00 for taxes and tags. (DoBS-N4, p. 000162).
84. Redacted paid the outstanding balance of \$315.70 due for taxes and tags within 30 days of having purchased the vehicle. (DoBS-N4, pp. 165-167, 169; N.T. 379).

85. GoFinancial's financing of [Redacted] vehicle purchase included sales tax in the amount of \$592.62, and financing for tags in the amount of \$236.00, for which [Redacted] had already made partial payments to Respondent. (DoBS-N4, p. 000175; N.T. 375, 383).

86. Respondent deceived [Redacted] by assigning a contract to GoFinancial that did not credit her for cash payments she had already made for tax and tags. (DoBS-N4, p. 000175; N.T. 383).

[Redacted]

87. [Redacted] purchased a 2005 GMC Sierra from D & M Auto Sales on or about February 3, 2015. (N.T. 398-399; DoBS-N10, p. 000320).

88. Documents pertaining to [Redacted] purchase of the 2005 GMC Sierra contained her former name, [Redacted]. (DoBS-N10, pp. 000320-000340; N.T. 398).

89. [Redacted] assigned the Retail Installment Contract and Security Agreement for [Redacted] to Westlake Financial Services on behalf of Respondent. (DoBS-N10, p. 000341; N.T. 405).

90. Respondent provided [Redacted] with a copy of the Bill of Sale for the vehicle purchase. However, she did not provide [Redacted] with a copy of the Retail Installment Contract and Security Agreement assigned to Westlake. (N.T. 409)

91. [Redacted] withdrew \$3,000.00 from her credit union on January 30, 2015, and provided it to Respondent to reserve the vehicle. (DoBS-N10, p. 000326; N.T. 400-401).

92. [Redacted] provided Respondent a check in the amount of \$4,613.59 on February 3, 2015 as payment for the registration fees and sales tax on the vehicle ("taxes and tags"), and the remainder of the down payment. (DoBS-N10, p. 000324; N.T. 402-403).

93. [Redacted] filed a complaint with the YARP about her vehicle purchase. (N.T. 78, 86, 399).

94. Redacted provided Detective Zinn with documents pertaining to the purchase of her vehicle. (DoBS-N10; N.T. 399).

95. Westlake provided Redacted with a copy of the Retail Installment Contract and Security Agreement related to her vehicle purchase from Respondent. (DoBS-N10, pp. 000335-341; DoBS-Q3, pp. 000830-836; N.T. 406).

96. Redacted traded in a 2005 Toyota Scion TC as part of the vehicle purchase transaction, and she believed she would receive a \$3,000.00 credit for the trade-in. (N.T. 399).

97. The \$3,000.00 trade-in credit was reflected on the Bill of Sale provided to Redacted, (DoBS-N10, p. 000320; N.T. 400).

98. The Bill of Sale provided to Redacted showed that she owed sales tax in the amount of \$976.59 based on a purchase price of \$19,276.53, from which the trade-in value of \$3,000.00 had been subtracted. (DoBS-N10, p. 000320; N.T. 404-405).

99. The Assignment of Ownership Form Respondent submitted to PennDOT for Redacted Redacted transaction reflected the payment of sales tax in the amount of \$976.59, six percent (6%) of \$16,276.53, i.e., the purchase price of \$19,276.53, minus a trade-in value of \$3,000.00 (DoBS-N10, p. 000328; DoBS-P, pp. 000730, 000732; N.T. 404-405, 411-12).

100. The \$3,000.00 trade-in credit on Redacted transaction was not reflected on the Retail Installment Contract and Security Agreement provided to Redacted by Westlake. (DoBS-N10, p. 000336; N.T. 407-408).

101. Because the \$3,000.00 trade-in credit was not reflected on the Redacted Retail Installment Contract and Security Agreement, the amount of sales tax financed with Westlake was \$1,156.59 based on a purchase price of \$19,276.53, instead of being \$976.59 based upon a purchase price of \$16,276.53. (DoBS-N10, p. 000336; DoBS-Q3, p. 000831; N.T. 412-413).

102. Westlake's financing of Redacted vehicle purchase included payments she made to public officials ("taxes and tags") in the amount of \$294.00, which she had already paid to Respondent. (DoBS-Q3, p. 000831; N.T. 413).

103. The signatures of Redacted on the Westlake Financial Services Retail Installment Contract and Security Agreement are not her signatures. (N.T. 406-07; DoBS-N10, p. 000340)

104. Redacted paid \$399.00 for GAP insurance on the purchase of her vehicle. (DoBS-N10, p. 000336; DoBS-Q3, p. 000831)

105. The GAP insurance was unnecessary transaction because Redacted had already significantly paid down the indebtedness on the vehicle by having made a down payment in the amount of \$10,000. (N.T. 415; DoBS-N10, pp. 000335-336).

Redacted

106. Redacted purchased a 2004 Chrysler PT Cruiser from D & M Auto Sales on or about March 23, 2015 (the "Redacted transaction"). (DoBS-N5, p. 000231).

107. The Redacted vehicle purchase was a "buy here/pay here" transaction financed by Respondent. (N.T. 497-498).

108. The documents that YARP obtained on the Redacted transaction contained two Bills of Sale dated March 21, 2015 and March 23, 2015. The Bills of Sale reflect different monetary amounts for the vehicle price, sales tax, and deposits. (DoBS-N5, pp. 000218-219; N.T. 100-101, 496).

109. The vehicle price, sales tax, and deposit amounts reflected on the March 23, 2015 Bill of Sale match the amounts reflected on the only Retail Installment Contract and Security Agreement contained within the Redacted file, i.e.; a purchase price of \$4,232.08; sales tax of \$253.92, and cash deposit of \$1,000.00. (DoBS-N5, pp. 000219, 000232).

110. The purchase price and sales tax reflected on the March 23, 2015 Bill of Sale do not match the purchase price and sales tax provided on the Summary Statement Respondent had electronically submitted to PennDOT, which reflected \$3,995.00 as the purchase price, and \$239.70 for sales tax. (DoBS-N5, pp. 000219; DoBS-P, pp. 000713; N.T. 504).

111. The documents obtained by YARP for the Redacted transaction were contained within a "file jacket," the cover of which contained handwritten notes. (N.T. 501; DoBS-N5, p. 000217).

112. The handwritten notes on the file jacket indicate that the purchase price for the vehicle was \$3,995.00, and that Redacted made a \$1,000.00 down payment on the vehicle which brought her balance to \$2,995.00. The file jacket also indicated that an \$800.00 finance charge was added which brought the total owed by Redacted to \$3,795.00. (DoBS-N5, p. 000217; N.T. 501-02).

113. No finance charges are disclosed on the transaction documents YARP obtained for the Redacted transaction, other than those set forth on the file jacket. (DoBS-N5, pp. 000217-238; N.T. 503, 505).

114. Respondent understated the actual purchase price of the Redacted vehicle in his submission to PennDOT and, therefore, understated the sales tax owed on the Redacted transaction. (DoBS-P, pp. 000713; DoBS-N5, pp. 000219).

115. The documents that YARP obtained for the Redacted transaction contained a receipt dated April 20, 2015, in the amount of \$568.75 for "tax and tags." (DoBS-N5, p. 000224; N.T. 498).

116. Redacted Retail Installment Contract and Security Agreement included financing for sales tax in the amount of \$253.92, and \$209.00 for "amounts paid to public officials (incl. filing fees)" despite Redacted having already paid Respondent \$568.75 for those same items. (DoBS-N5, p. 000232; N.T. 504).

Redacted —

117. Redacted purchased a 1999 Jeep Wrangler from D & M Auto Sales on or about August 21, 2015 (the "Redacted transaction"). (DoBS-N6, p. 000239).
118. Respondent prepared an Retail Installment Contract for Redacted purchase of the vehicle, and assigned it to Credit Acceptance for servicing of the loan. (DoBS-N6, pp. 000244-248; DoBS-Q2, pp. 000810-814).
119. The Bill of Sale for Redacted transaction listed the vehicle price as \$5,995.00. (DoBS-N6, p. 000239; N.T. 217).
120. Form MV-1 submitted to PennDOT identified the vehicle price for the Redacted transaction as \$5,995.00. (DoBS-P, p. 000718; N.T. 217).
121. The Redacted Retail Installment Contract provided by Credit Acceptance listed the vehicle price as \$9,350.00. (N.T. 218; DoBS-Q2, p. 000811).
122. Because Respondent inflated the vehicle price in the Retail Installment Contract assigned to Credit Acceptance, Redacted monthly payments were higher than what they would have been over the same period of financing had the purchase price been as reflected on the Bill of Sale, or on the PennDOT form.
123. The Bill of Sale for Redacted transaction identifies sales tax in the amount of \$359.70. (DoBS-N6, p. 000239; N.T. 218).
124. The Form MV-1 submitted to PennDOT identifies sales tax in the amount of \$359.70 for the Redacted transaction. (DoBS-P, p. 000718; N.T. 218).
125. The Redacted Retail Installment Contract provided by Credit Acceptance financed sales tax in the amount of \$561.00. (N.T. 218; DoBS-Q2, p. 000811)

126. Because Respondent inflated the sales tax in the Retail Installment Contract assigned to Credit Acceptance, Redacted monthly payments were higher than what they would have been over the same period of financing had the sales tax been in the amount reflected on the Bill of Sale.

Redacted
127. Redacted purchased a 2005 Chevrolet Tahoe from D & M Auto Sales on or about January 15, 2015 or January 22, 2015 (the "Redacted transaction"). (DoBS-N7, pp. 000252-253).

128. Respondent assigned Redacted Retail Installment Contract and Security Agreement to GoFinancial. (DoBS Exhibit N-7, pp. 265-270; DoBS-Q1, p. 000795).

129. The Redacted transaction financed by GoFinancial involved financing in the amount of \$10,490.00. (N.T. 528; DoBS-Q1, p. 000795).

130. The Redacted transaction file seized by YARP contained three Retail Installment Contracts and Security Agreements. (DoBS-N7, pp. 000265, 000271, 000278; N.T. 528).

131. Two Retail Installment Contracts and Security Agreements dated January 22, 2015 reflect the amount financed in the Redacted transaction as \$10,490.00. (DoBS-N7, pp. 272, 279).

132. A Retail Installment Contract and Security Agreement dated January 15, 2015 reflects the amount financed in the Redacted transaction as \$10,693.00. (DoBS-N7, pp. 272, 279).

133. The three Retail Installment Contracts and Security Agreements in the Redacted file contained itemized charges for sales tax and amounts paid to public officials. (DoBS-N7, p. 000265-000266, 000271-000272, 000278-000279).

134. The reference to "Paid to Public Officials" in the Retail Installment Contracts and Security Agreements reflect payments for registration and title, *i.e.*, "tags". (N.T. 160).

135. Redacted signed a promissory note on January 15, 2015, through which he agreed to pay \$993.00 within 30 days for tax and tags related to the Redacted transaction. (DoBS-N7, p. 000254; N.T. 529-30).

136. On February 15, 2015, Redacted paid Respondent a check in the amount of \$993.00 for taxes and tags. (DoBS-N7, p. 000255; N.T. 530).

137. Redacted Retail Installment Contracts and Security Agreements indicated that his financing of his vehicle purchase included payments for the taxes and tags he had already paid. (DoBS-N7, pp. 000266, 000279).

138. Redacted purchased a 2008 Toyota Scion TC from D & M Auto Sales on or about February 16, 2015 (the "Redacted transaction"). (DoBS-N8, p. 000285).

139. The sales tax listed on the Bill of Sale and the Retail Installment Contract and Security Agreement for the Redacted transaction was \$785.70. (DoBS-N8, pp. 000285, 000293; N.T. 155, 157-158).

140. The sales tax identified on Form MV-1 electronically submitted to PennDOT was for the amount of \$654.00. (DoBS-N8, p. 000290; DoBS-P, p. 000721; N.T. 156, 158-159).

141. Redacted was charged and financed excessive sales tax related to his vehicle purchase. (DoBS-N8, pp. 000285, 000293; N.T. 155, 157-158, 161).

Redacted
142. Redacted purchased a 2006 Jeep Commander from D & M Auto Sales on or about August 11, 2015 (the "Redacted transaction"). (DoBS-N9, p. 000310; N.T. 316-317).

143. Respondent assigned the Retail Installment Contract in the Redacted transaction. (DoBS-Q2, pp. 000815-819; N.T. 320-21).

144. Redacted electronic signature appears on the Retail Installment Contract for the Redacted transaction. (DoBS-Q2, pp. 000815-819; N.T. 339).
145. The Redacted did not authorize or affix their electronic signatures to the Retail Installment Contract. (DoBS-N9, pp. 000315-319; DoBS-Q2, pp. 000815-819; N.T. 321-322).
146. The Retail Installment Contract submitted to Credit Acceptance included GAP insurance and a service contract. (DoBS-Q2, p. 000815).
147. The Redacted did not intend to purchase GAP insurance or a service contract as part of the transaction. (N.T. 323-324).
148. Respondent deceived the Redacted, and inflated the total cost of their purchase by including charges for GAP coverage and a service contract in the Retail Installment Contract without their knowledge. (DoBS-N9, pp. 000315-319; DoBS-Q2, pp. 000815-819; N.T. 321-324).
149. Respondent did not provide the Redacted with a copy of the Retail Installment Contract. (N.T. 318, 320, 322).
150. The Redacted believed that the agreed-upon purchase price for the vehicle was \$9,995.00. (N.T. 322).
151. The vehicle price for the Redacted purchase was listed as \$9,995.00 on the Form MV-4ST the Redacted signed and received. (DoBS-N9, p. 000314; N.T. 320).
152. The vehicle price Respondent electronically submitted to PennDOT was \$10,975.00. (DoBS-P, p. 000725; N.T. 335-37).
153. The vehicle price identified in the Retail Installment Contract for the Redacted transaction was \$10,975.00. (DoBS-N9, p. 000316; DoBS-Q2, p. 000816; N.T. 322).

154. Respondent deceived the Redacted regarding the total cost of their vehicle purchase by having inflated the vehicle price when they financed their purchase through the Retail Installment Contract. (DoBS-N9, pp. 000315-319; DoBS-Q2, pp. 000815-819; N.T. 321-324).

155. Respondent failed to disclose the 20.52% interest rate on the loan to the Redacted by having failed to provide the Redacted with a copy of the Retail Installment Contract. (DoBS-N9, p. 000315; N.T. 324).

156. The Redacted were not aware that they were obligated to pay 20.52% interest on the financing of their vehicle. (N.T. 324).

157. The sales tax for the Redacted purchase is listed as \$467.70 on Form MV-4ST the Redacted received. (DoBS-N9, p. 000314; DoBS-P, p. 000726; N.T. 331).

158. Respondent electronically reported to PennDOT that the sales tax for the Redacted transaction was \$658.50. (DoBS-P, p. 000725; N.T. 337).

159. The sales tax reflected on the Redacted Retail Installment Contract was \$774.30. (DoBS-Q2, p. 000816; N.T. 331, 337).

160. The Redacted traded in a Toyota Sienna as a part of their transaction with Respondent. (DoBS-N9, p. 000310; N.T. 317).

161. The Form MV-4ST Respondent provided to the Redacted listed a trade in allowance of \$2,200.00 for the Toyota Sienna. (DoBS-N9, p. 000314; N.T. 325).

162. Neither the Retail Installment Contract, nor the electronic sales tax filing to PennDOT itemized a trade in allowance, and resulted in the Redacted paying and financing higher sales tax than what had been represented to them. (DoBS-Q2, p. 000816; DoBS-N9, p. 000314; DoBS-P, p. 000725; N.T. 320).

163. The Redacted financed and paid higher sales tax than they should have because of Respondent's failure to properly itemize the trade-in allowance on the Retail Installment Contract. (DoBS-Q2, p. 000816; DoBS-N9, p. 000314; DoBS-P, p. 000725; N.T. 320).

164. The Retail Installment Contract submitted to Credit Acceptance contained a \$50.00 fee for license and registration of the vehicle. (DoBS-Q2, p. 000816; N.T. 338).

165. Respondent overcharged the Redacted \$14.00 for a registration fee. (N.T. 338).

—Redacted —

166. Redacted purchased a 2006 Mercedes-Benz C Generation 20 from D & M Auto Sales on or about February 13, 2015 (the "Redacted transaction"). (DoBS-N11, p. 000342)

167. Respondent arranged financing for Redacted through Westlake Financial Services. (DoBS-N11, p. 000359-000365; DoBS-Q3, p. 000837; N.T. 177).

168. Redacted signed some of the Redacted documents on behalf of Respondent. (DoBS-N11, p. 000345; N.T. 189).

169. Redacted, agent for Respondent, transferred the Retail Installment Contract and Security Agreement to Westlake on February 13, 2015, in the Harrison transaction. (N.T. DoBS-Q3, page 000843).

170. Redacted signed a promissory note on February 13, 2015 in the amount of \$1,023.70 for payment due for tax and tags related to the Redacted transaction. (N.T. 180; DoBS-N11, p. 000347).

171. Redacted executed two money orders from Woodforest National Bank payable to D&M Auto Sales in the amounts of \$400.00 on March 6, 2015 and \$423.70 on March 14, 2015. (N.T. 181; DoBS-N11, pp. 000349-350)

172. Redacted, on behalf of Respondent, signed a receipt on March 14, 2015 for payment towards tax and tags in the amount of \$823.70. (N.T. 180; DoBS-N11, p. 000348).

173. Respondent included amounts for sales tax, a registration fee, a lien fee, and a title fee in the Redacted Retail Installment Contract and Security Agreement. (DoBS-N11, p. 000360; DoBS-Q3, p. 000838; N.T. 182-183).

174. Respondent prepared and assigned a Retail Installment Contract and Security Agreement to Westlake Financial Services for an amount which did not credit her for the cash payments she had made to Respondent for tax and tags. (N.T. 183-184).

175. The Bill of Sale for the Redacted transaction identified the purchase price for the vehicle as \$7,995.00, and reflected sales tax in the amount of \$479.79. (DoBS-N11, p. 000342; N.T. 178-179).

176. The vehicle purchase price electronically submitted to PennDOT on the Applicant Summary Statement was \$7,995.00, which reflected a trade-in allowance for a 2002 Ford in the amount of \$1,000.00, and a taxable sales price of \$6,995.00. The sales tax on the Applicant Summary Statement was identified as \$419.70. (DoBS-P, p. 000736; N.T. 175-176).

177. The vehicle price identified in the Retail Installment Contract and Security Agreement was \$8,995.00, and did not reflect a trade-in allowance. The sales tax reflected in the Retail Installment Contract and Security Agreement was \$539.70. (DoBS-N11, p. 000360; DoBS-Q3, p. 000838, N.T. 177, 185).

178. The Bill of Sale for the Redacted transaction did not reflect a trade-in allowance, but listed a deposit in the amount of \$1,000.00. (DoBS-N11, p. 000342; N.T. 185).

179. Because Respondent inflated the sales tax in the Retail Installment Contract assigned to Westlake Financial Services by not having assigned a trade-in value to the transaction,

Redacted monthly payments were higher than what they would have been over the same period of financing had the sales tax in the Retail Installment Contract reflected the trade-in. (DoBS-N11, p. 000360; N.T. 67, 178-179).

Redacted

180. Redacted purchased a 2004 Chevrolet Silverado from D & M Auto Sales on or about January 15, 2015 (the "Redacted transaction"). (DoBS-N12, p. 000367; N.T. 477-78).

181. The financing of Redacted purchase was through GoFinancial. (DoBS-N12, pp. 000385-390; N.T. 491).

182. Pursuant to the Bill of Sale, Redacted was charged \$100.00 as a document preparation fee, \$599.70 in sales tax, \$50.00 as a title fee, \$23.00 as a lien fee, \$64.00 as an "other" fee, and \$145.00 as a registration fee in the Redacted transaction. (DoBS-N12, p. 000367; N.T. 490-91).

183. The aggregate amount charged to Redacted for the document preparation fee, sales tax, title fee, lien fee, other fee, and registration fee was \$981.70. (DoBS-N12, p. 000367; N.T. 490-491).

184. Redacted executed a promissory note for taxes and tags in the amount of \$958.70, related to the Redacted transaction. (DoBS-N12, p. 000368; N.T. 482-484).

185. Respondent later informed Redacted that the amount due for tax and tags had increased from \$958.70 to \$981.70, and Respondent provided Redacted with a business card that listed the higher amount due for taxes and tags. (DoBS-N12, p. 000369; N.T. 483-84).

186. Redacted wrote a check, payable to "D&M Auto Sales", on February 15, 2015 in the amount of \$981.70 for the revised cost of tax and tags related to her purchase. (DoBS-N12, p. 000370; N.T. 484-485).

187. After Redacted provided Respondent the check on February 15, 2015, Respondent informed Redacted that additional payments were required for taxes and tags. (N.T. 483-485, 488).

188. Redacted made at least two additional cash payments towards taxes and tags on March 26, 2015 in the amount of \$300.00, and on March 30, 2015 in the amount of \$160.00. (DoBS-N12, p. 000371; N.T. 485).

189. Redacted eventually challenged Respondent's assertions that she still owed money towards tax and tags. The excess payments that Redacted had made to Respondent were never refunded. (N.T. 485-486).

190. The amount for tax and tags paid by Redacted as reflected in the promissory note were also included in the Retail Installment Contract and Security Agreement assigned to GoFinancial. The aggregate amount of \$981.70 was itemized as \$599.70 for government taxes, \$100.00 as a document preparation fee, and \$282.00 paid to public officials. (N.T. 491-92; DoBS-N12, p. 000386).

191. The Bill of Sale for Redacted transaction identified a registration fee of \$145.00. The amount itemized as "paid to public officials" on the installment sale contract assigned to GoFinancial was \$282.00. (DoBS-N12, pp. 000367, 000386 N.T. 493-494).

192. The applicable PennDOT Bureau of Motor Vehicles Schedule of Fees includes registration fees linked to the weight of a regular truck where the class 2 fee is \$83.00, and the class 3 fee is \$158.00. However, the Schedule of Fees does not include a weight class with a registration fee of \$145.00. (DoBS-G, p. 000051; N.T. 494-495).

193. Respondent failed to accurately itemize or charge an appropriate registration fee for Redacted vehicle. (DoBS-G, p. 000051; DoBS-N12, pp. 000367, 000386; N.T. 493-495).

Redacted

194. Redacted purchased a 2003 BMW from D & M Auto Sales on or about February 14, 2015 (the "Redacted transaction"). (DoBS-N13, p. 000393; N.T. 342).

195. A Retail Installment Contract and Security Agreement for the Redacted transaction was assigned to GoFinancial. (DoBS-N13, p. 000429; N.T. 344, 362).

196. Subsequent to February 14, 2015, Redacted paid the full cost of the taxes and tags to Respondent in periodic payments pursuant to a promissory note executed between Respondent and Redacted in the amount of \$695.70. (DoBS-N13, pp. 000396-398; N.T. 354-357).

197. The amounts for sales tax, document preparation fee, title fee, lien fee, "other" fee, and registration fee were also included in the amount financed through the Retail Installment Contract and Security Agreement provided to Detective Zinn by GoFinancial. (DoBS-N13, pp. 000418, 000425; N.T. 362-363).

198. Because Respondent included the amounts for sales tax, document preparation fee, title fee, lien fee, "other" fee, and registration fee in the Retail Installment Contract and Security Agreement, Redacted paid the tax and tag fees twice in the transaction. (DoBS-N13, pp. 000418, 000425; N.T. 354-357, 362-363).

199. The Applicant Summary Statement Respondent electronically sent to PennDOT identified the vehicle purchase price in the Redacted transaction as \$5,995.00, and a sales tax of \$359.70. (DoBS-P, p. 000741; N.T. 364-365).

200. The Retail Installment Contract and Security Agreement Detective Zinn received from GoFinancial identified the vehicle price in the Redacted transaction as \$5,963.02, and a sales tax in the amount of \$391.68. (DoBS-N13, p. 000425; N.T. 364).

201. Upon completion of the transaction, Respondent provided Redacted with a copy of the Bill of Sale and a temporary registration, but did not provide Redacted with a copy of the Retail Installment Contract and Security Agreement. (N.T. 342-344).

202. Redacted intended to purchase GAP insurance coverage as part of her transaction, and was told the GAP insurance coverage would cost \$100.00. (N.T. 350-352).

203. The GAP Addendum contract and Retail Installment Contract and Security Agreement listed the GAP insurance coverage price as \$565.00. (DoBS-N13, p. 000411; N.T. 367-68).

204. Redacted cancelled the GAP insurance coverage upon learning that it would cost more than she had been told. (N.T. 353-354).

205. Redacted signed a Cars Protection Plus Independence Service Contract during the transaction. The price of the service contract was \$39.95 per month. (DoBS-N13, p. 000416; N.T. 368).

206. The Retail Installment Contract and Security Agreement provided to Detective Zinn by GoFinancial, included an itemization for a service contract in the amount of \$565.00 paid to the Ethos Group. (DoBS-N13, p. 000425; N.T. 367).

207. Because the Retail Installment Contract and Security Agreement itemized a service contract for \$565.00, Redacted signed a GAP Addendum in the amount of \$565.00, but later cancelled the contract. (DoBS-N13, pp. 000411, 000416, 000425; N.T. 368-369).

208. Respondent did not accurately disclose and itemize the GAP insurance coverage and the service contract during Redacted transaction. (DoBS-N13, pp. 000411, 000416, 000425; N.T. 368-369).

Redacted
209. Redacted purchased a 2006 Ford Explorer from D & M Auto Sales on or about February 9, 2015 (the "Redacted transaction"). (DoBS-N14, p. 000433)

210. Redacted purchase was financed through GoFinancial. (DoBS-N14, pp. 000443-448; 000450-452).

211. The Bill of Sale for the Redacted transaction identified various fees and taxes, in the aggregate amount of \$844.70, including: a \$100.00 document preparation fee, sales tax in the amount of \$509.70, a \$50.00 title fee, a \$23.00 lien fee, a \$126.00 "other" fee, and a \$36.00 registration fee. (DoBS-N14, pp. 000433, 000449; N.T. 516-517, 520).

212. On February 9, 2015, Redacted executed a promissory note for the payment of taxes and tags in the amount of \$844.70. (DoBS-N14, p. 000435; N.T. 517).

213. Redacted paid \$844.70 for taxes and tags on March 11, 2015. (DoBS-N14, p. 000436-000437; N.T. 517-518).

214. The Retail Installment Contract and Security Agreement for the Redacted transaction itemized sales tax in the amount of \$633.95, a \$100.00 document preparation fee, and \$236.00 for payment to public officials. (DoBS-N14, pp. 000444, 000451; N.T. 518-519, 520-521).

215. Redacted paid twice for a document preparation fee, sales tax, title fee, lien fee, and the "other" fee, in that the fees that were also included in the Retail Installment Contract and Security Agreement. (DoBS-N14, pp. 000433, 000444, 000451; N.T. 521).

216. The Form MV-1 associated with the Redacted transaction identified the vehicle purchase price as \$8,495.00, and a sales tax in the amount of \$509.70. (DoBS-N14, p. 000439; N.T. 522).

217. The vehicle price listed on the Retail Installment Contract and Security Agreement for the Redacted transaction was \$8,370.75, and identified sales tax in the amount of \$633.95. (DoBS-N14, pp. 000444, 000451; N.T. 523-524).

218. The correct sales tax for a purchase price of \$8,370.75 at 6% is \$502.25.

Redacted
219. Redacted purchased a 2005 GMC Yukon XL from D & M Auto Sales on or about May 8, 2015 (the "Redacted transaction"). (DoBS-N15, p. 000466; N.T. 417).

220. Redacted believed the purchase price of her vehicle was \$13,995.00. (N.T. 418).

221. Redacted traded in a 2006 Chevy van as part of the transaction. (N.T. 418).

222. Redacted believed she received a \$4,000.00 credit for the vehicle she traded in. (N.T. 418-419, 422).

223. Respondent's file for the Redacted transaction contained two MV-4ST forms with a purchase price of \$13,995.00 without a trade-in allowance, and sales tax in the amount of \$839.70. The file also contained two MV-1 forms indicating a purchase price of \$17,273.28 without a trade-in allowance, and sales tax in the amount of \$1,036.39. (DoBS-N15, pp. 000470-000473)

224. Respondent provided Redacted with PennDOT Form MV-4ST which listed a purchase price of \$13,995.00 with no trade-in allowance, and sales tax in the amount of \$839.70. (DoBS-N15, p. 000470; N.T. 423).

225. A PennDOT Applicant Summary Statement indicated that the purchase price of Redacted vehicle was \$13,995.00, that the taxable sales price of the vehicle was \$9,995.00 based upon a \$4,000.00 trade-in allowance, and that the applicable sales tax was \$599.70. (DoBS-P, p. 000745; N.T. 431-432).

226. Ruth Gonzalez assigned Redacted contract to Westlake on behalf of Respondent. (DoBS-Q3, p. 000844, 000850; N.T. 417).

227. Respondent did not provide Redacted with a copy of her Retail Installment Contract and Security Agreement. (DoBS-Q3, p. 000844, 000850; N.T. 424).

228. Respondent advised Redacted that she should tell Westlake that she tendered a cash payment of \$4,000.00 to Respondent if Westlake called her about the transaction. (DoBS-R, p. 000859; N.T. 421).

229. Redacted did not make a cash payment to Respondent because she had no cash. (N.T. 422).

230. The Retail Installment Contract and Security Agreement identified the purchase price of the vehicle as \$17,273.28 rather than the \$13,995.00 Redacted thought she had paid prior to her trade-in. (DoBS-Q3, p. 000845; DoBS-P, p. 000745; N.T. 418, 431-432).

231. Respondent deceived Redacted as to the purchase price of the vehicle by providing her with an MV-4ST Form which showed a purchase price of \$13,995.00, and by not providing a copy of the Retail Installment Contract and Security Agreement which reflected a higher purchase price. (N.T. 418, 431-432).

232. Respondent's deception regarding the vehicle purchase price resulted in Redacted having to pay higher monthly payments under Installment Contract and Security Agreement than she would have paid had the trade-in been properly annotated. (DoBS-Q3, p. 000845; DoBS-P, p. 000745; N.T. 94-95, 418, 431-432).

233. Respondent deceived Redacted as to the sales tax in her transaction by characterizing the \$4,000.00 credit as a cash payment rather than a trade-in, which inflated the sales tax amount financed by Westlake. (DoBS-P, p. 000745; DoBS-Q3, p. 000845; N.T. 94-95, 418, 431-432).

Redacted
234. Redacted purchased a 2003 Chevrolet S Truck from D & M Auto Sales on or about March 28, 2015 (the "Redacted transaction"). (DoBS-N16, p. 000488).

235. Redacted provided to checks to Respondent on April 28, 2015 as payment for outstanding taxes and other fees on the transaction. One check was payable to "Dean Lake" in the amount of \$227.00. The second check was payable to "PennDOT" in the amount of \$575.70. (DoBS-N16, pp., 000489-000490, 000492; N.T. 169-170).

236. The Form MV-4ST submitted to PennDOT listed an aggregate amount for sales tax, title fee, lien fee, and registration fee of \$575.70. (DoBS-P, p. 000750; N.T. 170).

237. The amounts that Redacted paid to Respondent and PennDOT were also included in the amount financed by the Retail Installment Contract and Security Agreement. (DoBS-N16, p. 000495; N.T. 169-171).

238.

Redacted

239. Redacted purchased a 2006 Ford F-250 from D & M Auto Sales on or about April 4, 2015 (the "Redacted transaction"). (DoBS-N18, p. 000525; N.T. 222-223).

240. The Redacted transaction was financed through Westlake. (DoBS-Q3, p. 000851)

241. Redacted wrote two checks on May 4, 2015 to pay for amounts related to taxes, tags, and other fees. Redacted wrote one check payable to "D&M Auto" for \$227.00 and another check payable to "PennDOT" for \$756.70. (DoBS-N18, p. 000529; N.T. 223).

242. The aggregate amount for sales tax, title fee, lien fee, and registration fee set forth within the Form MV-4ST Respondent submitted to PennDOT was \$756.70. (DoBS-P, p. 000759; N.T. 223-224).

243. The \$756.70 Redacted paid to Respondent by check was also included in the amount financed through the Retail Installment Contract and Security Agreement. (DoBS-N18, p. 000534; DoBS-Q3, p. 000852; N.T. 224-225).

244. The Form MV-4ST Respondent submitted to PennDOT identified a purchase price of \$8,995.00, and a trade-in allowance of \$1,000.00. The Form identified the taxable price of the vehicle as \$7,995.00, and sales tax in the amount of \$479.70. (DoBS-P, p. 000759; N.T. 224, 226).

245. Respondent prepared a Retail Installment Contract and Security Agreement for the Redacted transaction which reflected a purchase price of \$8,995.00, listed no trade-in, and reported a taxable amount of \$8,995.00, and a sales tax in the amount of \$539.70. (DoBS-Q3, p. 000852; N.T. 224-226).

246. The Bill of Sale for the Redacted transaction reflected a trade-in allowance in the amount of \$1,000.00 for a 1998 Dodge Grand Caravan. (DoBS-N18, p. 000525; N.T. 226).

247. The discrepancy regarding Redacted trade-in resulted in Redacted having to pay more for the sales tax component of financing the vehicle. (N.T. 94-95).

Redacted

248. Redacted purchased a 2006 Subaru Legacy from D & M Auto Sales on or about March 16, 2015 (the "Redacted transaction"). (DoBS-N19, p. 000542; N.T. 191).

249. The Redacted transaction was financed through GoFinancial. (DoBS-N19, pp. 000581-594; DoBS-Q1a, p. 000795).

250. The Retail Installment Contract and Security Agreement was assigned to GoFinancial. (DoBS-N19, p. 000594; N.T. 189).

251. Redacted wrote a check payable to "Dean Lake" on March 16, 2015 in the amount of \$2,135.70, of which \$1,300.00 constituted a cash deposit, and \$835.70 constituted the aggregate payment of \$599.70 for sales tax, \$50.00 for a title fee, \$23.00 for a lien fee, \$36.00 for a registration fee, and a \$127.00 for an "other" fee. (DoBS-N19, pp. 000542-000543; N.T. 191-193).

252. The amount for sales tax, title fee, lien fee, registration fee, and "other" fees were included in the Redacted Retail Installment Contract and Security Agreement as "government taxes" in the amount of \$599.70, and \$236.00 was "paid to public officials". (DoBS-N19, p. 000555; N.T. 193-94).

253. Respondent accepted payment from Redacted for taxes and tags and then assigned a Retail Installment Contract and Security Agreement to GoFinancial which financed the same amount Redacted had already paid. (DoBS-N19, pp. 000542-000543; N.T. 191-193).

Redacted

254. Redacted purchased a 2011 Dodge Grand Caravan from D & M Auto Sales on or about March 17, 2015 (the "Redacted transaction"). (DoBS-S, pp. 000871-000872).

255. Documents related to the ~~Redacted~~ transaction consisted of, among other things, two versions of a Bill of Sale and three versions of a Retail Installment Contract and Security Agreement. (DoBS-N20, pp. 0000596-000636).

256. The Retail Installment Contract and Security Agreement for the ~~Redacted~~ transaction was assigned to GoFinancial. (DoBS-Q1a, p. 000795; DoBS-Q1b, p. 000803; N.T. 302).

257. GoFinancial collected monthly payments from ~~Redacted~~ and ~~Redacted~~ under the Retail Installment Contract and Security Agreement. (N.T. 302; DoBS-Q1b, pp. 000797-000803).

258. Respondent did not provide ~~Redacted~~ with a copy of the Retail Installment Contract and Security Agreement used to finance the transaction. (N.T. 282).

259. The Retail Installment Contract and Security Agreement used to finance the ~~Redacted~~ transaction indicated that ~~Redacted~~ and ~~Redacted~~ were charged sales tax in the amount of \$903.95 and \$236.00 paid to public officials. (DoBS-Q1b, p. 000799).

260. Respondent and ~~Redacted~~ executed a promissory note in the amount of \$1,271.93 for taxes and tags which they subsequently tendered to Respondent. (DoBS-N20, p. 000599; N.T. 286-287).

261. Respondent accepted payment from ~~Redacted~~ for taxes and tags, which had also been assigned through the Retail Installment Contract and Security Agreement to GoFinancial. (DoBS-Q1a, p. 000795; DoBS-Q1b, p. 000803; N.T. 286-287, 302).

262. The Retail Installment Contract and Security Agreement for the Ritz transaction included charges for a service contract in the amount of \$2,195.00, and a GAP waiver coverage in the amount of \$565.00. (DoBS-Q1b, p. 000799).

263. On the day of the ~~Redacted~~ transaction, Respondent or his employee provided ~~Redacted~~ ~~Redacted~~ a Bill of Sale which did not reflect payment for a service contract or GAP waiver coverage. (DoBS-N20, p. 0000597; DoBS-S, p. 000872; N.T. 280).

264. Redacted cancelled his service contract during the transaction after learning the price of the contract. (N.T. 285, 297).

265. Redacted signed a cancellation request for the GAP coverage and the service contract, both of which were in Respondent's file for the transaction. (DoBS-N20, pp. 000624, 000636; N.T. 298).

266. A warranty disclosure and the Bill of Sale provided to Redacted on the day of the purchase identified the purchase price of the vehicle as \$15,598.77. (DoBS-S, pp. 000871-000872; N.T. 283-284).

267. The Retail Installment Contract and Security Agreement for the Redacted transaction identified the purchase price of the vehicle as \$12,995. (DoBS-Q1b, p. 000799).

268. The Retail Installment Contract and Security Agreement for the Redacted transaction reflected sales tax in the amount of \$903.95. The amount of sales tax Respondent reported to PennDOT was \$779.70. (DoBS-Q1b, p. 000799; DoBS-P, p. 000763; N.T. 304).

269. Respondent reported a lower sales tax to PennDOT than that charged to Redacted Redacted through the Retail Installment Contract and Security Agreement. (DoBS-Q1b, p. 000799; DoBS-P, p. 000763; N.T. 304).

270. The Retail Installment Contract and Security Agreement for the Redacted transaction listed a trade-in value for a vehicle in the amount of \$124.26. However, no other documentation reflects a trade-in. (DoBS-Q1b, p. 000803; DoBS-P, p. 000763; DoBS-S, p. 000872).

271. Redacted did not trade-in a vehicle as part of the transaction. (N.T. 284-285).

Redacted
272. Redacted purchased a 2007 Jeep Commander from D & M Auto Sales on or about August 21, 2015 (the "Redacted transaction"). (DoBS-N22, pp. 000648-660; DoBS-Q2, pp. 000820-824; N.T. 202, 210).

273. Financing for the Redacted transaction was through Credit Acceptance. (N.T. 210).
274. Respondent facilitated Redacted financing of the transaction through a Retail Installment Contract transferred to Credit Acceptance. (DoBS-N22, p. 000823).
275. Redacted traded in a Dodge Durango for \$700, and paid \$1,300 down payment as part of the transaction. (N.T. 203).
276. The Bill of Sale for the Redacted transaction identified the vehicle price as \$8,995.00. (DoBS-N22, p. 000648; N.T. 217).
277. The Bill of Sale for the Redacted transaction did not reflect a trade-in allowance but, instead, reflected a deposit in the amount of \$2,000.00 (DoBS-N22, p. 000648).
278. Two different Form MV-4STs were seized from Respondent's premises—one showing a vehicle price for the Redacted transaction as \$8,995.00, and the other showing the vehicle price as \$10,975.00. (DoBS-N22, pp. 000651-000652).
279. The Form MV-4ST Respondent submitted to PennDOT identified the vehicle purchase price as \$8,995.00, reflected a \$700 trade-in, and a taxable amount in the amount of \$8,295.00. The Form identified the sales tax as \$497.70. (DoBS-P, p. 000775; N.T. 212).
280. The Retail Installment Contract for the Redacted transaction identified the vehicle price as \$10,975.00, and not the \$8,995.00 annotated on the Bill of Sale. (DoBS-N22, p. 000656; DoBS-Q2, p. 000821; N.T. 213).
281. The Retail Installment Contract for the Redacted transaction did not reflect a credit for a trade-in. (DoBS-N22, p. 000656; DoBS-Q2, p. 000821).
282. The Retail Installment Contract for the Redacted transaction identified the payable sales tax as \$658.50, not the \$497.70 reported to PennDOT reported on the MV-4ST submitted by Respondent. (DoBS-P, p. 000775; DoBS-N22, p. 000656; DoBS-Q2, p. 000821; N.T. 213).

283. The Retail Installment Contract for the Redacted transaction identified the cash down payment as \$1,500.00, rather than the \$2,000.00 shown on the Bill of Sale. (DoBS-N22, pp. 000648, 000656; DoBS-Q2, p. 000821; N.T. 213-214).

284. Because Respondent inflated the vehicle price in the Retail Installment Contract for the Redacted transaction, Redacted was obligated to make higher payments than she would have paid had the vehicle price been as reflected on the Bill of Sale. (DoBS-N22, pp. 000648, 000656; DoBS-Q2, p. 000821; N.T. 213-215).

285. Because Respondent did not show a trade-in credit in the installment sale contract, Redacted had to pay a higher amount for the sales tax component of the financing than she would have paid had Respondent properly given Redacted credit for her trade-in. (DoBS-N22, pp. 000648, 000656; DoBS-Q2, p. 000821; N.T. 94-95, 213-215).

Redacted
286. Redacted purchased a 1979 Jeep CJ7 from D & M Auto Sales in a "buy here/pay here" transaction on or about August 20, 2015 (the "Redacted transaction"). (DoBS-N23, pp. 000661, 000671; N.T. 231).

287. The vehicle purchase price annotated in the Bill of Sale and the Retail Installment Contract and Security Agreement was \$6,126.42. (DoBS-N23, pp. 000661, 000666; N.T. 231-232).

288. The vehicle price that was submitted to PennDOT on the Form MV-4ST reported as \$4,995.00. (DoBS-P, p. 000781; N.T. 233).

289. The sales tax reported for Redacted purchase in the Bill of Sale and the Retail Installment Contract and Security Agreement was \$367.59. (DoBS-N23, pp. 000661, 000666; N.T. 231-32, 234).

290. The sales tax Respondent reported to PennDOT on Form MV-4ST was \$299.70. (DoBS-P, p. 000781; N.T. 233).

Redacted
291. Redacted purchased a 2003 Jeep Grand Cherokee from D & M Auto Sales on or about February 19, 2015 (the "Redacted transaction"). (DoBS-N24, p. 000672).

292. Redacted wrote a check payable to "D&M Auto Sales" on February 19, 2015, in the amount of \$2,000.00. (DoBS-N24, p. 000674; N.T. 260-262).

293. \$1,300.00 of the payment was a deposit on the vehicle, and \$700.00 was applied towards taxes and tags. (DoBS-N24, p. 000674-000675; N.T. 260-262).

294. The Bill of Sale for the Redacted transaction identified various fees and taxes, including: a \$100.00 document preparation fee, sales tax in the amount of \$393.60, a \$50.00 title fee, a \$23.00 lien fee, a \$127.00 "other" fee, and a \$36.00 registration fee. (DoBS-N24, p. 000672; N.T. 259-260).

295. The Retail Installment Contract and Security Agreement for the Redacted transaction included amounts for taxes and fees, including sales tax in the amount of \$391.68, a \$100.00 document preparation fee, and \$236.00 for public officials. (DoBS-N24, p. 000679; N.T. 262-264).

296. Redacted payment for taxes and other related fees by check on February 19, 2015 were also included in the Retail Installment Contract and Security Agreement. (DoBS-N24, pp. 000672, 000674, 000679; N.T. 259-260, 262-264).

297. The Bill of Sale for the Redacted transaction itemized a service contract with the Ethos Group in the amount of \$565.00, but included no itemization for GAP insurance. (DoBS-N24, p. 000672; N.T. 270).

298. The Retail Installment Contract and Security Agreement for the Redacted transaction itemized a service contract with the Ethos Group in the amount of \$595.00. (DoBS-N24, p. 000679; N.T. 271).

299. The files from the D&M Auto Sales premises related to the Redacted transaction included a GAP addendum contract and an Independence Service Contract purportedly signed by Redacted. The GAP addendum contract was for the amount of \$565.00, and the Independence Service Contract was for the amount of \$39.95 per month. (DoBS-N24, pp. 000683-689; N.T. 271-272).

300. Respondent improperly itemized the GAP insurance addendum and the Independence Service Contract on the Bill of Sale and in the Retail Installment Contract and Security Agreement related to the Redacted transaction. (DoBS-N24, pp. 000672, 000679, 000683-689; N.T. 273-274).

301. Redacted purchased a 1999 Honda Civic from D & M Auto Sales on or about August 24, 2015 (the "Redacted transaction"). (DoBS-N25, p. 000690; N.T. 237).

302. The vehicle purchase price in the Redacted transaction reflected in the Bill of Sale was \$4,495.00. The sales tax was recorded as being \$269.70. (DoBS-N25, p. 000690; N.T. 237).

303. The Redacted Retail Installment Contract and Security Agreement reflected a vehicle purchase price of \$5,645.00, and sales tax in the amount of \$338.70. (DoBS-Q2, pp. 000826, 000828; N.T. 239).

304. Files from D&M Auto Sales contained three versions of Form MV-4ST with identical serial numbers, D237554. Two of the Forms contained no sales tax. (DoBS-N25, pp. 000694-000696; N.T. 237-238).

305. A PennDOT Form MV-4ST, serial number D237554, obtained from PennDOT identified a vehicle sale price in the Redacted transaction as \$4,995.00, but did not include an amount for sales tax. (DoBS-P, p. 000788; N.T. 237-238).

306. Another version of Form MV-4ST with serial number D237554 listed a vehicle price of \$5,645.00, and sales tax in the amount of \$338.70. (DoBS-N25, p. 000696; N.T. 238-239).

307. By Order dated May 19, 2016, the Department directed Dean M. Lake, d/b/a D&M Auto Sales to immediately cease and desist from engaging in motor vehicle installment sales business. The Order additionally directed Dean M. Lake to pay a fine and refund customers in the manner more particularly set forth by the Order. (Official Notice; Department records).¹

308. Respondent filed a request for a hearing by letter dated May 26, 2016. (Official Notice-Department records).

309. Respondent was served with all pleadings, orders and notices filed of record in this matter. (Official Notice-Department Records).

310. Respondent appeared for the hearing on November 14, 2017 and November 29, 2017, and was represented by legal counsel. (N.T. 10-537).

CONCLUSIONS OF LAW

1. The Motor Vehicle Sales Finance Act ("MVSFA") governed installment sale transactions conducted by Respondent prior to December 1, 2014. 69 P.S. §604 *et seq*

¹Official notice of such matters as might be judicially noticed by courts is permissible under the General Rules of Administrative Practice and Procedure, 1 Pa.Code §35.173, which provides, in pertinent part, as follows

§35.173. Official notice of facts
Official notice may be taken by the agency head or the presiding officer of such matters as might be judicially noticed by the courts of this Commonwealth, or any matters as to which the agency by reason of its functions is an expert

See also, *Falasco v Commonwealth of Pennsylvania Board of Probation and Parole*, 521 A.2d 991, 994 n. 6 (Pa. Cmwlth. 1987); *Gleeson v State Board of Medicine*, 900 A.2d 430, 440 (Pa. Cmwlth. 2006), *app den*, 917 A.2d 316 (Pa. 2007)

2. Pennsylvania's Consumer Credit Code ("CCC") governed installment sale transactions conducted by Respondent, beginning December 1, 2014. 12 Pa.C.S.A. §6101 *et. seq.*
3. Respondent was required by the MVSFA and CCC to be licensed by the Department to conduct motor vehicle transactions through the use of Retail Installment Contracts. 69 P.S. 604.1; 12 Pa.C.S.A. §6211(a)(1).
4. Respondent is subject to civil penalties by the Department in the aggregate amount of \$6,000.00 for having engaged in three (3) retail installment sale transactions during the period his license with the Department had expired. (Finding of Fact, Nos. 5-6, 15-17).
5. Respondent is subject to the revocation and/or suspension of his license and the imposition of a civil penalty by the Department in the amount of \$2,000.00 for having made a material misrepresentation on his license renewal application he filed with the Department. (Finding of Fact, Nos. 5-7, 15-17; 69 P.S. §§610, 637).
6. Respondent is subject to the revocation and/or suspension of his license and the imposition of a civil penalty by the Department in the aggregate amount of \$30,000.00 (\$2,000.00 per transaction) pursuant to 12 Pa.C.S.A. §§6274, 6218(a)(2) and 6218(a)(13) for having double-charged consumers for sales tax, registration and title fees payable to PennDOT in fifteen (15) transactions. (Finding of Fact, Nos. 49-116, 127-137, 166-218, 234-270, 290-299).
7. Respondent is subject to the revocation and/or suspension of his license and the imposition of a civil penalty by the Department in the aggregate amount of \$6,000.00 (\$2,000.00 per transaction) pursuant to 12 Pa.C.S.A. §§6274, 6218(a)(2) and 6218(a)(13) for having signed/applied consumers' signatures without the consumers' authorizations in three (3) transactions. (Findings of Fact, No. 68-105, 142-165).
8. Respondent is subject to the revocation and/or suspension of his license and the imposition of a civil penalty by the Department in the aggregate amount of \$6,000.00 (\$2,000.00

per transaction) pursuant to 12 Pa.C.S.A. §§6274, 6218(a)(2) and 6218(a)(13) for having charged consumers unneeded or unwanted items in three (3) transactions. (Finding of Fact, Nos. 87-105, 142-165, 290-299).

9. Respondent is subject to the revocation and/or suspension of his license and the imposition of a civil penalty by the Department in the aggregate amount of \$24,000.00 (\$2,000.00 per transaction) pursuant to 12 Pa.C.S.A. §§6274, 6218(a)(12) and 6218(a)(13) for having submitted false or fraudulent tax reports or copies thereof in twelve (12) transactions. (Finding of Fact, Nos. 87-126, 138-141, 166-179, 194-233, 238-246, 253-289, 300-309).

10. Respondent is subject to the revocation and/or suspension of his license and the imposition of a civil penalty by the Department in the aggregate amount of \$18,000.00 (\$2,000.00 per transaction) pursuant to 12 Pa.C.S.A. §§6274, 6218(a)(2) and 6222(5)(i) for falsely representing the purchase price of vehicles in nine (9) transactions. (Finding of Fact, Nos. 68-86, 117-126, 142-179, 209-233, 271-289, 300-309).

11. Respondent is subject to the revocation and/or suspension of his license and the imposition of a civil penalty by the Department in the aggregate amount of \$12,000.00 (\$2,000.00 per transaction) pursuant to 12 Pa.C.S.A. §§6274, 6218(a)(2) and 6222(5)(ii)(A) for having misrepresented trade-in values in six (6) transactions. (Finding of Fact, Nos. 87-105, 142-179, 219-233, 238-246, 271-284).

12. Respondent is subject to the revocation and/or suspension of his license and the imposition of a civil penalty by the Department in the aggregate amount of \$14,000.00 (\$2,000.00 per transaction) pursuant to 12 Pa.C.S.A. §§6274, 6218(a)(2) and 6222(b)(1) for failing to provide consumers with Retail Installment Contracts in seven (7) transactions. (Finding of Fact, Nos. 54-67, 68-105, 142-165, 194-208, 219-233, 253-270).

13. Respondent is subject to the revocation and/or suspension of his license and the imposition of a civil penalty by the Department in the aggregate amount of \$6,000.00 (\$2,000.00 per transaction) pursuant to 12 Pa.C.S.A. §§6274, 6218(a)(2) and 6222(5)(v) and (vii) for failing to provide required information in Retail Installment Contracts in three (3) transactions. (Finding of Fact, Nos. 106-116, 142-165, 180-193).

14. Respondent is subject to the revocation and/or suspension of his license and the imposition of a civil penalty by the Department in the aggregate amount of \$4,000.00 (\$2,000.00 per transaction) pursuant to 12 Pa.C.S.A. §§6274, 6218(a)(2) and 6218(a)(12)(iv) for failing to forward taxes and fees owing to PennDOT in two (2) transactions. (Finding of Fact, Nos. 142-165, 300-309).

DISCUSSION

This matter arises from allegations by the Department that Dean M. Respondent, individually, d/b/a D&M Auto Sales violated the MVSFSA at 69 P.S. §604 by having entered into three (3) installment sale contracts in October 2014, during the period his installment seller license with the Department had lapsed. The Department additionally alleges that Respondent violated the MVSFSA at 69 §610.A.1 by having made material misrepresentations to the Department when he submitted his October 2014 Installment Seller Application to the Department through which he indicated that he had not entered any installment sale contracts during the period his license had lapsed.

The Department also charges Respondent with having violated Pennsylvania's CCC on multiple occasions and in various respects. Specifically, the Department alleges that Respondent violated the CCC at 12 Pa.C.S.A. §6218(a)(13) by having double-charged customers/consumers for sales tax and registration in fifteen (15) transactions, and for having overcharged customers/consumers for unneeded and/or unwanted items in four (4) transactions. The

Department also charges Respondent with having violated the CCC at 12 Pa.C.S.A. §6218(a)(13) for having applied customer/consumer signatures to installment sales contracts in three (3) transactions without the customers' authorization.

The Department further charges Respondent with having violated the CCC at 12 Pa.C.S.A. §6218(a)(12)(iii) and at 12 Pa.C.S.A. §6218(a)(12)(iv) for having submitted sales tax receipts to PennDOT which deviated from the sales tax reported in installment sale contracts in fourteen (14) transactions, and for twice failing to submit sales tax and fees to PennDOT in a timely manner, respectively. The Department also asserts that Respondent violated the CCC at 12 Pa.C.S.A. §§6218(a)(13) and 6222(5)(i) for having misrepresented vehicle purchase prices in ten (10) transactions. The Department also charges Respondent with having violated the CCC at 12 Pa.C.S.A. §§6222(5) and at 6222(5)(ii)(A) by failing to properly disclose necessary incidental charges to customers/consumers in three (3) transactions, and by having made misrepresentation to PennDOT and/or sale finance companies regarding the existence or non-existence of trade-ins in seven (7) transactions. The Department also alleges that Respondent violated the CCC at 12 Pa.C.S.A. §6221(b)(1) by having failed to provide customers/consumers with copies of installment sale contracts in seven (7) transactions.

By Order dated May 19, 2016, the Department directed Respondent and its owners, officers, directors and/or employees to immediately cease and desist from engaging in motor vehicle installment sales business for a period of no less than five (5) years. The Department presently asserts that the hearing record demonstrates sixty-five (65) violations of the MVSFA and CCC by the Respondent for which it seeks \$130,000.00 in fines.

The Department is required to establish its allegations against Respondent by a preponderance of the evidence. *Lansberry v. Pennsylvania Public Utility Commission*, 578 A.2d 600, 602 (Pa. Cmwlth. 1990). A preponderance of the evidence is generally understood to mean

that the evidence demonstrating a fact is more likely to be true than not to be true, or if the burden were viewed as a balance scale, the evidence in support of the Department's allegations must weigh slightly more than opposing evidence. *Se-Ling Hosiery, Inc. v. Margulies*, 70 A.2d 854, 856 (Pa. 1950). The Department, therefore, has the burden of proving its allegations with evidence that is substantial and legally credible, not by mere "suspicion" or by only a "scintilla" of evidence. *Lansberry*, 578 A.2d at 602.

Because the repeal of the MVSFA became effective December 1, 2014, Respondent was subject to the licensing requirements of the statute as of October 2014. The Department has jurisdiction over Respondent pursuant to 69 P.S. §611. Relevant portions of the Act provide as follows, in pertinent part:

§604 Licenses required

On and after the effective date of this act no person shall engage or continue to engage in the Commonwealth either as principal, employee, agent or broker;

1. In the business of an installment seller of motor vehicles under installment sale contracts, except as authorized in this act, under license issued by the department....

69 P.S. 604.1. In turn, the MVSFA defined "installment sale contract" as follows:

any contract for the retail sale of a motor vehicle, or which has a similar purpose of effect under which part or all of the price is payable in two or more scheduled payments subsequent to the making of such contract, or as to which the obligor undertakes to make two or more scheduled payments or deposits that can be used to pay part or all of the purchase price...

69 P.S. §603. The term "Department" under the MVSFA was the Commonwealth's Department of Banking. *Id.* The MVSFA at 69 P.S. §610 authorized the Department to revoke or suspend any license upon finding that a "licensee has made any material misstatement in the application for license...". 69 P.S. §610.A.1.

In this case, the Department presented uncontroverted evidence that Respondent's license with the Department had lapsed as of October 1, 2014, and that he had engaged in retail installment sale transactions with three customers/consumers on October 15, 2014 and October 18, 2014, prior to his license with the Department having been renewed on October 20, 2014. The record equally shows that Respondent submitted his renewal application on or about October 16, 2014 in which he answered "No" to the question "Has the applicant as shown in question number one entered into any installment sale contracts prior to applying for an installment seller license?", despite having entered into an installment sale transaction on October 15, 2014. Respondent has offered no evidence to the contrary. Accordingly, the Department has established Respondent's four violations of the MVSFA at 69 P.S. §§604.1 and 610.A.1 by a preponderance of the evidence for which he is subject to a \$2,000.00 fine for each violation pursuant to 69 P.S. §637.D.

Effective December 1, 2014, the Department was provided authority to investigate and enforce the provisions of the CCC. 12 Pa.C.S.A. §§6201-6203. The CCC at 12 Pa.C.S.A. §6218(a) provides, in pertinent part, as follows:

§6218. Revocation or suspension of license

(a) Grounds.--Upon notice under subsection (b), the department may revoke or suspend a license if it discovers a fact or condition that, had it existed or been discovered at the time of filing of any license application, would have warranted disapproval of the application or if it finds that the licensee has engaged in any of the following:

(2) Violated a provision of this chapter.

(12) With respect to the tax or fee due the Commonwealth upon the sale of a motor vehicle:

(iii) Issued a false or fraudulent tax report or copy thereof.

(iv) Failed to pay the tax or fee to the Commonwealth at the time and in the manner required by law.

(13) Engaged in unfair, deceptive, fraudulent or illegal practices or conduct in connection with a business regulated by this chapter.

12 Pa.C.S.A. §6218(a)(2), (12) and (13). The CCC at 12 Pa.C.S.A. §6222(b)(1) provides as follows:

§6221. Requirements

(a) General rule.--An installment sale contract shall:

(b) Copies.--

(1) The installment seller shall furnish an exact copy of the installment sale contract without charge to the buyer at the time the buyer signs the contract.

12 Pa.C.S.A. §6222(b)(1). The CCC at 12 Pa.C.S.A. §6222(5) provides as follows in terms of the required contents of an installment sale contract:

§6222. Contents

An installment sale contract shall contain the following:

- (1) The full name and address of all the parties to the contract.
- (2) The date that the buyer signed the contract.
- (3) A description of the motor vehicle sold, which shall be sufficient for accurate identification.
- (4) The notice under section 6223 (relating to notice).
- (5) The following items in writing and in a clear and conspicuous manner, with each component of each subparagraph listed separately:

(i) The purchase price of the motor vehicle, which shall include the following:

- (A) Taxes.
- (B) Charges for delivery.
- (C) Charges for servicing, repairing or improving the motor vehicle.
- (D) Charges for a service contract, which:
 - (1) shall appear as separate items after the following or substantially similar words, which shall be boldface, underlined,

adjacent to the purchase price and in type print size not smaller than that used for all item categories: "including optional service contracts and/or extended warranties in the amount of"; or

(II) may be separately included as "other charges" under subparagraph (v).

(E) Charges for accessories and installation.

(F) Other charges normally included in the delivered purchase price of a motor vehicle.

(ii) The down payment made by the buyer at the time of or prior to execution of the contract, which shall separately indicate the extent to which it is made in cash or represented by either or both of the following:

(A) The agreed-upon value of a trade-in motor vehicle, along with a description of the trade-in sufficient for accurate identification.

(B) Other goods.

(iii) The unpaid purchase price balance, which is the difference between the following:

(A) The purchase price under subparagraph (i).

(B) The down payment under subparagraph (ii).

(iv) Insurance charges, the payment for which the seller agrees to extend credit to the buyer, which shall set forth the term of insurance, a concise description of the coverage and the amount of the premium.

(v) Other charges necessary or incidental to the sale or financing of a motor vehicle:

(A) which the seller contracts to retain, receive or pay on behalf of the buyer; or

(B) for which the seller agrees to extend credit to the buyer as authorized by this chapter, including charges for a debt cancellation agreement and debt suspension agreement.

(vi) The principal amount financed, which is the sum of the following:

(A) The unpaid purchase price balance under subparagraph (iii).

(B) The insurance charges under subparagraph (iv).

(C) The other charges under subparagraph (v).

(D) Amounts representing payment of a prior credit or lease balance to discharge a security interest, lien or lease interest on a motor vehicle or other property traded or returned.

(vii) The finance charge, which is the consideration in excess of the purchase price under subparagraph (i), excluding insurance charges under subparagraph (iv) and other charges under subparagraph (v), and which the buyer agrees to pay to the seller for the privilege of purchasing the motor vehicle under the installment sale contract.

(viii) The time balance, which represents the total obligation of the buyer and which is the sum of the following:

(A) The principal amount financed under subparagraph (vi).

(B) The finance charge under subparagraph (vii).

(ix) The payment schedule, which shall state the number, amount and timing of the payments required to liquidate the time balance.

12 Pa.C.S.A. §6222(5).

Subchapter F of the CCC at 12 Pa.C.S.A. §6274 permits the Department to impose a civil penalty of not more than \$2,000.00 upon a Department licensee who violates the statute by providing as follows:

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...shall be subject to a penalty levied by the department of not more than \$2,000 for each offense.

12 Pa.C.S.A. §6274.

In addition to defending against each of the Department's allegations as they relate to specific customers/consumers under the CCC, Respondent more generally asserts that he is not liable under the statute because the Department has failed to establish that he was personally involved in the transactions presented by the Department, that the Department failed to establish his personal knowledge of the alleged infractions, and/ or that the Department failed to establish

that he personally engaged in the alleged acts of deception or violations under the statute and, therefore, cannot be found liable under the CCC for the actions of his employees.

Although the Department did not present testimony from any of Respondent's employees who conducted the transactions on behalf of D&M Auto Sales, it presented credible and uncontroverted testimony from law enforcement authorities who investigated Respondent's business activities, in addition to multiple documents involved in the vehicle sale transactions at issue. The Department asserts that the foregoing evidence circumstantially demonstrates Respondent's knowledge of the improper pattern and practices used by Respondent's employees to enhance D&M Auto Sales' revenue. Circumstantial evidence has been defined as "evidence of one fact, or of a set of facts, from which the existence of the fact to be determined may reasonably be inferred," *Monaci v. State Horse Racing Commission*, 717 A.2d 612, 618 (Pa. Cmwlth. 1998)(citing W. PAGE KEETON ET AL., PROSSER AND KEETON ON THE LAW OF TORTS, § 39, at 242 (5th ed.1984)). "[C]ircumstantial evidence, where properly proved, is entitled to as much weight as direct evidence." *Appeal of Rural Route Neighbors*, 960 A. 2d 856, 861 (Pa. Cmwlth. 2008), *app. den.*, 989 A.2d 10 (Pa. 2010). The Commonwealth Court explained in *Appeal of Rural Route Neighbors*:

[T]he fact-finder's authority to draw all reasonable inferences from the evidence presented is well-settled. Thus, when a party who has the burden of proof relies upon circumstantial evidence and inferences reasonably deducible therefrom, such evidence will prevail if, in the mind of the fact-finder, it is adequate to establish the conclusion sought and so preponderates in favor of that conclusion as to outweigh any other evidence and reasonable inferences.

Ellis v. City of Pittsburgh, 703 A.2d 593 (Pa. Cmwlth. 1997), *app. den.*, 725 A.2d 184 (Pa. 1998).

The record shows that Respondent admitted to Detective Zinn of the York Area Regional Police during his investigation of Respondent that he had been "trying to find ways to...make

more money off deals...[a]nd the easiest way was to add...fees into the...sales.” Respondent also stated to Detective Zinn that he was aware he was “double charging customers...changing the numbers to the finance company, to make more money that way as well.” Respondent presented no evidence to rebut or otherwise qualify his admissions.

Consistent with Respondent’s admissions to Detective Zinn, the Department moved into evidence bills of sale, promissory notes, receipts, PennDOT Forms MV-4ST and MV-1, bank statements and retail installment contracts involved in twenty-two (22) retail installment sale transactions involving D&M Auto Sales from January 15, 2015 through August 24, 2015. The Department additionally elicited testimony from ten (10) consumers/customers who purchased vehicles from D&M Auto Sales through installment sales contracts. Each consumer/customer was credible in his/her testimony regarding the circumstances surrounding their transaction. The foregoing documents and testimony clearly established the dates of the transactions, vehicle purchase prices, sales taxes, and various fees paid by Respondent’s consumers/customers.

The record in this case also shows that Respondent operated as a “sole proprietor”, doing business as the owner of “D &M Auto Sales” which he registered as a fictitious name with the Pennsylvania Department of State on or about October 17, 2013. The record similarly establishes that Respondent was in sole possession of the license to enter into installment contracts related to D &M Auto Sales, and that Respondent had employed several employees, including Redacted and Redacted, as part of his business operations. Respondent correctly asserts that the installment sale contracts and transactions were prepared and/or conducted by his employees. However, the record also shows that none of the transactions were conducted by the employees in their own right but, instead, were conducted solely on behalf of D&M Auto Sales which, in most cases, transferred the installment sale contracts to third party financing companies.

As the owner and sole license holder for D&M Auto Sales, Respondent benefitted from the sale of the vehicles, and he alone was ultimately responsible for ensuring that his business operations remained in compliance with the Department's licensing requirements which, in turn, incorporated the CCC as it pertains to the requirements for installment sale transactions. It is well settled that a party's failure to testify in a proceeding can give rise to an inference of fact that the party's testimony would have been adverse or unfavorable to him. *Beers v. Muth*, 151 A.2d 465, 466 (Pa. 1959); *Satler v. Department of Transp., Bureau of Driver Licensing*, 670 A.2d 1205, 1207 (Pa. Cmwlth. 1996). As our Supreme Court has noted, "[T]he failure to testify to facts within one's presumed knowledge permits an inference that can erase the equivocal nature of other evidence relating to a disputed fact." *Harmon v. Mifflin County Sch. Dist.*, 552 Pa. 92, 99, 713 A.2d 620, 624 (1998).

Although the Department did not prove through direct evidence that Respondent personally committed the alleged infractions of the CCC in each of the transactions", the activities fall squarely within the actions of "adding fees to transactions", "trying to find ways to make more money off deals" and "double-charging" customers admitted to by Respondent. For that reason, circumstantial evidence in the form of Respondent's admissions, the number of transactions alleged, the extensive period of time over which the transactions occurred and the repeated and systematic use of common techniques by which the infractions were committed establishes a sufficient nexus between the conduct alleged and Respondent's business operations so as to ascribe to Respondent his knowledge of, and/or direction to commit the alleged activities as D&M Auto Sales' owner and sole licensee. Accordingly, the Department has established by a preponderance of the evidence Respondent's violations and/or direction to commit the conduct alleged, as set forth below. Having found that Respondent committed or instructed his employees to commit the violative conduct used by D&M Auto Sales in the transactions alleged,

the Hearing Officer need not address the issue of whether the CCC permits the imposition of civil penalties against Respondent in the purported absence of such knowledge.

Upon consideration of the Finding of Facts set forth above pertaining to each of the consumers/customers identified by the Department, the record demonstrates that the following individuals were improperly charged twice by Respondent for taxes and tags during their respective sales transactions: 1)

Redacted

Respondent's violations of the CCC in the forgoing manner constituted the type of deceptive practices prohibited by the CCC at 12 Pa.C.S.A. §6218(a)(13).

The preceding Findings of Fact similarly substantiate the Department's allegations that sales tax reports submitted to PennDOT deviated from the sales tax reflected in the Retail Installment Contracts and Security Agreements in each of the following transactions: 1)

Redacted

Respondent's conduct in having issued and/or in having directed the filing of false or fraudulent tax reports constituted violations of the CCC at 12 Pa.C.S.A. §6218(a)(12)(iii).

The record similarly supports a finding that Respondent misrepresented the purchase price or caused the purchase price in the nine (9) transaction to be misrepresented in the Retail Installment Sales Contracts for the following transactions: 1)

Redacted

Respondent's actions in

misrepresenting the purchase price or directing that the prices be altered in the foregoing Retail Installment Contracts in the manner established by the foregoing Findings of Fact constitute violations of the CCC at 12 Pa.C.S.A. §6222(5)(i) and 12 Pa.C.S.A. §6218(a)(13).

The Findings of Fact above additionally support a determination that Respondent violated the CCC at 12 Pa.C.S.A. §6222(5)(ii)(A) and at 12 Pa.C.S.A. §6218(a)(13) by failing to ensure that the Retail Installment Contracts for the following transactions accurately set forth the down payments made by the buyers so as to correctly identify the extent to which the purchases were made in cash or involved the agreed-upon value of a trade-in motor vehicle: 1)

Redacted

. The record similarly establishes that Respondent violated the CCC at 12 Pa.C.S.A. §6221(b)(1) by having failed to provide consumers/customers with copies of the Retail Installment Contracts in the following transactions: 1)

Redacted

and 7)

The evidence presented by the Department also establishes Respondent's violations of the CCC at 12 Pa.C.S.A. §§6222(5)(v) and (vii) in three transactions involving

Redacted

. Specifically, the record shows that

Respondent failed to disclose the finance charges to Redacted and failed to accurately disclose the finance charge to Redacted in their Retail Installment Contracts.

The record also shows that the Retail Installment Contract in the Redacted transaction did not

correctly identify the registration fee charged. The evidence presented by the Department

additionally establishes that Respondent violated the CCC at 12 Pa.C.S.A. §6218(a)(13) by

having unnecessarily sold GAP insurance to Redacted and the Redacted and by

not identifying a GAP waiver and by incorrectly identifying the service contract amount on the

Retail Sale Installment Contract in the Redacted transaction. The record also shows that Respondent violated 12 Pa.C.S.A. §6218(a)(13) by having affixed signatures of the purchaser to sales documents in the Redacted and Redacted transactions without the customers' authorizations. The foregoing evidence presented by the Department also demonstrates that Respondent did not forward sufficient sales tax and fees to PennDOT in a timely manner in the Redacted transactions in violation of 12 Pa.C.S.A. §6218(a)(12)(iv).

It is well recognized that the CCC and its predecessor statute, the MVSFA, were enacted for the protection of purchasers of automobiles against unscrupulous practices of automobile dealers, and was designed to address, in part, improper conduct that occurred in the financing of automobiles. *Homziak v. General Electric Capital Warranty Corp.*, 839 A.2d 1076, 1081 (Pa.Super. 2003); *Roxy Auto Company v. Moore*, 122 A.2d 87 (Pa. Super. 1956). The MVSFA at 69 P.S. §637.D and the CCC at 12 Pa.C.S.A. 6274 authorize the Department to impose civil penalties upon Respondent in the amount of \$2,000.00 for each violation of the respective statutes. The record in this case clearly establishes that Respondent engaged in three (3) retail installment sales transactions in October 2014, during a period his license had lapsed, in violation of the MVSFA at 69 P.S. §604, and that he made a material misrepresentation to the Department on his renewal application by having denied he had entered into a retail installment sale transaction. In addition to authorizing the Department to suspend or revoke Respondent's license based upon those violations at 69 P.S. §610.A.2, the MVSFA authorizes the Department to impose a civil penalty against Respondent in an amount not to exceed \$2,000.00 for each violation.

The record also shows that Respondent engaged in a pattern and practice of manipulating the financing process for monetary gain in twenty-two installment sale transactions which

violated the CCC in multiple, but similar ways. The Department recommends the imposition of the maximum civil penalty of \$2,000.00 per violation of the MVSFA and CCC. Based upon the number of violations committed by Respondent, and the pervasive and systematic manner by which he violated the CCC, Respondent has demonstrated his indifference to the statutory safeguards the statutes were designed to provide and the consumers they are/were designed to protect. Accordingly, this Hearing Officer believes the Department's recommendation for the imposition of a \$2,000.00 civil penalty per violation is warranted and necessary to reduce the risk of similar misconduct by Respondent, to deter others from committing similar conduct in the future, and to maintain the public trust and confidence in the Department's ability to enforce the statutes' safeguards as they pertain to the vehicle installment sales process.

**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES**

Commonwealth of Pennsylvania,	:	
Department of Banking and Securities,	:	
Compliance Office	:	Docket No. 160027 (BNK-ORD)
	:	
v.	:	
	:	
Dean M. Lake, Individually,	:	
d/b/a D&M Auto Sales,	:	
Respondents	:	

PROPOSED ORDER

AND NOW, this **26th** day of **June 2018**, upon consideration of the record of this proceeding, together with the foregoing Findings of Fact, Conclusions of Law and Discussion, it is hereby recommended that the decision of the Department to prohibit Dean M. Lake, individually, and D&M Auto Sales, its owners, directors and/or employees from engaging in the business of motor vehicle installment sales for a period of no less than five (5) years is **AFFIRMED**.

It is further recommended that the Department's assessment of fines be **AFFIRMED**, and that D&M Auto be ordered to pay a fine of one hundred twenty-eight thousand dollars (\$128,000.00) within thirty (30) days from the effective date of the Department's final Order. Payment of the fine shall be remitted by certified check or money order 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.

By Order

Redacted

Marc A. Moyer, Esquire
Hearing Officer

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Date of Mailing: