

OCCC CASE NO. L22-00066

IN THE MATTER OF:	§	BEFORE THE
	§	
MASTER FILE NO.: 1600057035	§	OFFICE OF CONSUMER
VICTOR VEGA FLORES	§	
d/b/a FLORES AUTO SALES	§	CREDIT COMMISSIONER
3429 SW MILITARY DR.	§	
SAN ANTONIO, TEXAS 78211	§	STATE OF TEXAS

ORDER TO CEASE AND DESIST UNLICENCED ACTIVITY, TAKE AFFIRMATIVE ACTION, AND MAKE RESTITUTION

The Office of Consumer Credit Commissioner (“OCCC”) issues this Order to Cease and Desist Unlicensed Activity, Take Affirmative Action, and Make Restitution against Victor Vega Flores d/b/a Flores Auto Sales (“Flores Auto Sales”), based on the violations of law described below.¹

Statement of Facts and Law

Under Chapter 348 of the Texas Finance Code, a person must hold a motor vehicle sales finance license issued by the OCCC in order to act as a holder of a motor vehicle retail installment contract.² A holder is a person who operates as a retail seller, or holds and collects on a contract in which the person agrees to accept the cash price of a motor vehicle in one or more deferred installments.³ A person who does not hold a Chapter 348 license (or another authorization to act as a holder) may not collect payments on motor vehicle retail installment contracts, and may not indirectly collect payments by repossessing motor vehicles or selling repossessed motor vehicles.⁴

Under Chapters 14 and 348 of the Texas Finance Code, if the OCCC receives a complaint or other reasonable cause to believe that a person is violating Chapter

¹ Tex. Fin. Code §§ 14.208, 14.251.

² Tex. Fin. Code § 348.501.

³ Tex. Fin. Code § 348.001(3), (7), (8).

⁴ Tex. Fin. Code §§ 348.001(3), (7), (8), 348.501.

348, then the OCCC may require the person to furnish information, and may conduct an investigation to discover a violation or obtain required information.⁵

Flores Auto Sales is a motor vehicle dealer that was formerly licensed by the OCCC under Chapter 348. Flores Auto Sales operated under master file number 1600057035 at one licensed location, under license number 156910. Flores Auto Sales' designated contact address is 3429 SW Military Dr., San Antonio, Texas 78211, and its compliance officer is Victor Flores. Flores Auto Sales' license was issued on March 17, 2017. Flores Auto Sales most recently renewed the license in October 2020, and the license expired on October 31, 2021.

In December 2021, the OCCC received a complaint referral from the Texas Department of Motor Vehicles regarding Flores Auto Sales (OCCC complaint ID no. 118859). The complaint alleged that an acceptance company had refused to take assignment of a retail installment contract and had sent the contract back to Flores Auto Sales. In connection with the complaint, the OCCC sent a letter to Flores Auto Sales, requesting information about whether Flores Auto Sales intended to apply for a motor vehicle sales finance license. Flores Auto Sales did not provide the requested information to the OCCC.

In April 2022, the OCCC received another complaint referral from the Texas Department of Motor Vehicles regarding Flores Auto Sales (OCCC complaint ID no. 119470). The complaint alleged that Flores Auto Sales failed to provide license plates to a consumer. In connection with the complaint, the OCCC sent a letter to Flores Auto Sales, requesting information about whether Flores Auto Sales intended to apply for a motor vehicle sales finance license. Flores Auto Sales did not provide the requested information to the OCCC.

As a result of the first complaint, the OCCC attempted to conduct an investigation of Flores Auto Sales. The OCCC found that Flores Auto Sales' website at <https://safloresautosales.com/> includes a button labeled "Financing," which directs a consumer to a section of the website where the consumer can fill out a credit application. In May 2022, Flores Auto Sales provided a list of transactions to an OCCC investigator. This list included handwritten notes stating "collecting" on two transactions, and handwritten notes stating "Repo" on two transactions. On May 18, the OCCC sent a request for information to Flores Auto Sales, requesting a spreadsheet listing all retail installment contracts entered from January 1, 2021, to

⁵ Tex. Fin. Code §§ 14.202, 348.514(a).

the present, as well as copies of retail installment contracts, buyer's orders, credit applications, vehicle titles, title application receipts, and any other agreements or disclosures for each identified transaction. The request instructed Flores Auto Sales to provide the information no later than May 31. Flores Auto Sales did not provide the requested information to the OCCC.

Authority

If the Consumer Credit Commissioner ("Commissioner") has reasonable cause to believe that a person is violating Chapter 14 or Chapter 348 of the Texas Finance Code, the Commissioner may issue an order to cease and desist from the violation, to take affirmative action, or both to ensure compliance.⁶ The Commissioner may order a person who violates Chapter 348 or its implementing rules to make restitution to an identifiable person.⁷ In addition, if the OCCC has reasonable cause to believe that a person is violating Chapter 348, then the OCCC may conduct an investigation to discover a violation or obtain required information.⁸

The Commissioner has reasonable cause to believe that Flores Auto Sales has violated Chapters 14 and 348 of the Texas Finance Code by failing to respond to the OCCC's requests for information, and by failing to allow the OCCC to conduct an investigation. The Commissioner has reasonable cause to believe that Flores Auto Sales has violated Chapter 348 of the Texas Finance Code by acting as a holder without a motor vehicle sales finance license.

Order

IT IS ORDERED that:

1. Flores Auto Sales must allow the OCCC to investigate its location, records, and transactions, and must cease and desist failing to allow the OCCC to conduct an investigation.
2. Flores Auto Sales must comply with, and cease and desist from violating, the motor vehicle sales finance license requirement found in Section 348.501 of the Texas Finance Code.

⁶ Tex. Fin. Code § 14.208(a).

⁷ Tex. Fin. Code § 14.251(b).

⁸ Tex. Fin. Code §§ 14.202, 348.515.

3. Flores Auto Sales must cease and desist entering into new transactions in which it agrees to accept the cash price of a motor vehicle in one or more deferred installments. Flores Auto Sales must cease and desist accepting credit applications.
4. Flores Auto Sales must cease and desist advertising motor vehicle retail installment transactions. Flores Auto Sales must remove any advertisements (including any physical signs and any material on a website) suggesting that Flores Auto Sales will finance vehicles, that consumers may apply for credit, or that consumers may pay for vehicles in more than one payment.
5. Flores Auto Sales must cease and desist collecting payments on existing motor vehicle retail installment transactions. Flores Auto Sales must cease and desist repossessing vehicles, and must cease and desist selling repossessed motor vehicles.
6. Flores Auto Sales must allow the OCCC to conduct an investigation of the records of the business.
7. **No later than 30 days after the date of this Order**, Flores Auto Sales must send a letter to the OCCC stating the complete address of any location where Flores Auto Sales may be investigated. The letter must also state the complete address of any location where Flores Auto Sales conducts business, keeps records of transactions, or receives payments from retail buyers. The letter must be sent by email to Matthew Nance at matthew.nance@occc.texas.gov.
8. **No later than 30 days after the date of this Order**, Flores Auto Sales must provide the OCCC with all information and records requested in the OCCC's May 18 request for information to Flores Auto Sales. The information and records must be sent by email to Matthew Nance at matthew.nance@occc.texas.gov.
9. **No later than 30 days after the date of this Order**, Flores Auto Sales must perform a self-review and identify each motor vehicle retail installment transaction that Flores Auto Sales entered or accepted payments on since November 1, 2021, including each sale of a motor vehicle in which:
 - a. Flores Auto Sales entered a retail installment contract;

- b. Flores Auto Sales purported to take transfer or assignment of a retail installment contract;
 - c. a buyer applied for credit through an application provided by Flores Auto Sales;
 - d. Flores Auto Sales accepted payments in one or more deferred installments; or
 - e. Flores Auto Sales held a lien.
10. **No later than 30 days after the date of this Order**, Flores Auto Sales must refund any finance charges that it charged or received from any retail buyer since November 1, 2021.
11. **No later than 30 days after the date of this Order**, Flores Auto Sales must release any liens that are currently filed on any motor vehicles in Flores Auto Sales' name. Flores Auto Sales may not charge a fee to any buyer for releasing these liens.
12. **No later than 30 days after the date of this Order**, Flores Auto Sales must identify each retail installment transaction that it assigned to another creditor.
13. With respect to maintaining proof of required refunds:
- a. Flores Auto Sales must maintain complete and accurate records of all refunds, including copies of refund checks for closed accounts and ledgers showing account credits for open accounts, until the later of the following:
 - i. the fourth anniversary of the date of the retail installment transaction; or
 - ii. the second anniversary of the date on which the final entry is made in the buyer's record.⁹
 - b. Flores Auto Sales must maintain documentation of the release of any liens until the later of the following:
 - i. the fourth anniversary of the date of the retail installment transaction; or
 - ii. the second anniversary of the date on which the final entry is made in the buyer's record.

⁹ 7 Tex. Admin. Code § 84.704(b), (g).

14. **No later than 30 days after the date of this Order**, Flores Auto Sales must create a Microsoft Excel spreadsheet named "L22-00066_FloresAutoSales." The spreadsheet must clearly list the total amount of refunds provided to buyers. In addition, the spreadsheet must list each retail installment transaction for which Flores Auto Sales provided restitution or released a lien as described above, and each retail installment transaction that Flores Auto Sales assigned to another creditor. The spreadsheet must include a row for each buyer and the following columns:
- a. account number;
 - b. name of the retail buyer;
 - c. date of retail installment contract;
 - d. amount of finance charge;
 - e. amount of finance charge refunded to the buyer;
 - f. date of the refund;
 - g. form of the refund (i.e., check for closed account, and credit for open account);
 - h. date on which Flores Auto Sales released the lien, if applicable; and
 - i. name of any creditor that Flores Auto Sales assigned the transaction to, if applicable.
15. **No later than 30 days after the date of this Order**, Flores Auto Sales must provide a copy of the spreadsheet to the OCCC. The spreadsheet must be sent by email to Matthew Nance at matthew.nance@occc.texas.gov.

Violation of Order

If you violate this Order, the OCCC may impose an administrative penalty of up to \$1,000 for each day.¹⁰

Right to Request Hearing

You have the right to request a hearing regarding this Order.¹¹ To request a hearing, you must send a written hearing request to the OCCC no later than 30 days after the date of this Order.¹² You must send your request to Matthew Nance,

¹⁰ Tex. Fin. Code § 14.208(c).

¹¹ Tex. Fin. Code § 14.208(b).

¹² Tex. Fin. Code § 14.208(b).

Deputy General Counsel, by mail to 2601 N. Lamar Blvd., Austin, TX 78705, or by email to matthew.nance@occc.texas.gov.

If you request a hearing, a hearing will be set and conducted in accordance with Chapter 2001 of the Texas Government Code.¹³ If you fail to request a hearing by this deadline, the Order will be considered final and enforceable.¹⁴

All communications with the OCCC concerning this matter must be through Matthew Nance, Deputy General Counsel, who may be contacted by mail at 2601 N. Lamar Blvd., Austin, TX 78705, by telephone at 512-936-7660, or by email to matthew.nance@occc.texas.gov.

Signed this 12th day of July, 2022.

/s/ Leslie Pettijohn
Leslie L. Pettijohn
Consumer Credit Commissioner
State of Texas

¹³ Tex. Fin. Code § 14.208(b).

¹⁴ Tex. Fin. Code § 14.208(c).

CERTIFICATE OF SERVICE

I certify that on July 12, 2022, a true and correct copy of this Order to Cease and Desist Unlicensed Activity, Take Affirmative Action, and Make Restitution has been sent to Victor Vega Flores d/b/a Flores Auto Sales by the following:

Victor Vega Flores
d/b/a Flores Auto Sales
Attn: Victor Flores, Compliance Officer
3429 SW Military Dr.
San Antonio, TX 78211
floresautosales2015@gmail.com

- email
- eFileTexas.gov electronic service
- regular mail
- certified mail, return receipt requested
9214 8901 9403 8300 0082 2928 28

Victor Vega Flores
d/b/a Flores Auto Sales
Attn: Flores Auto Sales,
Registered Agent
7511 Stagecoach
San Antonio, TX 78227
floresautosales2015@gmail.com

- email
- eFileTexas.gov electronic service
- regular mail
- certified mail, return receipt requested
9214 8901 9403 8300 0082 2928 73

/s/ Matthew Nance
Matthew J. Nance
Deputy General Counsel
Office of Consumer Credit Commissioner
State Bar No. 24074794
2601 N. Lamar Blvd.
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512-936-7660 (phone)
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