

OCCC CASE NO. L25-035

IN THE MATTER OF:	§	BEFORE THE
	§	
MASTER FILE NO.: 10009	§	OFFICE OF CONSUMER
PATTERSON MOTORS OF	§	
KILGORE INC.	§	CREDIT COMMISSIONER
PO BOX 899	§	
KILGORE, TEXAS 75663	§	STATE OF TEXAS

**AGREED ORDER**

The Office of Consumer Credit Commissioner (“OCCC”) issues this Agreed Order against Patterson Motors of Kilgore Inc. (“Patterson Motors of Kilgore”), based on the violations of law described below.<sup>1</sup>

**Statement of Facts and Law**

Patterson Motors of Kilgore is a motor vehicle dealer that holds motor vehicle sales finance licenses issued by the OCCC under Chapter 348 of the Texas Finance Code. Patterson Motors of Kilgore operates under master file number 10009 at one licensed location (license number 45821) and one registered office (license number 46236). Patterson Motors of Kilgore’s compliance officer is Micah Dixon, and its designated contact address is PO Box 899, Kilgore, Texas 75663.

Under Chapter 348 of the Texas Finance Code, the principal balance of a motor vehicle retail installment contract is calculated by adding the cash price of the motor vehicle, authorized amounts for itemized charges, and a documentary fee, and subtracting any downpayment.<sup>2</sup> The cash price is the price at which the retail seller offers in the ordinary course of business to sell the motor vehicle for cash.<sup>3</sup> The cash price may include the price of services related to the sale.<sup>4</sup> The amounts that are authorized as itemized charges are: (1) fees for registration, certificate of title, and license; (2) taxes; (3) inspection or sale fees prescribed by law; and (4) certain charges authorized by statute for insurance, service contracts, warranties, an automobile club membership, a trade-in credit agreements, or a debt

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<sup>1</sup> Tex. Fin. Code §§ 14.208, 14.251.

<sup>2</sup> Tex. Fin. Code § 348.006(a).

<sup>3</sup> Tex. Fin. Code § 348.004(a).

<sup>4</sup> Tex. Fin. Code § 348.004(c).

cancellation agreement.<sup>5</sup> Chapter 348 does not authorize any other charges to be included in the principal balance of a retail installment contract.

The OCCC examined Patterson Motors of Kilgore in July 2024. During the examination, the OCCC identified motor vehicle retail installment transactions in which Patterson Motors of Kilgore included a \$298 “dealer prep & tint” fee in the itemized charges of retail installment contracts. In its examination report, the OCCC cited Patterson Motors of Kilgore for violating Section 348.005 of the Texas Finance Code and instructed Patterson Motors of Kilgore to perform a self-review. Patterson Motors of Kilgore identified 1,591 transactions with improperly disclosed dealer service fees. Patterson Motors of Kilgore has stated that this error occurred unintentionally following a change in its software for contract forms. Patterson Motors of Kilgore has stated that after it discovered the issue, Patterson Motors revised its disclosures to correctly disclose dealer preparation and tint charges in the cash price.

Patterson Motors of Kilgore violated Chapter 348 of the Texas Finance Code by disclosing dealer service fees as an itemized charge in the principal balance of motor vehicle retail installment contracts, rather than in the cash price.

### **Order & Agreement**

In lieu of ordering Patterson Motors of Kilgore to make restitution of all incorrectly disclosed dealer service fees, the OCCC and Patterson Motors of Kilgore enter this Agreed Order.

By signing below, Patterson Motors of Kilgore acknowledges these violations, waives all rights to any hearing or appeal, agrees to pay the administrative penalty below, and otherwise agrees to comply with this Order and Texas Law.

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<sup>5</sup> Tex. Fin. Code § 348.005.

IT IS ORDERED that:

1. **No later than January 10, 2025**, Patterson Motors of Kilgore must pay an administrative penalty in the amount of \$46,275.00 to the OCCC.
2. Patterson Motors of Kilgore must cease and desist charging amounts that are not included in Texas Finance Code Section 348.005 as itemized charges in motor vehicle retail installment transactions.
3. In future retail installment transactions, Patterson Motors of Kilgore must ensure that any charges for dealer services are included in the cash price disclosed to the retail buyer.
4. In any future advertisements where Patterson Motors of Kilgore discloses a sales price, Patterson Motors of Kilgore must ensure that any dealer service fee is included in the advertised sales price.<sup>6</sup>

### **Violation of Order**

If Patterson Motors of Kilgore violates this Order in the future, this may result in one or more of the following actions by the OCCC: (1) an administrative penalty of up to \$1,000 for each day of violation of this Order, (2) an order to refund unauthorized fees, or (3) suspension or revocation of Patterson Motors of Kilgore's motor vehicle sales finance license.<sup>7</sup>

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<sup>6</sup> See Tex. Fin. Code § 341.403(a) (prohibiting false, misleading, or deceptive advertising); 43 Tex. Admin. Code § 215.250 (containing requirements for advertising a motor vehicle sales price).

<sup>7</sup> Tex. Fin. Code §§ 14.208, 14.251, 348.508.

Signed this 3rd day of January, 2025.

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

**AGREED:**

/s/ William Patterson III  
William Patterson III  
President  
Patterson Motors of Kilgore Inc.  
*(signed electronically with permission)*

## CERTIFICATE OF SERVICE

I certify that on January 3, 2025, a true and correct copy of this Agreed Order has been sent to Patterson Motors of Kilgore Inc. by the following:

William H. Daniel  
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*Attorney for Patterson Motors of Kilgore Inc.*

- email
- eFileTexas.gov electronic service
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- certified mail, return receipt requested

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- regular mail
- certified mail, return receipt requested

*Attorney for Patterson Motors of Kilgore Inc.*

Patterson Motors of Kilgore Inc.  
Attn: Micah Dixon, Compliance Officer  
PO Box 899  
Kilgore, TX 75663  
micahdixon@pattersoncars.com

- email
- eFileTexas.gov electronic service
- regular mail
- certified mail, return receipt requested

/s/ Matthew Nance

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