

OCCC CASE NO. L18-00141

IN THE MATTER OF:	§	BEFORE THE
	§	
MASTER FILE NUMBER: 1600056074	§	OFFICE OF CONSUMER
TEXAS DIRECT CHOICE LTD	§	
d/b/a RIGHT CHOICE AUTOS	§	CREDIT COMMISSIONER
2038 TANDY PARK WAY	§	
HOUSTON, TEXAS 77047	§	STATE OF TEXAS

**ORDER TO CEASE AND DESIST, TO TAKE AFFIRMATIVE ACTION,
AND TO MAKE RESTITUTION**

The Office of Consumer Credit Commissioner (“OCCC”) issues this Order to Cease and Desist, to Take Affirmative Action, and to Make Restitution, against Texas Direct Choice Ltd. d/b/a Right Choice Autos (“Right Choice Autos”), based on the violations described below.¹

Statement of Facts and Law

Right Choice Autos previously held a motor vehicle sales finance license with the OCCC under master file no. 1600056074, issued on October 4, 2016. Right Choice Autos’ license expired for non-renewal on July 31, 2017. Right Choice Autos’ designated contact address is 2038 Tandy Park Way, Houston, Texas 77047, and its compliance officer is Sarah Khan. Right Choice Autos has an active dealer license, GDN#: P134620, with the Texas Department of Motor Vehicles.

A motor vehicle sales finance license is required 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

On September 15, 2017, the OCCC received a consumer complaint against Right Choice Autos. The complaint alleged that Right Choice Autos sold the person a motor vehicle and agreed to accept the price of the vehicle in one or more deferred installments. The complainant alleged that Right Choice Autos is

¹ Tex. Fin. Code § 14.208.
² Tex. Fin. Code § 348.501.
³ Tex. Fin. Code § 348.001(3), (7), (8).

no longer operating at the licensed address and has not provided an updated address to make payments. Right Choice Autos did not respond to the OCCC's requests for information. The OCCC was unable to make contact with Right Choice Autos at any of the addresses on file.

Since the expiration of its license on July 31, 2017 through December 15, 2017, an e-Tag report from the Texas Department of Motor Vehicles shows that Right Choice Autos placed liens on 31 vehicles. At the time, Right Choice Autos did not have an active motor vehicle sales finance license with the OCCC. Right Choice Autos financed the sale of a motor vehicle without a motor vehicle sales finance license, in violation of Section 348.501 of the Texas Finance Code.

Authority

If the Commissioner has reasonable cause to believe that a person is violating Chapter 348 of the Texas Finance Code, the Commissioner may issue an order to cease and desist from the violation, an order to take affirmative action, or both to enforce compliance.⁴ Additionally, the Commissioner may order a person who violates Chapter 348 or a rule adopted under Chapter 348 to make restitution to an identifiable person injured by the violation.⁵

Order

IT IS ORDERED that Texas Direct Choice Ltd. d/b/a Right Choice Autos:

- (1) Comply with the motor vehicle sales finance license requirement, found in Section 348.501 of the Texas Finance Code.
- (2) Maintain complete and accurate records of all items and information required under this Order for the full record retention period.⁶
- (3) No later than **January 22, 2019**, identify all motor vehicle retail installment transactions Right Choice Autos entered without a license.

⁴ Tex. Fin. Code § 14.208(a).

⁵ Tex. Fin. Code § 14.251(b).

⁶ See 7 Tex. Admin. Code § 84.704(b), (g).

- a. For accounts that it has not assigned or transferred:
 - i. Refund any finance charges that it collected from the retail buyer.
 - ii. Forfeit any finance charges that remain collectible from the buyer.
 - iii. For accounts with a remaining balance, the refund may be made by crediting the buyer's account. For accounts with no remaining balance, the refund must be made by sending the buyer a check.

- b. For accounts that it has assigned or transferred:
 - i. Refund any finance charges that it collected from the retail buyer.
 - ii. Forfeit any finance charges that remain collectible from the buyer.
 - iii. Make restitution to the buyer the amount of any compensation that it received for finance charges from the assignee or transferee.
 - iv. Forfeit any remaining compensation for finance charges from the assignee or transferee.
 - v. For accounts with a remaining balance, any refund or other restitution may be made by crediting the buyer's account. For accounts with no remaining balance, any refund or other restitution must be made by sending the buyer a check.

(4) No later than **January 22, 2019**, release any lien or other security interest held in a motor vehicle sold by Right Choice Autos in a retail installment transaction entered without a license.

(5) No later than **January 29, 2019**, provide the OCCC with a spreadsheet of all unlicensed transactions identified and all buyers that were provided a refund. This list must include: the buyer's name, account number, transaction date, amount financed, amount of finance charge charged to the buyer, amount refunded to the buyer, form of the refund (i.e., check for closed account, and credit on open account), account number the refund was applied to (if buyer has multiple accounts), check number (if refund provided by check), date the

security interest was placed, date the security interest was released, and the total amount of refunds provided to all buyers.

- (6) No later than **January 29, 2019**, provide the OCCC with a list of any assignees or transferees to a motor vehicle retail installment transaction that Right Choice Autos entered without a license.
- (7) Keep a copy of each customer's refund check or payment history showing an account credit for the required retention period.⁷ Right Choice Autos must also keep a copy of the release of lien or other proof of each released lien for the required retention period. The OCCC will perform an on-site investigation to confirm that Right Choice Autos made all refunds and released all liens listed in the spreadsheet.

Violation of Order

Right Choice Autos may be assessed an administrative penalty of up to \$1,000 for each day of violation of this Order.⁸

Right to Request Hearing

Right Choice Autos has the right to request a hearing regarding this Order.⁹ Right Choice Autos' request must be made in writing and sent to the OCCC not later than 30 days after you receive this Order. Right Choice Autos must send its request to:

Laurie B. Hobbs
Office of Consumer Credit Commissioner
2601 N. Lamar Blvd.
Austin, Texas 78705

If Right Choice Autos requests a hearing, a hearing on this matter will be set and conducted in accordance with Chapter 2001 of the Texas Government Code.¹⁰ If Right Choice Autos fails to request a hearing by the deadline, this Order is considered final and enforceable.¹¹

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

⁸ Tex. Fin. Code § 14.208(c).

⁹ Tex. Fin. Code § 14.208(b).

¹⁰ Tex. Fin. Code § 14.208(b).

¹¹ Tex. Fin. Code § 14.208(c).

All communications with the OCCC concerning this matter must be through Laurie B. Hobbs, Assistant General Counsel, who may be contacted by mail at 2601 N. Lamar Blvd., Austin, Texas 78705, by telephone at (512) 936-7621, or by email to laurie.hobbs@occc.texas.gov.

Signed this 4th day of December, 2018.

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

CERTIFICATE OF SERVICE

I certify that on December 7, 2018, a true and correct copy of this Order to Cease and Desist, to Take Affirmative Action, and to Make Restitution has been sent to Texas Direct Choice Ltd. d/b/a Right Choice Autos by email, regular mail and certified mail, return receipt requested, at:

CMRRR # 91 7199 9991 7038 3509 9811	<input type="checkbox"/> hand-delivery
Texas Direct Choice Ltd.	<input type="checkbox"/> facsimile
d/b/a Right Choice Autos	<input checked="" type="checkbox"/> electronic mail
rightchoiceauto@yahoo.com	<input checked="" type="checkbox"/> regular mail
Attn: Sarah Khan, Compliance Officer	<input checked="" type="checkbox"/> certified mail, return receipt requested #
2038 Tandy Park Way	
Houston, Texas 77047	

CMRRR # 91 7199 9991 7038 3509 9804	<input type="checkbox"/> hand-delivery
Texas Direct Choice Ltd.	<input type="checkbox"/> facsimile
d/b/a Right Choice Autos	<input type="checkbox"/> electronic mail
Attn: Sarah Khan, Registered Agent	<input checked="" type="checkbox"/> regular mail
14100 Rio Bonito Rd. Apt. 167	<input checked="" type="checkbox"/> certified mail, return receipt requested #
Houston, Texas 77083	

CMRRR # 91 7199 9991 7038 3509 9798	<input type="checkbox"/> hand-delivery
Texas Direct Choice Ltd.	<input type="checkbox"/> facsimile
d/b/a Right Choice Autos	<input type="checkbox"/> electronic mail
621 W. Mulberry Street	<input checked="" type="checkbox"/> regular mail
Angleton, Texas 77515	<input checked="" type="checkbox"/> certified mail, return receipt requested #

/s/ Laurie B. Hobbs

Laurie B. Hobbs

Assistant General Counsel

Office of Consumer Credit Commissioner

State Bar No. 24002296

2601 North Lamar Blvd.

Austin, Texas 78705

(512) 936-7621

(512) 936-7610 (fax)

laurie.hobbs@occc.texas.gov