

OCCC CASE NO. L18-00148

IN THE MATTER OF:	§	BEFORE THE
	§	
	§	OFFICE OF CONSUMER
MASTER FILE NUMBER: 5005	§	
PRICE AUTO SALES, INC.	§	CREDIT COMMISSIONER
6373 GREAT TRINITY FOREST WAY	§	
DALLAS, TEXAS 75217	§	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 Price Auto Sales, Inc. (“Price Auto Sales”), based on the violations of law described below.¹

Statement of Facts and Law

Price Auto Sales is a motor vehicle sales finance dealer that was formerly licensed by the OCCC under Chapter 348 of the Texas Finance Code. Price Auto Sales operated under master file number 5005 at one licensed location (license number 36457, issued on May 26, 2004). Price Auto Sales’ designated contact address is 6373 Great Trinity Forest Way, Dallas, Texas 75217, and its compliance officer is Arthur Price.

Price Auto Sales most recently renewed its motor vehicle sales finance license on July 25, 2016. The license expired on August 1, 2017.

Under Chapter 348 of the Texas Finance Code, a person must hold a motor vehicle sales finance license 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

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

On December 19, 2017, the OCCC received a consumer complaint against Price Auto Sales. The consumer disputed charges that Price Auto Sales had imposed in a motor vehicle retail installment transaction. While processing the complaint, the OCCC's consumer assistance staff spoke to Arthur Price by telephone. On March 3, 2018, Mr. Price stated that Price Auto Sales held about 15 active accounts. OCCC staff explained to Mr. Price that the license was canceled and nonrenewable, and that Price Auto Sales would either have to obtain a new license or sell remaining accounts. Price Auto Sales has not obtained a new license, and has not responded to OCCC staff by stating that it has sold remaining accounts.

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:

1. Price 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.
2. Price Auto Sales must cease and desist from advertising or entering into new transactions in which it agrees to accept the cash price of a motor vehicle in one or more deferred installments.
3. Price Auto Sales must cease and desist from collecting payments on existing transactions that require a motor vehicle sales finance license.

⁴ Tex. Fin. Code § 14.208(a).

⁵ Tex. Fin. Code § 14.251(b).

4. **No later than October 1, 2018**, Price Auto Sales must perform a self-review and identify each retail installment transaction in which:
 - a. Price Auto Sales entered a retail installment contract on or after August 1, 2017;
 - b. Price Auto Sales accepted one or more payments on or after August 1, 2017; or
 - c. Price Auto Sales held a lien on or after August 1, 2017.

5. **No later than October 1, 2018**, Price Auto Sales must refund any finance charges that it charged or received from any retail buyers on or after August 1, 2017.

6. **No later than October 1, 2018**, Price Auto Sales must release any liens that are currently filed on any motor vehicles in Price Auto Sales' name. Price Auto Sales may not charge a fee to any buyer for releasing these liens.

7. With respect to maintaining proof of refunds and release of liens:
 - a. Price 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.⁶
 - b. Price 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.
 - c. **No later than October 8, 2018**, Price Auto Sales must create a spreadsheet labeled "L18-00148PriceAutoSalesRestitution." The spreadsheet must clearly list the total amount of refunds provided to buyers. In addition, the spreadsheet must list each

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

buyer who received refunds or a release of lien as described above. The spreadsheet must include a row for each buyer and the following columns:

- i. account number;
 - ii. name of the retail buyer;
 - iii. date of retail installment contract;
 - iv. amount of finance charge;
 - v. amount of finance charge refunded to the buyer;
 - vi. date of the refund;
 - vii. form of the refund (i.e. check for closed account, and credit on open account); and
 - viii. date on which Price Auto Sales released the lien, if applicable.
- d. **No later than October 8, 2018**, Price Auto Sales must provide the OCCC with a copy of the spreadsheet. The spreadsheet must be sent by e-mail to Matthew Nance at matthew.nance@occc.texas.gov.

Violation of Order

Price Auto Sales may be assessed an administrative penalty of up to \$1,000 for each day of violation of this Order.⁷

Right to Request Hearing

Price Auto Sales has the right to request a hearing regarding this Order.⁸ Price Auto Sales' request must be made in writing and sent to the OCCC not later than 30 days after Price Auto Sales receives this Order. Price Auto Sales must send its request to:

Matthew Nance
Office of Consumer Credit Commissioner
2601 N. Lamar Blvd.
Austin, Texas 78705

If Price Auto Sales requests a hearing, a hearing on this matter will be set

⁷ Tex. Fin. Code § 14.208(c).

⁸ Tex. Fin. Code § 14.208(b).

and conducted in accordance with Chapter 2001 of the Texas Government Code.⁹ If Price Auto Sales fails to request a hearing by this deadline, this Order is considered final and enforceable.¹⁰

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, Texas 78705, by telephone at (512) 936-7660, or by email to matthew.nance@occc.texas.gov.

Signed this 20th day of August, 2018.

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

⁹ Tex. Fin. Code § 14.208(b).

¹⁰ Tex. Fin. Code § 14.208(c).

CERTIFICATE OF SERVICE

I certify that on August 21, 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 Price Auto Sales, Inc. by:

Price Auto Sales, Inc.
Attn: Arthur Price, Compliance Officer
6373 Great Trinity Forest Way
Dallas, TX 75217
214-860-2794 (p)
214-398-6897 (f)
buckner1561@hotmail.com

- hand-delivery
- facsimile
- electronic mail
- regular mail
- certified mail, return receipt requested
#91 7199 9991 7038 3609 4228

/s/ Matthew J. Nance
Matthew J. Nance
Deputy General Counsel
Office of Consumer Credit Commissioner
State Bar No. 24074794
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