

OCCC CASE NO. L20-00095

IN THE MATTER OF:	§	BEFORE THE
	§	
	§	OFFICE OF CONSUMER
MASTER FILE NO. 10804	§	
MID-ATLANTIC FINANCE CO. INC.	§	CREDIT COMMISSIONER
4592 ULMERTON RD. STE. 200	§	
CLEARWATER, FLORIDA 33762	§	STATE OF TEXAS

ORDER TO CEASE AND DESIST ACCEPTING ASSIGNMENTS FROM UNLICENSED PERSONS

The Office of Consumer Credit Commissioner (“OCCC”) issues this Order to Cease and Desist Accepting Assignments from Unlicensed Persons against Mid-Atlantic Finance Co. Inc. (“Mid-Atlantic”) based on the violations of law described below.¹

Statement of Facts and Law

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 In order for a motor vehicle sales license to be approved, an entity has to affirm to the OCCC’s satisfaction, that the entity will operate lawfully and fairly.⁴

Mid-Atlantic has a motor vehicle sales finance license issued by the OCCC under Chapter 348 of the Texas Finance Code. Mid-Atlantic operates under master file number 10804 at two licensed locations. It operates under license number 47537 at 4592 Ulmerton Rd. Ste. 200 in Clearwater, Florida. It also operates under license number 48394 at 515 N. Sam Houston Pkway. E. St. 180 in Houston, Texas. Mid-Atlantic’s compliance officer is Matt Godri, whose contact address is mattg@midfinance.com.

Mid-Atlantic purchases retail installment contracts from motor vehicle dealerships in Texas, and acts as the holder of these retail installment contracts, collecting on outstanding payments due for each contract.

¹ Tex. Fin. Code § 14.208.
² Tex. Fin. Code § 348.501.
³ Tex. Fin. Code § 348.001(3), (7), (8).
⁴ Tex. Fin. Code § 348.504(1)(B).

According to information provided by Mid-Atlantic, during the period of October 12, 2017 through October 16, 2019, Mid-Atlantic accepted assignment of at least 82 retail installment contracts from James Doherty d/b/a Big Country Auto Sales, located at 202 W. Gibson in Jasper, Texas. James Doherty d/b/a Big Country Auto Sales has never held a motor vehicle sales finance license with the OCCC.⁵ Mid-Atlantic violated Chapter 348 of the Texas Finance Code by purchasing retail installment contracts from an entity that had no authority to act as a retail seller or as a holder of retail installment contracts for the sale of motor vehicles.⁶

Mid-Atlantic must ensure that each person from which it acquires retail installment contracts is licensed or otherwise authorized to engage in transactions under Chapter 348.⁷ Mid-Atlantic violated Chapter 348 of the Texas Finance Code by accepting the transfer or assignment of retail installment contracts from an unlicensed person.⁸

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.⁹

Order

MID-ATLANTIC FINANCE CO. INC. IS ORDERED TO:

1. cease and desist from accepting the transfer or assignment of a retail installment contract from any person that is not licensed or otherwise authorized to make, service, hold, or collect retail installment transactions in accordance with Chapter 348 and rules implementing Chapter 348;
2. develop and implement procedures necessary to ensure that each person from which Mid-Atlantic Finance Co. Inc. accepts the transfer or assignment of a retail installment contract is licensed or otherwise authorized to make,

⁵ Tex. Fin. Code § 348.501.

⁶ Tex. Fin. Code § 348.501(b); *see also* Tex. Fin. Code §§ 348.001(3), 348.501(a).

⁷ *Id.*

⁸ *Id.*

⁹ Tex. Fin. Code § 14.208(a).

service, hold, or collect retail installment transactions in accordance with Chapter 348 and rules implementing Chapter 348; and

3. no later than **February 28, 2020**, provide Audrey Spalding with a copy of the procedures required above at audrey.spalding@occc.texas.gov; and
4. retain a copy of the procedures required above until its next examination.¹⁰

Violation of Order

If you violate this Order, the OCCC may impose an administrative penalty of up to \$1,000 per day. Multiple violations of this Order may result in the revocation of Mid-Atlantic Finance Co. Inc.'s license.

Right to Request Hearing

Mid-Atlantic has the right to request a hearing regarding this Order.¹¹ Mid-Atlantic's request must be made in writing and sent to the OCCC not later than 30 days after each party receives this Order. The requesting party must send its request to:

Audrey Spalding
Office of Consumer Credit Commissioner
2601 N. Lamar Blvd.
Austin, Texas 78705

If Mid-Atlantic requests a hearing, a hearing on this matter will be set and conducted in accordance with Chapter 2001 of the Texas Government Code.¹² If Mid-Atlantic fails to request a hearing by this deadline, this Order is considered final and enforceable.¹³

All communications with the OCCC concerning this matter must be through Audrey Spalding, Assistant General Counsel, who may be contacted by mail at 2601 N. Lamar Blvd., Austin, Texas 78705, by telephone at (512) 936-7659 or by email to audrey.spalding@occc.texas.gov.

¹⁰ 7 Tex. Admin. Code § 84.704(g).

¹¹ Tex. Fin. Code § 14.208(b).

¹² Tex. Fin. Code § 14.208(b).

¹³ Tex. Fin. Code § 14.208(c).

Signed this 17 day of January 2020.

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

CERTIFICATE OF SERVICE

I certify that on January 17, 2020, a true and correct copy of this Order to Cease and Desist Accepting Assignments from Unlicensed Persons on Mid-Atlantic Finance Co. Inc. by email, regular mail and certified mail, return receipt requested, at:

Mid-Atlantic Finance Co. Inc.
Attn: Matt Godri,
Compliance Officer
4592 Ulmerton Rd. Ste. 200
Clearwater, FL 33762
mattg@midfinance.com

- hand-delivery
- facsimile
- electronic mail
- regular mail
- certified mail, return receipt requested
#91 7199 9991 7037 4753 2925

Mid-Atlantic Finance Co. Inc.
Attn: CT Corporation, Registered
Agent
350 North Saint Paul St.
Dallas, TX 75201

- hand-delivery
- facsimile
- electronic mail
- regular mail
- certified mail, return receipt requested
#91 7199 9991 7037 4753 2918

/s/Audrey Spalding _____
Audrey Spalding
Assistant General Counsel
Office of Consumer Credit Commissioner
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