

OCCC CASE NO. L19-00409

IN THE MATTER OF:	§	BEFORE THE
	§	
M.R.S.J. INVESTMENTS, LLC	§	OFFICE OF CONSUMER
4020 TEXAS BLVD.	§	
WESLACO, TX 78599	§	CREDIT COMMISSIONER
	§	
	§	STATE OF TEXAS

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

The Office of Consumer Credit Commissioner (“OCCC”) issues this Order to Cease and Desist against M.R.S.J. Investments, LLC (“MRSJ Investments”).¹

Background 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

MRSJ Investments is a limited liability company that does not hold a license with the OCCC. MRSJ Investments operates at 908 W. Ferguson Avenue, Pharr, Texas 78577. The sole member and registered agent of MRSJ Investments is Manuel R. Saldivar, Jr.

On November 8, 2018, the OCCC received a license verification request that lead to suspicion that MRSJ Investments was accepting the assignment of motor vehicle retail installment contracts without a license. The OCCC then performed an investigation into MRSJ Investments’ business. In a witness declaration to the investigator, Serina Briseno, agent of MRSJ Investments, admitted that MRSJ Investments had engaged in activity requiring a license by holding 34 motor vehicle retail installment contracts beginning in December 2017.⁴ As a matter of course MRSJ Investments would accept assignments of motor vehicle retail installment contracts

¹ Tex. Fin. Code §§ 14.208, 14.251(b).

² Tex. Fin. Code § 348.501.

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

⁴ Sarah Briseno Witness Declaration.

from Marcos Rene Saldivar d/b/a M2 Motors.⁵ M2 Motors would make a sale, and immediately assign the contracts to MRSJ Investments.⁶

On July 29, 2019, the OCCC attempted to reach out to MRSJ Investments in order to begin the late application process, but was unable to contact MRSJ Investments. MRSJ investments has not obtained a license with the OCCC.

MRSJ Investments accepted assignments from M2 Motors and therefore became a holder of motor vehicle retail installment contracts 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.⁷ 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.⁸

The Commissioner has reasonable cause to believe that MRSJ Investments is violating Chapter 348 of the Texas Finance Code.

Order

IT IS ORDERED that:

1. MRSJ Investments 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. MRSJ Investments 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.

⁵ *Id.*

⁶ *Id.*

⁷ Tex. Fin. Code § 14.208(a).

⁸ Tex. Fin. Code § 14.251(b).

3. MRSJ Investments must cease and desist from collecting payments on existing transactions that require a motor vehicle sales finance license.
4. **No later than December 9, 2019**, MRSJ Investments must perform a self-review and identify each motor vehicle retail installment transaction that MRSJ Investments has entered, including each sale of a motor vehicle in which:
 - a. MRSJ Investments entered a retail installment contract;
 - b. MRSJ Investments accepted payments in one or more deferred installments; or
 - c. MRSJ Investments held a lien.
5. **No later than December 9, 2019**, MRSJ Investments must refund any finance charges that it charged or received from any retail buyers.
6. **No later than December 9, 2019**, MRSJ Investments must release any liens that are currently filed on any motor vehicles in MRSJ Investments' name. MRSJ Investments may not charge a fee to any buyer for releasing these liens.
7. **No later than December 9, 2019**, MRSJ Investments must identify each retail installment transaction that it assigned to another creditor.
8. With respect to maintaining proof of refunds and release of liens:
 - a. MRSJ Investments 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. MRSJ Investments 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

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

made in the buyer's record.

- c. **No later than December 9, 2019**, MRSJ Investments must create a spreadsheet labeled "L19-00409MRSJInvestmentsRestitution." 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 MRSJ Investments provided restitution or released a lien as described above, and each retail installment transaction that MRSJ Investments assigned to another creditor. 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);
 - viii. date on which MRSJ Investments released the lien, if applicable; and
 - ix. name of any creditor that MRSJ Investments assigned the transaction to, if applicable.
- d. **No later than December 9, 2019**, MRSJ Investments must provide the OCCC with a copy of the spreadsheet. The spreadsheet must be sent by e-mail to Audrey Spalding at audrey.spalding@occc.texas.gov.

Violation of Order

You may be assessed an administrative penalty of up to \$1,000 for each day of violation of this Order.¹⁰

¹⁰ Tex. Fin. Code § 14.208(c).

Right to Request Hearing

You have the right to request a hearing regarding this Order.¹¹ Your request must be made in writing and sent to the OCCC not later than 30 days after you receive this Order. You must send your request to:

Audrey Spalding
Assistant General Counsel
Office of Consumer Credit Commissioner
2601 N. Lamar Blvd.
Austin, Texas 78705
Audrey.spalding@occc.texas.gov
Fax: (512) 936-7610

If you request a hearing, a hearing on this matter will be set and conducted in accordance with Chapter 2001 of the Texas Government Code.¹² If you fail 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. You may contact her 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.

Signed this 28 day of October, 2019.

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

¹¹ Tex. Fin. Code § 14.208(b).

¹² Tex. Fin. Code § 14.208(b).

¹³ Tex. Fin. Code § 14.208(c).

CERTIFICATE OF SERVICE

I certify that on October 28, 2019 a true and correct copy of this Order to Cease and Desist, to Take Affirmative Action, and to Make Restitution has been sent MRSJ Investments LLC by regular mail and certified mail, return receipt requested, at:

MRSJ Investments LLC
Attn: Manuel R. Saldivar
4020 N. Texas Blvd.
Weslaco, TX 78599

- hand-delivery
- facsimile
- electronic mail
- regular mail
- certified mail, return receipt requested
#91 7199 9991 7037 4753 2642

MRSJ Investments LLC
Attn: Manuel R. Saldivar
908 W. Ferguson Ave.
Pharr, Texas 78577

- hand-delivery
- facsimile
- electronic mail
- regular mail
- certified mail, return receipt requested
#91 7199 9991 7037 4753 2659

/s/Audrey Spalding
Audrey Spalding
Assistant General Counsel
Office of Consumer Credit Commissioner
State Bar No. 24111055
2601 North Lamar Blvd.
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(512) 936-7659
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