

OCCC CASE NO. L25-139

IN THE MATTER OF:	§	BEFORE THE
	§	
MASTER FILE NO.: 5857	§	OFFICE OF CONSUMER
KELLY GRIMSLEY AUTO GROUP LTD.	§	
2603 E. 8TH ST.	§	CREDIT COMMISSIONER
ODESSA, TEXAS 79761	§	
	§	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 Kelly Grimsley Auto Group Ltd. (“Kelly Grimsley Auto Group”), based on the violations of law described below.<sup>1</sup>

**Statement of Facts and Law**

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 motor vehicle retail installment contracts.<sup>2</sup> A holder includes a dealer that sells motor vehicles and agrees to accept the cash price in one or more deferred installments.<sup>3</sup> In order to approve a motor vehicle sales finance license application, the OCCC must find that the financial responsibility, experience, character and fitness of a license applicant are sufficient to command the confidence of the public and warrant the belief that the business will be operated lawfully and fairly, within the purposes of Chapter 348.<sup>4</sup>

Kelly Grimsley Auto Group is a motor vehicle dealer that holds motor vehicle sales finance licenses issued by the OCCC under Chapter 348 of the Texas Finance Code. Kelly Grimsley Auto Group operates under master file number 5857 at three licensed locations, under license numbers 37315, 46668, and 55132. Kelly Grimsley

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

<sup>2</sup> Tex. Fin. Code § 348.501.

<sup>3</sup> Tex. Fin. Code § 348.001(3), (7), (8).

<sup>4</sup> Tex. Fin. Code § 348.504(a).

Auto Group's designated compliance officer is Larry Nichols, and its designated contact address is 2603 E. 8th St., Odessa, Texas 79761.

Under Chapter 348, in a motor vehicle retail installment transaction, the dealer must pay in full the outstanding balance of a vehicle traded in not later than the 25th day after: (1) the retail installment contract is signed by the retail buyer and the retail buyer receives delivery of the vehicle being purchased, and (2) the retail seller receives delivery of the motor vehicle traded in and necessary documents to transfer title.<sup>5</sup>

Under Chapter 348, a motor vehicle retail installment contract may include an itemized charge for title or registration fees paid to a public official.<sup>6</sup> Under Chapter 348's implementing rules, a dealer must maintain a copy of a record reflecting the amount paid for title or registration.<sup>7</sup>

Under Chapters 14 and 348 of the Finance Code, if the OCCC receives a complaint or other reasonable cause to believe that a person is violating Chapter 348, then the OCCC may require the person to furnish information and may conduct an investigation to discover a violation or obtain required information.<sup>8</sup>

In March 2025, Hyundai Capital America filed a lawsuit against Kelly Grimsley Auto Group in federal district court. In its complaint, Hyundai Capital America alleged that Kelly Grimsley Auto Group had defaulted on obligations to Hyundai Capital America, and that Kelly Grimsley Auto Group had failed to pay registration fees and lien payoffs.<sup>9</sup> In May 2025, Kelly Grimsley Auto Group filed an answer admitting these material allegations.<sup>10</sup>

In May and June 2025, the OCCC received consumer complaints alleging that Kelly Grimsley Auto Group failed to pay off trade-in vehicles.<sup>11</sup> One of these complaints alleged that license plates had not been provided for a purchased

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<sup>5</sup> Tex. Fin. Code § 348.408(b).

<sup>6</sup> Tex. Fin. Code § 348.005(1).

<sup>7</sup> 7 Tex. Admin. Code §§ 84.707(d)(2)(A)(iv), 84.708(e)(2)(A)(v).

<sup>8</sup> Tex. Fin. Code §§ 14.202, 348.515.

<sup>9</sup> Plaintiff's Original Complaint, *Hyundai Capital America v. Kelly Grimsley Auto Group, Ltd.*, case no. 7:25-cv-00143, p. 6, para. 21; p. 11, para. 49. (W.D. Tex. Mar. 25, 2025).

<sup>10</sup> Defendant's Original Answer, *Hyundai Capital America v. Kelly Grimsley Auto Group, Ltd.*, case no. 7:25-cv-00143, p. 2, para. 21; p. 4, para. 49. (W.D. Tex. May 27, 2025).

<sup>11</sup> OCCC complaint ID nos. 125099 and 125340.

vehicle.<sup>12</sup> Another complaint alleged that a purchased vehicle was not properly registered in the buyer's name.<sup>13</sup>

Based on these consumer complaints, in June 2025, the OCCC conducted an onsite investigation of Kelly Grimsley Auto Group at its licensed location at 2603 East 8th St., Odessa, Texas 79761. The dealership was closed to the public. An employee of Kelly Grimsley Auto Group stated that the trade-in vehicles were not paid off due to cash flow issues. The OCCC investigator obtained a list of 104 trade-in vehicles that had not been paid off and 92 transactions with outstanding title transfers.

Kelly Grimsley Auto Group violated Chapter 348 of the Texas Finance Code by failing to pay off trade-in vehicles within 25 days, and by charging buyers registration fees that were not actually paid to public officials. In addition, Kelly Grimsley Auto Group failed to operate lawfully and fairly within the purposes of Chapter 348.

### **Authority**

If the Consumer Credit Commissioner ("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, to take affirmative action, or both to ensure compliance.<sup>14</sup> Additionally, the Commissioner may order a person who violates Chapter 348 to make restitution to an identifiable person.<sup>15</sup>

The Commissioner has reasonable cause to believe that Kelly Grimsley Auto Group violated Chapter 348 by failing to pay off trade-in vehicles within 25 days, and by charging buyers registration fees that were not actually paid to public officials.

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<sup>12</sup> OCCC complaint ID no. 125099.

<sup>13</sup> OCCC complaint ID no. 125340.

<sup>14</sup> Tex. Fin. Code § 14.208(a).

<sup>15</sup> Tex. Fin. Code § 14.251(b).

## Order

IT IS ORDERED that:

1. Kelly Grimsley Auto Group must comply with, and cease and desist violating, the requirement to fully pay the outstanding balances of trade-in motor vehicles under Section 348.408 of the Texas Finance Code.
2. Kelly Grimsley Auto Group must cease and desist charging title and registration fees in amounts that are not actually paid to public officials.
3. **No later than 30 days after the date of this Order**, Kelly Grimsley Auto Group must perform a self-review and identify each motor vehicle retail installment transaction in which:
  - a. Kelly Grimsley Auto Group failed to fully pay the outstanding balance of a trade-in vehicle within 25 days;
  - b. Kelly Grimsley Auto Group failed to register the vehicle in the buyer's name; or
  - c. Kelly Grimsley Auto Group charged title or registration fees that exceeded the amount actually paid to a public official.
4. **No later than 30 days after the date of this Order**, Kelly Grimsley Auto Group must fully pay off any outstanding balance on each vehicle identified above.
5. **No later than 30 days after the date of this Order**, Kelly Grimsley Auto Group must ensure that each vehicle is properly titled and registered in the appropriate buyer's name.
6. **No later than 30 days after the date of this Order**, Kelly Grimsley Auto Group must refund any title or registration fees exceeding the amount actually paid to a public official.
7. **No later than 30 days after the date of this Order**, Kelly Grimsley Auto Group must create a spreadsheet labeled "L25-139\_KellyGrimsleyAuto." The spreadsheet must list each transaction for which Kelly Grimsley Auto Group provided a refund, paid off a lien on a trade-in vehicle, updated a registration, or updated a title. The spreadsheet must include a row for each consumer and the following columns:

- a. Account number
  - b. First and last name of buyer
  - c. Date of retail installment transaction
  - d. Dollar amount of outstanding trade-in balance
  - e. Dollar amount of trade-in balance paid
  - f. Dollar amount of charges refunded to the buyer
  - g. Date of any change in title status
  - h. Date of any change in registration status
8. **No later than 30 days after the date of this Order**, Kelly Grimsley Auto Group must send a copy of the spreadsheet to the OCCC. The spreadsheet must be sent by email to Matthew Nance at [matthew.nance@occc.texas.gov](mailto:matthew.nance@occc.texas.gov).
9. Kelly Grimsley Auto Group must retain transaction records for each transaction, including copies of any refund checks and any ledgers showing account credits, until the later of the following:
- a. the fourth anniversary of the date of the transaction; or
  - b. the second anniversary of the date on which the final entry is made in the record.

### **Violation of Order**

If you violate this Order, the OCCC may impose an administrative penalty of up to \$1,000 for each day.<sup>16</sup> A violation of this Order may also result in suspension or revocation of your motor vehicle sales finance license.<sup>17</sup>

### **Right to Request Hearing**

You have the right to request a hearing regarding this Order.<sup>18</sup> To request a hearing, you must send a written hearing request to the OCCC no later than 30 days after the date of this Order.<sup>19</sup> You must send your request to Matthew Nance, General Counsel, by mail to 2601 N. Lamar Blvd., Austin, TX 78705, or by email to [matthew.nance@occc.texas.gov](mailto:matthew.nance@occc.texas.gov).

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<sup>16</sup> Tex. Fin. Code § 14.208(c).

<sup>17</sup> Tex. Fin. Code § 348.508.

<sup>18</sup> Tex. Fin. Code § 14.208(b).

<sup>19</sup> Tex. Fin. Code § 14.208(b).

If you request a hearing, a hearing will be set and conducted in accordance with Chapter 2001 of the Texas Government Code.<sup>20</sup> If you fail to request a hearing by this deadline, the Order will be considered final and enforceable.<sup>21</sup>

All communications with the OCCC concerning this matter must be through Matthew Nance, General Counsel, who may be contacted by mail at 2601 N. Lamar Blvd., Austin, TX 78705, by telephone at 512-936-7660, or by email to [matthew.nance@occc.texas.gov](mailto:matthew.nance@occc.texas.gov).

Signed this 25th day of September, 2025.

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

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<sup>20</sup> Tex. Fin. Code § 14.208(b).

<sup>21</sup> Tex. Fin. Code § 14.208(c).

## CERTIFICATE OF SERVICE

I certify that on September 25, 2025, a true and correct copy of this Order to Cease and Desist, to Take Affirmative Action, and to Make Restitution has been sent to Kelly Grimsley Auto Group Ltd. by the following:

Kelly Grimsley Auto Group Ltd.  
Attn: Larry Nichols, Compliance  
Officer  
2603 E. 8th St.  
Odessa, TX 79761  
larryn@kellygrimsley.com

- ☒ email
- ☐ eFileTexas.gov electronic service
- ☒ regular mail
- ☒ certified mail, return receipt requested  
# 9214 8901 9403 8300 0035 2819 54

Kelly Grimsley Auto Group Ltd.  
Attn: Kelly Grimsley, Registered Agent  
7605 Doonmore  
Odessa, TX 79765

- ☐ email
- ☐ eFileTexas.gov electronic service
- ☒ regular mail
- ☒ certified mail, return receipt requested  
# 9214 8901 9403 8300 0035 2821 28

Kelly Grimsley Auto Group Ltd.  
Attn: Kelly Grimsley, Registered Agent  
2603 E. 8th St.  
Odessa, TX 79761

- ☐ email
- ☐ eFileTexas.gov electronic service
- ☒ regular mail
- ☒ certified mail, return receipt requested  
# 9214 8901 9403 8300 0035 2825 55

/s/ Matthew Nance

Matthew J. Nance  
General Counsel  
Office of Consumer Credit Commissioner  
State Bar No. 24074794  
2601 N. Lamar Blvd.  
Austin, TX 78705  
512-936-7660 (phone)  
matthew.nance@occc.texas.gov