

OCCC CASE NO. L26-026

IN THE MATTER OF:

KELLY GRIMSLEY
AUTO GROUP LTD.

MASTER FILE NO.: 5857

BEFORE THE

OFFICE OF CONSUMER
CREDIT COMMISSIONER

STATE OF TEXAS

ORDER OF REVOCATION

The Office of Consumer Credit Commissioner (“OCCC”) issues this Order of Revocation against Kelly Grimsley Auto Group Ltd. (“Kelly Grimsley Auto Group”), based on the violations of law described below.¹

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.² A holder includes a dealer that sells motor vehicles and agrees to accept the cash price in one or more deferred installments.³ 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 348.⁴

Kelly Grimsley Auto Group is a motor vehicle dealer that has held motor vehicle sales finance licenses issued by the OCCC under Chapter 348 of the Texas Finance Code. Kelly Grimsley Auto Group has operated under master file number 5857 at three licensed locations, under license numbers 37315 (doing business as Kelly Grimsley Olds Cadillac Honda), 46668 (doing business as Kelly Grimsley Kia), and 55132 (doing business as Kelly Grimsley Honda). Kelly Grimsley Auto Group’s licenses were originally issued in April 2005 and February 2009. Kelly Grimsley

¹ Tex. Fin. Code §§ 14.208, 14.251, 348.508.

² Tex. Fin. Code § 348.501.

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

⁴ 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.⁵

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

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.⁸

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.⁹ In May 2025, Kelly Grimsley Auto Group filed an answer admitting these material allegations.¹⁰

Between May and November 2025, the OCCC received consumer complaints alleging that Kelly Grimsley Auto Group failed to pay off trade-in vehicles.¹¹ Some complaints alleged that license plates had not been provided for a purchased vehicle.¹² Some complaints alleged that a purchased vehicle was not properly

⁵ Tex. Fin. Code § 348.408(b).

⁶ Tex. Fin. Code § 348.005(1).

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

⁸ Tex. Fin. Code §§ 14.202, 348.515.

⁹ 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).

¹⁰ 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).

¹¹ OCCC complaint ID nos. 125099, 125340, 126480, and 126484.

¹² OCCC complaint ID nos. 125099, 126480, and 126638.

registered in the buyer's name.¹³ One complaint alleged that the consumer traded in a vehicle that was sold to another person without being paid off.¹⁴

Based on 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.

On September 25, 2025, the OCCC issued an Order to Cease and Desist, to Take Affirmative Action, and to Make Restitution against Kelly Grimsley Auto Group.¹⁵ The order was based on Kelly Grimsley Auto Group's violations that included failure to pay off trade-in vehicles within 25 days and charging buyers registration fees that were not actually paid to public officials. The order required Kelly Grimsley Auto Group to perform a self-review, pay outstanding balances in trade-in vehicles, ensure that vehicles are appropriately titled and registered, refund certain title and registration fees, and take other actions. The order required Kelly Grimsley Auto Group to send a spreadsheet of affected transactions to the OCCC. The order required Kelly Grimsley Auto Group to take these actions and provide this information within 30 days of the date of the order. Kelly Grimsley Auto Group did not request a hearing on the order, so the order became final and enforceable.¹⁶

Kelly Grimsley Auto Group did not provide the required information to the OCCC within 30 days of the date of the OCCC's September 2025 order. As of the date of this Order, Kelly Grimsley Auto Group has not provided the information required by the OCCC's September 2025 order.

¹³ OCCC complaint ID nos. 125340 and 126638.

¹⁴ OCCC complaint ID no. 126484.

¹⁵ OCCC case no. L25-139.

¹⁶ Tex. Fin. Code § 14.208(c).

Authority

Under Chapter 348 of the Texas Finance Code, the Consumer Credit Commissioner (“Commissioner”) may revoke a motor vehicle sales finance license if: (1) the license holder, knowingly or without exercise of due care, violates Chapter 348, a rule adopted under Chapter 348, or an order issued under Chapter 348; or (2) a fact or condition exists that, if it had existed or had been known to exist at the time of the original application for the license, clearly would have justified the Commissioner’s denial of the application.

If the Commissioner has reasonable cause to believe that a person is violating Chapter 14 of the Texas Finance Code, Chapter 348 of the Texas Finance Code, or Chapter 348’s implementing rules, the Commissioner may issue an order to cease and desist from the violation, to take affirmative action, or both to ensure compliance.¹⁷ If a person violates a final order, the Commissioner may impose an administrative penalty up to \$1,000 per day of violation.¹⁸ Additionally, the Commissioner may order a person who violates Chapter 14, Chapter 348, or Chapter 348’s implementing rules to make restitution to an identifiable person.¹⁹

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. Kelly Grimsley Auto Group failed to operate lawfully and fairly within the purposes of Chapter 348. Kelly Grimsley Auto Group violated the OCCC’s September 2025 order for more than 20 days of violation by failing to take required actions and failing to provide required information. These violations were committed knowingly or without exercise of due care. These violations would have justified denial of Kelly Grimsley Auto Group’s original license application, if these violations had existed or been known to exist at the time of the license application.

¹⁷ Tex. Fin. Code § 14.208(a).

¹⁸ Tex. Fin. Code § 14.208(c).

¹⁹ Tex. Fin. Code § 14.251(b).

Order

IT IS ORDERED that:

1. The motor vehicle sales finance licenses of Kelly Grimsley Auto Group Ltd., master file number 5857, license numbers 37315, 46668, and 55132, are REVOKED.
2. **No later than 30 days after the date of this Order**, Kelly Grimsley Auto Group must pay an administrative penalty in the amount of **\$20,000.00** (calculated as \$1,000 per day for at least 20 days of violating the OCCC's September 2025 order) to the OCCC.
3. Kelly Grimsley Auto Group must cease and desist entering or taking assignment of motor vehicle retail installment transactions. Kelly Grimsley Auto Group must cease and desist taking credit applications.
4. Kelly Grimsley Auto Group must cease and desist advertising motor vehicle retail installment transactions. Kelly Grimsley Auto Group must remove any advertisements (including any physical signs and any material on a website) suggesting that Kelly Grimsley Auto Group will finance vehicles, that consumers may apply for credit, or that consumers may pay for vehicles in more than one payment.
5. Kelly Grimsley Auto Group must cease and desist collecting any payments on motor vehicle retail installment transactions. Kelly Grimsley Auto Group must cease and desist repossessing motor vehicles, and must cease and desist selling any motor vehicles that it has repossessed.
6. 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.
7. Kelly Grimsley Auto Group must cease and desist charging title and registration fees in amounts that are not actually paid to public officials.
8. **No later than 30 days after the date of this Order**, Kelly Grimsley Auto Group must perform a self-review and identify each outstanding motor vehicle retail installment transaction, including each sale of a motor vehicle for which Kelly Grimsley Auto Group is accepting payments, holds a lien,

has repossessed a motor vehicle that it has not sold, failed to timely pay off a trade-in vehicle, failed to timely transfer title or registration, charged title or registration fees exceeding the amount actually paid to a public official, or sold a vehicle without clear title.

9. **No later than 30 days after the date of this Order**, for each outstanding motor vehicle retail installment transaction, Kelly Grimsley Auto Group must cease collecting any payments, must release any lien held by Kelly Grimsley Auto Group, and must return any unsold repossessed vehicle to the consumer. Kelly Grimsley Auto Group may not charge a fee to any consumer for releasing any lien.

10. **No later than 30 days after the date of this Order**, Kelly Grimsley Auto Group must create a spreadsheet labeled "L26-026_KellyGrimsleyAuto." The spreadsheet must list each outstanding transaction that Kelly Grimsley Auto Group identified as described above. If a vehicle was traded in to Kelly Grimsley Auto Group in one transaction and sold to a buyer in another transaction, then Kelly Grimsley Auto Group must include a separate row for each transaction. The spreadsheet must include a row for each consumer and the following columns:
 - a. Account number
 - b. First and last name of any retail buyer who traded in or bought vehicle
 - c. Make, model, year, and vehicle identification number (VIN) of vehicle
 - d. Date of retail installment transaction
 - e. Dollar amount of outstanding trade-in balance on date of transaction
 - f. Dollar amount of trade-in balance paid
 - g. Date on which the trade-in balance was paid
 - h. Dollar amount of charges refunded to the buyer
 - i. Date of each change in title status
 - j. Description of each change in title status
 - k. Date of each change in registration status
 - l. Description of each change in registration status
 - m. Date of any refund
 - n. Date on which Kelly Grimsley Auto Group released a lien, if applicable
 - o. Name of any person that Kelly Grimsley Auto Group assigned the transaction to, if applicable

11. **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.
12. 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.
13. Kelly Grimsley Auto Group must allow the OCCC to investigate its records to verify compliance with this Order. If the OCCC requests any information regarding a credit transaction, Kelly Grimsley Auto Group must provide the requested information within five days.

Violation of Order

If you violate this Order, the OCCC may impose an administrative penalty of up to \$1,000 for each day.²⁰

Right to Request Hearing

You have the right to request a hearing regarding this Order.²¹ 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.²² 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.

If you request a hearing, a hearing will be set and conducted in accordance with Chapter 2001 of the Texas Government Code.²³ If you fail to request a hearing by this deadline, the Order will be considered final and enforceable.²⁴

²⁰ Tex. Fin. Code § 14.208(c).

²¹ Tex. Fin. Code §§ 14.208(b), 348.508.

²² Tex. Fin. Code § 14.208(b).

²³ Tex. Fin. Code § 14.208(b).

²⁴ Tex. Fin. Code § 14.208(c).

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.

Signed this 10th day of December, 2025.

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

CERTIFICATE OF SERVICE

I certify that on December 10, 2025, a true and correct copy of this Order of Revocation 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 0046 1445 21

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 0046 1446 51

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 0046 1449 34

/s/ Matthew Nance
Matthew J. Nance
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