

OCCC CASE NO. L25-138

IN THE MATTER OF:

101 FINANCIAL LLC

MASTER FILE NO.: 2300073952

BEFORE THE

OFFICE OF CONSUMER
CREDIT COMMISSIONER

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 101 Financial LLC (“101 Financial”), 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

101 Financial is a motor vehicle dealer that holds a motor vehicle sales finance license issued by the OCCC under Chapter 348 of the Texas Finance Code. 101 Financial operates under master file number 2300073952 at one licensed location, under license number 169813. 101 Financial’s designated compliance officer is Rafat Abualfilat, and its designated contact address is 2480 Joe Field Rd., A, Dallas, Texas 75229. 101 Financial has not filed any assumed name or DBA operating name with the OCCC.

1. Failure to provide records and information to OCCC

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

¹ Tex. Fin. Code §§ 14.208, 14.251.

² Tex. Fin. Code § 348.501.

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

OCCC may require the person to furnish information and may conduct an investigation to discover a violation or obtain required information.⁴ At times the OCCC considers necessary, the OCCC will examine each place of business of each licensee, and will investigate the licensee's transactions and records.⁵ A licensee must give the OCCC free access to the licensee's files.⁶

In February 2025, the OCCC received a consumer complaint alleging that 101 Financial wrongfully repossessed a motor vehicle even though the consumer made payments on time.⁷ In response to the complaint, the owner of 101 Financial, Rafat Abualfilat, stated that 101 Financial would apply to transfer title to the consumer. At the time of the complaint, 101 Financial did not respond to the OCCC's request to provide evidence of the title transfer.

In March 2025, the OCCC conducted an examination of 101 Financial at its licensed location at 2480 Joe Field Rd., A, Dallas, Texas 75229. In its examination report, the OCCC identified violations of the Texas Finance Code and Texas Business & Commerce Code, including failure to maintain required records, failure to safeguard consumer information, failure to provide notifications of disposition, misleading advertising, and misleading statements in debt collection. The examination report included special instructions to address these violations. Mr. Abualfilat signed an agreement to respond to the examination report's special instructions and provide information about affected transactions within 60 days. 101 Financial did not provide a complete response to the examination report within 60 days.

In April 2025, the OCCC received a complaint from a Dallas Police Department detective alleging that 101 Financial wrongfully repossessed motor vehicles even though consumers made payments on time.⁸

In May 2025, the OCCC conducted a follow-up examination and investigation of 101 Financial at its licensed location. The OCCC examiner found that 101 Financial had not addressed issues identified in the March 2025 examination. The examination report included special instructions repeating the instructions from the March 2025 examination. Mr. Abualfilat signed an agreement to respond to the

⁴ Tex. Fin. Code §§ 14.202, 348.515.

⁵ Tex. Fin. Code § 348.514(a).

⁶ Tex. Fin. Code § 348.514(b).

⁷ OCCC complaint ID no. 124613.

⁸ OCCC complaint ID no. 124931.

examination report's special instructions and provide information about affected transactions within 60 days. 101 Financial did not provide a complete response to the examination report within 60 days.

In July 2025, based on 101 Financial's failure to provide required information in the examinations and investigation, the OCCC sent two requests for information to 101 Financial. In the first request, the OCCC instructed 101 Financial to provide a spreadsheet of transactions involving repossessions, with an explanation of the authority to repossess the vehicle, a copy of the retail installment contract, a copy of the title application receipt, the payment history, and records of repossession showing compliance with the Texas Business & Commerce Code. In the second request, the OCCC instructed 101 Financial to provide records showing that title was transferred and a refund was made to a consumer who had filed a complaint. The OCCC instructed 101 Financial to provide this information by July 31, 2025. 101 Financial did not provide the requested information by the deadline of July 31, 2025.

By failing to provide required information to the OCCC, and by failing to allow the OCCC to examine and investigate its records, 101 Financial violated Chapters 14 and 348 of the Texas Finance Code.

2. Failure to maintain transaction records

Under Chapter 348's implementing rules, a licensee must maintain a record of each retail installment transaction as necessary to enable the OCCC to determine whether the licensee is complying with Chapter 348.⁹ For each retail installment transaction, a licensee must maintain a transaction file including the signed retail installment contract and each agreement or disclosure signed by the buyer.¹⁰ A licensee must maintain each record until the later of the fourth anniversary of the date of the retail installment transaction, or the second anniversary of the date of the final entry in the record.¹¹

Under Chapter 348, a motor vehicle retail installment contract may include an itemized charge for title or registration fees paid to a public official.¹² A motor vehicle dealer must maintain a copy of the title application receipt or a similar

⁹ Tex. Fin. Code § 348.517(a).

¹⁰ Tex. Fin. Code § 348.517(a).

¹¹ 7 Tex. Admin. Code § 84.708(e)(2)(A)(i), (vi).

¹² Tex. Fin. Code § 348.005(1).

record reflecting the amount paid for title and registration, and must maintain the original certificate of title or a copy.¹³ Under the Texas Transportation Code, a licensed motor vehicle dealer must apply for title and registration at the time of selling a motor vehicle.¹⁴

A licensee must maintain or be able to reproduce a report of all retail installment transactions involving repossessions.¹⁵ The report must include the retail buyer's name, account number, and date of repossession.¹⁶ For transactions involving repossessions, a licensee must maintain invoices for any out-of-pocket repossession expenses, and must either a notification of disposition or waiver of notification of disposition signed after default.¹⁷

During the March 2025 examination, the OCCC examiner found files for which 101 Financial had maintained a payment history but had not maintained the signed retail installment contract. In addition, certain records were replaced or destroyed in 101 Financial's dealer management system. 101 Financial told the examiner that a former manager and family member stole all retail installment transaction files dated before October 2024.

During the March 2025 examination, the examiner found that 101 Financial charged public official fees but did not maintain copies of title application receipts. The examiner instructed 101 Financial to perform a self-review and refund title and registration fees that could not be supported by a title application receipt.

During the March 2025 examination, 101 Financial was unable to generate a repossession report containing required information. For transactions involving repossessions, 101 Financial did not maintain a notification of disposition. In certain files, 101 Financial maintained a signed voluntary return of collateral form, which included a waiver of notification of disposition. However, 101 Financial's dealer management system showed that these forms were printed at the time of the transaction, indicating that they were signed before default.

During the May 2025 follow-up examination, the examiner saw Mr. Abualfilat dispose of records in a trash bin. The examiner gathered the records. The disposed records related to a May 2025 retail installment transaction and consisted of a

¹³ 7 Tex. Admin. Code § 84.708(e)(2)(A)(iv)-(v).

¹⁴ Tex. Transp. Code § 501.0234(a), (f).

¹⁵ 7 Tex. Admin. Code § 84.708(f)(1).

¹⁶ 7 Tex. Admin. Code § 84.708(f)(1).

¹⁷ 7 Tex. Admin. Code § 84.708(f)(2)(B)-(C).

signed GPS and starter interrupt disclosure, page 3 of a retail installment contract, and an undated voluntary return of collateral form that was signed by the buyer. The examiner instructed 101 Financial to provide a written statement explaining why it attempted to destroy records within their retention period. 101 Financial did not provide this information to the OCCC.

By failing to maintain required records and improperly disposing of records during an examination, 101 Financial violated Chapter 348 of the Texas Finance Code and its implementing rules.

3. Failure to safeguard customer information and maintain an information security program

The OCCC issues licenses under Chapter 348 based on an expectation that the business will be operated in compliance with state and federal law.¹⁸ Under Chapter 348, state and federal statutes apply to retail installment transactions.¹⁹ Under the federal Gramm–Leach–Bliley Act, financial institutions have an affirmative and continuing obligation to protect the security and confidentiality of customer’s nonpublic personal information.²⁰ This requirement is implemented by the Federal Trade Commission’s Safeguards Rule, which requires financial institutions (including motor vehicle dealers) to develop, implement, and maintain a written information security program to ensure the security and confidentiality of customer information, protect against any anticipated threats to the security or integrity of the information, and protect against unauthorized access to or use of the information.²¹

Under Chapter 521 of the Texas Business & Commerce Code, a business must provide a data breach notification to any individual whose sensitive personal information was acquired by an unauthorized person.²²

Under the implementing rules for Chapter 348 of the Finance Code, a licensee must maintain written policies and procedures for an information security program, and must maintain the text of any required data breach notification.²³

¹⁸ Tex. Fin. Code § 348.504(a)(1); 7 Tex. Admin. Code § 84.104.

¹⁹ Tex. Fin. Code § 348.008(b).

²⁰ Gramm–Leach–Bliley Act, 15 U.S.C. § 6801(a).

²¹ Federal Trade Commission Safeguards Rule, 16 C.F.R. § 314.3(a).

²² Tex. Bus. & Comm. Code § 521.053(b).

²³ 7 Tex. Admin. Code § 84.708(g)–(h).

During the March 2025 examination, 101 Financial told the examiner that a former manager and family member stole all retail installment transaction files dated before October 2024. In addition, certain records were replaced or destroyed in 101 Financial's dealer management system. The examiner found that 101 Financial did not have policies or procedures for an information security program to safeguard customer information. The examiner instructed 101 Financial to create policies and procedures, and to send the policies and procedures to the OCCC. 101 Financial did not provide this information to the OCCC.

By failing to safeguard customer information and failing to maintain policies and procedures to safeguard customer information, 101 Financial violated the Gramm-Leach-Bliley Act, the Federal Trade Commission's Safeguards Rule, and Chapter 348's implementing rules.

4. Failure to provide notification of disposition and improper pre-default use of waiver of notification of disposition

Under Chapter 348, a dealer must comply with state statutes, including the Texas Business & Commerce Code, in its retail installment transactions.²⁴ Chapter 9 of the Business & Commerce Code allows a creditor to dispose of collateral through a public or private sale.²⁵ To dispose of collateral through a public or private sale, the creditor must provide the debtor with notification of disposition before the sale.²⁶ A debtor cannot waive the right to receive this notification except by an agreement signed after default.²⁷ The creditor must conduct the sale in a commercially reasonable manner, and must comply with requirements for calculating the surplus or deficiency after the sale.²⁸ After applying the proceeds of the sale to reasonable expenses and the satisfaction of obligations, the creditor is required to pay the debtor any surplus.²⁹

During the March 2025 examination, the examiner identified transactions where 101 Financial repossessed the vehicle but did not maintain a notification of disposition. In certain files, 101 Financial maintained a voluntary return of collateral form, which included a waiver of notification of disposition. However, 101 Financial's dealer management system showed that these forms were printed

²⁴ Tex. Fin. Code § 348.008(b).

²⁵ Tex. Bus. & Com. Code §§ 9.610, 9.620.

²⁶ Tex. Bus. & Com. Code §§ 9.610, 9.611, 9.612, 9.614.

²⁷ Tex. Bus. & Com. Code § 9.611.

²⁸ Tex. Bus. & Com. Code §§ 9.610(b), 9.615, 9.616.

²⁹ Tex. Bus. & Com. Code §§ 9.608(a)(4), 9.615(d)(1).

at the time of the transaction. The examiner found that 101 Financial had buyers sign the voluntary return of collateral form at the time of the retail installment transaction, which was improper because the forms included waivers that are valid only if they are signed by the buyer after default. The examiner instructed 101 Financial to perform a self-review, identify affected transactions where the vehicle was repossessed but the buyer was not provided a notification of disposition, and refund any surplus resulting from a subsequent sale of each vehicle. 101 Financial did not complete the instructed actions.

During the May 2025 follow-up examination, the examiner saw Mr. Abualfilat dispose of records in a trash bin. The examiner gathered the records. The disposed records related to a May 2025 retail installment transaction and included a voluntary return of collateral form. The voluntary return of collateral form was undated. The form had been signed by a buyer whose vehicle had not been repossessed. 101 Financial improperly had the buyer sign the voluntary return of collateral form before default. In the examination report, the examiner repeated instructions from the March 2025 examination to perform a self-review, identify affected transactions where the vehicle was repossessed but the buyer was not provided a notification of disposition, and refund any surplus resulting from a subsequent sale of each vehicle. 101 Financial did not complete the instructed actions.

By selling repossessed vehicles without providing a notification of disposition, by improperly obtaining waivers before default, and by failing to repossess and sell vehicles in a commercially reasonable manner, 101 Financial violated Chapter 9 of the Texas Business & Commerce Code.

5. Excessive repossession fees

Under Chapter 348, a motor vehicle retail installment contract may provide for payment of reasonable out-of-pocket expenses incurred in connection with the repossession of the motor vehicle.³⁰ For transactions involving repossessions, a licensee must maintain invoices for any out-of-pocket repossession expenses.³¹

During the May 2025 investigation, the OCCC examiner asked about an \$800 fee that was charged to a buyer who filed a complaint about a repossession. Mr.

³⁰ Tex. Fin. Code § 348.108(3).

³¹ 7 Tex. Admin. Code § 84.708(f)(2)(B).

Abualfilat stated that the fee was probably a repo fee. The OCCC instructed 101 Financial to provide proof that the \$800 fee was reasonable and out-of-pocket. 101 Financial did not provide the requested information at the time of the investigation. In response to the OCCC's second July 2025 request for information, 101 Financial provided a receipt from a towing company showing less than \$800 in charges. This did not explain the \$800 repossession fee.

By charging a repossession fee that was not supported by records showing out-of-pocket repossession expenses, 101 Financial violated Chapter 348 and its implementing rules.

6. Misleading advertising and failure to disclose required terms in advertisements

Under Chapter 341 of the Finance Code, a person may not advertise a false, misleading, or deceptive statement or representation relating to a rate, term, or condition of a credit transaction.³² Under Chapter 348's implementing rules, a licensee may not make a statement or representation of the ease of procuring a retail installment contract, unless the licensee will comply with the representation.³³

Under Chapter 348 and its implementing rules, the disclosure requirements of the federal Truth in Lending Act and its implementing regulation, Regulation Z, apply to a retail installment transaction.³⁴ Under Regulation Z, certain triggering terms in an advertisement for consumer credit require additional disclosures. The triggering terms are the amount or percentage of any downpayment, the number of payments or period of repayment, the amount of any payment, and that amount of any finance charge.³⁵ If a creditor discloses a triggering term in an advertisement, then the creditor must state all of the following terms in the advertisement: (1) the amount or percentage of the downpayment, (2) the terms of repayment reflecting the repayment obligations over the full term of the transaction, and (3) the annual percentage rate, and, if the rate may be increased after consummation, that fact.³⁶

³² Tex. Fin. Code § 341.403(a).

³³ 7 Tex. Admin. Code § 84.702(b).

³⁴ Tex. Fin. Code § 348.009(a); 7 Tex. Admin. Code § 84.702(d).

³⁵ Regulation Z, 12 C.F.R. § 1026.24(d)(1).

³⁶ Regulation Z, 12 C.F.R. § 1026.24(d)(2).

During the March 2025 examination, the examiner found that 101 Financial had advertised on Craigslist and OfferUp listing the name “Ralph” as the seller rather than 101 Financial, and listing 2490 Joe Field Rd. as the address. 101 Financial is not licensed to do business at 2490 Joe Field Rd., which contains an empty warehouse. The examiner also found that 101 Financial had advertised on Facebook using the names “Intownfinancing” and “In town financing.” These are not registered assumed names of 101 Financial. The examiner instructed 101 Financial to remove or update its advertisements to correct the misleading names and addresses, and to provide proof to the OCCC that necessary corrections were made. 101 Financial did not provide this information to the OCCC.

During the March 2025 examination, the examiner identified Craigslist advertisements from 101 Financial that listed monthly payment amounts but did not include the other disclosures required by Regulation Z. The examiner also identified Facebook and OfferUp advertisements from 101 Financial that included downpayment amounts but did not include the other disclosures required by Regulation Z. The examiner instructed 101 Financial to update its advertisements and submit examples to the OCCC. 101 Financial did not provide this information to the OCCC.

During the March 2025 examination, the examiner identified advertisements from 101 Financial that included the phrase “Everyone Approved Guaranteed.” This statement is misleading because approval is contingent on a downpayment.

By using false and misleading names and addresses in advertising, by making misleading statements of the ease of obtaining credit, and by failing to disclose required terms in advertising, 101 Financial violated Chapters 341 and 348 of the Finance Code, Chapter 348’s implementing rules, and Regulation Z.

7. Misleading and threatening statements regarding debt collection

Under Chapter 392 of the Finance Code, a person engaged in debt collection may not use threats or coercion that employ the practices of threatening that the debtor will be arrested for nonpayment of a consumer debt without proper court proceedings, or threatening to file a charge, complaint, or criminal action against a debtor when the debtor has not violated a criminal law.³⁷ A debt collector may not

³⁷ Tex. Fin. Code § 392.301(a)(5)-(6).

oppress, harass, or abuse a person by using profane or obscene language.³⁸ A debt collector may not make a misleading representation that misrepresents the character of a consumer debt.³⁹

During the March 2025 examination, the examiner found that 101 Financial provided documents to buyers in retail installment transactions that included a “WELCOME LETTER FROM OWNER” and a document labeled “To the Customer.”

101 Financial’s “WELCOME LETTER FROM OWNER” includes the following misleading statements that mischaracterize consumer debt:

- “IF YOU ARE FACING THE JUDGE. THE JUDGE WILL ASK YOU 1 QUESTION: DID YOU MAKE YOUR PAYMENT ON OR BEFORE THE DUE DATE? THEN. YOU WONT HAVE ANY PROTECTION.”
This statement misleadingly suggests that a buyer will have no legal protections if the buyer fails to make a payment by its due date. Defaulting buyers have statutory protections under the Texas Finance Code and Texas Business & Commerce Code.
- “YOU HAVE NO RIGHT TO LEAVE THE STATE OF TEXAS. WITHOUT THE OWNER PERMISSION. THIS IS NOT THE LAW BUT IT IS MY POLICY.”
This statement misleadingly suggests that the buyer must remain in Texas (when the retail installment contract does not contain any clause requiring the vehicle to remain in Texas), that 101 Financial owns the vehicle (rather than the buyer), and that 101 Financial may coerce a buyer to stay in Texas through policies that are not the law.
- The document states that if the buyer removes a tracking device, then “YOU WILL BE UNDER BREACH OF CONTRACT AND I WILL BE COMING AND PICKING UP MY CAR.”
In this statement, the phrase “MY CAR” misleadingly suggests that 101 Financial or Mr. Abualfilat owns the vehicle, rather than the buyer.
- “DO NOT FORGET BEFORE YOU GO TO COURT, WE HAVE THE ARBITRATION AGREEMENT AND YOU WOULD HAVE TO PAY \$2,500.”

³⁸ Tex. Fin. Code § 392.302(a).

³⁹ Tex. Fin. Code § 392.304(a)(8).

This statement mischaracterizes the arbitration agreement used by 101 Financial. The arbitration agreement does not require the buyer to pay \$2,500. The arbitration agreement states: "We will pay your filing, administration, service or case management fee and any arbitrator or hearing fee all up to a maximum of \$ 2,500, unless applicable law or the rules of the chosen arbitration organization require us to pay more." In the arbitration agreement, "We" refers to 101 Financial and "you" refers to the buyer.

101 Financial's document titled "To the Customer" states:

"To the Customer-

If you are thinking of selling or giving your vehicle to any sort of business other than our company you will be facing multiple charges... Such as

1. Hendering secure credit TX PC 32.33, Sections D4 & E4--State Jail Felony
2. Fraudulent transfer of motor vehicle TX PC 32.34, Sections A3,B1,B2,B3,B4,C,D--State Jail Felony
3. Forgery TX PC 32.21-- State Jail Felony
4. Theft TX PC 31.03-- State Jail Felony
5. Theft of services TX PC 31.04-- State Jail Felony
6. Criminal mischief TX PC 28.03, Sections A1,A2,4A-- State Jail Felony
7. Reckless damage or distruction TX PC 28.04, Sction A--Class A Misdomeanor
8. Value TX PX 31.08, Section A1,B1,2C--Class A Misdomeanor-1st Degree Felony
9. Crimalan simulation TX PC 32.22, Section 22--Class A Misdomeanor
10. Unautherized possesion of Catalytic converters TX PC 31.21, Section A1 – 3rd Degree Felony
11. Engaging in organized crime TX PC 71.02, Section 8--Life or up to 99 years

So I will find out and I will prosicute (bring charges). Charges will be filled on you and whomever you sold the car to. If you think you can out smart me...Think again...This is not my first rodeo... If you feel that you are not able to make the payment or you have an issue with the car please just bring it back, fill out a voluntary return of colateral or you can spend time in prison. This is your warning and it is the only one you get."

This document mischaracterizes situations where criminal statutes would apply and disregards the relevant mental states that would need to be proven in a criminal prosecution. In addition, the threat of prison time misleadingly suggests that buyers will be arrested for nonpayment of debt without court proceedings. By threatening prison time, 101 Financial coerces buyers into signing the return of collateral form, suggesting that the form is not actually voluntary.

During the May 2025 follow-up examination, the examiner observed a debt collection call. Throughout the call, Mr. Abualfilat harassed a consumer using profane and obscene language.

101 Financial violated Chapter 392 of the Texas Finance Code by using threats and coercion; threatening that the debtor will be arrested for nonpayment of a consumer debt without proper court proceedings; threatening to file a charge, complaint, or criminal action against a debtor when the debtor has not violated a criminal law; harassing a person by using profane or obscene language; and making misleading representations that misrepresent the character of a consumer debt.

Authority

If the Consumer Credit Commissioner (“Commissioner”) has reasonable cause to believe that a person is violating Chapters 14, 341, or 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.⁴⁰ Additionally, the Commissioner may order a person who violates Chapters 14, 341, or 348, or their implementing rules, to make restitution to an identifiable person.⁴¹

The Commissioner has reasonable cause to believe that 101 Financial violated Chapters 14, 341, and 348 of the Texas Finance Code and their implementing rules. In addition, 101 Financial failed to operate lawfully and fairly within the purposes of Chapter 348.

⁴⁰ Tex. Fin. Code § 14.208(a).

⁴¹ Tex. Fin. Code § 14.251(b).

Order

IT IS ORDERED that:

1. 101 Financial must comply with, and must cease and desist violating, all of the following requirements:
 - a. The requirements in Chapters 14 and 348 of the Texas Finance Code to allow the OCCC to examine and investigate records, and to furnish information requested by the OCCC.
 - b. The requirements in Chapter 348 and its implementing rules to maintain transaction records, repossession reports, and policies and procedures for an information security program.
 - c. The requirements in the Gramm–Leach–Bliley Act and Federal Trade Commission’s Safeguards Rule to protect the security and confidentiality of customer information, and to maintain and implement an information security program.
 - d. The requirements in Chapter 9 of the Texas Business & Commerce Code relating to repossession, notification of disposition, and disposition.
 - e. The requirements in Chapter 348 and its implementing rules that limit repossession fees to reasonable, out-of-pocket expenses supported by documentation.
 - f. The advertising requirements of Chapter 341 and Regulation Z.
 - g. The requirements in Chapter 392 that prohibit misleading, threatening, and harassing statements in debt collection.

2. 101 Financial must cease and desist all of the following practices:
 - a. Disposing of records before the time period required by Chapter 348 and its implementing rules.
 - b. Using or printing a “Voluntary Return of Collateral” form or similar form before a buyer has defaulted under the terms of the retail installment contract.
 - c. Selling a repossessed vehicle without providing a notification of disposition that includes all information required by Texas Business & Commerce Code, Chapter 9.
 - d. Charging fees that are not authorized by Chapter 348 and its implementing rules.
 - e. Advertising using a name other than “101 Financial LLC” or an address other than 2480 Joe Field Rd., A, Dallas, Texas 75229.

- f. Advertising without making disclosures required by Regulation Z.
 - g. Using its “WELCOME LETTER FROM OWNER” document or a similar document.
 - h. Using its “To the Customer” document or a similar document.
 - i. Making statements or representations in debt collection that are misleading, threatening, or harassing.
3. **No later than 30 days after the date of this Order**, 101 Financial must send a written statement to the OCCC confirming that it has ceased each of the practices identified in items 1 and 2 above.
4. **No later than 30 days after the date of this Order**, 101 Financial must perform a self-review and identify each motor vehicle retail installment transaction from April 27, 2023, to the present in which:
- a. Records or transaction information were stolen from 101 Financial;
 - b. 101 Financial charged title or registration fees, but has not maintained and cannot obtain a complete, accurate title application receipt;
 - c. 101 Financial charged repossession fees that were not reasonable, out-of-pocket repossession expenses or are not supported by documentation that 101 Financial has maintained;
 - d. 101 Financial repossessed a vehicle and did not provide the buyer with a notification of disposition including all information required by Texas Business & Commerce Code, Chapter 9; or
 - e. 101 Financial (or an owner or employee of 101 Financial) filed a criminal charge against a buyer.
5. **No later than 30 days after the date of this Order**, 101 Financial must ensure that it has a separate file for each retail installment transaction, and that each file contains complete records for the transaction, including a retail installment contract, title application receipt, and original title (or front-and-back copy of original title). If a retail installment contract was stolen, then 101 Financial must print a complete, accurate, unsigned copy and place it in the file. If a title application receipt or original title was stolen, then 101 Financial must apply for and obtain complete and accurate documents.
6. **No later than 30 days after the date of this Order**, 101 Financial must ensure that it has sent a data breach notification to each buyer whose

records or sensitive personal information was stolen, containing all information required by Section 521.053 of the Texas Business & Commerce Code.

7. **No later than 30 days after the date of this Order**, 101 Financial must send refunds of any title or registration fees that are not supported by a complete, accurate title application receipt in 101 Financial's possession, and must ensure that each vehicle is properly titled and registered in the appropriate buyer's name. If 101 Financial does not possess and cannot obtain a complete and accurate title application receipt, then 101 Financial must send the buyer a refund of all title and registration fees charged. If a title application receipt supports only a portion of a title or registration fee charged, then 101 Financial must refund the portion that is not supported.
8. **No later than 30 days after the date of this Order**, 101 Financial must send refunds of any repossession fees that are not supported by documentation showing that the fees are for reasonable, out-of-pocket expenses. If documentation supports only a portion of a repossession fee, then 101 Financial must refund the portion of the repossession fee that is not supported.
9. **No later than 30 days after the date of this Order**, for each transaction in which 101 Financial repossessed a motor vehicle and failed to send a complete notification of disposition to the debtor whose vehicle was repossessed, 101 Financial must take the following actions:
 - a. release any lien;
 - b. waive any deficiency balance; and
 - c. send the debtor a refund of any surplus resulting from the subsequent sale of the motor vehicle.
10. **No later than 30 days after the date of this Order**, 101 Financial must create a spreadsheet labeled "L25-138_101FinancialLLC." The spreadsheet must list each transaction identified by 101 Financial in the self-review described above. 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. Date of data breach notification

- e. Date of criminal charge filed against buyer
 - f. Date of release of lien
 - g. Dollar amount of title and registration fees refunded to buyer
 - h. Dollar amount of repossession fees refunded to buyer
 - i. Dollar amount of deficiency waived
 - j. Dollar amount of surplus for subsequent sale refunded to buyer
11. **No later than 30 days after the date of this Order**, 101 Financial must provide the OCCC with all of the following:
- a. the spreadsheet described above;
 - b. complete responses to the special instructions in the OCCC's March 2025 examination report;
 - c. complete responses to the special instructions in the OCCC's May 2025 follow-up examination report;
 - d. complete responses to the OCCC's July 2025 requests for information;
 - e. a complete repossession report containing all information required by the OCCC's rule at Title 7, Section 84.708(f)(1) of the Texas Administrative Code;
 - f. all written policies and procedures of 101 Financial;
 - g. each data breach notification provided to a buyer;
 - h. any police report for criminal charges that 101 Financial (or an owner or employee of 101 Financial) filed against a buyer of a vehicle; and
 - i. any police report relating to a theft of customer transaction records from 101 Financial.
12. The information described above must be sent by email to Matthew Nance at matthew.nance@occc.texas.gov.
13. 101 Financial must retain transaction records for each transaction, including copies of any refund checks and any ledgers showing account credits, until the latest of the following:
- a. the next examination of 101 Financial;
 - b. the fourth anniversary of the date of the transaction; or
 - c. 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.⁴² A violation of this Order may also result in suspension or revocation of your motor vehicle sales finance license.⁴³

Right to Request Hearing

You have the right to request a hearing regarding this Order.⁴⁴ 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.⁴⁵ 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.⁴⁶ If you fail to request a hearing by this deadline, the Order will be considered final and enforceable.⁴⁷

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 19th day of March, 2026.

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

⁴² Tex. Fin. Code § 14.208(c).

⁴³ Tex. Fin. Code § 348.508.

⁴⁴ Tex. Fin. Code § 14.208(b).

⁴⁵ Tex. Fin. Code § 14.208(b).

⁴⁶ Tex. Fin. Code § 14.208(b).

⁴⁷ Tex. Fin. Code § 14.208(c).

CERTIFICATE OF SERVICE

I certify that on March 19, 2026, a true and correct copy of this Order to Cease and Desist, to Take Affirmative Action, and to Make Restitution has been sent to 101 Financial LLC by the following:

101 Financial LLC
Attn: Rafat Abualfilat, Compliance
Officer
2480 Joe Field Road, A
Dallas, TX 75229
rafatcornerstop@yahoo.com

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/s/ Matthew Nance

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