

COMMONWEALTH OF MASSACHUSETTS

Suffolk, SS.

COMMISSIONER OF BANKS  
MOTOR VEHICLE SALES FINANCE  
COMPANY LICENSING  
Docket No. 2017-006

_____	)	
In the Matter of	)	
CEDAR AUTO SALES LLC	)	
Springfield, Massachusetts	)	
	)	CONSENT ORDER
	)	
Motor Vehicle Sales Finance Company	)	
Former License No.: MV113749-100	)	
_____	)	

WHEREAS, CEDAR AUTO SALES LLC, (Cedar Auto or the Company), formerly licensed as a motor vehicle sales finance company under Massachusetts General Laws chapter 255B, section 2, has been advised of its right to Notice and Hearing pursuant to Massachusetts General Laws chapter 30A, section 10, and having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER (Consent Agreement) with representatives of the Division of Banks (Division) dated July 6, 2017 whereby, solely for the purpose of settling this matter, Cedar Auto agrees to the issuance of this CONSENT ORDER (Consent Order) by the Commissioner of Banks (Commissioner);

WHEREAS, the Division, through the Commissioner, has jurisdiction over the licensing and regulation of persons and entities engaged in the business of a motor vehicle sales finance company in Massachusetts pursuant to Massachusetts General Laws chapter 255B, section 2;

WHEREAS, Cedar Auto is, and at all relevant times has been, a Massachusetts company with its main office located at 175 Spring Street, Springfield, Massachusetts;

WHEREAS, Cedar Auto was initially licensed in the Commonwealth as a motor vehicle sales finance company on or about August 30, 2011;

WHEREAS, on December 30, 2014, Cedar Auto requested renewal of its motor vehicle sales finance company license for year 2015 (renewal application);

WHEREAS, on several occasions, the Division notified Cedar Auto through the Nationwide Multi-State Licensing System & Registry (NMLS) and by telephone that its renewal application contained deficiencies;

WHEREAS, Cedar Auto's renewal application remained pending until the Division made a final determination on the application;

WHEREAS, by certified mail letter dated May 21, 2015 and addressed to managing member Mohamad Mourad, the Division notified Cedar Auto that its license would not be renewed for the year 2015 (certified letter);

WHEREAS, the Division received an undated U.S. Postal Service Return Receipt card that contained the signature of Mohamed Mourad that indicates that Mr. Mourad received the certified letter;

WHEREAS, on June 8, 2015, the Division updated Cedar Auto's NMLS record to indicate that the Company's license had been terminated;

WHEREAS, an email notification of the change in the license to "terminated" was delivered by the NMLS to Cedar Auto's designated NMLS contact, Mohamed Mourad, on June 8, 2015;

WHEREAS, the NMLS is a legal system of record for licensure of motor vehicle sales finance companies;

WHEREAS, Cedar Auto engaged in the business of a motor vehicle sales finance company from June 9, 2015 through January 19, 2017 without a valid motor vehicle sales finance company license;

WHEREAS, the Division alleges that from June 9, 2015 through January 17, 2017, Cedar Auto originated and held 157 motor vehicle retail installment contracts while it was not appropriately licensed by the Division;

WHEREAS, on February 21, 2017, Cedar Auto submitted an application to obtain a motor vehicle sales finance company license through the NMLS in order to obtain a motor vehicle sales finance company license from the Commissioner;

WHEREAS, the parties now seek to resolve by mutual agreement the matters identified above.

#### ORDER

NOW COME the parties in the above-captioned matter, the Division and Cedar Auto stipulate and agree as follows:

1. Cedar Auto and any and all officers, directors, employees, or managers or their successors or assigns operating on behalf of Cedar Auto, will cease engaging in the activity of a motor vehicle sales finance company in Massachusetts, as those terms are defined under General Laws chapter 255B, section 1, without first obtaining the appropriate license from the Division.

2. No part of this agreement impacts the Commissioner's discretion set forth within Massachusetts General Laws chapter 255B, section 2, and the Division's regulation 209 CMR 20.00 *et seq.* in determining whether to issue the relevant license to Cedar Auto, provided however, that any such complete license application shall not be denied solely as a result of any of the issues resolved by this Consent Order or because Cedar Auto entered into this Consent Order or agreed to the issuance of this Consent Order.

3. Cedar Auto shall pay an administrative penalty of ten thousand dollars (\$10,000).

The administrative penalty shall be satisfied as follows:

- (a) Five thousand dollars (\$5,000) shall be due and payable immediately upon Cedar Auto's execution of the Consent Agreement;
  - (b) A payment of two thousand five hundred dollars (\$2,500) shall be due and payable every thirty (30) days following the effective date of this Consent Order, until the administrative penalty set forth in this Section is satisfied in full;
  - (c) Cedar Auto shall remit payment(s) pursuant to this Section of the Consent Order for the amount then due by a check payable to the "Commonwealth of Massachusetts", mailed to the Division of Banks, Attn: Consumer Finance Licensing Unit, 1000 Washington Street, 10<sup>th</sup> Floor, Boston, Massachusetts 02118.
4. Cedar Auto shall immediately establish, implement and maintain policies and procedures to ensure that the Company does not engage in unlicensed activity going forward.
  5. The Division reserves the right to conduct a consumer compliance review of loans made and serviced by Cedar Auto during the time period covered by this order. Nothing in this Order shall prevent the Division from enforcing compliance with applicable statutes and regulations governing the financing and servicing of motor vehicle sales retail instalment contracts on contracts originated or for servicing activity conducted prior to the effective date of this Order.
  6. The provisions of this Consent Order shall not limit, estop, or otherwise prevent any other state agency or department, from taking any other action affecting Cedar Auto and/or any of its officers, directors, or managers.
  7. This Consent Order shall become effective immediately upon the date of its issuance.
  8. The provisions of this Consent Order shall be binding upon Cedar Auto and its directors, officers, employees, agents, and their successors and assigns.
  9. In accordance with the terms of this Consent Agreement entered into by Cedar Auto and the Commissioner, Cedar Auto have waived all rights of appeal that they may have.

10. The provisions of this Consent Order shall remain effective and enforceable except to the extent that, and until such time as, any provisions of this Consent Order shall have been modified, terminated, suspended, or set aside by the Commissioner or upon an order of a court of competent jurisdiction.

11. This Consent Order and the Consent Agreement are the complete documents representing the resolution of this matter. There are no other agreements, promises, representations, or warranties other than those set forth in this Consent Order.

BY ORDER AND DIRECTION OF THE COMMISSIONER OF BANKS:

Dated at Boston, Massachusetts, this 6<sup>th</sup> day of July 2017.

By: Terence A. McGinnis  
Commissioner of Banks  
Commonwealth of Massachusetts