

COMMONWEALTH OF MASSACHUSETTS

Suffolk, SS.

COMMISSIONER OF BANKS

MOTOR VEHICLE SALES  
FINANCE COMPANY  
LICENSING

Docket No.: 2024-006

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In the Matter of  
OPEN ROAD FINANCE CORPORATION  
Beverly, Massachusetts

Motor Vehicle Sales Finance  
Company License No. MV1818966

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) CONSENT ORDER  
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WHEREAS, OPEN ROAD FINANCE CORPORATION, Beverly, Massachusetts (Open Road or the Corporation), a licensed motor vehicle sales finance company under Massachusetts General Laws (M.G.L) chapter 255B, section 2 and 209 CMR 20.00 *et seq.* has entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER (Consent Agreement) with representatives of the Division of Banks (Division) dated November 4, 2024 whereby, solely for the purpose of settling this matter, and without admitting any allegations or implications of fact or the existence of any violation of state or federal laws and regulations governing the conduct and operation of a motor vehicle sales finance company, Open Road agrees to the issuance of this CONSENT ORDER (Consent Order) by the Commissioner of Banks (Commissioner);

WHEREAS, an examination of Open Road was conducted for the period 2020 -2021 pursuant to General Laws chapter 255B, section 3 as of March 25, 2022 to assess the Corporation's level of compliance with applicable Massachusetts and federal statutes, rules, and regulations governing the conduct of those engaged in business of a motor vehicle sales finance company in Massachusetts;

WHEREAS, the Report of Examination (the Report) issued pursuant to the Division's examination of Open Road alleged substantial non-compliance with applicable state statutes, rules, and regulations governing the conduct of those engaged in business of a motor vehicle sales finance company in Massachusetts; and

WHEREAS Ironhorse Funding LLC (Ironhorse) is a registered Third Party Loan Servicer (LS1743763) that was engaged by Open Road as the Corporation's servicer of all Massachusetts consumer accounts;

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

#### ORDER

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

1. Open Road shall ensure its retail installment contracts are serviced in compliance with applicable Massachusetts and federal statutes, rules, and regulations governing the conduct of those engaged in the consumer finance businesses for which the Corporation is licensed. Specifically, the Corporation shall ensure compliance with the requirements governing loan servicing and collateral repossession set forth in the Report and set forth in M.G.L chapter 255B.

2. Open Road asserts that it has caused its servicer, Ironhorse, to (i) enhance its document management systems and procedures; (ii) engage a third-party document vendor and test its output for accuracy; and (iii) provide additional staff training to ensure that records Ironhorse maintains on the Corporation's behalf are maintained in a manner sufficient to evidence compliance with applicable statutes and regulations, in accordance with the record keeping requirements specified

by the Division's regulations 209 CMR 20.05 and 209 CMR 48.03. Without limiting the foregoing, it is understood that Open Road, through its servicer, Ironhorse, shall maintain records relating to repossession, including but not limited to, all documents related to a consumer's default, and all records relating to the disposition of the collateral following repossession.

3. Open Road, through its servicer, Ironhorse, shall ensure the portfolio reviews detailed in the Report are conducted to determine which accounts are eligible for refunds based on the findings of the Examination. The Corporation shall ensure deficiency balances are adjusted and the credit bureaus are updated accordingly or refund checks are issued, as appropriate. By December 31, 2024, Open Road shall submit to the Division, through its servicer, Ironhorse, documentation of the portfolio reviews and consumer reimbursements issued pursuant to this Consent Order in accordance with instructions set forth in the Report. Open Road shall maintain sufficient information evidencing the review and refunds in its books and records until the Division conducts its next examination.

4. Open Road shall establish, implement, and maintain a written information security program that is appropriate for the Corporation's business operations and is compliant with the requirements set forth in the Office of Consumer Affairs and Business Regulation's (OCABR) regulation 201 CMR 17.00 *et seq.*

5. Open Road shall pay an administrative penalty to the Division in the amount of fifteen thousand dollars (\$15,000.00). The payment shall be submitted with the executed copy of the Consent Agreement and shall be payable by check to the "Commonwealth of Massachusetts" and mailed to the Division of Banks, Attn: Consumer Finance Examination Unit, 1000 Washington Street, 10th Floor, Boston, Massachusetts 02118.

6. Open Road shall develop, implement, and maintain an in-depth monitoring and/or audit program to ensure the Corporation's servicer is operating in compliance with applicable consumer protection requirements.

7. Open Road shall maintain an effective compliance management system. The Corporation must ensure that the board and senior management have sufficient resources dedicated to the administration of the compliance program. The compliance program must include adequate policies and procedures, effective internal monitoring on an ongoing basis, and sufficient training to ensure management and employees are familiar with statutory and regulatory requirements. An effective compliance management system must also include periodic independent testing of Open Road's programs and operations with sufficient scope and depth to determine whether the Corporation is operating in compliance with applicable consumer protection requirements. The compliance management system must incorporate compliance with Massachusetts specific consumer protection requirements.

8. Open Road shall address all matters requiring attention set forth in the Report within the time frames contained therein. Open Road shall also adopt and implement any corrective actions discussed in the Report that are not specifically addressed by the provisions of this Consent Order.

9. By the thirtieth (30th) day after the end of each calendar quarter following the effective date of this Consent Order, Open Road shall furnish, through its servicer, Ironhorse, written progress reports to the Division, which address and include the following:

- a) A description of the form, content, and manner of any actions taken to address each Section of this Consent Order and the results thereof; and
- b) Written findings prepared by Open Road detailing a review of management's and staff persons' adherence to the policies, programs, and procedures adopted

pursuant to this Consent Order and to applicable statutes, regulations, and rules, as well as a description of any operational changes implemented during such quarter which are intended to improve Open Road's compliance condition in Massachusetts, and the results thereof.

10. The reporting requirement to the Division referenced in Section 9 of this Consent Order will remain in effect and must not be amended or rescinded without the prior written modification, termination, or suspension of the applicable provision of this Consent Order from the Commissioner.

11. The provisions of this Consent Order shall not limit, estop, or otherwise prevent the Division, or any other state agency or department, from taking any other action affecting Open Road, its successors or assigns, if Open Road fails to fully and promptly comply with the above provisions.

12. Nothing in this Consent Order will be construed as permitting Open Road to violate any law, rule, regulation, or regulatory bulletin to which the Corporation is subject.

13. In consideration of the foregoing Consent Order, the Division agrees not to pursue formal measures, relative to this matter, to suspend or revoke Open Road's motor vehicle sales finance company license under General Laws chapter 255B, section 8, while this Consent Order is in effect.

14. Failure to comply with the terms of this Consent Order will constitute grounds for license suspension and/or revocation pursuant to applicable provisions of the General Laws of the Commonwealth of Massachusetts.

15. This Consent Order will become effective immediately upon the date of its issuance.

16. The provisions of this Consent Order are binding upon Open Road, its owner, officers and directors, and their successors and assigns.

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

18. This Consent Order and the Consent Agreement are the complete documents representing the resolution of this matter and shall supersede and replace all previous agreements between the Division and Open Road. There are no other agreements between the Division and Open Road.

BY ORDER AND DIRECTION OF THE COMMISSIONER OF BANKS:

Dated at Boston, Massachusetts, this 4th day of November, 2024.

By: \_\_\_\_\_  
Mary L. Gallagher  
Commissioner of Banks  
Commonwealth of Massachusetts