

OCCC CASE NO. L20-00099

IN THE MATTER OF:	§	BEFORE THE
	§	
	§	OFFICE OF CONSUMER
GOCARGUYS DOT COM INC.	§	
d/b/a GOCARGUYS.COM	§	CREDIT COMMISSIONER
14402 WALTERS RD.	§	
HOUSTON, TX 77014	§	STATE OF TEXAS

**ORDER TO CEASE AND DESIST UNLICENSED ACTIVITY,
TO TAKE AFFIRMATIVE ACTION, AND TO MAKE RESTITUTION**

The Office of Consumer Credit Commissioner (“OCCC”) issues this Order to Cease and Desist Unlicensed Activity, to Take Affirmative Action, and to Make Restitution, against GoCarGuys Dot Com Inc. d/b/a Gocarguys.com (“GoCarGuys”), based on the violations 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 a motor vehicle retail installment contract.² A holder is a person who operates as a retail seller or holds and collects on a contract in which the person agrees to accept the cash price of a motor vehicle in one or more deferred installments.³ If the OCCC has reasonable cause to believe that a person is violating Chapter 348, then the OCCC may conduct an investigation to discover a violation or obtain required information.⁴

GoCarGuys is a motor vehicle dealer that does not hold a license with the OCCC. GoCarGuys is located at 14402 Walters Rd., Houston, Texas 77014.

In February 2019, the OCCC received a referral from the Texas Department of Motor Vehicles (TxDMV) regarding GoCarGuys. Information provided by TxDMV showed that GoCarGuys had filed liens in at least three

¹ Tex. Fin. Code § 14.208.

² Tex. Fin. Code § 348.501.

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

⁴ Tex. Fin. Code § 348.515.

motor vehicle sales. This information suggests that GoCarGuys accepted the cash price of these vehicles over time. Based on this information, the OCCC conducted an investigation of GoCarGuys for unlicensed activity. In July 2019, the OCCC attempted to investigate GoCarGuys, but GoCarGuys' employees stated that they would not provide records of the business to the OCCC.

The website at www.gocarguys.com contains information about GoCarGuys. For each vehicle, the website includes a tab labeled "Buyer Resources." This tab includes a "Financing Information" section that states: "Contact us today at 832-856-1227 for more information, or fill out our Online Credit Application to begin the pre-approval process today." By offering credit in connection with the purchase of motor vehicles, GoCarGuys has acted as a holder under Chapter 348.

GoCarGuys has violated Chapter 348 of the Texas Finance Code by acting as a holder without a motor vehicle sales finance license.

Authority

If the 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, an order to take affirmative action, or both to enforce compliance.⁵ Additionally, the Commissioner may order a person who violates Chapter 348 or a rule adopted under Chapter 348 to make restitution to an identifiable person injured by the violation.⁶

The Commissioner has reasonable cause to believe that GoCarGuys has violated Chapter 348 of the Texas Finance Code by acting as a holder without a motor vehicle sales finance license.

Order

IT IS ORDERED that:

1. GoCarGuys must comply with, and cease and desist from violating, the motor vehicle sales finance license requirement found in Section

⁵ Tex. Fin. Code § 14.208(a).

⁶ Tex. Fin. Code § 14.251(b).

348.501 of the Texas Finance Code.

2. GoCarGuys must cease and desist from advertising or entering into new transactions in which it agrees to accept the cash price of a motor vehicle in one or more deferred installments.
3. GoCarGuys must cease and desist from collecting payments on existing transactions that require a motor vehicle sales finance license.
4. **No later than March 20, 2020**, GoCarGuys must perform a self-review and identify each motor vehicle retail installment transaction that GoCarGuys has entered without a license, including each sale of a motor vehicle in which:
 - a. GoCarGuys entered a retail installment contract;
 - b. GoCarGuys accepted payments in one or more deferred installments; or
 - c. GoCarGuys held a lien.
5. **No later than March 20, 2020**, GoCarGuys must refund any finance charges that it has charged or received from any retail buyers.
6. **No later than March 20, 2020**, GoCarGuys must release any liens that are currently filed on any motor vehicles in GoCarGuys' name. GoCarGuys may not charge a fee to any buyer for releasing these liens.
7. **No later than March 20, 2020**, GoCarGuys must identify each retail installment transaction that it has assigned to another creditor.
8. With respect to maintaining proof of refunds and release of liens:
 - a. GoCarGuys must maintain complete and accurate records of all refunds, including copies of refund checks for closed accounts and ledgers showing account credits for open accounts, until the later of the following:
 - i. the fourth anniversary of the date of the retail installment transaction, or
 - ii. the second anniversary of the date on which the final entry is made in the buyer's record.⁷
 - b. GoCarGuys must maintain documentation of the release of any

⁷ See 7 Tex. Admin. Code § 84.704(b), (g).

liens until the later of the following:

- i. the fourth anniversary of the date of the retail installment transaction, or
 - ii. the second anniversary of the date on which the final entry is made in the buyer's record.
- c. **No later than March 20, 2020**, GoCarGuys create a spreadsheet labeled "L20-00099GoCarGuys." The spreadsheet must clearly list the total amount of refunds provided to buyers. In addition, the spreadsheet must list each retail installment transaction for which GoCarGuys provided restitution or released a lien as described above, and each retail installment transaction that GoCarGuys assigned to another creditor. The spreadsheet must include a row for each buyer and the following columns:
- i. account number;
 - ii. name of the retail buyer;
 - iii. date of retail installment contract;
 - iv. amount of finance charge;
 - v. amount of finance charge refunded to the buyer;
 - vi. date of the refund;
 - vii. form of the refund (i.e. check for closed account, and credit on open account);
 - viii. date on which GoCarGuys released the lien, if applicable; and
 - ix. name of any creditor that GoCarGuys assigned the transaction to, if applicable.
- d. **No later than March 20, 2020**, GoCarGuys must provide the OCCC with a copy of the spreadsheet. The spreadsheet must be sent by e-mail to Matthew Nance at matthew.nance@occc.texas.gov.

Administrative Penalty

GoCarGuys may be assessed an administrative penalty of up to \$1,000 for each day of violation of this Order.⁸

⁸ Tex. Fin. Code § 14.208(c).

Right to Request Hearing

GoCarGuys has the right to request a hearing regarding this Order.⁹ GoCarGuys' request must be made in writing and sent to the OCCC not later than 30 days after GoCarGuys receives this Order. GoCarGuys must send its request to:

Matthew Nance
Deputy General Counsel
Office of Consumer Credit Commissioner
2601 N. Lamar Blvd.
Austin, Texas 78705

If GoCarGuys requests a hearing, a hearing on this matter will be set and conducted in accordance with Chapter 2001 of the Texas Government Code.¹⁰ If GoCarGuys fails to request a hearing by this deadline, this Order is considered final and enforceable.¹¹

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

Signed this 12th day of February, 2020.

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

⁹ Tex. Fin. Code § 14.208(b).

¹⁰ Tex. Fin. Code § 14.208(b).

¹¹ Tex. Fin. Code § 14.208(c).

CERTIFICATE OF SERVICE

I certify that on February 12, 2020, a true and correct copy of this Order to Cease and Desist Unlicensed Activity, to Take Affirmative Action, and to Make Restitution has been sent to GoCarGuys Dot Com Inc. d/b/a Gocarguys.com by the following:

GoCarGuys Dot Com Inc.
d/b/a Gocarguys.com
Attn: Ahmed Hassan
14402 Walters Rd.
Houston, TX 77014

- hand-delivery
- facsimile
- electronic mail
- regular mail
- certified mail, return receipt requested
9214 8901 9403 8300 0006 3078 05

GoCarGuys Dot Com Inc.
d/b/a Gocarguys.com
Attn: Saad Khalid, Registered Agent
14402 Walters Road
Houston, TX 77014

- hand-delivery
- facsimile
- electronic mail
- regular mail
- certified mail, return receipt requested
9214 8901 9403 8300 0006 3078 12

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