

OCCC CASE NO. L19-00238

IN THE MATTER OF:	§	BEFORE THE
	§	
MASTER FILE NO. 15823	§	OFFICE OF CONSUMER
WESTLAKE SERVICES LLC.	§	
4751 WILSHIRE BLVD STE 100	§	CREDIT COMMISSIONER
LOS ANGELES, CALIFORNIA 90010	§	
	§	STATE OF TEXAS

**ORDER TO CEASE AND DESIST ACCEPTING ASSIGNMENTS
FROM UNLICENSED PERSONS**

The Office of Consumer Credit Commissioner (“OCCC”) issues this Order to Cease and Desist Accepting Assignments from Unlicensed Persons against Westlake Services, LLC based on the violations of law described below.¹

Statement of Facts and Law

A motor vehicle sales finance license is required 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 In order for a motor vehicle sales license to be approved, an entity has to affirm to the OCCC’s satisfaction, that the entity will operate lawfully and fairly.⁴

Westlake Services LLC has a motor vehicle sales finance license issued by the OCCC under Chapter 348 of the Texas Finance Code. Westlake Services LLC operates under master file number 15823 at one licensed locations under license number 36444 issued on November 3, 2011. Westlake Financial LLC’s compliance officer is Sheryl Salsgiver, and their designated contact address is ssalsgiver@westlakefinancial.com.

Westlake Services LLC does not have a physical location in Texas. Westlake Services LLC purchases retail installment contracts from motor vehicle dealerships in Texas, and acts as the holder of these retail installment contracts, collecting on outstanding payments due for each contract.

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 § 348.504(1)(B).

During the period of August 14, 2015 through March 15, 2019, Westlake Services LLC purchased 42 retail installment contracts from Auto & RV World of Texas. Auto & RV World of Texas is the assumed name for two companies, Pyne RV, Inc., and Texan RV Ltd. Pyne RV, Inc. did not hold a motor vehicle sales finance license, allowing the entity to act as a holder of retail installment contracts, during the period from August 14, 2015 through March 15, 2019. Texan RV, Ltd. has never held a motor vehicle sales finance license with the OCCC.

During the period of August 14, 2015 through March 15, 2019, an entity with the assumed name Auto & RV World of Texas acted as holder of retail installment contracts for motor vehicles without a license. Westlake Services purchased 42 retail installment contracts from Auto & RV World of Texas, without authority under Chapter 348 of the Texas Finance Code to act as holder of those 42 retail installment contracts.⁵ Westlake Financial Services violated Chapter 348 of the Texas Finance Code by purchasing retail installment contracts from an entity that had no authority to act as a retail seller or as a holder of retail installment contracts for the sale of motor vehicles.⁶

On July 17, 2017, the OCCC received a complaint concerning Auto & RV World of Texas and a retail installment contract held by Westlake Financial Services. On July 14, 2017, the complainant had called Westlake Financial Services about potential fraudulent activity by Auto & RV World of Texas in a transaction with complainant. Complainant alleged that Auto & RV World of Texas never provided him with a retail installment contract to sign.

As of July 14, 2017, Westlake Financial Services was put on notice that Auto & RV World of Texas was not behaving in a manner consistent with licensees under Chapter 348 of the Texas Finance Code. Nevertheless, Westlake Financial Services continued to purchase retail installment contracts for another year and a half.

Westlake Financial Services must ensure that each person from which it acquires retail installment contracts is licensed or otherwise authorized to engage in transactions under Chapter 348.⁷ Westlake Financial Services violated Chapter 348 of the Texas

⁵ Tex. Fin. Code § 348.501.

⁶ Tex. Fin. Code §§ 348.007, 342.003.

⁷ Tex. Fin. Code § 348.501(b) (requiring a person who is required to hold a Chapter 348 license to ensure that each office at which retail installment transactions are made, serviced, held, or collected under Chapter 348 is licensed or otherwise authorized to make, service, hold, or collect retail installment transactions in accordance with Chapter 348 and rules implementing Chapter 348); see also Tex. Fin. Code § 348.501(a) (requiring a person who acts as a holder to hold a Chapter 348 license); Tex. Fin. Code § 348.001(3) (defining “holder” to mean a retail seller or the assignee or

Finance Code by accepting the transfer or assignment of retail installment contracts from an unlicensed person.⁸

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.⁹

Order

WESTLAKE SERVICES, LLC. IS ORDERED TO:

1. cease and desist from accepting the transfer or assignment of a retail installment contract from any person that is not licensed or otherwise authorized to make, service, hold, or collect retail installment transactions in accordance with Chapter 348 and rules implementing Chapter 348;
2. develop and implement procedures necessary to ensure that each person from which Westlake Services, LLC accepts the transfer or assignment of a retail installment contract is licensed or otherwise authorized to make, service, hold, or collect retail installment transactions in accordance with Chapter 348 and rules implementing Chapter 348; and
3. no later than **December 1, 2019**, provide the OCCC with a copy of the procedures required above; and
4. retain a copy of the procedures required above until its next examination.¹⁰

Violation of Order

If you violate this Order, the OCCC may impose an administrative penalty of up to \$1,000 per day. Multiple violations of this Order may result in the revocation of Westlake Financial Services' license.

transferee of a retail installment contract).

⁸ *Id.*

⁹ Tex. Fin. Code § 14.208(a).

¹⁰ 7 Tex. Admin. Code § 84.704(g).

Right to Request Hearing

Westlake Services LLC has the right to request a hearing regarding this Order.¹¹ Westlake Services LLC's request must be made in writing and sent to the OCCC not later than 30 days after each party receives this Order. The requesting party must send its request to:

Michael Rigby
Office of Consumer Credit Commissioner
2601 N. Lamar Blvd.
Austin, Texas 78705

If Westlake Services LLC requests a hearing, a hearing on this matter will be set and conducted in accordance with Chapter 2001 of the Texas Government Code.¹² If Westlake Services LLC fails to request a hearing by this deadline, this Order is considered final and enforceable.¹³

All communications with the OCCC concerning this matter must be through Michael Rigby, General Counsel, who may be contacted by mail at 2601 N. Lamar Blvd., Austin, Texas 78705, by telephone at (512) 936-7623 or by email to michael.rigby@occc.texas.gov.

Signed this 23rd day of October 2019.

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

¹¹ Tex. Fin. Code § 14.208(b).

¹² Tex. Fin. Code § 14.208(b).

¹³ Tex. Fin. Code § 14.208(c).

CERTIFICATE OF SERVICE

I certify that on October 23, 2019, a true and correct copy of this Order to Cease and Desist Accepting Assignments from Unlicensed Persons on Westlake Financial Services by email, regular mail and certified mail, return receipt requested, at:

Westlake Services LLC
ATTN: Sheryl Salsgiver,
Compliance Officer
4751 Wilshire Blvd. Ste. 100
Los Angeles, CA 90010
ssalsgiver@westlakefinancial.com

- hand-delivery
- facsimile
- electronic mail
- regular mail
- certified mail, return receipt requested
#91 7199 9991 7036 0669 8052

Westlake Services LLC.
ATTN: CT Corporation Systems,
Registered Agent
350 North Saint Paul St. Ste. 2900
Dallas, Texas 75201

- hand-delivery
- facsimile
- electronic mail
- regular mail
- certified mail, return receipt requested
#91 7199 9991 7036 0669 8069

/s/ Michael Rigby

Michael Rigby
General Counsel
Office of Consumer Credit Commissioner
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