

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of the Office of Financial & Insurance Regulation

In the matter of:

Germain On State I, LLC dba Audi Ann Arbor                      Enforcement Case No. 12-11654  
Germain On State II, LLC dba Germain Honda of Ann Arbor  
Germain On State IV, LLC dba Volkswagen of Ann Arbor

Respondents.

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Issued and entered  
this 18<sup>th</sup> day of December 2012  
by Stephen R. Hilker  
Senior Deputy Commissioner

CONSENT ORDER

Based upon the Stipulation to Entry of Consent Order and the files and records of the Office of Financial and Insurance Regulation (OFIR) in this matter, the Senior Deputy Commissioner finds and concludes that:

1. The Senior Deputy Commissioner has jurisdiction and authority to adopt and issue this Consent Order in this proceeding pursuant to the Michigan Administrative Procedures Act of 1969 (APA), as amended, MCL 24.201 *et seq.*, and the Motor Vehicle Sales Finance Act (MVSFA), 1950 PA 27, MCL 492.101 *et seq.*
2. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
3. Acceptance of the Stipulation to Entry of Consent Order is reasonable and in the public interest.
4. All applicable provisions of the APA have been met.
5. Germain On State I, LLC dba Audi Ann Arbor, Germain On State II, LLC dba Germain Honda of Ann Arbor, and Germain On State IV, LLC dba Volkswagen of Ann Arbor (Respondents) violated Section 3 of the MVSFA, MCL 492.103.

Now therefore, based upon the Stipulation to Entry of Consent Order and the facts surrounding this case, **IT IS ORDERED THAT:**

- A. The Stipulation to Entry of Consent Order is accepted and made a part of this Order.
- B. Respondent shall comply with all terms agreed to in the Stipulation to Entry of Consent Order. A violation of the Stipulation to Entry of Consent Order is a violation of this Order.
- C. Respondent shall not engage in any violations of law identified in paragraph 5 of this Order.
- D. The Senior Deputy Commissioner retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as shall be deemed just, necessary, and appropriate in accordance with the Act. Failure to abide by the terms and provisions of the Stipulation to Entry of Order and this Order may result in the commencement of additional proceedings.



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Stephen R. Hilker  
Senior Deputy Commissioner

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STIPULATION TO ENTRY OF CONSENT ORDER

Germain On State I, LLC dba Audi Ann Arbor, Germain On State II, LLC dba Germain Honda of Ann Arbor, Germain On State IV, LLC dba Volkswagen of Ann Arbor (Respondents) and the Office of Financial and Insurance Regulation (OFIR) stipulate to the following:

1. The Commissioner of the Office of Financial and Insurance Regulation (OFIR) is statutorily charged with the responsibility and authority to administer and implement the Motor Vehicle Sales Finance Act (MVSFA), 1950 PA 27, as amended, MCL 492.101 *et seq.*
2. The Commissioner is granted general supervisory power and control over all installment sellers and sales finance companies doing business in the state of Michigan pursuant to provisions of the MVSFA.
3. Based upon information derived from the exercise of its regulatory responsibilities, OFIR determined that Respondents engaged in the business of selling, offering for sale, or leasing motor vehicles under installment sale contracts without the requisite license in violation of Section 3 of the MVSFA, MCL 492.103.
4. Beginning on or about September 4, 2012, Respondents engaged in the business of selling, offering for sale, or leasing motor vehicles relating to at least one hundred and fifty-one installment sale contracts in the state of Michigan.
5. OFIR and the Respondents have reviewed this matter and desire to avoid the time and expense of formal proceedings and have determined to resolve this matter pursuant to the terms of this Stipulation to Entry of Consent Order (Stipulation) and the attached Consent Order (Order).

6. Respondents admit that they have violated Section 3 of the MVSFA, MCL 492.103, by engaging in the business of selling, offering for sale, or leasing motor vehicles under installment sale contracts without the requisite license.
7. Respondents agree to CEASE and DESIST from violating the MVSFA.
8. Respondents agree to pay a market conduct fee in the amount of \$2,500 plus an investigation fee in the amount of \$800 to the state of Michigan. Respondents further agree to pay the fees within 30 days of the invoice date as indicated on the OFIR invoice.
9. Respondents consent that if they fail to comply with the terms of the Stipulation and Order that their installment sellers' licenses will be immediately revoked without any additional proceedings. Respondents further agree to voluntarily waive any and all rights they may have to any administrative or judicial proceeding that may be applicable in the event their licenses are immediately revoked due to their failure to comply with the terms of the Stipulation and Order.
10. The parties have complied with the procedural requirements of the Administrative Procedures Act, MCL 24.201 *et seq.*, and the MVSFA.
11. Respondents understand and agree that this Stipulation will be presented to the Senior Deputy Commissioner for approval.
12. The Senior Deputy Commissioner may, in his sole discretion, decide to accept or reject the Stipulation. If the Senior Deputy Commissioner accepts the Stipulation, Respondents waive the right to a hearing in this matter and consent to the entry of the Consent Order. If the Senior Deputy Commissioner does not accept the Stipulation, Respondents waive any objection to the Commissioner holding a formal administrative hearing and making his decision after such hearing.
13. Respondents have had an opportunity to review the Stipulation to Entry of Consent Order and the Consent Order and have the same reviewed by legal counsel.

Germain On State I, LLC dba Audi Ann Arbor

By:   
Its: 

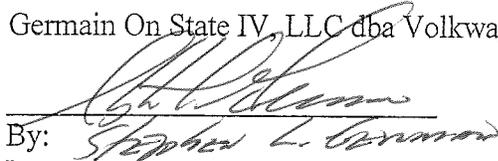
12-10-12  
Dated

Germain On State II, LLC dba Germain Honda of Ann Arbor

By:   
Its: 

12-10-12  
Dated

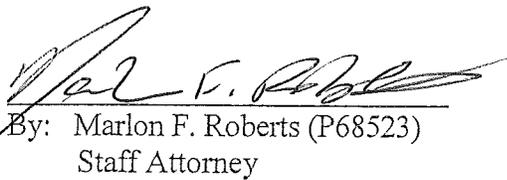
Germain On State IV, LLC dba Volkswagen of Ann Arbor

By:   
Its: 

Dated 12/10/12

The Office of Financial and Insurance Regulation Staff approve this Consent Order and Stipulation and recommend that the Senior Deputy Commissioner accept it.

OFFICE OF FINANCIAL AND  
INSURANCE REGULATION

By:   
Marlon F. Roberts (P68523)  
Staff Attorney

Dated 12/18/12