

**STATE OF MICHIGAN**  
**DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH**  
**OFFICE OF FINANCIAL AND INSURANCE REGULATION**  
**Before the Commissioner of Financial and Insurance Regulation**

**Office of Financial and Insurance Regulation,  
Petitioner**

v

**LaFond Auto Sales LLC  
Respondent**

**Enforcement Case No. 10-7782**

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**For the Petitioner:**

**Marlon Roberts  
Office of Financial and Insurance Regulation  
P.O. Box 30220  
Lansing, MI 48909-7720**

**For the Respondent:**

**John LaFond  
LaFond Auto Sales LLC  
4219 W. Carson City Road  
Greenville, MI 48838-9748**

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**Issued and entered  
this 24<sup>th</sup> day of January 2011  
by Ken Ross  
Commissioner**

**FINAL DECISION**

**I. Background**

La Fond Auto Sales LLC (Respondent) is licensed under Michigan's Motor Vehicle Sales Finance Act, MCL 492.101 *et seq.* (MVSFA), and is authorized to engage in business as an installment seller of motor vehicles under installment sale contracts in this state.

In early 2010, the Office of Financial and Insurance Regulation (OFIR) received information that Respondent and its officers had engaged in fraudulent conduct in connection with the sale of motor vehicles. OFIR initiated a compliance action.

On August 20, 2010, Chief Deputy Commissioner Stephen Hilker issued an Administrative Complaint, Notice of Opportunity to Show Compliance, and Order for Hearing in

this case which was sent to Respondent at the address above. The Administrative Complaint set forth detailed allegations that Respondent had failed to comply with sections 9(a)(9) of the Michigan Motor Vehicle Sales Finance Act, MCL 492.109(a)(9).

The Order for Hearing required Respondent to take one of the following actions within 21 days: agree to a resolution of the case, file an answer to the allegations stated in the Order with a statement that Respondent plans to attend the hearing, or request an adjournment.

Respondent failed to complete any of these actions.

On November 5, 2010, the Petitioner filed a Motion for Final Decision. Given Respondent's failure to take one of the required actions, Petitioner's motion is granted. The factual allegations stated in the Administrative Complaint, being unchallenged, are accepted as true and are stated below.

## **II. Findings of Fact and Conclusions of Law**

1. John LaFond and Jonathan LaFond, father and son, are listed as officers of La Fond Auto Sales LLC in the installment seller license application they submitted to OFIR on November 6, 2002. The license was approved on November 12, 2002 and renewed annually through 2009.
2. On January 8, 2010, the Michigan Secretary of State summarily suspended Respondent's Class B dealer license alleging thirty-four (34) counts of fraudulent acts under the Michigan Vehicle Code. The Secretary of State found that:
  - (a) Respondent represented to purchasers that they were purchasing a vehicle with a Complete Automotive Repair Services (C.A.R.S.) extended warranty contract.

- (b) Respondent failed to activate extended warranties with C.A.R.S.
  - (c) At the time of the representation, the Respondent knew it was false or had reason to know it was false or made it recklessly without any knowledge of the truth.
  - (d) The purchasers relied upon Respondent's representation, paying for a vehicle with a C.A.R.S. extended warranty.
  - (e) The purchasers were injured because of their detrimental reliance on Respondent's representations. Purchasers did not receive what was bargained and paid for, namely a vehicle with C.A.R.S. extended warranty protection.
3. On February 24, 2010 in Montcalm County Circuit Court, John LaFond and Jonathan LaFond were convicted of three counts of false pretenses with intent to defraud, MCL 750.218.
  4. Respondent and its officers knew or had reason to know that section 9(a)(9) of the MVSFA, MCL 492.109(a)(9), authorizes the Commissioner to revoke or suspend an installment seller license if he finds that a licensee "has defrauded any retail buyer to the buyer's damage or willfully failed to perform any written agreement with any retail buyer."
  5. Each count of false pretense with intent to defraud constitutes an act whereby the Respondent defrauded a retail buyer.
  6. Based on the foregoing, Respondent has committed grounds for revocation or suspension of its MVSFA license pursuant to Section 9(a)(9) of the MVSFA, MCL 492.109(a)(9).

**III. Order**

Based on the conduct described above, and in accordance with the above-cited provisions of the Motor Vehicle Sales Finance Act, it is ORDERED that the installment seller license of La Fond Auto Sales LLC is revoked.

A handwritten signature in black ink, appearing to be 'KR' with a long horizontal stroke extending to the right.

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Ken Ross  
Commissioner