

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of Banking)
and Insurance, State of New Jersey, to fine,)
suspend, and/or revoke the motor vehicle)
installment seller license of Magic Auto Sales,)
Inc., Reference No. 1400794-C01.)

ORDER TO SHOW CAUSE

TO: Magic Auto Sales, Inc.
407 Route 46 East
Little Ferry, NJ 07643

THIS MATTER, having been opened by the Commissioner of the New Jersey Department of Banking and Insurance (“Commissioner”), upon information that Magic Auto Sales, Inc. (“Respondent”), may have violated various provisions of the Retail Installment Sales Act of 1960, N.J.S.A. 17:16C-1 to -61 (“Act”); and

WHEREAS, Respondent was licensed as a motor vehicle installment seller pursuant to N.J.S.A. 17:16C-2, until its license expired on June 30, 2019; and

WHEREAS, Respondent is subject to the provisions of the Act; and

WHEREAS, pursuant to N.J.S.A. 17:16C-2, no person shall hereafter engage in or continue to engage in the business of a sales finance company or in the business of a motor vehicle installment seller in this State without first obtaining a license from the commissioner as provided for in the Act; and

WHEREAS, pursuant to N.J.S.A. 17:16C-10(a)(1), the Commissioner may revoke, suspend or refuse to renew a license or impose a penalty pursuant to the Act if the Commissioner finds, after notice and an opportunity for a hearing, that any person, applicant for or holder of the license has violated any of the provisions of the Act or any order, rule or regulation made or issued pursuant to the Act; and

WHEREAS, pursuant to N.J.S.A. 17:16C-10(a)(5), the Commissioner may revoke, suspend or refuse to renew a license or impose a penalty pursuant to the Act if the Commissioner finds, after notice and an opportunity for a hearing, that any person, applicant for or holder of the license has demonstrated unworthiness, incompetence, bad faith or dishonesty in the transacting of business as a licensee; and

WHEREAS, pursuant to N.J.S.A. 17:16C-10(a)(6), the Commissioner may revoke, suspend or refuse to renew a license or impose a penalty pursuant to the Act if the Commissioner finds, after notice and an opportunity for hearing, that any person, applicant for or holder of the license has engaged in any other conduct which would be deemed by the Commissioner to be the cause for denial of the license; and

WHEREAS, pursuant to N.J.S.A. 17:16C-55, any person, and any director, officer, employee, agent, or representative thereof, who or which shall engage in this State in the business of a sales finance company or motor vehicle installment seller without having first obtained a license, as required by the Act, shall be liable to a penalty of not more than \$1,000.00 for each offense; and

COUNT 1

IT APPEARING THAT, Respondent's motor vehicle installment seller license expired on June 30, 2019; and

IT FURTHER APPEARING THAT, Respondent allowed its license to lapse from July 1, 2019, until it was renewed on July 25, 2019; and

IT FURTHER APPEARING THAT, despite being unlicensed from July 1, 2019, through July 24, 2019, Respondent sold eleven (11) automobiles with accompanying installment sales contracts in New Jersey;

IT FURTHER APPEARING THAT by selling eleven (11) automobiles with accompanying installment sales contracts in New Jersey with an expired license, Respondent violated N.J.S.A. 17:16C-2; N.J.S.A. 17:16C-10(a)(1), (a)(5), and (a)(6); and N.J.S.A. 17:16C-55; and

IT FURTHER APPEARING THAT each act of selling a vehicle with an installment sales contract with an expired license constitutes a separate violation of the Act; and

NOW, THEREFORE, IT IS on this 16 day of March , 2022,

ORDERED that Respondent appear and show cause why its motor vehicle installment seller license should not be revoked, pursuant to N.J.S.A. 17:16C-10(a)(1), (a)(5), and (a)(6); and

IT IS FURTHER ORDERED, that Respondent appear and show cause why the Commissioner should not assess a civil penalty not exceeding \$1,000.00 for each violation of the Act pursuant to N.J.S.A. 17:16C-55; and

IT IS FURTHER ORDERED, that Respondent has the right to request an administrative hearing, to be represented by counsel or other qualified representative, at his own expense, to take testimony, to call or cross-examine witnesses, to have subpoenas issued, and to present evidence or argument if a hearing is requested; and

IT IS FURTHER PROVIDED, that unless a request for a hearing is received within twenty (20) days of the service of this Order to Show Cause, the right to a hearing in this matter shall be

deemed to have been waived by Respondent, and the Commissioner shall dispose of this matter in accordance with law. A hearing may be requested by mailing the request to Paulette Sibblies-Flagg, OCF Investigations Unit, Department of Banking and Insurance, P.O. Box 040, Trenton, New Jersey 08625, or by faxing the hearing request to the Department at (609) 292-5337. A copy of the request for a hearing shall also be sent to Deputy Attorney General Chandra M. Arkema at P.O. Box 117, Trenton, NJ 08625, fax (609) 777-3503. The request shall contain the following:

- (a) Respondent's full name, current address, and daytime telephone number;
- (b) A statement referring to each charge alleged in this Order to Show Cause and identifying any defense intended to be asserted in response to each charge. Where the defense relies on facts not contained in the Order to Show Cause, those specific facts must be stated;
- (c) A specific admission or denial of each fact alleged in this Order to Show Cause. Where the Respondent has no specific knowledge regarding a fact alleged in the Order to Show Cause, a statement to that effect must be contained in the hearing request. Allegations of this Order to Show Cause not answered in the manner set forth above shall be deemed to have been admitted; and
- (d) A statement requesting the hearing.



Marlene Caride
Commissioner