### ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

In the Matter of the Unlicensed Activity of:

No. 12F-BD020-SBD

LUXOR AUTO GROUP, INC. AND HAMID R. SALARI, PRESIDENT

3220 North Scottsdale Road Scottsdale, Arizona 85251 CONSENT ORDER

Respondents.

On September 29, 2011, the Arizona Department of Financial Institutions ("Department") issued an Order to Cease and Desist; Notice of Opportunity For Hearing; Consent to Entry of Order, alleging that Respondents had violated Arizona law. Following an informal settlement conference with the Department, Respondents wish to resolve this matter in lieu of an administrative hearing and consent to the following Findings of Fact and Conclusions of Law, and consents to the entry of the following Order.

## **FINDINGS OF FACT**

- 1. Respondent Luxor Auto Group, Inc. ("Luxor Auto") is an Arizona corporation that is not authorized to transact business in Arizona as a motor vehicle dealer or a sales finance company within the meaning of A.R.S. § 44-281 et seq.
- 2. Respondent Hamid R. Salari ("Mr. Salari") is the President of Luxor Auto and is not authorized to transact business in Arizona as a motor vehicle dealer or a sales finance company within the meaning of A.R.S. § 44-281 et seq.
- 3. The nature of Luxor Auto's business, at all times material hereto, is that of a motor vehicle dealer within the meaning of A.R.S. § 44-281(3) and a sales finance company within the meaning of A.R.S. § 44-281(12).
- 4. Luxor Auto and Mr. Salari are not exempt from licensure as a motor vehicle dealer or a sales finance company within the meaning of A.R.S. § 44-282(J).
- 5. Between August 31, 1999 and September 17, 2003, Respondents were authorized to transact business in Arizona as a motor vehicle dealer under the license # 0903071 MVD. Between

in Arizona as a sales finance company under the license # 0904413 SF.

6 Although Respondents' motor vehicle dealer and sales finance company licenses expired

September 12, 2001 and September 17, 2003, Respondents were also authorized to transact business

- 6. Although Respondents' motor vehicle dealer and sales finance company licenses expired on September 17, 2003 due to non-renewal, as of January 2006, Luxor Auto was operating as a motor vehicle dealer and a sales finance company.
- 7. On or about January 19, 2006, the Department issued a Notice of Assessment due to Luxor Auto's unlicensed activity. Luxor Auto consented to the assessment of the civil money penalty on or about January 25, 2006, by paying the four thousand dollar penalty and returning a signed consent order to the Department. Luxor Auto also submitted applications for motor vehicle dealer and sales finance company licenses.
- 8. On March 2, 2006, the Department issued to Luxor Auto a motor vehicle dealer license # 0907628 MVD and a sales finance company license # 0907626 SF. Both licenses expired on September 16, 2006 due to non-renewal.
- 9. On June 21, 2011, Respondents submitted to the Department a notarized Motor Vehicle Dealer License Application # MVD 0918607 (the "MVD Application") and a notarized Sales Finance Company Application # SF 0918608 (the "SF Application"), which were completed and signed by Hamid R. Salari and notarized on June 20, 2011.
- 10. On July 26, 2011 the Department sent two letters to Respondents in response to its MVD and SF Applications, requesting that further information and documentation be provided to the Department by August 31, 2011, required in order to complete the Application.
- 11. On September 16, 2011, the Department received from Respondents information and documentation showing that from October 2006 through September 2010, Luxor Auto directly financed thirty-four (34) motor vehicles, selling at least three (3) or more motor vehicles on a noncash basis annually, while unlicensed as a motor vehicle dealer. Further, Luxor Auto have been creating and/or holding retail installment contracts from October 2006 through present that exceed a total aggregate outstanding indebtedness of twenty-five (25) thousand dollars, while unlicensed as a

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sales finance company.

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12. These Findings of Fact shall also serve as Conclusions of Law.

#### **CONCLUSIONS OF LAW**

- 1. Pursuant to Title 6 and Title 44, Chapter 2.1 of the Arizona Revised Statutes (A.R.S. §§ 44-281 et seq., the Motor Vehicle Time Sales Disclosure Act, the Superintendent has the authority and duty to regulate all persons engaged in the motor vehicle dealer and sales finance company business and with the enforcement of statutes, rules, and regulations relating to motor vehicle dealers and sales finance companies.
- 2. Pursuant to A.R.S. § 44-281(3), a person engages in business of a motor vehicle dealer if that person "in any year sells on a noncash basis three or more motor vehicles at retail."
- 3. Pursuant to A.R.S. § 44-281(12)(b), a person engages in business of a sales finance company if, among other things, that person "engage[s], in whole or in part, in the business of creating or holding retail installment contracts that exceed a total aggregate outstanding indebtedness of twenty-five thousand dollars."
- 4. The conduct of Luxor and Mr. Salari, as alleged above, constitutes the conduct of engaging in the business of a motor vehicle dealer and a sales finance company in the State of Arizona without having first applied for and obtained from the Department a motor vehicle dealer and sales finance company licenses under Chapter 2.1 of Title 44, in violation of A.R.S. § 44-282(A).
- 5. Neither Luxor Auto nor Mr. Salari meet any of the exemptions to the licensing requirements set forth in A.R.S. § 44-282(J).
- 6. Pursuant to A.R.S. § 6-132, Respondents' violations of the aforementioned statutes are grounds for a civil penalty of not more than five thousand dollars (\$5,000.00) for each violation for each day.

7. The violations, set forth above, constitute grounds for: (1) the issuance of an order pursuant to A.R.S. § 6-137 directing Respondents to cease and desist from the violative conduct and to take the appropriate affirmative actions, within a reasonable period of time prescribed by the Superintendent, to correct the conditions resulting from the unlawful acts, practices, and transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-132; and (3) an order or any other remedy necessary or proper for the enforcement of statutes and rules regulating motor vehicle dealers pursuant to A.R.S. §§ 6-123 and 6-131.

### **ORDER**

- Respondents shall immediately stop the violations set forth in the Findings of Fact and Conclusions of Law.
- 2. Luxor Auto and Mr. Salari shall immediately stop all motor vehicle dealer and sales finance company activity in Arizona until such time as Luxor Auto and Mr. Salari have obtained a motor vehicle dealer and sales finance company licenses from the Superintendent as prescribed by A.R.S. § 44-282.
- 3. Luxor Auto and Mr. Salari shall immediately pay to the Department a civil money penalty in the amount of ten thousand dollars (\$10,000.00).
- 4. Luxor Auto and Mr. Salari are jointly and severally liable for payment of the civil money penalty.
- 5. Luxor Auto and Mr. Salari shall comply with all Arizona statutes and rules regulating Arizona motor vehicle dealers (A.R.S. § 44-281 et seq.).
- 6. Should Luxor Auto and Mr. Salari fail to comply with this Order, the Superintendent shall institute further disciplinary proceedings.
- 7. The provisions of this Order shall be binding upon Mr. Salari, his employees, agents and other persons participating in the conduct of the affairs of Mr. Salari.
  - 8. This Order shall become effective upon service, and shall remain effective and

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25 26 enforceable until such time as, and except to the extent that, it shall be stayed, modified, terminated or set aside.

SO ORDERED this 24 day of October, 2011.

Lauren Kingry

Superintendent of Financial Institutions

Assistant Superintendent of Financial Institutions

# CONSENT TO ENTRY OF ORDER

- Respondents acknowledge that they have been served with a copy of the foregoing Findings of Fact, Conclusions of Law, and Order in the above-referenced matter, have read the same, are aware of their right to an administrative hearing in this matter, and have waived the same.
- Respondents admit the jurisdiction of the Superintendent and consent to the entry of the foregoing Findings of Fact, Conclusions of Law, and Order.
- Respondents state that no promise of any kind or nature has been made to induce them to consent to the entry of this Order, and that they have done so voluntarily.
- Respondents agree to immediately cease from engaging in the violative conduct set forth above in the Findings of Fact and Conclusions of Law.
- 5. Respondents acknowledge that the acceptance of this Agreement by the Superintendent is solely to settle this matter and does not preclude this Department, any other agency or officer of this state or subdivision thereof from instituting other proceedings as may be appropriate now or in the future.
- Failure to correct the violations set forth above in this Cease and Desist Order or any future findings of repeat violations shall result in disciplinary action which may include a greater civil money penalty.

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1	7. Hamid R. Salari, on behalf of Luxor Auto Group, Inc., represents that he is the President,
2	and that, as such, has been authorized by Luxor Auto Group, Inc. to consent to the entry of this
3	Order on its behalf.
4	8. Respondents waive all rights to seek judicial review or otherwise to challenge or contest
5	the validity of this Cease and Desist Order.
6	DATED this 20 day of Oyoker, 2011
7	By: A
8	Hamid R. Salari, individually and as President of Luxor Auto Group, Inc.
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10	ORIGINAL of the foregoing filed this 25th day of Ctober, 2011, in the office of:
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12	Lauren W. Kingry Superintendent of Financial Institutions
13	Arizona Department of Financial Institutions ATTN: June Beckwith
14	2910 N. 44th Street, Suite 310 Phoenix, AZ 85018
15	COPY mailed/delivered same date to:
16	Natalia A. Garrett, Assistant Attorney General Office of the Attorney General
17	1275 W. Washington Street Phoenix, AZ 85007
18	Robert D. Charlton, Assistant Superintendent
19	Tammy Seto, Senior Examiner Arizona Department of Financial Institutions
20	Arizona Department of Financial Institutions ATTN: Sabrina Hampton 2910 N. 44th Street, Suite 310
21	Phoenix, AZ 85018
22	AND COPY MAILED SAME DATE by Certified Mail, Return Receipt Requested, to:
23	
24	Hamid R. Salari, President Luxor Auto Group, Inc.
25	3220 N. Scottsdale Road Scottsdale Arizona 85251

Scottsdale, Arizona 85251

Respondents

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1	Hamid R. Salari, President Luxor Auto Group, Inc.
2	909 W. Main Street Mesa, Arizona 85201
3	Respondents
4	RM Bobbie Rice 4224 E. Weldon Avenue
5	Phoenix, Arizona 85018 Statutory Agent for Respondents
6	Statutory Agent for Respondents
7	By: # 2359969
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