

1 ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

2 In the Matter of Unlicensed Motor Vehicle  
3 Dealer Activity of:

No. 13F-BD025-SBD

**CONSENT ORDER**

4 **ARIZONA AUTO ASSOCIATES LLC AND**  
5 **FATIHA KHOSHABA, MANAGING**  
6 **MEMBER**

7 507 N. Scottsdale Rd.  
8 Scottsdale, AZ 85257

Respondents.

9 On September 26, 2012, the Arizona Department of Financial Institutions (“Department”)  
10 issued an Order to Cease and Desist; Notice of Opportunity For Hearing; Consent to Entry of Order,  
11 alleging that Respondents had violated Arizona law. Following an informal settlement conference  
12 with the Department, Respondents wish to resolve this matter in lieu of an administrative hearing  
13 and consent to the following Findings of Fact and Conclusions of Law, and consents to the entry of  
14 the following Order.

15 FINDINGS OF FACT

16 1. Respondent Arizona Auto Associates LLC (“Respondent Company”) is an Arizona  
17 limited liability company authorized to transact business in Arizona since July 11, 2011 that is not  
18 and was not, at any time material herein, authorized to transact business in Arizona as a motor  
19 vehicle dealer or a sales finance company within the meaning of A.R.S. § 44-281 *et seq.*

20 2. Respondent Fatiha Khoshaba (“Mrs. Khoshaba”) is the Managing Member of  
21 Respondent Company and is not authorized to transact business in Arizona as a motor vehicle  
22 dealer or as a sales finance company within the meaning of A.R.S. § 44-281 *et seq.* Robert  
23 Khoshaba, a/k/a Remon Khoshaba is Mrs. Khoshaba’s spouse. Mr. Khoshaba is the operating  
24 manager of Respondent Company and is not authorized to transact business in Arizona as a motor  
25 vehicle dealer or as a sales finance company within the meaning of A.R.S. § 44-281 *et seq.*

26 3. Respondents are not exempt from licensure as a motor vehicle dealer within the  
meaning of A.R.S. § 44-282(G) and (J).

1           4. The nature of Respondent Company's and Ms. Khoshaba's business, at all times  
2 material hereto, is that of a motor vehicle dealer within the meaning of A.R.S. § 44-281(3) or as a  
3 sales finance company within the meaning of A.R.S. § 44-281(12).

4           5. The Department received a complaint, which included a copy of the Respondent  
5 Company's "Motor Vehicle Retail Installment Sales Contract and Purchase Money Security  
6 Agreement," pursuant to which Respondent Company assisted the complainant with financing of  
7 his car purchase in the amount in excess of \$10,000.

8           6. Further, according to the Respondent Company's website,  
9 <http://www.arizonaautogroup.com/web/financing>, Respondent Company is in the business of  
10 assisting customers with financing of motor vehicles. The interactive website allows consumers to  
11 submit—and Respondent Company to receive and process—an online Credit Application.  
12 Respondent Company's website contains the following advertisement and/or statements: "Get the  
13 best car loan for you!", "Fast, free online auto loan application," "Fast, convenient online  
14 financing," "Competitive rates and terms," "Arizona Auto Associates has the loan experts to assist  
15 you," "Feel free to use our easy loan calculator to the right to estimate your traditional finance  
16 payments."

17           7. In response to the Department's requests for additional information, Respondents,  
18 through their counsel, disclosed that Respondent Company sold eighty five (85) motor vehicles in  
19 2011 and forty nine (49) vehicles in 2012 as of May 10, 2012.

20           8. Having sold three or more motor vehicles on a noncash basis within a calendar year and  
21 having failed to first obtain a Motor Vehicle Dealer License issued by the Department authorizing  
22 them to do so, Respondents engaged in unlicensed activity as a Dealer in violation of A.R.S. § 44-  
23 282(A).

24           9. Although Respondents obtained a license from the Arizona Department of  
25 Transportation to engage in the business of a motor vehicle dealer, Respondents failed to obtain a  
26 motor vehicle dealer and a motor vehicle sales finance license from the Department.



1 motor vehicle dealers pursuant to A.R.S. §§ 6-123 and 6-131.

2 **ORDER**

3 1. Respondents shall immediately stop all motor vehicle dealer activity and sales finance  
4 company activity in Arizona until such time as Respondents have obtained a motor vehicle dealer  
5 license and a sales finance company license from the Superintendent as prescribed by A.R.S. § 44-  
6 282.

7 2. Respondents shall immediately pay to the Department a civil money penalty in the  
8 amount of **ten thousand dollars (\$10,000.00)**. Respondent Company and Ms. Khoshaba are jointly  
9 and severally liable for payment of the civil money penalty.

10 3. Respondents shall comply with all Arizona statutes and rules regulating Arizona motor  
11 vehicle dealers (A.R.S. § 44-281 *et seq.*).

12 4. The provisions of this Order shall be binding upon respondents, their employees,  
13 agents, and other persons participating in the conduct of the affairs of Respondents.

14 5. Should Respondents fail to comply with this Order, the Superintendent shall institute  
15 further disciplinary proceedings.

16 6. This Order shall become effective upon service, and shall remain effective and  
17 enforceable until such time as, and except to the extent that, it shall be stayed, modified, terminated,  
18 or set aside.

19 SO ORDERED this 7 day of January, 2012-2013

20 Lauren W. Kingry  
21 Superintendent of Financial Institutions

22 By Robert D. Charlton  
23 Robert D. Charlton  
Assistant Superintendent of Financial Institutions

24 **CONSENT TO ENTRY OF ORDER**

25 1. Respondents acknowledge that they have been served with a copy of the foregoing  
26 Findings of Fact, Conclusions of Law, and Order in the above-referenced matter, have read the

1 same, are aware of their right to an administrative hearing in this matter, and have waived the same.

2 2. Respondents admit the jurisdiction of the Superintendent and consent to the entry of  
3 the foregoing Findings of Fact, Conclusions of Law, and Order.

4 3. Respondents state that no promise of any kind or nature has been made to induce  
5 them to consent to the entry of this Order, and that they have done so voluntarily.

6 4. Respondents agree to immediately cease from engaging in the violative conduct set  
7 forth in the Findings of Fact and Conclusions of Law.

8 5. Respondents acknowledge that the acceptance of this Agreement by the  
9 Superintendent is solely to settle this matter and does not preclude this Department, any other  
10 agency or officer of this state or subdivision thereof from instituting other proceedings as may be  
11 appropriate now or in the future.

12 6. Fatiha Khoshaba represents that she is the owner of Arizona Auto Associates LLC  
13 and that, as such, is authorized to consent to the entry of this Order on behalf of Arizona Auto  
14 Associates LLC.

15 7. Robert Khoshaba represents that he is the operating manager of Arizona Auto  
16 Associates LLC and that, as such, is authorized to consent to the entry of this Order on behalf of  
17 Arizona Auto Associates LLC.

18 8. Respondents waive all rights to seek judicial review or otherwise to challenge or  
19 contest the validity of this Order.

20 DATED this 27 day of DECEMBER, 2012.

21 By:   
22 Fatiha Khoshaba, Managing Member of  
23 Arizona Auto Associates LLC

24 By:   
25 Robert Khoshaba, Operating manager of  
26 Arizona Auto Associates LLC

1 ORIGINAL of the foregoing filed this 7<sup>th</sup>  
day of January, ~~2012~~, in the office of:  
2013

2 Lauren W. Kingry, Superintendent of Financial Institutions  
3 Arizona Department of Financial Institutions  
4 ATTN: June Beckwith  
2910 N. 44th Street, Suite 310  
5 Phoenix, AZ 85018

6 **COPY** mailed/delivered same date to:

7 Natalia A. Garrett, Assistant Attorney General  
8 Office of the Attorney General  
1275 W. Washington  
9 Phoenix, AZ 85007

10 Robert D. Charlton, Assistant Superintendent  
Lori Mann, Examiner-in-Charge  
11 ATTN: Sabrina Zimmerman  
Arizona Department of Financial Institutions  
2910 N. 44th Street, Suite 310  
12 Phoenix, AZ 85018

13 **COPY** mailed same date, to:

14 Arizona Auto Associates LLC  
15 507 N. Scottsdale Rd.  
Scottsdale, AZ 85257  
16 Respondent Company

17 Fatiha Khoshaba  
18 5022 N. Scottsdale Rd.  
Paradise Valley, AZ 85253  
19 Respondent and  
Statutory Agent for Respondent Company

20 **AND COPY** mailed/e-mailed same date, to:

21 David A. Rubin, Esq.  
22 Rubin & Samuels PLC  
3550 N. Central Ave., Suite 1201  
23 Phoenix, Arizona 85012  
24 Attorneys for Respondents  
[dar@rubinsamuels.net](mailto:dar@rubinsamuels.net)

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26 #2926752.5