



**State of New Jersey**  
DEPARTMENT OF BANKING AND INSURANCE  
DIVISION OF BANKING  
PO Box 040  
TRENTON, NJ 08625-0040

JON S. CORZINE  
*Governor*

Neil N. Jasey  
*Commissioner*

Date: \_\_\_\_\_

RE: SALES FINANCE COMPANY  
EXAMINATION

Dear Licensee:

Pursuant to the authority granted to the Commissioner by the laws of the State of New Jersey, the Department of Banking and Insurance has scheduled an examination of your operations conducted under the above captioned license(s). The Examiner-in-Charge, \_\_\_\_\_ has scheduled your examination date for \_\_\_\_\_. You may contact the examiner via email at \_\_\_\_\_@dobi.state.nj.us or telephone number \_\_\_\_\_.

Please refer to the enclosed instructions and have the requested information (Scope) available for the examiner.

In addition to furnishing the requested information, please have the designated licensed individual and other personnel available during the course of the examination. Also, please provide adequate private working space for the examiners and with a convenient electrical outlet for their computer equipment.

Your immediate attention to the above is requested. If you have any questions please contact Maryann Moticha at 609-292-7272, ext. 50219.

Sincerely,

John S. Pavlovsky Jr.  
Field Manager  
Office of Consumer Finance

**SCOPE**

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## SCOPE

### INSTRUCTIONS

Please complete all of the enclosed pages. If a particular item is not applicable to your organization, please note that it is not applicable. All pages are self-explanatory except those specifically referred to below.

1. The review period includes the time since the previous examination or \_\_\_\_\_ to the present day \_\_\_\_\_.
2. Specific activities that will be reviewed by the examiner include but are not limited to:
  - a. Open loan files
  - b. Closed loan files
  - c. Repossession records
  - d. Account payment histories
  - e. Operational methods
  - f. Rebates of insurance and rebates of interest (actuarial method)
3. Page 5: Make as many copies of this page as you require. Complete this form by dating it, addressing it to each attorney who performs routine legal work for you, signing the release and forwarding it to each attorney to whom it is addressed. The Examiner-in-Charge must receive a response from each attorney by the completion of the examination.

## SCOPE

### INSTRUCTIONS

Please have the following items ready for the examiner's review: **(For New Jersey Loans Only)**

1. A copy of the most recently prepared financial statements and the most recently filed annual report for year(s) end \_\_\_\_\_ , \_\_\_\_\_.
2. Supporting documentation showing total dollar amount \$ of loans/contracts for the period 1/1/\_\_\_ to 12/31/\_\_\_.
3. All individual file folders for each retail installment sales contracts and retail charge accounts closed during the review period, containing complete documentation for each borrower as selected by the examiner.
4. Contract listings, registers or trial balances for all N.J. loans made during the review period.
5. Please provide a listing of all lease contracts under \$10,000.00 which give the retail buyer the option to purchase the retail goods at the end of the lease term.
6. Reports for rejected applications and all in process.
7. Any policies and/or procedures manuals relating to lending, collections, insurance and repossessions.
8. All files containing information pertaining to pending litigation.
9. Files concerning all complaints received during the review period.
10. All files concerning enforcement actions issued by this Department.
11. Statements of all checking or other transactional type accounts with cancelled checks (copies are acceptable) as requested by the examiner.
12. A sample of all contract documents utilized for each type of contract you are licensed to make.
13. Records of all credit life or accident and health insurance written, premiums collected, refunds of the unearned premiums due to payment in full or renewal and a detailed record of all claims paid by the insurer.
14. A list of all borrowers who defaulted on retail installment contracts or retail charge accounts and have been reduced to judgement. The individual files and payment histories of these borrowers should be available.
15. A listing and complete files of all repossession articles held.
16. Provide a list of any official fees or any other fees charged.
17. Please provide a list of all entities from which you purchase retail installment contracts or retail charge accounts.
18. Please provide a list of all refunds or other monies that have remained unclaimed for over five years (NJ only)



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JON S. CORZINE  
*Governor*

STEVEN M. GOLDMAN  
*Commissioner*

**Date:**

Re: Official Examination of  
\_\_\_\_\_

Dear \_\_\_\_\_:

The above captioned licensee is regulated by this Department and is currently under examination. Please respond as soon as possible by mail or by FAX to the licensee, addressing your response to the Examiner-in-Charge \_\_\_\_\_, providing the following information.

1. The capacity in which you are representing the licensee.
2. The amount of the fee you charge for representing the licensee.
3. Litigation in which the licensee is involved in any capacity, including your estimate of losses or potential liability.
4. Please identify any contingent liabilities of the licensee of which you have knowledge.
5. Describe all relationships you have with the licensee in which you represent more than one party in any loan transaction. State for whom the service is provided, the nature and purpose of the service and a schedule of fees charged.

Sincerely,

John S. Pavlovsky Jr.  
Field Manager  
Office of Consumer Finance

Release of the above requested information is hereby authorized.

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

**SCOPE**  
**STRUCTURAL INFORMATION**

**LIST OF FIVE PRINCIPAL OFFICERS AND STOCKHOLDERS (10% or MORE)**

<b><u>Name</u></b>	<b><u>Office Location</u></b>	<b><u>Position</u></b>	<b><u>% Stock</u></b>
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**LIST OF DIRECTORS that have affiliations with financial institutions, real estate agencies/brokers, insurance agency/company, mortgage banker/broker.**

**SCOPE**  
**LICENSING INFORMATION**

- A. Provide the following licensing information for each authority:
1. List the address of all offices, including the main office and all branch offices, as well as all out-of-State offices which originate loans in New Jersey.
  2. For each office listed in #1 above, list the authorities approved for that office.
- B. If any other business(es) is/are conducted at any of the licensed locations, explain:
- C. If any owner, licensee, partner or officer of the company holds a license or registration, other than a motor vehicle license or registration, issued by any federal or State government authority, provide the following information:
1. Name
  2. Type of license or registration held
  3. Issue date
  4. License number
  5. Issuing authority
- D. Please list the name, title, address and phone number of the officer who will be responsible for coordinating the examination.
- Please list the name, title, address and phone number of the person to whom any correspondence and billing related to this examination should be addressed (if different than above).
- E. Please indicate the type of any review of your financial statements and the frequency of the preparation of your financial statements.

**TYPE**

Audit \_\_\_\_\_  
Review \_\_\_\_\_  
Compilation \_\_\_\_\_  
Internal \_\_\_\_\_

**FREQUENCY**

Annual \_\_\_\_\_  
Semi-Annual \_\_\_\_\_  
Quarterly \_\_\_\_\_  
Monthly \_\_\_\_\_



## **SCOPE** **OPERATIONS**

Provide the following information. If any of the required information varies by authority, please note those variations and indicate to which authority the variations apply.

The plan of operation, indicating procedures relating to the origination, purchasing, servicing, and selling of retail installment contracts and retail charge accounts. Indicate the types of loans made or purchased ( i.e., motor vehicle loans, boat loans, etc.) and the type of entities from which you acquire retail installment contracts or obligations incurred pursuant to retail charge accounts by purchase, discount, pledge or otherwise.

**AFFIDAVIT OF PRINCIPAL OFFICER OR LICENSEE**

I, \_\_\_\_\_, principal officer/licensee of \_\_\_\_\_, do solemnly affirm that, to the best of my knowledge and belief, the information provided in response to the Scope is complete and correct at the time of the commencement of the examination and that any changes thereto will be immediately reported to the Examiner-in-Charge before the completion of the examination.

\_\_\_\_\_  
Principal Officer/Licensee

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date