

**THE COMMONWEALTH OF THE BAHAMAS**  
**THE SECURITIES COMMISSION OF THE BAHAMAS**

**IN THE MATTER of Administration of the Financial and Corporate Service  
Providers Act, 2020 (the Act)**

**BETWEEN**

**AUTO H & L LIMITED (Licensee)**

**AND**

**THE SECURITIES COMMISSION OF THE BAHAMAS**

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**SETTLEMENT AGREEMENT**

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**1. RECITALS**

**THIS SETTLEMENT AGREEMENT AND RELEASE** ("Settlement") is entered into between **AUTO H & L LIMITED** (hereinafter, "AHL", or "Licensee"), and **THE SECURITIES COMMISSION OF THE BAHAMAS** (hereinafter "the Commission"), who agree to be bound by the terms and conditions of this Settlement. The Commission and AHL are collectively referred to hereinafter as "the Parties".

**AND WHEREAS** the Parties desire to voluntarily enter into this Settlement in order to provide for the full and final settlement and discharge of all claims concerning the matters outlined herein.

**AND WHEREAS** the Commission has approved this Settlement Agreement, per the terms outlined more specifically in Paragraph 3 below;

**2. FACTS AGREED**

Solely for securities regulatory purposes and as the basis for this Settlement Agreement addressing outstanding regulatory matters concerning AHL, the agreed facts are as follows:

- 2.1. The Commission, pursuant to its authority under the Act, conducted routine examinations on AHL in March 2022 and in March 2023, and observed a number of breaches of the Act and related legislation, including the Rate of Interest Act ("RIA").
- 2.2. Further, AHL had reported to the Commission that sometime in 2019, a dump truck crashed into AHL's offices destroying a number of client records in the process. Consequently, AHL was unable to properly account for the number of clients impacted by their error involving the RIA, further aggravating this particular issue.
- 2.3. AHL, when responding to those findings, agreed that there was a breach of the RIA and indicated to the Commission that this had inadvertently been done.
- 2.4. The Commission met with AHL on 23 May 2023 and directed that an independent exam be conducted, at AHL's expense, to review AHL's books and records for the period 2019 through 2023. The review was to be conducted by independent auditor, Baker Tilly Gomez ("BTG") and a report submitted.
- 2.5. The review was conducted by BTG during August 2023 through October 2023 and BTG's final report confirmed that AHL had charged interest in contravention of the RIA.
- 2.6. The Commission again met with AHL on 17 January 2024 and on 6 May 2024 to discuss BTG's findings and other issues related to AHL's breaches of the Act, such as issuing a notice to inform the public of the issue. This was a necessity because the accident with AHL's client files, per paragraph 2.2, meant AHL was unable to contact all their clients impacted by the excess interest charge.
- 2.7. Via letter dated 7 May 2024, the Commission imposed penalties for breaches of the Act, aforesaid, and indicated that a notice would be issued advising AHL's clients of the situation and informing them who to contact concerning recouping the overpaid interest.
- 2.8. The Commission issued its Public Notice dated 15 May 2024, posting it to the Commission's website as well as circulating it in the newspapers.
- 2.9. Finally, the Commission directed AHL to repay its clients the interest charged in excess of the lawful rate and the process, which commenced in or around October 2024 under the supervision of BTG, remains ongoing.

### **Breaches**

- 2.10. Via letter dated 7 May 2024, aforesaid, the Commission informed AHL of the various infractions found during the course of the mentioned examinations and referenced BTG's findings. .
- 2.11. .
- 2.12. Further, on 21 February 2025, the parties agreed to a payment of \$200,000 in full and final settlement of the penalties imposed for the aforesaid breaches of the Act and related laws.

2.13. Therefore, the Parties desire to voluntarily enter into this Settlement in order to provide for the full and final settlement and discharge of the administrative penalties concerning the matters outlined herein.

### **Mitigating Factors**

2.14. AHL has acknowledged and accepted responsibility for its non-compliance, which is the subject matter of both the reports on its breaches, aforesaid, and this Settlement.

## **3. TERMS OF SETTLEMENT**

THE PARTIES HEREBY AGREE THE FOLLOWING TERMS:

### **3.1. ACCEPTANCE OF FACTS**

The Licensee understands and agrees that notwithstanding anything to the contrary, and solely for purposes of this Settlement, the Commission here agrees to AHL neither admitting nor denying breaches, allegations and/or liability per the report, aforesaid. However, AHL accepts the above Facts Agreed as stated herein and further agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, the Facts Agreed, any of the breaches addressed herein or make any statement that is inconsistent with this Settlement creating the impression that any of the foregoing is without legal or factual basis. If AHL breaches this Settlement, the Commission may then commence administrative and/or court proceedings in the usual manner and pursue without any restriction whatsoever a full hearing of this matter, inclusive of any other issues emanating therefrom.

### **3.2. RELEASE AND DISCHARGE**

Subject to paragraphs 3.1. and 3.3., and conditional upon and in consideration of the Parties abiding by the terms of this Settlement, including payment of the amount called for herein, the Parties hereby irrevocably release and forever discharge each other from any future claims, demands, obligations, actions, causes of action, rights, damages, costs, loss of services, expenses and compensation which either party now has, or which may hereafter accrue or otherwise be acquired by either party, on account of, or in any way arising from the matters or issues forming the substratum of this Settlement Agreement.

### **3.3. CONSIDERATIONS AND PENALTY IMPOSITION**

In consideration of the Release and Discharge set forth above, AHL hereby agrees to:

- a. Accept fully and without reservation the Orders and/or sanctions that will be imposed by the Commission against AHL, pursuant to section 40 of the Act, as follows:
  - i. AHL shall restore to its clients, both current and former, sums due and owing to them arising from excess interest charged for the periods 2019 to 2023;

- ii. the Licensee shall **pay a Penalty**, pursuant to section 40 of the Act, which has been **agreed in the full and final amount of \$200,000.00**, for the breaches outlined herein regards non-compliance with the Act; and
  - iii. The Penalty shall be paid in full **not later than 30 April 2025**.
- b. Immediately seek the Commission's prior approval in the event that AHL resolves to wind up or liquidate the business ;
  - c. Fully satisfy the Terms outlined above, failing which the Commission will pursue further enforcement action relative to this matter, including the Commission's right to commence any criminal action for AHL's failure to adhere to the statutory interest rate under the Rate of Interest Act, which formed the basis for AHL reimbursing all clients impacted by the breach, per paragraph 3.3a(i).

#### 3.4. ADDITIONAL DOCUMENTS

The Parties agree and undertake to cooperate fully and execute any and all supplementary documents, if any, and to take all additional actions which may be necessary or appropriate to give full force and effect to the basic terms and intent of this Settlement Agreement.

#### 4. WAIVERS, UNDERTAKINGS AND ACKNOWLEDGEMENTS

##### 4.1. WAIVER OF APPEAL OR JUDICIAL REVIEW

The Parties waive any rights to a hearing, judicial review or appeal of this Settlement Agreement.

##### 4.2. WARRANTY OF CAPACITY TO EXECUTE AGREEMENT

AHL represents and warrants that no other person or entity has or has had any interest in the claims, demands, obligations, or causes of action referred to in this Settlement, except as otherwise set forth herein, and that it has not sold, assigned, transferred, conveyed or otherwise disposed of any of the claims, demands, obligations, or causes of action referred to in this Settlement.

##### 4.3. REPRESENTATION OF COMPREHENSION OF DOCUMENT

In entering into this Settlement Agreement, AHL represents and fully acknowledges that it has relied upon the legal advice of the attorneys of its own choice and that the terms of this Settlement Agreement have been completely read and explained by the Licensee's attorneys, and that those terms are fully understood and voluntarily accepted by the Licensee.

##### 4.4. ENTIRE AGREEMENT AND SUCCESSORS IN INTEREST

The Parties fully acknowledge that this Settlement Agreement contains the entire agreement on the Matter between them and shall be binding upon and inure to the benefit of the executors, administrators, personal representatives, heirs, successors and assigns of each.

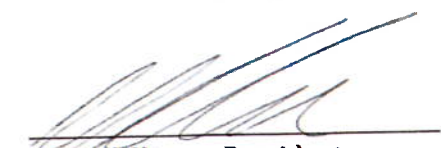


4.5. CONFIDENTIALITY

This Settlement Agreement and its terms will be treated as confidential by all parties to it during negotiations and up to, and including, the execution by all parties to this agreement. The executed final agreement may be subject to publication on the Commission's website

4.6. FINAL ACKNOWLEDGEMENT

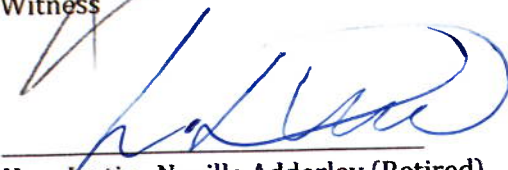
The Parties acknowledge that the terms laid out herein shall be deemed to be and treated as full and final disposition of the Matter and underlying issues to which it relates, and will be treated as a final decision of the Commission.

  
Mr. Hal Shears, President  
Licensee Auto H & L Limited.  
(signature)

Dated: June 3/25

  
Witness

Dated: June 3<sup>rd</sup>, 2025

  
Hon. Justice Neville Adderley (Retired)  
Chairman  
Securities Commission of The Bahamas  
(signature)

Dated: 22 July 2025

  
Witness

Dated: 22 July 2025

