

**COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2022-AH-00008**

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v.

SOUTHERN SPECIALTY FINANCE, INC.
d/b/a CHECK N' GO

RESPONDENT

AGREED ORDER

1. The Complainant, the Kentucky Department of Financial Institutions (hereafter "DFI") is the agency within the Commonwealth of Kentucky charged with the administration of the provisions of Subtitle 9 of KRS Chapter 286, and the rules and regulations promulgated thereunder.

2. The Respondent is a foreign corporation incorporated under the laws of the State of Ohio, registered with the Kentucky Secretary of State to do business in Kentucky under the name of Southern Specialty Finance, Inc., (hereafter "Southern Specialty") with its principal place of business located at 7755 Montgomery Road, Suite 400, Cincinnati OH, 45236. At the time the alleged violations took place, Southern Specialty operated ten (10) licensed branches in the state of Kentucky.

3. As of the date of signing of this Agreed Order, Southern Specialty has either surrendered, or transferred to other deferred deposit entities, each of their licenses to operate branches in the state Kentucky.

4. During the 2020-2021 exam cycle, the DFI conducted routine deferred deposit license examinations of the following Southern Specialty locations:

Address	Date of Exam
393 Waller Ave., Lexington, KY 40502	June 30, 2021
7277 Turfway Rd., Florence, KY 41042	March 29, 2021
3601 Frederica St., Ste. 8, Owensboro, KY 42303	February 16 – 17, and 25, 2021
81 W Highway 80, Ste. E, Somerset, KY 42503	December 2, 2020
3976 Alexandria Pike Cold Spring, KY 41076	December 2, 2020
790 North Dixie Highway, Ste. 300, Elizabethtown, KY 42701	October 18, 2020
105 Magnolia Dr., Ste. 2, Georgetown, KY 40324	September 21, 2020
3200 Park Ave., Paducah, KY 42001	June 16, 2020
3063 Richmond Rd., Ste C, Lexington, KY 40509	June 12, 2020

5. As a result of these examinations, DFI identified multiple instances wherein Southern Specialty accepted debit card payments from consumers without a four-digit PIN number to pay for their deferred-deposit loans. This occurred on three hundred and one (301) occasions. The DFI asserts this conduct is in violation of KRS 286.9-100(7) and KRS 286.9-140(1). Southern Specialty denies any liability, wrongdoing, or violation of the noted statutes.

6. In the interest of economically and efficiently resolving the alleged violations described herein, DFI and Southern Specialty agree as follows:

- a. If, in the future, Southern Specialty operates as a deferred deposit entity within the state of Kentucky, Southern Specialty will “close” accounts in accordance with the requirements of KRS 286.9-010(7) and 808 KAR 9:010;

- b. Southern Specialty agrees to a civil fine assessment in the amount of ten thousand dollars (\$10,000) for the alleged violations referenced to above;
- c. Southern Specialty agrees to and shall pay the total civil fine assessed herein of ten thousand dollars (\$10,000), which shall be due upon execution and entry of the Agreed Order. The Payment shall be made electronically, via invoice, through the NMLS system; and
- d. Respondent shall cease and desist from any future violations of the Kentucky Financial Services Code.

7. Southern Specialty waives its right to demand a hearing at which it would be entitled to legal representation, to confront and cross-examine witnesses, and to present evidence on its own behalf, or to otherwise appeal or set aside this Order.

8. Southern Specialty consents to and acknowledges the jurisdiction of DFI over this matter and that this Agreed Order is a matter of public record and may be disseminated as such.

9. In consideration of execution of this Agreed Order, Respondent for itself, and for its successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, DFI, Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and unknown, in law or equity, that Respondent ever had, now has, may have or claim to have against any or all of the persons or entities named in this paragraph arising out of or by reason of this investigation, this disciplinary action, this settlement or its

administration.

10. By signing below, the parties acknowledge they have read the foregoing Agreed Order, know and fully understand its contents, and that they are authorized to enter into and execute this Agreed Order and legally bind their respective parties.

11. This Agreed Order shall constitute the Final Order in this matter.

IT IS SO ORDERED on this the day of , 2022.



CHARLES A. VICE Deputy Commissioner, Justin M. Burse
COMMISSIONER on behalf of the Commissioner

Consented to:

This ____ day of _____, 2022.

This 26 day of May, 2022.

Jeff D. Jacob Digitally signed by Jeff D. Jacob
Date: 2022.06.29 12:45:53 -0400

Director
Division of Non-Depository Institutions
Department of Financial Institutions


Authorized Representative
Southern Specialty Finance Inc.

ACKNOWLEDGMENT

STATE OF OHIO)
)
COUNTY OF HAMILTON)

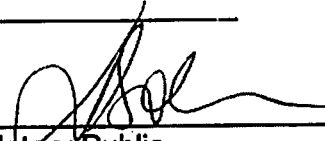
On this the 26th day of May, 2022, before me LORELEI BOLOMAN, the undersigned, LUKE WILLIAMSON, did personally appear and acknowledge himself/herself to be the authorized representative of Southern Specialty Finance, Inc. and that he/she, being authorized to do so, entered into and executed the foregoing instrument for the purposes therein contained.

In witness whereof I hereunto set my hand.

My Commission Expires: N/A



LORELEI BOLOMAN
Attorney At Law
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration date
Sec. 147.03 R.C.


Notary Public

CERTIFICATE OF SERVICE

30th I hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 30th day of June, 2022, by certified mail, return receipt requested, to the following:

Kristen Mudd
Southern Specialty Finance Inc.
7755 Montgomery Rd, Suite 400
Cincinnati, OH 45236
Counsel for the Respondent

And by hand-delivery to:

Kathryn Adams Cornett
Staff Attorney
Kentucky Department of Financial Institutions
500 Mero Street, 2SW19
Frankfort, Kentucky 40601
Counsel for the Complainant

Name: Alison Reid
Title: Executive Staff Advisor
Department of Financial Institutions