

**COMMONWEALTH OF KENTUCKY  
PUBLIC PROTECTION CABINET  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
AGENCY CASE NO. 2015-AH-00100**

**DEPARTMENT OF FINANCIAL INSTITUTIONS**

**COMPLAINANT**

**vs.**

**AGREED ORDER**

**CASH AMERICA INTERNATIONAL, INC.**

**RESPONDENT**

\* \* \* \* \*

1. The Department of Financial Institutions ("DFI") is responsible for regulating and licensing entities engaged in the business of cashing checks and accepting deferred deposit transactions in accordance with the provisions set forth in KRS Chapter 286.9. (ICIE #97442)

2. Cash America International, Inc. ("Respondent") has its corporate headquarters at 1600 West 7<sup>th</sup> Street, Fort Worth, TX 76102. Respondent's subsidiaries (Cashland Financial Services, Inc. and Cash America Financial Services, Inc.) were authorized to do business in Kentucky as deferred deposit and check cashing licensees pursuant to KRS Chapter 286.9.

3. During routine licensee examinations during the period of March - August 2013, DFI discovered multiple transactions in the Veritec database that were improperly closed and assigned to third-party collection agencies. In September 2013, Respondent informed DFI about their auto-close procedures in Kentucky during the period of June 2010 through September 2013. Respondent's auto-close procedures were not preventing loans from closing properly in the Veritec database when the

customers still owed on the loans. When the loans were reopened, it was discovered that some customers had entered into deferred deposit transactions exceeding the limits allowed under KRS Chapter 286.9, in violation of KRS 286.9-100(9) and KRS 286.9-140(1).

4. DFI possesses a range of administrative authority in addressing violations of the Act, including license revocation or denial, the imposition of civil penalties in an amount up to \$5,000 per violation for each day the violation is outstanding, plus the state's costs and expenses for the examination, investigation, and prosecution. See KRS 286.9-110; 286.9-991.

5. DFI incurred four thousand nine hundred ninety-eight dollars (\$4,998.00) in costs for conducting the investigation. See KRS 286.9-991(2) and 808 KAR 9:020(1).

6. In this case, DFI assessed a civil penalty against Respondent in the amount of one hundred twelve thousand dollars (\$112,000.00) for violating KRS 286.9-100(9) and KRS 286.9-140(1).

7. In the interest of economically and efficiently resolving the violation(s) described herein, DFI and Respondent agree as follows:

a. Respondent agrees to a fine assessment in the amount of one hundred twelve thousand dollars (\$112,000.00) for the violation(s) described herein;

b. Respondent agrees to reimburse DFI four thousand nine hundred ninety-eight dollars (\$4,998.00) for the costs incurred in the process of conducting the investigation;

c. Respondent agrees to and shall pay the total civil penalty and costs assessed herein of one hundred sixteen thousand nine hundred and ninety-eight dollars (\$116,998.00) which shall be due when Respondent signs and returns the Agreed Order. The payment shall be in the form of a certified check or money order made payable to “**Kentucky State Treasurer**” and mailed to the Department of Financial Institutions, Attn: Non-Depository Division, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601; and,

d. Respondent agrees to make restitution, by check drawn on the Respondent's account, to all affected customers by refunding the service fees on the transactions that created the database violation and to maintain records – consistent with KRS 286.9-074 – that such refund checks were issued to the customers and were processed for payment by the customer.

8. Neither the execution of this Agreed Order nor the payment of the civil penalty assessment by Respondent shall constitute an admission by Respondent, nor any of its employees, officers or directors, that KRS 286.9 or any other state law or regulation was violated.

9. Respondent 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.

10. Respondent 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.

11. In consideration of execution of this Agreed Order, each party hereto for itself, and for its successors and assigns, hereby releases and forever discharges the other party, 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 either party 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.

12. 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.

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

IT IS SO ORDERED on this the 10<sup>th</sup> day of August, 2015.

  
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CHARLES A. VICE  
COMMISSIONER

**Consented to:**

This 10<sup>th</sup> day of August, 2015.

This 30<sup>th</sup> day of July, 2015.

Tammy R. Scruggs  
Tammy Scruggs, Director  
Division of Non-Depository Institutions  
Department of Financial Institutions

Curtis Linscott EVP  
Authorized Representative  
Cash America International, Inc.

**ACKNOWLEDGEMENT**

STATE OF TEXAS )  
 )  
COUNTY OF TARRANT )

On this the 30<sup>th</sup> day of July, 2015, before me Denise Norman, the undersigned, Curtis Linscott, did personally appear and acknowledge himself/herself to be the authorized representative of Cash America International, Inc. and that he/she, being authorized to do so, entered into and executed the foregoing instrument for the purposes therein contained.

My Commission Expires: 8-23-2018



Denise Norman  
Notary Public

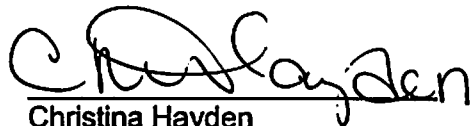
**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 10 day of August, 2015, by certified mail, return receipt requested, to the following:

Hon. F. Denise Russell  
SVP, Executive Compliance Officer  
Cash America International, Inc.  
1600 West 7<sup>th</sup> Street  
Fort Worth, TX 76102

And by hand-delivery to:

Hon. Gary W. Adkins  
Kentucky Department of Financial Institutions  
1025 Capital Center Drive, Suite 200  
Frankfort, Kentucky 40601



Christina Hayden  
Department of Financial Institutions