

**COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2010-AH-1132**

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v.

AGREED ORDER

MARPO OF BROWNSVILLE, LLC
D/B/A BLUEGRASS CHECK ADVANCE

RESPONDENT

* * * * *

1. The Department of Financial Institutions (“DFI”) is responsible for regulating and licensing of check cashing and other deferred deposition transaction licensees in accordance with the provisions set forth in KRS Chapter 286.9 (the “Act”).

2. Marpo of Brownsville, LLC d/b/a/ Bluegrass Check Advance (“Respondent”) is licensed as a check casher in Kentucky, pursuant to the Act. Respondent operates branches in Hopkinsville, Leitchfield and Mayfield, Kentucky, the licenses for which are in effect and were in effect at all times relevant herein.

3. An investigation into the activities of Respondent’s Leitchfield branch discovered that the Respondent failed to promptly and accurately enter deferred deposit transactions into the central database, resulting in a failure to verify its customer’s ineligibility to enter into the transactions. These acts were in violation of KRS 286.9-100(19)(a), which requires a licensee to verify a customer’s eligibility to enter into a deferred presentment service transaction by promptly and accurately accessing the database; KRS 286.9-100(18), which prohibits a licensee from entering into a deferred

deposit transaction with a customer who has two (2) open deferred deposit transactions; and KRS 286.9-100(9), which prohibits total proceeds to a customer for all outstanding deferred deposit transactions from exceeding five hundred dollars (\$500.00).

4. An examination of Respondent's Hopkinsville branch discovered that the Respondent entered into deferred deposit transactions with numerous customers without entering the transactions into the central database, and after having already determined the customers' ineligibility to enter into the transactions. These acts were in violation of KRS 286.9-100(19)(a), which requires a licensee to verify a customer's eligibility to enter into a deferred presentment service transaction by promptly and accurately accessing the database; KRS 286.9-100(18), which prohibits a licensee from entering into a deferred deposit transaction with a customer who has two (2) open deferred deposit transactions; and/or KRS 286.9-100(9), which prohibits total proceeds to a customer for all outstanding deferred deposit transactions from exceeding five hundred dollars (\$500.00).

5. An examination of Respondent's Mayfield branch discovered that the Respondent failed to promptly and accurately enter deferred deposit transactions into the central database, resulting in a failure to verify its customer's ineligibility to enter into the transactions. These acts were in violation of KRS 286.9-100(19)(a), which requires a licensee to verify a customer's eligibility to enter into a deferred presentment service transaction by promptly and accurately accessing the database; KRS 286.9-100(18), which prohibits a licensee from entering into a deferred deposit transaction with a customer who has two (2) open deferred deposit transactions; and KRS 286.9-100(9), which prohibits total proceeds to a customer for all outstanding deferred deposit transactions from exceeding five hundred dollars (\$500.00).

6. DFI possesses a range of administrative authority in addressing violations of the Act, including license revocation or denial, and/or the imposition of fines in an amount up to \$5,000 per violation. *See* KRS 286.9-110; 286.9-991.

7. DFI has assessed a fine against Respondent's Leitchfield branch in the amount of two thousand dollars (\$2,000.00) for the violations set forth in paragraph 3 above.

8. DFI has assessed a fine against Respondent's Hopkinsville branch in the amount of three thousand dollars (\$3,000.00) for the violations set forth in paragraph 4 above.

9. DFI has assessed a fine against Respondent's Mayfield branch in the amount of one thousand dollars (\$1,000.00) for the violations set forth in paragraph 5 above.

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

- a. Respondent agrees to a fine assessment in the total amount of six thousand dollars (\$6,000.00) for the violation(s) described herein;
- b. Respondent agrees to and shall pay the total fine assessed herein in a single installment payment of six thousand dollars (\$6,000.00), which shall be due on the date Respondent signs the Agreed Order and returns it to DFI. Said 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: Michael T. Davis, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601; and

c. Respondent shall devote the time and resources necessary to ensure continual and full compliance with all statutory requirements set forth in the Act and the regulations enacted thereunder.

11. 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.

12. 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.

13. 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.

14. 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.

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

IT IS SO ORDERED on this the 28th day of December, 2010.

Nick St. Baile for Charles Vice
CHARLES A. VICE
COMMISSIONER

Consented to:

This 17th day of DECEMBER, 2010.

This 17th day of DECEMBER, 2010.

Nicole Biddle, Director
Division of Non-Depository Institutions
Department of Financial Institutions

Jerry Martin
Jerry Martin, authorized representative of
Respondent Marpo of Brownsville, LLC
d/b/a Bluegrass Check Advance

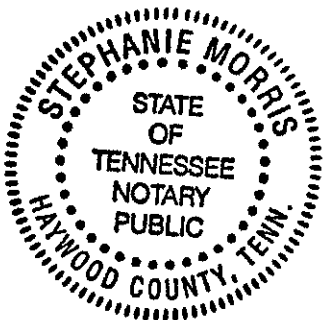
ACKNOWLEDGEMENT

STATE OF Tennessee)
)
COUNTY OF Haywood)

On this the 17th day of DECEMBER, 2010, before me Stephanie Morris, the undersigned, **Jerry Martin, as authorized representative of Marpo of Brownsville, LLC d/b/a Bluegrass Check Advance**, did personally appear and entered into and executed the foregoing instrument for the purposes therein contained.

In witness whereof I hereunto set my hand.

My Commission Expires: 3-18-2014



Stephanie Morris
Notary Public

Certificate of Service

I, Michael T. Davis, hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 28th day of December, 2010, by certified mail, to the following:

Jerry Martin
Marpo of Brownsville, LLC d/b/a Bluegrass Check Advance
1289 Boyd Avenue
Brownsville, TN 38012



Michael T. Davis
Department of Financial Institutions
1025 Capital Center Drive
Suite 200
Frankfort, Kentucky 40601
502-573-3390 ext. 240 (phone)
502-573-2183 (facsimile)