

COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2020-AH-0018

ENTERED
JUL 29 2021
APR 2:30 PM
COMMISSIONERS OFFICE

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v.

AGREED ORDER FOR SETTLEMENT
MAXON, INC. D/B/A LAKEWOOD
CASH EXPRESS

MAXON, INC. d/b/a LAKEWOOD CASH EXPRESS
and R & R CASH EXPRESS, LLC

RESPONDENTS

* * * * *

PARTIES

1. DFI is responsible for regulating and licensing deferred deposit licensees in accordance with the provisions of KRS 286.9 (the "Act") and the regulations promulgated pursuant thereto.

2. Respondent Maxon, Inc. ("Maxon"), d/b/a Lakewood Cash Express ("Lakewood"), is a Kentucky corporation with a principle business office location of 192 Steve Drive, Russell Springs, Kentucky 42642. Matt Gosser ("Gosser") is the owner of record and registered agent for Maxon. DFI issued Maxon a deferred deposit license, license number CC14639, to operate a deferred deposit transaction business with an operating location of 192 Steve Drive, Russell Springs, Kentucky 42642.

3. Respondent R & R Cash Express, LLC ("R & R") is a Kentucky corporation with a principle business office location of 616 Main Street, Russell Springs, Kentucky 42642. Kenvie Reese and Shane Richardson are the owners of record and registered agents for R & R Cash Express, LLC.

STATEMENTS OF FACT

4. On September 25, 2019, DFI conducted an examination of Respondent Maxon's Russell Springs licensed location. During the course of its examination, DFI discovered that on or about April 29, 2019, Respondent Gosser sold the Maxon/Lakewood business to R & R without informing DFI or filing for a change of control authorization for the license. R & R employees then engaged in offering deferred deposit transactions with customers after the sale of the business without a valid license or authorization from the Commissioner of DFI.

5. Upon further review of the facts and circumstances, the DFI learned that Gosser, owner of Lakewood, entered into negotiations with Mr. Kenvie Reese and Mr. Shane Richardson to purchase his deferred deposit business during the spring of 2019.

6. On April 29, 2019, Gosser provided Mr. Reese and Mr. Richardson log in credentials and access to the deferred deposit licensee account database, known as the Veritec database ("Veritec"), and allowed R & R to conduct deferred deposit transactions under the Lakewood business name and address. Proceeds of the loans entered into by Mr. Reese and Mr. Richardson under the Lakewood name were deposited into the bank account of R & R.

7. A purchase agreement for the deferred deposit business was signed by the parties on May 1, 2019. Thereafter, all business records and files were relocated to the R & R store on Main Street in Russell Springs, Kentucky. As stated above, DFI conducted a routine, annual examination of Lakewood at 192 Steve Drive, Russell Springs, Kentucky on September 25, 2019. During the examination, DFI discovered the sale of the Lakewood deferred deposit company to R & R was complete and the business had relocated without prior approval of the commissioner.

8. As a result of this examination, DFI determined R & R conducted deferred deposit transactions from the new Main Street, Russell Springs, Kentucky location using the former Lakewood name and address. Furthermore, DFI determined, from April 29, 2019 to September 25, 2019, R & R entered into seventy-seven (77) unlicensed loan transactions. Contracts executed by R & R customers continued to use the Lakewood company name and former address on Steve Drive, Russell Springs, Kentucky. All customer checks related to these transactions were written to Lakewood, but deposited into the bank account of R & R.

ACTIONS FOR COMPLIANCE AND SETTLEMENT

9. DFI possesses a range of administrative authority in addressing violations of the Act, including registration revocation or denial, the imposition of civil penalties.

10. Respondent Maxon, in the interest of economically and efficiently resolving this matter, agree as follows:

a. Respondent violated the provisions of KRS 286.9-140(1) when they offered unauthorized access to the deferred deposit database by an unlicensed entity,

b. Respondent violated the provisions of KRS 286.9-070(5) when they failed to file a written request for a change of control at least fifteen business days prior to any change of control of the license,

b. Respondent Maxon agrees to pay a civil penalty in the amount of ten thousand dollars (\$10,000.00) for the violations described herein. The payments will be made in four (4) equal monthly installments.

9. Respondent waives his right to demand a hearing at which he would be entitled to legal representation, to confront and cross examine witnesses, and to present evidence on his own behalf, or to otherwise appeal or set aside this Agreed 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, Respondent for himself, and for his 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.

12. By signing below, Respondent acknowledges he has read the foregoing Agreed Order and acknowledges and fully understand its contents.

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

IT IS SO ORDERED on this the 29th day of July, 2021.



CHARLES A. VICE
COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 29th
day of July, 2021, by electronic mail and certified mail, return receipt requested, to:

Mr. Matt Gøsser
Maxon, Inc. d/b/a Lakewood Cash Advance
192 Steve Drive
Russell Springs, KY 42642

Mr. Jeff Hoover
Counsel for Maxon, Inc.
Hoover and Hurt Law Offices
40 South Main Street, P.O. Box 985
Jamestown, KY 42629
jeff@jeffhooverlaw.com

and,

Mr. Kenvie Reese and Mr. Shane Richardson
R & R Cash Express, LLC
P.O. Box 1862
Russell Springs, KY 42642

Mr. Matthew B. DeHart
Counsel for R & R Cash Advance, LLC
DeHart Law Office
34 W. Cumberland Ave., P.O. Box 1177
Jamestown, KY 42629
dehartlaw@duo-county.com

Via email to:

Catherine Falconer
General Counsel
Department of Financial Institutions
500 Mero Street, 2 SW 19
Frankfort, KY 40601
Catherine.Falconer@ky.gov

Kentucky Department of Financial Institutions

Name: Alison Reed

Title: Executive Staff Advisor