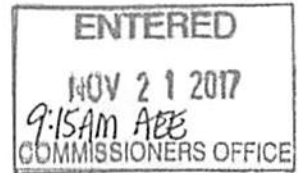


COMMONWEALTH OF KENTUCKY  
PUBLIC PROTECTION CABINET  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
AGENCY CASE NO. 2017-AH-00072



DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

SMS, LLC

RESPONDENT

AGREED ORDER

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 the Kentucky Financial Services Code as codified in KRS Chapter 286 (the “Act”).

2. SMS, LLC (“Respondent”) is a limited liability company registered in Kentucky, and is not registered or licensed with the DFI. (ICIE# 381369)

3. DFI began an investigation into potentially unlicensed activity conducted by the Respondent in February of 2017. During this investigation, the DFI discovered that between the dates of February 15, 2017, and March 31, 2017, Respondent cashed numerous consumer checks at Beat the Clock Tax Services. As Respondent does not have a license to engage in this activity, and this location does not qualify for any exemption from the licensing requirement, each check cashed is in direct violation of KRS 286.9-020. DFI possesses a range of administrative authority in addressing violations of the Act, including license revocation or denial, as well as the imposition of civil penalties in an amount up to \$5,000 per violation. *See* KRS 286.9-110; 286.9-991.

4. In this case, the DFI assessed a civil penalty against Respondent in the amount of one thousand dollars (\$1,000) for the above-described violations of KRS 286.9-020.

5. In the interest of economically and efficiently resolving the violation(s) described herein, and without Respondent admitting or denying the statements of fact and legal conclusions herein, DFI and Respondent agree as follows:

a. Respondent agrees to a civil penalty assessment in the amount of one thousand dollars (\$1,000.00) for the violation(s) described herein;

b. Respondent agrees to and shall pay the total civil penalty assessed herein of one thousand dollars (\$1,000), which shall be payable in four (4) monthly installments of two-hundred and fifty dollars (\$250.00). The first such payment shall be due upon entry of this Agreed Order, with each subsequent payment due as follows:

1) One payment of \$250.00 shall be due on November 30, 2017.

2) One payment of \$250.00 shall be due on January 5, 2018.

3) One final payment of \$250.00 shall be due on January 30, 2018.

c. Each 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 – Agreed Order ICIE # 381369, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601;

d. Respondent shall devote the time and resources necessary to ensure continual and full compliance with all statutory requirements set forth in KRS Chapter 286.9; and

e. Respondent shall immediately cease and desist from all check-cashing activity conducted at Beat the Clock Tax Services or other places of business without a proper license.

7. 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.

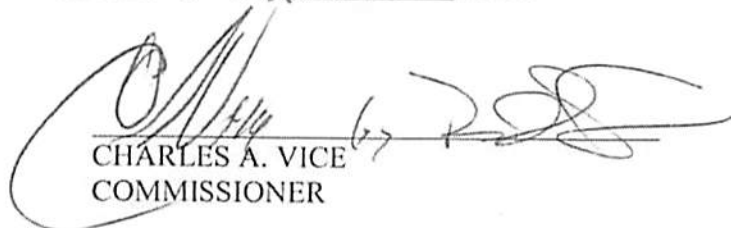
8. Respondent consents to and acknowledges the jurisdiction of DFI over this matter and that this Agreed Order is a matter of public record and may be disseminated as such.

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 21 day of November, 2017.

  
CHARLES A. VICE  
COMMISSIONER

Consented to:

This 20th day of November, 2017.

This 1 day of November, 2017.

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

[Signature]  
Authorized Representative  
SMS, LLC

ACKNOWLEDGEMENT

STATE OF Kentucky )  
 )  
COUNTY OF Franklin )

On this the 1 day of November, 2017, before me John Senter, the undersigned, Samir Alya, did personally appear and acknowledge himself/herself to be the authorized representative of SMS, LLC and that he/she, being authorized to do so, entered into and executed the foregoing instrument for the purposes therein contained.

My Commission Expires: 11/18/2017

JOHN M. SENTER  
Notary Public  
COMMONWEALTH OF KENTUCKY  
My Commission Expires 11-18-17  
Notary ID 501025

[Signature]  
Notary Public

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 21 day of November, 2017, by certified mail, return receipt requested, to:

Mr. Samir Alya  
SMS, LLC  
895 Louisville Road  
Frankfort, KY 40601

And by Hand-Delivery to:

Mr. Stuart D. Michael  
1025 Capital Center Drive, Suite 200  
Frankfort, KY 40601  
Counsel for Department of Financial Institutions

  
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Kentucky Department of Financial Institutions