

ENTERED  
JUN 30 2022  
APR 12:30pm  
COMMISSIONERS OFF.

COMMONWEALTH OF KENTUCKY  
PUBLIC PROTECTION CABINET  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF NON-DEPOSITORY INSTITUTIONS  
ADMINISTRATIVE ACTION NO. 2022-AH-0004

**Department of Financial Institutions**

**Complainant**

v.

**Buckeye Check Cashing of Kentucky, Inc. d/b/a CheckSmart**

**Respondent**

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**AGREED ORDER**

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1. Complainant The Department of Financial Institutions (the "Department") is responsible for regulating, examining, and licensing entities engaged in the business of cashing checks and accepting deferred-deposit transactions in accordance with the provisions set forth in Kentucky Revised Statutes (KRS) chapter 286 subtitle 9.

2. Respondent Buckeye Check Cashing of Kentucky, Inc. ("Buckeye") is an Ohio corporation authorized by the Kentucky Secretary of State to do business in Kentucky under the CheckSmart brand, with a principal place of business located at 5165 Emerald Parkway, Suite 100, Dublin, Ohio 43017. Buckeye is authorized pursuant to KRS 286.9 to do business in Kentucky as a deferred-deposit company and check-cashing company, and has a location at 5005 Preston Highway, Suite 103, Louisville, Kentucky 40213 with check-casher license #CC13962, and Nationwide Multi-State Licensing System and Registry ("NMLS") registration number #1855363.

3. During a routine license examination of Buckeye's Preston Highway location on September 24 and 28, 2021, the Department determined that Buckeye had entered inaccurate Social Security numbers into the Veritec deferred-deposit compliance database on six separate occasions. As a result, one Buckeye customer surpassed the statutory limit of \$500 in total loan

proceeds from all deferred-deposit transactions on one occasion, and another customer surpassed that limit on five occasions.

4. KRS 286.9-100(9) states, “[a] licensee shall not have more than two (2) deferred deposit transactions from any one (1) customer at any one time. The total proceeds received by the customer from all of the deferred deposit transactions shall not exceed five hundred dollars (\$500).”

5. KRS 286.9-140(1) requires a licensee to “accurately and promptly submit [customer] data before entering into each deferred deposit transaction in such format as the commissioner may require by rule or order, including the customer’s name, Social Security number or employment authorization alien number, address, driver’s license number, amount of the transaction, date of transaction, date that the completed transaction is closed, and any additional information required by the commissioner.”

6. 808 KAR 9:010 § 2(1)(a) requires each licensee to “institute procedures and maintain an accounting system designed to . . . [p]revent the licensee from entering into transactions with a customer in violation of KRS 286.9-100(9).”

7. Buckeye’s inaccurately entering Social Security numbers into Veritec and surpassing the limit of allowable loans at one time to two separate customers therefore violated KRS 286.9-100(9) and 286.9-140(1).

8. Buckeye’s failure to institute procedures to prevent the above-described violations violated 808 KAR 9:010 § 2(1)(a).

9. The Department possesses a wide range of administrative authority in addressing statutory and regulatory violations, including license revocation or denial, suspension, or the imposition of civil penalties. Pursuant to KRS 286.9-991, the Commissioner may assess a fine

of between one thousand dollars (\$1,000) and five thousand dollars (\$5,000) per violation, plus the state's costs and expenses, for any violation of KRS 286.9 or an administrative regulation promulgated thereunder, or any violation of an order of the Commissioner entered under KRS 286.9.

10. In this case, the Department assessed a civil penalty in the amount of ten thousand dollars (\$10,000) for the above-described violations.

11. In the interest of economically and efficiently resolving the violations described herein, the Department and Buckeye agree as follows:

a. Buckeye agrees to pay a civil penalty in the amount of ten thousand dollars (\$10,000) for the violations described herein, due upon entry of this Agreed Order. Payment shall be remitted through NMLS.

b. Buckeye agrees to make restitution, by check drawn on Buckeye's account, to all affected customers by refunding the service fees on the transactions that created the database violations 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 customers.

c. Buckeye shall devote the time and resources necessary to ensure continual and full compliance with all requirements set forth in KRS ch. 286.9 and regulations promulgated thereunder.

d. Buckeye agrees not to violate KRS ch. 286.9 nor regulations promulgated thereunder in the future.

12. Buckeye consents to and acknowledges the jurisdiction of the Department over this matter and that this Agreed Order is a matter of public record and may be disseminated as such.

13. Buckeye acknowledges that at all times it has had the opportunity to seek advice concerning this matter from competent counsel of its choice, and that no coercion has been exerted upon it, nor have any promises been made other than those reflected in this Agreed Order, to induce it to execute this Agreed Order. Buckeye has freely and voluntarily entered into this Agreed Order, motivated only by a desire to resolve the issues addressed herein.

14. Buckeye is aware it has the right to contest these charges in an administrative hearing under KRS ch. 13B, which includes the following rights: representation by an attorney at Buckeye's own expense, the right to a public hearing on any charges contained in a formal complaint from the Department, the right to confront and cross-examine witnesses called to testify against Buckeye, the right to present evidence on behalf of Buckeye, the right to compulsory process to secure the attendance of such witnesses, the right to receive written findings of fact and conclusions of law supporting the decision on the merits of the Department's formal complaint, the right to obtain judicial review of the Department's decision, and the right to appeal any final order of the Department to Circuit Court and thereafter to a higher appellate court as provided by KRS ch. 13B. By entering into this Agreed Order, Buckeye waives those rights.

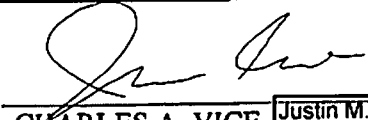
15. In consideration of the execution of this Agreed Order, Buckeye hereby releases and forever discharges the Commonwealth of Kentucky, the Department, the Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and

demands whatsoever, known and unknown, in law or equity, that Buckeye 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.

16. By signing below, Buckeye acknowledges they have read the foregoing Agreed Order and knows and fully understands its contents.

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

IT IS SO ORDERED on this the 25th day of April, 2022.



CHARLES A. VICE  
COMMISSIONER

Justin M. Burse,  
Deputy  
Commissioner on  
behalf of


**Consented to:**

This 19th day of April, 2022.

Jeff D. Jacob Digitally signed by Jeff D. Jacob  
Date: 2022.04.19 16:09:24 -0400

Jeff Jacob, Director  
Division of Non-Depository Institutions  
Department of Financial Institutions

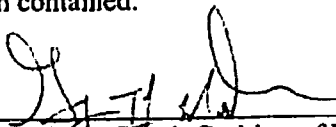
This 13<sup>th</sup> day of April, 2022.

By:   
Authorized Representative  
Buckeye Check Cashing of Kentucky, Inc.  
d/b/a CheckSmart  
Check-Casher License #CC13962

**ACKNOWLEDGEMENT**

STATE OF Tennessee )  
 )  
COUNTY OF Bradley )

On this the 13<sup>th</sup> day of April, 2022, before me did appear  
Gregory T.J. Madison, the undersigned, identified to me by  
Personal Knowledge (FORM OF IDENTIFICATION, OR PERSONAL  
KNOWLEDGE), acknowledged himself/herself to be the authorized representative of Buckeye  
Check Cashing of Kentucky, Inc. d/b/a CheckSmart, and he/she, being authorized to do so,  
executed the foregoing instrument for the purposes therein contained.

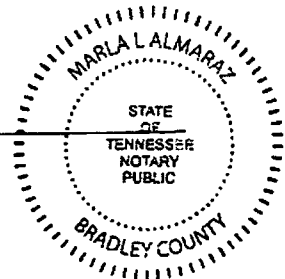
By:   
For Buckeye Check Cashing of Kentucky,  
Inc. d/b/a CheckSmart

  
Notary Public

Commission ID#

My Commission Expires:

12/10/25



**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Agreed Order was sent on this the 30<sup>th</sup>  
day of June, 2022 to:

Via certified mail, return receipt requested to:

Buckeye Check Cashing of Kentucky, Inc.  
ATTN: Ms. Felicia Ocdise  
5165 Emerald Parkway  
Suite 100  
Dublin, Ohio 43017  
focdise@ccfi.com

Via hand-delivery to:

Michael Barnett  
Staff Attorney  
Department of Financial Institutions  
500 Mero Street 2SW19  
Frankfort, Kentucky 40601  
michael.barnett@ky.gov

Kentucky Department of Financial Institutions

Name: Allison Reid

Title: Executive Staff Advisor