

**COMMONWEALTH OF KENTUCKY  
PUBLIC PROTECTION CABINET  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
ADMINISTRATIVE AGENCY ACTION NO. 2011-AH-0120**

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

**AGREED ORDER**

CASH EXCHANGE, INC.

RESPONDENT

**STATEMENT OF FACTS**

1. The Department of Financial Institutions (“DFI”) is responsible for regulating deferred deposit service businesses doing business in Kentucky in accordance with the provisions of KRS Chapter 286.9-010 et. seq. (the “Act”).

2. Cash Exchange Inc. is a licensed deferred deposit service business whose last known address is 332 C.W. Stevens Rd, Grayson, KY 41143. Cash Exchange operates a store in Greenup, Kentucky (license #101-1).

3. Pursuant to the Act, the DFI conducted an examination of Cash Exchanges’ Greenup store on March 22, 2011 to determine whether the activities of Cash Exchange were in compliance with applicable laws and regulations; whether the practices and policies of Cash Exchange had a potentially adverse impact on prospective borrowers; and whether the business was being operated efficiently, fairly, and in the public interest.

4. During the examination, the DFI discovered that Cash Exchange did not properly enter a customer’s social security number into the database prior to executing a

deferred deposit transaction with the customer. As a result, the customer received deferred deposit proceeds in excess of the allowable \$500 limit under the Act.

### **STATUTORY AUTHORITY**

5. Pursuant to KRS 286.9-140(1), a licensee shall accurately and promptly submit a customer's social security number in the database prior to executing a deferred deposit transaction and access the database to verify a customer's eligibility to enter into a deferred deposit transaction.

6. Pursuant to KRS 286.9-991, the commissioner may assess a fine of not less than one thousand dollars (\$1,000) nor more than five thousand dollars (\$5,000) per violation, "plus the state's costs and expenses for the examination, investigation, and prosecution of the matter, including reasonable attorney's fees and court costs" against any person that violates any provision of the Act or accompanying regulations.

### **LEGAL CONCLUSIONS**

7. Cash Exchange violated KRS 286.9-140(1) by performing the acts set forth in paragraph four (4).

### **AGREEMENT**

8. In the interest of economically and efficiently resolving the violation(s) described herein, and without Cash Exchange admitting or denying the statements of fact and legal conclusions set forth herein, the parties agree as follows:

a. Cash Exchange agrees to a fine assessment in the amount of one thousand dollars (\$1,000.00) for the violations described herein. 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: Simon Berry, 1025 Capital Center Drive,  
Suite 200, Frankfort, Kentucky 40601.

9. Cash Exchange 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 behalf, or to otherwise appeal or set aside this Order.

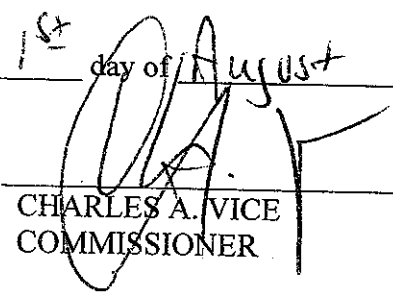
10. Cash Exchange consents to and acknowledges the jurisdiction of the DFI over this matter and that this Agreed Order is a matter of public record and may be disseminated as such.

11. In consideration of the execution of this Agreed Order, Cash Exchange for itself, and for its successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, the 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 Cash Exchange 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 1<sup>st</sup> day of August, 2011.

  
\_\_\_\_\_  
CHARLES A. VICE  
COMMISSIONER

**Consented to:**

This 5<sup>th</sup> day of July, 2011

  
\_\_\_\_\_  
Nicole Biddle, Director

Division of Nondepository Institutions  
Department of Financial Institutions

This 7<sup>th</sup> day of July 2011

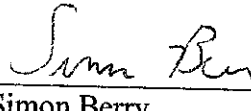
  
\_\_\_\_\_  
Cash Exchange, Inc.

By: Arvel Marcum  
Its: President

**Certificate of Service**

I hereby certify that a copy of the foregoing **Agreed Order** was sent by certified mail return receipt requested on this the 2<sup>nd</sup> day of August, 2011, to the following:

Cash Exchange  
Attn: Arvel Marcum  
332 C.W. Stevens Rd  
Grayson, KY 41143



Simon Berry  
Department of Financial Institutions  
1025 Capital Center Drive, Suite 200  
Frankfort, Kentucky 40601  
(502) 573-3390 Ext. 232  
(502) 573-2183 (facsimile)