

COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2019-AH-00062



DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

SOUTHERN SPECIALTY FINANCE, INC.
d/b/a CHECK 'N GO

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 KRS Chapter 286.9.

2. Southern Specialty Finance, Inc. d/b/a Check 'N Go ("Respondent") is authorized to do business in Kentucky as a deferred deposit and check cashing licensee pursuant to KRS Chapter 286.9, with an office located at 105 Magnolia Drive, Suite 2, Georgetown, Kentucky 40324 with Deferred Deposit License # CC18868 (ICIE # 391644). The principal corporate office is located in Cincinnati, Ohio.

3. DFI conducted a routine examination of Respondent on May 1, 2019. During the examination, the DFI discovered that Respondent entered into an agreement with a borrower without the required signatures, in violation of KRS 286.9-100(13).

4. KRS 286.9-100(13) states: "Each deferred deposit transaction shall be made according to a written agreement that shall be dated and signed by the customer and the licensee or an authorized agent of the licensee at the licensed location, and made

available to the commissioner upon request. The customer shall receive a copy of this agreement.”

5. KRS 286.9-100(7) states: “No licensee shall engage in unfair or deceptive acts, practices, or advertising in the conduct of the licensed business.”

6. KRS 286.9-140(1) states, in relevant part: “...A deferred deposit service business licensee shall accurately and promptly submit such data before entering into each deferred deposit transaction on 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. The commissioner may adopt rules to administer and enforce the provisions of this subtitle and to assure that the database is used by deferred deposit service business licenses in accordance with this subtitle.”

7. 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 five thousand dollars (\$5,000) per violation. See KRS 286-9.110; 286.9-991.

8. In this case, the DFI assessed a civil penalty against Respondent in the amount of four thousand dollars (\$4,000) for the above-described violations of KRS 286.9-100(13), KRS 286.9-100(7) and KRS 286.9-140(1).

9. In the interest of economically and efficiently resolving the violations 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 four thousand dollars (\$4,000) for the violations described herein;
- b. Payment shall be made in the form of a cashier's check or money order made payable to "**Kentucky State Treasurer**" and mailed to the Department of Financial Institutions, ATTN: Non-Depository Division – Order, 500 Mero Street 2SW19, Frankfort, Kentucky 40601;
- c. 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.

10. 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.

11. 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.

12. 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.

13. 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.

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

IT IS SO ORDERED on this the 6th day of January, 2020.

Maui R. Gibson Deputy Commissioner
for Charles A. Vice
CHARLES A. VICE
COMMISSIONER

Consented to:

This 2nd day of January, 2020.

Seth Shreffler
Seth Shreffler, Division Director
Division of Non-Depository Institutions
Department of Financial Institutions

This 11th day of December, 2019.

Kristen Smith
Authorized Representative
Southern Specialty Finance, Inc.
d/b/a Check 'N Go
Deferred Deposit License # 18868

ACKNOWLEDGEMENT

STATE OF OHIO)
)
COUNTY OF HAMILTON)

On this the 11th day of December, 2019, before me Sharon Hall, the undersigned, Kristen Smith, did personally appear and acknowledge himself/herself to be the authorized representative of Southern Specialty Finance, Inc. d/b/a Check 'N Go and that he/she, being authorized to do so, entered into and executed the foregoing instrument for the purposes therein contained.

My Commission Expires



SHARON HALL
Notary Public, State of Ohio
My Commission Expires 04-15-2023

Sharon Hall
Notary Public

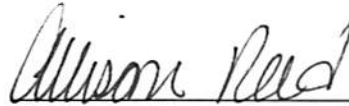
Certificate of Service

I hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 6 day of January, 2020, by certified mail, return receipt requested, to the following:

Ms. Kristen Smith
Compliance Counsel
Southern Specialty Finance, Inc.
d/b/a Check 'N Go
7755 Montgomery Road, Suite 400
Cincinnati, Ohio 45236

And by Hand-Delivery to:

Ms. Christine Foster
Kentucky Department of Financial Institutions
500 Mero Street 2SW19
Frankfort, KY 40601



Kentucky Department of Financial Institutions