



COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
ADMINISTRATIVE AGENCY CASE NO. 2024-AH-0006

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v.

THE JIFFY CASH CO.

RESPONDENT

AGREED ORDER

STATEMENT OF FACTS

1. The Department of Financial Institutions (“DFI”) is responsible for regulating and licensing entities engaged in the business of deferred deposit services with the provisions set forth in Kentucky Revised Statutes (KRS) Chapter 286.9.

2. Jiffy Cash (“Respondent”) was authorized to do business in Kentucky as a deferred deposit service business, license #CC12089, pursuant to KRS Chapter 286.9 with a corporate address of 2841 North Main Street, Suite 101, Hazard, Kentucky 41701.

3. On December 15, 2021, the Department conducted an examination of Respondent’s location at 2841 North Main Street, Suite 101, Hazard, Kentucky 41701.

4. This examination revealed several violations:

a. Respondent did not calculate or state the correct annual percentage rate on a customer agreement in violation of KRS 286.9 and federal law. This is a repeat violation which has been cited on previous exams; and

b. Respondent reopened one (1) transaction in Veritec that had been automatically closed in their system in violation of 808 KAR 9:010. This is a repeat violation, as it has been found in previous examinations.

STATUTORY AUTHORITY

5. KRS 286.9-072 states, "In addition to the requirements contained in this subtitle, every licensee shall comply with all applicable federal and state laws."

6. KRS 286.9-102(1) states, "Each licensee who engages in deferred deposit transactions shall give the customer the disclosures in writing required by the Consumer Credit Protection Act (15 U.S.C. sec 1601). Proof of this disclosure shall be made available to the commissioner upon request."

7. The interest rate disclosure is required under the federal regulation known as Regulation Z, which was issued by the Board of Governors of the Federal Reserve System to implement the federal Truth in Lending Act contained in Title I of the Consumer Credit Protection Act. 12 CFR Part 226.18 of Regulation Z lists the contents of the required disclosures, one being part (e), which is the 'annual percentage rate'. That section of Regulation Z states, in part, "Annual Percentage Rate. The 'annual percentage rate,' using that term, and a brief description such as 'the cost of your credit as a yearly rate'." Calculation of the 'annual percentage rate' is described under 12 CFR Part 226.22 and Appendix J of Regulation Z.

8. 808 KAR 9:01 Sec. 2 (3) states:

A licensee shall not cause a closed deferred deposit transaction to be reopened in the database unless all of the following conditions are satisfied: (a) The deferred deposit transaction was closed by reason of clerical error by the licensee; (b) The licensee causes the deferred deposit transaction to be reopened on or before the close of business on the business day after the transaction was closed; and (c) Reopening the transaction would not cause the consumer to exceed the transaction limits set forth in KRS 286.9-100(9).

9. KRS 286.9-991 states:

(1) The commissioner may levy a civil penalty against a person who violates any provision of, or administrative regulation promulgated under, this subtitle or any order issued by the commissioner under this subtitle.

(2) The civil penalty shall be not less than one thousand dollars (\$1,000) or more than five thousand dollars (\$5,000) per violation for each day the violation is outstanding, plus the state's costs and expenses for the examination, investigation, and prosecution of this matter, including reasonable attorney's fees and court costs.

(3) Any civil penalties imposed may be in addition to any other remedy or penalty imposed in this subtitle.

VIOLATIONS

10. Respondent was found to have not calculated or stated the correct annual percentage rate on a customer agreement in violation of KRS 286.9-072, KRS 286.9-102(1) and 12 CFR Part 226.18 of Regulation Z.

11. Respondent was found to have reopened one (1) transaction in Veritec that had been automatically closed in their system in violation of 808 KAR 9:010.

AGREEMENT AND ORDER

12. To resolve this matter without litigation or other adversarial proceedings, DFI and Respondent agree to compromise and settle all claims arising from the above-referenced factual background in accordance with the terms set forth herein.

13. In the interest of economically and efficiently resolving the violation described herein, DFI and Respondent agree as follows:

c. Respondent agrees to pay a civil penalty assessment in the amount of two thousand dollars (\$2,000) for the violations described herein, which shall be payable within thirty (30) days of execution of this Order;

d. Payment shall be made via the NMLS system or certified check;

e. Respondent shall cease and desist from any future violations of the Kentucky Financial Services Code;

f. Respondent waives their right to demand a hearing at which they would be entitled to legal representation, to confront and cross-examine witnesses, and to present evidence on their own behalf, or to otherwise appeal or set aside this Order;

g. 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;

h. In consideration of execution of this Agreed Order, Respondent hereby releases and forever discharges the Commonwealth of Kentucky, The Department of Financial Institutions, 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;

i. By signing below, Respondent acknowledges she has read the foregoing Agreed Order and knows and fully understands its contents; and

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

SO ORDERED on this the 29th day of May, 2024.

/s/ Marni Rock Gibson
Marni Gibson, Commissioner
Department of Financial Institutions

Consented to:

On behalf of the Department of Financial Institutions:

This 29 day of MAY, 2024.

Hannah Carlin

Hannah Carlin, Director
Division of Non-Depository Institutions
Department of Financial Institutions

AND

On behalf of Jiffy Cash

This 22nd day of May, 2024.

Deedra Mullins

ACKNOWLEDGEMENT

STATE OF KY)
)
COUNTY OF ROTT)

On this the 22nd day of May, 2024, before me Daryl Stone (please print notary name), the undersigned, Deedra Mullins did personally appear and that he entered into and executed the foregoing instrument for the purposes therein contained.

My Commission Expires: 12-16-2028

Daryl Stone KY1215886
Notary Public

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 30 day of May, 2024, by certified mail, return receipt requested, to:

Deedra Mullins
3538 Creekwood Drive, Apt 6
Lexington, Kentucky 40502

Via hand-delivery to:

Elizabeth Borders
Staff Attorney
Department of Financial Institutions
500 Mero Street 2SW19
Frankfort, Kentucky 40601

Kentucky Department of Financial Institutions

Name: Allison Reed by Victoria Word

Title: Executive Staff Advisor