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COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2016-AH-0065

DEPARTMENT OF FINANCIAL INSTITUTIONS — COMPLAINANT

vs. **AGREED ORDER**

ADVANCE AMERICA, CASH ADVANCE CENTERS OF KENTUCKY, INC. (Lic. # CC16822) — RESPONDENT

* * * * * * * * * * * * * *

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 Kentucky Revised Statutes (KRS) Chapter 286.9.

2. Advance America, Cash Advance Centers of Kentucky, Inc. ("Respondent") is authorized to do business in Kentucky as a deferred deposit and check cashing licensee pursuant to KRS Chapter 286.9, at an office located at 3831 Ruckriegel Parkway, Louisville, Kentucky 40299 and with Deferred Deposit License # CC16822. (ICIE# 365666)

3. DFI conducted a routine examination of Respondent on April 13, 2016. During the examination, DFI discovered that Respondent entered an incorrect social security number for a customer in the Veritec database, a violation of KRS 286.9-140(1). This permitted the customer to enter into another deferred deposit transaction which exceeded the statutory limit in violation of KRS 286.9-100(9).

4. DFI possesses a range of administrative authority in addressing violations of the Act, including license revocation or denial pursuant to KRS 286.9-110, as well as the imposition of civil penalties in an amount up to $5,000 per violation pursuant to KRS 286.9-991.

5. In this case, DFI assessed a civil penalty against Respondent in the amount of two thousand dollars ($2,000) for the above-described violations of KRS 286.9-140(1) and 286.9-100(9).

6. 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 two thousand dollars ($2,000.00) for the violations described herein;

b. Respondent agrees to and shall pay the total civil penalty assessed herein of two thousand dollars ($2,000.00), which shall be due upon entry of the Agreed Order. 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: Non-Depository Division - Order, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601; and

c. Respondent agrees to make restitution, by check drawn on the Respondent's account, to all affected customers by refunding the service fees on the transactions that created the database violation 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 customer; and

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.

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 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 action, this settlement or its administration.

10. By signing below, Respondent acknowledges it has read the foregoing Agreed Order, knows and fully understands its contents, and that the individual signing on behalf of Respondent is authorized to enter into and execute this Agreed Order and legally bind Respondent.

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

IT IS SO ORDERED on this the 2 day of September, 2016.

CHARLES A. VICE
COMMISSIONER

Consented to:

This 1st day of September, 2016.

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

This 19th day of August, 2016.

Authorized Representative
Advance America, Cash Advance
Centers of Kentucky, Inc.
Deferred Deposit Company
License # CC16822

ACKNOWLEDGEMENT

STATE OF South Carolina)
)
COUNTY OF Greenville)

On this the 19th day of August, 2016, before me Jeremy Wheelock, the undersigned, Jeff Newman, did personally appear and acknowledge himself/herself to be the authorized representative of Advance America, Cash Advance Centers of Kentucky, Inc. (License # CC16822) and that he/she, being authorized to do so, entered into and executed the foregoing instrument for the purposes therein contained.

My Commission Expires: 6/5/20

Notary Public

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 2 day of September, 2016, by certified mail, return receipt requested, to:

Advance America, Cash Advance Centers of Kentucky, Inc.
135 North Church Street
Spartanburg, SC 29306

And by Hand-Delivery to:

Hon. Taylor Payne
1025 Capital Center Drive, Suite 200
Frankfort, KY 40601
Counsel for Department of Financial Institutions

Kentucky Department of Financial Institutions

Name: Allison E Miles

Title: Executive Staff Advisor