COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2016-AH-00011

DEPARTMENT OF FINANCIAL INSTITUTIONS COMPLAINANT

vs. **AGREED ORDER**

BUCKEYE CHECK CASHING OF KENTUCKY, INC.
d/b/a CHECKSMART
(License #: 160-2) 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 KRS Chapter 286.9.

2. Buckeye Check Cashing of Kentucky, Inc. d/b/a CheckSmart ("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 3421 Dixie Highway, Erlanger, Kentucky 41018, with Deferred Deposit License #: 160-2 (ICIE #: 349764).

3. DFI conducted a routine examination of Respondent on September 29, 2015. During the examination, the DFI discovered that Respondent closed two (2) customer loans in the Veritec database when the customers still owed on the loans. When the loans were reopened, it was discovered that the customers had entered into deferred deposit transactions which exceeded limits allowed under KRS 286.9 in violation of KRS 286.9-100(9) and KRS 286.9-140(1).

4. 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 $5,000 per violation. *See* KRS 286.9-110; 286.9-991.

5. In this case, the DFI assessed a civil penalty against Respondent in the amount of **Four Thousand Dollars ($4,000.00)** for the above-described violations of KRS 286.9-100(9) and 286.9-140(1).

6. In the interest of economically and efficiently resolving the violation(s) 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 ($4,000.00)** for the violation(s) described herein;

b. Respondent agrees to and shall pay the total civil penalty assessed herein of **Four Thousand Dollars ($4,000.00)**, 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**;

c. Respondent agrees to make restitution, by check drawn on the Respondent's account, to the 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 customers; 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 matter of 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 disciplinary action, this settlement or its administration.

10. 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.

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

IT IS SO ORDERED on this the 24th day of February, 2016.

CHARLES A. VICE
COMMISSIONER

Consented to:

This 23rd day of February, 2016.

Tammy R. Scruggs

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

This 3rd day of February, 2016.

Authorized Representative
Buckeye Check Cashing of Kentucky, Inc. d/b/a CheckSmart
Deferred Deposit License #: 160-2

ACKNOWLEDGEMENT

STATE OF Ohio)
COUNTY OF Union)

On this the 3rd day of February, 2016, before me _____, the undersigned, Bridgette Roman, did personally appear and acknowledge himself/herself to be the authorized representative of, **Buckeye Check Cashing of Kentucky, Inc. d/b/a CheckSmart, License #: 160-2**, and that he/she, being authorized to do so, entered into and executed the foregoing instrument for the purposes therein contained.

My Commission Expires: 7-22-2016

Notary Public

NOTARIAL SEAL STATE OF OHIO

Shawnee R. Parks
Notary Public, State of Ohio
My Commission Expires 07-22-2016

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 25 day of February, 2016, by certified mail, return receipt requested, to:

Bridgette C. Roman
General Counsel, EVP, Secretary
CheckSmart
6785 Bobcat Way, Suite 200
Dublin, Ohio 43016

And by Hand-Delivery to:

Hon. Tiffany J. Bowman
1025 Capital Center Drive, Suite 200
Frankfort, KY 40601
Attorney for the Kentucky Department of Financial Institutions

Kentucky Department of Financial Institutions