

STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of the Office of Financial & Insurance Regulation

In the Matter of:

Cash Now VII, LLC
License No: DP 0013601

Enforcement Case No: 09-7120

Respondent

To: Brian Sramek, Member
26100 John R Road
Madison Heights, Michigan 48071

CONSENT ORDER REQUIRING COMPLIANCE
AND PAYMENT OF CIVIL AND/OR ADMINISTRATIVE FINES

Issued and entered
on 7/4/10
by Stephen R. Hilker
Chief Deputy Commissioner

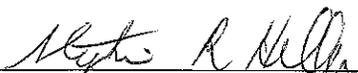
Based upon the Stipulation to Entry of Consent Order and the files and records of the Office of Financial and Insurance Regulation (OFIR) in this matter, the Chief Deputy Commissioner finds and concludes that:

1. The Chief Deputy Commissioner has jurisdiction and authority to adopt and issue this Consent Order in this proceeding pursuant to the Michigan Administrative Procedures Act of 1969 ("MAPA"), as amended, MCL 24.201 *et seq.*, and the Deferred Presentment Service Transactions Act, 2005 PA 244, MCL 487.2121 *et seq.* (the "Act").
2. All required notices have been issued in this case and the notices and service thereof were appropriate and lawful in all respects.
3. Acceptance of the parties' Stipulation to Entry of Consent Order is reasonable and in the public interest.

4. All applicable provisions of the MAPA have been met.
5. Respondent violated Sections 17, 33, 34 and 35 of the Act.

Now therefore, based upon the parties' Stipulation to Entry of Consent Order and the facts surrounding this case, **IT IS ORDERED THAT:**

1. Respondent shall CEASE and DESIST from violating Sections 17, 33, 34, and 35 of the Act.
2. Respondent shall pay to the state of Michigan, through OFIR, civil and administrative fines in the amount of \$5,300. Respondent shall further pay the fines in accordance with the terms set forth in the attached Stipulation to Entry of Consent Order.
3. Respondent shall close all deferred presentment service transactions in accordance with the Act. Respondent shall further conduct daily checks of all transactions to ensure that all transactions are properly closed, and that all transactions including closed transactions and repayment plans are timely reported to the Veritec database.
4. Respondent shall not present a check that is the basis of a deferred presentment service transaction for payment before the maturity date or during the term of the repayment plan.
5. Respondent shall conduct all deferred presentment service transactions at its licensed location of 26100 John R Road, Madison Heights, Michigan 48071.
6. Respondent shall not authorize another licensee and/or entity to enter into deferred presentment service transactions on its behalf.
7. Respondent shall not enter into a deferred presentment service transaction on behalf of another licensee or enter into a deferred presentment service transaction with a customer that has an open transaction with Respondent or two open transactions with other licensees.
8. The Chief Deputy Commissioner retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as he shall deem just, necessary and appropriate in accordance with the Act. Failure to abide by the terms and provisions of the Stipulation and this Order may result in the commencement of additional proceedings.



Stephen R. Hilker
Chief Deputy Commissioner

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Respondent

_____ /
**To: Brian Sramek, Member
26100 John R Road
Madison Heights, Michigan 48071**

Tran Info: 00136 15067879-1 04/02/10
CASH: 7227 Amt: 4000.00
TO: CASH NOW VII

STIPULATION TO ENTRY OF CONSENT ORDER

Cash Now VII, LLC ("Respondent") and the Office of Financial and Insurance Regulation ("OFIR") stipulate to the following:

1. On or about March 10, 2009, OFIR served Respondent with a Notice of Opportunity to Show Compliance ("NOSC") alleging that Respondent violated provisions of the Deferred Presentment Service Transactions Act, 2005 PA 244, MCL 487.2121 et seq. (the "Act").
2. The NOSC contained allegations that Respondent violated the Act, and set forth the applicable laws and penalties which could be taken against Respondent.
3. Respondent exercised its right to an opportunity to show compliance by providing a written response to the NOSC on or about March 19, 2009.
4. OFIR and Respondent have conferred for purposes of resolving this matter and determined to settle this matter pursuant to the terms set forth below.

5. The Chief Deputy Commissioner of OFIR has jurisdiction and authority to adopt and issue this Consent Order pursuant to the Michigan Administrative Procedures Act ("MAPA"), MCL 24.201 et seq., and the Act.
6. At all pertinent times, Respondent was licensed with OFIR as a deferred presentment service provider pursuant to the Act.
7. Based upon the allegations set forth in the NOSC and communications with Respondent, the following facts were established:
 - a. During OFIR staff's examination of Respondent, OFIR staff discovered that contrary to Section 34(8) of the Act, MCL 487.2154(8), Respondent failed to timely close deferred presentment service transactions despite the fact that its customers had satisfied their obligations under the deferred presentment service agreements.

Respondent violated Section 34(8) of the Act, MCL 487.2154(8), by failing to timely close deferred presentment service transactions in accordance with the Act.

- b. Respondent allowed its customers to simultaneously obtain two deferred presentment service transactions by encouraging its customers to concurrently execute two deferred presentment service agreements. In addition to entering into a deferred presentment service agreement with a customer, Respondent would have the same customer also sign another agreement which purports to be an agreement between that customer and another licensed location, Cash Now XXXVI, LLC. Respondent subsequently entered the transactions into the Veritec database as if the transactions were actually performed by two separate licensed locations, Cash Now XXXVI, LLC and the Respondent. However, the transaction which purported to be that of Cash Now XXXVI, LLC was actually conducted by Respondent. By simultaneously issuing two deferred presentment service transactions to its customers, Respondent violated Section 33 of the Act, MCL 487.2153.
 - c. Respondent allowed Cash Now XXXVI, LLC to enter deferred presentment service transactions into the Veritec database using Respondent's name and login information, and permitted employees of Cash Now XXXVI, LLC to execute deferred presentment service agreements on behalf of the Respondent even though the transactions did not occur at Respondent's licensed location.

By engaging in the foregoing conduct, Respondent assigned its license in violation of Section 17(1) of the Act, MCL 487.2137(1).

- d. Respondent entered into a deferred presentment service transaction with a customer on June 1, 2007. The transaction had a maturity date of June 15, 2007. The customer

subsequently executed a repayment plan agreement with the Respondent, which permitted the customer to satisfy her obligation under the deferred presentment service agreement by making payments in three installments. Respondent, however, failed to enter the repayment plan into the Veritec database.

Respondent violated Section 34(7) of the Act, MCL 487.2154(7), by failing to enter a repayment plan into the Veritec database.

- e. Respondent and another customer entered into a deferred presentment service agreement on March 14, 2008. The agreement indicated a maturity date of March 31, 2008. However, Respondent presented the check to the customer's depository institution for payment on March 25, 2008.

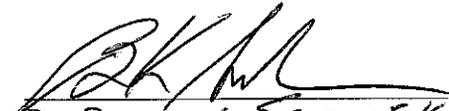
By presenting the customer's check for payment prior to the maturity date indicated on the deferred presentment service agreement, Respondent violated Section 35(5) of the Act, MCL 487.2155(5).

8. Respondent agrees that it will close all deferred presentment service transactions in accordance with the Act. Respondent further agrees that it will conduct daily checks of all transactions to ensure that all transactions are properly closed, and that all transactions including closed transactions and repayment plans are timely reported to the Veritec database.
9. Respondent agrees that it will not present a check that is the basis of a deferred presentment service transaction for payment before the maturity date or during the term of the repayment plan.
10. Respondent agrees to conduct all deferred presentment service transactions at its licensed location of 26100 John R Road, Madison Heights, Michigan 48071.
11. Respondent agrees that it shall not authorize another licensee and/or entity to enter into deferred presentment service transactions on its behalf.
12. Respondent agrees not to enter into a deferred presentment service transaction on behalf of another licensee or enter into a deferred presentment service transaction with a customer that has an open transaction with Respondent or two open transactions with other licensees.
13. Respondent agrees that it will pay to the state of Michigan, through OFIR, civil and administrative fines in the amount of \$5,300. The fine shall be paid in 5 installment payments of \$900 and a final payment in the amount of \$800. Respondent agrees to pay

the installment payments to the state of Michigan, through OFIR, in the following manner:

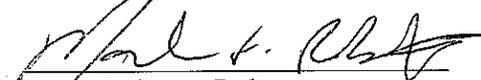
- (a) \$900 is due on April 1, 2010.
 - (b) \$900 is due on May 1, 2010.
 - (c) \$900 is due on June 1, 2010.
 - (d) \$900 is due on July 1, 2010.
 - (e) \$900 is due on August 1, 2010.
 - (f) \$800 is due on September 1, 2010.
14. Respondent agrees and understands that its failure to timely pay any of the installment payments described above will result in the revocation of its deferred presentment service provider license.
 15. Respondent agrees that it shall cease and desist from any and all violations of the Act.
 16. Both parties have complied with the procedural requirements of the MAPA and the Act.
 17. Respondent understands and agrees that this Stipulation will be presented to the Chief Deputy Commissioner for approval. The Chief Deputy Commissioner may in his sole discretion, decide to accept or reject the Stipulation and Consent Order. If the Chief Deputy Commissioner accepts the Stipulation and Consent Order, Respondent waives the right to a hearing in this matter and consents to the entry of the Consent Order. If the Chief Deputy Commissioner does not accept the Stipulation and Consent Order, Respondent waives any objection to the Commissioner holding a formal administrative hearing and making his decision after such hearing. Respondent admits that it has violated Sections 17, 33, 34, and 35 of the Act.
 18. The failure to abide by the terms and conditions of this Stipulation and Consent Order may, at the discretion of the Chief Deputy Commissioner, result in further administrative compliance actions.
 19. The Chief Deputy Commissioner has jurisdiction and authority under the provisions of the MAPA and the Act to accept the Stipulation and Consent Order and to issue a Consent Order resolving these proceedings.
 20. Respondent has had an opportunity to review the Stipulation and Consent Order and have the same reviewed by legal counsel.

Cash Now VII, LLC


By: BRIAN SZAMEK
Its: MEMBER

3-26-10
Dated

Office of Financial & Insurance Regulation


By: Marlon F. Roberts
Staff Attorney

4/8/2010
Dated