

**STATE OF MICHIGAN**  
**DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH**  
**OFFICE OF FINANCIAL AND INSURANCE REGULATION**  
**Before the Commissioner of Financial and Insurance Regulation**

**Office of Financial and Insurance Regulation,  
Petitioner**

v

**Add Holdings, LLC  
doing business as Cash & Go,  
Respondent**

**Enforcement Case No. 08-5562**

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**For the Petitioner:**

**Marlon Roberts  
Office of Financial and Insurance  
Regulation  
P.O. Box 30220  
Lansing, MI 48909-7720**

**For the Respondent:**

**Jason Addington  
Add Holdings, LLC  
940 W. Nine Mile Road  
Ferndale, MI 48220**

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**Issued and entered  
this 26<sup>th</sup> day of February 2010  
by Ken Ross  
Commissioner**

**FINAL DECISION**

On November 4, 2009, Chief Deputy Commissioner Stephen R. Hilker issued to Respondent an Order for Hearing, Administrative Complaint, and Statement of Factual Allegations set forth detailed allegations that Respondent had violated provisions of the Deferred Presentment Service Transactions Act (MCL 487.2121, *et seq.*). The Order for Hearing required Respondent to take one of the following actions within 21 days: agree to and sign a settlement with the Office of Financial and Insurance Regulation (OFIR), file an answer to the allegations stated in the complaint and a statement that Respondent plans to attend the hearing, or file a request for an adjournment giving good reasons why a postponement is necessary. Respondent failed to take any of these actions.

On January 29, 2010, the Petitioner filed a Motion for Final Decision. Given Respondent's failure to comply with the Order for Hearing, Petitioner's motion is granted. The factual allegations and conclusions of law stated in the hearing order are adopted and made part of this Final Decision.

**II**  
**FINDINGS OF FACT**  
**and**  
**CONCLUSIONS OF LAW**

The following factual allegations and conclusions of law, stated in the Administrative Complaint and Statement of Factual Allegations, are adopted:

1. On June 1, 2006, Respondent was issued a deferred presentment service provider license for its business location at 940 West 9 Mile Road, Ferndale, MI 48220 pursuant to the deferred presentment service transactions act, MCL 487.2121, *et seq.* (the Act).
2. On August 3, 2007, OFIR staff conducted an examination of Respondent. The examination concluded on August 7, 2007. The examination included a review of a limited number of customer files to determine compliance with applicable state and federal laws and regulations, a discussion with representatives of Respondent pertaining to database procedures, and an assessment of the adequacy of Respondent's management. Based upon the examination, OFIR staff determined that violations of the Act had occurred and that the commencement of a compliance action was appropriate.

**COUNT I**

**Violation of Section 34(8) of the Act – Failure to timely close transactions**

3. Section 34(8) of the Act, MCL 487.2154(8), provides in part that when a deferred presentment service transaction is closed, the licensee shall designate the transaction as closed

and immediately notify the database provider no later than 11:59 p.m. on the day the transaction is closed.

4. Respondent failed to close the following deferred presentment service transactions and notify Veritec, the database provider, to close said transactions after the customers listed below satisfied their obligations under their deferred presentment service agreements:

a. Customer "C.J." entered into a deferred presentment service agreement with Respondent on August 7, 2006, with a maturity date of August 18, 2006. The customer redeemed the check that was the basis of the transaction by paying cash on August 18, 2006. This transaction (Veritec #412848) was entered directly into the Veritec database on August 7, 2006. The transaction was not closed until August 24, 2006, when it was closed automatically by Veritec. This transaction remained open for 6 days after payment was received by Respondent satisfying the amount owed to Respondent under the deferred presentment service agreement.

b. Customer "M.R." entered into a deferred presentment service agreement with Respondent on May 1, 2007, with a maturity date May 17, 2007. Respondent's receipt card indicated that this transaction was satisfied on May 17, 2007. However, the transaction was not closed in the Veritec database until May 23, 2007, when it was closed automatically by Veritec. This transaction remained open for 6 days after payment was received by Respondent satisfying the amount owed to Respondent under the deferred presentment service agreement.

5. Respondent violated Section 34(8) of the Act, by failing to close the foregoing transactions and immediately notify Veritec that the transactions were closed.

**COUNT II**

**Violation of Section 12(a) of the Act – Insufficient net worth**

6. Section 12(a) of the Act, MCL 487.2132(a), provides in relevant part that in order to obtain a license, an applicant shall maintain:

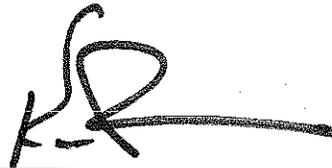
net worth of at least \$50,000.00 for each licensed location, subject to a maximum of \$250,000.00 in required net worth for any 1 licensee, determined in accordance with generally accepted accounting principles.

7. Respondent's June 30, 2007 balance sheet revealed that Respondent's net worth as of that date was \$14,350.08. In addition, Respondent's 2006 tax return indicated a net worth of \$36,131.00. The December 31, 2007, balance sheet provided with Respondent's response to the examination illustrated a net worth of \$31,556.06.

8. Based on the foregoing, Respondent does not have sufficient net worth for its licensed location, thereby subjecting Respondent to revocation or suspension under Section 47 of the Act, MCL 487.2167.

**ORDER**

Therefore, it is ordered that the Respondent's deferred presentment service provider license is revoked.



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Ken Ross  
Commissioner