

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
OFFICE OF FINANCIAL AND INSURANCE REGULATION
Before the Commissioner of Financial and Insurance Regulation

Office of Financial and Insurance Regulation,
Petitioner

v

Cash Now XVII, LLC,
(License No. DP-0013592)
Respondent

Enforcement Case No. 10-7786
Agency No. 11-041-DP

For the Petitioner:

Scott Basel
Office of General Counsel
Office of Financial and Insurance
Regulation
P.O. Box 30220
Lansing, MI 48909-7720

For the Respondent:

Chia Cheng

Issued and entered
this 29th day of September 2011
by R. Kevin Clinton
Commissioner

FINAL DECISION

I. BACKGROUND

On July 24, 2010, Chief Deputy Commissioner Stephen R. Hilker issued a consent order under which the Respondent agreed to pay a civil penalty of \$1,500.00. The consent order was issued in connection with a compliance case in which it was alleged that the Respondent had violated provisions of the Deferred Presentment Service Transactions Act, MCL 487.2121, *et seq.* Respondent agreed to pay the penalty within 30 days of the date of the consent order. Respondent failed to pay the penalty.

Under the terms of the consent order, "failure to abide by the terms and conditions of this Stipulation to Entry of Consent Order and the Consent Order may, at the discretion of the Chief Deputy Commissioner, result in further administrative compliance actions."

Because Respondent failed to pay the fine, Petitioner filed a motion for final decision on September 8, 2011. Respondent failed to answer the motion. Given Respondent's failure to comply with the consent order and failure to reply to the motion, Petitioner's motion is granted.

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

The following facts and conclusions of law, taken from the June 19, 2010 Notice of Opportunity to Show Compliance issued in this matter, are adopted and made part of this Final Decision:

1. In June 2009, OFIR staff conducted an examination of Respondent's records to determine compliance with state and federal laws and regulations applicable to Respondent's activity as a licensee under the Michigan Deferred Presentment Service Transactions Act (the Act). The examiners found several violations of the Act:
 - a. On one occasion, Respondent failed to timely close a deferred presentment transaction after the customer's obligation had been satisfied. Respondent closed the transaction 198 days after closing was required. Respondent's conduct violated section 34(8) of the Act which provides for a fine of \$100.00 per day for each day a deferred presentment transaction is not timely closed.
 - b. On two occasions, Respondent presented checks for payment before the maturity date of the deferred transaction agreement. Respondent's conduct violated section 35(5) of the Act.
 - c. On seven occasions, Respondent failed to maintain records related to deferred presentment agreements. Respondent's conduct violated section 39(1) of the Act.
2. Section 48 of the Act authorizes a civil penalty of \$1,000.00 for each violation of sections 35(5) and 39(1) of the Act.

III. ORDER

Based on the conduct described above, it is ordered that:

1. Pursuant to sections 14 and 48 and of the Act, MCL 487.2134 and 487.2168, Respondent shall pay a civil fine of \$28,800.00, the fine to be charged against the Respondent's surety bond on file with the Office of Financial and Insurance Regulation; and
2. Pursuant to section 47 of the Act, MCL 487.2167, Respondent's deferred presentment license is revoked.



R. Kevin Clinton
Commissioner