

STATE OF MICHIGAN  
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Allied Check Cashing Michigan LLC  
dba Allied Cash Advance  
dba Allied Check Cashing

Enforcement Case No. 17-15015

License No. DP-0017027

Respondent.  
\_\_\_\_\_ /

Issued and entered  
on February 16, 2018  
by Rhonda J. Fossitt  
Senior Deputy Director

**ORDER ACCEPTING STIPULATION AND REQUIRING COMPLIANCE AND PAYMENT OF FINES**

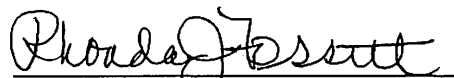
Based upon the Stipulation to Entry of Order and the files and records of the Department of Insurance and Financial Services (DIFS), the Senior Deputy Director finds and concludes that:

1. Pursuant to Executive Order 2013-1, all authority, powers, duties, functions, and responsibilities of the Commissioner of the Office of Financial and Insurance Regulation (Commissioner) have been transferred to the Director of the Department of Insurance and Financial Services (Director).
2. The Senior Deputy Director has jurisdiction and authority to adopt and issue this Order Accepting Stipulation and Requiring Compliance and Payment of Fines in this proceeding pursuant to the Michigan Administrative Procedures Act (APA), as amended, MCL 24.201 *et seq.*, and the Deferred Presentment Service Transactions Act (Act), 2005 PA 244, MCL 487.2121 *et seq.*
3. All required notices have been issued in this case and the notices and service thereof were appropriate and lawful in all respects.
4. Acceptance of the Stipulation to Entry of Order is reasonable and in the public interest.
5. All applicable provisions of the APA have been met.
6. Respondent violated Section 2(1)(g)(ii) and Section 34(8) of the Act, MCL 487.2122(1)(g)(ii) and MCL 487.2154(8).

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

- A. Respondent shall comply with all terms agreed to in the Stipulation to Entry of Order.
- B. Respondent shall pay to the State of Michigan, through DIFS, administrative and civil fines in the amount of \$500.00. Respondent shall pay the fines within 30 days of the invoice date as indicated on the DIFS invoice.
- C. Respondent shall not engage in any violations of sections of the Act identified in paragraph 6 of this Order.
- D. Respondent shall, on each business day, conduct checks of all deferred presentment service transaction contracts to make certain that the closed transactions are timely entered into the Veritec database and all transactions, including repayment plans, are properly reported to the Veritec database, in compliance with the Act.
- E. Respondent shall, on each business day, conduct a review of its deferred presentment service transactions to determine if all new transactions have been reported to the Veritec database by comparing its daily transactions to the transactions that have been reported to the Veritec database.
- F. Respondent shall, no less than quarterly, identify all transactions reported open in the Veritec database and ensure the legal check is held for each of these transactions. For every open transaction in Veritec wherein Respondent is unable to locate the customer's check or otherwise demonstrate that the check is being held, Respondent shall close each transaction in Veritec within two business days from the date Respondent first became aware that a legal check could not be located.
- G. Respondent shall reconcile the Veritec database for "sold loans" through the entry date of the Order Accepting Stipulation and Requiring Compliance and Payment of Fines. To the extent that any transaction identified as "sold loans" during the examination is properly closed in Veritec by the date of entry for the Order Accepting Stipulation and Requiring Compliance and Payment of Fines, the Department shall not pursue administrative action on additional violations of MCL 487.2154, Section 34(8) with respect to these identified loans "sold loans"; however, if subsequent to the entry of the Order the Respondent re-opens any of the applicable transactions and fails to close the transactions in a timely manner pursuant to MCL 487.2154, Section 34(8), there is no bar to administrative action by the Department as to the re-opened transactions. Additionally, there is no bar to administrative action for an transaction identified as "sold loans" that were not properly closed in Veritec prior to the date of entry of the Order Accepting Stipulation and Requiring Compliance and Payment of Fines.

- H. The Senior Deputy Director retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as shall be deemed just, necessary, and appropriate in accordance with the Act. Failure to abide by the terms and provisions of the Stipulation to Entry of Order and this Order may result in the commencement of additional proceedings.

A handwritten signature in black ink, reading "Rhonda J. Fossitt", written over a horizontal line.

Rhonda J. Fossitt  
Senior Deputy Director

**ALLIEDSTATE OF MICHIGAN**  
**DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**  
**Before the Director of the Department of Insurance and Financial Services**

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**Enforcement Case No. 17-15015**

**STIPULATION TO ENTRY OF ORDER**

Allied Check Cashing Michigan LLC

dba Allied Cash Advance (Respondent) stipulates to the following:

1. On or about January 5, 2018, the Department of Insurance and Financial Services (DIFS) served Respondent with a Notice of Opportunity to Show Compliance (NOSC) alleging that Respondent had violated provisions of the Deferred Presentment Service Transactions Act (Act), 2005 PA 244, MCL 487.2121 *et seq.*
2. The NOSC contained allegations that Respondent violated Section 2(1)(g)(ii) and 34(8) of the Act, MCL 487.2122(1)(g)(ii) and MCL 487.2154(8).
3. Respondent exercised its right to an opportunity to show compliance pursuant to the Michigan Administrative Procedures Act (APA), MCL 24.201 *et seq.*
4. DIFS and Respondent have conferred and have agreed this matter may be resolved pursuant to the terms set forth below.
5. At all pertinent times, Respondent was licensed with DIFS as a deferred presentment service transactions provider pursuant to the Act.
6. Respondent neither admits nor denies the allegations contained in the NOSC and desires to avoid the time and expense of formal proceedings and agrees to resolve this matter pursuant to this Stipulation to Entry of Order.
7. Respondent shall, on each business day, conduct checks of all deferred presentment service transaction contracts to make certain that the closed transactions are timely entered into the Veritec database and all transactions, including repayment plans, are properly reported to the Veritec database, in compliance with the Act.

8. Respondent shall, on each business day, conduct a review of its deferred presentment service transactions to determine if all new transactions have been reported to the Veritec database by comparing its daily transactions to the transactions that have been reported to the Veritec database.
9. Respondent shall, no less than quarterly, identify all transactions reported open in the Veritec database and ensure the legal check is held for each of these transactions. For every open transaction in Veritec wherein Respondent is unable to locate the customer's check or otherwise demonstrate that the check is being held, Respondent shall close each transaction in Veritec within two business days from the date Respondent first became aware that a legal check could not be located.
10. Respondent agrees that it will pay to the State of Michigan, through DIFS, administrative and civil fines in the amount of \$500.00. Respondent further agrees to pay the fine by the due date indicated on the DIFS' invoice.
11. It is further stipulated that Respondent will be ordered to reconcile the Veritec database for "sold loans" through the entry date of the Order Accepting Stipulation and Requiring Compliance and Payment of Fines. To the extent that any transaction identified as "sold loans" during the examination is properly closed in Veritec by the date of entry for the Order Accepting Stipulation and Requiring Compliance and Payment of Fines, the Department shall not pursue administrative action on additional violations of MCL 487.2154, Section 34(8) with respect to these identified loans "sold loans"; however, if subsequent to the entry of the Order the Respondent re-opens any of the applicable transactions and fails to close the transactions in a timely manner pursuant to MCL 487.2154, Section 34(8), there is no bar to administrative action by the Department as to the re-opened transactions. Additionally, there is no bar to administrative action for an transaction identified as "sold loans" that were not properly closed in Veritec prior to the date of entry of the Order Accepting Stipulation and Requiring Compliance and Payment of Fines.
12. Both parties have complied with the procedural requirements of the APA and the Act.
13. Respondent understands and agrees that this Stipulation to Entry of Order will be presented to the Senior Deputy Director for approval.
14. The Senior Deputy Director may, in her sole discretion, decide to accept or reject the Stipulation to Entry of Order. If the Senior Deputy Director accepts the Stipulation to Entry of Order, Respondent waives the right to a hearing in this matter and consents to the entry of the Order Accepting Stipulation and Requiring Compliance and Payment of Fines. If the Senior Deputy Director does not accept the Stipulation to Entry of Order, Respondent waives any objection to the Director holding a formal administrative hearing and making a decision after such hearing.
15. Respondent has had an opportunity to review the Stipulation to Entry of Order and the proposed Order Accepting Stipulation and Requiring Compliance and Payment of Fines and have the same reviewed by legal counsel.
16. It is further stipulated that failure to comply with the Order of the Director accepting this Stipulation by failing to pay the administrative and civil fines as set forth above shall result in the

commencement of an action to suspend (or to continue the suspension of) all licenses and registrations under the Act held by Respondent.

17. It is further stipulated that in recognition of the requirement that a licensee applicant must show, and the Director determine, that it has the financial responsibility, financial condition, business experience, character, and general fitness to reasonably warrant a belief that the applicant will conduct its business lawfully and fairly, and that in so making that determination the Director may review the competence, experience, integrity, and financial ability of any person who is a member, partner, executive officer, or a shareholder with 10% or more interest in the applicant, should the Respondent fail to comply with the Order of the Director accepting this Stipulation by failing to pay the administrative and civil fines as set forth above, such failure will be taken as evidence of a lack of financial responsibility, competence, integrity, financial ability, character and/or general fitness and result in the denial of any license or registration renewal and the denial of future applications for any licensure or registration of both Respondent and its owners until compliance with the terms of this Stipulation are shown.
18. It is further stipulated that the amount of administrative and civil fines has been negotiated in return for the avoidance of further proceedings and certain promises and conditions, one of which is the timely payment of said administrative and civil fines. Should Respondent fail to pay the administrative and civil fines in accordance with the terms of this Stipulation and Order, the parties agree that an action will commence to determine if the Respondent has, in fact, failed to pay, and, if so, Respondent agrees that the administrative and civil fines will immediately increase to the maximum amount allowed under the Act and shall be immediately due in full.

**ALLIED CHECK CASHING MICHIGAN LLC  
DBA ALLIED CASH ADVANCE CASHING**

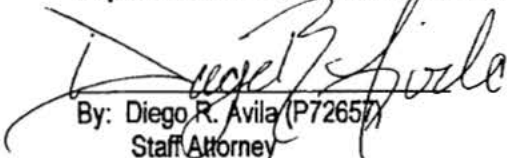
  
By: Kristen Smith

2/15/18  
Dated

Its: Compliance Counsel  
manager

DIFS Staff approve this Stipulation to Entry of Order and recommend that the Director issue an Order Accepting Stipulation and Requiring Compliance and Payment of Fines.

**Department of Insurance and Financial Services**

  
By: Diego R. Avila (P72657)  
Staff Attorney

2/15/18  
Dated