

**STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Buckeye Check Cashing of Michigan, Inc.
dba **Check\$mart (Corporate)**

Enforcement Case No. 16-12884
16-13047, 16-14204, & 17-15073

DP License Nos. 0013097
0013098
0013099
0014935
0014936
0014993
0016966
0016967
0016969
0016970
0016971
0016972
0016973
0019343

Respondent.

_____ /

Issued and entered
on May 27, 2020
by Judith A. Weaver
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. 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.*
2. All required notices have been issued in these cases and the notices and service thereof were appropriate and lawful in all respects.

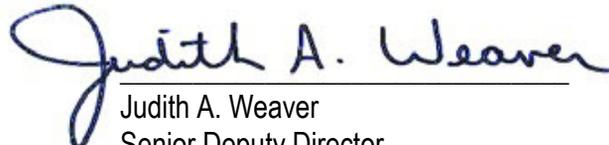
3. Acceptance of the Stipulation to Entry of Order is reasonable and in the public interest.
4. All applicable provisions of the APA have been met.
5. Respondent violated Section 21, 33(2), 34(1)(b), 34(7), 34(8), 35(1), 37(2), and 39(1) of the Act, MCL 487.2141, 487.2153(2), 487.2154(1)(b), 487.2154(7) and (8), 487.2155(1), 487.2157(2), and 487.2159(1).

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

- A. Respondent shall comply with all terms agreed to in the Stipulation to Entry of Order, and a failure to comply with a term in the Stipulation to Entry of Order shall constitute a violation of this Order. However, this Order shall not be construed to prevent Respondent from asserting any defenses contained in the Act or regulations issued thereunder.
- B. Respondent shall pay to the State of Michigan, through DIFS, administrative and civil fines in the amount of **\$80,000.00**. 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 5 of this Order.
- D. Respondent shall implement procedures to ensure that the correct customer identifying information and transactional information is submitted to the Veritec database for all new transactions.
- E. Respondent shall implement procedures to ensure that all extensions of maturity dates be in writing, dated, and signed on or before the existing maturity date by both the licensee and the customer and maintained until the expiration of three years after the date the deferred presentment service transaction is satisfied.
- F. Respondent shall, on each business day, review all payments on deferred presentment service transactions and make certain the transactions are timely closed into the Veritec database, and all transaction information, including repayment plans, are properly entered in the Veritec database, in compliance with the Act.
- G. 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 entered in the Veritec database.
- H. Respondent shall close every transaction in the Veritec database for which the check held in connection with the deferred presentment service transaction has been destroyed or otherwise cannot be located.
- I. Respondent shall retain the original check, the original item returned unpaid by the drawee, or the substitute check returned unpaid by the drawee for each transaction that has not met the definition of closed in accordance with Section 2(1)(c) of the Act, provided that Respondent complies with the

applicable provisions of the Check Clearance for the 21st Century Act (Pub. Law 108-100) and regulations issued thereunder.

- J. Respondent shall close in the Veritec database all transactions where the right to collect on a check is sold to a third-party by 11:59 p.m. of the date that the sale is final.
- K. The parties agree to the parameters set forth in paragraphs K(a) and K(b):
 - a. The examinations identified in Enforcement Case Nos. 16-12884, 16-13047, 16-14204, and 17-15073 are closed subject to the entry of the Order. The transactions identified in Enforcement Case Nos. 16-12884, 16-13047, 16-14204, and 17-15073 and their respective examinations are not subject to any further administrative proceeding or sanction, unless said transaction remains open in the Veritec database on the date that this Order is entered or is re-opened after the date that this Order is entered. DIFS will limit the scope of any administrative proceeding to statutory and regulatory obligations that Respondent would encounter after the date that this Order is entered, including, but not limited to, the timely closing of a transaction in the Veritec database when one of the statutory grounds identified in Section 2(1)(c)(1)-(vi) of the Act has been satisfied, or as otherwise identified by this Order and Stipulation.
 - b. Any deferred presentment service transaction initiated by Respondent (existing on or before the date that this Order is served to Respondent) that (a) had an unpaid balance due, notwithstanding the payment of the face value of the check, and/or (b) was sold and was held open beyond the period mandated by Section 34(8) of the Act, must be closed in the Veritec database by 11:59 pm on the date that this Order is served to Respondent. To the extent that any transaction is closed by 11:59 pm on the date that this Order is served to Respondent, DIFS will not pursue any administrative proceeding or sanction for violation of the Act or of this Order if the factual basis for such administrative action was an unpaid balance due, notwithstanding the payment of the face value of the check, and/or a transaction held open in the Veritec database after its sale to a third party. If subsequent to the entry of the Order, Respondent re-opens any applicable transactions and fails to close such transactions in a timely manner, there is no bar to administrative proceeding and sanctions by DIFS for violating Section 34(8) of the Act with respect to such re-opened transactions.
- L. Respondent may rely upon any correspondence (e.g., Bulletin or other guidance) issued by DIFS to the industry that would alter the express obligations of Respondent contained herein (or its susceptibility to fines) as if such changes were set forth herein.
- M. Upon entry of this Order, DIFS will file a Motion to Dismiss the Complaint filed in Michigan Administrative Office of Hearing and Rules, Docket Case Number 19-1030-DP.
- N. 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.



Judith A. Weaver
Senior Deputy Director

**STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

Before the Director of the Department of Insurance and Financial Services

In the matter of:

**Buckeye Check Cashing of Michigan, Inc.
dba Check\$mart (Corporate)**

**Enforcement Case No. 16-12884
16-13047, 16-14204, & 17-15073**

DP License Nos. 0013097
0013098
0013099
0014935
0014936
0014993
0016966
0016967
0016969
0016970
0016971
0016972
0016973
0019343

Respondent.

_____ /

STIPULATION TO ENTRY OF ORDER

Buckeye Check Cashing of Michigan, Inc. dba Check\$mart (Respondent) stipulates to the following:

1. The Department of Insurance and Financial Services (DIFS) timely served Respondent with a Notice of Opportunity to Show Compliance (NOSC) regarding each of the Enforcement Cases described above, alleging that Respondent had violated provisions of the Deferred Presentment Service Transactions Act (Act), 2005 PA 244, MCL 487.2121 *et seq.*
2. The NOSCs contained allegations that Respondent violated Sections 11(1), 21, 33(2), 34(1)(b), 34(7), 34(8), 35(1), 37(2), and 39(1) of the Act, MCL 487.2131(1), 487.2141, 487.2153(2), 487.2154(1)(b), 487.2154(7) and (8), 487.2155(1), 487.2157(2), and 487.2159(1), and set forth the applicable laws and the penalties which apply.
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. While this matter is pending before the Michigan Administrative Office of Hearing and Rules, in Docket Number 19-1030-DP, 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 denies each of the allegations contained in the NOSCs 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. Respondent reserves the right to assert any and all legal defenses to any future violation of the Act, notwithstanding the identification of any practice or procedure Respondent agrees to adopt as part of this Stipulation to Entry of Order. Nevertheless, Respondent agrees to adopt practices and procedures as detailed below in an attempt to promote compliance and common understanding between the parties.
7. Respondent understands that DIFS will conduct an examination of Respondent's books and records, as provided under Section 20(4) of the Act, MCL 487.2140(4), within one year of the date the Order Accepting Stipulation is entered by the Director. Such examination will include a review of Respondent's compliance with the terms of this Stipulation to Entry of Order.
8. Respondent shall implement procedures to ensure that the correct customer identifying information and transactional information is submitted to the Veritec database for all new transactions.
9. Respondent shall implement procedures to ensure that all extensions of maturity dates be in writing, dated, and signed on or before the existing maturity date by both the licensee and the customer and maintained until the expiration of three years after the date the deferred presentment service transaction is satisfied.
10. Respondent shall, on each business day, review all payments on deferred presentment service transactions and make certain the transactions are timely closed into the Veritec database, and all transaction information, including repayment plans, are properly entered in the Veritec database, in compliance with the Act.
11. 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 entered in the Veritec database.
12. Respondent shall close every transaction in the Veritec database for which the check held in connection with the deferred presentment service transaction has been destroyed or otherwise cannot be located.
13. Respondent shall retain the original check, the original item returned unpaid by the drawee, or the substitute check returned unpaid by the drawee for each transaction that has not met the definition of closed in accordance with Section 2(1)(c) of the Act, provided that Respondent complies with the applicable provisions of the Check Clearance for the 21st Century Act (Pub. Law 108-100) and regulations issued thereunder.

14. Respondent shall close in the Veritec database all transactions where the right to collect on a check is sold to a third-party by 11:59 p.m. of the date that the sale is final.
15. Respondent agrees that it will pay to the State of Michigan, through DIFS, administrative and civil fines in the amount of **\$80,000.00**. Respondent further agrees to pay the fine within 30 days of the invoice date indicated on the DIFS' invoice.
16. Respondent may rely upon any correspondence (e.g., Bulletin or other guidance) issued by DIFS to the industry that would alter the express obligations of Respondent contained herein (or its susceptibility to fines) as if such changes were set forth herein.
17. Both parties have complied with the procedural requirements of the APA and the Act.
18. The parties agree to the parameters set forth in paragraphs 18(a) and 18(b):
 - i. The examinations identified in Enforcement Case Nos. 16-12884, 16-13047, 16-14204, and 17-15073 are closed subject to the entry of the Order. The transactions identified in Enforcement Case Nos. 16-12884, 16-13047, 16-14204, and 17-15073 and their respective examinations are not subject to any further administrative proceeding or sanction, unless said transaction remains open in the Veritec database on the date that this Order is entered or is re-opened after the date that this Order is entered. DIFS will limit the scope of any administrative proceeding to statutory and regulatory obligations that Respondent would encounter after the date that this Order is entered, including, but not limited to, the timely closing of a transaction in the Veritec database when one of the statutory grounds identified in Section 2(1)(c)(1)-(vi) of the Act has been satisfied, or as otherwise identified by this Order and Stipulation.
 - ii. Any deferred presentment service transaction initiated by Respondent (existing on or before the date that this Order is served to Respondent) that (a) had an unpaid balance due, notwithstanding the payment of the face value of the check, and/or (b) was sold and was held open beyond the period mandated by Section 34(8) of the Act, must be closed in the Veritec database by 11:59 pm on the date that this Order is served to Respondent. To the extent that any transaction is closed by 11:59 pm on the date that this Order is served to Respondent, DIFS will not pursue any administrative proceeding or sanction for violation of the Act or of this Order if the factual basis for such administrative action was an unpaid balance due, notwithstanding the payment of the face value of the check, and/or a transaction held open in the Veritec database after its sale to a third party. If subsequent to the entry of the Order, Respondent re-opens any applicable transactions and fails to close such transactions in a timely manner, there is no bar to administrative proceeding and sanctions by DIFS for violating Section 34(8) of the Act with respect to such re-opened transactions.
19. Respondent understands and agrees that this Stipulation to Entry of Order will be presented to the Senior Deputy Director for approval.
20. 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.

21. 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.
22. Upon entry of this Order, DIFS will file a Motion to Dismiss the Complaint filed in Michigan Administrative Office of Hearing and Rules, Docket Case Number 19-1030-DP
23. 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.
24. 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 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.

25. 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 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.

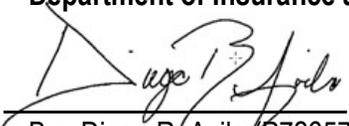
BUCKEYE CHECK CASHING OF MICHIGAN, INC.
dba **Check\$mart**


By: _____
Its: General Counsel

5/21/2020
Dated _____

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

May 21, 2020
Dated _____