

**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:

**ACSO of Michigan, Inc.
d/b/a Advance America
d/b/a Advance American, Cash Advance
927 North Wisner Street
Jackson, MI 49202
License No: DP 0013234**

Enforcement Case No: 07-5494

**ACSO of Michigan, Inc.
d/b/a Advance America
d/b/a Advance American, Cash Advance
1539 East Main Street
Owosso, MI 48867
License No.: DP 0013140**

Respondents

**To: W. Thomas Newell, Vice President, Legal & Regulatory Affairs
135 North Church Street
Spartanburg, South Carolina 29306**

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

**Issued and entered
on 1/11/07
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.* ("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. Respondents violated Section 33(2) of the Act, MCL 487.2153(2), Section 34(1)(b) of the Act, MCL 487.2154(1)(b), Section 34(8) of the Act, MCL 487.2154(8), and Section 34(7) of the Act, MCL 487.2154(7).

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

1. Respondents shall CEASE and DESIST from violating Sections 33 and 34 of the Act.

2. Respondents shall pay to the state of Michigan, through OFIR, civil and administrative fines in the amount of \$23,300. Respondents shall further pay the fine within 30 days of the invoice date as indicated on the OFIR invoice.

3. Before entering into a deferred presentment service agreement, Respondents shall verify the customer's eligibility to enter into the transaction pursuant to Section 33(2) of the Act, MCL 487.2153(2), and Section 34(1)(b) of the Act, MCL 487.2154(1)(b).

4. Respondents shall enter all deferred presentment service transactions into the Veritec database as required by the Act.

5. Respondents shall close all deferred presentment service transactions in accordance with the Act. Respondents shall further conduct daily checks of all transactions to ensure that all transactions are properly closed, and that all transactions including closed transactions are timely reported to the Veritec database

6. When a customer redeems a check by paying the face amount of the check or the check is deposited and Respondents receive evidence that the customer satisfied the obligation, Respondents shall close the transaction and timely report the closed transaction to the Veritec database even if the customer owes Respondents a return check charge.

7. 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

DEC 28 2009

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

OFIR/OGC

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**To: W. Thomas Newell, Vice President, Legal & Regulatory Affairs
135 North Church Street
Spartanburg, South Carolina 29306**

STIPULATION TO ENTRY OF CONSENT ORDER

ACSO of Michigan, Inc., Inc. d/b/a Advance America d/b/a Advance American, Cash Advance, with licensed locations in Jackson and Owosso, Michigan ("Respondent" or "ACSO") and the Office of Financial and Insurance Regulation ("OFIR") stipulate to the following:

1. On or about May 5, 2008, OFIR served ACSO with a Notice of Opportunity to Show Compliance ("NOSC") alleging that ACSO's deferred presentment service location in Owosso,

Michigan, violated provisions of the Deferred Presentment Service Transactions Act, 2005 PA 244, MCL 487.2121 *et seq.* (“Act”).

2. The NOSC contained allegations that ACSO’s deferred presentment service location in Owosso, Michigan, violated the Act, and set forth the applicable laws and penalties which could be taken against ACSO.

3. ACSO exercised its right to an opportunity to show compliance at an informal conference held via telephone on June 19, 2008.

4. On August 26, 2008, OFIR conducted an examination of ACSO’s deferred presentment service provider location in Jackson, Michigan.

5. On January 15, 2009, ACSO met with OFIR staff in Lansing, MI to discuss the violations OFIR staff discovered at ACSO’s Jackson and Owosso, Michigan locations.

6. OFIR and ACSO have conferred for purposes of resolving this matter and determined to settle this matter pursuant to the terms set forth below.

7. 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.

8. At all pertinent times, ACSO’s Jackson and Owosso locations were licensed with OFIR as deferred presentment service provider locations pursuant to the Act.

9. OFIR’s Staff alleges the following facts and violations of law, which were set forth in the NOSC:

a. During OFIR staff’s examination of ACSO’s Jackson and Owosso locations, OFIR staff discovered that contrary to Section 34(8) of the Act, MCL 487.2154(8), ACSO failed to timely close deferred presentment service transactions despite the fact that its customers had

satisfied their obligations under the deferred presentment service agreements. Such failures are a violation of Section 34(8) of the Act, MCL 487.2154(8).

b. ACSO failed to report to the Veritec database a deferred presentment service transaction it entered into with a customer on August 3, 2007. Such failure is a violation of Section 33(2) of the Act, MCL 487.2153(2), Section 34(1)(b) of the Act, MCL 487.2154(1)(b), and Section 34(7) of the Act, MCL 487.2154(7).

10. Without admitting OFIR's alleged facts and/or the alleged violations of law set forth herein, ACSO agrees to the following:

A. Before entering into a deferred presentment service agreement, ACSO will verify the customer's eligibility to enter into the transaction pursuant to Section 33(2) of the Act, MCL 487.2153(2), and Section 34(1)(b) of the Act, MCL 487.2154(1)(b).

B. ACSO will enter all deferred presentment service transactions into the Veritec database as required by the Act.

C. ACSO will close all deferred presentment service transactions in accordance with the Act. ACSO 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 are timely reported to the Veritec database.

D. ACSO will close deferred presentment transactions and timely report each closed transaction to the Veritec database even if the customer owes ACSO a return check charge on all deferred presentment transactions where a customer redeems a check by paying the face amount of the check or the check is deposited and ACSO has evidence that the customer satisfied the obligation,.

E. ACSO it will pay to the state of Michigan, through OFIR, a civil and administrative fine in the amount of \$23,300. The fines will be paid within 30 days of the invoice date as indicated on the OFIR invoice.

F. ACSO shall cease and desist from any and all violations of the Act.

11. Both parties have complied with the procedural requirements of the MAPA and the Act.

12. ACSO 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, ACSO 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, ACSO waives any objection to the Commissioner holding a formal administrative hearing and making his decision after such hearing.

13. 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.

14. 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.

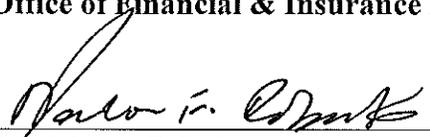
15. ACSO has had an opportunity to review the Stipulation and Consent Order and have the same reviewed by legal counsel.

ACSO of Michigan, Inc., Inc. d/b/a Advance America d/b/a Advance American, Cash
Advance


By: W. THOMAS NEWELL
Its: SECRETARY

12/18/09
Dated

Office of Financial & Insurance Regulation


By: Marlon F. Roberts
Staff Attorney

1/6/2010
Dated