

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

Enforcement Case No. 08-7004

Armada Cash Advance of Wixom, Inc.
d/b/a Armada Cash Advance

For the Petitioner:

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

For the Respondent:

Armada Cash Advance of
Wixom, Inc.
Akeel R. Brikho
47710 Pontiac Trail
Wixom, MI 48393

Issued and entered
this 21st day of July 2010
by Ken Ross
Commissioner

FINAL DECISION
I. Background

On June 2, 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 July 6, 2010, the Petitioner filed a Motion for Final Decision. Respondent did not reply to the motion.

Given Respondent's failure to comply with the Order for Hearing, Petitioner's motion is granted.

II. Findings of Fact and Conclusions of Law

The following facts and conclusions of law, stated in the Administrative Complaint, are adopted and made part of this Final Decision:

1. Respondent's business location of 47710 Pontiac Trail, Wixom, Michigan 48393, was issued a deferred presentment service provider license by OFIR on December 12, 2006, pursuant to the provisions of the Deferred Presentment Service Transactions Act, MCL 487.2121 *et seq.* ("the Act").
2. On May 13, 2008, pursuant to Section 45(2) of the Act, MCL 487.2165(2), OFIR staff conducted an examination of Respondent's business records. The examination concluded on May 16, 2008. 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 management. Based upon the examination, OFIR staff determined that the following violations of the Act occurred.

Count One

Violation of Section 34(8) of the Act – Failure to Close Transaction

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, but in no event after 11:59 p.m. on the day the transaction is closed.”

4. Section 2(1)(c) of the Act, MCL. 487.2122(1)(c), of the Act provides:

"Closed" in connection with a deferred presentment service transaction means that 1 of the following has occurred concerning each of the customer's checks that is the basis of the deferred presentment service transaction:

(i) The check is redeemed by the customer by payment to the licensee of the face amount of the check in cash.

(ii) The check is exchanged by the licensee for a cashier's check or cash from the customer's financial institution.

(iii) The check is deposited by the licensee and the licensee has evidence that the person has satisfied the obligation.

(iv) The check is collected by the licensee or its agent through any civil remedy available under the laws of this state.

(v) The check is collected by means of a repayment plan agreed upon by the customer and the licensee or as the result of credit counseling where the licensee is paid the amount agreed upon by the licensee under that plan.

5. As set forth above, when a deferred presentment service transaction is closed, Respondent is required to close the transaction and immediately notify the database provider (Veritec) no later than 11:59 p.m. on the day the transaction is closed.
6. Respondent failed to timely close the following deferred presentment service transactions as required by the Act:

<u>Name</u>	<u>Transaction Number</u>	<u>Transaction Date</u>	<u>Date Customer Satisfied Obligation</u>	<u>Date Closed</u>
F. B.	4165122	01/05/08	02/16/08	05/16/08
B. B.	2999622	08/10/07	01/10/08	05/16/08
G. C.	3342626	09/24/07	10/15/07	12/18/07
G. C.	4433589	02/13/08	02/29/08	03/07/08
G. C.	4594866	03/07/08	03/31/08	04/07/08
K. C.	4051285	12/24/07	01/22/08	04/07/08

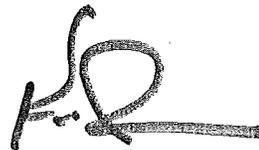
M. C.	3067750	08/17/07	09/29/07	05/16/08
C. F.	3767807	11/07/07	12/01/07	12/11/07
G. H.	1665018	01/24/07	02/02/07	02/08/07
S. R.	2770975	07/10/07	12/13/07	05/16/08
K. S.	2486683	06/01/07	11/12/07	05/16/08

Count Two
Violation of Section 39(1) of the Act – Failure to Maintain Records

7. Section 39(1) of the Act, MCL 487.2159(1) provides, “A licensee shall maintain each deferred presentment service agreement until the expiration of 3 years after the date the deferred presentment service agreement is satisfied and make available for examination by the commissioner any deferred presentment service agreements and all related documents in its possession or control including, but not limited to, any applications, credit reports, employment verifications, or loan disclosure statements.”
8. Respondent failed to maintain and make available during OFIR’s examination a deferred presentment service agreement concerning Mr. K. C. [REDACTED]. By failing to maintain and make available for examination the foregoing deferred presentment service agreement, Respondent violated Section 39(1) of the Act, MCL 487.2159(1).

III. Order

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



Ken Ross
Commissioner