

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:

Cash Advance USA, Inc.
29777 Telegraph Road, Suite 2631
Southfield, MI 48034
License No: DP 0013963

Enforcement Case No. 08-7006

Respondent

CONSENT ORDER REQUIRING COMPLIANCE
AND PAYMENT OF FINES

Issued and entered
on 2/22/10
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. Respondent violated Section 33(2) of the Act, MCL 487.2153(2), Section 34(1)(b) of the Act, MCL 487.2154(1)(b), Section 33(4)(b) of the Act, MCL 487.2153(4)(b), Section 39(1) of the Act, MCL 487.2159(1), 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:**

6. Respondent shall pay to the state of Michigan, through OFIR, a civil fine in the amount of \$4,500. Respondent shall further pay the fine within 30 days of the invoice date as indicated on the OFIR invoice.
7. Respondent shall not engage in any violations of sections of the Act identified in paragraph 5 of this Order.
8. Respondent agrees to maintain a direct electronic interface with the Veritec database. Respondent further agrees to test its software twice per month to verify that it is accurately communicating with the Veritec database. Respondent understands that failure by the software to communicate with the Veritec database does not excuse Respondent from complying with the Act.
9. In the event of an interface or internet interruption, Respondent shall follow Veritec's procedures to submit information to Veritec, to determine if a customer is eligible to enter into a transaction, to obtain a transaction number, and/or to provide notification to Veritec that a transaction has been closed.
10. Respondent shall employ a manager to oversee its day to day operations and to conduct daily checks of all contracts to assure that Veritec transaction numbers are recorded on all contracts, and that all transactions have been properly reported to the Veritec database.
11. Respondent shall report repayment plans to the Veritec database at the time it enters into a repayment plan with a customer.
12. 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

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Tran Info: 80136 15588635-1 02/01/10
Chk#: 876 Amt: \$4,500.00
ID: CASH ADVANCE USA INC

Respondent

STIPULATION TO ENTRY OF CONSENT ORDER

Cash Advance USA, Inc. (Respondent) and the Office of Financial and Insurance Regulation ("OFIR") stipulate to the following:

1. On or about January 26, 2009, OFIR served Respondent with a Notice of Opportunity to Show Compliance ("NOSC") alleging that Respondent violated provisions of the Deferred Presentment Service Transactions Act, 2005 PA 244, MCL 487.2121 *et seq.* ("Act").
2. The NOSC contained allegations that Respondent violated the Act, and set forth the applicable laws and penalties which could be taken against Respondent.
3. Respondent exercised its right to an opportunity to show compliance at an informal conference held at OFIR on February 17, 2009.
4. OFIR and Respondent have conferred for purposes of resolving this matter and have agreed that it is in the parties' best interest to resolve this matter pursuant to the terms set forth below.
5. 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.
6. At all pertinent times, Respondent was licensed with OFIR as a deferred presentment service provider pursuant to the Act.
7. The NOSC alleged the following:

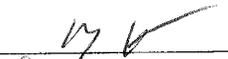


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OFIR - Mortgage and
Consumer Finance

- a. During OFIR staff's examination of Respondent, staff found that Respondent failed to enter deferred presentment service transactions into the Veritec database. Respondent violated 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), by failing to enter deferred presentment service transactions into the Veritec database.
 - b. Respondent granted deferred presentment service transactions to customers with maturity dates that exceeded 31 days. Based on the foregoing described conduct, Respondent violated Section 33(4)(b) of the Act, MCL 487.2153(4)(b).
 - c. Respondent failed to maintain a deferred presentment agreement for one of its customers. By failing to maintain a deferred presentment service agreement, Respondent violated Section 39(1) of the Act, MCL 487.2159(1).
8. Respondent agrees that it will pay to the State of Michigan, through OFIR, a civil fine in the amount of \$4,500. Respondent further agrees to pay the fine within 30 days of the invoice date as indicated on the OFIR invoice.
 9. Both parties have complied with the procedural requirements of the MAPA and the Act.
 10. Respondent understands and agrees that this Stipulation will be presented to the Chief Deputy Commissioner for approval.
 11. Respondent, without admitting the truth or validity of any of the allegations made by OFIR, agrees that it shall operate its business in the State of Michigan at all times so that it shall not engage in any violations of sections of the Act identified in paragraph 7 of this Stipulation, and consents to the entry of the Consent Order.
 12. Respondent agrees to maintain a direct electronic interface with the Veritec database. Respondent further agrees to test its software twice per month to verify that it is accurately communicating with the Veritec database. Respondent understands that failure by the software to communicate with the Veritec database does not excuse Respondent from complying with the Act.
 13. In the event of an interface or internet interruption, Respondent agrees to follow Veritec's procedures to submit information to Veritec, to determine if a customer is eligible to enter into a transaction, to obtain a transaction number, and/or to provide notification to Veritec that a transaction has been closed.
 14. Respondent agrees to employ a manager to oversee its day to day operations and to conduct daily checks of all contracts to assure that Veritec transaction numbers are recorded on all contracts, and that all transactions have been properly reported to the Veritec database.

15. Respondent agrees that at the time a customer enters into a repayment plan it will report the repayment plan to the Veritec database.
16. 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, Respondent 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, Respondent waives any objection to the Commissioner holding a formal administrative hearing and making his decision after such hearing.
17. 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.
18. 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.
19. Respondent has had an opportunity to review the Stipulation and Consent Order and have the same reviewed by legal counsel.

Cash Advance USA, Inc.


By: Denny Kallabat
Its: President

1-29-10
Dated

Office of Financial & Insurance Regulation


By: Marlon F. Roberts
Staff Attorney

2/9/10
Dated