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:

E-Z Cash 1, Inc.
License No.: DP-0013620

Enforcement Case No. 09-7361

Respondent
_____/

STIPULATION TO ENTRY OF THE CONSENT ORDER

E-Z Cash 1 Inc. (Respondent) and the Office of Financial and Insurance Regulation ("OFIR") stipulate to the following:

1. On or about September 1, 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 October 6, 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 Acting 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. Based upon the allegations set forth in the NOSC and communications with Respondent, the following facts were established:

a. Respondent allowed its customers to simultaneously obtain two deferred presentment service transactions by encouraging its customers to concurrently execute two deferred presentment service agreements at its licensed location. In addition to entering into a deferred presentment service agreement with a customer, Respondent would have the same customer sign another agreement which purports to be an agreement between the customer and another licensee, E Z Cash 2 Inc. Respondent entered the transactions into the Veritec database in a manner that created the impression the transactions were actually conducted by two licensees. However, both transactions were actually conducted by Respondent.

   Respondent paid customers an agreed-upon amount in exchange for fees for two concurrent transactions, and held its customers' checks for both transactions for a period of time before negotiation, redemption, or presentment of the checks. By simultaneously issuing two deferred presentment service transactions to its customers, Respondent violated Section 33 of the Act, MCL 487.2143.

b. E Z Cash 2 Inc., on behalf of Respondent, entered deferred presentment service transactions into the Veritec database by using Respondent's name and login information. Respondent also permitted employees of E Z Cash 2 Inc. to execute deferred presentment service agreements on its behalf even though the transactions did not occur at Respondent's licensed location.

   By engaging in the foregoing conduct, Respondent assigned its license in violation of Section 17(1) of the Act, MCL 487.2137(1).

c. 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 34(7) of the Act, MCL 487.2154(7), by failing to enter deferred presentment service transactions into the Veritec database.

d. Contrary to the Act, Respondent failed to timely close deferred presentment service transactions and notify the database provider after its customers satisfied their obligations under the deferred presentment service agreements. By failing to timely close deferred presentment service transactions and notify the database provider to close the transactions, Respondent violated Section 34(8) of the Act, MCL 487.2154(8).

8. Respondent agrees that it will pay to the State of Michigan, through OFIR, administrative fines in the amount of $1,000. Respondent further agrees to pay the fines within 30 days of the invoice date as indicated on the OFIR invoice.

9. Respondent admits that it has violated Section 34(8) of the Act, MCL 487.2154(8).

10. Respondent agrees to conduct daily checks of all deferred presentment service contracts to make certain that closed transactions are timely entered into the Veritec database, and all transactions, including repayment plans, are properly reported to the Veritec database.

11. Respondent agrees to conduct a daily review of its deferred presentment service transactions to determine if the transactions have been reported to the Veritec database, by comparing its daily transactions to the transactions that have been reported to the Veritec database.

12. Respondent agrees to conduct all deferred presentment service transactions at its licensed location of 2227 East Hill Road, Suite A, Grand Blanc, Michigan 48439, and further agrees not to authorize another licensee to enter into deferred presentment service transactions on its behalf.

13. Respondent agrees not to enter into a deferred presentment service transaction on behalf of another licensee or enter into a deferred presentment service transaction with a customer that has an open transaction with Respondent or two open transactions with other licensees.

14. Respondent agrees that prior to entering into a deferred presentment service agreement, it will verify the customer's eligibility to enter into a deferred presentment service transaction by utilizing the Veritec database, and confirm the accuracy of any and all information it obtained from a customer prior to submitting the information to the Veritec database to determine the customer's eligibility to enter into a deferred presentment service transaction. Respondent further agrees to submit to the Veritec database any and all information required by Section 34(7) of the Act, MCL 487.2154(7).

15. Respondent agrees that prior to closing a transaction in the Veritec database that it will verify that the transaction being closed is the correct transaction, by comparing the customer's application information with the information in the Veritec database.

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

17. Respondent understands and agrees that this Stipulation will be presented to the Acting Chief Deputy Commissioner for approval.

18. The Acting Chief Deputy Commissioner may in her sole discretion, decide to accept or reject the Stipulation and Consent Order. If the Acting 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 Acting 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.

19. The failure to abide by the terms and conditions of this Stipulation and Consent Order may, at the discretion of the Acting Chief Deputy Commissioner, result in further administrative compliance actions.

20. The Acting 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.

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

E-Z Cash 1 Inc.

Stephen R. Rahn

By:
Its:

12-28-09
Dated

Office of Financial & Insurance Regulation

Marlon F. Roberts

By: Marlon F. Roberts
Staff Attorney

1/6/2010
Dated

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:

E-Z Cash 1, Inc. **Enforcement Case No. 09-7361**
License No.: DP-0013620

Respondent
_____/

CONSENT ORDER REQUIRING COMPLIANCE
AND PAYMENT OF FINES

Issued and entered
on 1/11/10
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 Acting Chief Deputy Commissioner Finds and concludes that:

1. The Acting 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 34(8) of the Act, MCL 487.2154(8), Section 33 of the Act, MCL 487.2143, Section 17(1) of the Act, MCL 487.2137, and Section 34(7) of the Act, MCL 487.2154(7).

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

7. Respondent shall pay to the State of Michigan, through OFIR, administrative and civil fines in the amount of $1,000. Respondent shall further pay the fines within 30 days of the invoice date as indicated on the OFIR invoice.

8. Respondent shall not engage in any violations of sections of the Act identified in paragraph 5 of this Order.

9. Respondent shall conduct daily checks of all deferred presentment service contracts to make certain that closed transactions are timely entered into the Veritec database, and all transactions, including repayment plans, are properly reported to the Veritec database.

10. Respondent shall conduct a daily review of its deferred presentment service transactions to determine if the transactions have been reported to the Veritec database, by comparing its daily transactions to the transactions that have been reported to the Veritec database.

11. Respondent shall conduct all deferred presentment service transactions at its licensed location of 2227 East Hill Road, Suite A, Grand Blanc, Michigan 48439, and shall authorize another licensee to enter into deferred presentment service transactions on its behalf.

12. Respondent shall not to enter into a deferred presentment service transaction on behalf of another licensee or enter into a deferred presentment service transaction with a customer that has an open transaction with Respondent or two open transactions with other licensees.

13. Respondent shall prior to entering into a deferred presentment service agreement, verify the customer's eligibility to enter into a deferred presentment service transaction by utilizing the Veritec database, and confirming the accuracy of any and all information it obtained from a customer prior to submitting the information to the Veritec database to determine the customer's eligibility to enter into a deferred presentment service transaction. Respondent shall submit to the Veritec database any and all information required by Section 34(7) of the Act, MCL 487.2154(7).

14. Respondent shall prior to closing a transaction in the Veritec database, verify that the transaction being closed is the correct transaction by comparing the customer's application information with the information in the Veritec database.

15. The Acting 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