

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

Before the Commissioner of the Office of Financial and Insurance Regulation

In the matter of:

**Steve's Check Casher, Inc.
D/B/A Cash N Advance
1029 28th Street SW
Wyoming, MI 49509
License Nos.: DP 0013102 and DP 0013133**

**Enforcement Case No.: 07-5437
Docket No.: 2009-1554
Agency No.: 09-756-DP**

**Steve's Check Casher, Inc.
D/B/A Cash N Advance
2616 Alpine Avenue, NW
Grand Rapids, MI 49544**

Stephen Griffin, President

Respondent

**CONSENT ORDER TERMINATING DEFERRED PRESENMENT SERVICE
TRANSACTIONS LICENSE**

**Issued and entered
on 1/11/2010
by Stephen R. Hilker,
Chief Deputy Commissioner**

Based upon the Stipulation to Entry of the 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 the Consent Order is reasonable and in the public interest.

4. All applicable provisions of the MAPA have been met.

5. Respondent violated Sections 11 and 12 of the Act.

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

6. Respondent shall CEASE and DESIST from violating Sections 11 and 12 of the Act.

7. Respondent's deferred presentment service provider licenses, license numbers DP 0013102 and DP 0013133, are hereby terminated.

8. Respondent is prohibited from taking any action, publicly or privately, creating the impression that the violations are without factual basis and failure to comply with this prohibition constitutes a material default of this Order.

9. Respondent shall deliver to the Chief Deputy Commissioner its original deferred presentment service provider license certificates within five days of the entry of this Order.



Stephen R. Hilker
Chief Deputy Commissioner

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

In the matter of:

Docket No: 2009-1554

Office of Financial and Insurance
Regulation,

Agency No: 09-756-DP

Petitioner

Agency: Office of Financial and
Insurance Regulation

v

Steve's Check Casher, Inc. d/b/a
Cash N Advance #0013102 and #0013133,

Respondent

**STIPULATION TO ENTRY OF CONSENT ORDER
TERMINATING DEFERRED PRESENTMENT SERVICE TRANSACTION LICENSE**

Steve's Check Casher, Inc. d/b/a Cash N Advance (Respondent) and the Office of
Financial and Insurance Regulation ("OFIR") stipulate to the following:

1. On or about February 4, 2008, 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 by attending an informal conference held at the office of OFIR on or October 8, 2008.
4. OFIR and Respondent have conferred for purposes of resolving this matter and determined to settle 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. Based upon the allegations set forth in the NOSC and communications with Respondent, the following facts and conclusions of law were established:

COUNT I

**Alleged violation of Section 12(a) of the Act
Insufficient Net worth**

7. Section 12(a) of the Act, MCL 487.2132(a), provides in relevant part that, "To obtain a license, an applicant shall ... [h]ave and maintain net worth of at least \$50,000.00 for each licensed location, subject to a maximum of \$250,000.00 in required net worth for any 1 licensee, determined in accordance with generally accepted accounting principles."

8. Section 47 of the Act, MCL 487.2167, states in pertinent part:

(1) The commissioner may, after notice and hearing, suspend or revoke a license if the commissioner finds that the licensee has knowingly or through lack of due care done any of the following:

(b) Committed any fraud, engaged in any dishonest activities, or made any misrepresentations. (c) Violated this act or any rule or order issued under this act or violated any other law in the course of the licensee's dealings as a licensee.

(d) Made a false statement in the application for the license, failed to give a true reply to a question in the application, or failed to reply to a request of the commissioner authorized in this act.

9. As previously stated, Respondent has two licensed deferred presentment service provider locations in Michigan, license numbers DP 0013102 and DP 0013133.

10. Section 12(a) of the Act requires Respondent to maintain a net worth of at least \$50,000.00 for each licensed location.

11. Since Respondent has two licensed locations; under Section 12(a) of the Act, Respondent is required to maintain net worth of at least \$100,000 for the two licensed locations.

12. Ultimately, Respondent was not able to provide documentation which was sufficient to OFIR staff to establish the net worth requirements. Respondent maintains that it had sufficient net worth, however Respondent has chosen to close its Michigan stores and not to contest this matter further.

13. It is the position of OFIR staff that Respondent, during several rounds of presenting financial documents, submitted inaccurate information. Respondent maintains that its bookkeeping and accounting methods did not match with criteria or methods utilized by OFIR staff, in particular the method of determining "net worth".

14. It is alleged and maintained by OFIR staff that:

- a. The April 30, 2006, financial statement provided during the examination shows that Respondent did not have sufficient net worth to qualify for the two (2) licenses obtained on June 8, 2006.
- b. Respondent's April 30, 2006, financial statement reports net worth of \$59,807.58.
- c. Respondent's December 31, 2006, financial statement reports net worth of \$11,877.58.
- d. Respondent's May 31, 2007, financial statement reports net worth of \$58,418.04.
- e. Respondent's August 31, 2007, financial statement reports net worth of \$60,365.28.

f. Respondent's October 31, 2007, financial statement reports net worth of \$41,640.59.

15. OFIR staff alleges and maintains that Respondent does not have sufficient net worth for the two (2) licensed locations violating Section 12(a) of the Act, MCL 487.2132(a), thereby subjecting Respondent to license termination or suspension under Section 47 of the Act, MCL 487.2167.

16. OFIR staff alleges and maintains that Respondent is subject termination or suspension under Section 47 of the Act; MCL 487.2167.

17. Respondent does not concede these allegations, however Respondent has chosen to close its Michigan stores and does not wish to contest this matter further.

COUNT II

Alleged violation of Section 11(1) of the Act Unlicensed Activity

18. Section 11(1) of the Act, MCL 487.2131(1), provides in relevant part that, "Subject to subsection (2), a person shall not engage in the business of providing deferred presentment service transactions after June 1, 2006 without a license under this act. A separate license is required for each location from which the business of providing deferred presentment service transactions is conducted."

19. OFIR staff alleges and maintains that, contrary to the Act, Respondent has conducted deferred presentment service transactions without first obtaining a license to act as a deferred presentment service provider. OFIR staff alleges and maintains that Respondent conducted 108

deferred presentment service transactions at the location of 3596 Clyde Park Avenue SW, Wyoming, MI 49509, from August 25, 2007, to December 11, 2007. Respondent did not have a license to conduct deferred presentment service transactions at said location.

20. In addition, OFIR staff alleges and maintains that Respondent conducted 62 deferred presentment service transactions from the location of 2616 Alpine Avenue NW, Grand Rapids, MI 49544, from June 1, 2006, to June 7, 2006; the foregoing location was not licensed by OFIR until June 8, 2006.

21. OFIR staff alleges and maintains that Respondent conducted 134 deferred presentment service transactions from the location of 1029 28th Street SW, Wyoming, MI 49509, from June 1, 2006, to June 7, 2006; the foregoing location was not licensed by OFIR until June 8, 2006.

22. Based on the foregoing, OFIR staff alleges and maintains that Respondent violated Section 11(1) of the Act, MCL 487.2131(1), by conducting deferred presentment service transactions prior to obtaining a license to engage in such activity, thereby subjecting Respondent to termination or suspension under Section 47 of the Act, MCL 487.2167.

23. Respondent does not concede these allegations, however Respondent has chosen to close its Michigan stores and does not wish to contest this matter further.

24. Respondent agrees that upon the entry and issuance of the attached consent order, Respondent's deferred presentment services transaction licenses for the locations of 1029 28th

Street SW, Wyoming, MI 49509 (DP 0013102), and 2616 Alpine Avenue NW, Grand Rapids, MI 49544 (DP 0013133) shall be terminated by the Commissioner.

25. Respondent agrees that it shall not violate the Act.

26. Respondent agrees to CEASE and DESIST from engaging in any activity requiring licensure under the Act, and deliver to the Commissioner its original deferred present service transaction license certificates.

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

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

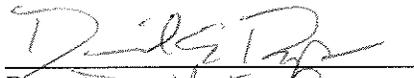
29. The Chief Deputy Commissioner may in his sole discretion, decide to accept or reject the Stipulation and Consent Order. If the Chief Deputy Commissioner accepts the Stipulation and Consent Order, Respondent waives the right to a hearing in this matter and consents to the entry of the Consent Order. 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.

30. 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.

31. 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.

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

Steve's Check Casher, Inc.
D/B/A Cash N Advance
1029 28th Street SW
Wyoming, MI 49509
License Nos.: DP 0013102 and DP 0013133


By: David E. Ryan
Its: Attorney

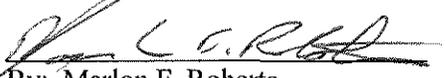
Dated 12-22-09

Steve's Check Casher, Inc.
D/B/A Cash N Advance
2616 Alpine Avenue, NW
Grand Rapids, MI 49544


By: David E. Ryan
Its: Attorney

Dated 12-22-09

Office of Financial & Insurance Regulation


By: Marlon F. Roberts
Its: Staff Attorney

Dated 1/4/2010