

**IN THE MATTER OF:**

**ACE CASH EXPRESS, INC.**

**Licensee.**

**BEFORE THE MARYLAND**

**COMMISSIONER OF**

**FINANCIAL REGULATION**

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**AGREEMENT AND CONSENT ORDER**

This Agreement and Consent Order (the “Agreement”) is entered into this 1<sup>st</sup> day of November, 2015, by and between the Maryland Commissioner of Financial Regulation (the “Commissioner” or the “Agency”), and ACE Cash Express, Inc. (the “Licensee”). The Commissioner and Licensee (together, the “Parties”) consent to the entry of the Agreement as a final resolution of the matters discussed below. The terms of the Agreement are contractual and not mere recitals.

1. Pursuant to the Maryland Check Cashing Law (“MCCL”), Md. Code Ann., Fin. Inst. (“FI”) § 12-102 et seq., the Commissioner is responsible for licensing and regulating, *inter alia*, persons who provide check cashing services in the State of Maryland (the “State”).

2. At all times relevant hereto, Licensee has been duly licensed under the MCCL as a Maryland check casher providing check cashing services in the State as defined in FI § 12-101(g), holding license number(s) 09-152, 09-125, 09-123, 09-128, 09-130, 09-139, 09-143, 09-145, 09-147, 09-148, 09-149, 09-163, 09-169, 09-206, 09-988, 09-141, 09-149, 09-126, 09-279, 09-156, 09-153, 09-142, 09-971, 09-135, 09-161, 09-132, 09-987, 09-134, 09-140, 09-1226, 09-133, 09-162, 09-151, 09-154, 09-1345, and 09-1346.

3. The Agency commenced a compliance examination of the Licensee pursuant to FI §§ 12-114 and 12-115 of the MCCL on May 15, 2014 (the "Examination").

4. Pursuant to the Agency's Examination of the Licensee, the Agency identified deficiencies, unsatisfactory conditions, and/or violations of federal and/or State check cashing-related laws and regulations in the records and business activities of the Licensee (the "Examiner's Findings"). Specifically, the following conduct was the basis for the Examiner's Findings:

a. Check cashing records showed that in some instances the Licensee was misidentifying the type of checks being cashed, thereby causing it to charge more than the maximum allowed for government checks, personal checks, and checks deemed other in violation of Md. Code Ann., Fin. Ins. ("FI") § 12-120 (a) (1)(2)(3). Licensee was also cited for the same violation in the Agency examination of Licensee that took place in 2011.

b. Licensee was charging a processing fee of ninety-nine cents (\$.99) with respect to certain checks cashed at its Maryland locations. In some instances, this processing fee brought the total fees for an individual check-cashing transaction above the statutory maximum in violation of Md. Code Ann., Fin. Ins. ("FI") § 12-120(b).

c. At some Maryland store locations, Licensee charged a membership fee of three dollars and fifty cents (\$3.50), even though the signs posted in the store indicated that the membership fee was only three dollars (\$3.00). This constitutes a violation of Md. Code Ann., Fin. Ins. ("FI") § 12-120(b).

5. Licensee admits to the conduct described in the Examiner's Findings set forth above and wishes to resolve this matter in the most expedient and cost effective

manner possible. Licensee agrees to abide by each and every term set forth in the Agreement.

6. The Commissioner desires to ensure that Licensee will comply with all applicable statutes, regulations, and other laws governing check cashing services in the State, and further wishes to avoid the costs to Maryland taxpayers of an administrative hearing and any potential appeals.

7. Licensee has agreed to take each and every one of the following actions in exchange for a final resolution of this matter:

a. Within sixty (60) days of its execution of the Agreement, Licensee will make a refund to the Maryland consumers in the amount specified in "Exhibit A" attached hereto in the total amount of one hundred and eleven thousand two hundred and fifty-nine dollars and thirty five cents (\$111,259.35). Once the above-listed consumers are paid, and within a reasonable time after checks may be expected to clear, but no more than ninety (90) days after its execution of the Agreement, Licensee will provide the Commissioner with proof of payment of the above-listed refunds. Each and every refund payment contemplated under the Agreement will be made by check; payable to the Maryland consumer(s) at their last known address, or such updated address as can be identified through customary address verification means. Within one year from the date of the execution of the Agreement by the Commissioner, any funds due to Maryland consumers, but whose refund checks have not been cashed, shall be remitted to the State Comptroller as "abandoned property" pursuant to Md. Code Ann., Com Law., Title 17, and shall be administered for the benefit of the Maryland consumer(s) accordingly.



b. Immediately upon execution of the Agreement, Licensee will pay a monetary penalty of two hundred and forty-two thousand and twenty-seven dollars and sixty cents (\$242,027.60) by check made payable to the "Commissioner of Financial Regulation";

c. Immediately upon execution of the Agreement, Licensee will pay an examination fee of thirteen thousand two hundred and ninety-four dollars and fifty cents (\$13,294.50) by check made payable to the "Commissioner of Financial Regulation";

d. Licensee will retain an independent quality control firm (the "Auditor"), which Auditor shall have been previously approved by the Commissioner, to provide check cashing compliance services for Licensee. The Auditor will provide at a minimum, the following services: 1) For eight (8) consecutive quarters beginning April 2015, a quarterly review of a random sampling of twenty percent (20%) of all transactions in which Licensee provided check cashing services, with a report to be produced by the Auditor thirty (30) days after each quarter during the timeframe described herein, with copies of such reports to be provided to the Agency and to the Board of Directors of the Licensee (the "Board"). The Board will review each quarterly report produced by the Auditor, sign an attestation that the Board has fully reviewed the report, and provide a copy of the Board's attestation to the Agency within thirty (30) days of receiving a copy of a report from the Auditor. Notwithstanding the foregoing, for the quarter ending June 30, 2015, Licensee submitted the Auditor's report and corresponding Board attestation prior to the execution of this Agreement.

e. Licensee agrees to cooperate fully with all future requests for

documentation, information, and records requested by the Agency to determine compliance with the terms of the Agreement; and

f. Licensee represents that it has taken, or is taking, all corrective actions recommended in the report of Examination issued by the Agency.

8. Licensee acknowledges that it has voluntarily entered into this Agreement with full knowledge of its right to a hearing pursuant to FI § 2-115(a) and pursuant to the Maryland Administrative Procedures Act – Contested Cases, Md. Code Ann., State Gov't. ("SG") § 10-201 *et seq.*, and that Licensee hereby waives its right to a hearing. Licensee further acknowledges that it has had an opportunity to consult with independent legal counsel in connection with its waiver of rights and with the negotiation and execution of this Agreement, and that Licensee has either consulted with independent legal counsel or has knowingly elected not to do so.

9. Licensee represents the following: the Examiner's Findings notwithstanding, that it is currently in compliance with all applicable statutes, regulations, and others laws governing check cashing services in the State, and that it will continue to act in compliance at all future times.

10. The Parties agree that the Agreement shall be binding upon the Parties and enforceable in a court of competent jurisdiction by the Commissioner. The Agreement shall be admissible in court, and shall be binding upon any of the Licensee's present and future owners, principals, directors, officers, members, partners, managers, agents, successors, and assigns.

11. The Parties acknowledge that the Agreement does not in any way relate to,

impact, or otherwise affect the legal rights of, or preclude the Commissioner from bringing or continuing to pursue actions against persons not Parties to the Agreement. Further, the Agreement is by and between the Commissioner and the Licensee and shall not inure to the benefit of any person not a party.

12. The Parties agree that any notices hereunder shall be effectively “delivered” when sent via overnight delivery or certified mail as follows:

a. To the Commissioner:

Commissioner of Financial Regulation  
500 North Calvert Street, Suite 402  
Baltimore, Maryland 21202-3651  
Attn: Sabrina Brown, Director of Non-Depository Supervision

*and*

Rebecca Coleman  
Assistant Attorney General  
500 North Calvert Street, Suite 406  
Baltimore, Maryland 21202-3651

b. To Licensee:

ACE Cash Express, Inc.  
1231 Greenway Drive, Suite 600  
Irving, Texas 75038  
Attn: Laurie Goodine Hill, SVP, Deputy General Counsel, and  
Chief Compliance Officer

**NOW, THEREFORE**, it is, by the Maryland Commissioner of Financial Regulation, hereby

**ORDERED** that Licensee shall adhere to all terms of the Agreement; and it is further



**ORDERED** that Licensee shall conduct business in full compliance with all statutes, regulations, and other laws governing check cashing services in the State of Maryland, and shall continue to act in full compliance at all future times; and it is further

**ORDERED** that, in the event Licensee violates any provision of the Agreement, or otherwise engages in the activities which formed the basis for the Examiner's Findings described above, the Commissioner may, at the Commissioner's discretion, take any enforcement actions available under FI § 2-115, under the Maryland Check Cashing Law, as well as take any other enforcement actions as permitted by, and in accordance with, applicable State or Federal law; and that such enforcement actions could include an order to cease and desist, civil money penalties of up to \$5,000 for each violation of the law, an order to provide restitution of money or property to any aggrieved persons, and/or referral for possible criminal prosecution; and it is further

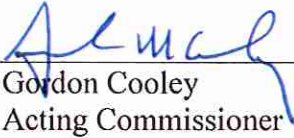
**ORDERED** that this matter shall be resolved in accordance with the terms of this Agreement and Consent Order and that the same shall be reflected among the records of the Office of the Commissioner of Financial Regulation; and it is further

**ORDERED** that this document shall constitute a Final Order of the Maryland Commissioner of Financial Regulation, and that the Commissioner may consider this Agreement and Consent Order and the facts set forth herein in connection with, and in deciding, any examination, action, or proceeding before the Commissioner; and that this Agreement and Consent Order may, if relevant, be admitted into evidence in any matter before the Commissioner.


It is so **ORDERED**.

IN WITNESS WHEREOF, this Agreement and Consent Order is executed on the  
day and year first above written.

**MARYLAND COMMISSIONER OF  
FINANCIAL REGULATION**

By:   
Gordon Cooley  
Acting Commissioner  
of Financial Regulation

**ACE CASH EXPRESS, INC.**

By:   
Jay B. Shipowitz  
President and CEO