

**STATE OF NEBRASKA**  
**Department of Banking & Finance**

|                                 |   |                    |
|---------------------------------|---|--------------------|
| IN THE MATTER OF:               | ) |                    |
|                                 | ) | FINDINGS OF FACT   |
| Ace Cash Express, Inc.,         | ) | CONCLUSIONS OF LAW |
| 10916 "Q" Street,               | ) | AND                |
| Omaha, Douglas County, Nebraska | ) | CONSENT AGREEMENT  |

THIS MATTER comes before the Nebraska Department of Banking and Finance ("DEPARTMENT"), by and through its Director, pursuant to its authority under the Delayed Deposit Services Licensing Act, Neb. Rev. Stat. §§ 45-901 to 45-930 (Reissue 2010; Cum. Supp. 2012; Supp. 2013) ("the Act"). Pursuant to Neb. Rev. Stat. § 45-920 (Supp. 2013), the DEPARTMENT has examined the books, accounts, and records of Ace Cash Express, Inc., 10916 "Q" Street, Omaha, Douglas County, Nebraska ("ACE"). As a result of such examination, and being duly advised and informed in the matter, the Director and ACE enter into the following Findings of Fact, Conclusions of Law, and Consent Agreement.

**FINDINGS OF FACT**

1. ACE holds a delayed deposit services business license under the Act. License #1963 was originally issued on February 28, 2006. The license has been renewed annually on May 1<sup>st</sup> since that time, pursuant to Neb. Rev. Stat. § 45-910 (Cum. Supp. 2012).

2. On September 9, 2013, the DEPARTMENT commenced an examination of ACE pursuant to Neb. Rev. Stat. § 45-920 (Supp. 2013). This examination included an on-site visitation of ACE's Omaha, Douglas County, Nebraska locations.

3. The September 9, 2013 Report of Examination (“Report”) was forwarded to ACE on October 15, 2013. The Report noted a number of violations of the Act. ACE submitted a response received by the DEPARTMENT on November 5, 2013.

4. The DEPARTMENT has reviewed the response submitted by ACE and has taken it into consideration in determining the appropriate actions to be taken in this matter.

5. The three previous regular examinations of ACE conducted November 9, 2009 (“2009 Exam”), January 11, 2011 (“2011 Exam”), and March 19, 2012 (“2012 Exam”), also revealed a number of violations of the Act. The 2009 Exam resulted in a Consent Agreement between the DEPARTMENT and ACE with an effective date of July 14, 2010. The 2011 Exam resulted in a Consent Agreement between the DEPARTMENT and ACE with an effective date of January 5, 2012. The 2012 Exam resulted in a Consent Agreement between the DEPARTMENT and ACE with an effective date of December 6, 2012. Repeat violations of the Act will be noted below.

6. References in this Consent Agreement to customers of ACE will be by way of initials, in order to protect the privacy of such customers. ACE knows or should know the identity of these customers. If ACE is unable to ascertain the identity of these customers, the DEPARTMENT will provide a list of these customers upon receipt of a written request.

7. The Report noted eleven (11) instances where ACE failed to properly keep and maintain accurate customer records, namely, six (6) transaction records, one (1) payment receipt, and four (4) copies of returned checks for customers SJ, AK, JQ (3), DV, CP, JB, JD, MB, and LS, respectively.

8. ACE’s failure to properly keep and maintain copies of customer records in eleven (11) instances represents eleven (11) separate repeat violations of Neb. Rev. Stat.

§ 45-915.01(2) (Reissue 2010) as noted in the 2009 Exam, the 2011 Exam, and the 2012 Exam and corresponding Consent Agreements.

9. The Report noted five (5) instances where ACE failed to obtain the customers' signatures on the disclosure agreements for customers MB, EB, CE, RM, and RV.

10. ACE's failure to obtain customers' signatures on the disclosure agreements in five (5) instances represents five (5) separate violations of Neb. Rev. Stat. § 45-917(1) (Reissue 2010).

11. The Report noted one (1) instance where ACE failed to obtain a Same Day Transaction Verification Form ("SDTVF") for customer JT.

12. ACE's failure to obtain the SDTVF in one (1) instance represents one (1) violation of Neb. Rev. Stat. § 45-919(1)(g) (Reissue 2010) and Neb. Rev. Stat. § 45-915.01(2) (Reissue 2010).

13. The Report noted seventeen (17) instances where ACE failed to obtain correctly completed SDTVFs for customers.

14. ACE's failure to obtain correctly completed SDTVFs in seventeen (17) instances represents seventeen (17) separate repeat violations of Neb. Rev. Stat. § 45-919(1)(g) (Reissue 2010) and Neb. Rev. Stat. § 45-915.01(2) (Reissue 2010) as noted in the 2009 Exam, the 2011 Exam, and the 2012 Exam and corresponding Consent Agreements.

15. The DEPARTMENT could conclude that the actions of ACE warrant the commencement of administrative proceedings to determine whether it should impose an administrative fine in an amount up to five thousand dollars per violation, plus investigation costs, pursuant to Neb. Rev. Stat. § 45-925 (Reissue 2010).

16. The DEPARTMENT incurred a minimum of five hundred dollars (\$500.00) in investigation costs in this matter.

### CONCLUSIONS OF LAW

1. Neb. Rev. Stat. § 45-908 (Reissue 2010) provides that in order to issue a delayed deposit services business license, the Director must determine that the character and general fitness of the applicant and its officers, directors, and shareholders are such as to warrant a belief that the business will be operated honestly, fairly, efficiently, and in accordance with the Act.

2. Neb. Rev. Stat. § 45-915.01(2) (Reissue 2010) provides that a licensee shall, at a minimum, include in its books and records copies of all application materials relating to makers, disclosure agreements, checks, payment receipts, and proofs of compliance required by Section 45-919.

3. Neb. Rev. Stat. § 45-917(1) (Reissue 2010) provides that every licensee shall, at the time any delayed deposit services transaction is made, give to the maker of the check, or if there are two or more makers, to one of them, a notice written in plain English disclosing the fee to be charged for the transaction, the date on which the check will be deposited or presented for negotiation, and any penalty not to exceed fifteen dollars which the licensee will charge if the check is not negotiable on the date agreed upon.

4. Neb. Rev. Stat. § 45-919(1)(g) (Reissue 2010) provides that a licensee shall not enter into another delayed deposit transaction with the same maker on the same business day as the completion of a delayed deposit transaction unless prior to entering into the transaction the maker and the licensee verify on a form prescribed by the DEPARTMENT that

completion of the prior delayed deposit transaction has occurred. The DEPARTMENT has prescribed the SDTVF for this purpose.

5. Neb. Rev. Stat. § 45-925 (Reissue 2010) provides that if the Director finds, after notice and opportunity for hearing, that any person has violated the Act, the Director may order such person to pay an administrative fine of not more than five thousand dollars for each separate violation and the costs of an investigation.

6. The facts listed in the above Findings of Fact constitute a sufficient basis for the Director to have determined that ACE has violated the Act, and that an administrative fine in an amount of not more than five thousand dollars for each separate violation plus costs of investigation should be imposed in accordance with Neb. Rev. Stat. § 45-925 (Reissue 2010).

7. Under the Act's statutory framework, the Director has the legal and equitable authority to fashion significant remedies.

8. It is in the best interest of ACE, and it is in the best interest of the public, for ACE and the DEPARTMENT to resolve the issues included herein.

### **CONSENT AGREEMENT**

The DEPARTMENT and ACE agree as follows:

Stipulations: In connection with this Consent Agreement, ACE and the Director stipulate to the following:

1. The DEPARTMENT has jurisdiction as to all matters herein.
2. This Consent Agreement shall resolve all matters raised by the DEPARTMENT's September 9, 2013 examination of ACE's Omaha, Douglas County, Nebraska locations.

Should future circumstances warrant, the facts from this matter may be considered in a future administrative action by the DEPARTMENT.

3. This Consent Agreement shall be in lieu of all other proceedings available to the DEPARTMENT, except as specifically referenced in this Consent Agreement.

ACE further represents as follows:

1. ACE is aware of its right to a hearing on these matters at which it may be represented by counsel, present evidence, and cross-examine witnesses. The right to such a hearing, and any related appeal, is irrevocably waived.

2. ACE is acting free from any duress or coercion of any kind or nature.

3. This Consent Agreement is executed to avoid further proceedings and constitutes an admission of violations of the Act solely for the purpose of this Consent Agreement and for no other purpose.

IT IS THEREFORE AGREED as follows:

1. Within ten (10) days after the effective date of this Consent Agreement, ACE shall pay a fine of one thousand dollars (\$1,000.00) for each of the eleven (11) instances it failed to properly keep and maintain accurate customer records in its fourth repeat violation of Neb. Rev. Stat. § 45-915.01(2) (Reissue 2010).

2. Within ten (10) days after the effective date of this Consent Agreement, ACE shall pay a fine of one hundred dollars (\$100.00) for each of the five (5) instances it failed to obtain signed customer disclosure agreements in violation of Neb. Rev. Stat. § 45-917(1) (Reissue 2010).

3. Within ten (10) days after the effective date of this Consent Agreement, ACE shall pay a fine of one hundred dollars (\$100.00) for the one (1) instance it failed to

obtain the SDTVF in violation of Neb. Rev. Stat. § 45-919(1)(g) (Reissue 2010) and Neb. Rev. Stat. § 45-915.01(2) (Reissue 2010).

4. Within ten (10) days after the effective date of this Consent Agreement, ACE shall pay a fine of four hundred dollars (\$400.00) for each of the seventeen (17) instances it failed to obtain correctly completed SDTVFs in its fourth repeat violation of Neb. Rev. Stat. § 45-919(1)(g) (Reissue 2010) and Neb. Rev. Stat. § 45-915.01(2) (Reissue 2010).

5. Within ten (10) days after the effective date of this Consent Agreement, ACE shall pay the DEPARTMENT's investigation costs in the amount of five hundred dollars (\$500.00).

6. The total amount of the fine, eighteen thousand four hundred dollars (\$18,400.00), plus the total amount of investigation costs, five hundred dollars (\$500.00), shall be payable in one check or money order in the amount of eighteen thousand nine hundred dollars (\$18,900.00) to the DEPARTMENT.

7. Within ninety (90) days after the effective date of this Consent Agreement, ACE shall develop written policies and procedures to prevent further repeat violations of Neb. Rev. Stat. §§ 45-915.01(2) (Reissue 2010) and 45-919(1)(g) (Reissue 2010) and shall submit a copy of such policies and procedures to the DEPARTMENT for its approval. The policies and procedures shall be available on-site for examiner review.


8. In the event ACE fails to comply with any of the provisions of this Consent Agreement, the DEPARTMENT may commence such action regarding ACE as it deems necessary and appropriate in the public interest.

9. If, at any time, the DEPARTMENT determines ACE has committed any other violations of the Act, the DEPARTMENT may take any action available to it under the Act.

10. The effective date of this Consent Agreement will be the date of the Director's signature.

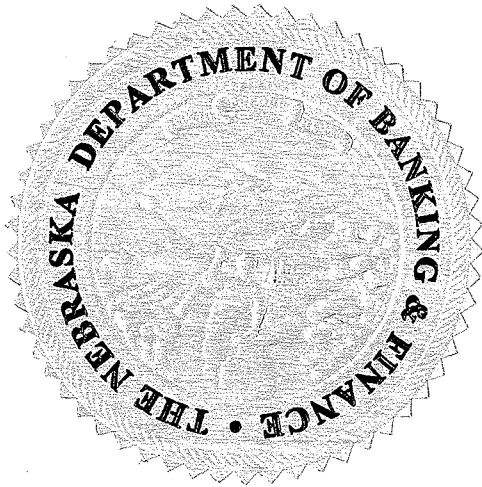
DATED this 16th day of May, 2014.

**ACE CASH EXPRESS, INC.**

By:   
Laurie Goodine Hill  
Senior Vice President/Deputy General Counsel

1231 Greenway Drive, Suite 600  
Irving, Texas 75038

DATED this 27th day of May, 2014.



**STATE OF NEBRASKA  
DEPARTMENT OF BANKING AND FINANCE**

By:   
Ray A. Pont, Acting Director

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