

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

IN THE MATTER OF:	)	
	)	FINDINGS OF FACT
Great Plains Specialty Finance, Inc.,	)	CONCLUSIONS OF LAW
d/b/a Check 'n Go,	)	AND
4640 Champlain Drive, Suite 117,	)	CONSENT AGREEMENT
Lincoln, Lancaster County, Nebraska	)	

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 45-929 (Reissue 2004; Cum. Supp. 2006) ("the Act"). Pursuant to Neb. Rev. Stat. § 45-920 (Reissue 2004), the DEPARTMENT has examined the books, accounts, and records of Great Plains Specialty Finance, Inc., d/b/a Check 'n Go, 4640 Champlain Drive, Suite 117, Lincoln, Lancaster County, Nebraska ("CHECK 'N GO"). As a result of such examination, and being duly advised and informed in the matter, the Director and CHECK 'N GO enter into the following Findings of Fact, Conclusions of Law, and Consent Agreement.

**FINDINGS OF FACT**

1. CHECK 'N GO holds a delayed deposit services business license under the Act. License #1841 was originally granted March 10, 1998, to Check 'n Go of Nebraska, Inc., d/b/a Check 'n Go. In October 2005, the licensee changed its name to that shown above. The license has been renewed annually on May 1<sup>st</sup> since March 10, 1998 pursuant to Neb. Rev. Stat. § 45-910 (Cum. Supp. 2006).

2. On February 15, 2005, the DEPARTMENT commenced an examination of CHECK 'N GO pursuant to Neb. Rev. Stat. § 45-920 (Reissue 2004). This examination included an on-site visitation of CHECK 'N GO's Lincoln, Lancaster County, Nebraska location.

3. The February 15, 2005 Report of Examination ("Report") was forwarded to CHECK 'N GO on March 14, 2005. The Report noted a number of violations of the Act. CHECK 'N GO submitted responses received by the DEPARTMENT on April 25, 2005, September 6, 2005, and September 19, 2005.

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

5. The Report noted that CHECK 'N GO's previous manager had been terminated for allowing "rollovers" on checks being held. A "rollover" transaction occurs when a licensee allows a customer with an outstanding check to pay only a service fee and the licensee agrees to hold a check for an additional time period. A licensee violates Neb. Rev. Stat. § 45-918 (Reissue 2004) by allowing customers to pay an additional fee in order for checks to be held for an additional period of time when those customers have already been charged the maximum statutory allowable fee in association with the original transaction, and Neb. Rev. Stat. § 45-919(1)(c) (Cum. Supp. 2006) by holding the checks for more than thirty-one (31) days.

6. With its April 25, 2005 and September 19, 2005 responses, CHECK 'N GO provided additional information concerning the previous manager's actions. While CHECK 'N GO did have corporate policies and safeguards in place prohibiting such activity, the previous manager still appears to have managed to allow a minimum of thirty-one (31) customers to engage in "rollover" transactions on multiple occasions. CHECK 'N GO's September 19, 2005 response noted:

The Licensee apologizes for not notifying the Department of this incident. Going forward, notification of this kind will be prompt in order to comply with Section 45-912. Again, please consider that the Licensee has an internal control within it's (sic) operating system because it is programmed to **not** allow cash againsts (extensions/rollovers), that the only possible exception to this programming internal control is to conduct rollovers fraudulently, and that this is considered an isolated incident.

7. Allowing thirty-one (31) customers to pay an additional fee in order for checks to be held an additional period of time when those customers previously had been charged the maximum statutory fee associated with those transactions on multiple occasions represents multiple violations of Neb. Rev. Stat. § 45-918 (Reissue 2004), and multiple violations of Neb. Rev. Stat. § 45-919 (1)(c) (Cum. Supp. 2006), as the maximum allowable statutory time period for holding these customers' checks was exceeded.

8. In correspondence dated August 21, 2006, CHECK 'N GO notified the DEPARTMENT of steps that had been implemented to prevent a repeat occurrence of the incident found in Findings of Fact #'s 5-7, including that:

Licensee has undertaken additional training of it's (sic) Nebraska employees regarding the prohibition of rollovers in Nebraska. The District Director of Operations ("DDO") has conducted this training, and obtains annual certifications from employees that they are aware of the policy prohibiting rollovers and will not violate this policy.

9. The Report revealed two instances where more than two checks from the same maker were held for customers RH and JC.

10. CHECK 'N GO's holding of more than two checks from the same maker at the same time for customers RH and JC represents two separate violations of Neb. Rev. Stat. § 45-919(1)(a) (Cum. Supp. 2006).

11. The Report revealed two instances where checks in an aggregate face amount of more than five hundred dollars were held for customers RH and JC.

12. CHECK 'N GO's holding of checks in an aggregate face amount of more than five hundred dollars from customers RH and JC represents two separate violations of Neb. Rev. Stat. § 45-919(1)(b) (Cum. Supp. 2006).

13. With respect to the violations noted in Findings of Fact #s 8-11 above, CHECK 'N GO's April 25, 2005 response indicated that:

The Licensee agrees and the operating system details that the Licensee was holding three checks belonging to consumer [RH] with an aggregate face amount of more than \$500.00 at one time. These transactions were conducted/approved by former Store Manager, [SD], who was terminated for conducting illegal rollovers. As the attached State-Specific Operations Policies read, extensions are not permitted. Also attached is evidence that it is policy that new extensions are not to be granted until the employee verifies that the previously deposited check has cleared the bank and will not be returned. Former Manager, [SD] did not do this. [customer and former store manager's full names redacted]

14. The DEPARTMENT could conclude that the actions of CHECK 'N GO 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 (Com. Supp. 2006).

15. The DEPARTMENT incurred a minimum of five hundred dollars in investigation costs in this matter.

## CONCLUSIONS OF LAW

1. Neb. Rev. Stat. § 45-908 (Reissue 2004) 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. To operate efficiently, a licensee must ensure that transactions with customers are conducted accurately and that the records concerning those transactions are not only accurately kept but also securely maintained if those records contain sensitive customer information.

2. Neb. Rev. Stat. § 45-918 (Reissue 2004) provides that no licensee may charge a fee in excess of fifteen dollars per one hundred dollars advanced.

3. Neb. Rev. Stat. § 45-919(1) (Cum. Supp. 2006) sets forth acts which are prohibited to a licensee. These acts include (a) holding more than two checks from one maker, (b) holding checks in an aggregate amount of more than five hundred dollars, and (c) holding checks for a time period greater than thirty-one days, if the transaction occurred prior to July 14, 2006.

4. Neb. Rev. Stat. § 45-925 (Cum. Supp. 2006) 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.

5. The facts listed in the above Findings of Fact constitute a sufficient basis for the Director to have determined that CHECK 'N GO 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 (Cum. Supp. 2006).

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

7. It is in the best interest of CHECK 'N GO, and it is in the best interest of the public, for CHECK 'N GO and the DEPARTMENT to resolve the issues included herein.

### **CONSENT AGREEMENT**

The DEPARTMENT and CHECK 'N GO agree as follows:

Stipulations: In connection with this Consent Agreement, CHECK 'N GO 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 February 15, 2005 examination of CHECK 'N GO. 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.

CHECK 'N GO further represents as follows:

1. CHECK 'N GO 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. CHECK 'N GO 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, CHECK 'N GO shall pay a fine of three hundred dollars (\$300.00) for each of the thirty-one (31) violations of Neb. Rev. Stat. § 45-918 and Neb. Rev. Stat. § 45-919(1)(c), where CHECK 'N GO's former manager allowed thirty-one customers to rollover their checks by paying an additional fee in order for checks to be held an additional period of time when those customers previously had been charged the maximum statutory fee associated with those transactions on multiple occasions, and the maximum statutory time period for holding their checks was exceeded.

2. Within ten (10) days after the effective date of this Consent Agreement, CHECK 'N GO shall pay a fine of one hundred dollars (\$100.00) for each of the two violations of Neb. Rev. Stat. § 45-919(1)(a), where CHECK 'N GO held more than two checks from one maker at one time.

3. Within ten (10) days after the effective date of this Consent Agreement, CHECK 'N GO shall pay a fine of one hundred dollars (\$100.00) for each of the two violations of Neb. Rev. Stat. § 45-919(1)(b), where checks in an aggregate amount of more than five hundred dollars were held from one maker.

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

5. The total amount of the fine, nine thousand seven hundred dollars (\$9,700.00), 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 ten thousand two hundred dollars (\$10,200.00) to the DEPARTMENT.

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

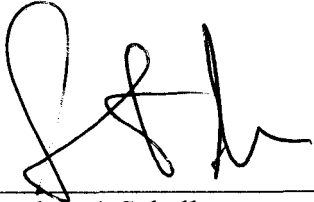
7. If, at any time, the DEPARTMENT determines CHECK 'N GO has committed any other violations of the Act, the DEPARTMENT may take any action available to it under the Act.

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

DATED this 26<sup>th</sup> day of October, 2007.

**Great Plains Specialty Finance, Inc.**  
**d/b/a Check 'n Go**

By: \_\_\_\_\_

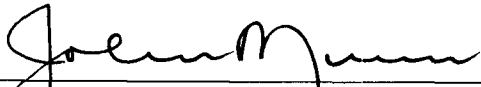
  
Stephen J. Schaller  
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DATED this 5<sup>th</sup> day of November, 2007.

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

By:   
\_\_\_\_\_  
John Munn, Director

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