

BEFORE THE STATE OF MISSISSIPPI
DEPARTMENT OF BANKING AND CONSUMER FINANCE

IN RE:
ALL AMERICAN CHECK CASHING, INC.

CAUSE NO. 2016-001

ADMINISTRATIVE ORDER

THIS MATTER came before the Commissioner of the Mississippi Department of Banking and Consumer Finance (hereafter referred to as “the Department”) pursuant to Miss. Code Ann. Section 75-67-423 of the Mississippi Title Pledge Act and Section 75-67-521 of the Mississippi Check Cashers Act, on the Notice of Hearing served on June 13, 2016, upon All American Check Cashing Inc., Midstate Finance Inc. and Michael Gray, Owner (hereinafter referred to as “Licensee”). Licensee was represented by Robin H. Rasmussen, Esquire, Bentley E. Connor, Esquire, and Dale Danks, Jr., Esquire. The Department was represented by Stephen Schelver, Esquire and Kathryn H. Hester, Esquire. Bridgette W. Wiggins, Special Assistant Attorney General, served as Hearing Officer for these proceedings.

PROCEDURAL HISTORY

1. The hearing in this matter extended from November 2016 through April 2017, over a total of twenty-four (24) days. A Scheduling Order was initially entered on the 9th day of September, 2016, (modified on the 23rd day of September, 2016) setting the subject hearing for four (4) to eight (8) days, beginning on November 16-18 and 22, 2016. If additional dates were necessary, the dates of January 10-13, 2017 were included.

2. Testimony was presented in this matter as scheduled on November 16-18 and 22, 2016 and January 10-13, 2017.

3. On December 9, 2016, a motion was filed by All American Check Cashing, Inc. (AACC) to add additional days to the hearing schedule. AACC advised that “a good faith estimate of the needed extra time was approximately five (5) days.” (Page 5 of “Reply to the Department’s Response to All American’s Motion to Add Days to Hearing Schedule”)

4. By email from Hearing Officer Bridgette W. Wiggins, dated December 19, 2016, the parties were provided with two (2) sets of additional days for consideration. Said dates were either January 17-20, 2017 or January 24-27, 2017.

5. By order dated December 21, 2016, the dates of January 17-20, 2017, were added to the hearing schedule.

6. At the conclusion of the hearing day on January 19, 2017, the Department had not completed its case-in-chief. Thus, on or near that same date, the parties were instructed by the Hearing Officer to (1) confer and determine exactly how many additional days would be needed to conclude the hearing and (2) agree upon dates for completion of the hearing.

7. On or near January 20, 2017, the parties agreed upon the following additional days for completion of the hearing:

Tuesday	February 14	9:30 to 5:00
Wednesday	February 15	9:00 to 5:00
Thursday	February 16	9:00 to 12:00
Thursday	February 23	9:00 to 5:00
Friday	February 24	9:00 to 12:00
Tuesday	February 28	9:00 to 5:00
Friday	March 3	9:00 to 12:00
Tuesday	March 7	1:00 to 5:00
Wednesday	March 8	9:00 to 5:00
Monday	April 3	9:00 to 5:00
Tuesday	April 4	9:00 to 5:00
Wednesday	April 5	9:00 to 5:00

8. By email dated Tuesday, February 21, 2017, the parties were advised by the Hearing Officer that the hearing date of Thursday, February 23rd would have to be rescheduled due to a death in her family. The parties were given the option to either proceed with the hearing scheduled for a half day on the next day, Friday, February 24th, or reschedule that date as well. The parties agreed to reschedule that date as well.

9. By agreement of the parties, the following dates were added to the hearing schedule to make-up the two (2) days cancelled in February:

Tuesday	March 21	9:00 to 5:00
Friday	March 24	9:00 to 12:00

10. The Department rested on February 14, 2017.

11. AACC began presenting its case-in-chief on February 15, 2017, and rested its case on April 5, 2017. At the conclusion of such, both parties were provided with an opportunity to present rebuttal evidence.

12. The parties were instructed to submit proposed Findings of Fact and Conclusions of Law no later than Wednesday, April 12, 2017.

Based upon the evidence presented by all parties, both documentary and testimonial, the following Findings of Fact and Conclusions of Law have been established by clear and convincing evidence:

FINDINGS OF FACT

13. By letter dated May 12, 2015, the Department issued to Licensee a “Check Casher Licensee Consolidated Report of Examination” (ROE), advising as follows:

In accordance with the Department’s statutory authority, an investigative examination was conducted at multiple locations beginning on June 16, 2014, to assess the company’s compliance with the Mississippi Check Cashers Act and the Mississippi Title Pledge Act.

14. The ROE clearly stated the grounds for the subject investigation. The ROE specifically stated that “the scope of the examination was derived from substantive concerns expressed through consumer and industry complaints, and the sworn testimony of former employees.” Thus, the subject investigation was based upon both consumer complaints and other exigent reasons.

15. The purpose of said ROE was stated as follows:

A special investigative examination was conducted by the Department of Banking and Consumer Finance (Department). The purpose of this examination was to determine if alleged illegal activity was being conducted by the Respondents, including “All American Check Cashing, Inc.” (AACC or the company), “Midstate Finance Inc.,” and any licenses held thereby (collectively hereinafter referred to as “Licensee”).

16. According to the ROE, “All MS Licenses shown in Appendix 1” were the subject of the investigation. Said licensees included the following:

Check Cashing Licenses:

<u>LicNo</u>	<u>Company</u>	<u>Address</u>	<u>City</u>
698	All American Check Cashing, Inc.	123 E Jackson Street	Belzoni
699	All American Check Cashing, Inc.	1568 West Government Street	Brandon
2124	All American Check Cashing, Inc.	396 Brookhaven Street, Suite B	Brookhaven
700	All American Check Cashing, Inc.	5795 Terry Road, Suite 311	Byram
701	All American Check Cashing, Inc.	124 West Center Street	Canton
702	All American Check Cashing, Inc.	425A North Davis Avenue	Cleveland
2204	All American Check Cashing, Inc.	3275 Highway 49 Suite 40	Collins
703	All American Check Cashing, Inc.	1213 B Highway 98 Bypass	Columbia
704	All American Check Cashing, Inc.	3189 Hwy 45 North, Suite C	Columbus
705	All American Check Cashing, Inc.	510 West Marion Avenue	Crystal Springs

706	All American Check Cashing, Inc.	10144 7th Avenue, Unit D	D'Iberville
707	All American Check Cashing, Inc.	1926 Veterans Memorial Blvd	Eupora
708	All American Check Cashing, Inc.	1413 Highway 1 South	Greenville
709	All American Check Cashing, Inc.	603 Viola B Sanders Drive, Suite 2	Greenwood
710	All American Check Cashing, Inc.	1550 Jameson Drive, Suite H	Grenada
711	All American Check Cashing, Inc.	3409 Washington Avenue	Gulfport
712	All American Check Cashing, Inc.	2902 Hardy Street, Suite 100	Hattiesburg
713	All American Check Cashing, Inc.	124 Market Place	Hazlehurst
2126	All American Check Cashing, Inc.	612 Sunflower Ave Ext. BLDG#2	Indianola
714	All American Check Cashing, Inc.	102 Mason Street	Laurel
715	All American Check Cashing, Inc.	310 Court Street	Lexington
716	All American Check Cashing, Inc.	110 N Walmart Drive, Suite A-1	Louisville
717	All American Check Cashing, Inc.	11231 Hwy 63 S., Ste B	Lucedale
718	All American Check Cashing, Inc.	1573 Simpson Highway 49, Suite 3	Magee
2065	All American Check Cashing, Inc.	1602 Veterans Boulevard, Suite B	McComb
719	All American Check Cashing, Inc.	721 Front St Ext., Suite 755	Meridian
2449	All American Check Cashing, Inc.	344 Park Plaza Drive	New Albany
720	All American Check Cashing, Inc.	1204 Bienville Blvd, Suite 1	Ocean Springs
721	All American Check Cashing, Inc.	7685 Hacks Cross Road, Suite 102	Olive Branch
722	All American Check Cashing, Inc.	4221 Denny Avenue	Pascagoula
734	Mid-State Finance, Inc.	2536 Highway 80 East	Pearl
723	All American Check Cashing, Inc.	2860 Highway 80, Suite A	Pearl
724	All American Check Cashing, Inc.	401-B Memorial Blvd.	Picayune
725	All American Check Cashing, Inc.	410 Christine Drive, Suite D	Ridgeland
726	All American Check Cashing, Inc.	9051 Highway 51 North	Southaven

727	All American Check Cashing, Inc.	911 Hwy 12 W, Ste 205-B	Starkville
728	All American Check Cashing, Inc.	422 South Gloster Street	Tupelo
729	All American Check Cashing, Inc.	4842 Plaza Drive	Tylertown
730	All American Check Cashing, Inc.	2121 B Clay Street, Suite B	Vicksburg
731	All American Check Cashing, Inc.	301 Hwy 45 Alt North, Suite 1	West Point
732	All American Check Cashing, Inc.	1107 E. Frontage Drive, Suite D	Wiggins
733	All American Check Cashing, Inc.	424 N Applegate Street	Winona

List of Title Licenses:

<u>LicNo</u>	<u>Company</u>	<u>Address</u>	<u>City</u>
2133	All American Title Loans, LLC	1568 West Government Street -B	Brandon
2129	All American Title Loans, LLC	5795 Terry Road, Suite 311-B	Byram
2028	All American Title Loans, LLC	124 West Center Street -B	Canton
2114	All American Title Loans, LLC	425A North Davis Ave - B	Cleveland
2200	All American Title Loans, LLC	3275 Highway 49 Suite 40-B	Collins
2068	All American Title Loans, LLC	1213 B Highway 98 Bypass - B	Columbia
2046	All American Title Loans, LLC	3189 Hwy 45 North, Suite C-2	Columbus
2130	All American Title Loans, LLC	510 West Marion Ave - B	Crystal Springs
2136	All American Title Loans, LLC	10144 7th Avenue, Unit D-2	D'Iberville
2115	All American Title Loans, LLC	1926 Veterans Memorial Blvd - B	Eupora
454	All American Title Loans, LLC	1413 Highway 1 South -B	Greenville
441	All American Title Loans, LLC	603 Viola B. Sanders Drive, Suite 300	Greenwood
442	All American Title Loans, LLC	1550 Jameson Drive, Suite H-1	Grenada
2134	All American Title Loans, LLC	3409 Washington Avenue - B	Gulfport
291	All American Title Loans, LLC	2902 Hardy Street, Suite 100-B	Hattiesburg
2131	All American Title Loans, LLC	124 Market -B	Hazlehurst

2212	All American Title Loans, LLC	612 Sunflower Ave Ext. BLDG#2-B	Indianola
2047	All American Title Loans, LLC	102 Mason Street -B	Laurel
292	All American Title Loans, LLC	310 Court Street, Suite B	Lexington
2116	All American Title Loans, LLC	110 N Walmart Drive, Suite A-1-B	Louisville
2048	All American Title Loans, LLC	11231 Hwy 63 S., Ste B - 1	Lucedale
2049	All American Title Loans, LLC	1573 Simpson Highway 49, Suite 3-B	Magee
2067	All American Title Loans, LLC	1602 Veterans Blvd, Suite 2-B	McComb
2452	All American Title Loans, LLC	344 Park Plaza Drive -B	New Albany
2138	All American Title Loans, LLC	1204 Bienville Blvd, Suite 1-B	Ocean Springs
2135	All American Title Loans, LLC	2860 Highway 80, Suite A-1	Pearl
2139	All American Title Loans, LLC	401-B Memorial Blvd. -B	Picayune
2132	All American Title Loans, LLC	410 Christine Drive, Suite D-1	Ridgeland
2029	All American Title Loans, LLC	911 Hwy 12 W, Ste 205-B (2)	Starkville
2050	All American Title Loans, LLC	422 South Gloster Street -B	Tupelo
2051	All American Title Loans, LLC	301 Hwy 45 Alt North, Suite 1-B	West Point
2137	All American Title Loans, LLC	1107 E. Frontage Drive, Suite D-1	Wiggins
2117	All American Title Loans, LLC	424 N Applegate Street -B	Winona

17. The subject investigation by the Department concluded on June 20, 2014.

18. A follow-up visit was conducted on December 1, 2014 and concluded on December 5, 2014.

19. The Department’s investigation “consisted of an extensive review of company business records, communications and data, compilation of examination findings and violations, . . .” (ROE).

20. At the conclusion of its investigation, the Department determined that “ownership and management of Licensee instituted a culture of disregard for the law, including the laws designed to protect consumers.” (ROE).

21. At all times relevant to the subject investigation, Michael Gray was the President and Chief Executive Officer (CEO) of Licensee.

22. Michael Gray played an active role in the day to day operations and oversight of the Licensee.

23. At all times relevant to the subject investigation, Kelvin Hall was the General Supervisor and reported directly to Michael Gray. Hall was employed by Licensee from 2012 through 2015. Hall had direct supervision over Licensee’s area supervisors. The area supervisors supervised one or more of Licensee’s stores. Each store was operated by a manager and manager trainees. At the time of these proceedings, Hall was no longer employed by Licensee.

24. At all times relevant to the subject investigation, Jeremy Hoskinson was Licensee’s Director of Finance. However, prior to October 2013, Hoskinson held the position of financial analyst. Hoskinson reported directly to Michael Gray. At the time of these proceedings, Hoskinson was still employed by Licensee.

25. At all times relevant to the subject investigation, Lisa Reed was one of Licensee’s area supervisors. Reed began working for Licensee on January 9, 2004. Reed was the store manager for the store located in Eupora and then became area supervisor for the Columbus, West Point, Starkville, Louisville, Eupora and Winona stores. According to Reed, she reported directly to Michael Gray. At the time of these proceedings, Reed was no longer employed by Licensee.

26. At all times relevant to this investigation, Licensee maintained a home office located in Madison, Mississippi, in a 3200 square foot, one-story office building. The home office employees included the following: Michael Gray (Chief Executive Officer), Alan Crancer (Chief Administrative Officer), Kelvin Hall (General Supervisor), Jeremy Hoskinson (Director of Finance), Michael Law (Human Resources), Sonya Teasley (Human Resources), Dianne Valladares (Compliance), Scott Cain (Employee Development/Training), Randy Kirby (Development), Mandi Marchadier F/K/A Mandi Hearn (Internal Auditor), Sherrie Warrell (Office Administrator), and other administrative employees.

27. In the fall of 2010, Michael Gray hired Alan Crancer as a contract employee to handle marketing. However, in April 2011, Gray gave Alan Crancer a full time position as Chief Administrative Officer (CAO). Gray later reassigned Crancer to handle compliance matters related to the Consumer Finance Protection Bureau (CFPB). Crancer reported directly to Michael Gray. At the time of these proceedings, Crancer was no longer employed by Licensee.

28. Prior to his employment with the Licensee, Alan Crancer had no experience in the payday lending industry. Yet, Michael Gray hired Crancer as his CAO and later reassigned him to be responsible for ensuring that the Licensee was in compliance with the federal rules and regulations of the CFPB.

29. At the time of the instant hearing, Scott Cain was the longest tenured employee of the Licensee having been hired on January 22, 2005. Throughout his employment, Cain previously held the positions of manager trainee and store manager. At the times relevant to the subject investigation, Cain served as an area supervisor and was later assigned to handle employee development (training). Cain was the person primarily responsible for the training of employees. He worked out of the Licensee's home office. Cain reported directly to Michael

Gray prior to Crancer's hiring; however, after Crancer was hired as CAO, Cain reported to Crancer. At the time of these proceedings, Cain was still employed by Licensee.

30. Both training and compliance were under the authority and supervision of the CAO, which was Alan Crancer.

***The Monthly Lending Program/Lending on the 1st and 3rd
and
Fee-only Payments***

31. On or near April 1, 2011, Alan Crancer and Scott Cain created a lending program for both new and existing customers which was referred to as the "Social Security Customer Strategy."

32. By email dated April 1, 2011, Scott Cain circulated the instructions for this lending strategy to two of the Licensee's supervisors and the general manager. This email encouraged the supervisors and general manager to share the strategies with their stores and use this plan to make loans to customers who were on social security. Cain also copied Alan Crancer, his supervisor, on said email. This plan provided instructions on how to use the proceeds of one loan to pay off another loan, a violation of Mississippi law, using an example transaction with Customer Mary Smith. Cain testified that Crancer used his computer to create and email the document because Crancer did not have a computer of his own; however, the Commissioner did not find such testimony to be credible.

33. By email dated July 15, 2012, Cain sent a "Presentation" to Crancer adding images and a test to a document similar to the one circulated on April 1, 2011. This second document provided instructions for loaning money to customers who are paid once a month and outlined a "Lending Program 1st and 3rd". This document also provided instructions on how to

use the proceeds of one loan to pay off another loan, a violation of Mississippi law, using the example transaction with Customer Mary Smith.

34. By email dated July 15, 2012, Crancer sent document to Cain requesting that Cain “Please Review and see if this is correct?????”. This third document was similar to the previously circulated documents but was titled “Loaning On the 1st and 3rd”. It also provided instructions for loaning money to customers who are paid once a month and outlined the “Lending Program 1st and 3rd.” A footer was included on the document which read, “Fall Management Retreat 2012.” This document also provided instructions on how to use the proceeds of one loan to pay off another loan, a violation of Mississippi law, using the example transaction with Customer Mary Smith.

35. By email dated July 31, 2012, Cain sent an email to all of Licensees store managers and supervisors providing them with a copy of the “Loaning on the 1st and 3rd” document referenced above and advising as follows:

Attached is the handout covered at the manager meeting earlier this month. It would be a good idea to cover this with others in your office this evening or first thing tomorrow morning and try to lend part of your customers credit line back to them tomorrow and on Friday for those customers who are paid only once a month.

This document also provided instructions on how to use the proceeds of one loan to pay off another loan, a violation of Mississippi law, using the example transaction with Customer Mary Smith.

36. By email dated September 14, 2012, Cain sent a document to Lisa Reed, an area supervisor, under the subject line, “October Meeting Breakout Session.” The document was titled, “Loaning on the 1st and 3rd.” This document was similar to the previously circulated documents. It also provided instructions for loaning money to customers who are paid once a

month. It included a section that provided “Benefits of Lending To 1st and 3rd Customers.” This document also provided instructions on how to use the proceeds of one loan to pay off another loan, a violation of Mississippi law, using the example transaction with Customer Mary Smith. Cain explained to Lisa that he was sending her the document “in case you needed it for anything on your presentation for the upcoming meeting in October.”

37. By email dated September 29, 2012, Crancer thanked Lisa Reed, an area supervisor, for providing him with a copy of her “final draft of your Breakout Session for the Oct. Managers Meeting.” This included a document titled “Loaning On the 1st and 3rd/Turning your stores money.” This document was similar to the previously circulated documents. It also provided instructions for loaning money to customers who are paid once a month. It included the section that provided “Benefits of Lending To 1st and 3rd Customers.” This document also provided instructions on how to use the proceeds of one loan to pay off another loan, a violation of Mississippi law, using the example transaction with Customer Mary Smith. Michael Gray was also included as a recipient to this email and was provided with a copy of the referenced document.

38. By email dated October 1, 2012, Michael Gray, CEO of Licensee, sent a copy of the document referenced above in Paragraph 36 to all of Licensee’s supervisors. Gray advised his supervisors to use this document to “teach, coach and assist your mangers in learning our ways.” He specifically instructed as follows:

Remember,
Todays [sic] conversation needs to be about keeping your
money on the streets. I expect each of you to Setthe [sic] EXAMPLE,
teach, coach and assist your managers in learning our ways.

Ive [sic] attached Lisas [sic] break out session for information purposes
only, please do not forward or distribute her presentation, you may however,
use excerpts by cut/paste in order to Get your morning meeting started [sic]

Thanks,
And lets [sic] keep the money on the streets [sic]

Once again, this document provided instructions for loaning money to customers who are paid once a month. It included the section that provided “Benefits of Lending To 1st and 3rd Customers.” This document also provided instructions on how to use the proceeds of one loan to pay off another loan, a violation of Mississippi law, using the example transaction with Customer Mary Smith.

39. In October 2012, Crancer created the “All American ‘Playbook’” which included a document titled, “Breakout Session – Lending on the 1st and 3rd.” This document was very similar to the previously circulated documents. It provided instructions for loaning money to customers who are paid once a month and included the section that provided “Benefits of Lending to 1st and 3rd Customers.” A footer was included which read, “Lisa Reed/Heather Barnett – October 2012.” As previously noted, Reed was employed as an area supervisor of the Licensee and Heather Barnett was employed as manager of the Licensee’s store located in Eupora, Mississippi. This document also provided instructions on how to use the proceeds of one loan to pay off another loan, using the example transaction with Customer Mary Smith.

40. On April 1, 2014, Cain created “All American Check Cashing Payday Loan Certification Payday Workbook.” Cain testified that such was prepared for a certification program. Cain also testified that he was instructed by Michael Law, the human resources director of Licensee, to create this workbook. Cain further testified that the target audience for said workbook was manager trainees. These were individuals who were in training to advance to manager positions within the company. Included as page thirty-two of said workbook was a document titled, “Loaning Money to Customers Who Are Paid Once a Month.” This document was very similar to the previously circulated documents. It included the section that provided

“Benefits of Lending to 1st and 3rd Customers.” This document also provided instructions on how to use the proceeds of one loan to pay off another loan, a violation of Mississippi law, using the example transaction with Customer Mary Smith.

41. By email dated April 3, 2014, Cain circulated an email to all of the store managers and supervisors which included an attachment document titled, “Loaning on the 1st and 3rd.” This document was very similar to the previously circulated documents. It provided instructions for loaning money to customers who are paid once a month. It included the section that provided “Benefits of Lending to 1st and 3rd Customers.” This document also provided instructions on how to use the proceeds of one loan to pay off another loan, a violation of Mississippi law, using the example transaction with Customer Mary Smith.

42. By email dated June 3, 2014, Cain circulated an attachment titled, “Loaning on the 1st and 3rd.” This document was very similar to the previously circulated documents. It provided instructions for loaning money to customers who are paid once a month and included the section that provided “Benefits of Lending to 1st and 3rd Customers.” It included a footer which read, “Fall Management Retreat 2012.” This document also provided instructions on how to use the proceeds of one loan to pay off another loan, using the example transaction with Customer Mary Smith.

43. During the Department’s investigation, the Department searched, on or near June 16, 2014, the Licensee’s company intranet which is used to maintain and circulate documents to its employees. A document titled, “Loaning On the 1st and 3rd” was located on the intranet. This document was very similar to the previously circulated documents. It provided instructions for loaning money to customers who are paid once a month and outlined the “Lending Program 1st and 3rd.” It included two footers (1) Fall Management Retreat 2012 and (2) Copy Can be Found

on Company Intranet Under: “Forms”/”Employee Development Resources.” This document also provided instructions on how to use the proceeds of one loan to pay off another loan, a violation of Mississippi law, using the example transaction with Customer Mary Smith.

44. Testimony was elicited from Scott Cain stating that Alan Crancer was solely responsible for the creation and circulation of the aforementioned documents. The Commissioner is not convinced by this testimony. Nor is the Commissioner convinced by Cain’s testimony that from April 1, 2011 through June 3, 2014, Cain, the person responsible for the training of Licensee’s employees, continued to circulate a document that he never once read. During this entire period of time, Cain repeatedly circulated (on at least seven (7) separate instances) the aforementioned documents to employees of the Licensee, encouraging them to lend money as instructed in the Customer Mary Smith example.

45. The Commissioner is also not convinced by the testimony of Michael Gray that he never read the subject document when it was first provided to him by Alan Crancer on September 29, 2012 or that he did not read it prior to circulating it to his employees on October 1, 2012.

46. The aforementioned documents evidence the creation and use of a lending program (hereafter referred to as the Monthly Lending Program) that encouraged and condoned the illegal practices of fee-only transactions (discussed in detail below) and paying off one loan with the proceeds of another.

47. The ROE and records of the Department’s examiners who observed customer transactions at Licensee during the investigation evidence that examiner’s witnessed customers attempting to make fee-only payments. Customers told examiners that they had been allowed in the past to make fee-only payments.

48. Department examiners located the “Loaning on the 1st and 3rd” document in the Columbus store. The supervisor at the Gulfport store printed a similar document for the examiners.

49. Testimony from former employees, including but not limited to Nathan (Nate) Williams and Susan Seymour, as well as Department examiners, including, but not limited to Mike Garrard, and customers of Licensee evidenced that the Licensee encouraged and condoned the illegal practice of fee-only transactions and paying off one loan with the proceeds of another.

50. The Commissioner is convinced that the testimony provided by Nathan (Nate) Williams was credible and reliable. Williams has worked in the payday industry from 2000 to 2015. He began his employment with Licensee in November 2012. He worked there until September 2013. He was an area supervisor, initially responsible for the supervision of all of the Licensee’s stores on the Mississippi Gulf Coast and Lucedale, with the exception of Gulfport. He was transferred in May of 2013 to cover the southwest Mississippi market and Louisiana. He was hired by Michael Gray. Additionally, after Williams was no longer employed by Licensee, Michael Gray sent Williams a note which evidenced Williams’ trustworthy character. The note read as follows:

Hello Nate – I wanted to send you a personal note to express my Gratitude and most sincere “THANKS” For your Courage and Commitment to the Truth. You are a Wonderfully Strong Man with Solid Values and Principals [sic]. It has been a true blessing to get to know you and be able to call you Friend!

51. Williams testified that employees at his stores used the Monthly Lending Program. His employees used the proceeds from a second loan to pay off the first loan, a violation of Mississippi law. Williams had obtained a copy of the Monthly Lending Program document from the intranet during his employment and Williams provided such document to the

Department. Williams testified that he used this document to train his employees and that he witnessed his employees taking rollovers and accepting fee-only payments. Williams further testified that he was encouraged by his supervisor, Kelvin Hall, to improve his store's performance by educating his managers on the Monthly Lending Program. Williams also testified that he specifically asked Alan Crancer if the Monthly Lending Program was illegal and Crancer advised him that the program had been approved by the banking commission. However, the record is void of any such approval by the banking commission.

52. The Commissioner finds that the testimony of Susan Renee Seymour was credible and reliable. Seymour began working in consumer finance in 1978. She began working for Licensee at the end of May, 2013 and left said employment in January 2014. Seymour was an area supervisor for the stores located in Lucedale, Pascagoula, Ocean Springs, D'Iberville, Gulfport, Hattiesburg, and Columbia. Seymour's testimony was consistent with that of former area supervisor, Nate Williams. Additionally Seymour testified that she talked with Kelvin Hall, Michael Gray and Michael Law (Human Resource Director) about her concerns that illegal activities were going on in her stores because the employees were accepting fee-only payments and not requiring the customers to come in and pay the account, and that the customers that were paid on a monthly basis were actually being mistreated and breaking the law.

53. Seymour's testimony was supported by the testimony of Michael Gray. Gray testified that Michael Law did mention to him that Seymour had reported to Law that people were rolling over and taking fees. Gray further testified that his only response to such was, "Like yeah, right, tell her to fix it. It was the farthest thing from my mind."

54. Both Seymour and Williams' testimony were supported by an email dated March 7, 2012, that Valerie Robinson, a former employee of Licensee, sent to Michael Gray. Robinson

sent said email to Gray after she was fired. Robinson advised Gray as follows, “Now if I am told and I can break The Banking Commission rules by taking fees (told to do so by every Supervisor I have ever had but John) I didn’t think I could loose [sic] my job by bending the rules with the check.” Gray responded to said email and advised Robinson, “Please call me on my cell phone...I would like to meet with you in person TODAY, please.” Evidence demonstrates Robinson was rehired after he received the aforementioned email from her.

55. The Commissioner finds the testimony of Kelvin Hall unreliable. At all times relevant to this proceeding, Hall was employed as general supervisor for the Licensee, working out of the Licensee’s home office. Hall was the direct supervisor of all area supervisors, including Williams and Seymour.

56. Hall testified that he had never trained anyone on the 1st and 3rd document; had never seen anyone train on it, and had no idea where it came from because he had never seen it before. Yet, an email from Hall dated October 1, 2012, evidenced that Hall had actually cut and pasted from one of the Monthly Lending Program documents and used such in the body of his email. Also, Hall was included as a recipient of the email from Michael Gray on October 1, 2012, which included a copy of a Monthly Lending Program document and instructed employees to cut and paste from it. Thus, not only did Hall see the document, he followed Michael Gray’s instructions on how to further circulate the document to other employees.

57. The Commissioner is convinced that the testimony provided by Former Customer Young was credible and reliable. For the past twenty-two (22) years, Young has been employed as a counselor at a regional hospital in Laurel, Mississippi. Young was a customer at the store located in Laurel. Young testified that he was allowed to make a fee-only payment for years, which is a violation of Mississippi law. Young further stated that the employees gained his

confidence by helping him in his time of need. However, when he discovered that making a fee-only payment was illegal and questioned the company regarding such, the employees stopped being friendly.

58. The Commissioner finds the testimony of Michael Gray regarding the Monthly Lending Program document unreliable and contradictory. In spite of the fact that he had personally circulated the Monthly Lending Program document and even instructed his employees on how to use such, he testified that he did not become aware of this “bad document” until it was delivered to his home office by the Department. However, his October 1, 2012, email to all of his supervisors, which attached a copy of the subject document, instructed them to “...teach, coach and assist your mangers in learning our ways. . . .”

The Debit Card Payments

59. The Commissioner is convinced that the testimony provided by Mike Garrard was credible and reliable. Garrard is employed by the Department as an Examiner V. Garrard was one of the examiners who conducted the subject investigation of Licensee. He has been employed by the Department for twenty (20) years. Prior to working with the Department, Garrard worked for various consumer finance companies for about thirteen (13) years.

60. Garrard testified that his review of Licensee records revealed that the Licensee was accepting fee-only payments on customer debit cards. Garrard obtained a report from Licensee’s computer system, eCash, which listed 1,502 transactions where roll-over fees were applied to debit cards. These were transactions in which the customer was allowed to use their debit cards to pay only the fee that was owed without making any payment toward the principal that was also due. There were either one or two delayed deposit checks related to a single debit transaction. Garrard noted that in the case where two checks were involved, the customer’s

transaction history indicated that the amount debited was applied to one of the two checks as a payment with the rest of the buyback amount paid in cash. The Commissioner finds and accepts Garrard's determination that the debited amount was actually applied to the fees of each check and that the customer would then write new checks that were due in fourteen (14) days and leave the Licensee's office with no cash, and that such was a pattern of practice through-out numerous transactions at multiple locations.

61. It is further noted that Garrard's determinations were supported by the statement provided to the Department by Alan Crancer, who was no longer employed by the Licensee at the time of these proceedings.

62. Crancer testified that (1) the employees were just taking fees using debit cards, (2) that this practice was showing up in eCash; (3) that there was a report that was run in eCash; (4) that he and Diane Valladares, the home office employee who also worked on compliance, looked at such a report and believed that such was illegal and that there was a blatant paper trail of the illegal practice, (5) that Crancer and Valladares brought the issue to the attention of both Kelvin Hall and Michael Gray; (6) that it was the culture of the company to accept fee-only payments, and (7) that the practice was widespread throughout the entire company.

63. Crancer's assertions were supported and corroborated by an email, from Kelvin Hall (General Supervisor), dated June 17, 2014, to Jeremy Hoskinson, (Director of Finance), advising that the Licensee should stop accepting fee only debit card transactions because "such looks like a roll-over" and that a debit card transaction should be for the full amount of the check. However, according to Crancer, this only stopped employees from accepting fee-only payments on debit cards and that employees continued to take fee-only payments through other means.

64. The Commissioner is not persuaded by Hoskinson's testimony that when there was a fee-only debit card payment, the principal portion of the loan was repaid by other means.

The Refund Policy

65. In response to the Department's ROE, Licensee submitted a "ROE Response of All American Check Cashing, Inc." Said response stated by its own terms that it was submitted for the dual purposes of: (1) "amicably resolving the Department's joint investigation with the federal Consumer Financial Protection Bureau ("CFPB") and (2) "to formally respond to the ROE."

66. According to the Licensee's ROE Response, at the time of the Department's investigation, the Licensee was withholding refunds that were due and owing to at least 1,001 customers.

67. During the testimony of Hoskinson, there was much discussion of the process used by Licensee to research refunds due as a result of customer overpayments. It was clear from said testimony that both the Licensee and Hoskinson were not interested in researching potential refunds due until Licensee was served with a Civil Investigative Demand (CID) from the CFPB. It is also worth noting that in spite of Licensee having refunds on its books that were due and owing to customers, Hoskinson admitted that the company has never escheated any funds to the state since the first store opened in 1999.

68. It was the Licensee's policy to never contact a customer and advise him/her that they were due a refund. Licensee concealed the existence of a customer's credit and only provided a refund if the customer realized that an overpayment had been made and then requested that his/her money be refunded.

69. The Commissioner finds compelling the testimony of Dianne Valladares regarding the Licensee's refund policy. Valladares testified that rather than provide refunds that

were due and owing, she was instructed by Michael Gray to perform a process that was called a “home office correction” or “credit balance cleanup.” She would go into the Licensee’s eCash computer system and remove any credit balances that appeared on a customer’s account.

Therefore, the next time that the employees in the stores looked at that customer’s account, the credit no longer appeared on the customer’s account and no longer showed that the customer was due a refund. Valladares made monthly reports of the refunds that were removed from a customer’s account. Valladares testified that she sent these reports to Hoskinson every month.

70. Valladares’ testimony was supported by an email exchange between her, Lisa Reed, and Alan Crancer. On October 4, 2012, Valladares sent an email to “Starkville Manager” and copied Lisa Reed. The subject of the email was “Home Office Correction.” Valladares wrote, “Once a month the boss has me clear out older credits.” Lisa Reed responded on October 11, 2012 and advised:

If a customer is owed a refund we need to be getting it to them asap. I know previously we did not call and tell the customer we owed a refund. However, times have changed in our everchanging business! We do want to go ahead and make sure we get the refund back in the hands of the customer.

Instead of responding to Reed, Valladares sent an email to Crancer on the same date of October 11, 2012 and stated:

This is not according to what Michael has always said. Did he change his mind and not tell me? We have always been told we do not call and tell customer we owe them a refund.

Thereafter, on October 31, 2012, Valladares sent a follow-up email to Crancer, stating:

It’s time to do these corrections tomorrow. There is a little over 2400 to clear out. Did you ever speak to Michael about this? Did he change the rule or is Lisa just saying shes [sic]changing it? Thanks

On that same date of October 31, 2012, Crancer responded by stating, “Stay the course.”

Valladares immediately replied with, “Sure thing.”

The Customer Signatures

71. According to the Department’s previous examinations of Licensee, it was determined that Licensee was allowing non-customers to rewrite on behalf of a customer without Licensee requiring execution of a power of attorney document.

72. Licensee had assured the Department that this practice would end; however, during the Department’s subject investigation, the Department learned that Licensee was continuing to engage in this practice.

73. According to the complaint submitted by Customer Skinner, her 16 and 17 year old nephews were requested by Licensee to sign her name. Additional documents from Licensee’s records such as the account history of other customers, as well as Licensee’s own audit reports evidenced that this was a continuing practice of the Licensee.

The Bank Accounts

74. When Department Examiner Garrard reviewed the Licensee’s eCash computer system, he was able to pull a report that listed 182 customers whose bank account was listed as “Fake Bank”, “Money Network”, “Green Dot”, “AACC Bank”, and other similar names.

75. Customer Skinner stated in her complaint that she was allowed to continue to obtain payday loans even though she told Licensee that she did not have an open bank account. Records evidenced that Skinner was allowed to obtain payday loans using “checks” provided by Licensee at least from November 2013 through March 13, 2014.

76. The Commissioner finds that Licensee was engaging in a practicing of allowing customers to obtain payday loans without requiring that the customer’s check be drawn on a real, existing bank account that was actually being maintained by the customer.

The Title Pledges

77. The Commissioner is convinced that Licensee was instructing and training its employees to use the proceeds of one title pledge loan to pay off an existing title pledge loan.

78. This practice was supported by an email from Kelvin Hall (General Manager) to area supervisors, dated December 17, 2013, with the subject, "Title loan growth." In this email, Hall instructs the supervisors on how to use the proceeds of a new title pledge loan to pay the outstanding principal amounts of an existing title pledge loan. This email was sent to all of Licensee's area supervisors. Said supervisors were responsible for all of Licensee's stores including the thirty-three (33) stores that issued title loans.

79. The Commissioner is convinced by the statement of Susan R. Seymour, a previously employed area supervisor, regarding this practice. According to Seymour, she was aware that this practice was occurring in the Laurel store. Seymour stated as follows:

The customer would come in, bring the car in for a title loan and say, "We owe ABC Title Loan \$1,000, and we need to get another \$500 or \$750." And if the car was worth it and we could prove it, they did the transaction, signed the paperwork, gave the customer cash, followed them down to the ABC Title Loan company, and had them go in there and pay that company off, and come back and give that manager the title.

80. This practice was also supported by the testimony of Nathan (Nate) Williams, a former area supervisor, that a manager in Licensee's Hattiesburg store was buying title loans from Licensee's competitors. Said manager would give money to the customers to pay off the competitor's loan and then enter into a new loan with the customer.

The Access to Records

81. It is undisputed that the Licensee refused to allow the Department examiners immediate access to its business records on four (4) different dates: June 16, 17, 18 and 19,

2014. These delays were for varying lengths of time at varying locations, including the home office.

82. The Licensee closed its stores on Monday, June 16, 2014, and told its employees not to provide any information until they “figure out what was going on.” This is undisputed by both Jeremy Hoskinson and Michael Gray.

83. By email dated June 16, 2014, at 2:25 p.m., Hoskinson closed the stores that the Department was attempting to investigate.

84. By email dated June 16, 2014, at 2:31 p.m., Hoskinson instructed all of Licensees that “no employee is required to provide documents, oral or written statements, or any other information to the Department of Banking before speaking to the home office first.”

85. By email dated June 17, 2014, at 9:18 a.m., Hoskinson instructed all employees of Licensee to not provide any reports, access to eCash or e-mail, or answer any questions of the Department without first contacting Licensee’s home office for “clarification and instruction.”

86. Hoskinson did not instruct employees to provide examiners with the documents being requested until Tuesday morning around 11:00 on June 17, 2014.

87. By email dated June 17, 2014, at 11:59 a.m., Hoskinson instructed employees at the stores being examined that they may use their cell phone or take notes to record the Department’s investigation.

88. Based upon the instructions provided by Hoskinson, employees obstructed the Department’s investigation by: (1) refusing to timely provide documents requested, without prior notice to Licensee, (2) videoing examiners when they were speaking with customers in Licensee’s parking lot, (3) following examiners in their vehicles when they left store locations,

and (4) closing stores so that the examiners could not observe the customer transactions or speak with the customers.

89. Although Michael Gray does not appear at a store location until Wednesday, June 18, 2014, Gray is in constant communication with his upper management, beginning on Monday, June 16, 2014, when Hoskinson contacts him by telephone. Gray does not dispute that his employees were instructed to delay providing records to the Department examiners.

CONCLUSIONS OF LAW

1. Based upon the Findings of Facts as enumerated above, the subject investigation of Licensee which began on June 16, 2014, was a lawful investigation conducted in compliance with both the Mississippi Check Cashers Act and the Mississippi Title Pledge Act.

I. Violations of the Mississippi Check Cashers Act.

Based upon the Findings of Facts as enumerated above, Licensee has violated the following provisions of the Mississippi Check Cashers Act, Miss. Code Ann. Section 75-67-501, et seq:

2. The Licensee has violated Section 75-67-521(1)(a) by either knowingly, or without the exercise of due care to prevent the same, violated the provisions of Sections 75-67-517, 75-67-519(3), 75-67-519(4)(a) and (b), 75-67-519(5) and Regulation 3.3(5) of Mississippi the Check Cashers Act. Specifically, the Licensee, through its agents, employees, Michael Gray, and the upper management hired by him, either knowingly or without the exercise of due care to prevent the same, have violated the provisions of the Mississippi Check Cashers Act by:

- a. Renewing a payday loan through the payment of the original check with the proceeds of a second check, in violation of Section 75-67-519(5);

- b. Renewing a payday loan through payment of a fee only rather than paying off the original loan in full, in violation of Section 75-67-519(5) and Regulation 3.3(5);
- c. Failing to make timely refunds to customers, thus, charging All American's customers more than the statute allows, in violation of Section 75-67-519(4);
- d. Advancing funds to people who are neither the customer nor have written authorization to rewrite a loan on behalf of the customer, in violation of Section 75-67-519(3); and
- e. Advancing funds to customers who do not have legitimate, open and active bank accounts in violation of Section 75-67-517.

3. The Licensee has violated Section 75-67-521(1)(c) by aiding, abetting or conspiring with an individual or person to circumvent or violate the requirements of Sections 75-67-517, 75-67-519(3), 75-67-519(4)(a) and (b), 75-67-519(5) and Regulation 3.3(5) of the Mississippi Check Cashers Act. Specifically, Licensee, through its agents, employees, Michael Gray, and the upper management hired by him, have conspired with its store managers, manager trainees and its customers to circumvent or violate the requirements of the Mississippi Check Cashers Act by:

- a. Renewing a payday loan through the payment of the original check with the proceeds of a second check, in violation of Section 75-67-519(5);
- b. Renewing a payday loan through payment of a fee only rather than paying off the original loan in full, in violation of Section 75-67-519(5) and Regulation 3.3(5);

- c. Failing to make timely refunds to customers, thus, charging All American's customers more than the statute allows, in violation of Section 75-67-519(4);
- d. Advancing funds to people who are neither the customer nor have written authorization to rewrite a loan on behalf of the customer, in violation of Section 75-67-519(3); and
- e. Advancing funds to customers who do not have legitimate, open and active bank accounts in violation of Section 75-67-517.

4. The Licensee has violated Section 75-67-521(1)(c) by aiding, abetting or conspiring with an individual or person to circumvent or violate the requirements of Sections 75-67-515(2) and 75-67-523 of the Mississippi Check Cashers Act. Specifically, Licensee, through its agents, employees, Michael Gray, and the upper management hired by him, have conspired with its store managers and manager trainees to circumvent or violate the requirements of the Mississippi Check Cashers Act:

- a. By refusing to provide documents requested by the Department during the June 16- June 20, 2014, investigation and observation until several hours after the request;
- b. By shutting down the locations that were being investigated and observed, thus eliminating the opportunity for examiners to observe customer transactions during the June 16, 2014, Department examination;
- c. By frustrating and thwarting the efforts of the Department examiners to interview customers during the June 16 – June 20, 2014 investigation by

following the examiner and the customer and videoing and interrupting the examiner's conversation with the customer in a public parking lot; and

- d. By being uncooperative, refusing to answer questions and by following the examiners in vehicles when the examiners left the store locations, thus putting the examiners and potentially the Licensee's employees and the public, at harm, all in an effort to intimidate or frustrate and thwart the efforts of the Department's examiners to complete their investigation.

II. Violations of the Mississippi Title Pledge Act.

Based upon the Findings of Facts as enumerated above, Licensee has violated the following provisions of the Mississippi Title Pledge Act, Miss. Code Ann. Section 75-67-401, et seq:

5. The Licensee has violated Section 75-67-423(1)(c) by aiding, abetting, or conspiring with an individual or person to circumvent or violate the requirements of Section 75-67-413(4) of the Title Pledge Act. Specifically, the Licensee through its agents, employees, Michael Gray, and the upper management hired by him have conspired with its store managers and manager trainees, and violated the Mississippi Title Pledge Act by instructing and training employees to use proceeds of one title pledge loan to pay on an existing title pledge loan, in violation of Section 75-67-413(4).

6. The Licensee has violated Section 75-67-423(1)(c) by aiding, abetting, or conspiring with an individual or person to circumvent or violate the requirements of Sections 75-67-415(b), 75-67-435, and 75-67-447 of the Mississippi Title Pledge Act. Specifically, the Licensee through its agents, employees, Michael Gray, and the upper management hired by him,

have conspired with its store managers and manager trainees to circumvent or violate the Title Pledge Act by:

- a. By refusing to provide documents requested by the Department during the June 16- June 20, 2014, investigation and observation until several hours after the request;
- b. By shutting down the locations that were being investigated and observed, thus eliminating the opportunity for examiners to observe customer transactions during the June 16, 2014, Department examination;
- c. By frustrating and thwarting the efforts of the Department examiners to interview customers during the June 16 – June 20, 2014 investigation by following the examiner and the customer and videoing and interrupting the examiner’s conversation with the customer in a public parking lot; and
- d. By being uncooperative, refusing to answer questions and by following the examiners in vehicles when the examiners left the store locations, thus putting the examiners and potentially the Licensee’s employees and the public, at harm, all in an effort to intimidate or frustrate and thwart the efforts of the Department’s examiners to complete their investigation.

III. License Revocation

7. The Commissioner finds that in light of the egregious nature of Licensee’s unlawful business practices and the measures untaken by Licensee to prevent the detection of such, neither Michael Gray, All American Check Cashing, Inc., Midstate Finance Inc., or any affiliated company, should be a holder of any license issued by the Mississippi Department of Banking and Consumer Finance.

IV. Assessment of Penalties

8. The Commissioner finds that there is clear and convincing evidence that Licensee either knowingly, or without the exercise of due care encouraged and allowed its upper management to train employees on the unlawful Monthly Lending Program documents, in violation Section 75-67-521(1)(a) of the Mississippi Check Cashers Act. Employees who instructed other employees to follow the unlawful practices of the Monthly Lending Program documents, include, but are not limited to, Scott Cain, Alan Crancer, Kelvin Hall, Lisa Reed, and Nate Williams. These unlawful training practices were allowed in all of Licensee's forty-two (42) store locations. Said practices constitutes forty-two (42) violations of Section 75-67-521(1)(a) of the Mississippi Check Cashers Act.

9. The Commissioner finds that there is clear and convincing evidence that Licensee aided, abetted, or conspired with store managers, manager trainees and its customers to circumvent or violate the requirements of the Mississippi Check Cashers Act by engaging in the unlawful practices outlined in Monthly Lending Program documents, in violation Section 75-67-521(1)(c). These unlawful practices were repeatedly utilized in all of Licensee's store locations. This is evidenced by the following:

- (a) On April 1, 2011, Cain circulated the unlawful document to two (2) supervisors and the general manager with instructions that the document should be shared with all stores. There were twenty-six (26) stores at such time. Such constitutes twenty-six (26) violations of the Act.
- (b) On July 15, 2012, Cain circulated the unlawful document to all store managers and area supervisors. There were thirty-seven (37) stores at such time. Such constitutes thirty-seven (37) violations of the Act.

- (c) On September 14, 2012, Cain circulated the document to an area supervisor, who then circulated it to the manager in Eupora, Mississippi. Such constitutes two (2) violations of the Act.
- (d) On September 29, 2012, Crancer thanked Lisa Reed, area supervisor, for her draft of the unlawful Monthly Lending document that would be used at a training for store managers. A total of thirty-seven (37) stores were trained at said sessions; thus constituting thirty-seven (37) violations of the Act.
- (e) On October 1, 2012, Gray circulated the unlawful document to all area supervisors instructing them to teach and coach employees. There were thirty-seven (37) stores at such time. Such constitutes thirty-seven (37) violations of the Act.
- (f) In October 2012, Crancer created the “All American Playbook” which included a copy of the unlawful document. Such constitutes one (1) violation of the Act.
- (g) On April 1, 2014, Cain created the “All American Check Cashing Payday Loan Certification Payday Workbook” which included a copy of the unlawful document. Such constitutes one (1) violation of the Act.
- (h) On April 3, 2014, Cain circulated the unlawful document to all store managers and supervisors. There were fifty-two (52) Mississippi recipients of said document. Such constitutes fifty-two (52) violations of the Act.

- (i) On June 3, 2014, Cain circulated the unlawful document. There were forty-two (42) stores at such time. Such constitutes forty-two (42) violations of the Act.
- (j) During the Department's investigation, on or near June 16, 2014, the Department located the unlawful document on the Licensee's company intranet which is used to maintain and circulate documents to all its employees. There were forty-two (42) stores at such time. Such constitutes forty-two (42) violations of the Act.
- (k) During the Department's investigation on or near June 16, 2014, the Department located the unlawful document in the stores located in Columbus and Gulfport. Such constitutes two (2) violations of the Act.

10. The Commissioner finds that there is clear and convincing evidence that there were at least one thousand, five hundred and two (1,502) transactions whereby Licensee accepted roll-overs fees that were applied to debit cards. The Commissioner further finds that these were fee-only payments. Said transactions constitute one thousand, five hundred and two (1,502) violations of Section 75-67-519(5) and Regulation 3.3(5) of the Mississippi Check Cashers Act.

11. The Commissioner finds that there is clear and convincing evidence that Licensee accepted fee-only payments by means other than those identified above. During the Department's subject investigation, Department examiners witnessed customers making and/or attempting to make fee-only payments. The Commissioner finds that attempts by customers to make fee-only payments evidenced that such was a pattern or practice that was allowed by

Licensee. The following number of observations were made by Department examiners which each constitute a violation of the Act:

(a) Cleveland:	2	(g) Magee:	9
(b) Columbus:	9	(h) McComb:	10
(c) Crystal Springs:	4	(i) Pascagoula:	12
(d) Hazlehurst:	1	(j) Ridgeland:	1
(e) Gulfport:	5	(k) Starkville:	22
(f) Lexington:	1		

The Commissioner finds that said actions constitute seventy-six (76) violations of Section 75-67-521(1)(c) of the Mississippi Check Cashers Act that were observed by Department examiners during the subject investigation.

12. The Commissioner finds that there is clear and convincing evidence that at the time of the Department's subject investigation, Licensee was unlawfully withholding refunds that were due and owing to at least, one thousand and one (1,001) customers. Said withholdings constitute one thousand and one (1,001) violations of Section 75-67-519(4) of the Mississippi Check Cashers Act.

13. The Commissioner finds that there is clear and convincing evidence that the Licensee advanced funds to people who were neither the customer nor who were provided with written authorization to rewrite a loan on behalf of the customer. The Commissioner further finds that this practice followed a pattern of conduct that was allowed and encouraged in all of Licensees forty-two (42) payday loan stores. Said practice constitutes forty-two (42) violations of Section 75-67-519(3) of the Mississippi Check Cashers Act.

14. The Commissioner finds that there is clear and convincing evidence that at least one hundred and eighty-two (182) customers were advanced monies by Licensee even though said customers did not present, as security, their own personal check that was drawn on a

legitimate, open and active bank account. Said transactions constitute one hundred and eighty-two (182) violations of Section 75-67-517 of the Mississippi Check Cashers Act.

15. The Commissioner finds that there is clear and convincing evidence that Licensee denied the Department access to documents, without prior notice, when examiners attempted to review such at the home office and six (6) of Licensee's store locations during their subject investigation. This resulted in denial of access to records at all of Licensee's forty-two (42) store locations, as well as the home office. Said acts constitute forty-three (43) violations of Sections of 75-67-515(2) and 75-67-523 of the Mississippi Check Cashers Act.

16. The Commissioner finds that there is clear and convincing evidence that Licensee provided instructions to all thirty-three (33) title loan stores that were contrary to the provisions of 75-67-413(4) of the Title Pledge Act. Said act constitutes thirty-three (33) violations of Section 75-67-413(4) of the Mississippi Title Pledge Act.

17. The Commissioner finds that there is clear and convincing evidence that Licensee denied the Department access to documents, without prior notice, when examiners attempted to review such at the home office and six(6) of Licensee's store locations during their subject investigation. This resulted in denial of access to records at all of Licensee's thirty-three (33) title pledge store locations, as well as the home office. Said acts constitute thirty-four (34) violations of Sections 75-67-415(b), 75-67-435, and 75-67-447 of the Mississippi Title Pledge Act.

ORDER

The Commissioner of the Mississippi Department of Banking and Consumer Finance orders as follows:

IT IS HEREBY ORDERED, that pursuant to Miss. Code Ann. Section 75-67-423 of the Mississippi Title Pledge Act and Section 75-67-521 of the Mississippi Check Cashers Act, all seventy-five (75) licenses issued to All American Check Cashing, Inc., Midstate Finance, Inc. and All American Title Loans, LLC are hereby revoked. Said licenses specifically include:

Check Cashing Licenses:

<u>LicNo</u>	<u>Company</u>	<u>Address</u>	<u>City</u>
698	All American Check Cashing, Inc.	123 E Jackson Street	Belzoni
699	All American Check Cashing, Inc.	1568 West Government Street	Brandon
2124	All American Check Cashing, Inc.	396 Brookhaven Street, Suite B	Brookhaven
700	All American Check Cashing, Inc.	5795 Terry Road, Suite 311	Byram
701	All American Check Cashing, Inc.	124 West Center Street	Canton
702	All American Check Cashing, Inc.	425A North Davis Avenue	Cleveland
2204	All American Check Cashing, Inc.	3275 Highway 49 Suite 40	Collins
703	All American Check Cashing, Inc.	1213 B Highway 98 Bypass	Columbia
704	All American Check Cashing, Inc.	3189 Hwy 45 North, Suite C	Columbus
705	All American Check Cashing, Inc.	510 West Marion Avenue	Crystal Springs
706	All American Check Cashing, Inc.	10144 7th Avenue, Unit D	D'Iberville
707	All American Check Cashing, Inc.	1926 Veterans Memorial Blvd	Eupora
708	All American Check Cashing, Inc.	1413 Highway 1 South	Greenville
709	All American Check Cashing, Inc.	603 Viola B Sanders Drive, Suite 2	Greenwood
710	All American Check Cashing, Inc.	1550 Jameson Drive, Suite H	Grenada

711	All American Check Cashing, Inc.	3409 Washington Avenue	Gulfport
712	All American Check Cashing, Inc.	2902 Hardy Street, Suite 100	Hattiesburg
713	All American Check Cashing, Inc.	124 Market Place	Hazlehurst
2126	All American Check Cashing, Inc.	612 Sunflower Ave Ext. BLDG#2	Indianola
714	All American Check Cashing, Inc.	102 Mason Street	Laurel
715	All American Check Cashing, Inc.	310 Court Street	Lexington
716	All American Check Cashing, Inc.	110 N Walmart Drive, Suite A-1	Louisville
717	All American Check Cashing, Inc.	11231 Hwy 63 S., Ste B	Lucedale
718	All American Check Cashing, Inc.	1573 Simpson Highway 49, Suite 3	Magee
2065	All American Check Cashing, Inc.	1602 Veterans Boulevard, Suite B	McComb
719	All American Check Cashing, Inc.	721 Front St Ext., Suite 755	Meridian
2449	All American Check Cashing, Inc.	344 Park Plaza Drive	New Albany
720	All American Check Cashing, Inc.	1204 Bienville Blvd, Suite 1	Ocean Springs
721	All American Check Cashing, Inc.	7685 Hacks Cross Road, Suite 102	Olive Branch
722	All American Check Cashing, Inc.	4221 Denny Avenue	Pascagoula
734	Mid-State Finance, Inc.	2536 Highway 80 East	Pearl
723	All American Check Cashing, Inc.	2860 Highway 80, Suite A	Pearl
724	All American Check Cashing, Inc.	401-B Memorial Blvd.	Picayune
725	All American Check Cashing, Inc.	410 Christine Drive, Suite D	Ridgeland
726	All American Check Cashing, Inc.	9051 Highway 51 North	Southaven
727	All American Check Cashing, Inc.	911 Hwy 12 W, Ste 205-B	Starkville
728	All American Check Cashing, Inc.	422 South Gloster Street	Tupelo
729	All American Check Cashing, Inc.	4842 Plaza Drive	Tylertown
730	All American Check Cashing, Inc.	2121 B Clay Street, Suite B	Vicksburg
731	All American Check Cashing, Inc.	301 Hwy 45 Alt North, Suite 1	West Point

732	All American Check Cashing, Inc.	1107 E. Frontage Drive, Suite D	Wiggins
733	All American Check Cashing, Inc.	424 N Applegate Street	Winona

List of Title Licenses:

<u>LicNo</u>	<u>Company</u>	<u>Address</u>	<u>City</u>
2133	All American Title Loans, LLC	1568 West Government Street -B	Brandon
2129	All American Title Loans, LLC	5795 Terry Road, Suite 311-B	Byram
2028	All American Title Loans, LLC	124 West Center Street -B	Canton
2114	All American Title Loans, LLC	425A North Davis Ave - B	Cleveland
2200	All American Title Loans, LLC	3275 Highway 49 Suite 40-B	Collins
2068	All American Title Loans, LLC	1213 B Highway 98 Bypass - B	Columbia
2046	All American Title Loans, LLC	3189 Hwy 45 North, Suite C-2	Columbus
2130	All American Title Loans, LLC	510 West Marion Ave - B	Crystal Springs
2136	All American Title Loans, LLC	10144 7th Avenue, Unit D-2	D'Iberville
2115	All American Title Loans, LLC	1926 Veterans Memorial Blvd - B	Eupora
454	All American Title Loans, LLC	1413 Highway 1 South -B	Greenville
441	All American Title Loans, LLC	603 Viola B. Sanders Drive, Suite 300	Greenwood
442	All American Title Loans, LLC	1550 Jameson Drive, Suite H-1	Grenada
2134	All American Title Loans, LLC	3409 Washington Avenue - B	Gulfport
291	All American Title Loans, LLC	2902 Hardy Street, Suite 100-B	Hattiesburg
2131	All American Title Loans, LLC	124 Market -B	Hazlehurst
2212	All American Title Loans, LLC	612 Sunflower Ave Ext. BLDG#2-B	Indianola
2047	All American Title Loans, LLC	102 Mason Street -B	Laurel
292	All American Title Loans, LLC	310 Court Street, Suite B	Lexington
2116	All American Title Loans, LLC	110 N Walmart Drive, Suite A-1-B	Louisville
2048	All American Title Loans, LLC	11231 Hwy 63 S., Ste B - 1	Lucedale

2049	All American Title Loans, LLC	1573 Simpson Highway 49, Suite 3-B	Magee
2067	All American Title Loans, LLC	1602 Veterans Blvd, Suite 2-B	McComb
2452	All American Title Loans, LLC	344 Park Plaza Drive -B	New Albany
2138	All American Title Loans, LLC	1204 Bienville Blvd, Suite 1-B	Ocean Springs
2135	All American Title Loans, LLC	2860 Highway 80, Suite A-1	Pearl
2139	All American Title Loans, LLC	401-B Memorial Blvd. -B	Picayune
2132	All American Title Loans, LLC	410 Christine Drive, Suite D-1	Ridgeland
2029	All American Title Loans, LLC	911 Hwy 12 W, Ste 205-B (2)	Starkville
2050	All American Title Loans, LLC	422 South Gloster Street -B	Tupelo
2051	All American Title Loans, LLC	301 Hwy 45 Alt North, Suite 1-B	West Point
2137	All American Title Loans, LLC	1107 E. Frontage Drive, Suite D-1	Wiggins
2117	All American Title Loans, LLC	424 N Applegate Street -B	Winona

IT IS FURTHER ORDERED, that Licensee shall immediately provide all refunds that are currently due and owing to customers, including but not limited to the seven hundred and three (703) refunds in the amount of One Hundred and Thirty-four Thousand, Six Hundred and Nine Dollars (\$134,609.00) that were identified as due and owing in the “ROE Response of All American Check Cashing, Inc.”

IT IS FURTHER ORDERED, that Licensee shall immediately escheat all monies that are due and owing to the State of Mississippi in accordance with state law.

IT IS FURTHER ORDERED, that pursuant to Miss. Code Ann. Section 75-67-527(4) of the Mississippi Check Cashers Act, a civil penalty in the amount of One Million, Five Hundred and Eighty-three Thousand, Five Hundred Dollars (\$ 1,583,500.00) is hereby imposed against Licensee for a total of three thousand, one hundred and sixty-seven (3,167) violations of the Mississippi Check Cashers Act, said penalty being calculated as follows:

1. Five Hundred Dollars (\$500.00) per each of the forty-two (42) violations of Section 75-67-521(1)(a) of the Mississippi Check Cashers Act, totaling \$21,000.00;
2. Five Hundred Dollars (\$500.00) per each of the three hundred and fifty-five (355) violations of Section 75-67-521(1)(c) of the Mississippi Check Cashers Act, totaling \$177,500.00;
3. Five Hundred Dollars (\$500.00) per each of the one thousand, five hundred, and two (1,502) violations of Section 75-67-519(5) and Regulation 3.3(5) of the Mississippi Check Cashers Act, totaling \$751,000.00;
4. Five Hundred Dollars (\$500.00) per each of the one thousand and one (1,001) violations of Section 75-67-519(4) of the Mississippi Check Cashers Act, totaling, \$500,500.00;
5. Five Hundred Dollars (\$500.00) per each of the forty-two (42) violations of Section 75-67-519(3) of the Mississippi Check Cashers Act, totaling \$21,000.00;
6. Five Hundred Dollars (\$500.00) per each of the one hundred and eighty-two (182) violations of Section 75-67-517 of the Mississippi Check Cashers Act, totaling \$91,000.00; and
7. Five Hundred Dollars (\$500.00) per each of the forty-three (43) violations of Sections 75-67-515(2) and 75-67-523 of the Mississippi Check Cashers Act, totaling \$21,500.00

IT IS FURTHER ORDERED, that pursuant to Miss. Code Ann. Section 75-67-431(5) of the Mississippi Title Pledge Act, a civil penalty in the amount of Thirty-three Thousand and Five Hundred Dollars (\$ 33,500.00) is hereby imposed against Licensee, for a total of sixty-seven (67) violations of the Mississippi Title Pledge Act, said penalty being calculated as follows:

1. Five Hundred Dollars (\$500.00) per each of the thirty-three (33) violations of Section 75-67-413(4) of the Mississippi Title Pledge Act, totaling \$16,500.00; and

2. Five Hundred Dollars (\$500.00) per each of the thirty-four (34) violations of Sections 75-67-415(b), 75-67-435, and 75-67-447 of the Mississippi Title Pledge Act, totaling \$17,000.00.

IT IS FURTHER ORDERED, that pursuant to Miss. Code Ann. Section 75-67-527(5) of the Mississippi Check Cashers Act, Licensee shall forfeit all surety bonds or deposits required in Section 75-67-509(c).


IT IS FURTHER ORDERED, that pursuant to Miss. Code Ann. Section 75-67-421(c) of the Mississippi Title Pledge Act, Licensee shall forfeit all surety bonds or deposits.

IT IS FURTHER ORDERED, that pursuant to Miss. Code Ann. Section 75-67-423(7) of the Mississippi Title Pledge Act and Section 75-67-521(6) of the Mississippi Check Cashers Act, the appropriate local law enforcement agencies shall be provided with notification of the aforementioned license revocations. Said agencies shall be requested to deliver a copy of said notice to each of the Licensee's store locations and post a copy of such at each location.

IT IS FURTHER ORDERED, that Licensee shall surrender all of the aforementioned licensees to the Department by providing such to the law enforcement officer at the time that the aforementioned notifications are delivered and posted at each store location.

IT IS FURTHER ORDERED, that Licensee shall not engage in any business as a check casher or title pledge lender in the State of Mississippi, including but not limited to the entering into of new contracts for payday loans/delayed deposit checks or title pledges, after the date of this Order and any such transactions entered into shall be deemed null, void and uncollectible.

SO ORDERED, this the 11th day of May, 2017.


Charlotte N. Corley

CHARLOTTE N. CORLEY
COMMISSIONER