

STATE OF NEBRASKA
Department of Banking & Finance

IN THE MATTER OF:)	
)	FINDINGS OF FACT
Money Central of Nebraska, Inc.,)	CONCLUSIONS OF LAW
d/b/a Direct Check,)	AND
510 Broadway #A,)	CONSENT AGREEMENT
Scottsbluff, Scotts Bluff 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; Supp. 2005) (“the Act”). Pursuant to Neb. Rev. Stat. § 45-920 (Reissue 2004), the DEPARTMENT has examined the books, accounts, and records of Money Central of Nebraska, Inc., d/b/a Direct Check, 510 Broadway #A, Scottsbluff, Scotts Bluff County, Nebraska (“DIRECT CHECK”). As a result of such examination, and being duly advised and informed in the matter, the Director and DIRECT CHECK enter into the following Findings of Fact, Conclusions of Law, and Consent Agreement.

FINDINGS OF FACT

1. DIRECT CHECK holds a delayed deposit services business license under the Act. License #1911 was originally granted June 25, 2001, and has been renewed annually on May 1st since that time pursuant to Neb. Rev. Stat. § 45-910 (Reissue 2004; Supp. 2005).
2. On May 3, 2005, the DEPARTMENT commenced an examination of DIRECT CHECK pursuant to Neb. Rev. Stat. § 45-920 (Reissue 2004). This examination included

an on-site visitation of DIRECT CHECK's Scottsbluff, Scotts Bluff County, Nebraska location.

3. The May 3, 2005, Report of Examination ("Report") was forwarded to DIRECT CHECK on July 5, 2005. The Report noted a number of violations of the Act. DIRECT CHECK submitted a response received by the DEPARTMENT on August 4, 2005.

4. The two previous regular examinations of DIRECT CHECK conducted June 18, 2003 ("2003 Exam") and July 14, 2004 ("2004 Exam"), also revealed a number of violations of the Act. The findings of the 2003 Exam resulted in a Consent Agreement between DIRECT CHECK and the DEPARTMENT, effective April 6, 2004. As part of the June 2003 Consent Agreement, DIRECT CHECK agreed to review the Act with all current employees and upon hiring of any future employees. DIRECT CHECK also agreed to retain signed, dated statements from these employees attesting that they have reviewed the Act. The findings of the 2004 Exam resulted in a Consent Agreement between DIRECT CHECK and the DEPARTMENT, effective May 16, 2005. Repeat violations of the Act will be noted below.

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

6. The Report revealed twelve instances where a check was held for more than thirty-one days for customers HH, LE, HM (2 checks), PD, RH (2 checks), RJ, CM, RR, RW, and MV.

7. The 2003 Exam noted two violations and the 2004 Exam noted four violations where checks were held for customers for more than thirty-one days.

8. DIRECT CHECK's August 4, 2005, response stated:

The agreements and deposit slips for [HH, LE, and HM] are enclosed. Ms. Lee [the manager] has been strictly reprimanded as to the holding of checks more than 31 days. She was simply trying to give the customers a chance to avoid additional fees from their banks. These checks were due on a Friday and she waited to deposit them until Monday as she was told by the previous manager, which was false information. I informed her the Division of Banking has set rules and they must come before the customers concerns. . . . All the checks listed on page 2a-1 section D [referring to customers PD, RH (2 checks) RJ, CM, RR, RW, and MV], were deposited by the previous employee/ she was fired for not following State Regulations. [bracketed information added] [customer's names redacted]

9. DIRECT CHECK's holding of checks from customers HH, LE, HM, PD, RH, RJ, CM, RR, RW, and MV in excess of thirty-one days represents twelve violations of Neb. Rev. Stat. § 45-919(1)(c) (Reissue 2004). This violation is a repeat violation as it was also noted in both the 2003 Exam and 2004 Exam.

10. The DEPARTMENT could conclude that the actions of DIRECT CHECK 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 2004).

11. The DEPARTMENT incurred a minimum of two hundred fifty dollars (\$250.00) 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, and 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 accurately kept.

2. Neb. Rev. Stat. § 45-919 (Reissue 2004) sets forth acts which are prohibited to a licensee. These acts include agreeing to hold a check for more than thirty-one days pursuant to Section 45-919(1)(c).

3. Neb. Rev. Stat. § 45-925 (Reissue 2004) 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.

4. The facts listed in the above Findings of Fact constitute a sufficient basis for the Director to have determined that DIRECT CHECK 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 2004).

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

6. It is in the best interest of DIRECT CHECK, and it is in the best interest of the public, for DIRECT CHECK and the DEPARTMENT to resolve the issues included herein.

CONSENT AGREEMENT

The DEPARTMENT and Money Central of Nebraska, Inc., d/b/a Direct Check, 510 Broadway #A, Scottsbluff, Scotts Bluff County, Nebraska agree as follows:

Stipulations: In connection with this Consent Agreement, DIRECT CHECK 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 May 3, 2005, examination of DIRECT CHECK. 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.

DIRECT CHECK further represents as follows:

1. DIRECT CHECK 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. DIRECT CHECK 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, DIRECT CHECK shall pay a fine of five hundred dollars (\$500.00) for each of the twelve repeat violations of Neb. Rev. Stat. § 45-919(1)(c), where a check was held for a time period in excess of the statutory limit.

2. Within ten days after the effective date of this Consent Agreement, DIRECT CHECK shall pay the DEPARTMENT's investigation costs in the amount of two hundred fifty dollars (\$250.00).

3. The total amount of the fine and investigation costs, six thousand two hundred fifty dollars (\$6,250.00) shall be payable in one check or money order to the DEPARTMENT.


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

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

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

DATED this 22 day of March, 2006.

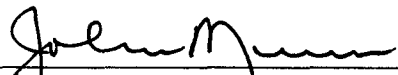
Money Central of Nebraska, Inc.
d/b/a Direct Check

By: 
Dan Henderson, Director of Operations

510 Broadway #A
Scottsbluff, Nebraska 69361
(308) 635-5041

DATED this 27th day of March, 2006.

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

By: 

John Munn, Director

Commerce Court, Suite 400
1230 "O" Street
Lincoln, Nebraska 68508
(402) 471-2171