

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

IN THE MATTER OF:	)	
	)	FINDINGS OF FACT
QC Financial Services, Inc.,	)	CONCLUSIONS OF LAW
d/b/a Quik Cash,	)	AND
1307 South Saddle Creek Road,	)	CONSENT AGREEMENT
Omaha, Douglas 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. 2008; Supp. 2009) (“the Act”). Pursuant to Neb. Rev. Stat. § 45-920 (Cum. Supp. 2008), the DEPARTMENT has examined the books, accounts, and records of QC Financial Services Inc., d/b/a Quik Cash, 1307 South Saddle Creek Road, Omaha, Douglas County, Nebraska (“QUIK CASH”). As a result of such examination, and being duly advised and informed in the matter, the Director and QUIK CASH enter into the following Findings of Fact, Conclusions of Law, and Consent Agreement.

**FINDINGS OF FACT**

1. QUIK CASH holds a delayed deposit services business license under the Act. License #1958 was originally issued on August 4, 2005. The license has been renewed annually on May 1<sup>st</sup> since that time, pursuant to Neb. Rev. Stat. § 45-910 (Cum. Supp. 2008).
2. On June 26, 2007, and January 20, 2009, the DEPARTMENT commenced examinations of QUIK CASH pursuant to Neb. Rev. Stat. § 45-920 (Cum. Supp. 2008).

These examinations included on-site visitations of QUIK CASH's three (3) Omaha, Douglas County, Nebraska locations.

3. The June 26, 2007 Report of Examination ("2007 Exam") was forwarded to QUIK CASH on October 2, 2007. The January 20, 2009 Report of Examination ("2009 Exam") was forwarded to QUIK CASH on April 3, 2009. The 2007 Exam and 2009 Exam noted a number of violations of the Act. QUIK CASH submitted a response received by the DEPARTMENT on October 25, 2007, for the 2007 Exam, and April 27, 2009, for the 2009 Exam.

4. The previous regular examination of QUIK CASH, conducted on January 31, 2006 ("2006 Exam"), also noted a number of violations of the Act. This resulted in a Consent Agreement with the effective date of August 24, 2006. Repeat violations will be noted below.

5. The DEPARTMENT has reviewed QUIK CASH's responses and has taken them into consideration in determining the appropriate actions to be taken in this matter.

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

7. The 2007 Exam noted that copies of checks were not kept by QUIK CASH until June 30, 2007, although required to do so pursuant to Neb. Rev. Stat. § 45-915.01(2) (Cum. Supp. 2008), since July 14, 2006. The 2009 Exam noted twenty-eight (28) instances where QUIK CASH was unable to locate records including payment records or copies of checks for its customers.

8. QUIK CASH's failure to keep and locate records or copies of checks in numerous instances represents numerous separate violations of Neb. Rev. Stat. § 45-915.01(2) (Cum. Supp. 2008).

9. The 2007 Exam noted twenty-four (24) instances where QUIK CASH failed to properly disclose the Annual Percentage Rate ("APR") to its customers.

10. QUIK CASH's failure to properly disclose the APR in twenty-four (24) instances represents twenty-four (24) separate violations of Neb. Rev. Stat. § 45-917(1)(a) (Cum. Supp. 2008).

11. The 2007 Exam noted an instance where QUIK CASH charged customer TD a penalty fee in excess of the \$15.00 allowed; and an instance where QUIK CASH attempted to charge WF two penalty fees for the same transaction.

12. QUIK CASH's charging a fee in excess of that allowed by law and attempting to charge two penalty fees for the same transaction represents two (2) separate violations of Neb. Rev. Stat. § 45-917(1)(c) (Cum. Supp. 2008).

13. The 2007 Exam noted one (1) instance where QUIK CASH held more than two checks from customer KH. The 2009 Exam noted seven (7) instances where QUIK CASH held more than two checks from customers EJ, SM, MP, AR, CT, BM, and RP.

14. QUIK CASH's holding of more than two checks from a single maker in eight (8) instances represents eight (8) separate violations of Neb. Rev. Stat. § 45-919(1)(a) (Cum. Supp. 2008).

15. The 2007 Exam noted one (1) instance where QUIK CASH held checks from customer RR with an aggregate face value greater than five hundred dollars. The 2009 Exam noted seven (7) instances where QUIK CASH held checks with an aggregate face value greater than five hundred dollars for customers EJ, SM, MP, AR, CT, BM, and RP.

16. QUIK CASH's holding of checks with an aggregate face value greater than five hundred dollars in eight (8) instances represents eight (8) separate repeat violations of Neb. Rev. Stat. § 45-919(1)(b) (Cum. Supp. 2008) as noted in the 2006 Exam and corresponding Consent Agreement.

17. The 2007 Exam noted two (2) instances where QUIK CASH held checks for MC and MS longer than statutorily allowed.

18. QUIK CASH's holding of checks longer than statutorily allowed in two (2) instances represents two (2) separate repeat violations of Neb. Rev. Stat. § 45-919(1)(c) (Cum. Supp. 2008) as noted in the 2006 Exam and corresponding Consent Agreement.

19. The 2009 Exam noted one (1) instance where QUIK CASH failed to maintain a copy of the Same Day Transaction Verification Form ("SDTVF") for customer DL.

20. QUIK CASH's failure to maintain a copy of the SDTVF for customer DL represents a violation of Neb. Rev. Stat. § 45-919(1)(g) (Cum. Supp. 2008) and Neb. Rev. Stat. § 45-915.01(2) (Cum. Supp. 2008).

21. The 2007 Exam noted twenty-eight (28) instances where QUIK CASH failed to obtain completed SDTVFs for its customers. The 2009 Exam noted sixteen (16) instances where QUIK CASH failed to obtain a completed SDTVF for its customers.

22. QUIK CASH's failure to obtain completed copies of the SDTVF in forty-four (44) instances represents forty-four (44) separate violations of Neb. Rev. Stat. § 45-919(1)(g) (Cum. Supp. 2008) and Neb. Rev. Stat. § 45-915.01(2) (Cum. Supp. 2008).

23. The DEPARTMENT could conclude that the actions of QUIK CASH 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 (Cum. Supp. 2008).

24. The DEPARTMENT incurred a minimum of seven hundred fifty 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.

2. Neb. Rev. Stat. § 45-915.01(2) (Cum. Supp. 2008) provides that a licensee shall, at a minimum, include in its books and records copies of all application materials relating to makers, disclosure agreements, checks, payment receipts, and proofs of compliance required by Section 45-919.

3. Neb. Rev. Stat. § 45-917(1)(a) (Cum. Supp. 2008) provides that every licensee shall, at the time any delayed deposit services transaction is made, give to the maker of the check, or if there are two or more makers, to one of them, a notice written in plain English disclosing the fee to be charged for the transaction.

4. Neb. Rev. Stat. § 45-917(1)(c) (Cum. Supp. 2008) provides that every licensee shall, at the time any delayed deposit services transaction is made, give to the maker a notice written in plain English disclosing any penalty not to exceed fifteen dollars which the licensee will charge if the check is not negotiable on the date agreed upon.

5. Neb. Rev. Stat. § 45-919(1)(a) (Cum. Supp. 2008) provides that no licensee shall at any one time hold from any one maker more than two checks.

6. Neb. Rev. Stat. § 45-919(1)(b) (Cum. Supp. 2008) provides that no licensee shall at any one time hold from any one maker a check or checks in an aggregate face amount of more than five hundred dollars.

7. Neb. Rev. Stat. § 45-919(1)(c) (Cum. Supp. 2008) provides that no licensee shall hold or agree to hold a check for more than thirty-four days.

8. Neb. Rev. Stat. § 45-919(1)(g) (Cum. Supp. 2008) sets forth acts which are prohibited to a licensee. These acts include entering into another delayed deposit transaction with the same maker on the same business day as the completion of a delayed deposit transaction unless prior to entering into the transaction the maker and the licensee verify on a form prescribed by the DEPARTMENT that completion of the prior delayed deposit transaction has occurred. The DEPARTMENT has prescribed the SDTVF for this purpose.

9. Neb. Rev. Stat. § 45-925 (Cum. Supp. 2008) 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.

10. The facts listed in the above Findings of Fact constitute a sufficient basis for the Director to have determined that QUIK CASH 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. 2008).

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

12. It is in the best interest of QUIK CASH, and it is in the best interest of the public, for QUIK CASH and the DEPARTMENT to resolve the issues included herein.

### **CONSENT AGREEMENT**

The DEPARTMENT and QUIK CASH agree as follows:

Stipulations: In connection with this Consent Agreement, QUIK CASH 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 June 26, 2007 and January 20, 2009 examinations of QUIK CASH. Should future circumstances warrant, the facts from these matters 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.

QUIK CASH further represents as follows:

1. QUIK CASH 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. QUIK CASH 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, QUIK CASH shall pay a fine of five thousand dollars (\$5,000.00) for the numerous instances it was unable to locate records or failed to copy checks in violation of Neb. Rev. Stat. § 45-915.01(2) (Cum. Supp. 2008).

2. Within ten (10) days after the effective date of this Consent Agreement, QUIK CASH shall pay a fine of fifty dollars (\$50.00) for each of the twenty-four (24) instances for failing to properly disclose the APR in violation of Neb. Rev. Stat. § 45-917(1)(a) (Cum. Supp. 2008).

3. Within ten (10) days after the effective date of this Consent Agreement, QUIK CASH shall pay a fine of one hundred dollars (\$100.00) for each of the two (2) instances it charged a penalty fee in excess of \$15.00 or attempted to collect two penalty fees for the same transaction in violation of Neb. Rev. Stat. § 45-917(1)(c) (Cum. Supp. 2008).

4. Within ten (10) days after the effective date of this Consent Agreement, QUIK CASH shall pay a fine of one hundred dollars (\$100.00) for each of the eight (8) instances it held more than two checks from a single maker in violation of Neb. Rev. Stat. § 45-919 (1)(a) (Cum. Supp. 2008).

5. Within ten (10) days after the effective date of this Consent Agreement, QUIK CASH shall pay a fine of two hundred fifty dollars (\$250.00) for each of the eight (8) instances it held checks with an aggregate face value greater than five hundred dollars in repeat violation of Neb. Rev. Stat. § 45-919(1)(b).

6. Within ten (10) days after the effective date of this Consent Agreement, QUIK CASH shall pay a fine of two hundred fifty dollars (\$250.00) for each of the two (2)



instances it held checks longer than statutorily allowed in repeat violation of Neb. Rev. Stat. § 45-919(1)(c) (Cum. Supp. 2008).

7. Within ten (10) days after the effective date of this Consent Agreement, QUIK CASH shall pay a fine of one hundred dollars (\$100.00) for failing to maintain a copy of the SDTVF in violation of Neb. Rev. Stat. § 45-919(1)(g) and Neb. Rev. Stat. § 45-915.01(2).

8. Within ten (10) days after the effective date of this Consent Agreement, QUIK CASH shall pay a fine of fifty dollars (\$50.00) for each of the forty-four (44) instances it failed to obtain completed SDTVFs in violation of Neb. Rev. Stat. § 45-919(1)(g) and Neb. Rev. Stat. § 45-915.01(2).

9. Within ten (10) days after the effective date of this Consent Agreement, QUIK CASH shall pay the DEPARTMENT's investigation costs in the amount of seven hundred fifty dollars (\$750.00).

10. The total amount of the fine, twelve thousand dollars (\$12,000.00), plus the total amount of investigation costs, seven hundred fifty dollars (\$750.00), shall be payable in one check or money order in the amount of twelve thousand seven hundred fifty dollars (\$12,750.00) to the DEPARTMENT.


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

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

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

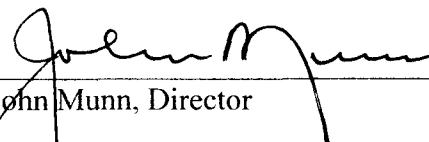
DATED this 8<sup>th</sup> day of March, 2010.

**QC Financial Services, Inc.**  
**d/b/a Quik Cash**

By:   
Darrin Andersen  
9401 Indian Creek Parkway, Suite 1500  
Overland Park, Kansas 66210  
(913) 234-5000

DATED this 10<sup>th</sup> day of March, 2010.

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

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