



4. Sears maintains a principal place of business in Pennsylvania at 4600 Jonestown Road, Colonial Park Mall Unit #1224, Harrisburg, PA ("Principal Place") and various branch locations throughout the Commonwealth.

5. The corporate office of Sears is located in Hoffman Estates, IL ("Corporate Office").

#### **Prior Examinations**

6. In March 2006, examiners from the Department initiated eight examinations of Sears branch offices located throughout Pennsylvania (the "2006 Examinations").

7. Various violations of the CCLA were noted during the 2006 Examinations including:

- a. Failure to notify the Department of changes in branch office supervisors; and
- b. Failure to conspicuously display licenses at branch locations.

8. Section 501(b) of the CCLA provides that "the department shall provide to a licensee notice of noncompliance with or a violation of this act. The department shall permit the licensee a reasonable time to comply with this act or to correct the violation. If the licensee fails to comply or correct the violation, the department may order that civil penalties be levied against a licensee." 63 P.S. § 2321(b).

9. The Department issued Notices of Noncompliance to Sears at the Corporate Office on December 22, 2006 and August 13, 2007 pursuant to section 501(b) of the CCLA for the violations noted during the 2006 Examinations.

10. The December 22, 2006 and August 13, 2007 Notices of Noncompliance requested written confirmation from Sears that the violations from the 2006 Examinations were corrected.

11. The Department did not receive confirmation of corrective action from Sears as requested in the December 22, 2006 and August 13, 2007 Notices of Noncompliance.

12. Additional Notices of Noncompliance were sent to the Corporate Office on November 14, 2007 and November 15, 2007 requesting confirmation of corrective action by Sears for the violations noted in the 2006 Examinations.

13. The Department did not receive confirmation of corrective action from Sears as requested in the November 14, 2007 and November 15, 2007 Notices of Noncompliance.

14. On March 5, 2008, the Department sent a final Notice of Noncompliance to the Corporate Office requesting that Sears provide a written response within twenty (20) days regarding corrective action for each of the violations cited during the 2006 Examinations.

15. The March 5, 2008 Notice of Noncompliance notified Sears that failure to provide confirmation of corrective action would mean that the Department would presume that corrective action had not been taken and could subject Sears to fines and penalties.

16. The March 5, 2008 Notice of Noncompliance also notified Sears that, going forward, the Department may begin imposing fines against Sears for violations of the CCLA, particularly repeat violations of the CCLA, occurring at Sears' branches without additional notices of noncompliance being issued.

17. On March 24, 2008, Sears sent correspondence to the Department, however, that letter did not adequately address the corrective action requested in the March 5, 2008 Notice of Noncompliance.

### Current Examinations

18. From March 1, 2010, to April 21, 2010, examiners from the Department commenced eight separate examinations (the "2010 Examinations") of Sears at the following locations:

- The Principal Place, License No. 1234;
- The Montgomery Mall, North Wales, PA ("North Wales"), Branch License No. 1234.007;
- The Galleria Mall, York, PA ("York"), Branch License No. 1234.012;
- The Chambersburg Mall, Chambersburg, PA ("Chambersburg"), Branch License No. 1234.019;
- 1067 W. Baltimore Pike, Media, PA ("Media"), Branch License No. 1234.025;
- The Shenango Valley Mall, Hermitage, PA ("Hermitage"), Branch License No. 1234.032;
- The Wyoming Valley Mall, Wilkes-Barre, PA ("Wilkes-Barre"), Branch License No. 1234.038; and
- The Capital City Mall, Camp Hill, PA ("Camp Hill"), Branch License No. 1234.039.

### Changes in Office Supervisors

19. The 2010 Examinations revealed that the Principal Place, North Wales, Hermitage, Wilkes-Barre, Chambersburg and Camp Hill branches failed to notify the Department of their changes in office supervisors.

20. Section 502(a) of the CCLA provides that “[a] licensee shall send written notice to the department on any change in status including address change, change of directors, owners or officers, including the reason for the proposed change.” 63 P.S. § 2322(a).

#### License Not Conspicuously Displayed

21. The 2010 Examinations revealed that the Principal Place and the York branches did not have their check casher branch licenses conspicuously displayed.

22. Section 304(h) of the CCLA provides that “[t]he license shall be conspicuously posted in the place of business of the licensee or, in the case of a mobile unit, upon a window of the mobile unit.” 63 P.S. § 2314(h).

#### Check Endorsement

23. The 2010 Examinations revealed that the North Wales branch office failed to endorse checks that were cashed for a fee with the actual name under which the North Wales branch is doing business and with the words “licensed check casher” legibly written or stamped immediately after or below such name.

24. Section 504 of the CCLA provides that “[b]efore a check casher deposits a check with any banking institution the check shall be endorsed with the actual name under which the check casher is doing business and shall have the words “licensed check casher” legibly written or stamped immediately after or below such name.” 63 P.S. § 2324.

#### Authority of the Department

25. Section 104(1) of the CCLA provides the Department with the authority to “[i]ssue rules, regulations and orders as may be necessary for the administration and enforcement of this act.” 63 P.S. § 2304(1).

26. Section 507 of the CCLA provides that “[a]ny person who is subject to the provisions of this act who violates any of the provisions of this act shall be subject to a civil penalty levied by the department of up to \$2,000 for each violation. The civil penalty shall specifically apply to licensed and unlicensed activity under this act. The department may also recover the cost of investigating alleged violations.” 63 P.S. § 2327.

#### **VIOLATIONS**

27. Sears is in violation of Section 502(a) of the CCLA by failing to notify the Department of changes in branch office supervisors.

28. Sears is in violation of Section 304(h) of the CCLA by failing to have its check casher branch licenses conspicuously displayed.

29. Sears is in violation of Section 504 of the CCLA by failing to endorse checks that were cashed for a fee with the actual name under which it is doing business and with the words “licensed check casher” legibly written or stamped immediately after or below such name.

#### **RELIEF**

30. Fine. Within thirty (30) days of the Effective Date of this Order, Sears shall pay to the Department a fine of \$9,000. The fine payment shall be remitted by certified check or money order made payable to the Department of Banking. The fine payment should be mailed to the Pennsylvania Department of Banking, 17 N. Second Street, Suite 1300, Harrisburg, PA 17101, Attention: Compliance Division.

31. Surrender. Upon the Effective Date of this Order, Sears shall cease offering check cashing services under the CCLA and agrees not to renew License No. 1234 or any branch licenses. If Sears decides at a later date to begin offering check cashing services for a fee, Sears will apply for a new license under the CCLA and agrees to comply with the requirements under

the CCLA. By surrendering its license and all branch licenses, Sears understands that it cannot cash a check of any kind for a fee in the Commonwealth of Pennsylvania without being licensed to do so.

#### FURTHER PROVISIONS

32. Consent. Sears hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's order authority under the CCLA and agrees that it understands all of the terms and conditions contained herein. Sears, by voluntarily entering into this Order, waives any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

33. Publication. The Department will publish this Order pursuant to its authority in Section 302.A.(5) of the Department of Banking Code. 71 P.S. § 733-302.A.(5).

34. Entire Agreement. This Order contains the whole agreement between the parties. There are no other terms, obligations, covenants, representations, statements, conditions, or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the Bureau and Sears.

35. Binding Nature. The Department, Sears, and all officers, owners, directors, employees, heirs and assigns of Sears intend to be and are legally bound by the terms of this Order.

36. Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

37. Effectiveness. Sears hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order (the "Effective Date").

38. Other Enforcement Action.

a. The Department reserves all of its rights, duties, and authority to enforce all statutes, rules and regulations under its jurisdiction against Sears in the future regarding all matters not resolved by this Order.

b. Sears acknowledges and agrees that this Order is only binding upon the Department and not any other local, state or federal agency, department or office regarding matters within this Order.

39. Authorization. The parties below are authorized to execute this Order and legally bind their respective parties.

40. Counterparts. This Order may be executed in separate counterparts, by facsimile, or by PDF.

41. Titles. The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document.



WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Department and Sears intending to be legally bound, do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING, BUREAU OF  
COMPLIANCE, INVESTIGATION AND LICENSING**

\_\_\_\_\_  
Ryan M. Walsh, Administrator  
Bureau of Compliance,  
Investigation and Licensing  
Department of Banking

Date: November 9, 2010

**FOR SEARS, ROEBUCK AND CO.**

\_\_\_\_\_  
(Officer Signature)

\_\_\_\_\_  
(Print Officer Name)

VP / Deputy General Counsel  
(Title)

Date: 11/6/10