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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

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PA DEPT OF BANKING

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING, BUREAU
OF COMPLIANCE, INVESTIGATION
AND LICENSING

DOCKET No. 11 0139 (ENF-CO)

v.

PECHIN ENTERPRISES, LLC

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking ("Department"), Bureau of Examinations, conducted an examination of Pechin Enterprises, LLC ("Pechin Enterprises") and its officers, employees and directors. Based on the results of the examination, the Bureau of Compliance, Investigation and Licensing ("Bureau") believes that Pechin Enterprises operated in violation of the Check Cashier Licensing Act ("CCLA"), 63 P.S. § 2301 *et seq.* The parties to the above-captioned matter, in lieu of litigation, hereby stipulate that the following statements are true and correct in the settlement of the above-captioned matter and, intending to be legally bound, hereby agree to the terms of this Consent Agreement and Order ("Order").

BACKGROUND

1. The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the CCLA.
2. The Bureau is primarily responsible for administering and enforcing the CCLA for the Department.

3. Pechin Enterprises maintains its principal place of business at 300 Laurel Dr., Connellsville, Pennsylvania 15425.

4. On October 20, 2010, the Department commenced an examination of Pechin Enterprises at its principal place of business ("Examination").

Unlicensed Activity

5. Pechin Enterprises is a retail food store licensed or registered as a food establishment as defined in Section 2 of the Food Act (P.L. 421, No. 70).

6. The Examination revealed that Pechin Enterprises required some of its customers to purchase store gift cards in certain specified denominations in order to cash pension checks from USX and payroll checks from other certain employers.

7. The store gift cards ranged in amounts from \$20 up to 20% of the check to be cashed.

8. Section 301(a) of the CCLA provides that "[n]o person or business entity shall engage in the business of cashing checks for a fee without first obtaining a license under this act for each fixed location or mobile unit." 63 P.S. § 2311(a).

9. The CCLA defines a check casher as "a business entity, whether operating as a proprietorship, partnership, association, limited liability company or corporation that engages in the cashing of checks for a fee." 63 P.S. § 2303.

10. Section 503(a) of the CCLA sets forth the allowable fees that a check casher is permitted to charge for cashing a check. *See* 63 P.S. § 2323(a).

11. Section 503(d)(1) of the CCLA provides that "[t]he licensee or any person subject to any provision of this act shall not require consumers to purchase goods or services in order to cash a check." 63 P.S. § 2311(d)(1).

12. The Examination revealed that Pechin Enterprises required some of its customers to purchase store gift cards and, consequently, to purchase items in its store in order to have a check cashed.

13. Section 1101 of the CCLA provides that a retail food store licensed as a food establishment pursuant to the Food Act that receives less than 1% of its annual gross revenue from cashing checks does not need to be licensed pursuant to the CCLA, but instead is required to register annually with the Department and to pay a fee of \$100. 63 P.S. § 2331.

14. The Examination revealed that the total amount of income which Pechin Enterprises generated from cashing checks between January 1, 2010 and September 30, 2010, was less than 1% of its gross sales receipts.

15. Since cashing checks makes up less than 1% of Pechin Enterprises' annual gross revenue Pechin Enterprises is required to be registered with the Department.

16. Pechin Enterprises was not registered with the Department pursuant to the CCLA.

17. As a result of the Examination, Pechin Enterprises became registered with the Department, license no. 34691, effective May 4, 2011.

18. This Order resolves any and all liability, claims or causes of action between the Department and Pechin Enterprises for any violations of the CCLA as noted in the Examination.

Authority of the Department

19. Section 104(1) of the CCLA provides the Department with the authority to issue orders as may be necessary for the administration and enforcement of the CCLA. 63 P.S. § 2304(1).

20. Section 507 of the CCLA provides that "[a]ny person who is subject to the provisions of this act who violates any 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.

VIOLATION

21. Pechin Enterprises is in violation of Section 1101 of the CCLA because it cashed checks without being registered with the Department.

22. Pechin Enterprises is in violation of Section 503(d)(1) of the CCLA because it required customers to purchase items in its store in order to have a check cashed.

RELIEF

23. Fine and Exam Bill. Within thirty (30) days of the Effective Date of this Order, Pechin Enterprises shall pay to the Department a fine of \$500 and shall pay the exam amount of \$971.85. Pechin Enterprises shall make these payments by a certified check or money order made payable to the Pennsylvania Department of Banking and sent to the attention of Compliance Division, Bureau of Compliance, Investigation and Licensing, 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

24. BSA/AML. Upon the Effective Date of this Order, Pechin Enterprises shall be compliant with all applicable Bank Secrecy Act/Anti-Money Laundering (“BSA/AML”) law and regulations.

FURTHER PROVISIONS

25. Consent. Pechin Enterprises 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. Pechin

Enterprises, 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.

26. 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).

27. 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 Pechin Enterprises.

28. Binding Nature. The Department and Pechin Enterprises intend to be and are legally bound by the terms of this Order.

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

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

31. 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 Pechin Enterprises, in the future regarding all matters not resolved by this Order.

b. Pechin Enterprises 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.

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

33. Counterparts. This Order may be executed in separate counterparts and by facsimile or electronic mail in portable document format "PDF."

34. 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 Pechin Enterprises 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**

~~John Lalai~~, Administrator
Bureau of Compliance,
Investigation and Licensing
Department of Banking

Date: 8-4-2011

FOR PECHIN ENTERPRISES, LLC

(Officer Signature)

(Print Officer Name)

Member
(Title)

Date: 7-28-11