



STATE OF MISSISSIPPI
DEPARTMENT OF BANKING AND CONSUMER FINANCE

June 9, 2017

Media Release

**Statement from Department of Banking and Consumer Finance
Commissioner Charlotte Corley on Settlement Agreement with All American Check
Cashing, Inc., Midstate Finance, Inc., and All American Title Loans, LLC**

“Today, the Mississippi Department of Banking and Consumer Finance reached a settlement agreement with All American Check Cashing, Inc., Midstate Finance, Inc., and All American Title Loans, LLC, which revokes all of the companies’ licenses, and requires the companies to refund customers and pay civil penalties. One of the Department’s primary statutory responsibilities is to ensure consumer-related financial transactions are fair and lawful. We take this duty very seriously and are pleased to resolve this litigation in a way that results in more protection for all Mississippians.

I want to thank the Attorney General’s Office, the Department’s General Counsel, and staff in the Consumer Finance Division of the Department for their diligent work in handling this matter. I also want to acknowledge the hard work and cooperative assistance of the federal Consumer Financial Protection Bureau (CFPB), with whom the Department has jointly investigated this matter.”

###

Case Background

In May 2017, following a 24-day hearing, the Department of Banking and Consumer Finance issued a Public Administrative Order to All American Check Cashing, Inc., Midstate Finance, Inc., and All American Title Loans, LLC. The Order addressed several violations of State laws and regulations including:

- Knowingly or without exercise of due care violating laws and regulations of the Mississippi Check Cashers Act and the Mississippi Title Pledge Act. These violations included accepting “fee-only” payments from borrowers, using proceeds from one loan to pay another loan, implementing programs to facilitate unlawful transactions for customers that only receive income once-a-month, failing to make timely refunds to customers and advancing loans to people who are neither the customer nor who have written authorization to rewrite a loan on behalf of the customer, among others.

- Aiding, abetting, or conspiring with an individual or person to circumvent or violate laws or regulations of the Mississippi Check Cashers Act and the Mississippi Title Pledge Act. In addition to the above described violations, these violations also included making loans to customers without open, active bank accounts, refusing documents requested by the Department and thwarting efforts by the Department to perform its statutory duty, among others.

The May 2017 Order, which was the result of a 2014 investigative examination conducted by the Department required:

- Revocation and surrender of all 75 licenses held by Michael Gray and his affiliated companies, effective May 11, 2017;
- Immediate payment of all outstanding refunds owed to customers;
- Payment of unclaimed funds which should have been reverted to the State of Mississippi; and
- Civil penalties.

Additionally, the Order deemed any new transactions entered into by the companies after May 11 null and void.

The same day the Order was issued, May 12, the companies filed a Notice of Appeal and Request for Emergency Temporary Restraining Order in Hinds County Chancery Court. The Court ultimately denied the companies' request for a restraining order. The Department and the companies subsequently began settlement negotiations, which resulted in the agreement submitted to the Chancery Court today.

The terms of the settlement agreement require revocation of the companies' licenses, dismissal of litigation against the Department, refunds in the amount of \$134,609.00 to customers, and payment of \$889,350.00 in civil penalties. To view the Agreed Order of Dismissal with Prejudice in full, visit http://www.dbcf.ms.gov/press_releases.asp.

The CFPB lawsuit remains pending. Consumers that believe that they have been affected by All American's actions are encouraged to contact the consumer help line offered by the CFPB at 1-855-411-2372.

Any consumers or industry participants may also contact the Department's Consumer Finance Division at 1-800-844-2499 to discuss any questions or concerns regarding consumer lending in Mississippi.