UNITED STATES OF AMERICA
CONSUMER FINANCIAL PROTECTION BUREAU

ADMINISTRATIVE PROCEEDING
File No. 2014-CFPB-0008

In the Matter of: ACE Cash Express, Inc.	**CONSENT ORDER**

I
Overview

The Consumer Financial Protection Bureau ("Bureau") has reviewed the debt collection practices of ACE Cash Express, Inc. ("ACE" or "Respondent" as defined below), and has determined that ACE has engaged in unfair, deceptive, and abusive practices in connection with its collection of payday loans in violation of the Consumer Financial Protection Act of 2010 (CFPA), 12 U.S.C. §§ 5531(a) and 5536(a)(1)(B). Under Sections 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563 and 5565, the Bureau issues this Consent Order ("Consent Order").

II
Jurisdiction

1. The Bureau has jurisdiction over this matter under Sections 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563 and 5565.

III
Stipulation

2. Respondent has executed a "Stipulation and Consent to the Issuance of a Consent Order," dated July 3, 2014 ("Stipulation"), which is incorporated by reference and accepted by the Bureau. By this Stipulation, Respondent has consented to the issuance of this Consent Order by the Bureau pursuant to Sections 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563 and 5565, without admitting or denying any of the findings of fact or conclusions of law, except that Respondent admits the facts necessary to establish the Bureau's jurisdiction over Respondent and the subject matter of this action.

IV
Definitions

3. The following definitions shall apply to this Consent Order:

   a. "ACE" means ACE Cash Express, Inc. or any of its subsidiaries.

   b. "Back-End Collections Department" means ACE in-house debt collectors typically responsible for collecting on accounts that are more than 90 days past due.

   c. "Board" means ACE's duly elected and acting Board of Directors.

   d. "Bureau" means Consumer Financial Protection Bureau.

   e. "Consumer" means any person obligated or allegedly obligated to pay a debt to Respondent.

   f. "Effective Date" means the date on which this Consent Order issues.

   g. "Regional Director" means the Regional Director for the Southeast Region for the Bureau's Office of Supervision, or his or her delegee.

h. "Relevant Period" means the period from March 7, 2011 through September 12, 2012.

i. "Respondent" means ACE Cash Express, Inc. or any of its subsidiaries, successors, and assigns.

j. "Restitution Eligible Consumers" mean all individuals who were subject to collections by ACE's Back-End Collections Department or third-party debt collectors and who made a payment to ACE or one of its third-party debt collectors during the Relevant Period.

k. "Related Consumer Action" means any private action for damages brought by or on behalf of one or more consumers, or an enforcement action by another government entity, against Respondent based on similar facts as set forth in Section V of this Consent Order.

BUREAU FINDINGS AND CONCLUSIONS

V

The Bureau finds the following:

4. ACE is a financial services company headquartered in Irving, Texas. It offers and provides a variety of consumer loan products, each of which is a "consumer financial product or service" under 12 U.S.C. § 5481(5). ACE offers these products over the internet and at brick-and-mortar stores in 36 states and the District of Columbia.

5. ACE is a "covered person" under 12 U.S.C. § 5481(6).

6. ACE structures its payday loans to be repaid in roughly two weeks, but its borrowers frequently roll over, renew, refinance, or otherwise extend their loans

beyond the original repayment term. These borrowers typically incur additional interest and fees when they roll over, renew, or refinance their loans.

7. When ACE borrowers default on their loans, they become subject to collections by ACE's in-house and third-party debt collectors. ACE uses in-house debt collectors to collect on accounts that are 120 days or less past due. Until September 2013, ACE outsourced collections to third-party debt collectors for most accounts that were more than 120 days past due.

8. ACE controlled its third-party debt collectors according to the terms of its third-party vendor contracts. These contracts include specific terms that govern third-party debt collectors' collection activities. ACE's compliance monitoring, vendor management, and quality assurance did not prevent, identify, or correct instances of misconduct by some third-party debt collectors.

9. ACE directed its in-house and third-party debt collectors to call all telephone numbers provided in consumers' loan applications, including numbers of third-party references.

10. Some of ACE's in-house debt collectors continued to contact persons with no relation to the debt after being told multiple times that ACE had the wrong telephone number.

11. ACE's collections training manuals instructed its collectors to "create a sense of urgency" for consumers in default.

12. Some of ACE's in-house and third-party debt collectors engaged in several acts or practices that created a sense of urgency, including:

a. Excessive calls: In-house and third-party debt collectors made an excessive number of calls to consumers' home, work, and cellular telephone numbers;

b. Disclosure to third parties: In-house and third-party debt collectors disclosed the existence of consumers' debts to non-liable third parties; and

c. Failure to cease collection activity as requested and required: In-house and third-party debt collectors continued to call consumers at their workplaces after being told that such calls were prohibited. In-house debt collectors also continued to call consumers directly after being told that they were represented by counsel.

13. Some collectors in ACE's Back-End Collections Department also misrepresented the acts that third-party debt collectors would take after ACE transferred the account. These misrepresentations included:

a. Tacking on fees: In-house debt collectors told consumers that third-party debt collectors would add collection fees. In fact, ACE's third-party vendor contracts expressly prohibited adding collection fees;

b. Reporting to national credit bureaus: In-house debt collectors told consumers that third-party debt collectors would report their failure to pay to national credit bureaus, which would prevent the consumer from obtaining credit in the future. In fact, ACE's third-party vendor contracts expressly prohibited reporting to national credit bureaus;

c. Threats of harm: In-house debt collectors made threats regarding what consumers would encounter once their accounts were transferred to third-party debt collectors. For example, one in-house collector told a consumer

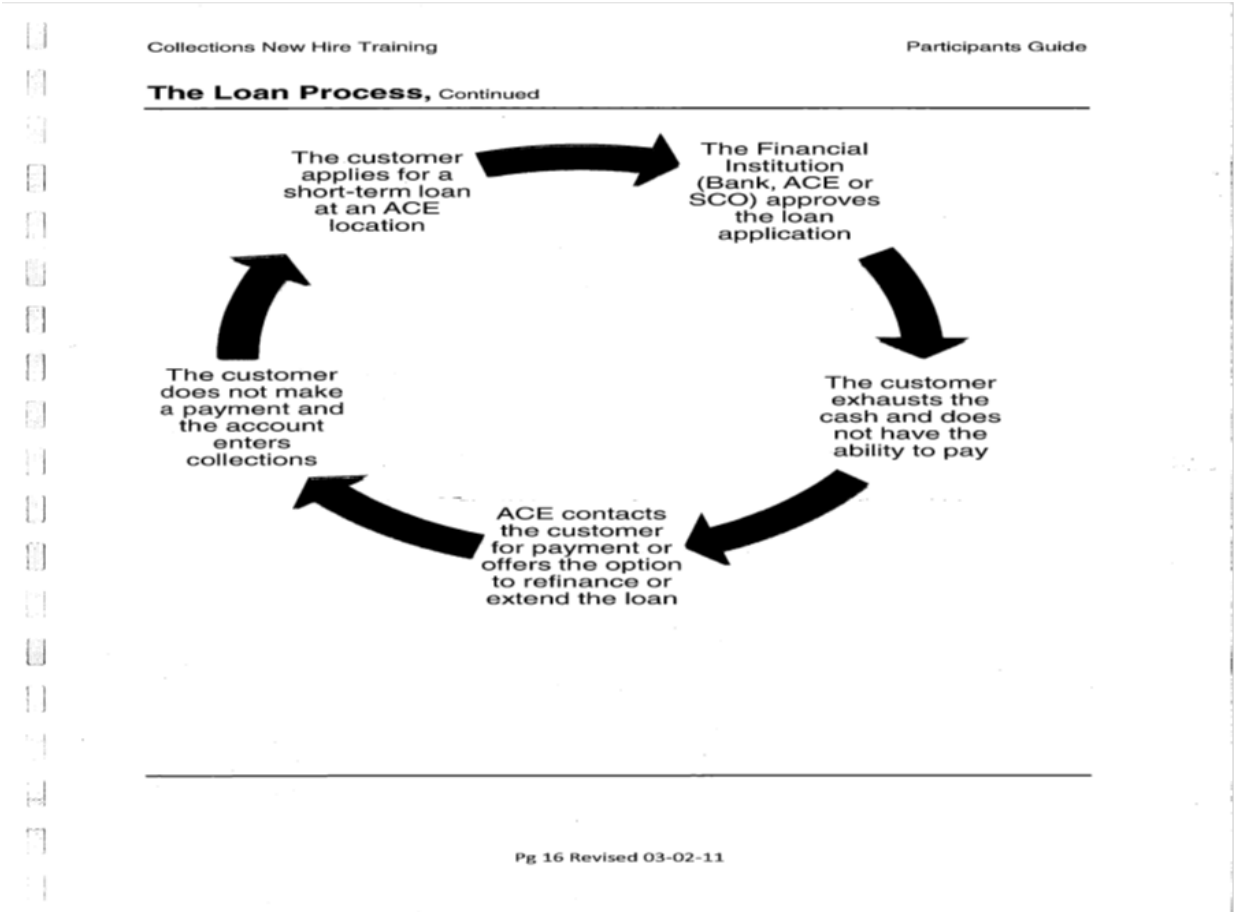
that they were "not at liberty to discuss" what would happen after ACE transfers the account, but assured consumers that "these people [third-party debt collectors] are gonna to hassle you." Another in-house debt collector told a consumer that third-party debt collectors' "actions are unlimited." In fact, both ACE's third-party vendor contracts and a large body of federal and state consumer protection law limit the actions of third-party debt collectors; and

d. Authority to prevent transfer: In-house debt collectors told borrowers that they could not prevent the transfer of a debt to third-party collectors. For example, one in-house debt collector told borrowers who asked him to postpone an account transfer that the Fair Debt Collection Practices Act or the "FDCPA Department" prohibits ACE from postponing transfer to third-party debt collectors. In fact, the Fair Debt Collection Practices Act is a consumer protection statute that does not require creditors to transfer debts to third parties. In fact, ACE has no "FDCPA Department."

14. Some of ACE's in-house and third-party debt collectors also falsely threatened delinquent borrowers with litigation or criminal prosecution, including by referencing or alluding to attorneys, clerks, legal departments, filings, formal complaints, and "immediate proceedings based on the law." The name of one company hired by ACE to collect debt on its behalf was "National Attorney Collection Services, Inc." Its collectors regularly referred to themselves as "National Attorney" in communications with consumers. These consumers may have reasonably believed that they were likely to be sued or that an attorney had reviewed their account, when that was not the case. Another of ACE's third-

party debt collectors misrepresented that ACE had hired it to conduct "mediations" with consumers before recommending whether ACE should refer the consumers' account or "case" to law enforcement. In fact, ACE does not sue consumers for failing to pay or refer non-payment for criminal prosecution; nor does it permit its third-party debt collectors to do so.

15. ACE also trained and instructed its in-house debt collectors to create a "sense of urgency." Some ACE collectors leveraged the sense of urgency to encourage delinquent borrowers with a demonstrated inability to repay their existing loans to take out new loans. Specifically, ACE's "Foundations of Collections New Hire Training Manual," which the company used from September 2010 to September 2011, describes what it calls "The Loan Process":



16. ACE's "Loan Process" begins with the consumer's loan application; moves to ACE's loan approval; moves next to a consumer who has "exhaust[ed] the cash and does not have the ability to pay"; then, ACE "contacts the customer for payment or offers the option to refinance or extend the loan"; after which, the consumer "does not make a payment and the account enters collection." At this point, the "Loan Process" starts over again.

17. While engaged in the unfair and deceptive practices described above, some of ACE's in-house debt collectors suggested to consumers in default that they take out a new loan to pay off their existing obligation. When consumers explained that they could not afford to repay another ACE loan and also meet their other expenses, in-house debt collectors cited the company's initial loan approval as evidence that consumers could afford to repay the new loan.

18. ACE has begun corrective action and has committed to taking all necessary and appropriate steps to remedy the violations of law identified by the Bureau.

Unfair Acts or Practices

19. The CFPA prohibits "unfair, deceptive, or abusive" acts or practices. 12 U.S.C. §§ 5531 and 5536(a)(1)(B).

20. An act or practice is unfair under the CFPA if (1) it causes or is likely to cause substantial injury to consumers; (2) such injury is not reasonably avoidable by consumers; and (3) such injury is not outweighed by countervailing benefits to consumers or to competition. 12 U.S.C. § 5531(c).

21. As described in Paragraphs 4 through 17, in connection with the collection of debt, some of ACE's in-house or third-party collectors engaged in the following unfair acts or practices during the Relevant Period:

    a. Making an excessive number of calls to consumers' home, work, and cell phone numbers;

    b. Disclosing the existence of consumers' debts to non-liable third parties;

    c. Continuing to call consumers at work after being told that such calls were prohibited;

    d. Continuing to call consumers directly after being told that they were represented by counsel; and

    e. Continuing to call consumers with no relation to the debt after being told that ACE had the wrong person.

22. These acts or practices caused or were likely to cause substantial consumer injury that was not reasonably avoidable by consumers or outweighed by countervailing benefits to consumers or to competition.

23. Therefore ACE engaged in unfair acts or practices in violation of the CFPA. 12 U.S.C. §§ 5531 and 5536(a)(1)(B).

Deceptive Acts or Practices

24. An act or practice is deceptive under the CFPA if it involves a material representation or omission that misleads, or is likely to mislead, a consumer acting reasonably under the circumstances.

25. As described in Paragraphs 4 through 17, in connection with the collection of debt, some of ACE's in-house or third-party collectors engaged in the following deceptive acts or practices during the Relevant Period:

    a. Misrepresenting the acts that would be taken by third-party debt collectors if the debt were transferred;
    b. Misrepresenting its ability to prevent a debt from being transferred to a third-party collector;
    c. Falsely threatening litigation;
    d. Falsely threatening to report non-payment to credit bureaus;
    e. Falsely threatening to refer non-payment for criminal prosecution; and
    f. Falsely threatening to add collection fees.

26. These acts or practices are likely to mislead consumers acting reasonably under the circumstances and are material to consumers subject to debt collection.

27. Therefore ACE engaged in deceptive acts or practices in violation of the CFPA. 12 U.S.C. §§ 5531 and 5536(a)(1)(B).

Abusive Acts or Practices

28. An act or practice is abusive under Section 1031(d)(2)(B) of the CFPA if it takes "unreasonable advantage of … the inability of the consumer to protect the interests of the consumer in selecting or using a consumer financial product or service." 12 U.S.C. § 5531(d)(2)(B).

29. As described in Paragraphs 4 through 17, some Ace collectors created and leveraged an artificial sense of urgency to induce delinquent borrowers with a

demonstrated inability to repay their existing loan to take out a new ACE loan with accompanying fees.

30. These acts or practices took unreasonable advantage of the inability of consumers to protect their own interests in selecting or using a consumer financial product or service.

31. Therefore ACE engaged in abusive acts or practices in violation of the CFPA. 12 U.S.C. §§ 5531 and 5536(a)(1)(B).

CONDUCT PROVISIONS

VI
Order to Cease and Desist and to Take Other Affirmative Action

IT IS ORDERED, under Sections 1053 and 1055 of the CFPA, that:

32. Respondent and its officers, agents, servants, employees, and attorneys who have actual notice of this Consent Order, whether acting directly or indirectly, shall cease and desist and that Respondent shall take reasonable measures to ensure that its service providers, affiliates, and other agents cease and desist from any violations of Sections 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531 and 5536, and take the following affirmative action:

    a. Respondent and its officers, agents, servants, employees, and attorneys who receive actual notice of this Consent Order, shall not engage in conduct the natural consequence of which is to harass, oppress, or abuse a person, including, but not limited to: (1) the use of obscene or profane language or language the natural consequence of which is to abuse the hearer or reader; (2) causing a telephone to ring, or engaging a person in telephone conversation, repeatedly or continuously with the intent to

annoy, abuse, or harass the person at the called number; or (3) placing more than one call to any person about a debt after that person has notified Respondent either orally or in writing that the person wishes Respondent to cease further communication with the person;

b. Respondent and its officers, agents, servants, employees, and attorneys who receive actual notice of this Consent Order, shall not disclose the existence of a consumer's debt to any unauthorized third party, unless the consumer has given his or her express permission to do so;

c. In connection with its collection of a debt, Respondent and its officers, agents, servants, employees, and attorneys who receive actual notice of this Consent Order, shall not contact any consumer indebted to Respondent at his or her place of business, if Respondent knows or has reason to know that the consumer's employer prohibits the consumer from receiving such communication.

d. Respondent and its officers, agents, servants, employees, and attorneys who receive actual notice of this Consent Order, shall not directly communicate with any consumer indebted to Respondent that it knows, or should know, is represented by an attorney, unless the consumer has given his or her express permission to do so;

e. Respondent and its officers, agents, servants, employees, and attorneys who receive actual notice of this Consent Order, shall suspend collection efforts against any person disputing the validity of a debt alleged to be owed to Respondent until after Respondent has conducted a reasonable

investigation into the consumer's dispute and notified the consumer of the results in writing;

f. Respondent and its officers, agents, servants, employees, and attorneys who receive actual notice of this Consent Order, shall not misrepresent, or assist others in misrepresenting, expressly or by implication:

   i. the acts that will be taken by third-party debt collectors if Respondent transfers the debt;

   ii. that Respondent is unable to prevent a debt from being transferred to a third-party collector;

   iii. that Respondent intends or plans to sue or otherwise engage in litigation with a consumer;

   iv. that Respondent intends or plans to report a consumer's failure to make a payment to credit bureaus;

   v. that Respondent intends or plans to refer a consumer for criminal prosecution for failure to make a payment;

   vi. that Respondent intends or plans to add collection fees to a consumer's account balance; or

   vii. any other material fact in connection with the collection of debt.

g. In connection with the collection of debt, Respondent and its officers, agents, servants, employees, and attorneys who receive actual notice of this Consent Order, shall not encourage or suggest that a delinquent borrower pay off their loan and then take out a new loan from Respondent. *Provided, however,* that ACE may truthfully inform consumers, in response to a bona fide consumer inquiry about the availability of a new

loan, that ACE does not permit consumers to take out a new loan while there is an outstanding balance on their existing loan.

33. Respondent shall not condition any extension of credit upon a consumer granting express permission to engage in any of the acts or practices prohibited by Paragraph 32.

VII
Compliance Plan

IT IS FURTHER ORDERED that:

34. Within 60 days of the Effective Date, Respondent shall submit to the Regional Director for review and determination of non-objection a comprehensive compliance plan ("Compliance Plan") designed to ensure that Respondent's debt collection practices comply with Sections 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531 and 5536, and the terms of this Consent Order. The Compliance Plan shall, at a minimum:

a. Include detailed steps for addressing each action required by this Consent Order;

b. Explain Respondent's consumer compliance organizational and reporting structure;

c. Provide written descriptions of the job duties for key consumer-compliance staff positions, which clearly define employee authority and accountability;

d. Require that Respondent allocate resources to compliance that are commensurate with the company's size, complexity, product lines, and business operations to ensure that it implements an adequate compliance

program, including appropriate staffing levels with qualified and experienced personnel;

e. Require that Respondent record and regularly monitor its debt collection calls;

f. Require ongoing education and training in federal unfair, deceptive, and abusive acts or practices for all appropriate employees, Board members, and other appropriate individuals, with training tailored to each individual's job duties or other role within the organization. Respondent shall document its training activities and it shall review and update its training activities at least annually to ensure that it provides appropriate individuals with the most relevant information; and

g. Require that the Compliance Plan be updated at least semi-annually—or as required by changes in laws or regulations, or changes in Respondent's business strategies—to ensure that the Plan remains current and effective.

35. The Regional Director shall have the discretion to make a determination of non-objection to the Compliance Plan or direct Respondent to revise it. In the event that the Regional Director directs Respondent to revise the Compliance Plan, Respondent shall make the revisions and resubmit the Compliance Plan to the Regional Director within 30 days.

36. Upon notification that the Regional Director has made a determination of non-objection to the Compliance Plan, Respondent shall implement and adhere to the steps, recommendations, deadlines, and timeframes set forth in the Compliance Plan.

VIII
Role of the Board

IT IS FURTHER ORDERED that:

37. The Board shall review all submissions (including plans, reports, programs, policies, and procedures) required by this Consent Order prior to submission to the Bureau.

38. Although this Consent Order requires Respondent to submit certain documents for review or non-objection by the Regional Director, the Board shall have the ultimate responsibility for proper and sound management of Respondent and for ensuring that Respondent complies with Sections 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531 and 5536 and this Consent Order.

39. For each instance in this Consent Order in which the Board is required to ensure adherence to, or undertake to perform certain obligations of Respondent, the Board shall:

    a. Authorize and adopt such actions on behalf of Respondent as may be necessary for Respondent to perform its obligations and undertakings under the terms of this Consent Order;

    b. Require the timely reporting by Respondent management of such actions directed by Respondent management to be taken under the terms of this Consent Order; and

    c. Require corrective action be taken in a timely and appropriate manner in the case of any material non-compliance with such actions.

MONETARY PROVISIONS

IX
Order to Pay Redress

IT IS FURTHER ORDERED that:

40. Respondent shall pay $5,000,000 in redress to Restitution Eligible Consumers as set forth in this Section. If the total amount of money claimed by Restitution Eligible Consumers pursuant to this Section is less than $5,000,000, Respondent may use the remainder to pay the third-party costs of administering redress as required by this Section. If funds remain after payment of redress and the third-party administration costs, such remaining funds shall be paid to the Bureau and disgorged to the U.S. Treasury as set forth in this Section.

41. Within 30 days of the Effective Date, Respondent shall submit to the Regional Director for review and non-objection a comprehensive written plan for providing redress consistent with this Consent Order ("Redress Plan"). The Regional Director shall have the discretion to make a determination of non-objection to the Redress Plan or direct Respondent to revise it. In the event that the Regional Director directs Respondent to revise the Redress Plan, Respondent shall make the revisions and resubmit the Redress Plan to the Regional Director within 15 days. Upon notification that the Regional Director has made a determination of non-objection to the Redress Plan, Respondent shall promptly implement and adhere to the steps, recommendations, deadlines, and timeframes set forth in the Redress Plan.

42. The Redress Plan shall:

a. Identify a Third-Party Settlement Administrator ("Administrator") to conduct the activities set forth in the Redress Plan;

b. Require the Administrator, in both English and Spanish languages, to provide information to, and accept claim forms from, consumers through, at a minimum, a dedicated website, e-mail address, and first-class mail, for a claims period of 180 days ("Claims Period");

c. Require Respondent, through the Administrator, to provide restitution to all Restitution Eligible Consumers who submit a timely Claim Form;

d. Provide that all Restitution Eligible Consumers who submit a timely claim form shall receive a refund of all payments to ACE during the Relevant Period plus 1.3%, unless the total of such payments would exceed $5,000,000, in which case the amount paid to each Restitution Eligible Consumer shall be reduced pro rata by the Administrator;

e. Provide that Respondent shall pay all costs of administering redress as required by this Section; *provided, however,* that if the total amount of money claimed by Restitution Eligible Consumers is less than $5,000,000, Respondent may use the remainder to pay the third-party costs of administering redress;

f. Provide for payment to consumers within 90 days of the end of the Claims Period, in the form of a certified or bank check that may be cashed by the consumer for a period of at least 90 days after issuance;

g. Provide that the restitution paid to Restitution Eligible Consumers is not subject to any condition and does not limit their rights in any way; and

h. Provide that nothing in the Redress Plan creates any new collection, credit reporting, or litigation rights on behalf of Respondent.

43. In the event that the total amount of redress provided to Restitution Eligible Consumers as set forth in this Section, and the total amount money paid to the Administrator for the purpose of administering redress as set forth in this Section, is less than $5,000,000, Respondent is ordered to transfer the remainder to the Bureau, in the form of a wire transfer to the Bureau or to such agent as the Bureau may direct, and in accordance with wiring instructions to be provided by counsel for the Bureau, so that such funds may be distributed to the U.S. Treasury as disgorgement. Respondent shall make this payment within 180 days of the end of the Claims Period.

44. The Redress Plan also shall include the proposed text of the website, e-mail, and letter (Restitution Notification), claim form (Claim Form), and envelope the Administrator will send to notify Restitution Eligible Consumers. The Restitution Notification shall include:

a. Satisfactory language explaining the reasons for the refunds, including a brief description of the Bureau's findings and conclusions in this Consent Order;

b. A statement that the refund is required by this Consent Order with the Consumer Financial Protection Bureau;

c. A statement that if the consumer wishes to receive a refund, the consumer should sign, date, and return a Claim Form by [X] date. The Claim Form shall not require the consumer to otherwise swear or attest to any facts;

d. The amount of money the consumer paid to ACE during the Relevant Period and a statement that the consumer is eligible to receive a refund of some or all of that money if he or she submits a timely Claim Form; and

e. A statement that claiming a refund will not subject the consumer to any new debt collection activity.

45. Respondent shall bear all costs and expenses of the Administrator for conducting the Redress Plan. Respondent's contract with the Administrator shall require the Administrator to comply with the provisions of this Consent Order as applicable to the Administrator. The Administrator's contract shall require the Administrator to work cooperatively with the Bureau in the conduct of the Redress Plan, including reporting regularly and providing all reasonably requested information to the Bureau. Respondent shall provide to the Administrator all information and data needed to conduct the Redress Plan. Such information and data shall be used by the Administrator only for the purpose of administering the Redress Plan.

46. Redress provided by Respondent shall not limit consumers' rights except for double recovery. Respondent shall not be entitled to a set-off, or any other reduction, of the amount of payments to Restitution Eligible Consumers because of any debts owed by the Restitution Eligible Consumers.

47. Respondent, through the Administrator, shall make reasonable efforts to locate and send Restitution Notifications and Claim Forms to Restitution Eligible Consumers, including by running a standard address search using the national change of address system before mailing Restitution Notifications and, within

30 days, re-mailing all returned letters and any restitution checks to corrected addresses, if any.

48. Within 180 days after the end of the Claims Period, Respondent shall provide a final report ("Restitution Report") to the Regional Director that describes all of its efforts to calculate and provide redress to Restitution Eligible Consumers. The Restitution Report shall include a signed report from the Administrator certifying that Respondent has completed the Redress Plan. The Restitution Report also shall include the total number of Restitution Eligible Consumers, the total amount of restitution Respondent actually paid, and the amount and status of all unclaimed restitution payments.

X
Order to Pay Civil Money Penalties

IT IS FURTHER ORDERED that:

49. Under Section 1055(c) of the CFPA, 12 U.S.C. § 5565(c), by reason of the violations of law set forth in Section V of this Consent Order, and taking into account the factors set forth in 12 U.S.C. § 5565(c)(3), Respondent shall pay a civil money penalty of $5,000,000 to the Bureau, as directed by the Bureau and as set forth herein.

50. Within 10 days of the Effective Date, Respondent shall pay the civil money penalty in the form of a wire transfer to the Bureau or to such agent as the Bureau may direct, and in accordance with wiring instructions to be provided by counsel for the Bureau.

51. The civil money penalty paid under this Consent Order shall be deposited in the Civil Penalty Fund of the Bureau in accordance with Section 1017(d) of the CFPA, 12 U.S.C. § 5497(d).

52. Respondent shall treat the civil money penalty as a penalty paid to the government for all purposes. Regardless of how the Bureau ultimately uses those funds, Respondent shall not:

    a. Claim, assert, or apply for a tax deduction or tax credit with regard to any federal, state, or local tax for any civil money penalty that Respondent pays under this Consent Order; or

    b. Seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made under any insurance policy, with regard to any civil money penalty that Respondent pays under this Consent Order.

53. To preserve the deterrent effect of the civil money penalty, in any Related Consumer Action, Respondent shall not argue that Respondent is entitled to, nor shall Respondent benefit by, any offset or reduction of any monetary remedies imposed in the Related Consumer Action, because of the civil money penalty paid in this action (Penalty Offset). If the court in any Related Consumer Action grants such a Penalty Offset, Respondent shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Bureau, and pay the amount of the Penalty Offset to the U.S. Treasury. Such a payment shall not be deemed an additional civil money penalty and shall not be deemed to change the amount of the civil money penalty imposed in this action.

XI
Additional Monetary Provisions

IT IS FURTHER ORDERED that:

54. In the event of any default on Respondent's obligations to make payment under this Consent Order, interest, computed under 28 U.S.C. § 1961, as amended, shall accrue on any outstanding amounts not paid from the date of default to the date of payment, and shall immediately become due and payable.

55. Respondent shall relinquish all dominion, control, and title to the funds paid to the fullest extent permitted by law and no part of the funds shall be returned to Respondent.

56. In accordance with 31 U.S.C. § 7701, Respondent, unless it already has done so, shall furnish to the Bureau its taxpayer identifying numbers, which may be used for purposes of collecting and reporting on any delinquent amount arising out of this Consent Order.

57. Within 30 days of the entry of a final judgment, consent order, or settlement in a Related Consumer Action, Respondent shall notify the Regional Director of the final judgment, consent order, or settlement in writing. That notification shall indicate the amount of redress, if any, that Respondent paid or is required to pay to consumers and should describe the consumers or classes of consumers to whom that redress has been or will be paid.

COMPLIANCE PROVISIONS
XII
Reporting Requirements

IT IS FURTHER ORDERED that:

58. Respondent shall notify the Bureau of any change in Respondent that may affect compliance obligations arising under this Consent Order, including but not limited to, a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor company; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Consent Order; the proposed filing of any bankruptcy or insolvency proceeding by or against Respondent; or a change in Respondent's name or address.

59. Respondent shall report any change in the information required to be submitted under Paragraph 58 at least 30 days prior to such change. *Provided, however*, that with respect to any proposed change about which Respondent learns less than 30 days prior to the date such action is to take place, Respondent shall notify the Bureau as soon as is practicable after obtaining such knowledge.

60. Within 90 days of the Effective Date, and again one year after the Effective Date, Respondent shall submit to the Regional Director an accurate written compliance progress report (each a Compliance Report), which has been approved by the Board, which describes in detail the manner and form in which Respondent has complied with this Consent Order.

61. After the one-year period, Respondent shall submit to the Regional Director additional Compliance Reports within 30 days of receiving a written request from the Bureau.

XIII
Order Distribution and Acknowledgment

IT IS FURTHER ORDERED that:

62. Within 30 days of the Effective Date, Respondent shall deliver a copy of this Consent Order to each of its board members and executive officers, as well as to any managers, employees, or third-party debt collectors who have responsibilities related to the subject matter of the Consent Order.

63. For 5 years from the Effective Date, Respondent shall deliver a copy of this Consent Order to any business entity resulting from any change in structure as set forth in Section XII, any future board members and executive officers, as well as to any managers, employees, or third-party debt collectors who will have responsibilities related to the subject matter of the Consent Order before they assume their responsibilities.

64. Respondent shall secure a signed and dated statement acknowledging receipt of a copy of this Consent Order, with any electronic signatures complying with the requirements of the E-Sign Act, 15 U.S.C. § 7001 *et seq.*, within 30 days of delivery, from all persons receiving a copy of this Consent Order under this Section.

XIV
Recordkeeping

IT IS FURTHER ORDERED that:

65. Respondent shall create, for at least 5 years from the Effective Date, and then retain, for at least 5 years, and make available to the Bureau upon request, the following business records:

    a. All documents and records necessary to demonstrate full compliance with each provision of this Consent Order, including all submissions to the Bureau and all documents and records pertaining to the Redress Plan, as

set forth in Section IX; and

b. All consumer complaints related to debt collection (whether received directly or indirectly, such as through a third party), and any responses to those complaints.

XV
Notices

IT IS FURTHER ORDERED that:

66. Unless otherwise directed in writing by the Bureau, all submissions, requests, communications, consents, or other documents relating to this Consent Order shall be in writing and shall be sent by overnight courier (not the U.S. Postal Service), as follows:

James Carley
Regional Director, Bureau Southeast Region
Consumer Financial Protection Bureau
1700 G Street, N.W.
Washington, D.C. 20552
The subject line shall begin: In re ACE Cash Express, Inc., File No. 2014-CFPB-[docket number listed above].

Provided however that Respondent may send such reports or notifications by first-class mail, but only if Respondent contemporaneously sends an electronic version of such report or notification to Compliance@cfpb.gov.

XVI
Compliance and Extensions of Time

IT IS FURTHER ORDERED that:

67. Upon a written showing of good cause, the Regional Director may, in his or her discretion, modify any non-material provisions of this Consent Order (*e.g.*, reasonable extensions of time and changes to reporting requirements). Any such modification by the Regional Director shall be in writing.

ADMINISTRATIVE PROVISIONS

XVII

68. The provisions of this Consent Order shall not bar, estop, or otherwise prevent the Bureau, or any other governmental agency from taking any other action against Respondent.

69. This Consent Order is intended to be, and shall be construed to be, a final Consent Order issued under Section 1053 of the CFPA, 12 U.S.C. § 5563, and expressly does not form, and may not be construed to form, a contract binding the Bureau or the United States.

70. This Consent Order shall terminate 10 years from the Effective Date. The Consent Order shall remain effective and enforceable until such time, except to the extent that any provisions of this Consent Order shall have been amended, suspended, waived, or terminated in writing by the Bureau or its designated agent.

71. Calculation of time limitations shall run from the Effective Date and shall be based on calendar days, unless otherwise noted.

72. The provisions of this Consent Order shall be enforceable by the Bureau. Any violation of this Consent Order may result in the imposition by the CFPB of the maximum amount of civil money penalties allowed under Section 1055(c) of the CFP Act, 12 U.S.C. § 5565(c).

73. This Consent Order and the accompanying Stipulation contain the complete agreement between the parties. No promises, representations, or warranties other than those set forth in this Consent Order and the accompanying Stipulation have been made by any of the parties. This Consent Order and the

accompanying Stipulation supersede all prior communications, discussions, or understandings, if any, of the parties, whether oral or in writing.

74. Nothing in this Consent Order or the accompanying Stipulation shall be construed as allowing the Respondent, its Board, officers, or employees to violate any law, rule, or regulation.

75. The Bureau releases and discharges Respondent from all potential liability for violations of law that have been or might have been asserted by the Bureau based on the practices described in Section V of this Consent Order, to the extent such practices occurred prior to Effective Date and are known to the Bureau as of the Effective Date. Notwithstanding the foregoing, the practices described in this Consent Order may be utilized by the Bureau in future enforcement actions against Respondent and its affiliates, including, without limitation, to establish a pattern of practice of violations or the continuation of a pattern or practice of violations or to calculate the amount of any penalty. This release shall not preclude or affect any of the Bureau to determine and ensure compliance with the terms and provisions of the Consent Order, or to seek penalties for any violations of the Consent Order.

IT IS SO ORDERED, this 8 th day of July 2014.

Richard Cordray

Richard Cordray
Director
Consumer Financial Protection Bureau