

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

_____ X
In the Matter of:

NY Community Financial, LLC
U/A/N The Check Cashing Place U/A/N CFSC
U/A/N Community Financial Service Center

SETTLEMENT AGREEMENT

560 Sylvan Avenue
Englewood Cliffs, NJ 07632

_____ X

This Settlement Agreement ("Agreement") is made and entered into by and between NY Community Financial, LLC U/A/N The Check Cashing Place U/A/N CFSC U/A/N Community Financial Service Center ("NYCF") and the New York State Department of Financial Services (the "Department") and collectively with NYCF, the ("Settling Parties") evidencing an agreement between the Settling Parties to resolve, without a hearing, violation of Part 400.5(a)(2) of the Superintendent's Regulations, subject to the terms and conditions hereof.

I. VIOLATION

1. NYCF was organized as a limited liability company in the State of Delaware on February 5, 2003, and registered to do business in New York on April 11, 2003. NYCF's principal place of business is located at 560 Sylvan Avenue, Englewood Cliffs, NJ 07632.

2. NYCF is a regional check casher, and currently operates 82 branches and 4 limited stations. NYCF is affiliated with Community Financial Service Centers, headquartered in Northbrook, IL. NYCF and its affiliates are licensed cashers of checks in 11 states.

3. Part 400.5(a)(2) of the Superintendent's Regulations provides that every licensee shall "pay to every customer tendering check, draft or money order to be cashed, the entire face amount of such instrument in cash less any charges permitted by this Part, on the same date upon which such instrument is presented. In no event shall the licensee make a partial payment on account, on any such instrument."

4. The Department determined that NYCF violated Part 400.5(a)(2) of the Superintendent's Regulations by failing to provide customers with the entire amount of cashed instruments in cash. The Department's examination covering the period from January 1, 2012 to December 31, 2014 (the "Examination"), found instances where NYCF paid partly with cash and partly with a money order or money orders when a customer tendered a check in an amount over \$10,000.

5. Section 44 of the New York Banking Law ("Banking Law") provides the Superintendent with the authority to impose in a proceeding after notice and hearing a penalty of not more than \$2,500 per day for each day during which a violation continues, for any violation of the Banking Law or of any regulation promulgated thereunder.

II. SETTLEMENT TERMS AND CONDITIONS

6. NYCF and the Department are willing to resolve the violations herein by entering into this Agreement and NYCF freely and voluntarily waives its right to a hearing under Banking Law Section 44 for such violations. Therefore, in consideration of the promises and covenants set forth herein:

- a. NYCF agrees to take all steps to ensure its compliance with all applicable federal and state laws, regulations, supervisory requirements, and guidelines relating to its check cashing activities, including, but not limited to: complying with the requirements of Part 400.5(a)(2) of the Superintendent's Regulations.
- b. NYCF agrees to develop appropriate written compliance policies and procedures and employee training designed to ensure compliance with all applicable federal and state laws, regulations, supervisory requirements, and guidelines.
- c. NYCF agreed to pay a fine of \$25,000.00, which fine has already been paid to the Department.

III. MISCELLANEOUS TERMS AND CONDITIONS

7. NYCF acknowledges that its failure to comply with any of the settlement terms and conditions of this Agreement may result in the Department taking action to revoke NYCF's license to engage in the business of a casher of checks company under Article 9-A of the Banking Law.

8. NYCF acknowledges that entering into this Agreement shall not bar, estop or otherwise prevent the Superintendent, or any state, federal or local agency or department or any prosecutorial authority from taking any other action affecting NYCF, any of its current or former owners, officers, directors, employees, or insiders or their successors or assigns with respect to the violations cited herein, or any other matter whether related or not to such violations.

9. This Agreement may not be altered, modified or changed unless in writing signed by the Parties. This Agreement is governed by the laws of the State of New York, and any action with respect to this Agreement may be brought only in the New York State Supreme Court, New York County. This Agreement shall be and remain enforceable against NYCF, except to the extent otherwise provided in writing by the

Superintendent or her designee. The effective date of this Agreement is the date on which it is executed by the Deputy Superintendent.

10. Unless modified by the Department pursuant to notice hereunder, all written communications to the Department regarding this Agreement should be sent as follows:

Attention:

Wendy D. Henry
Deputy Superintendent of Banks
New York State Department of Financial Services
One State Street
New York, NY 10004

11. Unless modified by NYCF pursuant to notice hereunder, all written communications to NYCF regarding this Agreement should be sent as follows:

Attention:

Thomas Musial
President
NY Community Financial, LLC
560 Sylvan Avenue – Suite 2010
Englewood Cliffs, NJ 07632

12. This Agreement is not confidential; therefore, copies hereof may be made available to the public as of the date executed by the Department.

WHEREFORE, the Settling Parties hereto have caused this Agreement to be executed by their respective representatives.

NY Community Financial, LLC

U/A/N The Check Cashing Place

U/A/N CFSC

U/A/N Community Financial Service Center

Richard A. Barr
Manager

Dated: _____

New York State Department of Financial
Services

By: _____
Wendy D. Henry
Deputy Superintendent of Banks

Dated: _____