

286.9-110 Revocation or suspension of license -- Effect of denial, revocation, suspension, expiration, or surrender of license -- Circuit Court remedy.

- (1) The commissioner may suspend, revoke, place on probation, condition, restrict, refuse to issue or renew a license, accept the surrender of a license in lieu of revocation or suspension, order that refunds to customers be made, or issue a cease-and-desist order, if the commissioner finds that the person, licensee, or a person in control of a licensee:
 - (a) Has committed any fraud, engaged in any dishonest activities, or made any misrepresentation;
 - (b) Does not meet, has failed to comply with, or has violated any provisions of this subtitle or any administrative regulation issued pursuant thereto, or any order of the commissioner issued pursuant thereto, or has violated any other law in the course of its or his or her dealings as a licensee;
 - (c) Has made a false statement in the application for the license or failed to give a truthful reply to a question in the application;
 - (d) Has demonstrated his or her incompetence or untrustworthiness to act as a licensee;
 - (e) Is unfit, through lack of financial responsibility or experience, to conduct the business of a check-cashing or deferred deposit service business, as the case may be;
 - (f) Does not conduct his or her business in accordance with the law or conducts business by a method that includes, or would include, activities that are illegal where performed, or has willfully violated any provision of this subtitle; or any administrative regulation promulgated or order of the commissioner issued hereunder;
 - (g) Is insolvent;
 - (h) Is the subject of an administrative cease-and-desist order or similar order, or a permanent or temporary injunction of any court of competent jurisdiction entered under any other federal or state act applicable to the person, applicant, or licensee;
 - (i) Has made or caused to be made to the commissioner any false representation of material fact or has suppressed or withheld from the commissioner any information that the applicant or licensee possesses and which, if submitted by him or her, would have rendered the applicant or licensee ineligible to be licensed under this subtitle;
 - (j) Has refused to permit an examination or investigation by the commissioner of his or her books and affairs or has refused or failed, within a reasonable time, to furnish any information or records, or make any report that may be required or requested by the commissioner;
 - (k) Has been convicted of a felony;
 - (l) Has been convicted of any misdemeanor of which an essential element is fraud, breach of trust, or dishonesty;

- (m) Has had any license, registration, or claim of exemption related to the financial services industry denied, revoked, suspended, conditioned, restricted, or probated under the laws of this state, any other state, or the United States, or has surrendered, withdrawn, or terminated any license, registration, or claim of exemption issued or registration granted by this state or any other jurisdiction under threat of administrative action;
 - (n) Has employed or contracted with a person who has failed to license or has had a license, registration, or claim of exemption denied, revoked, suspended, conditioned, restricted, or probated in this Commonwealth or another state;
 - (o) Has failed to pay any required fee under this subtitle;
 - (p) Has abandoned an application or renewal application by failing to provide the commissioner any information required under this subtitle, or requested by the commissioner, to complete an application;
 - (q) Has failed to comply with an administrative or court order imposing child support obligations;
 - (r) Has failed to pay state income taxes or to comply with any administrative or court order directing the payment of state income tax;
 - (s) Has failed to properly verify a customer's eligibility for a deferred deposit transaction;
 - (t) Has applied for an adjudication of bankruptcy, reorganization, arrangement, or other relief under the United States Bankruptcy Code, 11 U.S.C. secs. 101 to 110;
 - (u) Has suspended payment of its obligations or has made an assignment for the benefit of its creditors;
 - (v) Has violated any of the recordkeeping and reporting requirements of the United States government including 31 U.S.C. secs. 5311 to 5332 and 31 C.F.R. pt. 103; or
 - (w) No longer meets the requirements under this subtitle to hold a license.
- (2) If the reason for revocation, suspension, restriction, condition, or probation of a licensee's license at any one location is of general application to all locations operated by a licensee, the commissioner may revoke, suspend, restrict, condition, or probate all licenses issued to a licensee.
 - (3) Any person who has had a license denied by the commissioner shall not be eligible to apply for a license under this subtitle until after expiration of one (1) year from the date of denial.
 - (4) Any person who has had a license revoked by the commissioner shall not be eligible to apply for a license under this subtitle until after expiration of three (3) years from the date of revocation. A person whose license has been revoked twice shall be deemed permanently revoked and shall not again be eligible for a license under this subtitle.
 - (5) Any person whose license has been denied, suspended, revoked, or surrendered in lieu of revocation or suspension under this section is prohibited from participating

in any business activity of a licensee under this subtitle and from engaging in any business activity on the premises where a licensee under this subtitle is conducting its business.

- (6) The surrender or expiration of a license shall not affect the person's civil or criminal liability for acts committed prior to the license surrender or expiration. Revocation, suspension, refusal to renew, surrender, or expiration of a license shall not impair or affect the obligation of any preexisting contract between a licensee and a customer. The surrender or expiration of a license shall not affect a proceeding to suspend or revoke a license.
- (7) The commissioner may notify the Department of Revenue, which may institute an action in the name of the Commonwealth of Kentucky, in the Franklin Circuit Court, or any court of competent jurisdiction, for the recovery of any civil penalty, fine, cost, or fee assessed or levied under this subtitle.
- (8) The commissioner may file a complaint in the Franklin Circuit Court, or any court of competent jurisdiction, for a temporary restraining order or injunction against any person, where the commissioner has reason to believe from evidence satisfactory to the commissioner that such person has violated, or is about to violate, a provision in this subtitle, for the purpose of restraining and enjoining such person from continuing or engaging in the violation or doing any act in furtherance thereof. The court shall have jurisdiction over the proceeding and shall have the power to enter an order or judgment awarding preliminary or final injunctive relief and any other relief that the court deems proper. Any person who violates a temporary restraining order or injunction issued by the court entered as a result of a violation of this subtitle shall be held in contempt of court and the court may assess a civil penalty in an amount equivalent to the amounts found in KRS 286.9-991.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 814, effective July 15, 2010. -- Amended 2009 Ky. Acts ch. 98, sec. 5, effective January 1, 2010. -- Amended 1998 Ky. Acts ch. 601, sec. 10, effective April 14, 1998. -- Created 1992 Ky. Acts ch. 213, sec. 11, effective July 14, 1992; and ch. 341, sec. 11, effective July 14, 1992.

Formerly codified as KRS 368.110.

Legislative Research Commission Note (7/12/2006). In accordance with 2006 Ky. Acts ch. 247, secs. 38 and 39, this statute has been renumbered as a section of the Kentucky Financial Services Code, KRS Chapter 286, and KRS references within this statute have been adjusted to conform with the 2006 renumbering of that code.