

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS



DEPARTMENT OF BUSINESS REGULATION  
DIVISION OF BANKING  
1511 Pontiac Avenue, Building 69-2  
Cranston, Rhode Island 02903  
Telephone: (401) 462-9503 – Facsimile: (401) 462-9559

IN THE MATTER OF:

EAST BAY INVESTMENT MANAGEMENT CORP.

CONSENT AGREEMENT

RECEIVED  
BUSINESS REGULATION  
DIVISION OF BANKING

FEB 27 2009

I. RELEVANT FACTS

The Rhode Island Department of Business Regulation ("Department") and East Bay Investment Management Corp. ("Respondent") agree as follows:

1. Respondent was the holder of Check Cashing License Number 20072305CC (the "License") issued pursuant to the provisions of R. I. Gen. Laws § 19-14-1 *et seq.* Respondent operated its check-cashing business from an office located at 28 Main Road Tiverton, RI 02878.

2. On or about December 2, 2008, the Department issued to Respondent a Notice of Intent to Revoke License Without Hearing Under R. I. Gen. Laws § 19-14-14 ("Notice") for failure to pay the applicable annual license fee and the failure to file the required annual report pursuant to R. I. Gen. Laws §§ 19-14-4 and 19-14-22 respectively.

3. By order dated January 6, 2009 ("Order"), the Department revoked the License pursuant to R. I. Gen. Laws § 19-14-14 based upon the failure of Respondent to respond to the Notice. Respondent received the Order on January 12, 2009.

4. On January 26, 2009, the Division of Banking ("Division") received from

Respondent an Application for a License to Engage in the Business of a Check Cashing Establishment (the "Application")

5. On January 26, 2009 the Division also received from Respondent a Final Annual Report for the License as required by the January 6, 2009 Order.

## II. SETTLEMENT

1. In light of Respondent's offer to settle this matter without hearing, Respondent: waives its right to complete the administrative hearing process; waives its right to appeal this Consent Agreement; admits that the information in paragraphs 1 through 5 of Section I is true; is willing to remedy this matter; and is willing to take all necessary action as delineated in this paragraph and the following paragraphs of this Consent Agreement to allow Respondent to obtain a Rhode Island Check Cashing License from the Department.

2. Respondent shall forthwith:

- A. Comply with R. I. Gen. Laws §19-14-1 et seq. and any applicable rules and regulations promulgated under R. I. Gen. Laws Title 19;
- B. Pay by check made payable to the General Treasurer, State of Rhode Island<sup>1</sup> an administrative assessment in the aggregate amount of one thousand one hundred sixty-four dollars (\$1,164), of which one hundred sixty-four dollars (\$164) represents an examination fee.
- C. Maintain compliance personnel to ensure that all statutory reporting or filing requirements pursuant to R.I. Gen. Laws, §19-14-1 et seq. will be met.
- D. File with the Division a certified copy of a resolution of the board of directors or

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<sup>1</sup> Payee must be "General Treasurer, State of Rhode Island". Check with any other payee will be returned for reissuance.

substantially equivalent governing body of Respondent that identifies Michael E. Karlsbert as the authorized person to execute this Consent Agreement.

3. The Division agrees to issue a Rhode Island Check Cashing License to Respondent subject to compliance by Respondent with this Consent Agreement and the usual terms and conditions pertaining to the approval of an application for a Check Cashing License.

### III. RESERVATION OF RIGHTS

The Department reserves its rights to further adjudicate, through the administrative hearing process, the facts in these matters should it receive information related to the violation of the terms of this Consent Agreement by the Respondent or its principals and/or any information which may implicate other violations by the Respondent subject to the Respondent's right to a hearing.

**THIS CONSENT AGREEMENT CONSTITUTES A FINAL ORDER OF THE DEPARTMENT OF BUSINESS REGULATION PURSUANT TO R. I. GEN. LAWS § 42-35-12. PURSUANT TO R.I. GEN. LAWS § 42-35-15, THIS ORDER MAY BE APPEALED TO THE SUPERIOR COURT SITTING IN AND FOR THE COUNTY OF PROVIDENCE WITHIN THIRTY (30) DAYS OF THE DATE OF THIS CONSENT AND ENFORCEMENT ORDER. SUCH APPEAL, IF TAKEN, MUST BE COMPLETED BY FILING A PETITION FOR REVIEW IN SUPERIOR COURT. HOWEVER, RESPONDENT UNDERSTANDS THAT BY WAIVING ITS RIGHT TO A COMPLETE HEARING AND AGREEING TO THIS CONSENT AND ENFORCEMENT ORDER, THE ABOVE RIGHTS ARE WAIVED AND IF ANY TERMS OF THIS CONSENT AND ORDER ARE VIOLATED THE DEPARTMENT SHALL SEEK ADDITIONAL REMEDIES PURSUANT TO R. I. GEN. LAWS §§ 19-14-13, 19-14-15, 19-14-23, 19-14-26, AND/OR 19-14-26.1.**

Respondent: Michael E. Karlsberg president Date: 2/23/09  
Michael E. Karlsberg, President  
East Bay Investment Management Corp.  
28 Main Road  
Tiverton, RI 02878

State of Rhode Island

County of [WASHTUNG]

In TIVERTON, in said County, on the 23<sup>rd</sup> day of FEBRUARY 2009, before me personally appeared the above-named Michael E. Karlsberg, to me known and known by me to be the President of East Bay Investment Management Corp., and the person executing these presents in behalf of East Bay Investment Management Corp. the party executing the foregoing instrument, and he acknowledged said instrument by him so executed to be his free act and deed as such President and the free act and deed of said East Bay Investment Management Corp.

Linda Heath  
LINDA HEATH, Notary  
(Print or type name of Notary)

LINDA HEATH  
NOTARY PUBLIC  
STATE OF RHODE ISLAND  
MY COMMISSION EXPIRES JUNE 15, 2010

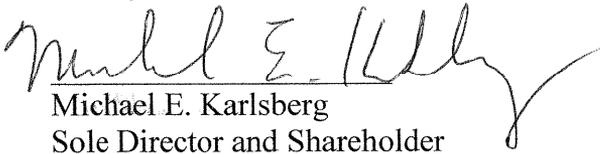
I hereby  approve  reject the Consent Agreement as agreed to by and between the parties in the above entitled matter.

Entered this 3<sup>rd</sup> day of MARCH 2009

Steven L. Cayouette  
Steven L. Cayouette, CFE  
State Chief Bank Examiner  
Department of Business Regulation  
Division of Banking  
1511 Pontiac Avenue, Building 69-2  
Cranston, RI 02920

**CERTIFICATION**

I hereby certify that on this 23<sup>rd</sup> day of February, 2009 that this is a true and accurate copy of East Bay Investment Management Corp's RESOLUTION TO AUTHORIZE MICHAEL E. KARLSBERG, PRESIDENT, TO EXECUTE THE CONSENT AGREEMENT TO ALLOW EAST BAY INVESTMENT MANAGEMENT CORP TO OBTAIN A RHODE ISLAND CHECK CASHING LICENSE.

  
Michael E. Karlsberg  
Sole Director and Shareholder  
East Bay Investment Management Corp

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BUSINESS REGULATION  
DIVISION OF BANKING

FEB 24 2009