



The leading voice for New York's  
financial service center industry

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## Welcome!

The FSCNY Update is published on a periodic basis throughout the year to keep members informed of the latest developments in our association and our industry. It also is an effective means of letting public officials, community leaders and others learn more about our business and activities. Should you wish to provide feedback, please contact us at [info@fscny.org](mailto:info@fscny.org).

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# FSCNY UPDATE

*The Official Newsletter of the Financial Service Centers of New York*

## Albany Blitz: Bringing the Industry to Legislators



FSCNY members Sanford Herman (left) and Mike Sobol (right) with Senator Hugh Farley

2011 is proving to be a very eventful year for FSCNY in Albany. To help generate additional understanding of and support for our key initiatives FSCNY Board members convened in Albany on April 5th for the annual Albany Blitz. Dick Smith, FSCNY's lobbyist in Albany, led members through a day-long schedule of legislative meetings with some of New York's most important members of the State Senate and Assembly including many in key leadership positions. In total, members met with more than 40 members of the Legislature.

"We had very strong participation by members of the Association's board of directors helping to make this year's blitz very successful," said FSCNY President Jason Carballo. "In addition to discussing the broad range of topics that affect our industry, this trip also gives board members the opportunity to network directly with state legislators so they can see, first-hand, how the legislation they are considering in Albany will impact their districts. The Blitz is equal parts advocacy and education."

When meeting with members of the Legislature, FSCNY members focused on three industry-supported bills currently moving through the Legislature. These include:

- **Small Dollar Loan bill:** The Senate and Assembly have introduced legislation (S.3841/A.7047), the Short-Term Financial Services Loan Act, which would allow licensed check cashers to make installment loans in the amount of \$300 – \$2,000, with a repayment period of 90 – 180 days. The fee structure for the loan product would be established by the State Banking Department based on legislatively defined criteria. Both the Assembly and Senate bills have been referred to their respective Banks Committees and await further action. The legislation, which contains numerous consumer protection provisions, enjoy bipartisan support. The Senate bill was sponsored by Senator Hugh Farley and the Assembly bill was sponsored by Assemblyman Carl Heastie.

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Register today for FSCNY's 19th Annual Conference, May 17, 2011. See inside for full details »



## President's Report

2011 has gotten off to a very busy and productive start.

The Association is moving ahead on a number of fronts to promote the industry and defend its interests. Consider the following:

- Several bills have been introduced in the State Legislature at our request. Each represents an important opportunity for the industry.
- Our recently completed Albany Blitz was very well attended and served as an important "grassroots" reinforcement to our ongoing lobbying efforts.
- Our New York City initiative is moving ahead and is already delivering important benefits to the industry.
- We are undertaking an important customer survey which will be folded into a larger "marketing of the industry" initiative aimed at potential partners in both private and public sectors.
- Our upcoming Annual Conference promises to be our best yet; both owner/operators and rank-and-file employees will find the content interesting and attendance rewarding.

Each of these is discussed in detail throughout the newsletter. But I think it is important to consider each of these initiatives from a broader perspective.

In many ways our industry is a microcosm of the larger economy. Competition is changing and presenting us with new, even unexpected challenges. Our industry is heavily regulated and overly burdensome government involvement in the marketplace is a constant concern. And let's not forget our customers and our never-ending mission to provide them with the products they want in as efficient a manner as possible.

For all these reasons, FSCNY is more important than ever.

This industry needs aggressive advocacy. The days of flying beneath the radar and quietly going about your business, for better or worse, are over. There are just too many who don't appreciate what we do and who we do it for. Because our customers are so often overlooked and misunderstood so too is the industry that serves as the doorway to the greater opportunities that exist in our society, thanks to the financial services we provide making that access possible. And in that environment, FSCNY has a critical role to play.

I hope you will agree after reading this edition of FSCNY Update that your Association is answering the call, serving as the advocate, that partner in your corner, working tirelessly to make it easier for you to conduct business and deliver the products and services your customers want.

No association can deliver for its members without the active involvement of those same members. And I am happy to report interest in FSCNY is strong. Membership is up. Attendance was good at the February General Membership Meeting (rescheduled from January due to a snow storm). Board attendance at the Albany Blitz was excellent, and we expect a strong turnout at the Conference. This year we are inviting our colleagues from Connecticut, New Jersey and Pennsylvania to join us. If you have relationships in those states, please encourage them to attend the Conference, it will include a great deal of content they will find useful.

This is a challenging, yet exciting time for our industry. By working together and supporting our mutual interests we can deliver positive results for everyone's benefit.

Thank you for your ongoing support to FSCNY, and I look forward to seeing you at the Annual Conference.

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Members of FSCNY Board of Directors meet with Senate Democratic Leader John Sampson

• **Choice bill:** Assemblyman Nick Perry has introduced the Taxpayer Refund Choice Act (A.6997), which would preserve the right of New York State taxpayers to continue receiving their personal income tax refund via paper check. The bill is in response to efforts by the State Department of Taxation and Finance to transition all personal income tax refund payments to mandatory direct deposit or prepaid debit card options and eliminate paper checks even though this is the most convenient form of payment for millions of New Yorkers. FSCNY members found widespread support for this measure when discussing with legislators.

• **Unlicensed check cashing:** S.3361, introduced by Senator Mark Grisanti, is legislation that would increase the penalty for cashing checks or money orders without a license to a Class E Felony. Under current law it is only a Class A Misdemeanor to cash checks without a license. The bill is currently pending in the Senate Banks Committee. A companion bill (A.6571) has been introduced in the Assembly by Assemblywoman Crystal Peoples-Stokes and is currently pending in the Banks Committee.

Finally, FSCNY is constantly on the look-out for legislation that would adversely impact the industry. One of the keys to keeping such bills "bottled up" is for legislators to understand both the industry and the impact such measures would have on their constituents. And that's what makes the annual Albany Blitz so important. It remains a critical part of FSCNY's legislative program.

## 10 Nominated for Board of Directors

The term of ten directors expires in October, and during its April meeting in Albany the FSCNY Board of Directors nominated all ten to fill new three-year terms. Those nominated are:

- Andy Berger
- Robert Boyer
- Peter DeSalvo
- Sanford Herman
- Ira Krell
- Al Pyne
- Sam Marrero, Jr.
- Ryan Sheriff
- Mike Sobol
- Jon Urban

They will stand for re-election at the September 13, 2011 Annual General Membership meeting. In addition, currently there are two board seats vacant and members can nominate individuals to fill those seats from the floor during the General Membership Meeting that takes place on May 17 as part of the Annual Conference.

## ***NYS Banking, Insurance Departments to Merge***

The recently passed state budget includes Gov. Cuomo's proposal to merge the Departments of Banking and Insurance. The new agency will be known as the Department of Financial Services. It is too early to know what impact this merger will have on the licensed check cashing industry. However, a provision of the budget bill creates a working group to examine ways to improve the efficiency and effectiveness of banking regulation. The working group is directed to consult with representatives of the "financial services" industry. During their recent visit to Albany, FSCNY board members made the case to legislators that the check cashing industry should be adequately represented on the working group and/or it should consult with FSCNY.

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## ***2011 FSCNY Conference and Exposition: The Premier Regional Industry Event***

On Tuesday, May 17, 2011 the FSCNY will be hosting its 19th Annual Conference and Exposition at the Brooklyn Marriott. This is the industry's premier regional event and provides unprecedented opportunities for members, vendors and all business owners operating check cashing stores. For many years the FSCNY Conference has been the industry's largest regional event, offering hard-to-find opportunities to network with colleagues, learn about new products and services at the Exhibition Hall and keep up-to-date on the latest developments from the government and private sectors.

The current regulatory and competitive environment presents issues that affect all check cashers, not just those of us in New York. Therefore, this year we have extended an invitation to financial service operators in New Jersey, Pennsylvania and Connecticut. This year's event promises to be FSCNY's most successful yet.

The theme of this year's conference is "Check Cashing in Changing Times" to reflect the constant issues facing check cashers such as the Consumer Financial Protection Bureau, electronic distribution of benefits, and the entry of retailers into the financial services industry. Headlining this year's speaking engagements will be Charles Hynes, Brooklyn District Attorney and Dr. Patricia Cirillo who will present new findings. We have invited Governor Andrew Cuomo and several other dignitaries to attend as well as other industry experts.

The general sessions will address topical issues facing the industry, such as new challenges coming from Albany and Washington and emerging trends in financial services. In addition, there will be two workshop tracks, one for management and another for tellers, that provide in-depth discussions on many key topics, including BSA compliance (certificate presented), fraud and risk prevention and motivating employees. It is a very full day, one that promises to deliver tremendous benefits to all who attend.

The event will conclude with a cocktail reception in the Exhibition Hall where owners, employees and vendors can socialize and network.

To register or for more information please visit [www.fscny.org](http://www.fscny.org).

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## ***FSCNY moves ahead with NYC Initiative***

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Over the past two years FSCNY has directed increasing effort to expanding the industry's opportunities with New York City's government agencies. While a large percentage of the Association's members have stores in the city and serve tens of thousands of its residents on a daily basis, until now the extent of the industry's relationships with city agencies has been limited. We are working to change that. FSCNY is currently working on a number of initiatives that would expand business opportunities for all licensed operators. We also have brought in some outside expertise to help us pursue our agenda.

### ***First, the agenda.***

FSCNY is currently focusing on three initiatives:

- **NYCHA:** FSCNY continues to pursue a number of avenues to convince the New York City Housing Authority ("NYCHA") to expand its network of licensed check cashing locations that can serve as rent collection centers for NYCHA. Expanding the network would benefit all parties, NYCHA, residents and participating stores alike.
- **Parking tickets:** Similar to NYCHA, FSCNY is pursuing a proposal that would allow licensed operators to serve as collection agents for City parking tickets.
- **Overall network building:** As evidenced by the first two initiatives, there are any number of City agencies where FSCNY and its members could help the City operate more efficiently while providing greater convenience for residents.

### ***Now, the expertise.***

Cracking the secret code that is the New York City government has proven difficult. And so, earlier this year FSCNY hired the firm of Manatt, Phelps and Phillips to provide additional assistance. Manatt is one of the nation's leading law firms with a major office in New York City. At Manatt we are fortunate to have the direct involvement of a talented team of professionals led by Claudia Wagner, a partner in the Government and Regulatory Policy Division who also co-chairs the firm's New York City Government Practice Group. With more than 25 years of experience in New York City's governmental arena, she offers FSCNY an extraordinary depth of understanding in navigating the labyrinth of New York City laws, regulations, procedures, and politics.

Joining Ms. Wagner on the FSCNY account is Katie Schwab who has more than 20 years of professional experience working with government entities and not-for-profit organizations in New York City and Long Island. Katie began her career in the counsel's office at the New York City Landmarks Preservation Commission and went on to spend over 10 years gaining diverse experience in the Mayor's Office of City Legislative Affairs and the New York City Department of Transportation.

The third key member of Manatt's FSCNY team is John Faso, a former New York State Assembly member first elected to the New York State Assembly in 1986 who served as Minority Leader between 1998 and 2002. He was a strong ally of the industry while in Legislature and has continued to be so since 2002.

With this expert team's help, we are optimistic we will be able to significantly expand FSCNY's network of relationships within the different agencies and Mayor Bloomberg's office while at the same time pursuing specific priorities.



## **FSCNY Launches New Focus Group Committee**

FSCNY recently created a new committee, call the Focus Group. Its mission is to develop concepts to better “market” the industry. The group was created in response to a growing appreciation amongst members of the Board of Directors that the industry can be better positioned in the marketplace to take advantage of new, perhaps unforeseen, opportunities. The Focus Group is chaired by Board Member Jim Eustace of West Side Trading, Inc.

Consider that FSCNY represents a unique network of approximately 500 store locations that service a segment of the population which historically has been underserved by others. At the same time, there is greater appreciation that this segment represents significant new business opportunities. The question then is how to reach them? And that is where FSCNY can play a crucial role and where the Focus Group is dedicating its efforts.

One of the Group’s first activities is a customer survey. To make our “network” as attractive as possible to those who might be interested in partnering with the industry, we need to better understand the mindset of those who use our services and, just as importantly, those who don’t. Is there simply no need for the services we offer or are there other factors at play? Are there services not offered that they would find appealing? What are the barriers and misconceptions we need to address?

The survey is currently under development and will be in the field later this spring. Once completed, it should provide some insights that will help answer those questions from which the Association can start to formulate a proactive strategy to address related concerns.

## **2011 FSCNY Meeting Schedule**

All meetings will be held at the New York LaGuardia Airport Marriott (except for May 16th Board of Directors meeting and May 17th Annual Conference & Exposition which will take place at the New York Marriott at the Brooklyn Bridge)

### **NEW YORK LAGUARDIA AIRPORT MARRIOTT**

102-05 Ditmars Boulevard  
East Elmhurst, NY 11369  
718.565.8900

<b>May 16</b>	4:30 P.M. - Board of Directors Meeting (Brooklyn Marriott)
<b>May 17</b>	10:00 A.M. - General Membership Meeting (Brooklyn Marriott)
	<b>All Day - Annual Conference (Brooklyn Marriott)</b>
<b>June 14</b>	4:30 P.M. - Board of Directors Meeting
<b>September 13</b>	7:30 P.M. - Board of Directors Meeting/ General Membership Meeting
<b>October 11</b>	4:30 P.M. - Board of Directors Meeting
<b>November 8</b>	4:30 P.M. - Board of Directors Meeting
<b>December 13</b>	4:30 P.M. - Board of Directors Meeting

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## **FSCNY 19th Annual Conference & Exposition “Check Cashing in Changing Times”**

**May 17, 2011**  
**New York Marriott at the Brooklyn Bridge**  
**333 Adams Street, Brooklyn, NY 11201**

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