



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*



FSCNY members met with dozens of legislators during the Albany Blitz. From left to right are Joe Coleman, Al Pyne, Senator Malcolm Smith, Adam Goldstein and Art Jackson.

## **Albany Blitz: Making the Industry's Voice Heard**

On April 27th FSCNY board members convened in Albany for the annual Legislative 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. In total, members met with more than 75 members of the Legislature. This year, there were a number of key initiatives that FSCNY members discussed with their legislators. These included:

- **Banco Bill:** FSCNY is pursuing legislation to remove the sunset provision from the current law banning banks from opening check cashing locations within three-tenths of a mile of an existing licensed check cashing store. While both houses of the Legislature overwhelmingly passed the bill, Governor Paterson unexpectedly vetoed it. FSCNY General Counsel Gerry Goldman and Deputy General Counsel Edward D'Alessio subsequently met directly with the Governor and are working on passing legislation that would extend the restriction for an additional three-years.
- **Banking Department Program Bill:** Introduced in early 2009, this legislation would significantly impact the industry by removing from existing law the requirement that licensees have financial services as their primary business and would increase from \$1 to \$5

the exemption threshold for fees collected for cashing checks without requiring licensure. As a result of FSCNY's efforts, these provisions were not advanced, however, it is expected that their proponents will aggressively push for them again later this year.

- **Small Dollar Loan Bill:** Existing regulatory oversight, coupled with an extensive network of convenient locations, make the New York licensed check cashing industry well-suited to offer a reasonable option for consumers seeking access to small dollar, short-term credit. The State Legislature has recognized this fact, as both the Senate and Assembly have introduced legislation that would allow licensed check cashers to make small dollar, short-term installment loans. Advancing this legislation is a key priority for the Association this year.

"We started this annual event several years ago to help raise the industry's visibility with state legislators while also starting the process of forming direct relationships with them," said Jason Carballo, FSCNY President. "In addition to discussing the broad range of topics that affect our industry, this trip also gives association members the opportunity to network directly with key decision makers. It has proven to be an invaluable part of our overall government relations program."



## President's Report

### 2010: The Year of Legislative Challenges

The year 2010 is proving to be a significant one for our industry. I know that we often focus on the pressures that our industry is facing; however, I feel that we also need to take a step back and recognize the opportunities that may be out there. For

example, capitalizing on the general public's negative sentiment towards banks and effectively marketing our innovative product and service offerings, ranging from pre-paid cards to credit union point of banking partnerships, represent such opportunities. In addition, as neighborhood financial service centers we should continue to maintain our businesses as focal points for information dissemination to our communities. Census Bureau information including forms and temporary employment, voter registration kiosks and serving as donation collection points for disaster relief efforts, such as our recently completed and highly successful Haitian relief fund, represent the types of information that is very useful to our customers.

In fact, I want to highlight the Haitian relief fundraising effort because it showcases the very best of our industry. Owners/operators, employees and customers all pulled together for a common goal, bigger than any of us individually. Together, in only three weeks, we raised approximately \$150,000 which was matched by Western Union, for a total contribution of nearly \$300,000. This was an amazingly successful initiative, one we can all take pride in.

Looking ahead, the remainder of the year promises to be a very busy one on the legislative front. In Albany, we are advocating for legislation that would extend the Banco bill for an additional three years. We also are working actively on legislation that would allow the industry to offer small dollar, short-term installment loans. Finally, we will continue to closely monitor the New York State Banking Department's Program Bill to ensure that provisions are not included that would have adverse impact on the industry.

In New York City, Councilman Mathieu Eugene recently introduced legislation that would permit licensed check cashers in the city to serve as payment centers for parking tickets, and we continue to work closely with his office on this initiative.

Finally, I want to thank everyone who attended last month's Annual Conference & Exposition. It was a tremendous success. Attendees enjoyed a wealth of workshops and vendor exhibits to help keep them abreast of the latest ideas and developments. But perhaps more importantly, they were exposed to the thinking of many different industry and government leaders. From Congresswoman Carolyn Maloney, to Jonathan Mintz, Commissioner of the Department of Consumer Affairs for the City of New York, to the array of panelists who discussed the role of alternative financial service providers in serving the unbanked and underbanked, attendees heard a wide array of views about where we are as an industry and where we might be going. Not all of it was positive but it certainly was educational. And it reflected the reality of the moment. My thanks to the FSCNY staff for pulling off a terrific event.

As you can see, we have a lot going on. And any industry as heavily regulated as ours needs the broadest possible support from companies large and small to ensure that our interests are adequately represented. Members of FSCNY need to actively participate in and support the Association's initiatives. And if members know of companies that have not yet joined FSCNY it is more important than ever that they be recruited to join us.

## FSCNY 18th Annual Conference & Exposition

The FSCNY 18th Annual Conference & Exposition was held on Tuesday, May 11th and proved to be the Association's best conference to date. This event featured informative presentations, educational workshops, and unparalleled networking opportunities, all of which provided attendees with an enlightening and enriching experience.

The day started with a General Membership meeting at which the following individuals were nominated for three-year terms on the board:

- **Larry Lieskowitz**
- **Orlando Olivares**

In addition, ten incumbents were reelected including:

- **Ron Barberan**
- **Jay Brodsky**
- **Rich Gaccione**
- **Jeff Ringer**
- **John Winters**
- **Andrew Boiselle**
- **Paul Norman**
- **Adam Goldstein**
- **Andrew Siegel**
- **Mike Sobol**

In addition, the following were nominated for one-year terms as officers:

- **Jason Carballo, President**
- **Ray Mustafa, Jr., Vice President**
- **Edwin Rosario, Jr., Secretary**
- **Tom Musial, Treasurer**

William Sellery, the Washington representative of FISCA's the industry's national trade association, delivered a status report on the comprehensive financial reform legislation then being considered by the U.S. Senate. He also discussed some of its potential implications to the industry and reviewed the various government relations and public affairs activities being undertaking to ensure the industry's interests are protected to the greatest extent possible.

Next came a special award ceremony that recognized Howard Stein, Chairman and Founder of RiteCheck, and his 60 years of leadership and service to the industry.

The morning session concluded with a demonstration of the newly enhanced website that will be relaunched in the near future and overview of the industry's support for the 2010 Census.

Following a refreshment break in the Exhibit Hall attendees reconvened. First, Jonathan Mintz, Commissioner of the New York City Department of Consumer Affairs addressed the conference, providing his own assessment of the relative merits of consumers using banks versus financial service centers. U.S. Congresswoman Carolyn Maloney (D-NY) then addressed the conference and provided her own insight into the ongoing debate swirling in Congress related to financial regulatory reform. *(continued on page 6)*



## Highlights of 2010 FSCNY Annual Conference



Jonathan Mintz, Commissioner NYC Department of Consumer Affairs, addresses the conference.



Panel discussing the role of alternative in serving the underbanked and unbanked.



Howard Stein (3rd from left) being recognized for his 60 years of leadership and service to the industry. With him all (L-R) Jason Carballo, Joe Coleman and Hank Shyne.



Haiti Relief check presentation. Pictured (L-R) FSCNY President Jason Carballo, Rocco Pilla of Western Union and NYC Councilman Mathieu Eugene.



FSCNY Scholarship Program recipients with Juan Melendez of Moneygram International (far left) and scholarship committee Chairman Sanford Herman (far right).



U.S. Rep. Carolyn Maloney (D-NY) addresses the conference.

## FSCNY Awards \$43,500 to 16 Area Students

At the Annual Conference FSCNY announced its annual scholarship award winners. The FSCNY/MoneyGram International Scholarship Program recognizes New York City area high school students for their academic achievements and community service. This year, 16 students received scholarships with a total value of \$43,500; the grand prize was \$7,500.

Since the program's inception in 1996, the FSCNY college scholarship program has helped 236 deserving students attend Ivy League and other selective universities and colleges. In total, \$511,500 in college scholarships has been awarded.

Sanford Herman, Chairman of FSCNY's Scholarship Committee presented the winners of the 2010 scholarships. Now in its 15th year, FSCNY awards one-time cash grants to New York State high school seniors who meet the following selection criteria:

- Commitment to community service
- Perseverance in the face of significant obstacles
- Display leadership skills in school
- Academic achievement

"FSCNY members believe that education is the key to success," said Herman. "FSCNY members find themselves in a fortunate situation to be able to assist intelligent, hard working students reach their dreams of going to college. We honor them and wish them luck in their future endeavors." Winners of the 2010 FSCNY/MoneyGram International scholarships include:

- **Stephanie Weiner**, *John F. Kennedy High School, Nassau, NY*
- **Nataly Garson**, *Baccalaureate School Global Education, Queens, NY*
- **Anyela Perez Garcia**, *High School Law & Public Service, Bronx, NY*
- **Luisa Garcia**, *Francis Lewis High School, Queens, NY*
- **Jason R. Chaves**, *Kings Park High School, Suffolk, NY*
- **Jona Cano**, *Bronx High School of Science, Bronx, NY*
- **Melissa G. Velez**, *Richard R Green High School of Teaching, Queens, NY*
- **Guiliana M. Spinelli**, *Port Richmond High School, Staten Island, NY*
- **Sade A. Jack**, *Williamsburg Charter High School, Brooklyn, NY*
- **Abdul Hafiz**, *Susan E. Wagner High School, Staten Island, NY*
- **McCall Finnerty**, *High School American Studies at Lehman College, Bronx, NY*
- **Joanna Mei J. Luo**, *High School Telecom Arts & Technology, Brooklyn, NY*
- **Irene Kwok**, *Hunter College High School, Manhattan, NY*
- **Zhonoxing (Sam) Chen**, *High School Dual Language & Asian Studies, Queens, NY*
- **Malcolm Winkle**, *Queens Gateway Health Studies, Queens, NY*
- **Gary P. Giordano**, *Michael J. Petrides High School, Staten Island, NY*

## FSCNY Haiti Relief Effort Raises Nearly \$300,000

A fundraising campaign organized by FSCNY to help with relief and recovery efforts in Haiti raised approximately \$150,000. The money was collected through in-store collections at hundreds of check cashing locations across the state and from direct donations from company owners.

The Western Union Foundation generously matched the funds raised by FSCNY, bringing the total amount of money raised by the industry for Haitian relief to nearly \$300,000. These funds were being forwarded by the Western Union Foundation to Mercy Corps. In addition to the fundraising campaign, MoneyGram offered one-dollar money transfers to Haiti and free money transfers for donations to the American Red Cross.

A check presentation ceremony was held during the recent Annual Conference. New York City Councilman Mathieu Eugene, a native of Haiti and strong supporter of the industry, took part in the ceremony with representatives of FSCNY and the Western Union Foundation.

"We had a tremendous response from across the state to this fundraising appeal," said Jason Carballo, President of FSCNY. "Customers, employees and owners as well as our industry partners all came together to support Haiti in this time of unparalleled suffering. On behalf of the New York industry it is gratifying to see so many individuals and companies come together so quickly to help others in such need."

## FSCNY to Upgrade Website

FSCNY is upgrading its website to make it more informative and user friendly, both for Association members and the general public. For FSCNY members, the site will include an enhanced Members Only section that will enable members to manage their account, including a new returned checks database. The new site will also feature improved navigational tools that will aid visitors to more easily locate information of interest.

"At a time when more and more communication is electronically-based, it is crucial for FSCNY to have a website that adequately reflects the industry," said Jason Carballo, FSCNY President. "The new site will serve as a key resource for the Association's communications with many of its key audiences, including members, the media and the general public."

A preview of the new site was featured at FSCNY 18th Annual Conference and will be fully operational in the near future. Be on the look-out for an announcement.

## Update on My Money & Me – Becoming A Money Smart Kid

In collaboration with American Credit Alliance (ACA) and New York City's Department of Education, FSCNY earlier this year sponsored a financial literacy savings program for second graders. Since the program started in May of 2009, 2,350 students from 18 schools in Manhattan, Brooklyn and the Bronx have received a unique financial education.

The program, My Money & Me - Becoming A Money Smart Kid, provides educational tools to elementary school teachers to help them instruct young students about saving, spending and sharing money. In addition to worksheets that are completed at home, each class receives one virtual piggy bank with multiple compartments that symbolize and emphasize the importance of saving, spending and sharing. The virtual bank teaches the students visually what the deposits look like and counts the virtual money being accumulated. In addition, every student is issued a real four-compartment piggy bank to take home at the beginning of the Semester. Students also can visit [www.mymoneyandme.org](http://www.mymoneyandme.org) to access a Virtual Piggy Bank that "oinks" when a deposit is made and "oisy" when a withdrawal is made. Parents are all provided a Parent Guide that helps them improve their financial literacy as well. ACA conducted a total of 18 teacher training presentations and eight PTA/PTO meetings to educate parents about the program. A complete kit, including the compartmentalized pig and Parent Guide can be purchased online for \$23.50.

As students save their money through the program, they are encouraged to visit area participating check cashers to open a custodial savings account through the NetSpend National Savings

Program. Through the NetSpend card, students can earn 5% interest on their savings, more than double the average current rate offered on money market accounts. At their local check casher, students also can obtain coin rolls and coin exchange services for free. Alternatively, students can open the accounts free of charge with area banking partners which may also add incentives, such as a match of the first \$25 saved.

"This program has changed not only students' lives but their parents' lives as well," said Ira Krell, of David's Financial and coordinator of the "My Money & Me" program. He added, "We have more than 125 schools requesting the program and with additional funds we can continue to provide knowledge that lasts a lifetime."

The program is underwritten in part by financial contributions from NetSpend, Western Union and participating FSCNY members. Sponsorship of this program is an inexpensive way to support lower income children and their families by providing them with essential financial education.

### TO LEARN MORE ABOUT HOW TO SUPPORT THIS EFFORT, PLEASE CONTACT:

**Alan Franklin** 215.295.7195 Ext. 1129  
(President and CEO of American Credit Alliance)

**Ira Krell** 718.585.3943  
(CFO of David's Financial Corp.)

**FSCNY** 212.268.1911

## New York's Check Cashing Industry: A Performance Comparison of 2007 to 2008

The New York State Banking Department recently released data on check cashing activity in 2008, based on information extracted from the annual reports filed by licensees. Below is a highlight of how the 2008 figures compare with the 2007 data.

	2007	2008
<b>Total # of Checks Cashed</b>	29,395,413	30,292,727
<b>Total Dollar Amount</b>	\$14,177,278,461	\$14,896,381,006
<b>Total Check Cashing Fees Collected</b>	\$219,077,366	\$235,816,249
<b>Total Money Order Fees</b>	\$10,764,350	\$10,138,546
<b>Total Utility Bill Fees</b>	\$11,339,813	\$11,843,169
<b>Total Money Transmission Fees</b>	\$16,063,417	\$18,304,065

## FSCNY 18th Annual Conference & Exposition

(continued from page 6)

That was immediately followed by a stimulating panel discussion on the "Role of Alternative Financial Service Providers in serving the Underbanked & Unbanked." Members of the panel included:

- **Deborah C. Wright**, CEO & President, Carver Federal Savings Bank
- **Joy Cousminer**, CEO & President, Bethex Federal Credit Union
- **Jane Azia**, Director of Non-Depository Institutions and Consumer Protection, NYS Banking Department
- **Joseph Coleman**, FISCA Chairman and President of Rite Check Cashing
- **Jason Carballo**, FSCNY President and COO of Castle Financial Services.

The conference highlight was the luncheon. First, New York City Councilman Mathieu Eugene took part in a check presentation with representatives of FSCNY and the Western Union Foundation. A check for almost \$300,000 for Haiti relief will be donated to Mercy Corps. Almost \$150,000 of that amount was raised from check cashers throughout the state which was then matched by the Western Union Foundation.

Immediately following that Sandford Herman, chairman of FSCNY's Scholarship Program, presented this year's winners (see related story).

The afternoon was dedicated to a series of workshops, some aimed at rank-and file employees and others dedicated to owners and senior management. The day concluded with a cocktail reception in the Exhibit Hall, which provided ample networking opportunities between check cashers and industry vendors displaying their latest products and services.

## 2010 Meeting Schedule

All meetings will be held at the New York LaGuardia Marriott Hotel

### NEW YORK LAGUARDIA AIRPORT MARRIOTT

102-05 Ditmars Boulevard  
East Elmhurst, NY 11369  
718.565.8900

<b>September 14</b>	4:30 P.M. - Board of Directors Meeting/ 7:30 P.M. - General Membership Meeting
<b>October 12</b>	4:30 P.M. - Board of Directors Meeting
<b>November 9</b>	4:30 P.M. - Board of Directors Meeting
<b>December 14</b>	4:30 P.M. - Board of Directors Meeting

## CHECK CASHING RATE INCREASES

Thanks to FSCNY's efforts with the New York State Banking Department, effective March 1, 2010, the maximum fee that licensed check cashers may charge for cashing a check increased to 1.83% of the face amount of the check.

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