

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS



DEPARTMENT OF BUSINESS REGULATION
DIVISION OF BANKING
1511 Pontiac Avenue, Building 68-2
Cranston, Rhode Island 02903
Telephone: (401) 462-9503 – Facsimile: (401) 462-9532

IN THE MATTER OF:

PRIME DRUG, INC.

CARMINE D. DETOMASIS

&

DOMENIC COLARUSSO

CONSENT ORDER

I. RELEVANT FACTS

The Rhode Island Department of Business Regulation ("Department") and Prime Drug, Inc., Carmine D. DeTomasis, and Domenic Colarusso ("Respondents") agree as follows:

1. Respondent Prime Drug, Inc. ("Prime") was the holder of Check Cashing License Number 20062140CC (the "License") issued pursuant to the provisions of R. I. Gen. Laws § 19-14-1 *et seq.* Prime operated its check-cashing business from an office located at 613 Cranston Street, Providence, RI 02907.

2. On or about June 2, 2008, the Department issued to Prime a Notice of Intent to Revoke License With Opportunity for a Hearing Under R. I. Gen. Laws § 19-14-13 ("Notice") for failure to report adverse actions taken against Respondent and Prime's then principal owners and officers within the time frame required by R. I. Gen. Laws 19-14-22(b).

The actions involved federal charges filed against one principal officer and employee of Prime and also the suspension on May 6, 2008 of Prime's pharmacy license and the related individual pharmacy licenses held by Prime's principal officers and owners as well as an individual pharmacy license held by employee Carmine D. DeTomasio. The Notice further stated the Department's position that Prime had demonstrated a level of incompetence and untrustworthiness to act as a licensee pursuant to R. I. Gen. Laws § 19-14-1 *et seq.* At the time that the Notice was issued Prime's principal officers and owners were:

Domenic Colarusso, President, Director, 50% owner, the registered Pharmacist in Charge, the individual responsible for the operation of the pharmacy in conformance with all laws and regulations pertinent to the practice of pharmacy and the individual who is personally in full and actual charge of the pharmacy and personnel¹; and Carmine A. DeTomasio, vice President, Director, & 50% owner. Carmine D. DeTomasio was employed by Prime as a Pharmacy Technician.

3. The current principal officers and owners of Prime are:

Domenic Colarusso, President, Director, 50% owner, the prior registered Pharmacist in Charge, the individual that was responsible for the operation of the pharmacy in conformance with all laws and regulations pertinent to the practice of pharmacy and the individual who was personally in full and actual charge of the pharmacy and personnel; and Carmine D. DeTomasio, vice President, Director, & 50% owner.

4. By order dated June 23, 2008 ("Order"), the Department revoked the License pursuant to R. I. Gen. Laws § 19-14-13 after having received notice from Prime's attorney, that an appeal to the Department's Notice would not be taken.

5. On August 4, 2008 the Division received from Prime a Final Annual Report for the License as required by R. I. Gen. Laws § 19-14-16. The June 23, 2008 Order required that the Final

Annual Report be filed with the Division by July 31, 2008. Late filing penalties of \$25 per day, amounting to \$100, are due as a result of the delayed filing of the Final Annual Report.

6. On January 20, 2009, the Division of Banking (“Division”) received from Prime an Application for a License to Engage in the Business of a Check Cashing Establishment (the “Application”).

7. On May 21, 2009, the Department by order denied the Application due to several deficiencies with the Application and provided Prime an opportunity for a hearing on the denial of the application unless Prime either withdrew the Application or filed another application fee and information that in the opinion of the Department, would correct the deficiencies noted in the May 21, 2009 denial order.

8. On June 17, 2009, the Division received from Prime another application fee and information intended to cure the deficiencies noted in the May 21, 2009 denial order.

9. On January 12, 2010, a hearing was held at the Department to hear testimony relative to an objection to the issuance of the license to cash checks sought by the Application and the impact that granting the license would have on the financial stability of other check cashing businesses. On February 18, 2010 a Hearing Officer recommended that the Application not be denied solely based on the objection and that the Application is subject to the Department’s further review of Prime’s Application and compliance with all other relevant statutory and regulatory requirements. On February 19, 2010, Director A. Michael Marques, accepted the hearing officer’s recommendation.

II. SETTLEMENT

1. In light of Respondents’ offer to settle this matter without hearing, Respondents: waive their right to complete the administrative hearing process; waive their right to appeal this Consent Order; admit that the information in paragraphs 1 through 9 of Section I is true; are willing

¹ As stated in the May 6, 2008 Summary Suspension by the Rhode Island Department of Health of Mr. Colarusso’s license to

to remedy this matter; and are willing to take all necessary action as delineated in this paragraph and the following paragraphs of this Consent Order to allow Prime to obtain a Rhode Island Check Cashing License from the Department.

2. Respondents shall:

- A. Comply with R. I. Gen. Laws §19-14-1 *et seq.* and § 19-14.4-1 *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 an administrative assessment in the aggregate amount of two thousand six hundred thirty-four dollars (\$2,634), of which one thousand five hundred thirty-four dollars (\$1,534) represents an examination fee, one hundred dollars (\$100) represents a delayed filing penalty related to Prime's delay in filing the Final Annual Report, and one thousand dollars (\$1,000) as a result of the revocation of the License.
- C. Prohibit Carmine A. DeTomasis, former vice President, Director, & 50% owner, from any involvement in the management or oversight of the operations of Prime, including without limitation offering advice, counseling, or any other guidance to Prime or any of its officers, directors, or employees on the operation or management of Prime.
- G. Maintain compliance personnel to monitor and to ensure compliance to all state and federal laws, regulations, guidance, or rulings governing the operation of a check cashing or money services business and this Consent Order.

- H. Retain, at Respondents' expense, an independent third party provider, acceptable to the Department to conduct periodic compliance reviews of the operations of Prime. Said compliance reviews shall be performed at six (6) month intervals, with the first such review being conducted no later than December 31, 2010, with subsequent reviews being conducted no later than June 30th and December 31st until such time as the Department releases Prime from the requirement to conduct such reviews. The results of each review shall be submitted directly to the Department, using electronic means acceptable to the Department, within thirty (30) days of the conclusion of each such review. Upon review of the results of the review by the Department, the Department shall forward a copy of each review to Prime. Prime shall implement any recommendations made in such reviews within thirty (30) days of its receipt of the results from the Department and document all actions taken to implement such recommendations. The Division will assess and Prime will pay an examination fee pursuant to R. I. Gen. Laws § 19-14-23(b)(1) for any time expended by the Department in the Department's review of and processing of the results of such reviews. Any reviews conducted pursuant to this Consent Order shall not be accepted in lieu of an examination conducted by the Department under the provisions of R. I. Gen. Laws § 19-14-23(b).
- I. The Department may revoke any license issued to Respondent upon written notice and hearing if Respondent violates the terms of this Consent Order if it is determined after hearing that Respondents failed to comply with this Consent Order. Compliance with this Consent Order shall include without

limitation compliance with all state and federal laws and regulations applicable to a money services business or check cashing business.

- J. File with the Division a certified copy of a resolution of the board of directors or substantially equivalent governing body of Respondent that identifies Domenic Colarusso and Carmine D. DeTomasio as the persons authorized to execute this Consent Order.

3. The Department agrees to issue a Rhode Island Check Cashing License to Prime subject to compliance by Respondents with this Consent Order 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 the facts in these matters should it receive information related to the violation of the terms of this Consent Order by the Respondents and/or any information which may implicate other violations by the Respondents.

THIS CONSENT ORDER 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 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 ORDER, THE ABOVE RIGHTS ARE WAIVED AND IF ANY TERMS OF THIS CONSENT ORDER ARE VIOLATED THE DEPARTMENT SHALL SEEK ADDITIONAL REMEDIES PURSUANT TO R. I. GEN. LAWS §§ 19-14-13, 19-14-15, 19-14-23, and/or 19-14-26.

Respondents:

Domenic Colarusso Pres Date: 7/2/10

Domenic Colarusso, President
Prime Drug, Inc.
613 Cranston Street
Providence, RI.02907

State of Rhode Island

County of [Kent]

In Warwick, in said County, on the 20 day of July 2010, before me personally appeared the above-named Domenic Colarusso, to me known and known by me to be the President, Director and 50% owner of Prime Drug, Inc., and the person executing these presents in behalf himself and of Prime Drug, Inc. 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, Director and 50% owner and the free act and deed of said Prime Drug, Inc.

Anthony R. Leone, II
ANTHONY R. LEONE, II, Notary

(Print or type name of Notary)

ANTHONY R. LEONE, II
Notary Public, State of Rhode Island
My Commission Expires August 3, 2012

Carmine D. DeTomasio

Date: 7/2/10

Carmine D. DeTomasio, Vice President
Prime Drug, Inc.
613 Cranston Street
Providence, RI.02907

State of Rhode Island

County of [Kent]

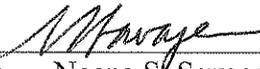
In Warwick, in said County, on the 20 day of July 2010, before me personally appeared the above-named Carmine D. DeTomasio, to me known and known by me to be the Vice President, Director and 50% owner of Prime Drug, Inc., and the person executing these presents in behalf of himself and of Prime Drug, Inc. the party executing the foregoing instrument, and he acknowledged said instrument by him so executed to be his free act and deed as such Vice President, Director and 50% owner and the free act and deed of said Prime Drug, Inc.

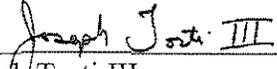
Anthony R. Leone, II
ANTHONY R. LEONE, II, Notary

(Print or type name of Notary)

ANTHONY R. LEONE, II
Notary Public, State of Rhode Island
My Commission Expires August 3, 2012

Department of Business Regulation:


By: Neena S. Savage, Esq.
Chief of Legal Services
Department of Business Regulation


By: Joseph Torti III
Deputy Director & Superintendent
of Banking and Insurance
Department of Business Regulation

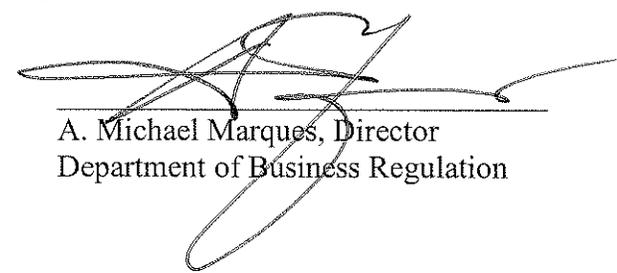
Date: July 9, 2010

Date: July 6, 2010

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

ORDER NUMBER: 10-102

Entered: July 9, 2010


A. Michael Marques, Director
Department of Business Regulation

Minutes of the Meeting of the
Shareholders of
Prime Drug, Inc.
Held
June 30, 2010

A special meeting of the Shareholders of the Company was held on the date first set forth above at the offices of the Company. Present at the meeting was Domenic Colarusso and Carmine D. DeTomasia. Mr. Colarusso & Mr. DeTomasia co-chaired the meeting and recorded the minutes.

On motion duly made and seconded and unanimously approved, the reading of the notice of meeting was waived.

The first order of business was to Approve the Resolution and authority to execute the Consent Order along with any and all documents from the Rhode Island Department of Business Regulation (DBR) necessary to obtain the check cashing license. On motion duly made and seconded and unanimously approved by those present, it was:

VOTED and RESOLVED:

1. That Domenic Colarusso and Carmine D. DeTomasia have complete authority to execute the Consent Order along with any and all documents from the DBR necessary to obtain the check cashing license.

There being no further business, the meeting was on motion duly made and seconded and unanimously approved, adjourned.


Domenic Colarusso


Carmine D. DeTomasia

STATE OF RHODE ISLAND
PROVIDENCE, SC

SUPERIOR COURT

PRIME DRUG, INC. and
DOMENIC COLARUSSO

V.

A. MICHAEL MARQUES, DIRECTOR
OF THE DEPARTMENT OF BUSINESS
REGULATIONS

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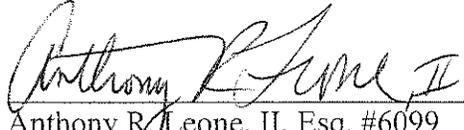
C.A. No. PC 08-4900

DISMISSAL STIPULATION

Now come the parties pursuant to this administrative appeal in accordance with R.I.G.L.
§ 42-35-15 and dismiss the within matter with prejudice, no interest or costs.

PRIME DRUG, INC. and
DOMENIC COLARUSSO
By and through its attorney,

A. MICHAEL MARQUES, DIRECTOR
OF THE DEPARTMENT OF
BUSINESS REGULATIONS
By and through its attorney,



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(401) 921-6686 (facsimile)



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