

ORDER SUMMARY – Case Number: C-14-1491

Name(s): Paymotech Finance Corp. dba Paytoo;

Order Number: C-14-1491-16-CO01

Effective Date: 7/12/16

License Number: U/L
Or NMLS Identifier [U/L] 1443924

License Effect: None

Not Apply Until: n/a

Not Eligible Until: n/a

Prohibition/Ban Until: n/a

Investigation Costs	\$1800	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$7500 \$12,500 STAYED	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Financial Literacy	\$1000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Judgment	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:				

Comments:

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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES**

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IN THE MATTER OF DETERMINING:
Whether there has been a violation of the
Uniform Money Services Act of Washington by:

No.: C-14-1491-16-CO01

CONSENT ORDER

PAYMOTECH FINANCE CORP.
D/B/A PAYTOO,

Respondent.

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COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Charles E. Clark, Division Director, Division of Consumer Services, and Paymotech Finance Corp. d/b/a Paytoo (Respondent), and finding that the issues raised in the above-captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.230 of the Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondent have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-14-1491-15-SC01 (Statement of Charges), entered July 27, 2015. Pursuant to chapter 19.230 RCW, the Uniform Money Services Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, Respondent hereby agrees to the Department's entry of this Consent Order and further agrees that the issues raised in the above-captioned matter may be economically and efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully resolve the Statement of Charges and agree that Respondent does not admit any wrongdoing by its entry. Respondent is agreeing not to contest the Statement of Charges in consideration of the terms of this Consent Order.

Based upon the foregoing:

CONSENT ORDER
C-14-1491-16-CO01
PAYMOTECH FINANCE CORP.
D/B/A PAYTOO

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902.8703

1 **A. Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter
2 of the activities discussed herein.

3 **B. Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a
4 hearing before an administrative law judge, and hereby waive its right to a hearing and any and all
5 administrative and judicial review of the issues raised in this matter, or of the resolution reached
6 herein. Accordingly, Respondent, by the signature of its representative below, withdraws its appeal
7 to the Office of Administrative Hearings.

8 **C. No Admission of Liability.** The parties intend this Consent Order to fully resolve the
9 Statement of Charges and agree that Respondent does not admit to any wrongdoing by its entry.

10 **D. Cease and Desist.** It is AGREED that Respondent shall cease and desist from engaging
11 the business of money transmission, or advertising, soliciting, or holding itself out as providing
12 money services for persons in the state of Washington until such time as Respondent obtains a money
13 transmitter license from the Department or meets an exclusion from licensing pursuant to RCW
14 19.230.020.

15 **E. Fine.** It is AGREED that Respondent shall pay a fine of \$7,500 to the Department upon
16 entry of this Consent Order pursuant to Paragraph F, below. It is further AGREED that payment of
17 an additional fine amount of \$12,500 is stayed contingent upon Respondent's compliance with the
18 terms of this Consent Order.

19 **F. Investigation Fee.** It is AGREED that Respondent shall pay to the Department an
20 investigation fee of \$1,800. The Fine and Investigation Fee may be paid together in one cashier's
21 check in the amount of \$9,300 made payable to the "Washington State Treasurer" upon entry of this
22 Consent Order.

1 **G. Financial Literacy and Education.** It is AGREED that in lieu of restitution and pursuant
2 to RCW 19.230.233, Respondent shall pay \$1,000 to the Department for purposes of financial
3 literacy and education upon entry of this Consent Order.

4 **H. Lifting of Stay.** It is AGREED and ORDERED that:

- 5 1. If the Department determines Respondent has not complied with this Consent Order
6 and seeks to lift the stay and impose the \$12,500 stayed fine, the Department will
7 first serve Respondent with a written notice of noncompliance. The notice of
8 noncompliance will include:
- 9 a. A description of the alleged noncompliance;
 - 10 b. A statement that the Department seeks to lift the stay and impose the stayed
11 fine;
 - 12 c. Notice that Respondent can contest the allegations of noncompliance by either
13 requesting an adjudicative hearing in writing or by submitting a written
14 response to the allegations of noncompliance; and
 - 15 d. Notice that the process for lifting the stay applies only to this Consent Order.
- 16 2. Respondent will be afforded ten business days from the date of service of the notice
17 of noncompliance to submit to the Department either a written request for an
18 adjudicative hearing or a written response to the allegations of noncompliance.
- 19 3. The scope and issues of the adjudicative hearing are limited solely to whether or not
20 Respondent has failed to comply with the terms of this Consent Order.
- 21 4. At the conclusion of the adjudicative hearing the Administrative Law Judge will
22 issue an initial decision. Either party may subsequently file a Petition for Review
23 with the Director of the Department.
- 24 5. In lieu of requesting an adjudicative hearing, within ten business days from the date
of service of the notice of noncompliance, Respondent may submit to the
Department a written response to the allegations of noncompliance for
consideration by the Department. The response must include a waiver of the right to
an adjudicative hearing, may address the allegations of noncompliance, and may
seek an alternative resolution to lifting the stay and imposing the stayed \$12,500
fine.
6. **Default.** If Respondent does not timely request an adjudicative hearing or submit a
written response to the notice of noncompliance, the Department may lift the stay
and impose the \$12,500 stayed fine without further notice.

1 **I. Rights of Non-Parties.** It is AGREED that the Department does not represent or have the
2 consent of any person or entity not a party to this Consent Order to take any action concerning their
3 personal legal rights. It is further AGREED that for any person or entity not a party to this Consent
4 Order, this Consent Order does not limit or create any private rights or remedies against Respondent,
5 limit or create liability of Respondent, or limit or create defenses of Respondent to any claims.

6 **J. Records Retention.** It is AGREED that Respondent, its officers, employees, and agents,
7 shall maintain records in compliance with the Act and provide the Director with the location of the
8 books, records and other information relating to Respondent's money transmitter business, and the
9 name, address and telephone number of the individual responsible for maintenance of such records in
10 compliance with the Act.

11 **K. Authority to Execute Order.** It is AGREED that the undersigned has represented and
12 warranted that he has the full power and right to execute this Consent Order on behalf of Respondent.

13 **L. Non-Compliance with Order.** It is AGREED that Respondent understands that failure to
14 abide by the terms and conditions of this Consent Order may result in further legal action by the
15 Director. In the event of such legal action, Respondent may be responsible to reimburse the Director
16 for the cost incurred in pursuing such action, including but not limited to, attorney fees.

17 **M. Voluntarily Entered.** It is AGREED that the undersigned Respondent has voluntarily
18 entered into this Consent Order, which is effective when signed by the Director's designee.

19 **N. Completely Read, Understood, and Agreed.** It is AGREED that Respondent has read
20 this Consent Order in its entirety and fully understands and agrees to all of the same.

21 **RESPONDENT:**

22 **Paymotech Finance Corp. d/b/a Paytoo**
23 By:

24 CONSENT ORDER
C-14-1491-16-CO01
PAYMOTECH FINANCE CORP.
D/B/A PAYTOO

[Redacted]

Date 6/27/16

MICHEL POIGNANT
President

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 12th DAY OF July, 2016.



[Redacted]

[Signature]
CHARLES E. CLARK
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

[Redacted]

[Signature]
KENNETH J. SUGIMOTO
Financial Legal Examiner

Approved by:

[Redacted]

[Signature]
STEVEN C. SHERMAN
Enforcement Chief

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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
CONSUMER SERVICES DIVISION**

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Uniform Money Services Act of Washington by:

PAYMOTEC FINANCE CORP.
D/B/A PAYTOO,

Respondent.

NO. C-14-1491-15-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO CEASE AND DESIST,
PROHIBIT FROM INDUSTRY, IMPOSE FINE,
ORDER RESTITUTION, AND COLLECT
INVESTIGATION FEE

INTRODUCTION

Pursuant to RCW 19.230.130 and RCW 19.230.310, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 19.230 RCW, the Uniform Money Services Act (Act). After having conducted an investigation pursuant to RCW 19.230.130 and WAC 208-690-180, and based upon the facts available as of the date of this Statement of Charges and Notice of Intention to Enter an Order to Prohibit from Industry, Impose Fine, Order Restitution, and Collect Investigation Fee (Statement of Charges), the Director, through his designee, Division of Consumer Services Director, Charles E. Clark, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Paymotech Finance Corp. d/b/a Paytoo (Respondent) is a money transmitter with its corporate office located at: One East Broward Blvd. Suite 620, Fort Lauderdale, Florida 33301.

Respondent has never been licensed by the Department as a money transmitter.

1.2 Unlicensed Activity (money transmission). Between at least 2013 and the date of this Statement of Charges, Respondent engaged in the business of money transmission, or advertised, solicited, or held itself out as providing money services for persons in the state of Washington.

1 **1.3 Ongoing Investigation.** The Department's investigation of the alleged violations of the Act by
2 Respondent continues to date.

3 **II. GROUNDS FOR ENTRY OF ORDER**

4 **2.1 Requirement to Obtain License.** Based on the Factual Allegations set forth in Section I
5 above, Respondent is in apparent violation of RCW 19.230.030(1) for engaging in the business of
6 money transmission without a license.

8 **III. AUTHORITY TO IMPOSE SANCTIONS**

9 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.230.250, the Director
10 may issue an order to prohibit a person from continuing to engage in providing money services for any
11 violation of RCW 19.230.030.

12 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.230.250, the Director may issue
13 an order to prohibit from participation in the affairs of any licensee or authorized delegate, or both, any
14 executive officer, person in control, or employee of the person for any violation of RCW 19.230.030.

15 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.230.250 and RCW 19.230.290, the Director
16 may issue an order to impose civil money penalties on a person for any violation of RCW 19.230.030
17 not to exceed \$100 per day for each day the violation is outstanding.

18 **3.4 Authority to Order Restitution.** Pursuant to RCW 19.230.250, the Director may issue an
19 order to compel a person to pay restitution to damaged parties for any violation of RCW 19.230.030.

20 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.230.130(2), RCW 19.230.290,
21 RCW 19.230.320(1)(c) and (2), WAC 208-690-170, and WAC 208-690-180(2), the Department may
22 collect the costs of investigations and examinations. The fee will be calculated at the rate of \$75 per
23 hour.
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1 **IV. NOTICE OF INTENT TO ENTER ORDER**

2 Respondent's violations of the provisions of chapter 19.230 RCW and chapter 208-690 WAC, as
3 set forth in the above Factual Allegations and Grounds for Entry of Order, constitute a basis for the entry
4 of an Order under RCW 19.230.130, RCW 19.230.250, RCW 19.230.290, and RCW 19.230.320.

5 Therefore, it is the Director's intention to ORDER that:

- 6 **4.1** Respondent Paymotech Finance Corp. d/b/a Paytoo cease and desist from engaging in the
7 business of money transmission, or advertising, soliciting, or holding itself out as
8 providing money services for persons in the state of Washington.
- 9 **4.2** Respondent Paymotech Finance Corp. d/b/a Paytoo be prohibited from participation in the
10 conduct of the affairs of any money transmitter subject to licensing by the Department, or
11 any authorized delegate, or both, for a period of five years;
- 12 **4.3** Respondent Paymotech Finance Corp. d/b/a Paytoo pay a fine which as of the date of
13 these charges totals \$30,000;
- 14 **4.4** Respondent Paymotech Finance Corp. d/b/a Paytoo pay restitution in the form of all fees
15 collected by Respondent Paymotech Finance Corp. d/b/a Paytoo from consumers in the
16 state of Washington and all funds currently held by Respondent Paymotech Finance Corp.
17 d/b/a Paytoo on behalf of consumers in the state of Washington;
- 18 **4.5** Respondent Paymotech Finance Corp. d/b/a Paytoo pay an investigation fee which as of
19 the date of these charges totals \$1,800, calculated at \$75 per hour for 24 hours to date; and
- 20 **4.6** Respondent Paymotech Finance Corp. d/b/a Paytoo maintain records in compliance with
21 the Act and provide the Department with the location of the books, records and other
22 information relating to Respondent Paymotech Finance Corp. d/b/a Paytoo's money
23 transmitter business, and the name, address and telephone number of the individual
24 responsible for maintenance of such records in compliance with the Act.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges is entered pursuant to the provisions of RCW 19.230.220 and
3 RCW 19.230.310, and is subject to the provisions of chapter 34.05 RCW (the Administrative
4 Procedure Act). Respondent may make a written request for a hearing as set forth in the NOTICE OF
5 OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement
6 of Charges

7 Dated this 27th day of July, 2015.



9 [Redacted signature]

10 CHARLES E. CLARK
11 Director
12 Division of Consumer Services
13 Department of Financial Institutions

14 Presented by:

15 [Redacted signature]

16 KENNETH J. SUGIMOTO
17 Financial Legal Examiner

18 Approved by:

19 [Redacted signature]

20 STEVEN C. SHERMAN
21 Enforcement Chief