

ORDER SUMMARY – Case Number: C-18-2416

Name(s): Firoz Patel; Ferhan Patel;
MH Pillars, Ltd. d/b/a MH Pillars, Inc. d/b/a Payza

Order Number: C-18-2416-20-CO01

Effective Date: September 3, 2020

License Number: n/a
Or NMLS Identifier [U/L]

License Effect: n/a

Not Apply Until: Permanent

Not Eligible Until: n/a

Prohibition/Ban Until: Permanent

Investigation Costs	\$ 0		Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$ 0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Assessment(s)	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Financial Literacy and Education	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Cost of Prosecution	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
	No. of Victims:			

Comments: _____

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

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

No.: C-18-2416-20-CO01

CONSENT ORDER

MH PILLARS, LTD dba MH PILLARS, INC.
dba PAYZA,
FIROZ PATEL, Owner and CEO,
and
FERHAN PATEL, Owner and CCO,

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Lucinda Fazio, Division of Consumer Service Director, and MH Pillars, LTD dba MH Pillars, Inc. dba Payza, Firoz Patel, and Ferhan Patel (Respondents), 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 Revised Code of Washington (RCW) 19.230, the Uniform Money Services Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

FINDINGS OF FACT

1.1 Respondents.

A. **MH Pillars, Ltd.** was at all times relevant to this Consent Order a Private Limited Company incorporated in the United Kingdom and conducts business as a money transmitter under the name Payza. MH Pillars, Ltd. has never been licensed by the Department to conduct business as a money transmitter in Washington.

B. **MH Pillars, Inc.** was at all times relevant to this Consent Order a New York corporation solely held by MH Pillars, Ltd. and conducting business as a money transmitter under the

1 name Payza. From about March 28, 2012, to June 3, 2013, Payza was an authorized delegate for
2 OboPay, Inc. (OboPay), a money transmitter licensed by the Department. MH Pillars, Inc. has never
3 been licensed by the Department to conduct business as a money transmitter in Washington.

4 C. **Firoz Patel** was at all times relevant to this Consent Order an owner and/or control
5 person for MH Pillars, Ltd. and MH Pillars, Inc. (hereinafter jointly referred to as Payza). Firoz Patel
6 has never been licensed by the Department to conduct business as a money transmitter in
7 Washington.

8 D. **Ferhan Patel** was at all times relevant to this Consent Order an owner and/or control
9 person for Payza. Ferhan Patel has never been licensed by the Department to conduct business as a
10 money transmitter in Washington.

11 **1.2 Prior Department Investigation.** In December 2011 the Washington State Department of
12 Financial Institutions (Department) began investigating alleged unlicensed money transmitter activity
13 in Washington by AlertPay, Inc. On or about June 12, 2012, in response to the Department's inquiry,
14 a representative for Payza made the following representations:

15 (1) that Payza had purchased AlertPay on or about April 4, 2012;

16 (2) that Payza operated as an authorized delegate of OboPay in Washington from March 28,
17 2012, to June 3, 2013;

18 (3) that Payza did not engage in money transmission in Washington prior to it becoming an
19 authorized delegate of OboPay; and

20 (4) that Payza ceased doing any business in Washington as of December 4, 2013.

21 **1.3 US Department of Justice Investigation.** In about April 2018, the Department received
22 information that the US Department of Justice (USDOJ) had obtained evidence of unlicensed money
23 transmitter activity by Payza in all 50 states and the District of Columbia during the period of about

1 January 1, 2012, through at least June 23, 2017. The records provided by the USDOJ indicate a total
2 of \$1,229,862.38 transmitted by Payza on behalf of about 13,462 Washington residents. Respondents
3 received about \$46,081.14 as fees for those transactions.

4 **CONCLUSIONS OF LAW**

5 **2.1** Based on the above Findings of Fact, Respondents violated RCW 19.230.030 by engaging in
6 the business of money transmission in the state of Washington without first obtaining and
7 maintaining a license in accordance with the Act or meeting an exclusion from the Act under RCW
8 19.230.020.

9 **AGREEMENT AND ORDER**

10 The Department and Respondents have agreed upon a basis for resolution of the Findings of
11 Fact and Conclusions of Law identified in this Consent Order. Pursuant to RCW 19.230.270 and
12 RCW 34.05.060, Respondents and the Department agree to entry of this Consent Order and further
13 agree that the matters alleged herein may be economically and efficiently settled by the entry of this
14 Consent Order. Respondents neither admit nor deny the Findings of Fact and Conclusions of Law set
15 forth above.

16 Based upon the foregoing:

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

19 **B. Waiver of Hearing.** It is AGREED that Respondents hereby waive any right they have to a
20 hearing and any and all administrative and judicial review of the issues raised in this matter or the
21 resolution reached herein.

1 **C. Agreement to Cease and Desist.** It is AGREED that Respondents shall permanently cease
2 and dismiss conducting business as a money transmitter in the state of Washington; specifically
3 including to and/or from any and all Washington residents or other legal entities.

4 **D. Prohibition.** It is AGREED that Respondents are permanently prohibited from participating
5 in the conduct of the affairs of any money transmitter or authorized delegate subject to the Act.

6 **E. Agreement not to Apply.** It is AGREED that Respondents will not apply for any license
7 issued under any Act regulated by the Department.

8 **F. Records Retention.** It is AGREED that Respondents, its officers, employees, agents, and
9 assigns shall maintain records in compliance with the Act and provide the Director with the location
10 of the books, records and other information relating to Respondents' money transmitter business
11 conducted prior to licensure, and the name, address and telephone number of the individual
12 responsible for maintenance of such records in compliance with the Act.

13 **G. Non-Compliance with Order.** It is AGREED that Respondents 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, Respondents may be responsible to reimburse the Director
16 for the cost incurred in pursuing such action, including but not limited to, attorney fees.

17 **H. Voluntarily Entered.** It is AGREED that Respondents have voluntarily entered into this
18 Consent Order, which is effective when signed by the Director's designee.

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

21 **J. Authority to Execute Order.** It is AGREED that the undersigned authorized representative
22 has represented and warranted that he has the full power and right to execute this Consent Order on
23 behalf of Respondent Payza.

1 **K. Counterparts.** This Consent Order may be executed by the Respondents in any number of
2 counterparts, including by facsimile or e-mail of a .pdf or similar file, each of which shall be deemed
3 to be an original, but all of which, taken together, shall constitute one and the same Consent Order.
4

5 **RESPONDENTS:**

MH Pillars, LTD dba MH Pillars, Inc. dba Payza

6 By:

7 /s/

8 Firaz Patel
Authorized Representative

8/17/2020

Date

9
10 /s/

11 Firaz Patel, Individually

8/17/2020

Date

12
13 /s/

14 Ferhan Patel, Individually

July 28, 2020

Date

15 **DO NOT WRITE BELOW THIS LINE**

16 THIS ORDER ENTERED THIS 3rd DAY OF September, 2020.
17

18 /s/

19 Lucinda Fazio, Director
20 Division of Consumer Services
Department of Financial Institutions

21 Presented by:

22 /s/

23 STEVEN C. SHERMAN
Enforcement Chief

1
2
3 **STATE OF WASHINGTON**
4 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
5 **CONSUMER SERVICES DIVISION**

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

10 MH PILLARS, LTD dba MH PILLARS, INC.
11 dba PAYZA,
12 FIROZ PATEL, Owner and CEO,
and
13 FERHAN PATEL, Owner and CCO,

14 Respondents.

NO. C-18-2416-18-TD01

TEMPORARY ORDER TO
CEASE AND DESIST

15 THE STATE OF WASHINGTON TO: MH Pillars, Ltd.
16 MH Pillars, Inc.
17 Firoz Patel
18 Ferhan Patel

19 COMES NOW the Director of the Washington State Department of Financial
20 Institutions (Director), by and through her designee Charles E. Clark, Division Director,
21 Division of Consumer Services (designee), and finding that the public is likely to be
22 substantially injured by delay in issuing a cease and desist order, enters this temporary order
23 to cease and desist (TCD) pursuant to chapter 19.230 RCW, the Uniform Money Services
24 Act (Act), based on the following:

//

//

25 TEMPORARY ORDER TO CEASE AND DESIST
C-18-2416-18-TD01
MH PILLARS, LTD
FIROZ PATEL
FERHAN PATEL

1

DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8703

1 **I. FACTUAL ALLEGATIONS**

2 **1.1 Respondents.**

3 A. **MH Pillars, Ltd.** is a Private Limited Company incorporated in the
4 United Kingdom and conducts business as a money transmitter under the name Payza.
5 MH Pillars, Ltd. has never been licensed by the Department to conduct business as a
6 money transmitter in Washington.

7 B. **MH Pillars, Inc.** was at all times relevant to this TCD a New York
8 corporation solely held by MH Pillars, Ltd. and conducting business as a money
9 transmitter under the name Payza. From about March 28, 2012, to June 3, 2013, Payza
10 was an authorized delegate for Obopay, Inc. (Obopay), a money transmitter licensed by
11 the Department.¹ MH Pillars, Inc. has never been licensed by the Department to conduct
12 business as a money transmitter in Washington.

13 C. **Firoz Patel** was at all times relevant to this TCD an owner and/or control
14 person for MH Pillars, Ltd. and MH Pillars, Inc. (hereinafter jointly referred to as Payza).
15 Firoz Patel has never been licensed by the Department to conduct business as a money
16 transmitter in Washington.

17 D. **Ferhan Patel** was at all times relevant to this TCD an owner and/or
18 control person for Payza. Ferhan Patel has never been licensed by the Department to
19 conduct business as a money transmitter in Washington.
20
21
22

23
24 ¹ Evidence provided by the USDOJ indicates that Payza was transmitting money under its own name
during this time and not under Obopay's name.

1 **1.2 Prior Department Investigation.** In December 2011 the Washington
2 State Department of Financial Institutions (Department) began investigating alleged
3 unlicensed money transmitter activity in Washington by AlertPay, Inc. On or about June
4 12, 2012, in response to the Department’s inquiry, a representative for Payza made the
5 following representations:

- 6 (1) that Payza had purchased AlertPay on or about April 4, 2012;
7
8 (2) that Payza operated as an authorized delegate of OboPay in Washington from
9 March 28, 2012, to June 3, 2013;
10 (3) that Payza did not engage in money transmission in Washington prior to it
11 becoming an authorized delegate of OboPay; and
12 (4) that Payza ceased doing any business in Washington as of December 4, 2013.

13 **1.3 US Department of Justice Investigation.** In about April 2018, the
14 Department received information that the US Department of Justice (USDOJ) had
15 obtained evidence of unlicensed money transmitter activity by Payza in all 50 states and
16 the District of Columbia during the period of about January 1, 2012, through at least June
17 23, 2017. The records provided by the USDOJ indicate a total of \$1,229,862.38
18 transmitted by Payza on behalf of about 13,462 Washington residents. Respondents
19 received about \$46,081.14 as fees for those transactions.

20 **1.4 Federal Criminal Indictment.** In or about March 2018, a Federal Grand
21 Jury indicted Respondents MH Pillars, Ltd. dba Payza, Firoz Patel, and Ferhan Patel for
22 felony crimes including Conspiracy, Operating an Unlicensed Money Transmission
23 Business, Conspiracy to Launder Monetary Instruments, and Money Transmitting
24

1 without a License. A copy of the Indictment is attached and incorporated herein by
2 reference.

3 **1.5 Apparent Ongoing Activity.** On or about June 5, 2018, a representative
4 of the Department reviewed the Payza.com web site and attempted to open an account for
5 money transmission. Although the application process indicated Payza's services were
6 not available in the United States, the Department's representative was able to obtain an
7 account simply by entering into the application the name of a different country.
8

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

10 **2.1** Based on the Factual Allegations set forth in Section I above, Respondents
11 are in apparent violation of RCW 19.230.030 for engaging in the business of money
12 transmission or advertising or holding out as providing money transmission for
13 consumers in the State of Washington without a license or an exclusion from licensing
14 under the Act.

15 **2.2** Based on the Factual Allegations set forth in Section I above, Respondents
16 are in apparent violation of RCW 19.230.340(7) for knowingly making or publishing to
17 the director or director's designee any written statement of its affairs which is false.

18 **2.3** Based on the Factual Allegations set forth in Section I above, Respondents
19 are in apparent violation of RCW 19.230.340(1), (2), (3), and (4) for misrepresenting to
20 Washington consumers that Respondents had the lawful authority to engage in money
21 transmission services for consumers in the State of Washington and receiving fees for
22 rendering those unlawful services.
23

1 **III. AUTHORITY TO ISSUE TEMPORARY ORDER TO CEASE AND DESIST**

2 **3.1 Authority to Issue Temporary Order to Cease and Desist.** Pursuant to
3 RCW 19.230.250, if the director has reason to believe that a person has violated or is
4 violating RCW 19.230.030 the director or the director's designee may conduct an
5 investigation as authorized under RCW 19.230.130. If, as a result of such investigation,
6 the director finds that a person has violated RCW 19.230.030 the director may issue a
7 temporary cease and desist order as authorized under RCW 19.230.260.
8

9 **IV. ORDER**

10 Based on the above Factual Allegations, Grounds for Entry of Order, and
11 Authority to Issue Temporary Order to Cease and Desist, and pursuant to RCW
12 19.230.260, the Director finds that Respondent has violated RCW 19.230.030.

13 Therefore, the Director ORDERS that:

14 **4.1** Respondents shall immediately cease and desist from engaging in the
15 business of money transmission, advertising money transmission services, and holding
16 out as lawfully able to provide money transmission services to and for consumers in the
17 State of Washington.

18 **4.2** This order shall take effect immediately and shall remain in effect unless
19 set aside, limited, or suspended in writing by an authorized court.
20

21 //

22 //

23 //

24 //

1 **NOTICE**

2 PURSUANT TO CHAPTER 19.230 RCW, YOU ARE ENTITLED TO A
3 HEARING TO DETERMINE WHETHER THIS ORDER SHALL BECOME
4 PERMANENT. IF YOU DESIRE A HEARING, THEN YOU MUST RETURN THE
5 ATTACHED APPLICATION FOR ADJUDICATIVE HEARING INCORPORATED
6 HEREIN BY THIS REFERENCE. FAILURE TO COMPLETE AND RETURN THE
7 APPLICATION FOR ADJUDICATIVE HEARING FORM SO THAT IT IS RECEIVED
8 BY THE DEPARTMENT OF FINANCIAL INSTITUTIONS WITHIN TWENTY (20)
9 DAYS OF THE DATE THAT THIS ORDER WAS SERVED ON YOU WILL
10 CONSTITUTE A DEFAULT AND WILL RESULT IN THE LOSS OF YOUR RIGHT
11 TO A HEARING. SERVICE ON YOU IS DEFINED AS POSTING IN THE U.S. MAIL,
12 POSTAGE PREPAID, TO YOUR LAST KNOWN ADDRESS OR DELIVERY TO A
13 PARCEL DELIVERY COMPANY, PROPERLY ADDRESSED WITH CHARGES
14 PREPAID. BE ADVISED THAT DEFAULT WILL RESULT IN THIS ORDER TO
15 CEASE AND DESIST BECOMING PERMANENT ON THE TWENTY-FIRST (21ST)
16 DAY FOLLOWING SERVICE OF THIS ORDER UPON YOU.

17
18 WITHIN TEN DAYS AFTER YOU HAVE BEEN SERVED WITH THIS
19 TEMPORARY ORDER TO CEASE AND DESIST, YOU MAY APPLY TO THE
20 SUPERIOR COURT OF WASHINGTON IN THURSTON COUNTY FOR AN
21 INJUNCTION SETTING ASIDE, LIMITING, OR SUSPENDING THIS ORDER
22 PENDING THE COMPLETION OF THE ADMINISTRATIVE PROCEEDINGS
23 PURSUANT TO THIS NOTICE.
24

25 TEMPORARY ORDER TO CEASE AND DESIST
C-18-2416-18-TD01
MH PILLARS, LTD
FIROZ PATEL
FERHAN PATEL

DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8703

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

DATED this 28th day of June, 2018.

/s/
CHARLES E. CLARK
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

/s/
STEVEN C. SHERMAN
Enforcement Chief