

ORDER SUMMARY – Case Number: C-19-2734

Name(s): Karlilu, LLC; Simon Peter Mendy

Order Number: C-19-2734-19-FO01

Effective Date: 11/27/19

NMLS Identifiers: Karlilu, LLC: 1780108
Simon Peter Mendy: 1797100

License Effect: N/A

Not Apply Until: N/A

Not Eligible Until: N/A

Prohibition/Ban Until: 11/27/24

Investigation Costs	\$1,035		Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$5,000	Due [30 days]	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Assessment(s)	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	[\$[Not calculated]	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: _____

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

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

No.: C-19-2734-19-FO01

5 KARLILU, LLC, NMLS No. 1780108, and
SIMON PETER MENDY, President and 100%
6 Owner, NMLS No. 1797100,

FINAL ORDER

7 Respondents.

8 **I. DIRECTOR'S CONSIDERATION**

9 A. Default. This matter has come before the Director of the Department of Financial
10 Institutions of the State of Washington (Director), through his designee, Consumer Services Division
11 Acting Director Richard St. Onge (Director's designee), pursuant to RCW 34.05.440(1). On October
12 29, 2019, the Director, through the Director's designee, issued a Statement of Charges and Notice of
13 Intent to Enter an Order to Prohibit from Industry, Impose Fine, Collect Investigation Fee, Compel
14 Restitution, and Recover Costs and Expenses (Statement of Charges) against Karlilu, LLC and Simon
15 Peter Mendy (collectively "Respondents"). A copy of the Statement of Charges is attached and
16 incorporated into this order by this reference. The Statement of Charges was accompanied by a cover
17 letter dated October 30, 2019, a Notice of Opportunity to Defend and Opportunity for Hearing, and a
18 blank Application for Adjudicative Hearing for each Respondent (collectively, accompanying
19 documents).

20 On October 30, 2019, the Department served Respondents with the Statement of Charges and
21 accompanying documents by First-Class mail and Federal Express overnight. On October 31, 2019,
22 the documents sent by Federal Express overnight delivery were delivered to Respondents' attorney.
23 On November 4, 2019, the documents sent by Federal Express overnight delivery were delivered to

1 Respondents. The documents sent by First-Class mail were not returned to the Department by the
2 United States Postal Service.

3 Respondents did not request an adjudicative hearing within twenty calendar days after the
4 Department served the Notice of Opportunity to Defend and Opportunity for Hearing, as provided for
5 in WAC 208-08-050(2).

6 B. Record Presented. The record presented to the Director's designee for his review and
7 for entry of a final decision included the following: Statement of Charges, cover letters dated October
8 30, 2019, Notice of Opportunity to Defend and Opportunity for Hearing for each Respondent, and
9 blank Application for Adjudicative Hearing for each Respondent, with documentation for service.

10 C. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(1), the
11 Director's designee hereby adopts the Statement of Charges, which is attached hereto.

12 II. FINAL ORDER

13 Based upon the foregoing, and the Director's designee having considered the record and being
14 otherwise fully advised, NOW, THEREFORE:

15 A. IT IS HEREBY ORDERED, That:

- 16 1. Respondents Karlilu, LLC and Simon Peter Mendy are prohibited, for a period of
17 five years, from participation in the conduct of the affairs of any authorized delegate,
18 any money transmitter, and any currency exchanger subject to the Department's
19 authority.
- 20 2. Respondents Karlilu, LLC and Simon Peter Mendy jointly and severally pay a fine of
21 \$5,000.
- 22 3. Respondents Karlilu, LLC and Simon Peter Mendy jointly and severally pay an
23 investigation fee of \$1,035.
- 24 4. Respondents Karlilu, LLC and Simon Peter Mendy jointly and severally pay
restitution in the form of all fees collected by Respondents Karlilu, LLC and Simon
Peter Mendy from consumers in the state of Washington and all funds currently held
by Respondents Karlilu, LLC and Simon Peter Mendy on behalf of consumers in the
state of Washington.

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2 5. Respondents Karlilu, LLC and Simon Peter Mendy maintain records in compliance
3 with chapter 19.230 RCW, the Uniform Money Services Act (Act), and provide the
4 Department with the location of the books, records and other information relating to
5 Respondents' money transmitter business, and the name, address and telephone
6 number of the individual responsible for maintenance of such records in compliance
7 with the Act.

8 B. Reconsideration. Pursuant to RCW 34.05.470, each Respondent has the right to file a
9 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition
10 must be filed in the Office of the Director of the Department of Financial Institutions by courier at
11 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
12 Washington 98504-1200, within ten (10) days of service of the Final Order upon the Respondent. The
13 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
14 Reconsideration a prerequisite for seeking judicial review in this matter.

15 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the
16 date the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a
17 written notice specifying the date by which it will act on a petition.

18 C. Stay of Order. The Director's designee has determined not to consider a Petition to
19 Stay the effectiveness of this order. Any such requests should be made in connection with a Petition
20 for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

21 D. Judicial Review. Each Respondent has the right to petition the superior court for
22 judicial review of this agency action under the provisions of chapter 34.05 RCW. For the
23 requirements for filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

24 E. Non-compliance with Order. If Respondents do not comply with the terms of this
order, **including payment of any amounts owed within 30 days of receipt of this order**, the
Department may seek its enforcement by the Office of the Attorney General to include the collection

1 of the fines, fees, and restitution imposed herein. The Department also may assign the amounts owed
2 to a collection agency for collection.

3 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for Judicial
4 Review, service is effective upon deposit of this order in the U.S. mail, declaration of service
5 attached hereto.

6 DATED this 27th day of November, 2019.

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8 STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

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10 /s/ _____
RICHARD ST. ONGE
Acting Director
11 Division of Consumer Services

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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:

KARLILU, LLC, NMLS No. 1780108, and
SIMON PETER MENDY, President and 100%
Owner, NMLS No. 1797100,

Respondents.

NO. C-19-2734-19-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENT TO ENTER
AN ORDER TO PROHIBIT FROM
INDUSTRY, IMPOSE FINE, COLLECT
INVESTIGATION FEE, COMPEL
RESTITUTION, and RECOVER COSTS AND
EXPENSES

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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, the Director, through his designee, Division of Consumer Services Acting Director, Richard St. Onge, institutes this proceeding and finds as follows:

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I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. Karlilu, LLC (Respondent Karlilu) was a money transmitter located in Charlotte, North Carolina, during the times relevant to this Statement of Charges. Respondent has never been licensed by the Department as a money transmitter.

B. Simon Peter Mendy (Respondent Mendy) is the President and Owner of Respondent Karlilu. Respondent Mendy has never been licensed by the Department as a money transmitter.

1.2 Unlicensed Activity (money transmission). From at least January 2018 through June 2019,

1 Respondents engaged in the business of money transmission, or advertised, solicited, or held
2 themselves out as providing money transmission, for persons in the State of Washington.

3 **1.3 Ongoing Investigation.** The Department’s investigation of the alleged violations of the Act by
4 Respondents continues to date.

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

6 **2.1 Requirement to Obtain License.** Based on the Factual Allegations set forth in Section I
7 above, Respondents are in apparent violation of RCW 19.230.030(1) for conducting business as a
8 money transmitter without a license.

9 **III. AUTHORITY TO IMPOSE SANCTIONS**

10 **3.1 Authority to Prohibit from Industry.** Pursuant to RCW 19.230.250, the Director may issue an
11 order to prohibit a person from continuing to engage in providing money services, and to prohibit from
12 participation in the affairs of any licensee or authorized delegate, or both, any executive officer, person
13 in control, or employee of the person for any violation of RCW 19.230.030 or RCW 19.230.080.

14 **3.2 Authority to Impose Fine and Recover Costs and Expenses.** Pursuant to RCW 19.230.250
15 and RCW 19.230.290, the Director may issue an order to impose civil money penalties not to exceed
16 \$100 per day for each day the violation is outstanding, plus the state’s costs and expenses for the
17 investigation and prosecution of the matter, on a person for any violation of the Act or a rule adopted
18 under the Act.

19 **3.3 Authority to Collect Investigation or Examination Fee.** Pursuant to RCW 19.230.130(2),
20 RCW 19.230.290, RCW 19.230.320(1)(c) and (2), WAC 208-690-170, and WAC 208-690-180(3), the
21 Department may collect the costs of investigations and examinations. The fee will be calculated at the
22 rate of \$75 per hour.

23 **3.4 Authority to Compel Restitution.** Pursuant to RCW 19.230.250, the Director may issue an
24 order to compel a person who has violated RCW 19.230.030 to pay restitution to damaged parties.

1 **IV. NOTICE OF INTENT TO ENTER ORDER**

2 Respondents' 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 19.230.230, RCW 19.230.240, RCW 19.230.250, and RCW 19.230.340.

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

- 6 **4.1** Respondents Karlilu, LLC and Simon Peter Mendy be prohibited, for a period of five
7 years, from participation in the conduct of the affairs of any authorized delegate, any
8 money transmitter, and any currency exchanger subject to the Department's authority;
- 9 **4.2** Respondents Karlilu, LLC and Simon Peter Mendy jointly and severally pay a fine which
10 as of the date of these charges totals \$5,000;
- 11 **4.3** Respondents Karlilu, LLC and Simon Peter Mendy jointly and severally pay an
12 investigation fee which as of the date of these charges totals at least \$1,035; and
- 13 **4.4** Respondents Karlilu, LLC and Simon Peter Mendy jointly and severally pay restitution in
14 the form of all fees collected by Respondents Karlilu, LLC and Simon Peter Mendy from
15 consumers in the state of Washington and all funds currently held by Respondents Karlilu,
16 LLC and Simon Peter Mendy on behalf of consumers in the state of Washington.
- 17 **4.5** Respondents Karlilu, LLC and Simon Peter Mendy maintain records in compliance with
18 the Act and provide the Department with the location of the books, records and other
19 information relating to Respondents' money transmitter business, and the name, address
20 and telephone number of the individual responsible for maintenance of such records in
21 compliance with the Act.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intent to Enter an Order to Prohibit from Industry,
3 Impose Fine, Collect Investigation Fee, Compel Restitution, and Recover Costs and Expenses
4 (Statement of Charges) is entered pursuant to the provisions of RCW 19.230.220 and
5 RCW 19.230.310, and is subject to the provisions of chapter 34.05 RCW (the Administrative
6 Procedure Act). Each Respondent may make a written request for a hearing as set forth in the
7 NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying
8 this Statement of Charges.
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11 Dated this 29th day of October, 2019.

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13 /s/
14 RICHARD ST. ONGE
15 Acting Director
16 Division of Consumer Services
17 Department of Financial Institutions

18 Presented by:

19 /s/
20 DREW STILLMAN
21 Financial Legal Examiner

22 Approved by:

23 /s/
24 STEVEN C. SHERMAN
25 Enforcement Chief