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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:

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

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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 **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.<sup>1</sup> 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 <sup>1</sup> 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.  
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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  
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DATED this 28<sup>th</sup> 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