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On May 30, 2012, the Arizona Department of Financial Institutions ("Department") issued an Order to Cease and Desist; Notice of Opportunity For Hearing; Consent to Entry of Order, alleging that Respondent had violated Arizona law. Wishing to resolve this matter without admitting liability and in lieu of an administrative hearing, Respondent consents to the following Findings of Fact and Conclusions of Law, and consents to the entry of the following Order.

- 1. Respondent Green Dot Corporation ("GDC"), a Delaware corporation, is authorized to transact business in Arizona as a money transmitter, license number MT 0906965, within the meaning of A.R.S. § 6-1201, et seq. The nature of GDC's business is that of a money transmitter
- 2. For the purposes of this Order only, Respondent is not exempt from licensure as a
- 3. An examination of GDC, conducted by the Department from February 21, 2012
  - a. Failed to timely submit its 2011 Annual Report to the Arizona Corporation Commission ("ACC"), due on November 19, 2011; specifically:
    - The Examiner notified Respondent of its status with the ACC;
    - On February 14, 2012, Respondent filed its 2011 Annual Report, and now has a "Good Standing" status with the ACC.

- b. Failed to ensure that its authorized delegates prominently displayed their money transmitter authorized delegate license in their principal places of business; specifically:
  - (1) The money transmitter authorized delegate license was not prominently displayed in at least twenty-one (21) of Respondent's authorized delegate locations;
- c. Failed to include in its contracts with its authorized delegates an appendix that contains a current copy of A.R.S. Title 6, Chapter 12, specifically:
  - (1) The agreement between GDC and authorized delegate Walgreens, provided to the Department's Examiners during the exam, was incomplete as the contract only makes reference to an abbreviated version of A.R.S. Title 6, Chapter 12;
  - (2) Respondent was informed that an abbreviated copy fails to satisfy the requirements of A.R.S. § 6-1208(B); and
  - (3) Respondent made reference to another copy that should have been included with the contract to satisfy A.R.S. § 6-1208(B), however the document appeared to be added after the Examiners brought the matter to management's attention, based on the page numbers cited in the original contract; and
- d. Failed to update its policies and procedures to include the changes to Arizona transmitters of money statutes passed into law in 2002, and failed to include a record of instruction that promotes compliance with A.R.S. Title 6, Chapter 12 and Title 13, Chapter 23.
- 4. These Findings of Fact shall also serve as Conclusions of Law.

## **LAW**

1. Pursuant to A.R.S. § 6-1201, et seq, the Superintendent has the authority and duty to

regulate all persons engaged in the money transmitter business and with the enforcement of statutes, rules, and regulations relating to money transmitters.

- 2. By the conduct, set forth above, Respondent violated the following:
  - a. A.R.S. § 6-1202(B) by failing to timely submit its 2011 Annual Report to the Arizona Corporation Commission, due on November 19, 2011;
  - b. A.R.S. § 6-1207(C) by failing to ensure that its authorized delegates prominently displayed their money transmitter authorized delegate license in their principal places of business;
  - c. A.R.S. § 6-1208(B) by failing to include in its contracts with its authorized delegates an appendix that contains a current copy of A.R.S. Title 6, Chapter 12.
- 3. For the purposes of this Order only, GDC does not meet any of the exemptions to the licensing requirements set forth in A.R.S. § 6-1203.
- 4. The violations, set forth above, constitute grounds for: (1) the issuance of an order pursuant to A.R.S. § 6-137 directing Respondent to cease and desist from the violative conduct and to take the appropriate affirmative actions, within a reasonable period of time prescribed by the Superintendent, to correct the conditions resulting from the unlawful acts, practices, and transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-132; (3) the suspension or revocation of Respondent's license pursuant to A.R.S. § 6-1210; and (4) an order or any other remedy necessary or proper for the enforcement of statutes and rules regulating money transmitters pursuant to A.R.S. §§ 6-123 and 6-131.

## **ORDER**

- 1. GDC shall immediately stop the violations set forth in the Findings of Fact and Conclusions of Law. GDC:
  - a. Shall ensure procedures are in place to timely submit all future Annual Reports to the Arizona Corporation Commission;

- b. Shall supervise its authorized delegates to ensure the authorized delegates prominently displayed their money transmitter authorized delegate license in their principal places of business;
- c. Shall ensure its contracts with authorized delegates include an appendix that contains a current copy of A.R.S. Title 6, Chapter 12.
- 2. Pursuant to A.R.S. § 6-132, Respondent's violations of the aforementioned statutes are grounds for a civil penalty of not more than five thousand dollars (\$5,000.00) for each violation for each day.
- 3. GDC shall immediately pay to the Department a civil money penalty in the amount of ten thousand dollars (\$10,000.00).
- 4. Respondent shall comply with all Arizona statutes and rules regulating Arizona money transmitters (A.R.S. § 6-1201, et seq.).
- 5. The provisions of this Order shall be binding upon Respondent, its employees, agents, and other persons participating in the conduct of the affairs of Respondent.
- 6. This Order shall become effective upon service, and shall remain effective and enforceable until such time as, and except to the extent that, it shall be stayed, modified, terminated, or set aside.

SO ORDERED this /3 day of September, 2012.

Lauren W. Kingry

Superintendent of Financial Institutions

Robert D. Charlton

Assistant Superintendent of Financial Institutions

## **CONSENT TO ENTRY OF ORDER**

1. Respondent acknowledges that it has been served with a copy of the foregoing Findings

of Fact, Conclusions of Law, and Order in the above-referenced matter, has read the same, is aware of its right to an administrative hearing in this matter, and has waived the same.

- 2. Respondent admits the jurisdiction of the Superintendent and consents to the entry of the foregoing Findings of Fact, Conclusions of Law, and Order.
- 3. Respondent states that no promise of any kind or nature has been made to induce it to consent to the entry of this Order, and that it has done so voluntarily.
- 4. Respondent agrees to immediately cease from engaging in the violative conduct set forth in the Findings of Fact and Conclusions of Law.
- 5. Respondent acknowledges that the acceptance of this Agreement by the Superintendent is solely to settle this matter and does not preclude this Department, any other agency or officer of this state or subdivision thereof from instituting other proceedings as may be appropriate now or in the future.
- 6. Steven W. Streit, on behalf of Green Dot Corporation, represents that he is the President and CEO and that, as such, has been authorized by Green Dot Corporation to consent to the entry of this Order on its behalf.
- 7. Respondent waives all rights to seek judicial review or otherwise to challenge or contest the validity of this Order.

DATED this 5 day of September, 2012.

By: Steven W. Streit, President and CEO Green Dot Corporation

ORIGINAL of the foregoing filed this 3th day of 2012, in the office of:

Lauren W. Kingry

Superintendent of Financial Institutions

Arizona Department of Financial Institutions

ATTN: Sabrina Zimmerman 2910 N. 44th Street, Suite 310 Phoenix, AZ 85018

1	COPY mailed/delivered same date to:
2	Craig A. Raby, Assistant Attorney General Office of the Attorney General
3	1275 West Washington Phoenix, AZ 85007
4	
5	Robert D. Charlton, Assistant Superintendent Mark Murphy, Senior Examiner Arizona Department of Financial Institutions
6	2910 N. 44th Street, Suite 310 Phoenix, AZ 85018
7	
8	AND COPY MAILED SAME DATE by Certified Mail, Return Receipt Requested, to:
9	Green Dot Corporation c/o Steve Streit, President and CEO
10	605 E. Huntington Drive, Suite 205 Monrovia, CA 91016
11	Respondent
12	Paul K. Charlton, Esq. GALLAGHER & KENNEDY, P.A.
13	2575 East Camelback Road Phoenix, AZ 85016-9225
14	Attorneys for Respondent
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