

1 **ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS**

2 In the Matter of the Money Transmitter License
3 of:

No. 15F-BD003-BNK

4 **MONEYGRAM PAYMENT SYSTEMS, INC.**
5 1550 Utica Avenue South, M-S 8010
6 Minneapolis, MN 55416

CONSENT ORDER

Petitioner.

7 On July 17, 2014, the Arizona Department of Financial Institutions (“Department”) issued an
8 Order to Cease and Desist; Notice of Opportunity For Hearing; Consent to Entry of Order, alleging
9 that Petitioner had violated Arizona law. Wishing to resolve this matter in lieu of an administrative
10 hearing, and without admitting liability or responsibility, Petitioner consents to the following
11 Findings of Fact and Conclusions of Law, and consents to the entry of the following Order.

12 **FINDINGS OF FACT**

13 1. Petitioner MoneyGram Payment Systems, Inc. (“MoneyGram”) is a Delaware
14 corporation authorized to transact business in Arizona as a money transmitter, license number
15 MT-0019013, within the meaning of A.R.S. §§ 6-1201, *et seq.* The nature of MoneyGram’s
16 business is that of a money transmitter within the meaning of A.R.S. § 6-1201(11).

17 2. MoneyGram is not exempt from licensure as a money transmitter within the meaning of
18 A.R.S. § 6-1203.

19 3. An examination of MoneyGram, conducted by the Department, commencing on
20 October 28, 2013, revealed that Petitioner:

21 a. Failed to keep adequate records of customers’ identities in either electronic or
22 hardcopy as required by this section as it relates to transactions of \$1,000 or more.

23 (1) Petitioner and its authorized delegates failed to record the customers’
24 occupation for 185 transactions, or approximately one third of one percent
25 (0.33%) of the 53,221 money transmission transactions over \$1,000 during the
26 examination period of July 2012 through July 2013.

1 (2) Petitioner failed to correct this violation from its previous two examinations.

2 (3) Petitioner believes these internal system issues have been resolved and going
3 forward the Company will be able to reproduce the data entered in these fields
4 for applicable transactions.

5 4. Based upon the above findings, the Department issued and served upon Petitioner an
6 Order to Cease and Desist; Notice of Opportunity For Hearing; Consent to Entry of Order ("Cease
7 and Desist Order") on July 17, 2014.

8 5. On August 18, 2014, Petitioner filed a Request For Hearing to appeal the Cease and
9 Desist Order.

10 6. These Findings of Fact shall also serve as Conclusions of Law.

11 **CONCLUSIONS OF LAW**

12 1. Pursuant to A.R.S. § 6-1201, *et seq*, the Superintendent has the authority and duty to
13 regulate all persons engaged in the money transmitter business and with the enforcement of statutes,
14 rules, and regulations relating to money transmitters.

15 2. By the conduct, set forth above, Petitioner violated A.R.S. § 6-1241(E), by:

16 a. Failing to keep adequate records of customers' identities as required by Title 6,
17 Chapter 12 as it relates to transactions of one thousand dollars (\$1,000.00) or more.

18 3. MoneyGram does not meet any of the exemptions to the licensing requirements set forth
19 in A.R.S. § 6-1203.

20 4. The violations, set forth above, constitute grounds for: (1) the issuance of an order
21 pursuant to A.R.S. § 6-137 directing Petitioner to cease and desist from the violative conduct and to
22 take the appropriate affirmative actions, within a reasonable period of time prescribed by the
23 Superintendent, to correct the conditions resulting from the unlawful acts, practices, and
24 transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-132; and (3) an
25 order or any other remedy necessary or proper for the enforcement of statutes and rules regulating
26 money transmitters pursuant to A.R.S. §§ 6-123 and 6-131.

1 ORDER

2 1. MoneyGram shall immediately stop the violations set forth in the Findings of Fact and
3 Conclusions of Law. MoneyGram:

4 a. Shall keep adequate records of customers' identities as required by Title 6,
5 Chapter 12 as it relates to transactions of one thousand dollars (\$1,000.00) or more,
6 and shall require all of their authorized delegates to obtain the customer's current
7 occupation for each transaction involving \$1,000 or more.

8 b. Shall keep adequate records of customers' identities as required by Title 6,
9 Chapter 12 as it relates to transactions of one thousand dollars (\$1,000.00) or more.

10 2. Pursuant to A.R.S. § 6-132, Petitioner's violations of the aforementioned statutes are
11 grounds for an assessment of not more than five thousand dollars (\$5,000.00) for each violation for
12 each day.

13 3. MoneyGram shall immediately pay to the Department an assessment, pursuant to A.R.S.
14 § 6-132, in the amount of **ten thousand dollars (\$10,000.00)**.

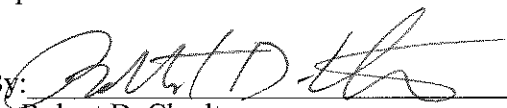
15 4. Petitioner shall comply with all Arizona statutes and rules regulating Arizona money
16 transmitters (A.R.S. § 6-1201, *et seq.*).

17 5. The provisions of this Order shall be binding upon Petitioner, its employees, agents, and
18 other persons participating in the conduct of the affairs of Petitioner.

19 6. This Order shall become effective upon service, and shall remain effective and
20 enforceable until such time as, and except to the extent that, it shall be stayed, modified, terminated,
21 or set aside.

22 SO ORDERED this 18 day of December, 2014.

23 Lauren W. Kingry
24 Superintendent of Financial Institutions

25 By: 
26 Robert D. Charlton
Assistant Superintendent of Financial Institutions

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CONSENT TO ENTRY OF ORDER

1. Petitioner 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. Petitioner admits the jurisdiction of the Superintendent and consents to the entry of the foregoing Findings of Fact, Conclusions of Law, and Order.

3. Petitioner 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. Petitioner agrees to immediately cease from engaging in the violative conduct set forth in the Findings of Fact and Conclusions of Law.

5. Petitioner 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. Tim Davis, on behalf of MoneyGram Payment Systems, Inc., represents that he is the Vice President and Associate General Counsel and that, as such, has been authorized by MoneyGram Payment Systems, Inc. to consent to the entry of this Order on its behalf.

7. Petitioner waives all rights to seek judicial review or otherwise to challenge or contest the validity of this Consent Order.

DATED this 10th day of December, 2014.

By: Tim Davis
Tim Davis
Vice President and Associate General Counsel
MoneyGram Payment Systems, Inc.

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1 ORIGINAL of the foregoing filed this 19th day
2 of December, 2014, in the office of:

3 Lauren W. Kingry
4 Superintendent of Financial Institutions
5 Arizona Department of Financial Institutions
6 ATTN: Sabrina Zimmerman
7 2910 N. 44th Street, Suite 310
8 Phoenix, AZ 85018

9 COPY mailed same date to:

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11 Assistant Attorney General
12 Office of the Attorney General
13 1275 West Washington
14 Phoenix, AZ 85007

15 Robert D. Charlton, Assistant Superintendent
16 Mark Murphy, Examiner in Charge
17 Lola Duncan, Senior Examiner
18 Arizona Department of Financial Institutions
19 2910 N. 44th Street, Suite 310
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