

1 ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

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

No. 07F-BD082-BNK

CONSENT ORDER

4 **ORDER EXPRESS, INC. AND JORGE**
5 **MIRANDA, PRESIDENT**
685 W. Ohio St.
Chicago, IL 60610

6 Petitioners.

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8 On May 29, 2007, the Arizona Department of Financial Institutions (“Department”) issued a
9 Notice of Hearing, alleging that Petitioners had violated Arizona law. Wishing to resolve this matter
10 in lieu of an administrative hearing, Petitioners consent to the following Findings of Fact and
11 Conclusions of Law, and consent to the entry of the following Order.

12 **FINDINGS OF FACT**

13 1. Petitioner Order Express, Inc. (“Order Express”) is an Illinois corporation authorized
14 to transact business in Arizona as a money transmitter, license number MT 0903583, within the
15 meaning of A.R.S. §§ 6-1201, *et seq.* The nature of Order Express’ business is that of a money
16 transmitter within the meaning of A.R.S. § 6-1201(11).

17 2. Petitioner Jorge Miranda (“Mr. Miranda”) is the President of Order Express and is
18 authorized to transact business in Arizona as a money transmitter within the meaning of A.R.S.
19 §§ 6-1201, *et seq.*

20 3. An onsite examination of Order Express, conducted by the Department from August
21 22, 2006 to August 23, 2006, and examinations of Order Express’ Authorized Delegates conducted
22 from September 12, 2006 to September 13, 2006, revealed that Order Express and Mr. Miranda:

- 23 a. Failed to designate one of their locations as their principal place of business;
- 24 b. Failed to provide its authorized delegates with operating policies and
25 procedures sufficient to permit compliance by the delegate with the provisions of Title 13, Chapter
26 23, Title 6, and all of the applicable administrative rules; specifically:

- 1 i. None of Petitioners' authorized delegate contracts included a complete
- 2 and current copy of the statutes as required; and
- 3 ii. Petitioners failed to correct this violation from their prior examination;
- 4 c. Failed to conduct a reasonable background investigation of each authorized
- 5 delegate; specifically:
- 6 i. Petitioners failed to conduct reasonable background investigations of
- 7 each authorized delegate and failed to maintain the records for at least
- 8 five (5) years;
- 9 d. Failed to retain all identifying information records for each transaction
- 10 involving \$1,000.00 or more; specifically:
- 11 i. Petitioners failed to maintain and keep adequate records of customers'
- 12 identities;
- 13 ii. Petitioners failed to maintain and keep adequate records of customers'
- 14 occupations;
- 15 iii. Petitioners failed to maintain and keep adequate records of customers'
- 16 signatures for all transactions;
- 17 1. Petitioners used P.O. box addresses for customers' current
- 18 residential addresses;
- 19 iv. Out of nine hundred and one (901) transactions involving \$1,000.00 or
- 20 more, 85% were missing the customers' social security number despite
- 21 the customer listing a current occupation;
- 22 v. Only twenty two (22) transactions listed any data in the "green card"
- 23 field. Some of this data was incorrect and should have been listed in a
- 24 different field; and
- 25 vi. Petitioner failed to correct this violation from its previous
- 26 examination;

1 e. Failed to deliver the customer identification records and/or retention letters to
2 the Arizona Attorney General's Office; and

3 f. Violated an applicable law, rule, or order, specifically;

- 4 i. On or around June 6, 2005, Petitioners signed Consent Order 05F-
5 BD139-SBD ("Order"). Petitioners failed to comply with the Order by:
6 (1) Failing to include in its contracts with authorized delegates an
7 appendix that contains a current copy of A.R.S. Title 6, Chapter 12; (2)
8 Failed to provide each authorized delegate with operating policies and
9 procedures sufficient to permit compliance with the provisions of
10 A.R.S. Title 13, Chapter 23, and Title 6, Chapter 12; and (3); Failed to
11 comply with A.R.S. § 6-1241(E).

12 4. Based upon the above findings, the Department issued and served upon Order
13 Express and Mr. Miranda an Order to Cease and Desist; Notice of Opportunity For Hearing; Consent
14 to Entry of Order ("Cease and Desist Order") April 27, 2007.

15 5. On May 3, 2007, Petitioners filed a Request For Hearing to appeal the Cease and
16 Desist Order.

17 **CONCLUSIONS OF LAW**

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

21 2. By the conduct, set forth above, Order Express and Mr. Miranda violated the
22 following:

- 23 a. A.R.S. § 6-1207(A) by failing to designate one of their locations as their principal
24 place of business;
25 b. A.R.S. § 6-1208(B) by failing to provide its authorized delegates with operating
26 policies and procedures sufficient to permit compliance by the delegate with the

1 provisions of Title 13, Chapter 23, Title 6, and all of the applicable administrative
2 rules;

- 3 c. A.R.S. § 6-1213(B) by failing to conduct a reasonable background investigation
4 of each authorized delegate;
- 5 d. A.R.S. § 6-1241(E) by failing to retain all identifying information records for
6 each transaction involving \$1,000.00 or more;
- 7 e. A.R.S. § 6-1241(I) by failing to deliver the customer identification records and/or
8 retention letters to the Arizona Attorney General's Office; and
- 9 f. A.R.S. § 6-1210(4) by violating an applicable law, rule, or order.

10 3. The violations, set forth above, constitute grounds for: (1) the issuance of an order
11 pursuant to A.R.S. § 6-137 directing Petitioners to cease and desist from the violative conduct and to
12 take the appropriate affirmative actions, within a reasonable period of time prescribed by the
13 Superintendent, to correct the conditions resulting from the unlawful acts, practices, and
14 transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-132; (3) the
15 suspension or revocation of Petitioners' license pursuant to A.R.S. § 6-1210; and (4) an order or any
16 other remedy necessary or proper for the enforcement of statutes and rules regulating money
17 transmitters pursuant to A.R.S. §§ 6-123 and 6-131.

18 **ORDER**

19 1. Order Express and Mr. Miranda shall immediately stop the violations set forth above
20 in the Findings of Fact and Conclusions of Law. Order Express and Mr. Miranda:

- 21 a. Shall designate one of their locations as their principal place of business;
- 22 b. Shall provide its authorized delegates with operating policies and procedures
23 sufficient to permit compliance by the delegate with the provisions of Title 13,
24 Chapter 23, Title 6, and all of the applicable administrative rules;
- 25 c. Shall conduct a reasonable background investigation of each authorized delegate;
- 26 d. Shall retain all identifying information records for each transaction involving

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\$1,000.00 or more;

- e. Shall deliver the customer identification records and/or retention letters to the Arizona Attorney General's Office; and
- f. Shall comply with any and all of the Superintendent's orders.

2. Order Express and Mr. Miranda shall immediately pay to the Department a civil money penalty in the amount of **twenty five thousand dollars (\$25,000.00)**. The \$25,000.00 shall be paid on July 11, 2007. Order Express and Mr. Miranda are jointly and severally liable for payment of the civil money penalty.

3. Order Express shall immediately implement and institute policies and procedures to verify the identities of their employees.

4. Order Express shall immediately implement and institute an authorized delegate review program to ensure compliance with all applicable laws and rules.

5. Order Express shall immediately implement and institute policies and procedures to comply with A.R.S. § 6-1241(E).

6. Order Express shall provide training to its employees to ensure compliance with all applicable laws and rules.

7. Order Express shall institute a review process to identify data entry errors and inconsistencies and shall correct the aforementioned in a timely manner.

8. The provisions of this Order shall be binding upon Petitioners, their employees, agents, and other persons participating in the conduct of the affairs of Petitioners.

9. 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 4th day of September, 2007.

By: *Felecia A. Rotellini*
Felecia A. Rotellini
Superintendent of Financial Institutions

CONSENT TO ENTRY OF ORDER

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2 1. Petitioners acknowledge that they have been served with a copy of the foregoing
3 Findings of Fact, Conclusions of Law, and Order in the above-referenced matter, have read the
4 same, are aware of their right to an administrative hearing in this matter, and have waived the same.

5 2. Petitioners admit the jurisdiction of the Superintendent and consent to the entry of the
6 foregoing Findings of Fact, Conclusions of Law, and Order.

7 3. Petitioners state that no promise of any kind or nature has been made to induce them to
8 consent to the entry of this Order, and that they have done so voluntarily.

9 4. Petitioners agree to cease from engaging in the violative conduct set forth above in the
10 Findings of Fact and Conclusions of Law.

11 5. Petitioners acknowledge that the acceptance of this Agreement by the Superintendent is
12 solely to settle this matter and does not preclude this Department, any other agency or officer of this
13 state or subdivision thereof from instituting other proceedings as may be appropriate now or in the
14 future.

15 6. Jorge Miranda, on behalf of Order Express, Inc. and himself, represents that he is the
16 President, and that, as such, has been authorized by Order Express, Inc. to consent to the entry of this
17 Order on its behalf.

18 7. Petitioners waive all rights to seek judicial review or otherwise to challenge or contest the
19 validity of this Order.

20 DATED this 21st day of June, 2007.

21
22 By 
23 Jorge Miranda, President
24 Order Express, Inc.
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1 ORIGINAL of the foregoing filed this 4
2 day of September, 2007, in the office of:

3 Felecia A. Rotellini
4 Superintendent of Financial Institutions
5 Arizona Department of Financial Institutions
6 ATTN: June Beckwith
7 2910 N. 44th Street, Suite 310
8 Phoenix, AZ 85018

9 COPY mailed same date to:

10 Daniel Martin, Administrative Law Judge
11 Office of the Administrative Hearings
12 1400 West Washington, Suite 101
13 Phoenix, AZ 85007

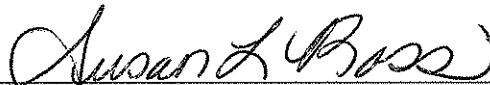
14 Craig A. Raby, Assistant Attorney General
15 Office of the Attorney General
16 1275 West Washington
17 Phoenix, AZ 85007

18 Robert D. Charlton, Assistant Superintendent
19 Stephen Rosenthal, Examiner in Charge
20 Arizona Department of Financial Institutions
21 2910 N. 44th Street, Suite 310
22 Phoenix, AZ 85018

23 AND COPY MAILED SAME DATE by
24 Certified Mail, Return Receipt Requested, to:

25 Jorge Miranda, President
26 Order Express, Inc.
685 W. Ohio St.
Chicago, IL 60610

Laura Estrada
Compliance Officer
Order Express, Inc.
685 W. Ohio St.
Chicago, IL 60610


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