

ORDER NO. 2015-014

IN THE MATTER OF:	§	BEFORE THE BANKING
	§	
STERLING CURRENCY GROUP, LLC	§	
(MONEY SERVICES BUSINESS	§	COMMISSIONER OF TEXAS
LICENSE NO. 3101);	§	
	§	
ATLANTA, GEORGIA	§	AUSTIN, TRAVIS COUNTY, TEXAS

**EMERGENCY ORDER TO CEASE AND DESIST ACTIVITY AND TO SUSPEND
LICENSE**

On this day, the matter of Sterling Currency Group, LLC (Money Services Business license No. 3101), Atlanta, Georgia (Respondent or Sterling) was submitted to me, Charles G. Cooper, Banking Commissioner (Commissioner) of the State of Texas, for consideration and action.

Findings of Fact

1. Respondent holds License No. 3101 issued by the Texas Department of Banking (Department) pursuant to Texas Finance Code (Finance Code) Chapter 151 and operates a currency exchange business with headquarters located at 2625 Piedmont Road NE, Suite 56-590, Atlanta, Georgia 30324.
2. On June 3, 2015, the Federal Bureau of Investigation (FBI) executed a search warrant against Sterling and Ty Rhame (Rhame), Sterling's founder. While executing the search warrants, FBI agents raided both Sterling's offices and Rhame's home.
3. Sterling's business has stopped functioning properly. In particular, since at least June 4, 2015:
 - a. Sterling's website has not allowed customers to place orders or send payments. Instead, the website simply states, "We are not able to accept orders or payments at this time please check again later."
 - b. Sterling's phone-based customer support has ceased operating. A Department staff member called the numbers listed on Sterling's website during its stated business hours and tried to check on a current order or speak with an operator or customer service representative. While the automated portion of the call center was working, it does not allow customers to check on the status of an order and does not allow access to an operator.
4. Sterling has effectively shut down operations and any current or prospective customer cannot contact them regarding an order or issue.

Conclusions of Law

1. Finance Code § 151.705 authorizes the Commissioner to issue an order to cease and desist if he finds that an action, violation, or condition listed in § 151.703 exists with respect to a license holder and the order is necessary to protect the interests of the license holder, the purchasers of the license holder's money services, or the public.
2. Finance Code § 151.703 authorizes the Commissioner to suspend a license if he has reason to believe that an action, violation, or condition listed in § 151.703 exists with respect to a license holder.
3. Finance Code § 151.710(b) authorizes the Commissioner to issue an emergency order if the Commissioner finds that the action, violation, or condition that is the basis for the order has, among other things, seriously prejudiced or is likely to seriously prejudice the interests of a purchaser of the license holder's money services and immediate action is necessary to protect the interests of a purchaser of the license holder's money services.
4. The Commissioner finds credible evidence that Sterling meets the condition listed in Finance Code § 151.703(b)(7) because it suspended payment of its obligations, namely its obligations it has with its current currency exchange customers.
5. The Commissioner finds credible evidence that Sterling meets the condition listed in Finance Code § 151.703(b)(9) because a fact or condition exists that, if it had been known at the time Sterling applied for the license, would have been grounds for denying the application. In particular, under Finance Code § 151.202(a), in order to qualify for a license, an applicant must demonstrate to the satisfaction of the commissioner that the financial responsibility and condition, financial and business experience, competence, character, and general fitness of the applicant justify the confidence of the public and warrant the belief that the applicant will conduct business in compliance with Chapter 151 and the rules adopted under Chapter 151 and other state and federal law. The FBI raid and the Department's and customer's inability to contact Sterling regarding orders belie its competence, character, and general fitness and do not justify the confidence of the public or warrant the belief that Sterling can conduct business in compliance with Chapter 151 at this time.
6. The Commissioner finds credible evidence that the conditions and violations listed in paragraphs four and five of this section are likely to seriously prejudice the interests of a purchaser of the license holder's money services and immediate action is necessary to protect their interests. While Sterling is under investigation and unreachable, its customers have no

way to check on orders or obtain services and therefore it is probable that their rights and interests are not being protected.

7. The Commissioner finds the violations and conditions noted in paragraphs four through six of this section constitute sufficient cause under Finance Code § 151.705 for issuance of an order to cease and desist from conducting currency exchange, under Finance Code § 151.703 to suspend a license, and under Finance Code § 151.710 for issuance of an emergency order.

Order

In accordance with Finance Code §§ 151.703, 151.705, and 151.710, Texas Money Services Business License No. 3101 issued to Sterling Currency Group, LLC is HEREBY SUSPENDED and Respondent is ORDERED to immediately cease and desist from engaging in the business of currency exchange in Texas, including advertising to and soliciting persons in Texas, whether conducted directly or through the activities of others. However, Sterling is permitted to refund currently-held customer funds. Additionally, within seven days of the effective date of this Order, Sterling must provide the Department with a list of its customers in Texas with whom it has an outstanding obligation or incomplete transaction, along with the customer's information and transaction amount.

Any violation by Respondent of this Emergency Order to Cease and Desist Activity and to Suspend License may result in additional regulatory or enforcement actions authorized by the Finance Code. Nothing in this Emergency Order to Cease and Desist Activity and to Suspend License shall be deemed to diminish or restrict the regulatory or enforcement power of the Department, the Commissioner, the Finance Commission of Texas, or any other state or federal agency to take further action in this matter.

Effective Date

Pursuant to Finance Code § 151.710, this Emergency Order to Cease and Desist Activity and Suspend License takes effect immediately.

Notice of Right To Hearing

Pursuant to Finance Code § 151.710, Respondent has the right to request a hearing on this Order. If Respondent wishes to file such a request, it must be made in writing, and must be submitted to the Commissioner no later than the 15th day after the date this Order is mailed to Respondent. If the Commissioner does not receive a written request for a hearing by that deadline, the Order is final and nonappealable on the 16th day after the date the Order is mailed.

Service

Pursuant to Finance Code § 151.710(d)(3), this Order to Cease and Desist Activity and to Suspend License will be served on Sterling and David Lilenfeld, Sterling's attorney, by first class mail and certified mail, return receipt requested, sent on 10th day of June, 2015 to:

Sterling Currency Group, LLC
2625 Piedmont Road NE
Suite 56-590
Atlanta, Georgia 30324

David Lilenfeld
Lilenfeld PC
Buckhead Centre
2970 Peachtree Road N.W.
Suite 530
Atlanta, Georgia 30305

Signed on this 10th day of June, 2015.

/s/ Charles G. Cooper
Charles G. Cooper
Texas Department of Banking Commissioner