

ORDER NO. 2018-033

IN THE MATTER OF:

**TLA, LLC
DALLAS, TEXAS**

**§ BEFORE:
§
§ THE BANKING
§
§ COMMISSIONER OF TEXAS
§
§ AUSTIN, TRAVIS COUNTY, TEXAS**

CONSENT ORDER

On this day, in the matter of TLA, LLC (TLA) was submitted to me, Charles G. Cooper, Banking Commissioner (Commissioner) of the State of Texas, for consideration and action.

1. TLA, LLC is a Texas limited liability company located in Dallas, Texas and Puerto Vallarta, Jalisco, Mexico.
2. The Texas Department of Banking (Department) has jurisdiction over TLA and the subject matter of this proceeding pursuant to *Texas Finance Code* (Finance Code) Chapter 151 (Chapter 151). The Commissioner has the authority to issue this Consent Order (Order) and to assess administrative penalties pursuant to Finance Code §§ 151.706 and 151.707.
3. TLA has been properly notified of its right to an administrative hearing under Chapter 151.
4. The undersigned representative of TLA has full authority to enter into and bind TLA to the terms and conditions of this Consent Order.
5. The statutory provisions at issue in this matter include, but are not limited to, Finance Code §§ 151.301, 151.302, 151.702, 151.706, and 151.707.
6. Any violation of this Order could subject TLA to additional regulatory or enforcement actions authorized by Chapter 151 and other provisions of Texas law. Nothing in this Order diminishes the regulatory or enforcement powers of the Department, the Commissioner, or the Finance Commission of Texas under Chapter 151 or other applicable law.
7. For purposes of this proceeding, TLA knowingly and voluntarily waives:

- a. Service upon TLA of this Order;
 - b. The right to present defenses to the allegations in this proceeding;
 - c. Notice and hearing prior to imposition of this Order;
 - d. The filing of proposed findings of fact and conclusions of law;
 - e. The issuance of a proposal for decision by an administrative law judge;
 - f. The filing of exceptions and briefs with respect to such proposal for decision;
 - g. Any review of this Order by the Texas Finance Commission; and
 - h. Judicial review of this Order as provided by *Texas Government Code* § 2001.171 et seq., and any other challenge to the validity of this Order.
8. TLA and the Commissioner agree to this Order solely for the purpose of this proceeding, and without TLA admitting or denying any violations of law or regulations. This Order does not constitute an admission by TLA that Chapter 151 or a rule adopted, or order issued under Chapter 151 has been violated.
9. The Commissioner has considered this matter and finds as follows:
- a. TLA offers escrow services for cross-border real estate and commercial transactions in Mexico, and other Latin American countries for international clients. TLA has offered this service to Texas clients since 2015. TLA follows the typical escrow business model and allows payors to ensure a secure method of payment by making payment conditional upon satisfactory performance of the payee. Specifically, a payor sends escrow funds in U.S. Dollars to a TLA owned bank account, pursuant to an escrow agreement between the client parties and TLA. Once the payee performs according to the terms of the relevant transaction, TLA disburses the payor's funds to the payee in U.S. Dollars.

- b. On July 23, 2018, TLA wrote to the Department requesting a licensing determination under Chapter 151 of the Finance Code.
- c. On September 27, 2018, the Department issued TLA a determination letter stating that TLA needed to obtain a money transmission license to continue offering its cross-border escrow service to Texas-based clients.
- d. On October 26, 2018, TLA informed the Department that it had immediately ceased offering the above described service to Texas clients upon receipt of the Department's determination. TLA further informed the Department that its service will not be able to be utilized by consumers from Texas unless or until TLA obtains a money transmission license.
- e. Under Finance Code § 151.301(b)(4), money transmission means “the receipt of money or monetary value by any means in exchange for a promise to make the money or monetary value available at a later time or different location.” The Finance Code defines engaging in the business of money transmission as receiving compensation or expecting to receive compensation, directly or indirectly, for conducting money transmission. Finance Code § 151.302(b). The Department has concluded that by receiving its Texas clients' funds in exchange for a promise to distribute those funds at a later time or different location to the applicable payment recipient, TLA is conducting money transmission.
- f. Finance Code § 151.302(a) provides that “a person may not engage in the business of money transmission or advertise, solicit, or hold itself out as a person that engages in the business of money transmission” without a license unless it is an authorized delegate of a license holder, is excluded from licensure under Chapter 151, or has been granted an exemption under Chapter 151.

- g. As described above, the Department has concluded that: (i) TLA was conducting money transmission in Texas; (ii) the Department has not licensed TLA; (iii) TLA is not an authorized delegate of a license holder; (iv) TLA is not excluded from licensure under Chapter 151; and (v) TLA has not been granted an exemption under Chapter 151. Consequently, the Commissioner finds that TLA has violated Finance Code § 151.302.
 - h. As required by Finance Code § 151.707(d), the Commissioner has considered the seriousness of the violations, TLA's compliance history, and TLA's good faith in attempting to comply with Chapter 151.
 - i. Based on these findings and based on the representations made by TLA as to the volume of transactions and length of time it has been conducting an unlicensed money transmission business in Texas, the Commissioner finds that a penalty of \$27,700.00 is appropriate.
- 10. TLA has agreed to comply with the terms that are set out in the Order below.
 - 11. Nothing in this Order shall prohibit TLA from obtaining a money transmission license from the Department in the future.
 - 12. This Order does not restrict the Department with respect to any enforcement action or other recourse regarding any other violations by TLA not now known to the Department that come to the attention of the Department. Nothing herein shall be construed to limit TLA's right to contest any future finding or determination of non-compliance.

Order

It is hereby ORDERED, ADJUDGED and DECREED that:

- 1. Within 10 days of the effective date of this Order, TLA will pay \$27,700.00 to the Department as an administrative penalty under *Texas Finance Code* § 151.707.

Effective Date

This Order against TLA is effective on the date signed by the Commissioner and is final and non-appealable as of that date.

Signed on this 11th day of December, 2018.

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

AGREED AS TO FORM AND SUBSTANCE

TLA, LLC

/s/ Frank W. Busch III
By: Frank W. Busch III, Manager

Date: December 10, 2018

APPROVED AS TO FORM:

/s/ Marcus Adams
Marcus Adams
Assistant General Counsel
Texas Department of Banking

Date: December 11, 2018