

ORDER NO. 2015-015

IN THE MATTER OF:	§	BEFORE:
	§	
PRECASH, INC.	§	THE BANKING COMMISSIONER
	§	
HOUSTON, TEXAS	§	OF TEXAS
	§	
	§	AUSTIN, TRAVIS COUNTY, TEXAS

CONSENT ORDER

On this day, the matter of PreCash, Inc., a Texas corporation whose principal address is in Houston, Texas (Respondent or PreCash), was submitted to me, Charles G. Cooper, Banking Commissioner of the State of Texas (Commissioner), for consideration and action. Respondent and Commissioner may sometimes be referred to as the “Parties.”

1. PreCash is a Texas corporation, with its principal address listed as 5120 Woodway Drive, Suite 6001, Houston, Texas 77056.
2. Steve Taylor is the Chief Executive Officer of PreCash.
3. The Texas Department of Banking (Department) has jurisdiction over Respondent and the subject matter of this proceeding pursuant to Texas Finance Code (Finance Code) 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.
4. Respondent has been properly notified regarding its right to an administrative hearing under Finance Code Chapter 151 (Chapter 151).
5. The statutory provisions at issue in this matter include Finance Code §§ 151.308, 151.309, 151.402, 151.403 and 151.604. Regulations at issue in this matter include Title 7 Texas Administrative Code §§ 33.35 and 33.51 and Title 31 of the Code of Federal Regulations §§ 1022.210 and 1022.380.
6. Any violation of this Order could subject Respondent to additional regulatory or enforcement actions authorized by Finance Code § 151.701, 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, Respondent knowingly and voluntarily waives:

- a. Service upon Respondent 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. Respondent and the Commissioner agree to this Order solely for the purpose of this proceeding, and without Respondent admitting or denying any violations of law or regulations. This Order does not constitute an admission by Respondent that Chapter 151 or a rule adopted or order issued under Chapter 151 has been violated.
9. The Commissioner has considered the matter and finds as follows:
- a. Respondent holds License No. 3012 issued by the Department pursuant to Chapter 151 and operates a money transmission business.
 - b. From December 1-5, 2014, the Department performed an examination of PreCash. As reflected in the Report of Examination (ROE), the Department found that PreCash exhibited critical weaknesses.
 - c. On February 13, 2015, the Department sent PreCash a copy of the ROE. The ROE noted numerous deficiencies and corresponding violations of Chapter 151, Title 7 of the Texas Administrative Code and Title 31 of the Code of Federal Regulations.
 - d. On March 17, 2015, the Department received PreCash's response to the ROE. The Department found that PreCash's response did not adequately address the cited violations and, furthermore, found that PreCash failed to correct the violations cited in the ROE within 30 days.
 - e. On April 8, 2015, the Department requested additional answers and information from PreCash. The Department, amongst other things, asked for progress on the corrections of violations and updated timelines for when all violations would be corrected.

- f. On April 24, 2015, PreCash responded to the Department's supplemental information request. PreCash provided an updated timeline for when violations would be corrected.
- g. Pursuant to Finance Code § 151.707(a)(1), the Commissioner may impose an administrative penalty on a person who violates Chapter 151 or rule adopted under Chapter 151 and does not correct the violation before the 31st day after the date the person receives written notice of the violation from the Department.
- h. As required by Finance Code § 151.707(d), the Commissioner has considered the seriousness of the violations, PreCash's compliance history, and PreCash's good faith in attempting to comply with Chapter 151. The Commissioner finds that the violations cited in PreCash's ROE are very serious, however the Commissioner also finds that PreCash is making a good faith effort in attempting to comply with statutory requirements and correct the violations cited in the ROE.
- i. Based on the above findings, the Commissioner finds a penalty of \$150,000 is appropriate.

ORDER

It is hereby ORDERED, ADJUDGED and DECREED that:

1. Respondent will comply with the terms, conditions and requirements set out in the Settlement Agreement that was entered into by the Parties on June 22nd, 2015 (Settlement Agreement).
2. Respondent will pay \$150,000 to the Department as an administrative penalty under Finance Code § 151.707(a)(1) for violating Chapter 151 and rules adopted under Chapter 151 and failing to correct such violations before the 31st day after the date it received written notice of the violations from the Department. The penalty shall be paid to the Department on September 2, 2015.
3. If the Department determines, after a limited scope examination in July 2015, that PreCash is not in substantial compliance with all the requirements in Paragraph 4d of the

Settlement Agreement, PreCash will pay an additional \$75,000 to the Department on September 2, 2015.

4. If the Department determines, after a limited scope examination in October 2015, that PreCash is not in substantial compliance with all the requirements in Paragraph 4e of the Settlement Agreement, PreCash will pay an additional \$75,000 to the Department on November 30, 2015.

EFFECTIVE DATE

This Order against Respondent is effective on the date signed by the Commissioner, and subject to its terms, Respondent may not appeal.

Signed on this 22nd day of June, 2015.

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

AGREED AS TO FORM AND SUBSTANCE:

PreCash, Inc.

/s/ Steve Taylor
Steve Taylor
Chief Executive Officer

Date: June 19, 2015

APPROVED AS TO FORM:

/s/ Brenna McGee
Brenna McGee
Assistant General Counsel
Texas Department of Banking

Date: June 22, 2015