

**ORDER NO. 2016-005**

<b>IN THE MATTER OF:</b>	§	<b>BEFORE:</b>
	§	
<b>TREASURY VAULT, LLC</b>	§	<b>THE BANKING</b>
	§	<b>COMMISSIONER OF TEXAS</b>
	§	
<b>DRAPER, UTAH</b>	§	<b>AUSTIN, TRAVIS COUNTY, TEXAS</b>

**CONSENT ORDER**

On this day, in the matter of Treasury Vault, LLC, Draper, Utah (Treasury Vault or Respondent) was submitted to me, Charles G. Cooper, Banking Commissioner (Commissioner) of the State of Texas, for consideration and action.

1. Treasury Vault is a limited liability corporation organized under the laws of the State of Utah and is located at 13552 S 110 W, Suite 203, Draper, Utah, 84020. Treasury Vault operates on the Internet through its webpage located at <http://treasuryvault.com/>.
2. The Department has jurisdiction over Treasury Vault 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. Treasury Vault has been properly notified of its right to an administrative hearing under Chapter 151.
4. The undersigned representative of Treasury Vault has full authority to enter into and bind Treasury Vault 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, 151.706, and 151.707.
6. Any violation of this Order could subject Treasury Vault 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, Treasury Vault knowingly and voluntarily waives:
  - a. Service upon Treasury Vault 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. Treasury Vault and the Commissioner agree to this Order solely for the purpose of this proceeding, and without Treasury Vault admitting or denying any facts or violations of law or regulations. This Order does not constitute an admission by Treasury Vault 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. Treasury Vault owns and operates a website, [treasuryvault.com](http://treasuryvault.com), whereby it receives consumers' funds and ships equivalent currency to their designated destination. The website allows Texas consumers to initiate these transactions.
  - b. The Department has not licensed Treasury Vault to engage in the business of money transmission or currency exchange in Texas.

- c. On August 21, 2015, the Department sent Treasury Vault a letter notifying it that the Department had received information indicating that it may be engaging in money transmission business in the State of Texas without a license. The letter emphasized that engaging in money transmission without a license subjects a person to enforcement actions, including imposition of an administrative penalty in an amount up to \$5,000 for each violation of the Finance Code and up to \$5,000 for each day in the case of a continuing violation.
- d. Treasury Vault subsequently submitted an application for a money transmission license.
- e. On October 27, 2015, the Department returned Treasury Vault's application because it was incomplete and unacceptable for filing. The application demonstrated several deficiencies, including insufficient net worth to meet statutory requirements. The Department, in its cover letter stated that a person or business may not solicit or engage in money services business in Texas without a license and cautioned that filing an application for a license does not constitute authority to conduct a money services business.
- f. In its returned money transmission application and in subsequent conversations with Department employees, Treasury Vault acknowledged and provided documentation to show that it had conducted thousands of transactions with Texas consumers beginning in June 2011 and continuing into 2016. In total, Treasury Vault conducted almost 6,000 money transmission transactions and transmitted over \$6,800,000 for Texas residents.

- g. 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. Because Treasury Vault’s website advertised money transmission services and allowed users located in Texas to establish accounts and authorize money transmission transactions, Treasury Vault was in violation of Finance Code §151.302.
- h. As a result of this, the Department issued an Order to Cease and Desist Activity, Order No. 2015-030, against Treasury Vault on December 22, 2015 (Cease and Desist Order). Because Treasury Vault did not request a hearing on the Cease and Desist Order, it became effective on January 12, 2016.
- i. As required by Finance Code § 151.707(d), the Commissioner has considered the seriousness of the violations, Treasury Vault’s compliance history, and Treasury Vault’s good faith in attempting to comply with Chapter 151. The Commissioner finds that the violations are serious because Treasury Vault has transmitted money without the protections and recordkeeping requirements in place that are required of a company that holds a money transmission license. Additionally, the Commissioner finds Treasury Vault’s prior compliance history unsatisfactory because it conducted a money transmission business from June 2011 to January 2016 without holding a Texas money transmitter license as required.
- j. Based on these findings and based on the representations made by Treasury Vault 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 \$86,400 is appropriate.

10. Treasury Vault has agreed to comply with the terms that are set out in the Order below.
11. Nothing in this Order shall prohibit Treasury Vault from submitting an application to the Department for a money transmission license in the future.
12. This Order does not restrict the Department with respect to any enforcement action or other recourse regarding any past, current, or future violations by Treasury Vault that come to the attention of the Department after the Effective Date of this Order. The Department cannot bring any additional enforcement action based on the transactions already disclosed to the Department by Treasury Vault as of the Effective Date of this Order, except the Department can use this Order as evidence of a pattern of violations or willful disregard in the event that future violations are discovered. However, nothing herein shall be construed to limit Treasury Vault's right to contest any future finding or determination of non-compliance.

### **Order**

It is hereby ORDERED, ADJUDGED and DECREED that within 10 days of the Effective Date of this Order, Treasury Vault will have delivered to the Department a check made payable to the Texas Department of Banking in the amount of \$86,400 as payment of the administrative penalty.

### **Effective Dates**

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

Signed on this 28th day of March, 2016.

/s/ Stephanie Newberg  
Stephanie Newberg  
Deputy Commissioner, Department of Banking

**AGREED AS TO FORM AND SUBSTANCE**

Treasury Vault, LLC

/s/ Roger N. Dorman, Jr.

Date: March 11, 2016

**APPROVED AS TO FORM:**

/s/ Stephanie Lowe

Stephanie Lowe

Assistant General Counsel

Texas Department of Banking

Date: March 28, 2016

/s/ Jennifer A. James

Counsel for Treasury Vault

Date: March 16, 2016