

ORDER NO. 2016-017

IN THE MATTER OF:

REGENT CUSTOMER CARE, LLC

RUSTON, LOUISIANA

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BEFORE THE BANKING

COMMISSIONER OF TEXAS

AUSTIN, TRAVIS COUNTY, TEXAS

CONSENT ORDER

On this day, the matter of Regent Customer Care, LLC, Ruston, Louisiana (Respondent), was submitted to me, Charles G. Cooper, Banking Commissioner of the State of Texas (Commissioner), for consideration and action.

1. Respondent is a limited liability company organized under the laws of the State of Louisiana with its principal address listed as 182 Bastille Lane, Ruston, Louisiana 71270.
2. Respondent is wholly owned by Correct Solutions, LLC. Patrick Henry Temple is the Managing Member of Correct Solutions, LLC and is duly authorized to enter into this Consent Order on behalf of Respondent.
3. The Texas Department of Banking (Department) has jurisdiction over Respondent and the subject matter of this proceeding pursuant to Texas Finance Code Chapter 151 (Chapter 151). The Commissioner has the authority to issue this Consent Order (Order) and to assess administrative penalties pursuant to Texas Finance Code §§ 151.702, 151.706, and 151.707.
4. Respondent has been properly notified regarding its right to an administrative hearing under Chapter 151.
5. The statutory provisions at issue in this matter include Texas Finance Code §§ 151.301 - 151.302, 151.702, and 151.706 - 151.707.

6. Any violation of this Order could subject Respondent to additional regulatory or enforcement actions authorized by Chapter 151, Subchapter H, 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 stated in this Order;
 - 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 offers a service where an inmate's friends and family can deposit money into an account that can be accessed by the inmate at a later time to purchase commissary items. Respondent offers this service online at its website

www.regentpay.com, through its toll-free telephone system, at kiosks at correctional facilities, and via the receipt of money orders sent and payable to Respondent. Respondent has been providing this service for persons located in Texas since June 27, 2014.

- b. On July 7, 2016, more than two years after it began offering its commissary deposit service in Texas, Respondent applied for a Texas money transmission license. The application is currently pending with the Department.
- c. Under Texas Finance Code § 151.301(b)(4), money transmission is defined as “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.” By taking money and making it available to inmates at a later time and location, Respondent is engaging in money transmission in Texas.
- d. Under Texas Finance Code § 151.302, a person may not conduct money transmission for persons located in Texas and receive any form of compensation for it unless the person is licensed under Chapter 151, is an authorized delegate of a license holder, is excluded from licensure under Chapter 151, or has been granted an exemption under Chapter 151.
- e. The Department has not licensed Respondent; Respondent is not an authorized delegate of a license holder; Respondent is not excluded from licensure under Chapter 151; and Respondent has not been granted an exemption under the Chapter 151. Consequently, the Commissioner finds that Respondent is in violation of Texas Finance Code § 151.302.

- f. As required by Texas Finance Code § 151.707(d), the Commissioner has considered the seriousness of the violations, Respondent's compliance history, and Respondent's good faith in attempting to comply with Chapter 151. The Commissioner finds that the violations are serious based on the volume of transactions and because Respondent has transmitted money without the protections and recordkeeping requirements in place that are required of a company that holds a money transmission license. The Commissioner finds Respondent's prior compliance history unsatisfactory because it conducted money transmission business from June 2014 to July 2016 without holding a Texas money transmitter license as required. However, the Commissioner also finds that Respondent acted in good faith by approaching the Department to apply for a license of its own volition and by agreeing to refuse new customers in Texas until a money transmitter license is granted by the Department.
- g. Based on these findings and considerations, the Commissioner finds that a penalty of \$26,998 is appropriate.
10. Respondent has agreed to comply with the terms that are set out in the Order below.
11. This Order does not restrict the Department with respect to any enforcement action or other recourse regarding any other past, current, or future violations by Respondent that come to the attention of the Department. However, nothing herein shall be construed to limit Respondent's right to contest any future finding or determination of non-compliance.

ORDER

It is hereby ORDERED, ADJUDGED and DECREED that:

1. Respondent will pay \$26,998 to the Department as an administrative penalty under Texas Finance Code § 151.707 for operating an unlicensed money transmission business in Texas since 2014. The penalty shall be payable to the Department within 10 days of the effective date of this Order;
2. Respondent shall not conduct any money transmission for any new customers in Texas until a money transmitter license is granted by the Department. This includes but is not limited to advertising and soliciting persons in Texas, and the acceptance of customers who are located in Texas; and
3. Respondent will fulfill all of the requirements to obtain a license to conduct money transmission in Texas as detailed in Chapter 151. In the event that Respondent's license application is suspended pursuant to Texas Finance Code § 151.204, determined abandoned pursuant to 7 Texas Administrative Code § 33.13(g)(1), or denied pursuant to Texas Finance Code § 151.205, Respondent will do the following:
 - a. Within 15 days of the Department's notification to Respondent of said suspension, abandonment or denial, notify its existing Texas customers that it will cease providing money transmission services to them. This notification must be made in writing, and a copy of the notice must be sent contemporaneously to the Department;
 - b. Within 60 days of the Department's notification to Respondent of said suspension, abandonment or denial, cease and desist from engaging in the unauthorized business of money transmission in Texas and have returned to its customers all customer funds held by Respondent; and

- c. Within seven days of achieving full compliance with this paragraph, Respondent must confirm to the Department in writing that it has ceased all unlicensed activities in Texas.

Effective Date

This Order against Respondent is effective on October 3rd, 2016, and subject to its terms, Respondent may not appeal.

Signed on this 3rd day of October, 2016.

/s/ Stephanie Newberg for
Charles G. Cooper
Banking Commissioner of Texas

AGREED AS TO FORM AND SUBSTANCE:

Regent Customer Care, LLC

By: /s/ Patrick H. Temple
Patrick Henry Temple
Managing Member

Date: October 3, 2016

APPROVED AS TO FORM:

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

Date: October 3, 2016