

ORDER NO. 2018-002

IN THE MATTER OF:	§	BEFORE:
	§	
ANYBILL FINANCIAL SERVICES, INC.	§	THE BANKING
	§	COMMISSIONER OF TEXAS
	§	
WASHINGTON, D.C.	§	AUSTIN, TRAVIS COUNTY, TEXAS

CONSENT ORDER

On this day, in the matter of Anybill Financial Services, Inc. (Anybill or Respondent) was submitted to me, Charles G. Cooper, Banking Commissioner (Commissioner) of the State of Texas, for consideration and action.

1. Anybill is a corporation located in Washington, D.C.
2. The Texas Department of Banking (Department) has jurisdiction over Anybill 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. Anybill has been properly notified of its right to an administrative hearing under Chapter 151.
4. The undersigned representative of Anybill has full authority to enter into and bind Anybill 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 Anybill 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, Anybill knowingly and voluntarily waives:
 - a. Service upon Anybill 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. Anybill and the Commissioner agree to this Order solely for the purpose of this proceeding, and without Anybill admitting or denying any violations of law or regulations. This Order does not constitute an admission by Anybill 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. Anybill offers a software-as-a-service solution and operates a cloud-based web portal that allows businesses to automate and manage their tax payment processes (the Platform). The Platform includes functionality to enable the electronic payment of corporate tax obligations to federal, state, and local governments. Specifically, businesses upload tax payment data to the Platform, either directly or through an accounting firm. Tax payments originate from the tax payor's bank account(s) with chartered financial institutions and are sent to Anybill's account at a national bank via ACH or wire. In turn, Anybill sends ACH payments electronically or check and tax

- returns via mail, and interfaces directly with government tax payment portals for ACH debits, as applicable, on behalf of its clients. Until November 30, 2016, Anybill also offered an accounts payable service that allowed businesses to make payment to other businesses. The accounts payable service had the same flow of funds as tax payments through the Platform. In exchange for its services, Anybill charges a fee.
- b. On November 30, 2016, Anybill's account payable service was transferred to Paypool LLC (Paypool), a company with overlapping ownership and management with Anybill.
 - c. In January 2017, the Department became aware that Anybill has been offering its services to Texas residents since 2006 because Anybill requested a determination as to whether their business required a money transmission license. The Department informed Anybill on July 26, 2017, that a license was required.
 - d. Anybill submitted a temporary license application on September 14, 2017, but withdrew the application on November 14, 2017.
 - e. On November 7, 2017, Paypool was issued a temporary license. Paypool is nearing the completion of the application process to obtain a full money transmission license.
 - f. On December 7, 2017, by way of written agreement, Anybill became an authorized delegate of Paypool.
 - g. 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). In receiving businesses'

- funds and compensation for a promise to make the funds available to federal, state, and local governments, Anybill is engaging in the business of money transmission.
- h. 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.
 - i. As described above, Anybill is conducting money transmission in Texas. The Department has not licensed Anybill; Anybill was not an authorized delegate of a license holder until December 7, 2017; Anybill is not excluded from licensure under Chapter 151; and Anybill has not been granted an exemption under Chapter 151. Consequently, the Commissioner finds that Anybill is in violation of Finance Code § 151.302.
 - j. As required by Finance Code § 151.707(d), the Commissioner has considered the seriousness of the violations, Anybill's compliance history, and Anybill's good faith in attempting to comply with Chapter 151. The Commissioner finds that Anybill's violations were moderate because Anybill conducted money transmission activities in Texas without a license. Additionally, the Commissioner finds Anybill's prior compliance history unacceptable because it conducted money transmission without a license. However, the Commissioner also finds that Anybill acted in good faith by approaching the Department to request a determination of its own volition.
 - k. Based on these findings and based on the representations made by Anybill 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 \$296,042 is appropriate.

10. Anybill has agreed to comply with the terms that are set out in the Order below.
11. Nothing in this Order shall prohibit Anybill 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 past, current, or future violations by Anybill that come to the attention of the Department. However, nothing herein shall be construed to limit Anybill'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, Anybill will have delivered to the Department a check made payable to the Texas Department of Banking in the amount of \$296,042 as payment of the administrative penalty.
2. Anybill will only conduct money transmission business in Texas as an authorized delegate of Paypool and in accordance with Chapter 151. In the event that Paypool's license application is suspended pursuant to Finance Code § 151.204, determined abandoned pursuant to 7 Texas Administrative Code § 33.13(g)(1), or denied pursuant to Finance Code § 151.205, Anybill will do the following:
 - a. Within 15 days of the Department's notification to Anybill 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 Anybill 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 Anybill; and

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

Effective Dates

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

Signed on this 8th day of January, 2018.

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

AGREED AS TO FORM AND SUBSTANCE:

Anybill Financial Services, Inc.

/s/ Joe Komisar _____
By: Joe Komisar

Date: January 5, 2018

APPROVED AS TO FORM:

/s/ Kathryn Ryan _____
Kathryn Ryan
Buckley Sandler LLP
Counsel for Anybill Financial Services, Inc.

Date: January 7, 2018

/s/ Ryan P. McCarthy _____
Ryan P. McCarthy
Assistant General Counsel
Texas Department of Banking

Date: January 8, 2018