

**ORDER NO. 2020-020**

**IN THE MATTER OF:**

**TREASURY VAULT, LLC**

**LEHI, UTAH**

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**BEFORE THE BANKING**

**COMMISSIONER OF TEXAS**

**AUSTIN, TRAVIS COUNTY, TEXAS**

**CONSENT ORDER**

On this day, the matter of Treasury Vault, LLC of Lehi, Utah (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 corporation organized under the laws of the State of Utah. It is located at 4161 North Thanksgiving Way, Suite 308, Lehi, UT 84043. Respondent is an internet-based company that sells foreign currency through its website treasuryvault.com.
2. Pursuant to Texas Finance Code (Finance Code), Chapter 151 (Chapter 151), the Texas Department of Banking (Department) has jurisdiction over Respondent and the subject matter of this proceeding. The Commissioner has the authority to issue this Consent Order (Order) pursuant to Finance Code §151.706 and assess an administrative penalty pursuant to Finance Code §151.707.
3. Respondent has been properly notified of its right to an administrative hearing under Chapter 151.
4. Respondent and the Commissioner agree to this Order solely for the purpose of this proceeding and without Respondent admitting to 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.

5. The undersigned representatives of Respondent have full authority to enter into and bind Respondent to the terms and conditions of this Order.
6. 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 Finance Commission of 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.
7. Any violation of this Order could subject Respondent 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 under Chapter 151, or other applicable law.
8. The Commissioner has considered this matter and finds as follows:
  - a. Respondent owns and operates a website, treasuryvault.com, whereby it receives customer funds in exchange for a promise to ship an equivalent amount of foreign currency at a later time to their designated location. The website allows Texas customers to initiate these transactions. Respondent is compensated for this activity through its price margins.
  - b. Respondent has never been licensed by the Department to engage in the business of money transmission or currency exchange in Texas.

- c. 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.” Respondent receives money from customers in exchange for a promise to make an equivalent amount of money in the form of foreign currency available at a later time and designated location. Therefore, Respondent is engaging in money transmission.
- d. Under Finance Code §151.302(b), a person engages in the business of money transmission if the person receives compensation or expects to receive compensation, directly or indirectly, for conducting money transmission. Respondent is compensated for its money transmission activity through its price margins. Therefore, Respondent is engaging in the business of money transmission.
- e. 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 Respondent’s website advertises money transmission services and allows users located in Texas to establish accounts and authorize money transmission transactions, Respondent is in violation of Finance Code §151.302.
- f. In August 2015, the Department discovered that Respondent was engaging in the business of money transmission in Texas without a license. The Department issued an Order to Cease and Desist Activity (Order No. 2015-030) against Respondent, which became effective on January 12, 2016. In March 2016, the Department entered into a Consent Order with Respondent (Order No. 2016-005), which acknowledged its past activity and ordered Respondent to pay an administrative penalty of \$86,400.

- g. In January 2020, Respondent contacted the Department regarding a currency exchange license. At that time, Respondent disclosed that it has been selling foreign currency in Texas since August 1, 2019.
  - h. The Department issued an Emergency Order to Cease and Desist Activity (Order No. 2020-011) against Respondent on April 13, 2020. The Order became effective on April 28, 2020. As a result of the Order, Respondent ceased offering money transmission services to Texas customers.
  - i. As required by Finance Code §151.707(d), the Commissioner has considered the seriousness of the violation, Respondent's compliance history and Respondent's good faith in attempting to comply with Chapter 151. The Commissioner finds that the violations are serious because Respondent was transmitting money without fulfilling the obligations required of a company holding a money transmission license. In addition, the Commissioner finds that Respondent's compliance history and good faith in attempting to comply with Chapter 151 are unsatisfactory. Although Respondent approached the Department in January 2020 regarding a currency exchange license, it should have known prior to restarting its money transmission business on August 1, 2019 that it needed a license to engage in the business of money transmission in Texas due to its previous history with the Department.
  - j. Based on these findings and based on the representations made by Respondent 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 \$31,600 is appropriate.
9. Respondent agrees to comply with the terms that are set out in the Order below.

10. Nothing in this Order shall prohibit Respondent from obtaining a money transmission license from the Department in the future.

11. This Order does not restrict the Department with respect to any enforcement action or other recourse regarding any past, current, or future violations by Respondent that come to the attention of the Department following the issuance of this Order. Nothing herein will 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 within 10 days of the effective date of this Order, Respondent will have delivered to the Department a cashier's check made payable to the Texas Department of Banking in the amount of \$31,600 as payment of the administrative penalty pursuant to Finance Code §151.707. It is further ORDERED that Respondent will continue to abide by Order No. 2020-011 and will not offer money transmission services to Texas customers unless and until it obtains a Texas money transmission license.

### **EFFECTIVE DATE**

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

It is so ORDERED.

Signed on this 25th day of June 2020.

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

**AGREED AND APPROVED AS TO FORM AND SUBSTANCE:**

/s/ Roger N. Dorman, Jr. 6-19-2020  
Roger N. Dorman, Jr. Date  
Co-Owner  
Treasury Vault, LLC

/s/ Angela L. Dorman 6-19-2020  
Angela L. Dorman Date  
Co-Owner  
Treasury Vault, LLC

**APPROVED AS TO FORM:**

/s/ Keith M. Woodwell 6-19-2020  
Keith M. Woodwell Date  
Director and Shareholder  
ClydeSnow Attorneys at Law  
Attorney for Respondent

/s/ Alice E. Geyer 6-23-2020  
Alice E. Geyer Date  
Assistant General Counsel  
Texas Department of Banking