

ORDER NO. 2010-030

DOCKET NO. B-2972-09-261

IN THE MATTER OF:

**ADAME ENVIOS, LLC; AND
FREDDY ADAME, INDIVIDUALLY
AND AS MANAGING MEMBER
OF ADAME ENVIOS, LLC**

HOUSTON, TEXAS

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BEFORE THE BANKING

COMMISSIONER OF TEXAS

AUSTIN, TRAVIS COUNTY, TEXAS

CONSENT ORDER

On this day, came on for consideration by Texas Banking Commissioner Charles G. Cooper (Commissioner) the matter of Adame Envios, LLC and Freddy Adame, Individually and as Managing Member of Adame Envios, LLC, Houston, Texas (Respondents). This matter concerns the Order to Cease and Desist from Engaging in the Unauthorized Business of Money Transmission and to Give Certain Notices, Commissioner Order No. 2009-053 (Order No. 2009-053); and the issue of penalties set forth in the Second Amended Notice of Hearing filed in Docket No. B-2972-09-261, all of which concern Respondents' involvement in the business of money transmission in violation of state law, and related matters. Assistant General Counsel Deborah H. Loomis represents the Texas Department of Banking (Department). Respondents are represented by Al Flores, Jr., Houston, Texas.

1. Respondents and the Department jointly request the Commissioner to dispose of this matter pursuant to the provisions of Texas Finance Code § 151.706 and Texas Government Code § 2001.056 by entering this Consent Order. The parties agree to comply with the terms of this Consent Order. Respondents deny any and all allegations made against them. However, in the interest of compromise, they have agreed to settle this matter in accordance with said terms, admitting no guilt.
2. Respondents agree that they will pay the administrative penalties.
3. Respondents acknowledge that the Commissioner has jurisdiction over this matter pursuant to Texas Finance Code Chapter 151, and Texas Government Code §§ 2001.171 et seq.

4. On November 9, 2009, the Commissioner issued Order No. 2009-053 against Respondents, which required them to cease and desist from engaging in the unauthorized business of money transmission and to give certain notices.
5. Adame Envios, LLC (Adame Envios) is, or was at all relevant times, in the business of money transmission. From June 22, 2009 to July 1, 2009, Adame Envios was an authorized delegate of Secure Cash Network, Inc. (Secure Cash), a money transmitter that is licensed by the Department under license number 3000. A license holder is allowed to conduct its business through an authorized delegate pursuant to Texas Finance Code § 151.402.
6. The managing member of Adame Envios is Freddy Adame (Freddy).
7. Esteban Adame (Esteban) is Freddy's father and has long been involved in the money transmission business in Texas. Esteban was the owner and president of Autobuses Adame, Inc.¹ (AA), which had its own license to conduct money transmission in Texas (number 141) from 1997 to 2006.
8. Freddy worked at AA since he was 16 years old, in 1997. By at least 2001, Freddy was a supervisor at AA. As of 2002, Freddy was AA's compliance officer and was required by the Department to register as a principal. From 2003 on, Freddy was a principal and assistant director of AA.
9. Beginning on July 1, 2009, the Department received phone calls from approximately ten consumers that Adame Envios was not properly executing money transmission orders. Some of these consumers stated that they had given money to Adame Envios to transmit to Mexico, but the recipients in Mexico did not receive the money. Others said that money had been sent to Houston from Adame Envios' office in Monterrey, Mexico, but the offices of Adame Envios were closed in Houston and the recipients could not get the money that had been sent.
10. On July 2, 2009, the Department contacted Secure Cash's president, Greg Bloh, who said that the transactions giving rise to the complaints were not authorized by Secure Cash, even though the receipts stated "Operated by Secure Cash Network." Bloh also stated that the transactions were not processed through Secure Cash's payment system.
11. On July 9, 2009, the Department wrote Secure Cash, instructing it to advise the Department how Secure Cash was going to rectify the situation. Subsequently Secure Cash stated that Adame Envios had paid all the consumers.

12. Respondents have violated Texas Finance Code § 151.302 by conducting the business of money transmission without a license.
13. As an authorized delegate, Adame Envios has violated Texas Finance Code § 151.403(1) by failing to act only as authorized under its contract with Secure Cash and in strict compliance with Secure Cash's written policies and procedures; Texas Finance Code § 151.403(2) by committing fraud and making misrepresentations when it represented that it would transmit money in a timely manner and failed to do so and when it represented that it was acting on behalf of Secure Cash when it was not; and Texas Finance Code § 151.403(4) by conducting business in an unsafe and unsound manner when it failed to remit money in a timely fashion to the persons to whom the money was to be sent.
14. Respondents have acted with willful disregard in that AA was licensed by the Department from 1997 to 2006 as a money transmitter. Freddy worked at AA that entire time and served in a supervisory/managerial capacity since 2001. He was AA's compliance officer for several years. Respondents are thoroughly aware of all laws that apply to money transmitters and to authorized delegates.
15. In addition, by claiming to be authorized by Secure Cash when Adame Envios took money from these consumers for transmission, Respondents were willfully committing fraud and disregarding their contractual and legal obligations to Secure Cash, the persons transmitting and expecting to receive money, and the State of Texas. The maximum penalty under Texas Finance Code § 151.707 should be imposed.
16. The Commissioner has considered the matter and finds Respondents have committed the following violations:
 - a. Respondents have violated Texas Finance Code § 151.302 by conducting the business of money transmission without a license.
 - b. As an authorized delegate, Adame Envios has violated Texas Finance Code § 151.403(1) by failing to act only as authorized under its contract with Secure Cash and in strict compliance with Secure Cash's written policies and procedures.
 - c. As an authorized delegate, Adame Envios has violated Texas Finance Code § 151.403(2) by committing fraud and making misrepresentations when it represented that it would transmit money in a timely manner and failed to do so and when it represented that it was acting on behalf of Secure Cash when it was not.

- d. As an authorized delegate, Adame Envios has violated Texas Finance Code § 151.403(4) by conducting business in an unsafe and unsound manner when it failed to remit money in a timely fashion to the persons to whom the money was to be sent.
 - e. Respondents have acted with willful disregard in that AA was licensed by the Department from 1997 to 2006 as a money transmitter. Freddy worked at AA that entire time and served in a supervisory/managerial capacity since 2001. He was AA's compliance officer for several years. Respondents are thoroughly aware of all laws that apply to money transmitters and to authorized delegates. In addition, by claiming to be authorized by Secure Cash when Adame Envios took money from these consumers for transmission, Respondents were willfully committing fraud and disregarding their contractual and legal obligations to Secure Cash, the persons transmitting and expecting to receive money, and the State of Texas. The maximum penalty under Texas Finance Code § 151.707 should be imposed.
17. Respondents acknowledge that they were duly served with notice of the hearing that was originally scheduled for December 15, 2009, and all subsequent notices of hearing.
18. The Commissioner has the authority to issue this Consent Order and to assess penalties pursuant to Texas Finance Code §§ 151.706 and 151.707. The imposition of an administrative penalty against Respondents in the amount of \$15,000.00 is appropriate and reasonable given the seriousness and pattern of the cited violations by Respondents.
19. The statutory and regulatory provisions at issue in the administrative hearing pending against Respondents include Texas Finance Code §§ 151.302, 151.403, and 151.707.
20. Any violation of this Order could subject the Respondents to additional regulatory or enforcement actions authorized by Texas Finance Code Chapter 151. Nothing in this Order diminishes the regulatory or enforcement powers of the Department, the Commissioner, or the Finance Commission of Texas under Texas Finance Code Chapter 151, 7 Texas Administrative Code Chapter 33, or other applicable law.
21. For purposes of this proceeding, Respondents knowingly and voluntarily waive:
- a. The right to challenge, before the Commissioner or in any other forum, Order No. 2009-053;
 - b. Service upon Respondents of this Consent Order;
 - c. The right to present defenses to the allegations;

- d. Notice and hearing prior to imposition of an administrative penalty;
 - e. The filing of proposed findings of fact and conclusions of law;
 - f. The issuance of a proposal for decision by an administrative law judge;
 - g. The filing of exceptions and briefs with respect to such proposal for decision;
 - h. Any review of this Consent Order or Order No. 2009-053 by the Texas Finance Commission; and
 - i. Judicial review of this Consent Order or Order No. 2009-053 as provided by Texas Government Code §§ 2001.171 et seq. and any other challenge to the validity of this Consent Order or Order No. 2009-053.
22. Respondents agree to pay penalties in the amount of \$15,000.00.
23. After the Commissioner signs this Consent Order, the Commissioner agrees to dismiss the proceeding pending in Docket No. B-2972-09-261.
24. Respondents and the Department have agreed to the terms and conditions of this Consent Order.

ORDER

WHEREFORE, based upon the foregoing, the Commissioner ORDERS that this matter is resolved in accordance with the following terms:

- 1. Commissioner's Order No. 2009-053 is final and unappealable.
- 2. Respondents shall not engage in activities in violation of Texas Finance Code Chapter 151, and shall take sufficient action to comply with the requirements of Texas Finance Code Chapter 151.
- 3. Respondent, Freddy Adame, in his individual capacity and as managing member of Adame Envios, LLC; and Adame Envios, LLC are jointly and severally liable for the payment of all administrative penalties. The payment of administrative penalties to the Department shall be as follows:
 - a. The sum of \$750.00 shall be payable to the Department within 30 days of the effective date of this Consent Order.
 - b. The remainder shall be paid in monthly payments of \$750.00 each beginning on August 1, 2010, and continuing on the first day of each month thereafter until paid.
 - c. Failure to make a monthly payment by the 5th of the month shall cause the due date of the unpaid balance to be accelerated and immediately due and payable.

4. Failure to pay the accelerated balance within thirty (30) days after receiving notice of default and acceleration from the Department will result in the referral of this matter to the Office of the Attorney General for collection.
5. 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 the Respondents that come to the attention of the Department.
6. This Order against Respondents is effective on the date signed by the Commissioner, and subject to its terms, Respondents may not appeal.

Signed this 25th day of May, 2010.

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

AGREED AND APPROVED AS TO FORM AND SUBSTANCE:

/s/ Freddy Adame
Freddy Adame, Individually and as
Managing Member of
Adame Envios, LLC

May 24, 2010
Date

State of Texas
County of Harris

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Sworn to and subscribed before me on the 24th day of May, 2010, by Freddy Adame.

/s/ Aracely Torres
Notary Public's signature

APPROVED AS TO FORM:

/s/ Al Flores
Al Flores, Jr.
Attorney for Respondents

May 24, 2010
Date

/s/ Deborah H. Loomis
Deborah H. Loomis
Assistant General Counsel
Texas Department of Banking

May 25, 2010
Date

¹ Autobuses Adame, Inc. was later changed to a limited partnership, Autobuses Adame, Ltd. On August 28, 2009, Autobuses Adame Ltd.'s certificate of limited partnership was forfeited by the Texas Secretary of State pursuant to Texas Tax Code § 171.309.