

ORDER NO. 2014-006

IN THE MATTER OF:	§	BEFORE THE BANKING
	§	
BILL.COM, INC.	§	COMMISSIONER OF TEXAS
	§	
PALO ALTO, CALIFORNIA	§	AUSTIN, TRAVIS COUNTY, TEXAS

CONSENT ORDER

On this day, the matter of Bill.com, Inc. ("Bill.com") located in Palo Alto, California, was submitted to me, Charles G. Cooper, Banking Commissioner of the State of Texas ("Commissioner"), for consideration and action.

1. Bill.com is currently operating a money transmission business within the meaning of the Texas Finance Code, Chapter 151, in Texas. Respondent's principle business address is 3200 Ash Street, Palo Alto, California 94306.
2. Respondent was informed about its right to an administrative hearing under Texas Finance Code Chapter 151.
3. The Texas Department of Banking ("Department") is the appropriate state agency to bring this enforcement action pursuant to Texas Finance Code § 151.101; and the 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 Texas Finance Code § 151.706, and to assess administrative penalties pursuant to Texas Finance Code § 151.707.
4. Mark Orttung is the President and Chief Operating Officer of Bill.com and is duly authorized to enter into this Order on behalf of the Respondent.
5. Since 2010, Respondent has been offering certain money transmission services in Texas in the form of third-party bill payment services. This service has been offered by Respondent ostensibly as an agent for a third-party bank ("Bank"). Respondent did not apply for a Texas money transmission license to offer such services or contact the Department to demonstrate that it qualified for exclusion from licensing as an agent for a federally insured financial institution, until March 12, 2014.
6. On March 12, 2014, the Department received a copy of the Bill Payment Service Agreement dated August 25, 2010, by and between Bill.com and the Bank.

7. The Bill Payment Services Agreement does not satisfy the requirements of Texas Finance Code § 151.003(5) for a written agreement with specific terms that demonstrate eligibility for exclusion from licensing requirement for an agent of a federally insured financial institution.
8. On April 21, 2014, Respondent filed an application for license under Chapter 151.
9. On April 25, 2014, Respondent was notified, via letter, that the Department found it had been engaged in the unlicensed conduct of a money transmission in Texas since 2010 in violation of Texas Finance Code § 151.302.
10. Since August 25, 2010, Respondent has conducted money transmission activities in the State of Texas and transmitted over \$750 million for over 800 Texas resident customers in violation of Texas Finance Code § 151.302. During this time, Respondent has not had a Texas license to provide money transmission services and, while Respondent asserts that the bill payment services are provided by the Bank and that it is acting as the Bank's agent, Respondent has not demonstrated, to the satisfaction of the Department, eligibility for exclusion from licensure pursuant to Texas Finance Code § 151.003(5) for a party acting as an agent of a federally insured financial institution.
11. This Order will be effective and final upon issuance by the Department. Any violation of this Order could subject Respondent 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.
12. For purposes of this proceeding, the Respondent waives:
 - (a) Service upon Respondent of this Order;
 - (b) The right to present defenses to the allegations;
 - (c) A hearing to take evidence on the allegations;
 - (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; and
 - (g) Judicial review of the Consent Order as provided by Texas Government Code.

13. Respondent waive its rights to a hearing and agrees to this Consent Order with representatives of the Legal Division of the Department.
14. Respondent agrees to this Order and the administrative penalty stated herein solely for the purpose of this proceeding, and without admitting or denying any violations of law or regulations. Respondent consents to the issuance of this Order by the Commissioner and the Department to dispose of this matter pursuant to the provisions of Texas Government Code § 2001.056 and Texas Finance Code § 151.706.

ORDER

It is, therefore, ORDERED, ADJUDGED and DECREED that:

1. Respondent shall not engage in activities in violation of Texas Finance Code Chapter 151 and shall take all actions necessary to comply with the requirements of Texas Finance Code Chapter 151.
2. Respondent will pay \$60,000 to the Department as an administrative penalty under Texas Finance Code § 151.707 for operating an unlicensed money transmission business in Texas since 2010. The penalty shall be payable to the Department within 10 days of the effective date of this Order.
3. 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.
4. All issues specifically addressed herein are fully resolved and will not adversely affect any future determination of eligibility for licensure of Respondent or any affiliate, controlling person, or principal of Bill.com.

EFFECTIVE DATES

This Order against Respondent is effective on the date signed by the Commissioner, and subject to its terms, Respondent may not appeal.

Signed on this 29th day of May, 2014.

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

AGREED AS TO FORM AND SUBSTANCE:

/s/ Mark Orttung
Mark Orttung
President and Chief Operating Officer
Bill.com, Inc.
3200 Ash Street
Palo Alto, CA 94306

APPROVED AS TO FORM:

/s/ Brenna McGee
Brenna McGee
Assistant General Counsel
Texas Department of Banking
2601 North Lamar Blvd.
Austin, Texas 78705