

ORDER NO. 2018-026

IN THE MATTER OF: § **BEFORE THE BANKING**
§
CR INTERNATIONAL SERVICES, LLC § **COMMISSIONER OF TEXAS**
APPLETON, WISCONSIN §
§ **AUSTIN, TRAVIS COUNTY, TEXAS**

CONSENT ORDER

On this day, the matter of CR International Services, LLC, Appleton, Wisconsin, was submitted to me, Charles G. Cooper, Banking Commissioner of the State of Texas (Commissioner), for consideration and action.

1. CR International Services, LLC (Respondent) is a limited liability company that operates its business at 4650 W Spencer Street, Suite 1, Appleton, Wisconsin 54914.
2. The Texas Department of Banking (Department) has jurisdiction over Respondent 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. Respondent has been properly notified of its right to an administrative hearing under Chapter 151.
4. The undersigned representative of Respondent has full authority to enter into and bind Respondent 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 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 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 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. 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 this matter and finds as follows:
 - a. Respondent owns and operates Currency Return, which is accessible on the Internet at www.currencyreturn.com. Through the website, customers can sell foreign currencies with an emphasis on Iraqi Dinar, Vietnamese Dong, and Indonesian Rupiah.
 - b. In 2017, the Department became aware that Respondent had been offering its services to Texas residents. In July 2017, Respondent certified that they would no longer offer their services to customers in Texas and subsequently adjusted their website

- accordingly. In October 2017, the Department became aware that Respondent had transacted business with Texas customers after July 2017.
- 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.” 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). Currency Return receives foreign currency from its customers in exchange for a promise to deliver money at a later time in the form of a check. Therefore, it is engaging in money transmission.
 - d. 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.
 - e. As described above, Respondent is conducting money transmission in Texas. 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 Chapter 151. Consequently, the Commissioner finds that Respondent is in violation of Finance Code § 151.302.
 - f. As a result of these violations, the Commissioner issued an Order to Cease and Desist Activity, Order Number 2017-021, on December 22, 2017. Respondent did not request a hearing on Order No. 2017-021 and the Order became effective on January 12, 2018.

Respondent subsequently failed to meet the requirements of the Order to Cease and Desist.

- g. The Department issued a Notice of Hearing on February 14, 2018, Docket No. BM-1802-17-085, to determine whether to assess penalties against Respondent. The hearing was set for April 2, 2018. The Department filed an Agreed Motion for Continuance on March 1, 2018 and May 16, 2018 in order to have time to negotiate a settlement with Respondent. The hearing was continued until September 26, 2018.
 - h. As required by 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 Respondent's violations were serious because Respondent conducted money transmission activities in Texas without a license and, therefore, did not provide Texas customers with the requisite protections or perform the required recordkeeping functions of a licensee. Additionally, the Commissioner finds Respondent's prior compliance history unacceptable because despite the Respondent's communications with the Department and commitment to ceasing to do business with Texas consumers, it continued to conduct money transmission in Texas without a license and failed to meet the requirements of the Order to Cease and Desist.
 - i. 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 \$9,000 is appropriate.
10. Respondent has agreed to comply with the terms that are set out in the Order below.

11. Nothing in this Order shall prohibit Respondent 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 other violations by Respondent not now known to the Department 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 within 10 days of the Effective Date of this Order, Respondent will have delivered to the Department a check made payable to the Texas Department of Banking in the amount of \$9,000 as payment of the administrative penalty.

EFFECTIVE DATES

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

Signed on this 24th day of September, 2018.

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

AGREED AS TO FORM AND SUBSTANCE

CR International Services, LLC

Diane Ryder
By: /s/ Diane Ryder

Date: September 21, 2018

APPROVED AS TO FORM:

/s/ William Coffield
William Coffield
Attorney for CR International Services, LLC
Berliner, Corcoran & Rowe, LLP

Date: September 21, 2018

/s/ Marcus Adams
Marcus Adams
Assistant General Counsel
Texas Department of Banking

Date: September 24, 2018