

ORDER NO. 2020-051

IN THE MATTER OF:	§	BEFORE:
WYRE PAYMENTS, INC.	§	THE BANKING
	§	COMMISSIONER OF TEXAS
SAN FRANCISCO, CALIFORNIA	§	AUSTIN, TRAVIS COUNTY, TEXAS

CONSENT ORDER

On this day, the matter of Wyre Payments, Inc. (Respondent) was submitted to me, Charles G. Cooper, Banking Commissioner (Commissioner) of the State of Texas, for consideration and action.

1. Respondent is incorporated in Delaware and headquartered in San Francisco, California.
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 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 Texas Finance Commission 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 is a money services business (MSB) licensed in more than 20 states and registered with the Financial Crimes Enforcement Network as an MSB. Respondent obtained its first state license in June 2017.
 - b. Respondent provides retail customers services related to virtual currency, such as wallets to store virtual and fiat currency, which can be used to buy and sell virtual currencies from Respondent. Additionally, Respondent provides certain services

- exclusive to licensed MSB customers, such as the ability to remit fiat money to a third-party bank account.
- c. On March 14, 2017, Respondent submitted an application to the Department for a money transmission license. That application described licensable money transmission business that Respondent proposed to conduct in Texas.
 - d. On March 24, 2017, the Department returned Respondent's application because it failed to comply with Title 7, Texas Administrative Code §33.13(d)(1), as it did not contain the required audited financial statements or search firm reports. The Department's correspondence to Respondent explicitly stated that a person may not engage or solicit money services business in Texas without a license.
 - e. Five days later on March 29, 2017, Respondent processed its first transaction for a Texas customer without a license.
 - f. Respondent listed the Texas Department of Banking's consumer complaint notice on its website, which is a notice required to be posted by MSBs licensed in Texas. Additionally, Respondent's User Agreement contained an enumerated list of states where Respondent is prohibited from conducting business, but it did not list Texas.
 - g. Respondent continued to conduct unlicensed money transmission business with Texas customers until the Department informed Respondent that the Department was investigating Respondent's operations in Texas in 2020.
 - h. Respondent cooperated with the Department's investigation and provided information regarding the services offered in Texas and the transaction volume conducted on behalf of Texas customers.
 - i. On August 7, 2020, Respondent confirmed that it implemented technical restrictions to prevent new customers in Texas from opening an account. Respondent also provided

notice to current Texas customers that services would no longer be provided and that account balances needed to be transferred elsewhere.

- j. 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). The Department has concluded that by receiving funds in exchange for a promise to distribute those funds at a later time or different location, Respondent conducted money transmission from 2017 until 2020.
- k. 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.
- l. As described above, the Department has concluded that: (i) from 2017 to 2020, Respondent conducted money transmission business in Texas; (ii) the Department has not issued Respondent a money transmission license; (iii) Respondent is not an authorized delegate of a license holder; (iv) Respondent is not excluded from licensure under Chapter 151; and (v) Respondent has not been granted an exemption under Chapter 151. Consequently, the Commissioner finds that Respondent is in violation of Finance Code § 151.302.
- m. Finance Code § 151.707(a)(1) allows the Commissioner to assess an administrative penalty against a person that has violated Chapter 151. 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.

- n. Based on these findings and 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 \$108,435 is appropriate.
- 10. Respondent has agreed to comply with the terms that are set out below in this Order.
- 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. 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:

- 1. Respondent will pay a total of \$108,435 to the Department as an administrative penalty under Finance Code § 151.707. Within 10 days of the effective date of this Order, Respondent will pay \$15,000. Respondent will then make eleven (11) monthly payments of \$8,000 by the 5th day of each month starting on January 5, 2021, and a final monthly payment of \$5,435. If Respondent does not make a full monthly payment within five days of the due date, the entire penalty amount remaining becomes immediately due.
- 2. Respondent shall cease conducting money transmission business in Texas without first obtaining a money transmission license or written approval from the Department.

3. Respondent's system and website shall continue to prevent consumers located in Texas from receiving money transmission services from Respondent.
4. Within 60 days of the effective date of this Order, Respondent will update its User Agreement to list Texas as a state where Respondent is prohibited from providing services.

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.

Signed on this 2nd day of December, 2020.

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

AGREED AS TO FORM AND SUBSTANCE:

Wyre Payments, Inc.

/s/ Ioannis Giannaros

By: Ioannis Giannaros, CEO

Date: 11/24/2020

APPROVED AS TO FORM:

/s/ Todd Beauchamp

Todd Beauchamp

Counsel for Wyre Payments, Inc.

Date: 11/27/2020

/s/ Catherine Reyer for

Ryan McCarthy

Assistant General Counsel

Texas Department of Banking

Date: 12/2/2020