

**ORDER NO. 2022-001**

<b>IN THE MATTER OF:</b>	<b>§</b>	<b>BEFORE:</b>
	<b>§</b>	
<b>NATIONAL PAYMENT CORPORATION</b>	<b>§</b>	<b>THE BANKING</b>
	<b>§</b>	<b>COMMISSIONER OF TEXAS</b>
	<b>§</b>	
<b>TAMPA, FLORIDA</b>	<b>§</b>	<b>AUSTIN, TRAVIS COUNTY, TEXAS</b>

**CONSENT ORDER**

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

1. Respondent is a for-profit corporation formed under the laws of Florida and based in Tampa, Florida. Respondent provides payroll transmission services.
2. The Texas Department of Banking (Department) has jurisdiction over 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 the factual findings of the Commissioner stated herein or 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. Since 1991, Respondent has provided third-party ACH transmission services to its customers in Texas. Certain of these services have included third-party transmissions and bank wires, wherein funds flow from employer accounts through Respondent's custodial account and then to payroll disbursements to employees and tax payments to various taxing authorities.
- b. 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 has been conducting money transmission.

- c. 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.
- d. As described above, the Department has concluded that: (i) Respondent has been conducting money transmission in Texas; (ii) the Department had not licensed Respondent; (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 has been in violation of Finance Code § 151.302.
- e. 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.
- f. Respondent applied to the Department for a license to conduct money transmission on June 29, 2021. On July 14, 2021, Respondent obtained a temporary money transmission license from the Department.
- g. 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 an administrative penalty of \$89,400 is appropriate.

10. Respondent has agreed to pay the amount set out in the Order below.

11. 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:

12. Respondent will pay \$89,400 to the Department as an administrative penalty under Finance Code § 151.707 on or before March 1, 2022.

13. Respondent will make a good faith effort to fulfill all of the requirements to obtain a license to conduct money transmission in Texas as detailed in Chapter 151 of the Finance Code.

In the event that Respondent elects to withdraw its license application, or Respondent's license application is suspended pursuant to Finance Code § 151.204, determined abandoned pursuant to 7 Texas Administrative Code § 33.13(g)(1), or denied pursuant to Finance Code § 151.205, Respondent will do the following:

- a. Within 15 days of said withdrawal, suspension, abandonment, or denial, notify Respondent's existing Texas customers that it will cease providing money transmission to them. This notification must be made in writing, and a copy of the notice must be sent contemporaneously to the Department;
- b. Within 60 days of said withdrawal, suspension, abandonment, or denial, cease and desist from engaging in the unauthorized business of money transmission in Texas and return Texas customer funds held by Respondent to its Texas customers; and
- c. Within seven days of achieving full compliance with this paragraph, confirm to the Department in writing that Respondent has ceased all unlicensed activities in Texas.

#### **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 10th day of January, 2022.

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

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

National Payment Corporation  
By: /s/ George E. Hamilton, Chairman  
Date: January 6, 2022

**APPROVED AS TO FORM:**

/s/ Jesse T. Moore  
Jesse Moore  
Assistant General Counsel  
Texas Department of Banking  
Date: January 10, 2022