

**Order No. 2023-026**

<b>IN THE MATTER OF:</b>	<b>§</b>	<b>BEFORE THE BANKING</b>
	<b>§</b>	
<b>YAPSTONE, INC.</b>	<b>§</b>	<b>COMMISSIONER OF TEXAS</b>
	<b>§</b>	
<b>MONEY TRANSMISSION</b>	<b>§</b>	
<b>LICENSE NO. 3134</b>	<b>§</b>	
	<b>§</b>	
<b>WALNUT CREEK, CALIFORNIA</b>	<b>§</b>	<b>AUSTIN, TRAVIS COUNTY, TEXAS</b>

**CONSENT ORDER**

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

1. Respondent holds money transmission license number 3134 issued by the Texas Department of Banking (Department) pursuant to Texas Finance Code (Finance Code) Chapter 152 (Chapter 152) and operates a money transmission business headquartered in Walnut Creek, California.

2. The Department has jurisdiction over Respondent and the subject matter of this proceeding pursuant to Chapter 152. The Commissioner has the authority to issue this Consent Order (Order) pursuant to Finance Code § 152.406.

3. Respondent has been properly notified of its right to an administrative hearing under Chapter 152.

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 §§ 152.107, 152.108, 152.403, 152.406, and 152.407.

6. Any violation of this Order could subject Respondent to additional regulatory or enforcement actions authorized by Chapter 152 and other provisions of Texas law.

7. This Order does not restrict the Department, the Commissioner, or the Finance Commission of Texas with respect to any enforcement action or other recourse regarding any past, current, or future violations by Respondent that come to the attention of the Department to the extent those violations have not been identified by the Department as of the effective date of this Order. However, nothing herein shall be construed to limit Respondent's right to contest any future finding or determination of non-compliance.

8. For purposes of this Order and the proceedings related to it, 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.

9. Respondent and the Commissioner agree to this Order solely for the purpose of this proceeding and without Respondent admitting or denying any of the factual findings of the Commissioner, violations of law, or regulations. Specifically, this Order does not constitute an

admission by Respondent that Chapter 152 or a rule adopted or order issued under Chapter 152 has been violated.

10. Respondent has agreed to comply with the terms that are set out in the Order below.

## **I. Findings**

11. Respondent's annual report to the Department for 2022, which was due on July 1, 2023, did not include audited financial statements. As of the effective date of this Order, Respondent has not provided the Department with audited financial statements.

12. The Commissioner has considered the matter and finds that Respondent's actions satisfy the requirements for the issuance of an order suspending Respondent's money transmission license pursuant to Finance Code § 152.403. In particular, the Commissioner has determined that the Respondent does not maintain audited financial statements in accordance with Chapter 152 (or in accordance with Chapter 151 of the Finance Code, the predecessor to Chapter 152).

13. This Order does not include or constitute a finding by the Commissioner that the Respondent has acted in bad faith or engaged in fraudulent, manipulative, deceptive, or willful misconduct.

14. Based on these findings and based on the representations made by Respondent in connection with the Department's inquiry, the Commissioner finds that an administrative penalty of \$18,000 is appropriate.

## **II. Order**

It is hereby ORDERED, ADJUDGED, and DECREED that:

1. Within 7 days of the effective date of this Order, Respondent will cease and desist from accepting any new money transmission business in Texas. This includes but is not limited to business conducted directly or through the activity of others and advertising and soliciting persons in Texas.

2. Within 14 days of the effective date of this Order, Respondent will cease accepting new transfers of money and monetary value from Texas customers. Respondent will process all withdrawal or transfer orders that are received until such time as the assets in question are deemed abandoned and turned over to the Texas comptroller pursuant to chapters 72 and 75 of the Texas Property Code.

3. Respondent shall comply with all laws and applicable regulations relating to unclaimed property, including without limitation chapters 72 and 75 of the Texas Property Code.

4. Within 14 days of the effective date of this Order, Respondent will send an electronic copy of this Order to all Texas customers for which Respondent has outstanding money transmission obligations along with a letter explaining withdrawal options and potential abandonment of unclaimed assets in reasonably clear, plain language.

5. Within 7 days of complying with the above four paragraphs, Respondent will confirm such compliance in writing to the Department.

6. Respondent's license is suspended under Finance Code § 152.403 until reinstated in writing by the Commissioner. If Respondent's license is not reinstated on or before February 1, 2024, the Commissioner may require Respondent to surrender its license under Finance Code § 152.108. If Respondent does not surrender its license as required by the Commissioner, the Commissioner may revoke Respondent's license under Finance Code § 152.403. In the event that Respondent does surrender its license, at any point during these proceedings, Respondent may do so without a further public order being issued.

7. The Commissioner has sole and absolute discretion regarding reinstatement, surrender, or revocation of Respondent's license under the above paragraph. Respondent waives any review of a decision by the Commissioner under the above paragraph by the Texas Finance

Commission, any judicial review of such decision as provided by Texas Government Code § 2001.171 *et seq.*, and any other challenge to the validity of such decision.

8. While Respondent's license is suspended, Respondent will not accept any new money transmission business in Texas, and Respondent will not advertise or solicit money transmission business in Texas. The suspension of Respondent's license under this Order, and potential surrender or revocation of Respondent's license under this Order, does not excuse Respondent from any applicable requirements under the Finance Code or applicable regulations, including but not limited to requirements relating to recordkeeping, reporting to the Department, and the maintenance of security.

9. The prohibitions and other requirements in this Order, including but not limited to decretal paragraphs 1 thru 4 and 8, do not apply to money transmission activities that are exempt from Chapter 152 pursuant to Finance Code § 152.004, including but not limited to the exemption under Finance Code § 152.004(2) for activities as an agent of a payee to collect and process a payment from a payor to the payee for goods or services, other than money transmission services.

10. Respondent will pay \$18,000 to the Department as an administrative penalty under Finance Code § 152.407 within 30 days of the effective date of this Order. No additional fine is due under 7 Texas Administrative Code § 33.27(h)(1) for the late-filing of the annual report.

### **III. 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 15<sup>th</sup> day of September, 2023.

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

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

YapStone, Inc.  
/s/ Maria C. Segovia  
By: Maria C. Segovia  
Date: September 13, 2023

### **APPROVED AS TO FORM:**

/s/ Jesse T. Moore  
Jesse Moore  
Assistant General Counsel  
Texas Department of Banking  
Date: September 15, 2023