

Order No. 2024-010

IN THE MATTER OF:	§	BEFORE THE BANKING
	§	
TEXAS G & S INVESTMENTS, INC. DBA	§	
TEXAS MONEY EXCHANGE	§	
	§	
MONEY TRANSMISSION LICENSE NO. 11	§	COMMISSIONER OF TEXAS
	§	
MCALLEN, HIDALGO COUNTY, TEXAS	§	AUSTIN, TRAVIS COUNTY, TEXAS

CONSENT ORDER

On this day in the matter of Texas G & S Investments, Inc. dba Texas Money Exchange (“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 11 issued by the Texas Department of Banking (“Department”) pursuant to current Texas Finance Code (“Finance Code”) Chapter 152 (“Chapter 152”) and operates a money transmission business headquartered in McAllen, Texas.

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 Order.

5. Chapter 152 replaced former Finance Code Chapter 151 (“Chapter 151”) effective September 1, 2023. *See* Act of May 16, 2023, 88th Leg., R.S., ch. 277. Licensees must satisfy the minimum requirements established by Chapter 152 not later than September 1, 2024. *Id.* at

§ 4.01(a).

6. The statutory provisions at issue in this matter include, but are not limited to, former Finance Code §§ 151.202, 151.207, 151.601, 151.602, and 151.603, and current Finance Code §§ 152.057, 152.201, 152.207, 152.403, 152.405, 152.406, and 152.407.

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

8. Nothing in this Order diminishes the regulatory or enforcement powers of the Department, the Commissioner, or the Finance Commission of Texas under Chapter 152 or other applicable law.

9. 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 are not existing and not actually known by the Department as of the effective date of this Order.

10. This Order does not restrict the Department, the Commissioner, or the Finance Commission of Texas from considering any relevant facts in determining the financial and business experience, competence, character, good faith in attempting to comply, and general fitness of a current or future license holder or applicant under Chapter 152 or each principal of, person in control of, principal of a person in control of, and proposed responsible individual of any such license holder or applicant.

11. 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.

12. 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. Respondent is voluntarily agreeing to the conditions contained in this Order. This Order does not constitute an admission by Respondent that former Chapter 151, current Chapter 152, a rule adopted or order issued under Chapter 151 or Chapter 152, the Bank Secrecy Act, the USA PATRIOT ACT, or applicable federal regulations (31 C.F.R. chapter X.) have been violated by Respondent.

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

I. Findings

14. Respondent is owned 50.1% by President Guillermo Solis Jr., 25% by Secretary Sherri L. Solis, and 24.9% by Frontera Group, Inc.

15. Respondent is subject to a prior *Consent Order*, No. 2022-004, entered by the Commissioner effective February 11, 2022 (the “2022 Consent Order”).

16. The Department conducted full-scope examinations of Respondent pursuant to former Finance Code § 151.601 in September 2022 and July 2023. In connection with these exams, the Department required that Respondent provide certain financial and operational

information regarding its operations, which include domestic and international money transmission, and currency exchange. During these examinations, the Department identified various violations of applicable laws and regulations by Respondent. Those violations are referenced below and further discussed in greater detail in the applicable reports issued by the Department for those examinations.

17. The Department determined during the September 2022 and July 2023 examinations that Respondent was not maintaining an accurate and complete general ledger containing all asset, liability, capital, income, and expense accounts as required by former Finance Code § 151.602(a)(2) and current Finance Code § 152.207(a)(1).

18. The Department determined during the July 2023 examination that Respondent did not timely provide a complete general ledger and supporting documentation for various transactions.

19. The Department determined during the September 2022 and July 2023 examinations that Respondent violated former Finance Code § 151.601(c) and current Finance Code § 152.057(d) by failing to timely provide the Department with full, complete, and accurate records required to conduct a complete examination.

20. The Department determined during the September 2022 and July 2023 examinations that Respondent violated former Finance Code § 151.602(a)(5), current Finance Code §§ 152.207(a)(5), former 7 Tex. Admin. Code § 33.23(b), and 7 Tex. Admin. Code § 33.35(b)(1)(C) by failing to properly calculate and report average outstanding transmission liabilities and thereby failing to maintain records sufficient to enable Respondent to file accurate and complete reports as required by the Department.

21. The Department determined during the September 2022 and July 2023

examinations that Respondent violated former Finance Code § 151.207(c) by filing its 2020, 2021, and 2022 annual reports late.

22. The Department determined during the September 2022 and July 2023 examinations that Respondent violated former Finance Code § 151.603(b)(2) by filing its March 31, 2022, June 30, 2022, and March 31, 2023 quarterly interim financial statements and reports regarding the permissible investments late.

23. The Department determined during the September 2022 and July 2023 examinations that Respondent violated 31 C.F.R. § 1022.210 by failing to fully implement policies, procedures, and internal controls reasonably designed to assure compliance with certain federal anti-money laundering regulations.

24. The Department determined during the September 2022 and July 2023 examinations that Respondent did not fully comply with the 2022 Consent Order, as discussed in detail in the applicable reports issued by the Department for those examinations.

25. As of the effective date of this Order, Respondent has remediated some, but not all, ongoing violations. Respondent has provided additional assurances to the Department regarding extensive further efforts to cease ongoing violations.

26. As required by Finance Code §152.407(d), the Commissioner has considered the seriousness of the violations, Respondent's compliance history, and Respondent's efforts to comply with Chapter 151, Chapter 152, and the 2022 Consent Order, and finds that a penalty of \$250,000 is appropriate.

II. Order

It is hereby ORDERED, ADJUDGED, and DECREED that:

27. Respondent must ensure full compliance with all applicable provisions and requirements in the 2022 Consent Order. Nothing in this Order modifies, waives, or affects the

2022 Consent Order.

28. Respondent must send this Order and financial findings in the Department's report of examination for the September 2022 and July 2023 examinations to its auditor engaged to perform the required audit as long as this Order is in effect.

29. Respondent must, through March 31, 2027:

- a. forward to the Department, upon such report being provided to Respondent, and no later than March 31 of each year, any audit planning report for the upcoming annual audit detailing considerations in developing the audit plan, areas of audit emphasis, and planned audit approach; and
- b. after issuance of any audit report, obtain a management letter from its auditor detailing exceptions to internal control, adequacy and appropriateness of policies and procedures established pursuant to the 2022 Consent Order, and other entity weaknesses and recommendations. Respondent must forward to the Department upon such report being provided to Respondent, and forward to the Department any written response to such report from Respondent upon such response being provided by Respondent.

30. Respondent must, for the 2023, 2024, 2025, and 2026 fiscal years, obtain an audit engagement contract for that year's audit and provide it to the Department by March 31 of that year. Respondent must fully cooperate with all requests from its auditors and make all reasonable efforts to have those audits timely completed. Respondent may not change the timing of its fiscal year through 2026.

31. As part of Respondent's efforts to implement the third-party vendor due diligence program required by the 2022 Consent Order, Respondent must conduct adequate diligence on all

vendors providing it with accounting, auditing, financial, operational, or legal advice or other consulting services. As part of this adequate due diligence, Respondent must consider and analyze whether those vendors are key individuals under Chapter 152, and ensure compliance with Chapter 152's requirements if those vendors have responsibility for establishing or directing policies and procedures of Respondent.

32. Respondent must ensure that assets and liabilities relating to sales, leases, or other transactions with insiders, and assets and liabilities relating to sale and leaseback transactions, are valued in accordance with United States generally accepted accounting principles.

33. Respondent must pay an administrative penalty to the Department totaling \$250,000 in quarterly payments of \$62,500 due by June 30, September 30, and December 31, 2024, and March 31, 2025.

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 10th day of April, 2024.

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

AGREED:

Texas G & S Investments, Inc.
/s/ Guillermo Solis, Jr.
Guillermo Solis Jr., President

Date: April 10, 2024

Texas G & S Investments, Inc.

/s/ Sherri L. Solis

Sherri L. Solis, Secretary

Date: April 10, 2024

APPROVED AS TO FORM:

/s/ David O. Sanchez

David O. Sanchez

Counsel for Texas G & S Investments, Inc.

Date: April 10, 2024

/s/ Jesse T. Moore

Jesse T. Moore

Assistant General Counsel

Texas Department of Banking

Date: April 10, 2024