ORDER NO. 2026-020

IN THE MATTER OF:	§	**BEFORE:**
	§	
PAYCOR, INC.	§	**THE BANKING**
	§	**COMMISSIONER OF TEXAS**
	§	
ROCHESTER, NEW YORK	§	**AUSTIN, TRAVIS COUNTY, TEXAS**

CONSENT ORDER

On this day, the matter of Paycor, Inc., a Delaware 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 corporation formed under the laws of Delaware and headquartered in Rochester, New York. Respondent provides, in part, payroll processing 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 152 ("Chapter 152"), and its predecessor statute, Chapter 151 (Chapter 151). The Commissioner has the authority to issue this Consent Order (Order) and to assess administrative penalties pursuant to Finance Code §§ 152.406 and 152.407.

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. The statutory provisions at issue in this matter include, but are not limited to, Finance Code §§ 152.003, 152.101, 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. 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 laws.

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. judicial review of this Order as provided by *Texas Government Code* § 2001.171 *et seq*.; and

h. any other challenge to the validity of this Order in law or equity.

8. Respondent and the Commissioner agree to this Order solely for the purpose of this proceeding, and without Respondent admitting or denying 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, Chapter 152, or a rule adopted thereunder has been violated.

I. Findings

9. The Commissioner has considered this matter and finds as follows:

a. Respondent provides payroll processing services to employers of small and medium businesses. These services include collecting funds from clients via automated

clearinghouse system, receiving and holding those funds, and disbursing the funds to employees, various tax authorities, garnishing entities, and employee benefit providers.

b. Respondent initially applied for a money transmission license with the Department on March 15, 2024. The Department returned this application due to omissions in it. Respondent submitted a new license application on July 2, 2024, which was accepted for processing. During the review of the application, the Department determined that Respondent has provided payroll processing services in Texas since 2014 and that this activity constitutes licensable money transmission under former Chapter 151 and current Chapter 152 of the Finance Code.

c. Respondent was acquired by Paychex Holdings, LLC ("Paychex") on April 14, 2025. Paychex is currently licensed to engage in money transmission in Texas under License No. 3161. Paychex appointed Respondent as authorized delegate for Paychex, and Respondent withdrew its pending application effective June 17, 2026.

d. Until September 1, 2023, money transmission was regulated in Texas under Chapter 151 of the Finance Code. Under former Finance Code § 151.301(b)(4), money transmission was defined as "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." Former Finance Code § 151.302(b) defined "engaging in the business of money transmission" as "receiving compensation or expecting to receive compensation, directly or indirectly, for conducting money transmission." Under former Finance Code § 151.302(a), a person could not engage in such activity, or advertise, solicit, or hold itself out as a person that engages in the business of money transmission without a license, unless

it was acting as an authorized delegate of a license holder, or was otherwise exempt or excluded from licensure under Chapter 151.

e. Chapter 152 of the Finance Code was adopted by the Texas Legislature as a replacement for Chapter 151 and became effective on September 1, 2023. Under Finance Code § 152.003(22), "money transmission" means "receiving money for money transmission services from a person located in this state" and "includes payroll processing services." Finance Code § 152.101(b) states that "a person engages in the business of money transmission if the person receives compensation or expects to receive compensation, directly or indirectly, for conducting money transmission." Finance Code § 152.101(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 the person is exempt under Chapter 152.

f. Finance Code § 152.003(31) states that "payroll processing services" means "receiving money for money transmission services under a contract with a person to deliver wages or salaries, make payment of payroll taxes to state and federal agencies, make payments relating to an employee benefit plan, or make distributions of other authorized deductions from wages or salaries."

g. Under both former Chapter 151 and current Chapter 152, Respondent engaged in the business of money transmission in this State through the services outlined above, as it received money and monetary value for transmission and engages in payroll processing services. Upon Respondent's appointment as authorized delegate for Paychex, it became exempt from licensing requirements under Finance Code § 152.004(14) for activity occurring within the scope of that appointment.

h. As described above, the Department has concluded that: (i) Respondent conducted money transmission in Texas; (ii) the Department did not license Respondent; (iii) Respondent was not subject to an exemption under former Chapter 151 or applicable rules; and (iv) Respondent was not subject to an exemption under current Chapter 152 or applicable rules.

i. As required by Finance Code § 152.407(d), the Commissioner has considered the seriousness of the violations, Respondent's compliance history, and Respondent's good faith in attempting to comply with applicable law and finds that a penalty of $275,000 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, which may 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.

II. Order

It is hereby ORDERED, ADJUDGED, AND DECREED that:

13. Within 30 days of the effective date of this Order, Respondent will pay $275,000 to the Department as an administrative penalty under Finance Code § 152.407.

14. Respondent will not engage in money transmission in Texas unless it is exempt from licensure or licensed as detailed in and provided for under Chapter 152 of the Finance Code.

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 6th day of October, 2026.

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

AGREED AS TO FORM AND SUBSTANCE:

PAYCOR, INC.
By: /s/ Frank J. Fiorille
Frank J. Fiorille
Date: October 5, 2026

APPROVED AS TO FORM:

/s/ *Jesse T. Moore*
Jesse Moore
Assistant General Counsel
Texas Department of Banking
Date: October 6, 2026