

**STATE OF NEW HAMPSHIRE  
BANKING DEPARTMENT**

In The Matter of: Yapstone Holdings, Inc.  
(f/k/a Yapstone, Inc.), and YapStone, Inc.  
Case No. 16-051

**CONSENT ORDER**

**WHEREAS**, pursuant to RSA 399-G:2, I<sup>1</sup>, the New Hampshire Banking Department (“Department”) is charged with regulating persons that “engage in the business of money transmission” in New Hampshire or to, from and with New Hampshire consumers.

**WHEREAS**, pursuant to RSA 399-G:13, I, the Department is authorized to examine the business affairs of any licensee or non-licensee money transmitter to determine compliance with the RSA 399-G.

**WHEREAS**, Yapstone Holdings, Inc. (f/k/a Yapstone, Inc.) (“Yapstone Holdings”) is a Delaware and New Hampshire registered corporation with a principal office location in Walnut Creek, California, and the parent company of YapStone, Inc. Yapstone Holdings does not have a New Hampshire Money Transmitter license. Yapstone Holdings voluntarily ceased conducting activity in New Hampshire.

**WHEREAS**, YapStone, Inc. (“YapStone”) is a Delaware and New Hampshire registered corporation with a principal office location in Walnut Creek, California, the subsidiary of Yapstone Holdings and a New Hampshire Money Transmitter license applicant.

**WHEREAS**, YapStone was incorporated on April 15, 2016. Yapstone Holdings assigned all of its business related to its consumer-facing service to YapStone effective May 12, 2016, and assigned the balance of its U.S. domestic business to YapStone effective June 24, 2016.

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<sup>1</sup> Since the activities that are the subject of this Consent Order occurred both prior to 2016 and after 2016, the first citations of RSA 399-G are to the law in effect until January 1, 2016. Footnoted citations thereafter are to the new citations effective as of January 1, 2016, if different from the prior law.

**WHEREAS**, pursuant to its authority under RSA 399-G:5, IV<sup>2</sup> and RSA 399-G:13, I, the Department, through the Consumer Credit Division, conducted an investigation of Yapstone Holdings and YapStone and determined that:

1. Yapstone Holdings conducted activity for New Hampshire consumers from January 2010 until June, 2016, processing a total of 96,479 transactions between January 2010 and June 2016 and collecting \$71,664 in net fees;
2. YapStone conducted activity for New Hampshire consumers from May 2016 until June 2016, processing a total of 793 transactions from May 2016 until June 2016 and collected \$1,470 in net fees.

**WHEREAS**, Yapstone Holdings and YapStone make the following acknowledgements:

1. Without admitting liability, Yapstone Holdings and YapStone acknowledge that were an administrative hearing to be held in this matter, the Department would introduce evidence demonstrating that certain activities undertaken in the past by Yapstone Holdings and YapStone required a New Hampshire money transmitter license.
2. Without admitting liability, Yapstone Holdings and YapStone voluntarily enter into and sign this Consent Order without reliance upon any discussions between the Department and Yapstone Holdings and YapStone, without the promise of a benefit of any kind (other than the concessions contained in this Consent Order), and without threats, force, intimidation or coercion of any kind.
3. Yapstone Holdings and YapStone agree and acknowledge that, without admitting liability, the conduct described above, if proven to be unlicensed activity in violation of state law, could result in penalties pursuant to RSA 399-G:21, IV<sup>3</sup>.

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<sup>2</sup> RSA 399-G:5, I is the new citation effective January 1, 2016.

<sup>3</sup> RSA 399-G:23, II and III are the new citations effective January 1, 2016

4. Yapstone Holdings and YapStone acknowledge, understand, and agree that each has the right to notice and an adjudicatory hearing to contest the matters set forth herein, including any appeal, and hereby waives those rights. Yapstone Holdings and YapStone further acknowledge each waives the filing of any civil actions related to this Consent Order.
5. Yapstone Holdings and YapStone understand that their action in entering this Consent Order is a final act and not subject to reconsideration or judicial review or appeal.
6. Yapstone Holdings and YapStone each represents and warrants that it has all the necessary rights, powers and abilities to carry out the terms of this Consent Order.
7. Yapstone Holdings and YapStone each acknowledges that the Department is relying upon Yapstone Holdings' and YapStone's representations and warranties stated herein in making its determinations in this matter.
8. Yapstone Holdings and YapStone each acknowledges that this Consent Order may be revoked and the Department may pursue any and all remedies available under the law against Yapstone Holdings and YapStone if the Department later learns that Yapstone Holdings and YapStone knowingly or willfully withheld information from the Department.
9. This Consent Order is binding on all heirs, assigns and successors in interest.

**WHEREAS**, during the request for information, Yapstone Holdings and YapStone fully and amicably cooperated with the Department.

**WHEREAS**, the Department hereby imposes the following payments:

1. Yapstone Holdings shall remit a payment in the amount of \$88,530 by bank check

- payable to the “State of New Hampshire” contemporaneously with Yapstone Holdings’ execution of this Consent Order.
2. YapStone shall remit a payment in the amount of \$1,470 by bank check payable to the “State of New Hampshire” contemporaneously with Yapstone Holdings’ execution of this Consent Order.
  3. Failure by Yapstone Holdings and YapStone to comply with any portion of this Consent Order shall constitute a separate and sufficient basis for administrative action, up to and including license revocation and monetary penalties.

**NOW THEREFORE**, the Commissioner of the New Hampshire Banking Department enters the following ORDER:

1. The payments set forth above are hereby entered;
2. Pursuant to RSA 399-G:20,VI<sup>4</sup>, the Commissioner finds this action necessary or appropriate to the public interest or for the protection of consumers and consistent with the purposes fairly intended by the policy and provisions of this title;
3. This Order fully resolves this matter and the Commissioner will not take further action against Yapstone Holdings and YapStone for the allegations presented herein, provided that the Department may take enforcement action against Yapstone Holdings and YapStone for any violation of this Consent Order or the matters underlying its entry, if the Commissioner determines that compliance with the terms of this Order are not being observed or if any representation made by Yapstone Holdings and YapStone and reflected herein is subsequently discovered to be untrue;
4. Nothing herein is intended to alter any future statutory or regulatory requirements of licensure; and

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<sup>4</sup> RSA 399-G:24,VII is the new citation effective January 1, 2016

5. This Consent Order shall become final when issued.

Recommended by:

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/s/  
Maryam Torben Desfosses  
Hearings Examiner  
New Hampshire Banking Department

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Dec 23, 2016  
Date

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/s/  
Thomas Joseph Villante  
Chief Executive Officer, YapStone, Inc.  
Chief Executive Officer, Yapstone Holdings, Inc. (f/k/a Yapstone, Inc.)

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Jan 5, 2017  
Date

**SO ORDERED.**

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/s/  
Gerald H. Little  
Bank Commissioner  
New Hampshire Banking Department

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01/09/2017  
Date