

**STATE OF NEW HAMPSHIRE
BANKING DEPARTMENT**

In The Matter of: PoaPay LLC d/b/a PoaPay Financial Services
Case No. 16-098

CONSENT ORDER

WHEREAS, pursuant to RSA 399-G:2, I, the New Hampshire Banking Department (“Department”) is charged with regulating persons that “engage in the business of money transmission” in New Hampshire or 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 RSA 399-G.

WHEREAS, PoaPay LLC d/b/a PoaPay Financial Services (“PoaPay”) is a Birmingham, Alabama limited liability company that is a registered money transmitter with the Financial Crimes Enforcement Network (“FinCEN”) and a licensed money transmitter in Washington State, New Jersey and Alabama. PoaPay is neither registered with the New Hampshire Secretary of State nor a licensed New Hampshire Money Transmitter.

WHEREAS, pursuant to its authority under RSA 399-G:13, I, the Department, through the Consumer Credit Division, conducted an investigation of PoaPay (collectively, “Respondents”).

WHEREAS,

1. PoaPay engages third party vendors to provide software that is designed to limit access to PoaPay’s services solely to consumers residing in states in which PoaPay maintains appropriate licensure.
2. During 2014 and 2015, PoaPay utilized a filtering software that failed to adequately prevent certain residents of unlicensed states from gaining access to PoaPay’s

services via its website.

3. As a result, 26 New Hampshire consumers successfully defeated the software filters and conducted 682 unlicensed money transmissions to Kenya from 2014 to 2015.
4. From those 682 unlicensed money transmissions sent by 26 New Hampshire consumers, PoaPay collected \$7,820.50 in fees.
5. After the Department's contact with PoaPay in July of 2016, PoaPay took immediate remedial action to prevent consumers of unlicensed states, including New Hampshire, from bypassing the software filters in place.
6. PoaPay has since disabled online registration and imposed additional compliance safeguards prior to accepting any transmissions from prospective customers, including without limitation, requiring customers to physically register with the PoaPay by providing government-issued identification that is manually authenticated by PoaPay.
7. PoaPay fully cooperated with the Department.

WHEREAS, solely for the purpose of settling this matter, and without admitting or denying any allegations, PoaPay makes the following acknowledgements:

1. PoaPay acknowledges that were an administrative hearing to be held in this matter, the Department would introduce facts evidencing PoaPay's violation of RSA 399-G:2, I.
2. PoaPay voluntarily enters into and signs this Consent Order without reliance upon any discussions between the Department and PoaPay, 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. The conduct described above, if proven, would constitute violations of state law, which could result in penalties pursuant to RSA 399-G:23, II through IV.
4. PoaPay acknowledges, understands, and agrees that it has the right to notice and an adjudicatory hearing to contest the matters set forth herein, including any appeal, and hereby waives those rights. PoaPay further acknowledges it waives the filing of any civil actions related to this Consent Order.
5. PoaPay understands that its action in entering this Consent Order is a final act and not subject to reconsideration or judicial review or appeal.
6. PoaPay understands the nature of the allegations set forth herein and that they constitute grounds for potential sanctions, as provided by law.
7. PoaPay represents and warrants that it has all the necessary rights, powers and abilities to carry out the terms of this Consent Order.
8. PoaPay acknowledges that the Department is relying upon PoaPay's representations and warranties stated herein in making its determinations in this matter.
9. PoaPay acknowledges that this Consent Order may be revoked and the Department may pursue any and all remedies available under the law against PoaPay if the Department later learns that PoaPay knowingly or willfully withheld information from the Department.
10. This Consent Order is binding on all heirs, assigns and successors in interest.

WHEREAS, PoaPay consents to the Department imposing the following sanctions:

1. PoaPay shall cease and desist from money transmitter activity in New Hampshire without a valid New Hampshire Money Transmitter license.
2. PoaPay shall remit a total penalty in the amount of \$10,000 by bank check to the

“State of New Hampshire.” Such payments shall be made as follows:

- a. \$3,333.34 shall be made contemporaneously with PoaPay’s execution of this Consent Order; and
 - b. \$2,222.22 shall be made each month thereafter for three (3) months as follows:
 - i. November 15, 2016;
 - ii. December 15, 2016; and
 - iii. January 15, 2017.
3. Failure by PoaPay to comply with any portion of this Consent Order shall constitute a separate and sufficient basis for administrative action, up to and including monetary penalties.

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

1. The sanctions set forth above are hereby entered;
2. Pursuant to RSA 399-G:24,VI, the Commissioner finds this action necessary or appropriate to the public interest or 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 PoaPay for the allegations presented herein, provided that the Department may take enforcement action against PoaPay 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 PoaPay 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 the allegations set forth above may be fully taken into account by the Department in connection with future examinations and enforcement actions; and
5. This Consent Order shall become final when issued.

Recommended by:

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

10-14-16
Date

_____/s/_____
John Kagochi, Chief Executive Officer
PoaPay LLC
d/b/a PoaPay Financial Services

10-19-16
Date

SO ORDERED.

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

10/24/16
Date