

1 State of New Hampshire Banking Department

2	In re the Matter of:	) Case No.: 07-303
		)
3	State of New Hampshire Banking	)
4	Department,	) Order to Show Cause and
		)
5	Petitioner,	) Cease and Desist Order
		)
6	and	)
		)
7	AlertPay Inc (www.AlertPay.com),	)
		)
8	Corporate Wealth Management Inc (CWM	)
		)
9	INC) (d/b/a www.alertservicesinc.com),	)
		)
10	Firoz Patel, and Ferhan Patel,	)
		)
11	Respondents	)

12 NOTICE OF ORDER TO SHOW CAUSE AND CEASE AND DESIST ORDER ("ORDER")

13 1. This Order commences an adjudicative proceeding under the  
14 provisions of Chapter 399-G, RSA Chapter 541-A and RSA 383:10-d.

15 LEGAL AUTHORITY AND JURISDICTION

16 2. The Commissioner of the State of New Hampshire Banking Department  
17 ("Department") may issue an order to show cause why penalties should  
18 not be imposed for violations of RSA Chapter 399-G. RSA 399-G:18,I.

19 3. The Department may issue a complaint setting forth charges whenever  
20 the Department is of the opinion that the licensee or person over whom  
21 the Department has jurisdiction is violating or has violated any  
22 provision of RSA Chapter 399-G or any rule or order thereunder. RSA  
23 399-G:19,I.

24 4. The Department may issue a cease and desist order against any person  
25 who it has reasonable cause to believe is in violation of the

1 provisions of RSA 399-G or any rule or order thereunder. RSA 399-  
2 G:19,II.

3 5. The Commissioner may issue, amend, or rescind such orders as are  
4 reasonably necessary to comply with the provisions of RSA Chapter 399-  
5 G. RSA 399-G:20.IV.

6 6. The Commissioner has the authority to suspend, revoke or deny any  
7 license and to impose administrative penalties of up to \$2,500.00 for  
8 each violation of New Hampshire banking law and rules or orders of the  
9 Commissioner. RSA 399-G:21,II and IV.

10 7. The Commissioner shall investigate conduct that is or may be an  
11 unfair or deceptive act or practice under RSA Chapter 358-A and exempt  
12 under RSA 358-A:3,I or that may violate any of the provisions of  
13 Titles XXXV and XXXVI and administrative rules adopted thereunder. The  
14 Commissioner may hold hearings relative to such conduct and may order  
15 restitution for a person or persons adversely affected by such  
16 conduct. RSA 383:10-d.

17 **NOTICE OF RIGHT TO REQUEST A HEARING**

18 8. The above named Respondents have the right to request a hearing on  
19 this Order, as well as the right to be represented by counsel at each  
20 Respondent's own expense. All hearings shall comply with RSA Chapter  
21 541-A. Any such request for a hearing shall be in writing, and signed  
22 by the Respondent or the duly authorized agent of the above named  
23 Respondent, and shall be delivered either by hand or certified mail,  
24 return receipt requested, to the Banking Department, State of New  
25 Hampshire, 53 Regional Drive, Suite 200, Concord, NH 03301. Such

1 hearings will be scheduled within 10 days of the Department's receipt  
2 of the request. If a Respondent fails to appear at the hearing after  
3 being duly notified, such person shall be deemed in default, and the  
4 proceeding may be determined against the Respondent upon consideration  
5 of this Order, the allegations of which may be deemed to be true. RSA  
6 399-G:18,I and RSA 399-G:19,II.

7 9. If any of the above named Respondents fails to request a hearing  
8 within 30 calendar days of receipt of such order or reach a formal  
9 written and executed settlement with the Department within that time  
10 frame, then such person shall likewise be deemed in default, and the  
11 orders shall, on the thirty-first day, become permanent, and shall  
12 remain in full force and effect until and unless later modified or  
13 vacated by the Commissioner, for good cause shown.

14 **STATEMENT OF ALLEGATIONS, APPLICABLE LAWS AND REQUEST FOR RELIEF**

15 10. The Complaint dated September 2, 2010 (a copy of which is attached  
16 hereto) is incorporated by reference hereto.

17 **ORDER**

18 11. **WHEREAS**, pursuant to RSA 399-G:20,IV, finding this action and all  
19 resulting findings and orders herein necessary and appropriate to and  
20 in the public interest and for the protection of consumers, and  
21 consistent with the intent and purpose of the New Hampshire banking  
22 laws; and

23 12. **WHEREAS**, finding that the allegations contained in the Complaint,  
24 if proved true and correct, form the legal basis of the relief  
25 requested;

1           13. **It is hereby ORDERED**, that:

- 2           a. Respondent AlertPay Inc (www.AlertPay.com) ("Respondent  
3           AlertPay"), Respondent Corporate Wealth Management Inc (CWM  
4           INC) (d/b/a www.alertservicesinc.com) ("Respondent CWM"),  
5           Respondent Firoz Patel ("Respondent Firoz Patel") and  
6           Respondent Ferhan Patel ("Respondent Ferhan Patel") and any  
7           and all officers, members, managers, employees, independent  
8           contractors, or agents, operating on behalf of Respondent  
9           AlertPay and its successors or assigns (collectively  
10           "AlertPay") are hereby ordered to cease and desist from  
11           violating New Hampshire laws, including RSA Chapter 399-G, or  
12           any rule or order under RSA Chapter 399-G;
- 13           b. The above named Respondents shall immediately cease taking  
14           applications or transmitting money from New Hampshire  
15           consumers until such time as Respondent AlertPay is properly  
16           licensed under RSA Chapter 399-G;
- 17           c. The above named Respondents shall immediately cease running  
18           any and all advertisements (including print, television,  
19           radio and any website) that do not specifically and  
20           conspicuously exclude New Hampshire consumers;
- 21           d. Pursuant to RSA 399-G:5, RSA 399-G:13 and RSA 383:10-d, the  
22           above named Respondents shall immediately provide a current  
23           and complete list of all money transmissions conducted on  
24           behalf of New Hampshire consumers;
- 25           e. The above named Respondents shall show cause why

1 administrative fines of \$2,500.00 per violation should not be  
2 imposed against them;

3 f. The above named Respondents shall show cause why, in addition  
4 to any penalties list in Paragraph 5, Respondents shall not  
5 have to pay back-license fees totaling \$2,500.00;

6 g. Nothing in this Order shall prevent the Department from  
7 taking any further administrative action under New Hampshire  
8 law;

9  
10 SIGNED,

11  
12 Dated: September 2, 2010

/s/ Robert A. Fleury for

PETER C. HILDRETH  
BANK COMMISSIONER

1 State of New Hampshire Banking Department

2 In re the Matter of: )Case No.: 07-303  
3 State of New Hampshire Banking )  
4 Department, )Complaint  
5 Petitioner, )September 2, 2010  
6 and )  
7 AlertPay Inc (www.AlertPay.com), )  
8 Corporate Wealth Management Inc (CWM )  
9 INC) (d/b/a www.alertservicesinc.com), )  
10 Firoz Patel, and Ferhan Patel, )  
11 Respondents )

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12 I. STATEMENT OF FACTS AND VIOLATIONS

13 The Staff of the State of New Hampshire Banking Department ("Department")  
14 alleges the following facts:

- 15 1. AlertPay Inc (www.AlertPay.com) ("Respondent AlertPay") is a  
16 corporation duly incorporated in Delaware May 18, 2005 but may also  
17 have a principal location in Montreal, Quebec Canada, incorporated as  
18 early as October 2004.
- 19 2. As of August 18, 2006, the Department has required entities engaging  
20 in the business of money transmission to be licensed as a Money  
21 Transmitter. RSA 399-G:2,I and II and RSA 399-G:5,I. RSA 399-G:1,VIII  
22 defines a "money transmission" as "engaging in the business of selling  
23 or issuing payment instruments or stored value, or receiving money or  
24 monetary value for transmission to another location."
- 25 3. Respondent Alertpay has conducted unlicensed money transmission in the

1 State of New Hampshire in violation of RSA 399-G:3. See Paragraph 11.

2 4. Corporate Wealth Management Inc (CWM INC) (d/b/a  
3 www.alertservicesinc.com) ("Respondent CWM") is the parent company for  
4 Respondent AlertPay and has addresses in both Montreal, Quebec Canada  
5 and Champlain, New York.

6 5. Respondent CWM is registered with the New York Secretary of State but  
7 was duly incorporated in Delaware April 14, 2004.

8 6. Firoz Patel ("Respondent Firoz Patel") is the Chief Executive Officer  
9 and Co-Founder of Respondent AlertPay.

10 7. Ferhan Patel ("Respondent Ferhan Patel") is the Chief Information  
11 Officer and Co-Founder of Respondent AlertPay.

12 8. On November 7, 2007 the Department sent a general inquiry letter to  
13 Respondent Firoz Patel regarding Respondent AlertPay's possible  
14 licensure requirements with the Department.

15 9. On November 26, 2007, the Department's investigator received an email  
16 from Respondent Firoz Patel stating the above named Respondents are in  
17 the process of working on an application for licensure as a money  
18 transmitter.

19 10. In January 2008, the Department's investigator emailed Respondent  
20 Firoz Patel indicating the Department has not yet received the money  
21 transmitter license application. Respondents Firoz Patel and AlertPay  
22 offered explanations for failing to file the money transmitter license  
23 application.

24 11. On or about November 12, 2009 ("November 12 Letter"), the Department  
25 received correspondence from Respondent AlertPay. The correspondence

1 included a list of all money transmission transactions (1,562 total)  
2 conducted in New Hampshire from October 2005 through October 28, 2009.

3 12. The November 12 Letter further explained:

4 a. Respondent AlertPay never solicited consumers in New Hampshire;

5 b. Respondent AlertPay was established as a payment solution  
6 targeting Canadian businesses and their consumers;

7 c. Respondent AlertPay never advertised services in New Hampshire;  
8 and

9 d. Respondent Alertpay updated its business operations model and a  
10 third-party partner bank now handles the monetary instruments.

11 13. As of April 13, 2010, AlertPay's website showed wire transfer fees for  
12 personal and business accounts. As of August 31, 2010, AlertPay's  
13 website displays pictures and descriptions of money transmission for  
14 consumers. Accordingly, the above named Respondents still operate as  
15 unlicensed money transmitters.

16 **II. RELIEF REQUESTED**

17 1. Find as fact the allegations contained in section I of this Complaint;

18 2. Make conclusions of law relative to the allegations contained in  
19 Section II of this Complaint;

20 3. Order the above named Respondents to cease and desist from violating  
21 New Hampshire laws, including RSA Chapter 399-G, or any rule or order  
22 under RSA Chapter 399-G;

23 4. Order the above named Respondents to immediately cease taking  
24 applications or transmitting money from New Hampshire consumers until  
25 such time as Respondent AlertPay is properly licensed under RSA



1 Chapter 399-G;

2 5. Order the above named Respondents to immediately cease running any and  
3 all advertisements (including print, television, radio and any  
4 website) that do not specifically and conspicuously exclude New  
5 Hampshire consumers;

6 6. Pursuant to RSA 399-G:5, RSA 399-G:13 and RSA 383:10-d, the above  
7 named Respondents shall immediately provide a current and complete  
8 list of all money transmissions conducted on behalf of New Hampshire  
9 consumers;

10 7. Assess administrative fines in an amount not to exceed \$2,500.00 per  
11 violation as follows:

12 a. Respondent AlertPay:

13 Violation #1: Unlicensed money transmission activity

14 b. Respondent CWM:

15 Violation #1: Unlicensed money transmission activity

16 c. Respondent Firoz Patel:

17 Violation #1: Unlicensed money transmission activity

18 d. Respondent Ferhan Patel:

19 Violation #1: Unlicensed money transmission activity

20 8. Order the above named Respondents to show cause why they should not  
21 have to pay back license fees totaling \$2,500.00 (which represents  
22 \$500.00 per year for years 2006 through 2010);

23 9. Take such other administrative and legal actions as necessary for  
24 enforcement of the New Hampshire Banking Laws, the protection of New  
25 Hampshire citizens, and to provide other equitable relief.

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**III. RIGHT TO AMEND**

The Department reserves the right to amend this Complaint and to request that the Commissioner take additional administrative action. Nothing herein shall preclude the Department from bringing additional enforcement action under RSA Chapter 399-G or the regulations thereunder.

        /s/    
Maryam Torben Desfosses  
Hearings Examiner

        September 2, 2010    
Date