



COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2014-AH-0048

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

V.

OFFICIAL PAYMENTS CORPORATION

RESPONDENT

AGREED ORDER

1. The Department of Financial Institutions (“DFI”) is responsible for regulating and licensing entities engaged in the business of money transmission in accordance with the provisions set forth in KRS Chapter 286.11 and applicable regulations.

2. Official Payments Corporation (“Respondent”) is a licensed money transmitter authorized to do business in Kentucky, with a principal office at 177 Technology Parkway, Auburn, Alabama 36831-3140.

3. On or about October 11, 2013, Respondent sent a letter to DFI informing DFI of a proposed change of ownership of Respondent and inquiring about a change of control application. On October 30, 2013 DFI responded listing documents that would need to be received in order to process the change of control. On October 31, 2013, Respondent replied that the documentation would be provided. At that point, DFI was no longer able to contact Respondent’s representative.

4. On January 9, 2014, DFI received a completed change of control application from Respondent reflecting that the change of control occurred on or about November 5, 2013 and a September 23, 2013 press release announced the proposed change.

5. This change of control constitutes a violation of KRS 286.11-025, which requires the licensee to do the following:

- a. A licensee shall give the commissioner written notice of a proposed change of control within fifteen (15) days after learning of the proposed change of control and at least thirty (30) days prior to the proposed change of control.
- b. A licensee shall file a written request for approval of the acquisition with the commissioner. A licensee shall also submit, with the notice, a nonrefundable fee of one hundred dollars (\$100).

6. The Respondent did not satisfy either of these requirements prior to the change in control, thereby violating the statute.

7. DFI possesses a range of administrative authority in addressing violations of the Act, including license revocation or denial, the imposition of fines in an amount up to \$5,000 per violation per day and settlement. *See* KRS 286.11.

8. The DFI and Respondent, in the interest of economically and efficiently resolving this matter, agree as follows:

- a. Respondent agrees to a fine assessment in the amount of ten thousand dollars (\$10,000.00) for the violation(s) described herein;

- b. Respondent agrees to and shall pay the total fine assessed herein of ten thousand dollars (\$10,000.00), which shall be due when Respondent signs and returns the Agreed Order. The payment shall be in the form of a check or money order made payable to "Kentucky State Treasurer" and mailed to the Department of Financial Institutions, Attn: Katherine W. Ross, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601;

c. Respondent shall devote the time and resources necessary to ensure continual and full compliance with all statutory requirements set forth in KRS Chapter 286.11.

d. Respondent shall be released from any further claims related to the unauthorized change of control.

9. Respondent waives its right to demand a hearing at which it would be entitled to legal representation, to confront and cross examine witnesses, and to present evidence on its own behalf, or to otherwise appeal or set aside this Agreed Order.

10. Respondent consents to and acknowledges the jurisdiction of DFI over this matter and that this Agreed Order is a matter of public record and may be disseminated as such.

11. In consideration of execution of this Agreed Order, Respondent for itself, and for its successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, DFI, Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and unknown, in law or equity, that Respondent ever had, now has, may have or claim to have against any or all of the persons or entities named in this paragraph arising out of or by reason of this investigation, this disciplinary action, this settlement or its administration.

12. By signing below, the parties acknowledge they have read the foregoing Agreed Order, know and fully understand its contents, and that they are authorized to enter into and execute this Agreed Order and legally bind their respective parties.

13. This Agreed Order shall constitute the Final Order in this matter.

Certificate of Service

I hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 1 day of April, 2014, by certified mail, return receipt requested, to the following:

Laquanda Augustus
Official Payments Corporation
177 Technology Parkway
Auburn, Alabama 36831-3140
AML Compliance Specialist

Katherine W. Ross
Kentucky Department of Financial Institutions
1025 Capital Center Drive, Suite 200
Frankfort, KY 40601
Counsel for the Department



Christina Hayden
Department of Financial Institutions