

**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING**

COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF BANKING, BUREAU OF COMPLIANCE, INVESTIGATION AND LICENSING	:	
	:	
v.	:	
	:	
HARRISBURG CHECK CASHING, INC.	:	
	:	

Docket No.: 08 0079 (ENF-C&D)

CEASE AND DESIST ORDER

WHEREAS, the Department is the Pennsylvania state governmental administrative agency authorized and empowered to administer and enforce the acts known as the Money Transmitter Act (“MTA”), 7 P.S. §6102 *et. seq.*, and the Check Cashier Licensing Act (“CCLA”), 63 P.S. §2301 *et. seq.*,

WHEREAS, the Department’s Bureau of Compliance, Investigation and Licensing (“Bureau”) is the Bureau within the Department with the primary responsibility of administering and enforcing the MTA and the CCLA, and

WHEREAS, Harrisburg Check Cashing, Inc. (“Harrisburg Check Cashing”) is licensed as a Check Cashier, license no. 19071, and located at 1300 N. 3rd St. #102, Harrisburg, PA 17102-1968 (“Licensed Location”), and

WHEREAS, on March 24, 2008, an Examiner from the Department initiated an examination of Harrisburg Check Cashing at the Licensed Location, and

WHEREAS, the examination revealed that Harrisburg Check Cashing was taking money from consumers and, in exchange for the money, issuing money orders to the consumers, and

WHEREAS, when the consumers gave Harrisburg Check Cashing their money, they relied upon the promise of Harrisburg Check Cashing that the money orders that they received would be secure and would clear with the bank when deposited by a third party payee, and

WHEREAS, the Examiner informed Richard Taesuch Choi, the manager of Harrisburg Check Cashing, that by taking consumers' money and issuing money orders, Harrisburg Check Cashing was engaging in the money transmittal business without a license, and

WHEREAS, Mr. Choi represented to the Examiner that he sought to secure future checking cashing business by offering the money order service for free, and

WHEREAS, on April 28, 2008, the Department received a complaint from a consumer claiming that a money order issued by Harrisburg Check Cashing on April 3, 2008 was returned for insufficient funds, and

WHEREAS, on the same day, the Department received a complaint from a bank that Harrisburg Check Cashing is issuing checks that are being passed off as money orders, and

WHEREAS, the bank notified the Department that Harrisburg Check Cashing does not have sufficient funds in its bank account to cover the outstanding checks/money orders, and

WHEREAS, the CCLA provides, in relevant part, that "No check licensee shall engage in the business of transmitting money or receiving money for transmission, unless licensed under the act of September 2, 1965 (P.L. 490, No. 249), referred to as the Money Transmission Business Licensing Law [popularly known as the Money Transmitter Act]," 63 P.S. § 2325(a), and

WHEREAS, the MTA provides that "No person shall engage in the business of transmitting money by means of a transmittal instrument for a fee or other consideration without first having obtained a license from the Department of Banking nor shall any person engage in

such business as an agent except as an agent of a person licensed or exempted under this act,” 7 P.S. § 6102, and

WHEREAS, a transmittal instrument includes, “*any check, draft, money order, personal money order or method for the payment of money or transmittal of credit . . .*” 7 P.S. §6101 (emphasis added), and

WHEREAS, Harrisburg Check Cashing is not currently licensed with the Department to engage in the business of transmitting money, and

WHEREAS, Harrisburg Check Cashing is not currently registered as an agent of a person licensed or otherwise exempted under the MTA, and

WHEREAS, by taking money from consumers and promising that its money orders would be secure and would clear with the bank when deposited, Harrisburg Check Cashing engaged in the business of transmitting money, and

WHEREAS, the consumers who obtained such money orders relied, to their detriment, upon Harrisburg Check Cashing’s promise that the money orders would be valid and that the money would be remitted to the third party payees when deposited with the bank, and

WHEREAS, as a result of their reliance upon Harrisburg Check Cashing’s promise, the consumers whose money orders do not clear with the bank have not only lost the money given to Harrisburg Check Cashing but will incur charges for insufficient funds and other such expenses, and

WHEREAS, Harrisburg Check Cashing is in violation of Section 505(a) of the CCLA by engaging in the business of transmitting money without being licensed to do so, and

WHEREAS, Harrisburg Check Cashing is in violation of Section 2 of the MTA by engaging in the business of transmitting money by means of a transmittal instrument for other consideration without a license to do so, and

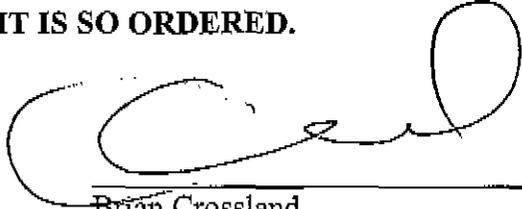
WHEREAS, the Department has the authority to issue orders as necessary for the administration and enforcement of the CCLA, 63 P.S. §2304(1), and

AND NOW THEREFORE, because Harrisburg Check Cashing was engaging in the business of money transmission when it was not licensed to do so, the Bureau hereby imposes the following Order (“Order”). Upon the effective date of this Order:

1. Harrisburg Check Cashing shall immediately cease and desist from engaging in the business of transmitting money until the entity becomes properly licensed to engage in such activity pursuant to the Money Transmitter Act. However, Harrisburg Check Cashing shall ensure that all currently outstanding money transmittal instruments will be honored.
2. Harrisburg Check Cashing shall immediately refund the amount of money given to it by the consumers and any fees that were incurred by consumers as a result of transmittal instruments being returned for insufficient funds, including, but not limited to, overdraft fees any other such fees.
3. Within fifteen (15) days of the effective date of this order, Harrisburg Check Cashing shall provide the Department with a listing of all money orders, or any other transmittal instruments as defined under the Money Transmitter Act, that were issued since January 1, 2008. The listing shall include the following: (1) consumer name and address; (2) date of issuance; (3) face value of the instrument; (4) payee name; and (5) the bank account name and number from which the instrument was drawn.

4. Nothing in this Order shall prevent the Bureau from taking any further administrative action as deemed necessary.

IT IS SO ORDERED.



Brian Crossland
Chief of Compliance
Department of Banking,
Bureau of Compliance, Investigation and Licensing

4/30/08

Date